



RĪGAS PIENA
KOMBINĀTS

Environmental Policy

Purpose

Environmental protection and the reduced use of natural resources in the operations of AS “Rīgas piena kombināts” is one of the company’s three ESG (Environment, Social, Governance) areas, aimed at creating a healthier, less resource-intensive, fairer and more balanced world.

The objective of AS “Rīgas piena kombināts” is to develop responsible production practices, comply with the environmental protection requirements of the Republic of Latvia and the European Union, and reduce its environmental impact as far as possible. The company does so by maintaining procedures, programmes and practices to prevent, manage and reduce its impact on the environment and climate throughout the value chain, applying the precautionary approach. This means prioritising its activities based on risk and materiality assessments, with the aim of avoiding significant harm.

In 2025, AS “Rīgas piena kombināts” conducted a Double Materiality Assessment (DMA) with the support of external consultant KPMG to refine the criticality of the three ESG areas, assess progress to date and strengthen plans for the coming years. As a result, AS “Rīgas piena kombināts” identified the transition to fully recyclable packaging as its main priority by 2026, while for 2027 it set the introduction of certified electricity from renewable energy sources as a priority.

The purpose of this document is to set out the guiding principles, objectives and internal policies established by AS “Rīgas piena kombināts” that support our environmental objectives, manage risks and promote accelerated action and innovation.

Policy scope

This policy applies to all milk product production and distribution activities of AS “Rīgas piena kombināts”, as well as to the management and permanent and fixed-term employees of AS “Rīgas piena kombināts”, contractors, and third parties – suppliers and partners involved in the milk product value chain. Our aim is to implement these practices in our day-to-day operations.

Key principles

Compliance

We apply appropriate environmental protection practices to comply with all applicable environmental protection laws and regulations, applying stricter criteria than those required by law where we consider this appropriate.

Monitoring

We monitor our progress and compliance with the key established criteria to ensure accountability and alignment with our objectives, as well as continuous progress and performance improvement. We also monitor technological innovations and stakeholder interests in order to implement effective solutions, in line with our investment capacity, and continue reducing resource use.

Learning

We actively monitor emerging issues, changes in legislation and the expectations of relevant regulatory stakeholders regarding our operations in order to inform our decision-making over time, strengthen our knowledge and improve our approach to environmental issues.

Environmental management

Compliance with legislation

AS “Rīgas piena kombināts” ensures compliance with the environmental protection legislation in force in the Republic of Latvia and the European Union, including requirements concerning pollution prevention and control, wastewater management, air emissions, waste management and efficient use of resources. The company’s environmental management is implemented in accordance with permits issued by the State Environmental Service, including the conditions of the Category A permit for polluting activities.

Internal and external controls

The company ensures regular monitoring of compliance with environmental requirements, including process controls, monitoring and the recording of necessary data. Compliance with regulatory requirements is additionally supervised by competent state institutions, including the State Environmental Service, which conducts inspections and assesses the company’s activities in accordance with the conditions of the permits issued. The company is considering obtaining ISO 14001 certification for its Environmental Management System in the near future in order to

further improve the effectiveness of its environmental management system and provide additional assurance to AS “Rīgas piena kombināts” stakeholders.

Management resources

The person responsible for environmental protection at the company is the Environmental Protection Engineer, who operates in close cooperation with and reports to the Director of the Production and Technical Department.

The company also enables other employees, in accordance with their areas of activity and assigned responsibilities, to provide information and support to the Director of the Production and Technical Department for effective operations, as well as to propose future improvements.

Stakeholders

As part of the DMA, the company has identified internal and external stakeholders and takes their environmental protection requirements and expectations into account. Their views were identified during the DMA process and will be reviewed again before the next update of the Environmental Policy.

Environmental topics and their objectives

Based on the DMA conducted in 2025, AS “Rīgas piena kombināts” has identified several material environmental topics, some of the most important of which are described below:

Climate change

Goal: flexibly adapt its business operations to climate change

Based on the DMA, AS “Rīgas piena kombināts” has identified climate change as a material environmental topic, with particular attention to adaptability and the physical risks posed by climate change to the company’s operations and upstream value chain. The DMA assessed that the projected increase in average temperatures in Latvia, more frequent heatwaves, changes in precipitation patterns and an increase in climate extremes may significantly affect the agricultural sector and the availability and quality of milk raw materials, including creating risks to feed production, the productivity, welfare and health of dairy cattle, which in turn may affect the quality of dairy products

and the price of raw materials. At the same time, higher air temperatures may increase the energy consumption required to maintain product temperatures during production, storage and logistics, while climate unpredictability may create challenges for production sales planning and forecasting seasonality.

As AS “Rīgas piena kombināts” is a significant electricity consumer, increasing overall consumption efficiency, energy intensity per unit of product and the share of renewable energy sources in the company’s energy mix is an important issue for the company. The company conducts energy audits every four years to monitor the situation and make informed decisions. In 2025, the insulation of the administration building was started and completed in 2026, while from 2027 the company has decided to fully transition to purchasing and using 100% certified renewable energy in production.

Air emissions

Goal: ensure that emissions comply with regulatory standards and are regularly monitored.

Based on the DMA, AS “Rīgas piena kombināts” has identified air pollution as one of the material environmental topics, related to harmful substances released into the atmosphere as a result of the company’s operations (excluding GHG emissions). The DMA assessed the company’s main stationary air emission sources, including the boiler house (natural gas), compressor workshop, combustion unit at the whey processing plant, whey dryer, as well as, to a lesser extent, the welding and metalworking areas, and determined that energy and heat production processes have the greatest impact. To ensure compliance, the company maintains an up-to-date Stationary Pollution Source Emission Limit (SPEL) project, performs dispersion calculations for pollutants and carries out regular monitoring, including testing of microbiological air indicators and submitting mandatory reports to the Latvian Environment, Geology and Meteorology Centre (LVĢMC), while recognising the risks that non-compliance with regulatory requirements may create (including warnings, fines and reputational impact).

Water pollution

Goal: comply with requirements for discharge or treatment.

AS “Rīgas piena kombināts” is one of the most significant dischargers of industrial wastewater in Riga, and the scale of wastewater management in the context of industrial wastewater and drinking water is considered high, also taking into account the substances used in production that are relevant in the context of water pollution. To reduce its impact and ensure compliance with requirements, the company regularly participates in water quality monitoring programmes, monitors drinking water quarterly and annually submits a report on groundwater monitoring to the LVĢMC system. The company is aware of the risks associated with exceeding limit values (including possible warnings, fines and reputational impact), as well as potential regulatory changes that may require additional investment to improve the capacity and efficiency of wastewater treatment infrastructure. The company continuously evaluates opportunities to invest in pre-treatment facilities.

Waste management

Goal: sort, record and transfer waste to licensed organisations.

AS “Rīgas piena kombināts” manages waste, covering the reduction, sorting, recycling and safe management of waste generated by the company throughout its operations. The DMA assessed that as early as 2023 the company demonstrated a high rate of waste sorting and recycling – 97% of the total volume – and the company’s objective is to maintain this share in the future. After temporary storage, all waste generated by the company is collected and transferred to contractually engaged waste management operators, while hazardous waste is stored in designated areas with appropriate labelling until transfer. In addition, the company sorts packaging used in its operations in cooperation with partners and ensures the use of production by-products (such as whey) in circular solutions, including biogas production or animal feed, while recognising the reputational risks that may arise from improper waste recycling or disposal by cooperation partners. The company does not rule out the possibility of introducing technology for the complete processing of whey within its own operations.

Packaging

Goal: transition to fully recyclable packaging solutions.

A material environmental topic for AS “Rīgas piena kombināts” is the circular economy, with particular attention to the management of incoming resources (raw materials, packaging, energy, water) and outgoing resources related to the product life

cycle and environmental impact. The DMA assessed that the company's operations are highly dependent on supply chain resources, including raw milk, which is the main raw material and is purchased from more than 100 farms in Latvia and Estonia, averaging approximately 325 tonnes per day. At the same time, the use of packaging resources and their sustainable management were highlighted as an important aspect: in 2024, the company set the objective of transitioning to recyclable packaging solutions for 90% of all packaging used by the company by 2026. Currently, more than 80% of the packaging used by the company is recyclable. The company also ensures the management of used packaging in cooperation with a waste management partner, while recognising reputational and market risks associated with excessive packaging use, as well as opportunities to increase the share of recycled materials and improve resource efficiency by optimising the product portfolio and packaging solutions.

Policy availability

The Environmental Policy of AS "Rīgas piena kombināts" is publicly available on the company's website at www.piens.lv, as well as in the internal document management system Namejs.

The Environmental Policy was adopted in March 2026. It is planned to be updated at least once every two years.

The maintenance and updating of the Policy is the responsibility of the Quality Department and the Production and Technical Department.