



VIRU KEEMIA GRUPP

VIRU KEEMIA GRUPP
ESG REPORT 2025

The power of consistency



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Foreword by the Chairman of the Management Board

SUSTAINABILITY HAS BEEN A NATURAL PART OF
THE GROUP'S MANAGEMENT AND DECISION-
MAKING PROCESSES FOR DECADES.



Dear reader!

In several aspects, 2025 was full of challenges for Viru Keemia Grupp. We operated in an environment where the prices of energy products dropped, while regulative and market-based risks grew. In such conditions, our main priority was to ensure the stability of production, a high level of occupational safety, and cost control, while also keeping our focus on long-term development.

Based on its 2024 and 2025 ESG activities and results, VKG achieved the gold level in the Corporate Responsibility Index for the first time.

Sustainability has been a natural part of the Group's management and decision-making processes for decades. In 2025, we continued strengthening this approach, linking environmental, social and governance aspects even more tightly to our corporate strategy, risk management and everyday activities.

In the reporting year, production activities remained weaker than expected. The introduction of new technological solutions brought along reliability problems and affected production volumes. At the same time, it gave us valuable lessons, confirming the need to strengthen process management, risk prevention and the reliability of technological systems. Positive things that can be highlighted include occupational safety developments and targeted work in promoting safety culture.

As an important step, we completed the merger of VKG Oil and VKG Energia in 2025. The aim of that structural change was to increase management quality, improve work and process safety and the management of environmental risks, as well as to create the pre-conditions for more efficient and stable production in the future.

From the viewpoint of environmental and climate topics, our

sector is facing significant challenges. The greenhouse gas emission quotas, regulative changes and market expectations are reconfiguring the development directions of the industry. We are aware of the impacts entailed in our activities and continue to invest in the reduction of environmental impact, the improvement of production efficiency, and the analysis of new technological solutions. At the same time, we are consistently developing new business areas - including in the area of renewable energy and bioproducts, in order to diversify our activities and strengthen the company's long-term resilience.

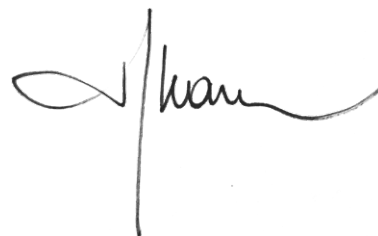
The 2025 economic environment clearly emphasised the need to balance economic sustainability and environmental goals. For us, corporate responsibility is a comprehensive approach: in addition to environmental topics, it also includes the safety and wellbeing of employees, ethical governance, cooperation with communities, and the creation of economic value.

In recognition for this long-term and consistent work, Viru Keemia Grupp for the first time achieved the gold level in the Corporate Responsibility Index based on the 2024 and 2025 ESG activities and results. This is an important milestone that confirms that these principles are not a separate initiative for us, but an integral part of corporate governance, organisation culture, and everyday activities.

Viru Keemia Grupp has been an important part of Estonia's industry and the development of Ida-Viru County for decades. We are convinced that a strong and adaptable manufacturing industry is necessary for ensuring economic competitiveness, employment, and security of supply.

I thank all the employees and partners of VKG as well as the entire community for their commitment and cooperation. Together, we are able to keep evolving and shaping a responsible future even in difficult conditions.

Ahti Asmann
CHAIRMAN OF THE MANAGEMENT BOARD



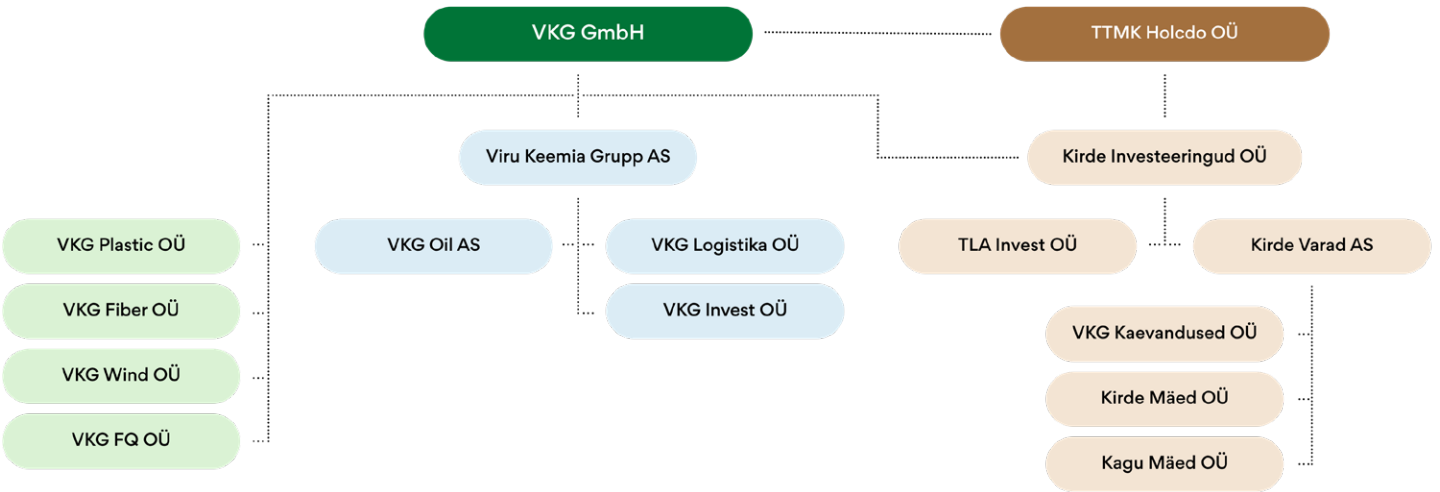


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About the report

The Viru Keemia Grupp ESG Report discloses the Group's data for the year 2025.

The report includes information about Viru Keemia Grupp AS and its subsidiaries and associated companies (referred to as VKG or the Group in this report).



Group structure as at 31 December 2025

The reporting period is the same as that of the financial statements and the report includes the entire organisation. A structural change took place in the reporting year - the merger of two subsidiaries, VKG Oil AS and VKG Energia OÜ, with the aim of increasing cost-efficiency and the level of safety, environmental and quality risk management, and improving management quality and reliability.

Our goal is to achieve long-term success while taking into account the social and natural environment. We are committed to openness and responsibility and will continue to promote the principles of transparency and sustainability in all our activities. The target audience of the report is a wide range of stakeholders, including shareholders, residents of Ida-Viru County, social

organisations, clients, and partners.

Viru Keemia Grupp has been publishing sustainability-related information in its social responsibility and sustainable development report since 2008, in accordance with the Global Reporting Initiative (GRI) standard. The reports are public and available electronically on the Group's website. The 2024 report has been prepared for the first time based on the principles of the European Sustainability Reporting Standards (ESRS). Although the reporting obligation arising from the EU's Corporate Sustainability Reporting Directive (CSRD) does not apply to the Group, it has decided to voluntarily comply with the principles of the ESRS in the disclosure of information, in order to ensure the better comparability, transparency and cohesion of our reporting with the EU sustainability framework.

Sustainability management and strategy

Viru Keemia Grupp is located in Kohtla-Järve and is the largest producer of shale oil in Estonia, proudly carrying the tradition of adding value to Estonian oil shale which started in 1924.

Openness • Commitment • Development

The Group's activities are characterised by transparency, constant development, and the creation of value for stakeholders, including our employees, clients, partners, and the local communities.

The principles of sustainability have been integrated into the Group's activities for nearly 20 years by now and they have evolved over time in line with the changing regulative requirements, energy market developments, and the expectations of stakeholders.

In shaping our strategy, we take into account the principles of sustainability and systemically assess the risks and opportunities arising from climate change, regulative developments and market conditions. Strategic planning is based on reducing the negative environmental impact, ensuring occupational safety, and adhering to the principles of social responsibility.

Our strategy is focused on the responsible use of natural resources as well as on resource efficiency. We understand that any kind of extraction and processing of mineral resources has an effect on the environment and we therefore always strive to

do more than prescribed by laws or regulations.

While focusing on the production of shale oil, we also continue the development of renewable energy and bioproduction projects in our associated companies. New business verticals support the principles of sustainability and help shape a responsible company that is resilient to future challenges.

Sustainability is an integral part of the Group's daily management activities and includes regularly reviewing and updating policies, goals and practices. Our internal policies and management systems define the principles for the management of environmental and social factors along the entire value chain. Decisions concerning VKG's economic activities, strategy, and sustainability aspects are made by the company's Management Board. Key persons at the Group level are responsible for implementing decisions related to sustainability, as well as coordinating and carrying out daily activities in all of the Group entities. At the Supervisory Board level, ESG topics and the related indicators are reviewed once a month.

The Group's activities are managed by the Management Board which consists of four members:



Ahti Asmann
Chairman of the Management Board



Jaanis Sepp
Vice Chairman of the Board / Financial Director



Raivo Attikas
Member of the Board / Technical Director



Ervin Küttis
Member of the Board / Member of the Board of VKG Kaevandused OÜ.

The activities of the Management Board of the parent company are supervised by the Supervisory Board which consists of four members:



Kristjan
Piilmann



Margus
Kangro



Aare-Laidar
Laos



Elar
Sarapuu

The Group has an ESG working group which was established with the aim of integrating sustainability into all our areas of operation and identifying and managing significant environmental, social responsibility and governance impacts, risks, and opportunities. The working group consists of three members of the Management Board, the ESG Manager and leading specialists in key sustainability aspects, who ensure the efficiency of processes in line with the Group's strategy, values and objectives.

The Group's administrative and management bodies are offered incentive schemes related to sustainability aspects through key performance indicators (KPIs). KPI-related results are assessed as part of performance appraisals and/or employee remuneration.

Sustainability priorities and acting principles

In September 2015, the world's countries signed the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals at the UN General Assembly.

Viru Keemia Grupp has selected seven high-priority areas on which we focus and to which we consistently contribute.

These are:

1. **"Good Health and Well-being",**
2. **"Quality Education",**
3. **"Affordable and Clean Energy",**
4. **"Decent Work and Economic Growth",**

5. **"Industry, Innovation and Infrastructure",**
6. **"Responsible Consumption and Production",**
7. **"Climate Action".**

The principles of the UN Global Compact are taken into account at both the strategic and operational management levels. VKG is working towards contributing to the achievement of the established goals not only within the framework of its core activities, but also by supporting and participating in regional projects and initiatives aimed at improving the quality of life and developing science and education, culture, and environmental protection.

Environment

CLIMATE ACTION

- Developing business verticals that support a climate-resilient economy
- Reduction of air emissions

ENVIRONMENTAL IMPACT MANAGEMENT AND MONITORING

- Complying with the best available techniques, laws and permit requirements
- Reducing technogenic impact
- Improving environmental protection

RESPONSIBLE USE OF RESOURCES

- Maximum valorisation of oil shale
- Most efficient use of resources
- Waste recycling



People and community

EMPLOYEE WELFARE AND WORKING CONDITIONS

- Safe working environment
- Competitive pay and social benefits
- Employee motivation, training and skill development

HUMAN RIGHTS

- Implementation of social responsibility principles
- Right to work and equal treatment

ENGAGEMENT AND REGIONAL DEVELOPMENT

- An open dialogue with local residents and municipalities
- Supporting education, culture and sports
- Communicating with stakeholders



Governance

OPENNESS, TRANSPARENCY AND ETHICS

- Corporate reporting
- Accurate and honest information
- Anti-corruption measures
- Risk management

INNOVATION

- Innovation-based business model and development

ENSURING FINANCIAL STABILITY AND ECONOMIC CONTINUITY

PARTNERSHIPS AND COOPERATION

- Reliable cooperation with the state, local governments and partners
- Development of the industry



Value chain



Stakeholders

Viru Keemia Grupp constantly works with stakeholders, holding a dialogue to analyse both the internal and external environment. We've mapped a number of target groups whose interests are significantly related to our activities.



SHAREHOLDERS

Main expectations and interests

- Openness of information
- Adherence to shareholders' rights

Cooperation mechanisms

- Regular monthly meetings of shareholders
- The general meeting of shareholders
- Corporate reporting



EMPLOYEES

Main expectations and interests

- Safe working conditions
- Professional development opportunities
- A decent benefit package
- Social support
- Competitive salaries

Cooperation mechanisms

- Internal communication system
- Meetings with the company's management to discuss topical matters
- Joint healthcare committees
- Meetings with the participation of trade union representatives
- Surveys on psychological factors, benefits, and satisfaction
- Forums, conferences, cultural and sports events



CLIENTS

Main expectations and interests

- Production quality, its technical and ecological aspects
- Efficiency and flexibility of marketing channels and the Sales Division
- Transparent pricing
- Business ethics

Cooperation mechanisms

- A feedback and proposal handling system
- Public communication and the media
- An external communication system
- Business meetings, including outing meetings
- Conferences and forums
- Corporate reporting



SUPPLIERS AND PARTNERS

Main expectations and interests

- Fulfilment of mutual obligations
- Transparency, openness and competition in choosing suppliers
- Compliance with business ethics and fight against corruption

Cooperation mechanisms

- Contracts and agreements
- An objective assessment system
- Business meetings
- Corporate reporting



THE STATE AND LOCAL GOVERNMENT INSTITUTIONS

Main expectations and interests

- Ensuring energy independence
- Receipt of taxes
- Technological development of the oil shale sector
- Minimisation of negative environmental effects
- Conformity of activities with legal norms

Cooperation mechanisms

- Joint workgroups, roundtables and meetings
- Corporate reporting
- Participation in committees and conferences



THE LOCAL COMMUNITY

Main expectations and interests

- Creation of jobs in the region
- Supporting the growth of social activity and social entrepreneurship
- Receipt of taxes to the local budget
- Production and environmental safety
- Competitive salaries
- Supporting initiatives and cultural, sports and educational projects in the region

Cooperation mechanisms

- Projects that support social development, education, healthcare, culture and sports
- Public discussions, roundtables and dialogues
- Internal and external corporate communication
- Corporate reporting



NGOS AND CIVIC ASSOCIATIONS

Main expectations and interests

- The Group's production safety, nature protection measures
- The Group's participation in local and sectoral development
- Openness of information and transparency of activities

Cooperation mechanisms

- Conferences
- Roundtables
- Joint implementation of social projects
- Corporate reporting



PROFESSIONAL ASSOCIATIONS

Main expectations and interests

- Participation in the development of the sector of the economy
- Corporate responsibility
- Compliance with human rights and production and environmental safety standards
- Exchange of information and knowledge

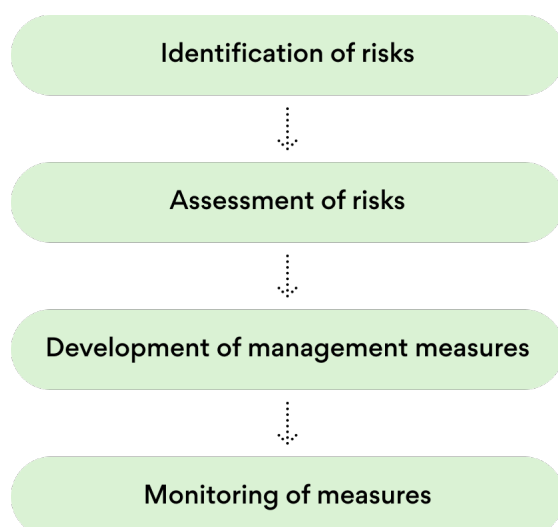
Cooperation mechanisms

- Participation in professional and cross-sectoral events
- Participation in the committees of professional organisations
- Joint projects
- Corporate reporting

Risk management

The Group runs a risk management system which determines a uniform approach to the risk management process and concentrates the standardised tools and methods for analysing risks, including environmental, production safety and social risks.

The risk management document is reviewed at least once in every two years or as necessary. We take appropriate preventive measures in order to prevent the risks from materialising and to protect people, the environment, equipment and technological processes. We manage risks related to human life and health and the environment by taking the precautionary approach.



The Group's risk management report covers risks in various areas:

1 Strategic risks

Related to the Group's long-term objectives (changes in the market, competition);

2 Operating risks

Related to the Group's processes (activities of employees and equipment);

3 Financial risks

Related to direct financial losses (interest rates, exchange rates);

4 Compliance risks

Related to regulations (laws).

For each risk, its occurrence probability and impact are assessed. The risk management report highlights the risks that need to be taken into account more. Each risk has a designated person responsible for it and a plan of mitigation measures.

Internal audit

Internal audit plays a crucial role in enhancing the efficiency of the management of the Group and in the Group's financial activities.

The Group runs a system which ensures:

- risk minimisation;
- the continuity of the operations of the Group, the highest possible efficiency and sustainability and opportunities for development, including making timely changes to the operation of the Group according to changes in the internal and external environment;
- a uniform and systematic methodological approach and high-quality information support and analytical support in making the Group's management decisions.

International management systems

The Group has introduced, implemented and certified four management systems regulated by the ISO international standards, which function as a single integrated system. The certified management systems ensure a comprehensive approach to the management of quality, the environment, occupational safety, and energy consumption, support compliance with legislative and regulative requirements, and create the foundation for constant improvement in all the key areas. The valid certificates are proof of the efficient implementation of the management systems in the everyday activities of the Group.

In 2025, we started preparations for the certification of the ISO 27001 information security management system, which will supplement the existing integrated system in the area of information asset protection and cyber risk management. The certification is planned to be completed in 2026.

Company	ISO certificates (environmental, quality, energy, and occupational health and safety management systems)
VKG	ISO9001, ISO14001
VKG Oil	ISO9001, ISO14001, ISO50001, ISO45001
VKG Kaevandused	ISO9001, ISO14001, ISO45001
VKG Logistika	ISO9001, ISO14001, ISO45001





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Double materiality

Sustainability topics have been assessed on the basis of double materiality, considering both the impact materiality and the financial materiality of each topic.

In order to identify impacts, risks, and opportunities (hereinafter referred to as IROs), an ESRS-based materiality assessment was conducted in 2024, based on the double materiality principle, i.e., for each sustainability-related topic, both the significance of the impact and the economic significance were taken into account.

BASIS OF THE ASSESSMENT

- 1 the sustainability themes defined in the ESRS standards,
- 2 the expectations and interests of the stakeholders,
- 3 the Group's operating framework and business model,
- 4 internal risk analyses and reports,
- 5 environmental protection permits and environmental impact assessment documents,
- 6 the development directions and focus topics of the sector.

MATERIALITY OF IMPACT

In assessing the materiality of impacts, distinction was made between positive and negative impacts and both actual and potential impacts were taken into account.

In assessing negative impacts, the severity of the impact was considered, which included:

- the level of the impact;
- the extent of the impact;
- the irreversibility of the impact.

Potential negative impacts were also assessed for the probability of their occurrence.

In assessing positive impacts, the level and extent of the impact was taken into account, as well as the probability of occurrence in the case of potential impacts.

All the impacts were assessed on a scale of 1 to 5, taking into account their time perspective (short, medium, long).

ECONOMIC MATERIALITY

In assessing economic materiality, the potential impact of sustainability-related risks and opportunity on the Group's financial standing and results was analysed. The assessment was based on the following criteria (on a scale of 1 to 5):

- the extent of the financial impact;
- the probability of the financial impact;
- the potential expense or income related to the manifestation of the impact;
- the time perspective (short, medium, long).

After assessing the materiality of the impacts, we identified the risks and opportunities arising from or related to them and if a sustainability aspect may cause a significant financial impact, it is treated as a risk or opportunity which may have a material impact on the Group's development, financial standing, or access to capital.

Sustainability aspects covered by the theme-based double materiality standards and the related targets:

ESRS	Sustainability aspect	Objective	Method of measurement	Baseline	2025 result	Short-term target	Long-term target
E1	Mitigating climate change	Reduce greenhouse gas emissions in impact area 1	Specific CO ₂ emissions per tonne of oil (t/t)	2.1*	2.04	≤2.0	≤1.32
E2	Air pollution	Ensure that SO ₂ emissions comply with PVT limit values	Maximum monthly average concentration of SO ₂ in the chimneys of Petroter oil plants (mg/Nm ³)	1,227*	1,191	≤1,200	≤1,100
		Reduce unpleasant odours	H2S annual average concentration at the VKG monitoring station (µg/m ³)	2.54*	0.81	≤2.0	≤1.5
E5	Resource usage	Maximum valorisation of oil shale	Oil production efficiency (%)	64.85*	68.46	≥68	≥68
S1	Health and safety	Reduce accidents resulting in loss of work capacity	Number of work accidents resulting in loss of work capacity	17*	9	≤12	≤4
		Reduce the number of working days lost due to accidents	Working days lost due to accidents	788**	384	≤381	≤119
G1	Corporate culture and business ethics	Keep voluntary labour turnover low	Voluntary labour turnover (%)	6.21**	3.5	4-6	4-6
		Ensure a high level of employee commitment, satisfaction, and team spirit	Employee commitment (on a scale of 100)	68***	64	≥70	≥70

* The baseline is the average values of 2020–2024

** The baseline is the average values of 2021–2024

*** The baseline is the average values of 2023–2024

Development projects

From the viewpoint of our development projects, 2025 was in essence an interim year where several long-term initiatives reached into decisive phases. During the year, we moved forward with extraction, bioproduction and renewable energy developments, while also making complex but necessary decisions with regard to new technologies and investments. The achieved milestones create a strong foundation for our next steps.



SOLAR AND WIND FARMS

The objective of Viru Keemia Grupp's subsidiary VKG Wind OÜ is to contribute to the Group's long-term value growth by developing sustainable and future-proof energy solutions.

In 2025, we continued to actively develop renewable energy projects, including the Aidu solar farm and the planned wind farm in the Lügánuse rural municipality in Ida-Viru County. Within the framework of the detailed spatial planning process of the Lügánuse wind farm, a draft spatial plan was prepared and a strategic environmental impact assessment was conducted. By the end of the year, development-related field studies of birdlife, plant life and bats were completed, creating a basis for making environmentally responsible and balanced decisions in the subsequent planning process.

As an important development direction, we expanded our development portfolio in 2025 with energy storage solutions, thereby supporting the increase integration of renewable energy into the energy system and ensuring the security of supply. Within the framework of that, we

conducted a market and feasibility analysis of battery storage and held a procurement for establishing the first battery farm. The planned battery farm is the Group's first production unit to participate in the frequency reserve market. The battery will be connected to the network of VKG Oil AS and it will participate in the day-ahead, intraday and frequency services market, contributing to increasing the flexibility and stability of the energy system. The obtained experience will be applied in optimising the energy production and consumption of the Group's other units as well as in participating in the market with renewable energy projects in the future.

In developing the projects, we closely cooperated with local governments and environmental impact assessment experts, systemically paying attention to the assessment of environmental impacts, the preservation of the living environment, and compliance with spatial planning requirements. This included both the preparation of detailed spatial plans and the carrying out of activities related to strategic environmental impact assessment.



BIOPRODUCTS COMPLEX

The planned bioproducts production complex of VKG Fiber OÜ would start adding value to paper wood left unused in Estonia - formerly either exported or burnt for energy - and to produce bioproducts. One of the outputs of the production complex would be green energy solutions: renewable electricity and green heating energy to supply the cities of Kohtla-Järve and Jõhvi. It would also help take a step further in diversifying the economy of Estonia and Ida-Viru County and achieving the environmental goals as well as meeting the constantly growing global demand for an increasing use of bioproducts.

As an important milestone, a designated spatial plan was established in May 2025, which will allow the establishment of the production complex in the Lügánuse rural municipality. The extensive and multi-stage process included the assessment of environmental impacts, public discussions, and close cooperation with local government and state institutions. The establishment of the designated spatial plan confirmed the compliance of the project with requirements and created the preconditions for moving on to the next stage.

For the further implementation of the project, we concluded a contract with the State Forest Management Centre for the right of superficies with regard to the immovable property planned for the production complex. This ensures clear and long-term rights to use the land and creates the necessary legal basis for the implementation of the design, construction and operating stages.

In order to support strategic development, we engaged an international financial advisor in the second half of 2025, in cooperation with whom we have launched the process to engage a strategic investor. This process included project presentation, data exchange, and stakeholder mapping. The aim of engaging a strategic partner is to strengthen the capital structure of the project, increase international competence and reduce development and market risks.



PLASTIC WASTE PLANT

The aim of the chemical recycling of plastic waste project is to introduce a chemical recycling technology, which has not yet been used in Estonia, in order to make the reuse of plastic waste significantly more efficient and give plastic products multiple lives. The pyrolysis oil produced as a result of the project is a valuable raw material for the chemical industry and plastic manufacturers, enabling them to produce new plastic products and reduce the use of fossil resources. The plant would give a new life to approximately one-third of the plastic waste generated in Estonia.

In 2025, we continued with preparations for applying the technology aimed at the production of pyrolysis oil, primarily focusing on assessing the technological solutions and ensuring the security of raw material supply. Ensuring the supply of suitable raw material of stable quality proved to be a significant challenge. The efficiency of the pyrolysis process directly depends on the composition of the plastic waste used, which has an effect on the oil yield and the quality of the end product. In order to ensure a security of raw material supply, we cooperated with several partners in Germany, Latvia, Sweden and Estonia and conducted tests on the raw materials of various suppliers.

In addition to technological and supply chain related challenges, the feasibility of the project is also influenced

by financial and regulative factors. Although the project had been allocated support from the Just Transition Fund, the existing support measures did not sufficiently cover the risks related to technology development and scaling. The support environment was assessed as insufficiently competitive compared to other European countries, which reduced the attractiveness of the investment.

We decided to suspend the project in the second half of the year. The main reasons for the decision included the immaturity of the technology and the risks related to industrial scaling, which have a direct impact on the economic feasibility of the project, as well as the insufficient coverage of risks via the available support mechanisms.

In terms of future prospects, the possible continuation of the project depends on the further development of the technologies, as well as on regulative changes and the improvement of market conditions. The expected regulative developments at the European Union level, which encourage the use of recycled materials, may create a more favourable framework for the implementation of such projects and support the wider introduction of chemical recycling technologies.



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Environment

We operate amid environmentally conscious expectations, where every step must respect the limits of nature and the future.

We understand that our core business, shale oil production, presents many challenges, especially in view of the ambition to achieve climate neutrality. National and international trends give us a clear signal that the production of shale oil in its current form does not fit within the framework of climate neutrality and the new green economic model. On the one hand, it is a great challenge and rearrangement, while on the other hand it inspires us to even more actively seek new development opportunities, while remaining a large industrial enterprise and a reliable partner to the state, the local communities and our people.

As a production company, our activities are strictly regulated. All of our production activities have undergone an environmental impact assessment process and have received the relevant environmental permits. Compliance with the requirements arising from permits and legal acts is regularly monitored by the Environmental Board. All environmental permits are public and available in the Environmental Board's environmental decision information system KOTKAS.

To reduce our environmental impact, we have set ourselves the goal of supporting the transition to a low-carbon emission economy. The main focus is on reducing ambient air emissions, particularly with regard to greenhouse gases, sulphur compounds and emissions which cause unpleasant odours. We pay a lot of attention to increasing the energy efficiency of the entire production chain and finding ways to reuse waste.

Action plans are drawn up to achieve the objectives, on the basis of which investments are made. To ensure the sustainability of shale oil production, we invest in the development of the best available technology and environmental protection,

participate in the drafting of legislation, monitor production and the environment, optimise production and implement energy-efficient solutions. VKG divides its investments into two categories: investments that directly reduce environmental impact and investments that indirectly reduce environmental impact.

Investments that directly reduce the environmental impact include investments that achieve an immediate reduction of the environmental impact. They include, for instance, the so-called end-of-pipe investments (trapping equipment), the renovation of tank fleets, investments related to eliminating the existing sources of pollution or reducing emissions, investments related to the treatment of waste, etc.

Investments that indirectly reduce the environmental impact include activities which reduce the impact on the climate and the surrounding environment in the course of long-term consistent activities. This includes, for instance, investments into increasing the reliability of equipment that causes emissions, and investments into the development and application of more efficient technologies that save natural resources.

VKG ENVIRONMENTAL INVESTMENTS (MILLION EUROS)

	2021	2022	2023	2024	2025
Indirect	10.2	6.5	2.7	9.6	5.7
Direct	5.3	14.5	6.9	9.6	11.0
Total	15.5	21.0	9.6	19.2	16.7

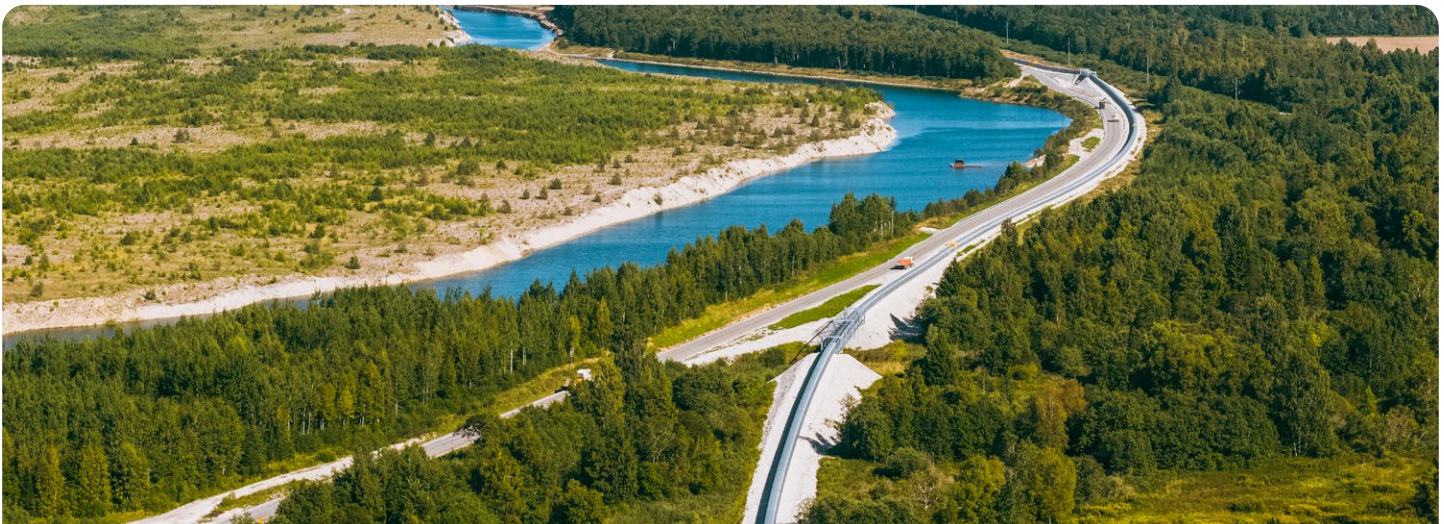
Investments in 2025



RECONSTRUCTION OF THE PETROTER II PLANT

The biggest environmental investment of 2025 was the 5-million-euro reconstruction of the Petroter II facility, which significantly increased the reliability of the facility and allows the reduction of pollutants in the flue gases released to the atmosphere. Other major investments

included the overhaul of the energy production flue gas purification equipment NID-2 and the construction of dephenolation equipment for the oil production process, both of which help improve ambient air quality.



UUS-KIVIÕLI BELT CONVEYOR

In terms of extensive environmental investments, we completed the construction of a 6-kilometre conveyor belt from the Uus-Kiviõli Mine to the enrichment plant in Ojamaa and procured a transporter belt for the oil production territory. In both cases, the aim is to reduce car transport and the related air emission. Indirect environmental invest-

ments also include the development work carried out to increase the quality of oil products, which reduces the emissions generated in the end consumption of the sold products.

Environmental charges

VKG pays environmental charges for the use of the environment and for emissions in line with the polluter pays principle. Pursuant to the Environmental Charges Act, these charges are increasing every year, which has an impact on the entire Group.

In 2021, the Group paid the state 19 million euros in environmental charges, 35.8 million euros in 2022, 25.1 million euros in 2023, and 26.4 million euros in 2024. The paid charges increased in 2022 and then decreased significantly on account of the resource charge paid for the extraction of oil shale. Pursuant to the Regulation 'The rates for state-owned mineral resource extraction charge' adopted by the Government of the Republic on 7 July 2016, the oil shale extraction charge is determined for every three-month period (reporting quarter) on the basis of the average world market price of 1% sulphur content heavy fuel oil applicable during that period. The world market price of the said fuel oil rose to record high levels in 2022 in connection with the Russian-Ukrainian war and the changed economic situation and had an equivalent effect on the resource charge payable for the extraction of oil shale. In 2023, the world market prices of heavy fuel oil were lower, which in turn reduced the oil shale extraction charge.

In July 2024, changes to the Environmental Charges Act came into effect, adopted without impact assessments. As a result of these changes the charges will gradually increase until 2027. Considering that environmental use and the payment of environmental charges to the state are unavoidable for our companies' production activities, raising the rates reduces the companies' ability to increase or even maintain the current level of investments made for various environmental protection purposes.

In 2025, the Group paid a total of 22.8 million euros in environmental charges. The charges decreased compared to the previous years in connection with the lower rate of the oil shale extraction charge, which was in turn linked to the global market price of heavy fuel oil in 2025. On the other hand, the waste deposition charge paid by the Group is on an upward trend, both due to an increase in the quantities of deposited waste depending on production volumes and the growing waste deposition charge rates. Due to the expansion of the oil shale extraction area, the water abstraction charge and the pollution charge paid on pumping water from that area also grew.

TOTAL ENVIRONMENTAL CHARGES (EUROS)

2021	2022	2023	2024	2025
19,027,925	35,837,926	25,122,696	26,389,790	22,807,564

Climate change

→ NEGATIVE IMPACT

GHG emissions

→ TRANSITION RISKS

Increasing GHG emission prices

Decrease in the allocation of free CO₂ quotas

Changes in consumer preferences

→ OPPORTUNITIES

Increase in the production and use of renewable energy

Reduction of carbon footprint

VKG's production activities generate greenhouse gas (GHG) emissions, which have a negative impact on climate change mitigation. Emissions depend largely on oil shale production volumes. Several innovative conveyor solutions have been implemented to reduce the need for road transport and the associated greenhouse gas emissions. For instance, the conveyor belts of the Uus-Kiviõli and Ojamaa mines transport oil shale from the mines to the Kohtla-Järve industrial territory. Similarly, waste materials such as semi-coke and ash from VKG's shale oil plants are moved to the industrial waste deposit site via tube conveyors.

The oil and gas sector generates large amounts of GHG emissions. As a result, the main risks are the **rising prices of GHG emissions and the decrease of allowances for free CO₂ quotas**. As prices rise, so do the costs, which have an impact on production processes and the prices of end products. The pan-EU decisions taken in updating the EU Emissions Trade System play an important role in ensuring the Group's economic activities and competitiveness, as they could significantly reduce the amount of free CO₂ quotas allocated to shale oil production and increase the purchase price of the quotas.

VKG has identified a potential risk associated with **changes in consumer preferences**. The transition to climate neutrality may lead to a decline in the demand for shale oil. For VKG, declining demand would mean a drop in product prices, which would affect our financial performance.

Considering the risks affecting the oil shale industry, we have set ourselves the goal of increasing the value of VKG by developing and implementing projects that follow the principles of renewable energy and circular economy. **Increasing the production and use of renewable energy** is an opportunity for us to change the competitive landscape and contribute to the country's goal of achieving climate neutrality by 2050.

By implementing **carbon footprint reduction technologies**, the Group has the opportunity to reduce the need for additional CO₂ quotas. VKG's current production only generates fossil CO₂, which is more difficult to use in the production of new products than biogenic CO₂. Therefore, it is necessary to store the captured CO₂, which requires transnational agreements and solutions. We are constantly monitoring technological developments in this field and investing in economically viable solutions. In 2025, we analysed the application of CO₂ capturing solutions at the Petroter shale oil production plants for the purpose of reducing the carbon footprint. Compared to earlier assessments, the solutions developed in recent years allow reducing the cost of capturing CO₂. If necessary, pilot tests of the new solutions could be carried out at Kohtla-Järve in order to demonstrate the possibilities of reducing CO₂ in the oil shale industry. The use or storage of the captured CO₂ still remains a challenge in this development.



GREENHOUSE GASES

In order to assess the GHG emissions associated with the Group's activities, external consultants were commissioned to conduct greenhouse gas studies in Scopes 1, 2, and 3 in 2022 and 2023. The completed report is updated with annual data, and the calculations are based on the international standard for calculating the GHG footprint, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard".

For Scope 1, direct GHG emissions from sources and activities owned or controlled by the organisation were calculated. This included energy production, fuel burned in production processes, and fuel burned by vehicles and machinery owned or controlled by the company. Direct emissions also include diffuse emissions from cooling and air conditioning equipment containing fluorinated greenhouse gases.

For Scope 2, indirect GHG emissions resulting from the production of electricity, heat, and cooling energy purchased and consumed by the organisation from external partners were taken into account. GHG emissions depended, among other things, on whether the electricity was produced from renewable or non-renewable sources. Scope 2 also included other forms of energy purchased and consumed by the organisation, whose GHG emissions resulted primarily from the combustion of various fuels supplied.

For Scope 3, other indirect emissions caused by the organisation's activities, products, and services (excluding Scope 2) that were generated by other organisations and not owned or controlled by VKG were included.

The categories excluded from Scope 3 and the reasons for their exclusion:

- purchased electricity transmission network losses (the electricity undertaking has not reported its network losses related to its carbon footprint);
- GHG emissions from the transport of purchased goods and other purchased transport/logistics services (the estimated emissions for 2,000 tonnes of goods would be less than 15 tonnes of CO₂, which is insignificant compared to the total emissions of approximately 2 million tonnes of CO₂ in Scope 3);
- waste categories with an estimated emission of less than 0.1 tonne of CO₂;
- chemicals for which no precise data was available (estimated total emissions of 100 tonnes of CO₂);
- further processing of phenol products sold to China and India (it is not known what happens to these products);
- end use of phenol products (no information available about end use);
- leased assets (none);
- franchises (none);
- financial investments (purchase of shares of other companies, none).

SCOPE 1, 2, 3 TOTAL EMISSIONS (THOUSAND TONNES OF CO₂ EQUIVALENT)

	2022	2023	2024	2025
Scope 1 GHG total emissions	1,208.46	1,386.43	1,324.34	1,356.06
Share of GHG total emissions related to regulated emissions trading systems	99%	99%	99%	99%
Scope 2 GHG total emissions	50.96	30.76	29.54	21.11
Scope 3 GHG significant emissions				
Total indirect GHG emissions	1,720.81	2,095.61	1,927.59	2,056.60
Purchased goods and services	17.84	25.51	25.96	23.88
Capital goods	1.46	1.12	3.85	5.93
Fuel and energy related activities (not included in Scopes 1 and 2)	4.31	3.95	3.63	3.31
Waste management	0.48	0.50	0.42	0.51
Employees' commutes, including business travels	10.78	0.93	0.92	0.86
Transport in subsequent stages of the value chain	17.44	21.20	22.39	21.61
Processing of sold products (electrode coke)	37.14	15.97	-	-
Use of sold products (shale oil)	1,631.37	2,026.42	1,870.42	2,000.50
Total GHG emissions	2,980.23	3,512.79	3,281.47	3,433.76

The Group has three plants that are part of the European Union Emissions Trading System - AS VKG Oil's Petroter and Kiviter oil plants and Põhja thermal power plant. All the plants have a monitoring plan and monitoring methodology plan, which very precisely sets out the basis for assessing the amounts of CO₂, the only GHG generated in production activities. The CO₂ assessment of all facilities is also regulated through integrated environmental permits. Internal CO₂ accounting is carried out in accordance with requirements and data submission is regulated by official internal procedures.

Considering the impact of CO₂ emissions on both the environment and the company's financial costs, measures to reduce emissions are continuously analysed and implemented where possible. Total CO₂ emissions are directly correlated with production volumes, which is why the amount of CO₂ per tonne of oil products (so-called specific emissions) is monitored as a management accounting indicator. The specific emissions are calculated using the calculation rules of the EU Emission Trading System. The specific emission of CO₂ can be reduced with the help of new technological solutions, which, according to current knowledge, will enable VKG to reduce specific emissions from its plants by up to 34% over the next 10 years.

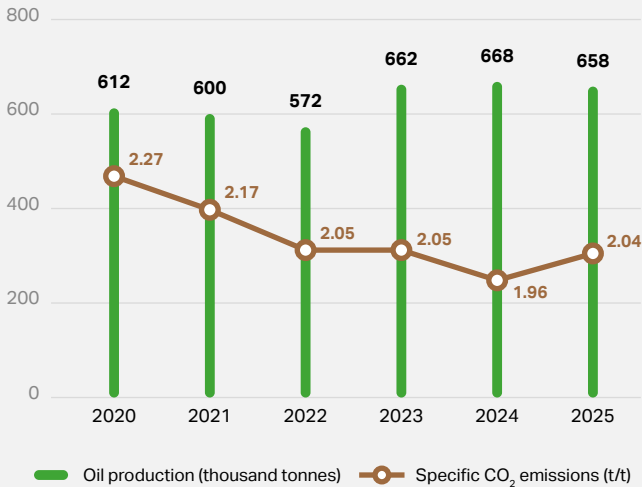
DIRECT SPECIFIC EMISSIONS OF CO₂, EQUIVALENT TO THE AMOUNT OF CO₂ PER TONNE OF OIL PRODUCTS (TONNES/TONNES)

2021	2022	2023	2024	2025	Short-term target	Long-term target
2.17	2.05	2.05	1.96	2.04	≤2.0	≤1.32

The Group's investments and production process improvements in recent years have allowed us to simultaneously increase the oil production volume and reduce the specific CO₂ emission. We achieved the lowest specific emission level in 2024, which is an indication of production efficiency and the positive impact of the implemented technological developments. The specific emission increased somewhat in 2025 in connection with the quality of the oil shale used (the transition to oil shale from the new mine was started), but still remained lower compared to earlier years, confirming a long-term downward trend.

The reduction of specific emissions and the increase in production volumes demonstrate the Group's ability to improve production efficiency, gradually move towards lower-emission production and reduce the environmental impact per product unit.

OIL PRODUCTION (THOUSAND TONNES) AND SPECIFIC CO₂ EMISSIONS (TONNES/TONNE), 2020-2025



2.04

specific CO₂ emissions
2025, t/t

≤2.0

short-term target

≤1.32

long-term target

657.6

oil production 2025,
thousand tonnes

Energy resources

The efficient use of energy resources allows to improve productivity, optimise production resources, and reduce our environmental footprint. The Group monitors energy consumption in accordance with the requirements of the ISO 50001 standard. A system of energy consumption metres has been developed for consumers, and consumption optimisation solutions have been prepared for production sections and equipment with higher consumption. Once a year, the Group analyses energy flows and visualises them using a Sankey diagram. VKG Oil and VKG Kaevandused are also required to submit an energy audit once every four years in accordance with Regulation No. 76 of the Minister of Economic Affairs and Infrastructure. Once a year, information on energy consumption by facilities with integrated environmental permits is submitted to the Environmental Board in the annual report on ambient air and in the production level report in the emissions trading system.

In achieving the energy efficiency goals, we comply with the following principles:

1. **operating in accordance with international standard ISO 50001;**
2. **training the personnel in the area of energy management and efficiency;**
3. **innovation in measures and technologies aimed at energy economy;**
4. **implementation of automation and digitisation projects;**
5. **exchanging experience with other companies in the same sector, and with research institutions.**

ENERGY CONSUMPTION AND DISTRIBUTION OF ENERGY SOURCES (GWh):

Energy consumption and distribution of energy sources	2024	2025
Fuel consumption based on coal and coal products	-	-
Fuel consumption based on crude oil and petroleum products	40.50	42.66
Fuel consumption based on natural gas	16.04	8.77
Fuel consumption based on other fossil sources	11,555.24	11,341.81
Fuel consumption of purchased or acquired electricity, heat, steam and cooling based on fossil sources	36.13	26.08
Total fossil energy consumption	11,647.91	11,419.32
Share of fossil fuels in total energy consumption	99.95%	99.96%
Consumption of energy from nuclear sources	2.78	4.40
Total consumption of energy produced from nuclear sources as a percentage of total energy consumption	0.02%	0.04%
Fuel consumption from renewable sources, including biomass (which also includes industrial and every-day waste of biological origin, biogas, hydrogen produced from renewable sources, etc.)	-	-
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	2.55	3.98
Consumption of self-produced renewable energy used for purposes other than fuel	-	-
Total consumption of renewable energy	2.55	3.98
Share of renewable sources in total energy consumption	0.02%	0.04%
Total energy consumption	11,650.46	11,423.30

ENERGY SOLD TO EXTERNAL CONSUMERS (GWh)

	2021	2022	2023	2024	2025
Electricity	408.88	363.53	448.79	474.42	379.95
Heat and steam	352.52	288.94	529.46	432.59	419.64

Air, water and soil quality

During the production activities of several companies that previously operated in the Group's territory, persistent pollutants were released into the environment, resulting in residual contamination. The analysis results show residual contamination in the soil as well as in surface water and groundwater.

In addition to the requirements set out in environmental permits, the Group has established internal procedures for pollution prevention and control. A procedure for reporting environmental disturbances has been implemented with the aim to record disturbances and their impact on the environment and

develop and implement measures to prevent their repeated occurrence. All subsidiaries are required to report environmental disturbances that have an adverse impact, including accidents and other incidents.

The prevention, identification, and assessment of environmental aspects related to the company's activities are carried out according to a defined methodology with the aim of keeping the most important aspects under control in order to reduce their environmental impact.

Significant impacts, risks and opportunities

→ NEGATIVE IMPACT	→ RISK	→ OPPORTUNITY
H ₂ S and SO ₂ emissions	Increasingly stricter BAT requirements	Reduction of environmental emissions

Various pollutants are released into the air during the Group's production processes. Strict emission limits are set for air emissions in accordance with the best available technique requirements and other legal acts, which ensure safe levels for both human health and the surrounding environment. To control the impact, we measure, record and publish ambient air quality indicators in real time at the ambient air continuous monitoring station located at the boundary of the VKG industrial area, which, in addition to hydrogen sulphide (H₂S) and sulphur dioxide (SO₂) concentrations, also measures wind direction and speed and ambient air temperature. All the data are publicly available on the website ohuseire.ee. Additional measuring equipment has been installed in the production territory, which enables us to promptly respond to changes in pollution levels and take the necessary measures to reduce the negative impact of production activities on ambient air quality.

Increasingly stricter BAT requirements are a significant risk for VKG, requiring strategic planning and major investments.

To ensure the Group's sustainability, it is necessary to invest in the development of best available techniques and environmental protection, participate in the development of legislative acts, monitor production parameters and the environment, optimise production and implement energy-efficient solutions. With regard to the BAT requirements, we ordinarily work with a 12-year investment cycle. Non-compliance with all the related requirements may result in fines and restrictions which would significantly affect our operations.

VKG's shale oil production and oil shale energy are based on best available techniques to ensure the highest possible efficiency and the compliance of the environmental impact entailed in our production activities with regulative requirements. Estonia's BAT for the energy use of oil shale is currently being reviewed and updated and we actively participate in that process. The main developments compared to the currently applicable BAT requirements have taken place namely in environmental regulations (e.g. the new Industrial Emissions Direc-

tive), compliance with which is consistently assessed in VKG's energy production.

Reduction of environmental emissions is a significant opportunity for VKG. We consistently make investments in order to move towards reducing the environmental burden of our production activities. Reducing emissions also reduces the tax burden applicable for them - for VKG's facilities, the CO₂ quota units arising from belonging to the EU GHG Emissions Trading System are the biggest indirect environmental tax, the cost of

which for the Group will in line with the trading system rules grow to millions of euros in the coming years.

In addition to reducing the impacts related to our own activities, we are also working on eliminating the Soviet-era residual pollution in the Group's territory. Considering the complexity of eliminating the residual pollution, the main measures include regular monitoring and assessment to make sure that the spread and impact of the pollution continue to decrease as a result of natural processes.

Air emissions

The Group's activities generate air pollution, including particulate matter, carbon monoxide, nitrogen oxides and various sulphur compounds in addition to carbon dioxide. Continuous air quality monitoring is implemented in the production territory, with data publicly available. Results are analysed regularly and proposals are made to reduce emissions. An ambient air quality report is submitted once a year.

The following measures are implemented to reduce air pollution:

1. **continuous monitoring of emission volumes and ensuring their compliance with regulations (e.g. the European Union Industrial Emissions Directive and Estonian legal acts);**
2. **compliance with the conditions of environmental permits, which contain specific requirements for limiting emissions;**
3. **use of compliant exhaust gas purification equipment (e.g. afterburners and filters);**
4. **regular optimisation of operating modes and fuel choices.**

The specific measures and resources implemented to minimise the spread of air pollution and reduce the impact of production activities are described in the environmental permits and the plans for reducing the occurrence of odoriferous substances (the so-called odour plans). Under the odour plan implemented in 2018-2020, VKG Oil sealed five emission sources causing odour disturbances and implemented a project for extinguishing combustion hotspots on semi-coke hills with the aim to reduce odour emissions from the semi-coke hills. As it was concluded on the basis of recent national studies that exceedances of the disturbance level for odoriferous substances remain a problem at the local government level, the companies drew up new odour plans. Under its new odour plan, VKG Oil

undertook to apply the following measures to reduce the occurrence of odoriferous substances in 2025-2027: the renovation of the sulphur removal system of the Põhja thermal power plant, the installation of new oxygen and carbon monoxide sensors in boilers, and the optimisation of operating modes.

In addition to environmental protection investments, the reduction of air pollutant emissions has also been achieved as a result of the discontinuation of electrode coke production that took place in 2022-2023.

The Group's objective is to ensure compliance of SO₂ emissions with BAT limit values and to reduce odour disturbances. BAT, or best available technique, is the most efficient and best developed level of technical development and working methods applied in a specific industrial sector. Shale oil production is characterised by sulphur compounds released as air emissions, where for sulphur dioxide (SO₂) monthly average concentrations below the BAT limit value must be ensured, and the objective to reduce hydrogen sulphide (H₂S), the main odour-causing substance, is to minimise odour disturbances emanating from the company's territory. The Group continues implementing measures to reduce air emissions, focusing on the optimisation of processes, development of monitoring capabilities, and improvement of technological solutions in order to achieve the established long-term goals.

SO₂ MAXIMUM MONTHLY AVERAGE CONCENTRATION IN PETROTER OIL PLANT STACKS (mg/Nm³)

2021	2022	2023	2024	2025	Short-term target	Long-term target
1,230	1,189	1,193	1,175	1,191	≤1,200	≤1,100

SO₂ maximum monthly average concentration in Petroter oil plant stacks was 1,191 mg/Nm³ in 2025, which falls short of the established short-term goal, but exceeds the long-term target level. The fluctuation of SO₂ levels over the years is related to the facility's ordinary operating mode and the specifics of process management. In order to ensure compliance with the BAT

limit values, the production processes are constantly regulated, as a result of which the readings may vary to a certain degree. No significant technological changes which would have had a direct impact on the reduction of the SO₂ level took place in 2025.

H₂S ANNUAL AVERAGE CONCENTRATION AT THE VKG MONITORING STATION (µg/m³)

2021	2022	2023	2024	2025	Short-term target	Long-term target
2.53	2.8	2.23	2.57	0.81	≤2.0	≤1.5

H₂S annual average concentration at the VKG monitoring station was 0.81 µg/m³ in 2025, which is considerably lower than both the short-term and the long-term target. There has been a notable improvement compared to previous years, which is an indication of the impact of the measures taken so far.

The reduction of the H₂S level was supported by various activities and factors implemented in 2025, including the improvement of monitoring capacity of the production territory (the

implementation of the Omnis system), the consideration of diffusion conditions in planning odour-causing works, and the thorough repair and maintenance of production equipment. The results were also influenced by favourable weather conditions and the partial implementation of the odour plan. The results may also be influenced by external factors, including the activities of the companies located near the monitoring station.

Ambient air pollution charges

The level of the Group's ambient air pollution charges is generally linked to production volume. In the period in question, the pollution charges have remained relatively stable or shown a moderate downward trend.

Starting from the second half of 2024, the charge rates started to rise in accordance with the Environmental Charges Act, but the application of pollution charges to CO₂ emissions related to heat production - which previously made up a significant part of

the ambient air pollution charges - ended. Thanks to the combined effect of these changes, the total expenses remained under control.

In 2025, air pollution charges were also influenced by the overhaul of the Petroter I plant, during which there were temporarily no air emissions from that facility. As a result of that, the ambient air pollution charges were smaller than in the preceding years.

AMBIENT AIR POLLUTION CHARGES (EUR)

2021	2022	2023	2024	2025
820,738	750,000	741,994	729,947	684,875

Soil

To prevent chemicals and other substances with the potential to contaminate soil from entering the ground, hazardous materials are stored and handled at VKG in accordance with protective measures. Tanks and equipment are leak-proof, and above-ground tanks are surrounded by barriers to prevent liquids from spreading. Absorbent material is kept on-site to avoid soil contamination in the case of any leaks or other activities. In the event of soil contamination, soil is treated in accordance with the Waste Act, ensuring compliance with environmental requirements, and safety. In addition, soil monitoring is carried out every ten years in the territory of VKG Oil AS to provide an overview of soil quality.

Historical production activities have had a long-standing effect on the condition of soil and pollutants degrade slowly. However, the environmental condition assessment carried out in 2024-2025 did show an improvement trend: compared to 2014, the level of pollutants has dropped and the area of the pollution spots has decreased.

Chemical safety

VKG produces and uses several hazardous chemical substances and mixtures. The production, use and marketing of these chemicals are regulated and controlled by various measures.

Under the REACH Regulation, VKG has registered all substances that are manufactured in quantities of one tonne or more per year. Registration dossiers contain information about the properties, uses and safety requirements of substances. The main objective of the REACH Regulation is the safe use of chemicals to protect the employees' health and the environment from potential hazards. Compliance with the REACH Regulation also helps to increase public confidence in the safe handling of chemicals by providing transparent and reliable information about chemicals.

The aim of chemical safety is to reduce the risks related to chemicals in order to prevent the occurrence of harmful effects. At VKG, risks arise from the properties of and possible exposure to the hazardous chemicals produced and used. Hazardous substances used within the Group may enter the surrounding environment due to a breakdown or failure of technological equipment, damage to or leaks in pipelines. Employees may come into contact with hazardous chemicals at workplaces. To prevent and mitigate risks, VKG has a chemical safety guideline

in place which sets out requirements for the handling and storage of chemicals. Regular training is also organised to prevent potential environmental pollution incidents and health damage. Chemical safety inspections are carried out at least once a year in the companies, after which necessary corrective measures are identified and implemented.

To communicate essential information about chemicals, the companies use safety data sheets which inform about potential hazards to human health and the environment. The objective of a well-functioning safety data sheet system is to promote product stewardship and ensure proper handling and use of chemicals throughout the value chain by providing relevant and reliable information. Safety data sheets must also give our clients the confidence that VKG can be trusted, as we have provided them with sufficient and essential information about the chemical's composition and properties.

We also take part in the activities of the chemical industry at the local, national and international levels. The Group is a member of the Estonian Chemical Industry Association (ECIA) and is thereby closely involved in the implementation of the initiatives of CEFIC, the umbrella organisation of the European and global chemical industry. We committed to the Responsible Care (RC) initiative as early as 20 years ago.



Water resource

The area focuses on the expedient use of water resources, the efficient purification of waste water and the prevention of the entry of contaminants into water bodies. In cooperation with accredited chemistry laboratories and area-specific experts, we perform constant supervision over surface water, groundwater and waste water.

Water usage

The Group's water usage remained at a relatively stable level in the reporting period, with fluctuations primarily linked to production volumes and work process improvements. As an exception, water usage increased in 2024 in connection with the water quantities that reached consumption, after which it dropped again to a level comparable to previous years in 2025.

The production of shale oil requires large quantities of cooling water which is reused to its maximum potential in circular cycles. Merely to compensate for steaming and leakage losses, up to 2% of the annual quantity of the water circulating in the circular cycles of cooling water needs to be added to the process.

WATER USAGE (THOUSAND m³)

	2021	2022	2023	2024	2025
Groundwater	22.01	30.31	23.09	28.43	24.34
Lake water	5,853.25	5,387.80	5,387.80	6,274.69	5,699.10
Mine water at the enrichment plant	344.90	673.98	790.76	781.73	741.04
Total	6,220.16	6,092.09	6,201.65	7,084.85	6,464.48

RECYCLED AND REUSED WATER (THOUSAND m³)

2021	2022	2023	2024	2025
1,756.22	1,708.30	2,097.13	2,108.64	2,185.06

Water emissions

The water emissions arising from VKG's production activities is divided into waste water, precipitation water and mining water. Waste water is the sum of the everyday waste water generated at VKG Kaevandused and the deoiled and dephenolated water generated at VKG Oil. Precipitation water is water falling and gathered in the territory of VKG Oil. Mining water is water that is pumped out of a mine and then passes through sediment pools and is then directed to a receiving body of water. The

water quality has in recent years met the requirements set forth in the environmental permits. The Group's water emissions are mainly related to production levels, as well as the increased area of the mines, and the amount of precipitation. In 2025, the quantities of water pumped out of the mines increased primarily due to the drifting works at the Uus-Kiviõli Mine. There was also more precipitation than in the previous year, which caused the amount of precipitation water to increase.

WATER DISCHARGE (MILLION m³)

	2021	2022	2023	2024	2025
Waste water	1.10	0.92	1.00	0.99	1.11
Precipitation water	1.38	1.50	0.72	1.46	1.69
Waste water from the mines	22.20	23.76	21.92	22.62	29.52
Total	24.68	26.18	23.64	25.07	32.32

Environmental charges for water

The charge for the right to the special use of water as well as water pollution charges have increased on account of the quantities of water pumped out of the Uus-Kiviõli Mine as well as the increased charge rates. The increase in the pollution

charge on shale oil production is mainly caused by an increase in the charge rates, while the decrease in the charge for the right to the special use of water in energy production is due to a decrease in water losses in 2025.

CHARGE FOR THE RIGHT TO THE SPECIAL USE OF WATER, AND WATER POLLUTION CHARGE (EUR)

	2021	2022	2023	2024	2025
VKG Oil's energy production	129,316	120,022	155,939	136,055	116,745
VKG Oil's oil production	15,259	15,885	13,827	15,969	20,413
VKG Kaevandused	1,444,951	1,756,405	1,544,280	1,622,946	2,228,908
Total	1,589,526	1,892,312	1,714,046	1,774,970	2,366,066



Resource use and circular economy



POSITIVE IMPACT

Resource efficiency



NEGATIVE IMPACT

Deposition of waste at landfills



RISKS

Raw material supply continuity risk
Failure of and delays in obtaining environmental permits, and changes in regulation



OPPORTUNITIES

Improvement of cost efficiency
Market need for oil shale ash

The Group's strategic objective is to add maximum value to oil shale as a resource and to direct as much waste as possible to production processes. In order to achieve that, the Group has developed a network of production units operating on the principle of industrial symbiosis, where the products and waste from each production process is used to the maximum extent in other processes.

Resource efficiency is the Group's positive impact thanks to our long value chain. From the environmental aspect, this means that the environmental impact per each processed oil shale unit is smaller. In parallel, social and economic benefits are increased, new jobs are created and greater added value is provided.

Any byproducts generated in the course of producing shale oil are used internally in the Group for producing energy, i.e. heat, steam and electricity. All of the Group's heat and steam needs are covered with energy produced in the Group, and some of the energy is also used for heating the buildings located in the Group's territory. Surplus energy is used for ensuring the supply of heating in the Ahtme-Jõhvi region and the city of Kohtla-Järve. Electricity left over from own consumption is supplied to the network for everyone to consume. The Group's activities generate large quantities of waste for which no outputs currently exist that would meet the criteria of recycling and such waste remains in waste depositories to await suitable valorisation technologies. The negative impact is therefore related to **depositing waste in landfills**.

RAW MATERIAL SUPPLY CONTINUITY

is a risk which may materialise in two ways. A deficit of lump oil shale may cause a standstill in the operation of the Kiviter plants and a deficit of fine oil shale may stop the operation of the Petroter plants. A standstill in the operation of the mines may seriously disrupt or stop VKG's entire production. Various measures have been taken to mitigate the risks - the most extensive of these being the full replacement of a long conveyor belt with a new one. In addition, we use every opportunity to generate a stock of lump rock in order to mitigate the risks of short-term disruptions in mining operations.

FAILURE OF AND DELAYS IN OBTAINING ENVIRONMENTAL PERMITS, AND CHANGES IN REGULATION

constitute a significant risk for VKG. The currently applicable regulation is unflexible and

does not keep pace with the actual plans of the market participants. The potential legislative and societal pressure to limit or discontinue the extraction of fossil resources causes increased uncertainty in planning strategic investments. The said risk was significantly mitigated in 2025 by updating the environmental permits of the Uus-Kiviõli and Uus-Kiviõli II mines as well as by obtaining the Uus-Kiviõli extraction permit. The latter will ensure the necessary oil shale reserve for continuing the oil production in the long term.

FOR THE IMPROVEMENT OF COST EFFICIENCY

we are seeking solutions for reducing the cost price of production and are constantly working on increasing the efficiency of processes. We have set the aim of achieving environmental quality at the prescribed costs. Every year, we prepare forecasts of environmental charges and environmen-

tal costs (survey and monitoring costs) as inputs to the budget. An important component of the budget is the cost price of production - both external factors (increasingly strict environmental requirements and increasing environmental charges) and internal factors (e.g. an increase in labour costs). In the last decade, the cost price of production has been on an upward trend.

MARKET NEED FOR OIL SHALE ASH

is a growing trend. Oil shale ash is increasingly seen as a valuable secondary raw material that can be used, for instance, in the production of construction materials, in road construction and in various industrial processes. The transition to a circulation-based economy creates a favourable market position for oil shale ash. When the current waste status of this material changes, it may become a competitive raw material for which there is actual demand in the market.

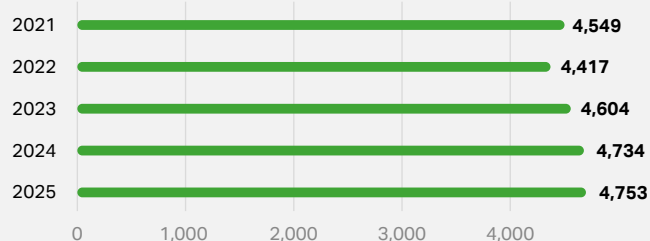
Use of resources

The resource necessary for the production of shale oil and other products in the Group is provided by VKG Kaevandused whose active mining activities take place under three mineral resource extraction permits: Ojamaa, Viru II and Uus-Kiviõli II.

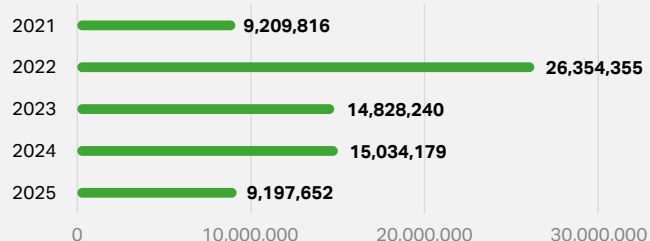
In addition to the extracted geological resource, the resource charges for extracting mineral resources also cover extraction losses which together make up the extracted mineral reserve that has been rendered unusable. VKG Kaevandused extracts and renders unusable a total of more than 4 million tonnes of oil shale in a year. The annual orders of magnitude have remained more or less the same, as we extract to the maximum limits allowed under the environmental permits. The production plans of VKG Oil also establish the necessary oil shale quantities to be mined by VKG Kaevandused.

The oil shale extraction charge depends on the world market price of heavy fuel oil, which also causes annual fluctuations in the charges paid.

QUANTITIES OF EXTRACTED GEOLOGICAL OIL SHALE (THOUSAND TONNES)



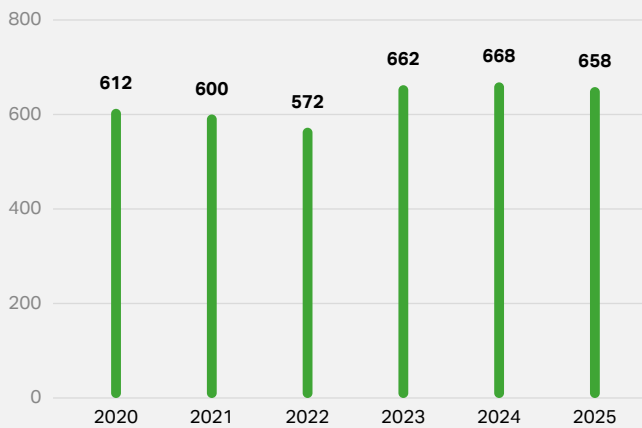
OIL SHALE EXTRACTION CHARGE (EUROS)



Shale oil

Over decades, the Group has invested hundreds of millions of euros in increasing the energy efficiency of production activities, thanks to which we have reached the efficiency level of 68%. In essence, this indicator is the ratio of the shale oil, fine chemistry products, electricity, steam and heating water sold as products and the energy value of the oil shale and other fuels acquired for the production of these products. In short, this indicator shows how much useful energy we obtain from oil shale. By now, we have implemented the currently known solutions for significantly increasing the energy efficiency of processes and maintaining the current level also requires constant additional investments e.g. due to the depreciation of equipment and increasingly stricter regulation that affects production. We therefore direct future investments mainly into ensuring the reliability of the technology used and the conformity with the new environmental requirements, in connection with which we must bear in mind that extensive overhauls will also cause temporary declines in production efficiency during certain periods.

SHALE OIL PRODUCTION



ENERGY EFFICIENCY OF PRODUCTION ACTIVITIES (%)

2022	2023	2024	2025	Short-term and long-term target
66.03	67.96	68.07	68.46	≥68

Waste

Environmental protection permits establish clear requirements for the management of waste in order to prevent the spread of pollution. The permits define the allowed waste quantities, the allowed waste management procedures, the monitoring requirements for waste management locations, and other requirements that must be complied with to protect the environment and human health. As a holder of environmental permits, we are obligated to submit annual waste reports, which means that at the end of each year we report to the state on the generation of different types of waste and the related management procedures.

A procedure for sorting and collecting waste and a separate procedure for the management of metal waste have been established across the Group. Compliance with the established procedures is checked regularly in the course of internal audits conducted by the Environmental Division and changes

are introduced, if necessary. Subsidiaries may prepare separate manuals for sorting and collecting waste depending on the types of waste generated. Waste is collected using various waste management systems which allow us to collect and reuse waste by type.

Three types of waste are generated in the course of production activities: mining waste, production waste and ordinary waste. The majority of the waste generated in the Group is made up of the extractive waste or waste rock generated in the enrichment of oil shale, the semi-coke, oil shale ash and phenol water left over from the shale oil production process, the gas purification waste generated in purifying the flue gases of the Põhja Thermal Power Plant which contain hazardous substances, and scrap metal. The quantities of industrial waste depend directly on the production volumes of oil products and electricity and heat.

GENERATED QUANTITIES OF ORDINARY WASTE (THOUSAND TONNES)

Type of waste	2021	2022	2023	2024	2025
Construction and demolition debris	0.22	0.34	0.40	0.16	0.064
Everyday waste	0.16	0.24	0.23	0.11	0.067
Scrap metal	1.32	2.07	1.04	1.31	1.33
Waste rock	2,423.94	2,330.14	2,334.34	2,461.22	2,613.27
Oil shale ash	1,784.32	1,632.76	1,913.56	1,927.71	1,903.91
Total	4,209.39	3,965.53	4,249.57	4,390.50	4,518.64

GENERATED QUANTITIES OF HAZARDOUS WASTE (THOUSAND TONNES)

Type of waste	2021	2022	2023	2024	2025
Semi-coke	646.59	651.36	655.65	669.97	626.15
Gas purification waste	59.42	56.37	60.29	61.82	57.71
Phenol water	296.06	294.69	263.59	294.19	257.46
Total	1,002.07	1,002.41	979.54	1,025.98	941.32

The Group reuses and recycles materials generated in the production process. In 2025, we reused 2,311.05 thousand tonnes of waste rock (88%), we use it for refill and do not deposit it in a landfill. We also recycled 1.33 thousand tonnes of scrap metal with the help of our cooperation partners.

We also reuse the phenol water generated in the production process, directing it back into production and using it as

a raw material for making phenol products. In 2025, we recycled 257.46 thousand tonnes of phenol water. The recycling of phenols helps reduce the environmental burden and improves the quality of shale oil. In total, we recycled 2,569.84 thousand tonnes of materials in 2025.

QUANTITIES OF REUSED WASTE (THOUSAND TONNES)

Type of waste	2021	2022	2023	2024	2025
Waste rock	2,324.39	1,253.81	771.55	1,919.71	2,311.05
Share of recovery in total generation	95.9%	53.8%	33.05%	78%	88%
Scrap metal	1.32	2.07	1.04	1.31	1.33
Share of recovery in total generation	100%	100%	100%	100%	100%
Phenol water	296.06	294.69	263.59	294.19	257.46
Share of recovery in total generation	100%	100%	100%	100%	100%
Total	2,621.78	1,550.57	1,036.19	2,215.21	2,569.84

Deposition of waste

Production waste for which there are currently no usage possibilities (oil shale ash, semi-coke, gas purification waste) are deposited in an industrial waste landfill. Pursuant to the integrated environmental permit of VKG Oil, waste (mainly contaminated soil) from environmental projects carried out by external companies can also be deposited. Upon depositing waste from

other environmental projects, the methodology suitable for the properties of specific waste is used. The quantities of industrial waste deposited directly depend on production volumes.

QUANTITIES OF THE WASTE DEPOSITED IN THE INDUSTRIAL WASTE LANDFILL (THOUSAND TONNES)

Type of waste	2021	2022	2023	2024	2025
Gas purification waste	59.42	56.37	60.29	61.82	57.71
Oil shale ash	1,784.32	1,632.76	1,913.56	1,927.71	1,903.91
Semi-coke	646.59	651.36	655.65	669.97	626.15
Total	2,490.33	2,340.49	2,629.50	2,659.50	2,587.76

In order to continue with oil production, it is inevitable to ensure the long-term capacity for the end-of-line treatment of industrial waste (primarily oil shale ash and semi-coke. Based on monitoring the capacity of the landfill and forecasting the existing production capacity, the deposition capacity of the existing landfill will soon be exhausted. A decision has therefore been made to expand the existing landfill by partly redesignating the use of the landfill areas. In 2025, we focused on preparing the permit changes necessary for the expansion works and held negotiations for the transfer of the land units necessary for expanding the landfill.

The expansion of the landfill does not have a significant effect on the spread of industrial waste pollution or the risk of major accidents. At the same time, making the landfill more airtight will have a positive effect, as it reduces the probability of fires and the amount of pollutants released into air. The impact on the environment is minimal, as the intended activity does not harm protected species or areas and does not increase the pollution burden of groundwater upon complying with the established deposition methods.

Waste deposition charges

VKG paid approximately 10.5 million euros in waste deposition charges in 2025. In 2024, new environmental charge rates entered into force under the Environmental Charges Act. While

in 2024 the charge for depositing oil shale ash was 3.69 euros per tonne, in 2025 it rose to 4.09 euros per tonne.

INDUSTRIAL WASTE DEPOSITION CHARGES (EUR)

Type of waste	2021	2022	2023	2024	2025
Gas purification waste	177,057	167,985	179,676	204,834	236,021
Oil shale ash	5,317,282	4,865,625	5,702,413	6,412,717	7,786,984
Semi-coke	1,926,833	1,941,041	1,953,829	2,233,143	2,560,949
Total	7,421,172	6,974,651	7,835,918	8,850,694	10,583,954



6

Our people

Viru Keemia Grupp is one of the largest employers in Ida-Viru County. The Group's wellbeing has an effect on the wellbeing of not only our own employees, but also that of several thousand other people who are related to the company via family members or the employees and family members of cooperation partners and suppliers.

The focal points of our personnel policy:

- 1 we value and recognise our employees,
- 2 we support the sense of unity,
- 3 we foster future employees,
- 4 we ensure a safe working environment.

The Group's positions on the management of impacts, risks and opportunities related to employees have been established in the following documents:

- 1 Code of Ethics,
- 2 Personnel Policy,
- 3 Safety Policy.

Our people are of utmost importance in implementing our strategy and achieving our objectives. We focus on supporting them and developing their skills so that they can successfully work and help us to achieve success.

Significant impacts, risks and opportunities

→ POSITIVE IMPACTS

Competitive salaries
Constant training and development
Safety-related motivation events and exercises
A rising trend in noticing, registering and preventively resolving danger situations (almost-incidents)

→ NEGATIVE IMPACTS

Working conditions that affect health
Working environment with a high risk of danger

→ RISKS

Work accidents and breakdowns
Failure to register and respond to dangerous situations

→ OPPORTUNITY

Implementation of a process safety system



The majority of the Group's employees are residents of Ida-Viru County and by offering a competitive salary we contribute positively to the standard of living in the region. The results of salary surveys show that the salaries paid in the Group are higher than the average in Ida-Viru County and we successfully compete in the labour market.

The constant training and development of employees and fostering future employees constitute a positive impact for the Group, while also being a strategic tool. The training and education system covers all the Group's employees, subcontractors and target groups of potential employees - school and university students. We believe that only by developing and updating the skills and knowledge of our employees can we remain competitive in the changing market conditions and be successful as an organisation.

The Group's activities have a positive impact on employees through **safety-related motivation events and exercises** which support an increased safety awareness and the employees' preparedness to act in various dangerous situations. Through regular internal training courses, quarterly fire safety and evacuation exercises as well as crisis exercises conducted in cooperation with the Rescue Board, we develop practical skills and assess the crisis preparedness of the organisation.

Another positive impact is an **upward trend in noticing, registering and preventively resolving dangerous situations (including almost-incidents)**. Systemically identifying and analysing dangerous situations allows us to apply preventive measures, improve the occupational safety management systems and reduce the probability of occurrence of work accidents.

The Group's activities entail a potential negative impact for the employees - arising from **working conditions that affect health**. The nature of work includes working in shifts, working at night, and working in dangerous conditions, including underground work, exposure to high temperatures, noise, vibration and chemicals, and work at heights. These factors may have an effect on the physical and mental health of employees and increase the risk of occupational diseases and work accidents. In order to alleviate the said impact, the Group applies appropriate measures, including compliance with working and resting time requirements, ensuring risk-based and high-quality personal protective equipment and offering additional social guarantees, such as extended basic holidays, health promotion support and the possibility of receiving psychological support. We have also established the goal of reducing production injuries, occupational diseases and accidents in order to ensure that the working environment is as safe and healthy as possible for our employees.

The Group's **working environment contains a high risk of danger**. The main danger factors are related to working with chemicals, mechanical risks, and workplace ergonomics. Such a working environment entails a significant risk in the form of work accidents and breakdowns the consequences of which may include severe damage to health, partial or full loss of capacity for work and, in extreme cases, fatalities. Work accidents may also have indirect effects, including the employees' long-term absence from work, increased work load for colleagues, and an increased risk of burnout and fatigue.

In order to mitigate the said impacts and risks, the Group applies a systemic occupational safety and risk management approach, which includes the constant improvement of working conditions, the development of technological processes, the improvement of equipment reliability, and investments into innovative and safer solutions. The Group also support the development of safety culture with the aim to reduce the frequency of occurrence of work accidents and breakdowns.

Failure to register or properly respond to dangerous situations (including dangerous conduct, dangerous situations and dangerous operation) constitutes a significant risk which may lead to work accidents and breakdowns. Gathering and systemically analysing information and developing preventive and mitigation measures are closely linked. Shortcomings in

any of these stages reduce the organisation's ability to identify dangerous situations in a timely manner and respond to such situations efficiently.

In order to mitigate the risk, dangerous situations are treated as an important part of the preventive work culture and their systemic registration and analysis have been integrated in occupational safety management. In 2025, we implemented the 'Safety Alert' practice, the aim of which is to ensure the prompt and uniform communication of lessons learnt from dangerous situations across the entire organisation in order to prevent the repeated occurrence of similar incidents and strengthen the preventive safety culture. **Implementing a process safety system** allows us to carry out in-depth analysis of production processes, identify hidden risks and make justified proposals to improve processes and work organisation. It creates a basis for planning systemic changes and helps prevent technological incidents and breakdown situations.

In order to realise the opportunity, the Group has started to gradually implement a process safety system, which also includes the development and implementation of a process safety policy and the performance of regular technological risk analyses in all the production units. The implementation started in 2025 with the appointment of the Head of Process Safety and will continue in the coming periods.



Internal communication

The Group has established principles and channels for communicating with its employees, the aim of which is to ensure the timely and transparent distribution of work-related information and the discussion of matters that have an effect on the employees. Managers inform their employees of the company's strategy, foci and objectives, as well as of action plans and the managers' expectations to the employees. Regular appraisal and performance interviews are held between the managers and the employees. The company has a trade union organisation with which it cooperates in accordance with the applicable collective agreement and regulations.

We encourage open and constructive discussions and ensure that employees are not punished for reporting unethical conduct and pointing out faults in management. Work relations are regulated by the Employment Contracts Act and the collective agreement which

covers all the employees, regardless of their membership in the trade union.

Opportunities to provide anonymous feedback via a designated hotline and e-mail address have been created for the employees. The information forwarded via those channels reaches an independent person who guarantees the confidentiality and anonymity of the person, analyses the received information and handles the resolution of the situation. The same opportunity is also available to subcontractors, partners and stakeholder representatives. In order to determine the circumstances of complaints or requests, meetings are held, and in the case of inter-personal conflicts, the parties are invited to provide explanations. If possible, the parties are reconciliated and agreements are made to prevent or avoid further conflicts. We invite our employees to take part in business processes and provide active feedback.

Employees

As at the end of 2025, the Group had 1,448 employees in total. Compared to 2024, the number of employees decreased by 15 people, which was mainly due to the natural labour turnover and structural changes in the Group.

The most important structural change of the year was the merger of VKG Oil AS and VKG Energia OÜ as of 7 October 2025, as a result of which CKG Oil AS became the employer of the employees of both companies. This change is also reflected

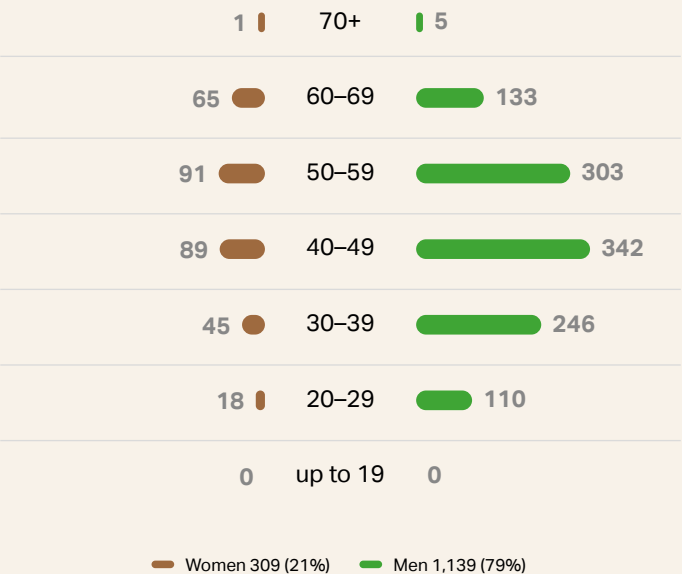
in the number of employees across the companies.

The Group's workforce is stable and generally non-transient by nature. As at the end of 2025, we had 1,447 employees working under an indefinite employment contract, which makes up 99.9% of all the employees. We only had 1 fixed-term employment contract. The majority of our employees - 1,446 - work on a full-time basis, with only 2 employees working part-time.

THE NUMBER OF EMPLOYEES BY COMPANIES

Company	2023	2024	2025
Viru Keemia Grupp	96	93	85
VKG Kaevandused	524	513	502
VKG Oil	623	621	735
VKG Energia	115	106	-
Viru RMT	15	Viru RMT 14 employees were included in VKG until 18 March 2024.	-
VKG Logistika	129	130	126
Total	1,502	1,463	1,448

GENDER AND AGE DISTRIBUTION 2025



Equal treatment and diversity

The Group has agreed on clear principles to ensure the diversity and equal treatment of employees. We are working on the understanding that a well-functioning and diverse team is the foundation for an organisation's success and competitiveness. All the employees are equally important and treated fairly, respectfully and with dignity. We do not tolerate discrimination or unequal treatment in any form on the basis of race, gender, age, disability, sexual orientation, religious or political views, nationality, ethnic origin or

any other personal characteristics. In making work-related decisions, we rely of the employees' competence and professional skills and not on personal attributes which could endanger the principle of equal treatment. To support diversity, we encourage our employees to express their viewpoints and we take into account different opinions and value differences between cultures. These principles are a part of our everyday management and work culture.

Age-based distribution of employees

The Group's workforce is diverse by age, covering representatives from all generations. In 2025, employees aged 40 to 49 years made up the largest age group (29.7%), followed by employees aged 50 to 59 years (27.3%).

As a positive trend, the share of the youngest employees (aged 20 to 29 years) has grown. This indicates the successful recruitment of young people, in which the recruitment campaigns 'Talent Hunt' and 'Learn and Work' play an important role, having increased the attractiveness of the

Group as an employer among the younger generation.

The share of older employees (60+) has moderately decreased - a natural demographic change. The Group values the knowledge of experience employees and supports cooperation between generations, ensuring the consistency of knowledge in the organisation.

29.7%

share of 40–49-year-olds

27.3%

share of 50–59-year-olds

1,448

employees in total

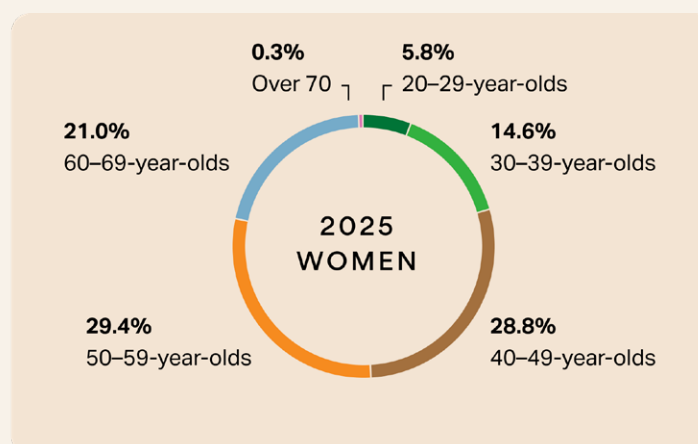
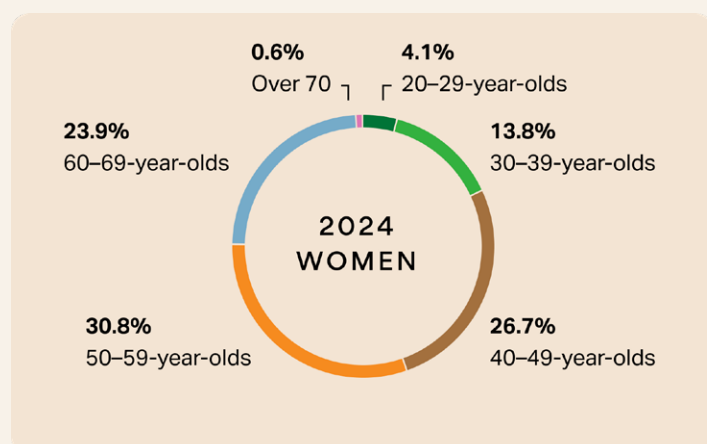
NUMBER OF EMPLOYEES BY GENDER

Gender	2024	Share	2025	Share
Men	1,145	78%	1,139	79%
Women	318	22%	309	21%
Total	1,463	100%	1,448	100%

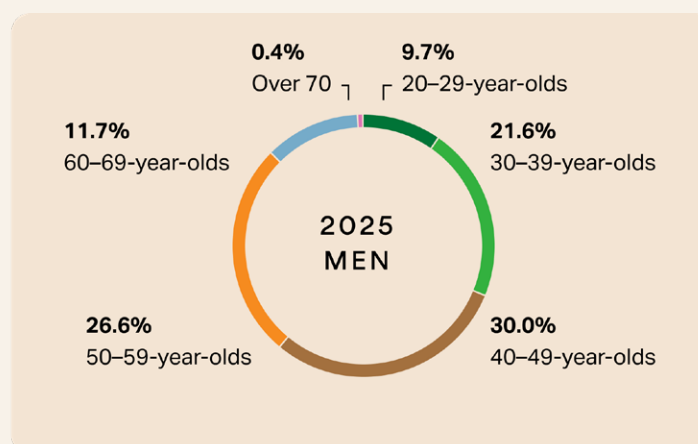
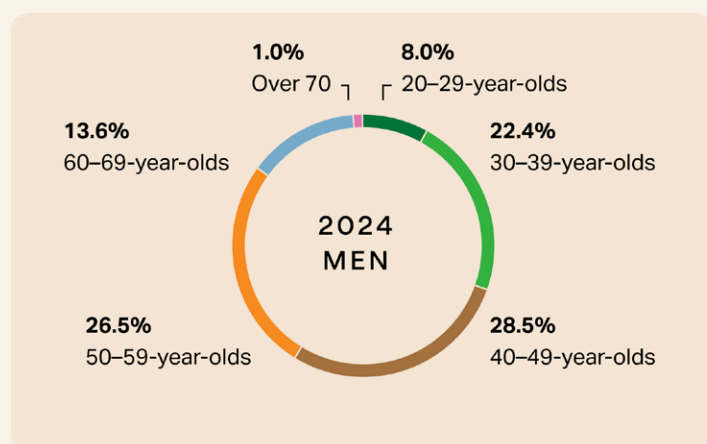
EMPLOYEES BY CONTRACT TYPES

Type of contract	Number of employees as at 31.12.2024		31.12.2025
Indefinite employment contract	1,457		1,447
Fixed-term employment contract	6		1
Number of full-time employees	1,459		1,446
Number of part-time employees	4		2

AGE STRUCTURE OF THE GROUP'S FEMALE EMPLOYEES, 2024-2025



AGE STRUCTURE OF THE GROUP'S MALE EMPLOYEES, 2024-2025



Labour turnover

	2023	2024	2025	Short-term and long-term target
Total number of employees who have left	208	215	208	N/A
Labour turnover	13%	15%	11%	N/A
Incl. voluntary labour turnover	7%	5%	3.5%	4%-6%

The Group has established the rate of voluntary labour turnover as an important indicator to monitor with the aim to keep it as low as possible. Voluntary turnover reflects the employees' satisfaction, the strength of the organisation culture and the efficiency of governance practices.

In 2025, the voluntary labour turnover was 3.5% which is lower than the established target level and indicates a relatively high stability of employees in the organisation. The decreasing turn-

over continues the positive trend that began in earlier years and reflects the stabilisation of the changes made in the organisation, the consistent development of personnel management practices, and activities aimed at retaining employees. The Group continues its activities to support the employees' satisfaction and commitment with the aim to keep the voluntary labour turnover low also in the coming years.

Remuneration principles

The principles of equal treatment of employees are established in the Personnel Policy and the Code of Ethics. The equal remuneration of employees in equal positions is ensured with job salary tables which are based on work duties and responsibility and not person-based.

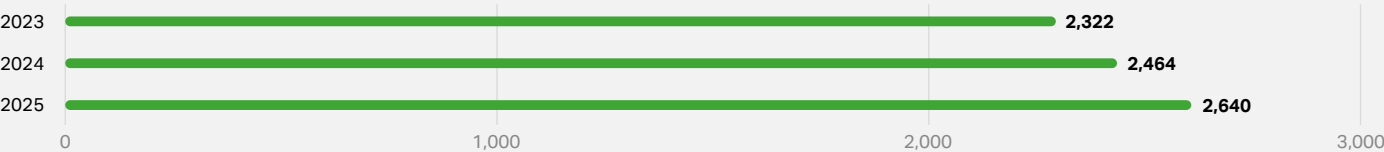
We pay for work on the basis of the situation in the labour market of the region, the salary market conditions of various sectors, the rate of responsibility of the employee, the skills of the employee and other indicators which may have an effect on the bases of remuneration. VKG applies a transparent performance pay system with clearly defined principles. Balanced working conditions and a fair remuneration system ensure the motiva-

tion and loyalty of the employees as well as a high work culture.

The Group strictly adheres to the Employment Contracts Act. With regard to working time, the Group complies with the law and the collective agreement. If the working hours of an employee differ from what has been established in the employer's general rules, the working hours are regulated by the employment contract, taking into account the nature of work, the specifics of production, and the working conditions.

The Group offers an extensive benefit package which contributes to combining the employees' work and family life - joint events, extended holidays for employees, events and gifts to children, support paid upon the birth of a child, etc.

THE GROUP'S AVERAGE GROSS SALARY ACROSS YEARS (EUR)



Includes all the payments made to the employees, including performance pay divided by the average number of employees (full-time equivalent).

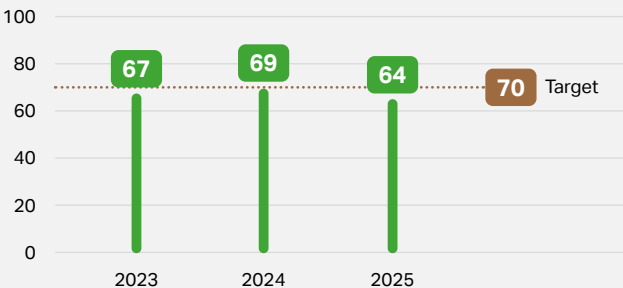
Commitment and satisfaction of employees

The Group has established the employees' general satisfaction and team spirit as an important objective. For that purpose, we - in cooperation with Kantar Emor - regularly conduct a satisfaction and commitment survey that covers all the employees, using the TRI*M HiPO model developed by the Kantar Group.

The result of the 2025 commitment survey was 64, which is 5 points less than in 2024. On the other hand, the number of respondents grew to 65% (40% in 2024). The lower result was mainly affected by the merger of two subsidiaries and the process of changes. Our aim is to again reach the last best result and continue striving towards the 70-point goal. In order to achieve this, we have initiated various internal projects to improve and automate processes to help employees to better focus on everyday work and efficiency. We are also updating the new employee training programme and the document digitisation process and expanding the possibilities of asynchronous learning on the e-learning platform Coursy.

Our employees' loyalty, belief in the future and sense of pride in working at VKG are very strong. The high level of commitment is also confirmed by the employees' willingness to recommend - our employees actively contribute to recruiting new colleagues. The number of people applying for a job at VKG upon the recommendation of their acquaintances and friends grows every year.

VKG EMPLOYEE COMMITMENT



Development of our people

Viru Keemia Grupp is dedicated to the constant development of its employees in order to improve their skills and support their continued work-related competitiveness. For this purpose, we have developed a training procedure which regulates and standardises the organisation of work-related training for our employees and describes the general principles of training activities.

VKG's Training Procedure covers various important activities, including the preparation and implementation of training and development plans, the analysis and assessment of training needs, the planning and organisation of training, using both internal and external resources, and carrying out training in accordance with the training plan and needs. In addition, we assess the efficiency of training and gather feedback in order to ensure the quality of training and the development of our employees.

The role of training and development activities in the Group strengthened in 2025. Learning activities were managed and training data were collected via the training management system Coursy, which allows us to better plan, monitor and analyse the development of our employees.

During the year, 594 employees took part in training courses, conferences and other development activities, making up a total of 1,350 training days. We invested approximately 270,000 euros

in further training. We also promote a healthy and active lifestyle among our employees, investing 50,000 euros to support it in 2025.

In 2025, development activities mainly focused on developing safety-related knowledge and practical skills, strengthening teamwork and introducing new technologies, including the possibilities of use of artificial intelligence. We also paid greater attention to the development of digital learning formats in order to offer our employees more flexible learning opportunities and support a more uniform level of knowledge in the entire Group.

2025 was an active year from the viewpoint of learning and development and confirmed the role of training as a key factor in supporting the employees' competence and motivation and the organisation's development.

We conducted three 'Talent Hunt' recruitment campaigns in 2025, in the course of which we sought new talents for our production teams. In every campaign, we received approximately 300 applicants, with nearly 20 new colleagues joining our Group. 'Talent Hunt' has been a popular campaign, as the applicants get a thorough overview of work at VKG and its territory and working condition before they start work. The campaigns are followed by structured and systemic training which in addition to theory also includes thorough support from instructors upon starting in a new job.

NUMBER OF TRAINING PARTICIPANTS	WORKING DAYS SPENT IN TRAINING	INVESTMENTS INTO FURTHER TRAINING
2025		
594	1,350	270,000 €
2024		
963	1,777	400,000 €
2023		
700	1,017	320,000€



Cooperation with the Trade Union of Chemists

We support the freedom of association, and recognise the employees' right to conclude a collective agreement and every employee's right to have their interests collectively represented, including by a trade union organisation.

Viru Keemia Grupp has a long-standing partnership relationship with the trade union organisation operating in the Group - the Trade Union of Chemists. The representatives of the trade union actively participate in the development of safety culture in the Group, in discussions concerning changes to the social benefit system and in measures aimed at creating safe working conditions. The parties

jointly hold that only in cooperation are we able to make the work environment better and safer.

At the end of 2024, Viru Keemia Grupp and the Trade Union of Chemists held mutual negotiations which ended in signing a new collective agreement. The concluded collective agreement will be valid for two years and all the provisions of the agreement apply to all the employees of the Group regardless of whether they are members of the trade union or not. As at the end of the reporting year, 478 employees of the Group belonged to the Trade Union of Chemists.



Safety first and foremost

In order to ensure occupational safety, the Group adheres to strict occupational safety requirements which are regularly checked by way of workplace inspections and issuing work orders/permits.

In March 2023, the Group's safety policy document was approved. The policy covers all the important safety principles which must be complied with by all the employees of the Group regardless of their position, including subcontractors and guests. The main aim of the safety policy is to ensure a safe

working environment free of accidents. Ensuring a safe and healthy working environment is of utmost importance, as that in turn ensures achieving the desired goals in all the areas of activity. The Group applies a zero-tolerance principle throughout its organisation - we respond to every deviation from the principles established in the safety policy.

The Group's priorities in the area of safety

- 1 The management's active participation and responsibility**
The management actively participates in ensuring safety on all levels, including by conducting safety visits, organising safety training and regularly communicating with the employees.

- 2 Risk-based approach in ensuring occupational safety**
Safety risks are identified and assessed systemically and managed via risk analyses and work processes in order to reduce danger and prevent work accidents.

- 3 Integration of safety into production processes**
The safety and reliability of production processes is ensured via regular maintenance and inspections and the application of the best available technologies and practices.

- 4 Development of safety culture**
The employees are offered regular safety training in order to increase awareness and support safe conduct. Each employee is responsible for the safety of themselves and their colleagues.

- 5 Cooperation with contractors**
Contractors are subject to the same safety requirements and their compliance is monitored and supported.

- 6 Prevention of work accidents and major accidents, and constant improvement**
Work accidents, incidents and dangerous situations are analysed and the results obtained are used for improving safety systems and preventive measures. The aim is to avoid fatalities caused by work accidents as well as the occurrence of serious accidents.

There were 9 work accidents with loss of capacity for work in 2025, which was on the same level as in 2024 and remained below the established short-term target (≤ 12), thus confirming that the level of serious work accidents is under control in the Group. There has been considerable improvement compared to previous years, considering that the same figure was 22 in 2021. However, we still haven't achieved the long-term target (≤ 4) and therefore continue to apply various measures with the aim of reducing the frequency of occurrence of serious work accidents. The indicator is considered as one of the central performance indicators for work safety, through which the efficiency of safety management and the effect of the applied preventive measures are assessed.

The number of working days lost due to work accidents decreased from 533 to 384 in 2025, exceeding the previous short-term target (≤ 477). This result is an indication of the efficiency of the work safety management system and preventive measures. The short-term operative target was updated considering the improvement and the new target is ≤ 381 days. The target is regularly reviewed and adjusted according to the achieved results and the development of safety management in order to support constant improvement in the area of work safety.

OCCUPATIONAL ACCIDENTS

	2021	2022	2023	2024	2025	Short-term target	Long-term target
Number of accidents with loss of work capacity	22	15	19	9	9	≤ 12	≤ 4
Number of accidents without loss of work capacity	6	6	7	9	4	N/A	N/A
Number of sick-leave days	1,364	972	804	533	384	N/A	N/A
Number of work days lost	1,227	585	807	533	384	≤ 381	≤ 119
Number of registered dangerous situations	1,116	2,374	3,005	2,652	2,997	N/A	N/A
TRIR (Total Recordable Incident Rate) statistics, number of work accidents per one million working hours	2	1.43	1.9	1.43	1.07	N/A	N/A



7

For the community

The Group is consistently contributing to the development and wellbeing of the region, being a reliable partner to local people and organisations.

We are convinced that the local community has an important voice in the wellbeing and development of our industrial enterprise. We therefore value openness and mutual communication very highly. In the case of important development projects, we engage the community at the very start - we hold public discussions and informal meetings with the local residents and the representatives of organisations. Cooperation with the main stakeholders is based on transparency, mutual respect, and regularity.

In 2025, we allocated more than 400,000 euros to support community initiatives, helping to carry out more than 40 different projects. Our support is primarily aimed at the areas of culture, sports and education, with an emphasis on the development of children and young people as well as on the improvement of the quality of life in the region.

Various long-standing traditions have grown out of our community projects, such as the Family Day of Chemists and ViruFest

on the Day of Miners. Instead of making Christmas presents to our partners, we support the maternity and paediatric wards of the Ida-Viru Central Hospital. We regularly hold clean-up days, with the participation of our employees as well as their family members and the students of the local basic schools and upper secondary schools. We are a long-term partner to the blood centre of the Ida-Viru Central Hospital and hold donor days in our production territory four times a year.

We believe that a trusting relationship with the community is based on long-standing partnership, caring, and shared values. VKG's aim is to be not merely an employer and enterprise, but also an active member of the community, who contributes to making life in Ida-Viru County better.

The Group also continues to invest into fostering future employees. In 2025, 51 students and pupils did their practice placement at the Group, which helps prepare future specialists and support the local education system.

In 2025

Support to community initiatives

400,000+ €

In 2025

Supported projects

43

In 2025

Number of scholarships

6

In 2025

Scholarships

13,000 €

In 2025

Number of practice placements

51

In 2025

Number of students who have visited production

600+

COOPERATION WITH EDUCATION ESTABLISHMENTS

We focus on education and research and cooperate with various higher education establishments, research institutions and partners. We support science conferences and projects aimed at innovation, in order to promote the research-based development of the oil shale sector and help create new industrial solutions.

We wish to shape an uninterrupted path of education from school to industry. We actively cooperate with the local state upper-secondary school by participating in STEM programmes and the Five Schools Contest. VKG's team also actively participates in student fairs, introducing the exciting challenges and opportunities of the industrial scene to young people. The doors to our production facilities are also open to education groups and we host approximately 500 youths of various age groups and study levels.





VKG'S SCHOLARSHIPS - AN INVESTMENT INTO THE FUTURE

Viru Keemia Grupp has been supporting outstanding students with scholarships since 2003, with the aim to promote education in the areas of technology and chemistry and to motivate future specialists.

VKG grants bachelor's and master's level scholarships to the students of TalTech in the amount of 2,000 and 3,000 euros, respectively. We also support the professional higher education students of the Virumaa College with 2,000-euro scholarships. Since 2020, we

are also awarding VKG Gold Medallist Scholarships to the best graduates of the TalTech Virumaa College in the amount of 1,500 euros.

Our scholarship is also available to the employees of the Group studying chemistry technology (professional higher education studies) and sustainable chemistry technologies (master's studies) at the TalTech Virumaa College. Upon graduating in the standard period, the scholarship is 2,000 euros.

Invisible Stones. A Young Artist's Look at Industry

100 years of industry. 100 works of art.
Anniversary as contribution to the future

To celebrate the 100th anniversary of the Estonian shale oil industry, Viru Keemia Grupp decided to do something more than a traditional anniversary campaign. In cooperation with the Estonian Academy of Arts, a unique project was born, bringing together industry, art, education and social dialogue and opening the story of industry to an entirely new audience.

For decades, the shale oil industry has been an important part of the Estonian economy, while also being one of the most discussed areas of activity that causes contradictory opinions. For its anniversary year, VKG decided to refrain from the ordinary company-focused communication and instead invite young artists to interpret industry through their eyes. The project did not seek to shape a ready-made narrative, but to create an opportunity for meeting, asking questions, and understanding different viewpoints.

Cooperation started in the summer of 2025, when more than 60 students from various areas of specialisation at the Estonian Academy of Arts - from modern art and sculpture to fashion, animation and graphics - went on internship in Ida-Viru County and at VKG's production facilities. The students visited the Ojamaa Mine, shale oil plants and industrial landscapes and met people whose everyday work contributes to the success story of production. On the basis of that direct experience, over a hundred works of art were born, addressing the interconnections between people, work, the environment, and industry.

The project culminated in the exhibition 'Invisible Stones, A Young Artist's Look at Industry' opened in the Green Hall of the Tallinn Creative City in November 2025. A biennale-size exposition included more than a hundred works of art that explored the role of industry in society, its impact on the region, and its change over time. The exhibition brought together art enthusiasts, the representatives of industry, students, teachers, community members and more broadly people who do not ordinarily come into contact with industrial topics.

The project gave added value to all the parties. Students got a unique chance to closely experience Estonia's largest industrial region and interpret it in an artistic format. VKG knowingly opened itself to independent eyes and social dialogue. As a result of this, the story of industry reached the audience in a way that traditional corporate communication would not have been able to achieve.

'100 years of industry. 100 works of art' was not merely a celebration of the anniversary. It was an investment in cultural education, the development of young creators, and increased understanding in the society. The project showed that it is possible to talk openly, creatively and respectfully also of complicated and contradictory topics and that art can be an efficient bridge builder between different worlds.

"Large industry is a part of all of our lives, but for many it remains distant and elusive. Art is a fitting language for this, as it allows us to see new aspects and create discussions that help us to better understand each other."

Ahti Asmann

CHAIRMAN OF THE MANAGEMENT BOARD

60+

EKA students on placement in
Ida-Viru County



Governance



Significant impacts, risks and opportunities

→ POSITIVE IMPACT	→ RISKS	→ OPPORTUNITY
Strong organisation culture	High voluntary turnover and decline of satisfaction among employees Damage to reputation	Cooperation with the public sector

A strong organisation culture is based on ethical actions and transparency. VKG's organisation culture supports the Group's values and strategic objectives. We are constantly contributing to this area by emphasising ethical conduct and integrity in all the activities and relationships with our employees, partners and stakeholders. We encourage cooperation and teamwork by promoting open communication, the sharing of knowledge, and collective responsibility. We support the development and education of our employees by offering training, mentoring and career opportunities. We create a positive working environment where employees feel motivated and included by encouraging them to think along and provide honest feedback.

A high voluntary labour turnover and decline of satisfaction among employees is a risk the manifestation of which affects the Group's overall performance and efficiency. A decline in the level of satisfaction may cause a negative working environment and a low level of motivation, which in turn may result in an increased turnover of employees as well as increased labour costs, as well as our decreased attractiveness to potential new

employees. Although the results of our satisfaction surveys exceed the average level of Estonia and our sector of industry, we still have room for development and we are constantly focusing on this area.

Damage to reputation is a risk which may affect our trustworthiness and overall success. Environmental pollution, accidents in our territory, and violation of the standards of ethics may damage our reputation. Compliance with regulations and statutory requirements is of critical importance for the Group in order to prevent the risk to reputation and to ensure the sustainability of business activities.

Cooperation with the public sector, including through professional associations, gives us an opportunity to have a say in the preparation of various development plans both on the state level and the local government level. This also provides an opportunity to represent the Group's interests in legislative processes by making proposals and providing feedback in the development of laws and regulations.

Combating the risk of corruption

The Group applies zero-tolerance to any forms of corruption, including bribes, concession fees and influence peddling. We comply with all the applicable anti-corruption laws and regulations and apply active measures to prevent corruption in VKG's business activities.

We have established clear guidelines for preventing corruption and bribery. All the employees and the management are aware of the applicable regulations and have been given respective

training. The Group's relations with the public sector are strictly based on legislation and transparent procedures, including in conducting procurements and cooperation projects. VKG ensures fairness and transparency in procurement processes, making sure that all the suppliers and partners adhere to the same ethical and legal standards. We expect all our employees to act responsibly and ethically in accordance with the Group's Code of Ethics. The Group has established a clear procedure for resolving any violations of the Code of Ethics.

Prevention of conflicts of interests

The corporate management system of the Group incorporates a set of norms and procedures, which are aimed at the exclusion of conflicts of interest in the decision-making processes that concern the Group's activities. If a conflict arises, there are certain mechanisms aimed at taking the necessary measures for the complete regulation of the conflict and for creating the conditions that would exclude such a conflict in the future. The Management Boards of the Group companies and the Legal

Division of the Group are engaged in the creation, supervision and updating of the processes and internal rules necessary for the prevention and elimination of conflicts of interest. In order to prevent any conflicts of interest, the Group has approved a procedure for the prevention of conflicts of interest, which regulates the principles of identifying, preventing and avoiding conflicts of interest in the Group.

Handling complaints

We cooperate with stakeholders via feedback channels where the stakeholders can express their opinion or file complaints. One such channel is the direct tip hotline via which each employee or any third person can report violations related to the Group's activities, may it concern corporate management, business ethics, compliance with human rights, work organisation, safety, occupational health, production and service quality, or other matters of corruptive nature. Reports can be made to the hotline via several channels: by e-mail (vihje@vkg.ee) or

phone or via the webpage. The confidentiality of the sender of the report is ensured in the case of every channel. The hotline may be used by anyone, also anonymously. All the reports are handled individually - they are objectively reviewed, decided on, and feedback is given. The reports are reviewed by the representatives of our sub-units - personnel specialists, lawyers and production safety employees. It is in our interest that employees/partners use the hotline actively and are aware of its possibilities.

Supply chain

The supply activities taking place in the Group are regulated by the Supply Procedure and the main points of conducting the process from the viewpoint of our partners are established in the Code of Ethics. We also apply supplier assessments the results of which are also accessible to all the employers of the Group. We expect our partners to comply with the applicable legal acts and the internationally recognised human rights (which exclude the use of child labour, the violation of environmental requirements, etc.).

The selection of and cooperation with suppliers is based on an integrated management system which is in conformity with

standard ISO 9001. In purchasing works, services, materials and equipment, the Group uses competition between suppliers. The Procedure for Purchasing Goods, Works and Services applies at the Group level. It is the basic document in planning and performing purchase procedures and selecting suppliers.

We cooperate with partners who share our endeavours to work with safe methods and adhere to the standards of business ethics and laws. The employees of the Purchase Division regularly check the conformity of the suppliers with our expectations and operating principles.

Payment practices

The Group does not have a separate document concerning the principles of responsible tax payment, but we strictly adhere to the applicable national and international legislation. Payments are made on time and there are no debts. All the financial transactions are recorded transparently and in accordance with requirements. Transactions between the Group companies are based on the internal transfer price methodology. We

regularly pay dividends and pay the taxes payable on them. We do not accept employment without a contract or the payment of non-declared salaries. Salaries are officially paid to all the employees and we pay fringe benefit taxes on all the additional benefits related to employees. We keep regular accounts of all the paid taxes and report it to the public.

Personal data protection

The Group applies a multi-tier approach to ensure data security and personal data protection, which includes organisational and technical measures as well as measures to increase awareness. Personal data are processed in accordance with the applicable legal acts, including the EU General Data Protection Regulation (GDPR).

The Group has established a procedure for the processing of personal data, which regulates the gathering, use, storage and protection of personal data. Personal data are only processed for clearly defined purposes, including for the performance of work tasks and the fulfilment of obligations arising from legal acts, adhering to the principles of minimality and confidentiality.

In order to ensure technical data security, the Group uses a secure IT infrastructure and applies intra-Group IT and security policies. Access to data and information systems is limited on a needs-basis and controlled via user accounts and authentication mechanisms. In addition, measures are taken to prevent cyber threats, the spread of malware and the abuse of data, and the use of IT systems is monitored.

In 2025, the Group created a data processing register which gives a systemic overview of personal data processing procedures and supports conformity with legal requirements and the transparency of data management.



ESRS Content Register



ESRS Register of Contents	Report chapter
ESRS 2 General disclosures	About the report Sustainability management and strategy Value chain Stakeholders Risk management
ESRS E1 Climate change	Climate change
ESRS E2 Pollution	Air, water and soil quality
ESRS E3 Water and marine resources	Water resource
ESRS E5 Resource use and circular economy	Resource use and circular economy
ESRS S1 Own workforce	Our people Safety first and foremost
ESRS S3 Affected communities	For the community
ESRS G1 Business conduct	Governance