



ESG REPORT

Environmental impact
Social responsibility
Corporate governance

November 2023
Reporting period January – December 2022



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This is the third non-financial report on the implementation of environmental, social responsibility and corporate governance principles prepared by Virši-A and its affiliated companies (hereinafter Virši and the Group) operating under the Virši brand. The report was created in accordance with the ESG

Reporting Guide 2.0 guidelines developed by Nasdaq and published in May 2019. It has been prepared to inform Virši customers, employees and shareholders, as well as others, about Virši sustainability, social responsibility and corporate governance performance and initiatives.

Activities of the Group during the reporting period

"Environmental, social and governance issues are becoming increasingly relevant for society and businesses alike. Climate change, resource scarcity, social inequalities, discrimination, various crises and conflicts over the last decade are striking reminders of the challenges faced by today's society. Hence **every company's business performance and success must also be seen in the context of sustainability, by considering its performance in view of environmental, social and corporate governance aspects.** These provide a much deeper and broader insight into the company's activities, ensuring greater transparency and accountability. In 2022, we have continued diversifying our business model by developing CNG infrastructure, launching new product development efforts and rolling out an ambitious electric car charging network, as well as deploying solar panels on station rooftops to provide self-generated electricity. These initiatives, together with solid financial results, give us confidence in the future sustainability of the company's business model."

Jānis Vība, Chairman of the Board, Virši



Responsible management is a modern approach whereby the performance of a business can be thoroughly evaluated within the context of a company's overall impact on the environment and society at large. The ESG indicators included in the report must therefore be seen within the context of the company's overall as well as business performance. In 2022, the company's commodity turnover, fuel sales and energy segment grew significantly, excluding the value of the financial instrument, resulting in a net profit of EUR 7 229 318, which is an increase of 30% from 2021.

In 2022, the company actively continued to expand its network, opening 5 new stations, 4 of which are located in Riga and 'a suburb of Riga as well as one in Daugavpils. The development of the compressed natural gas (CNG) infrastructure was also continued by offering a CNG product at the newly built Daugavpils station, thus providing CNG refuelling opportunities for the JSC Daugavpils satiksme bus fleet.

In 2022, work started on major expansion and accessibility of the electricity charging network. The first electric car charging station was installed at Krustpils station and an agreement was signed with the European Executive Agency for Climate, Infrastructure and Environment to mobilise the Alternative Fuel Infrastructure Facility (AFIF) to build 28 new recharging points at 20 Virši stations. In addition to the Brocēni pilot project, solar microgeneration solutions were installed at 12 other stations in 2022, providing more and more renewable energy options. This allows the company to generate some of its own electricity, and thus, the project is being taken forward with more stations to reduce the company's environmental impact. In 2022, Virši developed its Human Resources

Department. The approach to health insurance was revised, creating much better conditions for new staff in the station network – after just one month of work, a staff member receives health insurance that includes not only support for medical services but also outpatient rehabilitation. Last year, in-depth diagnostics of the station network were carried out, interviewing more than 100 employees to find out their motivating factors as well as areas for improvement. The role of operational manager was introduced, where an experienced station manager replaces the service station one when needed, thus ensuring continuity of work. In order to be able to provide a reasonable update of wages from 1 January 2023, work started in autumn to segment the stations according to their turnover, customer traffic and other factors. Recognising the need to develop staff competencies, work started in late 2022 on the creation of a new training system, the Virši Academy, based on the existing Virši School. The aim of the training system is to provide meaningful support for the growth and development of employees in order to promote the alignment of staff competencies with company and market requirements, enhance performance and promote a positive customer experience.

In the area of governance, sanctions screening was a hot topic in 2022. Following the 24 February military attack on Ukraine by the Russian Federation, the company's management evaluated existing customers, suppliers and business processes and introduced automated sanctions screening. In view of the developments in Ukraine and the sanctions imposed against Russia and Belarus, Virši has suspended cooperation with its partners in these countries. Fuel supply partners – refineries in Lithuania and Finland – diversified their sources of crude oil, initially to reduce their use of Russian oil and later to be free of it altogether.



VIRŠI

*ENVIRONMENTAL
IMPACT (E)*

1



As part of this report, the **third** audit of the GHG emissions of the Group was conducted in accordance with the requirements of ISO 14064-1:2018 and in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The GHG emissions audit was performed by calculating and analysing both direct and indirect carbon emissions at all three levels (Scope 1, Scope 2, Scope 3) for **the year 2022** as the reference period. The extent of Scope 3 emissions is still being developed and will be expanded in future reports. This report includes values that are comparable to the 2021 and 2020 reports.

Electric car charging stations

Actively developing a network of alternative fuels, Virši opened its first electric car charging station in Krustpils in May 2022. The charging station has a total capacity of 80 kW and can charge up to two cars at the same time, each receiving 40 kW or one receiving the maximum 80 kW. The station offers CCS and CHAdeMO plug-ins, allowing charging from both Europe and Asia. Charging is paid via one of three payment apps that make it easy to start and stop charging with a click on your phone.





The amount of electricity loaded at the charging station in 2022 is equivalent to the consumption required to travel a distance of 32,000 km, but is currently being used more and more each month and the total charging volume is increasing rapidly.

In September 2022, Virši signed a contract with the European Executive Agency for Climate, Infrastructure and Environment, becoming the first

AFIF support contract in the EU. The contract will see 28 recharging points with a minimum charging capacity of 150 kW installed at 20 Virši fuel stations, and 8 of these 20 stations will have a minimum 870 A connection to the DSO. The total cost of the project is around EUR 2 million, and the EU co-financing is up to EUR 1.08 million. The project is expected to be implemented by the second quarter of 2024.

32 000 km
of driving charged
in 2022



The contract with AFIF to build
20 charging stations
with 28 connection points, each with
a capacity of at least
150 kW



Cost
EUR 2 million



The project
will be implemented
by the second quarter
of 2024.



8 of the 20 stations will have a
**connection capacity
of 870 A,**
which will enable the provision
of fast charging infrastructure for heavy
vehicles in the near future.



Solar energy

In 2022, solar panels were installed and connected at 12 more stations, bringing the total system capacity to 219 kW. Although many of the systems were only connected to the grid in the second half of the year, they generated a total of 48 670 kWh. Currently, the sunniest station is Virši Ventspils, where the solar panel system has produced the highest amount of electricity per panel installed.

During the day while the sun is shining, the solar panels' output can cover the entire consumption of the stations, while on a monthly basis during the summer months, self-consumption from the panels can account for up to 35% of the stations' total electricity consumption.

In the coming years, both existing and new stations will be equipped with solar panel systems.

By the end of 2023, more than 30 stations are expected to be equipped with solar panels, with a total installed capacity of more than 500 kW.



CNG refuelling

In August, alongside the first Virši fuel station in Daugavpils, we also opened a unique CNG refuelling solution in Latvia – a slow refuelling station for city buses. This solution lets bus drivers leave on scheduled daytime routes and connect to a refuelling rack that ensures the full refuelling of bus cylinders during night hours.

Daugavpils bus fleet is currently refuelling 34 buses with CNG.

CNG refuelling is available at a total of 9 Virši fuel stations.

At the same time, work has continued on a biomethane plant to replace all or part of natural gas with renewable fuels. At the moment, it is not yet clear when the European Commission's decarbonisation targets for the transport sector will be incorporated into Latvian national law, but when they are, the existing CNG network will ensure an easy and rapid transition from fossil to renewable sources.



Implementing circular economy principles

The introduction of circular economy principles has always been important at Virši, as it not only reduces waste and unnecessary consumption but also brings financial benefits to us as a company, as well as our customers.

One solution is to offer alternatives to pre-packaged products. For more than 5 years, Virši has been offering dispensable window water, which makes it easy to refill the desired amount without the need for additional plastic packaging and without added colouring. With our pricing strategy, which also makes the dispenser a more economical choice, and 7 new filling points, we have achieved growth in both share and overall volume, while can volumes have fallen. The AD Blue additive required for newer diesel engines is also available in a convenient dispensable form.

Our coffee is a product that is dear to Virši, so we have also changed the packaging:

1. Towards the end of 2022, we launched a test at a few stations, offering customers the alternative of a coffee drink in an edible cup. Cuppffee Ltd. waffle cups are certified as compliant with the FSSC22000 Safe Food System standards. Edible cups are available throughout the station network and demand has reached 0.3% of the total volume of coffee drinks sold.



2. As part of the development of a continuous supply chain for raw ingredients of coffee, and in line with the principles of the circular economy, stations have switched from using packaged coffee beans to refillable containers. In 2022, the packaging used for coffee beans (LDPE, PP) amounted to 1760 kg. As part of our emissions research, we are working on alternative reusable container packaging, which will be introduced in 2023.



3. Biodegradable waste (coffee grounds) from coffee machines is collected and recycled, where it is converted into biogas for heat and electricity production. In the near future, our coffee grounds will also be used to produce biomethane to power vehicles.



4. To encourage customers to use reusable coffee cups, we have introduced a permanent 25% discount on the purchase of coffee drinks when refilled in your takeaway cup.





Implementation of ISO

Since 2015, the Group has been analysing its operations and planning its investment strategy in line with the ISO 50001 energy management standard. It allows the assessment of a company's energy consumption, provides a standardised approach to data analysis and plays a key role in keeping employees informed and engaged.

Since 2021, the Group has also been ISO 14001 certified, which confirms that environmental requirements meet regulatory standards at the highest level and that an integrated approach to pollution prevention and control is being developed.





Environmental protection, energy efficiency, modernisation

In 2022, the Group implemented the following measures to further improve environmental and energy performance, rationalise the use of natural resources, improve plant performance and reduce the environmental impact:

1. 26 stations were upgraded and refurbished to meet the highest quality standards as well as to offer customers a wider range of quick snacks. The facades of station buildings were renovated, customer facilities were improved and the company's image was given a new look. The modernisation work included energy-efficient lighting solutions;
2. Automation and control system for energy management processes, automatically monitoring, analysing and alerting in the case of deviations from the norm;
3. 6 stations were equipped with additional sensors and detectors, resulting in an analysis of the stations' electricity and consumer profiles, a plan for energy efficiency improvement measures, and real electricity savings measured when equipment is replaced or sensors are installed;
4. For the more efficient use of resources, the station machinery was equipped with thermal relays and sensors, a dimming system for the canopy lamps was set up and the lamps adjusted, and the site lighting was rationalised, resulting in electricity savings of 57.20 MWh;
5. To reduce the release of fuel emissions into the atmosphere, 4 stations are equipped with the latest generation of STAGE 2 vapour recovery systems;
6. To prevent contamination of soil and groundwater with petroleum products, anti-infiltration surfacing was installed at 3 fuel stations and asphalt concrete was resurfaced throughout the station area;
7. Stormwater treatment plants and site gullies were cleaned at 16 stations, ensuring the efficient treatment and discharge of stormwater;
8. The fuel tanks were cleaned in 8 stations to ensure the consistent quality of fuel products during storage;
9. The cleaning of biological treatment plants was carried out quarterly to ensure the efficient discharge of urban wastewater. To increase the capacity and efficiency of the Olaine fuel station, the biological treatment plant was reconstructed;
10. To ensure the efficient discharge of municipal wastewater, a new biological treatment plant was built at the Ludza fuel station;
11. 10 stations have installed separate collection bins to give customers the opportunity to take part in waste sorting;
12. In relation to the historical soil pollution of the fuel stations, in accordance with the category B permits for polluting activities, pumping out of contaminated groundwater or remediation works was carried out at 2 fuel stations.



E1 GHG emissions

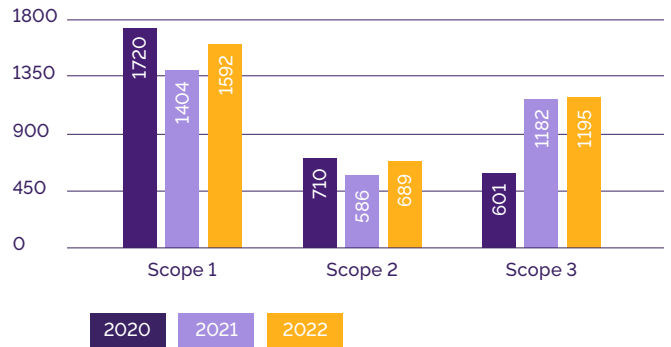
There are a number of sustainability indicators out there, but one of the most important is GHG emissions. Virši emissions were assessed for the third year in a row, so it is possible to compare emissions and assess how the impacts have changed.

The 2022 GHG emissions audit was carried out by calculating and analysing both direct and indirect carbon emissions from Virši core and direct activities (Scope 1), delivered energy consumption (Scope 2) and emissions from aviation, waste management and water consumption (Scope 3).

The GHG emissions report of the Group was created in accordance with the requirements of ISO 14064-1:2018 and in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. It is important to note that Scope 3 emissions calculations did not include emissions that mark employee mobility or emissions related to upstream and downstream parts of the supply chain. Virši has undertaken a more in-depth assessment of Scope 3 emissions and will therefore publish its figures in future reports when the requirements of the newly introduced CSRD(Corporate Sustainability Reporting Directive) regulation also become clear.

Summarising the data, the Group's total GHG emissions in 2022 were 3476 tCO₂eq. Emissions increase at all Scope levels, with Scope 1 increasing by 188 tCO₂eq, Scope 2 by 104 tCO₂eq and Scope 3 by 13 tCO₂eq compared to 2021. In general, at the Group level, GHG emissions have increased by 302 tCO₂ in 2022. The table shows the division by Scope 1, Scope 2 and Scope 3 levels.

Scope breakdown of emissions, tCO₂eq

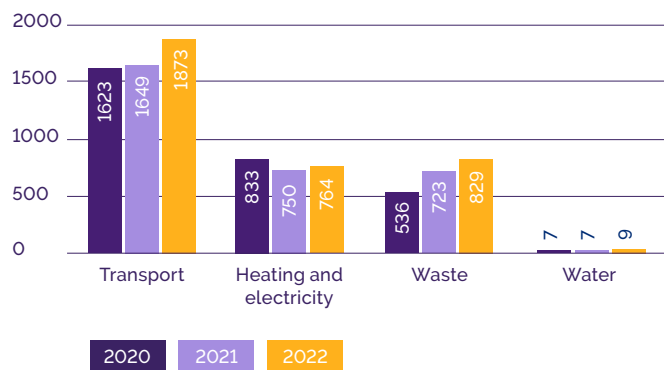


The increase in emissions is mainly due to the following factors:

- Increased turnover of fuel sold and transported;
- Expansion of the fuel station network (5 stations);
- Increase in the number of loyal customers (20% in shops, 25% at the fuel stations);
- Total turnover growth.

Looking at the breakdown of the total by GHG emission source, transport accounts for the largest increase (224 tCO₂eq), while waste accounts for an increase of 107 tCO₂eq. The heating and energy category shows a slight increase of 14 tCO₂eq, and the water sector – of 2 tCO₂eq.

Emissions by sector, tCO₂eq





E2 Intensity of GHG emissions

In order to assess changes in emissions, it is important for a growing company to compare them not only on an annual basis but also in terms of GHG emissions intensity – how much CO₂ equivalent a company emits per unit of activity. This assessment was based on 2022 net profit figures, excluding the value of the financial instrument, and a total carbon footprint of 0.48 kilograms for every euro earned, which is a 16% reduction compared to 2021.

Year	2020	2021	2022
Intensity of GHG emissions, kg CO₂ eq/EUR	0.72	0.57	0.48

E3 Direct and indirect energy consumption

Direct energy consumption within the Group was mainly made up of transport (93%), i.e., consumption of diesel fuel, gasoline, LPG and CNG, as well as heating self-sufficiency (7%) from wood pellets and heating fuel, totalling 5994.1 MWh per year.

On the other hand, almost 95% of the indirect energy consumption was made up of electricity consumption for the fuel station network and office operation. It should be noted, however, that 46 MWh of this electricity consumption was self-generated from the solar panels installed at Virši stations.

It was also supplemented by the use of natural gas within the stations (4%) and the consumption of central heating energy (1%), totalling 7277.7 MWh per year. Overall, direct and indirect energy consumption increased by 996 MWh, mainly due to the opening of new stations and an increase in sales and fuel transported.

	Direct energy consumption (MWh)	Indirect energy consumption (MWh)	
Transport	5595.0	Electricity	6936.6
Heating	399.1	Natural gas	2971
		Central heating	43.9

E4 The intensity of energy consumption

Similar to the GHG emissions assessment, to compare energy consumption and its efficiency, the Group's performance was assessed based on the energy intensity calculated from the 2022 return, excluding the value of the financial instrument and the direct energy consumption figures. In 2022, it was 0.0018 MWh for every EUR earned.

Year	2020	2021	2022
The intensity of energy consumption, MWh/EUR	0.0027	0.0020	0.0018



E5 Main sources of energy

In 2022, as before, Virši used a variety of energy types, with transport energy and electricity accounting for the largest share of energy consumed. Total energy consumption was 13 272 MWh. A full summary is offered in the following tables:

Transport, MWh	
Diesel fuel	5046.6
Petrol	546.6
CNG	1.8
Total	5595

Electricity, MWh	
Fuel station electricity consumption (from grid)	6726.6
Electricity consumption in offices, NB and other facilities	164.4
Electrical self-consumption from solar panels	45.6
Total	6936.6

Heating supply, MWh	
Heating fuel	298.3
Natural gas for fuel station heating purposes	297.1
Wood (pellets)	100.8
Consumption of centralised heat energy	43.9
Total	740.1

E6 Water consumption

The water consumption of Virši companies is mainly for the operation of the stations. In 2022, the total hot and cold water consumption was 26 748 m³, which is 7205 m³ more than in 2021. The increase in consumption is caused by the opening of new stations, including a new car wash at Virši Cukurs, and an increase in turnover at existing stations.

E7 Environmental policy and governance

The Group's environmental policy and management is based on an environmental and energy management system designed and certified in accordance with ISO 14001:2015 and ISO 50001:2018. The management system ensures the continuous improvement of the company's performance and compliance with environmental protection and energy efficiency targets. In order to improve the company's processes, the interaction between them, the quality of products and goods and the level of customer satisfaction, the quality management system was certified in accordance with ISO 9001:2015 in the autumn of 2022. The three systems are combined in an integrated management system.

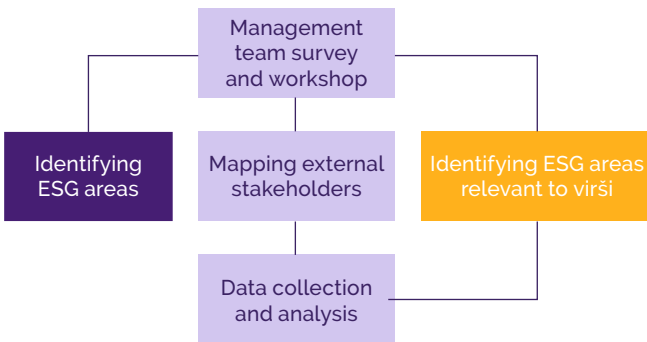
Virši strives to continuously improve and enhance the performance of its integrated management system, ensuring the highest quality of goods and services, rational use of natural resources, limiting and reducing environmental pollution, as well as using sustainable and energy-efficient environmentally friendly products and solutions.

The Company's environmental activities are regulated by the requirements of laws and regulations, binding municipal regulations, the conditions of permits issued by the State Environmental Service regulating polluting activities, and the requirements of other controlling authorities.



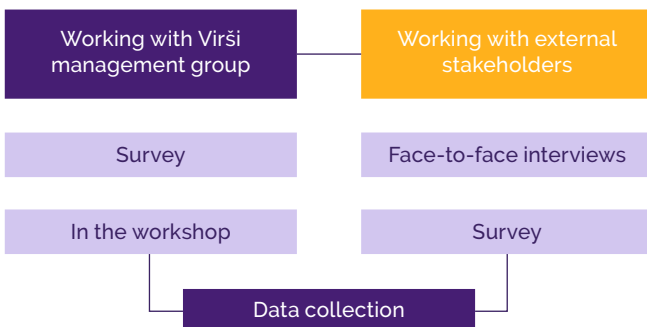
E8/E9 Monitoring of climate issues

In 2022, a materiality analysis was carried out on environmental, social and governance (ESG) issues. Sustainability materiality assessment is the process by which a company identifies, analyses and prioritises ESG topics within its operations, involving both internal and external stakeholders, such as employees or major business partners. The aim of the assessment was to identify the key sustainability areas that are relevant both internally within the company and to external stakeholders. The assessment is the basis for further development of the sustainability strategy and reporting, based on the company's key environmental, social and governance issues.



Participated in identifying sustainability areas:

- 15 management team members
- 6 partners
- More than 200 shareholders
- Policy makers in Latvian institutions and the European Commission in Brussels – 3 representatives
- 3 representatives of the non-governmental sector from business, environment and energy organisations
- 1 energy expert



Key sustainability areas from the perspective of external and internal stakeholders:

- The sustainability of the business model
- Climate change (GHG mitigation)
- Employee welfare
- Renewable energy
- Sustainable products
- Data protection and customer privacy
- Business ethics
- Dialogue and working with stakeholders

E10 Monitoring of climate issues

EUR 3 191 926 was invested in climate action in 2022, which included investments in improving the energy efficiency of lighting, installing solar panels and electric car charging stations, upgrading refuelling and treatment facilities, developing the CNG network and researching biomethane.



*SOCIAL
RESPONSIBILITY (S)*

2



Support to the State Blood Donor centre: in 2022, the changing and unpredictable nature of Covid-19 had a significant impact on Latvian blood donor movement, and in a volatile geopolitical situation, the importance of continuity of blood donation increased; so last year, Virši continued to support the National Blood Donor Centre by raising public awareness of the need and opportunities for blood donation. The cooperation between Virši and the

Latvia State Blood Donor centre, inviting people to donate blood to save the lives and health of their fellow human beings, continued for the third year in a row. Outreach continued throughout the year, with this message being particularly strong in June and July, when a support campaign was launched. During these periods, donor activity has especially increased, with blood donors helping tens of thousands of people in critical need of transfusions.



S1 Manager's remuneration indicator

In 2022, the ratio of the total remuneration of the Chairman of the Virši Board to the average remuneration of other full-time employees was 7.18:1.

S2 Employee remuneration indicators

It is essential that workers receive pay that is commensurate with their skills, performance and the labour market. Every year, Virši participates in the Figure Baltics Salary Survey, which allows us to better understand salary changes in the labour market. In addition, changes in retailers' salaries are monitored on a monthly basis. When setting pay, Virši takes gender equality into account. At the top management level, the average salary of women is 1.05 times higher than that of men. On the other hand, the average salary received by men working in the administration of the Group companies is 1.14 times higher than that of women. Minor differences are permissible, taking into account the performance and competencies of the staff. The hourly rate for a sales assistant at each station is fixed, and there is no difference in pay between male and female station assistants, with a ratio of 1:1.

S3 Workforce rotation

The retail sector is characterised by high staff turnover, and one of the objectives of the Human Resources Department is to reduce this turnover in the station network. In 2022, staff turnover, excluding

the number of young people employed during the summer period, was 51%. We continue to work on creating a positive employee experience and, from autumn 2022, health insurance will be offered to network employees after one month of work. In addition, an employee survey was carried out in 2022, measuring both their job satisfaction and eNPS (employee Net Promoter Score), as well as allowing everyone to express their thoughts and feelings about working at Virši, thus gaining a much better understanding of the areas to be developed.

A strong emphasis has been placed on starting to develop staff competencies, and work has begun on the establishment of a Virši Academy to provide quality training to staff from spring 2023.

S4 Gender diversity

The staff working in Virši is diverse in terms of skills, age and seniority. The proportion of women in administration is 59% and men 41%; 90% of women and 10% of men work in the station network. 8.3% of women and 91.7% of men work in Virši logistics. Both the administration and the station network have employees with more than 20 years of service. The average length of service in the company is 3.5 years (5.7 years in administration, 3.1 years in stations, 6.3 years in Virši logistics). The average age of an employee is 37 years old (42 years old in administration, 36 years old in the station network and 49 years old in Virši logistics).



S5 Proportion of temporary workers

During the summer of 2022, the company employed 40 young people who had the opportunity to gain work experience.

S6 Non-discrimination/ anti-discrimination principle

Virši observes the prohibition of any kind of discrimination in its activities, which is stipulated in the laws and regulations in force in the Republic of Latvia, and is guided by the principle of equal opportunities and treatment of all employees in its employment approach. Virši does not discriminate against people on the basis of considerations such as a person's sex, age, race, colour, disability, religious, political or other beliefs, national or social origin, financial or family status, sexual orientation or other circumstances and actions that are illegal or do not comply with generally accepted ethical and moral principles. Additionally, Virši observes the prohibition of different treatment established in the laws and regulations governing labour rights, both when establishing legal employment relations and during them in planning the career of employees and determining remuneration. All employees are provided with equal and fair opportunities to use the opportunities and benefits available in the companies of the Group. Virši respects the right of employees to organise and join organisations freely, without any direct or indirect discrimination.

S7 Workplace injuries

In the course of their daily work, company employees may be exposed to a variety of workplace hazards, including potential injuries. The risk of injury is possible in any job, but the aim is to ensure that workers are protected, whatever their job or duties. The occupational health and safety system that has been put in place assesses these risks and takes measures to protect its employees as much as possible from work-related injuries – training, briefings, information, personal protective equipment, cleaning up the workplace, keeping

things tidy, etc. A safe working environment is a company priority. Accidents at work are most often caused by the workers' carelessness. In 2022, there were 4 accidents at work related to trauma, none of which were serious or fatal.

S8 Health policy

Virši takes care of the health of its employees by offering competitive health insurance that covers not only medical services but also outpatient rehabilitation and psychological counselling. New administrative staff receive a health insurance policy at the start of their employment, while new colleagues in the station network receive a health insurance policy after one month of service.

S9 Child employment and forced labour

Virši complies with all the restrictions set by the laws and regulations in force in the Republic of Latvia regarding the employment of children and does not practice forced labour.

S10 Respect for human rights

Group companies are committed to respecting and promoting human rights in all aspects of their daily operations. In the companies, concrete steps are taken to ensure compliance with Latvian laws and international human rights standards – principles of human rights protection are incorporated into internal laws and regulations, they are explained to managers and employees, appropriate communication channels are ensured, and the company has zero tolerance for violations of human rights, ethics or professional standards. In 2022, we updated the procedure "On Internal Alarm System and Whistleblower Protection" and trained staff on this procedure and the existing regulatory framework. The company has mechanisms in place to adequately protect whistleblowers, as well as avenues to report both public and private interests. Virši has not received any whistleblower reports in 2022.



*CORPORATE
GOVERNANCE (G)*

3



The principles of corporate governance are upheld by the Shareholders' Meeting, the Council and the Management Board. As Virši is a member of the alternative market First North, there are no committees in the Group companies. KPMG Baltics Ltd. is the auditor of the Company's 2022 financial statements and was selected through a procurement procedure in accordance with Virši internal procedures from among the world's most respected audit firms, also known as the "big four". Virši has received the 2023 Nasdaq Baltic Awards for Best Investor Relations in First North in 2022. This award recognises the company's achievements in transparency, good corporate governance practices and investor relations. Group companies are aware that improving and enhancing corporate governance is an ongoing process and continue to do so on a daily basis.

G1 Composition of the Management Board

In 2022, the composition of the Board remains unchanged. The experience and expertise of the existing Board members have ensured the successful management of the company in the challenging market conditions in 2022. The stable composition of the Board of Directors and the close cooperation between Board members have contributed to the Group's ability to successfully manage its day-to-day operations and quickly implement strategic decisions in a changing business environment.

The general principles, types and criteria for determining the remuneration of the Executive Board are defined in the Remuneration Policy of the Executive Board and Virši Council.

JĀNIS VĪBA, Chairman of the Board

Jānis Vība joined Virši in 2017 and carries out the company's strategic management. Jānis is responsible for the Group's strategic development, sales and logistics of fuel and energy products, as well as marketing, HR, legal affairs and the expansion of the fuel station network. Prior to joining Virši, Jānis gained more than 15 years of experience in business and financial management and holds a Bachelor's degree from the Stockholm School of Economics in Riga.





LINDA PRŪSE, Member of the Board

Linda Prūse joined Virši in 2014. At the Group, Linda is responsible for the development of the convenience store network, quality, environmental and occupational health and safety oversight of Group companies. For more than 25 years, Linda has been developing her professional experience in Latvia's leading fuel station networks. Linda has a higher education in sports pedagogy at the Latvian Academy of Sports Education.



VITA ČIRJEVSKA, Member of the Board

Vita Čirjevska joined Virši in 2019. Vita is responsible for Financial Management, IT Development, Sustainability and NILLTPFN in the companies of the Group. Prior to joining Virši, Vita gained more than 10 years of experience in financial management and business consulting, as well as in audit and IT management. She received her higher education at the Stockholm School of Economics in Riga.



G2 Independence of the Council

The Board of Virši consists of six members, one of whom is an independent member. The term of office of the members of the Council is 12 April 2026. The remuneration of the Council is determined by the Shareholders' Meeting, but is regulated in detail by the Remuneration Policy for the Executive Board and Council approved by the Shareholders' Meeting. Members of the Council receive fixed monthly remuneration, with no variable component.

The Council plays an active role in the corporate governance structure and uses its experience and expertise to oversee the company's operations, strategy, risks and the performance of the Board. In 2022, the Council approved a new version of the Anti-Corruption and Conflict of Interest Policy, adding a regulation on related party transactions to the framework for improving the conflict of interest framework. In 2022, the Council held 29 meetings and decided on matters where the Council must receive approval from the Council in accordance with the Articles of Association and the Commercial Law, and advised the Council on general corporate strategy issues.

Name	Function
Jānis Riekstiņš	Chairman of the Council
Jānis Rušmanis	Deputy Chairman of the Council
Ilgvars Zuzulis	Council Member
Andris Priedītis	Council Member
Ivars Blumbergs	Council Member
Silva Skudra	Council Member

G3 The relationship between management compensation and the achievement of non-financial goals

In order to ensure a common understanding of the impact of business on the environment and the main challenges and goals in the operations of the Group, a Materiality Analysis of sustainability goals is being conducted in 2022. As part of the project,

the stakeholders of the Group were surveyed with questions about the most important sustainability goals with the help of direct interviews. Gathering stakeholders' views on the Group's sustainability priorities for 2022 helped to map the company's impact and set sustainability targets. The project resulted in the introduction of common sustainability goal guidelines for all Group employees and included a performance appraisal system linked to monetary incentives.

G4 Collective agreement and trade union

Virši employees are not unionised or collectively bargained, but the company works hard on a daily basis to ensure that, in addition to their statutory rights, employees have access to additional benefits that increase their job security, career growth and well-being.

G5 Evaluation of suppliers

Following the imposition of major international sanctions against Russia and Belarus in 2022, the Group further strengthened and improved its supplier control system. Automated monitoring was introduced to ensure that all existing and potential suppliers and partners were overseen to prevent cooperation with sanctioned persons. At the beginning of March 2022, Virši stopped providing refuelling services in Russia and Belarus and ceased cooperation with companies in these countries. Since 2021, supplier bids have been evaluated according to a procurement procedure approved by the Board. In addition, in 2022, the Group started evaluating supplier bids using information technology solutions, which made the procurement process even more efficient and transparent. Criteria for supplier evaluation, selection, performance monitoring and re-evaluation are defined and used in line with the requirements of the Integrated Management System for Quality, Environment and Energy Management. Re-assessment of suppliers is carried out periodically, according to the specificities of the departments.



G6 Ethics and anti-corruption position

Group companies comply with the Code of Conduct, the Anti-Corruption and Conflict of Interest Policy and the Competition Compliance Policy. The Code of Conduct also defines the Group's corporate values and the actions that the Group expects its employees to take to embody these values in their daily work. The Code of Conduct is also available on the Virši website. The Group regularly trains staff on ethics and anti-corruption issues.

In 2022, the Anti-Corruption and Conflict of Interest Policy was revised, adding a regulation on related party transactions.

G7 Privacy policy

Data protection is one of the Group's defined sustainability objectives. In 2022, the Group has made significant improvements and

additions to its personal data protection, mainly related to the introduction of new data processing systems as well as new products introduced in 2022 and planned for 2023. All key documents governing the protection and circulation of personal data have been updated: General Data Processing Procedure, Procedure for Detection, Investigation and Notification of Personal Data Breaches, Procedure for Processing of Employees' Personal Data and other internal regulatory enactments. Staff and stakeholders are regularly consulted and trained on data protection issues.

G8 ESG progress reporting

This is the third non-financial report on the implementation of environmental, social responsibility and corporate governance principles in accordance with the 2019 Nasdaq ESG Reporting Guidelines for the Nordic and Baltic countries.



G9 Disclosure policy and practice

Disclosure of information is a fundamental principle in corporate governance at Virši, which promotes transparency in the Group's business activities, especially with regard to the rights and interests of shareholders. In order to promote awareness and representation of the interests of all shareholders, it was ensured that all interested shareholders could participate in the Annual General Meeting on 12 May 2022 – all shareholders were given the opportunity to participate in the previous vote remotely or in person. A total of 42 shareholders representing 88.63% of the share capital of Virši voted at the General Meeting.

The data and information of the Issuers are published in accordance with the requirements of the regulatory enactments, as well as the Procedure for Disclosure of Information by Issuers approved by Nasdaq Riga AS. Since 2020, Virši has

published an ESG report every year. The Group has published 27 announcements on Nasdaq Baltic in 2022, which include regulatory notices and other announcements related to the development of the business. In 2022, Virši organised two virtual conferences or webinars, where the company's Board of Directors presented the company's financial results, provided information on industry trends and answered questions from the audience.

G10 External validation of information

The information contained in this ESG Report has not been independently validated. The calculation method used is the same as that used for previous years' sustainability reports so that data can be compared over a three-year period. In the future, reports will be produced in line with the CSRD (Corporate Sustainability Reporting Directive) requirements and will also be subject to independent validation.

