



Corporate Governance Report 2025

Latvenergo AS
Reg. No. 40003032949

Report Preparation



Legal basis

The Latvenergo AS Corporate Governance Report 2025 has been prepared according to the requirements of the **Financial Instrument Market Law**, Article 56.2, and the **Law on Governance of Capital Shares of a Public Person and Capital Companies**, Article 58.1. It is based on the 2nd revision of the **Corporate Governance Code**, which was published in December of 2025 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 provisions 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 Annual Report 2025. The Report is available on the Latvenergo AS website: www.latvenergo.lv.

Symbols

- The criterion is met
- The criterion is partially 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 December of 2025. Evaluating both the governance system of the capital company and its compliance with the principles in 2025, 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 Principle 8 of both gender representation on the company's Supervisory Board.

The Latvenergo AS Corporate Governance Report 2025 was approved by the Management Board on 28 April 2026 in Riga and has been signed by Member of the Management Board Guntars Baļčūns as authorized person. The preparation of the Report in accordance with the Financial Instrument Market Law was audited by a sworn auditor.

This document is signed with a secure digital signature and contains a time stamp.

Guntars Baļčūns

Member of the Management Board

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Company Strategy

Principle #1

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

Criteria

- 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.

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, during the strategy period the Group develops renewable energy generation capacities, strengthens its position as the most valuable energy trader in the Baltic market, promotes sustainable and smart electromobility, and ensures 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 State Chancellery is considered.
- The Latvenergo AS Management Board is responsible for implementing the strategy and regularly reports on the progress to the Supervisory Board. The Ministry of Economics and the State Chancellery 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 targets, which determine the results to be achieved, risk analysis, and organisational development tasks.

More information in the Group Strategy section of the [Annual Report](#)

Internal Culture and Ethical Behaviour

Principle #2

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

Criteria

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

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 management for further decision-making.
- The Compliance Control Unit regularly reports to the Audit Committee on the reports received and the corrective and preventive actions taken by the company.
- 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.
- In its operations, the Group complies with legal requirements and high standards of professional ethics and encourages its partners to adhere to equivalent ethical principles.
- The [Code of Ethics](#) and Latvenergo Group [Suppliers' Code of Conduct](#) are available on the Latvenergo website.



WITH HEART

We are open and passionate



WITH MIND

We do the right things and continuously learn



WITH ENERGY

We are brave and persistent



WITH FUTURE OUTLOOK

We do good for the clients and society

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

Internal Control System, Risk Management and Internal Audit

Principle #3

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

Criteria

- The company has a documented internal control system, the establishment of which is the responsibility of the management board.
- The internal auditor evaluates the effectiveness of the internal control system using a risk-based approach and reports the results of the evaluation to the supervisory board.
- The supervisory board assesses the evaluation of the effectiveness of the internal control system.

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 principles of risk management are determined by the Group's [Risk Management Policy](#) developed by the Management Board and approved by the Supervisory Board, while the Risk Management Regulations approved by the Management Board govern the risk management processes and the procedures by which the implementation of the Risk Management Policy is ensured. Risk management is integrated into strategy development and implementation as well as operational activities.
- Risk appetite for 2025 was approved by the Management Board and reviewed by the Supervisory Board, in accordance with the principles set out in the first edition of the Corporate Governance Code. At the beginning of 2026, a new version of the Risk Management Regulations was approved, stipulating that the risk appetite is to be approved by the Supervisory Board. Accordingly, the risk appetite was approved by the Supervisory Board in April 2026.
- 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 regularly. 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.
- Latvenergo AS reviews risks annually and, if necessary, develops new risk management measures. The most important measures are approved by the Management Board before they are implemented.
- The Supervisory Board and the Audit Committee are informed about Group risk management, risk appetite, key risk indicator metrics, and significant incidents on a monthly and quarterly basis, respectively.
- The Supervisory Board reviews a report on risk management measures and the implementation of the Risk Management Policy, as well as risk appetite indicators and planned risk management activities.

Principle #4

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

Criteria

- The management board develops and the supervisory board approves the company's risk management policy.
- The management board develops, and the supervisory board approves the appetite for material risks — risks the company is willing to take in order to achieve its operational objectives.
- Based on the 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.

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

Internal Control System, Risk Management and Internal Audit

Principle #5

An internal audit has been established at the company; it evaluates the company's operations independently and objectively.

Criteria

- The company has an internal auditor (structural unit or specialist) who is functionally independent of the management board and reports to the supervisory board.
- The supervisory board appoints and withdraws the internal auditor from their position.
- The internal auditor develops a risk-based internal audit strategy and plan, which is approved by the supervisory board.
- The internal auditor informs the management board and supervisory board about the work of the internal audit, the implementation of the strategy and plan, the audit results and recommended actions to address any deficiencies.

Facts

- The Internal Audit unit has been established at Latvenergo AS.
- The Internal Audit Director of Latvenergo AS reports to the Audit Committee and the Supervisory Board.
- The Internal Audit Director is appointed and discharged by the Audit Committee which, like the Supervisory Board, is a supervisory body of the company.
- The Internal Audit operates in conformance with the [Global Internal Audit Standards](#). Conformance is assessed by a qualified external assessor once in five years. The last external evaluation was conducted in 2024, and the assessor confirmed that the internal audit activities overall meet the requirements of the standards.
- The activities of the Internal Audit are supervised by the Audit Committee, which endorses the annual risk-based internal audit plan, which is then approved by the Supervisory Board.
- The Internal Audit unit develops and regularly updates the internal audit strategy, which is aligned with the Group's strategy and discussed with the Audit Committee.
- For its activities, incl. the fulfilment of the strategy and plan, the Internal Audit reports annually to the Management Board, Audit Committee, and Supervisory Board.

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

External Auditor

Principle #6

The company has an independent external auditor.

Criteria

- 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 and reputation.
- The term of office of one external auditor does not exceed five years, thus ensuring the rotation of the auditor's representatives.

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 responsible sworn auditor must have an impeccable reputation in accordance with the [Law on Audit Services](#) and the qualification criteria of the procurement procedure.
- 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 2024-2026 is Ernst & Young Baltic SIA.

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

Election of Supervisory Board Members

Principle #7

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

Criteria

- 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.

Facts

- The Supervisory Board of Latvenergo AS consists of five members.
- 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
- On 8 April 2025, the Shareholder Meeting elected Rodžers Jānis Grigulis to the Supervisory Board for a term of five years and extended the mandates of the other four members — Aigars Laizāns and Toms Siliņš from 11 June 2025 for a five-year term, and Kaspars Rokens and Guntars Ruža until the Shareholder Meeting appoints new Supervisory Board members selected through a competition. On 3 November 2025, the State Chancellery announced a vacancy competition for two positions on the Supervisory Board of Latvenergo AS. Gundars Ruža stepped down as of 25 April 2026.
- 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, internal auditing and compliance, and corporate governance, as well as knowledge of the energy sector and sustainability issues, along with 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](#).

Principle #8

Supervisory board members together have relevant experience and competence.

Criteria

- The supervisory board as a whole has a set of skills, experience and knowledge, including sector-specific knowledge, 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.

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

Election of Supervisory Board Members

Principle #9

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

Criteria

- 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, and a member of the supervisory board is obliged, during their term of office, to report any changes in their independence status.
- Prior to the election of the supervisory board, the company evaluates the independence of supervisory board members in accordance with the information available.

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 by law and in the Corporate Governance Code.

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

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

Principle #10

The company has introduced a remuneration policy.

Criteria

- 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 sustainability goals to be achieved by the management board, including each of its members, and their impact on the variable part of remuneration, monitoring 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 or paid to each current and former management board and supervisory board member.

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.
- On 25 June 2025, the new Cabinet of Ministers Regulation No. 392 [Procedure for Determining the Number and Remuneration of Management Board and Supervisory Board Members in the Management of Capital Shares of a Public Person](#) was adopted. It stipulates that the company must develop a remuneration policy for management board and supervisory board members in accordance with the principles of the regulation. Latvenergo AS plans to approve such a policy in 2026.
- Remuneration is determined by evaluating indicators characterising the capital company - turnover, assets, and number of employees - as well as the 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 [Annual Report](#).

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

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

Principle #11

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

Criteria

- 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 reasonable 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 annually assesses whether its composition has appropriate experience and competence, including whether it has sufficient capacity and complies with diversity principles.
- The supervisory board has evaluated the need to set up committees (if a committee has been set up, see Principle #12.1).

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](#).
- Once per quarter, the implementation of strategic targets is reviewed at a Supervisory Board meeting.
- Once a year, the Supervisory Board conducts a self-assessment of its work, including an assessment of the Supervisory Board members' experience, knowledge, and other aspects related to the composition of the Supervisory Board.
- 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 [Annual Report](#)

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

Principle #12

The supervisory board takes informed and well-balanced decisions.

Criteria

- The supervisory board has access to information prepared by the management board necessary for decision-making in a timely manner and in a 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.

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 2025, 20 Supervisory Board meetings took place; the attendance rate was 97%.
- The most important issues considered by the Supervisory Board in 2025:
 - analysis of the most significant events and trends in the energy sector
 - evaluation of acquisition transactions related to the development of wind and solar power plants
 - evaluation of funding acquisition transactions
 - management discussions on the development of the next-term strategy
 - evaluation of dividend policy
 - evaluation of the Group's financial and non-financial results, as well as the achievement of strategic goals, on a quarterly basis
 - evaluation of the performance of the members of the Management Board and election of a member of the Management Board
- 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.
- The Human Resources Committee, consisting of four Supervisory Board members, operates effectively to prepare proposals for the Supervisory Board regarding the selection, remuneration, performance evaluation, and dual positions of the Management Board, Audit Committee, and Internal Audit staff.
- The Human Resources Committee operates in accordance with regulations approved by the Supervisory Board, which are available on the [Latvenergo website](#).
- 3 Human Resources Committee meetings were held in 2025.
- Latvenergo AS also has an [Audit Committee](#) established in accordance with the [Financial Instrument Market Law](#) and approved by the Shareholder Meeting. The Committee consists of five members, two of whom represent the Supervisory Board.

Principle #12.1

A committee prepares proposals for supervisory board decision-making.

Criteria

- 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, informing the supervisory board of the committee's work.

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

Prevention of Conflicts of Interest

Principle #13

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.

Criteria

- The supervisory board defines the indications of a conflict of interest and establishes the conflict of interest prevention and management procedures.
- Supervisory board and management board members do not participate in decision making on matters in which the company's interests conflict with the interests of supervisory board or 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.

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.
- All employees of the Group, as well as members of the Management Board and Supervisory Board, are required to regularly complete e-learning courses on conflict of interest prevention in the performance of their duties.
- Measures for the prevention of conflicts of interest and their implementation are reported to the Audit Committee.

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

Shareholder Meeting

Principle #14

The company provides shareholders with timely information on the proceedings of shareholder meetings, including all the information necessary for decision-making.

Criteria

- 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.
- The company provides an opportunity for the shareholders to get acquainted in a timely manner with the draft decisions and the documents attached to them, including through the use of digital tools.
- 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.

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](#).
- Within the time limits specified by law, a draft decision and the documents substantiating and explaining its adoption are submitted to the Shareholder before the Shareholder Meeting.

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

Shareholder Meeting

Principle #15

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

Criteria

- The company provides shareholders with the opportunity to participate in the shareholder meeting either in person or remotely, while ensuring the necessary security and technical measures are in place.
- 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 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.

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.
- 5 Shareholder Meetings took place in 2025; all in person.
- The main decisions of the Shareholder Meeting in 2025:
 - distribution of profits for 2024 and payment of dividends
 - approval of the Shareholder's Letter of Expectations to Latvenergo for 2027–2031
 - changes to the Supervisory Board
 - civil liability insurance for the members of the Supervisory Board and Audit Committee of Latvenergo AS
 - provision of consent for the acquisition of a WPP
 - provision of consent for the issuance of bonds
 - updating the Regulations of the Audit Committee
- Details concerning Shareholder Meetings convened, including agendas and decisions, are available on the [Latvenergo website](#).

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

Shareholder Meeting

Principle #16

The company develops and discusses dividend policy with shareholders.

Criteria

- 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.

Facts

- The distribution of Latvenergo AS dividends is regulated by the laws of the Republic of Latvia:
 - the [Law on the State Budget for 2025 and the Budget Framework for 2025, 2026, and 2027](#)
 - 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%. Since the beginning of the strategy period, over the last four years, approximately 70% of Latvenergo AS profit has been distributed as dividends.
- The actual amount payable in dividends is determined by the Shareholder Meeting after the approval of the Annual Report, upon evaluation of the results for the previous year.

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

Transparency of Company Operations

Principle #17

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

Criteria

- The company discloses complete, accurate, objective, up-to-date and true information in a timely manner.
- The company provides information to all shareholders simultaneously and to the same extent, and for this purpose uses pre-agreed communication channels, taking into account both technological capabilities and the needs of the shareholders.
- 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 official language of a European Union Member State.

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](#). Since the eurobond issuance in November 2025, material information in English is also published on the website of the [Luxembourg Stock Exchange](#).
- Interim financial statements are published on a quarterly basis; the Annual Report, corporate governance report 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 [Annual Report](#)

Corporate Group Management

Principle #18

Corporate groups have established a transparent management system that ensures the implementation of corporate governance principles at subsidiary companies.

Criteria

- Members of the management board and supervisory board of a subsidiary within a corporate group act primarily in the interests of the subsidiary.
- The corporate group has implemented a transparent framework for executing group-level strategy, financial objectives, and policies.
- The company provides comprehensive and transparent information about its operations within the corporate group.

Facts

- The duties of the members of the Management Boards and Supervisory Boards of the Group companies are defined in accordance with general business practice and good corporate governance.
- At the Group level, strategic development directions and business / financial objectives are set, which are cascaded to subsidiaries during their strategy planning and annual budgeting processes.
- The management of subsidiaries is responsible for adopting the policies of Latvenergo Group and ensuring compliance with the principles set therein.
- Principles for the implementation of centralized functions are established within the Group.
- Information on related-party transactions is disclosed.
- Subsidiaries prepare and publish financial statements and provide information for the consolidated financial statements of Latvenergo Group, including the sustainability report.

Annex No. 1: Information to Be Published on the Company Website

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	✓	
Information on the company's compliance with current good business practice standards	✓	See the Latvenergo website and the Sustainability Statement section of the Annual Report .
Key company policies	✓	See p. 22 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 the company's issued, paid-up and voting shares, bonds or other financial instruments	✓	
Supervisory board and management board		
Structure of the management board and supervisory board	✓	
Information on each supervisory board and management board member	✓	
Information on independent supervisory board members	✓	An assessment of Supervisory Board member independence was carried out at the beginning of 2025.
Remuneration policy of the management board and the supervisory board and remuneration report	✓	See the Corporate Governance section of the Annual Report .
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. 14 of the Corporate Governance Report.
Financial and non-financial reports and information		
The company's financial statements and reports	✓	
The company's sustainability reports	✓	
Corporate governance reports	✓	
The company's financial calendar	✓	
Information for shareholders and investors		
Information on 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 shareholder meetings held	✓	
The company's dividend policy and information on dividends paid	✓	
The company's announcements and relevant information for investors	✓	
Contact details of the investor relations specialist	✓	

Annex No. 2: Key Company Policies

Key policies included in corporate governance principles or criteria

Risk Management Policy	✓	
Remuneration Policy	✓	
Dividend Policy	✓	
Internal Culture and Ethical Conduct Policy	✓	
Policy for the Selection of the Management Board and Supervisory Board	✓	See p. 10-12 of the Corporate Governance Report.
Conflict of Interest Prevention Policy	✓	Included in Latvenergo Group's Code of Ethics .

Other key policies mentioned in the corporate governance code

Internal Audit Policy	✓	
Information Management and Security Policy	✓	See the Principles for Information Disclosure .
Whistleblowing Policy	✓	Included in Latvenergo Group's Code of Ethics .
Fair Competition Implementation Policy	✓	Included in Latvenergo Group's Code of Ethics .
Diversity Policy	✓	The principles are included in the Personnel Management Policy; see the section Own Workforce of the Sustainability Report in the Annual Report .
Sustainability Policy	✓	
Crisis Management and Business Continuity Policy	✓	See Latvenergo Group Business Continuity Assurance Policy .

Essential compliance policies

Business Partner Due Diligence Policy	✓	See the Basic Principles of the Policy for Prevention of Laundering of Proceeds Derived from Criminal Activity .
Sanctions Risk Management Policy	✓	See the Basic Principles of the Policy for Observance of the International and National Sanctions .
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

Financial Instrument Market Law

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 (effective until 26/06/2025)

25/06/2025 Regulations of the Cabinet of Ministers No. 392 – procedure for determining the number and remuneration of management board and supervisory board members in the management of capital shares of a public person (effective from 27/06/2025)

Corporate Governance Guidelines

Corporate Governance Code by the Corporate Governance Advisory Board



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