



# **Sustainability Report**

**2024 Reporting Year**



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# About the Report

The Sustainability Report is prepared for the 2024 reporting year and it covers the activities of the parent and subsidiary companies of *Virši* Group.

The structure of *Virši* Group is described in the Group's consolidated annual report prepared in accordance with International Accounting Standards as adopted by the European Union.

The scope of this report includes legal entities such as AS "Virši-A" (JSC), SIA "Virši loģistika" (Ltd), SIA "Virši Renergy" (Ltd) and UAB "Virši Lietuva" (Ltd) (hereinafter – *Virši* or the company).

The obligation to prepare a consolidated sustainability report that fully complies with the EU corporate sustainability reporting requirements applies to the *Virši* Group for the reporting year 2025.

This Sustainability Report has been prepared by gradually applying the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

The key performance indicators included in the Report have been defined considering the relevant business areas of *Virši*, its sustainability issues, risks and opportunities.





**From good ideas to good deeds** – that is a short and concise way to describe *Virši* sustainability achievements in 2024. While in 2020 we took the first steps in familiarising ourselves with the sustainability reporting framework, its meaning and summarised basic corporate sustainability data, allowing us to take sustainability issues to a new level in 2024.

During the year, we carried out a double materiality analysis, which allowed us to identify the most strategically important areas for *Virši* and to prioritise actions to ensure sustainable business performance. This analysis has also helped to adapt operations of the company to changing regulatory requirements and public expectations. Continuing our tradition, we engaged colleagues from different business units in the Sustainability Working Group to jointly set clear

and measurable sustainability goals for the coming years, based on the analysis findings.

The goals are aligned with the company's development strategy, they are specific, measurable and applicable to all business units. Moreover, they are sufficiently universal to be linked to the annual targets and respectively performance and monetary assessments by staff in different departments, thus promoting clear accountability and involvement.

The sustainability pathway is a continuous process of development. We are aware that there is always room for growth, so that the goals we set are not only clear and understandable to all employees, but also form a natural part of the company's daily activities, both in planning and implementation.

**Anrijs Tukulis,**

*Virši Sustainability Project Manager*





# Report by the Chairman of the Board

A complex challenge for modern enterprises is how to grow and remain competitive on the market while embracing and respecting sustainability principles. *Virši* took this path already in 2019 by actively addressing decarbonisation issues of the sector and developing infrastructure for alternative transport energies – compressed natural gas (CNG) and electric car charging. We have finished the year 2024 with 10 CNG stations and an extensive electric car charging infrastructure project. Under this project, co-funded by the European Climate, Infrastructure and Environment Executive Agency (CINEA), **71 connection points have been installed at 24 stations, and in 30 of them, the charging capacity reaches at least 160 kW**. This project contributes significantly to the development of sustainable transport in Latvia.

Diversifying business model of the company, in 2024, we carried out extensive planning and preparatory work to start construction of a biomethane plant. The plant is scheduled to start operating in the first half of 2026. It should also be noted that during the year we have become the fourth largest electricity trader to households and we will continue to actively develop this segment.

The past year has been a period of significant investments that will contribute to the long-term growth of the company. We continued to significantly increase our market share in key business segments by opening 10 new points of sale. Such a rapid expansion of the station network naturally requires continuous improvement of the corporate governance

**Jānis Vība,**  
*Virši chairman of the board*

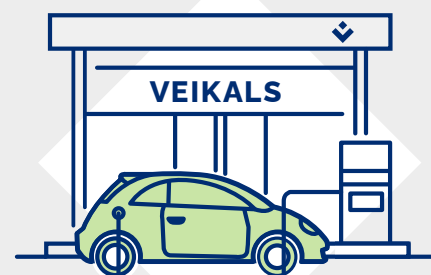




# Company's lines of activity

AS "Virši-A" is the largest Latvian domestic energy trader and convenience store network, listed on the Nasdaq Riga stock exchange alternative market First North since 2021. Virši is a wholesaler and retailer of petroleum products that offers a wide range of goods and services at more than 80 service stations, and from 2021 Virši is also an electricity trader. In 2024, Virši continues to expand its service station network not only in Latvia, but also opens its first service station outside Latvia – in Lithuania.

## STORES



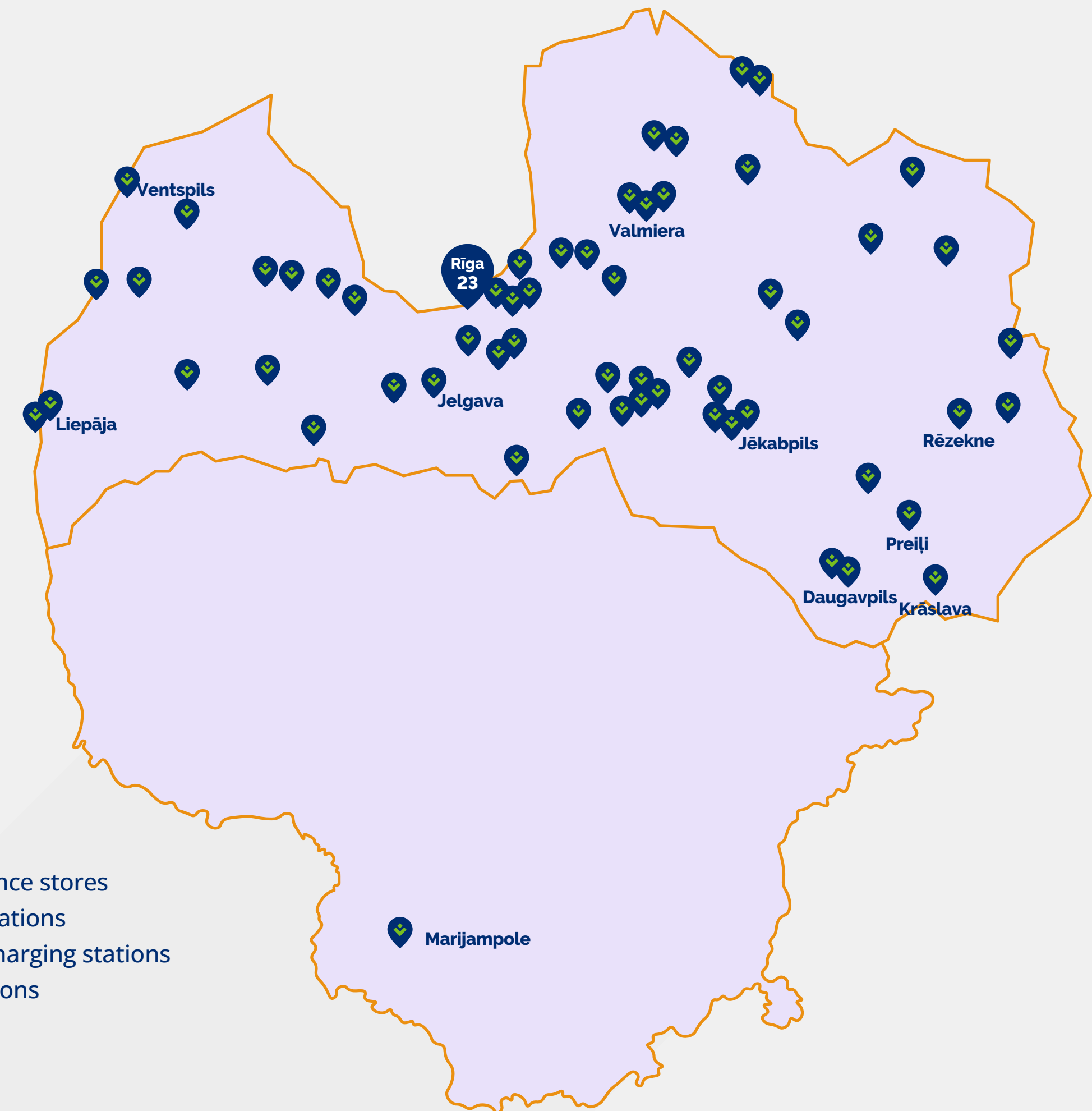
## FUEL SALES



## ENERGY



- ▶ 85 convenience stores
- ▶ 83 service stations
- ▶ 24 electric charging stations
- ▶ 10 CNG stations





## Strategic Objectives

Decarbonisation of transport or reducing the environmental impact of the transport sector is an important part of the strategic development framework of *Virši*. *Virši* offers two types of alternative fuels in its network of service stations: compressed natural gas (CNG) and electric charging. The company's long-term strategy also includes investments in the production and trading of biomethane, liquefied natural gas (LNG), and hydrogen.

Long-term non-financial strategy of *Virši* envisages diversification of the company's business segments by developing its convenience store goods and service offering and becoming an electricity and natural gas trader, thus reducing the share of fuel trading in the core business portfolio of *Virši*.

Employee well-being is a key priority for the company. The company is constantly reviewing and improving its offer as an employer. The company's long-term goal is to become one of the best employers in Latvia.

	2020	2024	2027
▶ Number of service stations	63	82	90
▶ Employer	TOP 50	TOP 10	TOP 10
▶ #1 in alternative fuels	CNG / Electricity	CNG / Electricity	CNG/CBG/LNG/ Electricity
▶ Business diversification	FUEL / STORE	FUEL / STORE / ENERGY	FUEL / STORE / ENERGY
▶ Gross profit of non-fuel segments	41%	52%	52%
▶ EBITDA (M €)	7.8	13.7	23.1
▶ Net profit (M €)	4.2	4.8	12.4



# Mission and vision



## Vision

**A diverse source of energy**  
that inspires everyone who wants  
to do more today and tomorrow

The company's mission, vision, and values are a roadmap for every employee in their daily decision-making and duties. In early 2019, the mission, vision and values were defined with the active involvement of employees, in line with the Group's current



## Mission

**Giving energy to everyone**  
who wants to do more

activities and internal culture, and in 2023 as the Group evolved, its mission, vision and values were revised. The company's values are also the basis for implementing the Group's Sustainability Strategy and goals.







# Values and actions

The three corporate values are closely aligned with the main sections of the Sustainability Report. By communicating the company's values, we also emphasise the essential dimensions of sustainability: environmental responsibility, social responsibility, and corporate governance. For this reason, each sustainability section in the report is accompanied by a corresponding corporate value.

**E - Creating the future today.** We think about the environment we are creating for the future, as well as the sustainability of the company and its long-term existence.

**S - Human to human.** We work with humane attitude towards each other and our customers.

**G - Our strength is our roots.** A strong company is aware of its roots. Whatever tomorrow brings, we always remember and value our origins.



## ENTHUSIASM IS OUR ENERGY

Working at Virši recharges you. We do our work with passion and perseverance! We believe in ourselves and want to be an example of Latvian companies succeeding!



## HUMAN TO HUMAN

We work with humane attitude towards each other and our customers.



### Courage

I defend new ideas and justify my opinion, even if it is not in line with the majority. I undertake responsibility. I take decisions – even unpopular ones.



### Initiative

I understand the situation and am responsive. Often, this means doing more than my job description says. I want to help. I am open to new ideas, education, new knowledge and new skills.



### Ambition

I have a genuine interest in the company's development and a relentless drive to achieve my individual goals, just like in sports – faster, higher, and further.



### Respect

I respect others. I know how to be thankful and listen to other people's opinions, accepting that they may be different from mine. Respect means never putting others down and building valuable relationships with colleagues, customers, and business partners.



### Team

I work as part of a team and recognise the power of working together. Only together can we find the answers that a single person cannot. I am able to detach myself from my own goals and focus on the common one. The team helps me to understand the limits of my abilities and to put them into practice.



### Responsibility

I am responsible to myself, my colleagues, and the company. I act fairly and in line with the company's values. I am accountable for my words and deeds. You can rely on me.



## OUR STRENGTH IS OUR ROOTS

A strong company is aware of its roots. Whatever tomorrow brings, we always remember and value our origins.



## CREATING THE FUTURE TODAY

We think about the environment we are creating for the future, as well as the sustainability of the company and its long-term existence.



### Traditions

I appreciate and respect the achievements of the company and my colleagues. I respect Latvian and company's traditions, and I apply them in a modern context.



### Resourcefulness

I am responsible for the company's resources and the environment.



### Pride

I am proud to work for a domestic company. I believe in the product I sell. I am loyal to the company and I care about its reputation, so I say good things about it.



### Caring for the future

I appreciate that the company is thinking about a greener future already today and introducing solutions such as solar panels at stations, electric charging, edible coffee cups, and CNG filling machines. I am open to new things and willing to learn quickly.



### Engagement

We can all make a difference, have an impact and make our world a better place. If I have ideas on how to do things smarter, more efficiently and more environmentally friendly, I do not keep them just to myself because I know that I will be listened to.



### Ambitious goals

I am part of a company that has evolved from a fuel trader to a trader of all kinds of energy. As a team, we are not standing still, but proving ourselves in unknown fields, because that belongs to our culture of "if you want to, you can achieve it".



# Financial Results

Financial targets and operating results of *Virši* are assessed in three operating segments – trade in petroleum products, convenience store operations, and energy. The company's financial planning and investments are planned on a three-year cycle, prioritising *Virši* long-term growth, financial stability, and sustainable development.

The Group's EBITDA\*\* in 2023 reached an all-time high of EUR 13.7 million, which is 11.7% higher than in 2022 (2022 EBITDA: EUR 12.3 million). Labour costs, fluctuating fuel and energy prices, as well as high inflation rates in Latvia and globally during the reporting year has made this a challenging period, but the strategic management of the business segments resulted in the Group increasing its gross profit by almost EUR 5 million or 15% (2023: EUR 37.7 million, 2022: EUR 32.8 million).

Our net profit in the reporting period was affected by changes in the financial instrument value, which generated revenue of EUR 3.1 million in 2022, while incurring costs of EUR 2.1 million at the market price in 2023. The value of the financial instrument

is calculated based on the current energy prices, which reached a historical high at the end of 2022, but declined significantly and stabilised during 2023. The Group's net profit performance was also affected by rising interest rates. With the continued low added lending rates, the dynamics of EURIBOR during 2023 significantly increased the Group's financing costs. The company closes the reporting year with a profit of EUR 5.1 million (2022: EUR 10.3 million), while the Adjusted Net Profit from Operating Activities of the Group, excluding the result from the revaluation of financial instruments, amounts to EUR 7.2 million in 2023 (2022: EUR 7.2 million). The Group's net profitability\* is 1.5% in the reporting period compared to 2.8% in 2022.

\* Net profitability – an indicator calculated by dividing the Group's profit in the reporting year by net turnover

\*\* EBITDA – Group's earnings before financial income and expenses, depreciation and amortisation, and corporate income tax

M euro	2024	2023	2022
Total turnover	380.6	343.7	375.1
Trade in petroleum products	293.3	271.2	309.1
Convenience stores	56.9	48.2	39.3
Energy	27.5	20.8	24.9
Other	3.0	3.5	1.8
<b>EBITDA</b>	<b>13.7</b>	<b>13.7</b>	<b>12.3</b>
<b>Net profit</b>	<b>4.8</b>	<b>5.1</b>	<b>10.4</b>
Investments	23.3	16.8	11.1
incl. investments in sustainability	2.6	3.1	3.2
Staff	872	756	661
Stations	82	73	70



# Organisation Structure

## Group structure of AS “Virši-A”

The parent company of the AS “Virši-A” Group is a fuel wholesaler, fuel retailer and operator of a network of service stations, employing more than 850 people in 2024. The business activities of the Company’s subsidiaries SIA “Virši loģistika”, SIA “Virši Renergy” and UAB “Virši Lietuva” are related to the core business of the Parent Company: providing fuel to *Virši* service stations, franchises, and wholesale customers, as well as trading in natural gas and electricity. The Sustainability Report informs on the activities of the Group’s parent company and subsidiaries.



## Group Governance

The shareholder meeting, the Council, and the Management Board ensure compliance with the *Virši* corporate governance principles.

Shareholders	Jānis Riekstiņš	Jānis Rušmanis	Ruta Plūme	Andris Priedītis	Ilgvars Zuzulis	Other shareholders –
	Owns 20.99% shares	Owns 20.84% shares	Owns 20.81% shares	Owns 12.79% shares	Owns 12.79% shares	more than 7700 natural and legal persons

Council:	Jānis Riekstiņš	Jānis Rušmanis	Ilgvars Zuzulis	Andris Priedītis	Silva Skudra	Ivars Blumbergs
	Chairman of the Council (valid from 13.04.2021 to 12.04.2026)	Member of the Council (valid from 13.04.2021 to 12.04.2026)	Member of the Council (valid from 13.04.2021 to 12.04.2026)	Member of the Council (valid from 13.04.2021 to 12.04.2026)	Member of the Council (valid from 13.04.2021 to 12.04.2026)	Member of the Council (independent) (valid from 13.04.2021 to 12.04.2026)

## Sustainability Management Team

Since 2022, *Virši* has had a Sustainability Employee Group. When starting to define the strategic goals and targets, the *Virši* Sustainability Management Team was also established, consisting of the company’s Management Board, the department managers most closely involved in the implementation of the sustainability goals, as well as individual employees whose job responsibilities are directly related to the implementation of these goals. This group drew up the company’s short- and medium-term sustainability goals during 2024 and will be responsible for achieving them in the future.

Management Board and its responsibilities:	Jānis Vība	Linda Prūse	Vita Čirjevskā
	Chairman of the Board (valid from 20.06.2024 to 19.06.2029) Responsible for Virši strategic development, sales and logistics of fuel and energy products, as well as marketing, human resources, legal affairs and the expansion of the service station network	Member of the Board (valid from 13.04.2021 to 12.04.2026) Responsible for the development of the Group’s convenience store network, quality, environmental and occupational health supervision	Member of the Board (valid from 13.04.2021 to 12.04.2026) Responsible for financial management, IT development, sustainability, AML/CFTP and risk management.



# Stakeholders

For *Virši*, close and regular engagement with stakeholders is an essential part of doing responsible business. Within the Group, key stakeholders are carefully identified and assessed and interacted with through a variety of formats: negotiations, dialogues, exchanges, surveys, consultations, active engagement, and partnerships. It is particularly important for a company to listen to its stakeholders, understand their interests and promote mutual understanding. At the same time, *Virši* is aware of its impact on potential risks and opportunities and hence is actively taking the necessary steps to understand the expectations and needs of its stakeholders. The performance of the *Virši* and the feedback from stakeholders serve as a basis for developing a sustainability approach and strategy, thus strengthening the company's role in the sector.

Stakeholder	Expectations, interests	Cooperation format
<b>Shareholders</b> Information user	<ul style="list-style-type: none"> <li>▶ Good governance and business development</li> <li>▶ Company's image/reputation</li> </ul>	<ul style="list-style-type: none"> <li>▶ Earnings/dividends</li> <li>▶ Meeting financial and non-financial targets</li> <li>▶ Information flow and communication</li> <li>▶ Interim and annual reports</li> <li>▶ General shareholder meetings and webinars</li> <li>▶ Consultations, meetings</li> <li>▶ Shareholder news</li> <li>▶ Investor communication management</li> </ul>
<b>Customers (B2B)</b> Affected party/ user of the information	<ul style="list-style-type: none"> <li>▶ Quality services and products</li> <li>▶ Competitive prices</li> <li>▶ Payment terms</li> <li>▶ Innovative, personalised and secure technological and digital solutions</li> </ul>	<ul style="list-style-type: none"> <li>▶ Company's image/reputation</li> <li>▶ Social responsibility</li> <li>▶ Personal data protection</li> <li>▶ Contracting</li> <li>▶ Customer communication</li> <li>▶ NPS and customer satisfaction measurements</li> <li>▶ Reviewing feedback and implementing improvements</li> </ul>
<b>Customers (B2C)</b> Affected party	<ul style="list-style-type: none"> <li>▶ Quality services and products</li> <li>▶ Competitive prices</li> <li>▶ Comfortable and pleasant shopping environment</li> </ul>	<ul style="list-style-type: none"> <li>▶ Innovative, personalised and secure technological and digital solutions</li> <li>▶ Geographical location, infrastructure</li> <li>▶ Personal data protection</li> <li>▶ Loyalty programme and offer management</li> <li>▶ Contracting</li> <li>▶ Customer communication</li> <li>▶ NPS and customer satisfaction measurements</li> <li>▶ Feedback and improvements</li> </ul>
<b>Franchisees</b> Affected party/ user of the information	<ul style="list-style-type: none"> <li>▶ Good governance and business development</li> <li>▶ Company's image/reputation</li> <li>▶ Information flow and communication</li> <li>▶ Quality services and products</li> </ul>	<ul style="list-style-type: none"> <li>▶ Competitive prices</li> <li>▶ Innovative, personalised and secure technological and digital solutions</li> <li>▶ Social responsibility</li> <li>▶ Personal data protection</li> <li>▶ Brand management and governance</li> <li>▶ Information flow and communication</li> <li>▶ Contracting</li> <li>▶ Customer communication</li> <li>▶ NPS and customer satisfaction measurements</li> <li>▶ Customer feedback and improvements</li> <li>▶ Consultations, meetings</li> </ul>
<b>Staff</b> Affected party	<ul style="list-style-type: none"> <li>▶ Salary, including financial benefits (bonuses, rewards, etc.)</li> <li>▶ Social guarantees</li> <li>▶ Well-organized internal company processes</li> </ul>	<ul style="list-style-type: none"> <li>▶ Safe working environment</li> <li>▶ Information flow and communication</li> <li>▶ Internal corporate culture (values, traditions)</li> <li>▶ Personal data protection</li> <li>▶ eNPS and employee satisfaction measurement</li> <li>▶ Surveys, working groups</li> <li>▶ Training, dialogue, involvement (intranet, meetings)</li> <li>▶ Collective meetings such as forums, training, celebrations, reunion events</li> </ul>
<b>Banks, financiers, insurers, stock exchange, opinion experts</b> Information user	<ul style="list-style-type: none"> <li>▶ Good governance and business development</li> <li>▶ Company's image/reputation</li> <li>▶ Meeting financial and non-financial targets</li> <li>▶ Sustainability management</li> </ul>	<ul style="list-style-type: none"> <li>▶ Transparency, reporting</li> <li>▶ Compliance with laws and regulations</li> <li>▶ Compliance with contractual terms</li> <li>▶ Fair competition</li> <li>▶ Interim and annual reports</li> <li>▶ Brand management and governance</li> <li>▶ Information flow and communication</li> </ul>
<b>Public policy makers and supervising institutions</b> Information user	<ul style="list-style-type: none"> <li>▶ Involvement in the business environment and sector development</li> <li>▶ Compliance, transparency, jobs, contribution to the sector and national economy</li> <li>▶ Meeting EU commitments</li> </ul>	<ul style="list-style-type: none"> <li>▶ Sustainability</li> <li>▶ Compliance with legislation and binding requirements</li> <li>▶ Tax payments and reporting</li> <li>▶ Mutual cooperation and dialogue</li> <li>▶ Transparency</li> <li>▶ Monitoring legislative changes</li> <li>▶ Discussions and consultations</li> <li>▶ Projects and partnerships</li> <li>▶ Reports</li> <li>▶ Inspections and audits</li> </ul>
<b>Suppliers</b> Affected party/ user of the information	<ul style="list-style-type: none"> <li>▶ Financial stability of the company</li> <li>▶ Company's image/reputation</li> <li>▶ Performance of contractual terms</li> </ul>	<ul style="list-style-type: none"> <li>▶ Communication and information flow</li> <li>▶ Quality requirements and specifications</li> <li>▶ Cooperation agreements</li> <li>▶ Special and daily business meetings</li> <li>▶ Interim and annual reports</li> <li>▶ Information flow and communication</li> </ul>



# Certificates and awards

## ISO 9001:2015 certificate



An international standard for quality management systems, one of the best-known standards globally. The purpose of a quality management system is to ensure continuous improvement of processes and products to boost customer satisfaction and business efficiency.

## ISO 50001:2018 certificate



An international standard for energy management systems. The certificate confirms rational and efficient energy management in a company. The certificate is valid for 3 years. To maintain the certificate, the company undergoes regular assessment audits to ensure continuous adherence to the standard.

## ISO 14001:2015 certificate



An international standard for environmental management systems, aimed at sustainable use of natural resources, environmental risk management and the environmental impact reduction. The certificate confirms that the company has effective environmental management.



## TOP employers in Latvia

We have been highly rated among the TOP employers in Latvia in 2023:

- ▶ We are ranked 1<sup>st</sup> in Zemgale.
- ▶ In the trade sector, *Virši* has achieved the 2<sup>nd</sup> place, which ranks us among TOP 10.
- ▶ TOP Employer – The first that comes to your mind – 4<sup>th</sup> place.
- ▶ We are honoured to be among the Top 10 most popular employers in Latvia and will continue creating positive employee experience.



## Energovienoti certification

We have received three *Energovienoti* certificates for significant improvements in energy efficiency, awarded to the *Virši* stations in Jelgava, Baloži and Grenctāle. These certificates are awarded based on a methodology developed by Riga Technical University (RTU) and reflect the company's commitment to improving its energy efficiency and reducing its energy consumption.



## SBI – Sustainable Brand Index

The Sustainable Brand Index, Europe's largest independent brand sustainability study, ranks *Virši* 1<sup>st</sup> in the fuel sector in Latvia! In the overall brand ranking, we are ranked 7<sup>th</sup>, as one of the most sustainable Latvian companies in 2024.





# Value Chain

To set specific sustainability objectives, it is important to identify the company's value chain. As defined by the ESRS standards, an entity's value chain is all the activities, resources, and relationships associated with its business model and the external environment in which it operates. A value chain comprises of the activities, resources, and relationships that an enterprise uses and relies on to create its products or services from conception to delivery, consumption and end-of-life. Optimising each step not only improves efficiency, but also increases the value created for customers and contributes to the sustainable development of the company.

The value chain of the *Virši* Group can be divided into three parts, i.e, the retail segment, which includes convenience stores and fuel retailing; the energy services segment, where currently mainly electricity is purchased and traded through SIA "Virši Renergy"; and the petroleum products logistics segment, which is represented by SIA "Virši loģistika", a subsidiary of AS "Virši-A".





## Retail segment

The most important partners in the supply chain of the retail segment are the logistics companies that supply store goods and fuel products, as well as the manufacturers that supply our stations with basic products. Energy, utilities and IT service providers, financial institutions and construction companies are also important for building new stations and upgrading existing ones.

The key resources to ensure retail are goods, raw materials, human resources, IT systems, technology and finance. Balancing the resources is important as any shortfall risks disruption in operations.

Operations of *Virši* include fuel retailing, a network of convenience stores, wholesale of fuel and coffee, and ancillary services such as car washes, trailer

rentals and electric car charging. The main retail users are fuel customers, commercial vehicle owners, businesses, national and local authorities, other retail chains and business partners.

The most significant impact in this segment in the reporting period was the opening of new points of sale and the expansion of the alternative fuels offer. Waste reduction projects were also important, with the expansion of the offer of dispensable window water, the recycling of coffee grounds not only into biogas but also into cosmetic raw materials, and the replacement of disposable hand towels with hand dryers. The packaging of *Virši* products will continue to be reviewed and the alternative fuels offer will be further developed.

Value Chain





## Energy services

Virši energy activities rely on local electricity producers using renewable energy sources such as solar energy, as well as wholesalers. The supply chain includes IT service providers, financial institutions, consultants and intermediaries.

Key resources in this segment are the internal IT infrastructure, transmission and distribution systems, and experienced human resources in the energy market. In addition, the *Virši* brand and funding are important to help compete in a new business segment.

Companies of the *Virši* Group focus on energy portfolio planning, market analysis and energy

trading. Energy services are offered to business customers, private individuals, state and municipal authorities, as well as power producers. Part of the portfolio is sold in partnership with wholesalers.

In 2024, *Virši* succeeded in increasing both customer and traded electricity volumes in all segments. In the household segment, we are the fourth largest trader after the first year of operation. We expect the same rapid growth in 2025, which will be a challenging year for the electricity market – traders will experience significant regulatory changes, and the Latvian power system will integrate deeper into the European electricity market together with its neighbours.







## Logistics of petroleum products

Petroleum product logistics is closely related to *Virši* core business of fuel retailing, but due to its specific nature we have separated it out. The main partners in the supply chain are oil refineries and biofuel producers, as well as rail and sea carriers. Oil base infrastructure, transport equipment manufacturers and service providers are also essential.

In the logistics segment, important resources are technology in oil depots and fleets, human resources, IT infrastructure and permits for handling petroleum products.

The main activities of the *Virši* Group companies are fuel receipt, storage, delivery, planning and operation of vehicles. The main customers are *Virši* petrol stations. Logistics services are also provided to wholesale customers and franchisees.

In the reporting period, the logistics segment prioritised reducing fuel consumption per 100 km for fuel delivery vehicles, which was achieved with a 4% reduction. Fleet renewal, improvements to station infrastructure and the use of specialised route planning software in daily work planning are being pursued to achieve even more efficient deliveries.

Value Chain





# Double Materiality

Promoting sustainable development requires an integrated and balanced approach that takes into account the company's impact on the environment and society, as well as external factors that may affect its performance. This context is clearly revealed by the double materiality assessment, an approach that helps to identify and understand the issues that are critical for both the internal development of the company and its external impact on the environment and society.

Using a double materiality analysis, *Virši* identify key areas where specific actions and improvements are needed to ensure sustainable operations and compliance with ever-changing regulatory and societal requirements.

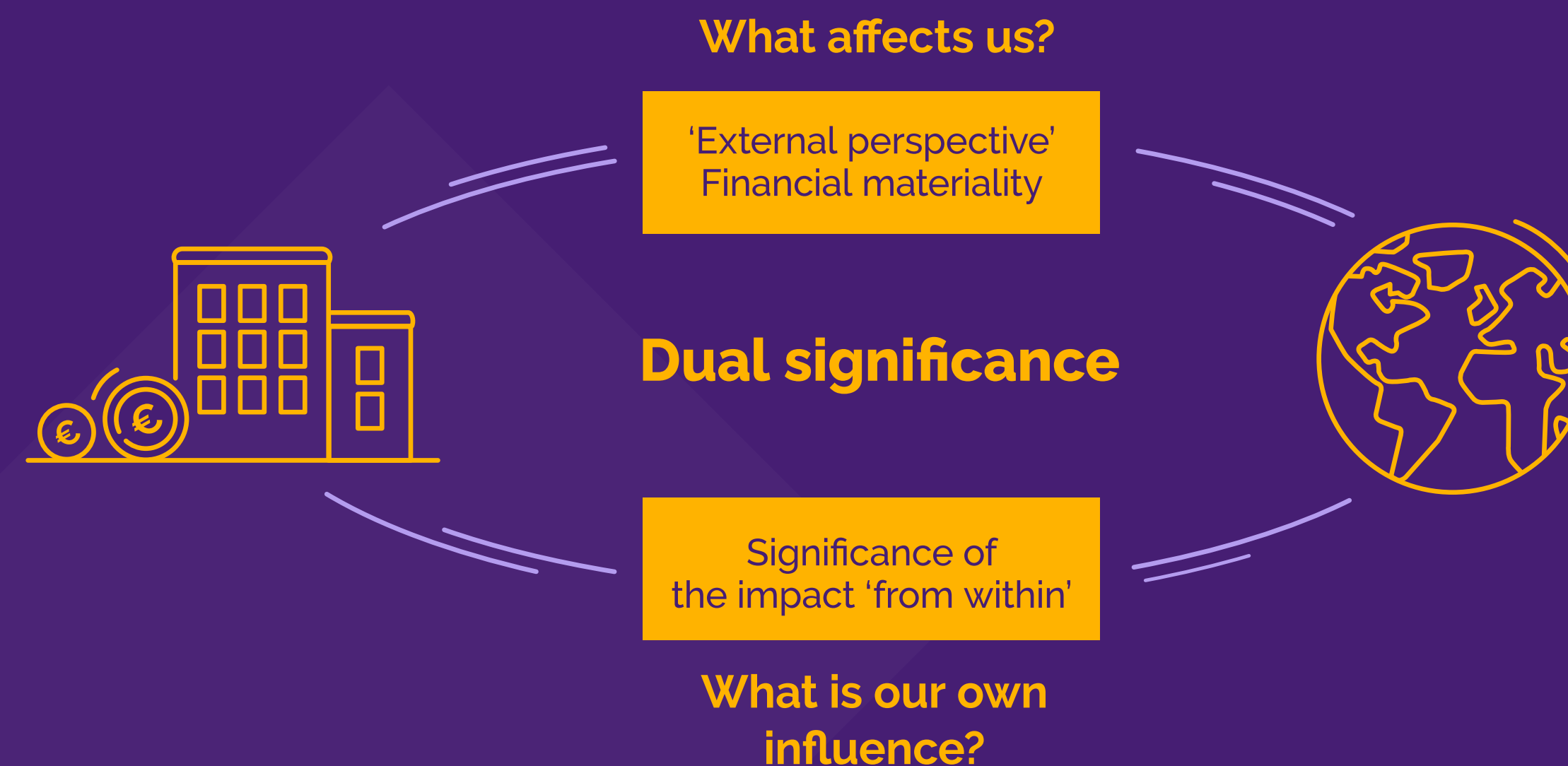
The double materiality analysis has been carried out based on the methodology developed by Sustinere Latvija SIA and Sustinere OÜ (Estonia), which is based on the (EFRAG IG 1: Materiality Assessment Implementation Guidance) standard. More details on the methodology used and the analysis carried out can be found in the *Virši* Sustainability Report 2023.

The double materiality analysis identified as key sub-themes those where the impact and financial materiality were rated as "significant or critical".

With regards to the environmental and climate aspects, climate change mitigation was identified as key, where *Virši*, as a transport energy and power company, plays an important role in mitigating climate impacts by offering alternative energy and fuel products. Similarly, energy as a sub-theme was assessed as important because the environmental impact of energy, as well as its availability and price, are critical to the company's core business. And thirdly, water and soil contamination was assessed as a key environmental and climate issue, as it is essential to mitigate the risk of spills of oil products into the environment, and to ensure the mitigation of their historical impact, given the historic sites that have been taken over.

In the social aspects, the most important sub-themes were the well-being of both the staff and customers. The most important themes for employees were health and safety, adequate pay, social protection and privacy. Occupational health and safety is directly related to working with oil products and customers, which requires specific occupational health and safety measures. On the customer side, customer safety, health and privacy were rated as the most important sub-themes.

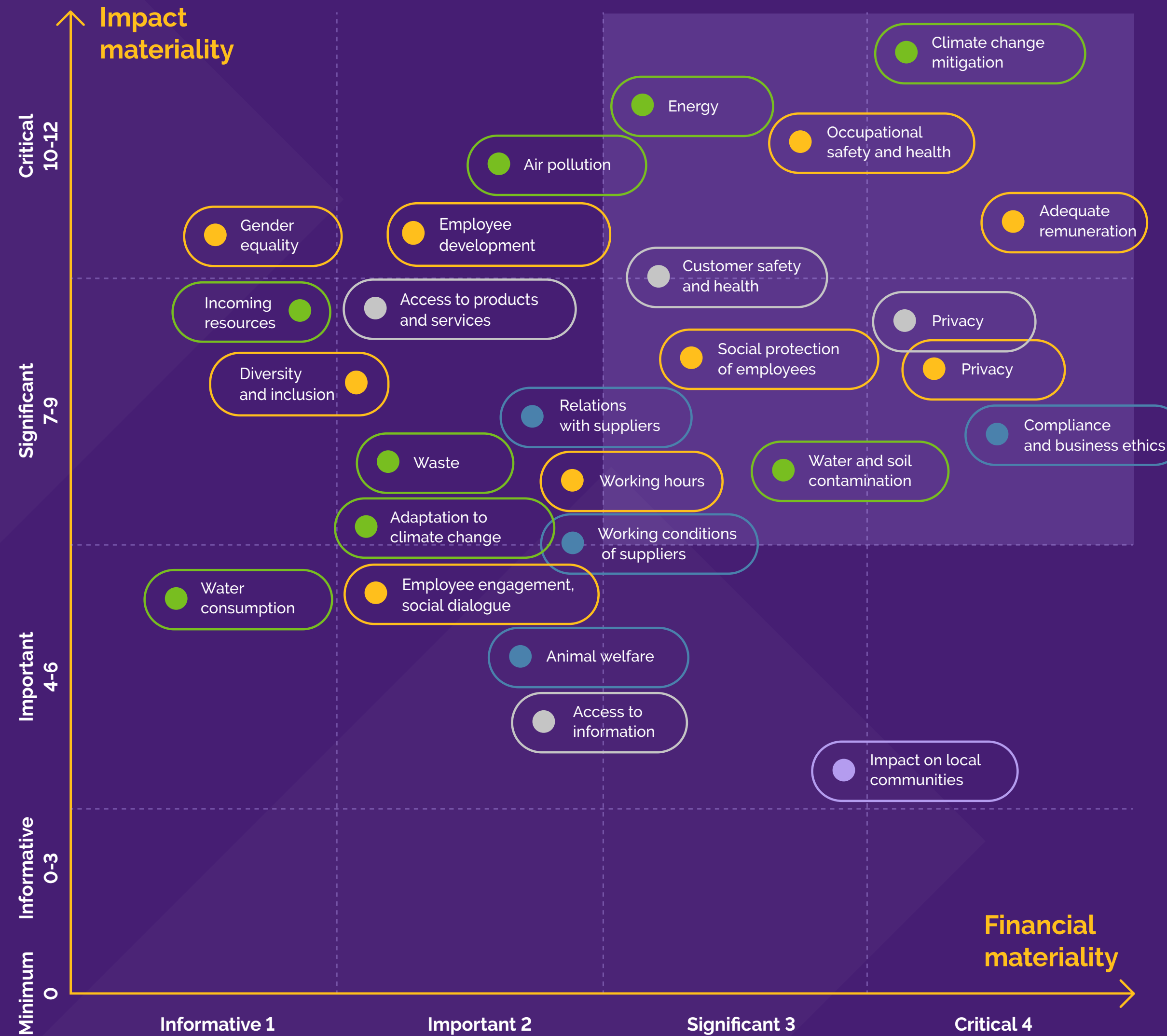
On governance aspects, compliance with business ethics was identified as the most important sub-theme, encompassing corporate culture as well as measures to prevent and detect corruption, political engagement and whistleblower protection.





## Double Materiality

Based on the results of the impact and financial materiality, a double materiality matrix based on the EFRAG guidelines has been developed. It allows to identify the company's priority aspects, but it is also required to develop actions and targets for the less important ones. The double materiality analysis clarifies sustainability reporting standards and highlights key aspects of sustainability for which targets should be set.



- Environmental aspects
- Social aspects: work environment
- Social aspects: community
- Social aspects: customers
- Governance



*E – Creating the future today*

**We think about the environment we are creating for the future, as well as the sustainability of the company and its long-term existence.**



## Climate and environment (E1, E2, E5)

Virši environmental policy is based on the environmental management system standard (ISO 14001:2015) and is linked to quality and energy management systems. The strategy sets environmental objectives: sustainable use of resources, pollution reduction, waste management and continuous improvement in environmental protection.

Fuel stations and fuel supply chains have a significant impact on the climate and the environment. Fossil fuels are still the main source of energy in the transport sector, so it is important to be aware of our responsibility in relation to climate change and to work on solutions that allow us and our customers to reduce emissions.

Virši ensures the highest quality of products and services by using sustainable and energy-efficient technical solutions and environmentally friendly products. This approach not only improves our offer, but also reduces our environmental footprint, contributing to a greener future.

By rationalising the use of natural resources, the company is actively promoting the integration of renewable energy sources and developing the infrastructure for alternative fuels. These measures help reduce dependence on fossil fuels and promote sustainable development.

To ensure effective pollution control, *Virši* is introducing innovative technologies and providing resources to reduce air, soil and water pollution. Our goal is not just to comply with legislation but to exceed it, striving to make a positive impact on the environment.

Moreover, we actively consider the reuse or recycling of materials and packaging, practicing sustainable waste management. This approach reduces waste and promotes resource efficiency.

These measures not only improve our efficiency, but also reinforce our commitment to being a responsible and sustainable company.

*E – Creating the future today*





The double materiality assessment of the Environmental Group standards, as applied to the Virši Group using the ESRS methodology, identified the following:

- ▶ ESRS E1 – climate change
- ▶ ESRS E2 – pollution
- ▶ ESRS E5 – resource use and circular economy

The development of the electric car charging network continued in 2024 with the support of the European Union's Alternative Fuels Infrastructure Facility, and the installation of all the charging stations included in the project was completed on 30 September 2024. Under the project, 28 160 kW ports were installed at 20 Virši stations and the 909A connection was built at 8 sites, which also meets future charging capacity needs. **In July 2024, the most powerful electric car charging station in Riga at the time was opened in Virši Satekle, providing 320 kW of power to charge a 300 km range in just 10 minutes.**





The charging volume of the *Virši* Power charging network in 2024 increased by more than 350% and the distance covered by this volume is equivalent to 3 350 000 kilometres of driving. The network of *Virši* power charging stations uses only renewable electricity produced in Latvia, ensuring that the charging operations have a minimal impact on the environment and emissions.

Renewable electricity produced in Latvia is also used at *Virši* fuel stations and convenience stores. When considering electricity consumption over the entire year, the energy generated by our own stations makes a significant contribution. In 2024, solar panels were installed at seven more *Virši* petrol stations in Latvia and one in Lithuania. A total of 192 kW were newly installed, bringing the total capacity of solar panels on *Virši* sites to 708 kW. **During the year, all solar panel systems together produced 473 374 kWh of renewable electricity, 96% of which was directly used by Virši for self-consumption.** It should be mentioned that the solar panel systems installed in Latvia in 2024 were developed through the ALTUM's business support programme with a 30% capital rebate granted.

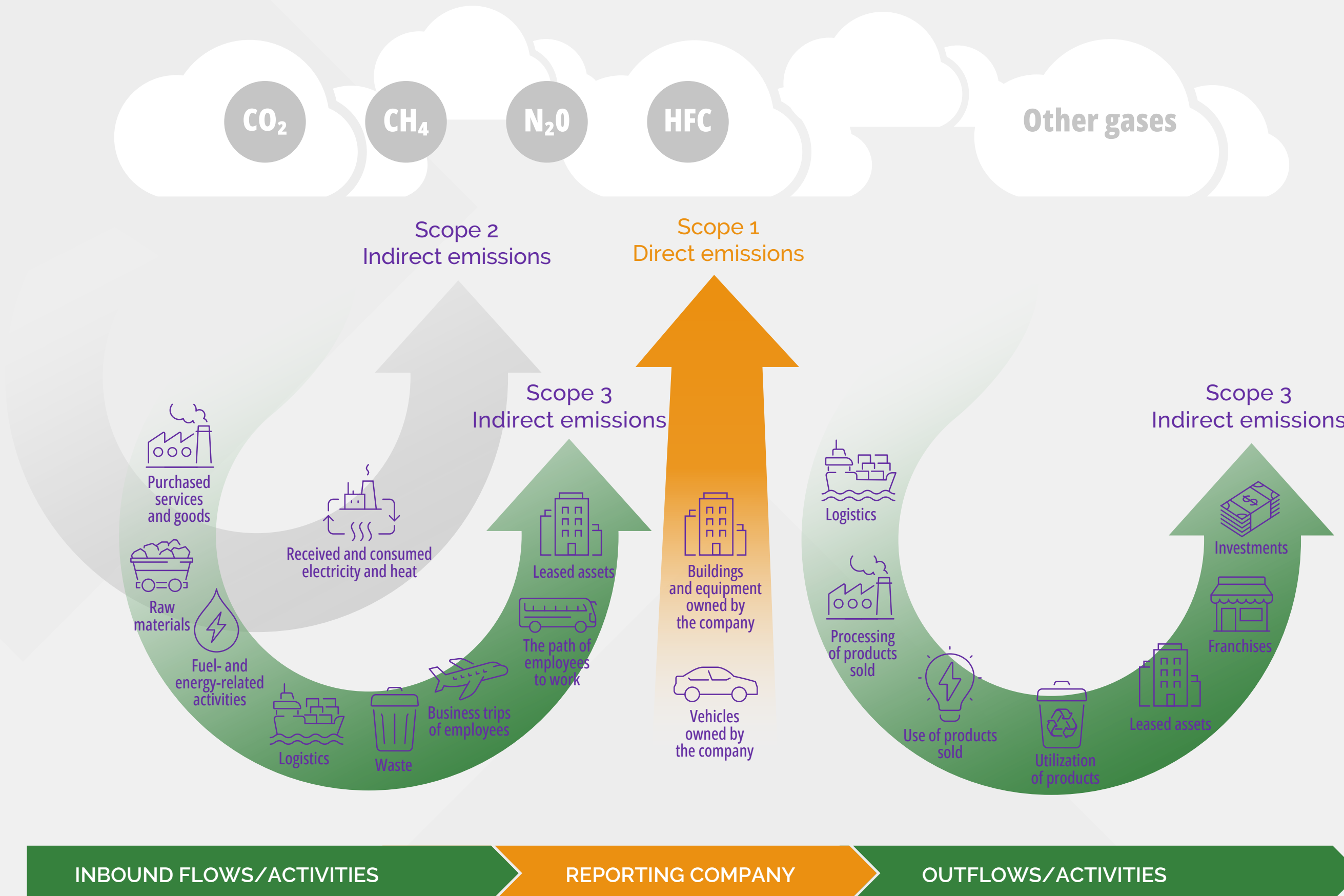
During the reporting period, *Virši* made more detailed calculations of its climate change impacts and developed strategic targets to reduce these impacts. Targets were set to reduce emissions both from direct business activities and from the life cycle of products sold, with a stronger focus on decarbonising the transport sector. Given that work on these strategic objectives was completed at the end of 2024, the target values and indicators achieved will be published in the 2025 Sustainability Report. Climate change mitigation and adaptation policies are included in the *Virši* Quality, Environment and Energy Management Integrated Management System Policy, as well as in the company's risks.





## Greenhouse gas emissions

To assess how the Virši Group's greenhouse gas emissions have changed over the years, they were expressed in tonnes of CO<sub>2</sub> equivalent or tCO<sub>2</sub>e. In order to analyse the GHG emissions dynamics, the 2023 emissions were also calculated following the ISO 14064-1:2018 requirements and in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.



**Scope 1 emissions -**  
direct emissions, or GHG emissions, that are generated, produced and controlled by the company

**Scope 2 emissions -**  
indirect GHG emissions from electricity and heat received and consumed

**Scope 3 emissions -**  
all other indirect emissions in the value chain





The GHG emissions audit involved calculating and analysing both direct and indirect carbon emissions. Direct emissions originate from *Virši* core business activities (Scope 1) and energy consumption (Scope 2), while indirect emissions (Scope 3) stem from aviation, waste, water consumption, and *Virši* most turnover-critical products and activities. This report highlights indirect emissions from the sale of petroleum products, tobacco products, coffee products, and electricity. Overall, Scope 3 reported emissions covering 93 % of total turnover. *Virši* is continuing its work on a more in-depth assessment of Scope 3 emissions, which is expected to be published in future reports.

Basis for calculating Scope 3 emissions	Euro		
	2024	2023	2022
<b>Turnover</b>	<b>380 577 660</b>	<b>343 732 101</b>	<b>375 109 995</b>
Trade in petroleum products	293 272 443	271 214 751	309 075 927
Sale of goods in convenience stores	56 852 072	48 187 582	39 266 075
Energy	27 457 868	20 835 250	24 925 712
Other revenue	2 995 277	3 494 518	1 842 281
<b>Turnover included in the Scope 3 emissions calculation base</b>	<b>352 181 424</b>	<b>320 439 220</b>	<b>357 657 990</b>
<b>Percentage coverage</b>	<b>93%</b>	<b>93%</b>	<b>95%</b>



## E – Creating the future today

Taken together, the Group's total GHG emissions in 2024 were 813 552 tCO<sub>2</sub>e. The increase in Scope 1 emissions is due to the company development, the opening of new points of sale, the growth in the energy business and the increase in the number of customers. Fugitive emissions have increased mainly due to maintenance of older equipment (operating years 2018-2020). From 2025, we will gradually transfer from the refrigerant R404 to R449, which has almost three times lower global warming potential (GWP).

The significant emission reductions in Scope 2 in 2024 are due to the purchase of fully renewable electricity, not only at *Virši* stations, but also at the offices, as evidenced by certificates of origin. Looking at Scope 3, the most significant increase here is also due to the company development and the increase in sales. The calculation methodology has been updated as well and, e.g., the calculation of emissions from coffee trade has been adjusted for 2023 and 2022.

### GHG emissions, tCO<sub>2</sub>e

Coverage	2024	2023	2022
<b>Scope 1, total</b>	<b>2008</b>	<b>1693</b>	<b>1627</b>
Transport	1832	1615	1534
Heating	63	53	58
Diffuse emissions	113	25	35
<b>Scope 2, total</b>	<b>3</b>	<b>19</b>	<b>690</b>
Electricity	0	15	685
District heating	3	4	5
<b>Scope 3, total</b>	<b>811 541</b>	<b>766 936</b>	<b>736 078</b>
Emissions from trade in oil, gas and biofuels	792 704	754 601	728 260
Emissions related to the energy business segment	16 218	7909	3750
Emissions from coffee trade	2529	2234	1935
Emissions from tobacco trade	1568	1438	1385
Emissions from waste management	973	865	830
Water-related emissions	10	9	9
Other emissions	68	67	72



*E – Creating the future today*

Looking at the overall breakdown of emissions by GHG source, it is clear that the main direct emissions come from the company's fleet, with the largest share of emissions related to the logistics of petroleum products. In indirect emissions, or Scope 3, the largest share comes from emissions from the sale of petroleum products, which are collected in accordance with Cabinet Regulation No 597 and reported in the GHG Emissions Report.

GHG emissions intensity can be assessed in a business context if one of the company's business units is also linked to the absolute figures. Also in 2024, the Scope 1 and Scope 2 emissions were compared to the net profit figure excluding the value of the financial instrument. The resulting value is 0.362 kgCO<sub>2</sub>e/EUR. For Scope 3 emissions intensity, the figure for 2024 is 145.935 kgCO<sub>2</sub>e/EUR.

Year	2024	2023	2022
GHG emission intensity in Scope 1 and Scope 2, kgCO <sub>2</sub> e/EUR	0.362	0.237	0.321
Scope 3 GHG emission intensity, kgCO <sub>2</sub> e/EUR	145.935	106.010	101.818



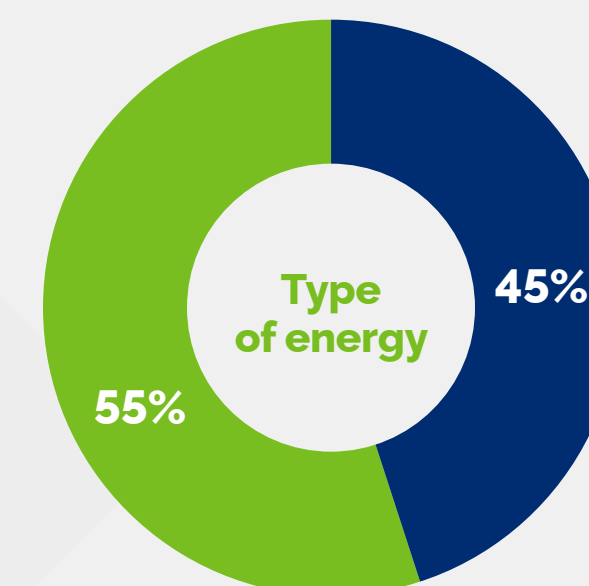


## Energy consumption

The values shown below are electricity consumption from fuel stations (without franchises, without tenants), Aizkraukle office, Avotu oil base and Riga office.

Type of energy	Value	Unit of measurement
Total energy consumption from fossil fuels	8353.34	MWh
Total energy consumption from nuclear sources	No data	MWh
Total energy consumption from renewable energy sources	10 057.17	MWh
Fuel consumption from renewable energy sources	40.32	MWh
Consumption of electricity, heat, steam and cooling from purchased or extracted renewable energy sources	10 016.85	MWh
Consumption of self-generated renewable energy other than fuels	473.37	MWh
Fuel consumption from coal and coal products	0	MWh
Fuel consumption from crude oil and petroleum products	409.64	MWh
Fuel consumption from natural gas	449.55	MWh
Fuel consumption from other fossil energy sources	0	MWh
Purchased district heating energy	35.89	MWh
Consumption of electricity, heat, steam or cold from purchased or extracted fossil energy sources	0	MWh
Non-renewable energy produced	0	MWh
Renewable energy produced	473.37	MWh

Type of energy	Share, %
Percentage of energy consumption from nuclear sources in total energy consumption	No data
Renewable energy as a percentage of total energy consumption	55%
Percentage of fossil energy in total energy consumption	45%
Energy intensity (total energy consumption per net revenue)	3,31 kWh/EUR



- Percentage of fossil energy in total energy consumption
- Renewable energy as a percentage of total energy consumption



## Pollution

Pollution control and mitigation is one of the key elements of the *Virši* environmental management policy. The company's objective is to responsibly manage the environmental impact of fuel trading, reduce pollution, and ensure compliance with Latvian laws, regulations, and the requirements set by the State Environmental Service.

The company has identified the activities, substances and products that have an impact on air, water and environmental pollution.

Environmental aspect	Environmental impact	Type of pollution	Tools and resources to control and reduce pollution
<b>Carriage of fuel</b>	▶ CO <sub>2</sub> emissions	▶ Air pollution	▶ Renewed fleet of logistics vehicles, route planning
	▶ Fuel leaks	▶ Environmental pollution ▶ Soil contamination	▶ Compliance with fuel transport instructions, regular staff training
<b>Refuelling customer vehicles</b>	▶ Emissions of volatile organic compounds (including benzene, toluene)	▶ Air pollution	▶ Regular monitoring of emissions in accordance with the facility's Category B permit and Category C certificates issued by the State Environmental Service (hereinafter – the Permit), use of fuel vapour extraction systems
	▶ Fuel spills or local leaks	▶ Environmental pollution	▶ Available absorbent, use of the most innovative technologies, staff training, regular monitoring of wastewater. Clear action plan, anti-infiltration cover at fuel dump/filling point, daily visual inspection
<b>Methane refuelling in vehicles</b>	▶ Methane emissions	▶ Air pollution	▶ Regular monitoring of emissions in accordance with the Permit issued by the State Environmental Service. Regular staff training
<b>Liquefied petroleum gas refuelling in vehicles</b>	▶ Propane, butane emissions	▶ Air pollution	▶ Regular monitoring of emissions in accordance with the site permit issued by the State Environmental Service. Regular staff training
<b>Shop operations and infrastructure maintenance</b>	▶ Refrigerant leakage	▶ Ozone-depleting air pollution	▶ Regular inspection of equipment, temperature measurement, maintenance, leak tightness testing in accordance with laws and regulations, timely replacement of equipment
	▶ Energy consumption	▶ Air pollution	▶ Energy efficient technologies, LED lighting, renewable energy
	▶ Waste	▶ Environmental pollution	▶ Waste sorting, volume accounting, offering separate waste collection to customers



Pollution control and monitoring are conducted in accordance with the permits issued by the State Environmental Service and the requirements of relevant laws and regulations. In 2024, the company received 45 Category B Permits for polluting activities and 32 Category C certificates for polluting activities. Polluting activity Permits are an important instrument for environmental protection, setting emission limits, regular monitoring of air, groundwater and reporting on the implementation of environmental protection measures.

The most significant environmental impact factor for *Virši* is air emissions of fuel. Air pollutant emissions are in compliance with the pollutant limits set in the Permit. In 2024, none of the 77 natural resource tax sites exceeded the emission limit values for volatile organic compounds (including benzene and toluene), propane, butane and methane.

Safety, storage, and environmental protection requirements specified in the safety data sheets are observed when handling chemical mixtures. The volumes sold are regularly accounted for in accordance with the requirements of laws and regulations.

To reduce exhaust emissions, the latest generation of refuelling equipment equipped with a second stage petrol vapour recovery system, which ensures that petrol vapour is returned to the fuel tank, have been installed at 75 stations.

**Substances emitted to air from emission sources in 2024:**

Name	t/year	Compliance with emission limits in Permits for polluting activities
Volatile organic compounds, incl.	19.4275	Compliant, limits not exceeded
Benzene	0.0503	Compliant, limits not exceeded
Toluene	0.2724	Compliant, limits not exceeded
Kerosene	0.0989	Compliant, limits not exceeded
Petrol	2.4583	Compliant, limits not exceeded
Propane	0.0487	Compliant, limits not exceeded
Butane	0.03254	Compliant, limits not exceeded
Methane	0.0082	Compliant, limits not exceeded

Through a fuel supply chain assessment, the company has identified the stages of fuel supply and use where it can reduce pollution and emissions:

- ▶ The company selects manufacturers and suppliers that demonstrate an environmentally friendly policy for major purchases (fuel supplies);
- ▶ The company rationally plans fuel supply routes and volumes to reduce transport-related emissions;
- ▶ To reduce pollution, the company uses the latest generation of Stage 1 and 2 fuel vapour recovery systems;
- ▶ The company provides an anti-infiltration surface in the working area near the fuel tanks.



Stormwater and groundwater monitoring is carried out in accordance with the timeframes set out in the Permits to control environmental pollution. The monitoring includes control of pollutant concentrations in accordance with the concentration limits set out in Cabinet Regulation No 34 adopted in 2022 “On the Emission of Pollutants into Water”.

Pollutant, parameter	Concentration limit value, mg/l	Compliance
Suspended substances	35	76 sites with no exceedances
Oil product hydrocarbons	Film	76 sites with no exceedances
Total oil hydrocarbons	1000	66 sites with no exceedances 4 historically contaminated sites have exceedances
Benzene	5	66 sites with no exceedances 4 historically contaminated sites have exceedances
Toluene	50	66 sites with no exceedances 4 historically contaminated sites have exceedances
Ethylbenzene	60	66 sites with no exceedances 4 historically contaminated sites have exceedances
Xylenes	60	66 sites with no exceedances 4 historically contaminated sites have exceedances
BTEX, total	None	66 sites with no exceedances 4 historically contaminated sites have exceedances

There are four fuel stations in the *Virši* network with historical oil pollution, where the concentration limits for pollutants are exceeded. In accordance with Category B permits and the Law on Pollution, a remediation programme has been developed to address oil contamination in soil and groundwater at the sites. The aim is to clean and remediate the site to a level where human health or the environment is no longer at risk, allowing the site to be used for specified economic activities.

In 2024, in the context of sustainability, a decision was taken to reconstruct the fuel tank at one station. This decision was taken after a careful assessment of the technical condition of the reservoir and anticipation of possible future problems that could pose risks to the environment. This is one of the proofs of the long-term integration of environmental protection into the company's business strategy.

To mitigate the negative impact of incidents on the environment, appropriate documents and regular trainings are in place. Environmental management is coordinated by the Board and implemented by the Quality, Sustainability and Environment Department, which monitors, maintains the management system, reports and ensures regulatory compliance. The necessary resources are available for environmental management.

In the context of the European Union's Zero Pollution Action Plan, *Virši* is improving its wastewater treatment infrastructure, monitoring the environment and reducing emissions to the atmosphere through innovative technologies.

The following targeted environmental protection activities are planned for 2025:

- ▶ Reconstruction of the sewerage system on two sites;
- ▶ Reconstruction of the fuel tank;
- ▶ Reinforcing the cladding of the fuel tanks and improving the flooring in the excise warehouse;
- ▶ Laying anti-infiltration pavements at one site.



## Resource use and circular economy

Based on the materiality assessment, the company is currently focused on the resource use aspects related to outputs and waste. On the other hand, the management of incoming resources, including increasing the share of secondary resource use and moving away from primary resources, are currently considered less important. The core business of *Virši* is fuel and goods retail, so embracing circular economy principles is key to achieving the company's sustainability goals. This not only reduces waste and over-consumption, but also brings financial benefits to both the company and our customers.

We have assessed the life cycle impact of our key products and services, with *Virši* coffee as one example. For this product, which is also important for our customers, we have identified the life cycle from growing coffee, delivering it to Latvia and roasting using the latest technology. Due to the high volumes of coffee delivered to *Virši* gas stations, we have replaced standard (LDPE, PP) disposable packaging with refillable coffee containers. We choose sustainable and recyclable packaging for our coffee cups. We recover energy efficiently by recycling the

coffee grounds in biogas digesters. Also in 2024, we started working with Alternative Plants, a cosmetic raw material company, to extract high-quality, skin-friendly chemical elements from coffee grounds. Presently, the new cosmetic-grade material is intended to serve as a stimulating ingredient in facial, body and hair care anti-fatigue cosmetic products with rejuvenating and protective benefits.

To reduce waste, we offer a 25% discount to customers who choose to buy their coffee in their own takeaway cups, and the number of customers who choose to buy coffee in their own cup has increased by 52% compared to 2023. Likewise, in 2024, we continued to offer customers the option of buying their coffee in edible cups which can be consumed after drinking.

For other key products, the use of more circular materials is also being assessed in order to reduce the use of primary raw materials and to promote the use of renewable resources. Examples include the option of sorting waste at gas stations and alternative packaging for *Virši* products.







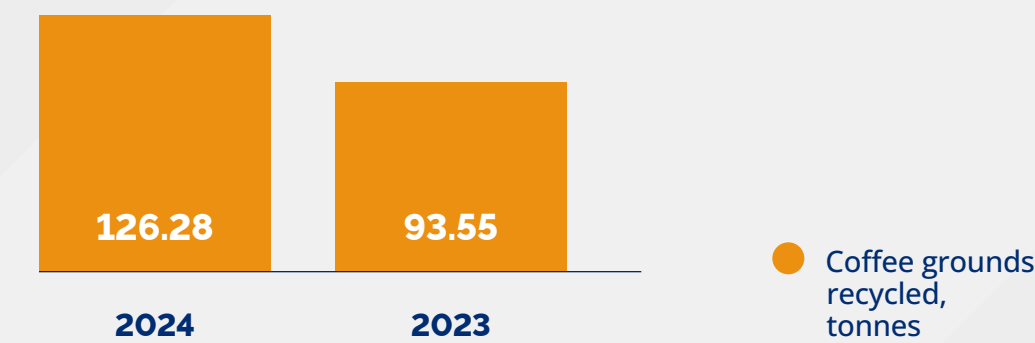
## Waste

Sustainable waste management is one of the key elements of environmental management for us, in *Virši*. As the number of customers grows, so does the volume of waste every year. Waste management is carried out in accordance with the Waste Management Law and the regulatory enactments of the binding municipal regulations.

Waste is sorted out by staff and segregated waste bins are available for customers in the station area, allowing them to take part in waste sorting. Employees are obliged to separate recyclable packaging (paper, plastic, glass) and to handle hazardous waste (used absorbent and batteries) responsibly. Waste sorting is closely linked to reducing emissions.



From 2023, coffee grounds are being purposefully collected and transferred to recycling for biogas production to reduce overall waste and promote sustainable use of resources. This process not only reduces organic waste going to landfill, but also contributes to the production of renewable energy.



In a further move towards sustainable solutions and waste reduction, paper hand towels have been replaced by electric hand dryers in customer toilets. In 2024, this initiative was implemented in 8 stations, reducing waste and improving user-friendliness. This initiative will be continued in 2025.

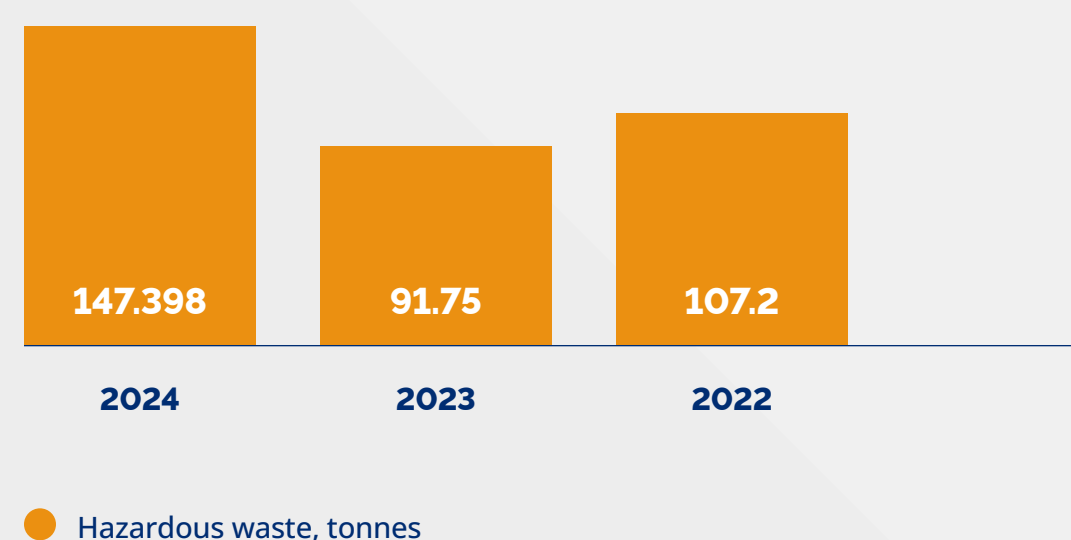
As part of a proactive approach to promote sustainability, employees are regularly trained and informed on effective waste management practices, emphasising the importance of saving resources, recycling and being environmentally friendly.



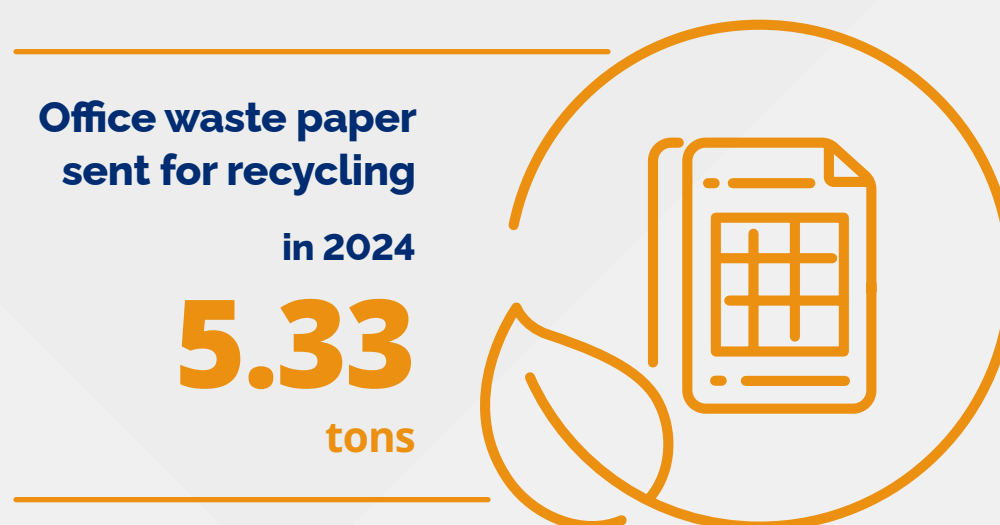


In Latvia, hazardous waste management is a key issue in the context of environmental protection and public health. Hazardous waste is material that can pose risks to human health or the environment, so proper management of such waste is crucial.

Hazardous waste is generated at gas stations as part of the fuel product quality assurance process – regular cleaning of fuel tanks and preventive cleaning of storm water treatment plants. The volume of hazardous waste is affected by the volume of prevention work. Hazardous waste – used absorbent – is generated during the collection of fuel spills at refuelling stations.



Office waste paper is recycled to promote the circular economy and resource conservation. Recycling paper reduces the need for new raw materials, helps reduce waste and cuts carbon dioxide emissions.



In 2024, the largest amount of hazardous waste (120.01 tonnes) was generated by remediation of petroleum contamination at historically contaminated sites and preventive cleaning of storm water treatment plants to ensure effective wastewater treatment.

Class	Name	Volume, tonnes	Origin
130507	Oily water from oil and water separator plants	120,01	remediation works, cleaning of storm water treatment plants
150202	Absorbents, filter materials (including oil filters n.e.c.)	2,26	collection of fuel spills
160708	Waste containing petroleum products	25,04	cleaning fuel tanks
161001	Aqueous liquid wastes containing dangerous substances	0,09	Cleaning the windscreen fluid reservoir

Hazardous waste is separated and temporarily stored in specially marked containers at gas stations. Waste is transferred to duly licensed companies in accordance with the regulatory framework.

**Textile sorting and management is an essential part of environmental protection and sustainable development, so in 2024, textile sorting containers were available at 16 Virši gas stations under cooperation agreements to promote textile recycling in Latvia. Sorting textiles promotes a sustainable relationship between consumption and resource conservation. Recycling helps to reduce the manufacturing of new products, thus reducing carbon emissions and environmental impacts. Four more textile sorting containers are planned to be installed in 2025.**



*S – Human-to-human*

**We work with human  
attitude towards each  
other and our customers.**



## Employee well-being and consumers (S1, S4)

### Our staff

Virši is one of the largest and well-known employers in Latvia and, in line with the company's strategic goals, we aim to be a TOP10 employer in Latvia by 2026. The company has a united workforce of employees of different generations and educational levels, and we do not tolerate any discrimination on the grounds of a person's race, colour, sex, age, disability, religious or political beliefs, national

or social origin, sexual orientation, marital status, pregnancy, presence or absence of children, religious affiliation, etc. We believe that creating an inclusive work environment facilitating employee growth and professional fulfilment in a dynamic working environment is essential to achieving the company's strategic goals.

*S – Human-to-human*





Our HR policy aims to attract the best talent available to contribute to a responsible and sustainable development of the company and is characterised by the following key principles:

- ▶ **PROFESSIONALITY** – knowledgeable, appropriately qualified employees in every position to ensure quality and to facilitate the fastest possible achievement of the company's objectives;
- ▶ **FAIRNESS** – to be open and fair to protect staff from unjustified or incomprehensible decisions, creating equal opportunities in work, career growth, remuneration, setting bonuses and other material incentives;
- ▶ **RESPONSIBILITY** towards the customer, which depends directly on each employee's responsibility for themselves, the quality of their work, their colleagues and the company as a whole;
- ▶ **DEVELOPMENT** – provides employees, regardless of age, gender and other differences, with training and development opportunities that enhance their professionalism, loyalty and creativity, as well as equal career opportunities for each employee, in accordance with the employee's entrepreneurial spirit, initiative and ambition;
- ▶ **COOPERATION** – promotes mutual understanding and the exchange of information relevant to the company among all employees, regardless of their hierarchical level within the company, providing a sense of belonging to the company, facilitating the understanding of decisions and ensuring their full implementation;
- ▶ **PROTECTION** – declaring that the company shows concern for the health of employees, providing a proper working environment that promotes employee loyalty to the company;
- ▶ **ASSESSMENT** – recognition, support and awards from the company as a sign of the employee's importance, increasing the employee's motivation, facilitating the employee's satisfaction and improving performance;
- ▶ **OBSERVATION OF TRADITIONS** – traditions set at the company are respected, strengthening employees' sense of belonging and increasing self-motivation.





## Staff diversity indicators

### Total number of staff, including by gender\*

Gender	2024		2023	
	Number of employees	%	Number of employees	%
Male	157	17	129	16
Female	759	83	660	84
Other	N/A**	N/A	N/A**	N/A
No details provided	0	0	0	0
<b>Total number of employees</b>	<b>916</b>	<b>100%</b>	<b>789</b>	<b>100%</b>
<b>Average number of employees</b>	<b>853***</b>		<b>756</b>	

\* All data on staff numbers, proportions given are as of 31.12.2024, including staff on parental or maternity leave, excluding trainees and freelancers

\*\*Not applicable

\*\*\* Average number of employees is calculated using the methodology – number of employees (01.01.2024 + 31.12.2024)/2

The proportion of women in our workforce is high – in 2024, 83% of employees were women and 17% were men, confirming the findings of several studies that female-dominated jobs are common in the retail sector.

### Number of employees by country of employment

Country	Number of employees	%
Latvia	906	98.91
Lithuania*	10	1.09

\* As part of strategic planning for the expansion of the service station network in Lithuania, a new Lithuanian subsidiary UAB Virši Lietuva was established on 23 January 2024.

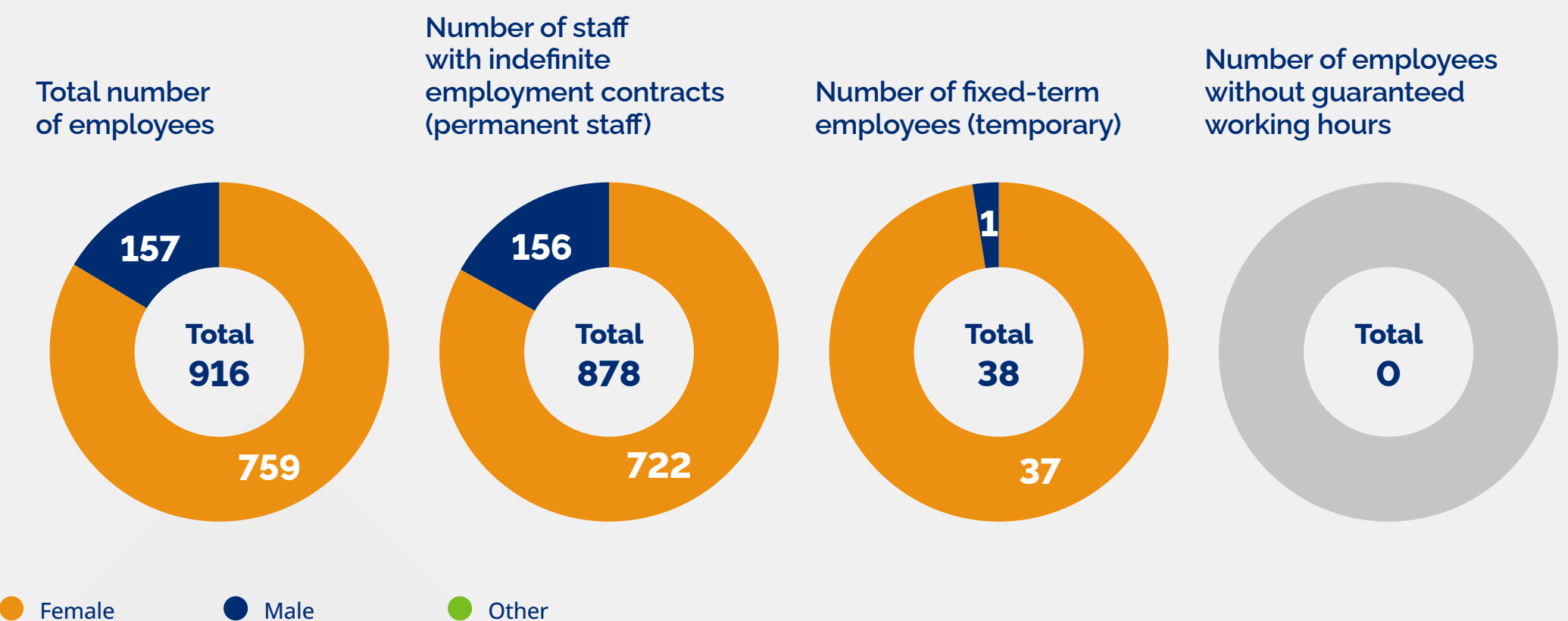
### Number of employees by region in Latvia Country

Region	Number of employees	%
Riga	277	30,57
Riga Region*	77	8,50
Other regions in Latvia	552	60,93

\*Ādaži, Babīte, Baloži, Jugla, Mārupe, Bergi

**Virši is one of the largest employers and provides job opportunities for Latvian residents in Latvian regions, i.e. 60.26% of our employees are employed in Latvian regions (outside Riga and Riga Region).**

### Number of employees by type of employment, including by gender Reference year – 2024



Most employment contracts are for an indefinite term and full-time. Whereas, 38 staff members, or 4.15% of the total number of staff, had fixed-term contracts and 2 staff members had part-time contracts in 2024. Accordingly, 6 persons (freelancers) were employed on the basis of an Internship Contract and a Service Contract during the reporting period.



# S – Human-to-human

## Staff turnover

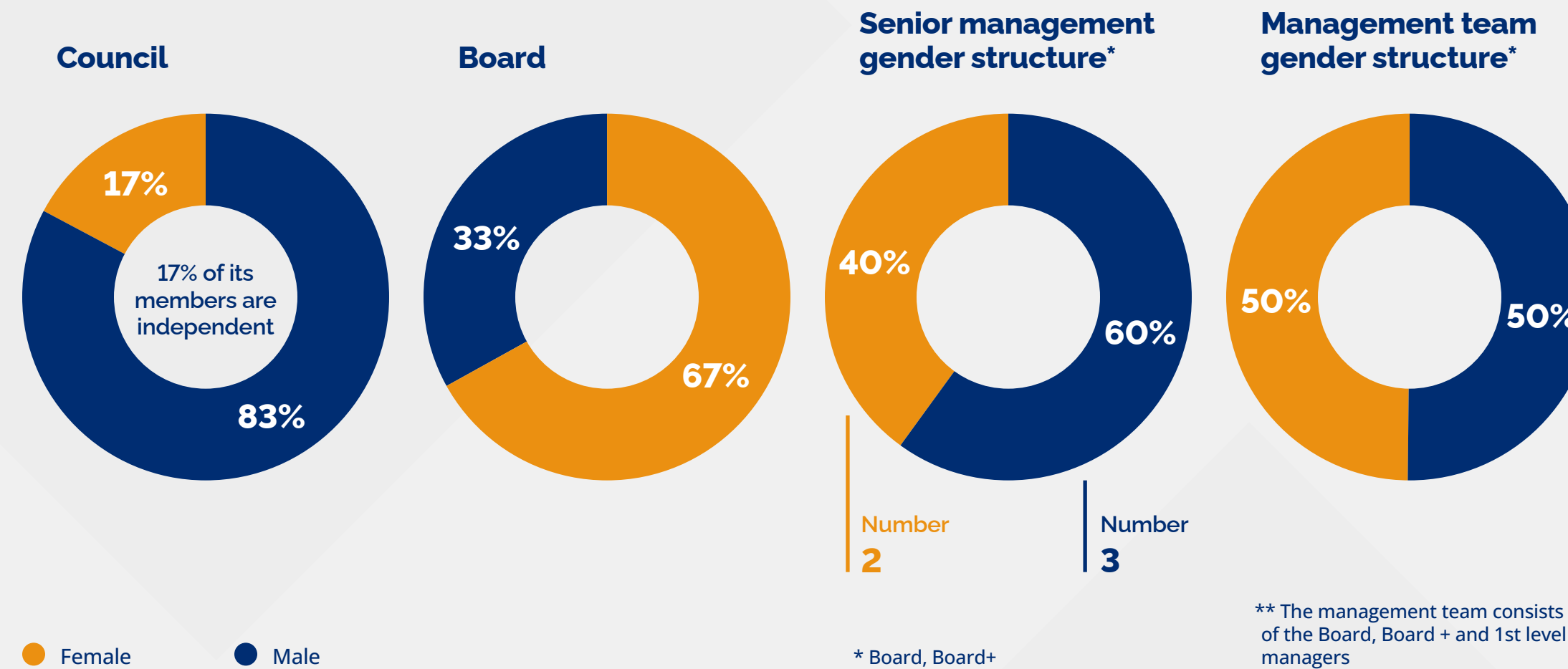
Number of redundancies **421**



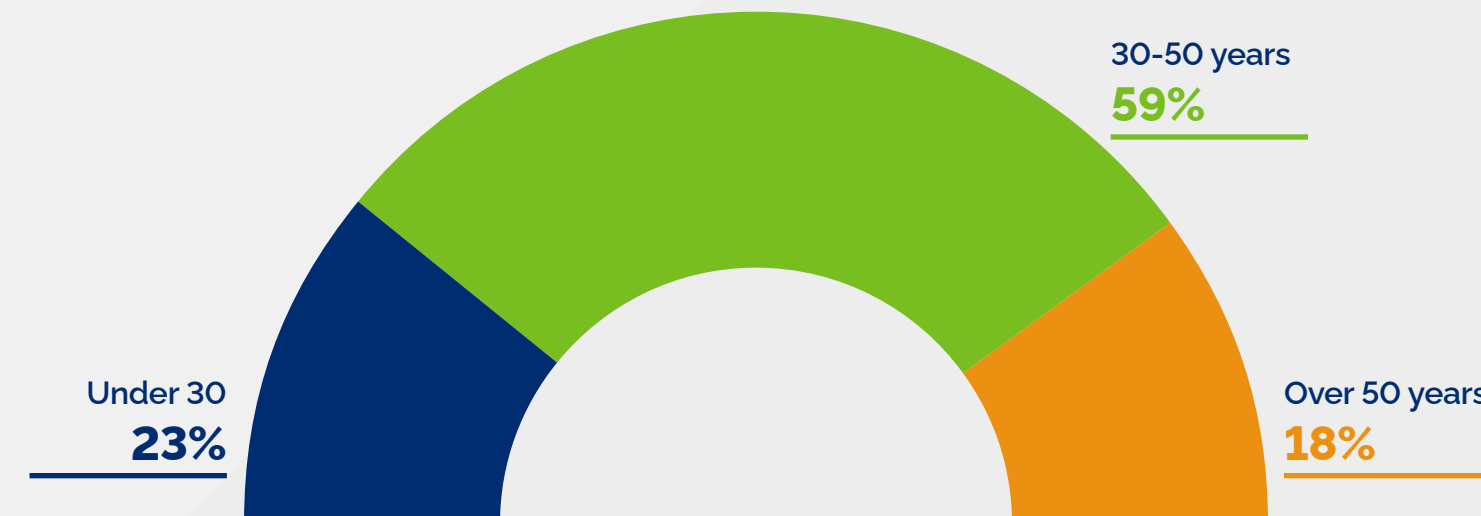
\* Number of redundancies vs average number of employees  
 \*\*The staff member did not commence employment on the first working day

High staff turnover is typical of the retail sector, and one of the objectives of the Human Resources Department is to reduce staff turnover each year through various tools, especially in the gas station network. We continue to work on creating a positive employee experience, for example by reviewing the employee benefits basket on a regular basis, measuring employee job satisfaction and engagement, calculating the eNPS (*employee Net Promoter Score*), etc.

## Diversity

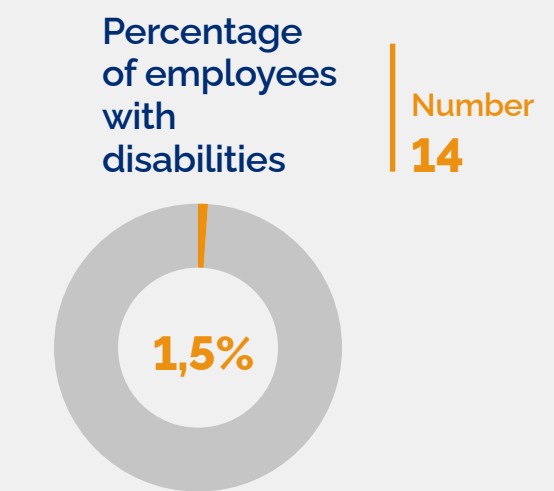


## Age structure of employees



## Persons with disabilities

Virši also actively promotes the employment of different groups of people, including people with disabilities. We create an inclusive work environment by offering opportunities for people with disabilities to work in different areas of the company.



\* According to the information available in the Electronic Declaration System of the State Revenue Service, disclosed by employees voluntarily in order to be eligible for statutory benefits



## Employee involvement, social dialogue and internal communication

Virši employees are neither unionised, nor have they entered into a collective bargaining agreement, however, the company is working hard on a daily basis to ensure that, in addition to their statutory rights, employees have access to additional benefits enhancing their job security, growth, and well-being.

Virši engages its employees in decision-making through employee surveys and motivates employees to get engaged in recruiting new employees via bonuses in the Group's benefits basket. *Virši* conducts a semi-annual employee survey (in winter and summer) to get feedback on how employees rate working at *Virši*, how they feel and to what extent they would recommend *Virši* as an employer to others. After each employee survey, an eNPS (*employee Net Promoter Score*) is calculated with the potential score range from minus 100 to plus 100. If the eNPS score is between +10 and +35, the organisation has more ambassadors and employees who are happy with their employment, and it is a positive indicator of employee loyalty. The eNPS and engagement rate of the summer staff survey

is used as a target indicator, as we have assessed that it most accurately describes staff loyalty and satisfaction. We also encouraged each and every employee to express their thoughts and feelings about working in *Virši*, thus gaining a better understanding of the areas of improvement.

In 2024, 60.86% of employees took part in the survey, which is a very good indicator not only in terms of representativeness of the survey results, but also of the active engagement of employees in the company processes, with eNPS of +39.7 respectively achieved in the reporting period, suggesting that more employees in the organisation are satisfied with their employment. The results of the survey for the reporting period demonstrate both higher engagement compared to 2023 and higher levels of staff loyalty and job satisfaction, reflecting the results of dedicated work. As before, Managers continue to target and analyse survey results, provide feedback to staff and work jointly with their teams to improve the results.







Effective and purposeful internal communication is an integral part of *Virši* internal culture, promoting employee awareness, engagement and a sense of belonging. The company's main internal communication channels are email and the company's intranet (news page), where employees are regularly informed about the company news, changes, networking events, training opportunities and special offers.

At the end of the year, the company introduced the "Free Microphone" anonymous feedback platform, which gives employees the freedom to express their thoughts, concerns or ask questions that might otherwise be more difficult to discuss directly. In November and December 2024, the company received 14 different messages, to which, by involving colleagues, replies were provided and appropriate solutions found.

Continuing the initiatives launched in previous years, in 2024, *Virši* implemented an internal communication activity called "Bank of Ideas". The aim of this platform is to give employees the opportunity to share new, innovative or practical ideas that can improve their daily working environment, customer experience, product development and other company processes. Ideas are submitted to a dedicated website and carefully assessed for their potential, benefit to the company, resources needed and relevance. After the evaluation, the idea's author receives feedback on the management decision and possible implementation. Every three or six months, the best ideas implemented are summarised and evaluated. In total, in 2024, the company received 51 ideas submitted by employees.

## S – Human-to-human





To promote employee engagement, the Sustainability Working Group continued to operate in *Virši* in 2024, with more than 25 *Virši* colleagues who were ready to tackle a variety of sustainability issues in addition to their direct responsibilities.

The Sustainability Working Group meets on a regular basis, both in person and remotely, as well as visits other companies to exchange experiences on sustainability issues. The Sustainability Working Group discusses and debates, among other things, proposals to improve employee well-being. The following topics were actively pursued:

- ▶ Life-cycle assessment of products and mitigation of their impact;
- ▶ Assessment of the sustainability of cooperation partners;
- ▶ *Virši* in-house classifieds portal for extending the life cycle of goods;
- ▶ Internal incentive scheme for staff to promote sustainability;
- ▶ Communicating sustainable lifestyles to colleagues and customers;
- ▶ Waste sorting and reduction at gas stations and offices in *Virši*;

- ▶ Sustainable car-pooling in the company
- ▶ *Virši* Sustainability strategy, target setting and performance indicators;
- ▶ etc.

During the reporting period, to inspire for creating a sustainable environment and future for our planet and inform each other, we launched a new initiative "Green Stories". This platform is where we publish stories, ideas and proposals from our employees about sustainable living, share our experiences, and focus on our daily actions and habits that contribute to a sustainable everyday life. We believe and hope that this exchange of information supports the transition to a greener everyday life!





## Employee welfare

Virši cares for the well-being of employees by providing HRM practices in all 3 areas of well-being – financial, physical, and emotional. The well-being of staff has a direct impact on employee productivity, reduction of staff turnover and costs, thus contributing to employer's competitiveness. To maintain our position, we work on all the different aspects that make up a good working environment. In 2023, following the dynamic situation of the economy and labour market in the retail sector, the Group set as one of its priorities to increase well-being of the staff by improving the employer's offer to employees. We actively continued to develop this commitment in 2024.

### Financial well-being – remuneration and benefits

The Group has the Employee Remuneration Policy which sets out the principles of remuneration: the remuneration system consists of a pay system, a performance system, a benefits system, a training system, and a procedure for employees to receive awards for special merit, high performance and reflecting the company's values in their daily work.

### Pay scheme

In the Group companies, salary is not gender-based. All staff have equal and clearly defined opportunities. *Virši* respects the principles of fairness and competitiveness in setting staff remuneration and variable share of pay. Every year, *Virši* participates in a salary survey to track changes in the labour market using data-driven information. The remuneration study is carried out by the service provider engaged by *Virši*. In addition to salary survey, the HR department monitors the changes in remuneration of the commercial sector employees on job advertisement portals on a monthly basis.

#### Adequate wages

Proportion of employees paid an adequate wage according to the minimum wage criteria, %*	100
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\* Employees receive the national minimum wage.

#### Remuneration indicators

Gender pay gap, %*	37,50
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Ratio of total annual remuneration of the highest paid employee in relation to the median of total annual remuneration of all employees, %**	15,78
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\* Calculated applying the methodology specified in S1-16 (AR98)

\*\* Calculated applying the methodology specified in S1-16 (AR101)

The retail sector, i.e. the gas station network, where the majority of our employees work, has predominantly female staff, thus creating a pay gap of 37.50% compared to male employees.



## Performance management

The performance management implemented at Virši is a systematic approach to tracking employee performance and development, as it has a direct impact on business results. The annual performance assessment process helps us to provide a structured way of assessing staff performance and defining development needs. The performance process is ongoing throughout the year and consists of several steps, including but not limited to setting individual goals and work tasks, regular communication and feedback, in which employees receive constructive feedback and evaluation of their performance, drafting a development plan, etc. Individual objectives create a link between the company's goals and results and the employee's goals and results.

The purpose of performance management:

- ▶ contribute to the achievement of the goals of the Company and its business units;
- ▶ create a coherent link between the individual goals, actions and development of the Company, its business units and employees;
- ▶ encourage employee behaviour that is based on the Company's values;
- ▶ promote the professional development of staff;
- ▶ to foster cooperation between employees and managers based on open communication and joint action to achieve the company's goals;
- ▶ identify employees with high and low potential/performance.

At the end of the year, a 360 and 180 degree feedback to managers is also arranged based on leadership competences developed by the company. As a result, the manager receives a multifaceted feedback, with the opportunity to compare their self-assessment with others' perspectives, as well as growth potential in ensured, helping the manager to better capitalise their strengths and areas for improvement.

<b>Number of employees participating in regular performance improvement and career development assessments</b> (360 and 180 degree assessments)	<b>97</b>
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Male	15
Female	82

<b>Percentage of employees participating in regular performance improvement and career development assessments*</b>	
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Male, %	9,55
Female, %	10,80

<b>Number of assessments in proportion to management assessments</b>	
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Male, %	100
Female, %	100

\* The denominator uses the headcount figure from ESRS S1-6 disclosure requirement



## Benefits scheme

The *Virši* Benefits Scheme offers its employees a comprehensive basket of benefits – regular discounts on *Virši* products, insurance, additional holidays and other benefits. **In 2024, we continued to care after our employees by supplementing the *Virši* Employee Benefits Basket three times.** From 1 June, *Virši* employees can receive a 100% discount on electricity service charges if they have a *Virši* electricity contract in their name, as well as a bonus for each new electricity contract signed, and at the end of the year we are adding a discount on electric car charging to our basket of employee benefits, demonstrating our shared commitment to environmentally friendly solutions.

<p><b>Additional assessment and benefits</b></p>	 <p><b>'Virši' discount card</b> for you and your relative to receive special discounts in the store and for fuel and electric charging</p>	 <p><b>Gifts</b> on anniversaries</p>	 <p><b>Team building</b> budget</p>	 <p><b>Events</b> for employees (seasonal, thematic, competitions, 'Virši' birthday)</p>	 <p><b>Gift</b> for 10 years and 20 years of service</p>	 <p><b>Awards:</b> Employee of the Year, Manager of the Year, Debut of the Year, Best Project Team, Sustainability Initiative 'Creating the Future Today'</p>	 <p><b>'Bring a friend'</b> bonus</p>	 <p><b>Bonus</b> for a new electricity contract</p>	 <p><b>3 best fuel station teams travel</b>, if perform according to the plan</p>	 <p><b>100% discount on the monthly service fee</b> for 'Virši' electricity</p>
<p><b>Growth and development opportunities</b></p>	 <p><b>Study at Virši Academy</b></p>	 <p><b>Paid training and professional development opportunities</b></p>	 <p><b>Career development opportunities</b></p>	 <p><b>Paid study days</b> (for writing a bachelor's, master's or doctoral thesis) available</p>	<p><b>Paid additional holidays</b></p>	 <p>1 September as a holiday for parents (grades 1-4)</p>				
<p><b>Care for health, work environment and wellbeing</b></p>	 <p><b>Health insurance</b>, including rehabilitation, prescription drugs, and <b>accident insurance</b> after 1 month at the company</p>	 <p><b>Paid spectacles</b> under OVP once every two years</p>	 <p><b>Ergonomic working environment</b>, advanced equipment</p>	 <p><b>Employee surveys, an idea bank, sustainability workgroups</b></p>	 <p><b>Health month</b></p>	 <p>1 child under 14 <b>+ 1 day</b></p>	<p>2 children under 14 <b>+ 2 days</b></p>	<p>3 or more children under 16 or a disabled child younger than 18 <b>+ 3 days</b></p>		
<p><b>Support for family life</b></p>	 <p>Possibility to buy a <b>health insurance for a family member</b> for a more favourable price (once a year at the beginning of the insurance period)</p>	 <p><b>Gift</b> to first-graders</p>	 <p><b>Gifts</b> to employee children at Christmas (until 14 y.o.)</p>	 <p><b>Allowance</b> for the birth of a child</p>	 <p>Upon death of a close family member <b>+ 2 days</b></p>					



## Training scheme

The company provides opportunities for professional growth and staff development in accordance with the Training Regulations. We understand the career development as the experience one gains throughout one's working life, not as a linear process with vertical progression or a "career ladder". A career is defined as the ability to continuously learn new skills and adapt to changing labour market trends. This approach contributes not only to personal development, but also to the overall competitiveness of the company, as employees are motivated to develop themselves.

Each year, training is planned and offered to employees in accordance with the company's objectives, priorities and needs, the budget allocated and where training is needed to acquire or maintain professional qualifications. *Virši* cares about the development of its staff and supports their initiative to learn new skills. The Company's training system ensures the development and improvement of employees' professional skills and abilities to ensure the provision of high quality services and customer service, to continuously improve work efficiency and motivate employees to achieve the business objectives set out in the Company's development strategy. Employee training is organised through both internal and external trainings.

### Internal training

At *Virši*, internal training means training organised by the *Virši* Academy and related to the systems and processes used by the Company. Internal training is conducted by the Head of the *Virši* Academy or by the Company's employees – specialists in the field (internal trainers).

The mission of the *Virši* Academy is to provide long-term, meaningful support for the growth and development of employees in order to facilitate the alignment of staff competencies with company and market requirements, to enhance performance and promote a positive customer experience.

Internal training also includes mandatory training, i.e. specific mandatory training required by law or regulation, taking into account the specific nature, hazards or responsibilities of a particular area. The *Virši* Academy had *Virši* employees as in-house instructors delivering training programme(s) with the aim of supporting staff in developing their competences in a specific area and willing to teach on customer service, sales, and other relevant topics. Instructors were provided with professional support and growth opportunities, as well as other inspiring benefits.





## S – Human-to-human

Through the *Virši Academy*, we provide comprehensive training and development opportunities for all gas station network and office staff with a primary focus on training for gas station network staff on topics such as:

- ▶ product knowledge;
- ▶ customer service and sales skills;
- ▶ gas station safety and maintenance;
- ▶ comprehensive training modules for gas station managers;
- ▶ food chain.

In addition to training for gas station managers, we also offer training in staff situation analysis and solutions.

Continuing to develop the *Virši Academy*, in 2024, in addition to the training room in Riga (Pērnavas gas station conference hall), which was created and refurbished in 2023, we opened a new classroom in Aizkraukle, which is ideal for both training and events. The training area is designed to create an environment where colleagues can grow professionally, share ideas and inspire each other. Our doers appreciate the opportunity to meet face-to-face for training and stress that this type of training provides much more value than remote meetings.

During the reporting period, we continued to implement the new tradition introduced at *Virši* in 2023 – a training day for new colleagues "Get to know *Virši*", where we tell new employees, regardless of their position or job specifics, about *Virši's* history, image, career opportunities, company growth plans, business directions and what every *Virši* employee needs to know about our petrol stations. The day is spent in a great atmosphere and helps new colleagues to get to know the company and better understand its operations. The fifth such event took place in October 2024.

In 2024, we also held the first Meet *Virši* training day for our franchises. At the event, franchisees and employees were introduced to the company's news, goals and business lines.

The *Virši Academy* also oversees the provision and implementation of specific training programmes – mentoring programmes – within the Company. The programme provides specific training for mentors, as well as further mentoring -getting to know the new petrol station employee, providing support and exchanging routine experience to prepare them for fulfilling their duties independently. In 2024, the mentoring programme development was one of the priorities of the *Virši Academy*, which included the organisation of sub-processes important for the implementation of this training programme,

such as the selection of mentors, internal training for mentors "Train the trainer", arrangement of training materials, creation of a training checklist, introduction of a new training model, review and structuring of mentor allowances, etc.

### External training

By external training, we at *Virši* mean training whose content is offered and delivered by Latvian and foreign training companies. External training can be provided to a single employee or to a group of employees. External training also includes mandatory training, i.e. specific mandatory training required by law or regulation, taking into account the specific nature, hazards or responsibilities of a particular area.

In May 2024, we launched a partnership with open.lv, Latvia's leading online learning platform, to provide employees with high-quality online training on a range of topics related to human development and the working environment.

During the reporting period, employees were provided with a wide range of external training in accordance with the training plan and, among other things, we paid particular attention to training employees in artificial intelligence (AI), with several Company employees undergoing the "AI Tools for

Productivity" training programme, and petrol station managers undergoing the "Efficient Time, Work and Energy Management" training programme. Several mandatory (external) training courses were also organised in line with the Company's specific work.

### Training and skills development indicators

#### Percentage of staff receiving training

male	91
female	506

#### Percentage of staff receiving training\*

male, %	57,96
female, %	66,66

#### Average hours of training per employee, h\*

male, h	4,47
female, h	5,30

\* and \*\* The denominator uses the headcount figure from the ESRS S1-6 disclosure requirement



## Awards

To recognise the significant achievements of colleagues and managers, we have established a procedure for employees to receive awards for special merit, high performance and for reflecting the company's values in their daily work. Each year, in accordance with established procedures, staff members are invited to nominate employees for awards in various categories:

- ▶ "Debut of the Year";
- ▶ "Employee of the Year";
- ▶ "Manager of the Year";
- ▶ "Best Project Team";
- ▶ Sustainability initiative "Creating the Future Today" (we introduced this nomination in 2024 to encourage sustainability improvements within the company);
- ▶ Gratitude for loyalty;
- ▶ "Franchise of the Year".

Any employee(s) of the company (one or more) can be nominated for an award and the final decision is taken by the Board. The awards are presented at a solemn event. We are convinced that this approach serves as an inspiration for new achievements and achieving the common goals.

*S – Human-to-human*







### Physical well-being – working environment, conditions, and safety

The company complies with occupational health and safety rules and requirements that help ensure a safe working environment and safe working conditions for employees, e.g. ergonomics (lifting tables where required), adequate lighting, microclimate, etc. All points of sales are equipped with CCTV cameras and alarms. The occupational safety officer organises training on occupational safety on a regular basis. Employees receive regular training and briefings on the importance of occupational health and safety. The working environment is supportive and inclusive of people of all ages, backgrounds, faiths, and nationalities. For more information, see section Occupational Health and Safety System.

### Emotional well-being – respectful communication and support

Employee emotional well-being is an essential part of the working environment, as it affects employee productivity and loyalty. Emotional well-being is built through a supportive and positive work culture that encourages employees to express their thoughts, opinions, and feelings. The company encourages employees to discuss work situations, difficulties, and other relevant aspects with their line manager as a matter of priority. However, if such communication has not been fruitful, the employee is encouraged to approach a senior manager or the Human Resources Department to resolve the situation. *Virši* provides various support tools to assist employees in helping themselves and feeling good: health insurance, access to e-learning on open.lv, HR counsellors to help solve problems, etc.

Support is provided in other ways as well, for example employees of gas stations can use the *Virši* internal helpline. By calling this number, gas station staff get help and answers to the frequently asked questions on a daily basis, making *Virši* internal communication even more effective.

### Social protection

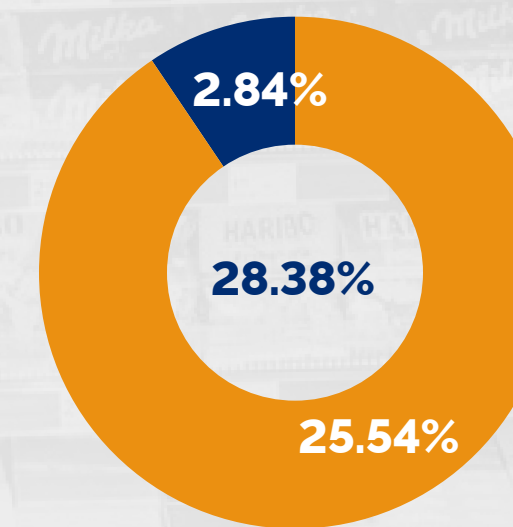
In accordance with the Group's and national policy, all employees of the Group have social insurance (100%). Group companies provide protection for employees in the event of sickness, unemployment, accidents, disability, pregnancy, parental leave, and retirement.

#### Work-life balance

Percentage of employees entitled to family leave, %



Percentage of employees on family leave\*, %



Female Male

\* Parental leave, supplementary leave (children's days), paternity leave



## Occupational health and safety system

The Group has a comprehensive and effective occupational health and safety system in place meeting both statutory and industry-specific requirements. The occupational health and safety system and the measures taken as a part of it can ensure safe and healthy working conditions, thereby guaranteeing the long-term health and safety of the Group's employees at work.

A safe and healthy working environment is our priority and is ensured through an annual risk assessment of the workplace and the necessary workplace protection measures, including appropriate workplace design, the development of instructions and procedures to determine the range of work practices and protective equipment to be used and the use of which ensures the safe performance of specific tasks in the workplace, training and briefings, provision of personal protective equipment, mandatory health checks, etc. Workplace risks are assessed by qualified occupational health and safety specialists from Group companies, with the additional engagement of the management of the relevant business unit and employees who are familiar with the workplace. This approach allows to identify the potential hazards and health risks at workplace, as well as to develop effective measures to mitigate them.

### The occupational health and safety management system, which complies with the regulatory requirements, covers:

employees, %	100
external workforce, %	100

### Number of deaths due to work-related injuries or diseases

employees	0
external workforce	0
employees of cooperation partners working on company sites	0

### Number of recordable work-related accidents

employees	8
external workforce	0

### Frequency of recordable work-related accidents

employees, %	6.50*
external workforce, %	0

### Number of recorded cases of work-related diseases

number of employees	0
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### Number of days lost due to work-related injuries or deaths caused by accidents, as well as work-related sickness or deaths caused by such sickness

	327
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\* Ratio (number of accidents/total hours worked \* 1 000 000) given in S1-14 (AR89)

## Incidents, complaints

Group companies are committed to respecting and promoting human rights in all aspects of their daily operations. We have zero tolerance for human rights or ethical violations. The Group companies comply with all restrictions on child labour as set out in the laws and regulations effective in the Republic of Latvia, including, but not limited to, refraining from employing children under the minimum age set out in the laws and regulations under any circumstances and not permitting any forced labour – employees have the right to freely

terminate employment by giving prior notice to the employer within the time limit provided in the laws and regulations or in the contract. These principles, as well as the principles of respect for human rights (including labour rights), are set out in the Group Code of Business Conduct and Rules of Procedure.

Employees may report cases of discrimination via the procedures set out in the Code of Conduct, as well as in accordance with the procedure on the internal whistleblowing system and whistleblower protection. There were no reported cases of discrimination in the Group in 2024.

In 2024, no complaints were received from employees alleging violations of their rights and interests.



## Customer service policy

Customers\* are *Virši* most valuable resource and the company strives to provide the highest quality service meeting the needs of both private customers and businesses. The Group companies respect customer values and long-term relationships by offering convenient, innovative, and environmentally friendly solutions. *Virši* focuses on comfort, quality, and sustainability. All this contributes to customer satisfaction and loyalty which is an important factor in a company's growth.

Customers are a key stakeholder and strategic direction for *Virši*, and we ensure appropriate engagement to help us develop and shape our sustainability approach (see the Stakeholders section of this report for the type of engagement). We are aware that a customer who receives services meeting their needs, as well as easily understandable services, is satisfied and will recommend *Virši* as a service provider to others. Happy customers are also an existing company objective that is measured. The Group companies are tirelessly working on building their relationships with customers, using a number of modern approaches to help ensure customer satisfaction and loyalty. *Virši* focuses on several aspects of developing good customer relations:

- ▶ **Customer service** – we strive to provide fast, accessible, and professional service. In addition to fuel products, gas stations offer other services as well (e.g. fast food, convenience stores, car washing) that contribute to customer convenience and improved experience;
- ▶ **Loyalty programme** – we offer a loyalty programme that allows customers to acquire bonuses and discounts when purchasing fuel or other products. Loyalty programmes encourage regular returns and increase company's competitiveness;
- ▶ **Digital opportunities** – we use digital platforms such as mobile apps to make it easier for customers to make purchases and keep track of their loyalty points or get special discounts. This is particularly important in today's digital world where customers value convenience and speed;
- ▶ **Environmental and social responsibility** – we are environmentally and socially responsible, we invest in sustainable fuel solutions and strive to reduce our environmental impact, and it is important to many customers opting to support companies with greener and more socially responsible practices;
- ▶ **Communication and customer feedback** – we strive to maintain good relations with our customers by offering convenient communication options for them to give their feedback and suggestions. We actively work to understand our customers' needs, tailor our services and improve the customer experience;
- ▶ **Caring for people with disabilities** – we have implemented a number of measures to promote an inclusive environment at our service stations and other customer service points, such as access to stations – we have adapted infrastructure to ensure easy access for people with reduced mobility. This can include wider parking spaces, ramps, specially designed toilets and other amenities.



## Investor relations

In order to promote accessibility, transparency, mutual trust and active shareholder engagement, *Virši* conducts shareholder communications based on Nasdaq Baltic's regulatory norms, corporate governance best practice principles and internal regulations. Shareholders are one of the company's involved parties, and thus *Virši* ensures timely and accurate information exchange, equal access to information and regular dialogue. Key activities include investor webinars, publication of material announcements on Nasdaq Baltic, loyalty programme and organisation of shareholder meetings. The Investors section of the company's website serves as a central source of information on financial results, sustainability initiatives and shareholder news. This approach helps to build trusted relationships and promote shareholder engagement in the company's development.

S - Human-to-human





## Human rights in customer relations

In our work, we ensure observation and protection of human rights based on the principles prescribed by the most important human rights conventions, such as the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, etc. We have identified human rights that need to be ensured for our customers, such as the right to freedom of conscience and freedom to manifest one's views (protection of privacy and freedom of expression), the right to protected customer privacy (protection of privacy and personal data).

To protect customer privacy, *Virši* limits the collection of personal data, collects data by lawful means and ensures transparency about how data is collected, used and protected. Customer data security is one of *Virši* priorities and one of the Group's defined sustainability goals. *Virši* takes the necessary security measures to protect the data of natural persons and takes care of the privacy and protection of personal data of its customers, respecting the rights of its customers to the lawfulness of the processing of personal data in accordance with the applicable legislation – the Personal Data Protection Law, Regulation 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 circulation of such

data and other applicable legislation on privacy and data processing. Group companies have privacy notices developed which are available on the *Virši* website, in offices and at points of sale.

All staff are provided with training on handling personal data to ensure that personal data are protected. Training on these topics is offered to both new and returning staff. Each staff member is reminded of their involvement, responsibilities and rights, as well as prohibitions, in the Feedback Management process.

Customers have the right to submit a complaint to the State Data Inspectorate if they consider that their personal data have been unlawfully processed by the Group. The Group invites to contact it in the first instance at [datuaizsardziba@virsi.lv](mailto:datuaizsardziba@virsi.lv) in order to find a prompt solution to the situation if personal data protection rights have been violated. In 2024, there were no complaints of customer privacy breaches or customer data losses.

S – Human-to-human





## Customer engagement and feedback channels

Group companies are aware that customer needs and expectations, as well as customer satisfaction, are crucial to ensure long-term cooperation and to build a company's reputation in the market. Owing to the various customer engagement processes in place – direct communication with customers, the Feedback Management System, customer satisfaction surveys, etc., *Virši* is improving its services to maintain and increase customer loyalty.

With regard to the Feedback Management System, the Group has set up a number of feedback channels where customers can submit their feedback. In 2024, we expanded the feedback channels, and now the main channels, set up primarily with the aim of being reachable in an expeditious manner, are:

- ▶ the possibility to leave feedback on the company's website platform <https://www.virsi.lv/lv/nosuti-atsaukumi>;
- ▶ by calling the company's 24-hour Customer Service line +371 80 700 070, or by calling the employee who is the contact person for the specific contract;
- ▶ by email to [atsauksmes@virsi.lv](mailto:atsauksmes@virsi.lv);
- ▶ by writing to staff email addresses;
- ▶ by word of mouth at the petrol stations;

- ▶ by filling in a form about an event on the premises of the service station, which the service station manager records in the Feedback Register;
- ▶ by contacting in social media (Facebook, LinkedIn, Instagram, Twitter, Threads).

Information on how to leave feedback or contact the company is available on the company's website, at the service stations and in staff handouts. Feedback can be also submitted anonymously, if the customer wishes so, via the <https://www.virsi.lv/lv/nosuti-atsaukumi> platform on the company's website.

We treat feedback, including negative one, with respect for confidentiality, privacy and data protection rights. The answer is provided using the contact details and the preferred method of communication (phone call, email or face-to-face meeting at the petrol station or office) provided by the customer. The situation is resolved according to the problem raised, taking into account the priority of the feedback and the nature of its content. The priority order of handling feedback helps to deal promptly with the most urgent situations or situations where the customer's health or property has been affected. In the course of resolving feedback received, the parties involved, including customers, are contacted again to obtain more

information about the situation or feedback and, where necessary, to provide information on the resolution. Product owners and other company employees are involved in the feedback process and are informed promptly when improvements are needed. Feedback is recorded and processed every day, it is an integral part of our daily routine, and we continuously improve the feedback management process to optimise our internal processes and deliver the best to our customers. The validity of the feedback is assessed. For complaints (claims) that are found to be justified, a root cause analysis is carried out and corrective actions are identified. The effectiveness of our feedback channels and mechanisms meets the criteria of the UN Guiding Principle 31 on Business and Human Rights (credibility, accessibility, transparency, fairness and transparency).



## S – Human-to-human

By analysing the full feedback lifecycle, it is possible to obtain information that helps a company to grow and develop, can provide valuable information from the customer's point of view and avoid specific situations by taking preventive action. *Virši* believes that every feedback, even a negative one, is an opportunity to reinforce the company's value in the eyes of the customer and society, and to show the customer that this is a truly important process in the company's growth and performance. By satisfying the needs of a particular customer, a company increases the loyalty of that customer.

The feedback management process also sets out how compensation is paid to customers for losses caused by the company. There is a compensation claim form that customers can fill in if there is a justified need, and they can also make a compensation claim by submitting a reference. Each situation is carefully assessed in order to provide the customer with a response or compensation. For the convenience of customers, an electronic application form for compensation was developed in 2024 and can be found on the *Virši.lv* website.

The management and development of the feedback process is the responsibility of the Communications Manager and the results of the feedback analysis are used both as informative learning material at meetings of petrol station managers and extended management meetings and are shared with product owners to improve their processes.

To study the Group's customer satisfaction, we use an assessment of customer experience and loyalty, which results in a recommendation index (NPS, scored on a scale from -100 to +100). The Group therefore conducts an annual online survey with a research agency to provide an independent assessment of customer experience and loyalty and other issues of importance to us. In 2024, the Group's customer recommendation index or the NPS index (winter measurement) among the customers who visited *Virši* petrol stations in the last month reached +29. Compared to the 2023 winter measurement, *Virši* managed to increase the NPS index, which was +26. The data is used to assess the company's strengths, weaknesses and improve its offerings and processes.

\*Customer – contractual partners of the Group companies – both individuals and legal entities with which the Group company has a cooperation agreement, as well as other end users of our services and products, the general public





*G – Our strength is our roots*

**A strong company  
is aware of its roots.**

**Whatever tomorrow brings,  
we always remember and  
value our origins.**





## Governance (G1)

### Corporate governance, prevention and detection of corruption and bribery

Corporate governance of the *Virši* Group companies is organised and implemented in accordance with good governance practices and regulatory enactments. *Virši* recognises that improving and enhancing corporate governance is an ongoing process and continues to do so on a daily basis. The principles and procedures of governance are enshrined in the Corporate Governance Code, which promotes sustainability, modern and efficient management and the rational and economically sound use of resources. The Corporate Governance Code is published on the company's website.

### The Code of Ethics

Adherence to the Code of Ethics forms the Company's business practices based on the fundamental principles of ethical behaviour and helps the Company's employees to find answers to questions related to various ethical considerations.

The basic principles, values and norms contained in the Code of Ethics are binding on all employees of the Company in their attitude to work, in their relations with each other, as well as in their relations with customers, business partners, suppliers of goods or services, governmental and non-governmental institutions, and with the media.

Employees are also guided by the Code of Conduct and the company's values when working with the company's partners, and communicate these rules and values to partners. If a partner fails to respect these rules and values, the partner will be made aware of this, reported to the company's management, line manager or responsible authority, as appropriate, and the cooperation will be terminated if no agreement on a Code of Conduct-compliant cooperation can be reached.

Every employee of *Virši* has the right to report possible violations of the Code of Conduct. If an employee has identified a possible breach of the Code of Conduct, the employee should first approach their line manager or a senior manager, or the Head of Human Resources, or, if this is not possible due to objective circumstances, the company's Board or Council.





When a possible breach of the Code of Conduct is reported, it is placed on the agenda of the next meeting of the Board for consideration. An exception may be made if the report relates to an alleged ethics violation concerning a member of the Board. Such situations are dealt with by the company's Council.

The Board ensures that any incident or report is investigated promptly, independently and impartially. The Board may, at its discretion, invite staff to attend the meeting whose attendance would contribute to the investigation of the incident, but persons who are directly or indirectly involved in the incident may not attend the investigation.

The Company protects (does not disclose) the identity of the employee who has reported or made a complaint about an alleged violation of the Code of Conduct. If the employee's application is recognised as a whistleblower report, the whistleblower receives the protections stipulated by the Whistleblowing Law.

The Code of Conduct is available on the Company's Human Resources Management System and/or on the Company's intranet (news page), in some cases at the workplace, and on the Company's website. We have presented the Code of Conduct to our staff and employees have acknowledged their familiarisation with it (acknowledgements are available both by physical signature and by electronic personalised acknowledgement in the HR Management System). The familiarisation is organised at the start of the work and after updating the documentation. In 2024, no complaints were received from employees regarding alleged violations of their rights and interests.





## Internal Whistleblowing System

The objectives of the Internal Whistleblowing System and Whistleblower Protection Procedure (hereinafter – the Whistleblowing Procedure) are:

- ▶ **to facilitate the raising of whistleblowing in the interests of the Company;**
- ▶ **to set up the Company's whistleblowing mechanism and ensure its operation;**
- ▶ **to ensure due protection of whistleblowers in the Company.**

The procedure includes a system to ensure that a whistleblower report is reviewed impartially, independently and promptly.

Under the Whistleblowing Procedure, any employee of the Company is entitled to report any misconduct detrimental to the interests of the Company, including, but not limited to, theft of Company property, wasteful use of Company property, unfair business practices, etc.

In order to ensure that the information provided by whistleblowers is passed on to the Company's Board, to promote the protection of whistleblowers and to protect them from possible adverse consequences, the Company ensures that a secure and independent mechanism is established for the submission and review of whistleblower reports and designates the company's Whistleblowing Officer. No later than within seven days from the receipt of the Whistleblower Report by the Company, the Whistleblowing Officer takes certain actions, which include making a decision whether or not to accept the application as a Whistleblower Report. If the Whistleblowing Officer decides that the information submitted should be considered a Whistleblower Report, the Whistleblowing Officer informs the Company's Board and the Whistleblower Report is placed on the agenda of the next meeting of the Company's Board for consideration.

Whistleblower reports are registered in the *Virši* records and kept in a separate file. The identity of the whistleblower is pseudonymised using the registration number of the report (letter and numbers).

The Company supports and encourages whistleblowing in good faith and provides the following protection guarantees to the whistleblower, their relative and related person:

- ▶ **identity protection;**
- ▶ **protection against adverse consequences arising from whistleblowing;**
- ▶ **appropriate compensation for damages or personal injury, including moral injury.**

The whistleblowing procedure is available in the company's HR management system, on the company's intranet (news page), and at the company's offices from the office administrator or clerk. We have presented the Whistleblowing Procedure to our staff and they have acknowledged familiarisation with it (acknowledgements are available by electronic personalised confirmation).

During the reporting period, there were no cases of alleged breaches of the Whistleblowing Procedures.



### Anti-Corruption and Conflicts of Interest Policy

The Anti-Corruption and Conflicts of Interest Policy provides guidance on appropriate and ethical anti-corruption and conflicts of interest behaviour in specific situations (hereinafter referred to as the "Anti-Corruption Policy").

The Anti-Corruption Policy sets out the general principles to be followed in the day-to-day conduct of the Board, the Council and any employee of *Virši* and takes into account the United Nations Convention against Corruption in their preparation.

If an employee becomes aware of an actual or potential breach of the Policy, the employee should refer the matter to their line manager or a higher level manager or to the Head of Human Resources, or, if this is not possible due to objective circumstances, to the *Virši* Board or Council.

Anyone can report anonymously via the *Virši* internal whistleblowing system. If the employee's application is recognised as a whistleblower report, the whistleblower receives the protections stipulated by the Whistleblowing Law.

The report is placed on the agenda of the next Board meeting. An exception may be made if the report relates to an alleged ethics violation concerning a member of the Board. Such situations are dealt with by the *Virši* Council.

The Board ensures that any report is investigated promptly, independently and impartially. The Board may, at its discretion, invite staff to attend the meeting whose attendance would contribute to the investigation of the event, but persons who are directly or indirectly involved in the event may not attend the investigation.

*Virši* confirms and guarantees the confidentiality and adequate protection of the personal data of the whistleblower, including against any retaliatory measures. Reporting misconduct or suspected misconduct will have no negative consequences for future cooperation and/or established

relationships. The Anti-Corruption Policy is available in the company's HR management system and/or on the company's intranet (news page). We have presented the Anti-Corruption Policy to our staff and they have acknowledged familiarisation with it (acknowledgements are available by electronic personalised confirmation). Specific training may be organised on specific issues, using internal or external resources.

No cases of corruption have been reported or identified at *Virši* in 2024 (0 cases). Similarly, no contracts with counterparties were terminated in 2024 for corruption offences, as there were no such offences and no public corruption proceedings against *Virši* or its staff during the reporting period.

In 2024, no fines (EUR 0) were imposed for non-compliance of the *Virši* activities with the laws and regulations on anti-corruption and conflict of interest.

In 2024, the company provided a number of training sessions to update staff on the latest internal regulatory enactments.

### Cooperation with suppliers

In 2024, *Virši* continued to implement its supplier control system based on the Procurement Procedure approved by the Board in 2021, as well as the use of information technology solutions in the evaluation of tenders. Suppliers (legal entities) are checked for possible breaches of money laundering, tax and sanctions legislation before contracts are awarded.

Criteria for supplier evaluation, selection, performance monitoring and re-assessment 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 specifics of the organisational units.



## Political influence and lobbying activities

Virši does not support projects of a political nature and does not finance political organisations (parties) either directly or indirectly, thus in 2024 *Virši* did not provide any support to political organisations (parties) and their associations.

Support for political organisations (parties), EUR	Financial	Other (in kind)
	0	0

The interests of the company are represented through the participation of *Virši* in non-governmental organisations. The decision on the Group company's participation in non-governmental organisations is taken by the company's Board and a representative is delegated. Participation of the Group companies in non-governmental organisations:

- ▶ Association of Fuel Traders and Manufacturers;
- ▶ GS1 Latvia, Society;
- ▶ Latvian Traders Association;
- ▶ Latvian Biogas Association;
- ▶ H2 Energy Community;
- ▶ Latvian Chamber of Commerce and Industry;
- ▶ Association "Solar Energy for Latvia";
- ▶ Upei (*Europe's Independent Fuel Suppliers*).

On certain issues of importance to the company, the representation of interests may be organised on an individual basis, e.g. cooperation with the Energy Market Department of the Ministry of Climate and Energy on issues of support to households in the area of energy cost recovery, net settlement system regulation, regulation of energy communities, capacity connection charges for electricity generation facilities.

As of 2024, there were no members appointed to the *Virši* Board and the Council who had a related position in the public administration or supervisory authorities within two years preceding their appointment.

## Payment practices

Group companies, in cooperation with their partners, apply reasonable payment terms to ensure balanced cash flows. Cash flow planning and payment procedures ensure timely payment of invoices, taxes and fees. During the reporting period, there were no legal proceedings related to the payment discipline of the Group companies.

Company	Debtor Days	Creditor Days
Group	20	19
Parent company AS <i>Virši</i> -A	21	20
SIA "Virši Renergy"	28	28
SIA "Virši loģistika"	35	54
UAB "Virši Lietuva"	46	161



**VIRŠI**