



# Corporate Governance Report 2022

Latvenergo AS  
Reg. No. 40003032949

# Report Preparation

## Legal basis

The Latvenergo AS Corporate Governance Report 2022 has been prepared according to the requirements of the [Law on the Financial Instruments Market](#), Article 56.<sup>2</sup>, and the [Law on Governance of Capital Shares of a Public Person and Capital Companies](#), Article 58.<sup>1</sup>. It is based on the [Corporate Governance Code](#), which was published in 2020 by the [Corporate Governance Advisory Board](#) established by the Ministry of Justice. The Code was developed considering the requirements set for companies in the regulatory enactments of the Republic of Latvia, as well as the OECD recommendations for corporate governance. The principles of the Code are based on international best practice in corporate governance.

More information on corporate governance can be found in the Corporate Governance section of the Latvenergo Group [Sustainability and Annual Report 2022](#). The Report is available on the Latvenergo AS website: [www.latvenergo.lv](http://www.latvenergo.lv).

## Symbols

- The criterion is met
- The criterion is not met

# Report of the Management Board

## On compliance with the principles of corporate governance

The Latvenergo AS Management Board has assessed the capital company's compliance with the [Corporate Governance Code](#) published by the [Corporate Governance Advisory Board](#) established by the Ministry of Justice in 2020. Evaluating both the governance system of the capital company and its compliance with the principles in 2022, the Management Board considers that Latvenergo AS complies in all material aspects with all the principles set out in the Code, except for the criterion of gender representation on the company's Supervisory Board.

The Latvenergo AS Corporate Governance Report 2022 was approved by the Management Board on 18 April 2023 in Riga. The preparation of the Report in accordance with [Law on the Financial Instruments Market](#) was audited by a sworn auditor.

The Management Board of Latvenergo AS

**Mārtiņš Čakste**

Chairman of the Management Board

**Guntars Bajčūns**

Member of the Management Board

**Kaspars Cikmačs**

Member of the Management Board

**Dmitrijs Juskovecs**

Member of the Management Board

**Harijs Teteris**

Member of the Management Board

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# Company Strategy

## Principle #1 and its criteria

**The company has an up-to-date strategy that sets out the company’s objectives and progress towards long-term value creation.**

- The company has an up-to-date strategy, the draft of which is developed by the management board.
- The supervisory board is involved in the strategy development process and approves the strategy at the supervisory board meeting.
- The supervisory board monitors the implementation of the strategy.
- The company management board implements the strategy and reports to the supervisory board on its implementation on a regular basis.

- The criterion is met
- The criterion is not met

## Facts

- The Latvenergo Group Strategy for 2022–2026 was approved in March 2022. Considering the objectives of the European Green Deal and Climate Neutrality Strategy of Latvia for 2050, the Group plans to develop renewable energy generation capacities, strengthen its position as the most valuable energy trader in the Baltic market, promote sustainable and smart electromobility, and ensure a resilient and flexible distribution system.
- The Group’s medium-term strategy is developed by the Latvenergo AS Management Board and approved by the Supervisory Board. Prior to approval of the strategy, an assessment by the Ministry of Economics (Shareholder) and the Cross-Sectoral Coordination Centre\* is considered.
- The Latvenergo AS Management Board is responsible for implementing the strategy and regularly informs the Supervisory Board regarding progress. The Ministry of Economics and the Cross-Sectoral Coordination Centre\* are both informed about the strategy’s implementation annually.
- The strategy document includes a business model based on an analysis of the external and internal environment, as well as the Group’s business directions and medium-term objectives, which determine the results to be achieved, risk analysis, and organisational development tasks.

\* As of 1 March 2023, the functions of Cross-Sectoral Coordination Centre are transferred to the State Chancellery  
 More information in the Group Strategy section of the [Sustainability and Annual Report](#)



### Company Strategy

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# Internal Culture and Ethical Behaviour

## Principle #2 and its criteria

The company develops an internal culture and ethics code which serves as a standard of conduct for the company's management and employees.

- The supervisory board defines the company's core values.
- The management board prepares and the supervisory board approves the code of internal culture and ethics.
- The management board ensures compliance with the company's internal culture and ethics code on a daily basis and reacts if there is a breach of the code.

### Latvenergo Group values

We work			
			
<b>With heart</b>	<b>With mind</b>	<b>With energy</b>	<b>With future outlook</b>
We are open and passionate	We do the right things and continuously learn	We are brave and persistent	We do good for the clients and society

- The criterion is met
- The criterion is not met

## Facts

- The Code of Ethics states:
  - the values and principles observed and respected by the capital companies of the Group and their employees;
  - the responsibilities, proper conduct, and prohibitions for employees in implementing these values and principles and preventing fraud, corruption, and conflict of interest;
  - the procedures for whistleblowing and reporting violations, as well as the possible consequences if the Code of Ethics is violated.
- Whistleblowing reports and complaints about possible violations of the Code of Ethics are reviewed by compliance officers, who administer and examine such cases, preparing information for the Chief Officers to make further decisions in accordance with the procedures set out in the Group's Fraud and Corruption Risk Management Policy.
- To ensure compliance with the Code of Ethics, training and informative activities are organised for employees and annual declarations of conflict of interest have been introduced.
- The Group also urges its partners to comply with the same ethical principles and, when entering into the contracts, asks for confirmation that mutual cooperation will be based on the principles of fair business cooperation.
- The Code of Ethics and basic principles for cooperation with contractual partners are available on the Latvenergo website.

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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# Internal Control System, Risk Management and Internal Audit I

## Principle #3 and its criteria

**The company has an internal control system, the effectiveness of which is monitored by the supervisory board.**

- The company has a documented internal control system, the establishment of which is the responsibility of the management board.
- The internal audit evaluates the effectiveness of the internal control system at least once a year, taking into account pre-defined criteria and reporting the results of the evaluation to the supervisory board.
- The supervisory board, at least once a year, evaluates the provided evaluation of the effectiveness of the internal control system.

## Principle #4 and its criteria

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

- The management board develops and the supervisory board approves the company's risk management policy.
- Based on the identified risk assessment, the management board implements risk management measures.
- At least once a year, the supervisory board reviews the management board's reports on risk management measures and the implementation of the risk management policy.

- The criterion is met
- The criterion is not met

## Facts

- The internal control system of Latvenergo AS has been developed taking into account the **COSO (Committee of Sponsoring Organizations of the Treadway Commission)** standard and is continuously improved. The company's Management Board is responsible for setting up the internal control system.
- The objective and principles of risk management are determined by the Group's **Risk Management Policy** developed by the Management Board and approved by the Supervisory Board of Latvenergo AS. Risk management is integrated into strategy development and implementation as well as operational activities.
- Significant risks are analysed in internal working groups and in the Group's Risk Management Committee, which is a specially established institution on the management board level. Any risks identified are conveyed to the internal audit system, thus allowing the risk assessment to be used in planning audits.
- A self-assessment of the internal control system is performed once a year. Based on the self-assessment, audit results, and results of other inspections, a conclusion on the effectiveness of the Group's internal control and risk management systems, including recommendations for improvement, is submitted to the Audit Committee, Management Board and Supervisory Board.
- The Group's capital companies review risks annually and, if necessary, develop new risk management measures. The most important measures are approved by the company's Management Board before they are implemented.
- At least once a year, the Management Board reports to the Latvenergo AS Supervisory Board on the Group's risk management.

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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# Internal Control System, Risk Management and Internal Audit II

## Principle #5 and its criteria

**An internal audit has been established in the company, it evaluates the company's operations independently and objectively.**

- The company has an internal auditor who is functionally independent of the management board and reports to the supervisory board.
- The supervisory board approves the internal auditor.
- The internal auditor develops a risk-based internal audit plan, which is approved by the supervisory board.
- The internal auditor informs the management board and supervisory board on the implementation of the internal audit plan, audit results and recommended actions to address deficiencies, if any.

- The criterion is met
- The criterion is not met

## Facts

- The Internal Audit Director of Latvenergo AS reports to the Audit Committee and the Supervisory Board.
- The position of Internal Audit Director is approved by the Audit Committee, which, like the Supervisory Board, is a supervisory body of the company.
- The Internal Audit operates in compliance with the [International Standards for the Professional Practice of Internal Auditing](#). Compliance is evaluated by a qualified external assessor once in five years. The last evaluation was carried out in 2019, and the assessor provided a positive attestation.
- The activities of the Internal Audit are supervised by the Audit Committee, which endorses the annual internal audit plan, which is then approved by the Supervisory Board.
- For its activities, incl. the fulfilment of the plan, the Internal Audit reports annually to the Management Board, Audit Committee, and Supervisory Board.

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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# External Auditor

## Principle #6 and its criteria

**The company has an independent external auditor.**

- The supervisory board and the audit committee, if established, determine the selection criteria for the external auditor.
- The company has an independent external auditor with appropriate qualifications.
- The term of office of one external auditor does not exceed five years.

- The criterion is met
- The criterion is not met

## Facts

- An independent auditor is selected for a period of three years based on the most economically advantageous tender in accordance with criteria approved by the Audit Committee, consisting of the service price, the qualifications of the personnel involved, the audit execution plan and the audit hours.
- The auditor selected complies with [Regulation \(EU\) No. 537/2014 of the European Parliament and of the Council](#) on specific requirements regarding statutory audits of public-interest entities.
- The annual report auditor of Latvenergo AS for 2022 is Ernst & Young Baltic SIA.

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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# Election of Supervisory Board Members I

## Principle #7 and its criteria

**The company ensures transparent procedures for the election and removal of supervisory board members.**

- The company has approved the procedure for selection and removal of supervisory board members.
- The company provides timely and sufficient information to the company's shareholders on the supervisory board members who are nominated for election or re-election.
- The size of the supervisory board corresponds to the specifics of the company's operations.
- A supervisory board member is elected for a term not exceeding five years.

- The criterion is met
- The criterion is not met

## Facts

- The procedure for the selection and withdrawal of Supervisory Board members is specified in the [Law on Governance of Capital Shares of a Public Person and Capital Companies](#) and the subordinate regulations of the Cabinet of Ministers.
- The most important stages of the selection process:
  - the Shareholder (Ministry of Economics) establishes a Nomination Commission;
  - a professional recruitment company is contracted;
  - the competition for positions is announced publicly;
  - the Nomination Commission evaluates the candidates and nominates the best ones for election;
  - the Shareholder Meeting elects the members of the Supervisory Board.
- The [Latvenergo AS Supervisory Board](#) consists of five members whose term of office is five years.

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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# Election of Supervisory Board Members II

## Principle #8 and its criteria

### Supervisory board members together have relevant experience and competence.

- The supervisory board as a whole has a set of skills, experience and knowledge, including on the sector concerned, to be able to perform their duties fully.
- The principles of diversity are observed when forming the supervisory board.
- Both sexes are represented in the supervisory board.
- The management board develops an induction training programme and provides new supervisory board members with induction training.

- The criterion is met
- The criterion is not met

## Facts

- Supervisory Board members are selected through a competition, considering the candidates' work experience, education, skills, and knowledge, as well as the principles of diversity.
- The composition of the Supervisory Board is balanced, and together its members have the necessary competencies and experience, incl. financial and risk management, strategy and internal auditing, and corporate governance, as well as knowledge of the energy sector and an impeccable reputation.
- An informative programme on the Group's operations, operating segments, key risks, etc. is organised for new members of the Supervisory Board.
- A description of Supervisory Board members' education and work experience is available on the [Latvenergo website](#).

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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# Election of Supervisory Board Members III

## Principle #9 and its criteria

**The company's supervisory board has independent supervisory board members.**

- The company evaluates and the shareholders determine the proportion of independent supervisory board members.
- At least half of the members of the board are independent.
- Independent candidates for supervisory board membership make a declaration that they meet the independence criteria.
- Prior to the election of the supervisory board, the company evaluates the independence of supervisory board members in accordance with the available information.

- The criterion is met
- The criterion is not met

## Facts

- The [Law on Governance of Capital Shares of a Public Person and Capital Companies](#) stipulates that at least half of a supervisory board's members should be independent. Independence is verified by the Nomination Commission before election.
- The law sets out the criteria for independence, including the following:
  - the supervisory board member has not been a board member, controller or employee of the capital company or an associated capital company during the last three years;
  - the supervisory board member and his or her family members do not receive – and in the last three years have not received – remuneration from the respective capital company or a capital company dependent on it;
  - the supervisory board member only earns income in the respective capital company for fulfilling the duties of a supervisory board member;
  - the supervisory board member does not hold a position as a management board member or other executive in another capital company which has a significant business relationship with the capital company represented by the supervisory board member.
- All Latvenergo AS Supervisory Board members are independent in accordance with the criteria stipulated in the Code.

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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# Principles of Determining the Remuneration for the Supervisory Board and the Management Board

## Principle #10 and its criteria

**The company has introduced a remuneration policy.**

- The company has introduced a remuneration policy, which has been developed by the management board, reviewed by the supervisory board and approved by the shareholder meeting.
- Once a year, the supervisory board determines the financial and non-financial goals to be achieved by the management board, their impact on the variable part of remuneration and controls their fulfilment.
- No variable part of remuneration is determined for supervisory board members, and no compensation is paid in case of removal or resignation from office.
- Once a year, the management board prepares a report on the remuneration granted to each current and former management board and supervisory board member.

- The criterion is met
- The criterion is not met

## Facts

- The principles of remuneration of the Management Board and the Supervisory Board are determined by the [Law on Governance of Capital Shares of a Public Person and Capital Companies](#) and subordinate legislation.
- Remuneration is determined by evaluating indicators characterising the capital company: turnover, assets, and number of employees, as well as complexity of the targets set for the strategy period and the reporting year.
- Both the maximum amount of remuneration and the variable part, which cannot exceed the amount of two months' remuneration for a Management Board member, are regulated.
- The Supervisory Board sets annual targets for the Management Board, evaluates the annual results and decides on awarding a bonus to the Management Board; no bonuses are paid to Supervisory Board members.
- Additional information on the remuneration policy of the Management Board and the Supervisory Board and the remuneration paid is available in the [Sustainability and Annual Report](#).

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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# Organisation of the Supervisory Board's Work and Decision-Making I

## Principle #11 and its criteria

**The company's supervisory board work organisation is clear and understandable.**

- The supervisory board organises its work in accordance with regulations of the supervisory board and the work calendar.
- The supervisory board holds at least one separate supervisory board meeting per year to discuss the company's strategy and its implementation.
- The company's budget provides the financing necessary to ensure the operation of the supervisory board.
- Once a year the supervisory board conducts a self-assessment of the work of the supervisory board and reviews its results at the supervisory board meeting.
- The supervisory board has evaluated the need to set up committees (if a committee has been set up, see principle # 12.1).

- The criterion is met
- The criterion is not met

## Facts

- The operating procedure and principles of the Latvenergo AS Supervisory Board are specified in the Regulations of the Supervisory Board, which are available on the [Latvenergo website](#).
- The Supervisory Board holds at least one meeting per year to review the implementation of the strategic targets.
- Once a year, the Supervisory Board conducts a self-assessment of its work.
- For information on the Human Resources Committee set up by the Supervisory Board, see Principle # 12.1.

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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# Organisation of the Supervisory Board's Work and Decision-Making II

## Principle #12 and its criteria

### The supervisory board takes informed and well-balanced decisions.

- The supervisory board has access to information prepared by the management board necessary for decision-making in a timely manner and in sufficient amount.
- The supervisory board determines the procedure for the circulation of information, including the right of the supervisory board to request from the management board information, which the supervisory board needs to make decisions.
- A supervisory board member analyses the information and prepares proposals for decisions to be adopted by the supervisory board.
- When making decisions, the supervisory board assesses the risks, short-term and long-term impact on the company's value, sustainability and responsible development.

- The criterion is met
- The criterion is not met

## Facts

- The Regulations of the Supervisory Board stipulate, inter alia:
  - the duty of the Management Board to prepare and provide necessary information to the Supervisory Board in a timely manner;
  - the right of the Supervisory Board to request information from the Management Board;
  - the duty of Supervisory Board members to take decisions in the interests of the company considering all available information.
- In 2022, 14 Supervisory Board meetings took place; the attendance rate was 96%.
- The most important issues considered by the Supervisory Board in 2022:
  - approval of the Strategy for 2022–2026;
  - evaluation of conditions of establishing joint ventures related to the strategy implementation;
  - analysis of the measures related to the supply security of energy and natural gas;
  - analysis of the most significant events and trends in the energy sector, assessment of the impact of the extraordinary rise in energy prices and related operational risks;
  - quarterly evaluation of the Group's financial and non-financial results and its fulfilment of strategic objectives;
  - attracting medium-term funding;
  - approval of the amendments in the Group's Code of Ethics and Internal Audit Policy.

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# Organisation of the Supervisory Board's Work and Decision-Making III

## Principle #12.1 and its criteria

### A committee prepares proposals for supervisory board decision making.

- The supervisory board determines the tasks and the procedures for organisation of work of the committee.
- The supervisory board establishes a committee of at least three supervisory board members with appropriate experience and expertise in the field of work of the committee (remuneration, nomination, audit or other field).
- The committee analyses the information and makes proposals for decisions by the supervisory board, as well as informs the supervisory board of the work of the committee.

- The criterion is met
- The criterion is not met

## Facts

- In compliance with the Regulations of the Supervisory Board, the Latvenergo AS Supervisory Board may form committees consisting of Supervisory Board members to review certain issues.
- A Human Resources Committee of three members has been established to prepare proposals for the selection, remuneration, performance assessment, and combination of positions of employees of the Management Board, Audit Committee, and Internal Audit.
- The Human Resources Committee operates in accordance with regulations approved by the Supervisory Board, which are available on the [Latvenergo website](#).
- 4 Human Resources Committee meetings were held in 2022.
- Latvenergo AS also has an [Audit Committee](#) established in accordance with the Law on the Financial Instruments Market and approved by the Shareholder Meeting. The Committee consists of five members, two of whom represent the Supervisory Board.

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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# Prevention of Conflicts of Interest

## Principle #13 and its criteria

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

- The supervisory board defines the indications of a conflict of interest and identifies the conflict of interest prevention and management procedures.
- Supervisory board or management board members do not participate in decision-making on matters in which the company's interests conflict with the interests of the supervisory board, management board members or persons related to them.
- Persons subject to the obligation of prevention of conflicts of interest participate in trainings on dealing with conflicts of interest on a regular basis.

- The criterion is met
- The criterion is not met

## Facts

- The Latvenergo Group [Code of Ethics](#) defines types of conflict of interest and measures for the prevention of conflicts of interest.
- The Regulations of the Management Board and the Supervisory Board stipulate that members may not adopt decisions or participate in the adoption thereof or carry out any other actions connected with their duties as Management Board/ Supervisory Board members that influence or may influence their private or property interests and those of relatives or business partners.
- Management Board and Supervisory Board members are public officials and submit annual declarations as such.
- To explain the principles contained in the Code of Ethics, e-learning courses on the prevention of conflicts of interest in the performance of duties are regularly developed. They must be mastered by all employees of the Group, as well as by members of the Management Board and Supervisory Board. Onsite trainings and discussions are held to explain specific issues involving employees at all levels.

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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# Shareholder Meeting I

## Principle #14 and its criteria

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

- The company informs shareholders in a timely manner about the agenda, course and voting procedures of the shareholder meeting, as well as about any related changes.
- Simultaneously with the announcement of the meeting, the company provides an opportunity for the shareholders to get acquainted with the draft decisions, which are initially planned to be voted on at the meeting. The company informs the shareholders immediately of any additional draft decisions submitted.
- The company provides shareholders with an opportunity to submit questions on the matters included in the agenda and draft decisions before the shareholder meeting.
- The draft decisions and the documents attached to them provide detailed, clear and complete information on the matter under consideration.

- The criterion is met
- The criterion is not met

## Facts

- All shares of Latvenergo AS are owned by the Republic of Latvia, and they are held by the Ministry of Economics of the Republic of Latvia. Shareholder representation duties are performed by the State Secretary of the Ministry of Economics or a person authorised by him/her.
- The procedures for convening a Shareholder Meeting and submitting documents, including deadlines, are determined by the [Law on Governance of Capital Shares of a Public Person and Capital Companies](#).
- The draft decision and the documents substantiating and explaining its adoption are submitted to the Shareholder within the time limits specified by the law before the Shareholder Meeting.

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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# Shareholder Meeting II

## Principle #15 and its criteria

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

- The shareholder meeting is convened and held at a place and time easily accessible to the shareholders.
- The company provides shareholders with the opportunity to participate in the shareholder meeting remotely.
- The company determines the appropriate duration of the shareholder meeting and provides the shareholders with the opportunity to express their opinions during the meeting and obtain the information necessary for decision-making.
- The company announces a new shareholder meeting if the matters included on the agenda of the meeting cannot be considered at the expected time.
- The company invites management board and supervisory board members, candidates for supervisory board members, auditors and internal auditors, as well as other persons to participate in the shareholder meeting in accordance with the matters to be considered at the meeting.
- The shareholder meeting makes decisions in accordance with the previously announced draft decision.

- The criterion is met
- The criterion is not met

## Facts

- The format of the Shareholder Meeting (in person/online) is chosen with representatives of the Shareholder.
- Information on a convened Shareholder Meeting is sent to Supervisory Board members and the auditor. According to the law, they have the right to participate in the Shareholder Meeting and express their opinion.
- 6 Shareholder Meetings took place in 2022; 5 in person and 1 online.
- The main decisions of the Shareholder Meeting in 2022:
  - use of profits and payment of dividends for 2021;
  - election of the auditor of the Annual Report for 2022;
  - civil liability insurance for the members of Latvenergo AS Supervisory Board and Audit Committee
  - review of the information on bond issuance and of the report on joint wind farm project with Latvijas valsts meži AS.
- The decisions of the Shareholder Meeting are available on the [Latvenergo website](#).

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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# Shareholder Meeting III

## Principle #16 and its criteria

### The company develops and discusses dividend policy with shareholders.

- The company has developed and published an up-to-date dividend policy.
- The dividend policy has been discussed with the shareholders during the shareholder meeting.

- The criterion is met
- The criterion is not met

## Facts

- The distribution of Latvenergo AS dividends is regulated by the laws of the Republic of Latvia:
  - the [Law on the State Budget](#) and the [Law on the Medium-Term Budget Framework](#);
  - the [Law on Governance of Capital Shares of a Public Person and Capital Companies](#) and the Regulations of the Cabinet of Ministers issued on the basis thereof.
- In the Strategy for 2022–2026, the dividend payout ratio is set at > 64%. Over the last five years, the average dividend payout ratio has been around 80%.
- The actual amount payable by Latvenergo AS in dividends is determined by the Shareholder Meeting after the approval of the Annual Report, upon the evaluation of the results for the previous year.

More information in the Corporate Governance and Group Strategy sections of the [Sustainability and Annual Report](#)



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# Transparency of Company Operations

## Principle #17 and its criteria

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

- The company discloses complete, accurate, objective, up-to-date and true information in a timely manner.
- The company discloses information to all shareholders at the same time and to the same extent.
- The company discloses information about the company's management, strategy or lines of business on the website and publishes financial statements as well as other information in accordance with Annex No. 1.
- The company provides information both in Latvian and in at least one other language that is understandable to most of the company's foreign shareholders and other stakeholders.

- The criterion is met
- The criterion is not met

## Facts

- Latvenergo Group publishes financial and non-financial information in Latvian and English on the [Latvenergo website](#), the [Nasdaq Baltic website](#) and the [Official Central Storage of Regulated Information](#).
- Interim financial statements are published on a quarterly basis; the Sustainability and Annual Report, corporate governance statement and informative presentation on the Group and its operations are published annually.
- **Virtual conferences** on the Group's financial results and business developments are organised every six months.

More information in the Corporate Governance section of the [Sustainability and Annual Report](#)



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Company	
Information about the company	✓
Information about the company's strategic objectives	✓
Articles of association of the company	✓
Information on the corporate governance structure of the company	✓
Company Code of Internal Culture and Ethics	✓
Key company policies	✓ See p. 23 of the Corporate Governance Report.
Shareholders and beneficial owners	
Information on the company's shareholders	✓
Information on the beneficial owners of the company	✓
Number of company's issued, paid-up and voting shares, bonds or other financial instruments	✓
Supervisory board and management board	
Regulations of the management board and the supervisory board	✓
Information on each supervisory board and management board member	✓
Information on independent supervisory board members	✓ The assessment of the Supervisory Board member independence was carried out in the beginning of 2022.
Remuneration policy of the management board and the supervisory board and remuneration report	✓ See the Corporate Governance section of the <a href="#">Sustainability and Annual Report</a> .
Information on the selection process of the management board and the supervisory board	✓ See p. 10-12 of the Corporate Governance Report.
Information on supervisory board committees and the audit committee	✓ See p. 16 of the Corporate Governance Report.
Financial and non-financial reports and information	
Company's financial statements and reports	✓
The company's non-financial reports	✓
Corporate governance reports	✓
Company's financial calendar	✓
Information for shareholders and investors	
Information on the planned shareholder meetings	✓ Upon the announcement of the Shareholder Meeting, issues to be considered during the meeting are published. The decisions are published after the Shareholder Meeting.
Information on held shareholder meetings	✓
Company's dividend policy and information on dividends paid	✓
Information on transactions of related parties	✓ See Note 29 of the <a href="#">financial statements</a> "Related party transactions".
Company's announcements and relevant information for investors	✓
Contacts of the investor relations person	✓

# Annex No. 2: Key Company Policies



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Key policies included in corporate governance principles or criteria		
Risk Management Policy	✓	
Remuneration Policy	✓	
Dividend Policy	✓	
Other key policies mentioned in the corporate governance code		
Internal Audit Policy	✓	
Conflict of Interest Prevention Policy	✓	Included in the Latvenergo Group's <a href="#">Code of Ethics</a> .
Information Disclosure, Circulation and Privacy Policy	✓	See the <a href="#">Principles for Information Disclosure</a> .
Whistleblowing Policy	✓	Included in the Latvenergo Group's <a href="#">Code of Ethics</a> .
Fair Competition Implementation Policy	✓	Included in the Latvenergo Group's <a href="#">Code of Ethics</a> .
Diversity Policy	✓	The principles are included in the Personnel Management Policy; see the section Employees and the Work Environment in the <a href="#">Sustainability and Annual Report</a> .
Sustainability Policy	✓	Latvenergo Group has a <a href="#">Corporate Social Responsibility Policy</a> . It states that the Group is committed to processes, products and services that promote the achievement of the UN Sustainable Development Goals.
Essential compliance policies		
Business Partner Due Diligence Policy	✓	See the <a href="#">Basic Principles of the Policy for Prevention of Laundering of Proceeds Derived from Criminal Activity</a> .
Sanctions Risk Management Policy	✓	See the <a href="#">Basic Principles of the Policy for Observance of the International and National Sanctions</a> .
Personal Data Processing Policy	✓	

# Regulations on Operation of State Capital Companies

Commercial Law of the Republic of Latvia

Law on Governance of Capital Shares of a Public Person and Capital Companies

Law on the Financial Instruments Market

25/01/2022 Regulations of the Cabinet of Ministers No. 72 – procedure according to which payments for using the state’s capital are forecasted, determined and made

04/02/2020 Regulations of the Cabinet of Ministers No. 63 – regulations on the number of the members of the board and the council of public persons’ capital companies and public private capital companies as well as on the maximum amount of monthly remuneration of the members of the board and the council

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Corporate Governance Code by the Corporate Governance Advisory Board



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## Contact Information

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