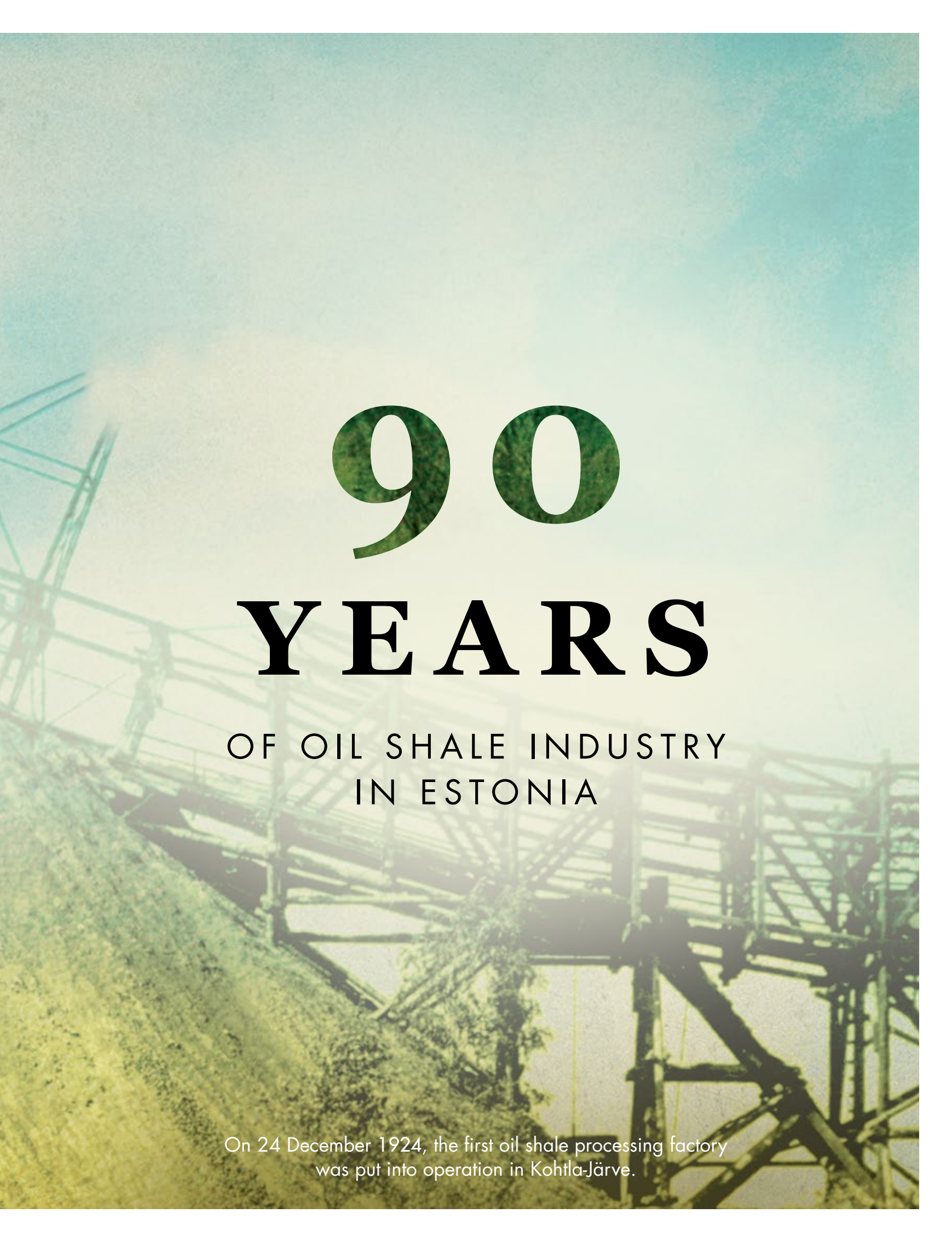


OPEN DEVOTED ASPIRED

YEARBOOK 2013







90 YEARS

OF OIL SHALE INDUSTRY
IN ESTONIA

On 24 December 1924, the first oil shale processing factory
was put into operation in Kohtla-Järve.

90
YEARS

OF OIL SHALE INDUSTRY
IN ESTONIA

In 2014, the Estonian oil shale industry, which started in Kohtla-Järve, is celebrating its 90th anniversary. It was in Kohtla-Järve that the first oil factory was built in Estonia in 1924, the grand opening of which took place on 24 December 1924, and which lay the foundation for further development of the national oil shale processing industry.

Just like 90 years ago, **at present, the historical industrial facility located in Kohtla-Järve, owned by Viru Keemia Grupp, still provides the largest share of the national oil shale production.** However, unlike the historical production processes, the products of modern industry are not only fuel oils produced from oil shale, but also resins, fine chemical products, coke and mixtures, which are used by the most well-known companies in the world.

The chemical products produced in Kohtla-Järve reached 30 different countries in 2013, and for the first time they were supplied to Iran and the countries of Latin America.



By 2016, the VKG's oil shale processing capacity will have **increased twice**, compared with 2010.

The oil plant Petroter I is running at full capacity. **In 2014, the plant Petroter II will be put into operation**, and Petroter III is already under construction.

Together with the production of fuel oils and chemical products, **the production capacity of electricity and thermal power at the group is also going to double.**

1924 VS 2014



PRIT ROHUMAA
Chairman of the Board

During its history, which accounts for almost one hundred years, the oil shale industry has witnessed a lot: war and peace, growth and decline, after which no one expected a fast recovery. However, the industry is still alive and running; it is strong and has got a great development potential. The key role is, undoubtedly, played by our employees, the best experts in the field of the oil shale industry, and the preceding generations of engineers. Only thanks to our people, we have managed to achieve the results that we are so proud to present in the introduction to this yearbook.

Recent decades have been characterized by almost 20 years of VKG being a private company and by at least 10 years of rapid development. Last year imbued us with even more confidence, allowing us to make several large investments, as well as to move further according to the plan we have made earlier.

Now is the perfect time for moving further, and we are not expecting to experience easier times or to have better opportunities in the future. The issue of extra taxation in the field of the oil shale industry is becoming more and more urgent in Estonia, and the new environmental standards of crucial importance are about to be introduced, which will have a considerable effect on the main products in the industry.

The aim of VKG, with its background as described above, is to lay a secure foundation for its own operations, which would enable us to move to the next stage of development (cement and refinery plants) in favourable conditions, while in case of an economic downturn we could be confident enough and able to overcome any difficulties. We have all the prerequisites for expecting the best, but we are also prepared for the worst scenario.

Recent years in Estonia have proved that both the oil shale industry and Ida-Virumaa as a whole are increasingly becoming the centre of attention. On the one hand, this branch of industry (and the area of Ida-Virumaa) is seen as having a great potential and being a source of profit, while on the other hand, this industry is very complex, and we are still not sure whether we should change these perceptions and how we could do it. However, this is urgently needed in order to lead the Estonian oil shale industry in the direction which would provide the highest added value to oil shale, the largest GDP for the country, and guarantee the best social and economic development for Ida-Virumaa and the country as a whole.

It is quite obvious that VKG still stands for fast development.



Prit Rohmann

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INTRODUCTION

The largest oil shale processing countries in the world

ESTONIA

15

million tons per year

Approximately 11 mln tons for production of energy, 4 mln tons for production of oil

CHINA

14.5

million tons per year

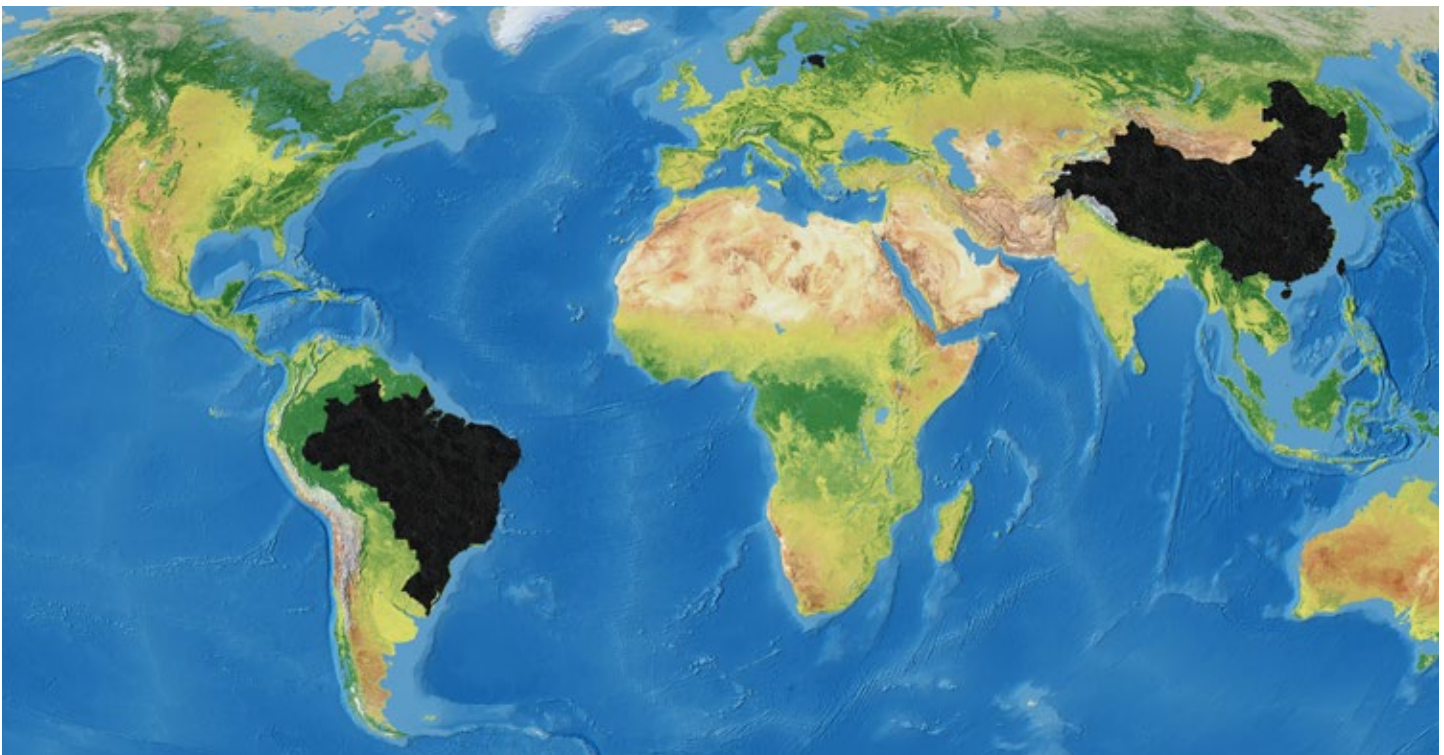
Very little is used for production of energy, the majority is for production of oil

BRAZIL

2.4

million tons per year

The entire production is aimed at producing oil



15

The largest oil shale processing companies in Estonia

OIL SHALE PRODUCTION IN ESTONIA IN 2013

700,000 tons of oil

THE SHARE OF VKG AMOUNTED TO

410,000 tons of oil

OR

60%

Subsidiaries of VKG

PRODUCTION

VKG Oil

oil shale processing

VKG Plokk

production of Roclite building blocks

VKG Kaevandused

extraction of oil shale

VKG Diisel

VKG diesel production project

VKG Energia

production of heat and power

SERVICES

VKG Transport

railway and vehicle transport services

VKG Elektrihitus

construction and repair of electrical systems

VKG Soojus

heat network service

Viru RMT

assembly, repair and maintenance of industrial equipment

VKG Elektrivõrgud

electric power network service and sales

RECOGNITION

→ **Best Estonian Enterprise 2009**

VKG Oil AS

→ **Enterprise of the Year in Ida-Virumaa 2010**

VKG

→ **Responsible Estonian Business 2010, 2011, 2012, 2013**

VKG

→ **Environmental Enterprise of the Year 2011 in environmental management category**

VKG

→ **Estonian Culture-Friendly Business 2012, 2013**

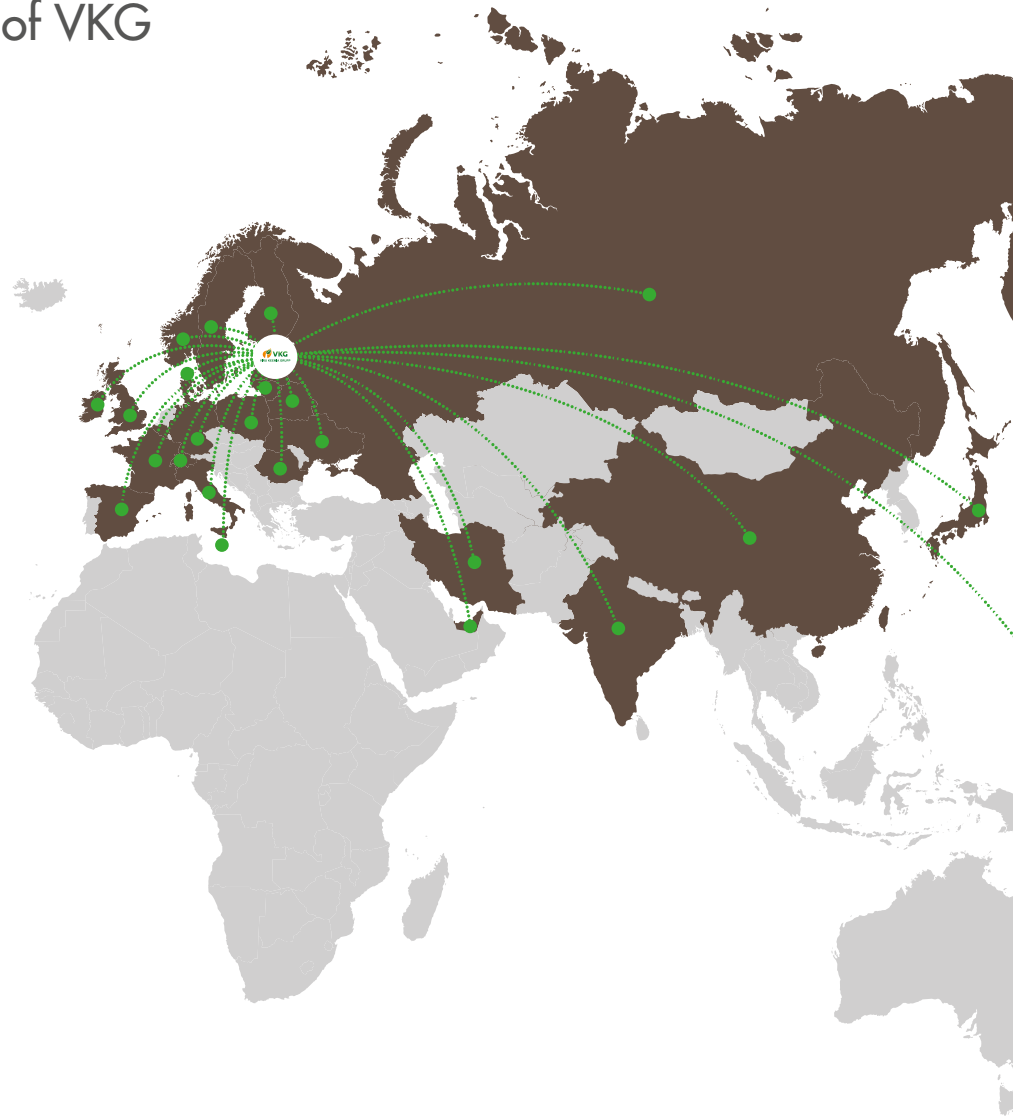
→ In October 2012, Viru Keemia Grupp was listed among the three best companies in the category of **Sustainable Growth** of the Swedish Business Award

→ On 23 February 2012, Nikolai Petrovitš, a member of the VKG board and the head of the best enterprise in Estonia in 2009, VKG Oil, received **an Order of White Star, IV class** from the President of Estonia Toomas Hendrik Ilves, for supporting the development of the region. According to Nikolai Petrovitš, his order belongs to the entire VKG team.



Geographical sales distribution of the products and services of VKG

- Estonia
- Latvia
- Lithuania
- Sweden
- Finland
- Norway
- Denmark
- Poland
- Belarus
- Ukraine
- Romania
- United Kingdom
- Netherlands
- Switzerland
- Germany
- Malta
- Austria
- France
- Spain
- Italy
- China
- India
- New Zealand
- Russia
- United Arab Emirates
- Japan
- Iran
- South America



Main products and services of VKG

- Ship fuels
- Heating oil for local heating boiler plants
- Electrode coke for electrode manufacturers
- Oil shale fine chemical products for perfumery, cosmetics and textile industries
- Oil shale gas for production of heat and power
- Vehicle and railway transport services
- Steam and air conditioning for large-scale industrial companies
- Production, transfer and sale of heat and energy to households and companies
- Repair, assembly and rental services of machinery and equipment
- Consulting services in the field of oil shale processing technology



NIKOLAI PETROVIŠ

Member of the VKG Oil Board,
Member of the VKG Board

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Main indicators in 2013

NUMBER OF EMPLOYEES

2100 people

PROFIT

19.4 million euro

INVESTMENTS INTO ENVIRONMENT AND DEVELOPMENT

78.4 million euro

TURNOVER

220.4 million euro

The largest environmental and development projects in 2013/2014

CONSTRUCTION OF THE PLANTS PETROTER II AND PETROTER III

In 2013, the investments into Petroter technology amounted to 53.2 million euro. In 2014, the second plant will be put into operation, and the launching of the third plant is scheduled for the beginning of 2016. The daily capacity of each plant is 3000 tons of oil shale. The three plants (Petroter I was put into operation in June 2010) will more than double the previous production capacity of VKG.

CONSTRUCTION OF SULPHUR RECOVERY UNITS AT VKG ENERGIA

In 2008, at the thermal power plant VKG Põhja, the first NID-type sulphur recovery unit in Estonia was put into operation. At the moment, the second sulphur trapper is under construction at VKG, and the company is planning to purchase two more sulphur trapping devices by 2016. Since in addition to SO₂, the NID-type sulphur trapping technology chosen by VKG also traps CO₂, it provides a positive effect on the air quality in Kohtla-Järve.

REPLACEMENT OF THE DISTILLATION COLUMN AT VKG OIL AS

The rectification process is one of the most important processes in the field of oil shale processing. In 2014, the nucleus of this process, i.e. the rectification column, will be replaced. The preliminary works on this project have been going on for several years, and in 2013-2014, about 3 million euro will be spent on this project.

RECONSTRUCTION OF THE CONTAINER PARK AND CONNECTING IT TO THE SO-CALLED RESPIRATORY SYSTEM

The last stage of reconstruction of the container park at VKG Oil and of the pipeline respiratory system will be completed in 2014. In the same year, the group is going to expand the container park for the purposes of the new Petroter plants. In total, 5 million euro will be spent on renovation works.



MARGUS KOTTISE
Head of Ojamaa mine,
Member of the VKG Board

Main events in the reporting period

JANUARY 2013

GRAND OPENING OF THE OJAMAA MINE

The purpose of the Ojamaa mine is to reduce VKG's dependence on the raw materials provided by its partners and to cover the demand for raw materials to the full extent. Since 2013, the mine has been operating at full capacity. The production volume of the Ojamaa mine in 2013 was 2.83 million tons of oil shale.

APRIL 2013

LIME PLANT CONSTRUCTION STARTED

The lime plant construction project, which started in April 2013, will last until the end of the second quarter of 2014. The plant is located on the production territory in Kohtla-Järve, and the group is going to use the lime produced at the plant as a raw material both for the existing and in the future sulphur trapping equipment. The total cost of the project is about 5 million euro. The production capacity of the plant will be 75 tons of lime per day. The new equipment will provide the raw material for 3-4 sulphur trappers operating simultaneously.

JULY 2013

AHTME ASH STORAGE SITE WAS CLOSED

In accordance with the requirements of the accession negotiations held between the Republic of Estonia and the European Committee, VKG Soojus closed the landfill used for the oil shale production by due time, i.e. by 16 July 2013. The ash storage site of VKG Soojus was in use for 60 years, and it is one of the largest storage sites of industrial waste in Estonia. Millions of tons of dangerous waste were stored at the site, which had been polluting ground waters and air until the site closure works began.

AUGUST 2013

VKG ENERGIA STARTED CONSTRUCTION OF AN ADDITIONAL TURBINE

The new turbine will considerably increase the electricity production capacity of VKG. The cost of the project is 15 million euro, and the new turbine will have been completed on the production territory of VKG by July 2015. Its capacity will be 25 MW.

SEPTEMBER 2013

VKG BECAME THE MAIN SPONSOR OF THE NATIONAL OPERA "ESTONIA"

VKG has had the privilege of sponsoring the National Opera "Estonia" for over three years. The new agreement has enabled us to expand the scope of our sponsorship and the term of validity of the contract. For VKG, this initiative has a symbolic meaning, since in addition to the 100th anniversary of the theatre and concert hall Estonia, which was celebrated in autumn 2013, the Estonian oil shale industry celebrates a respectable 90th anniversary in 2014.

OCTOBER 2013

VKG STARTED CONSTRUCTION OF THE PLANT PETROTER III

Petroter is the oil shale processing technology developed by VKG, on the basis of which the first plant of the same kind, named Petroter I, was launched in June 2010. At the third plant, we will be dealing with further development of this technology, and it will partially use the infrastructure of the plant Petroter I, already in operation, and the plant Petroter II, which will be put into operation soon. The cost of the 3rd project is 80 million euro. The plant will be launched by the beginning of 2016.

NOVEMBER 2013

VKG ENTERED INTO THE SECOND SYNDICATE LOAN AGREEMENT

The syndicate loan to the amount of 150 million euro has been granted to VKG by the consortium of SEB, Nordea and Pohjola banks. The purpose of the new agreement is to finance the projects of crucial importance from the perspective of sustainable operation. The group will start paying the loan back in 2015.

DECEMBER 2013

VKG STARTED CONSTRUCTION OF THE LARGEST SHOWER ROOM IN ESTONIA

The new amenity facility will accommodate up to 1000 users and will be completed in October 2014. The employees will be able to change their clothes, keep personal items, wash and rest there. The volume of investments amounts to 3 million euro. Simultaneously with construction works, the interior design solution is being developed by VKG in cooperation with Tartu Art College.



AHTI PUUR

Chief Financial Officer,
Vice Chairman of the VKG Board

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Priorities for 2014

- Successful launch of the plant Petroter II, successful implementation of the Petroter III project.
- Large-scale reconstruction of the energy production facility at VKG, which will improve the reliability of processes and will increase capacity.
- Successful implementation of the sulphur trapping project. The project involves three new desulphurization units as well as construction and launch of the lime plant which will produce the raw material for sulphur trappers.
- Implementation of the innovative plan of constructing the pyramids at the Ojamaa mine in Maidla rural municipality. The barren rock generated as a result of mining operations at the Ojamaa mine will be used as the material for the pyramids.
- Ongoing improvement of the working conditions and the industrial environment indicators. In 2014, the plan is to carry out large-scale repair and reconstruction works of amenities. The design team of Tartu Art College will help to make the working environment more employee-friendly.
- Demolition of the building of Ahtme Power Plant. The building of the power plant, which was built in 1947, does not conform to the modern production needs any more, and it will be demolished during 2014. The total surface area of the plant is about 24,000 m². The equipment located on its territory turns the demolition works into a real challenge.

Estimated numbers for 2014

NUMBER OF
EMPLOYEES
2200 people

OIL SHALE
EXTRACTION VOLUME
3.1 million tons

OIL SHALE
PROCESSING VOLUME
2.8 million tons

VKG'S SHARE IN
THE STATE TAX REVENUES
0.73% or 37 million euro

ECONOMIC INDICATORS

CONSOLIDATED INCOME STATEMENT

IN THOUSANDS OF EURO, UNAUDITED DATA

	2010	2011	2012	2013
Return on Sales	125 496	183 567	215 754	220 406
Targeted Financing	188			
Cost of Goods Sold	102 777	129 231	164 599	181 367
GROSS PROFIT	22 908	54 336	51 155	39 039
Marketing Costs	3 514	3 563	4 923	5 802
Administrative Overhead	7 167	8 974	16 137	12 224
Other Revenue	9 990	6 054	15 611	6 915
Other Operating Costs	645	12 262	7 171	4 193
OPERATING PROFIT	21 574	35 591	38 533	23 734
Financial Income and Costs	-2 260	-5 980	-3 230	-3 974
PROFIT BEFORE INCOME TAX	19 311	29 610	35 304	19 760
Extraordinary Expenses				
Income Tax	85	170	436	315
NET PROFIT FOR THE FISCAL YEAR	19 227	29 440	34 867	19 445

INVESTMENTS INTO DEVELOPMENT ACTIVITIES

IN MILLIONS OF EURO

30	2010
44	2011
46	2012
75	2013

INVESTMENTS INTO ENVIRONMENTAL PROTECTION AND OCCUPATIONAL SAFETY

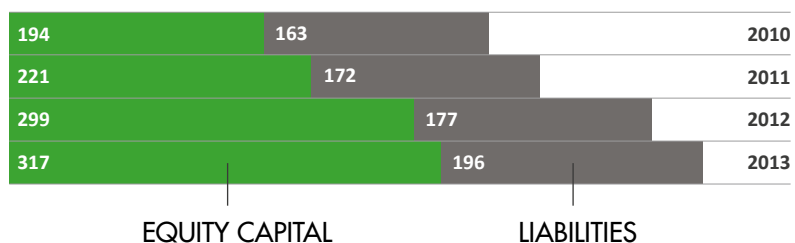
IN MILLIONS OF EURO

2	2010
2	2011
2	2012
4	2013

CONSOLIDATED BALANCE SHEET IN THOUSANDS OF EURO, UNAUDITED DATA

	2010	2011	2012	2013
ASSETS				
Current Assets	30 719	53 385	75 949	85 162
Fixed Assets	326 328	339 828	400 109	428 397
TOTAL ASSETS	357 047	393 212	476 058	513 559
LIABILITIES AND EQUITY CAPITAL				
Short-Term Liabilities	67 069	65 694	88 692	72 028
Long-Term Liabilities	95 932	106 214	88 480	124 124
Total Liabilities	163 001	171 908	177 172	196 152
Equity Capital	194 046	221 305	298 886	317 408
TOTAL LIABILITIES AND EQUITY CAPITAL	357 047	393 212	476 058	513 559

BALANCE SHEET TOTAL IN MILLIONS OF EURO





JAANUS PURGA
R&D Director,
Member of the VKG Board

R&D ACTIVITIES

The research and development activities carried out by VKG in 2013 are characterized by large-scale expansion of oil production and by the changes in long-term strategic plans caused by the economic environment.

In the first half of 2013, the international procurement aimed at the construction of the oil shale refinery and the construction of the hydrogen production plant, which started in 2012 on a “turnkey” LSTK-EPC principle, was brought to an end. In April, four companies submitted their offers, and the total cost of the plant facility amounts to 400 million euro. On the basis of the offers, the VKG’s chances for the construction of the refinery within the initial schedule were reassessed, and a decision was made in June to stop the construction activities in 2013, postponing the construction of the plant. The main reasons are a lack of clarity in terms of the long-term resource policy and the unstable tax policy pertaining to resource and environmental payments.

In 2013, the construction of the oil plant Petroter II and the lime plant continued according to the plan, and in the fourth quarter, the construction of the plant Petroter III started. By the end of the year, the last section of the oil shale conveyor system on the territory of VKG was completed, and since the beginning of 2014, it has been possible to transport the oil shale from the Ojamaa mine directly to the Petroter and Kiviter plants by means of a conveyor. The full-scale launch of the conveyor system reduces the environmental impact and the cost of the vehicles used for transportation of the oil shale and improves the quality of the oil shale, i.e. it reduces disintegration of the oil shale during transportation.

In the second half of 2013, the development activities were focused on the research of possibilities of using the mineral share of the oil shale, i.e. the semi-coke, Petroter ash and barren rock. The most important application fields would be production of construction materials and construction of roads, while filling in the mines and constructing sill mats in the mines are also some of the options.

The product development of oil shale phenols and the resins based on the phenols, as well as the process of mapping out the capacity of the markets have also continued. The commercial department of VKG Oil had a breakthrough in the sales of pure 2MR, and in 2014, its production will be expanded.

The most important ongoing projects and the projects to be launched in 2014

- Construction of the oil plant Petroter II commenced in 2012, to be put into operation in 2014
- Commencement of construction of the oil plant Petroter III, planned start-up in summer 2015
- Construction of the lime plant, to be put into operation in the first half of 2014
- Completion of construction of the last section of the oil shale transport conveyor system. The system has been in operation since the beginning of 2014.

The most important research and development fields in 2013

- Use and processing of oil shale mine waste, certification of barren rock as construction material
- Assessment of profitability of the concept of a cement plant
- Preparing the terms of reference for increasing the value of the oil shale gas
- Searching for additional spheres of application of the oil shale phenol products and increasing the rate of production of gum resins



MEELIS ELDERMANN
Technical Director,
Member of the VKG Board

ENVIRONMENTAL ACTIVITY

VKG's environmental activity is our company's main economic and development activity providing the backbone of our social responsibility.

The investments of Viru Keemia Grupp AS into environmental protection are among the largest in this country, and we have already invested over 64 million euro. For 2012–2020, we have planned additional environmental investments of over 50 million euro. This year we are planning to invest about 15 million euro into environmental projects.

In 2014, we will continue with the environmental activity and the projects that were started last year. In connection with the enforcement of the Industrial Waste Directive, the need has arisen to launch new kinds of research and projects. We pay great attention to the quality of ambient air and the possibilities of its improvement. The works related to decreasing air pollutants are ongoing, and the first stage of them is going to continue until 2015.

In addition to the above-mentioned, both this year and in the two following years we will also focus on the ways of lowering SO₂. Due to the Industrial Waste Directive, in spring 2014, the report concerning the environment-related frames of reference applied at the enterprises of our group will be prepared, on the basis of which the level of pollution of soil and ground waters will be fixed, and monitoring activities will be carried out. The ash landfill will be reconditioned by summer 2014, and after that the construction works aimed at setting up a new landfill will commence.

Since the group is developing very fast, the model of the pollution sources of the ambient air is updated on the ongoing basis for the comprehensive assessment of environmental impact.

More attention than earlier is paid to noise. Although the threshold level of noise has not been exceeded, VKG wishes to reduce the noise level while expanding the production volume. In 2014, some investments will be made into noise absorption equipment.

In 2013, the monitoring data concerning the quality of wastewaters and stormwaters on the territory of VKG was actively collected. In 2014, the possibilities for purification of wastewaters and stormwaters will be researched. The research of the most effective methods of phenol waters purification is also being carried out at the moment.

In 2013, WSP Environment & Energy carried out a thorough audit of the environmental impact and the working environment at VKG. According to its results, VKG is operating with the use of the best possible technology as well as in accordance with the environmental requirements and policies established by the European Union.

Thus the year 2014 can be regarded as the year when a number of basic research projects will be continued, and the investments into the environmental protection will be made consistently in 2013–2020 in order to comply with the requirements of the Industrial Waste Directive.

Main research projects and plans for 2014

- The energy audit report for the group will be prepared
- Metrology audit within the group
- Research aimed at determining whether the water from the Käva mine can be used as water for cooling
- Research aimed at determining the best possible technology that could be embraced by the entire group
- Assessment of the environmental impact of the Sonda excavation field
- Research aimed at determining the possibilities of capturing SO₂ and volatile organic compounds
- The report on the pollution level of soil and surface waters on the industrial territory of VKG
- Research aimed at determining the possibilities of purification of wastewaters and stormwaters on the industrial territory of VKG
- Development of technology for co-storage of ash and semi-coke at VKG

Major projects for diminishing the environmental impact

- Reconditioning the old damp ash landfill
- Start of construction of a new landfill on the reconditioned territory, meeting all necessary requirements
- Reducing the pollutants impairing the ambient air quality on the VKG industrial territory in Kohtla-Järve
- Completion of the works aimed at construction of the 2nd sulphur trapping device at VKG Energia
- Commencement of the works aimed at construction of the 3rd sulphur trapper at VKG Energia
- Noise absorption equipment for VKG Energia
- Reconstruction of the container park of the oil removal equipment at VKG Oil AS
- Renovation of the monitoring equipment and purchase of new systems for continuous monitoring

SOCIAL RESPONSIBILITY

VKG is one of the leading promoters of the social responsibility concept in Estonia and in Ida-Virumaa in particular. Together with 19 other enterprises, VKG founded in December 2012 the Association of Responsible Entrepreneurship in Estonia, aimed at popularising and promoting this concept to the Estonian entrepreneurs on the national level.



The general priorities of VKG within the framework of responsible entrepreneurship are as follows:

ENVIRONMENTAL CONSERVATION

The aim of environmental activities of VKG is to diminish the conflict between the notions of a large industry and the environmental protection, and to prove that a large industry can also be environmentally friendly, efficient and responsible. The group is one of the largest investors into environment, development and occupational safety in the country. The plans are to make additional investments to the amount of over 60 million euro in period 2014 - 2020.

VKG EMPLOYEES

The employees are the most valuable asset of VKG. Thanks to loyal employees, the oil shale industry has been preserved and is developing fast. VKG's commitment to its employees manifests itself through numerous initiatives. Among them we can name the Miners' and the Chemists' Day, held by VKG, and also the Day of Elderly People. The group also involves people into charity and volunteer work. In the recent years, the employees of VKG together with the employees of Eesti Kontsert have planted several thousand trees in Ida-Virumaa. The collective agreement has been concluded between the group and its employees, and in addition to that, several additional bonuses have been provided to the workers, preconditioned by the nature of operation of the industrial company.

VIRUMAA REGION WHERE VKG OPERATES

The priority of VKG is to support Virumaa and the social activities beneficial to the organizations that operate here, to its people and local associations. In the past few years, the growth of the impact of the group has been accompanied by the increase in the scope of the support it provides, including the support of important cultural projects on the national level (including Eesti Kontsert, National Opera "Estonia" and the largest Estonian art schools). VKG is an active supporter of the local institutions of sports, culture and education, and the aim of the group is to invest a part of the profit it earns back into the region where it operates.

EDUCATION

The priorities of the group in the field of sponsorship and charity are culture, education and sport. In connection with this, we use all possible means to support and guide the initiatives that we believe are really important and deserve support. One of the main priorities of our group is cooperation with Eesti Kontsert and the Jõhvi Concert Hall. The annual cultural event which takes place in Ida-Virumaa, namely the Jõhvi Ballet Festival, is of particular importance. In 2014, Jõhvi will host this event for the eighth time.

VKG has also started several of our own initiatives for promotion of local life



ELECTRICAL SAFETY CAMPAIGN FOR CHILDREN

www.vkgev.ee/lastele

The aim is to teach children at kindergartens and primary schools of Ida-Virumaa the basic rules of using electricity and electrical equipment.



VIRUMAA FIRST PHOTO COMPETITION "YOU ARE BEAUTIFUL, VIRUMAA!"

www.vkgsoojus.ee/konkurss

The competition is judged by **Evelin Ilves** and **Kaupo Kikkas**.



RESTORATION OF THE TOWER OF THE OLD OIL FACTORY AND TURNING IT INTO A LOCAL EDUCATION CENTRE AND TOURIST ATTRACTION

www.vkg.ee/est/sotsiaalne-vastutus/vkg-algatused/vana-olivabriku-torni-taastamine

In cooperation with the Estonian Academy of Arts and Tallinn University of Technology.



KALJO KIISK MEMORIAL YOUNG FILMMAKER'S GRANT

www.vkg.ss/kaljokiisk

The promoters of this scholarship-granting competition are **Tiina Lokk** and **Ilmar Raag**.

INVOLVING THE CHILDREN OF IDA-VIRU- MAA INTO THE HISTORICAL "FIVE- SCHOOL" COMPETITION BETWEEN THE BEST ESTONIAN SCHOOLS

www.vkg.ee/est/sotsiaalne-vastutus/vkg-algatused/viie-kooli-voistlus

In cooperation with Hugo Treffner, Miina Härma, Nõo and Tartu Tamme gymnasiums and Jakobson School.

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Conversation between the Large Industry and the Local People

VKG is the first and so far the only Estonian enterprise **which discloses all of its data concerning the use of resources and environment** in conformity with the World Social Responsibility reporting standard GRI G3. In 2013, our fifth report was released.

VKG communicates with the local people open-mindedly. Every year, **several meetings with the locals take place, the main topic of which is environment and the development of the group.**

One of the first Estonian people's initiatives in the field of environmental protection also originates from Ida-Virumaa, namely the **PurFest festival, the aim of which is to protect the Purtse River.** VKG has been supporting and assisting the initiative for years, and in 2013, it became the main sponsor of the festival. The PurFest is organized by Laila Meister and Gerli Romanovitš, who received the title of the most prominent figures in Ida-Virumaa in 2013.

Several times a year the group holds the so-called **Open Doors Day, during which everyone can visit the production territory of VKG.**

Every year, on the last Thursday of May, the traditional **Day of the Environment** is held, which deals with one of the most important problems in the area. The event is visited by the most prominent figures of Virumaa and the whole of Estonia, by the local citizens and the people who are in charge of the environmental issues. In 2014, the main topic will be heritage pollution.

Every year VKG holds topic-based donation campaigns among its employees. By taking part in them, VKG employees also take part in the life of the region.

Traditional tree-planting events and workshops also take place at VKG, in which many employees take active part. For example, every May the VKG employees in cooperation with the friendly team of Eesti Kontsert plant 1000 trees in Ida-Virumaa.



In addition to that, in 2013 VKG also supported the following events and organizations:

ORGANISATIONS

Ahtme Gymnasium
Ahtme Art School
Estonian Association of Engineers
Ida-Virumaa Sports Association
Jõhvi Culture and Hobby Centre
Kiiikla Children's Home
Kirderanniku Choir
Kohtla Mining Park and Museum SA
Kohtla-Järve Järve Gymnasium
Kohtla-Järve Cultural Centre
Kohtla-Järve Kindergarten "Tuvike"
Kohtla-Järve Children's Home
Kohtla-Järve Sports Society "Kalev"
Maarja Päikesekodu
Non-Profit Association "Eesti Mäeseltsi Mäering"
Non-Profit Association "Külaselts KAI"
Non-Profit Association "Rakvere Volleyball Club"

Non-Profit Association "Uljaste Visitor Centre"
Non-Profit Association "Virumaa Kultuurisõbrad", Kukruse polar manor
Mäetaguse Kindergarten "Tõruke"
National Opera "Estonia"
Sonda Rural Municipality Government
Sports Centre "Afina"
Sports Centre NRK, Kohtla-Järve
Sports Centre "Virusputnik"
Tae Kwon Do Club "Tekken"
Dance Group "Virulane"
Mining Institute of the Tallinn University of Technology

EVENTS

Alutaguse ski marathon
AutoCad competition at Kadrina Secondary School

Avo Talpas memorial competition
Mining Conference held by the Estonian Mining Society
ELO winter games
Kiiikla village sports day
TV programme "Kodutunne" in Virumaa
Kohtla-Nõmme triathlon competition
Children's Day in Kohtla-Nõmme rural municipality
Concert "Mõisatudel" at Maidla manor
Maidla Manor Days
Film Festival at Rakvere Gymnasium
Joint conference of the Tallinn University of Technology and ESTIS "Where Are You Heading, the Heating Industry?"
Eurovision song contest of the students of the Tallinn University of Technology
Competition between five schools

VKG has been the main sponsor of the Estonian Wrestling Federation since 2005



VKG's shareholders Priit Piilmann and Elar Sarapuu have consistently supported the Estonian Wrestling Federation and the Estonian wrestling team's preparations for the championships and Olympic Games on behalf of VKG over the past eight years. VKG's support of the sport's development in the country will continue for at least the next four years.

Priit Piilmann was elected president of the Wrestling Federation in 2012.



“All sporting achievements are built on total commitment and pushing yourself to the limit tens and hundreds of times. My important titles and the support of Estonian people and fans have justified this effort and made me eager to hold the Estonian flag up high in the world.”

OLYMPIC SILVER MEDALLIST, HEIKI NABI

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VKG supports



Eesti Kontsert

EESTI KONTSERT (ESTONIAN STATE PHILHARMONICS)

VKG has been sponsoring Eesti Kontsert since 2009. In cooperation with the Jõhvi Concert Hall, VKG has established several initiatives for the promotion of local cultural life: Kaljo Kiisk Grant for young filmmakers, the first Photography Competition in Virumaa, Virumaa forest planting action by the employees of both companies.



EESTI
KUNSTIAKADEEMIA

ESTONIAN ACADEMY OF ARTS TARTU ART COLLEGE

In spring 2012, VKG signed cooperation agreements with the two largest art universities in Estonia. The purpose of this cooperation is to create opportunities for students, which support the organization of studies as well as summer practice.



Rahvusooper
Estonia

NATIONAL OPERA "ESTONIA"

In September 2013, Viru Keemia Grupp became the main sponsor of the National Opera "Estonia". The new sponsorship contract was signed on 8 September as part of the events for the 100th anniversary of "Estonia". The new agreement expanded the scope of the existing sponsorship contract between VKG and "Estonia". By the moment of signing, VKG had a privilege of being the main sponsor of the National Opera "Estonia" for over three years. The new agreement expanded the scope of support and prolonged the term of validity of the contract for the next three seasons.

EESTI KUNSTIMUUSEUM

KUMU

ART MUSEUM OF ESTONIA

The cooperation between VKG and Art Museum of Estonia started in the beginning of 2014. The first project supported by VKG will be the fashion exhibition "A Moveable Feast. Art Deco Fashion Design from Alexandre Vassiliev's Collection" (10.10.2014—February 2015) in Kumu Art Museum. By coincidence, it perfectly appeals to the period in which the oil shale industry itself originated.

An aerial photograph of a dark, textured landscape, possibly a volcanic ash field or a desert. The terrain is characterized by numerous vertical, parallel ridges and gullies, creating a complex, wavy pattern. The color is a deep, dark grey or black. In the lower right quadrant, a small, bright green bush stands out against the dark background. The text "AREAS OF ACTIVITY" is overlaid in the center in a white, sans-serif font.

AREAS OF ACTIVITY

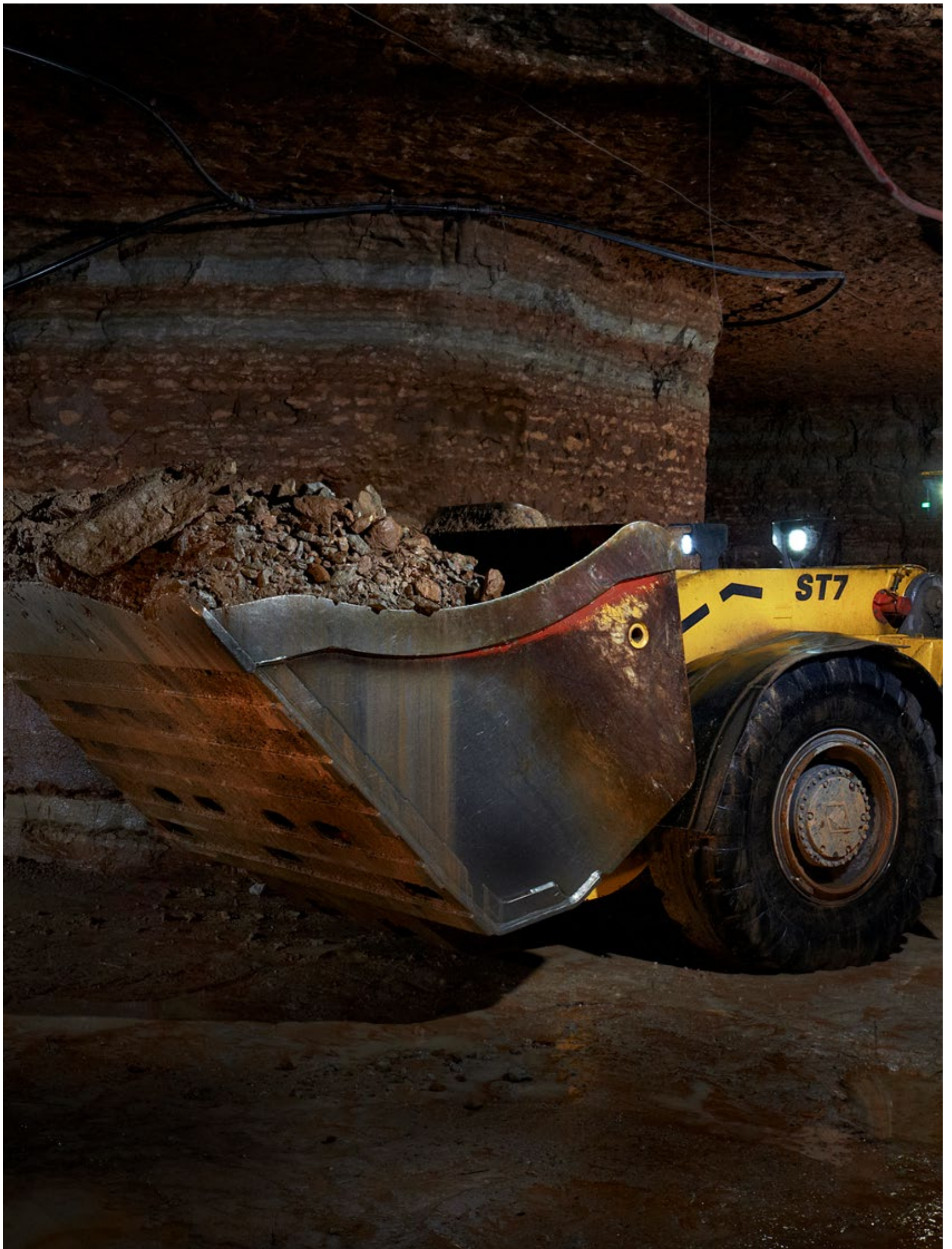


VKG MISSION

To value oil shale - the main
Estonian natural resource

VKG VISION

To be the flagship of the Estonian
oil shale industry and the leader in
discovering the oil shale potential.



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EXCAVATION OF OIL SHALE

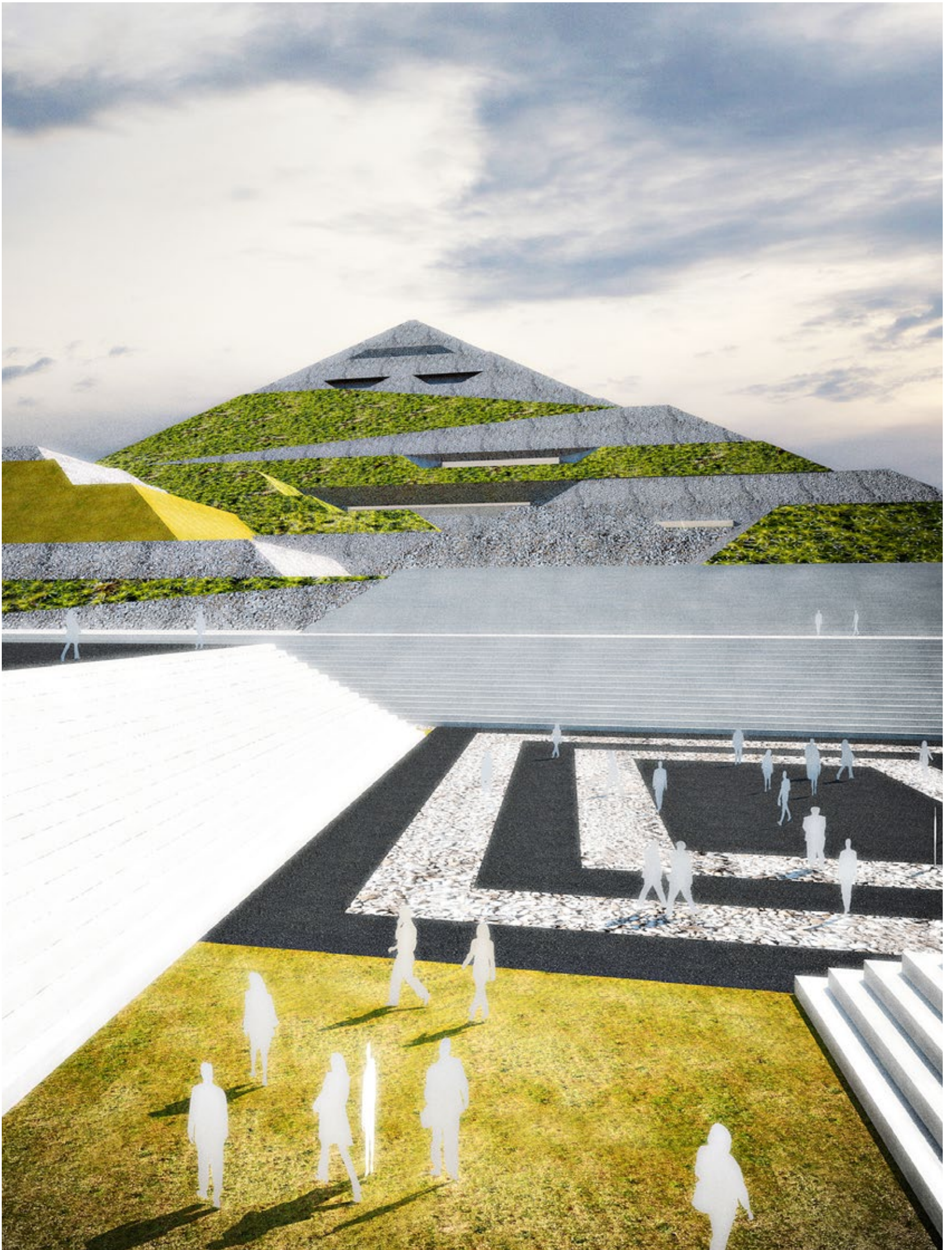
VKG operates the whole chain of oil shale processing, starting from oil shale excavation and ending with the marketing of chemicals. Oil shale excavation is, however, the newest direction in its activity, because for many years VKG received the oil shale needed for production from Eesti Energia Kaevandused AS. Since 2012, Eesti Energia Kaevandused no longer covers the entire demand for raw materials of VKG, and the lion's share of oil shale is supplied by the company's own Ojamaa mine, which holds 60 mln tons of oil shale.

VKG obtained the mining permits for the Ojamaa mine in 2004. Preparatory works for the opening of the mine began in 2007 and in July 2009 work on the facility was launched. The grand opening of the mine was on 31 January 2013, and it reached its full capacity in the second half of the year. The Ojamaa mine is one of the most up-to-date oil shale solutions globally, where the best possible equipment and mining technology are used. The volume of investments into the Ojamaa mine has amounted to 120 mln euro.

During the cross-put works, from August 2010, the Ojamaa mine started to supply fine oil shale for satisfying the needs of the plant Petroter I. In 2011, the fine oil shale supplied by Ojamaa became the only raw material used at the new plant. Taking into consideration the plans of VKG connected with the development of the Petroter technology, Ojamaa can supply the raw material to three plants operating simultaneously.

Ojamaa will cover the demand of VKG for the raw material needs for approximately the next 15–17 years. So that the mine would be able to supply both fine stone and crushed stone to the three Petroter plants and four factories operating on the basis of the Kiviter technology, its capacity must be increased up to 3.8 mln tons per year. By the end of 2013, its capacity reached about 3 mln tons. An application for increasing the capacity has already been submitted to the Ministry of the Environment.

It is strategically important for the company to guarantee the oil shale resource for the more distant future, through the Uus-Kiviõli or Sonda mining fields. The group is planning to develop the latter in cooperation with Kiviõli Keemiatööstus.



The Project Which Is Worth 90 Years of the Industry Development

The Ojamaa mine produces about one million tons of barren rock, or stone waste, per year, which is the by-product of oil shale mining and enrichment. The architectural bureau “Kadarik Tüür Arhitektid” in cooperation with the team working at the Ojamaa mine have developed the innovative way of recycling of barren rock, namely it will be used for the **construction of the pyramid park**.

The architects were inspired by the pyramids located in different parts of the world, and they decided to join them in a single project. This is how the idea was born about how to use the artificial landscape in order to make the area more attractive.

While in real life one can enjoy the pyramids only from the outside, and as a rule, it is quite difficult and dangerous to climb on top of them, the pyramids in the Aidu pyramid park will be equipped with ramps which will be quite easy to use. According to the plan, the largest pyramid in the world, which will be 154

metres high, will also be built in Aidu, and the visitors will be able to climb on top of it using the ramps without any danger to their lives or health. The first pyramid will be completed by 2020, and the visitors will be able to witness how the history is made right from its top. Important sights will be created within the frames of this project, and the **structures will even be visible from space**. Undoubtedly, this will be something much more exciting than just another hill of barren rock.

At the same time, it should definitely be mentioned that the project also needs assistance from the Ministry of the Environment. Relevant changes must be introduced into waste regulations, to make it possible to create a real culturally valuable object from the mining waste.

However, we hope that this bright idea will find its way through various legal acts and regulations.



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OIL SHALE PROCESSING

The oil shale extracted at the Ojamaa mine is delivered to the production territory of VKG by a unique conveyor. On the production territory, the raw material is distributed by a powerful distribution system which is installed at the height of 10 metres above the ground. VKG Oil, the flagman of the group, is responsible for oil shale processing.

Two oil shale processing technologies are used at the company: Kiviter on the basis of crushed stone, which is used at four oil shale processing factories built in 1940-1990, and Petroter on the basis of fine stone, which is an environmentally-friendly oil shale processing technology improved by the engineers of the group. The final product generated by the equipment operating on the basis of both technologies are fuel oils for boiler rooms and marine fuel additives. The heaviest oil fraction is used for producing electrode coke for electrode industry and the oil shale bitumen for pavements. In 2013, the volume of oil shale processing at the company was 2.5 mln tons of oil shale, while the volume of the end product amounted to 410,000 tons of crude oil.

VKG Oil is actively developing its production capacity. In December 2009, the plant Petroter I was launched and it has been operating at full capacity for several years now. In August 2012, construction of the plant Petroter II was started, and in October 2013, construction of the plant Petroter III commenced. The plant Petroter II will be launched in autumn 2014.

The engineers at VKG have developed a project, the implementation of which will allow to produce diesel fuel oil with the Euro V quality from local crude oil. The follow-up oil processing facility is the next large project for VKG after the successful launch of the plant Petroter III.

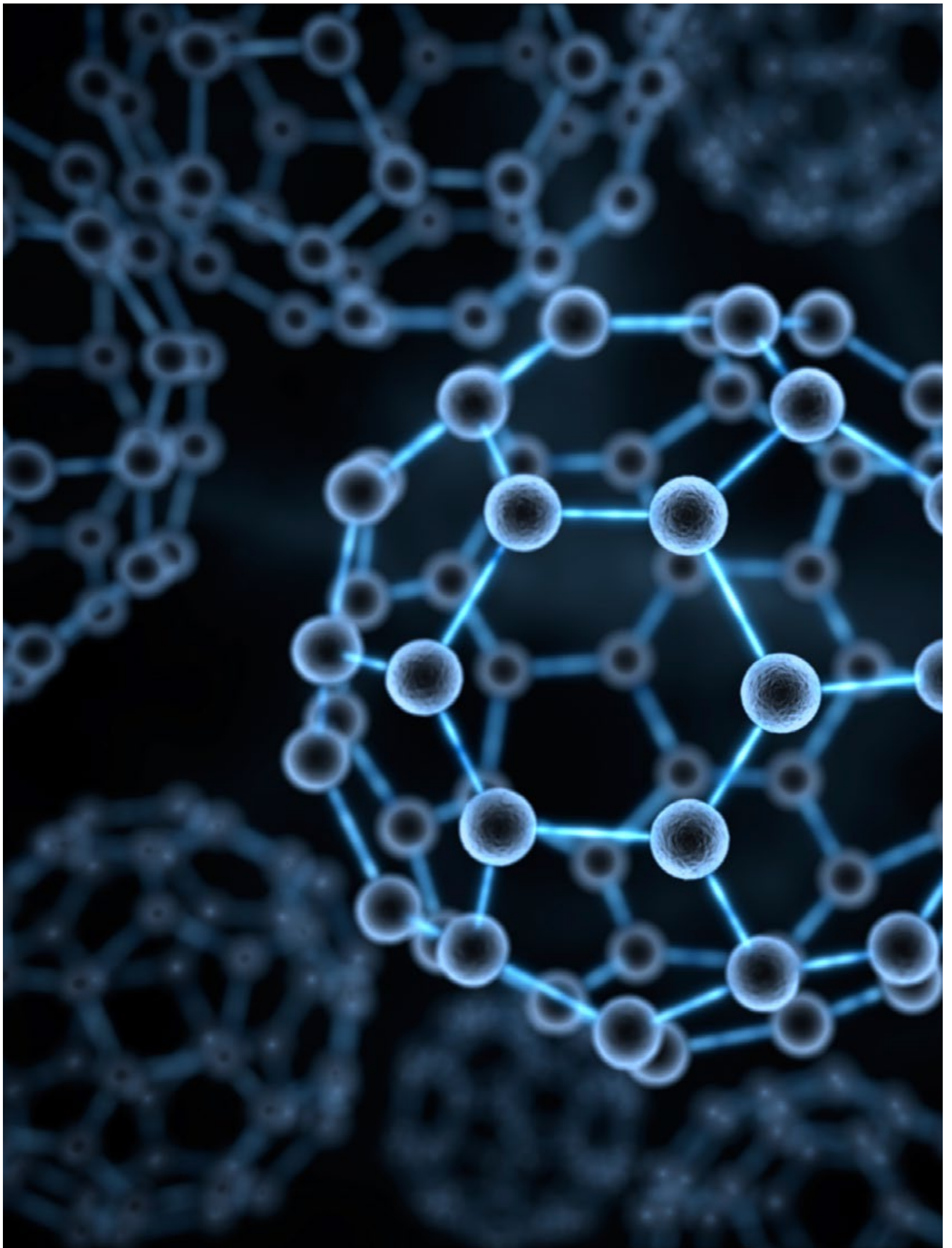
The Solution That No One Could Even Dream of 90 Years Ago

The VKG Ojamaa mine is connected with the production territory of VKG by means of a 12.4 kilometre long belt-type above-the-ground conveyor, which has been delivering the oil shale from Ojamaa to VKG factories since 2012.

The longest above-the-ground conveyor in the Baltic states is the best example of the environmentally-friendly approach to industrial processes. The new structure consumes 700 of oil shale per hour (or 10,000 tons per day), does not generate dust, exhaust gases or noise, neither does it put extra load on pathways or require expensive infrastructure. The conveyor is equipped with special tunnels for small animals throughout its length as well as with bridges for larger animals, so that all forest creatures could cross the conveyor safely.

The total cost of the project has been 13.8 million euro, and the service life of the conveyor is over 20 years. The new structure is serviced and maintained by just 14 people.

The new VKG conveyor has created the new standard in the field of national oil shale logistics, which is looked up to by other companies operating in this field.



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OIL SHALE CHEMISTRY

The most valuable part of the Estonian oil shale are fine chemicals with a significant reaction capacity, which are contained in oil shale. In Estonia, only VKG is capable to extract those expensive substances from oil shale, using the oil by-products at the factories operating on the basis of the Kiviter technology. Their price can exceed several hundred euro per one kilogram. The scope of application of oil shale chemicals is very wide: for example, they are used in the production of perfumes, medicines and make-up products, as well as in machinery and tyre manufacturing industries.

The engineers at VKG Oil are able to produce fine chemicals with the high level of purity (over 99%) in tens and even hundreds of tons. In the future, the capacity will potentially be increased even more. In 2013, the fine chemicals produced in Kohtla-Järve reached Iran and Latin America for the first time in history, and some well-known Japanese and Indian companies have been our loyal customers for years.

Together with increasing the production capacity, the enterprise bears witness to successful development work also in the production of other phenol compounds. In 2010, an opportunity opened to extract some new fine chemicals from the local oil shale. Development works continued also in 2012 and 2013. At the same time, the group launched a separate webpage for marketing the new compounds:

www.finechem.eu

The second largest area of application of oil shale chemicals are resins. For instance, in 2012 a new resin production device was launched, whose raw material, the so-called red resin, is purchased by the largest tyre manufacturers in the world. The construction of the device was supported by the Enterprise Estonia Foundation (EAS). The device is currently operating at full capacity.

The Substances That No One Was Aware of 90 Years Ago

The fine chemicals extracted from the Estonian oil shale are amazing substances, and almost every single resident of Estonia comes across them at some point. There are numerous points of contact: dyed textiles and artificial leather, luxury cars, hair dyes, face and sun creams. In 2013, some fashionable electronic equipment was added to the list. Such reputable companies as Henkel and Schwarzkopf purchase oil shale chemicals.



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OIL SHALE ENERGY

While oil shale oil supplies energy to the boilers and machines of the customers of VKG, the oil shale gas creates value within the organization. All of the oil shale gas produced by VKG Oil is used by the group's energy producer VKG Energia for the production of heat and electricity. VKG Energia has two power stations with the total thermal capacity of 700 MW. The electricity production capacity at the enterprise used to be 47 MW, and it reached 80 MW since September 2011. The construction of the new turbine, over 25 MW, allows to arrange the cogeneration of heat and electricity more effectively. In the beginning of 2013, the project was launched to build another new turbine, in order to enhance the cogeneration of heat and electricity, which is planned for 2015.

Since March 2011, VKG also holds 100% of the local heat generator and supply enterprise Kohtla-Järve Soojus AS. On 1 January 2013, VKG Soojus ceased to supply heat to the districts of Ahtme and Jõhvi with about 60,000 residents, and the VKG took over the heat supply. Since 1 January 2013, the residual heat generated during oil shale processing has been used for heating such

large districts. Owing to those steps, VKG Soojus has started offering heat distribution and sales services, while VKG Energia has become the industrial electricity-generating enterprise with the main goal of providing heat to the nearby districts and producing electricity for VKG and neighbouring enterprises.

The launching of the plants Petroter II and III will be accompanied by a significant increase in electricity-generating and heat-production capacities of VKG Energia. The increase in capacity has been planned for the years 2015 and 2016, but the next renovation stage at the energy-generating facility has already started, in the course of which the whole energy production process will be taken to a new level. The main changes will affect the water and combustion gases purification process as well as the production of heat and electricity. In 2014, the construction of the second sulphur trapping device has commenced, while in the following years up to two additional sulphur trappers will be built. VKG Energia is the **first enterprise in Estonia that started using sulphur trappers in its production process.**

The Heat Supply Which No One Could Even Think of 90 Years Ago

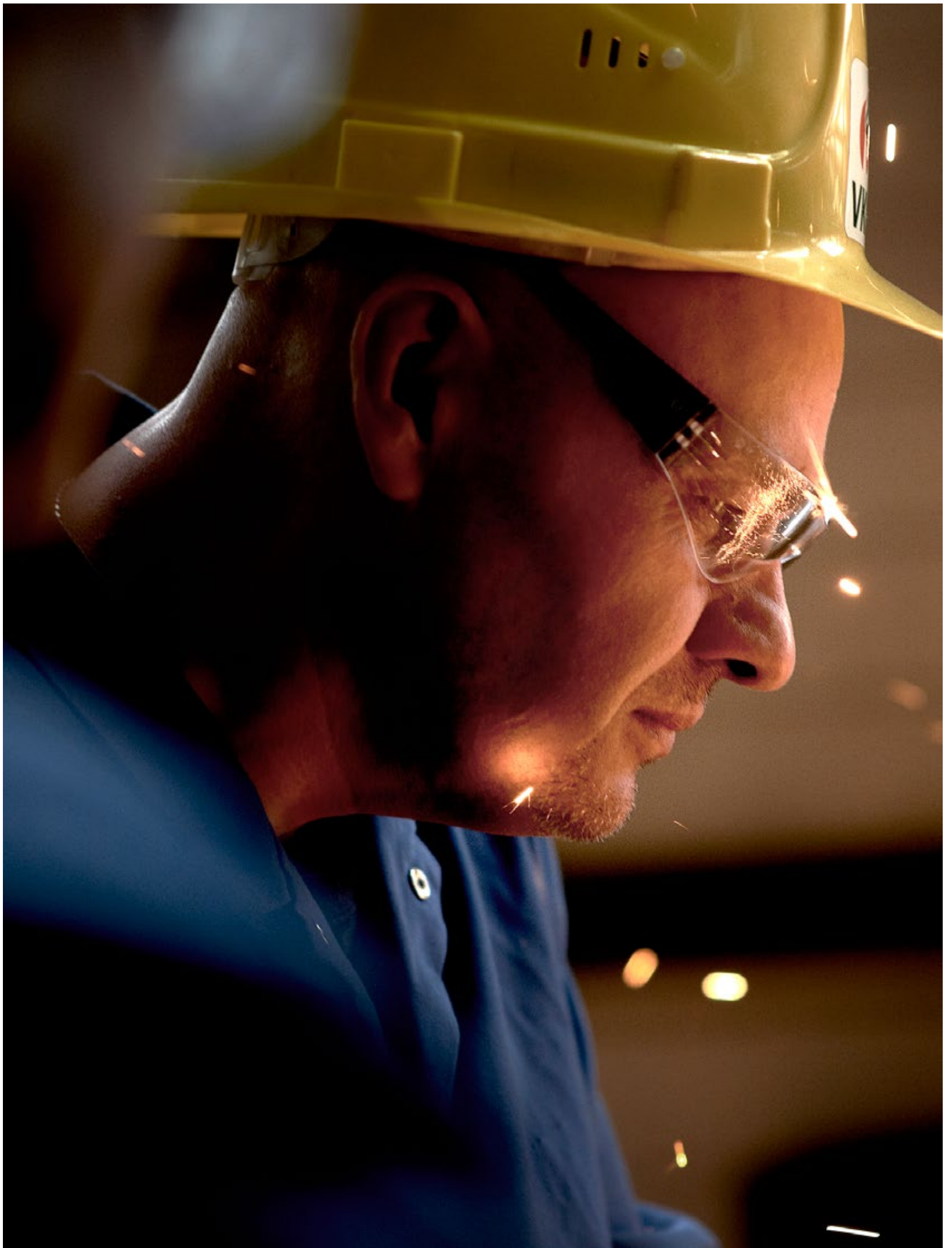
Since 1 January 2013, VKG has been providing the heating of Kohtla-Järve and Jõhvi, owing to the heating main which is over 18.5 kilometres long, which was built by the group in 2012. The heating main starts on the production territory of VKG Energia in Kohtla-Järve and runs through the territory of several rural municipalities to the point of connection of VKG Soojus AS to the distribution network.

The project of the heating main between the two energy enterprises within VKG dates back to 2006, when the company acquired 40% of the share capital of AS Kohtla-Järve Soojus. The heating main project was completed in the middle of 2010. The heating main was put into operation in January 2013. The stand-

by and maximum load boiler room, which uses gas as its energy source, has remained in operation at VKG Soojus. It provides a reliable heat supply to the area under any possible conditions. While designing the heating main for VKG Soojus, the plan of the Kohtla-Järve town to arrange cheap delivery of heat to smaller settlements was taken into account. In the future, smaller settlements will receive heat up to three times cheaper compared with usual price, thanks to the new VKG project.

Here is a short video about the construction of the unique heating main:

www.vkg.ee/est/videogalerii/336/vkg-soojustrass-eestikeelne



PRODUCTION OF CONSTRUCTION MATERIALS

It is the mission of VKG to value Estonian oil shale by way of opening its complete potential. The organic side of oil shale does not provide much of a problem in that respect, but the mineral part of it, i.e. the residues left from its processing, on the contrary, require thorough development work and the **courage to make investments**.

CONSTRUCTION BLOCKS MADE OF OIL SHALE ASHES

In February 2012, the VKG team restarted the updated production line for construction blocks made of oil shale ashes, which is located at the Ahtme district of Kohtla-Järve and which the company acquired as a bankruptcy asset a year earlier in April. In the same year, i.e. in 2011, another subsidiary company of VKG, called VKG Plokk, was founded and the new construction block brand of Roclite was launched. These construction blocks, which are made of porous concrete, are an environmentally-friendly inorganic material for building walls. Its building features are good, and the main goal of this young enterprise for 2013-2014 is to win a market share for its products.

Additional information on the webpage: www.roclite.eu.

USE OF OIL SHALE RESIDUES IN ROAD CONSTRUCTION

In 2012, VKG and the Estonian Road Administration signed an agreement of cooperation on the territory of the VKG Ojamaa mine, with the purpose of using the residues of the oil shale mining and processing in the field of road construction. In the construction of a road which started in October of 2012, for the first time, instead of using the concrete ingredients, it was the gravel made from the ashes as a result of oil shale processing and from the residues as a result of oil shale mining that was used for road construction. The outcome of this experiment will be finding the optimal application of the two production resi-

dues with the highest volume resulting from oil shale mining and processing. VKG is convinced that the use of residue materials and oil shale ashes in road construction is reasonable from the view point of ecology as well as the economy.

OIL SHALE CEMENT

In 2008, VKG went public with the development of cement production based on the waste resulting from oil shale processing. In 2008–2009, a corresponding subsidiary company was founded, and the technological process was developed. The establishment of a modern cement plant on the Kohtla-Järve production territory is still one of the priorities of VKG's development work, which will be performed after the construction of the oil shale post-treatment complex is completed.

LIME PRODUCTION

In the first half of 2013, VKG started the construction of its own small lime production plant. The plant's production is meant for the use in a sulphur trapping device that is already in use, and for supplying the future second and third trapping devices with raw material. The raw material used for the production of lime consists of the waste resulting from the Ojamaa mine. The entire plant's product – ground caustic lime – is used up completely for elimination of sulphur dioxide resulting from the exhaust fumes produced by the Põhja power plant of VKG Energia.

The Vision That Was Shaped in the Course of 90 Years

The most important aim and motivation of VKG is to use up the energetic, chemical and mineral potential of oil shale completely and to achieve the largest possible added value. According to the vision of VKG, by 2025, diesel fuel oil and fine chemicals will be produced, while the oil shale mineral waste will be used for the production of cement and ash blocks. Lugaanuse rural munic-

ipality is planning to use the barren rock being the by-product of the excavation operations at the Ojamaa mine for the construction of the pyramid higher than the Egyptian pyramids. At the same time, the research is being carried out about how to use the local barren rock in road construction instead of the crushed stone that is imported from abroad.

An overhead view of two construction workers wearing blue uniforms and yellow hard hats. They are standing on a concrete floor, looking at a large set of blueprints spread out on the ground. The scene is dimly lit, with a red metal railing visible in the foreground and background. The overall atmosphere is industrial and focused.

THE COMPANIES
SUPPORTING THE
MAIN PRODUCTION
AREAS OF VKG

VKG Elektrivõrgud

In terms of the sales volume, VKG Elektrivõrgud is the second largest electricity distribution enterprise in Estonia after Elektrilevi, which belongs to Eesti Energia.

The main areas of activity of the VKG's electricity distribution enterprise located in Narva are transferring the electricity through the network and the sale of distribution services and the services connected with the operational management of the electric system of the company. The services in the field of designing, construction, repair, application, check-up and maintenance of electrical equipment are also provided. The area with the population of about 100,000 people is supplied with electricity through the lines of VKG Elektrivõrgud. VKG Elektrivõrgud has 4 high voltage substations (110 kV), 8 medium voltage substations (35 kV), 333 low voltage substations (6–10 kV), 387 km of overhead lines and 435 km of cable lines.

In the second half of 2012, VKG Elektrivõrgud publicly introduced its price packages for electricity. In 2013, the company had the cheapest price for general service in Estonia on the average.

VKG Elektrivõrgud is the only electricity distribution company in its service area. This is why it is important for the local people in terms of infrastructure, and its operation must never be interrupted. Our service area includes Narva, Narva-Jõesuu, Sillamäe,

Vaivara rural municipality, and Viivikonna district of Kohtla-Järve. Our main goal is to improve the quality of the network service and to reduce the number of interruptions in electricity supply and the loss of electricity.

Every year, VKG Elektrivõrgud invests considerable amounts of money into the maintenance of the lines, substations and other equipment, and year after year, the share of electricity losses diminishes considerably, while the reliability of the network is improving. Every year brings new consumers in addition to the existing ones, which boosts the efficiency of operation of VKG Elektrivõrgud even more. In addition to satisfying the needs of private consumers and smaller companies, the enterprise accomplishes an important mission of supplying large industries located in Narva and Sillamäe with electricity.

- In 2013, **technical and commercial losses** of VKG Elektrivõrgud (the difference between the amount of energy entering and leaving the network) **amounted to 6.5%**.
- At the enterprise, the System Average Interruption Frequency Index (SAIFI) is **the best in Estonia** (0.6 in 2010; 0.382 in 2011; 0.686 in 2012, and 1.23 in 2013).
- The company is planning to make **all meters available for remote reading** by 2017. As of the end of 2013, only 70% of meters were available for remote reading.

VKG Elektriehitus AS

VKG Elektriehitus AS is the company dealing with design, construction and repairs of electricity mains at VKG group.

The company was born out of the Department of Electrical Construction at Narva Elektrivõrgud AS, which is why VKG Elektrivõrgud is still the biggest customer of the company. Despite the fact that the largest share of the turnover of VKG Elektriehitus is still derived from Ida-Virumaa, where the task of the company is to maintain the most eastern electricity mains of Estonia (from Narva to Sillamäe and Vaivara rural municipality), strategically the company is directed mainly outside of the borders of Ida-Virumaa. The company has two departments, one in Narva and another one in Kohtla-Järve, and its services are provided all over Estonia.

- The largest customers of the company are the companies of VKG and Eesti Energia groups, as well as local governments.
- The partners of the company are ABB, Harju Elekter, Elektroskandia Baltics, SLO Eesti, Esvika Elekter, Onninen.

- In 2013, the largest projects of VKG Elektriehitus were the construction of the 6 kV underground distribution substation at the Ojamaa mine, the electrical fitting works at the viaduct and the promenade in Jõhvi, and the construction of the 6 kV distribution substation for connecting the oil plants Petroter II and the Petroter III to the electricity mains.
- In 2013, the turnover of the company exceeded 4.4 million euro.
- There is a very strong trade union operating at the company. The management board and the employees have entered into a collective agreement which provides additional bonuses to the employees.
- Since 2002, VKG Elektriehitus has been a member of the Estonian Association of Electrical Enterprises.
- In its activities, it proceeds from the requirements of the ISO 9001, ISO14001 and OHSAS 18001 standards.



VKG Transport

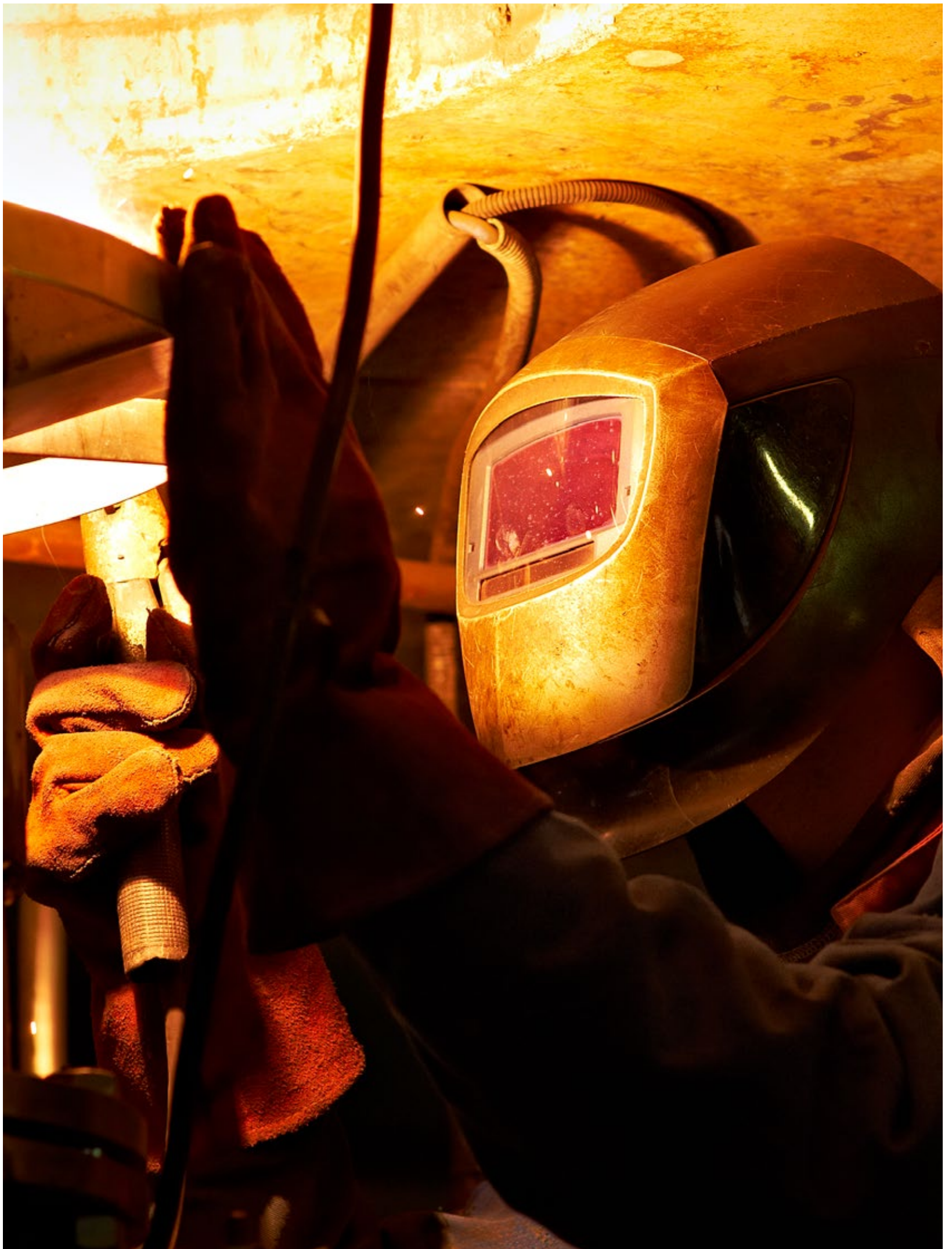
VKG Transport AS is one of the largest transportation companies in Estonia, and it provides international road and railway transport logistic services.

THE COMPANY'S AREAS OF ACTIVITY INCLUDE:

- organisation of international and domestic railway and road transportation of goods
 - provision of forwarding services
 - international and domestic shipping of dangerous goods, i.e. ADR shipping, by road tankers
 - services related to special road transport
 - railway construction, maintenance and repair services
 - weighing of railway wagons
 - domestic container transportation
 - transportation of hazardous waste
 - services of a safety advisor working on road transportation
-

FACTS

- VKG Transport has been operating since 1999.
- There are 160 employees.
- In 2013, the turnover amounted to 23.9 mln euro, while the profit was 4.8 mln euro.
- In 2013, VKG Transport AS was among Estonia's Successful Businesses having a credit rating AAA.
- VKG Transport is the largest transportation enterprise dealing with transporting hazardous chemicals in the Baltic region.
- The amount of investments in 2012 reached 4.3 mln euro.
- Together with other group subsidiaries, VKG Transport supports the traditions of Kohtla-Järve as an industrial city. Besides, the company pays considerable attention to the improvement of the internal working atmosphere and to keeping the employees highly motivated through internal events.
- VKG Transport AS also owns tankers suitable for transportation of chemicals, which operate on all European highways. All vehicles conform to the terms and conditions concerning transportation of dangerous goods (ADR). The company guarantees that the transportation units are in good condition and they regularly undergo technical inspection. In addition, all the staff that deals with transportation of dangerous goods has undergone special training.
- The company holds all licences and activity permits required for the provision of the services listed above and it follows all environmental, quality management, occupational health and safety, and management systems, such as ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.



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Viru RMT

Viru RMT was created from the former repair and assembly department of the oil shale chemical plant, and it has extensive experience in the field of provision of repair and assembly services.

THE COMPANY'S MAIN AREAS OF ACTIVITY ARE:

- repair and maintenance of equipment
 - design, production, repair and installation of technical equipment
 - design, programming and installation of integrated solutions for automated systems
 - construction and digging work for water supply and heat pipelines
 - maintenance and repair of lifting equipment, as well as lifting operations
 - implementation of turnkey technical solutions
-

FACTS

- In 2013, the company took an active part in construction of the oil plant Petroter II. The following works were carried out:
 - Production and installation of the electric filter;
 - Design, production and installation of the internal fuel feed system;
 - Design, production and installation of the stormwater and sewage systems.
- For better ash storage, the ash storage site was reconditioned in 2013.
- In order to improve the logistics of the fuel feed to the oil plants, in 2013 the 2nd stage of the expansion of the distribution belt-type conveyor system was launched and completed, in the course of which a gallery with the total length of 700 metres was attached to the conveyors.
- The unique system of loading of oil shale into railway carriages was implemented at the Estonia mine of Eesti Energia in the form of general contracting.
- The company took part in the reconstruction of Jõhvi transportation junction and the highway between Jõhvi and Kuremäe.
- In 2013, the project of automation of the plant Petroter II was initiated, and the production and installation of the equipment for the lime plant as well as its partial design were also carried out. In order to launch the oil plant in due time, the construction of communications between workshops at Petroter II and III was commenced.
- The Viru RMT customer portfolio includes the companies primarily within the VKG group, who jointly provide about 72.4% of the sales turnover of the company.
- The company holds the certificate ISO 9001:2000 (TÜV) and the occupational health and safety management certificate OHSAS 18001, as well as EN 3834-2 certificate. The process of certification to the EN 1090-1 standard has commenced.
- In 2013, 294 people were employed at the company on average.
- Viru RMT is one of the few companies in Estonia that maintains lifting equipment and self-propelled cranes with a lifting capacity of 140 tons and a lifting height of up to 80 meters. In 2013, the additional Liebherr crane with the lifting capacity of 350 tons was acquired for providing better services to VKG group and boosting their sales volumes.

56 CONTACTS

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