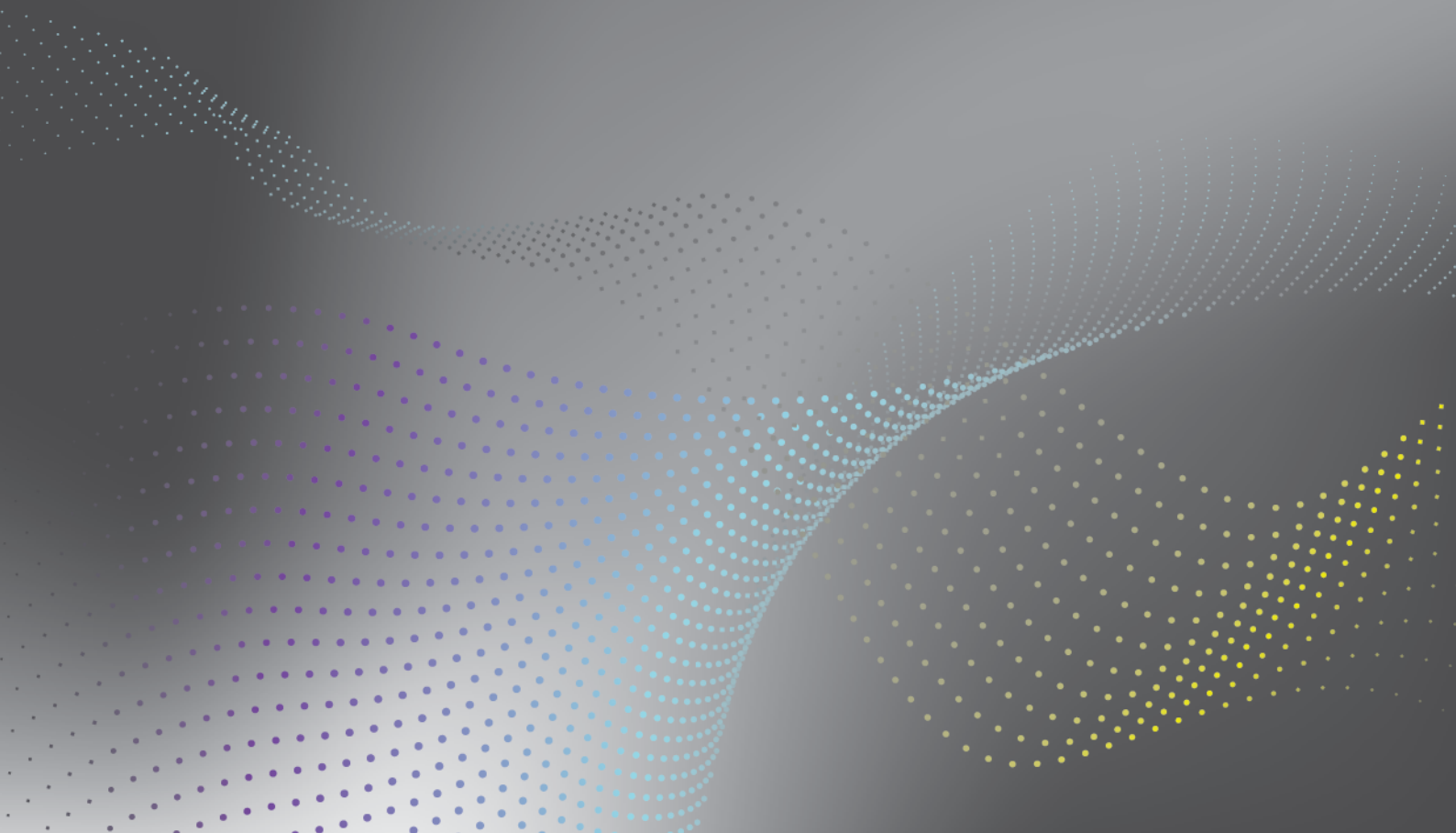


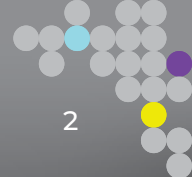


 CLEANR  
GRUPA

# CONSOLIDATED SUSTAINABILITY STATEMENT

for 2025





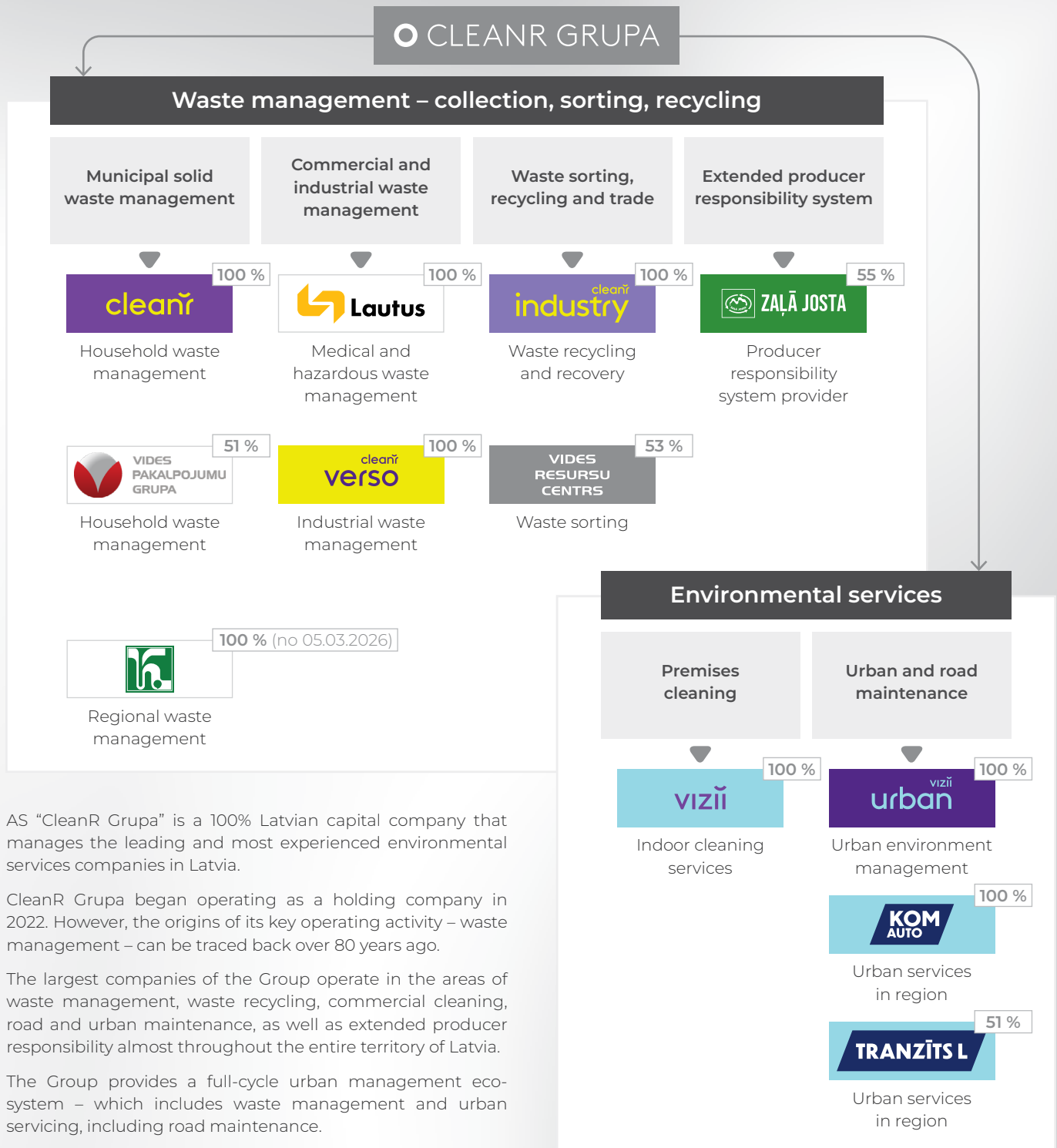
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## ABOUT CLEANR GRUPA



AS “CleanR Grupa” is a 100% Latvian capital company that manages the leading and most experienced environmental services companies in Latvia.

CleanR Grupa began operating as a holding company in 2022. However, the origins of its key operating activity – waste management – can be traced back over 80 years ago.

The largest companies of the Group operate in the areas of waste management, waste recycling, commercial cleaning, road and urban maintenance, as well as extended producer responsibility almost throughout the entire territory of Latvia.

The Group provides a full-cycle urban management ecosystem – which includes waste management and urban servicing, including road maintenance.

● **100 %**  
Latvian capital company

● **> 1 800**  
employees in  
**> 170**  
jobs

● **> 40**  
different services

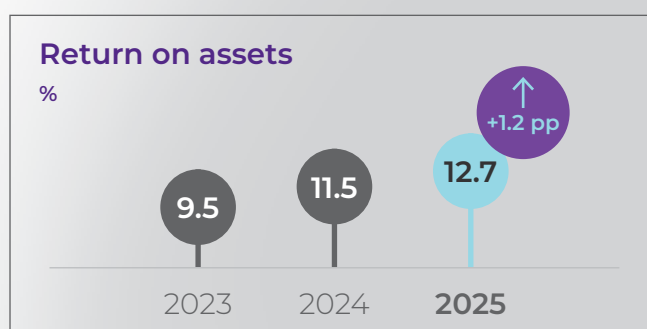
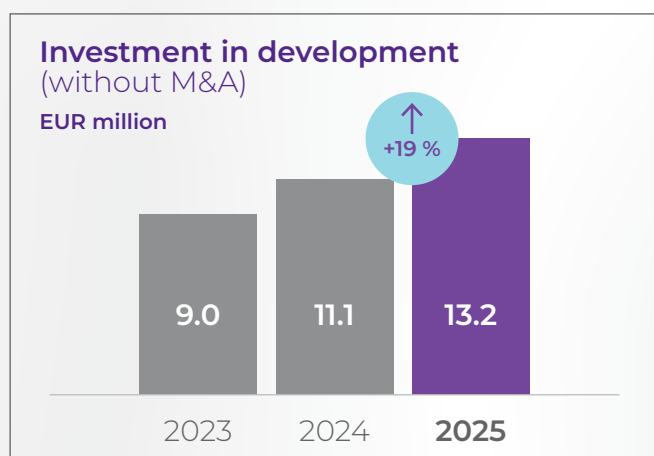
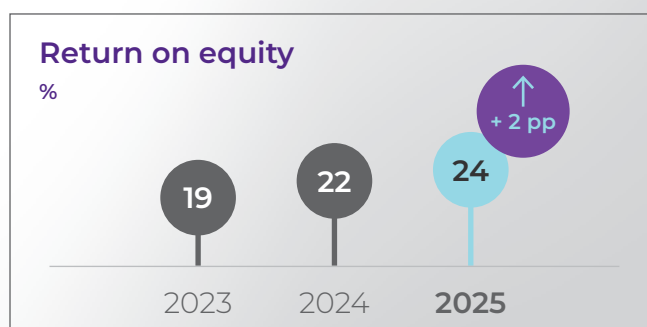
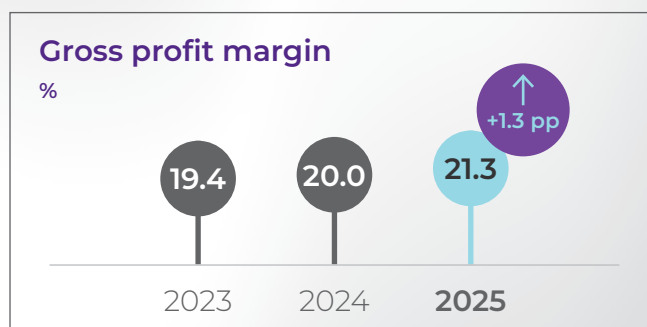
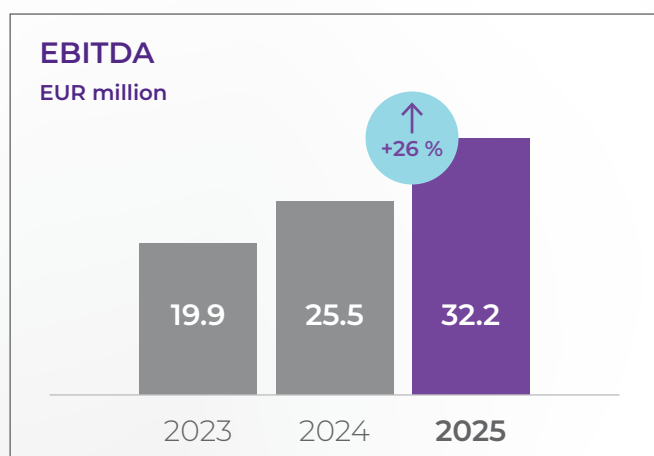
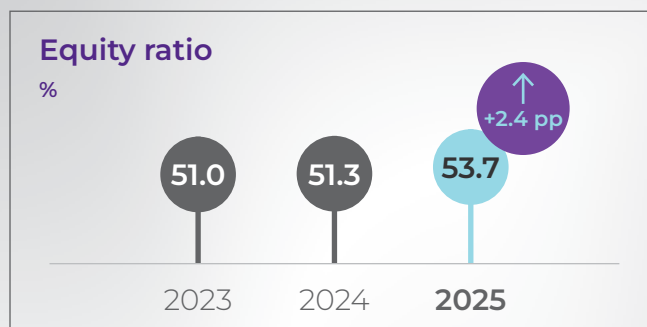
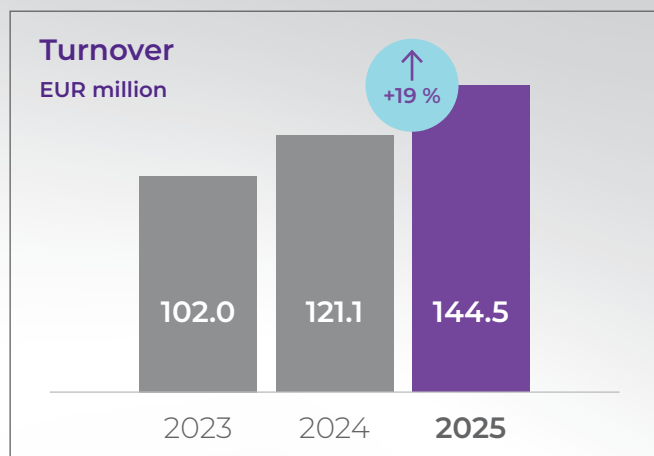
● **> 730 000 t**  
of various types of  
waste managed

● **> 62 000**  
customers

● **> 500 000**  
serviced people in  
Latvia

● **> 49 %**  
of capital investments  
meet the criteria for  
sustainable economic  
activities

## FINANCIAL RESULTS



## KEY EVENTS AND ACHIEVEMENTS IN 2025

CLEANR  
GRUPA

“Nasdaq Baltic Awards 2025” for **best investor relations** and the bell ceremony in Times Square, New York



Refinancing of AS “CleanR Grupa” **bonds in the amount of 15 million euros**

Ranked **in the top ten** of Top101.lv's list of most valuable companies **in the corporate governance category as the only local capital, privately owned company**



**Excellence Award** for transparency in sustainability reporting from the international “**ESG Transparency Awards 2025**”



**The Employee Council** established for which the “**Project of the Year 2025**” **award** received from the Latvian Association for People Management



“**Family-Friendly Workplace**” status renewed

**Silver award** in the Society Integration Foundation's “**Employer open to diversity**” assessment

cleanr  
industry

**5 800 t of plastic pellets** produced, which is 54% more than in 2024

**23 000 t of refuse-derived fuel** produced, which is 74% more than in 2024

cleanr  
verso

Expanded vehicle fleet – **12 vehicles** for construction waste management

**Automated route planning system** implemented

## ZAĻĀ JOSTA

**New services** – management of plastic-containing products and energy storage batteries

A modern **data recording system “PAKA+”** and a **customer reporting portal** implemented

## VIZĪ

A digital training system for cleaning staff – **E-Skola** implemented

Expanded robotized cleaning – more than **120 robots**

## cleanr

**Tenders won** – to provide household waste management services in **Liepāja, Jūrmala, Ogre, and Ķekava**

**The most modern automated sorted waste collection site in Latvia** opened at 5b Vietalvas Street in Riga

**Latvia's first 800 m<sup>2</sup> bio-waste composting site** opened in Ikšķile

**8 new EURO VI-class waste collection and 2 container washing trucks** purchased

During the reporting year, **33 underground container sites** constructed, with **135 containers**, reaching a total of 100 sites with 395 underground containers

**Acquisition of 41.25% of the shares** in the waste management company **SIA “Ķilupe”**



A new **900 m<sup>2</sup> sorted waste collection site** opened in Liepāja

## Lautus

**> 100 new agreements** concluded to provide healthcare, industrial waste, and hazardous waste management

A new service introduced: **cleaning of internal sewerage networks**

vizi  
urban

**Acquisition of 51.02% shares** in the urban services company **SIA “Tranzīts L”**

**EUR > 5 million** – investment in the urban maintenance vehicle fleet

**Automated route planning system** implemented

The tender to provide **beach cleaning services** in Jūrmala won

KOM  
AUTO

Became **the largest private road dust removal company** in Latvia

## KEYNOTE FROM THE MANAGEMENT

In 2025, CleanR Grupa continued to pursue development and growth by improving its financial results and expanding its regional presence. The Group strengthened its position in the environmental management and urban maintenance sector by investing in infrastructure and technological upgrades and by carrying out environmental education initiatives. During the reporting period, the Group received the “Nasdaq Baltic Awards 2025” for best investor relations, as well as several awards recognizing the development of the work environment and the pursuit of the circular economy.

### Financial results

The consolidated revenue of the CleanR Grupa for year 2025 reached 144.5 million euros, 23.4 million euros, or 19%, more than in the previous year, thus maintaining stable growth dynamics.

The EBITDA increased by 6.7 million euros in the reporting period and reached 32.2 million euros, compared to 25.5 million euros a year earlier. EBITDA profitability increased to 23.0%, which is 1.9 percentage points more than in 2024, when the indicator reached 21.1%.

Gross profit increased to 30.8 million euros, showing an increase of 6.6 million euros compared to the previous year, while gross profit profitability reached 21.3%.

Total investments in the Group's business development (excluding acquisitions and mergers) reached 13.2 million euros, which is 19% more than in 2024.



### Waste management

By winning a tender organized by the Ogre municipality, Group's waste management company CleanR has been providing waste management services in the rural territories of Ikšķile and Tinuži since February 2025, and in the towns of Ķekava and Baldone since June. CleanR will provide waste management services in these territories for the next seven years.

To diversify and expand its environmental services regionally, CleanR acquired 41.25% of the shares of regional waste management company SIA “Ķīlupe” in the reporting period, and in January 2026, the Competition Council granted permission for the merger of SIA “Clean R” with SIA “Ķīlupe”. Subsequently, in March 2026, the company was acquired, making CleanR the sole owner of SIA “Ķīlupe”.

In March, CleanR continued its investment in waste-sorting infrastructure by opening the most modern sorted waste collection site in Latvia, which is also the first fully automated waste-sorting site in Rīga. In September, Latvia's first bio-waste composting site opened in Ikšķile, using a sustainable water system for composting. In turn, the company Vides pakalpojumu grupa opened a new sorted waste collection site in Liepāja during the reporting period.

By purposefully investing in modernizing waste management infrastructure, CleanR expanded its underground waste container network last year, currently operating 100 waste-sorting areas with 395 underground containers in the capital city Rīga and Jūrmala.

To continue pursuing the strategic goal of reducing land-filled waste, the Group company CleanR Industry, which specializes in waste recycling, has significantly increased its RDF (refuse-derived fuel) output. The company has begun expanding RDF production and preparing it for export, which will allow to reduce the volume of waste deposited in landfills by diverting it to waste regeneration. The volume of recycled plastic waste has also increased significantly.

During 2025, Group company Lautus continued its systematic development and implementation of initiatives that strengthen its position in medical and hazardous waste management and in the vacuum-pumping services segment. The company continued implementing the newly purchased vacuum-pumping machinery in daily processes, ensuring greater service availability. The operation of the new internal sewage network maintenance service was also strengthened. The company's professional capabilities are also confirmed by victories in public procurement competitions, further servicing the Emergency Medical Service, Riga 1st Hospital, and the Institute of Stomatology of Riga Stradiņš University.

CleanR Verso, an industrial, construction, and demolition waste management company, updated its vehicle fleet by purchasing several specialized vehicles to transport construction and demolition waste containers and to support the efficient operation of the construction waste sorting and recycling center.

The Group's producer responsibility system provider, Zaļā josta, expanded its service range in the first half of 2025, introducing a new system in Latvia for managing plastic-containing products and batteries intended for energy storage.

Several public education initiatives were also implemented during the reporting period. The youth environmental education campaign “Tīrai Latvijai” has expanded its cooperation with the popular school competition “ČēČē Čempionāts”. The annual CleanR and Zaļā josta mobile waste collection campaign, “Tirmāja”, collected 1.3 thousand tons of sorted waste across 18 trips in various municipalities across Latvia.

## KEYNOTE FROM THE MANAGEMENT (continued)



### Urban maintenance

In July 2025, acquisition of the regional road maintenance company SIA "Tranzīts L" was finalized when the Competition Council approved the agreement, allowing Vizii Urban to acquire a majority in Tranzīts L. During the reporting period, Vizii Urban invested more than five million euros in renewing its fleet and technical equipment – 25 new technical units, including 16 new trucks that meet EURO VI emission standards and four electric vacuum units for sidewalk maintenance were purchased. Vizii Urban's fleet has also been renewed with the purchase of more than 50 pieces of technical equipment.

At the same time, Vizii Urban won a contract of maintenance of the Jūrmala beach area and swimming area in Riga during the spring-autumn season. KOM-AUTO, Vizii Urban's regional subsidiary, continued strengthening its position by winning several procurements in the first half of the year for road maintenance in the spring-summer season, ensuring dust removal in Valmiera, Rēzekne, and Burtnieki municipalities, as well as in the territories of the Līgatne and Amata in Cēsis municipality, including gravel road works in the territory of the Līgatne. During the reporting period, KOM-AUTO expanded its operations in the regions by 65%, becoming the largest private road dust removal company in Latvia.

### Corporate governance

In May and November, CleanR Grupa increased its share capital by issuing new shares to participants of the company's employee stock option plan, thereby expanding the Group's shareholder base to include senior executives enrolled in the personnel option scheme established in 2024. At the end of the reporting period, CleanR Grupa refinanced its bonds for 15 million euros, which was significantly oversubscribed by 2.5 times. Demand for the bonds from institutional and private investors reached 37.8 million euros, significantly exceeding the target of the bond offering – 15 million euros. This bond issue is an important step in a new bond program of up to EUR 50 million, designed to support the Group's further development and growth.

At the same time, CleanR Grupa continued promoting environmental education and a circular lifestyle by setting up "ŠŪNA", an environmental education concept space, in Cēsis, Latvia's capital of culture. The space offered several practical and educational activities devoted to the environment, climate, and circularity.

Group actively engaged in national circular economy processes, organizing the Latvian Circular Economy Forum in November in cooperation with the Riga Energy Agency and gathering more than 350 circular economy enthusiasts. In December, with the support of CleanR Grupa, a new public space for residents and city guests called "Pietura" was opened in the Liepāja concert hall "Lielais Dzintars" – a place where creative ideas make sustainability an everyday experience and offer the public the opportunity to experience it in a very close, understandable way.

In 2025, CleanR Grupa's Chairman of the Council, Guntars Kokorevičs, was repeatedly elected to the Council of the Employer's Confederation of Latvia (LDDK), serving as a member and vice-president. Kokorevičs will continue to serve on the LDDK Council for the next three years, working to strengthen the Latvian business environment and defend employers' interests.

In the last quarter of 2025, the Group experienced a rich amount of awards: in December, CleanR Grupa received the status of the 'Family-Friendly Workplace', won silver status evaluation for the diversity enhancement in the company, and, for the first time, won an international assessment: the highest, excellence level, in sustainability reporting – "ESG Transparency Awards". At the end of the reporting period, the CleanR Grupa received the highest recognition from the Latvian Association for Personnel Management for establishing the employee representation institution – the Employee's Council. CleanR Grupa was included in the TOP101 list of the most valuable companies in Latvia, compiled by Nasdaq Riga and Prudentia, becoming the only private Latvian capital company among the TOP10 in corporate governance, alongside state- and municipal- owned companies.

### Management Board of CleanR Grupa



**Juris Gulbis**  
Chairman of the Board



**Inta Liepa**  
Board Member



**Guntars Levics**  
Board Member



**Agita Baltbārde**  
Board Member



# GENERAL INFORMATION



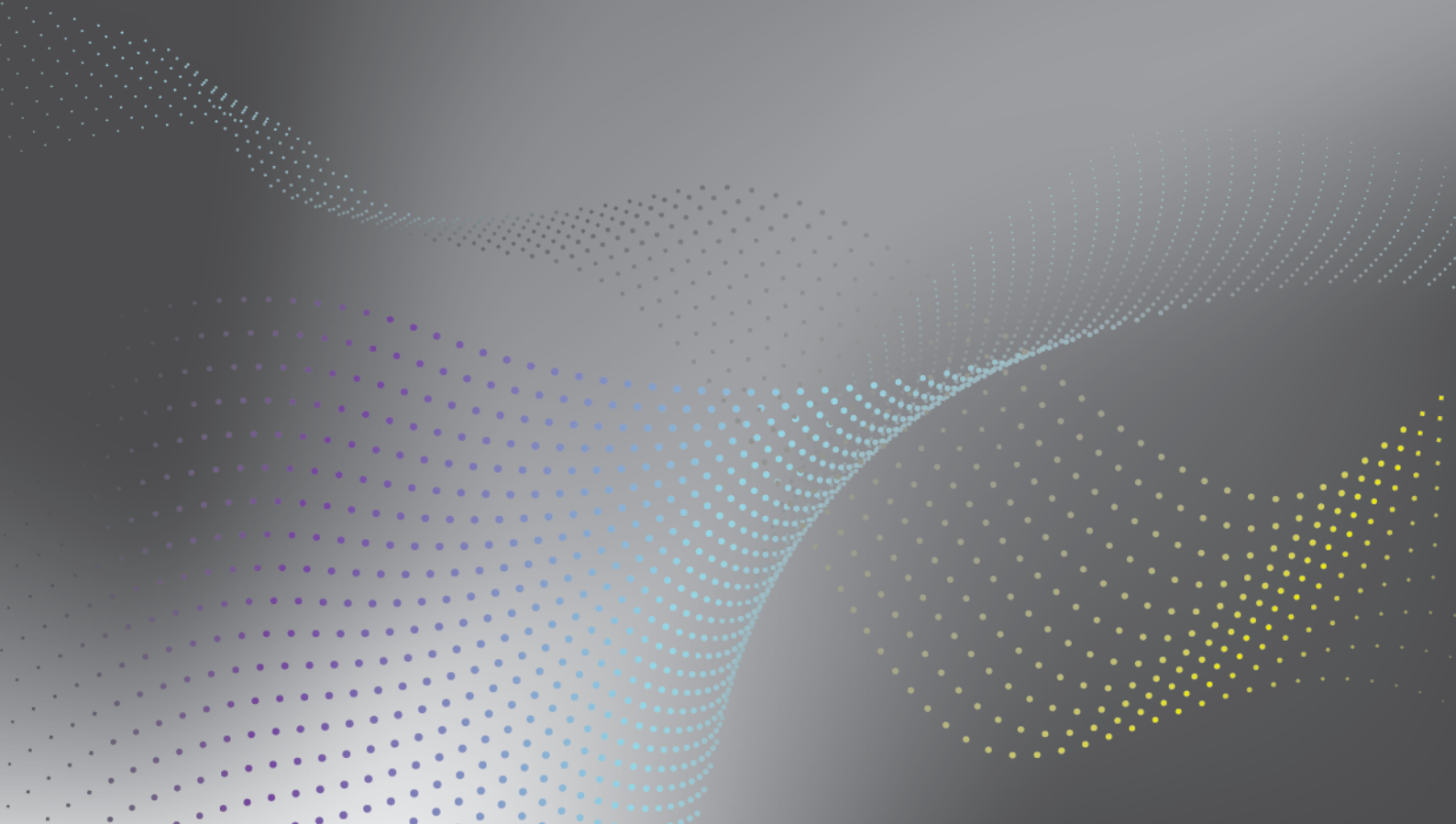
ENVIRONMENTAL INFORMATION



SOCIAL INFORMATION



GOVERNANCE INFORMATION



## General basis for preparation of sustainability statements (BP-1)

AS "CleanR Grupa" Consolidated Sustainability Statement for 2025 (hereinafter referred to as the "Sustainability Statement" or "Report") has been prepared in accordance with the requirements of the Law on Sustainability Disclosures of the Republic of Latvia, it includes an EU Taxonomy Statement and has been prepared by gradually implementing the requirements of the Delegated Regulation (EU) 2023/2772 as regards sustainability reporting standards (hereinafter – ESRS).

The reporting period is from January 1, 2025, to December 31, 2025.

The Statement has been prepared based on the information disclosed by AS "CleanR Grupa" holding (hereinafter CleanR Grupa, the Group, or Holding) companies and their business units, as well as data on their operations. The Statement uses reliable, verifiable, and substantiated data.

The scope of the Consolidated Sustainability Statement applies to the companies directly or indirectly owned by the Group, in which the AS "CleanR Grupa" has full operational control. All the companies included in the scope are listed in the Appendix. Where the data pertains to a particular company or companies, or to additional companies, this is indicated.

The Sustainability Statement includes impacts, risks, and opportunities that refer not only to the Group's activities but also to the upstream and downstream value chain of the Group or its companies. Where indicators include estimated value chain data derived from indirect sources and secondary data, this is indicated.

To ensure comparability with previous reporting periods, data for the previous year or the two preceding years is disclosed where possible. If information has not been compiled or is not available or is not applicable to the Group or its company, this is indicated in each relevant case with N/A – information is not available, has not been compiled, or is not relevant.

CleanR Grupa has not utilised the opportunity to refrain from disclosing any specific (sensitive) information relating to intellectual property, know-how, or innovation. Regarding the Group's future operations, information about anticipated changes or matters currently under negotiation is not provided. In the Board's view, the omitting of this information does not hinder understanding of the company's impact, results, or planned development.

To avoid repetition, an option to incorporate information by reference is used. Most frequently, references are made to the following sections and subsections: "The role of administrative, management and supervisory bodies", "Description of the processes to identify and assess material impacts, risks, and opportunities", "Interests and views of stakeholders".

Limited assurance has not been performed on the Sustainability Statement.

Email address for inquiries regarding the Consolidated Financial Statements, as well as suggestions and questions regarding the Sustainability Statement: [info@cleanrgrupa.lv](mailto:info@cleanrgrupa.lv).

## Disclosures in relation to specific circumstances (BP-2)

During the reporting year, the Group reassessed its material sustainability aspects by performing a new double materiality analysis (DMA) in line with the ESRS. The Group's priority sustainability topics are largely unchanged. Only minor wording changes were made to certain topics and subtopics, some new aspects were identified within the ESRS subtopics. Subtopics that did not meet the materiality threshold in the new analysis, such as payment practices, are no longer included. Accordingly, the structure of this Statement is based on the new DMA.

The Statement covers the status of the Group's sustainability targets for 2023–2025, while also providing an insight into the Group's strategic priorities and targets for 2026–2028. A detailed description of the DMA process and its results is available in the section "Description of the processes to identify and assess material impacts, risks, and opportunities".

The Sustainability Statement uses the ESRS time horizons: short term – 1-year, medium term – 1 to 5 years, long term – more than 5 years.

The information provided by the value chain was not used in this Statement. Secondary data was used for GHG emissions calculations in Scope 3 categories, as it was not possible to obtain reliable and accurate data from value chain participants with reasonable effort. Over the next three years, the Group will strive to improve the accuracy of the indicators and their calculations by engaging the relevant value chain participants. The calculations have not been third-party verified.

Compared to the previous year, the sustainability information provided for the reporting year includes data on the urban services company SIA "Tranzīts L", in which a 51.02% stake was acquired in July 2025. Data is included for the six months of the reporting year.

In 2025, the Group prepared a detailed methodology document for GHG emissions calculation and described the data collection process. Subsequently, the assumptions underlying GHG emissions calculations in Scope 3 were reviewed, revealing an inaccuracy in the previous year's calculations. To ensure data comparability, emission calculations for 2023 and 2024 were adjusted. In parallel, the assumptions for avoided emissions calculations were reviewed, leading to additions to the methodology. As a result, avoided emissions for the previous year were recalculated. Detailed information on these changes is reported in "Climate Change (E1-6)", subsection "Cross Scopes 1, 2, and 3 and total GHG emissions."

Pursuant to the ESRS phase-in provisions for disclosure requirements, CleanR Grupa uses the option to commence gradual reporting according to the ESRS Appendix C1 on the datapoints concerning the anticipated financial effects from impacts, risks and opportunities in the material sustainability areas (E1-9, E2-6, E5-6). As for the rest of the datapoints, the Group has collected and disclosed information to the extent possible and available on the end date of the reporting period.

## GOVERNANCE

### The role of the administrative, management and supervisory bodies (GOV-1)

CleanR Grupa seeks to implement and enforce a comprehensive corporate governance structure in line with best practice. The Group's management (executive) bodies are the boards and board members of the joint-stock company (hence – also in Latvian AS) and Group companies, as they exercise the highest decision-making mandate. The supervisory or non-executive body is the AS "CleanR Grupa" Supervisory Council.

In the reporting year, the CleanR Grupa management and supervisory bodies included a total of 22 individuals. The share of the members of the CleanR Grupa management and supervisory bodies constituted 1%.

AS "CleanR Grupa" Management Board maintains a gender balance – it includes two men and two women. Overall, in the reporting year the CleanR Grupa management and supervisory bodies included a total of three women and 18 men. The CleanR Grupa Supervisory Council had one independent council member.

To ensure employee representation and engagement in decision-making, in the reporting year, the CleanR Grupa employee representation institution, the Employee Council, was established (see section "Own Workforce").

CleanR Grupa's governance model is designed to separate strategic and operational management. The Group's corporate governance is ensured by the Shareholders, the Group's Council and Management Board, as well as the boards of the subsidiary companies. Each of them, according to the Latvian Commercial Law, the Articles of Association, and individual authorisation agreements, has its responsibilities and mandates.

| Composition and diversity of management and supervisory bodies |            |   | 2023   |      | 2024   |      | 2025   |      |
|--|------------|---|--------|------|--------|------|--------|------|
| Standard   | Data point | Description   | Number | %    | Number | %    | Number | %    |
| GOV-1  | 21 a       | <b>Number of executive members</b><br>(board members, incl. subsidiaries)   | 10     | 77 % | 20     | 87 % | 18     | 86 % |
| GOV-1  | 21 a       | <b>Number of non-executive members</b><br>(council members)   | 3      | 23 % | 3      | 13 % | 3      | 14 % |
| GOV-1  | 21 d       | <b>Percentage of members of administrative, management, and supervisory bodies by gender</b><br>(council and board members, incl. subsidiary companies) | 13     | 1 %  | 23     | 1 %  | 21     | 1 %  |
| GOV-1  | 21 d       | <b>Board gender diversity ratio</b><br>(including subsidiary companies; women/men)  | –      | 25 % | –      | 25 % | -      | 17 % |
| GOV-1  | 21 e       | <b>Percentage of independent council members</b>  | 1      | 33 % | 1      | 33 % | 1      | 33 % |

## The role of the administrative, management and supervisory bodies (GOV-1) (continued)

AS “CleanR Grupa” Management Board members’ areas of responsibility and reporting lines are reflected in the company’s organizational chart. The managers and directors of the key operational areas, who are directly subject to the AS “CleanR Grupa” Management Board, such as the head of human resources, finance, sustainability, process and risk management, procurement, etc., have oversight of the respective areas at the Group level. The policies determine the competent body or the job post in charge of implementation thereof.

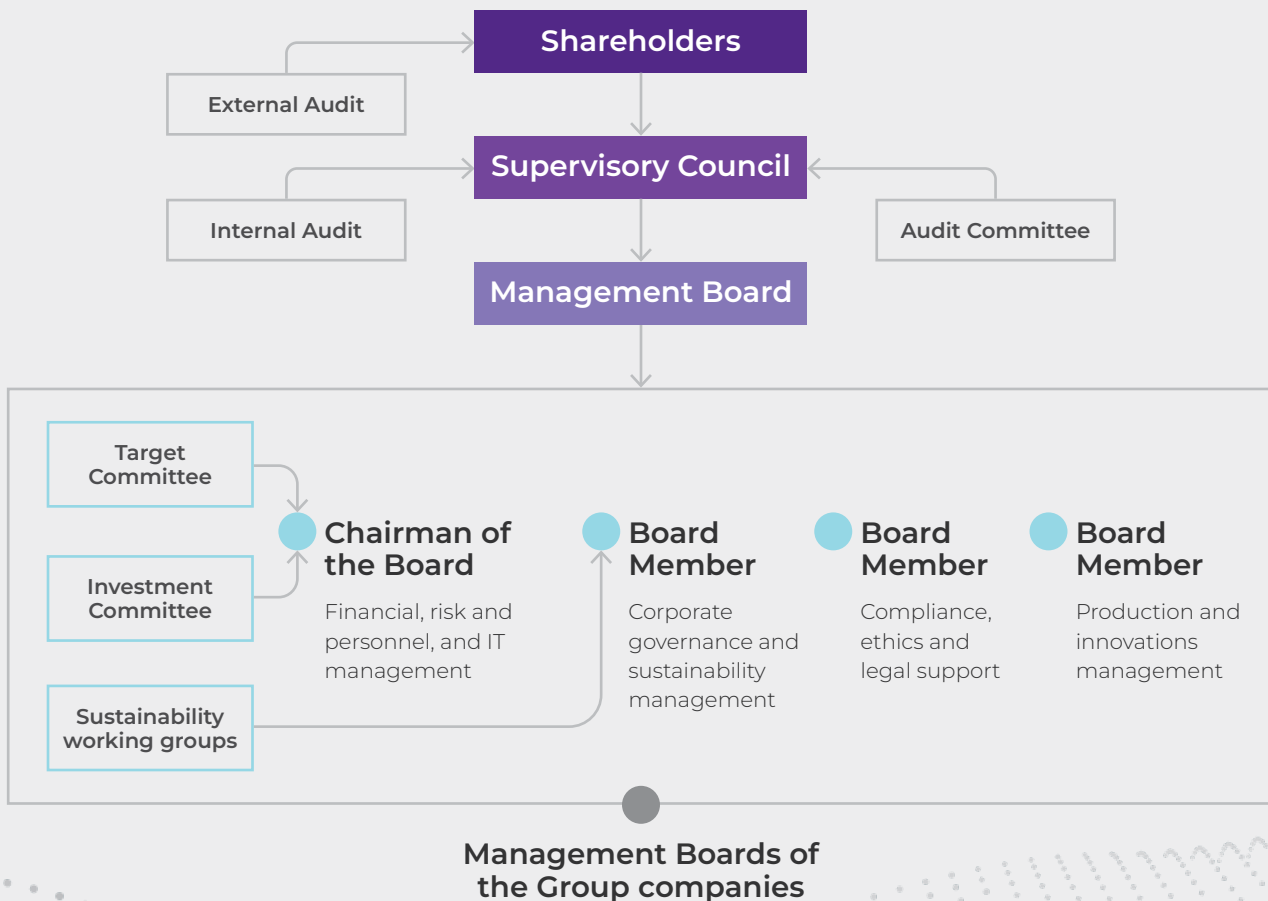
The Group has set targets for its material impact areas. The sustainability-related material area target implementation is overseen by the Group’s Sustainability Manager, while the achievement of the set targets is ensured by the heads of the respective areas. The other material business target-setting and monitoring thereof is ensured by the Group’s Target Committee. The targets and their implementation for the Group and its subsidiary companies are approved by the CleanR Grupa Supervisory Council.

The Group’s Board regularly informs the Council on the implementation of set targets, including sustainability-related KPIs, as well as the implementation of the policies, processes, and effectiveness of actions. Progress achieved toward the set targets in the reporting year is reflected in the thematic sections of the Statement and the Appendix.

The CleanR Grupa Management Board and the Supervisory Council have direct access to the sustainability-related special knowledge, as well as indirect access to it through the Group’s management team. The Group’s Board includes a member who is an expert in corporate relations and sustainability matters; thus, at the regular board as well as management team meetings, an expert’s opinion on the company operations from the sustainability perspective is ensured.

The management and supervisory bodies are provided with sustainability-related information every month in the form of progress reports. Once a year, the Group’s Management Board and then the Supervisory Council receive a progress report on the achievement of the Group’s sustainability targets. At the same time, no less than once a year, the Sustainability Manager raises sustainability-related topics at the administrative staff’s quarterly meetings (forum). If needed, the Board and the Council members may acquire knowledge and training in sustainability matters from internal and external experts.

Overall, the CleanR Grupa Management Board and Supervisory Council members possess long-standing experience in various industries and posts, including a wealth of experience in the environmental services sector; therefore, they are aware of the impacts, risks and opportunities arising from the company’s operations, its services and products.



## The composition and responsibilities of the management and supervisory bodies

### AS “CleanR Grupa” 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, six meetings were held.

#### The main responsibilities of the Shareholders’ Meeting:

- appoint and recall council members, as well as its committee members,
- determine the compensation for members of the council and its committees,
- approve to the Articles of Association, and the amendments thereof,
- decide on the changes in the company’s equity capital,
- decide on reorganization,
- appoint the external auditor,
- approve the Group’s annual report and decide on the use of profit.

### AS “CleanR Grupa” Shareholders



**SIA “TAK Capital”**  
The sole beneficiary is  
Guntars Kokorevičs

**10.09 % Harijs Krongorns**

**4.12 % Management and employees**

### AS “CleanR Grupa” Supervisory Council

The Council consists of three council members, one of whom is an independent member. According to the Commercial Law and the Shareholders’ decision, members of the Supervisory Council 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. If needed, extraordinary council meetings are convened. The Council makes decisions by unanimous vote of all its members. During the reporting year, 24 council meetings were held, attended by all members.

#### The responsibilities of the Supervisory Council:

- approve the Group’s operational and sustainability strategy and monitor its implementation,
- review and approve the operating budget and supervise its execution,
- supervise the board,
- supervise internal audit and risk management,
- appoint and recall board members, determine their remuneration,
- approve the general operational principles (policies),
- review matters for which, according to the Articles of Association, the Board requires prior approval from the Council,
- make 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

Term of office 25.06.2029.

- Founder of AS “CleanR Grupa”, with over 20 years of experience in the environmental services industry,
- Extensive experience in mergers and acquisitions,
- Former partner and regional representative of the global environmental services company “Veolia”,
- Former CEO of the Riga Stock Exchange,
- Graduated from RISEBA University of Business and Technology with a degree in international business management,
- Master of Business Administration (University of Latvia).



**Harijs  
Krongorns**

Deputy Chairman of  
the Supervisory Council

Term of office 25.06.2029.

- Recorded history in consulting major M&A transactions in the environmental services industry, where he has been active for more than 20 years,
- Served on councils of major Latvian companies including “Valmieras piens”, “Latvijas Balzams”, and “Laima”,
- Holds a degree in automation engineering from Riga Technical University,
- Furthered expertise in economics, finance, and auditing through programs at University of Latvia, Corporate Finance Institute, and “PwC”,
- A member of ACCA since 2001.



**Māris  
Mančinskis**

Independent  
Member of the  
Supervisory Council

Term of office 02.10.2027.

- Former long-time Chairman of the Management Board at “Swedbank Latvia”,
- Co-founder of investment management company “Vairo”,
- Currently Deputy Chairman of the Supervisory Council at AS “Agrolats Holding”,
- Studied finance management at the University of Latvia, Hofstra University (USA), and London Business School (United Kingdom).

## The composition and responsibilities of the management and supervisory bodies (continued)

### Audit Committee

The Audit Committee was established on November 28, 2025, by a resolution of the Shareholders' Meeting of AS "CleanR Grupa". The Committee consists of three members, one of whom is a member of the Supervisory Council. The Committee was elected for a term of three years.

#### The responsibilities of the Audit Committee:

- supervise the preparation of the annual and consolidated financial statements, including the consolidated sustainability report,
- supervise the effectiveness of the Group's internal quality control, risk management and internal audit systems in relation to the annual reports,
- oversee the selection process for certified auditor candidates,
- supervise the audit of the annual report and the consolidated annual report,
- inform the Council of the conclusions reached by the certified auditor during the audit of the annual report and provide an opinion thereon,
- at least annually, submit a written report to the Group Supervisory Council on its activities and the fulfilment of the tasks assigned to the Committee.

### Audit Committee members



**Ingūna  
Ābele**

Committee Member

- Since 2009, has been serving as Head of the Tax Practice and Certified Tax Adviser at the law firm "WALLESS",
- Previously served as Head of Tax Consultations at the law firm "Loze, Grunte & Cers" and as Certified Tax Adviser at SIA "Ernst & Young Baltic",
- Bachelor of Law (University of Latvia) and Master of Economics (University of Latvia).



**Natālija  
Cudečka-Puriņa**

Committee Member

- Professor at BA School of Business and Finance of the University of Latvia,
- Also serves as an international consultant on industrial symbiosis for the United Nations Development Programme,
- Previously, worked in climate change and sustainability consulting at the international consulting firm "Ernst & Young Baltic" and served as Head of the Environmental Quality and Waste Management Department at the Ministry of Environmental Protection and Regional Development,
- Master of Business Administration (University of Salford, United Kingdom) and Doctor of Business Administration (BA School of Business and Finance).



**Harijs  
Krongorns**

Committee Member

For information on experience and education, see the previous page.

## The composition and responsibilities of the management and supervisory bodies (continued)

### AS “CleanR Grupa” Management Board

The Management Board consists of four elected board members. 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 main responsibilities of the Board:

- jointly represent and manage the company and its assets,
- ensure that the company's operations comply with the relevant legislative acts, the Articles of Association, and the Council's and Shareholders' decisions.
- perform the shareholder functions at the Group's subsidiary companies,
- implement the Group's strategic direction, development plans, targets, and policies,
- ensure preparation and execution of the Group's annual budget.

### AS “CleanR Grupa” Management Board

#### Juris Gulbis

Chairman of the Management Board



- Joined AS “CleanR Grupa” in 2023,
- Experienced business leader with strong financial management expertise in the food processing and financial sector companies, both in Latvia and abroad,
- Former CEO of “Tet” and Head of “A.C.B. Grupa” subsidiaries “ACBR” and “8CBR”,
- Holds a degree in civil engineering and economics from Riga Technical University,
- Holds an ACCA certificate in financial management and has furthered his knowledge in business management at INSEAD and Stanford University.

#### Responsibilities and competences:

economic impact (financial results), corporate targets, risk and opportunity management, own workforce – engagement, employee well-being, development; process digitization, IT and cybersecurity, procurement management, oversight of lobbying activities.

#### Guntars Levics

Member of the Management Board



- Over 20 years in waste management; with CleanR Grupa since inception,
- Led major EU-funded projects, including the Baltics' largest waste sorting plant and first plastics recycling facility,
- Member of European Waste Management Association, serves on the Advisory Council on Climate, Environment, and Energy (the Ministry of Climate and Energy),
- Master of Environmental and Business Management (University of Latvia),
- Completed the Professional Board Member Programme at the Baltic Institute of Corporate Governance,
- Currently also serves as a board member of SIA “Clean R”, SIA “CleanR Industry”, SIA “Vides resursu centrs”, and SIA “Zaļā josta”.

#### Responsibilities and competences:

production management, implementation of circular economy solutions, innovation, environmental compliance, energy efficiency, and engagement in industry policy-making.

#### Agita Baltbārde

Member of the Management Board



- Since 2022, Chief Officer for Corporate Relations and Sustainability at AS “CleanR Grupa”,
- Former Head of Communications at “Sadales tīkls”, an advisor to the Minister of Economics of Latvia, as well as former Chief Officer for Communication and Investor Relations at “Eleving Group”,
- Bachelor of Communication (Vidzeme University) and Master of Innovation & Business Management (Riga Technical University & Buskerud University, Norway),
- Furthered knowledge in communication, circular economy, and sustainability in Cambridge and Yale, completed the Professional Board Member Programme at the Baltic Institute of Corporate Governance,
- Since 2025, is a European Climate Pact Ambassador in Latvia.

#### Responsibilities and competences:

corporate governance, communication and sustainability reporting, investor relations, stakeholder management, promotion of the circular economy, public environmental awareness, community support, representation of interests.

#### Inta Liepa

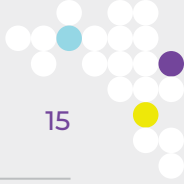
Member of the Management Board



- Head of Legal at AS “CleanR Grupa” since 2021,
- Former Head of Legal at the Ministry of Finance (Latvia), advisor at “Latvijas pasta”, and Supervisory Council member at “Pasažieru vilciens”,
- Bachelor of Law (Concordia International University, Estonia) and Master of Law (Riga Graduate School of Law),
- Furthered her knowledge of mergers and acquisitions at the London School of Economics and Political Science, and of financial analysis, negotiation, and dispute resolution through a programme at Harvard Law School.

#### Responsibilities and competences:

corporate governance, compliance and business ethics, investor relations, due diligence (M&A), responsible supply chain, data security, and privacy protection.



## CORPORATE GOVERNANCE STATEMENT

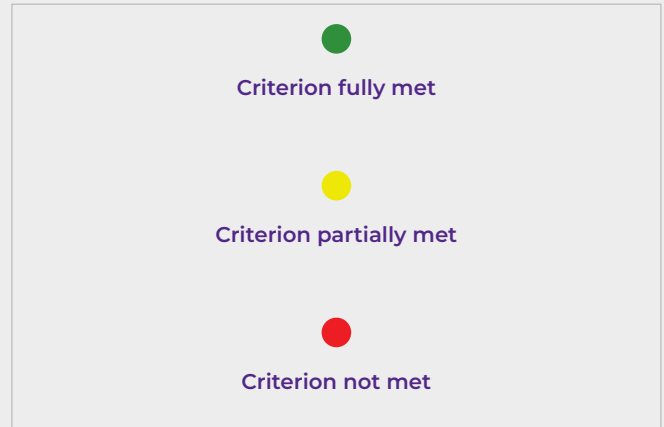
The joint-stock company "CleanR Grupa" is a private company with 100% Latvian capital. Its main activities according to the NACE classification (version 2.1) are 64.21 Activities of holding companies and 70.10 Activities of head offices.

AS "CleanR Grupa" (hereinafter – CleanR Grupa or the Group) manages Latvia's most experienced companies in the environmental services sector.

Since February 4, 2026, "CleanR Grupa" has become a public interest entity, and its bonds are listed on the stock exchange; accordingly, this statement has been prepared in accordance with Section 56.2 of the Financial Instruments Market Law, thoroughly assessing the Group's compliance with the fundamental good governance principles listed in the "Corporate Governance Code" (updated in December 2025, hereinafter – the Code) prepared by the Corporate Governance Advisory Board of the Ministry of Justice of the Republic of Latvia.

The Code stipulates that a company is considered to comply with its requirements even in cases where it does not adhere to certain principles, provided that any deviation from the specific principle has been appropriately disclosed and explained. Accordingly, this statement uses the recommended "traffic light" principle to indicate which criteria CleanR Grupa meets in full, which it meets partially, and which it does not meet at all, providing references to facts or circumstances during the reporting year that justify compliance or non-compliance with the principle. If a criterion is not applicable to the Group, it is marked as N/A.

The Corporate Governance Statement is a part of the annual, consolidated annual and sustainability report. The statement is published on the CleanR Grupa website [cleanrgrupa.lv/korporativa-parvaldiba](https://cleanrgrupa.lv/korporativa-parvaldiba) in Latvian and [cleanrgrupa.lv/en/corporate-governance](https://cleanrgrupa.lv/en/corporate-governance) in English.



## COMPANY STRATEGY

### Principle #1

The company has developed a current strategy that sets out its goals and focus on long-term value growth

| Criterion  | Evaluation/Description   |
|--|--|
| The company has a current strategy, the draft of which is developed by the management board.   | ● CleanR Grupa develops its business strategy every three years and updates it annually as needed.<br>At the end of 2025, a draft of the CleanR Grupa's development strategy for 2026–2028 was prepared. |
| The supervisory council participates in the strategy development process and approves the strategy at a supervisory council meeting. | ● CleanR Grupa's development strategy is currently undergoing approval.  |
| The supervisory council oversees the implementation of the strategy.   | ● The Management Board of AS "CleanR Grupa" reports to the Supervisory Council monthly on the Group's performance and the progress made toward meeting its financial and non-financial targets.          |
| The company's management board implements the strategy and regularly reports to the council on its implementation.                   | ●  |

## CORPORATE CULTURE AND ETHICAL CONDUCT

### Principle #2

The company develops a code of conduct for its internal culture and ethical behaviour, which serves as a standard of conduct for the company's management and employees

| Criterion   | Evaluation/Description   |
|---|--|
| The supervisory council defines the company's core values.  | ● The core values of CleanR Grupa are defined in the "Code of Ethics". The core values of the Group's corporate culture are also enshrined in several other internal documents: Group policies, processes, and Internal work regulations.<br>The key policies are available on the CleanR Grupa's website <a href="https://cleanrgrupa.lv/en/corporate-governance">cleanrgrupa.lv/en/corporate-governance</a> .  |
| The management board prepares and the supervisory council approves the code of internal culture and ethical conduct.  | ● The current "Code of Ethics" was approved by the Management Board and subsequently by the Supervisory Council in 2023.<br>During the reporting year, the Supervisory Council, followed by the Management Board and administrative staff, defined the Group's values (core behaviours). In 2025, the process of updating the "Code of Ethics" was initiated.  |
| The management board ensures compliance with the internal code of conduct and ethics in the company's day-to-day operations and acts if a violation of the code of conduct is identified. | ● Compliance with ethical standards within the Group is overseen by AS "CleanR Grupa" Management Board, which correspondingly acts if a violation of the "Code of Ethics" is identified and reported.<br>The Group has adopted a "Whistleblowing Policy" and developed a digital solution called the "Trust Line". Through this channel, any interested party can raise concerns regarding potential violations in the Group's operations, including violations of ethics.<br>Violations of the "Code of Ethics" can also be reported through other channels available to employees. Violations are recorded within the Group's risk management system in the Jira – ORM registry.<br>The Management Board assesses situations promptly, independently, and objectively, ensuring that the person mentioned in the report or a representative of the relevant function is not involved in the investigation. |



## INTERNAL CONTROL SYSTEM, RISK MANAGEMENT, AND INTERNAL AUDIT

### Principle #3

The company has an internal control system, the effectiveness of which is supervised by the council

| Criterion  | Evaluation/Description  |
|--|---|
| The company has a documented internal control system, for the establishment of which the management board is responsible.  | <p>● The internal control system is integrated into the risk management system, which is defined in the Group's "Risk Management Policy" and "Risk Management Process".</p> <p>The management boards of the Group and its companies conduct self-assessments of the internal control system. The companies' internal controls (policies, processes) are formally documented and maintained so that any responsible person can understand what, why, how, when, and in what manner controls are applied. An assessment of the internal control system is provided as a result of each audit.</p> |
| The internal auditor assesses the effectiveness of the internal control system, using a risk-based approach, and reports the results of the assessment to the board. | <p>● The Head of Internal Audit reports monthly to the Supervisory Council on audits conducted within the Group, audit findings, as well as tasks and deadlines for addressing relevant risks and deficiencies and improving processes.</p> <p>Internal audit provides an overall risk-based assessment of the Group's internal control system prior to the approval of next year's audit plan.</p>   |
| The council reviews the assessment of the effectiveness of the internal control system.  | <p>● Once a year, prior to approving the audit plan for the coming year, the Council evaluates the overall effectiveness of the internal audit and the Group's internal control systems.</p>  |

### Principle #4

The company identifies, assesses, and monitors the risks associated with its operations

| Criterion   | Evaluation/Description   |
|---|--|
| The management board develops and the supervisory council approves the company's risk management policy.  | <p>● The Management Board of AS "CleanR Grupa" has developed, and the Supervisory Council has approved the "Risk Management Policy". The "Risk Management Process" was revised in 2025 and approved by the Management Board (August 4, 2025).</p>  |
| The management board develops and the supervisory council approves the material risk appetite—the risks the company is willing to assume to achieve its operational objectives. | <p>● The aforementioned documents define the principles of risk management, risk categories, assessment procedures, and follow-up actions. In accordance with this procedure, the Supervisory Council approves the risk appetite for high and critical risks.</p>  |
| Based on the assessment of identified risks, the management board implements risk management measures.  | <p>● During risk assessment, measures are identified and implemented for high and critical risks. The implementation of these measures is monitored at the Group level. In addition, the occurrence of risks – i.e., risk incidents recorded in the Jira ORM system – is reported to the Group's Management Board once a week.</p> |
| At least once a year, the supervisory council reviews the management board's reports on risk management measures and the implementation of the risk management policy.          | <p>● The Group Management Board's report on risk management measures and the implementation of the risk management policy within the Group for 2025 was presented to the Supervisory Council in March 2026.</p>  |

### Principle #5

The company has established an internal audit unit that independently and objectively evaluates the company's operations

| Criterion   | Evaluation/Description   |
|---|--|
| The company has an internal auditor (a department or a specialist) who is functionally independent from the management board and reports to the supervisory council.  | <p>● The Group has established and maintains an independent internal audit unit that reports directly to the Supervisory Council of AS "CleanR Grupa"; its purpose is to provide independent, objective assurance and consulting services with the aim of improving the Group's operations and enhancing its value.</p>  |
| The supervisory council appoints and dismisses the internal auditor.  | <p>● The appointment of the Head of Internal Audit has been approved by the Supervisory Council. The two internal auditors in the Internal Audit Department were appointed by the Council member responsible for the audit area.</p>   |
| The internal auditor develops and implements a risk-based internal audit strategy and plan, which is approved by the supervisory council.   | <p>● Internal audits are based on the principles described in the "Internal Audit Policy" (updated December 16, 2025) and are conducted in accordance with the Annual Audit Plan approved by the Supervisory Council of AS "CleanR Grupa."</p>   |
| The internal auditor informs the management board and the supervisory council about the work of the internal audit, the implementation of the strategy and plan, the audit results, and recommended actions to address deficiencies, if any have been identified. | <p>● Internal audit reports, which include audit findings, recommendations, and corrective actions to mitigate identified risks, are regularly reported to the Group's Management Board and the Supervisory Council.</p> <p>During the reporting year, 10 planned and two unscheduled audits were conducted. The audits examined the internal controls of the Group's subsidiaries and production facilities.</p> <p>A total of 163 recommendations were provided to address deficiencies and improve internal controls.</p> |

## EXTERNAL AUDITOR

### Principle #6

#### The company has an independent external auditor

| Criterion   | Evaluation/Description  |
|---|---|
| The supervisory council and the audit committee, if one has been established, determine the criteria for selecting the external auditor.    | ● In 2025, the Supervisory Council established the criteria for selecting external auditors for the Group and its subsidiaries. Starting in 2026, the Supervisory Council will carry out this process in collaboration with the Audit Committee, which was established in November 2025.  |
| The company has an independent external auditor with appropriate qualifications and reputation.   | ● The auditor for the Group companies and the Group is selected before the end of the current financial year through a tender process – based on the most economically advantageous offer, considering both the price of the service and the qualifications of the personnel involved in the audit. The auditor for the Group is appointed by the Shareholders' Meeting.<br><br>When selecting an external auditor, the auditor's independence is ensured, and any potential conflict of interest or threat to the auditor's independence is prevented.<br><br>The audit firm SIA "KPMG Baltics", license No. 55, was appointed as the auditor of AS "CleanR Grupa" consolidated annual report for 2025 by a decision of the Shareholders' Meeting. |
| The term of office of a single external auditor does not exceed five years, thereby ensuring the rotation of the auditor's representatives. | ● The external auditor is appointed and approved annually, ensuring the necessary rotation of auditor representatives.  |

## ELECTION OF SUPERVISORY COUNCIL MEMBERS

### Principle #7

#### The company ensures transparent procedures for the election and removal of council members

| Criterion   | Evaluation/Description  |
|---|---|
| The company has established procedures for the selection and removal of council members.  | ● The principles for the election and removal of supervisory council members are set forth in the "Personnel Policy".   |
| The company provides timely and sufficient information to its shareholders regarding council members who are nominated for election or re-election. | ● The Supervisory Council members are elected by resolution of the Shareholders' Meeting; shareholders are informed in a timely manner of the draft resolution and its supporting documents.<br><br>Taking into account the ownership structure of the Group's parent company – AS "CleanR Grupa" – and shareholder representation on the Supervisory Council, the established selection procedure applies primarily to the selection, election, and revocation of independent council members to ensure the diversity in the council's composition – variety of expertise, and independent oversight in accordance with the principles of good corporate governance. |
| The size of the council is appropriate to the nature of the company's operations.   | ● The Articles of Association stipulate that the supervisory council consists of three members. Given the industry and the Group's structure, the management considers the size of the Supervisory Council to be appropriate.   |
| The supervisory council members are elected for a term not exceeding five years.  | ● Supervisory Council members are elected for a five-year term.   |

### Principle #8

#### The members of the supervisory council collectively possess the necessary experience and expertise

| Criterion  | Evaluation/Description   |
|--|--|
| The council possesses a range of skills, experience, and knowledge, including expertise in the relevant sector, enabling it to fully carry out its duties. | ● The members of the Supervisory Council have all the necessary skills and knowledge and expertise to effectively oversee the operations of the Group.<br><br>Information about the Council's composition and experience is available on the website <a href="https://cleanrupa.lv/en/about-us">cleanrupa.lv/en/about-us</a> .     |
| The composition of the council is determined in accordance with the principles of diversity.   | ● The composition of the Supervisory Council is determined to ensure a diverse range of experience, competencies, and knowledge necessary to fully and effectively oversee the operations of the Group. The company does not currently implement or apply any other diversity principles regarding the composition of the Council. |
| Both genders are represented on the council.   | ● During the reporting year, one gender was represented on the Supervisory Council.  |
| The management board develops an induction training program and provides introductory training to new council members.                                     | ● New members of the Supervisory Council are provided with training on the company's operations.<br><br>There were no changes in the composition of the Council during the reporting year.   |

## ELECTION OF SUPERVISORY COUNCIL MEMBERS (continued)

### Principle #9

#### The supervisory council has independent members

| Criterion  | Evaluation/Description   |
|--|--|
| The company assesses and the shareholders determine the proportion of independent council members.                   | ● In 2023, the Supervisory Council evaluated and the Shareholders' Meeting approved the appointment of one independent member to the Council.  |
| At least half of the council members are independent.  | ● One of the three Supervisory Council members is an independent member.   |
| Candidates for independent council members submit a confirmation of their compliance with the independence criteria. | ● Prior to being elected, the independent council member confirmed compliance with the independence criteria.  |
| Prior to council elections, the company assesses the independence of council members based on available information. | ● Prior to the election an independence assessment was conducted based on the available information.<br>There were no changes in the composition of the Supervisory Council during the reporting year. |

## PRINCIPLES FOR DETERMINING THE REMUNERATION OF THE SUPERVISORY COUNCIL AND MANAGEMENT BOARD

### Principle #10

#### The company has a remuneration policy implemented

| Criterion  | Evaluation/Description  |
|--|---|
| The company has introduced a remuneration policy, which has been developed by the management board, reviewed by the supervisory council and approved by the shareholder meeting.                               | ● The Group has developed and the Supervisory Council has approved the "Group Compensation and Remuneration Policy". Pursuant to Section 292, Clause 2 <sup>1</sup> of the Commercial Law, one of the supervisory council's tasks is to approve the Company's general operating principles and its development and financial objectives, as well as to oversee their implementation. In the company's view, which is also consistent with the company's current approach, it is essential that the key policies and operating principles be approved by the Supervisory Council.        |
| Once a year, the supervisory council determines the financial and non-financial goals to be achieved by the management board, their impact on the variable part of remuneration and controls their fulfilment. | ● The basic principles for the remuneration of members of the management boards of Group companies are set out in the "Remuneration and Compensation Policy".<br>Financial and non-financial targets are set annually for the Group as a whole and for each subsidiary individually; these are also incorporated into the individual targets of Management Board members in accordance with their areas of responsibility and influence the variable portion of their remuneration. The achievement of these targets is monitored by the Targets Committee and the Supervisory Council. |
| No variable part of remuneration is determined for supervisory council members, and no compensation is paid in case of dismissal or resignation from office.   | ● There is no variable component of remuneration for members of the Supervisory Council, nor are they entitled to any compensation in the event of removal or resignation.  |
| Once a year, the management board prepares a report on the remuneration granted to each current and former management board and supervisory council member.  | N/A This criterion does not apply. CleanR Grupa's shares are not listed on a stock exchange; therefore, this requirement regarding a report on the remuneration does not apply to the company.  |

## ORGANIZATION OF THE SUPERVISORY COUNCIL'S WORK AND DECISION-MAKING

### Principle #11

#### The company's supervisory council's work organisation is clear and understandable

| Criterion   | Evaluation/Description  |
|---|---|
| The supervisory council organises its work in accordance with regulations of the supervisory council and the work calendar.   | <p>● The Supervisory Council meetings are held in accordance with an approved schedule, at least once a month. The Council adopts decisions by unanimous vote of all members. Extraordinary Council meetings are convened as necessary. During the reporting year, 24 Supervisory Council meetings were held, all of which were attended by all Council members.</p> <p>A separate Supervisory Council regulations document has not been developed because, in addition to the provisions set forth in the Articles of Association and the Commercial Law, there are no aspects that would need to be addressed in regulations that would justify the usefulness of the document.</p> |
| The supervisory council holds at least one separate supervisory council meeting per year to discuss the company's strategy and its implementation.  | <p>● During the reporting year, three meetings of the Management Board and the Supervisory Council were held to review the implementation of the Group's strategy and to discuss the new medium-term strategy.</p>  |
| The company's budget provides the financing necessary to ensure the operation of the supervisory council.   | <p>● The company's budget provides for the funding necessary to support the Supervisory Council's operation, including funding for training council members and covering expenses related to the performance of their duties. The Management Board provides the technical equipment necessary for the Supervisory Council's work.</p>   |
| Once a year the supervisory council conducts a self-assessment of the work of the supervisory council and reviews its results at the supervisory council meeting.   | <p>● Prior to submitting the annual report for approval at the Shareholders' Meeting, the Supervisory Council conducts a self-assessment of its work and submits it to the Shareholders' Meeting for review.</p>  |
| Each year, the supervisory council assesses whether its membership possesses the appropriate experience and expertise, including whether it has sufficient capacity and adheres to the principles of diversity. | <p>● As part of the Supervisory Council's annual self-assessment, the adequacy of the Supervisory Council's expertise and capacity is also discussed.</p>   |
| The supervisory council has assessed the need to establish committees.  | <p>● On November 28, 2025, the Shareholders' Meeting adopted a decision to establish an Audit Committee and elected its members (see Principle #12.1). It has been determined that the establishment of other committees is not currently necessary.</p>  |

### Principle #12

#### The supervisory council takes informed and well-balanced decisions

| Criterion  | Evaluation/Description   |
|--|--|
| The supervisory council has access to information prepared by the management board necessary for decision-making in a timely manner and in sufficient amount.  | <p>● Information regarding the items on the meeting agenda and the information prepared by the Board that is necessary for the Supervisory Council to make decisions is available no later than three days before the Supervisory Council meeting.</p>   |
| The supervisory council determines the procedure for the circulation of information, including the right of the supervisory council to request from the management board information, which the supervisory council needs to make decisions. | <p>● The Supervisory Council has determined the scope, format, and submission deadlines for the financial and non-financial information to be submitted to the council meetings.</p>   |
| A supervisory council member analyses the information and prepares proposals for decisions to be adopted by the supervisory council.   | <p>● When making decisions, the Supervisory Council analyses the information received and assesses the risks and the short- and long-term impact on the company's value, sustainability, and development.</p>  |
| When making decisions, the supervisory council assesses the risks, short-term and long-term impact on the company's value, sustainability and responsible development.   | <p>● In draft council decisions, the Management Board includes information on the decision's impact on the company or the Group. If necessary, the Supervisory Council requests additional information from the company's management to facilitate informed decision-making. The decisions, as well as the rationale for them, are recorded in the minutes of the Supervisory Council meeting.</p> |

## ORGANIZATION OF THE SUPERVISORY COUNCIL'S WORK AND DECISION-MAKING

(continued)

### Principle #12.1

#### A committee prepares proposals for supervisory council decision making

| Criterion   | Evaluation/Description   |
|---|--|
| The supervisory council determines the tasks and the procedures for organisation of work of the committee.  | ● The Shareholders' Meeting have approved the Audit Committee's regulations, which define the committee's responsibilities and operating procedures. The regulations are available on the Group's website.   |
| The supervisory council establishes a committee of at least three supervisory council members with appropriate experience and expertise in the field of work of the committee (remuneration, nomination, audit or another field). | ● The Council has only three members, and, in accordance with the requirements of the Financial Instruments Market Law, one council member and two independent committee members have been elected to the Audit Committee, with expertise in the areas of annual report auditing, internal control, and sustainability reporting and governance, respectively. |
| The committee analyses the information and makes proposals for decisions by the supervisory board, as well as informs the supervisory council of the work of the committee.   | ● One Audit Committee meeting was held during the reporting year. The meeting reviewed matters related to the audit of the annual report and approved the Annual Internal Audit Plan, which was subsequently recommended for approval and approved by the Council.   |

## PREVENTION OF CONFLICT OF INTEREST

### Principle #13

#### Management board and supervisory council members are clearly aware of the manifestations of conflicts of interest and are informed of the action to be taken in the event of a conflict of interest

| Criterion  | Evaluation/Description   |
|--|--|
| Supervisory council defines the indications of a conflict of interest and identifies the conflict-of-interest prevention and management procedures.  | ● The Management Board has developed, and the Supervisory Council has approved the "CleanR Grupa Conflict of Interest Prevention Policy." The policy defines the indications of a conflict of interest and the reporting procedure.                                |
| Supervisory council or management board members do not participate in decision-making on matters in which the company's interests conflict with the interests of the supervisory board, management board members or persons related to them. | ● No such decisions were reviewed during the reporting period.   |
| Persons subject to the obligation of prevention of conflicts of interest participate in trainings on dealing with conflicts of interest on a regular basis.  | ● The company organizes such training sessions once every two years; during the reporting year, no training on the prevention of conflicts of interest was organized for the relevant personnel. Such training was organized in 2024 and is planned for next year. |

## SHAREHOLDERS' MEETING

### Principle #14

The company provides shareholders with information on conduction of shareholder meetings timely providing all the information necessary for decision-making

| Criterion   | Evaluation/Description  |
|---|---|
| The company informs shareholders in a timely manner about the agenda, course and voting procedures of the shareholder meeting, as well as about any related changes.              | ● Shareholders' meetings are convened and held in accordance with the company's Articles of Association and the Commercial Law.<br>During the reporting year, six shareholder meetings of AS "CleanR Grupa" were held.  |
| The company ensures that shareholders have the opportunity to review draft resolutions and accompanying documents in a timely manner, including through the use of digital tools. | ● Shareholders are notified of meetings and the matters to be reviewed at such meetings in accordance with the procedures set forth in the Commercial Law. It should also be noted that at all Shareholders' Meetings of AS "CleanR Grupa" to date, including during the reporting year, all voting capital has been represented; in such cases, pursuant to the second paragraph of Article 276 of the Commercial Law, the meeting is considered legal regardless of the time, manner, or venue of its convening. This meeting may also discuss matters not included on the agenda and adopt resolutions on them, provided that all shareholders with voting rights unanimously agree. |
| The company provides shareholders with an opportunity to submit questions on the matters included in the agenda and draft decisions before the shareholder meeting.               | ● Draft resolutions and the accompanying documents provide detailed, clear, and complete information regarding the matter under consideration.  |
| The draft decisions and the documents attached to them provide detailed, clear and complete information on the matter under consideration.  | ●   |

### Principle #15

The company promotes effective shareholder involvement in decision-making and a participation in shareholder meetings

| Criterion  | Evaluation/Description   |
|--|--|
| The company provides shareholders with the opportunity to participate in the shareholders' meeting in person or remotely, in compliance with the necessary safety and technical measures.  | ● Shareholders of AS "CleanR Grupa" are given the opportunity to participate in shareholder meetings both in person and remotely, observing the necessary safety and technical measures.   |
| The company determines the appropriate duration of the shareholders meeting and provides the shareholders with the opportunity to express their opinions during the meeting and obtain the information necessary for decision-making.  | ● The duration of the meeting is determined based on the agenda items, allowing for additional time for discussion if necessary.   |
| The company invites management board and supervisory council members, candidates for supervisory council members, auditors and internal auditors, as well as other persons to participate in the shareholder meeting in accordance with the matters to be considered at the meeting. | ● Depending on the matters to be discussed, specific representatives from Group companies or external experts, the internal auditor, or – for example, in the case of approving the annual report – the external auditor participate in the Shareholders' Meeting. |
| The shareholder meeting makes decisions in accordance with the previously announced draft decision.  | ● Well-founded draft decisions are prepared for all items on the agenda. Shareholders may propose amendments to a decision or propose a different decision in the cases and in accordance with the procedures set forth in the Commercial Law.                     |

### Principle #16

The company develops and discusses dividend policy with shareholders

| Criterion  | Evaluation/Description  |
|--|---|
| The company has developed and published an up-to-date dividend policy.                       | ● In 2025, a draft Dividend policy was developed and discussed at the Shareholders' Meeting. The policy has not been approved and, accordingly, has not been made public. |
| The dividend policy has been discussed with the shareholders during the shareholder meeting. | ●   |

## TRANSPARENCY OF THE COMPANY'S OPERATIONS

### Principle #17

The company informs shareholders and other stakeholders on a regular basis and in a timely manner of business operations, financial results, management and other relevant issues of the company

| Criterion  | Evaluation/Description  |
|--|---|
| The company discloses complete, accurate, objective, up-to-date and true information in a timely manner.   | <p>AS "CleanR Grupa" is a capital market participant, and during the reporting year, all material information was published on the Nasdaq stock exchange's information platform; but since February 4, 2026, upon becoming a regulated market participant, information has also been published on the Bank of Latvia's information system, including on the CleanR Grupa website <a href="http://cleanrgrupa.lv/en">cleanrgrupa.lv/en</a> and on the LinkedIn account. The Group discloses current, complete, accurate, objective, and truthful information regarding the operations of the joint-stock company and the Group.</p> <p>The company pays special attention to information intended for publication and confidential information. AS "CleanR Grupa" has developed an "Internal Information Disclosure Procedure," established procedures for the circulation of information, and selected the responsible for responding to questions from investors and other stakeholders, as well as for liaising with the media.</p> |
| The company provides information to all shareholders simultaneously and in equal measure, using previously agreed-upon communication channels for this purpose, taking into account both technological capabilities and the needs of shareholders. | <p>CleanR Grupa shareholders are provided with information simultaneously and in the same amount.</p> <p>Current information for investors is provided in the stock exchange information disclosure system, the Bank of Latvia information disclosure system, as well as on the website, in the annual financial and interim reports, as well as on the social network LinkedIn, and twice a year – at investor webinars.</p>   |
| The company discloses information about the company's management, strategy or lines of business on the website and publishes financial statements as well as other information in accordance with Annex No. 1.                                     | <p>CleanR Grupa on its website publishes the consolidated interim and annual financial statements, as well as consolidated sustainability reports, news about the Group's governance. It also contains a presentation about the Group, which includes detailed information about the business areas, the Group's development strategy.</p>  |
| The company provides information in both Latvian and at least one other official language of the European Union.   | <p>The Group provides information in Latvian and English.</p>   |

### Principle #18

A transparent governance system has been established for corporate groups to ensure the implementation of corporate governance principles within the companies

| Criterion  | Evaluation/Description   |
|--|--|
| Members of the management board and supervisory council of a subsidiary within the group act primarily in the interests of the subsidiary. | <p>The members of the board of the subsidiaries within the Group act primarily in the interests of the subsidiary, but there are also cases where the interests of the Group have prevailed over the interests of individual companies.</p> <p>During the reporting year, there were no transactions in the Group's subsidiaries that would have been in the interest of the parent company only.</p>  |
| The group has established transparent procedures for implementing group-level strategies, financial objectives, and policies.              | <p>The Group ensures a transparent procedure for the implementation of Group-level strategy, financial targets and policies. The Group's subsidiaries, in which AS "CleanR Grupa" is a majority shareholder, either directly or indirectly, and over which it exercises full operational control, are managed by establishing uniform policies and processes, as well as by developing and approving a common Group business development strategy and setting financial and non-financial targets. The Group's and its subsidiaries' targets are prepared by the Targets Committee and subsequently approved by the Supervisory Council.</p> <p>The strategy is developed by the subsidiaries' management boards in collaboration with the CleanR Grupa Management Board; it is approved and its implementation is monitored by the Supervisory Council.</p> |
| The company provides comprehensive and transparent information about its operations within the group.                                      | <p>AS "CleanR Grupa" provides comprehensive and transparent information about its operations and those of its subsidiaries within the Group – this information is available both on the websites of individual subsidiaries (where available) and on the Group's – the parent company's – website <a href="http://cleanrgrupa.lv/en">cleanrgrupa.lv/en</a>, as well as in the annual financial and non-financial reports.</p>  |

## APPENDIX NO. 1: INFORMATION TO BE PUBLISHED ON THE COMPANY'S WEBSITE

| Criterion   | Evaluation/Description  |
|---|---|
| Information about the company – its history of establishment and operations, registration details, address, description of the industry, main types of business activities, and the company's position within the group structure (if applicable).  | ● Information about the company is available on the CleanR Grupa website at <a href="http://cleanrupa.lv/en">cleanrupa.lv/en</a> , including details on the Group's main business activities, management structure, history of establishment and industry, registration details, and address.<br>Detailed information about the Group is available in the issue terms/prospectus and in the presentation for the investors in English: <a href="http://cleanrupa.lv/en/investors">cleanrupa.lv/en/investors</a> .   |
| Information on the company's strategic objectives.  | ● Available on the website in the Group presentation at <a href="http://cleanrupa.lv/en/investors">cleanrupa.lv/en/investors</a> and in the sustainability reports at <a href="http://cleanrupa.lv/en/sustainability">cleanrupa.lv/en/sustainability</a> .  |
| Articles of Association.  | ● <a href="http://cleanrupa.lv/en/corporate-governance">cleanrupa.lv/en/corporate-governance</a>  |
| Information on the company's corporate governance structure (interaction between the shareholders/members' meeting, the council, its committees, the management board, the auditor, the internal auditor, the Audit Committee, etc.).   | ● <a href="http://cleanrupa.lv/en/corporate-governance">cleanrupa.lv/en/corporate-governance</a>  |
| The company's Code of Internal Culture and Ethical Conduct.   | ● Code of Ethics is available at <a href="http://cleanrupa.lv/en/corporate-governance">cleanrupa.lv/en/corporate-governance</a> .   |
| Information on the company's compliance with current standards of good business (e.g., in the areas of sustainability, the environment, and information technology).  | ● Available at <a href="http://cleanrupa.lv/en/corporate-governance">cleanrupa.lv/en/corporate-governance</a> and in the reports published.   |
| Key company policies (those listed in Appendix 2 to the Code and/or other policies).  | ● <a href="http://cleanrupa.lv/en/corporate-governance">cleanrupa.lv/en/corporate-governance</a>  |
| <b>Shareholders and beneficiaries:</b>  |   |
| Information about the company's shareholders who hold at least 5% of the company's shares (indicating the date on which this information was prepared).   | ● Information about the company's shareholders who hold at least 5% of the company's shares is available on the website under "About us" <a href="http://cleanrupa.lv/en/about-us">cleanrupa.lv/en/about-us</a> and under "Corporate Governance" <a href="http://cleanrupa.lv/en/corporate-governance">cleanrupa.lv/en/corporate-governance</a> , including information that is updated annually and published in the annual corporate governance statement and/or sustainability report <a href="http://cleanrupa.lv/en/sustainability">cleanrupa.lv/en/sustainability</a> .   |
| Information about the company's beneficiaries (indicating the date on which this information was prepared).   | ● Information about the company's true beneficiary is available on the website at <a href="http://cleanrupa.lv/en/about-us">cleanrupa.lv/en/about-us</a> in the presentation for investors – <a href="http://cleanrupa.lv/en/investors">cleanrupa.lv/en/investors</a> , as well as in the published annual corporate governance statements at <a href="http://cleanrupa.lv/en/corporate-governance">cleanrupa.lv/en/corporate-governance</a> and/or sustainability reports at <a href="http://cleanrupa.lv/en/sustainability">cleanrupa.lv/en/sustainability</a> .  |
| The number of issued, paid-in, and voting shares, bonds, or other financial instruments of the company.   | ● <a href="http://cleanrupa.lv/en/investors">cleanrupa.lv/en/investors</a>  |
| <b>Management Board and Council:</b>  |   |
| Structure of the Management Board and the Supervisory Council.  | ● <a href="http://cleanrupa.lv/en/about-us">cleanrupa.lv/en/about-us</a>  |
| <b>Information about each member of the company's supervisory council and the management board:</b> <ul style="list-style-type: none"> <li>• term of office (for the council only),</li> <li>• position and area of responsibility (if specified),</li> <li>• professional work experience and education,</li> <li>• current information on positions held in other companies,</li> <li>• current information on company shares owned,</li> <li>• statistics on attendance at council meetings (for the council only).</li> </ul> | ● Information about the members of the Supervisory Council and the Management Board, their work experience, education, and other positions held, information on shares (if owned) is published and available at: <a href="http://cleanrupa.lv/en/about-us">cleanrupa.lv/en/about-us</a> , including in the bond issue terms, which are available on the website under the "Investors" section.<br><br>The Management Board's areas of responsibility are outlined in the Group's presentation, available at: <a href="http://cleanrupa.lv/en/investors">cleanrupa.lv/en/investors</a> , as well as in the sustainability reports <a href="http://cleanrupa.lv/en/sustainability">cleanrupa.lv/en/sustainability</a> . |

## APPENDIX NO. 1: INFORMATION TO BE PUBLISHED ON THE COMPANY'S WEBSITE (continued)

| Criterion   | Evaluation/Description |  |
|---|------------------------|--|
| <b>Management Board and Council:</b>  |                        |  |
| <b>Information about independent council members:</b> <ul style="list-style-type: none"> <li>which council members are considered independent,</li> <li>the criteria used to determine a council member's independence.</li> </ul>  | ●                      | <p>The website indicates which Council member is the independent one: <a href="https://cleanrupa.lv/en/about-us">cleanrupa.lv/en/about-us</a>.</p> <p>Although not specified on the website, this assessment was conducted in accordance with the independence criteria set forth in the Code prior to the council member taking office.</p> |
| Compensation policy for the management board and supervisory council and remuneration report.   | ●                      | <p>"Remuneration and Compensation Policy" is available at: <a href="https://cleanrupa.lv/en/corporate-governance">cleanrupa.lv/en/corporate-governance</a>.</p> <p>CleanR Grupa shares are not listed on a stock exchange; therefore, the requirement regarding the remuneration report does not apply to the company.</p>                   |
| Procedures for the selection and dismissal of members of the supervisory council and management board approved by the company.  | ●                      | <p>The procedure is outlined in the "Personnel Policy": <a href="https://cleanrupa.lv/en/corporate-governance">cleanrupa.lv/en/corporate-governance</a>.</p>   |
| Information on the Council committees and the Audit Committee: committee regulations; information on committee members.   | ●                      | <p>The Audit Committee was established in November 2025. The committee regulations and information regarding the composition of the Audit Committee are available: <a href="https://cleanrupa.lv/en/corporate-governance">cleanrupa.lv/en/corporate-governance</a>.</p>  |
| <b>Financial and non-financial reports and information:</b>   |                        |  |
| <b>The company's financial statements and reports for at least the last 3 fiscal years:</b> <ul style="list-style-type: none"> <li>annual reports (including consolidated reports, if prepared) and auditor's reports (if prepared),</li> <li>interim reports and quarterly reports.</li> </ul> | ●                      | <a href="https://cleanrupa.lv/en/investors">cleanrupa.lv/en/investors</a>  |
| The company's sustainability reports for at least the last three financial years, if available.   | ●                      | <a href="https://cleanrupa.lv/en/sustainability">cleanrupa.lv/en/sustainability</a>  |
| Corporate governance statements for at least the last three financial years, if available.  | ●                      | <a href="https://cleanrupa.lv/en/corporate-governance">cleanrupa.lv/en/corporate-governance</a>  |
| The company's financial calendar or a calendar of other significant and planned communication events.   | ●                      | <a href="https://cleanrupa.lv/en/investors">cleanrupa.lv/en/investors</a>  |
| <b>Information for shareholders and investors:</b>  |                        |  |
| Information on scheduled and past shareholders' meetings, as well as resolutions.   | N/A                    | The shares of AS "CleanR Grupa" are not listed on the stock exchange; this requirement does not apply to the company.  |
| The company's dividend policy and information on dividends paid (for at least the last 10 years of the company's operations).   | N/A                    | The company's Dividend policy is currently being developed and is expected to be published in 2026. The shares of AS "CleanR Grupa" are not listed on the stock exchange; information regarding dividends paid does not apply to the company.  |
| Announcements and material information for investors published by the company, including investor presentations, video recordings of investor events, forecasts (if any), announcements regarding mergers or acquisitions, etc.   | ●                      | The webpage section <a href="https://cleanrupa.lv/en/investors">cleanrupa.lv/en/investors</a> features presentations, webinar recordings, and reports, while the section <a href="https://cleanrupa.lv/en/news/">cleanrupa.lv/en/news/</a> publishes all the latest information, including news about mergers and acquisitions.              |
| Company representative responsible for communications (e.g., investor relations specialist).  | ●                      | Contact information is available on the website: <a href="https://cleanrupa.lv/en/investors">cleanrupa.lv/en/investors</a> .   |

## APPENDIX NO. 2: KEY COMPANY POLICIES

| Key policies   | Evaluation/Description/Link to the webpage |  |
|--|--|--|
| Risk Management Policy   | ●  | <a href="https://cleanrgrupa.lv/en/corporate-governance">cleanrgrupa.lv/en/corporate-governance</a>  |
| Compensation Policy  | ●  | <a href="https://cleanrgrupa.lv/en/corporate-governance">cleanrgrupa.lv/en/corporate-governance</a>  |
| Dividend Policy  | ●  | The company's Dividend policy is currently being developed and is expected to be published in 2026.  |
| Internal Culture and Ethical Conduct Policy                      | ●  | "Code of Ethics": <a href="https://cleanrgrupa.lv/en/corporate-governance">cleanrgrupa.lv/en/corporate-governance</a> .  |
| Supervisory Council and Management Board Member Selection Policy | ●  | "Personnel Policy": <a href="https://cleanrgrupa.lv/en/corporate-governance">cleanrgrupa.lv/en/corporate-governance</a> .  |
| Conflict of Interest Prevention Policy                           | ●  | <a href="https://cleanrgrupa.lv/en/corporate-governance">cleanrgrupa.lv/en/corporate-governance</a>  |
| <b>Other key policies mentioned in the Code:</b>                 |  |  |
| Internal Control and Audit Policy                                | ●  | <a href="https://cleanrgrupa.lv/en/corporate-governance">cleanrgrupa.lv/en/corporate-governance</a>  |
| Information Management and Security Policy                       | ●  | The company complies with all applicable external regulatory requirements, including those in the field of cybersecurity. The Group has developed an "Internal Information Disclosure Procedure," but it is not publicly available. Principles of information confidentiality are incorporated into several other internal regulations of the Group, including employment contracts and internal work regulations. |
| Information Disclosure, Circulation, and Confidentiality Policy  | ●  |  |
| Whistleblowing Policy  | ●  | <a href="https://cleanrgrupa.lv/en/corporate-governance">cleanrgrupa.lv/en/corporate-governance</a>  |
| Fair Competition Policy  | ●  | <a href="https://cleanrgrupa.lv/en/corporate-governance">cleanrgrupa.lv/en/corporate-governance</a>  |
| Sustainability Policy  | ●  | <a href="https://cleanrgrupa.lv/en/corporate-governance">cleanrgrupa.lv/en/corporate-governance</a>  |
| Crisis Management and Business Continuity Policy                 | ●  | <a href="https://cleanrgrupa.lv/en/corporate-governance">cleanrgrupa.lv/en/corporate-governance</a>  |
| <b>Key compliance policies:</b>                                  |  |  |
| Business Partner Due Diligence Policy                            | ●  | "The Procedure for due diligence on business partners" has been prepared; it is not made public.   |
| Sanctions Risk Management Policy                                 | ●  | "The Sanctions risk management process" is incorporated into the Procedure for due diligence on business partners; it is not it is not made public.  |
| Personal Data Processing Policy                                  | ●  | "Privacy Policy": <a href="https://cleanrgrupa.lv/en/privacy-policy">cleanrgrupa.lv/en/privacy-policy</a> .  |

## Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

The "CleanR Grupa Sustainability Policy" lays down the strategic framework, approach, and key sustainability principles at the Group, as well as the governance structure over sustainability matters.

According to the policy, the CleanR Grupa Management Board is responsible for devising and implementing the sustainability strategy in line with the overall business strategy. The Supervisory Council has oversight of the strategy implementation. The Group's board member responsible for corporate relations and sustainability matters regularly provides updates on sustainability-related topics at the board and council meetings, as well as ensures external communication regarding the Group's plans and progress towards its sustainability targets. The Group's Sustainability Manager works out an action plan to implement the strategy and achieve the targets and coordinates its deployment across the Group.

In the reporting year, the Group had set up the following working groups: Services Management, Work Environment and Safety, Environment and Energy Efficiency, and Corporate Governance. These working groups included the managers and specialists of the Group companies with expertise in the respective areas.

In 2025, two Corporate Governance work group meetings, one Work Environment and Safety work group meeting, and one Environment and Energy Efficiency and one Services Management work group meeting took place. The working groups' primary focus was on identifying and analysing the Group's material sustainability-related impacts, risks, and opportunities, which served as the basis for the double materiality analysis and the identification of material sustainability topics.

### **During the reporting year, reports were presented to the CleanR Grupa's Management Board and the Supervisory Council on:**

- progress toward sustainability targets and activities undertaken,
- the process and results of the Double materiality analysis, proposed targets for the next strategic period in priority areas,
- internal documents developed for sustainability management: the sustainability report preparation process, GHG calculation methodology, and amendments to the "Sustainability Policy".

At the end of 2025, the Group's "Sustainability Policy" was updated, and changes were made to the sustainability governance approach. To ensure more transparent and efficient progress toward sustainability targets and implementation of the tasks set for their achievement, starting 2026, the four sustainability working groups that have been operating to date have been merged into a single Group-level Sustainability Working Group. The working group's core membership has been established, additional experts to be invited as required.

## Integration of sustainability-related performance in incentive schemes (GOV-3)

The "CleanR Grupa Remuneration and Compensation Policy" lays down the general principles governing the pay of the Group employees, including the management board members' compensation. The implementation of the Remuneration Policy is overseen by the Target Committee, the Group's Human Resources and Administrative Director, as well as the Internal Audit.

Every year, the Target Committee sets, and the Group Council approves corporate targets for the Group and subsidiary companies, which simultaneously are the individual targets of the board members according to their area of responsibility. The terms of and changes in the incentive schemes of the Group and its subsidiary company management bodies are reviewed and approved by the Group Board and then the Council.

In the reporting period, the sustainability target "To increase the share of separately collected and recyclable waste in the total amount of municipal waste collected" has been included in the CleanR management board members' incentives scheme; in terms of its "weight", the target constituted 15% of all targets set. Every month, CleanR updated the Council on the progress achieved towards the set target at the council meetings. This target is important for both the Group's financial sustainability, as well as the Latvia's environmental targets (see section "Circular Economy").

## Statement on due diligence (GOV-4)

Due diligence is an integral part of the Group's business decision-making and risk management process. Due diligence is conducted to identify, prevent, and mitigate any actual and potential adverse impacts on the Group, its employees, customers, and their rights, as well as on the environment.

The Group seeks to follow best practices, including the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, and to base the Group's due diligence process on the core elements defined therein.

| Core elements of due diligence   | Topic revealed in the section of the Statement  |
|--|---|
| 1. Embedding due diligence in governance, strategy and business model        | Role of management and supervisory bodies; Strategy, sustainability issues in the Group's strategy; Description of the business model; Sustainability governance; descriptions of Group policies in thematic sections E1-1; E2-1, E5-1, S1-1, S3-1, S4-1, G1-1. |
| 2. Engaging with affected stakeholders in all key steps of the due diligence | Stakeholder interests and views (SBM-2); Descriptions of stakeholder engagement in the thematic sections: S1-2, S3-2, S4-2.   |
| 3. Identifying and assessing adverse impacts                                 | Material impact, risks, and opportunities, and their interaction with the strategy and business model (SBM-3); Description of the process for identifying and assessing material impacts, risks, and opportunities (IRO-1), including: S1-3, S3-3, S4-3, G1-4.  |
| 4. Taking actions to address those adverse impacts                           | Thematic subsections of the Statement describing the activities carried out in relation to the relevant sustainability area: E1-3, E2-2, E5-2, S1-4, S3-2, and S4-4.  |
| 5. Tracking the effectiveness of these efforts and communicating             | Thematic subsections of the Statement describing achievement of targets and reporting to stakeholders on progress made: E1-4, E2-3, E5-3, S1-5, S1-10, S1-13, S1-14, S1-17, G1-1, G1-2, G1-5.   |

## Risk management and internal controls over sustainability reporting (GOV-5)

CleanR Grupa has an independent Internal Audit unit reporting to the CleanR Grupa Council. Its task is to provide independent, unbiased advice and assurance, with the aim of improving the Group's operations and increasing its value. The role of the internal audit is to help the Group to achieve its targets by using a systematic and disciplined approach to risk management, assessment, and improvement of controls, including over sustainability reporting.

Internal audits are carried out in line with the principles described in the "Internal Audit Policy" (updated on 16.12.2025) and according to the CleanR Grupa Annual Audit Plan, which is approved by the Supervisory Council. The CleanR Grupa Management Board and the Council regularly receive reports from the Internal Audit containing recommendations and corrective measures to mitigate identified risks.

### The internal audit has identified several risks in sustainability reporting:

- data quality and completeness risk, which may lead to significant errors in the Sustainability Statement if appropriate controls or accurate methodology are not in place,
- GHG emissions calculation accuracy risk, as inaccurate calculations may lead to reporting the carbon footprint incorrectly,
- timely data availability risk: if information from internal or external sources is delayed, it may affect the ability to meet reporting deadlines.

The identified risks are mitigated by a regular review of the methodology and introduction of additional controls (for example, data comparison between business units, stricter deadlines, and appointment of responsible employees). In addition, to improve GHG emissions data accuracy and prevent inaccuracies, international standards, such as the GHG Protocol, are used.

During the reporting year, the Internal Audit reviewed the achievement of the sustainability targets, as well as reviewed the developed "GHG Emissions Calculation Methodology" and the calculations, providing relevant recommendations to ensure data completeness and integrity, as well as reviewed the "Procedure for Preparing the AS "CleanR Grupa" Sustainability Report".

Next year, Internal Audit will adopt a risk-based approach. It will focus on strengthening sustainability reporting, data quality, and the effectiveness of controls. This will enable the Group to better plan, measure, and report on sustainability targets and relevant indicators. The CleanR Grupa Audit Committee will ensure strategic oversight and the independence of Internal Audit with respect to sustainability reporting. The Committee has approved the inclusion of the sustainability reporting process audit in the 2026 Annual Audit Plan. Internal Audit will report to the Audit Committee on initiated or completed checks, significant risks identified, key deficiencies, the status of recommendation implementation, and adherence to deadlines.

# STRATEGY

## Strategy, business model and value chain (SBM-1)

CleanR Grupa, in its mid-term strategic vision, has set **the goal of strengthening its position in integrated environmental and urban management services in Latvia**, including expanding its operations in the Baltic region.

This vision is based on providing comprehensive environmental services, ensuring that municipalities, businesses, and local communities **benefit from a seamless, end-to-end service** (see the next section, "Business model description," for details).

The Group's strategic vision is closely linked to sustainability and is based on three main pillars:

### 1 Consistent and sustainable increase in company value

As one of the most valuable private companies in Latvia, AS "CleanR Grupa" is focused on ensuring a consistent and sustainable increase in company value. This is primarily achieved through organic growth, complemented by carefully selected investment opportunities, including M&A transactions. The Group continues to explore a number of potential investment opportunities, both in Latvia and across the wider region, positioning the Group to strengthen its market presence and capture further growth potential.

### 2 Fostering the circular economy

The Group holds well-established positions in its core markets and is recognised as the circular economy leader in Latvia, supported by an integrated and efficient service model. A key strategic ambition is to achieve "landfilling to zero", pursued through continuous investment in advanced waste processing and recycling capabilities, with M&A activities supporting and accelerating this development.

Sustainability lies at the core of this pillar, with the Group actively seeking to minimise its environmental footprint, increase recycling and recovery rates, and support customers in achieving their own environmental goals. By aligning its growth model with EU sustainability objectives and national regulatory frameworks, the Group is well positioned to capture opportunities in markets shaped by environmental compliance, circular economy principles and green procurement policies.

### 3 Operational efficiency and synergies

The third strategic pillar underpinning the Group's growth strategy is operational efficiency. The Group strives to make the most of opportunities for robotization, automation, and digitalization across all areas of operation, as well as to strengthen synergies across all companies by centralizing and improving key business processes and optimizing the use of logistics, the truck fleet, and specialized equipment within the Group. To promote efficiency, the Group offers incentive programs to its employees, including a stock option plan for senior executives, thereby aligning employee interests with the organization's long-term success.

#### Sustainability focus:



Process optimization; reducing costs and environmental impact, increasing energy efficiency and productivity,



Fostering of circular economy; use of waste as a resource, increasing the share of sorted, quality, reusable materials, reducing the amount of land-filled waste,



Customer satisfaction, customer service process digitization, and environmental education,



Improvement of employee experience, fostering engagement, employee safety and well-being, training, leadership, and succession development.

## Strategy, business model and value chain (SBM-1) (continued)

### Business model description

The largest companies in the CleanR Grupa operate in the fields of waste management, recycling, commercial cleaning, urban maintenance, and extended producer responsibility systems.

#### The Group offers integrated services, including:

- 1 **full-cycle waste management:** from the collection of municipal, healthcare, hazardous, industrial, and construction waste to sorting, recycling, and disposal, as well as
- 2 **environmental services:** commercial cleaning, and all-season urban maintenance – including the maintenance of public areas, streets, and roads.

The Group's vertically integrated business model enables it to provide customers with seamless, full-cycle services, ensuring efficiency, quality, and a positive customer experience.

The Group's customers include companies and organizations of various sizes and segments – private companies, state and local government agencies, and capital companies, as well as private individuals. Its customer base comprises more than 9,800 corporate customers and 170,000 households in Latvia. The Group's companies provide services in 37 municipalities, including Latvia's largest cities – Riga, Cēsis, Jūrmala, Liepāja, and Jelgava.

The Group's companies secure contracts by participating in public procurement. The contracts entered vary in duration and type of procurement depending on the specific nature of each business segment. Multi-year public procurement contracts are typical in municipal procurement for household waste management and urban maintenance. Contracts with private companies are generally more flexible and focused on customer needs and service.

Pricing for services varies across different segments. It is determined by both regulator-approved tariffs and the free market. In regulated segments, municipalities set tariffs through public procurement, allowing for cost increases and tariff adjustments, for example, due to changes in waste management costs (e.g., landfill costs) or regulatory requirements.

The Group's companies provide services only in Latvia, but the products are also sold abroad. The main products of CleanR Grupa companies are sorted packaging materials—paper, cardboard, and glass, including plastic pellets and flakes produced at the plastic recycling plant, as well as recycled construction waste and refuse-derived fuel (RDF).

CleanR Verso (as of January 1, 2026, CleanR Industry) sells its sorted packaging materials both locally and exports them to European Union countries. Materials recovered during the construction waste recycling process – such as soil, gravel, and wood – are primarily sold locally to private individuals and companies in the manufacturing and construction sectors in Latvia.

The CleanR Industry Plastic recycling plant specializes in the recycling of various types of used polymer packaging. High-quality polyethylene or polypropylene pellets are produced from the recycled plastic waste, which are used as raw materials in the manufacture of various new products. The produced plastic pellets are exported to countries such as Poland, Germany, Lithuania, Finland, Estonia, the Czech Republic, Sweden, Ireland, and Italy. The quality of the products is attested by the "RecyClass" certificate.



Meanwhile, at the CleanR Industry's waste treatment centre and at Vides resursu centrs' sorting facility, high-quality RDF is produced from non-recyclable industrial waste and the sorted household waste residues. It is used as an alternative fuel in cement production, as well as in waste-to-energy plants as fuel for heat and electricity generation.

The Groups' recycling facilities implement the principles of circular economy, facilitating Latvia's landfilled waste reduction target.

The Group offers a wide range of services in the field of urban and commercial cleaning. Urban maintenance is carried out with increasing use of mechanized, robotic, and digital solutions, which allow tasks to be performed in higher quality and with greater efficiency.

Overall, during the reporting year, the Group's net revenue from services rendered and products sold, broken down by geographic markets, was as follows: Latvia 95%, EU and EEA countries 4.3%, and other markets 0.7%. CleanR Grupa companies do not manufacture products or provide services that are banned in any of the markets.

The Group's average number of employees during the reporting year was 1,849. Total revenue for the reporting year was EUR 144.5 million. Net revenue breakdown by major sectors: 44% from waste management, 15% from waste recovery, 10% from waste sorting, and 23% from environmental services (cleaning services).

The sustainability-related targets are closely intertwined with the Group's key businesses, its products and services, including the customers and other affected stakeholders in Latvia, where the Group companies provide their services. These sustainability targets are reported in the "Metrics in relation to material sustainability matters" section of the Statement, as well as in the Appendix.

## Strategy, business model and value chain (SBM-1) (continued)

### Description of the value chain

In the previous reporting period, CleanR Grupa conducted its key business line value chain analysis. The Group's key resources for the provision of services and production were assessed, key suppliers identified, the main groups of customers and markets analysed. In 2025, the value chain was reviewed, and the impacts, risks, and opportunities across the entire value chain were reassessed.

The Group's upstream value chain includes more than 2,300 suppliers and business partners. The Group's downstream value chain comprises more than 62,000 customers.

The Group relies on its human resources, employee competencies, experience and knowledge to provide its services and conduct its business. The Group's most significant material resources required to support its core operations include fuel, electricity, specialised vehicles and equipment, spare parts for maintaining vehicles and production equipment, waste collection containers and bags, supplies for maintaining commercial premises and the urban environment, and purchased plastic waste materials used in plastic recycling, including water. Waste is certainly considered a significant resource for the Group's companies as it is used as a raw material for sorting and further recycling.

IT equipment and systems are significant to support and run key business operations, to plan waste collection and urban maintenance logistics, as well as to automate production processes and customer service.

The sourcing of the key material resources takes place through procurement in line with the Group's established procurement practice by concluding agreements with suppliers.

The collection, sorting, and recycling of waste as a resource is conducted responsibly, meeting the requirements of the pollution permits, decreasing the Group's impact on the environment and society.

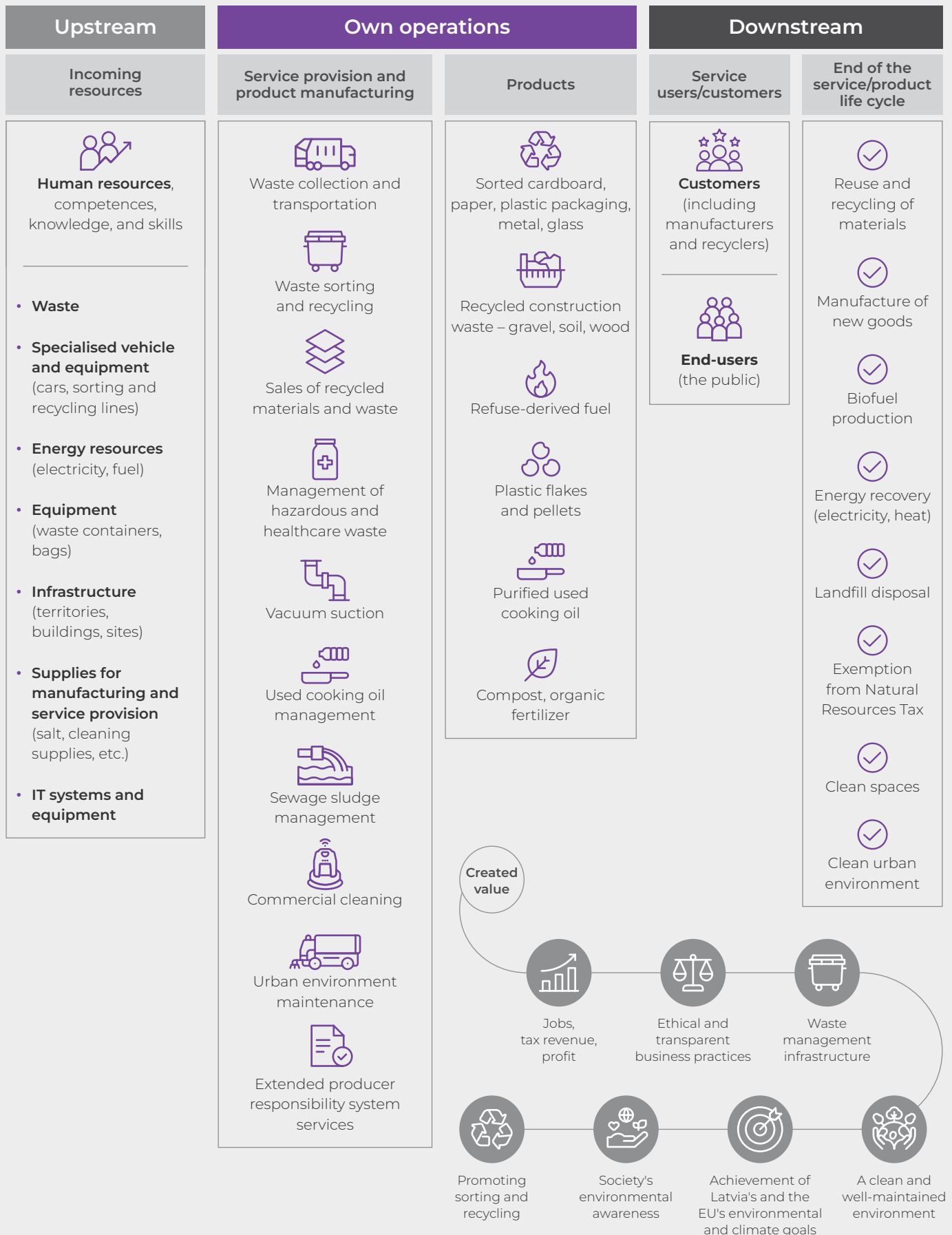
To promote a value-driven and responsible value chain, the key risks and opportunities have been identified across all value chain links (see the thematic sections of the Statement).

At the same time, the Group companies play a significant role in other actors' value chains both as a customer and as a supplier. This binds the Group to act as a reliable business partner. The Group's key principles of business conduct have been defined in the "Group's Code of Ethics", the "Group's Code of Conduct for Suppliers", as well as other Group policies, procedures, and processes.

The Group seeks to create value across the whole value chain. It strives not only to generate economic value for its shareholders and the state but also to contribute to all its stakeholders by addressing their needs.

Strategy, business model and value chain (SBM-1) (continued)

CleanR Grupa value chain



## Interests and views of stakeholders (SBM-2)

Cooperation with stakeholders is an essential part of the CleanR Grupa's business. During the process of defining the Group's strategic sustainability framework and materiality assessment in late 2025, the Group's most significant stakeholders were identified anew. Interaction and collaboration with them take place regularly and in various forms: through discussions and exchanges of views, surveys, consultations, and partnerships.

CleanR Grupa seeks to find out its stakeholders' views and needs to learn what value it can create for the respective audiences. Therefore, it regularly carries out activities to ascertain its stakeholders' needs and expectations. The Group's stakeholders' views, expectations, and priorities form the basis of the Group's strategy, as well as facilitate improvement of its business model and processes.

The Group's management and supervisory bodies are informed of the stakeholders' views and interests, including their sustainability-related impacts. This takes place by gathering survey, interview, or other measurement data, analysing customer complaints and suggestions in the weekly and monthly reports to the Group Board and the Council, as well as during the due diligence and risk assessment process, for example, before concluding a new agreement and/or launching new cooperation projects.

During the reporting year, no significant changes were made to the Group's business model or strategy as a result of stakeholder engagement. The insights gained from due diligence processes – comments and suggestions from stakeholders regarding the improvement of service delivery and customer service quality processes, were considered.

In the next reporting period, the Group will continue its established practice in stakeholder engagement. CleanR Grupa is planning to continue its initiative – “The Latvian Circular Economy Index”, a scientifically based tool that engages all Latvian local governments. In addition, during the reporting year, the CleanR Grupa launched another new initiative to raise public awareness of the circular economy – in collaboration with the Riga Energy Agency, the first “Latvian Circular Economy Forum” was organized (see the “Circular Economy” section).

The above-mentioned initiatives significantly boost relationships with the stakeholders for implementation of the circular economy in Latvia – policymakers, local governments, NGOs and the academic sector, environmental services companies, and state economy data managers, increasing understanding and fostering transition to circular economy and responsible use of resources in the country.

The table on the next page summarizes the Group's key stakeholders, the nature and frequency of their engagement, and their impact on the company, indicating the areas in which the views of these stakeholders are considered. A more detailed description of the engagement activities carried out during the reporting year is available in the relevant thematic sections of the Statement.

## Interests and views of stakeholders (SBM-2) (continued)

| Stakeholder/<br>category   | Engagement type and frequency  | Impact on the operations of the Group companies<br>(areas in which the stakeholders' views have been considered)   |
|--|--|--|
| <b>Employees</b><br>(A)  | <ul style="list-style-type: none"> <li>Annual Group employee opinion survey</li> <li>Consultations with employees (representatives) and employee surveys as needed</li> <li>Weekly meetings and quarterly forums for administrative staff</li> <li>New Employee Day every two to three months</li> <li>Regular internal communications, engagement activities, and contests</li> <li>Working groups (sustainability, energy efficiency, etc.)</li> <li>Annual events for employees and their families</li> </ul>   | <ul style="list-style-type: none"> <li>Work environment improvements, premises renovations, work uniforms, employee benefit packages, etc.</li> <li>Establishment of the Employee Council during the reporting year</li> <li>Definition of the Group's values</li> <li>Work safety initiative "Drošinātājs"</li> <li>Employee of the Year and Team of the Year awards</li> <li>Christmas event for children, summer event for Group company employees and their families, etc.</li> </ul> <p><i>For more, see in the "Own workforce" section</i></p>   |
| <b>Customers: private entities and other service users (end-users)</b><br>(A)                          | <ul style="list-style-type: none"> <li>Annual customer satisfaction surveys</li> <li>Daily communication via the customer service center and the customer self-service platforms (website and app)</li> <li>Annual waste collection campaigns in the areas served by the Group's companies</li> <li>Regular environmental education events</li> </ul>  | <ul style="list-style-type: none"> <li>Improving the quality of services and customer service</li> <li>Developing digital self-service channels</li> <li>Innovative solutions to ensure service accessibility, e.g., construction of sorting areas, operation of materials exchange points, continuation of mobile specific waste collection teams (the "Tirmāja" campaign)</li> <li>Environmental awareness-raising activities, both in person and through active communication in the media and on social networks</li> </ul> <p><i>For more, see sections "Customers and End-Users" and "Affected Communities"</i></p>  |
| <b>Customers: legal entities, state institutions, local governments, private businesses</b><br>(A) (U) | <ul style="list-style-type: none"> <li>Annual customer satisfaction surveys and interviews</li> <li>Regular in-person and remote meetings</li> <li>Communication as part of the due diligence process prior to commencing cooperation</li> <li>Annual client/stakeholder events</li> <li>Annual industry conference</li> <li>Survey on the Group's key sustainability topics every three years</li> <li>Long-term research tool – the Latvian Circular Economy Index for municipalities every two years</li> </ul> | <ul style="list-style-type: none"> <li>Service improvements and new services – e.g., during the reporting year – introduction of an internal sewer cleaning service</li> <li>Innovative, customized technological solutions – construction of underground container sites, robotic cleaning solutions</li> <li>Innovative digital quality management solutions – development of ViziiApp</li> <li>During the reporting year – an event for corporate clients was organized, along with the first Latvian Circular Economy Forum</li> <li>Environmental education events both in person and via direct communication, e.g., quarterly electronic newsletters</li> <li>During the reporting year – a survey on the Group's key sustainability topics</li> <li>Preparatory work for the Latvian Circular Economy Index to take place in 2026</li> </ul> <p><i>For more, see sections "Customers and End-Users" and "Circular Economy"</i></p> |
| <b>Society (local communities)</b><br>(A)  | <ul style="list-style-type: none"> <li>Biannual waste sorting habits survey</li> <li>Consultations, individual meetings, and public hearings with representatives of affected communities as needed (including, for example, in the case of new development projects)</li> <li>Regular environmental education activities</li> </ul>   | <ul style="list-style-type: none"> <li>Targeted communication activities and events on waste sorting: workshops on waste sorting at city festivals, etc.</li> <li>Informing the society about services and environmental topics through the media and social media</li> <li>Consultations and meetings with communities regarding the impact of our facility operations</li> <li>Additionally, conducting voluntary environmental measurements to monitor environmental quality and mitigate negative impacts</li> <li>Survey of residents' opinion and waste sorting habits during the reporting year</li> </ul> <p><i>For more, see sections "Affected communities" and "Pollution Prevention"</i></p>   |
| <b>Suppliers, business partners</b><br>(A) (U)   | <ul style="list-style-type: none"> <li>Communications as part of the due diligence process prior to establishing a business relationship</li> <li>Annual supplier evaluations</li> <li>Exchange visits</li> <li>A survey on the Group's key sustainability topics every three years</li> </ul>   | <ul style="list-style-type: none"> <li>Development of a unified Group supplier management and procurement system</li> <li>Encouraging suppliers to comply with sustainability requirements and ensuring their adherence to the Code of Ethics</li> <li>During the reporting year – a survey on the Group's material sustainability topics</li> </ul> <p><i>For more, see section "Business Conduct"</i></p>  |

(A) Affected stakeholders: individuals or groups whose interests are affected or could be affected positively or negatively by the undertaking's activities and its direct and indirect business relationships across its value chain.

(U) Users of sustainability statements: primary users of general-purpose financial reporting.

## Interests and views of stakeholders (SBM-2) (continued)

| Stakeholder/<br>category                                     | Engagement type and frequency  | Impact on the operations of the Group companies<br>(areas in which the stakeholders' views have been considered)   |
|--|--|--|
| <b>Investors</b><br>(U)                                      | <ul style="list-style-type: none"> <li>Regular financial and non-financial reports, in accordance with the annual calendar</li> <li>Online webinars for investors twice a year</li> </ul>  | <ul style="list-style-type: none"> <li>Development of the Group's medium-term strategy</li> <li>During the reporting year – two online webinars for investors, reporting on annual and semi-annual financial and non-financial results</li> </ul>  |
| <b>Banks, financiers, insurers</b><br>(U)                    | <ul style="list-style-type: none"> <li>Regular financial reports and disclosures</li> <li>Survey on the Group's material sustainability topics every three years</li> </ul>  | <ul style="list-style-type: none"> <li>Effective management of the Group's financial and non-financial data</li> <li>Risk and opportunity management</li> <li>Investments in EU Taxonomy-aligned activities</li> <li>During the reporting year – a survey on the Group's key sustainability topics</li> </ul> <p><i>For more, see section "Climate change"</i></p>   |
| <b>Shareholders</b><br>(A)                                   | <ul style="list-style-type: none"> <li>Shareholders' Meeting</li> <li>Shareholders' decisions and Letter of Expectations</li> <li>Regular dialogue</li> </ul>  | <ul style="list-style-type: none"> <li>Development and implementation of the Group's medium-term business and sustainability strategy</li> <li>Achievement of corporate (incl. sustainability) targets</li> </ul>  |
| <b>Policy makers and supervisory institutions</b><br>(U)     | <ul style="list-style-type: none"> <li>Regular dialogue</li> <li>Participation in ministry working groups and committee meetings</li> <li>Industry conferences</li> <li>Joint projects</li> <li>Annual reviews of operating permits</li> <li>A survey on the Group's material sustainability topics every three years.</li> </ul>  | <ul style="list-style-type: none"> <li>Stating the Group's position on relevant regulations</li> <li>Ensuring compliance with the terms of contracts and operating permits</li> <li>Maintaining quality management (ISO) systems</li> <li>Securing EU co-financing – participation in EU LIFE and similar programs</li> <li>During the reporting year – a survey on the Group's material sustainability topics</li> </ul> <p><i>For more, see section "Business Conduct"</i></p>   |
| <b>Industry and lobbying associations</b><br>(U)             | <ul style="list-style-type: none"> <li>Regular dialogue</li> <li>Participation in working groups</li> <li>Sharing best practices at seminars, public events, and conferences</li> <li>A survey on the Group's material sustainability topics every three years</li> </ul>  | <ul style="list-style-type: none"> <li>Transparent representation of the Group and sector interests</li> <li>Promoting the circular economy – increasing sorting and recycling, development of the producer responsibility system</li> <li>In the reporting year – survey on the Group's material sustainability topics</li> </ul> <p><i>For more, see section "Business Conduct"</i></p>  |
| <b>NGOs, Industry experts (incl. academic sector)</b><br>(U) | <ul style="list-style-type: none"> <li>Regular dialogue, cooperation projects (e.g. research)</li> <li>Working in groups, sharing best practices in workshops and public events, conferences</li> <li>Exchange visits</li> <li>A survey on the Group's material sustainability topics every three years</li> <li>Long-term instrument – Assessment of the Circular Economy Index for Latvian municipalities every two years</li> </ul> | <ul style="list-style-type: none"> <li>Support projects – support for innovation and research</li> <li>During the reporting year, the first Latvian Circular Economy Forum was organised</li> <li>Exchange visits within the framework of the Baltic Circular Hotspot</li> <li>In the reporting year – survey on the Group's material sustainability topics</li> <li>During the reporting year – preparations for the Latvian Circular Economy Index assessment in 2026</li> </ul> <p><i>For more, see section "Business Conduct" and "Circular Economy"</i></p> |

(A) Affected stakeholders: individuals or groups whose interests are affected or could be affected positively or negatively by the undertaking's activities and its direct and indirect business relationships across its value chain.

(U) Users of sustainability statements: primary users of general-purpose financial reporting.

## IMPACT, RISK AND OPPORTUNITY MANAGEMENT

### Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The Group's material impacts, risks and opportunities (IROs) are closely linked and stem from the Group's strategy, business model and the areas in which it operates. Impacts are generated both in its own operations and in the upstream and downstream value chain. IROs are directly linked to both actual and potential negative and positive environmental and societal impacts, and vice versa, in the short and medium term. All material opportunities are exploited and are part of the Group's business strategy.

#### Material impact on the environment

The CleanR Grupa companies have a substantial positive impact on the state's transition to the circular economy, using waste as a resource and returning materials to circulation. Big impact on climate change in terms of GHG emissions arises from own activities; it is related to the use of specialized vehicles in waste collection and the provision of urban maintenance services. However, the largest impact has been identified in Scope 3 emissions, arising from the need to use services or obtain resources for running the company's operations.

The Group ensures responsible prevention of pollution, implementing proper waste collection, sorting, and recycling, and ensuring pollution monitoring. Its areas of activity already render and, within the next five years, are likely to render opportunities to develop new services or modify the existing ones due to the pursuit of the EU's Green Deal objectives. To seize the opportunities, resources to develop innovative and efficiency-driving solutions have been planned in the Group's strategy and business plan.

#### Material impacts on society

CleanR Grupa largely depends on human resources and the availability of the workforce. More than 83% of the employees are engaged in physical work – logistics, indoor and outdoor cleaning, waste sorting. The Group companies allocate the necessary resources and run activities, which ensure proper training and foster a safe and enabling work environment and working conditions, including regularly revising and improving the benefits package. The Group seeks to educate its employees and boost their competence to ensure high performance and service quality. Special attention is paid to manager development and succession planning.

Significant impact and opportunities in the downstream value chain arise from cooperation with customers and end users. The Group places great importance on customer satisfaction – improving the experience, including ensuring digital accessibility and security of services, as well as fair, open and understandable communication about services, their environmental and social impact. In addition, the Group is aware of its opportunities to influence the change of society's habits, which is especially important for the implementation of the principles of the circular economy in the field of waste management, and ensures continuous environmental education of society.

#### Material impacts on business conduct

CleanR Grupa has a positive impact on the development of a competitive, ethical, fair, and transparent business environment. Thanks to the Group companies' long-standing experience in the environmental services sector, the Group has exerted a substantial influence on devising an efficient and competitive legal framework for the industry and business environment. Consistent and active engagement in industry policy making, therefore, is one of the Group's priorities.

The Group companies work with suppliers and business partners in Latvia and abroad. When concluding contracts and organizing procurements, it has an opportunity to embed sustainable principles and promote a responsible approach to business, therefore, the implementation of a unified Group procurement and due diligence process in relation to suppliers is a focus of the Group's medium-term strategy.

In the management's opinion, the Group's strategy, business model, and methods of operation ensure resilience against external and internal risks, emphasizing the Group's ability to adapt, prevent material impacts of the identified risks, and seize opportunities.

In the next years, to implement the Group's strategy, it is planning to invest in process improvements and digitization, vehicle fleet, production automation, infrastructure development, premises, and working conditions improvements. The Group is expecting to increase its capacity by concluding mergers and acquisitions.

The IROs and their management are reflected in more detail in each of the thematic sections of this Statement. The financial risks for the Group have been addressed in the Consolidated Financial Statements.

## Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

The identification and management of the risks and opportunities of the CleanR Grupa companies lies at the basis of the strategic planning, as well as daily operations and processes. Risk management is conducted centrally at the parent company to ensure a consistent and comprehensive approach to risk management at all Group companies. The approach to risk and opportunity management is defined in the "Group's Risk Management Policy" and "Risk Assessment Guidelines". The main purpose of the process is to identify and assess threats and opportunities that are essential for maintaining and growing the value of the company, implementing the Group's strategy and achieving its goals.

### Approach to assessing sustainability risks, opportunities and impacts

In 2025, CleanR Grupa carried out a new Double Materiality Assessment (hereinafter – DMA) to determine the material sustainability topics for the next medium-term strategy period. The aim of the process was to identify and assess the impacts, risks and opportunities (hereinafter – IRO) that are significant for both the Group's development and society as a whole, and, based on them, to determine the material sustainability areas in accordance with the thematic categorisation of the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS).

**Double materiality** means that the assessment of sustainability topics is done from two perspectives:

- **impact materiality**, which describes how the company's operations impact the environment, society and business, and
- **financial materiality**, which reflects how sustainability topics affect the company's operations, value, financial position, and cash flow.

The materiality assessment was performed by following the steps described below.

### Identification of IROs

The identification of the initial IROs was initiated based on the Group's previous materiality assessment, annual business risk assessment, other industry, including foreign companies, practices, as well as the topics and sub-topics defined by the ESRS.

86 IRO factors were identified in the process. After refining the IROs and combining related topics, 75 IROs were retained, of which 24 impact factors, 33 risks and 18 opportunities were further assessed. During the DMA process, the list of IROs was reviewed and refined several times, considering the opinion of the management, experts and members of the working groups. For each IRO, the Group, Group company or companies to which the impact, risk or opportunity is most directly related was indicated. After own and stakeholder assessments, 17 impacts, 23 risks and 12 opportunities were identified as material.

In accordance with the ESRS, the following parameters were defined for each IRO:

- **nature of the impact** (positive or negative, actual or potential),
- **time horizon** (short-term: up to 1 year, medium-term: 1–5 years, long-term: more than 5 years),
- **location in the value chain** (upstream – U, downstream – D, or within the Group's own processes/operations – O).

In accordance with the ESRS, impacts were assessed based on:

- **severity** (how severe/significant the impact is),
- **scope** (how many people or how much territory it affects),
- **irremediability** (how difficult it is to mitigate the consequences in the event of a negative impact),
- **probability** (how certain it is that the impact will occur and within what timeframe).

Physical climate risks were not assessed within the scope of this DMA. The climate risk assessment conducted by the Group in 2024 is still relevant.

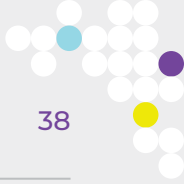
### Expert interviews and thematic working groups

The initial list of IROs was validated through expert interviews and four thematic working groups (environment, employees, services, and governance groups). Representatives from all CleanR Grupa companies participated in the working groups, ensuring both a group-level and individual company perspective. During the discussions, impact, opportunity, and risk factors were discussed, clarified, and supplemented, and were further evaluated in subsequent stages.

### Management's Assessment

The list of IROs refined by the working groups was submitted to CleanR Grupa management for assessment. All IRO factors were assessed on a scale of 1 to 5, with separate scales for (1) risks and opportunities, (2) impact on the environment and society, and (3) impact on employees.

Following management's assessment, all ratings were detailed in accordance with the parameters set by the ESRS. For impact factors, the final assessment of parameters remained on a scale from 1 to 5, but for risks and opportunities, a traditional risk management approach was used, multiplying probability by potential consequences, resulting in risk and opportunity assessments ranging from 1 to 25.



## Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1) (continued)

### Engagement of external stakeholders

External stakeholders were engaged through an online survey. The survey was available in two languages – Latvian and English – and 102 respondents participated. The survey was dominated by representatives of private-sector companies, local governments, and CleanR Grupa suppliers, and the majority of respondents (70%) described their cooperation with the Group as regular.

Survey respondents were asked to assess impact factors in the environmental, social, and governance areas using a similar rating scale (1–5) as in the management assessment. Based on the survey results, one impact factor was upgraded to material.

### DMA matrix and the results

The materiality threshold for assessing impact factors was set at 3.5, while for risks and opportunities it was 9. By compiling the results of surveys of management and external stakeholders, a DMA matrix was created in which sustainability topics are classified into four groups:

- 1 impact materiality (sustainability topics where the Group has a significant impact on the environment or society),
- 2 financial materiality (sustainability topics where ongoing processes may impact the Group's operations and results),
- 3 double materiality (sustainability topics where both impact and financial materiality are present) and
- 4 non-material sustainability topics.

Overall, the Group's priority sustainability topics remain unchanged, with only minor changes to the wording of certain topics and subtopics. The process also identified new aspects, such as cybersecurity, which is a company-specific topic. Those previous sub-topics that did not exceed the materiality threshold as a result of the new materiality analysis (e.g., payment practices) are no longer included. Accordingly, the structure of the statement is based on the new DMA.

Materiality matrix (at ESRS subtopic level)

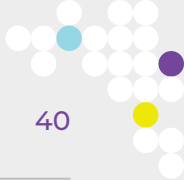


## Disclosure Requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)

In accordance with the materiality assessment and the ESRS information disclosure requirements, the Sustainability Statement covers the following topics:

| ID ESRS                                     | ESRS subtopic   | Sub-subtopics included<br>(aspects of material impact)   | Pages |
|---|---|--|-------|
| <b>Environment</b>                          |   |  |       |
| <b>E1 Climate change</b>                    | <ul style="list-style-type: none"> <li>Energy</li> <li>Climate change mitigation</li> <li>Climate change adaptation</li> </ul>  | <ul style="list-style-type: none"> <li>Energy consumption</li> <li>GHG emissions</li> <li>Innovative solutions</li> <li>Climate risk management</li> </ul>   | 42–52 |
| <b>E2 Pollution</b>                         | <ul style="list-style-type: none"> <li>Pollution (air, water, soil)</li> </ul>  | <ul style="list-style-type: none"> <li>Ensuring a clean environment</li> <li>Compliance with the terms of permits for polluting activities</li> </ul>  | 53–56 |
| <b>E5 Resource use and circular economy</b> | <ul style="list-style-type: none"> <li>Waste</li> <li>Resource outflows related to products and services</li> </ul>   | <ul style="list-style-type: none"> <li>Incoming resources – waste</li> <li>Promoting the circular economy – returning materials to the economy</li> </ul>  | 57–61 |
| <b>Social</b>                               |   |  |       |
| <b>S1 Own Workforce</b>                     | <ul style="list-style-type: none"> <li>Working conditions</li> <li>Equal treatment and opportunities for all</li> </ul>   | <ul style="list-style-type: none"> <li>Safe and healthy working conditions for employees</li> <li>Employee loyalty, promotion of professional growth and skills development, and succession planning</li> <li>Fair and transparent compensation</li> <li>Implementation of an employee representation mechanism</li> </ul>                                   | 63–75 |
| <b>S3 Affected communities</b>              | <ul style="list-style-type: none"> <li>Communities' civil, political and social rights</li> </ul>   | <ul style="list-style-type: none"> <li>Public engagement and consideration of public opinion in the discussion of development projects</li> <li>Promoting environmental awareness</li> </ul>   | 76–79 |
| <b>S4 Consumers and end-users</b>           | <ul style="list-style-type: none"> <li>Information-related impacts</li> <li>Personal safety of consumers and/or end-users</li> <li>Social inclusion of consumers and/or end-users</li> </ul>                  | <ul style="list-style-type: none"> <li>Information about the services</li> <li>Responsible and proactive service communication</li> <li>Data security and privacy</li> <li>Service innovation, digital accessibility</li> </ul>  | 80–86 |
| <b>Governance</b>                           |   |  |       |
| <b>G1 Business conduct</b>                  | <ul style="list-style-type: none"> <li>Corporate culture</li> <li>Management of relationships with suppliers</li> <li>Corruption and bribery</li> <li>Political engagement and lobbying activities</li> </ul> | <ul style="list-style-type: none"> <li>Creating an open and ethical culture</li> <li>Effective data protection, cybersecurity (group-specific topic)</li> <li>Quality and sustainability requirements (risk monitoring)</li> <li>Prevention of conflicts of interest, corruption and bribery</li> <li>Active engagement in industry policy-making</li> </ul> | 88–94 |

The table with the data points that derive from other EU legislation listed in ESRS 2 Appendix B can be found in the Appendix of the Statement.



## Metrics in relation to material sustainability matters (MDR-M)

For each priority sustainability area targets and key performance indicators have been set. Progress towards achieving the Group's sustainability targets for 2023-2025 is described in the relevant thematic sections of the Statement, and a summary is available in the Appendix. The Group's external stakeholders were not involved in setting the targets.

Information in accordance with the MDR-P and MDR-A reporting requirements on the Group's policies implemented to manage material sustainability topics, actions taken and planned, and resources allocated is provided in the relevant thematic sections of this Statement.

The targets for the next strategy period have been defined during the reporting year and the information on them is provided in the thematic sections.



### Sustainability Targets 2023-2025



**ENVIRONMENT**

By 2025, devise and introduce a Greenhouse gas emission and avoided emissions accounting system in the Group

By 2025, to increase the proportion of separately collected, reusable, and recyclable waste to 50% of all the municipal waste collected

Zero work-related accidents

To reduce voluntary turnover by 3% by 2025



**SOCIETY**

To increase employee satisfaction by 5 points annually, reaching a 10-point eNPS by 2025

To provide an average of 16 hours of training per administrative staff member annually

By 2025, to increase the share of active e-services users to 75% of all the Group's customers

To increase the share of customer requests received in e-services to 60% by 2025

In 2025, to reach customer satisfaction score (NPS) of 50

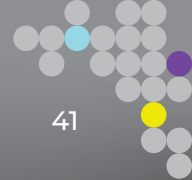
To increase the reached audience by informative and environmental education activities by 5% annually



**GOVERNANCE**

By 2025, all the Group's suppliers will be acquainted with and have agreed to the Group's Code of Conduct for Suppliers

By 2025, CleanR Grupa will have introduced a sustainable procurement system

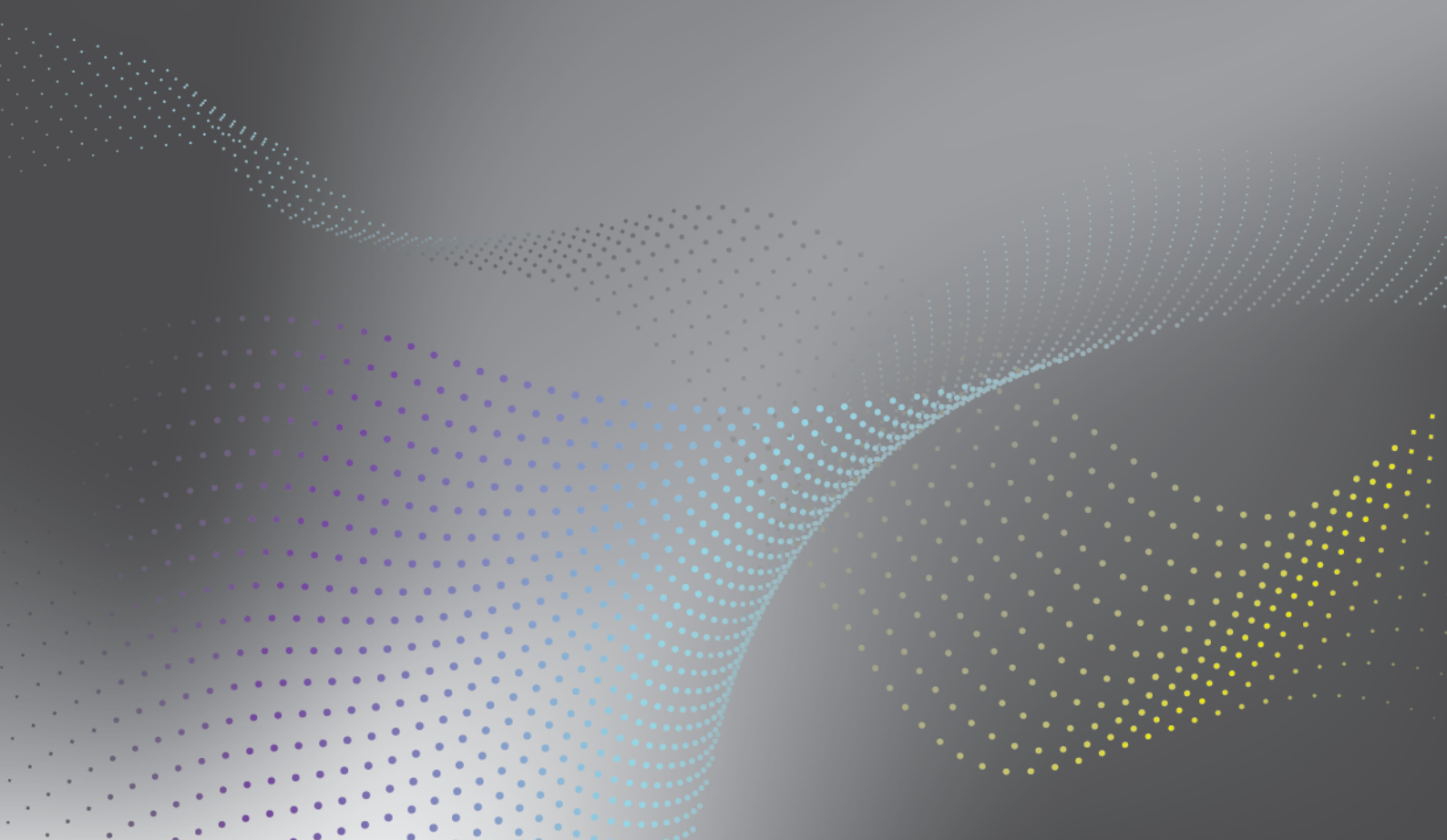


GENERAL INFORMATION

# ENVIRONMENTAL INFORMATION

SOCIAL INFORMATION

GOVERNANCE INFORMATION



## CLIMATE CHANGE

### STRATEGY

CleanR Grupa has committed to measuring, monitoring, and mitigating its impact on the environment in the long term, reviewing its habits and efficiency, as well as implementing new environmentally friendly solutions. The Group seeks to promote circularity by both creating new services and ensuring initiatives fostering climate neutrality.

### Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV-3)

In connection with reducing climate impact, the Group has set a target to increase the proportion of separately collected, reusable, and recyclable waste to 50 % of all the municipal waste collected by 2025. This target was included in the Group company's CleanR board members' incentives scheme, and in terms of its "weight", the target constituted 15 % of all targets set (see section "Circular economy").

### Transition plan for climate change mitigation (E1-1)

In March 2024, the CleanR Grupa Management Board and, subsequently, the Supervisory Council reviewed a report on the Group's climate impact and risks and took note of the Group's high-level transition plan for mitigating climate change. This plan includes only the most significant planned activities for climate impact mitigation and adaptation to climate change.

#### The plan's key activities, or decarbonization measures, include:

- modernization and electrification of the vehicle fleet,
- transitioning to renewable energy sources, gradually introducing the use of renewable energy, including sustainable fuels,
- reducing the environmental impact of the services provided – by implementing sustainable solutions and ensuring the efficiency of production processes,
- the efficient use of resources and improved energy efficiency.

In the next reporting year, the Group plans to prepare a detailed version of its climate plan for the medium-term strategy period, as well as set emission reduction targets for its own operations at least until 2030.

### Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

The Group companies seek to adapt their strategies and business models to reduce impact on the environment and ensure the transition to a sustainable economy, to limit global warming, and foster the achievement of Latvia's GHG emissions reduction targets for 2030<sup>1</sup>.

The potential locked-in GHG emissions from the Group's key assets are primarily related to production sites – sorting and recycling facilities, as well as specialised vehicles.

The Group's main products – plastic pellets and flakes, sorted packaging materials, recycled construction waste, and RDF – are produced using electricity. By increasing production capacity, energy consumption will increase.

The use of transport run on fossil fuels is related to the Group companies' financial and technological possibilities – i.e., the option to use specialised vehicles which ensure efficient waste collection and loading processes, as well as urban maintenance works outside cities or in remote areas of the Latvian countryside, as well as the possibility to use the machinery all year round.

The above circumstances may affect the ability to reduce GHG emissions and increase transition risks in the future. Therefore, the Group companies will consider gradually shifting to the use of green or self-produced electricity in production facilities. Regarding transport, the Group is planning to transition to zero or low-emission vehicles or the use of renewable diesel. Currently, the Group does not plan to fully give up using diesel-powered vehicles.

The Group assessed its economic activities according to the Taxonomy Regulation (see further subsection "EU Taxonomy Statement"). The economic activities of the CleanR Grupa companies are not connected with coal, oil, or gas. The company has not been excluded from the EU Paris-aligned benchmarks. The key actions carried out in the reporting period have been addressed in the next subsection "Actions and resources in relation to climate change (E1-3)".

<sup>1</sup> Latvia's GHG emissions reduction target within the sectors uncovered by the EU's emissions trading scheme, such as energy, transport, production processes and product manufacturing, agriculture, and waste management, for 2030 is 17%, compared to 2005. Source: <https://www.europarl.europa.eu/topics/lt/article/20180208STO97442/siltumnicefekta-gazu-emisiju-samazinasana-es-valstu-merki-lidz-2030-gadam>

## Description of the processes to identify and assess material climate-related impacts, risks and opportunities (ESRS 2 IRO-1)

The material impacts, risks, and opportunities related to energy, climate change mitigation and climate change adaptation, were identified during the materiality assessment (see section “Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)”).

An assessment of the Group’s climate risks was conducted in 2024 across its core business areas, and it is still valid today. During the risk assessment process, the Group considered the scenarios and forecasts prepared by the UN Intergovernmental Panel on Climate Change (IPCC), European Environment Agency, and Latvian Environment, Geology and Meteorology Centre.

The forecasts show that the physical expression of climate change in Latvia will be limited to certain weather conditions, whose severity and frequency will gradually grow; however, no critical changes in the weather conditions are anticipated in the short or medium term that would have a material impact on the operations of the Group companies.

A mapping and resilience analysis of actual and potential climate risks was carried out, and a summary of the most significant risks to the Group’s business and assets (including locations of production facilities) that may affect the Group’s operations in the short to medium term was prepared. At the same time, the opportunities that climate change can bring were also evaluated. Based on the assessment, a proposal for short-term and mid-term climate adaptation and transition activities was devised. The climate risk resilience analysis was conducted primarily for the Group’s own operations, while also examining the impact on the upstream and downstream value chains.

The results of the climate risk and resilience assessment show that climate impacts are identifiable in the short- and medium-term in each of the Group’s current areas of activity. Potentially, the Group’s business areas see more opportunities than risks in the context of climate change, but their successful exploitation depends on forward-looking decision-making in each business line and the ability to adapt the business model.

Transition risks are most often related to opportunities to develop additional activities by expanding the range of services provided, while in the short term, additional revenues may be generated by weather-related emergencies at customer sites and the need to deal promptly with the consequences of these situations.

The Group will continue to monitor technological, as well as regulatory developments, both globally and locally, to be able to respond promptly to its stakeholders’ urgent needs. Alongside monitoring the business opportunities created by climate change and technological advances, the Group will also keep track of its employee well-being and their ability to perform their duties efficiently in the given circumstances.

The main transition risks are listed in the table on the next page; a detailed assessment of physical risks is available in the 2024 Sustainability Report (see [cleanrgrupa.lv/en/sustainability](https://cleanrgrupa.lv/en/sustainability)). An update of climate risks is planned for 2026, including newly acquired companies.

At the same time, while conducting mitigation activities to address the physical and transition risks caused by climate change and pursuing opportunities arising from them, the Group also seeks to reduce its climate impact. The Group’s climate impact is assessed annually through GHG emission calculations.

## Description of the processes to identify and assess material climate-related impacts, risks and opportunities (ESRS 2 IRO-1) (continued)

### Impacts, risks and opportunities related to energy and climate change mitigation

| IRO type                   | IRO description  | Nature of impact (+) or (-)     | Time horizon <sup>1</sup> | Value chain impact <sup>2</sup> | Company <sup>3</sup>               | IRO management/impact on business model and strategy  |
|----------------------------|--|---------------------------------|---------------------------|---------------------------------|------------------------------------|---|
| Impacts                    | Energy-intensive processes that generate GHG emissions   | Actual (-) impact               | 1; 1-5; >5                | O                               | CR, VPL, CRV, CRI, VRC, L, UREM    | The Group's operations involve energy intensive processes, both in terms of logistics (fuel) and the electricity consumption of manufacturing equipment (processing, sorting). Companies optimize energy consumption by streamlining routes, adjusting equipment configurations, and controlling idle modes. Energy management systems have been implemented at four companies.                                   |
|                            | Efforts to reduce GHG emissions by implementing alternative solutions  | Potential (+) impact            | 1-5; >5                   | O                               | CR, VPL, CRV, CRI, VRC, L, UREM    | The Group assesses its GHG emissions, works to reduce them in its core operations by gradually modernizing its vehicle fleet, optimizing routes and production processes, and utilizing green electricity procurement and solar panel solutions.  |
|                            | Promoting emission reduction in various industries   | Actual and potential (+) impact | 1-5; >5                   | U, D                            | CR, VPL, CRV, CRI, VRC, L, ET      | The Group actively promotes waste sorting, ensures separate waste collection and recycling, significantly reducing the volume of waste sent to landfills, returning resources to the economy and thus reducing the need to use new materials. The reuse of materials reduces energy and water consumption and, consequently, greenhouse gas emissions.  |
| Risks (transitional risks) | Requirements to reduce GHG emissions both in own operations and throughout the value chain – and inability to adapt to these requirements    | Potential (-) impact            | 1; 1-5; >5                | U, O, D                         | Group                              | Stricter requirements for low-emission vehicles can have a significant impact on costs. The requirement to reduce GHG emissions may result in additional costs associated with the transition to a low-carbon economy and renewable resources. Failure to adapt to these requirements means an inability to meet the sector's targets, comply with related procurement requirements, and achieve business growth. |
|                            | Increased requirements and the need to improve the energy efficiency of buildings  | Potential (-) impact            | 1; 1-5; >5                | O                               | Group, NĪ                          | This may affect the company's core assets and create a need to plan investments, for example, to reduce heat loss and adjust ventilation/cooling systems.   |
|                            | Regulatory changes in the industry – calling for a more rapid increase in the volume of separately collected and recycled waste              | Potential (+) impact            | 1; 1-5                    | O                               | CR, VPL, CRV, CRI, ZJ, L, ET       | This may entail high costs for implementing waste collection, sorting, and recycling infrastructure and solutions, as well as adjustments for transportation and increasing capacity. At the same time, it may create opportunities to expand the Group's business operations and/or increase production volumes.   |
| Opportunities              | Increased demand for services related to the requirements of climate change mitigation and the implementation of circular economy principles | Potential (+) impact            | 1; 1-5                    | O, D                            | CR, VPL, CRV, CRI, ZJ, L, ET, UREM | Growing demand for modern waste management infrastructure, sustainable management of industrial (construction) and other recyclable waste, as well as regional and urban maintenance, including e.g., potential demand for storm and flood cleanup services.  |
|                            | Increasing competitiveness and reducing costs through energy efficiency improvements   | Actual and potential (+) impact | 1-5                       | O                               | CR, VPL, CRV, CRI, ZJ, L           | Strategic, timely, and phased modernization of the vehicle fleet and the introduction of robotic cleaning solutions can provide competitive advantages as well as the ability to attract employees. The broader implementation of energy efficiency measures in the areas with the greatest impact can reduce costs.  |

<sup>1</sup> Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

<sup>2</sup> Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

<sup>3</sup> Group – IRO refers to all CleanR Grupa companies.

CR – CleanR  
L – Lautus  
NĪ – CleanR NĪ  
ET – Eko Terra  
ZJ – Zaļā josta  
V – Vīzīi

VPL – Vides pakalpojumi Liepājai  
CRV – CleanR Verso  
CRI – CleanR Industry  
VRC – Vides resursu centrs  
UREM – urban and regional environment maintenance companies – Vīzīi Urban, KOM-AUTO, Tranzīts L

## Policies related to climate change mitigation and adaptation (E1–2)

To manage its material impacts, risks and opportunities related to climate change mitigation and adaptation, the Group has adopted the “Sustainability Policy” (updated on 16.12.2025.) and the “Environmental and Energy Management Policy” (updated on 16.12.2025.). The policies are published and available for the stakeholders on the CleanR Grupa website. One of the members of the Management Board is responsible for implementing environmental policy and overseeing this area within the Group.

The policies stipulate that the Group monitors its climate impact by tracking resource consumption and greenhouse gas emissions. Based on this data, plans and implements targeted, practical measures to reduce emissions and improve energy efficiency.

Sustainability matters addressed in these policies include responsibility for own actions related to climate by ensuring compliance with the requirements of agreements, permits, and environmental legislation, ongoing monitoring of own climate impact and prevention, efficient use of resources and energy efficiency, stakeholder engagement and education on industry climate impact and environmental protection, ongoing improvement of the environmental and energy management system.

The environmental and energy management system of the Group’s largest companies – SIA “Clean R”, SIA “CleanR Industry”, SIA “Vides resursu centrs”, SIA “Vizii” have been certified according to ISO standards: ISO 14001:2015 and ISO 50001:2018. The environmental management system of SIA “Vizii Urban”, SIA “CleanR Verso” and SIA “Lautus” has been certified according to ISO 14001:2015. In each of the business lines, specific environmental aspects and risks are monitored, targets are set, and specific activities and operations are planned for their implementation. A system for environmental target monitoring has been introduced.

## Actions and resources in relation to climate change policies (E1–3)

In the reporting year, the Group continued calculating its GHG emissions and performed specific climate impact mitigation actions within the Group.

### Modernization of the vehicle fleet and implementation of innovative technological solutions

As part of their efforts to mitigate climate change and adapt to it, the Group’s companies purchased new vehicles to provide waste management, regional, and urban services.

During the reporting year, CleanR and Vides pakalpojumi Liepājai together purchased 10 new compressed natural gas (CNG)-powered waste collection vehicles.

Vizii Urban acquired 25 units of equipment, including 17 new EURO VI emission trucks and four electric vacuum machines for sidewalk maintenance. Vizii Urban also supplemented its fleet of vehicle equipment by purchasing more than 50 pieces of equipment and various types of attachments.

The company CleanR Verso purchased 12 vehicles compliant with EURO VI emission standards for construction waste management. Meanwhile, Lautus acquired three new specialized vehicles for the collection and transport of non-hazardous and hazardous waste.

During the reporting year, the commercial cleaning company Vizii began using an additional 22 cleaning robots equipped with artificial intelligence, bringing the total number to 124 units. The use of this equipment reduces the environmental impact, significantly optimizes cleaning processes, and reduces energy and water consumption, while ensuring a high level of cleanliness.

### Energy efficiency, resource efficiency, and process optimization

In 2025, work on energy efficiency continued. The Group insulated a roof, continued replacing lighting in the production facilities and the office, upgraded the ventilation systems.

To reduce fuel consumption in waste collection processes, waste collection routes are regularly reviewed and optimized, and fuel consumption is analysed even at the level of individual vehicles. Furthermore, it has been calculated that, thanks to the newly constructed underground container sites and the large capacity of the containers, the impact on service delivery has been significantly reduced – the number of times containers have been emptied on the relevant routes has been 30,000 fewer than it would have been with standard containers.

The companies CleanR Verso, Vizii Urban, Tranzīts L, and KOM-AUTO have introduced an automated route planning system to improve route planning efficiency, which ensures more precise and rational planning of construction waste collection and urban cleaning routes, reducing fuel consumption and generating fewer emissions.

In addition, Vizii Urban calibrates and inspects its street-gritting equipment every year before the winter season to ensure that, when treating roadways with anti-skid materials, the amount of material spread is both optimal and in line with customer requirements.

The Group has made capital investments and operating expenditures to support the implementation of decarbonization measures. Total capital expenditures (CapEx) made during the reporting year to mitigate climate impact within the Group amounted to more than EUR 3 million, which included the purchase of new clean vehicles, the modernization of production lines, the procurement of green energy, and the implementation of solutions for more efficient use of resources and improved energy efficiency in buildings. The amount is included in the key performance indicators, which have been calculated according to the Commission Delegated Regulation (EU) 2021/2178 and are included in the “EU Taxonomy Statement”.

In the next reporting year, the company plans to continue decarbonizing its operations and implementing solutions to mitigate climate impacts and foster adaptation to climate change. Investments will continue in the modernization of the vehicle fleet, the streamlining of production processes (line upgrades and the purchase of robots), and the improvement of energy efficiency. The implementation of the activities depends directly on market conditions (prices), the availability of the company’s own financial resources, and their allocation during the fiscal year.

## Targets related to climate change mitigation and adaptation (E1-4)

In 2024, CleanR Grupa completed the implementation of a GHG emissions calculation system and, in 2025, made updates to the calculation methodology. In the next reporting year, the Group plans to prepare a detailed version of the climate plan for the medium-term strategy and to set emission reduction targets for its own operations at least until 2030.

At the same time, several targets related to climate impact mitigation have already been set for the 2026–2028 period. Over the next three years, the Group will aim to reduce energy intensity, ensure that at least 40% of the Group's annual investments align with the EU Taxonomy, increase the amount of separately collected waste, and maintain a 98% rate of materials returned to the economy from the construction waste recycling centre.

## Energy consumption and energy resource structure (E1-5)

According to the sustainability information disclosure requirements, companies with operations in high climate impact sectors must report on energy intensity and energy consumption in absolute value, including the share of renewable energy in their overall energy mix. Pursuant to Commission Delegated Regulation (EU) 2022/1288, companies with operations in high climate impact sectors conduct economic activities indicated in the NACE classification sections A to H, as well as L; that includes the Group's waste management and recycling businesses – SIA “Clean R”, SIA “CleanR Industry”, SIA “CleanR Verso”, PS “Vides pakalpojumi Liepājai” and SIA “Vides resursu centrs”, SIA “Eko Terra”, SIA “Zaļā josta” and SIA “Lautus”.

In the reporting period, the Group's overall energy consumption arising from the activities in high climate impact sectors reached 40.254 MWh; energy consumption from fossil sources accounted for 37,251 MWh, with the largest share made up of transport fuel. In 2025, the consumption of compressed natural gas has increased significantly, due to the increase in the share of clean vehicles in waste management.

The share of renewable energy in total consumption reached 7.5%, which is 17% more than in the previous period. The largest part of the increase was due to the use of green electricity at the municipal waste sorting facility.

Compared to the previous reporting period, the Group's overall energy consumption arising from the activities in high climate impact sectors has grown by 15%. Meanwhile, energy intensity per net revenue has decreased by 2.2% and is 0.374 MWh per one thousand euros.

| Energy consumption and energy resource structure  | 2023          | 2024          | 2025          | Changes from 2024, % |
|---|---------------|---------------|---------------|----------------------|
| (1) Fuel consumption from coal and coal products (MWh)  | 0             | 0             | 0             | N/A                  |
| (2) Fuel consumption from crude oil and petroleum products (MWh)  | 17 317        | 17 272        | 19 731        | 14%                  |
| (3) Fuel consumption from natural gas (MWh)   | 4 102         | 4 010         | 5 935         | 48%                  |
| (4) Fuel consumption from other fossil sources (MWh)  | 86            | 143           | 722           | 404%                 |
| (5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)    | 9 610         | 11 244        | 10 863        | -3%                  |
| <b>(6) Total fossil energy consumption (MWh)</b>  | <b>31 115</b> | <b>32 669</b> | <b>37 251</b> | <b>14%</b>           |
| <b>Share of fossil sources in total energy consumption (%)</b>  | <b>89</b>     | <b>94</b>     | <b>93</b>     | <b>-1%</b>           |
| (7) Consumption from nuclear sources (MWh)  | 0             | 0             | 0             | N/A                  |
| Share of consumption from nuclear sources in total energy consumption (%)                                   | 0             | 0             | 0             | N/A                  |
| (8) Fuel consumption for renewable sources, including biomass (MWh)   | 3 682         | 2 139         | 134           | -94%                 |
| (9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh) | 0             | 0             | 2 736         | N/A                  |
| (10) The consumption of self-generated non-fuel renewable energy (MWh)                                      | 0             | 85            | 132           | 57%                  |
| <b>Energy consumption and energy resource structure</b>   | <b>3 682</b>  | <b>2 223</b>  | <b>3 002</b>  | <b>35%</b>           |
| <b>(1) Fuel consumption from coal and coal products (MWh)</b>   | <b>10,6</b>   | <b>6,4</b>    | <b>7,5</b>    | <b>17%</b>           |
| <b>(2) Fuel consumption from crude oil and petroleum products (MWh)</b>                                     | <b>34 797</b> | <b>34 892</b> | <b>40 254</b> | <b>15%</b>           |

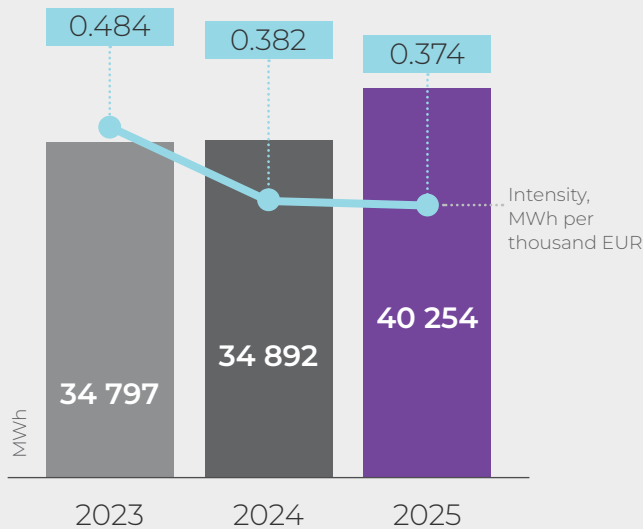
## Energy consumption and energy resource structure (E1-5) (continued)

### Energy intensity per net revenue

| Energy intensity per net revenue   | 2023  | 2024  | 2025         | Changes from 2024, % |
|--|-------|-------|--------------|----------------------|
| Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/ thousand EUR) | 0.484 | 0.382 | <b>0.374</b> | - 2.2 %              |

In the reporting year, the Group's total net revenue amounted to EUR 144,523,788. Of this, EUR 107,623,175 was used for the energy intensity calculation, while EUR 36,900,613 was excluded. The net revenue from activities in high climate impact sectors is aligned with the financial statements and included in the total consolidated amount reported under the "Net Revenue" line item in the financial report.

### Total energy consumption from activities in high climate impact sectors and intensity Years 2023-2025



## Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

GHG emissions calculations were performed in accordance with the standards developed by the Greenhouse Gas Protocol (GHGP), namely: The GHG Protocol Corporate Accounting and Reporting Standard, the GHG Protocol guidance document "Scope 2 Guidance", and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. During the reporting year, the CleanR Grupa developed a process for compiling GHG emissions data and a calculation methodology.

While developing the Group's detailed GHG emissions methodology document, an inaccuracy was identified in the Scope 3, Category 1 calculations for 2023 and 2024. Consequently, the emissions calculations for these years have been adjusted – reducing the total (market-based) GHG emissions by 22,485 t CO<sub>2</sub>eq and 33,395 t CO<sub>2</sub>eq, respectively.

The reduction was achieved by excluding GHG emissions from purchased waste, as these emissions are already accounted for in the Scope 1 and/or 3 emissions of value chain actors. Additionally, due to the specifics of one company's operations, waste management costs were excluded from the calculation, as they do not represent the costs of managing waste generated by the company itself. In addition, during the reporting year, the Group began using an international emissions factor database, thereby ensuring more up-to-date and accurate factors for Scope 3 emissions calculations. The accuracy of these calculations is particularly important for setting future emission reduction targets. The underlying assumptions and approach to the Group's GHG emissions calculations are set out in the Appendix.

The "GHG Emission Statement" includes those Group companies that are directly or indirectly under the full operational control of AS "CleanR Grupa". Compared to the previous reporting year, the calculations include Tranzits L, a company acquired in June 2025, and its data for the six months of the reporting year. The definitions and boundaries of the Group's value chain have not changed, and there have been no significant changes in the companies' business activities.

The Group's companies are not participants in the EU Emissions Trading System, and the Group's emissions are not offset. The Group's companies do not participate in projects financed by carbon credits (E1-7) and do not apply an internal carbon price (E1-8).

## Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6) (continued)

### GHG Emission Statement

Compared to the previous year, the Group's total gross GHG emissions increased by 9% during the reporting year; however, when assessed relative to revenue, GHG emissions decreased by 10%, which is a more objective indicator, taking into account the expansion of the Group.

As the number of companies under the Group's control and the volume of services provided by these companies expanded, fuel consumption for transportation increased, leading to a corresponding rise in Scope 1 emissions.

Compared to the previous year, total Scope 2 emissions (market-based) have decreased, largely due to the volume of green electricity used.

Total gross Scope 3 emissions have increased by 8%, with the greatest impact coming from the further processing of sold products (sorted materials, produced pellets, etc.), downstream transportation, capital investments, and emissions from purchased goods and services.

| GHG emissions scope/year  | 2023          | 2024          | 2025          | Changes from 2024, % |
|---|---------------|---------------|---------------|----------------------|
| <b>Scope 1 GHG emissions</b>  |               |               |               |                      |
| <b>Gross Scope 1 GHG emissions (tCO<sub>2</sub>eq)</b>                          | <b>6 302</b>  | <b>6 590</b>  | <b>8 274</b>  | <b>26 %</b>          |
| Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%) | 0             | 0             | 0             | N/A                  |
| <i>incl. biogenic emissions</i>   | 6.54          | 10.46         | 9.80          | - 6 %                |
| <b>Scope 2 GHG emissions</b>  |               |               |               |                      |
| <b>Gross location-based Scope 2 GHG emissions (tCO<sub>2</sub>eq)</b>           | <b>5 183</b>  | <b>5 895</b>  | <b>7 221</b>  | <b>22 %</b>          |
| <b>Gross market-based Scope 2 GHG emissions (tCO<sub>2</sub>eq)</b>             | <b>4 562</b>  | <b>5 014</b>  | <b>4 973</b>  | <b>- 1 %</b>         |
| <i>incl. biogenic emissions</i>   | 0.66          | 0.35          | 0.03          | - 92 %               |
| <b>Significant Scope 3 GHG emissions</b>  |               |               |               |                      |
| <b>Total Gross indirect (Scope 3) GHG emissions (tCO<sub>2</sub>eq)</b>         | <b>53 643</b> | <b>66 414</b> | <b>71 562</b> | <b>8 %</b>           |
| 1. Purchased goods and services   | 6 359         | 6 899         | 6 899         | 0 %                  |
| 2. Capital goods  | 6 567         | 7 488         | 7 808         | 4 %                  |
| 3. Fuel and energy-related activities   | 1 909         | 1 999         | 2 293         | 15 %                 |
| 4. Upstream transportation and distribution                                     | 1 226         | 1 183         | 1 108         | - 6 %                |
| 5. Waste generated in operations  | N/A*          | N/A           | N/A           | N/A                  |
| 6. Business traveling   | N/A           | N/A           | N/A           | N/A                  |
| 7. Employee commuting   | 1 131         | 1 397         | 1 384         | - 1 %                |
| 8. Upstream leased assets   | N/A           | N/A           | N/A           | N/A                  |
| 9. Downstream transportation  | 811           | 925           | 1 097         | 19 %                 |
| 10. Processing of sold products   | 35 639        | 46 524        | 50 974        | 10 %                 |
| 11. Use of sold products  | N/A           | N/A           | N/A           | N/A                  |
| 12. End-of-life treatment of sold products                                      | N/A           | N/A           | N/A           | N/A                  |
| 13. Downstream leased assets  | N/A           | N/A           | N/A           | N/A                  |
| 14. Franchises  | N/A           | N/A           | N/A           | N/A                  |
| 15. Investments   | N/A           | N/A           | N/A           | N/A                  |
| <b>Total GHG emissions</b>  |               |               |               |                      |
| <b>Total GHG emissions (location-based) (tCO<sub>2</sub>eq)</b>                 | <b>65 127</b> | <b>78 899</b> | <b>87 058</b> | <b>10 %</b>          |
| <b>Total GHG emissions (market-based) (tCO<sub>2</sub>eq)</b>                   | <b>64 506</b> | <b>78 018</b> | <b>84 810</b> | <b>9 %</b>           |

\* N/A – not applicable/relevant.

## Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6) (continued)

### GHG emission intensity

| GHG emissions per net revenue (t CO <sub>2</sub> eq/thousand EUR)                       | 2023  | 2024  | 2025         | Changes from 2024, % |
|---|-------|-------|--------------|----------------------|
| Total GHG emissions (location-based) per net revenue (tCO <sub>2</sub> eq/thousand EUR) | 0.684 | 0.669 | <b>0.614</b> | - 8 %                |
| Total GHG emissions (market-based) per net revenue (tCO <sub>2</sub> eq/thousand EUR)   | 0.677 | 0.662 | <b>0.598</b> | - 10 %               |

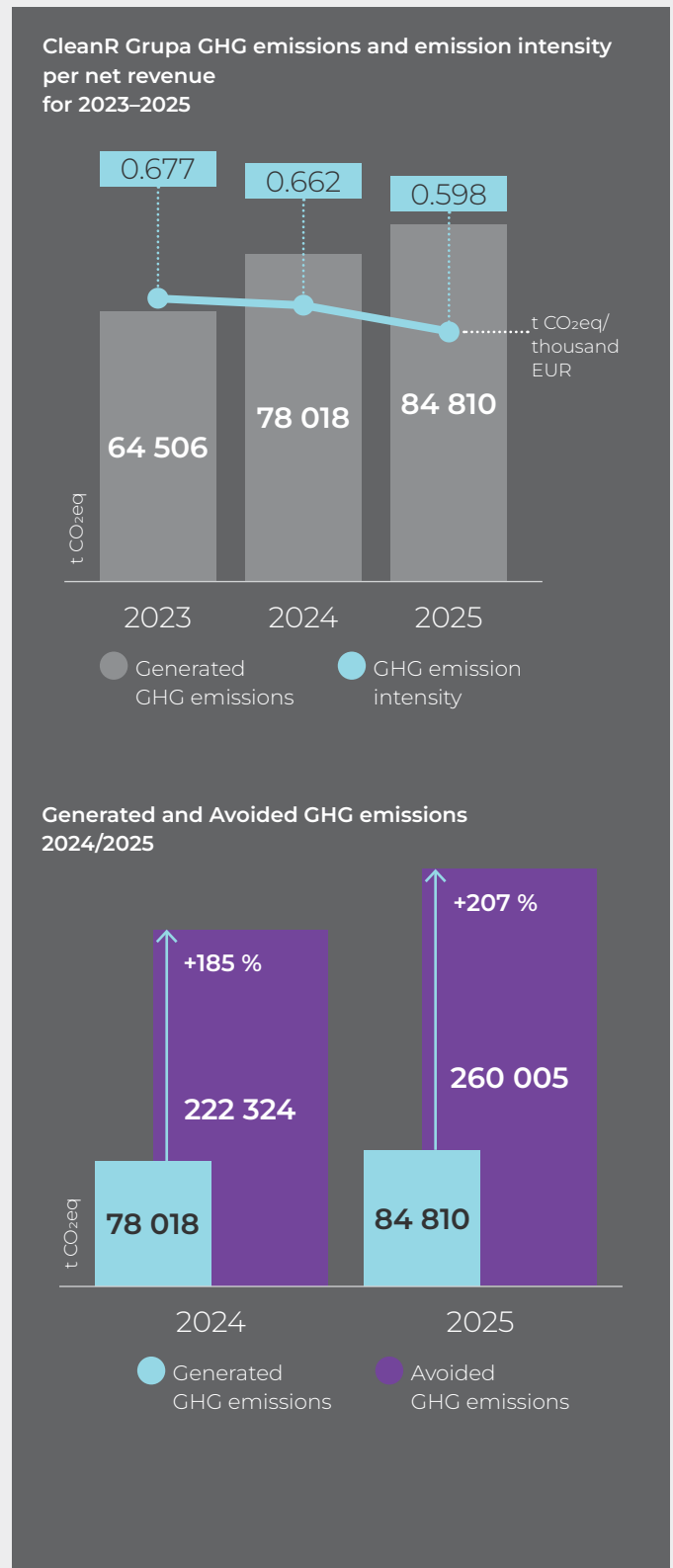
For the intensity calculation, the net revenue figure was used, comprising the revenue generated by the companies under the Group's full financial and operational control. In the reporting year, the Group's total net revenue amounted to EUR 144,523,788. Of this, EUR 141,786,892 was used for the GHG emissions intensity calculation, while EUR 2,736,896 was excluded. The net revenue figure is aligned with the financial statements and included in the total consolidated amount reported under the "Net Revenue" line item in the financial report.

### Avoided emissions

The Group's companies not only generate emissions but also, through separate waste collection, sorting, and recycling, ensure a reduction in GHG emissions both in their own operations and throughout the downstream value chain – at the customer and national levels.

The calculation of avoided emissions is indicative, based on two scenarios: a comparison of the end-of-life stages of materials (cardboard, plastic, glass, etc.) – emissions that would result if the materials were landfilled are compared with emissions resulting from their collection, recycling, or reuse. The calculations use emission factors from the DEFRA database, data from reports submitted to the State Environmental Service regarding the volumes of waste sorted, recycled, and sent for recycling by Group companies, and emissions from Group companies' waste transportation and sorting.

In the reporting year, thanks to the activities of CleanR Grupa, 260,005 tonnes of CO<sub>2</sub> equivalent emissions were avoided. In 2025, the Group companies avoided 207% more emissions than they generated by own activities. Compared to 2024, this indicator has grown by 22 percentage points.



## EU Taxonomy Statement

To facilitate the implementation of the EU's Green Deal targets and promote sustainable investment, in 2020, the EU adopted Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (hereinafter – Taxonomy Regulation/Taxonomy).

### The Taxonomy Regulation identifies six environmental objectives:

- 1 climate change mitigation,
- 2 climate change adaptation,
- 3 the sustainable use and protection of water and marine resources,
- 4 the transition to a circular economy,
- 5 pollution prevention and control,
- 6 the protection and restoration of biodiversity and ecosystems.

The Commission Delegated Regulations (EU) 2021/2139, (EU) 2023/2486 and (EU) 2026/73 lay down criteria companies must use to assess whether a particular economic activity fosters the implementation of any of the above-mentioned objectives while causing no harm to any of the other objectives.

In line with the requirements of the Corporate Sustainability Reporting Directive and the Sustainability Reporting Standards, non-financial undertakings are required to disclose in their annual sustainability report the share of their key performance indicators (KPIs) – turnover, capital expenditure and operating expenses – that are attributable to taxonomy-eligible and taxonomy-aligned economic activities.

CleanR Grupa has assessed its economic activities in accordance with the Taxonomy in 2024 and 2025. Compared to the previous year, the assessment includes the company Lautus, which was acquired at the end of 2024, and the company Tranzīts L, acquired in the summer of 2025.

At the initial stage of the assessment, Taxonomy-eligible activities (those included in the Taxonomy scope or list), and the non-eligible ones were identified.

**Taxonomy non-eligible activities** include the operations of the Group companies which provide commercial cleaning, urban maintenance services, and holding company management – companies being SIA "Vizii", SIA "Vizii Urban", SIA "KOM-AUTO", SIA "Tranzīts L", SIA "Vizii Management", AS "CleanR Grupa" and SIA "WasteTech".

The second step assessed the compliance of each relevant activity with the technical screening criteria defined to achieve the climate change mitigation or the circular economy transition objective, while at the same time assessing whether these activities "do not cause significant harm" to other environmental objectives, and subsequently – whether the activities comply with the minimum social safeguards set out in Article 18 of the Taxonomy Regulation.

In accordance with Commission Delegated Regulation (EU) 2026/73, the alignment of the economic activities of SIA "CleanR NĪ" and SIA "Eko Terra" with the Taxonomy criteria was not assessed, as their turnover and operating expenses account for less than 10% of the Group's total KPI's.

All economic activities of the Group companies comply with the minimum social safeguards and minimum governance criteria. The company pursues policies and processes that foster observance of human rights, conflict-of-interest prevention, payment of taxes, and fair competition. The Group has introduced a work-related accident prevention and management system. The Group makes sure its companies operate in accordance with the relevant laws and regulations. In the reporting period, no incidents have been detected or reported in any of the above-mentioned areas; thus, it has been concluded that the Group companies comply with the minimum safeguards in the fields of social security and governance.

The activities of CleanR Grupa companies related to waste transportation, sorting, and recycling (material recovery) have been recognized as aligned with the Taxonomy: SIA "Clean R", SIA "CleanR Industry", SIA "CleanR Verso", PS "Vides pakalpojumi Liepājai", SIA "Vides resursu centrs", SIA "Zaļā josta", SIA "Lautus".

### Taxonomy-eligible activities

| Group subsidiary company and its economic activity according to NACE 2.1.                        | Activity type according to the Taxonomy Regulation                                  |
|--|---|
| SIA "Clean R"<br>38.11. Collection of non-hazardous waste  | 5.5. Collection and transport of non-hazardous waste in source segregated fractions |
| SIA "CleanR Industry"<br>20.16 Manufacture of plastics in primary forms                          | 3.17. Manufacture of primary plastics   |
| SIA "CleanR Verso"<br>38.11. Collection of non-hazardous waste                                   | 5.5. Collection and transport of non-hazardous waste in source segregated fractions |
| SIA "CleanR NĪ"<br>68.20. Rental and operating of own or leased real estate                      | 7.7. Acquisition and ownership of buildings   |
| SIA "Eko Terra"<br>38.11. Collection of non-hazardous waste                                      | 5.6. Anaerobic digestion of sewage sludge   |
| PS "Vides pakalpojumi Liepājai"<br>38.11. Collection of non-hazardous waste                      | 5.5. Collection and transport of non-hazardous waste in source segregated fractions |
| SIA "Vides resursu centrs"<br>38.21. Materials recovery  | 5.9. Material recovery from non-hazardous waste                                     |
| SIA "Zaļā josta"<br>38.21. Materials recovery  | 5.9. Material recovery from non-hazardous waste                                     |
| SIA "Lautus"<br>38.11. Collection of non-hazardous waste<br>38.12. Collection of hazardous waste | 2.3. Collection and transport of non-hazardous and hazardous waste                  |

## EU Taxonomy Statement (continued)

### Approach to key performance indicator calculations

The calculations have been made according to the Taxonomy Regulation, Commission Delegated Regulations (EU) 2021/2178, and related documents. They are based on the considerations and assumptions described below. The Group made sure that the mentioned indicators are not simultaneously applied to several activities of the Taxonomy.

#### Turnover

The proportion of Taxonomy-eligible and Taxonomy-aligned activities in the Group revenue has been determined, considering the aforementioned assessment, the Group's accountancy policy and approach, the activity type, product and services revenue analysis, for example, revenues from waste management, container rental, transportation services, and product sales.

#### Operating expenses

The proportion of Taxonomy-eligible and Taxonomy-aligned activities in the Group expenses has been determined, considering the aforementioned assessment and assessing expenses according to the activity type. Operating expenses (OpEx) include expenses related to running the company's daily operations, for example, personnel costs, advertising and marketing, administrative costs and other. The cost analysis does not consider the costs of the mutual services provided between the Group companies.

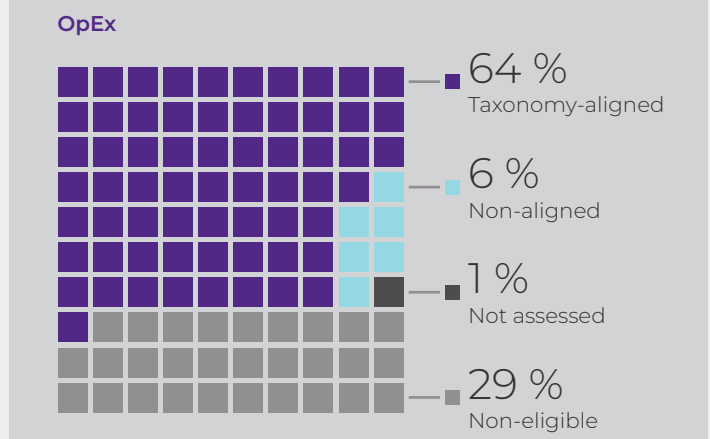
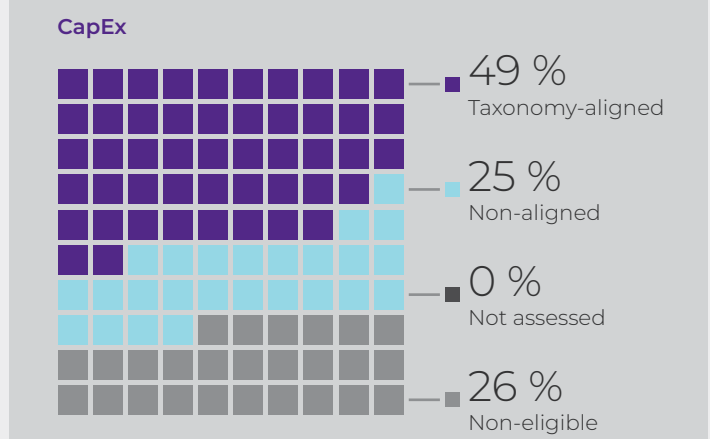
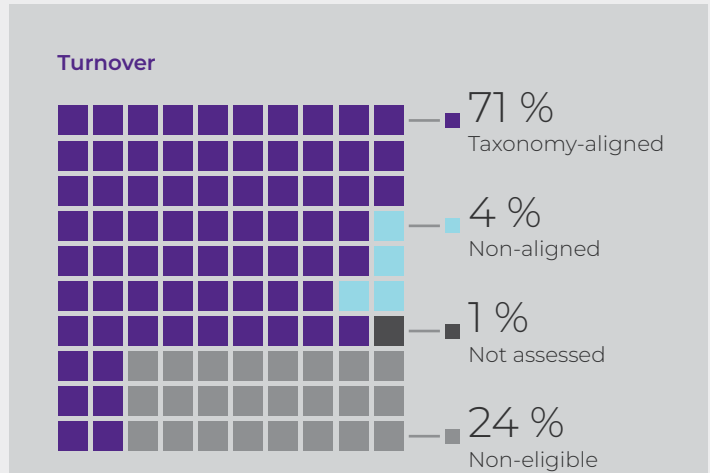
#### Capital investments

The capital investments (CapEx) analysis was conducted by looking at each capital investment position individually to determine whether each concrete position was Taxonomy-aligned. This analysis also included subsidiary companies whose basic operations are not Taxonomy-eligible. This approach ensured that the Statement includes all those Group-made capital investments which foster sustainable development and contribute to the environmental objectives set by the Taxonomy Regulation.

#### Calculation results

In the reporting year, Taxonomy-eligible turnover constituted 76%, from which 71% were aligned. Eligible operational costs were 71%, from which 64% were Taxonomy-aligned, whereas Taxonomy-eligible capital investments constituted 74%, from which 49% were assessed as Taxonomy-aligned.

Over the next three years, by balancing out its business growth with the Taxonomy objectives, the Group will seek to retain a share of Taxonomy-aligned investments of at least 40%.



## EU Taxonomy Statement (continued)

### Breakdown by environmental objectives of Taxonomy-aligned activities Year 2025

|          | 1        | 2    | 3        | 4    | 5    | 6   | 7   | 8   | 9   | 10  | 11  | 12  | 13  | 14  | 15       | 16   |
|----------|----------|------|----------|------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|----------|------|
| KPI*     | M<br>EUR | %    | M<br>EUR | %    | %    | %   | %   | %   | %   | %   | %   | %   | %   | %   | M<br>EUR | %    |
| Turnover | 141.8    | 76 % | 100.3    | 71 % | 67 % | 0 % | 0 % | 4 % | 0 % | 0 % | 0 % | 0 % | 0 % | 1 % | 81.3     | 70 % |
| CapEx    | 13.2     | 74 % | 6.5      | 49 % | 45 % | 0 % | 0 % | 4 % | 0 % | 0 % | 0 % | 0 % | 0 % | 0 % | 5.3      | 50 % |
| OpEx     | 130.8    | 71 % | 83.9     | 64 % | 62 % | 0 % | 0 % | 2 % | 0 % | 0 % | 0 % | 0 % | 0 % | 1 % | 64.5     | 64 % |

\* Detailed data by the main types of KPI are available in the Appendix.

- 1 Key performance indicators
- 2 Total
- 3 Proportion of Taxonomy-eligible activities
- 4 Taxonomy-aligned activities
- 5 Proportion of Taxonomy-aligned activities
- 6 Climate Change Mitigation
- 7 Climate Change Adaptation
- 8 Water
- 9 Circular Economy
- 10 Pollution
- 11 Biodiversity
- 12 Proportion of enabling activities
- 13 Proportion of transitional activities
- 14 Not assessed activities considered non-material
- 15 Taxonomy-aligned activities in previous financial year (2024)
- 16 Proportion of Taxonomy-aligned activities in previous financial year (2024)

## POLLUTION PREVENTION

### Description of the processes to identify and assess material pollution-related impacts, risks and opportunities (ESRS 2 IRO-1)

The material impacts, risks, and opportunities related to pollution prevention were identified during the materiality assessment (see section "Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)").

CleanR Grupa companies provide waste collection, transportation, sorting, recycling, hazardous and healthcare waste management, as well as urban maintenance services, which, among other things, include the collection of waste (e.g. at bus stops, etc.).

The companies ensure responsible pollution prevention, collecting, sorting, and recycling waste properly, monitoring pollution in their operations.

The waste management sector is regulated by the Waste Management Law, the Law on Pollution and the Cabinet of Ministers (CM) regulations issued on their basis. In accordance with the current regulatory framework, all waste operations are classified as polluting activities, which may be carried out only after obtaining the relevant permits. The specific impacts and risks associated with pollution are identified in the process of obtaining these permits, including in the environmental impact assessment process, if applicable.

Polluting activity permits are issued by the State Environmental Service (SES). The permits include the conditions that the company must comply with: limits for polluting activities (e.g. waste flows and volumes, waste handling, limits for emissions of polluting substances into the air, soil or water), as well as the reporting procedure in accordance with the

permit requirements, thus aiming to minimise adverse impacts on the environment and human health.

CleanR Grupa have been issued a total of 33 polluting activity permits – for waste collection and transportation, trade and intermediation, sorted waste collection and storage sites, operation of stations for sorting and transshipment of separately collected waste, as well as operation of waste processing facilities. Information on the main polluters is available in the polluting activity permits, which are available in the public data register of the SES. The most material impact in relation to pollution from own activities is generated by five of the Group's facilities. They are listed in the subsection "Air, water and soil pollution (E2-4)".

The Group companies regularly provide the necessary consultations and communication with stakeholders, including the industry supervisory institutions – the SES, the Energy and Environment Agency (previously the State Environmental Monitoring Bureau) and other competent authorities, as well as representatives of the relevant municipalities, in order to identify and monitor the significant impacts related to the identification of potential environmental risks and aspects and the reduction of pollution.

Every year, by April 1, CleanR Grupa companies submit a report on the fulfilment of permit requirements and environmental monitoring results for the previous year to the State Environmental Service. Detailed environmental measurement data are provided to the "Latvian Environment, Geology and Meteorology Centre".

### Pollution-related material impacts, risks and opportunities

| IRO type | IRO description                         | Nature of impact (+) or (-)     | Time horizon <sup>1</sup> | Value chain impact <sup>2</sup> | Company <sup>3</sup>          | IRO management/impact on business model and strategy   |
|----------|---|---------------------------------|---------------------------|---------------------------------|-------------------------------|--|
| Impact   | Ensuring a clean environment            | Actual and potential (+) impact | 1; 1-5; >5                | U, O, D                         | CR, VPL, CRV, L, UREM         | The Group's companies ensure access to sanitation services – preventing pollution caused by waste generated by residents and organizations. Responsible waste management and urban maintenance reduce environmental pollution, including dust, odours, various harmful substances, and other forms of pollution that can degrade the quality of life and the state of the environment.   |
| Risks    | Polluting activity permit violations    | Potential (-) impact            | 1; 1-5; >5                | O                               | CR, CRV, CRI, L, VPL, VRC, ET | Significant violations of waste management regulations can cause risks to the environment and people, as well as reputational and financial risks to the Group. Violations may result in increased inspections by regulatory authorities and financial and administrative consequences; therefore, compliance with the requirements set forth in the permits is continuously monitored and improved (through additional controls, incident analysis, internal audits, etc.).   |
|          | Fire/ignition caused by hazardous waste | Potential (-) impact            | 1; 1-5                    | U, O, D                         | CR, CRV, CRI, L, VPL, VRC     | The risk of fire increases when hazardous waste, particularly electrical equipment containing lithium-ion batteries, ends up in household and separately collected waste. This risk exists during waste collection, as well as during sorting and recycling processes. This can cause environmental damage, ruin recyclable materials, result in damage to equipment and vehicles, as well as pose a danger to employees. To mitigate this risk, various technological preventive measures are being implemented alongside employee training on how to act in emergencies. Additionally, ongoing public awareness campaigns are being conducted to promote proper waste sorting. |

<sup>1</sup> Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

<sup>2</sup> Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

<sup>3</sup> Group – IRO refers to all CleanR Grupa companies.

CR – CleanR  
L – Lautus  
NĪ – CleanR NĪ  
ET – Eko Terra  
ZJ – Zaļā josta

V – Vīzī  
CR – CleanR  
L – Lautus  
NĪ – CleanR NĪ  
ET – Eko Terra

ZJ – Zaļā josta  
V – Vīzī  
VPL – Vides pakalpojumi Liepājai  
CRV – CleanR Verso  
CRI – CleanR Industry

VRC – Vides resursu centrs  
UREM – urban and regional environment maintenance companies – Vīzī Urban, KOM-AUTO, Tranzīts L

## Policies related to pollution (E2-1)

The Group's approach to pollution mitigation has been defined in the Group's **"Sustainability Policy"** (updated on 16.12.2025.) and the **"Environmental and Energy Management Policy"** (updated on 16.12.2025.). CleanR Grupa and its subsidiary companies are committed to operating in line with the relevant laws and regulations, agreements and standards, polluting activity permit terms, and best business practice. According to the "Environmental and Energy Management Policy", the Group companies ensure ongoing air, water, and soil pollution monitoring in line with the approved environmental programmes, and plan and implement measures to reduce environmental impact. When providing services and implementing projects, the Group assesses the risks and applies preventative measures to prevent or mitigate its impact on the environment and people.

CleanR Grupa has approved the **"Procedure for Reducing Environmental Impact in Emergency Situations"**. It defines situations that are considered environmental emergencies, such as spills of petroleum products or chemicals, improper waste composition on-site or in the cargo, fires (ignition of the waste cargo, burning of waste), and other incidents that may have an impact on the environment. It establishes processes for reporting incidents and the actions to be taken in emergencies to control the situation and limit negative impacts.

The management boards of the Group companies are responsible for compliance with the provisions of the issued permits, signed agreements, and relevant laws and regulations. At the Group level, the permit-related matters are overseen by the Environmental Adviser to the Management Board.

Group companies CleanR, CleanR Industry, Vides resursu centrs, CleanR Verso, Lautus, Vizii, Vizii Urban have implemented international environmental quality standards according to ISO 14001:2015 and health and safety management systems in line with the quality standard ISO 45001:2018. As part of the system, risks related to air, environmental, and water pollution are also assessed and monitored, environmental incidents are recorded, and corrective measures are implemented as necessary.

In addition, in the field of bio-based raw material recovery – the collection of fats, used cooking oil, and food waste – Lautus has successfully passed a recertification audit and renewed its International Sustainability and Carbon Certification (ISCC). ISCC is a recognized, voluntary certification system that ensures raw material traceability along the supply chain and attests to stringent quality control processes, social and environmental standards, including reducing carbon emissions in the company's operations.



## Actions and resources related to pollution (E2-2)

The Group allocates the necessary technological, human, and financial resources for pollution monitoring and mitigation; every year, the Group plans activities to mitigate its adverse impact.

The Group's guiding principle in pollution management is to reduce the negative, pollution-related impact to a minimum, ensuring pollution monitoring and appropriate preventative measures.

Permits for polluting activities are subject to regular preventative assessments of operating conditions, waste volumes, compliance monitoring measures, and daily compliance monitoring, which result in permit reviews and, if necessary, revisions and amendments to permit conditions in accordance with actual circumstances, waste volumes, and the activities carried out with them. Meanwhile, the SES conducts regular reviews of operational documentation, on-site inspections of facilities, and assessments of the compliance of waste transport destinations in accordance with the waste management permit issued to the operator to ensure compliance with the established requirements.

In accordance with the permits issued, measurements of soil, wastewater, groundwater and air quality are conducted at intervals determined for the relevant environmental aspect at the Group's waste management and polluting activity facilities. The permits for polluting activities issued to the company specify emissions limits for pollutants. The environmental specialist responsible for the site monitors the measurements, their frequency and the test results to ensure that the permissible emission values specified in the permits are not exceeded.

The Group companies assess and ensure the operations of the waste recycling facilities and machinery according to the Best Available Techniques (BAT) in the industry. The Group keeps up to date with new technologies in waste management, implementing them in its operations as necessary and possible.

During the reporting year, the Group's companies underwent three scheduled thematic inspections by the State Environmental Service and received five minor notices of non-compliance. These did not result in any material liabilities. In all cases, the non-compliances were related to the volume, duration, and/or appropriate location of temporary waste storage, and the need to improve waste record-keeping. The companies conducted the situation analysis and implemented corrective measures.

## Action plans implemented at particular sites

The Group's companies invest in vehicle fleet renewal every year. During the reporting year, CleanR and Vides pakalpojumi Liepājai in total purchased 10 new compressed natural gas (CNG)-powered waste collection trucks. CNG is a cleaner fuel because it produces fewer GHG emissions and harmful pollutants – fine dust and nitrogen oxide (NOx) particles – during combustion. In addition, CNG-powered garbage trucks operate much more quietly, causing virtually no noise pollution in the surrounding environment. To achieve its fleet renewal goals, CleanR plans to purchase six additional new CNG vehicles in 2026, thereby increasing the proportion of CNG-powered specialized vehicles to 35%.

In autumn 2024, a project to reconstruct and renovate the rainwater drainage system was launched at CleanR's premises on Vietalvas Street in Riga. As part of this project, certain sections of the rainwater drainage system were reconstructed during the reporting year, including replacing a 66-metre section of rainwater sewer, flushing the sewer network, replacing and levelling seven sewer manholes, and cleaning the pavement to prevent sand, debris, etc. from entering the drainage system. This will improve the flow capacity of the drainage system and reduce the accumulation of rainwater in the area.

During the reporting year, at the CleanR Verso construction waste sorting and recycling centre "Nomales," a firewater pond, essential for maintaining the fire safety system, was put into operation. The water from it is also used for regular dust suppression during the crushing and sorting of construction debris. In addition to the requirements set forth in the permits, the company conducted and will continue to conduct voluntary dust emission measurements twice a year. In 2025, the company also conducted voluntary soil contamination measurements at three locations in the vicinity of the recycling centre.

CleanR Industry has upgraded the dust aspiration system at its plastics recycling facility, which will ensure a cleaner environment by removing dust and fumes, protect employee health, extend the service life of equipment, and significantly reduce the risk of fire.

### Improvement of the fire safety system

In recent years, the waste management sector has been facing challenges regarding fire safety. Hazardous waste, such as electrical equipment containing lithium-ion batteries, ends up in both household and separately collected waste. The risk of fire associated with crushing these batteries during waste collection and/or sorting is increasing. This can result in environmental harm, such as air or soil contamination, damage to recyclable materials, equipment, and vehicles, and pose risks to employees.

During the reporting year, all instances of waste ignition or smouldering identified at the Group's companies were promptly resolved using internal resources, without causing significant damage or harm to the environment.

In 2025, a fire safety specialist joined CleanR NĪ to oversee and improve the fire safety systems in the offices and especially in production facilities managed by the Group's companies.

The Group's goal is not only to ensure basic fire safety requirements but also to find the latest and most effective solutions to help prevent incidents. Thermal imaging cameras are installed along the production lines to detect and alert staff to fires in a timely manner. Fire extinguishing balls and capsules are also used to help extinguish fires in their initial stages. The most effective turbo fire extinguishers have been installed and are used for fire suppression.

### Actions in the field of fire safety during the reporting year:

- **Modernization of the fire detection and the alarm system at Vietalvas 5 territories:** The automatic fire detection and the alarm system were fully installed and certified. All premises of the facility were equipped with the necessary detectors and sirens, and the relevant technical documentation was prepared,
- **Electrical system safety:** An inspection of the electrical wiring was conducted and technical defects were rectified, ensuring the system's compliance with operational standards,
- **Optimization of the fire hydrant infrastructure:** An additional underground fire hydrant was installed on the premises, and water supply within the internal water supply system was streamlined. The layout of the fire hydrants in the sorting plant was optimized to ensure free and unobstructed access to them,
- **Improvements to the sorted material storage area:** The new outdoor storage area that meets the insurance companies' requirements was set up to serve the sorting facility's needs,
- **Fire safety equipment audit and monitoring:** A comprehensive audit of fire extinguishers was conducted, resulting in the optimization of their number and the implementation of a monthly monitoring system for fire safety equipment,
- **Staff training:** In-depth practical and theoretical training on emergency response procedures was provided to security and production staff. In addition, special training was provided to personnel performing fire-hazardous work.

During the reporting year, the State Fire and Rescue Service conducted an unscheduled inspection of the premises at Vietalvas 5. The inspection concluded that the system complies with all regulatory requirements.

### Targets related to pollution (E2–3)

CleanR Grupa has not set a specific target related to pollution. The Group acts as a diligent and accurate owner, ensuring compliance with the relevant laws and regulations, agreements, and polluting activity permit terms, **pursuing zero cases of non-compliance.**

By doing so, the Group companies contribute to the target of UN SDG 12 **“Ensure sustainable consumption and production patterns”**, namely its fourth sub-target – ensuring the environmentally sound management of chemicals and all types of waste, significantly reducing their release into air, water, and soil, thereby minimizing their adverse effects on human health and the environment.



### Pollution of air, water and soil (E2–4)

According to the ESRS E2 requirements, an undertaking must disclose the amount of each pollutant if it exceeds the threshold values specified in the European Pollutant Release and Transfer Register. In the reporting year, the threshold values specified in the register were not exceeded at any of the CleanR Grupa facilities.

In 2025, due to the increase in the number of customers and the volume of waste, and the need to expand routes to ensure the service, the amount of the diesel fuel used exceeded the limit set in CleanR's permit by 7.7%, resulting in a proportional increase in volatile organic compound emissions. Accordingly, the natural resources tax was calculated for the excess volumes.

Compared to the previous year, CleanR Verso has amended the air pollution emission limit for the construction waste sorting and recycling centre “Nomales” in connection with the production expansion: the emission limit project was recalculated to account for the increase in wood chipping. Vides resursu centrs began groundwater monitoring.

During the reporting year, there were no environmental incidents that caused a significant environmental impact – namely, pollution.

#### Reporting and accounting methodology for pollution-related measurements

Data gathering for accounting and reporting is overseen by the environmental manager of the respective company. Emission measurements and calculations are outsourced. The air pollutant emission calculations are conducted according to the Cabinet of Ministers regulations on the development of Stationary Pollution Emission Sources Limit Projects. The air emission calculation results are registered in the emission logbook. The logbook should also contain the initial data, based on which emission calculations are made – raw material consumption, and the length of the machinery process. The soil and groundwater quality are tested by testing separate parameters according to an industry-specific, lab-accredited method. Wastewaters are tested at an accredited lab according to the standards set by the Republic of Latvia or international (ISO) standards.

### Group companies' key facilities where environmental monitoring is performed

| Company/Site   | Monitoring of the environmental aspect |                    |      | EC* specified annual emission limit<br>(Not exceeded/Exceeded) | Installations subject to EU BAT conclusions |    |
|--|--|--------------------|------|--|---|----|
|  | ✓<br>Monitored                         | ✗<br>Not monitored |      |  | +   | –  |
|  | Air                                    | Water              | Soil |  | Yes   | No |
| <b>CleanR</b>  |  |                    |      |  |   |    |
| Sorted waste collection and storage area, waste storage and treatment facility, including transport base/refuelling site | ✓                                      | ✓                  | ✓    | Not exceeded   | –   |    |
| <b>CleanR Industry</b>   |  |                    |      |  |   |    |
| Plastic waste processing facility  | ✓                                      | ✓                  | ✗    | Not exceeded   | –   |    |
| <b>CleanR Verso</b>  |  |                    |      |  |   |    |
| Construction waste sorting and recycling centre  | ✓                                      | ✓                  | ✗    | Not exceeded   | –   |    |
| <b>Vides resursu centrs</b>  |  |                    |      |  |   |    |
| Municipal waste sorting facility   | ✓                                      | ✓                  | ✗    | Not exceeded   | +   |    |
| <b>Lautus</b>  |  |                    |      |  |   |    |
| Sorting and handling station, waste collection, storage, and regeneration site   | ✗                                      | ✓                  | ✗    | Not exceeded   | –   |    |

\* Regulation (EU) 2024/1244 of the European Parliament and of the Council of 24 April 2024 on reporting of environmental data from industrial installations, establishing an Industrial Emissions Portal and repealing Regulation (EC) No 166/2006 (Annex II).

## CIRCULAR ECONOMY

### STRATEGY

CleanR Grupa views the circular economy as a smart economic model that facilitates the efficient use of resources. Turning waste into a resource by sorting and recycling it, thus reducing landfilled waste, underpins the Group's strategy. By increasing the share of separately collected and recycled waste, the Group aims to become a role model for the circular economy in Latvia. At the same time, CleanR Grupa makes a significant contribution to educating the Latvian public in environmental matters, fostering the country's transition to a circular economy.

### Description of the processes to identify and assess material impacts, risks and opportunities related to the circular economy (ESRS 2 IRO-1)

The material impacts, risks, and opportunities related to circular economy were identified during the materiality assessment (see section "Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)").

The CleanR Grupa business model and operations are embedded in the circular economy. The Group's waste management and recycling companies – CleanR, Vides pakalpojumi Liepājai, CleanR Industry, CleanR Verso, Vides resursu centrs, Eko Terra, Lautus, as well as the producer responsibility system company Zaļā josta are closely intertwined with the circular economy and significantly foster its implementation.

### Material impacts, risks and opportunities related to the circular economy

| IRO type               | IRO description   | Nature of impact (+) or (-)     | Time horizon <sup>1</sup> | Value chain impact <sup>2</sup> | Company <sup>3</sup>              | IRO management/impact on business model and strategy   |
|------------------------|---|---------------------------------|---------------------------|---------------------------------|-----------------------------------|--|
| Impact/<br>Opportunity | Promoting implementation of the circular economy  | Actual and potential (+) impact | 1; 1-5; >5                | U, O, D                         | CR, CRV, CRI, VRC, VPL, L, ZJ, ET | The Group promotes the principles of the circular economy by implementing the core principles of the waste management hierarchy, including: public education and engagement to reduce waste volumes, as well as campaigns and initiatives to promote the separate collection of various types of waste.  |
| Opportunities          | Improving the quality and reuse potential of recycled materials   | Potential (+) impact            | 1-5                       | O, D                            | CRV, L                            | The Group's companies have the potential to improve the quality of recycled materials (e.g., construction waste) by reducing waste contamination and enhancing the material's reusability, but legislative changes are also required so that a wider range of materials could be returned to the market.   |
|                        | New or expanded waste management opportunities resulting from the Group's expansion and/or innovation                     | Actual and potential (+) impact | 1-5; >5                   | U, O, D                         | Group                             | By developing new business areas and services, such as the management of hazardous and healthcare waste, plastic waste recycling, food and industrial oil management, the production of RDF, and the implementation of underground container infrastructure, the Group provides sustainable waste management solutions, including valuable resources for various industries.   |
| Risks                  | Due to improper sorting, the quality of separately collected materials and the volume of recyclable waste is insufficient | Potential (-) impact            | 1; 1-5                    | U, O, D                         | CR, CRV, CRI, VPL, VRC            | The Group's operations in the waste management sector depend on the volume and quality of separately collected and recyclable waste; however, insufficient public awareness and improper sorting pose risks. Insufficient collection of separately collected waste, or a high volume of low-quality materials for sorting or further recycling, may create a risk of failing to meet national and Group targets, may create a risk to the fulfilment of contract terms, thereby reducing both return on investment and revenue.  |
|                        | Contamination of materials with hazardous waste   | Actual and potential (-) impact | 1; 1-5                    | O, D                            | CR, VPL, CRV, CRI, VRC            | Hazardous waste discarded by customers is periodically found in household waste, separately collected waste, and waste intended for recycling. Examples include lithium-ion batteries, syringes, and asbestos waste in construction debris. Chemical residues are also found in containers sent for plastic recycling. In such cases, damage may be caused to the company's equipment and employees. Waste recycling may be hindered. The Group maintains an incident log for these cases. Upon identification, such waste is removed and sent for appropriate disposal. |
|                        | Insufficient demand for recycled materials  | Actual and potential (-) impact | 1-5                       | O, D                            | CRI                               | Insufficient demand for recycled materials, such as HDPE, LDPE, and PP pellets, as well as competition from cheaper non-recycled materials and low-quality pellets from third countries, could jeopardize the plant's profitability. To mitigate this risk, the group is seeking new markets and collaborating with local partners, as well as actively engaging in the improvement and development of industry legislation to promote the use of recycled materials.  |

<sup>1</sup> Short-term time horizon – 1 year, mid-term: 1–5 years, long-term over 5 years.

<sup>2</sup> Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

<sup>3</sup> Group – IRO refers to all CleanR Grupa companies.

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## Policies related to circular economy (E5-1)

The CleanR Grupa operations are determined by the relevant national and EU legislation and industry-related planning documents, including the EU's Circular Economy Action Plan, Waste Framework Directive (2008/98/EK), the Latvian Waste Management Law, the National Waste Management Plan for 2021–2028, and the Action Plan on Transition to Circular Economy 2020–2027. The principles and national targets set in these policy documents are binding on the CleanR Grupa companies.

The principles of the circular economy are also embedded in the Group's **"Environmental and Energy Management Policy"** (updated on 16.12.2025). This policy outlines the Group's commitment to responsible environmental practices, legal compliance, and the efficient use of resources in its operations. It also emphasises the Group's engagement with stakeholders and its support in implementing circular solutions.

CleanR Grupa companies pursue responsible and circular commercial practices by maximising resource efficiency, minimising operational waste, rigorously sorting waste, and directing materials for reuse or recycling. Wherever feasible, water from production processes is recovered and reused.

The basic principles of the policy are implemented by pursuing the Group's business strategy and aims, fulfilling the responsibilities set out in the pollution permits, and adhering to internal instructions and quality control processes relating to waste collection, sorting, and recycling. This also includes complying with the requirements of ISO 14001 (where implemented) for environmental management systems. The boards of each subsidiary company are responsible for implementing the policy in their everyday operations. At Group level, one AS "CleanR Grupa" board member is responsible for circular manufacturing, while another – for promoting the circular economy.

## Actions and resources related to resource use and circular economy (E2-2)

Every year, CleanR Grupa allocates the necessary technological, human, and financial resources, as well as plans activities that promote the circular economy to increase the amount of separately collected waste and waste recycling.

Significant investments were made during the reporting year to promote the circular economy, including the development of infrastructure for separate waste collection, new technological solutions for material recovery, and public awareness campaigns.

## Solutions for material recovery

In 2025, the CleanR Verso construction waste sorting and recycling center "Nomaļes" received more than 120,000 tons of waste. 99% of this waste was sorted, recycled, and returned to the economy.

During the reporting year, a new pre-sorting line was installed at "Nomaļes"; its use ensures cleaner sorting of materials recoverable from construction waste, as other contaminants such as plastic film, wood, or metal are removed.

Construction waste is processed into various fractions of gravel, crushed stone, and soil, which are used to raise ground levels and construct pedestrian and temporary roads; the larger fractions are used in the construction of gabions. Recovered metal, plastic, glass, cardboard, and other material fractions are sent for use as raw materials for new products or for production of refuse-derived fuel. Wood is used to produce furniture panels and construction materials, while wood chips are used in gardening as mulch or as fuel in boiler houses.

At the CleanR Verso's (from 01.01.2026 CleanR Industry) secondary materials sorting centre, 70% of all incoming packaging materials were sent for recycling, while approximately 30% of the materials that could not be reused were used to produce refuse-derived fuel. Waste recovery is another circular-economy solution and an opportunity to mitigate climate change – an option to reduce and prevent emissions from landfills and from the use of fossil fuels.

The biodegradable waste collected by CleanR and Vides pakalpojumi Liepājai is sent to recycling complexes, where it is turned into biogas. At the same time, the collected used cooking oil is handed over to refineries to produce biofuel. Textiles are handed over for reuse or energy production. Used tyres are recycled into, for example, surfacing materials for sports grounds and children's playgrounds, new tyres, and bitumen plasticisers.

During the reporting year, the CleanR Industry Plastic recycling plant and the waste-to-energy facility continued their operations. Investments were made to modernise and improve their operations.

The plastic recycling plant produced 5,800 tons of plastic pellets from plastic waste. These pellets become new products. The plant received a certificate from RecyClass, a European plastic packaging recycling assessment organisation. This certificate confirms the quality of the plant's work processes and their compliance with EU standards. It also certifies the origin of the plastic pellets. In line with circular economy principles, the plant produces pellets only from separately collected plastic waste.

Likewise, investments were made to improve the automation of Vides resursu centrs' waste-sorting facility to increase the recovery of polymers, paper, and glass from unsorted household waste.

## Actions and resources related to resource use and circular economy (E2–2) (continued)

### Infrastructure investments

Significant progress has been made in the construction of underground container infrastructure. During the reporting year, 33 underground container sites were built, with 135 underground containers in Riga and Jūrmala. By the end of the reporting year, **395 underground containers** had already been installed, with a total of **100 underground container sites** constructed.

During the reporting year, **the modernized sorted waste collection site** at 5b Vietalvas Street in Riga was opened. Nearly 400,000 euros were invested in the construction and modernization of the site; part of this amount was co-financed by the European Union's LIFE program and the Ministry of Smart Administration and Regional Development. It was designed based on best practices, providing the opportunity to dispose of various types of waste in one location – textiles, construction waste, bulky items, organic waste, wood waste, glass, PET, paper, and cardboard packaging, as well as used electronics.

A special new feature at the site is **the exchange point for usable items and materials**, where people can give a second life to various useful items. The exchange point accepts undamaged, clean, and functional electrical appliances (such as refrigerators and small household appliances), design and interior items in good condition (mirrors, lamps, etc.), undamaged dishes, books, and building materials (such as tools, paint, tiles, etc.).

In early 2025, an 800-square-meter **biodegradable waste composting site** was opened in Ikšķīle, where the wastewater generated during the compost irrigation process is collected and reused to moisten the compost. However, in Liepāja a new 900-square-meter **site for separately collected waste** was opened.

### Raising public awareness of the circular economy

During the reporting year, ongoing initiatives were continued, and new initiatives promoting the circular economy were launched at the national and international levels.

### Latvian Circular Economy Index

During the reporting year, preparatory work continued for the implementation of the "Latvian Circular Economy Index" measurement in municipalities in 2026. The index was launched in 2024 with the aim of reflecting the dynamics of the circular economy's development in Latvia in a regular, comparable, and evidence-based manner. It is conducted every two years and serves as a practical support tool for policymakers and decision-makers, also contributing to the practical implementation of the European Union's circular economy goals.

The index is a scientifically grounded assessment initiated by AS "CleanR Grupa," with the methodology developed by a team of Latvian scientists. The index is based on surveys of local governments and the public, as well as an analysis of publicly available data. To learn more, see [cleanrupa.lv/en/circular-economy](https://cleanrupa.lv/en/circular-economy).



### The First Latvian Circular Economy Forum

In November 2025, in Riga, in collaboration with the Riga Energy Agency, with the aim of creating a space for the exchange of experiences, the generation of new ideas, discussions, and collaboration, the first "Latvian Circular Economy Forum" was held, bringing together around 350 participants – businesses, local governments, state institutions, scientists, non-governmental organizations, and community representatives – to jointly seek solutions for a sustainable and circular future. As part of the forum, four co-creation sessions of the Latvian Circular Economy Index were held on resource management, business transformation, and public engagement.



### Baltic Circular Hotspot

As a co-founder of the "Baltic Circular Hotspot," the CleanR Grupa continued its work within the Nordic-Baltic cooperation platform, which aims to strengthen collaboration between the Nordic and Baltic countries in the field of the circular economy. The hotspot's mission is to promote awareness of the circular economy's potential, share information within the sector, launch significant international projects, and support policy development and regulatory frameworks by leveraging best practices from the Baltic and Nordic countries. Work on the action plan continued, experience-sharing visits took place (e.g., to Greenland), and a stakeholder survey was conducted.

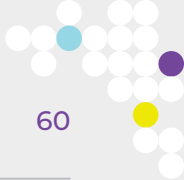


### Initiative "pRASmīgi!"

To raise awareness among businesses about the role of producer responsibility systems in reducing the environmental footprint, the three largest producer responsibility system (EPR) operators – SIA "Zaļā josta", AS "AJ Power Recycling", and SIA "Latvijas Zaļais punkts" – jointly organized four working sessions for industry professionals, entrepreneurs, and experts on various EPR product groups: packaging, electrical equipment, environmentally hazardous goods, and textiles.



Information on other key activities carried out in the field of environmental education is available in the "Affected Communities" section.



### Targets related to circular economy (E5-3)

CleanR Grupa had set a target to increase the share of separately collected, reusable, and recyclable waste of all municipal waste collected to 50% by 2025. The target was not implemented to the extent anticipated; however, since the beginning of 2022, the proportion of waste collected separately increased by 12 percentage points.

Non-performance is related to overoptimistic forecasts of separately collected waste volumes for certain waste types, such as biodegradable waste and textiles. It may also be attributed to relatively low customer engagement and waste-sorting skills, especially with biodegradable waste. As a result, separately collected waste often had to be classified as municipal waste and, due to the low quality (contamination with other waste), could not be handed over for further sorting and recycling.

Given the progress made toward this target to date, the plan is to maintain this target for the next strategy period.

Implementing the target contributes to UN Sustainable Development Goal 12: **“Ensure sustainable consumption and production patterns”**. It aims to significantly reduce waste generation by 2030 through prevention, reduction, recycling, and reuse. These measures also support Latvia’s national environmental goal: to landfill only 10% of municipal waste (by weight) by 2035.



Considering the above, the Group will continue its efforts to actively educate the public about waste sorting and the possibilities to reduce not only individual environmental impact, thus promoting the circular economy, but also their own waste management expenses.

### Resource inflows and resource outflows (E5-4, E5-5)

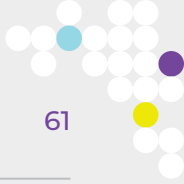
Incoming and outgoing material flows directly related to the Group companies’ own operations are relatively small. Examples of such incoming material flows include purchased goods and equipment, including waste, while outgoing flows directly related to the companies’ own operations include waste collected by the companies, as well as produced and recovered materials.

CleanR Grupa treats waste as a valuable resource, sorting and recycling it to return it to the economy as materials as much as possible.

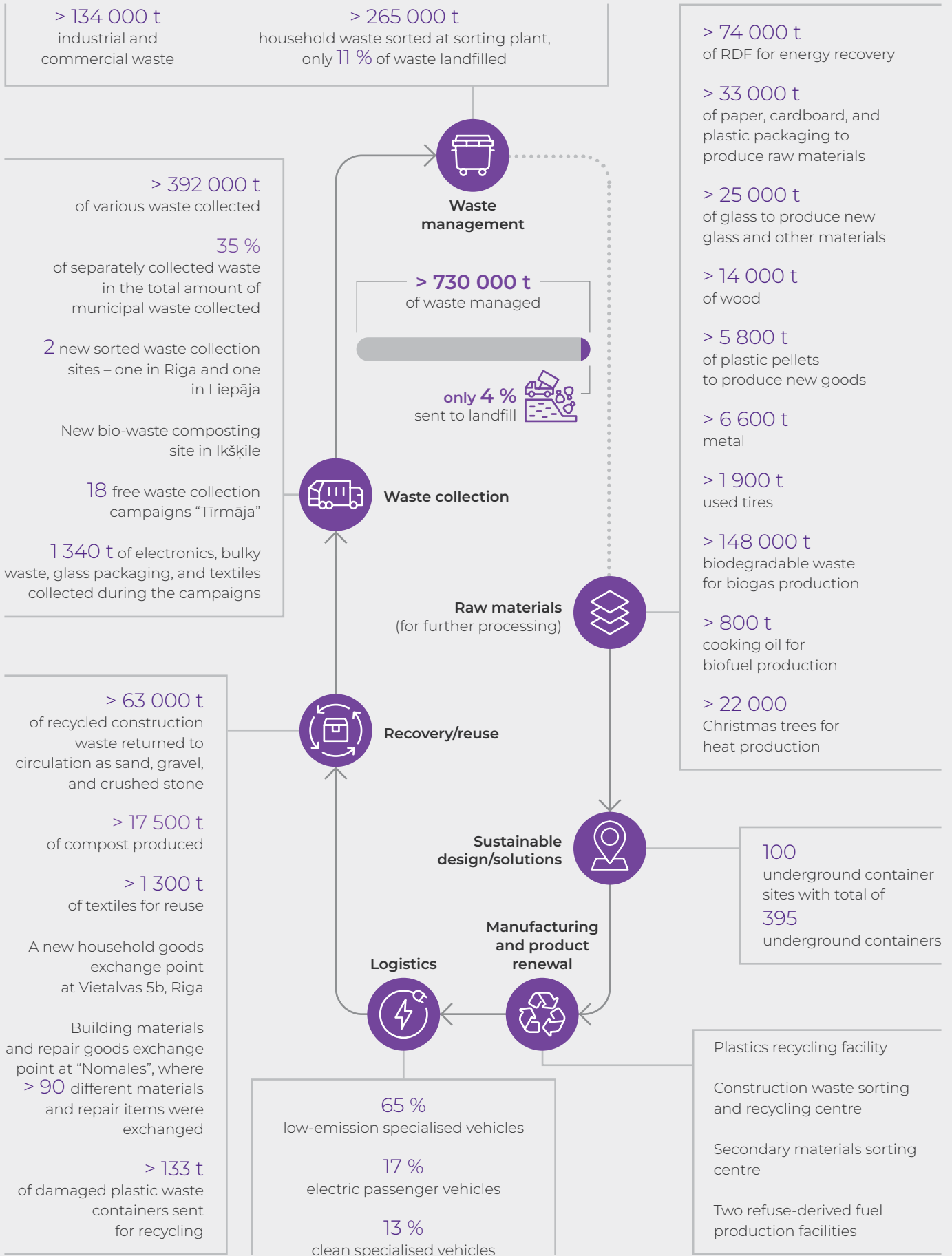
During the reporting year, **over 730,000 tonnes of waste** were managed by the Group, and **only four per cent** of this volume was **sent to landfills** for disposal.

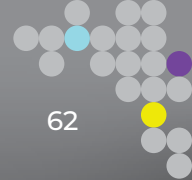
| Target   | BASE 2022 | TARGET 2023 | RESULT 2023 | RESULT 2024 | RESULT 2024 | TARGET 2025 | RESULT 2025 |
|--|-----------|-------------|-------------|-------------|-------------|-------------|-------------|
| The share of separately collected, reusable, and recyclable waste of all municipal waste collected by the Group, % | 23 %      | 27 %        | 30 %        | 40 %        | 33 %        | 50 %        | 35 %        |





## Circularity at CleanR Grupa in 2025



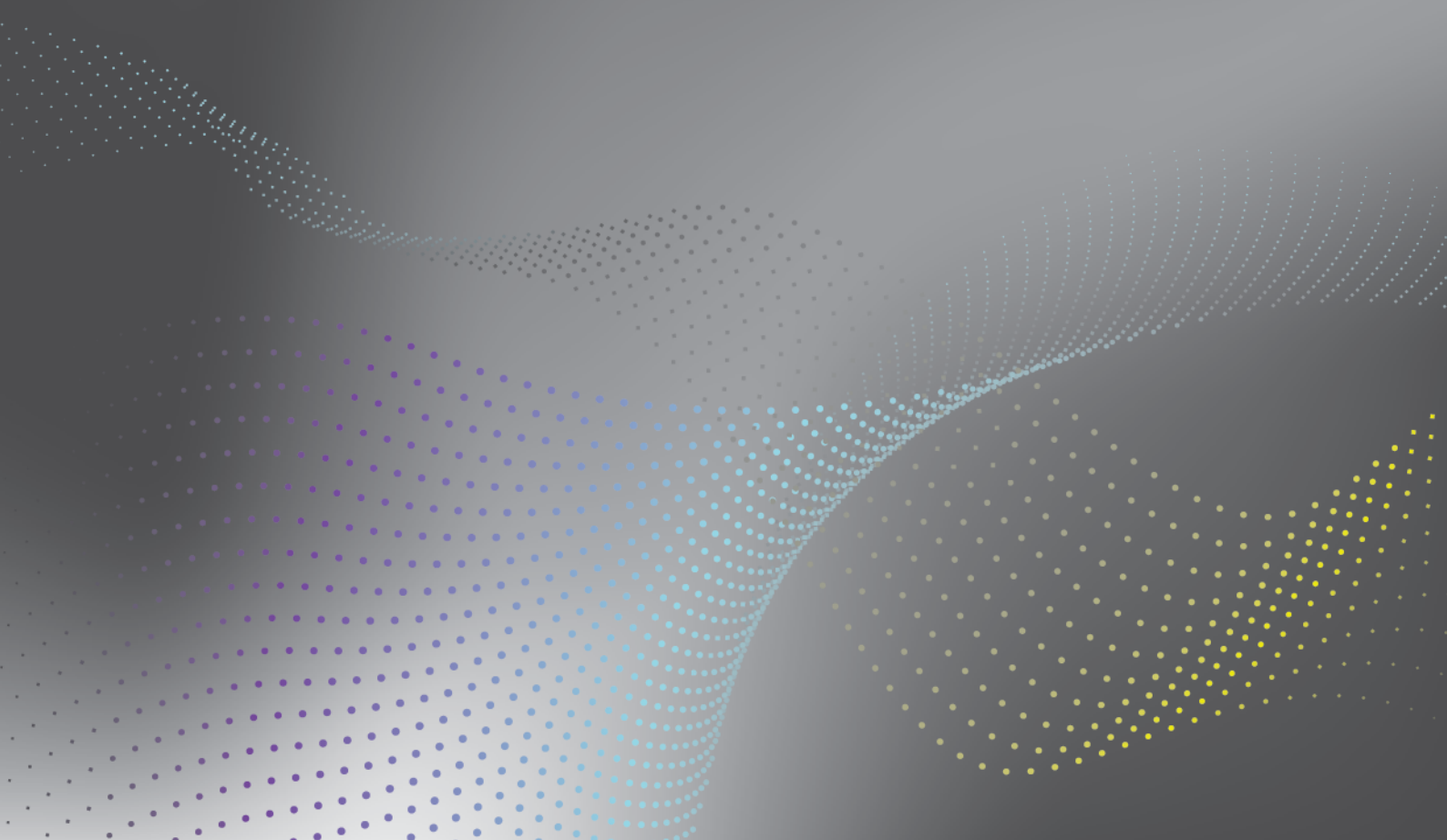


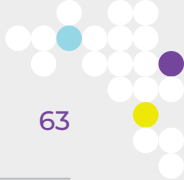
GENERAL INFORMATION

ENVIRONMENTAL INFORMATION

# SOCIAL INFORMATION

GOVERNANCE INFORMATION





## OWN WORKFORCE

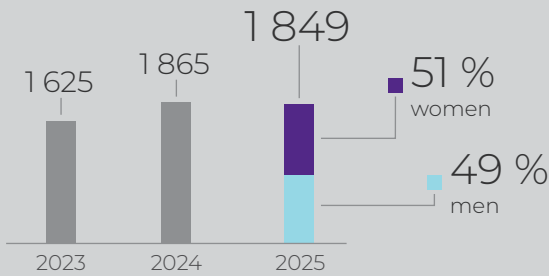
### STRATEGY

The power of CleanR Grupa lies in its people – professionals in their field, who manage smartly, decide bravely, cooperate openly, and work consistently.

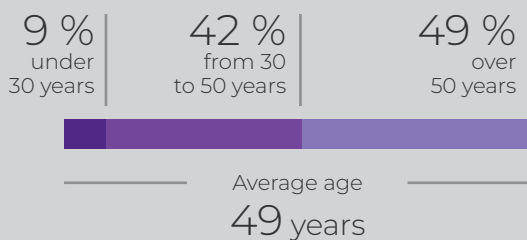
One of the company’s top priorities is employee well-being – their health and safety. CleanR Grupa strives to build an inclusive and growth-oriented workplace where everyone feels recognized and can realize their potential.



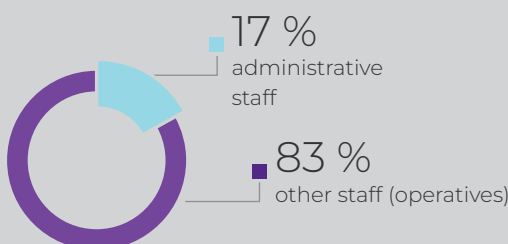
The number of employees (at the end of the year)



Employee age structure (2025)



Employees by category (2025)



### Material impacts, risks and opportunities and their interaction with strategy and business model (S1-SBM3)

The material impacts, risks and opportunities related to own workforce were identified during the materiality assessment (see section “Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)”).

The CleanR Grupa employees are its key stakeholders. The CleanR Grupa personnel’s interests, views, and rights directly affect and are considered in managing and improving business processes.

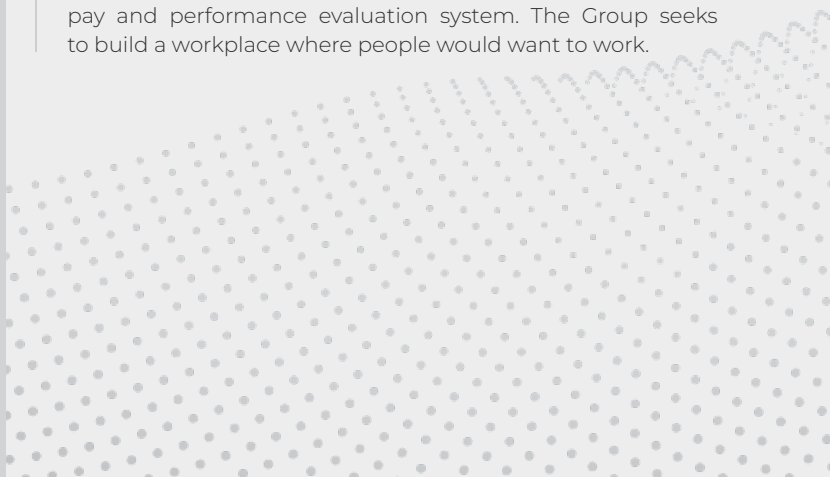
The scope of the information contained in this Statement includes all the people in own workforce who can be materially affected by the company. The “CleanR Grupa Personnel Policy” and actions carried out in the reporting year apply to all people in its own workforce. The Group’s material impacts are closely related to and arise from the business lines of the Group’s companies and service specifics, including dependency on employees.

Eighty-three per cent of the Group’s workforce are employed in physical work – waste collection, sorting, and recycling, commercial cleaning and urban maintenance. These are the areas of activity where the availability of workforce is topical. In these businesses, employees can work full- or part-time, as well as do shifts. CleanR Grupa ensures that its work processes prevent any risk of labour rights, including human rights, violations.

At all the Group companies, employee training and competence development are important to ensure service quality and performance. A special focus is placed on developing the competence of the administrative staff and managers of all levels.

The Group companies increasingly utilize new IT, technological, and technical solutions. The implementation of these solutions is closely linked to the target of running greener and climate-neutral operations. The Group gives an opportunity to acquire new skills for workers of different ages – for example, to drive the newest waste haulers, to use logistics and work planning/management apps, to navigate and monitor robots in commercial cleaning.

The Group is committed to maintaining a team of professional employees with low staff turnover. Therefore, one of the Group’s personnel strategy objectives is employee attraction and retention, as well as improvement of employee experience by ensuring an equal and transparent pay and performance evaluation system. The Group seeks to build a workplace where people would want to work.



## Material impacts, risks and opportunities and their interaction with strategy and business model (S1-SBM3) (continued)

### Material impacts, risks and opportunities (IROs) in relation to own workforce

| IRO type | IRO description  | Nature of impact (+) or (-)     | Time horizon <sup>1</sup> | Value chain impact <sup>2</sup> | Company <sup>3</sup>                                 | IRO management/impact on business model and strategy  |
|----------|--|---------------------------------|---------------------------|---------------------------------|--|---|
| Impact   | <b>Clear, transparent remuneration system</b>  | Actual and potential (+) impact | 1; 1-5                    | O                               | Group  | A clear and transparent remuneration system ensuring that every employee is informed and fully understands their remuneration and factors that influence it, fostering employee motivation, loyalty, and the achievement of Group goals.  |
|          | <b>Implementation of the work performance evaluation system</b>                                  | Potential (+) impact            | 1-5                       | O                               | Group  | Gradual implementation of a clear work performance evaluation system fosters employee understanding of the anticipated results and facilitates implementation of clear incentives schemes.  |
|          | <b>Implementation and running of an employee representation institution at the Group</b>         | Actual and potential (+) impact | 1; 1-5; >5                | O                               | Group  | In the reporting year, the Group established the Employee Council, which includes representatives from all subsidiary companies and represents employees' interests in discussions with management. Together with the employer, the council develops new initiatives to, for example, boost employee motivation, improve the workplace, and address other issues.   |
|          | <b>Promoting a safety culture at Group level</b>   | Actual and potential (+) impact | 1; 1-5                    | O                               | Group  | Employees speak more openly about safety issues, and this is also being positively recognised at management level. Depending on the specifics of their work, every employee is provided with the necessary protective equipment, as well as regular occupational safety training and initiatives to foster a conscious safety culture within the Group.   |
| Risks    | <b>Risks related to occupational safety and health</b>   | Potential (-) impact            | 1; 1-5; >5                | O                               | CR, CRV, CRI, VPL, VRC, L, UREM, V                   | Eighty-three per cent of the Group's workforce is employed in physical work. Employees involved in waste collection, sorting and recycling may encounter hazardous materials such as lithium-ion batteries, chemical residues and medical waste, as well as dust from packaging and construction debris, all of which pose an increased health risk. Therefore, the company provides regular mandatory health check-ups and occupational safety training for employees.   |
|          | <b>Employee exposure to occupational safety and health risks while working at customer sites</b> | Potential (-) impact            | 1                         | O, D                            | UREM, V  | When working at customer sites, employees of the Group's companies must comply with the procedures in effect there. The Group conducts risk assessments of the work environment and, if required, additional inspections at the customer's premises if there is information or reasonable suspicion that working conditions (including physical, psycho-emotional, etc.) do not meet the requirements for a safe work environment.  |
|          | <b>Violations of labour rights</b>   | Potential (-) impact            | 1; 1-5                    | O                               | Group  | Failure to comply with regulatory requirements can pose financial and reputational risks. To ensure compliance with labour and human rights standards, the Group implements processes and mechanisms to monitor compliance. If a complaint is received regarding potential violations, the situation is assessed and changes are made to internal processes and/or employees are provided with additional training, if it is determined that the complaint stems from insufficient communication of the employment or human rights aspects. Seminars on the practical application of the Labour Law are organised for managers. |
|          | <b>Inability to attract employees</b>  | Actual and potential (-) impact | 1; 1-5                    | O                               | Group, especially CR, CRV, CRI, VPL, VRC, L, UREM, V | The Group faces challenges in recruiting employees, as work in the waste management and cleaning sectors is perceived as physically demanding and unattractive. Moreover, there are compensation issues in certain areas. It is difficult to recruit employees for physical work, particularly as the average age of the existing workforce is gradually increasing, and the need to attract new employees is growing. The Group works on the employer brand.   |

<sup>1</sup> Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

<sup>2</sup> Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

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## Material impacts, risks and opportunities and their interaction with strategy and business model (S1-SBM3) (continued)

### Material impacts, risks and opportunities (IROs) in relation to own workforce (continued)

| IRO type      | IRO description   | Nature of impact (+) or (-)     | Time horizon <sup>1</sup> | Value chain impact <sup>2</sup> | Company <sup>3</sup> | IRO management/impact on business model and strategy  |
|---------------|---|---------------------------------|---------------------------|---------------------------------|----------------------|---|
| Opportunities | <b>Building an employer branding at the Group and company levels</b>    | Actual and potential (+) impact | 1-5                       | ○                               | Group                | The Group works to build a unified employer brand to help attract and retain employees, particularly in the Pierīga region, where competition for labour is the fiercest. The group is developing an attractive incentive system for employees, including a benefits package, which will help attract and retain employees.   |
|               | <b>Strengthening a culture of growth</b>                                | Actual and potential (+) impact | 1-5                       | ○                               | Group                | The Group is purposefully building a culture of learning, growth, and engagement. In 2025, the "Growth Code" learning platform was launched, which expands learning opportunities for employees and fosters a culture of initiative and efficiency.   |
|               | <b>Enhancing managerial competencies</b>                                | Actual and potential (+) impact | 1; 1-5                    | ○                               | Group                | Given the crucial role that managers play in employee satisfaction, professional development, and the achievement of company goals, special attention is paid to developing the competencies of first- and middle-level managers, with a focus on team management, change management, and communication skills.   |
|               | <b>Establishment and targeted implementation of succession planning</b> | Actual and potential (+) impact | 1-5; >5                   | ○                               | Group                | To ensure the continuity of skills, knowledge, and work processes, the Group is gradually implementing a succession planning approach. This includes an assessment of critical positions and personnel, as well as the identification of employees with growth potential; risk mitigation plans have been developed. Their implementation involves targeted skill development, including allocating the necessary budget to foster the growth and motivation of younger colleagues, while also promoting intergenerational collaboration. |

<sup>1</sup> Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

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## Policies related to own workforce (S1-1)

The **"CleanR Grupa Personnel Policy"** defines the guiding principles for sustainable human resources management. Its main objective is to implement a unified, modern and efficient HR management at the Group to attract qualified, professional and motivated employees ensuring high efficiency of the company's operations, as well as to ensure respect for the rights of the Group and its employees in labour relations, improve work organisation and promote employee development and loyalty. The policy applies to all people in the Group's own workforce. Its implementation across the Group companies is overseen by the Group's Human Resources and Administrative Director.

The Group runs its operations and engages with its staff in accordance with the Constitution of the Republic of Latvia, labour laws and regulations, including international legal frameworks on human rights and fundamental rights at work: UN Guiding Principles of Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and OECD Guidelines for Multinational Enterprises, as well as the UN Universal Declaration of Human Rights and the Ten Principles of the UN Global Compact.

CleanR Grupa follows all the relevant human rights aspects in its relations with its employees: it ensures employment transparency, prohibition of forced and mandatory labour, obeys restrictions on employment of children, ensures

fair pay, social protection, safe work environment, equality, equal treatment and opportunities, obeys prohibition of discrimination, violence and harassment, ensures protection of privacy and personal data, development of competencies (right to education), fosters work-life balance, respects freedom of thought and speech, and rights of association to defend one's interests.

According to the **"CleanR Grupa Personnel Policy"**, the Group maintains an inclusive work environment which encourages diversity and precludes discrimination based on ethnicity, age, gender, disability, sexual orientation, religious beliefs, political opinions, marital status, social background, and the like. It ensures that employee selection, pay, assessment, and career opportunities are based on a person's knowledge, experience, professionalism, and performance, as well as a decent attitude towards work and the Group's values.

The CleanR Grupa approach to own workforce engagement is described in the next section of this Statement.

The **"CleanR Grupa Remuneration and Compensation Policy"** lays down the key principles of determining pay. The Group tries to ensure that each employee gets paid and recognized based on their performance and the market situation. The Group's remuneration system stipulates equal pay for equal work to both men and women, regardless of their age.

## Policies related to own workforce (S1-1) (continued)

The **“CleanR Grupa Code of Ethics”** lays down the principles of professional ethics for employees, and the key values of ethical business conduct, underpinning the Group’s operations. The code stipulates that the Group pursues a working environment free from discrimination, prejudice, disrespectful attitudes, intimidation, and any type of violence.

The **“CleanR Grupa Internal Working Regulations”** ensure a uniform understanding of employment relations between the company and employees, a rational use of work time, increasing of work efficiency, favourable working conditions, nondisclosure duty and public communication, personal data processing, and prevention of a conflict of interest.

The Group has introduced an **Occupational Health and Safety Management System**, which is implemented according to the laws and regulations of the Republic of Latvia and the requirements of ISO 45001 Occupational Health and Safety Management Systems (see section “Occupational health and safety S1-14”).

The **“CleanR Grupa Whistleblowing Policy”** provides every employee as well as a third party with a chance to report on potential labour rights, ethics, or human rights violations via the “Trust Line”, the Group’s whistleblowing system ([cleanrgrupa.lv/en/contacts](http://cleanrgrupa.lv/en/contacts)).

## Processes for engaging with own workers and workers' representatives about impacts (S1-2)

To ensure the due diligence process in impact areas, the company pursues consistent cooperation with its own workforce. At the highest managerial level, employee engagement is overseen by the CleanR Grupa Chairman of the Board. The Human Resources and Administrative Director is responsible for the employee engagement process and ensures that the process outcomes are used to improve the workplace and processes.

Employee engagement takes place both directly and indirectly through employees’ direct supervisors and business unit managers, as well as through the Employee Council set up in the reporting year.

The Council was set up to address several issues related to the Group’s internal communication and employee engagement – to ensure faster feedback, establish an alternative communication channel and a procedure for making suggestions and expressing opinions related to the company’s development. During the reporting period, four Employee Council meetings were held.

CleanR Grupa was awarded the 2025 “Project of the Year” by the Latvian Association for People Management for establishing the Employee Council. The award was given for the establishment of a sustainable employee representation system which strengthens inclusive work environment and principles of good governance.

Employee views have a direct impact on the Group’s decisions and actions, the aim of which is to manage the actual and potential impacts. Depending on the activity, employee engagement is practiced via regular and annual surveys or during, for example, work group meetings or quarterly employee forums. Consultations, communication, and inquiries

take place both before and after actual events and activities, validating the company’s choices and ideas, listening to arguments, drawing conclusions, and, where appropriate, implementing changes into the processes.

### Key employee engagement activities last year:

- **Establishment of the Employee Council and its elections** – the turnout in the employee representation institution elections was 50% of employees from each Group company. A total of 252 candidates applied to sit on the council; 24 employees were elected, representing all the Group companies,
- **Annual employee opinion survey**, in which employees were asked to give their opinion on the work processes and activities. Employee suggestions and comments received were carefully reviewed to identify the potential risks and opportunities for improvements in the work environment and processes. For example, considering employees’ opinions and wishes, the 2025 health insurance policy offer was improved,
- To find out employee views and foster their engagement in decision-making, **several employee online surveys were carried out**; for example, among office staff – on naming meeting rooms, naming CleanR’s virtual customer service assistant, open webinar themes; among a wider range of employees – a survey on the contents of the benefits package,
- **The work safety initiative “Drošinātājs”** – employees continued to engage in identifying workplace risks (see subsection S1-4),
- Throughout the year, employees were encouraged **to contribute to the Group’s social media content** by participating in videos containing tips for customers on how to use the Group’s services,
- **A workshop on “How do we want to work tomorrow and how to assess our performance?”** organized as part of the employee forum, with the aim to define the CleanR Grupa values and respective actions to be further used in the development of the work performance management system,
- To foster a culture of gratitude around the Group, at the end of the year, employees were encouraged to say thanks to their colleagues through **the Christmas gratitude cards exchange activity**.

### Engagement effectiveness

To assess the effectiveness of employee engagement, the Group looks at the event attendance, email open-rate ratio, as well as employee survey response rate. Overall, the response rate for employee surveys is set to at least 30%, which is a universally recognized metric to measure employee survey validity.

The employee survey worth pointing out in terms of engagement was the one on the benefits package, which, also thanks to the communication of the Employee Council, involved 721 staff members. At the same time, the annual employee opinion survey was filled out by 49% or 958 Group employees, which is the highest score in the last three years. The Christmas card activity saw about 340 cards exchanged. Over the year, 22 employees got involved in the social media content creation.

## Processes to remediate negative impacts and channels for own workers to raise concerns (S1–3)

The CleanR Grupa's company culture is aimed toward transparency and cooperation. Its objective is to manage the impacts and risks, as well as cooperation with its own workforce, in a way that does not require remediation, which may include financial or non-financial compensation, apology, fines, or repairing the damage, etc.

To manage the company's potential negative impacts on own workforce, the Group has established and made available several channels which employees may use to raise their concerns, communicate their needs, and make suggestions. CleanR Grupa seeks to ensure that its grievance mechanisms comply with Principle 31 of the United Nations Guiding Principles on Business and Human Rights – ensuring accountability for their fair operation, building stakeholder trust, promoting transparency and access, and enhancing awareness of procedures and deadlines, as well as by taking notice of the lessons learnt and encouraging continuous improvements to prevent negative future impacts.

### The CleanR Grupa employee grievance channels to raise needs and concerns:

- Regular department or unit **meetings**,
- A chance to **approach** their subsidiary company **representative on the Employee Council** or submit questions in written form via the council **email**,
- Annual employee **opinion surveys**,
- A chance to **turn to the direct manager or personnel manager** during working hours to address topical issues,
- The personnel management **system HoP**, which is available to all employees, offers a chance to send a written free-form application to the administration (human resources specialists),
- **"Drošinātājs"** initiative offers employees a chance to report work safety risks,
- **"Trust Line"** – the whistleblowing channel on the Group's homepage. Employees may also report concerns by writing to [trauksme@cleanrgrupa.lv](mailto:trauksme@cleanrgrupa.lv), as well as by completing a paper form and using a designated mailbox located at the Group's office.

The employee grievances received in written form, as well as third-party requests, are reviewed according to the general procedure, providing an immediate confirmation of their receipt (if personalized). The issues are resolved through dialogue, and in certain cases, written responses are prepared. Grievances expressed orally are dealt with immediately. The CleanR Grupa Employee Council Regulations lay down the procedure for dispute resolution.

Depending on the nature of the issue, as well as whether the grievance/suggestion has been filed anonymously or in a personalized form, the feedback on employee suggestions and their implementation is provided through the following channels:

- For office staff, via the internal "CleanR Grupa news",
- On administrative staff forums,
- On TV screens in offices and at relaxation areas at production sites, or on news boards,
- For the service provision staff, information is given at meetings, via WhatsApp or SMS, as well as through Employee Council representatives or direct managers,
- Through contacting the grievance/suggestion submitter personally.

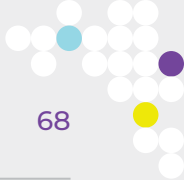
An overview of the issues addressed through the whistleblowing channel (if any) is included in the Annual Sustainability Statement. The company ensures confidentiality and whistleblower protection. Personal data is protected and pseudonymized in line with the relevant laws and regulations.

During onboarding, employees are informed of the key internal regulations, including the above-mentioned channels. The information on the reporting and communication channels and possibilities is also included in the New Employee Day presentation materials. Also, once a year, the staff are reminded of the channels on the administrative staff forums, and on TV screens. Additionally, to provide the new employees with the relevant information together in one place, in the reporting period, the Group set up the New Employee Portal.

In the next reporting period, the Group plans to establish a new communication channel for the Group managers to discuss topical personnel management issues – "Managers' afternoon".

To date, the company has not purposefully assessed employees' awareness of all reporting channels or their trust in them. One of the most effective channels last year was the "Drošinātājs" initiative. It is expected that the annual employee opinion survey will become a significant channel for expressing views, and that awareness of and employee trust in the Employee Council will increase.

Overall, the employee opinion survey revealed that employees value highly their chance to freely express their opinions and make suggestions about workplace improvements – the Group's average reaching five points out of six.



## Action on material impacts on own workforce, and effectiveness of those actions (S1-4)

The Group has allocated the necessary resources and introduced a number of measures to mitigate the negative and advance the positive impacts on own workforce.

Last year, the Group carried on its best practice initiated in the previous reporting periods, which included work environment and working condition improvements, training opportunities, benefits package, internal communication improvements (for example, putting up extra screens at manufacturing plants), events for employees and their families.

The results and relevance to employees of those activities are regularly assessed to make sure the activities are effective, suitable, and valuable to employees. Employees themselves are also involved in the process. The impact of the activities and the effectiveness of actions may also be assessed through the internal and external audits (ISO), as well as by carrying out external assessments, which provide suggestions for improvement.

All the key programmes, initiatives, and actions described further are aimed at fostering positive impacts and preventing and mitigating negative impacts on own workforce, promoting the achievement of the objectives of the Group's personnel policy and strategy.

### Benefits package

To take care of its employees and support them in various life situations, foster work-life balance, as well as motivate and retain staff, CleanR Grupa provides its employees with a generous benefits package.

Considering employee opinions, in the reporting period, the Group made changes to its benefits package (in force as of 1 January 2026) – increased the bonus in the event of marriage, the support to the family upon an employee's death, support upon a first-degree relative's death, as well as increased vision correction compensation, from now on available once a year.

To boost office staff's well-being, we also provide employees with drinking water, tea, coffee, and fruit twice a week. At the production facilities, employees are provided with drinking water, tea or coffee, and a warm lunch.

### Corporate events

To increase awareness, motivation, and the sense of belonging, the following events and activities were organized in the reporting year:

- **A garden party at Salaspils' Botanical Garden**, which gathered 450 Group employees and their family members,
- **A Christmas movie event for employees' children:** the special holiday season film screening event was attended by a total of 260 employees' children; 87 children received gift cards to regional cinemas; Christmas gifts were received by 530 children all over Latvia,
- **Employee-of-the-Year and Team-of-the-Year award ceremony:** in 2025, 109 applications about 80 colleagues were received; a total of 26 employees received prizes,
- **3 administrative staff forums,**
- **5 New Employee Days**, onboarding 55 new administration colleagues,
- **Various team-building events** for employees of the Group companies (e.g., hikes, dinners, go-carts, etc.),
- **49 weekly CleanR Grupa newsletters** sent to the administrative staff (the Q4 open rate reached 60%, an increase of 7% on Q1). In addition, the informative TV screen network was expanded to 14 screens put up at the central office as well as relaxation areas at the manufacturing plants; the remote content management functionality allows delivering fast information updates to employees.



Referral bonus



Health insurance after the trial period



Accident insurance 24/7 as of day one



Compensation for vision correction devices



A gift

- on the employee's wedding,
- on the birth of a child

A gift

on a work anniversary



Support

- upon a first-degree relative's death,
- to the family upon the death of a Group employee



A bonus

on employee suggestions, boosting productivity and ensuring financial gain for the company



Flexitime

and remote work for office staff



Extra holidays

on important life events:

- Employee birthday if it falls on a weekday
- September 1, if an employee has a child learning in the 1st to 3rd grade (including)
- On children's graduation days (kindergarten, 9th grade, 12th grade, college, vocational school, university)
- On children's wedding day

## Action on material impacts on own workforce, and effectiveness of those actions (S1-4) (continued)

### Workplace and work safety improvements

To identify workplace risks as timely as possible, as well as engage employees in the implementation of the work safety system, the Group continued running the "Drošinātājs" initiative. It gives every employee a chance (also anonymously) to report on workplace risks and on the necessary improvements in the work environment.

Last year, employees submitted 12 reports or risk cards. Within the initiative, the risks identified by employees included insufficient lighting, insecure steps, flooring, unsafe roads/territories, workplace or equipment. Out of the 12 reports, 10 have been sorted out, while two are in process.

In the reporting period, the Group carried out repair works at production sites, equipped the premises with new furniture, changed lighting at warehouses, introducing more economical lighting, installed shoe and clothing driers, improved the Vietalvas Street 5 territory, expanded the parking lot. Also, 35 height-adjustable desks were purchased for the office staff.

In addition, in the reporting period, the Group made significant and extensive fire security improvements at all the sites belonging to the Group (see section "Pollution prevention").

The Group pays special attention to employee health, i.e., by running mandatory health checks (MHC). During the year, employees were regularly offered a chance to perform health check-ups at the office or production sites. Overall, a total of 13 health checks were organized: 12 at the Group headquarters and 1 at Vides resursu centrs. In the reporting year, a total of 1,070 employees underwent MHC.

To ensure more effective staff instruction and access to work safety documentation electronically, the Group continued implementing its work safety system "Meemo".

### Succession and promotion of development

To ensure that staff turnover, long-term incapacity to work, or other factors do not result in the loss of skills and knowledge or the interruption of work processes that may negatively affect employee workload and service quality, the Group gradually introduces a succession planning approach. In the reporting period, the Group assessed the key roles and identified employees with growth potential. It is now working on the crucial role as well as employee short- and long-term substitution and contingency plans. These plans envisage equipping younger colleagues with skills, increasing competencies and motivation, fostering cooperation between employees of different generations, and digitising processes and information.

To read more about the training offered in the reporting period, see subsection "Training and skills development metrics" further in this section.

### Resources for material impact management

All the previously mentioned activities require human as well as financial resources. These resources the Group companies allocate in their annual budgets in line with their strategic priorities for that period. The allocated financial resources reached over EUR 1.3 million. In the next reporting period, a similar amount is foreseen. The allocation of these resources to activities and initiatives (employee training, catering, mobility, etc.) depends on a company's financial abilities, which in turn is related to the state's taxation policy – tax breaks granted to employers.

Short-term employee benefits are recorded as current expenditure in the period; part of the related operating costs for the above activities are recorded as "Other personnel costs" under "Personnel expenses and headcount" in the financial statement.

The policy implemented by CleanR Grupa contributes toward UN Sustainable Development Goal 8: **"Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"**:



- By modernizing technology and innovating across all business lines, the Group seeks to reach a higher level of economic productivity.
- By protecting employees' rights and building a safe workplace, ensuring equal pay for equal work, encouraging a respectful attitude, and a work environment encouraging growth and skill development, the Group ensures decent work for men and women, the youth, and people with disabilities.

In 2025, the second year in row, CleanR Grupa won **the silver award** in the **"Employer open to diversity"** assessment organized by the Society Integration Foundation, attesting to its systematic work toward building an inclusive, safe, and open workplace; also, the Group repeatedly acquired **a Family-friendly company's status**, attesting to its care for its employees by offering work-life balance and a safe and supportive working environment. The status has been granted for the next three years.

## Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (SI-5)

To promote and measure the implementation of the Group's policies, the effectiveness of activities, at the end of 2022, CleanR Grupa set its three-year targets. Since the previous year, the target definitions and calculation methodology have not changed. The information on the achievement of the targets, the insights gained and improvements made as a result of the activities is provided to the Group's Board, Group's Council, and on the staff forum.

One of the Group's impact areas is employee well-being – their health and safety. Consequently, the Group has set a target to have zero work-related accidents. In 2025, the trend remained upward – the frequency of recordable work-related incidents also grew (see subsection “Health and safety at work”). In the next reporting period, the Group plans to pay more attention to the prevention of serious work-related accidents; it has set a target of zero serious work-related accidents.

Employee well-being and job satisfaction are reflected in the voluntary turnover; therefore, we have set a target to decrease its rate by at least 1% annually. In the reporting year, the voluntary turnover increased by three per cent, reaching 26%, which may be explained by the processes of change implemented in the reporting period, as well as mergers and acquisitions.

At the same time, the Group's employee satisfaction score (eNPS) reached 8% or 17.7 percentage points, failing to achieve the desired 19.7 increase against the base level. In the next reporting period, the Group aims to continue measuring employee satisfaction and reach an eNPS of 10, which, according to the research firm ERDA, is a satisfactory eNPS at large production companies. Overall, the Group's annual opinion survey revealed that nearly 74% of employees were satisfied with their daily work.

It is important for CleanR Grupa to have knowledgeable and competent employees, therefore, one of its targets in 2025 was to ensure that one administrative employee spends an average of two full working days a year acquiring new knowledge.

In the reporting year, the Group continued improving its training application and accounting system to ensure reliable and complete information about the completed trainings and hours devoted to learning. The gathered data reveals that the average number of hours spent reached 18 hours per administrative staff member.

In the next reporting period, the Group plans to retain this metric; also, given its focus on the development of managerial skills, the Group has set a target for manager engagement in its management development programme called “The Growth Code”.

### Work environment/Own workforce

| Targets   | BASE 2022 | TARGET 2023 | RESULT 2023 | TARGET 2024 | RESULT 2024 | TARGET 2025 | RESULT 2025 |
|---|-----------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Work-related accidents</b>   | 8         | 0           | 22          | 0           | 31          | 0           | 39          |
| <b>Work-related accident rate, TRIR index<sup>1</sup></b>   | 0.8       | 0           | 2           | 0           | 2.8         | 0           | 2.9         |
| <b>Reduced voluntary turnover<sup>2</sup> by at least 1% annually</b><br>(excluding commercial cleaning business) | - 1 %     | - 1 %       | - 5 %       | - 1 %       | - 3 %       | - 1 %       | + 3 %       |
| <b>Voluntary turnover</b><br>(excluding commercial cleaning business)   | 31 %      | 30 %        | 26 %        | 25 %        | 23 %        | 22 %        | 26 %        |
| <b>Increase in employee satisfaction (eNPS) compared to the base year</b>   | - 9.7     | + 9.8       | + 16.5      | + 16.5      | - 9.3       | + 19.7      | + 17.7      |
| <b>The average number of training hours per administrative employee annually</b>                                  | 13        | 15          | 15          | 16          | 11          | 16          | 18          |

<sup>1</sup> TRIR = total recordable incident rate \* 200 000 h/total number of hours worked. According to the U.S. Bureau of Labor Statistics, the best practice TRIR benchmark stands at 3 points.

<sup>2</sup> This target does not include data from the commercial premises cleaning business due to the specificity of this sector. According to research by the company “Figures Baltic Advisory”, in 2024 the average voluntary turnover rate in Latvia was 14%, while the average overall turnover rate was 20%.

## Characteristics of the undertaking's employees, diversity (S1-6, S1-7, S1-9)

As at the end of the reporting period, CleanR Grupa<sup>1</sup> employed 1,849 employees. In the reporting period, the average number of employees grew by nearly 14%, reaching 1,847 people. The Group ensures a healthy gender balance as well as employs people of various ages.

The mean age of the Group's employees is 49. The Group employs people in more than 170 different jobs. Eighty-three per cent of the staff work in production and service provision, while 17% are made of office or administrative staff.

| S1-6 Characteristics of the employees |               |   | 2023   |       | 2024   |      | 2025   |                   |
|---------------------------------------|---------------|---|--------|-------|--------|------|--------|-------------------|
| Standard                              | Data point    | Description   | Number | %     | Number | %    | Number | %                 |
| S1-6, SBM-1                           | 40a, 50a, 50b | Number of employees at the end of the year <sup>1</sup>                                     | 1 625  | -     | 1 865  | -    | 1 849  | -                 |
| S1-6                                  | 50a, 52       | Women   | 852    | 52 %  | 1 006  | 54 % | 939    | 51 %              |
| S1-6                                  | 50a, 52       | Men   | 773    | 48 %  | 859    | 46 % | 910    | 49 %              |
| S1-6                                  | 50a, 52       | Other   | 0      | 0 %   | 0      | 0 %  | 0      | 0 %               |
| S1-6                                  | 50a, 52       | Information not provided  | 0      | 0 %   | 0      | 0 %  | 0      | 0 %               |
| S1-6                                  |               | <b>Number of employees by category</b>  | -      | -     | -      | -    | -      | -                 |
| S1-6                                  |               | Number of administrative employees  | 180    | 11 %  | 277    | 15 % | 313    | 17 %              |
| S1-6                                  |               | Other employees (worker positions)  | 1 445  | 89 %  | 1 588  | 85 % | 1 536  | 83 %              |
| S1-6, SBM-1                           | 40a, 50a, 50b | Average number of employees   | 1 561  | -     | 1 628  | -    | 1 847  | -                 |
| S1-6                                  | 50b           | Information on employees by contract type   | -      | -     | -      | -    | -      | -                 |
| S1-6                                  | 50b(i), 2a    | Full-time employees <sup>2</sup>  | 1 614  | 99 %  | 1 830  | 98 % | 1 011  | 55 %              |
| S1-6                                  | 50b(i)        | Women   | 843    | -     | 1007   | -    | 383    | -                 |
| S1-6                                  | 50b(i)        | Men   | 771    | -     | 823    | -    | 628    | -                 |
| S1-6                                  | 50b(ii)       | Part-time employees   | 11     | 1 %   | 35     | 2 %  | 838    | 45 %              |
| S1-6                                  | 50b(ii)       | Women   | 9      | -     | 3      | -    | 556    | -                 |
| S1-6                                  | 50b(ii)       | Men   | 2      | -     | 32     | -    | 282    | -                 |
| S1-6                                  | 50b(iii)      | Non-guaranteed hours employees  | 0      | 0 %   | 0      | 0 %  | 0      | 0 %               |
| S1-6                                  | 50b(iii)      | Women   | 0      | -     | 0      | -    | 0      | -                 |
| S1-6                                  | 50b(iii)      | Men   | 0      | -     | 0      | -    | 0      | -                 |
| S1-6                                  | 50c           | Total number of employees who have left the undertaking (employee turnover)                 | 1 558  | 103 % | 1 569  | 96 % | 1 682  | 91 %              |
| S1-6                                  | 50c           | Employee turnover without the commercial cleaning business                                  | 650    | 91 %  | 606    | 71 % | 677    | 70 % <sup>3</sup> |
| S1-6                                  | 50c           | Number of employees who have voluntarily left the undertaking (voluntary employee turnover) | 622    | 40 %  | 567    | 35 % | 794    | 43 %              |
| S1-6                                  | 50c           | Voluntary turnover without the commercial cleaning business                                 | 185    | 26 %  | 194    | 23 % | 260    | 26 %              |
| S1-7                                  | 55a           | Number of non-employee workers in the undertaking's own workforce                           | N/A    | N/A   | N/A    | N/A  | N/A    | N/A <sup>4</sup>  |
| S1-8                                  | 60            | Total employees covered by collective bargaining agreements                                 | N/A    | N/A   | N/A    | N/A  | N/A    | N/A <sup>5</sup>  |
| S1-9                                  | 66a           | Number of employees at top management level (council, boards)                               | 13     | -     | 23     | -    | 21     | -                 |
| S1-9                                  | 66a           | Women   | 2      | 15 %  | 4      | 17 % | 3      | 14 %              |
| S1-9                                  | 66a           | Men   | 11     | 85 %  | 19     | 83 % | 18     | 86 %              |
| S1-9                                  | 66b           | Employees by age group  | -      | -     | -      | -    | -      | -                 |
| S1-9                                  | 66b           | Under 30 years  | 112    | 7 %   | 156    | 8 %  | 159    | 9 %               |
| S1-9                                  | 66b           | Between 30 and 50 years   | 715    | 44 %  | 803    | 43 % | 772    | 42 %              |
| S1-9                                  | 66b           | Over 50 years   | 798    | 49 %  | 907    | 49 % | 919    | 49 %              |

<sup>1</sup> Employee information includes companies under full operational control of CleanR Grupa: CleanR, CleanR Verso, CleanR Industry, CleanR NĪ, CleanR Grupa, Vizii, Vizii Urban, KOM-AUTO, Tranzits-L, Vides pakalpojumi Liepāja, Vides resursu centrs, Eko Terra, Lautus, Zaļā josta, WasteTech, Vizii Management.

<sup>2</sup> During the reporting year, a contract type field was added to the HR management systems, allowing for the precise filtering and identification of an employee's contract type.

<sup>3</sup> The number of employees who have left (excluding the commercial cleaning business) divided by the total number of employees (excluding the commercial premises cleaning business).

<sup>4</sup> Information not compiled.

<sup>5</sup> Information not applicable; no collective agreement has been concluded.

## Adequate wages, compensation metrics (S1-10, S1-16)

The Group seeks to provide each of its employees with competitive pay and recognition commensurate with their job and performance. The Group's remuneration system stipulates equal pay for equal work to both men and women, regardless of their age.

The Group's remuneration system comprises compensation for work as well as various additional financial and non-financial benefits. The procedure for granting fringe benefits and the remuneration criteria are described in the Group's internal normative documents (employee fringe benefits order, pay and bonus regulations) in accordance with the laws and regulations governing employment relationships.

To ensure competitive salaries in line with the company's financial abilities, the Group uses qualitative data on pay in the market and, once every two years, takes part in the Figures Baltic Advisory salary survey.

To implement a structured and transparent remuneration system, strengthen fairness and objectivity, market data comparability, as well as the implementation of the Pay Transparency Directive (EU) 2023/970, in the reporting year, the Group cooperated with the consulting firm Figures Baltic Advisory to conduct job scaling across the Group.

The process evaluated 1,631 employees and 172 job titles, which were grouped into 60 job families, clarifying the actual scope of each position, its level of responsibility, its job family, and its corresponding level within the organizational structure. As a result, a structured job and level matrix was created, and the market salary level for each position was determined.

Managers at all levels were involved in determining job levels, whose future responsibility is the consistent and transparent implementation of the newly created system in all the Group's companies. The results were integrated into the 2026 budget planning process.

At CleanR Grupa, the adequate wage criterion complies with the minimum wage determined in the Republic of Latvia. According to this criterion, 100% of the Group's employees receive an adequate wage. In the reporting period, the gender pay gap did not exceed 5%, and it is by 1% lower than in the previous period.

| Standard | Data point | Description   | 2023             | 2024  | 2025         |
|----------|------------|---|------------------|-------|--------------|
| S1-10    | 70         | <b>All employees are paid adequate wage</b> , in line with the minimum wage criterion   | N/A <sup>1</sup> | 100 % | <b>100 %</b> |
| S1-16    | 97 a       | <b>Gender pay gap</b> <sup>2</sup>  | 4 %              | 6 %   | <b>5 %</b>   |
| S1-16    | 97 b       | <b>Annual total remuneration ratio</b> (the annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees) | N/A              | 6.34  | <b>10.49</b> |

<sup>1</sup> Data was not compiled and analysed.

<sup>2</sup> Given the very different nature of the Group's businesses, the calculations were made separately for each company; the overall Group gap is measured as a weighted average. The calculations use the 2025 data (and dynamics) on wages and pay, paid wages, bonuses, allowances, additional payments.

## Social protection (S1-11)

All CleanR Grupa employees are covered by social protection. The Group companies ensure 100% social protection for all people in own workforce in the event of sickness, unemployment, employment injury, acquired disability, parental leave, and retirement.

| Standard | Data point | Description   | 2023  | 2024  | 2025         |
|----------|------------|---|-------|-------|--------------|
| S1-11    | 74         | <b>All employees in own workforce are covered by social protection</b> (through public programs and benefits offered, against income loss due to significant life events) | 100 % | 100 % | <b>100 %</b> |

## Training and skills development metrics (S1–13)

The “CleanR Grupa Personnel Policy” puts forth a target to ensure qualified, professional, and motivated employees who would drive the company’s efficiency; therefore, the Group **promotes a learning and knowledge exchange culture aimed at employee growth and competence development.**

The Group ensures internal and external training, organized individually and in groups. Employees may develop their skills and knowledge on their own or manager’s initiative. The training is aimed at developing varied skills and competencies and raising qualifications.

For employees working in production and service provision, a special focus is placed on work and fire safety training, development of knowledge and skills needed to perform everyday duties, as well as qualification raising or acquisition, for example, to operate vehicles or machinery.

All these employees undergo introductory and repeated training on work and fire safety. Depending on the job, they are provided with access to work instructions (e.g., on the app or in the Meemo system), process descriptions, and manuals. In certain areas, acquired knowledge checks are performed, for example, in commercial cleaning, where a supervisor or quality control specialist inspects the work process and work quality on the site, documenting the inspection in the check protocols.

In the reporting year, the Group company Vizii set up an e-school. Using the e-school platform, employees working in commercial cleaning get a chance to acquire the basics necessary to perform their duties. The new platform allows employees to learn at a time and pace convenient for them. Currently, the e-school offers two training modules: “Cleaning basics” and “Latvian language”. Upon registration, an employee acquires a personal profile through which they can access all the materials and follow their progress. The Group plans to regularly supplement the e-school with new thematical modules and sees it as significant support in employee induction and improvement of professional skills.

The Group also pays special attention to improving the managers’ communication and managerial skills at all levels. In the reporting period, the Group developed a first- and middle-level managerial competence model and a management training programme called “The Growth Code” – a programme that will help managers acquire and develop the competencies necessary for successful team leadership. In the reporting period, 19 first-level and nine middle-level managers graduated from the programme.

To foster a culture of growth and development, the Group established a new tradition of “Open lecture cycles” – annual webinar series for employees on various work- and private life-related themes. Administrative staff was offered 12 online webinars. Next year, these webinars will be continued.

Overall, in the reporting period, one administrative staff member devoted an average of 18 hours to learning. The Group’s employees participated in more than 140 different training events, both internal and external seminars and conferences.

### The trainings covered a wide range of themes in the following areas:

- Data analysis, BI and Excel skills,
- Artificial intelligence and automation,
- Digital transformation and IT solutions,
- Cybersecurity, IT and physical safety,
- Management, leadership, and personal growth,
- Communication, customer service,
- Quality, processes, and audits,
- Sustainability, environment, circular economy,
- Rights, procurements, and compliance,
- Finance, tax, and corporate governance.

| Standard | Data point | Description   | 2022             | 2023 | 2024 | 2025       |
|----------|------------|---|------------------|------|------|------------|
| S1–13    | 83 b       | <b>Average number of training hours per person (administration)</b> <sup>1</sup>                      | 13               | 15   | 11   | <b>18</b>  |
| S1–13    | 83 a, b    | <b>Average number of training hours by gender</b>   | N/A <sup>2</sup> | N/A  | N/A  |            |
|          |            | Women   |                  |      |      | <b>21</b>  |
|          |            | Men   |                  |      |      | <b>14</b>  |
| S1–13    | 83 a       | <b>Percentage of employees who participated in regular performance and career development reviews</b> | N/A              | N/A  | N/A  | <b>N/A</b> |

<sup>1</sup> Data obtained from the company HOP system, training registries, and from invoices in financial accounting systems.

<sup>2</sup> N/A – data was not available for that year. Regarding the data point on measures to assess performance improvement and career development – the Group plans to implement a performance evaluation system in 2026.

## Health and safety at work (S1-14)

The Occupational Health and Safety System (OHSS) at the CleanR Grupa companies complies with the provisions of the relevant laws and regulations and ISO 45001:2018 standard. The OHSS applies to the entire own workforce. The Group's Human Resources and Administrative Director makes sure the Group implements a consistent health and safety system across the Group.

At the following Group companies: CleanR, CleanR Industry, Vizii, Vizii Urban, CleanR Verso, Lautus, Vides resursu centrs, the OHSS is certified according to ISO. The system is audited externally and certified accordingly. At the rest of the Group companies, although the OHSS is not certified, it is controlled internally. In the view of the management, all the consolidated companies where CleanR Grupa exercises full operational control fall within the scope of the certified system, given that the certified system is maintained by the specialists of the parent company following common principles.

During the certification, recertification and monitoring audits carried out in 2025 at the aforementioned companies, no non-compliance was detected. Opportunities for improving the system have been identified.

Employees are informed of work safety requirements and the respective job-related workplace risks. The Group's companies provide induction trainings, workplace briefings, as well as purpose-based and thematic trainings. The Group's companies regularly carry out workplace risk assessment and devise Occupational Health and Safety Action Plans, setting out specific actions to be taken to improve the working environment and conditions. Employees receive personal protective equipment (PPE), and we make sure our equipment, devices, and tools are safe by performing the necessary maintenance checks and replacements. During the reporting period, the Group companies underwent more than 202 monitoring visits.

In the next reporting period, in addition to the work safety officer visits, the Group plans to conduct regular internal audits and planned inspections at production sites, performed by the respective site managers.

To make sure employees have access to PPE, since last year, the production premises in Vietalvas Street have been

equipped with two PPE cupboards; employees may open them using their employee card and access the protective equipment they need – safety goggles, gloves or a reflective vest.

In line with the job duties, workplace risk assessment, and the relevant legislation, employees must undergo mandatory health checks. During the reporting period, the Group offered its employees a chance to undergo these health checks in the office or at production facilities. In the reporting period, a total of 1,070 employees underwent mandatory health checks.

Contrary to the work performed at own sites, when working at a client's site, the Group employees must follow the rules and procedures in force there. The Group's or outsourced external work safety officers may inspect a client's site if there is information or reasonable doubt that the working conditions (i.e., physical, psycho-emotional, etc.) may not be safe enough. In such cases, the respective Group company prepares an assessment report on the working conditions. Therefore, the Group strengthens cooperation and communication with its clients' representatives to ensure a physically and emotionally safe working environment.

To identify workplace risks as early as possible, as well as to foster employee engagement in strengthening the Group's work safety system, in the reporting year, the Group continued running its "Drošinātājs" initiative (see section S1-4).

### Work-related accidents

Accidents at work in the Group are recorded and investigated according to the procedure set forth by legislation. In 2025, there were 39 accidents recorded at the Group companies, of which five were classified as serious. Thus, there has been a significant increase in the number of days lost due to work-related injuries or accidents.

Accidents at work mostly arise from employee negligence and rush while getting around, including slipping, as well as violations of safety requirements. The increase in the incident rate in the reporting period was affected by the increase in the average number of employees. The Group's total recordable incident rate in 2025 stood at 2.9 per hundred full-time employees.

| Standard | Data point | Description   | 2022             | 2023  | 2024  | 2025         |
|----------|------------|---|------------------|-------|-------|--------------|
| S1-14    | 88a        | <b>Percentage of people in own workforce who are covered by health and safety management system</b> based on legal requirements and (or) recognised standards or guidelines (ISO) | 100 %            | 100 % | 100 % | <b>100 %</b> |
| S1-14    | 88b        | <b>Number of fatalities</b> in own workforce as result of work-related injuries and work-related ill health   | 0                | 0     | 0     | <b>0</b>     |
| S1-14    | 88c        | <b>Number of recordable work-related accidents</b> for own workforce  | 8                | 22    | 31    | <b>39</b>    |
| S1-14    | 88c        | <b>Rate of recordable work-related accidents</b> for own workforce (under ESRS) <sup>1</sup>  | 4                | 10    | 14    | <b>15</b>    |
| S1-14    | 88d        | <b>Number of cases of recordable work-related ill health of employees</b> (acquired during the reporting year)  | N/A <sup>2</sup> | N/A   | N/A   | <b>0</b>     |
| S1-14    | 88e        | <b>Number of days lost</b> due to work-related injuries and accidents   | 275              | 455   | 1 236 | <b>2 501</b> |

<sup>1</sup> Accident frequency = Number/own personnel total hours worked \* 1 000 000 h.

<sup>2</sup> N/A – data for the respective year were not available or were not collected and analysed.

## Incidents, complaints and severe human rights impacts (S1-17)

In the reporting period, no serious human rights impacts or incidents related to own workforce were recorded across the Group. One report was received through the Group's whistleblowing channel related to the service quality of CleanR; it was transferred to CleanR's Customer Service Centre to be sorted out accordingly.

At one of the Group's companies, there was a report from an employee, registered in the Group's incident register, which included a grievance about impolite communication from a colleague. The situation was settled through dialogue.

In the reporting period, the Employee Council received five employee reports, one of which may be classified as a grievance. The grievance was related to a benefit payment to an employee. The case was reviewed and sorted out. The other four cases contained suggestions for workplace improvements, three of which have been resolved, one – in process.

In the reporting period, the Group has not faced fines, sanctions, or severe damages payments in relation to the social and human rights matters.

| Standard     | Data point   | Description  | 2023  | 2024  | 2025  |
|--------------|--------------|--|-------|-------|-------|
| S1-17        | 103a         | Number of incidents of discrimination  | 0     | 0     | 0     |
| <b>S1-17</b> | <b>103b</b>  | <b>Number of complaints filed through channels for people in own workforce to raise concerns</b>   | 2     | 2     | 2     |
| S1-17        | 103b         | Number of complaints filed to National Contact Points for OECD Multinational Enterprises   | 0     | 0     | 0     |
| <b>S1-17</b> | <b>AR103</b> | <b>Percentage of reports resolved</b>  | 100 % | 100 % | 100 % |
| S1-17        | 103c         | Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed, EUR                                      | 0     | 0     | 0     |
| S1-17        | 104a         | Number of severe human rights issues and incidents connected to own workforce  | 0     | 0     | 0     |
| S1-17        | 104a         | Number of severe human rights issues and incidents connected to own workforce that are cases of non-respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises | 0     | 0     | 0     |
| S1-17        | 104b         | Amount of fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce, EUR  | 0     | 0     | 0     |

## AFFECTED COMMUNITIES

CleanR Grupa recognizes its impact, dependency and responsibility toward its stakeholders, which also include local communities and society at large.

### Interests and views of stakeholders (ESRS 2 SBM-2)

The Group's operations and development are closely linked to and dependent on positive cooperation with local communities and representatives of society. Negative relations with affected communities can disrupt the Group's operations and harm its reputation. Therefore, CleanR Grupa companies strive to build relationships with affected communities by respecting their human rights, including civil and political rights, using dialogue and consultation as the primary approach, and adhering to the fundamental principles of open communication and ethics.

The main group of affected communities consists of people who live or work near the Group's production facilities and sites. Potential impacts on affected communities include noise, dust, or odours associated with production processes, as well as wind-blown debris that may litter the surrounding area.

CleanR Grupa companies operate their production facilities in accordance with the issued pollution permits, taking care to prevent negative impacts on people and the environment by implementing systematic pollution monitoring in their operations. Specific pollution-related impacts and risks are identified during the process of obtaining these permits, including through an environmental impact assessment (EIA) where required by applicable regulations.

The Group's companies strive on a daily basis to provide the necessary consultation and communication with stakeholders, including, where appropriate, representatives of local residents and communities – for example, neighbourhood councils, local government representatives acting as their authorized representatives, as well as with industry oversight bodies – the State Environmental Service and other competent authorities – to identify and monitor the significant impacts of the company's operations related to potential negative effects on local communities and their rights.

In the event of business expansion or the establishment of new production facilities, the company provides information about the planned activities and, in accordance with regulatory requirements, engages the community in public consultations, conducts surveys, and provides channels for expressing concerns and, if necessary, opportunities for remediation.

In 2025, the company conducted the Double materiality assessment process, which included a stakeholder survey; among the respondents were, for example, also representatives of neighbourhood associations.

### Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

The material impacts, risks, and opportunities related to affected communities were identified during the materiality assessment (see section "Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)").

#### Material impacts, risks and opportunities related to affected communities

| IRO type           | IRO description  | Nature of impact (+) or (-)     | Time horizon <sup>1</sup> | Value chain impact <sup>2</sup> | Company <sup>3</sup>                            | IRO management/impact on business model and strategy  |
|--------------------|--|---------------------------------|---------------------------|---------------------------------|---|---|
| Impact             | Promoting environmental awareness  | Actual and potential (+) impact | 1; 1-5; >5                | U, D                            | Group, primarily, CR, ZJ, VPL, CRV, VRC, CRI, L | Providing environmental education programs for various segments of society helps to raise their awareness and improve their knowledge and skills in responsible waste management and the circular economy.  |
|                    | Ensuring a clean environment   | Actual and potential (+) impact | 1; 1-5; >5                | U, O, D                         | CR, VPL, CRV, L, UREM                           | The Group's companies ensure access to sanitation – preventing pollution caused by waste generated by residents and organizations. Responsible waste management and urban cleaning help reduce environmental pollution, which can degrade quality of life and environmental conditions.                     |
| Impact/opportunity | Involvement of affected communities in the discussion of development projects                        | Actual and potential (+) impact | 1; 1-5                    | U, D                            | Group, primarily CRV, VRC, CRI, L               | When planning development projects, the Group listens to and considers the views of external stakeholders. Engagement and consultation take place within the framework of procedures established by the state and voluntary measures (surveys, consultations).  |
| Risk               | Implementation of development projects delayed or suspended due to objections from community members | Actual and potential (-) impact | 1; 1-5                    | O                               | Group, primarily CRV, VRC, CRI, L               | Despite this involvement, there is a possibility that the Group's development projects may be delayed or suspended temporarily due to certain stakeholders, including community representatives, and that additional requirements may be imposed regarding the implementation and monitoring of operations. |

<sup>1</sup> Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

<sup>2</sup> Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

<sup>3</sup> Group – IRO refers to all CleanR Grupa companies.

CR – CleanR  
L – Lautus  
NĪ – CleanR NĪ  
ET – Eko Terra  
ZJ – Zaijā josta  
V – Vīzīi

VPL – Vides pakalpojumi Liepājai  
CRV – CleanR Verso  
CRI – CleanR Industry  
VRC – Vides resursu centrs  
UREM – urban and regional environment maintenance companies – Vīzīi Urban, KOM-AUTO, Tranzīts L

## Policies related to affected communities (S3-1)

In accordance with the **"Sustainability Policy"**, the Group identifies and listens to the views of its stakeholders. The needs and views of stakeholders are essential and are considered in the development of services, the improvement of business processes, and planning.

In accordance with the **"Environmental and Energy Management Policy"** and the **"Sustainability Policy"**, the Group regularly informs the public about its operations, including activities in the areas of environmental protection and energy efficiency. Each year, the Group improves and expands the content and scope of the information provided to stakeholders and educates them on environmental and circular economy issues, involving stakeholders in the process.

The **"Sponsorship and Support Policy"** defines the key areas of community support, one of which is investment in the local community, by organizing and supporting various events and initiatives in the areas of public welfare, innovation, and environmental protection (education).

The **"Risk Management Policy"** and **"Risk Management Guidelines"** establish responsibilities and common principles of risk management within the Group to ensure the timely identification and reporting of risks and the resolution of adverse impacts, including those affecting the communities. The "Procedure for Reducing Environmental Impact in Emergency Situations" outlines specific actions to be taken in cases where a situation arises during business operations (e.g., a waste ignition) that could have a significant negative impact on the environment and society.

In accordance with the **"CleanR Grupa Whistleblowing Policy"**, any interested party, including representatives of local communities, may submit a report to the Group's whistleblowing system, "Trust Line", available on the CleanR Grupa website, if there are suspicions of violations of the law or community rights.

## Processes for engaging with affected communities about impacts (S3-2)

The involvement and consultations with affected communities take place both within the framework of state-mandated procedures – such as the environmental impact assessment process – and through voluntary measures (surveys, consultations). Requirements for the environmental impact (EIA) assessment procedure in Latvia are set forth in the Law "On Environmental Impact Assessment" and Cabinet of Ministers Regulation No. 18 of January 13, 2015, "Procedure for Assessing the Environmental Impact of a Proposed Activity and Approving the Proposed Activity". In accordance with the law, the EIA procedure is coordinated and supervised by the Energy and Environment Agency. The annexes to the law list activities for which the EIA procedure is mandatory and activities for which a preliminary assessment must be conducted. The State Environmental Service conducts the preliminary assessment and decides whether the full EIA procedure applies to the activity.

Waste management and recycling are polluting activities that require an initial EIA; however, in cases where the activities involve the management of a specific type of waste, exceed a certain volume of waste, or require a change in land use status, the law requires changes to the zoning plan, and a full EIA process is conducted accordingly, including the adoption of a municipal decision and public participation – ensuring a public consultation procedure.

At the end of the reporting year, to expand the operations of the company Lautus in "Gurnicas", a request was submitted to the Ķekava Municipality, and an application was submitted to the State Environmental Service to obtain a Category A polluting activity permit for hazardous waste management. As of the date of this report, the municipality has adopted a decision, and the public consultation procedure has been conducted, with the information published in "Latvijas Vēstnesis".

## Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)

CleanR Grupa has established several channels through which representatives of affected communities can submit suggestions and express their needs or concerns in a form that is convenient for them:

- **by phone**, by calling the relevant Group company (phone numbers are listed on the companies' websites),
- **by email** – [info@cleanrgrupa.lv](mailto:info@cleanrgrupa.lv) or the relevant company's customer service or information email address listed on the company's website,
- **by sending an official letter** to the legal or email address of the relevant Group company,
- by leaving a message **on social networks** – in the comments on Facebook, LinkedIn, or TikTok, Instagram,
- by expressing concerns anonymously via the Group's **whistleblowing system, "Trust Line"** ([cleanrgrupa.lv/en/contacts](https://cleanrgrupa.lv/en/contacts)).

Representatives of affected communities may also use third-party channels (such as local or national government agencies) to voice their opinions and express their concerns.

In accordance with the principles of the due diligence process, in the event of negative impacts, appropriate remedial measures are ensured – mitigation of harm, as well as the implementation of additional preventive measures (e.g., additional environmental monitoring). The management of the relevant company ensures that resources for remediation are available and that the measures are effective.

## Acting on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4)

During the reporting year, there were no instances of significant negative impacts that required substantial remediation measures. No reports regarding impacts on affected communities were recorded in the whistleblowing system. The Group's incident log recorded and resolved two complaints regarding impacts on the local community during the reporting year; one case involved noise at the Jūrmala facility during waste loading, and the other concerned dust emissions at the "Nomales" construction waste recycling centre.

A meeting was organised to discuss the dust emissions mentioned in the complaint. To address local community concerns, CleanR Verso, in addition to the dust-reduction measures already in place and stipulated by the permits, will conduct voluntary dust-emission measurements twice a year. The company also conducted additional soil contamination measurements at three locations near the recycling centre during the reporting year.

To promote cooperation with the public and affected communities, the Group will continue to provide information about its operations, the specifics of its current and planned services and activities, its processes, and their impact on the environment and people, including continuing its public environmental education initiatives.

### Environmental education

Every year, CleanR Grupa companies make a significant contribution to the local community – by organizing and supporting public environmental education, awareness, and engagement activities.

The member of the board of AS "CleanR Grupa" responsible for corporate communications and sustainability is responsible for implementing a unified approach and managing environmental education at the group level.

Environmental education activities are organized both by carrying out the environmental education functions delegated by the State Environmental Service and local governments with which waste management contracts have been concluded, including the requirements specified in various Cabinet of Ministers regulations, and by supporting and implementing extensive company-initiated activities that increase public awareness and knowledge of environmental issues and an environmentally friendly lifestyle.

## Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5)

To assess the impact and effectiveness of activities in the field of environmental education, a goal has been set to increase the audience reached by environmental education activities by at least 5% annually compared to the previous year.

During the reporting year, the audience reached through environmental education activities and events exceeded 6.2 million people, exceeding the annual target by 59%. Next year, the Group plans to continue environmental education activities and has set goals for the next period.

### Affected communities

| Targets   | BASE<br>2022 | TARGET<br>2023 | RESULT<br>2023   | TARGET<br>2024 | RESULT<br>2024   | TARGET<br>2025 | RESULT<br>2025   |
|---|--------------|----------------|------------------|----------------|------------------|----------------|------------------|
| <b>The audience reached by environmental education activities increased by 5% annually, %</b>             | –            | + 5 %          | <b>+ 75 %</b>    | + 5 %          | <b>+ 197 %</b>   | + 5 %          | <b>+ 59 %</b>    |
| The audience reached (through websites, social networks, the Group's newsletters, on-site events), number | 754 865      | 792 608        | <b>1 318 762</b> | 1 384 700      | <b>3 911 426</b> | 4 106 997      | <b>6 211 743</b> |

## Key environmental education activities in 2025

Attendees/participants

## EDUCATIONAL &amp; INFORMATIONAL EVENTS

## Environmental education pop-up site "ŠŪNA":

From May 15 to June 30, 2025, "ŠŪNA" was located in Cēsis, at Rožu Square, offering city residents and visitors the opportunity to attend > 17 events on environmental and sustainability issues free of charge – organized by the company and its partner organizations.



> 2,000 residents of Cēsis and visitors to the city

## "Latvian Circular Economy Forum"

On November 5, 2025, in Riga, the forum brought together entrepreneurs, local governments, state institutions, scientists, non-governmental organizations, and community representatives to jointly seek solutions for a sustainable and circular future. It was organized in collaboration with the Riga Energy Agency, with the aim of creating a space for the exchange of experiences, the birth of new ideas, discussions, and collaboration.



~ 350 participants

Zaļā josta **educational sessions** on waste reduction and sorting at 11 organizations and educational institutions.

> 853

CleanR and Zaļā josta **waste sorting master-classes** – 14 events.

> 27,350

"**Forest Days**" organized by Zaļā josta and Latvijas Valsts meži for schools and families in Tērvete; the event marked the conclusion of the environmental education campaign "Tirai Latvijai" in Latvian schools.

> 10,000

The new **Zaļā josta ambassador** – the mascot **Gruzis** was created, who educates the public about waste sorting in an engaging way on TikTok and at various events.

> 9,000 TikTok followers

As part of the nationwide **school campaign "Tirai Latvijai"**, a launch event took place at the Junior Achievement Latvia conference in Ķīpsala.

> 8,000 youths

**videspratiba.lv** – an informational platform on environmental topics, including waste sorting and the circular economy, was launched.

> 7,500 visitors

> 100 press releases highlighting environmental issues.

**Virtual reality tour of the packaging sorting centre** – attendees of public masterclasses can take a virtual tour of the sorting centre, see how sorting takes place, and learn about the volume of packaging waste and its further recycling.

**Awareness campaign "A Place for Every Thing"** – to promote understanding of waste sorting, highlight the importance of sorting, and emphasize the financial benefits for residents.

**The series "Circular Economy in Action" in collaboration with "TV3"** – showcasing real-life examples of how Latvia is progressing in implementing circular economy across various areas relevant to residents and local governments.

As part of the **"Sort Glass" informational campaign**, CleanR encouraged residents to sort glass and reminded them that they can request glass packaging sorting containers free of charge for both – family homes and apartment buildings.

## PUBLIC ENGAGEMENT ACTIVITIES

The nationwide school campaign **"Tirai Latvijai"** collected **384,991 kg** of paper packaging and **31.6 t** of batteries.

353 schools

The **18 "Tirmāja" campaigns** organized by CleanR and Zaļā josta collected **1,340 t** of waste – including used electronics, bulky items, glass, packaging, textiles, and hazardous waste which is 9% more than last year.

> 13,500 applications

CleanR Verso and Zaļā josta's **used tire drop-off campaigns** – **500 t** of used car tires.

Zaļā josta and its partners' campaigns **"Elektrostediena"** and **"Elektrospoki"** collected **13.5 t** of used electrical appliances.

400

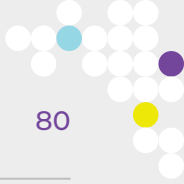
With the support of the CleanR Grupa, a new public space for residents and city guests called **"Pietura"** was opened in the Liepāja concert hall "Lielais Dzintars" – a place where creative ideas make sustainability an everyday experience and offer the public the opportunity to experience it in a very close, understandable way.

As part of the annual support provided to the **"Junior Achievement Latvia" Leadership Program**, the young leaders, commissioned by the CleanR Grupa, developed solutions to help raise public awareness of the circular economy, sustainable lifestyles, the importance of waste sorting, and environmental protection.

12 young leaders

Support and involvement in the events organized by the Riga City Council: **"Climate Days in Schools 2025"** and **"Climate Festival"** – by serving on the jury and evaluating student competition entries focused on exploring climate issues, reducing the ecological footprint and energy consumption, and creating innovative products.

26 schools | 130 teams



## CUSTOMERS AND END-USERS

### STRATEGY

CleanR Grupa recognises the importance of investing in efficiency, modernisation and infrastructure development to improve existing services, introduce new ones and increase customer satisfaction, while continuously developing customer competence in environmental education. The Group implements modern IT solutions to help monitor service quality and provide customers with remote self-service options.

### Interests and views of stakeholders (ESRS 2 SBM-2)

Customer and end-users' views are considered when devising the Group's strategy, developing services, and improving business processes (see subsection "Interests and views of stakeholders").

### Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

The material impacts, risks, and opportunities related to customer and end-users were identified during the materiality assessment (see section "Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)").

The largest companies of the CleanR Grupa holding operate in the areas of waste management and recycling, commercial cleaning, road and urban maintenance, as well as extended producer responsibility. The Group's customers include private persons, businesses of various sizes and industries, as well as private, state, municipal institutions and capital companies. The Group has over 62,000 customers all over Latvia, and its number of end-users amounts to over half a million.

The Group has identified its material impacts and risks related to its services and their impacts on its customers and the public and regularly monitors them. Every year, the Group allocates the necessary resources and implements the necessary measures to both prevent risks and advance positive impacts. Actions carried out to manage impacts have been described further in this section.

The Group seeks to implement superior customer service standards, leading to high customer satisfaction. The Group not only ensures physical access to services, for example, providing enough and different types of waste containers, properly equipped, sorted waste collection sites, or properly cleaned premises and urban territories, but also access to digital services – providing the Group's customers with remote self-service tools.

The Group aims to ensure faster, more convenient, and easier access to information about services, their execution status, payments, contracts, and electronic signing of contracts, using the self-service system. Furthermore, the Group seeks to make sure the services its companies offer are safe for the employees of the Group companies, customers, and the public, both in the digital and physical setting.



## Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3) (continued)

### Material impacts, risks and opportunities related to customers and end-users

| IRO type    | IRO description   | Nature of impact (+) or (-)     | Time horizon <sup>1</sup> | Value chain impact <sup>2</sup> | Company <sup>3</sup>                  | IRO management/impact on business model and strategy  |
|-------------|---|---------------------------------|---------------------------|---------------------------------|---------------------------------------|---|
| Impacts     | <b>Improving service availability – introducing innovative solutions and digitizing processes</b>     | Actual and potential (+) impact | 1-5                       | O, D                            | Group (primarily CR, VPL, L, UREM, V) | The Group's companies invest in an environmentally friendly vehicle fleet, modern urban cleaning equipment and innovative infrastructure solutions – the construction of underground container sites, as well as the implementation of modern digital customer service tools, promoting service availability, efficiency, and increasing customer satisfaction.   |
|             | <b>Responsible and proactive service communication</b>  | Actual and potential (+) impact | 1-5                       | U, O, D                         | Group (primarily CR, VPL, UREM)       | The Group ensures that all service and marketing communications are transparent, fact-based, and comply with fair competition requirements. Proactive, timely, and regular information exchange between the company, customers (e.g., local governments), and end users reduces uncertainty and the risk of complaints, as well as improves the perception of the service. Insufficient or insufficiently active communication can have a negative impact.  |
|             | <b>Customer and end-user satisfaction, and service quality</b>  | Actual and potential (+) impact |                           | U, O, D                         | Group                                 | Fluctuations in customer satisfaction can affect short- and medium-term revenue, as well as the long-term ability to secure contracts. To improve the customer experience and ensure service quality, independent quality audits are conducted, and continuous improvements are implemented across service processes, including customer communication, needs understanding, and attitude changes. Employees receive targeted training in customer service, safety, and other areas to improve the customer experience. |
| Risks       | <b>Data security and privacy</b>  | Potential (-) impact            | 1; 1-5                    | O, D                            | Group                                 | The Group's companies comply with the requirements of the General Data Protection Regulation and periodically conduct internal and external audits in the areas of data protection and IT system security. Given the extensive processing of customers' personal and financial data, there is a risk of sensitive information leaks and unauthorized access, which could damage the company's reputation and have financial consequences.   |
|             | <b>Insufficient understanding of waste sorting among customers and end-users</b>                      | Actual and potential (-) impact | 1; 1-5                    | O, D                            | CR, VPL, CRV, CRI, ZJ, L              | A lack of understanding among customers regarding the importance of waste sorting and an insufficiently responsible attitude towards the disposal of hazardous waste, create risks and reduce opportunities for waste recycling. The Group's companies continuously educate customers by providing feedback on the quality of sorted materials, as well as consistently offering informational materials and environmental education activities.  |
| Opportunity | <b>Customization of segmented services and the development of a customer-centric internal culture</b> | Potential (+) impact            | 1; 1-5                    | O, L                            | CRV, CRI, V, UREM, L, ZJ              | The Group has the opportunity to further diversify its services and expand into new segments (not only B2G, but also B2C and B2B). Different customer groups are looking for specific service terms. It is necessary to continue developing a customer-oriented internal culture, the development and sale of targeted integrated services, ensuring a personalized approach, a service quality control system, and flexible problem-solving.   |

<sup>1</sup> Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

<sup>2</sup> Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

<sup>3</sup> Group – IRO refers to all CleanR Grupa companies.

CR – CleanR  
L – Lautus  
NĪ – CleanR NĪ  
ET – Eko Terra  
ZJ – Zaiā josta  
V – Vizii

VPL – Vides pakalpojumi Liepājai  
CRV – CleanR Verso  
CRI – CleanR Industry  
VRC – Vides resursu centrs  
UREM – urban and regional environment maintenance companies – Vizii Urban, KOM-AUTO, Tranzīts L

## Policies related to customers and end-users (S4-1)

The Group's approach to the management of the aforementioned risks and opportunities has been embedded in several of its policy documents – the Group's "Sustainability Policy", "Information Security Policy" (approved on 22.08.2025), "Personal Data Processing Regulations" (approved on 06.10.2025), "The Code of Conduct", "Fair and Ethical Marketing Principles", as well as in a number of documents of the Group companies, such as, service descriptions and work safety instructions, cookie, privacy, and personal data processing policies, data safety incident management procedures, customer complaint handling procedures.

The Group's approach is aligned with the UN Guiding Principles on Business and Human Rights, as well as the principles defined by the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

The Group's "Code of Conduct" stipulates that an employee, on behalf of the Group, provides customers with services in an honest, fair, and professional manner in line with the customers' interests, and treats a customer or a potential customer favourably, politely, and tolerantly, regardless of the customer's or potential customer's financial situation, size of the deal, or the employee's personal attitude toward the customer or potential customer. An employee provides a customer with trustworthy, clear, accurate, and complete information about the Group and its services, revealing all the material risks, so the customer may fully understand the product or service they are offered.

The Group respects all aspects of human rights in relation to its customers. These primarily relate to privacy – physical and digital security of services, privacy and data protection, non-discrimination - ensuring accessibility and availability of services in both digital and physical environments, including access to quality information, as well as the right to freedom of expression - the ability to express opinions on the quality of services through different channels. Following the principles of due diligence, the Group provides appropriate remediation measures (e.g., compensation, apologies, etc.) when necessary.

The Group's IT system safety is managed by the Group's IT Director, and the management of data protection and privacy issues is overseen by a member of the CleanR Grupa Management Board in charge of legal affairs. The management of the Group's communications and marketing function is overseen by the Member of the Management Board of AS "CleanR Grupa" responsible for corporate communications and sustainability.

The customer relationship management and the service delivery process are managed by the board of each Group company, with functional responsibility for the process further delegated to employees – customer relations managers, experts, work managers, or sales managers. The members of the board ensure that the employees with responsibility for the process have the appropriate skills and are provided with regular development and training.

## Processes for engaging with customers and end-users about impacts (S4-2)

Customers' views have a significant impact on the decisions made by the Group companies and the actions taken to manage impacts arising from service provision. Customer and end-user engagement primarily takes place directly, yet it may also happen through legitimate representatives, for example, as in waste management, where the interests of end-users may be represented by the local government representatives, property managers, or associations.

At Group level, stakeholder engagement is overseen by the CleanR Grupa Member of the Management Board, responsible for corporate communication and sustainability, while at the Group companies, customer engagement is the responsibility of one of the board members. Board members also make sure the customer survey results, and customer views are analysed and considered to improve the service and process quality when appropriate.

To assess customer engagement efficiency, the largest Group companies conduct annual customer satisfaction surveys. Also, a chance to obtain immediate customer feedback when a customer gets in touch with the Group's Customer Service Centre is utilised; following the contact, customers assess their experience by filling out a form. As a result, the company may immediately check the quality of the communication experience and customer satisfaction.

In addition, in its annual survey, CleanR asked customers to suggest locations for the installation of textile collection containers. Customer needs will be considered, and the recommended locations will be used for container placement next year.

During the reporting year, as part of the Double materiality analysis, a stakeholder survey was conducted. This survey included the Group's largest corporate customers. These customers also provided feedback on aspects related to service delivery and customer service when assessing the Group's sustainability impacts.

Every two years, CleanR conducts a survey on people's sorting habits and knowledge of waste sorting. The latest survey was conducted in early 2025 in collaboration with "Norstat Latvia". The data collected is used to plan and adapt strategies and initiatives for public education, aiming to improve not only people's knowledge but also the volume and quality of sorted waste.

Based on suggestions received through daily communication, surveys, and research, the Group's companies are implementing improvements to customer service and service provision (see subsection "Taking action on material impacts on customers and end-users").

## Processes to remediate negative impacts and channels for customers and end-users to raise concerns (S4-3)

Group companies use dialogue with all stakeholders as a means to reach mutually agreed solutions. The Group's general approach ensures that, in line with the due diligence process, negative impacts are remediated through error correction, damage control, apology, compensatory damages, etc.

CleanR Grupa has set up several channels through which both customers and end-users can make their concerns and needs known directly to the company:

- **By phone**, calling the Customer Service Centre at 67111001 or reaching out to the respective company's contact person indicated in the agreement,
- **By email**, writing to the Customer Service Centre at [kc@cleanr.lv](mailto:kc@cleanr.lv) or to the respective company's contact person indicated in the agreement,
- Waste management service users may get in touch by using the **e-services site [manai.videi.lv](http://manai.videi.lv)** or **mobile app MANAI VIDEI**, as well as by visiting **the customer service centres**,
- **Via VizziApp**, commercial cleaning company Vizii customers may rate service quality,
- **Via social networks** customers may get in touch through Facebook, LinkedIn, or TikTok, Instagram,
- **By writing a letter** to the legal or electronic address of the respective Group company,
- Under the Whistleblowing Law, customers and end-users may also raise their concerns, using **"Trust Line", the Group's whistleblowing channel** ([cleanrgrupa.lv/en/contacts](http://cleanrgrupa.lv/en/contacts)).

Customers and end-users may also use third-party grievance mechanisms to (also anonymously) raise their concerns about the Group's actions, for example, through the Customer Rights Protection Centre or other state institutions, environmental NGOs, or public media. Issues raised through the media were addressed by preparing a written reply or by participating in the broadcasting programmes devoted to the issue.

The Group seeks to ensure that its grievance channels and mechanisms are effective in practice and comply with Principle 31 of the UN Guiding Principles on Business and Human Rights – they are available and trustworthy; it is clear and predictable when to expect a reply or a solution, they provide access to information, give advice and information sources (e.g., on the self-service platform, customer agreement data or materials on proper waste sorting).

Information on communication channels is available on the Group company websites, social network accounts, signed agreements, and the newsletters sent to customers.

The Group's companies gather insights from these channels and ensure continuous learning to improve them. The performance of these channels is continuously monitored. During operational meetings, the number of submitted requests/complaints, the reasons and nature of the issues raised, and the promptness of communications are analysed.

The Group treats customer complaints and suggestions responsibly, respecting customers' confidentiality, right to privacy, and ensuring data protection. Customer complaints are handled at each of the Group companies individually. Written customer complaints are reviewed and handled within 3 to 10 working days. In cases where an in-depth investigation of the situation is required, a reply to customers or third parties is provided no later than within the one-month deadline. Oral complaints are dealt with immediately.

## Actions on material impacts on customers and end-users (S4–4)

The CleanR Grupa companies ensure that their operations and service provision comply with the laws and regulations, work permits, and the terms of the concluded agreements.

The Group companies seek to follow business practices that do not cause or advance negative impacts. The Group plans and allocates the necessary financial and human resources, as well as several measures to foster positive impacts on customers and the public.

The management of the above impacts and risks and the planning and implementation of the following measures involve various functional departments of the Group companies, as well as members of the parent company's management board, each in their area of responsibility, monitoring the strategic direction, as well as the Group's Process and Efficiency Manager, IT Director, legal function representatives, marketing and communication team specialists, as well as members of the respective Group subsidiary's business line – board members and those responsible for customer relationship and service management.

During the reporting year, the Group continued its best practices by implementing a range of measures that have a positive impact on customers and society – ensuring both digital and physical accessibility of services and enhancing the customer experience.

### Investments in digitization

To ensure fast and easy access to information, as well as offer an option to request a service at a time convenient to the customer, in the reporting year, the Group continued developing its e-services site [manai.videi.lv](https://manai.videi.lv) and mobile app MANAI VIDEI.

All customers who have signed a municipal waste management agreement have access to the e-services site and may also use the mobile app to:

- Request services,
- Read and sign agreements,
- See the waste removal schedule, request changes,
- Request container installation and change,
- Check and pay bills,
- Make inquiries,
- Request additional services, e.g., management of bulky waste or building refuse, container push-out, or container or territory locking/unlocking.

To improve customer experience, in 2025, on [manai.videi.lv](https://manai.videi.lv) and [cleanr.lv](https://cleanr.lv) website a chatbot solution was implemented, providing customers with immediate answers to frequently asked questions about waste management services.

In total, 75 improvements of various kinds were made to self-service tools during the year – including new features, enhancements to existing features, and technical improvements that ensured their stable operation, thereby enhancing customer satisfaction.

Meanwhile, to encourage the use of the self-service system, nine video tutorials were produced during the reporting year, which are available on the CleanR [website](#).

### Investments in service security and accessibility

Every year, CleanR Grupa companies invest in the safety of their services – in new, more modern, ergonomic, and manoeuvrable waste collection vehicles, urban cleaning vehicles and equipment, as well as in IT infrastructure and systems.

The Group ensures regular vehicle maintenance and inspections, as well as providing ongoing employee training on workplace safety and emergency procedures. Furthermore, improved technical equipment ensures service continuity and promotes customer satisfaction.

At the same time, the Group regularly raises its customer and public awareness of municipal waste collection and urban services safety on its social networking sites, in the media, and at local government meetings. The Group informs of the necessary public engagement to ensure access to waste containers, responsible parking outside blocks of flats, and on the driveways for the Group employees to be able to provide services properly and without additional risks. The Group calls on homeowners to take care of access roads, especially in winter, to ensure timely territory cleaning and waste collection.

The CleanR Grupa companies take care of customer privacy and protection of personal data by observing their right to lawful processing of personal data according to the relevant legislation – Personal Data Protection Law of Latvia, 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, and other applicable laws and regulations governing privacy and data processing.

Data processing on the e-services portal, app, and direct communication takes place, ensuring data confidentiality. Risks are managed by introducing several technical, organisational, and legal measures. The customer agreements include data protection clauses. The Group company homepages ask users to agree to the use of cookies and contain privacy and cookie policies. The Group also ensures authorised access to systems, firewalls, antivirus programs, runs annual safety audits and tests, employee training on data protection policies, risks, and reporting thereof.

During the reporting year, the new “CleanR Group Personal Data Processing Regulations” were approved, and training sessions on the application of these regulations were organized, with 61 administrative staff members participating. In September, annual training on general personal data protection took place, attended by 79 employees.

In addition, security audits of the customer self-service portal and app were conducted during the reporting year to ensure their compliance with modern security standards. A total of 46 improvements were implemented in 2025.

## Actions on material impacts on customers and end-users (S4-4) (continued)

An assessment of the accessibility and usability of the MANAI VIDEI mobile app was conducted to ensure that the app is both convenient and intuitive to use, as well as responsive to the specific needs of various users. The audit findings were also applied to the usability and accessibility of the client portal. As a result, 13 accessibility improvements and 26 usability improvements were implemented.

### Improvement of customer service processes and quality management

Based on suggestions received through daily communication and surveys, several improvements to customer service processes were implemented during the reporting year, with more to follow in the coming year. CleanR and CleanR Verso have started to improve their procedures for handling customer requests and complaints.

During the reporting period, commercial cleaning company Vizii continued to offer customers the VIZIIApp, the first mobile app that allows both customers and service users to evaluate cleaning work online and call an emergency cleaning team if necessary. A growing number of customers are using the app to submit feedback, including positive evaluations of the work performed as well as complaints. During the reporting year, the urban maintenance company Vizii Urban also used the app at three customer sites in the commercial sector to oversee territory maintenance services more effectively.

### Availability of services – innovation and development of waste management infrastructure

During the reporting year, the Group's companies CleanR and Vides pakalpojumi Liepājai daily serviced more than 103,000 waste containers of various types throughout Latvia, supervised 310 sorting points, and ensured the operation of 12 sorted waste collection sites.

In 2025, more than 600 biodegradable waste containers, 1,600 sorted waste, and 1,000 glass containers had been installed.

CleanR continued to offer its customers the construction of underground container sites. The advantages of underground containers include improved physical accessibility for all users – including seniors and people with disabilities. The containers are more convenient and easier to open. This solution provides a cleaner and safer waste collection site, which also has a smaller environmental impact, as the containers have a larger capacity and waste collection from them is required much less frequently. During the reporting year, 33 underground container sites were constructed, with 135 underground containers in Riga and Jūrmala. By the end of the reporting year, 395 underground containers had been installed, and 100 sites had been constructed in total.

During the reporting year, the modernised sorted waste collection site at Vietalvas Street 5b in Riga was opened. The site is equipped with an interactive guide that provides visitors with information on the types of waste that can be disposed of and a self-service booth where they can pay for waste disposal. Vehicles can also enter the site to facilitate the disposal of larger and bulkier waste items.

A special new feature is the exchange point for reusable items and materials, where people can give useful items a second life.

### Free-of-charge waste collection campaigns

To foster the availability of services, CleanR, together with two other Group companies – CleanR Verso and Zaļā josta – continued running Tirmāja, a free-of-charge waste collection campaign. During the campaign, mobile waste collection points were set up for used electronics, bulky waste, glass packaging, and textiles. The campaign team travels around residential blocks serviced by CleanR according to a set schedule, providing residents with a more convenient way to dispose of these waste types. This approach reduces the risk of such waste entering the general waste stream and ending up in landfill sites. Customers and their authorised representatives, such as property managers or residential block associations, may request the service at a time that suits them.

In 2025, 18 “Tirmāja” events took place in Riga, Carnikava, Ropaži municipality, Ķekava, and Jūrmala, rural territories of Baldone and Ozolnieki, and elsewhere.

### Raising awareness about waste sorting

One of the initiatives and activities that generates significant additional positive impacts on both customers and society is the environmental education activities organised by CleanR Grupa companies. Customers and end users' lack of awareness of the importance of waste sorting, along with an insufficiently responsible attitude toward hazardous waste disposal, create risks and reduce opportunities for waste recycling. The Group's companies continuously educate customers by providing feedback on the quality of sorted materials and by consistently offering informational materials and environmental education activities (see section “Affected Communities”).

## Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4–5)

To manage the Group's material impacts and opportunities related to customers and end-users, in 2022, during the development of the Group's sustainability strategy, three-year targets were set. The information about the targets and results is included in the Annual Sustainability Statement and is available to all stakeholders.

The Group strives to meet the highest customer service standards, ensuring the highest possible level of customer satisfaction. Therefore, the Group has set a target to achieve a Net Promoter Score (NPS) of 50 by 2025, which is considered a very good score according to generally accepted global benchmarks. During the reporting year, the Group's NPS reached 47%.

To promote the advantages of using the e-services: website manai.videi.lv and the MANAI VIDEI app, the Group set a target to increase the number of customers using these tools.

In assessing the achievement of the set targets, it was concluded that the share of active e-service users increased by only two percentage points in the reporting year and reached 65%, which is a significantly lower indicator than planned. The share of customer applications received via the e-services, compared to the previous year, increased by three percentage points, reaching 52%, which is eight-percentage points lower than planned.

The targets were not met due to the lack of targeted activities in the reporting year, which was influenced by the change of the head of the customer service function.

In the next reporting period, it is planned to continue monitoring the achievement of these targets, to provide training for customer service staff and to improve the information available on the website about communication and self-service channels, as well as to provide additional information about them on social networks, reaching a wider range of customers.

In general, customer satisfaction survey data shows that customers appreciate the digital solutions and self-service options offered. For example, customers rate the solutions offered by CleanR at 8.37 points out of 10 (7.96 in 2024).

### Customers and end-users

| Targets   | BASE 2022 | TARGET 2023 | RESULT 2023 | TARGET 2024 | RESULT 2024 | TARGET 2025 | RESULT 2025 |
|---|-----------|-------------|-------------|-------------|-------------|-------------|-------------|
| Group's Customer NPS*, %  | 47 %      | 48 %        | 47 %        | 48 %        | 45 %        | 50 %        | 47 %        |
| Percentage of active e-services users of the Group's total customer base, % | 52 %      | 60 %        | 58 %        | 68 %        | 63 %        | 75 %        | 65 %        |
| Customer applications in e-services of all the applications received, %     | 30 %      | 40 %        | 42 %        | 48 %        | 49 %        | 60 %        | 52 %        |

\* The CleanR Grupa's NPS was calculated as the weighted average NPS of CleanR, Vides Pakalpojumi Liepājai, CleanR Verso, Vizii Urban, Zaļā josta, CleanR Industry, and Vides resursu centrs, based on the number of customers. Note: An NPS from 31% to 50% is considered a very good result. <https://delighted.com/blog/what-is-a-good-nps-score>.



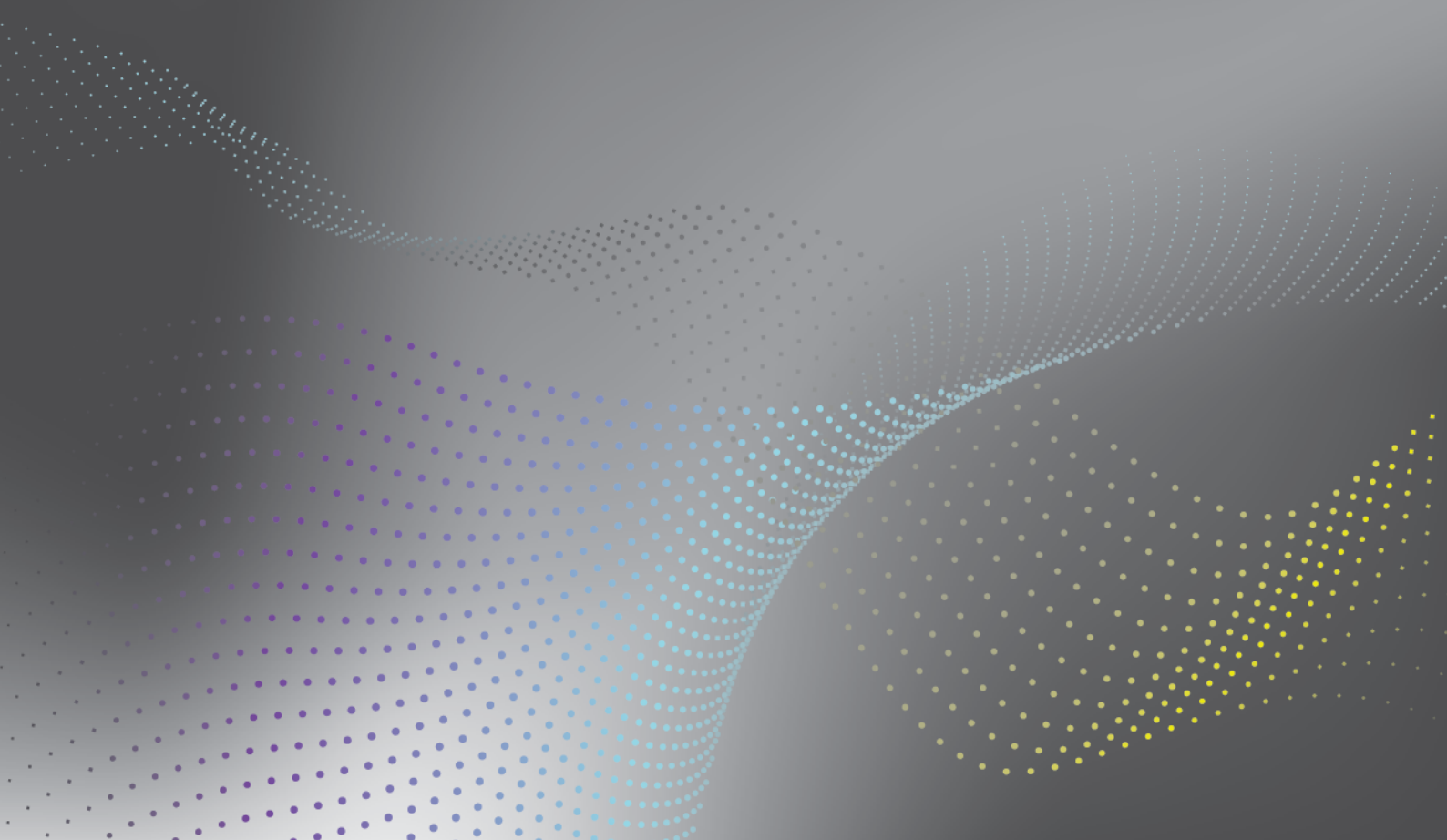
GENERAL INFORMATION

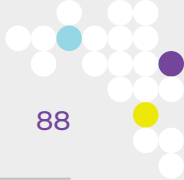
ENVIRONMENTAL INFORMATION

SOCIAL INFORMATION



# GOVERNANCE INFORMATION





## BUSINESS CONDUCT

AS “CleanR Grupa” ensures responsible, open, ethical, and transparent business. This approach applies to all Group companies, including cooperation with all stakeholders. The Group strives to ensure that its management practices meet the highest standards.

During the reporting year, CleanR Grupa received several significant performance evaluations that confirm its sustainable development strategy and its dedicated efforts to ensure compliance with high governance standards:

- In the **“TOP 101 of Latvia’s Most Valuable Companies”** ranking by AS “Prudentia” and Nasdaq Riga, in the corporate governance assessment, CleanR Grupa was placed **in the top 10 as the only private company with local capital** among state and municipal enterprises,
- AS “CleanR Grupa” received the **“Nasdaq Baltic Awards” for best investor relations on the First North bond market** – to mark this recognition, the Group’s management rang the Nasdaq bell in Times Square, New York, at the end of reporting year,
- In 2025, the company received the highest rating – **“Excellence”** – in the international sustainability reporting transparency assessment **“ESG Transparency Awards 2025”**, confirming the transparency and maturity of CleanR Grupa’s non-financial reporting.



The management systems of the Group’s companies – CleanR, CleanR Industry, CleanR Verso, Vizii, Vizii Urban, Zaļā josta, Vides resursu centrs, and Lautus – have been certified in accordance with ISO 9001:2015, confirming that their quality management processes and practices comply with international standards.

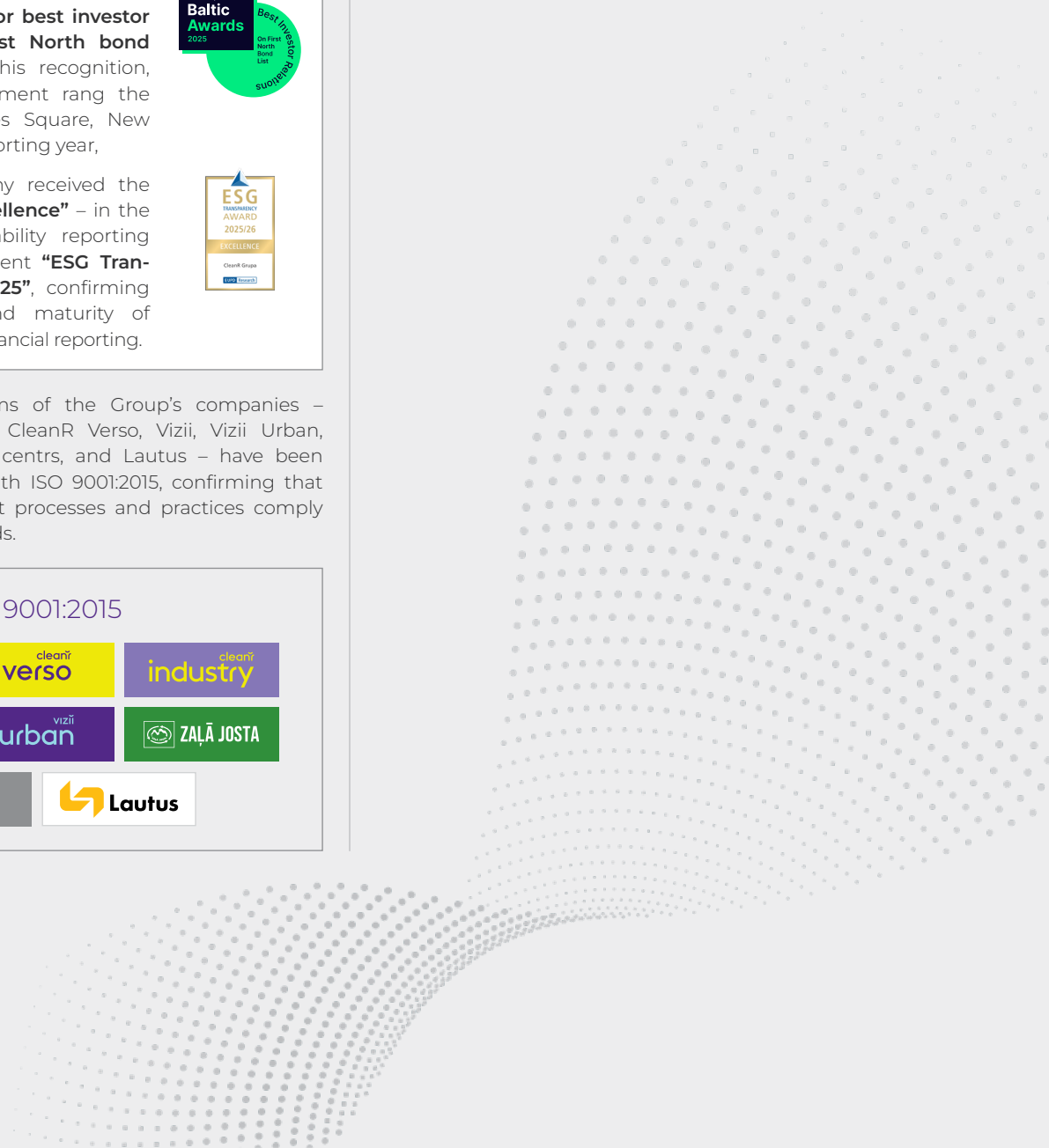


### The role of the administrative, management and supervisory bodies (GOV-1)

The role of the management bodies, as well as the specific expertise related to corporate governance and business conduct, is described at the beginning of the Statement, in the "Governance" section.

### Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO-1)

The material impacts, risks, and opportunities related to business conduct and corporate culture were identified during the materiality assessment (see section "Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)").



## Material impacts, risks and opportunities related to business conduct matters (ESRS 2 SBM-3)

| IRO type           | IRO description  | Nature of impact (+) or (-)     | Time horizon <sup>1</sup> | Value chain impact <sup>2</sup> | Company <sup>3</sup>                 | IRO management/impact on business model and strategy  |
|--------------------|--|---------------------------------|---------------------------|---------------------------------|--------------------------------------|---|
| Impact             | <b>Building an open and ethical corporate culture</b>    | Actual and potential (+) impact | 1; 1-5                    | O                               | Group                                | To ensure the effective management, growth, and responsible operation of the diverse and constantly evolving Group, it is essential to foster a unified corporate culture and a shared understanding of ethical business conduct.   |
| Impact/opportunity | <b>Active engagement in industry policymaking</b>        | Actual and potential (+) impact | 1; 1-5; <5                | U, O, D                         | Group                                | The Group's companies' long-standing operations in the environmental services sector have a significant positive impact on the development of effective regulation and the industry, promoting faster adoption of circular economy principles and reducing regulatory barriers.   |
| Risks              | <b>Competition law risks in the Group's expansion</b>    | Potential (-) impact            |                           | O, D                            | Group                                | The Group operates in a saturated market where competition is intense and where a limited number of companies are active in each of the Group's business areas. To manage competition law risks, the Group conducts regular employee training to promote awareness. Prior to mergers and acquisitions, the Group obtains the permission from the Competition Council.   |
|                    | <b>Conflict of interest, corruption and bribery risk</b> | Potential (-) impact            | 1; 1-5; <5                | U, O, D                         | Group, primarily CR, VPL, UREM, L, V | Given the Group's participation in public procurement, which includes contracts with local governments and state institutions, it is essential to manage potential risks that could give rise to suspicions of unethical conduct by the Group's companies. The Group has identified functions and positions that may be subject to a higher risk of conflicts of interest and corruption. Relevant policies are being implemented, and employee training is provided. |
|                    | <b>Management of relationships with suppliers</b>        | Potential (-) impact            | 1; 1-5                    | U, O                            | Group                                | The Group collaborates with suppliers and partners both in Latvia and abroad, and the Group's successful operations also depend on predictable cooperation. Violations by suppliers or partners – whether regarding the provision and quality of services or failure to adhere to sustainability principles – can pose risks to reputation, financial risks, and endanger service continuity.   |
|                    | <b>IT system and cybersecurity risks</b>                 | Potential (-) impact            | 1; 1-5                    | U, O, D                         | Group                                | The diversity of the information systems used, and the large volume of data stored and processed within them can pose significant cyber threats or other risks related to the operation of IT systems (e.g., business continuity).  |

<sup>1</sup> Short-term time horizon – 1 year, mid-term: 1-5 years, long-term over 5 years.

<sup>2</sup> Value chain impact: Upstream – U, Downstream – D, or Group processes/own operations – O.

<sup>3</sup> Group – IRO refers to all CleanR Grupa companies.

CR – CleanR  
L – Lautus  
NĪ – CleanR NĪ  
ET – Eko Terra  
ZJ – Zaļā josta  
V – Vīzī

VPL – Vides pakalpojumi Liepājai  
CRV – CleanR Verso  
CRI – CleanR Industry  
VRC – Vides resursu centrs  
UREM – urban and regional environment maintenance companies – Vīzī Urban, KOM-AUTO, Tranzīts L

## Business conduct policies and corporate culture (G1-1)

Compliance lies at the core of the Group's operations. In all its operations and transactions, the Group companies pursue openness, integrity, loyalty, fairness, confidentiality, and professionalism. The fundamental values of the Group's corporate culture are set forth in the Group's "Code of Conduct", the "Internal Working Regulations", and other policy documents. The key policy documents are available on the Corporate Governance section of CleanR Grupa's web page [cleanrgrupa.lv/en/corporate-governance](https://cleanrgrupa.lv/en/corporate-governance).

The Group's corporate culture is shaped by the basic operating principles enshrined in these policies. These values are blended into the Group's internal processes, for example, internal communication, manager training programmes, and employee performance evaluation.

When starting work, including on New Employee Day, employees are introduced to key policies, and once a year, at staff meetings and forums, they are reminded of the Group's core principles and values.

The Group's "Conflict of Interest Prevention Policy" lays down the basic principles of the prevention of a conflict of interest. "The Internal Working Regulations" also address conflicts of interest and the acceptance of gifts.

To identify, report, and investigate potential unlawful actions, as well as violations of the "Group's Code of Conduct" and other provisions, the Group has implemented several mechanisms and channels, including a whistleblowing system.

The CleanR Grupa whistleblowing system complies with the relevant legislative requirements. The Group has approved its "Whistleblowing Policy" and devised a digital whistleblowing tool – the "Trust Line". It allows the Group's stakeholders to raise their concerns about potential violations of the Group's governance policies with respect to ethics, corruption, conflict of interest, procurement practice, unethical conduct of business partners, and other cases prescribed by law.

During the reporting year, the above-mentioned digital solution was used once; one email was received. However, the message received was not related to the said issues, nor did it qualify as a whistleblower report in accordance with legal requirements. The email concerned the quality of services provided by SIA "Clean R". It was forwarded to the CleanR Customer Centre for further communication with the customer.

The Group is committed to investigating incidents promptly, independently, and impartially, ensuring that the investigation does not involve the person named in the report or a representative of the relevant function. The Group ensures confidentiality of the information and the whistleblower's protection. Personal data is protected and pseudonymized according to legislation.

The employees are informed about the whistleblowing options, whistleblowers' rights and responsibility, their protection, and the report review process during onboarding, at meetings, employee forums, and other internal communication channels. The whistleblowing process at the Group is overseen by the Group's Human Resources and Administrative Director.

Next year, the Group plans to define a unified approach and develop a system for training Group employees on corporate culture and ethics.

### IT and cybersecurity

The Group's operations depend on information systems and digital solutions. The Group's companies generally use a large number of information systems that process vast amounts of data, and inadequate oversight of these systems can pose significant challenges – namely, risks to IT system security and cybersecurity.

The Group uses resource accounting and planning systems, transportation route and service planning software, environmental monitoring systems, customer service systems, and engagement tools. Disruptions to the Group's core IT infrastructure or third-party systems on which it relies may result in service interruptions, delays in the submission of legally required information (reports), and delays in fulfilling contractual obligations. Furthermore, cyberattacks, data breaches, or unauthorized access to systems could result in reputational damage, financial losses, and legal liabilities, particularly in relation to personal data protection. Therefore, the Group continues to invest in strengthening its IT management and security systems.

Furthermore, the Group includes waste management companies, which, under the "National Cybersecurity Law," are classified as providers of essential services and, accordingly, must comply with Cabinet Regulation No. 397 "Minimum Cybersecurity Requirements," and must ensure compliance with a range of requirements set forth in the regulations.

Accordingly, in 2025, the Group appointed a cybersecurity manager, documented IT security management processes, and approved the "Information Security Policy" and "Cybersecurity Policy". Training was also provided for 131 administrative staff members. A contract for "Security Operations Centre" services was signed, whereby the cybersecurity of the companies' IT systems is monitored around the clock using various sensors.

Over the past two years, the Group has not experienced any significant incidents related to information system security that have materially impacted the Group's operations.

## Management of relationships with suppliers (G1-2)

The Group's mid-term sustainability strategy focuses on running a responsible supply chain and sustainable procurements. The Group's approach to responsible procurement management has been defined in the Group's "Procurement Policy" and the "Environmental and Energy Management Policy". The Group's main operating principles are aimed at an efficient use of resources, a transparent procurement procedure, free competition, and equal and fair treatment of suppliers.

Every year, the services, goods, and construction procurements run by the Group companies amount to several tens of millions of euros. Considering the expenses arising from procurements, the Group has a great opportunity to promote sustainability principles and a responsible approach to business on a larger scale.

The Group is fully aware that an inability to maintain existing business relationships with suppliers and subcontractors may adversely affect the Group's operations, financial position, cash flow, operational results, and business opportunities. The management of the relations with the suppliers is also important to ensure the continuity of supply of the resources essential to the Group's operations.

Considering these risks, the Group has established the "Business Partner Assessment Procedure". Prior to signing an agreement, the companies check the other party's solvency, tax payment discipline, whether the associated persons have not been sanctioned, as well as ask the supplier to agree to the Group's "Code of Conduct for Suppliers".

**The "Code of Conduct for Suppliers" includes several essential pre-conditions to enter a business relationship with CleanR Grupa.** The Code has been devised in line with the principles set forth in the UN Global Compact and not only requires a supplier to comply with the legislation governing their operations, but also:

- to observe human rights, take responsibility for the workplace, and ensure safety at work,
- ethical interaction and actions, fair competition, and prevention of a conflict of interest,
- prohibition of corrupt actions and fraud,
- protection of data and privacy,
- responsible attitude towards the environment.

In addition to the aspect of tax compliance and sanctions checks, no other specific social or environmental criteria were considered in the selection of suppliers during the reporting year. These will be applied to the extent possible upon implementation of the Group's procurement procedure.

In 2025, the Group appointed a Centralised Procurement Manager; subsequently, at the end of the year, a unified Group procurement policy was developed and approved by the Board in January 2026. Work has begun on implementing the system and a unified approach to supply chain management – the introduction of a Group supplier evaluation process.

### Targets related to the management of material impacts

CleanR Grupa has set a target to make sure that by 2025 all its suppliers have read and agreed to the Group's "Code of Conduct for Suppliers", i.e. a respective clause including a reference to the Group's code or similar provisions of the other party on fair and transparent business practice has been included in all the signed contracts. A random sample analysis of contracts concluded by the Group during the reporting year revealed that a reference clause was included in 48% of the contracts concluded by the Group during the reporting year.

Next year, the Group will continue to include a reference and inform suppliers of our requirements, but this target will not be measured. We will continue the implementation of a unified procurement and supplier evaluation system within the Group, which will provide for a unified and more detailed assessment of cooperation and supplier compliance.

| Targets  | BASE 2022 | TARGET 2023 | RESULT 2023 | TARGET 2024 | RESULT 2024 | TARGET 2025 | RESULT 2025 |
|--|-----------|-------------|-------------|-------------|-------------|-------------|-------------|
| All the Group's suppliers have accepted the Group's Supplier Code of Conduct (the clause included in contracts concluded during the year), % | –         | 80 %        | 80 %        | 90 %        | 37 %        | 100 %       | 48 %        |
| A joint sustainable procurement system implemented in the Group, %   | –         | 40 %        | 40 %        | 80 %        | 40 %        | 100 %       | 70 %*       |

\* The process document was developed at the end of 2025, implementation of the system continues.

## Prevention and detection of corruption and bribery (G1-3)

The Group's whistleblowing system is the main mechanism and channel for all its stakeholders to raise concerns about suspected cases of corruption or bribery. Additionally, the employees may raise their concerns through other channels at their disposal (see section "Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)").

To prevent potential allegations or incidents related to a conflict of interest, corruption, or bribery, CleanR Grupa has set its conflict-of-interest prevention principles, and the respective employees are informed of their duty to report such cases to the employer should they arise. "The Internal Working Regulations" clarify gift acceptance.

Information on all reports received and the outcome of their investigation, not only concerning allegations of corruption, is provided to the Management Board and the Supervisory Council and included in the annual Group Sustainability Statement.

## Confirmed incidents of corruption or bribery (G1-4)

CleanR Grupa ensures compliance with all external laws and regulations governing the operations of its companies. During the reporting year, no charges were brought against the Group's companies, nor were any legal proceedings initiated in connection with violations of anti-corruption and anti-bribery laws, and no fines or other penalties were imposed.

| Standard point | Data point | Description  | 2022 | 2023 | 2024 | 2025 |
|----------------|------------|--|------|------|------|------|
| G1-4           | 24 a       | The number of convictions for violation of anti-corruption and anti-bribery laws | 0    | 0    | 0    | 0    |
| G1-4           | 24 a       | The number of fines for violation of anti-corruption and anti-bribery laws, EUR  | 0    | 0    | 0    | 0    |
| G1-4           | 25 a       | The total number of confirmed incidents of corruption or bribery                 | 0    | 0    | 0    | 0    |

## Political influence and lobbying activities (G1-5)

Active engagement in the policymaking of the environmental services industry and the business environment, by also regularly engaging with the stakeholders, is an integral part of the Group's operations.

At CleanR Grupa, lobbying activities are generally overseen by the CleanR Grupa Chairman of the Board. One of the CleanR Grupa Board members is responsible for active engagement with the trade associations of the waste management industry. The decision to become a member of an organisation is taken by the whole Board. The Group has no legal duty to be a member of the associations or organisations representing their interests. The Group and its companies as commercial entities do not get involved with political parties, nor provide the parties or their representatives with financial or in-kind support.

### Active engagement in industry policymaking

The Group's core business activities are regulated by external laws and regulations in the field of environmental protection. The main legislative act governing the industry is the Waste Management Law, followed by the Law on Pollution, Natural Resources Tax Law, as well as several other laws and regulations directly or indirectly related to the industry.

Upon assessing draft or amended laws, the development of the Group's position and its coordination with the involved parties takes place at several levels and cooperation models. A consensus must be reached at both the industry level and the Latvian Chamber of Commerce and Industry (LTK), where the interests of the market actors, for example, producers, merchants, and industry players, often clash. CleanR Grupa always seeks to reach an agreement or a similar position with other industry players, including the local governments, represented by the Latvian Association of Local and Regional Governments and the Large Cities Association.

The interests of the Group companies are already represented in the drafting process of the EU directive amendments through direct communication with state institutions – primarily the Ministry for Climate and Energy and the competent authorities subjected to it, for example, the State Environmental Service and the Latvian Environment, Geology and Meteorology Centre, as well as through other ministries, if required, to formulate the national position, and through industry associations – Latvian Circular Economy Association (LASUA), Latvian Waste Management Association (LASA), and European Waste Management Association (FEAD), which has a mandate to represent and lobby the interests of the industry before the European Commission.

In 2025, the CleanR Grupa joined two associations that bring together producer responsibility systems (hereinafter – EPR). One of them is the Textile PRO Forum, a voluntary platform bringing together companies and manufacturers involved in extended producer responsibility systems for textiles, and the other - the PRO Circularity Alliance, which brings together various EPRs from across Europe. The goal of both associations is to represent the interests of EPR companies in EU policymaking, coordinate positions, and develop targeted proposals from members.

AS "CleanR Grupa" and its subsidiaries are not registered in the EU Transparency Register because they do not directly engage in lobbying activities or express their views to EU institutions but rather do so through the industry associations.

In the reporting period, the CleanR Grupa companies took an active part in the following organisations:

- **LASUA**  
Latvian Circular Economy Association
- **FEAD**  
European Waste Management Association
- **Textile PRO forum**  
Voluntary Cooperation Platform for Textile Product Manufacturers' Responsibility Organization
- **PRO Circularity Alliance**  
European Association of Producer Responsibility Organization
- **LASA**  
Latvian Waste Management Association
- **LPUAA**  
Professional Cleaning and Facility Management Association of Latvia
- **LDDK**  
Employers' Confederation of Latvia
- **LPVA**  
Latvian Association for People Management
- **LTRK**  
Latvian Chamber of Commerce and Industry
- **LBP**  
Latvian Construction Association
- **CLEANTECH LATVIA**
- **LTK**  
The Latvian Traders Chamber
- **LRGA**  
The Association of Accountants of the Republic of Latvia
- **IAI**  
Institute of Internal Auditors
- **CSR Latvia**  
The Latvian Corporate Social Responsibility Platform

## Political influence and lobbying activities (G1–5) (continued)

In the reporting period, CleanR Grupa stated its position and submitted several suggestions regarding legislative amendments:

- **Several activities were carried out in cooperation with the FEAD.** Work began in 2024 on evaluating EPRs in EU Member States, seeking opportunities to harmonize system operations and requirements, while simultaneously discussing the future development of EPRs within the framework of the new Circular Economy Act. Feedback was provided on the public consultation regarding the Circular Economy Act, considering the most significant proposals and industry priorities.
- The European Parliament adopted and the amendments to the Waste Framework Directive entered into force, which, among other things, establish requirements for textile waste management and the operation of EPR systems. Given that Latvia is one of the few European Union member states where textile EPR was introduced even before the entry into force of the unified European legislation, CleanR Grupa, through its participation in the above European associations, **shared its experience – both practical solutions and recommendations for the development of national regulations on textile EPR.**
- **Proposals have been put forward for the new Regulation (EU) 2025/40 on packaging and packaging waste,** which brought about significant changes to the regulatory framework for plastic packaging and packaging waste in 2025. This regulation benefits the European internal market, as it establishes uniform rules for all EU packaging, reducing the fragmentation of national regulations and facilitating the movement of goods within the single market, while creating stable and predictable demand for recycled plastic by setting mandatory recycled content requirements for plastic packaging, as well as improving recycling quality and the investment environment through design-for-recycling principles, strengthening separate collection and EPR systems, which collectively promote the circulation of materials at the EU level and improve the competitiveness of recycled plastic over virgin raw materials.
- CleanR Grupa **participated in the Working Group on the Reform of the Waste Transportation Accounting System,** where, together with representatives from the Ministry of Climate and Energy, the Latvian Environmental, Geological, and Meteorological Centre, and the State Environmental Service, actively engaged in the development of both regulatory frameworks and practical implementation, seeking the best possible solutions to facilitate and improve both daily work for operators and the flow of and quality of information.

- The Group's **interests were also represented on the Environment Subcommittee of the Saeima's Economic Affairs Committee,** where various issues of interest to the sector were discussed, such as an assessment of EPR's activities in packaging waste management, issues regarding the fulfilment of climate targets, the draft Economic Sustainability Law, as well as amendments to the Climate Law, the Pollution Law, and the Construction Law.
- As part of the Expert Council on the Chemical Industry and Related Sectors, coordinated by the Latvian Employers' Confederation, the Group participated in working sessions to discuss the development of professional qualifications and training content needed for the waste management sector.
- **In collaboration with "CSR Latvia", interests were represented in discussions with both the Foreign Investors' Council in Latvia and representatives of the Saeima regarding the promotion of sustainable procurement,** e.g., the incorporation of circular economy principles into public procurement, and, more broadly, sustainable procurement as a key tool for supporting corporate sustainability.

In 2025, Guntars Kokorevičs, Chairman of the CleanR Grupa Council, was re-elected as a board member and Vice President at the general meeting of the Latvian Employers' Confederation (LDDK). He will continue his work on the Board for the next three-year term, actively engaging in strengthening Latvia's business environment and advocating for employers' interests.

The Group regularly informs its stakeholders about its plans and progress in the industry development by publishing information about the activities on its social network accounts and in the media, as well as on the companies' websites.

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# APPENDICES TO SUSTAINABILITY STATEMENT



**Appendix No. 1. Companies under full operational control of AS "CleanR Grupa" as at 31 December 2025, included in the scope of sustainability reporting**

| Group company/activity type   | Parent company (shareholder/member)                              | Percentage of share capital ownership | Registered office address  |
|---|--|---------------------------------------|--|
| <b>AS "CleanR Grupa"</b><br>Activities of holding companies,<br>Activities of head offices                                | SIA "TAK Capital"<br>Harijs Krongorns<br>Personnel share holders | 85.79 %<br>10.09 %<br>4.12 %          | Vietalvas Street 5, Riga, LV - 1009, Latvia                            |
| <b>SIA "Vizii Management"</b><br>Activities of holding companies,<br>Activities of head offices                           | AS "CleanR Grupa"  | 100 %                                 | Vietalvas Street 5, Riga, LV - 1009, Latvia                            |
| <b>SIA "Vizii"</b><br>General cleaning of buildings,<br>Other building and industrial cleaning activities                 | AS "CleanR Grupa"  | 100 %                                 | Vietalvas Street 5, Riga, LV - 1009, Latvia                            |
| <b>SIA "Clean R"</b><br>Collection of non-hazardous waste   | AS "CleanR Grupa"  | 100 %                                 | Vietalvas Street 5, Riga, LV - 1009, Latvia                            |
| <b>SIA "Eko Terra"</b><br>Collection of non-hazardous waste,<br>Materials recovery,<br>Other resource recovery from waste | SIA "Clean R"  | 73 %                                  | Vietalvas Street 5, Riga, LV - 1009, Latvia                            |
| <b>Piilsabiedrība "Vides pakalpojumi Liepājai"</b><br>Collection of non-hazardous waste                                   | SIA "Clean R"  | 51 %                                  | Vietalvas Street 5, Riga, LV - 1009, Latvia                            |
| <b>SIA "Lautus"</b><br>Waste collection,<br>Collection of non-hazardous waste,<br>Collection of hazardous waste           | SIA "Clean R"  | 100 %                                 | Kekavas municipality, Ķekavas parish,<br>"Gurnicas", LV - 2123, Latvia |
| <b>SIA "CleanR Industry"</b><br>Manufacture of plastics in primary forms  | AS "CleanR Grupa"  | 100 %                                 | Vietalvas Street 5, Riga, LV - 1009, Latvia                            |
| <b>SIA "CleanR Nī"</b><br>Rental and operating of own or leased real estate   | AS "CleanR Grupa"  | 100 %                                 | Vietalvas Street 5, Riga, LV - 1009, Latvia                            |
| <b>SIA "Vides resursu centrs"</b><br>Materials recovery,<br>Energy recovery   | SIA "Clean R"  | 53 %                                  | Vietalvas Street 5, Riga, LV - 1009, Latvia                            |
| <b>SIA "WasteTech"</b><br>Activities of holding companies   | AS "CleanR Grupa"  | 66 %                                  | Vietalvas Street 5, Riga, LV - 1009, Latvia                            |
| <b>SIA "CleanR Verso"</b><br>Collection of non-hazardous waste  | AS "CleanR Grupa"  | 100 %                                 | Vietalvas Street 5, Riga, LV - 1009, Latvia                            |
| <b>SIA "Vizii Urban"</b><br>Other cleaning activities   | AS "CleanR Grupa"  | 100 %                                 | Vietalvas Street 5, Riga, LV - 1009, Latvia                            |
| <b>SIA "KOM-AUTO"</b><br>Other cleaning activities  | SIA "Vizii Urban"  | 100 %                                 | Celtnieku Street 3, Cesis, LV - 4101, Latvia                           |
| <b>SIA "Tranzīts L"</b><br>Other cleaning activities  | SIA "Vizii Urban"  | 51 %                                  | Tērauda Street 3, Liepāja, LV - 3401, Latvia                           |
| <b>SIA "Zaļā josta"</b><br>Materials recovery   | AS "CleanR Grupa"  | 55 %                                  | Mūksalas Street 42A, Riga, LV - 1004, Latvia                           |

The companies not included: AS "TĪRĪGA", SIA "CREB Rīga", SIA "Ropažu Enerģija", SIA "Lautus SPV", as they did not carry out active commercial activities during the reporting year. The company SIA "Ķīlupe", acquired in March 2026, is not included in the consolidation of sustainability reporting.

## Appendix No. 2. CleanR Grupa sustainability targets 2023–2025

| Environment/Climate change   |           |             |             |             |             |             |                  |
|--|-----------|-------------|-------------|-------------|-------------|-------------|------------------|
| Targets  | BASE 2022 | TARGET 2023 | RESULT 2023 | TARGET 2024 | RESULT 2024 | TARGET 2025 | RESULT 2025      |
| To increase the proportion of separately collected and recyclable waste of all the municipal waste collected by the Group, %                 | 23 %      | 27 %        | 30 %        | 40 %        | 33 %        | 50 %        | 35 %             |
| To develop and implement a carbon footprint and avoided emissions accounting system in the Group, performance %                              | 30 %      | 50 %        | 60 %        | 80 %        | 100 %       | 100 %       | In place in 2024 |
| Work environment/Own workforce   |           |             |             |             |             |             |                  |
| Zero work-related accidents  | 8         | 0           | 22          | 0           | 31          | 0           | 39               |
| Work-related accident rate (TRIR)  | 0.8       | 0           | 2           | 0           | 2.8         | 0           | 2.9              |
| Decreased voluntary staff turnover by 1% each year (Without a commercial cleaning business)  | - 1 %     | - 1 %       | - 5 %       | - 1 %       | - 3 %       | - 1 %       | + 3 %            |
| Voluntary turnover % (without a commercial cleaning business)  | 31 %      | 30 %        | 26 %        | 25 %        | 23 %        | 22 %        | 26 %             |
| Employee satisfaction – eNPS increased from 2021, points   | - 9.7 %   | + 9.8 %     | + 16.5 %    | + 16.5 %    | - 9.3 %     | + 19.7 %    | + 17.7 %         |
| Average number of training hours per administrative employee per year, hours   | 13        | 15          | 15          | 16          | 11          | 16          | 18               |
| Customers and end-users  |           |             |             |             |             |             |                  |
| Percentage of active e-services users of the Group's total customer base, %  | 52 %      | 60 %        | 58 %        | 68 %        | 63 %        | 75 %        | 65 %             |
| Applications in e-services of all the applications received, %   | 30 %      | 40 %        | 42 %        | 48 %        | 49 %        | 60 %        | 52 %             |
| Group's Customer NPS, %  | 47 %      | 48 %        | 47 %        | 48 %        | 45 %        | 50 %        | 47 %             |
| The audience reached by environmental education activities increased by 5% annually, %   | –         | + 5 %       | + 75 %      | + 5 %       | + 197 %     | + 5 %       | + 59 %           |
| The audience reached (through websites, social networks, the Group's newsletters, on-site events), number                                    | 754 865   | 792 608     | 1 318 762   | 1 384 700   | 3 911 426   | 4 106 997   | 6 211 743        |
| Corporate governance   |           |             |             |             |             |             |                  |
| All the Group's suppliers have accepted the Group's Supplier Code of Conduct (the clause included in contracts concluded during the year), % | –         | 80 %        | 80 %        | 90 %        | 37 %        | 100 %       | 48 %             |
| A joint sustainable procurement system implemented in the Group, %   | –         | 40 %        | 40 %        | 80 %        | 40 %        | 100 %       | 70 %*            |

\* The process document was developed at the end of 2025, implementation of the process (system) will continue next year.

### Appendix No. 3. GHG emission calculation methodology

For emission calculations, DEFRA ([gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025](http://gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025)) and CLIMATIQ ([climatiq.io/](http://climatiq.io/)) conversion factor data for the relevant or closest available year, as well as information on the composition of electricity sources (residual mix) provided on the AS "Sadales tīkls" website ([ast.lv/en/content/guarantees-origin/](http://ast.lv/en/content/guarantees-origin/)) were used.

- **Scope 1** GHG emissions include emissions from mobile and stationary combustion – the use of transportation fuels, and emissions from heating and cooling equipment.
- **Scope 2** GHG emissions include emissions from purchased electricity and heat.
- Calculations for the significant **Scope 3** GHG emission categories were performed using the average data method, relying solely on secondary data - emission factors available in the above databases.

To identify the Scope 3 emission categories relevant to the Group, an inventory was conducted based on estimated GHG emissions, assessing the applicability of each category and its impact on total emissions. The following Scope 3 categories were excluded from the calculation:

| Category  | Justification for exclusion  |
|---|--|
| <b>5. Waste generated in operations</b>           | The estimated emissions from the waste generated in operations constitute less than 1 % of total emissions. The recycling of the municipal and sorted waste generated is performed at the Group's own facilities, so the caused emissions are included in Scope 1 and 2 emissions. |
| <b>6. Business travel</b>                         | Based on the emission inventory, the estimated emissions from the average number of business trips per year constitute less than 1 % of total emissions.   |
| <b>8. Upstream leased assets</b>                  | The Group companies lease premises and means of transport, containers, and other types of equipment from third parties; their impact has been considered in Scope 1, Scope 2, or Scope 3 category 2.   |
| <b>12. End-of-life treatment of sold products</b> | The products made by the Group companies are intermediate products that are recycled into other products.  |
| <b>13. Downstream leased assets</b>               | The Group's key leased assets are within the Group; therefore, they are included in mutual payments and excluded from the calculation to avoid double-counting.  |
| <b>14. Franchises</b>                             | Not applicable. The Group company products are not sold or distributed by other companies.   |
| <b>15. Investments</b>                            | Not applicable. The Group does not offer financial services. The parent company's investments are included in the capital goods category.  |

For Scope 3 **Category 1** and **Category 2**, emissions calculations for services, as well as for most goods and fixed assets, were performed using an expenditure-based approach. Where possible, calculations are based on aggregated data regarding the volume of purchased goods (kg, litres, tons) and material type, multiplied by the relevant emission factors – the average emissions generated when producing one unit of the respective material or good. Emissions from purchased waste used for further processing within the Group are not included, as these emissions are already accounted for in the Scope 1 and/or Scope 3 emissions of other actors in the value chain, and in the Scope 1 or Scope 2 emissions of the Group's companies. Intra-group services are excluded from the calculations.

For the calculation of emissions from activities related to fuel and energy use – **Category 3 emissions** – the average data method was used, using emission factors from DEFRA. The company's consumption volumes were multiplied by the relevant emission factors for fuel, electricity, heat supply (well-to-tank) per unit of consumption (t or kWh).

For **Category 4**, the average data method was used to calculate emissions from the delivery of purchased goods. Since the Group's companies do not track the weight and distance made for purchased goods, raw materials, and capital investments, but maintain a separate accounting line item for delivery costs, GHG emissions for this category are calculated by multiplying the transportation costs of goods and raw materials by the emission factor for goods transportation per monetary unit (EUR).

To calculate **Category 7** emissions resulting from employees' commuting to and from work, a survey of employees was conducted in which they indicated the frequency of their commutes, the distance travelled, and the modes of transportation used. A representative sample of data was used for the calculations.

To calculate **Category 9** – downstream emissions from the transportation or delivery of the group's products (sorted cardboard, glass, manufactured plastic pellets, etc.) the official Latvian statistical data on average freight transport distances within and outside Latvia were used, taking into account the weight of the products and the emissions generated by the respective mode of transport – emissions from land freight transport (kg CO<sub>2</sub>e/tkm).

**Category 10** – Calculations of emissions from further processing of the Group's products are based on the assumption that 100% of the products sold are further processed into new materials or goods. The volume sold is multiplied by the relevant recycling emission factors (DEFRA, Climatiq). In accordance with the GHG Protocol, emissions from further processing of refuse-derived fuel are not included in the Group's GHG emissions, as those are included in Scope 1 emissions of other value chain actors (customers).

A new GHG emissions inventory is planned for next year.

## Appendix No. 4. EU Taxonomy tables

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025

| Economic Activities  | Code      | Taxonomy-eligible KPI<br>(Proportion of Taxonomy-eligible Turnover) | Taxonomy-aligned KPI<br>(monetary value of Turnover) | Taxonomy-aligned KPI<br>(Proportion of Taxonomy-aligned Turnover) | Climate Change Mitigation | Climate Change Adaptation | Water | Circular Economy | Pollution | Biodiversity | Enabling activity | Transitional activity | Proportion of Taxonomy-aligned in Taxonomy-eligible |
|--|-----------|---|--|---|---------------------------|---------------------------|-------|------------------|-----------|--------------|-------------------|-----------------------|---|
| (1)  | (2)       | (3)   | (4)  | (5)   | (6)                       | (7)                       | (8)   | (9)              | (10)      | (11)         | (12)              | (13)                  | (14)  |
|  |           | %   | M EUR  | %   | %                         | %                         | %     | %                | %         | %            | (V)               | (P)                   | %   |
| Manufacture of plastics in primary form  | CCM 3.17. | 4 %   | 5.8  | 4 %   | 4 %                       | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   |                       | 100 %   |
| Collection and transport of non-hazardous waste in source segregated fractions | CCM 5.5.  | 44 %  | 57.1   | 40 %  | 40 %                      | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   |                       | 91 %  |
| Anaerobic digestion of sewage sludge   | CCM 5.6.  | 0 %   | 0.0  | 0 %   | 0 %                       | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   |                       | 0 %   |
| Material recovery from non-hazardous waste                                     | CCM 5.9.  | 23 %  | 32.4   | 23 %  | 23 %                      | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   |                       | 100 %   |
| Acquisition and ownership of buildings   | CCM 7.7.  | 0 %   | 0.0  | 0 %   | 0 %                       | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   |                       | 0 %   |
| Collection and transport of non-hazardous and hazardous waste                  | CE 2.3.   | 4 %   | 5.0  | 4 %   | 0 %                       | 0 %                       | 0 %   | 4 %              | 0 %       | 0 %          |                   |                       | 82 %  |
| Sum of alignment per objective   |           |   |  |   | 67 %                      | 0 %                       | 0 %   | 4 %              | 0 %       | 0 %          |                   |                       |   |
| Total KPI (Turnover)   |           | 76 %  | 100.3  | 71 %  | 67 %                      | 0 %                       | 0 %   | 4 %              | 0 %       | 0 %          | 0 %               | 0 %                   |   |

## Appendix No. 4. EU Taxonomy tables (continued)

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025

| Economic Activities   | Code      | Taxonomy-eligible KPI<br>(Proportion of Taxonomy-eligible CapEx) | Taxonomy-aligned KPI<br>(monetary value of CapEx) | Taxonomy-aligned KPI<br>(Proportion of Taxonomy-aligned CapEx) | Climate Change Mitigation | Climate Change Adaptation | Water | Circular Economy | Pollution | Biodiversity | Enabling activity | Transitional activity | Proportion of Taxonomy-aligned in Taxonomy-eligible |
|---|-----------|--|---|--|---------------------------|---------------------------|-------|------------------|-----------|--------------|-------------------|-----------------------|---|
| (1)   | (2)       | (3)  | (4)   | (5)  | (6)                       | (7)                       | (8)   | (9)              | (10)      | (11)         | (12)              | (13)                  | (14)  |
|   |           | %  | M EUR   | %  | %                         | %                         | %     | %                | %         | %            | (V)               | (P)                   | %   |
| Manufacture of plastics in primary form   | CCM 3.17. | 3 %  | 0.4   | 3 %  | 3 %                       | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   |                       | 100 %   |
| Collection and transport of non-hazardous waste in source segregated fractions  | CCM 5.5.  | 37 %   | 4.5   | 34 %   | 34 %                      | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   |                       | 91 %  |
| Anaerobic digestion of sewage sludge  | CCM 5.9.  | 9 %  | 1.1   | 9 %  | 9 %                       | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   |                       | 100 %   |
| Freight transport services by road  | CCM 6.6.  | 21 %   | 0.0   | 0 %  | 0 %                       | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   | P                     | 0 %   |
| Installation, maintenance and repair of energy efficiency equipment   | CCM 7.3.  | 0 %  | 0.0   | 0 %  | 0 %                       | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          | V                 |                       | 0 %   |
| Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) | CCM 7.4.  | 0 %  | 0.0   | 0 %  | 0 %                       | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          | V                 |                       | 100 %   |
| Collection and transport of non-hazardous and hazardous waste   | CE 2.3.   | 4 %  | 0.5   | 4 %  | 0 %                       | 0 %                       | 0 %   | 4 %              | 0 %       | 0 %          |                   |                       | 97 %  |
| Sum of alignment per objective  |           |  |   |  | 45 %                      | 0 %                       | 0 %   | 4 %              | 0 %       | 0 %          |                   |                       |   |
| Total KPI (CapEx)   |           | 74 %   | 6.5   | 49 %   | 45 %                      | 0 %                       | 0 %   | 4 %              | 0 %       | 0 %          | 0 %               | 0 %                   |   |

## Appendix No. 4. EU Taxonomy tables (continued)

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025

| Economic Activities  | Code      | Taxonomy-eligible KPI<br>(Proportion of Taxonomy-eligible OpEx) | Taxonomy-aligned KPI<br>(monetary value of OpEx) | Taxonomy-aligned KPI<br>(Proportion of Taxonomy-aligned OpEx) | Climate Change Mitigation | Climate Change Adaptation | Water | Circular Economy | Pollution | Biodiversity | Enabling activity | Transitional activity | Proportion of Taxonomy-aligned in Taxonomy-eligible |
|--|-----------|---|--|---|---------------------------|---------------------------|-------|------------------|-----------|--------------|-------------------|-----------------------|---|
| (1)  | (2)       | (3)   | (4)  | (5)   | (6)                       | (7)                       | (8)   | (9)              | (10)      | (11)         | (12)              | (13)                  | (14)  |
|  |           | %   | M EUR  | %   | %                         | %                         | %     | %                | %         | %            | (V)               | (P)                   | %   |
| Manufacture of plastics in primary form  | CCM 3.17. | 7 %   | 9.1  | 7 %   | 7 %                       | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   |                       | 100 %   |
| Collection and transport of non-hazardous waste in source segregated fractions | CCM 5.5.  | 36 %  | 42.8   | 33 %  | 33 %                      | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   |                       | 92 %  |
| Anaerobic digestion of sewage sludge   | CCM 5.6.  | 0 %   | 0.0  | 0 %   | 0 %                       | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   |                       | 0 %   |
| Material recovery from non-hazardous waste                                     | CCM 5.9.  | 22 %  | 29.1   | 22 %  | 22 %                      | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   |                       | 100 %   |
| Acquisition and ownership of buildings   | CCM 7.7.  | 1 %   | 0.0  | 0 %   | 0 %                       | 0 %                       | 0 %   | 0 %              | 0 %       | 0 %          |                   |                       | 0 %   |
| Collection and transport of non-hazardous and hazardous waste                  | CE 2.3.   | 3 %   | 2.9  | 2 %   | 0 %                       | 0 %                       | 0 %   | 2 %              | 0 %       | 0 %          |                   |                       | 82 %  |
| Sum of alignment per objective   |           |   |  |   | 62 %                      | 0 %                       | 0 %   | 2 %              | 0 %       | 0 %          |                   |                       |   |
| Total KPI (OpEx)   |           | 71 %  | 83.9   | 64 %  | 62 %                      | 0 %                       | 0 %   | 2 %              | 0 %       | 0 %          | 0 %               | 0 %                   |   |

## Appendix No. 5. Datapoints derived from other EU legislation, as listed in ESRS 2 Appendix B

| Disclosure Requirement and related datapoint  | SFDR <sup>1</sup> | Pillar <sup>2</sup> | Benchmark regulation <sup>3</sup> | EU Climate Law <sup>4</sup> | Section in the Statement/ explanation   |
|---|-------------------|---------------------|-----------------------------------|-----------------------------|---|
| ESRS 2 GOV-1. Board's gender diversity, paragraph 21 (d)  | X                 |                     | X                                 |                             | Composition and functions of administrative, management and supervisory bodies (GOV-1)                      |
| ESRS 2 GOV-1. Percentage of independent board members, paragraph 21 (e)   |                   |                     | X                                 |                             | Composition and functions of administrative, management and supervisory bodies (GOV-1)                      |
| ESRS 2 GOV-4. Statement on due diligence, paragraph 30  | X                 |                     |                                   |                             | Due diligence statement   |
| ESRS 2 SBM-1. Involvement in activities related to fossil fuel activities, paragraph 40 (d) i                               | X                 | X                   | X                                 |                             | Not applicable, the company does not operate in this sector   |
| ESRS 2 SBM-1. Involvement in activities related to chemical production, paragraph 40 (d) ii                                 | X                 |                     | X                                 |                             | Not applicable, the company does not operate in this sector.  |
| ESRS 2 SBM-1. Involvement in activities related to controversial weapons, paragraph 40 (d) iii                              | X                 |                     | X                                 |                             | Not applicable, the company is not involved in these activities and does not operate in this sector         |
| ESRS 2 SBM-1. Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv               |                   |                     | X                                 |                             | Not applicable, the company does not operate in this sector.  |
| ESRS E1-1. Transition plan to reach climate neutrality by 2050, paragraph 14  |                   |                     |                                   | X                           | Climate change. A high-level description of the transition plan is provided.                                |
| ESRS E1-1. Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)  |                   | X                   | X                                 |                             | Climate change. Not excluded, not applicable.   |
| ESRS E1-4. GHG emission reduction targets, paragraph 34   | X                 | X                   | X                                 |                             | Climate change. Not currently determined.   |
| ESRS E1-5. Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38 | X                 |                     |                                   |                             | Climate change, subsection: Energy consumption and energy mix (E1-5).                                       |
| ESRS E1-5. Energy consumption and mix, paragraph 37   | X                 |                     |                                   |                             | Climate change, subsection: Energy consumption and energy mix (E1-5).                                       |
| ESRS E1-5. Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43                  | X                 |                     |                                   |                             | Climate change, subsection: Energy consumption and energy mix (E1-5).                                       |
| ESRS E1-6. Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44  | X                 | X                   | X                                 |                             | Climate change, subsection: Scope 1, 2, and 3 gross GHG emissions and total GHG emissions (E1-6).           |
| ESRS E1-6. Gross GHG emissions intensity, paragraphs 53 to 55   | X                 | X                   | X                                 |                             | Climate change, subsection: Scope 1, 2, and 3 gross GHG emissions and total GHG emissions (E1-6).           |
| ESRS E1-7. GHG removals and carbon credits, paragraph 56  |                   |                     |                                   | X                           | Not used. Climate change, subsection: Scope 1, 2, and 3 gross GHG emissions and total GHG emissions (E1-6). |
| ESRS E1-9. Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66                              |                   |                     | X                                 |                             | Not currently reported. Application of the phase-in provisions.   |

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<sup>2</sup> Pillar 3 - Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR")

<sup>3</sup> Benchmark Regulation - Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014

<sup>4</sup> EU Climate Law - Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law")

## Appendix No. 5. Datapoints derived from other EU legislation, as listed in ESRS 2 Appendix B (continued)

| Disclosure Requirement and related datapoint   | SFDR <sup>1</sup> | Pillar <sup>2</sup> | Benchmark regulation <sup>3</sup> | EU Climate Law <sup>4</sup> | Section in the Statement/ explanation   |
|--|-------------------|---------------------|-----------------------------------|-----------------------------|---|
| ESRS E1-9. Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a)   |                   | X                   |                                   |                             | Not currently reported. Application of the phase-in provisions.   |
| ESRS E1-9. Location of significant assets at material physical risk, paragraph 66 (c)  |                   | X                   |                                   |                             | Climate change. Asset exposure to risks and site assessments are carried out through climate risk assessment.                         |
| ESRS E1-9. Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)  |                   | X                   |                                   |                             | Not currently reported. Application of the phase-in provisions.   |
| ESRS E1-9. Degree of exposure of the portfolio to climate-related opportunities, paragraph 69  |                   |                     | X                                 |                             | Not currently reported. Application of the phase-in provisions.   |
| ESRS E2-4. Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and soil, paragraph 28 | X                 |                     |                                   |                             | Limits not exceeded. Pollution prevention, subsection: Air, water, and soil pollution (E2-4).   |
| ESRS E3-1. Water and marine resources, paragraph 9   | X                 |                     |                                   |                             | Not material, not disclosed. Water consumption is reported in the context of circular economy and GHG emissions.                      |
| ESRS E3-1. Dedicated policy, paragraph 13  | X                 |                     |                                   |                             | Not material, not disclosed. The Group's environmental policy provides for water conservation and reuse in processes, where possible. |
| ESRS E3-1. Sustainable oceans and seas, paragraph 14   | X                 |                     |                                   |                             | Not applicable. The Group and its companies' activities are not related to marine resources.  |
| ESRS E3-4. Total water recycled and reused, paragraph 28 (c)   | X                 |                     |                                   |                             | Not material.   |
| ESRS E3-4. Total water consumption in m <sup>3</sup> per net revenue on own operations, paragraph 29   | X                 |                     |                                   |                             | Not material.   |
| ESRS 2- IRO 1 - E4, paragraph 16 (a) i   | X                 |                     |                                   |                             | Not material. The Group's companies do not operate in or near biodiversity-sensitive areas.   |
| ESRS 2- IRO 1 - E4, Paragraph 16 (b)   | X                 |                     |                                   |                             | Not material. The Group does not cause negative impact on land degradation, desertification, or soil sealing.                         |
| ESRS 2- IRO 1 - E4, Paragraph 16 (c)   | X                 |                     |                                   |                             | Not material. The Group does not directly affect endangered species.  |
| ESRS E4-2. Sustainable land/agriculture practices or policies, paragraph 24 (b)  | X                 |                     |                                   |                             | Not applicable, the Group or its companies do not operate in this sector.   |
| ESRS E4-2. Sustainable oceans/seas practices or policies, paragraph 24 (c)   | X                 |                     |                                   |                             | Not applicable. The Group and its companies' activities are not related to marine resources.  |
| ESRS E4-2. Policies to address deforestation, paragraph 24 (d)   | X                 |                     |                                   |                             | Not applicable. The Group and its companies' activities are not related to deforestation.   |
| ESRS E5-5. Non-recycled waste, Paragraph 37 (d)  | X                 |                     |                                   |                             | Not material.   |

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## Appendix No. 5. Datapoints derived from other EU legislation, as listed in ESRS 2 Appendix B (continued)

| Disclosure Requirement and related datapoint   | SFDR <sup>1</sup> | Pillar <sup>2</sup> | Benchmark regulation <sup>3</sup> | EU Climate Law <sup>4</sup> | Section in the Statement/ explanation   |
|--|-------------------|---------------------|-----------------------------------|-----------------------------|---|
| ESRS E5-5. Hazardous waste and radioactive waste, paragraph 39   | X                 |                     |                                   |                             | Not material  |
| ESRS 2- SBM3 - S1. Risk of incidents of forced labour, paragraph 14 (f)  | X                 |                     |                                   |                             | Own workforce. No incidents.  |
| ESRS 2- SBM3 - S1. Risk of incidents of child labour, paragraph 14 (g)   | X                 |                     |                                   |                             | Own workforce. No incidents.  |
| ESRS S1-1. Human rights policy commitments, paragraph 20   | X                 |                     |                                   |                             | Own workforce. Policies related to own workforce (S1-1).  |
| ESRS S1-1. Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 |                   |                     | X                                 |                             | Own workforce. Policies related to own workforce (S1-1).  |
| ESRS S1-1. Processes and measures for preventing trafficking in human beings, paragraph 22   | X                 |                     |                                   |                             | Not applicable. Not material.   |
| ESRS S1-1. Workplace accident prevention policy or management system, paragraph 23   | X                 |                     |                                   |                             | Own workforce, section: Occupational health and safety (S1-14).   |
| ESRS S1-3. Grievance/complaints handling mechanisms, paragraph 32 (c)  | X                 |                     |                                   |                             | Own workforce, section: Processes for remediation of negative impacts and channels for own workers to raise concerns. |
| ESRS S1-14. Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)                                   | X                 |                     | X                                 |                             | No cases. Own workforce, section: Occupational health and safety (S1-14).   |
| ESRS S1-14. Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)  | X                 |                     |                                   |                             | Own workforce, section: Occupational health and safety (S1-14).   |
| ESRS S1-16. Unadjusted gender pay gap, paragraph 97 (a)  | X                 |                     | X                                 |                             | Own workforce, section: Adequate wages, indicators (S1-10).   |
| ESRS S1-16. Excessive CEO pay ratio, paragraph 97 (b)  | X                 |                     |                                   |                             | Pay ratio calculated against the highest-paid employee. Own workforce, section: Adequate wages, indicators (S1-10).   |
| ESRS S1-17. Incidents of discrimination, paragraph 103 (a)   | X                 |                     |                                   |                             | No cases. Own workforce, section: Incidents, complaints, and serious impact on human rights (S1-15).                  |
| ESRS S1-17. non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a)  | X                 |                     | X                                 |                             | No cases. Own workforce, section: Incidents, complaints, and serious impact on human rights (S1-15).                  |
| ESRS 2- SBM3 - S2. Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)                                  | X                 |                     |                                   |                             | Not material. The report does not include data on workers in the value chain.   |
| ESRS S2-1. Human rights policy commitments, paragraph 17   | X                 |                     |                                   |                             | Not material. The report does not include data on workers in the value chain.   |
| ESRS S2-1. Policies related to value chain workers, paragraph 18   | X                 |                     |                                   |                             | Not material. The report does not include data on workers in the value chain.   |

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## Appendix No. 5. Datapoints derived from other EU legislation, as listed in ESRS 2 Appendix B (continued)

| Disclosure Requirement and related datapoint   | SFDR <sup>1</sup> | Pillar <sup>2</sup> | Benchmark regulation <sup>3</sup> | EU Climate Law <sup>4</sup> | Section in the Statement/ explanation  |
|--|-------------------|---------------------|-----------------------------------|-----------------------------|--|
| ESRS S2-1. Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19                                  | X                 |                     | X                                 |                             | Not material. The report does not include data on workers in the value chain.  |
| ESRS S2-1. Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 |                   |                     | X                                 |                             | Not material. The report does not include data on workers in the value chain.  |
| ESRS S2-4. Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36                            | X                 |                     |                                   |                             | Not material. The report does not include data on workers in the value chain.  |
| ESRS S3-1. Human rights policy commitments, paragraph 16   | X                 |                     |                                   |                             | Affected communities. Policy regarding affected communities (S3-1).  |
| ESRS S3-1. Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17                          | X                 |                     | X                                 |                             | No cases.  |
| ESRS S3-4. Human rights issues and incidents, paragraph 36   | X                 |                     |                                   |                             | No incidents. Affected communities.  |
| ESRS S4-1. Policies related to customers and end-users, paragraph 16   | X                 |                     |                                   |                             | Customers and end-users. Policy regarding customers and end-users (S4-1).  |
| ESRS S4-1. Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17   | X                 |                     | X                                 |                             | No cases. Customers and end-users.   |
| ESRS S4-4. Human rights issues and incidents, paragraph 35   | X                 |                     |                                   |                             | No cases. Customers and end-users.   |
| ESRS G1-1. United Nations Convention against Corruption, paragraph 10 (b)  | X                 |                     |                                   |                             | Business conduct.  |
| ESRS G1-1. Protection of whistle-blowers, paragraph 10 (d)   | X                 |                     |                                   |                             | Business conduct.  |
| ESRS G1-4. Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)  | X                 |                     | X                                 |                             | No cases or penalties. Business conduct, section: Prevention and detection of corruption and bribery (G1-3).                                     |
| ESRS G1-4. Standards of anti-corruption and anti-bribery, paragraph 24 (b)   | X                 |                     |                                   |                             | Compliance with the legislation of the Republic of Latvia. Business conduct, section: Prevention and detection of corruption and bribery (G1-3). |

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