



SUSTAINABILITY REPORT

2023



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BUSINESS CARD

Company name	Riga Municipality Limited Liability Company (SIA) Rīgas satiksme (hereinafter referred to as "Rīgas satiksme")	
Legal status of the Company	Riga Municipality Limited Liability Company (SIA) Rīgas satiksme / 100% capital company owned by the Local Government of Riga State City	
Unified registration number, place and date	40003619950 Riga, 20 February 2003	
Principal activity	<p>NACE code 49.31, Urban and suburban passenger land transport; NACE code 42.11, Construction of roads and motorways; NACE code 43.21, Electrical installation; NACE code 45.20, Maintenance and repair of motor vehicles; NACE code 47.30, Retail sale of automotive fuel in gas stations; NACE code 49.39, Other passenger land transport n.e.c.; NACE code 68.20, Rental and operating of own or leased real estate; NACE code 77.11, Renting and leasing of cars and light motor vehicles; other activities specified in Statutes (00.00)</p>	
Address	<p>Legal address: Kleistu iela 28, Riga, LV-1067, Administration address: Vestienas iela 35, Riga, LV-1035</p>	
Members of the Board	Džineta Innusa	Chairperson of the Board
	Inga Krūkle	Member of the Board
	Jānis Golubevs	Member of the Board
	Andris Lubāns	Member of the Board
	Gints Zeltiņš	Member of the Board
Members of the Council	Ainārs Ozols	Chairperson of the Council
	Normunds Narvaišs	Deputy Chairperson of the Council
	Rolands Paņko	Member of the Council
Reporting year	1 January 2023–31 December 2023	
Reporting frequency	Once a year since 2022, published together with the Annual Report	

BUSINESS CARD

Date of publication of the report	4 June 2024, in Latvian. The report is publicly available in Latvian and English on the Rīgas satiksme website www.rigassatiksme.lv . The English version of the report is submitted for publication in the international Global Reporting Initiative (GRI) database https://www.globalreporting.org/
Date of publication of the previous report	5 June 2023 (an independent auditor's certification has not been requested)
Global Reporting Initiative	The Sustainability Report 2022 has been prepared in accordance with GRI 2021 reporting standards.
Correction of information provided in the previous report.	No significant changes
Contact information	Contact details for questions about the Sustainability Report: sekretariats@rigassatiksme.lv .
Responsibility for preparation and approval of the report	The responsibility for the preparation of the report lies with the Board of Rīgas satiksme. The report is approved by the shareholder together with the Company's Annual Report. Report approved on 30 May 2024.
Report of the independent auditor	The Sustainability Report does not require an independent auditor's certification (audit). Depending on the requirements of external regulations or other relevant circumstances, Rīga Municipality Limited Liability Company (SIA) Rīgas satiksme intends to obtain such certification for future Sustainability Reports.

Subsidiaries

Rīgas satiksme owns shares	SIA Rīgas karte (51%) 40003979933, Rīga, 20 December 2007
	Rīgas satiksme has a joint decisive influence in the company with the other co-owner. Rīgas satiksme has come to the conclusion that the shareholding in SIA Rīgas karte cannot be maintained in the long term. It will be terminated after Rīgas satiksme has assessed the economic and legal aspects of terminating the shareholding and after obtaining the authorisation of the Rīga City Council as the supreme decision-making body of the public person.
	SIA Rīgas acs (100%) 40103443088, Rīga, 2 August 2011
	Taking into account that the objectives of the establishment of SIA Rīgas acs have been fulfilled, Rīgas satiksme has initiated the procedure for termination of its participation in SIA Rīgas acs. The manner and timing of the termination of the shareholding depends on economic and legal aspects, taking into account, among others, that SIA Rīgas acs owns 49,9% of shares in the Joint Stock Company (A/S) Rīgas starptautiskā autoosta. On 27 March 2024, the Rīga City Council adopted Decision No. RD-24-2153-lp "On the authorisation for the termination of the participation of the Rīga Municipality Limited Liability Company Rīgas satiksme in the Limited Liability Company Rīgas acs.

FOREWORD

2023 has been a challenging year for Rīgas satiksme and, looking back on what we have achieved, we can confidently say that we can do even more and even better. The development of the company and the development of the public transport service in Riga are interdependent and mutually dependent. The nature of our work requires us to plan and think today about the transport and service we will provide in three, five or even fifteen years' time. Infrastructure, maintenance and servicing are inextricably linked to transport.

Thanks to a series of smart and bold decisions, including the introduction of boarding through the front door, the number of registered journeys will once again pass the 100 million mark in 2023.

In 2023, development projects planned over several years started to take visible shape: 35 new electric buses were purchased, electric bus charging infrastructure was built, reconstruction of tram line 5 from the terminus "Iļģuciems" to the intersection of Slokas iela and Jūrmalas gatve was completed, reconstruction of the major traffic junction 11/13 was completed. The reconstruction of tram line 7, as well as the rebuilding of four substations and the construction of one new substation, started in 2023 and will continue in 2024. Over the next two years, the company's daily operations will be affected by the ongoing reconstruction of the production buildings of the tram line 5 depot at Brīvības iela 191. The complex of buildings, which provides the main repair and maintenance work for the low-floor trams, will be rebuilt to fully meet the modern technical requirements for the future quality maintenance of the trams. It is important to mention that at the end of 2023, a contract was signed for the extension of tram line 7, which will be the first newly built tram infrastructure in 40 years.

In 2023 alone, the company's Electrical Management employees have worked on at least 18 major projects, both creating a new contact line and renewing the existing one, in such objects as "Reconstruction of Gogoļa iela from Riga Central Railway Station to Turgeņeva iela", "Reconstruction of Brasa Overpass", stage 1 and 2 construction of the "Eastern Motorway section "Ieriķu iela–Vietalvas iela, Riga"", "Reconstruction of tram tracks in Maskavas iela from 13. janvāra iela to the Central Market, including related infrastructure in 11. novembra krastmala, 13. janvāra iela and Ģenerāļa Radziņa krastmala", "Design and construction of Rail Baltica Riga railway bridge, embankment and Riga Central Passenger Station in Riga, Latvia", etc.

On 4 August 2023, A Delegation Agreement for the management, installation, administration and control of compliance with the rules for the use of paid parking spaces located within the red lines of the streets was signed, which means that we will continue to ensure management of the parking facilities for the next five years.

In 2023, a number of major works were carried out on the IT infrastructure to make it secure, accessible and based on quality data. The achievements are the basis for a modern and flexible IT infrastructure that will facilitate and enable the development of access to all types of services, allow customers to be mobile and promote a secure environment not only for data storage, but also for customers and employees. In 2023, the introduction of real-time vehicle data allows customers to know the arrival times of the vehicles they are interested in, making daily planning more realistic and easier.

The development of the QR ticket app and its real-time display of data has contributed to an increase in the number of customers, reducing the use of plastic and cardboard e-tickets without polluting the environment. Establishing a secure and modern IT environment is the start of further growth in service delivery and improvement.

Rīgas satiksme employs more than 3,000 people from various professions to ensure quality and affordable public transport and parking management in Riga. The past years, and especially 2023, have been marked by a major challenge– attracting and retaining a skilled workforce. We will continue to develop the working environment so that Rīgas satiksme becomes an increasingly attractive employer. From the new Rīgas satiksme staff we have heard that it is a surprise to learn how many different things actually have to be done every day to ensure that what a Riga resident takes for granted – the daily public transport movement in the city – is possible at all. That's why a lot has been done over the last year to explain and tell the public how we work, why and what decisions are taken.

Rīgas satiksme is an open and socially responsible company that values the experience of its employees, which is characterised by our diversity, safe and predictable working conditions that promote employee engagement, where employees receive fair pay and are free to exercise their rights. We have also achieved Family Friendly Workplace status in 2023, and we are working hard to improve the satisfaction and well-being of our employees.

FOREWORD

In 2023, together with the people of Latvia, we continued to support the Ukrainian state and sent 20 more buses in addition to the 11 previously donated. These buses were used to deliver aid shipments to the people and defenders of Ukraine from Latvia.

For Rīgas satiksme and for me personally, 2023 was a year of emotional and unifying events. We were thrilled to have the possibility to take the great inspirers of our small nation – the Latvian national hockey team and the Latvian national basketball team – from Riga Airport to the Freedom Monument. We are pleased to be together and to provide quality passenger transport services both in everyday life and on special occasions to be part of the festivities. In all our activities, we were able to adapt to the circumstances so that our daily passenger never felt for a moment that some resources were being diverted elsewhere. We were members of dance groups and choirs during the Song and Dance Festival, and we took care of extra public transport during the festival, for which we received a lot of praise from all over Latvia and beyond.

Looking back at 2023 as a whole, it is very rewarding to have achieved so much together. Thank you everyone for your hard work, energy and commitment in 2023. The Sustainability Report of Rīgas satiksme has been prepared in accordance with the standards of the Global Reporting Initiative. The report contains comprehensive information on the company's current activities, as well as insights into future challenges. In order to get a broader picture of Rīgas satiksme, I invite customers, business partners of Rīgas satiksme, state and local institutions, financial institutions, non-governmental organisations and other interested parties to read this report.

Džineta Innusa,

Chairwoman of the Board of Rīgas satiksme



2023 HIGHLIGHTS

Infrastructure renewal



2023

Involvement in the Song and Dance festival



Vehicle design in honor of Latvia's birthday



The reconstruction of the tram depot No.5 buildings has been started



2024



35 electric buses, electric bus charging stations

2023 HIGHLIGHTS



Number of tram, trolleybus and bus routes	79 (2022 - 77)
Length of the route network	1157,5 km (2022 - 1144,7 km)
Total number of vehicles involved in public transport services	880 (2022 - 867)
Completed routes in year	2 267 950 (2022 - 2 152 710)
Average driving speed of the city's public transport	19,3 km/h (2022 - 19,4 km/h)



Ticket checks in vehicles	244 861 (2022 - 233 028)
Stowaways	37 047 (2022 - 38 883)
Issued cards (personalised, Riga resident, student, companion cards)	101 159 (2022 - 87 543)
Applications received	162 832 (2022 - 156 944)



Number of passengers carried **114,74 million**
(2022 - 93,27 million)

11,22 million (10%)

Passengers carried with partial fare concession

(2022 - 22,77 million (24%))

44,73 million (39%)

Passengers carried without fare concession (full fare)

(2022 - 25,05 million (27%))

58,79 million (51%)

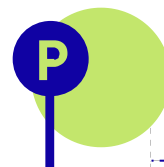
Passengers carried with 100% fare concession

(2022 - 45,45 million (49%))

RIGA TRAFFIC IN NUMBERS IN 2023



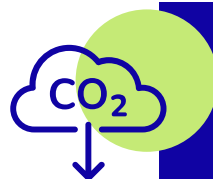
Turnover	184 million EUR (168,5 million EUR in 2022)
Capital investments made	87,2 million EUR (8,3 million EUR in 2022)
EBITDA	52 million EUR (41,8 million EUR in 2022)
Profit	1,84 million EUR (1,6 million EUR in 2022)



Number of managed parking lots in Riga City on average per year	5869 (6245 in 2022)
Parking prepayment transactions	5 921 909 (5 902 248 in 2022)
Revenue from parking lot services	13,3 million EUR (12,7 million EUR in 2022)



Average annual number of employees	3315 (3390 in 2022)
Female/male employment, %	34/66% (35/65% in 2022)
Average age of employees	51,61 gads (50,77 in 2022)
Level of satisfaction	87%
Employee turnover rate	7,9% (9,2% in 2022)



CO2 emissions per year
(59 385 tCO2e in 2022)

65 845 tCO2e¹

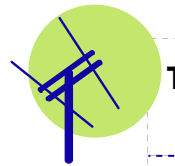
RIGA TRAFFIC IN NUMBERS IN 2023



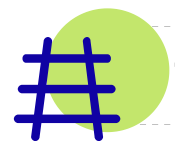
Cable network total length	434 km
High-voltage 10 kV cables	86 km
Low-voltage 600V DC cables	348 km



Immovable property objects	333
Buildings (administration, production buildings, dispatching centres, substations, garages, etc.)	242
Land plots with a total area of approximately 67 hectares	91

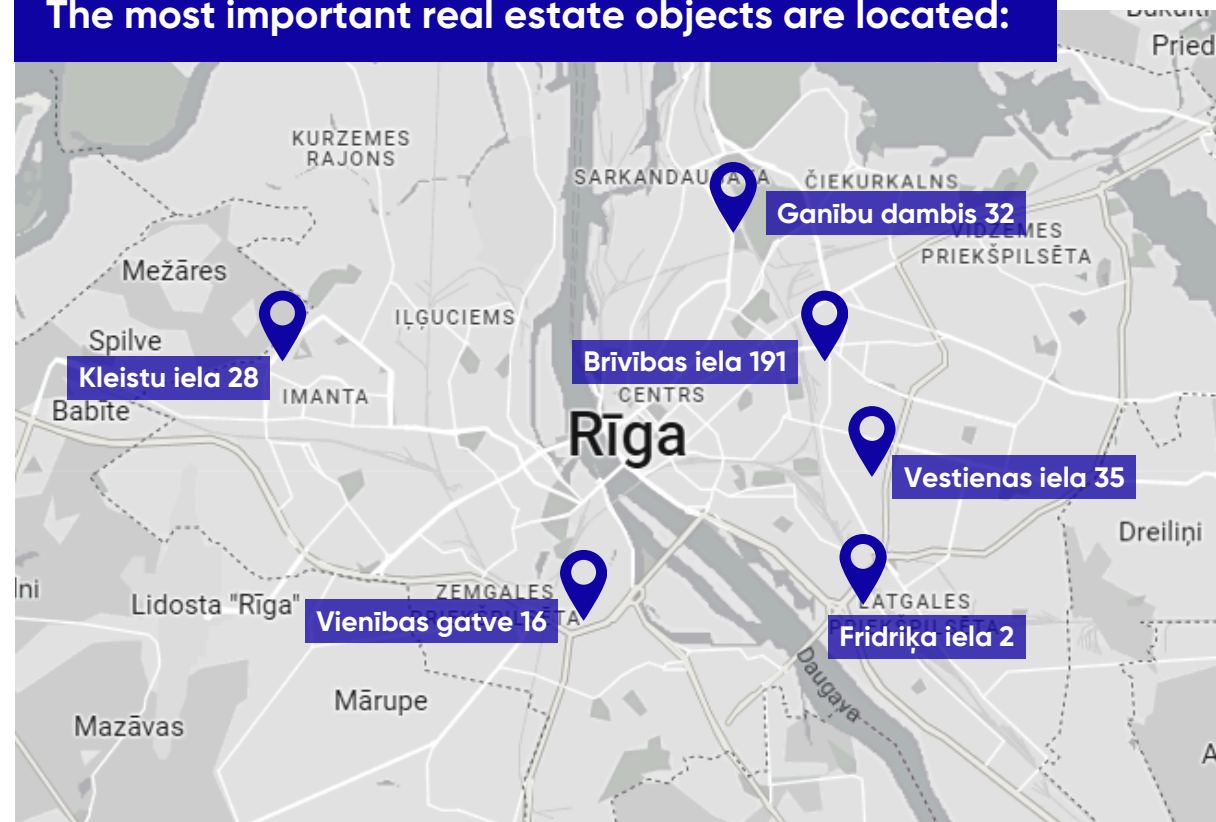


Total length of contact network contact wires	535 km
Overhead line system poles	~7600
Wall hooks for overhead line system ties	~4000



The total length of the tracks	124 km
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The most important real estate objects are located:



STRATEGIC GOAL, MISSION, VISION, VALUES

STRATEGIC GOAL

Our strategic objective is to provide environmentally friendly, safe, integrated and efficient mobility services in Riga State City and its metropolitan area and to participate in the maintenance and development of the transport infrastructure of the Riga State City.

MISSION

The mission of Rīgas satiksme is to ensure an accessible, safe and sustainable public transport system, provision delegated services, while contributing to economic growth and improving the quality of life in Riga.

The vision of Rīgas satiksme is to be a modern and socially responsible company.



DEVELOPMENT



RESPONSIBILITY



SAFETY



COOPERATION

DEVELOPMENT

Sustainable development, commitment to the best possible service and environmentally friendly transport policy.

RESPONSIBILITY

Quality and accountability to the customer and society.

SAFETY

A positive and safe working environment for employees, taking care of employee satisfaction.

COOPERATION

Honesty and loyalty, acting in accordance with the principles of the Code of Conduct.

HISTORY

2003

As a result of merging bus depots Imanta and Tālava, SIA Rīgas satiksme is established.

2005

A united public transport company, RP SIA Rīgas satiksme, is established, including SIA Rīgas satiksme, SIA Tramvaju un trolejbusu pārvalde, SIA Rīgas autostāvvietas and Rīgas domes autobāze.

2009

A single electronic e-ticket (e-talons) is introduced.

2010

Czech company Škoda Transportation delivers the first low-floor trams Škoda 15T to depot No. 5.



2016

Since July 1st only low-floor trolleybuses are in service in Riga.

2019

First public transportation schedule real-time electronic monitors are placed at tram stops.

2020

March 20th first hydrogen-powered trolleybuses start running in route No. 4.

2020

Some of the largest traction substations of Rīgas satiksme were completely reconstructed: No.9 (in Dainas Street 2) and No.26 (in Lacplesa Street 79A).

2021

120th anniversary of the Riga electric tram.

Introduction of a code ticket.



2022

A contract has been concluded with the Central Finance and Contracting Agency for the implementation of 2 important projects.

Rīga satiksme has evaluated its opportunities to enter the capital market and received an expert assessment from the Securities Sandbox as a well-organized company.

2023

First electric buses have been received and starting to carry passengers.

Significant changes in the offered range of tickets and prices.

Rīgas satiksme celebrates 20th anniversary

2024

Restored tram route 11 on the route Ausekļa iela - Mežaparks.



CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

Rīgas satiksme is a limited liability company of the Riga State City Municipality, established on 20 February 2003. Currently, the main activity of Rīgas satiksme is to provide public transport services on the Riga City route network and to manage the Riga City Municipality parking lots.²

Rīgas satiksme organises public transport services in accordance with the requirements of the Law on Public Transport Services, the regulations of the Cabinet of Ministers (the Cabinet), the Riga City Council's order,³ Riga State City development planning documents, the strategic objectives of Rīgas satiksme, as well as internal normative acts in the field of route network maintenance and analysis.

In 2012, a long-term strategy for 2012–2033, which is currently in force, was developed.⁴ In 2023, the Medium-term Operational Strategy to 2027 was in the process of being developed and agreed, and the Sustainable Development Strategy to 2033 was launched.

Each year, an annual action plan is developed and the Board reports to the Council on the implementation of the annual action plan and the company's financial performance. The activities and development of Rīgas satiksme are aimed at achieving the objectives set by the Riga State City, the specific non-financial objectives set by Riga City Council for Rīgas satiksme for the implementation of the mobility policy in the field of public transport,⁵ as well as the non-financial and financial objectives set by the shareholder.⁶

In accordance with Riga City Council Internal Regulation No 4 of 21 August 2020 and the Rīgas satiksme Corporate Governance Code, the Board has set annual non-financial and financial targets for 2023, taking into account the medium-term operational strategy, and has defined the indicators to be achieved.

Rīgas satiksme develops three-level integrated development planning documents

The Council's non-financial and financial targets for 2023 have been met, the targets for previous years and their achievement can be viewed in the Rīgas satiksme [website](#).

Rīgas satiksme is improving its corporate governance and business performance by embedding, developing and responsibly applying the principles of good governance in its daily processes. Rīgas satiksme has developed a Corporate Governance Code,⁷ which is regularly reviewed and, where necessary, updated. The Corporate Governance Code sets out a unified procedure for the implementation of corporate governance principles that contribute to the effectiveness of Rīgas satiksme corporate governance system, the sustainability, growth and financial stability of the company. Transparency, clear allocation of duties and responsibilities, adherence to business ethics and a commitment to achieving ever higher results have a significant impact on ensuring the financial stability of the Company, enhancing its reputation and building trust with customers, business partners and financial institutions.

The operation of Rīgas satiksme as a capital company owned by the Local Government of the Riga State City are regulated by special regulatory enactments, including the Law on Governance of Capital Shares of a Public Person and Capital Companies and the Riga City Council Internal Regulation No. 4 adopted on 21 August 2020 "Procedure for Management of Capital Shares and Capital Companies Owned by the Local Government of Riga State City"⁸. The Company in its operations applies the Corporate Governance Code of Latvia developed by the Advisory Council established by the Ministry of Justice of the Republic of Latvia and the Corporate Governance Code of Rīgas satiksme. The Company's corporate governance practices can be found in the Corporate Governance Report for 2023, available on the website of Rīgas satiksme.



CORPORATE GOVERNANCE

Governance of the Company

Governance of Rīgas satiksme is composed of three levels and decision-making is carried out in accordance with defined responsibilities:

SHAREHOLDER

The owner of the capital company, who is competent to make decisions related to the most important issues of the Company's operation and existence. The shareholder takes decisions only on matters which are provided for by law or which, in accordance with the articles of association, require the prior consent of the Meeting of Shareholders. The shareholder of Rīgas satiksme is the Local Government of Riga State City and is represented by the representative of the shareholder – the Riga City Executive Director;

COUNCIL

The supervisory body of the capital company, which represents the interests of the shareholder's representative between the Meetings of the Shareholders and supervises the activities of the Board within the framework established by law. The Council is not entitled to decide on matters falling within the competence of the Board. The responsibilities and duties of the Council are laid down in its Regulations. The current composition of the Council of Rīgas satiksme was approved in 2020 and consists of three independent members (in accordance with the requirements for independent members of the Council set out in the Law on Governance of Capital Shares of a Public Person and Capital Companies).



Ainārs Ozols,

Chairman of the Council,
Independent Member of the
Council

Approved as the Chairman of the Council on 1 February 2022 for a term of five years.

Member of the Council of Rīgas satiksme since 2019, previously Head of Human Resources of the Baltic Division of SEB Group and Chair of the Board of SEB banka. In addition to his work on the Council of Rīgas satiksme, he is also Chairman of the Council of Riga Municipality Limited Liability Company (SIA) Rīgas namu pārvaldnieks and is active in several private companies. Ainārs Ozols has extensive experience in corporate governance issues.

Ainārs Ozols obtained a Master's degree (Executive MBA) from Stockholm School of Economics in Riga and a Bachelor's degree in Economics with specialisation in International Economic Relations from Riga Technical University.



Normunds Narvaišs

Deputy Chairman of the
Council, Independent Member
of the Council

Approved as the Deputy Chairman of the Council on 18 December 2020 for a term of five years.

Previously, he was an Independent Member of the Council of State Joint Stock Company (VAS) Latvijas autoceļu uzturētājs and Chairman of the Board of State Joint Stock Company (VSIA) Autotransporta direkcija.

Normunds Narvaišs obtained his higher education in automotive and automotive engineering at the Faculty of Mechanics and Mechanical Engineering of Riga Polytechnic Institute (now Riga Technical University).



Rolands Paņko

Independent Council member

Approved as the Member of the Council on 18 December 2020 for a term of five years.

Previously, he was the Chairman of the Board and Member of the Board of Development Finance Institution ALTUM, Chairman of the Board and Deputy Chairman of the Board of Joint Stock Company (AS) Latvijas Hipotēku un zemes banka, and Deputy Chairman of the Council of Joint Stock Company (AS) Parex banka, thus gaining extensive experience in financial management.

In addition to his work at the Council of Rīgas satiksme, Rolands Paņko continues to work at the management of the Planning and Financial Management Department of the Joint Stock Company (AS) Development Finance Institution ALTUM.

Rolands Paņko obtained a Bachelor's degree with specialisation in External Economic Relations Organisation and a Master's degree with specialisation in Mechanical Engineering Automation and Complex Mechanisation from Riga Polytechnic Institute (now Riga Technical University).

BOARD

The executive body of the capital company, which manages and represents Rīgas satiksme. The Board manages the day-to-day business activities of the Company and takes all decisions that are not within the exclusive competence of the Council or a Shareholder. The responsibilities and duties of the Board are laid down in its Regulations. The Board of Rīgas satiksme consists of five members, three of whom were confirmed in 2020 and two in 2021.

Džineta Innusa

Chairwoman of the Board

Approved as the Member of the Board on 2 January 2020 for a term of five years. Within the Board structure, she is responsible for the management of Rīgas satiksme and the traffic sectors of the Company.

Previously, she was Deputy State Secretary and Acting State Secretary at the Ministry of Transport of the Republic of Latvia, and she also held the positions of Member of the Board of the Freeport of Rīga Authority and Member of the Board of the Freeport of Ventspils Authority. She obtained a Master's degree in Law from the University of Latvia.



Inga Krūkle

Member of the Board

Approved as the Member of the Board on 2 January 2020 for a term of five years. Within the Board structure, she is responsible for the internal process management sector and the strategic planning of Rīgas satiksme.

Previously, she was a Member of the Board of Joint Stock Company (AS) Olainfarm, and has managed Latvian and Baltic transaction support, call centre and development projects within SEB banka.

She obtained a Bachelor's degree in Economics from the BA School of Business and Finance (BASBF) and a Master's degree in Business Administration (MBA) from Riga Business School. Currently studying at RISEBA Strategic Business Management Master's programme.



Jānis Golubevs

Member of the Board

Approved as the Member of the Board on 2 January 2020 for a term of five years. Responsible for the infrastructure sector and transport management within the Board structure.

Previously Member of the Board of the State Joint Stock Company (VAS) Ceļu satiksmes drošības direkcija and Deputy Head of the Legal Department.

He obtained a Master's degree in Law from the Police Academy of Latvia.



Andris Lubāns

Member of the Board

Approved as the Member of the Board on 16 April 2021 for a term of five years. He is responsible for technical support sectors within the Board structure.

Previously, he was a Member of the Board of State Joint Stock Company (VAS) Latvijas dzelzceļš, Chairman of the Board – Secretary General of the Association of Road Transport Operators Latvijas auto, Chairman of the Board of State Joint Stock Company (VAS) Pasažieru vilciens, Director of the Land Transport Department of the Ministry of Transport of the Republic of Latvia and Chairman of the Board of the State Limited Liability Company (VSIA) Autotransporta direkcija.

He obtained a Master's degree and a professional qualification in mechanical engineering management and economics at Riga Technical University.



Gints Zelčiņš

Member of the Board

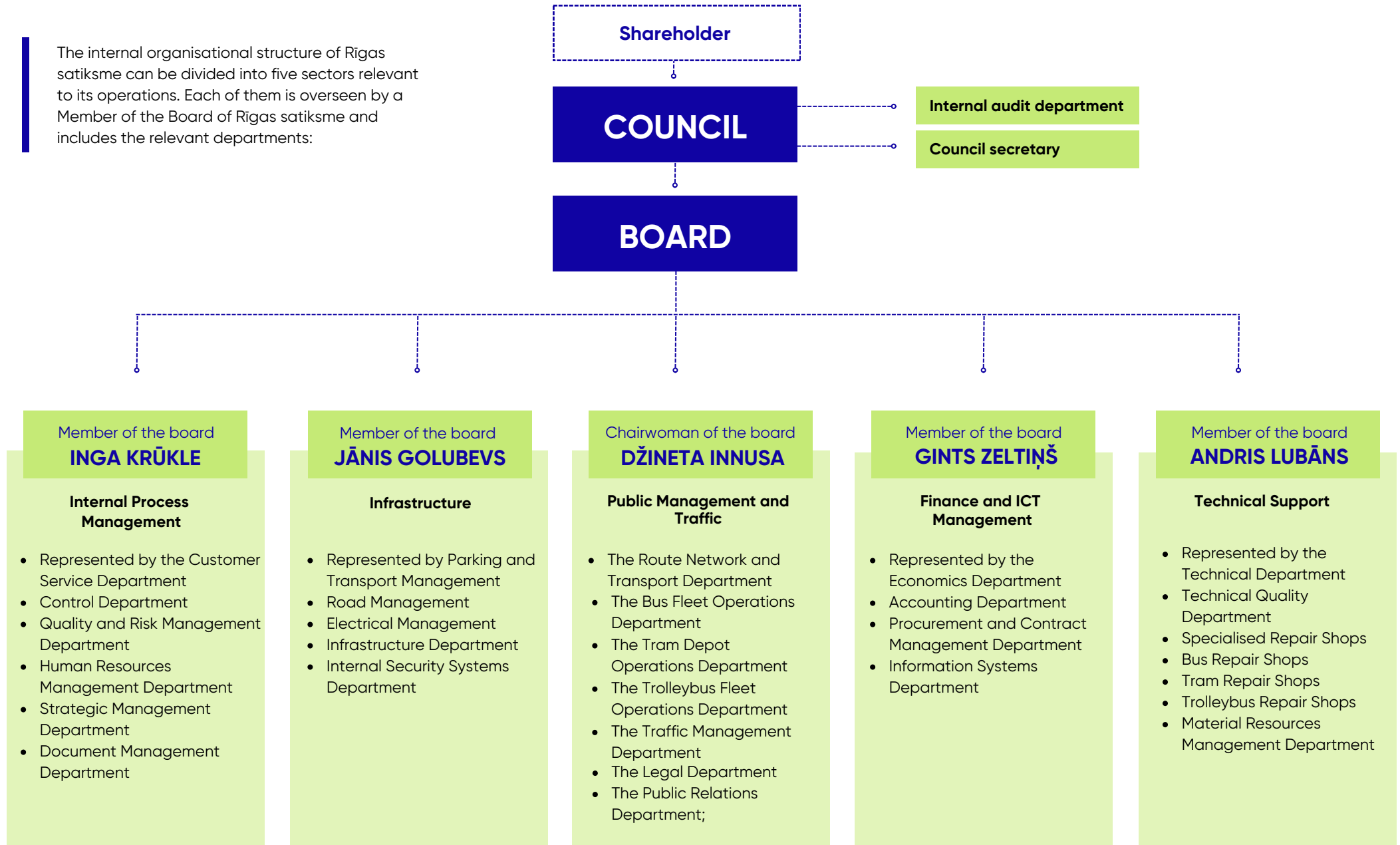
Approved as the Member of the Board on 16 April 2021 for a term of five years. Responsible for financial and information and communication technology (ICT) management sectors in the Board structure.

Previously, he was Administrative Director of SIA Dokumeds, Lead International Financial Adviser for a World Bank project in Ukraine, and Member of the Council of the Public Utilities Commission.

He obtained a Master's degree in Economics from the University of Latvia.

STRUCTURE DIAGRAM OF RM LLC RIGAS SATIKSME

The internal organisational structure of Rigas satiksme can be divided into five sectors relevant to its operations. Each of them is overseen by a Member of the Board of Rigas satiksme and includes the relevant departments:





Policy Commitments

The policies of Rīgas satiksme regulate the actions and activities of the company, implementing the principles of corporate governance, ensuring transparency of processes, legal relations with employees, customers and suppliers.

Rīgas satiksme has an internal control system, which is implemented by Rīgas satiksme employees in accordance with defined processes and tasks. The Company implements the principles of good corporate governance and compliance with ethical norms, which are enshrined in the following internal regulations of Rīgas satiksme and publicly available on the website of Rīgas satiksme:

- Corporate Governance Code [9](#)
- Code of Ethics [10](#)
- Risk Management Policy [11](#)
- Prevention of Corruption and Conflict of Interest Policy [12](#)
- Communication Policy [13](#)
- Remuneration Policy [14](#)
- Procedure for the Selection of Employees and Officers and the Selection Privacy Policy [15](#)
- Employee Privacy Policy [16](#)
- Customer Privacy Policy [17](#)
- Video Surveillance Policy [18](#)
- Basic Principles of the Internal Control System in Rīga Municipality Limited Liability Company (SIA) Rīgas satiksme [19](#)
- Staff Policy [20](#)
- Integrated Quality, Occupational Health and Safety, Energy Management and Environmental Policy [21](#)
- Corporate Social Responsibility and Sustainability Policy [22](#)

CORPORATE GOVERNANCE

In order to promote good governance and socially responsible corporate practices, Rīgas satiksme has developed the Basic Principles of Cooperation with Business Partners.²³ The principles are based on fair treatment and commercial practices, the prohibition of conflict of interest situations, fraud and corruption, compliance with legislation relating to the recording and payment of taxes and equivalent payments, responsibility in occupational safety and the protection of privacy.

In 2023, a new version of the "Risk Management Policy" was approved, which amended the basic risk groups to include environmental, social and governance risks, identifying them as strategically important risks for Rīgas satiksme, and the "Risk Management Regulations" were approved, which set out the necessary tools and methods for the Company's risk management process – identifying its risks, assessing, implementing risk management measures, monitoring the risks and reflecting all relevant stakeholders. Measures have been taken to embed risk management into the day-to-day work so that the risk management process is part of the core business of Rīgas satiksme and risks can be identified and monitored in a timely manner to protect against potential financial and reputational losses. The Company prepared an assessment of all risks, defined at Board and Council level the material risks that are monitored with additional activities and reported quarterly on possible preventive actions, if required. To make risk assessment more effective, work has started on the development of an incident monitoring tool.

Before decisions are taken on issues that are material to the operation of Rīgas satiksme, such as major organisational changes, new aspects of operations, changes in areas affecting processes, services or employees, a risk assessment is carried out based on the key principles of the Risk Management Policy and the potential impact of the risks on the Company. When organising strategically important procurements, the employees involved are required to analyse and identify the risks involved, their potential impact and develop mitigation plans. During the procurement process, business partners are assessed and, where necessary, due diligence is carried out to identify risks.

In 2023, training in risk management was provided to the new managers of structural units, as well as specialists of Rīgas satiksme to raise awareness of risks and their impact on the Company and to learn how to use risk management as a management tool.

In 2023, an internal regulatory act "Business Continuity Management System" was developed.

The purpose of this document is to prepare for, control and manage the operational work of Rīgas satiksme and to strengthen the overall ability to recover from disruptions. The Regulations identify potential hazards and their impacts on the operation of Rīgas satiksme, ensuring effective measures to restore the critical processes of Rīgas satiksme.

Rīgas satiksme has implemented systems in its operations that are certified in accordance with their requirements:

- ISO 9001:2015 Quality Management System;
- ISO 45001:2018 Occupational Health and Safety Management System;
- ISO 50001:2018 Energy Management System.



The Integrated Quality, Occupational Health and Safety, Energy Management and Environmental Policy approved in 2023 has the overall objective of contributing to Rīgas satiksme's progress towards continuous improvement of quality, occupational health and safety, energy performance and environmental performance, implementation of Rīgas satiksme's mission, sustainable development and achievement of strategic objectives, providing a basis for setting, monitoring and reviewing the Company's objectives, action plans and performance indicators.

In 2023, an audit of three standards found no non-conformances, but 12 (in 2022 – 28) recommendations were received and are being implemented. Improvements made in the previous period were positively assessed. The Company's management system and documented information demonstrate compliance with the requirements of applicable standards and support the operation of the management system. It was appreciated that the top management is actively involved in the improvement of the integrated management system, optimisation of processes, and that Rīgas satiksme has an efficient planning process, significant activities in digitisation of processes and data, as well as improvements in the maintenance and improvement of the fire safety system.

More details on the policy's relevance to the Company's business processes are described in the following sections of the report.

Internal Audit

The objective of the internal audit activity of Rīgas satiksme is to assess and help improve the effectiveness of risk management, internal control and governance processes, contributing to the achievement of Rīgas satiksme objectives and increasing its value.

Based on the risk assessment, a five-year medium-term internal audit strategic plan and an annual internal audit plan are prepared, reviewed by the Board of Rīgas satiksme and approved by the Council of the Company, and the medium-term internal audit strategic plan is also approved by the shareholder. The internal audit reports prepared will be submitted to the Board and the Council of Rīgas satiksme. The internal audit complies with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics.

In 2023, work continued on the assessment of the implementation of the Corporate Governance Processes for 2021 carried out by SIA KPMG Baltics. A number of recommendations have been implemented to improve areas such as the capital company's governance structure, internal control system and risk management, procurement organisation, employee policy and information to be made public.

In its 2023 Annual Report, Internal Audit has confirmed the independence and objectivity of its activities and has issued an overall opinion on the effectiveness of the internal control and risk management systems of Rīgas satiksme.



Whistleblowing

In July 2022, the Board and the Council of the Company approved the Regulations "On the Internal Whistleblowing and Examining of Whistleblower's Report".²⁴

The Regulations set out how Rīgas satiksme organises the internal whistleblowing system to enable Rīgas satiksme officials and employees to report possible violations detrimental to the public interest, in particular possible violations under the Whistleblowing Law, and to guarantee the protection of whistleblowers under the mentioned law. No justified whistleblower reports were received in 2023. The validity of a whistleblower's report is assessed in accordance with laws and regulations.

In order to raise awareness of the importance of reporting and the reporting procedure, the information available to employees on the submission of whistleblower reports has been updated and two responsible persons have been appointed at Rīgas satiksme.

Participation in Organisations

Rīgas satiksme represents the interests of the public transport sector in several organisations:

- International Association of Public Transport (UITP);
- Latvian Chamber of Commerce and Industry (LTKR);
- Employers' Confederation of Latvia (LDDK);
- Latvian Association of Passenger Carriers;
- Latvian Open Technologies Association (LATA);
- Latvian Association of Automobile Engineers;
- Latvian Association for People Management;
- Business Efficiency Association;
- Association of Security Professionals;
- Latvian Corporate Social Responsibility Platform "CSR Latvia".

The Company's views are taken into account in the development of legislation, planning documents and in studies on public transport in Latvia, Europe and even globally.



ETHICS AND INTEGRITY

Operations of Rīgas satiksme are based on **four values, as well as eight basic ethical principles**, which are binding on all Rīgas satiksme employees and apply to their interpersonal relations, behaviour, relations with customers, business partners and other related parties:

- loyalty;
- honesty;
- justice;
- responsibility;
- objectivity and independence;
- economy and efficiency;
- respect;
- confidentiality and safeguarding of information.

The values of Rīgas satiksme describe the principles by which the Company aims to achieve its objectives and the behaviour, attitudes and actions expected of each employee. In 2022, the Company confirmed its values and positive actions specific to each. Continuing to put into practice the values, in March 2023, the "Value School" activity was launched, where employees shared stories of positive action on each value to raise awareness of the values, share their experiences and identify value ambassadors to bring the values to life and communicate them to other employees. At the end of the year, the first colleagues were awarded the status of "Value Ambassador" and "Value Participant". As part of the Value Ambassador training, a value game will be developed to promote a common understanding of the Company's values among employees. Following feedback from participants, the "Value School" activity programme will be developed in 2024, allowing participants to submit positive stories about other colleagues.

Rīgas satiksme ensures compliance with all company-specific legislation and regulations concerning respect for human rights in the workplace, in the provision of services and in the evaluation of partners (see more in Section S.2. on page). The Code of Ethics of Rīgas satiksme sets out the basic principles of behaviour and communication in mutual relations, avoiding hostile and unethical attitudes and discrimination against colleagues. The training of employees organised by the Company is one of the ways to promote tolerance, management skills, communication and conflict resolution. In 2023, Rīgas satiksme provided the opportunity to listen to the LU Open Minded online training courses, offering every employee the opportunity to study the courses they are interested in. In total, more than 200 staff members

participated in the Open Minded online training, with the course "How to prevent and resolve conflicts" attracting the most interest, with 160 staff members attending. 119 employees attended the "Etiquette and Communication Skills" training course and 74 employees attended the "Workplace Awareness" training course. One of the largest training projects implemented in 2023 was a training programme on communication and cooperation skills development, which was attended by more than 100 middle and junior managers. In 2023, we have strengthened our management team by providing individual professional development sessions for heads of business units, giving them the opportunity to identify and work on their individual professional challenges and areas for improvement.





PUBLIC ACTIVITIES

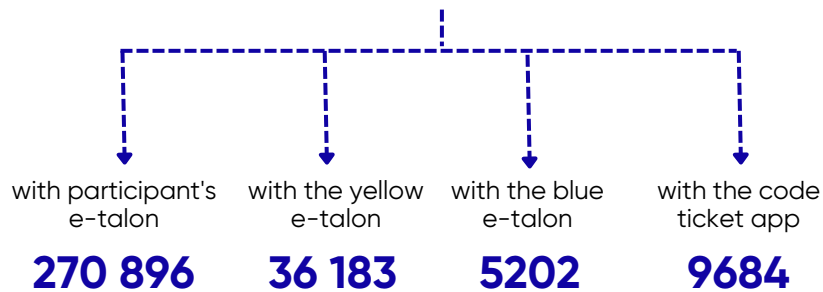
Rīgas satiksme proactively engages in various public activities to improve the quality of services provided, to promote public education, and to create open communication for the best possible service. In 2023, Rīgas satiksme participated in or initiated a number of important activities:

- **Rīgas satiksme actively participated in the XXVII Latvian Song and XVII Dance Festival** by restoring tram route 11 across the Brasa Bridge, developing a specially designed e-talon and planning additional timetables. The involvement of employees of Rīgas satiksme in the organisation of traffic before and after major concerts was highly appreciated, and additional vehicles were prepared in time to transport participants and guests. In addition to their direct duties, a large number of staff were involved in coordinating the flow of visitors to the events, regularly updating social media, the website and keeping the call centre open day and night. The achievements of employees of Rīgas satiksme were also recognised at the Riga City Council's "Annual Award 2023" award ceremony.



 During the Song and Dance Festival, the opening hours of the Information Centre were longer than usual - **until 3 a.m.**

 Song and Dance Festival ticket registrations from 1st to 10th July **321 965**



During the Song and Dance Festival, the following additional routes were provided:



1793
trolleybus routes



1415
tram routes



1370
bus routes

TOTAL
4578 routes



PUBLIC ACTIVITIES

- **The World's Smallest Stage – Rīgas satiksme had the opportunity to take part in an idea implementation team that was creating the world's smallest stage for the world's most "normal" people**, bringing together professionals who work in various important organisations and dedicate their lives to reducing intolerance in Latvia and the world. The aim of the World's Smallest Stage was to give a voice to people who are often excluded from the public space and whose stories are not heard. The story of the World's Smallest Stage is about the human being, about the inclusion of people in society, regardless of their identity. This was a unique project that provides an ecosystem for the recognition of vulnerable groups in Latvian society.
- **Sports – we supported the Latvian ice hockey and basketball teams by cheering them on during their games, as well as officially welcoming them at the airport and delivering them to their most active fans.** Rīgas satiksme has also received appreciation from the IIHF Ice Hockey World Championship 2023 Organising Committee for its significant support and contribution to the organisation of the tournament. Appreciation from the World Running Championship organising team for our contribution to the championship in Riga was received.
- **In March 2023, Rīgas satiksme participated in the event "Career Day 2023" organised by Riga Technical University;** the Company's stand was located in a trolleybus parked in the hall.
- **The Company was represented in the Guinness World Record with the largest brainstorming session in the world**, organised by students of Riga Technical University, and a new record was set – 1,217 participants with at least 3,800 high-quality ideas. A bus of Rīgas satiksme served as an artistic element of the stage, while Company representatives invited the participants to their "Ideas Workshop".
- **In October 2023, the Chairperson of the Board represented the Company as an opinion leader at the 6th "Innovation Forum for State and Local Government Capital Companies".**
- In November 2023, the Chairperson of the Board participated in the Riga Technical University conference "Sustainable Mobility".
- **In support of Ukraine, stickers with the Ukrainian flag have been placed on the doors of all public transport vehicles. In January 2023, 10 buses were also donated and in November, 10 more Riga traffic buses were donated to support Ukraine.** To ensure that the buses to Ukraine do not run empty, Rīgas satiksme, in cooperation with the Ziedot.lv Foundation, invited residents of Riga to fill the buses with donations for the people of Kyiv.



PUBLIC ACTIVITIES

- In May 2023, Rīgas satiksme participated in the Museum Nights by opening the gates of tram depot 4 to show the historic building and vehicles (work cars, "Ikarus" bus). A record number of more than 5,000 people attended.
- As a socially responsible company, Rīgas satiksme provided an opportunity for students of Riga Strazdumiža Secondary School (age group 7-18 years) with visual impairments to "get acquainted" with a public transport vehicle – trolleybus. They had a chance to touch and feel everything, sit behind the wheel and ask any questions they were interested in.
- Throughout 2023, communication about the construction works being carried out by Rīgas satiksme and their impact on the daily life of the public was actively ensured in order to minimise inconvenience.
- **Special tram, bus and trolleybus designs with the Latvian flag and the Lielvārde belt were created to celebrate the national holiday.** The newly designed public transport vehicles run on various routes from 10 November 2023 and are planned to run for at least one year in this special design dedicated to Latvia. To create a Christmas atmosphere for residents of Riga and customers of Rīgas satiksme, a special tram with a Christmas design and lights was also designed, which delighted residents of Riga from 5 December 2023 until 15 January 2024.
- In November and December 2023, Rīgas satiksme organised an internal charity campaign to provide gifts for the residents of the social care centre "Stella Maris".
- **Support was provided for the autumn phase of the military training cycle "Namejs 2023".** The training took place at various Riga traffic facilities – trolleybus park No. 2, bus park No. 6 and tram depot No. 4. Rīgas satiksme was involved in the exercise for 2 days, both by participating in the training process and by giving the Home Guard Student Battalion the opportunity to practice crowd control in a restricted area.



PUBLIC ACTIVITIES

- **Representatives of Rīgas satiksme once again participated in the Job Opportunities Festival “For All!”, which aims to bring together employers with their potential employees,** especially youth with disabilities and from the regions, as well as people from different social risk groups, who are often perceived as not belonging in the working environment, in an innovative and practical way. In a context of employee shortages, this event is an opportunity for entrepreneurs to present their company and the job vacancies on offer in a relaxed and friendly atmosphere.
- On 1 December 2023, representatives of the Employers’ Confederation of Latvia visited Rīgas satiksme. The study tour included visits to the bus park No. 6 and trolleybus park No. 2, where the Company’s experience in occupational safety and health was presented.

Also on 2023, Rīgas satiksme participated in the Sustainability Index assessment organised by the Institute for Corporate Sustainability and Responsibility, **achieving a gold category in the overall index score, with a higher score compared to the previous year.** With this assessment, Rīgas satiksme receives valuable external confirmation of the significant changes made in the management and operations of the Company in recent years. The experts’ assessment of Rīgas satiksme performance in five areas (strategic planning, market relations, working environment, environment and local community).

The annual award “Safest Company Fleet” has already been held for the 11th time, and Rīgas satiksme participated for the second time. In 2023, the Gold Award was awarded, showing that continuous efforts to improve internal processes, renew the fleet and modernise technology have resulted in even greater success. In 2023, the jury welcomed the systematic approach to risk assessment, the forward-looking vision and the sustainable development of the transport fleet.



STAKEHOLDERS AND THEIR INVOLVEMENT

The operation of Rīgas satiksme is linked to the mobility of society and the development of the urban environment. A wide range of internal and external stakeholders, with different perspectives and often different opinions on the processes involved in the organisation and development of public transport, play an important role in the planning and organisation of its operation. In order to find the best possible solutions for the development of Rīgas satiksme and to contribute to the achievement of the objectives of the Riga City Council, Rīgas satiksme intends to further improve cooperation and communication with the stakeholders.

In line with the requirements of the GRI Sustainability Reporting, stakeholders of Rīgas satiksme and their perspectives on its key sustainability areas have been identified.

Significant stakeholders are those groups of society whose opinions, actions or decisions may have a tangible impact on the operation of Rīgas satiksme or whose welfare, opportunities, rights or actions may be affected by decisions taken by Rīgas satiksme.

Key internal stakeholders of Rīgas satiksme:

SHAREHOLDER

COUNCIL

BOARD

EMPLOYEES

TRADE UNIONS

The external stakeholders of Rīgas satiksme have been identified on the basis of a supply chain analysis, identification of key cooperation agreements, as well as information provided by its business units on the most significant partners or organisations that have an impact on the operations of Rīgas satiksme. Three groups of external stakeholders were identified according to the value chain of Rīgas satiksme:

SUPPLIERS AND SERVICE PROVIDERS

- supply of vehicles;
- purchase and maintenance of IT and communication systems;
- supply of vehicle equipment and spare parts;
- maintenance of production and other equipment;
- construction and maintenance of infrastructure, including infrastructure owners of common interest;
- supply of energy resources.

BUSINESS PARTNERS:

- regulatory and supervisory authorities;
- financial institutions;
- Pierīga municipalities;
- other cooperation partners – non-governmental organisations, associations, scientific and research institutions.

THE RECIPIENTS (CUSTOMERS) OF RĪGAS SATIKSME SERVICES

- residents of Riga and adjacent municipalities, visitors to Riga.

STAKEHOLDERS AND THEIR INVOLVEMENT

IAs part of the development of the Sustainability Report, internal and external stakeholders were asked to assess the key areas of sustainability for Rīgas satiksme and to propose new areas for inclusion. External stakeholders were also asked to provide their views on what actions Rīgas satiksme needs to take to develop and improve its sustainability performance.

The external stakeholders consider targeted investments in the development of a more environmentally friendly and passenger-friendly transport fleet, involvement in the promotion of the overall mobility of the population and the improvement of mobility options in Riga and Pierīga region (including route planning and the development of ticketing and payment systems) as important issues for the future growth of Rīgas satiksme. In particular, the need to continue the ongoing work on digitisation of operational processes, improvement of efficient and transparent management of Rīgas satiksme, including financial and risk management, care for employees and investment in the development of a positive culture of public transport use, thus also contributing to customer satisfaction, was highlighted.

In order to identify issues of importance to public transport passengers, Rīgas satiksme regularly analyses questions and requests received through various communication channels on how to improve services.



In 2023, cooperation with the association of disabled persons and their friends "Apeirons" continued. As a result of the cooperation, an agreement was reached on the preparation of various information materials for public transport drivers on serving passengers with disabilities.

In June 2023, Rīgas satiksme received appreciation from the association "Apeirons" "for the understanding, interest and support in creating an inclusive environment, developing equal opportunities for everyone in society".

In 2023, several meetings continued to be held with the pupils of Riga Strazdumuiža Secondary School – Development Centre to facilitate the mobility of children and youth with severe visual impairments by providing comprehensive information on the use of public transport. For example, they had the opportunity to explore by touch the elements in the interior of a trolleybus when the vehicle is not moving and when other passengers are not disturbed.

"Safety Bus": together with the Riga Municipal Police, several schools in Riga were visited to teach children how to make travelling by public transport pleasant and safe. The children and the coaches role-played various everyday situations – how to behave, what to do and what not to do inside and outside public transport, what to do in problematic situations and who to tell if you need help. These are practical skills that children will put into practice on their daily journeys on public transport to school.

In addition to these initiatives, Rīgas satiksme maintains regular contact with the Riga City Neighbourhood Residents Centres, the establishment of which has facilitated the collection of residents' views on the needs and vision of specific areas of the city, including in the field of transport and mobility.

For the 2023 XXVII Latvian Song and XVII Latvian Dance Festival, technicians of Rīgas satiksme specially designed a mobile platform to allow wheelchair users to enter the tram more easily.

Promoting active lifestyles and raising awareness about environmentally friendly and smart travel, European Mobility Week took place **from 16 to 22 September 2023 under the slogan "Save Energy", encouraging everyone to use energy-efficient transport, with a focus on public transport.** The city hosted various entertaining and educational events throughout the week, and on 22 September, everyone had the opportunity to ride Riga's buses, trolleybuses and trams for free.

The renewed practice of passengers boarding through the front door has proved its worth and has contributed to reducing the number of stowaways, as well as increasing passenger comfort and safety during the journey.



From 1 August 2023, boarding trolleybuses and buses after 9 p.m. is through the front door. This is to reduce the number of passengers who do not buy tickets or do not register their journey, and to prevent people wearing dirty or smelly clothing from entering the vehicle. Experience so far shows that the number of stowaways has significantly decreased on routes where this procedure is already in place. The only vehicles not covered are trams, as this is not possible on low-floor trams and two-car trainsets. Passengers board through the front doors in the evening hours from 9 p.m., as the high volume of people on some routes during the day would cause unnecessary crowding. The boarding procedure for passengers with baby carriages and people in wheelchairs has remained unchanged and takes place through the middle door.

STAKEHOLDERS AND THEIR INVOLVEMENT

As the largest public transport service provider in the Baltic States, Rīgas satiksme ensures that its operations comply with the requirements of laws and regulations. It regularly provides its comments and assessment in relation to the planning documents and regulatory enactments of the Riga City, as well as national legislation, including by active cooperation with social partners, such as the LDDK, the Latvian Association of Local and Regional Governments, the Latvian Association of Passenger Carriers, etc.



For example, in June 2023, Rīgas satiksme approached the Ministry of Transport with a proposal to promote amendments to Cabinet Regulation No. 103 of 2 February 2010 "Procedures for the Acquisition and Renewal of the Right to Drive Vehicles and Procedures for the Issuance, Exchange, Renewal and Destruction of a Driving Licence" and Regulation No. 358 of 13 April 2010 "Regulations on Driver Training and Driver Training Programmes" with regard to the procedure for initial training of drivers, providing that a person who holds a category B driving licence may

obtain a category D driving licence by completing a category D driver training course and passing the relevant theoretical examination as well as a driving test appropriate for category D. The Rīgas satiksme's proposal foresees that persons holding a category B driving licence will no longer be required to complete an initial C1, C or D1 driver training course in order to obtain a category D driving licence, as was previously the case.

In 2023, comments were made on:

- Amendments to the Road Traffic Law;
- Amendments to the Law on Public Transport Services;
- Draft law "Transport Energy Law";
- Cabinet of Ministers Regulation "Procedures for the Acquisition and Renewal of the Right to Drive Vehicles and Procedures for the Issuance, Exchange, Renewal and Destruction of a Driving Licence";
- Cabinet of Ministers Regulation "Regulations on Driver Training and Driver Training Programmes";
- Draft action plan for the reduction of environmental noise in the Riga agglomeration for the period 2024-2028;
- Updating the National Energy and Climate Plan 2021-2023;
- and other documents.



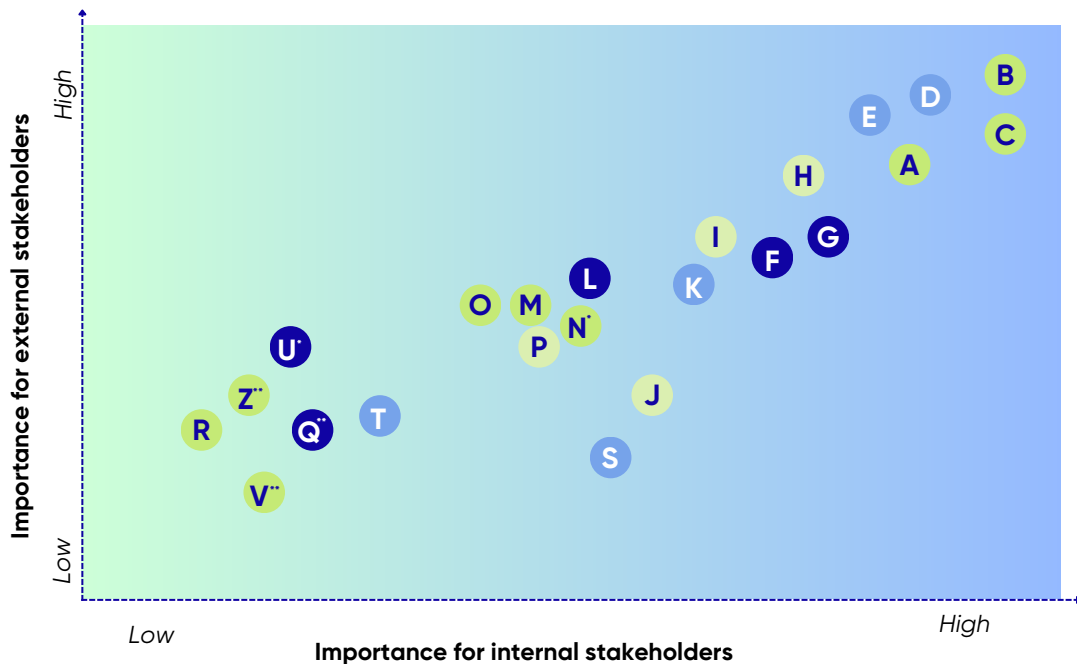
In 2023, no fines or sanctions were imposed for non-compliance of Rīgas satiksme operations with the regulatory enactments. No sanctions or penalties were imposed in 2022 either.

KEY SUSTAINABILITY AREAS FOR RĪGAS SATIKSME

In accordance with the requirements of the GRI Standards, the identification of the key sustainability areas for Rīgas satiksme in spring of 2022 involved a wide participation of both internal and external stakeholders. Initially, strategy and key policies of Rīgas satiksme were analysed to identify those areas that are already embedded in operations of Rīgas satiksme, as well as those that are important for the Company's future development. This led to the identification of potentially relevant sustainability areas, which were tested in two consultation phases.

The consultation process resulted in the identification of 17 critical areas of sustainability for Rīgas satiksme, creating a materiality matrix that reflects the materiality of the specific areas from the perspective of internal and external stakeholders. Information on the performance of Rīgas satiksme in each of the 17 areas is presented in the following sections of this report. Six of the areas initially identified were given a low priority by both internal and external stakeholders and are therefore not covered in detail in the report – at the same time, two of them are recognised by Rīgas satiksme as potentially important for future development and are therefore nevertheless covered in more detail in the content of the Sustainability Report.

Rīgas satiksme materiality matrix



Economic aspects

- D** Financial stability
- E** Prevention of conflict of interest and corruption
- K** Attraction of funding and investment for operational development
- S** Choice of cooperation partners and suppliers
- T** Indirect economic impacts

Environmental aspects

- F** Energy efficient and reduced resource consumption
- G** Environmentally friendly and modern vehicles
- L** Reduction of pollution (excluding physical waste) caused by the operations
- Q** Reduction of physical waste generated by operations
- U** Use of renewable energy

Social aspects (customers)

- A** Development and optimisation of the public transport route network
- B** Customer safety
- C** Accessible and good quality public transport
- M** Privacy and information security
- N** Development of mobility services
- O** Development of e-services
- R** Public education on socially relevant issues
- V** Preservation of industrial heritage
- Z** Development of talents and competences of employees

Social aspects (employees)

- H** Occupational health and safety
- I** Employee satisfaction
- J** Streamlining and digitisation of internal processes
- P** Equal, inclusive and fair working environment

* Sustainability areas included in this report, with the addition of other related areas

** The areas identified are not considered sufficiently relevant to be covered in detail in this Sustainability Report of Rīgas satiksme.

KEY SUSTAINABILITY AREAS FOR RĪGAS SATIKSME

Activities carried out in sustainability areas relevant to stakeholders



Governance and economic growth

Preparations have been completed for the accounting in Rīgas satiksme to be organised in accordance with the International Accounting Standard (IAS) from 1 January 2024.

Company incidents have been identified, first general statistics obtained, prototype for future incident reporting and tracking developed.

The Gold Category rating has been received in the Sustainability Index – assessment of the company's sustainability and corporate responsibility performance.

Sustainability Report and Corporate Governance Report have been prepared, reviewed at the meeting of the Council on 25 May 2023 and coordinated with the shareholder along with the Annual Statement.

The new RS logo has been agreed. Preparation of the Style Book and other documents has started. Visual information is also being developed for the public presentation of the new logo on 20 February 2024.



Caring for the environment

The possibilities of and timetable for implementation of the Environmental Management System have been presented.

The winner has been determined and a contract has been prepared for the project development and execution of works for the installation of solar panels at Kleistu iela 28.

Work continues on the establishment of wastewater treatment and discharge system and development of security systems for the purposes of ensuring access control at RS objects.

A test of a demo trolleybus equipped with a rechargeable energy storage system (traction batteries) has been applied for with the manufacturer.

Implementation of the project "Purchase of electric buses for the city of Riga" (CF funding) continues. 23 out of 35 electric buses have been put into service.

Implementation of the project "Emission reduction in Riga city public transport services" (RRF funding) continues. Works have been completed at the construction site of the electric bus charging stations at Vestienas iela 35.



Customer satisfaction

Implementation of the project "Adaption of the Riga tram infrastructure to the low-floor tram parameters (RTIP5.7)" (CF funding) continues.

Implementation of the project "Phase 2 of the low-floor tram implementation in Riga" (SEB, EIB, NIB funding) continues.

Implementation of the project "Construction of tram route 7 line extension and transport interchange point" (RRF funding) continues.

Solaris proposal for equipping buses and trolleybuses with an automatic security system has been recognised as the most beneficial and technically complete proposal.

The interests of Riga Municipality Limited Liability Company (SIA) Rīgas satiksme have been represented in Riga city development projects, various working groups and the Advisory Council "On Traffic Coordination in Riga".

Following the presentation of timetables and calculations for 6 (six) routes, the conceptual support of the Council has been obtained. Additional calculations must be performed, in order to start negotiations with the authorities of the Riga City Council.



Responsible employer

After compiling the results of the staff engagement survey, the work with structural units continues.

The Employee Handbook has been completed; layout work to be done before printing.

The results of the activities of the School of Values have been summarised, awarding the ambassadors of values.

A model of "Jugla" terminal training site has been prepared and test drives have been carried out for enhancing the skills of the vehicle operators.

Arrangement of the rail brake repair point for tram route 15T, by gaining experience in other companies, which served as a basis for introducing LEAN safety mirror.

The Civil Protection Plan has been prepared for review by the SFRS.

IMPACT ON THE ECONOMY



IMPACT ON THE ECONOMY

Given that Rīgas satiksme is a derivative capital company of a public person and fulfils the Riga City Council's order for public transport functions, it is essential to ensure financial stability in its operations in order to be able to efficiently fulfil the local government's order.

In the process of financial planning and monitoring, Rīgas satiksme takes into account the requirements set out in the Law on Governance of Capital Shares of a Public Person and Capital Companies and Riga City Council Internal Regulation No. 4 adopted on 21 August 2020 "Procedure for Management of Capital Shares and Capital Companies Owned by the Local Government of Riga State City", as well as the requirements of the Order Agreement (No. RD-11-1490-li) of 14 November 2011 on Provision of Public Transport Services and the Delegation Agreement (No. RD-23-610-li) of 4 August 2023 on Management of Municipal Parking Lots concluded between Riga City Council and Rīgas satiksme.

For efficient management of financial processes, Rīgas satiksme has developed internal normative acts in the areas of budget development and monitoring, investment planning, procurement organisation, accounting, inventory, cash accounting, etc. In 2023, the "Accounting Policies" have been developed and the conversion of accounting from Latvian accounting standards to International Accounting (Financial Reporting) Standards (IFRS) is foreseen from 2024.

Financial Stability

Direct Economic Impact

The Company's financial indicators are considered stable and the financial covenants set by creditors – DSCR 1.1 (min. >1) and leverage to EBITDA 5.56 (max. 9x) – have been met. Both operating and total cash flow have been positive during the reporting period and there are no tax debts in 2023.

The Company has closed 2023 with a profit after taxes of EUR 1 838 083.

In 2023, Rīgas satiksme's revenue from passenger transportation amounted to EUR 35.6 million, excluding VAT, which is EUR 3.4 million or 10.5% more as compared to the previous year. In 2023, revenue from parking lot services amounted to EUR 13.3 million or EUR 0.5 million (4.1%) more than in 2022.

	2021	2022	2023
Turnover, EUR million Including:	161,1	168,5	184,0
• tickets purchased by passengers	27,6	32,0	35,4
• revenue from parking lot charges	10,4	12,7	13,3
• local government funding*	116,4	116,6	124,9
• state funding*	6,7	7,2	10,5
Capital investments, EUR million	52,8	58,3	87,2
EBITDA, EUR million	39,8	41,8	52
Profit, EUR million	3,05	1,6	1,8

**Related to compensation for losses incurred by Rīgas satiksme in the carriage of passengers who, in accordance with state or local government regulatory enactments, have been granted partial or full ticket discounts and state compensation for losses incurred on a part of a route that is outside the administrative territory of the city, if that part of the route is more than 30% of the total length of the route.*

Financial Support Received from the State, Local government

Rīgas satiksme receives both state and local government compensations in accordance with the Cabinet Regulation No. 435 adopted 28 July 2015 "Procedures for the Determination and Compensation of the Losses and Expenditures Related to the Provision of Public Transport Services and for the Determination of the Tariff for a Public Transport Service".²⁵

Also noteworthy are the solutions initiated by the state and local authorities to develop mass mobility, encouraging the public to choose public transport instead of private cars. At the same time, this also means significant investment in the development of public transport rolling stock and the necessary infrastructure.

Attraction of funding and investment for operational development

The provision of public transport services includes not only the purchase of rolling stock, but also the maintenance and development of the necessary infrastructure. The Order Agreement sets out the quality requirements for public vehicles and infrastructure, as well as the procedure for the promotion and approval of investment projects by Riga City Council. In the period up to 2020, as well as during the period of significant changes in the management of the Company, investments essential for the development of the Company were not made to a sufficient extent, therefore the Company continues to plan medium- and long-term investments in a targeted and well-considered manner to ensure the achievement of the objectives set out in the strategy of Rīgas satiksme.

In planning and attracting investments, Rīgas satiksme maintains close interaction and communication with the Local Government of Riga State City. In view of the significant investment needs (including the purchase of vehicles, maintenance and development of infrastructure, etc.), Rīgas satiksme regularly carries out assessment of the possibilities of fundraising. Decisions on the financing of investments are taken on a project-by-project basis and are made by the Board of Rīgas satiksme. EU funding of EUR 56 746 310 has been mobilised to implement the projects mentioned in the report.

Investment Projects of Rīgas satiksme

"Purchase of Electric Buses for Riga State City", under which 35 new electric buses are be purchased. All 35 electric buses have been delivered in 2023. Due to the manufacturer's delayed delivery schedule, 23 of the 35 electric buses were put into service by the end of 2023. In December 2023, an amendment to the project application and the project implementation agreement was proposed to extend the project implementation period until 31 October 2024, with the possibility to achieve the project objective with own funding. The acceptance of the remaining 12 electric buses was completed in April 2024. It was initially planned to invest in the project EUR 19.18 million by attracting CF co-financing of EUR 16.06 reporting year.

- In 2023, investments of **EUR 14.46 million** have been made of which the planned co-financing from the CF amounts to **EUR 11.97 million** In 2024, the estimated cost is EUR 0.88 reporting year.
- In view of the above delays in deliveries, the manufacturer has been subject to penalties of EUR 954.2 reporting year.
- Taking into account the fact that some of the electric buses were put into service in 2024, the total project cost is EUR 18.22 million, EUR 14.7 million of which is co-financed by the CF.



IMPACT ON THE ECONOMY

The project “Construction of electric charging infrastructure at Vestienas iela 35 – phase 1”. Within the project slow (overnight) charging installations needed for the daily operation of electric buses has been built. A total of 21 charging installations have been built in the territory of the bus park No. 7, providing 42 charging points. Total project’s total investments amount to EUR 4.01 million, of which EUR 1.86 million will be co-financed from the Connecting Europe Facility within the project “ELECTRIC BUS CHARGER CONSTRUCTION IN RIGA (PHASE 1)”. The facility was put into operation on 15 February 2024.

“Emission Reduction in Riga State City – Purchase of Electric Buses and Development of the Electric Charging Network” plans to purchase 17 electric buses and build seven fast charging points for electric bus charging for the period until mid-2026. It is planned to invest in the project **EUR 16.7 million leveraging RFF funds of EUR 14.2 reporting year**. In line with the results of the 2022 procurement procedure, negotiations have been launched for the supply of electric buses, as well as tenders for the supply of fast (opportunity) charging installations and the design and supervision of the construction project have been announced.



IMPACT ON THE ECONOMY



“Phase 2 of the low-floor tram implementation project in Riga”, which involves the improvement of the infrastructure of tram routes No. 1 and 11 (reconstruction of tracks, stops and overhead line system, replacement of overhead line system poles, reconstruction of substations) and the reconstruction of the production buildings of tram depot 5 (Brīvības iela 191, Riga) in the period 2017–2025. In total, EUR 100 million is being invested in the project, which is financed by A/S SEB banka, Nordic Investment Bank, European Investment Bank, as well as by the budget of Rīgas satiksme.

- In total, the project has invested **EUR 52.4 million** from its start to the end of 2023; investments of **EUR 10.1 million** have been made during the reporting year.
- In 2023, construction works were completed on a number of construction objects, including one of the largest construction objects of the project – the reconstruction of the tram line in the section from the Ausekļa iela arc (inclusive) to the Aspazijas bulvāris / K. Barona iela intersection along Kronvalda, Z.A. Meirovica and Aspazijas bulvāris. The construction site will be commissioned in Q1 2024. The project’s largest construction object is the redevelopment of the tram depot 5 production buildings – a construction procurement procedure was carried out in 2023, resulting in a construction contract and the start of construction works in autumn 2023.

Construction of the Extension of Tram Line Route No. 7”, which will extend tram line No. 7 to the intersection of Latgales iela and Višķu iela (~2.2 km) and create a transport hub. Trolleybus route No. 15 (~300 m) will also be extended to the transport hub along Višķu iela to ensure easy transfers between public transport types. The transport hub will provide with inter-integrated public transport – bus/electric bus, trolleybus, tram – in one place. The project is expected to be implemented by mid-2026 and the necessary investment of **EUR 28 million** is to be financed from the RRF,²⁶ with a project application submitted and project implementation and funding agreement to be concluded in 2024. On 3 November 2023, the contract for the design, author supervision and construction works for the construction project “Construction of a tram line extension, transport interchange point and related buildings and civil engineering structures in Latgales iela and Višķu iela, Riga” for the total contract amount of **EUR 28 155 811.00, excluding VAT**, was signed and the works for the development of construction plans were started.

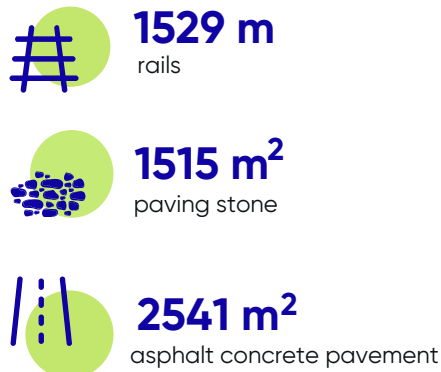
IMPACT ON THE ECONOMY

“Adaptation of Riga Tram Infrastructure to Low-Floor Tram Parameters”, which includes the adaptation of tram route No. 5 from the intersection of Jūrmalas gatve and Slokas iela to the terminal “Iļģuciems” and tram route No. 7 from Centrālirtīgus iela to the terminal “Ķengarags” to low-floor tram parameters, will be carried out in the period 2020-2024. In December 2023, the scope of the project was extended to include the following objects: (1) reconstruction of tram tracks in Slokas iela from the intersection with Jūrmalas gatve to the intersection with Kalnciema iela (including the intersection), (2) reconstruction of tram stops and tracks in Imanta (stops “Anniņmuižas bulvāris”, “Dammes iela” and “Kleistu iela”), (3) reconstruction of overhead power supply on tram route 1 in the section from Brīvības iela 191 to the intersection of Radio iela and Aspazijas iela, and (4) rebuilding of the overhead contact network on tram route 11 in Miera iela in the section from Brīvības iela to Ēveles iela. This increases the investment made under the project to EUR 73.6 million (incl. VAT), with indicative co-financing from the EU Cohesion Fund (hereinafter referred to as the “CF”) of EUR 40.4 reporting year.

- In total, the project has invested **EUR 61.89 million** from its start to the end of 2023; (incl. VAT); investments of **EUR 54.58 million** (incl. VAT) have been made during the reporting year.
- In 2023, construction works were completed and the following objects were put into operation: the 11. novembra krastmala and 13. janvāra iela intersection construction object, the tram route 5 reconstruction object, as well as the tram route 1 power supply and tram route 11 contact network reconstruction objects. A 2 km section of the overhead contact system on tram route 7 from Dienvidu tilts to the terminus “Ķengarags” has been rebuilt. Construction works have been completed and the commissioning process has started on the Imanta bus stops. Work continues on the rebuilding of 5 substations and the construction project for tram route 7. The works are expected to be completed by August 2024, with commissioning organised no later than October 2024;

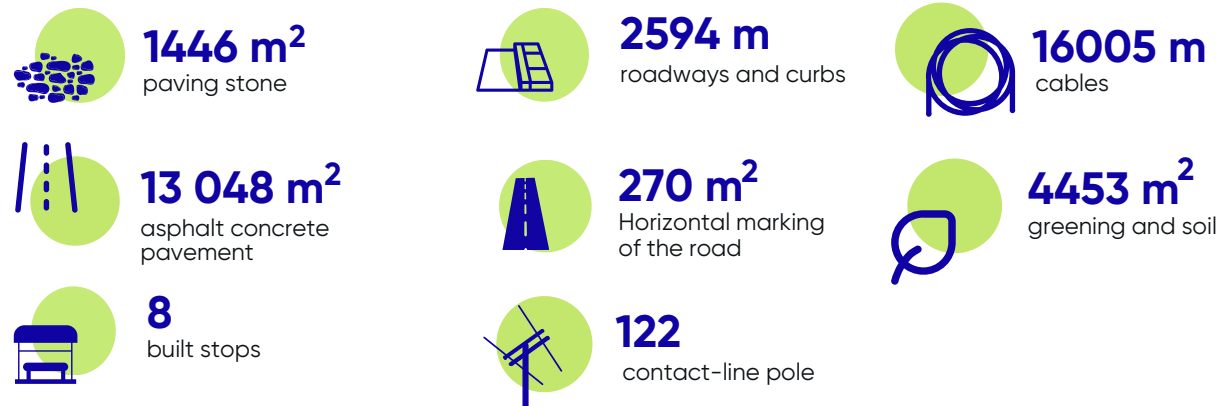
Infrastructure construction works in numbers of tram route No. 5 from the intersection of Jūrmalas gatve and Slokas iela to the terminal “Iļģuciems”

TRAMWAY



RELATED INFRASTRUCTURE

sidewalks, platforms, engineering networks, etc



IMPACT ON THE ECONOMY

Infrastructure development projects also include the rebuilding of substations and the installation of new equipment. The main criteria for the selection of the equipment are the safety of the components, the speed of operation, the introduction and adaptation of new functions to the dynamic digitalisation process, the ease of maintenance and the extension of the preventive maintenance period, the elimination of oil as an insulating element and the associated increase in fire safety, etc. Each new generation of equipment is more automated and requires fewer, but more skilled, employees to service it. The modernisation work started in 2018 and is scheduled to be completed by the end of 2024.

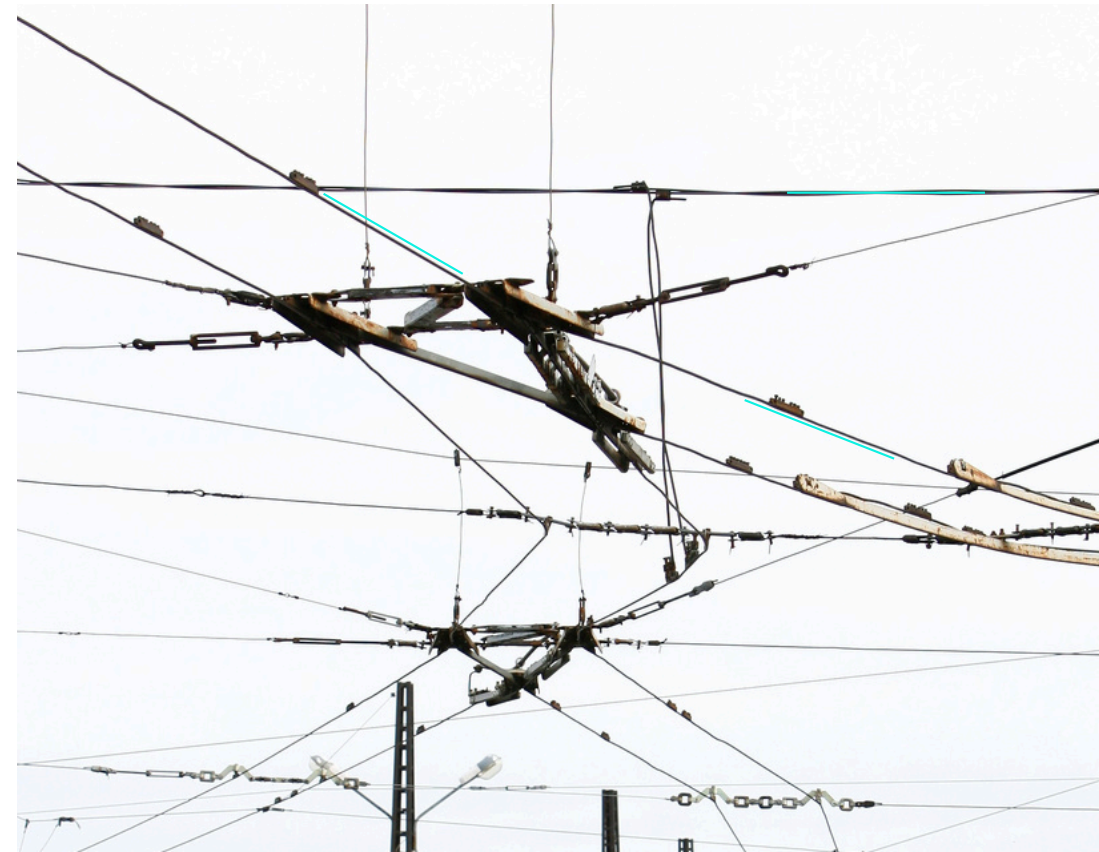
In 2022, prospective areas where it would be rational to build an overhead line system have also been identified to reduce the sections where trolleybuses have to run on an alternative energy source and to open up further opportunities to convert other bus routes to trolleybus routes as well. Design work has now started on the overhead contact line in Brīvības gatve from Šmerļa iela to Silciema iela, which will shorten the running distance for trolleybuses with diesel generators. The next stage for which a construction project will be developed is the extension of the overhead contact line between Silciema iela-Murjāņu iela, to the terminus of trolleybus route No. 4. Electrification is also planned for the section from the existing trolleybus route No. 19 terminus in Ziepniekkalns (Valdeķu iela) to the trolleybus route No. 4 terminus in Līvciema iela.

To ensure sustainable development of passenger transport services and to facilitate their accessibility, in the period until 2030, Rīgas satiksme intends to invest in the renewal of public transport rolling stock and infrastructure development, both by acquiring zero-emission and more environmentally friendly vehicles and by reconstructing the necessary public transport infrastructure, budgeting annually the necessary funding for the renewal of tracks, energy supply infrastructure, buildings and structures.

In addition to the above, the most important future investment projects in infrastructure development include the redevelopment of the trolleybus park No. 2, partly by changing its functionality and, where possible, by incorporating innovative and energy-efficient solutions in its construction. In 2024, the construction project for the redevelopment of trolleybus park No. 2 is planned to start.

After the redevelopment of the production buildings of tram depot No. 5, the next major investments will be in the development of tram depot No. 3 and other key infrastructure facilities.

Significant investments are also foreseen for the replacement of existing buses with more environmentally friendly vehicles in the coming years, replacing the current Euro 2 and Euro 3 buses with electric buses. At the same time, in order to provide the necessary charging infrastructure for electric buses, in 2024 it is planned to start construction works on the territory of the bus park No. 7 by implementing the second stage of the charging station construction project, as well as the development of a construction project for the construction of the electric charging infrastructure in the bus park No. 6. In order to contribute to the increase of more environmentally friendly vehicles, significant investments are also foreseen in the coming years for the replacement of the old tram cars, to be carried out in close conjunction with the corresponding infrastructure redevelopment.



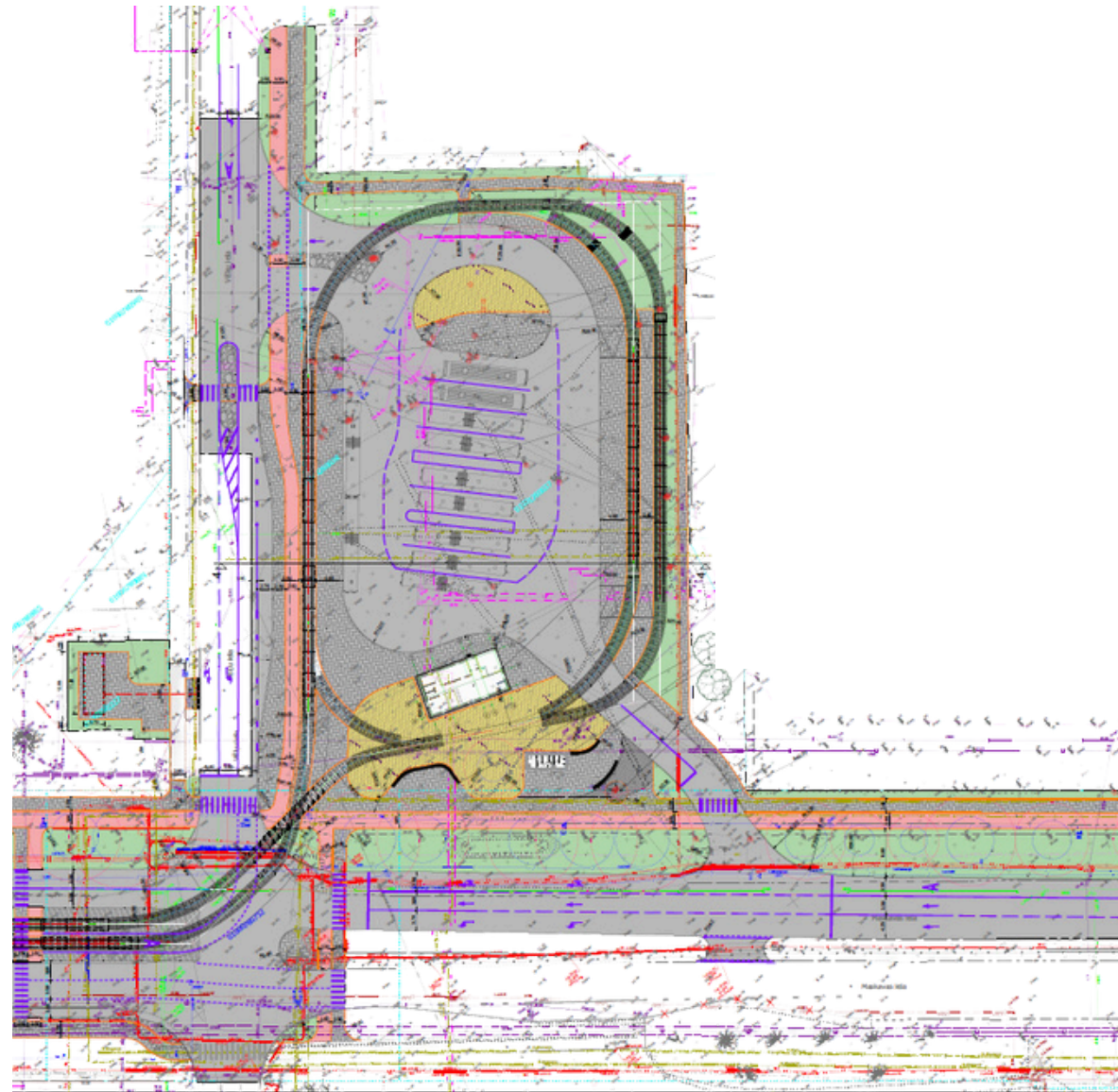
IMPACT ON THE ECONOMY

In 2023, Rīgas satiksme started work to implement future infrastructure development projects using the Building Information Modelling (BIM) technology and a unified data environment for centralised data management in the design, construction and management processes of buildings and infrastructure facilities. Training for 22 Rīgas satiksme employees has started this year and will continue in 2024. The development of standardised BIM requirements has been initiated to ensure that common methodological and data standards are met at all stages of BIM project development. BIM is planned to be introduced as a mandatory practice in the Company in order to keep up with innovations in the construction industry, to ensure transparency and exclude redundant or inaccurate items from construction costs, to allow for the timely correction of inaccuracies in projects, as well as to control deadlines and costs in the long term – the ability to model and calculate future maintenance costs.

Requirements for the use of the BIM are already included in four projects currently underway:

- Reconstruction of the tram depot No. 5 manufacturing buildings at Brīvības iela 191, Rīga,
- Construction of the tram route No. 7 extension, transport interchange point and related buildings and engineering structures in Latgales iela and Višķu iela, Rīga,
- Construction of charging infrastructure for electric buses (seven charging installations at six locations),
- Conversion of a body repair shop at Vestienas iela 35.

The Building Information Modelling technology has already proven its effectiveness, so we will continue to develop it and make new technologies an integral part of our daily work.



IMPACT ON THE ECONOMY

EU Taxonomy

The European Green Deal²⁷ is Europe's new strategy for sustainable and efficient growth. In order to meet the European Union's 2030 climate and energy targets, it is essential that investments are directed towards sustainable projects and activities that will contribute to improving the quality of the environment in the long term. The European Commission's 2020 Taxonomy Regulation (EU) 2020/852²⁸ sets six environmental targets:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- monitoring and control of pollution;
- protecting and restoring biodiversity and ecosystems.



To achieve the targets, the European Union's taxonomy has been introduced, which sets out a set of standards for companies to meet in order to qualify for funding, – a special system for classification of economic activities has been established. The Corporate Sustainability Reporting Directive (CSRD)²⁹ aims to ensure that sufficient and publicly available information is available on the risks posed to companies by sustainability issues and on the companies' own impacts on people and the environment. Companies will have to disclose how and to what extent their activities are consistent with those considered environmentally sound in the EU taxonomy – contributing to environmental objectives without causing significant harm to other environmental objectives and to social and governance.

In accordance with EU Delegated Regulation 2021/2178³⁰, a format for disclosing quantitative information on the proportion of taxonomy-eligible and taxonomy-aligned economic activity for each of the three nominated indicators (KPIs) – turnover, capital expenditure (CapEx), operating expenses (OpEx) – has been established.

The taxonomy-eligible activities Rīgas satiksme are Land transport of passengers by urban or suburban transport systems (NACE code 49.31) and Construction of roads and motorways (NACE code 42.11).

Taxonomy-eligible economic activities are covered by the Delegated Regulation 2021/2139³¹ for the economic activities of Rīgas satiksme (land transport of passengers by urban or suburban transport systems and low-carbon road and public

transport infrastructure) the relevant climate mitigation criteria are climate change adaptation, transition to a circular economy and pollution reduction. The technical test for climate change adaptation is the transition to a circular economy.

Rīgas satiksme will be required to provide a Sustainability Report for 2025, in line with the European Sustainability Reporting Standards as well as Latvian legal requirements.

Prevention of Conflict of Interest and Corruption

Given that Rigas satiksme is a public derivative capital company and its activities involve significant investments, financial flows and procurements, it is essential to define and effectively manage the basic principles for managing prevention conflict of interest and corruption risks. Rigas satiksme has reviewed the existing internal regulations and identified necessary improvements; the Prevention of Corruption and Conflict of Interest Policy was reviewed and approved in 2023. [32](#)

The Corruption Risk Assessment Register was already improved in 2022, ensuring that risks are fully assessed and addressed in the Company as a whole, not just in specific functions. In 2023, the chosen method was refined to better track what has already been done and implemented*.

On the basis of the Cabinet of Ministers Regulation No. 630 of 17 October 2017 "Regulations Regarding the Basic Requirements for an Internal Control System for the Prevention of Corruption and Conflict of Interest in an Institution of a Public Person" and Rigas satiksme's Corruption and Conflict of Interest Prevention Policy, from 1 November to 31 December 2023, the Company's employees were given corruption and conflict of interest prevention training and knowledge test in electronic form. The training and test is mandatory and binding for all employees of Rigas satiksme.

Prevention of Corruption: High Risk Areas

In assessing corruption and conflict of interest risks, Rigas satiksme focuses on areas highlighted as high risk by the Corruption Prevention and Combating Bureau, as well as areas related to ensuring continuity and transparency of its core business.

In 2023, additional activities were developed to mitigate risks in the functions of Rigas satiksme that were assessed as having a medium risk of corruption – management functions, support functions and the organisation and control of the procurement process and contracting.

To prevent or mitigate risks in these and other areas, Rigas satiksme develops an annual Anti-Corruption Action Plan. In 2023, Rigas satiksme reassessed corruption risks and the allocation of functions, and changed the way in which the risk prevention or mitigation action plan is drawn up, focusing recommendations not on a specific entity, but on the prevention or mitigation of all risks in Rigas satiksme as a whole.

	2021	2022	2023
Anti-corruption action plan risk prevention or mitigation measures	68	79	4*
Reports of corruption risks or incidents received	0	1	0
Counterparty assessment process assesses not to enter into a business relationship	✓	✓	✓
Contractual relations with certain cooperation partners were terminated because they were subject to sanctions of any kind	✓	✓	0
Number of procurements with green public procurement requirements	20	5	6

In this way, 4 actions were identified in 2023 to mitigate or eliminate risks. Of these, 3 actions have been completed and one process improvement is still ongoing in 2024. Among the measures implemented are, for example, the development of single information system access baskets for all employees of Rīgas satiksme, a single register for monitoring tangible and intangible items issued to employees and the improvement of the contract management process.

In 2023, the Prevention of Corruption and Conflict of Interest Rules, defining a transparent procedure for assessing all positions in Rigas satiksme, determining the level of corruption, defining the status of public officials and setting the procedure for monitoring activities that may lead to corruption and conflict of interest situations, were developed.

Prevention of Corruption: Communication and Training

In order to promote responsible behaviour and prevent corruption risks, all employees are required to read the anti-corruption and conflict of interest training materials when starting their employment with Rīgas satiksme. In 2023, training and a knowledge test were organised for all employees of Rīgas satiksme to improve their understanding of corruption. For positions exposed to a higher risk of corruption and conflict of interest, training takes place once a year, and for all other employees once every three years.

In 2023, 88 employees of Rīgas satiksme attended the Anti-Corruption Prevention and Combating Bureau training course "Anti-Corruption Issues", 13 employees attended the State Administration School training course "Prevention of Corruption" and 5 employees attended the advanced course at the State Administration School "Establishing an Internal Anti-Corruption Control System in an Institution".

Prevention of Corruption: Incidents

Every employee is provided with the means to report possible risks or incidents in the area of corruption and conflict of interest risks.

In 2023, no reports of corruption were received (1 report in 2022). Rīgas satiksme has zero tolerance for corruption and conflict of interest, and within the framework of this system, a reporting procedure to the Board and Council of Rīgas satiksme has been established to continuously monitor the risks with the greatest impact on the core business of Rīgas satiksme. Depending on the risk assessment, these may include corruption and conflict of interest risks, thus ensuring a systematic monitoring of risks.



Choice of cooperation partners and suppliers

Operations of Rīgas satiksme in the selection of cooperation partners and suppliers are mainly governed by the Law on the Procurements of Public Service Providers (hereinafter referred to as – the Law) and in certain cases, mostly related to the provision of municipal parking lot management, by the Public Procurement Law (hereinafter referred to as the “PPL”).

At the beginning of each calendar year, Rīgas satiksme publishes a public procurement plan³³ on its website. Information on current procurement and market studies is also available on the website of Rīgas satiksme. The Rules on the Organisation of Procurement of Rīgas satiksme lay down a clear procedure for the use of each of the procurement procedures allowed under the Law and the PPL, depending on the object and amount of the procurement, as well as further actions depending on the results of the market study or procurement.

Rīgas satiksme implements an open and transparent process of attracting cooperation partners by organising open market studies, both by publishing them on the website and additionally by inviting market participants to participate in the market studies by sending an e-mail. This process has brought in new cooperation partners to provide more cost-effective services and expand the range of suppliers. There is also more scope for small companies to gain and develop experience by being offered smaller jobs, so as to increase competition in larger tenders. On average, 8 suppliers are invited to participate in a market study and 3 tenders are received, which is significantly better than in traditional public procurement. In addition, market studies serve as a mechanism to test technical specifications, qualification requirements and the interest of market participants before launching a procurement under the Law procedure. This market research mechanism has proven to be significantly more effective (in terms of market participants' interest to comment and provide useful suggestions for the preparation of the procurement) than the formal supplier consultation foreseen in the Law.

When identifying a potential contractor (winner) for a market study or subsequent procurement, Rīgas satiksme carries out an assessment of this business partner in accordance with an internal normative act. In 2023, “Procedure for the assessment of business partners and business conditions”, which establishes how we assess transaction supplier risks and also our own risks, was developed. In addition to this assessment, the previous cooperation practice with the business partner shall be taken into account. At the conclusion of a contract or during the validity period of a long-term contract, aspects such as the quality of contract performance, compliance with interim deadlines and deadlines, handling of problematic situations, quality of communication, fulfilment of warranty obligations, etc. shall be assessed. If cooperation has been negative in a number of or significant respects, the contract shall not be re-awarded.

In addition to this assessment, the development of a business partner assessment tool has been launched during the performance of contracts (for contracts longer than one year) and after the main contractual obligations have been fulfilled. The assessment covers aspects such as deadlines and interim deadlines, correction of errors and clarification of performance during contract performance, quality of performance, quality of communication, request for changes not agreed in the contract, occurrence of warranty events and follow-up of these events. All business partners are assessed and the assessment is taken into account in deciding whether to award a new contract.

The difficulty for suppliers to fix prices for an extended period of time in a guaranteed manner is considered to be a relatively significant risk during contract performance, especially in the current world context of changing geopolitical and macroeconomic situations. For this reason, Rīgas satiksme concludes, as far as possible in areas where multiple or regular deliveries are required, general agreements providing for the possibility to submit a quotation for each specific delivery. Otherwise, there is a risk that competition between suppliers will be reduced or that Rīgas satiksme will be called upon to revise the prices set.



Impact of Suppliers on Society

A verification form is completed for each cooperation partner in accordance with the above-mentioned internal normative act and, in cases where the completion of the form identifies a higher risk (e.g. where the country of residence of the owner or member of the board is outside the European Union, the beneficial owner is a politically exposed person or the company has been registered in the last 12 months), a due diligence of the business partner is carried out. In 2023, there have been cases where no contract has been concluded with a potential business partner because the due diligence has led to a recommendation by the risk management specialists not to enter into this business relationship. In such situations, the next tenderer is selected through an equivalent procedure and, if successful, a corresponding contract is concluded.

Employees of Rīgas satiksme have been continuously developing their knowledge through various professional development trainings: The new green public procurement criteria (amendments to the relevant Cabinet Regulations came into force in August 2023) and other public procurement developments, anti-corruption and competition issues, sustainability and management system standards, the Lean method for improving the procurement process, safety data sheets, thus improving knowledge to facilitate more sustainable procurement preparation and improve the quality and efficiency of processes.

For procurements with a contract value of less than EUR 10 000 and therefore not subject to

formal procurement procedures (but in any case subject to an initial market study or a price inquiry), a minimum amount of information is checked on the selected business partner to mitigate risks – i.e. the supplier is checked on the State Revenue Service website for absence of tax arrears. If a debt is found, the contractor is invited to pay it, otherwise Rīgas satiksme selects the next most advantageous tender for the cooperation. In addition, it checks whether the business partner or the type of transaction is subject to any type of sanctions (including those related to the Russian war in Ukraine, and whether the true beneficiaries are Russian nationals).

When concluding a contract, Rīgas satiksme includes a clause stipulating the obligation of the business partner to comply with the Basic Principles of Cooperation with Business Partners, which are published on the website of Rīgas satiksme.³⁴ The Basic Principles require that the business partner complies with the requirements of the legislation in the areas of labour protection, taxation, anti-corruption, etc., as well as undertakes to comply with the principles set out in the Code of Ethics of Rīgas satiksme and to respect the restrictions on the acceptance of gifts by Rīgas satiksme. These Basic Principles apply to the contractor as well as to its subcontractors, if any, and the cooperation partner assumes responsibility for informing them. In the event of non-compliance with these Basic Principles, Rīgas satiksme is entitled to terminate the contract and this is taken into account when considering a new contract if the contract amount does not exceed its internally defined thresholds, from which more formal procedures apply.

New Suppliers that have been Assessed on their Environmental Impact

With regard to the environmental compliance of suppliers, where it is possible to impose green public procurement requirements in accordance with the laws and regulations and the nature of the procurement, Rīgas satiksme imposes such requirements and includes them in the tenderer's qualification requirements, in the tender selection criteria or as requirements in the technical specification. In 2023, the most significant procurements related to environmental impacts were those of different vehicles, e.g. electric vans, electric warehouse transporters, light electric vehicles, and life cycle cost assessments for other light vehicles. Environmental impact requirements were also imposed in the procurement of drinking water, various computer purchases, etc. 6 procurements with such requirements were organised in 2023.

ENVIRONMENTAL IMPACT



Energy-Efficient and Reduced Energy Consumption

Aware of the need to reduce the environmental impact of its business activities, Rīgas satiksme continues to develop its environmental management.

The main areas of environmental activity are improving energy efficiency, maintaining a certified energy management system, waste sorting and reduction, and compliance with environmental protection requirements. In the areas of environmental protection, Rīgas satiksme carries out inspections of hazardous waste records, the existence of hazardous and industrial waste site markings and compliance with other environmental protection requirements.

In the context of the European Green Deal and the resulting environmental requirements and stakeholder expectations for environmentally friendly business, three main environmental blocks have emerged within the Company:

- **Identification and collection of environmental data for the environmental section of sustainability reporting, calculation of GHG emissions and adaptation of related regulations and methodologies within the Company;**
- **Extension of the integrated management system with an environmental management system in line with ISO 14001:2018;**
- **Ensuring day-to-day compliance with environmental legislation – pollution permits, monitoring compliance with them, amending permit conditions as environmental conditions change and other environmental issues.**

The most important events that have taken place in cooperation with controlling authorities in the field of the environment include:

1. In 2023, the State Environmental Service (SES) carried out an inspection of the compliance of trolleybus park No. 2 (Jelgavas iela 37) with the environmental pollution permit. No non-conformities were found and the observations were corrected.
2. Related to the fact that the SES reclassified the hydrogen production and refuelling station (Vienības gatve 6) from category C to category A. In 2023, an application for a category A permit for a polluting activity was prepared and a public consultation organised in accordance with the requirements of the legislation. The category A permit was granted in 2024.



Energy Consumption

Electricity is an essential component for the economic operation of Rīgas satiksme. Public transport services are provided daily by 486 buses, 235 trolleybuses and 113 trams (46 low-floor trams – 35 three-phase and 11 four-phase low-floor trams and 49 double-car sets of old TATRA trams). Trolleybuses use diesel or hydrogen to generate electricity on certain sections of the route, to bypass emergency sites or in the event of a power failure.³⁵



In order to ensure the quality of routine maintenance and repair work on the vehicles, Rīgas satiksme has adequate production buildings, however, due to the fact that some buildings are morally and physically obsolete and insufficient replacement and renovation of equipment and facilities has been carried out until 2020 during the period of change of the Company, their use has an impact on the consumption of energy resources.

Rīgas satiksme has implemented an energy management system (ISO 50001:2018) and has certified it. Methodological recommendations "Methodology for Energy Planning and Analysis" have been developed, which contribute to a uniform approach to efficient use and accounting of energy resources.

Taking into account that the Latvian electricity market is more than 60% covered by electricity generated by hydroelectric power plants³⁶ the overall electricity consumption of Rīgas satiksme is relatively environmentally friendly from the point of view of the origin of the resources.

At the same time, Rīgas satiksme continues its targeted efforts to reduce energy consumption in its operational facilities, thereby reducing its environmental impact. In 2023, energy performance improvement measures and data normalisation or system adjustment for infrastructure facilities and buildings have been carried out to take into account changes in climatic conditions.

Energy performance improvement measures are planned to be carried out in the future, in parallel with larger-scale renovation works in major infrastructure facilities managed by Rīgas satiksme, which are the biggest consumers of energy resources. In 2023, with the grant of the financial institution ALTUM, an energy audit was carried out and the possibility of installing solar panels on the roofs of buildings of Rīgas satiksme was considered. In 2024, the installation of solar panels at Kleistu iela 28 will be completed, thus reducing the amount of electricity purchased for the building and infrastructure at the address.

In 2023, measures have been taken to improve energy efficiency and reduce emissions:

- Renovation of the roof structure and insulation of the slab at Brīvības iela 191, lit. 039, of the administrative building with the area of 409 m²;
- Renovation of the roof structure and insulation of the slab at Ganību dambis 32, lit. 006, of the warehouse building with the area of 483 m²;
- Heat pumps installed at Jelgavas iela 37, lit. 002, with a total capacity of 100 kW, reducing the consumption of natural gas, a non-renewable energy resource, on site;
- Remote control and management was installed for the heating nodes at Kleistu iela 28, Rīga, making it possible to regulate the heating temperature in the buildings;
- A 150 m section of the heating pipeline in Ganību dambis 32, Rīga, was rebuilt, significantly reducing heat losses;
- Energy-efficient LED lighting has been installed in buildings, parks and depot areas of Rīgas satiksme.

ENVIRONMENTAL IMPACT

The level of energy consumption for public transport is directly linked to the number of routes ordered in the context of the Order Agreement.

Over the three-year period, the increase in diesel consumption is due to the increased use of diesel generators on non-electrified trolleybus route extensions, resulting in a 51.58% increase in terms of kilometres travelled. In the bus segment, however, the change in consumption is less significant, with an increase of only 1.94%.

In the commercial transport sector, diesel consumption has fallen by 9.95% over the three-year period. This is due to the reduced use of rental vehicles. By contrast, petrol consumption increased by 9.92% over the three-year period, due to the purchase of new vehicles in preference to hybrids.

Natural gas consumption (2.91 °C in the heating season) has decreased by 25.97% compared to the average consumption in 2021 and 2022 (2.63 °C in the heating season on average), which is due to the modernisation, renovation and insulation of the heating system, setting the heating modes according to the load and type of work in the premises/buildings. The increased mileage of the hydrogen trolleybuses led to an increase in the consumption of hydrogen and, consequently, in the amount of natural gas required for its production. Thermal energy consumption (2.91 °C in the heating season) decreased by 16.61% compared to the average consumption in 2021 and 2022 (2.63 °C in the heating season), which is due to the installation of appropriate temperature modes in buildings to ensure the necessary indoor microclimate to carry out the relevant work.

Energy consumption by Rīgas satiksme in 2023:

	Diesel, l	Petrol, l	Natural gas, m ³	Hydrogen, kg	Electricity, MWh	Thermal energy, MWh
2021	11 631 491	45 086	1 444 034	13 995	54 132	10 475
2022	11 735 699	43 987	1 167 370	8 535	50 489	8 194
2023	12 110 171	48 954	966 578	10 282	51 492	7 784

Electricity consumption for public transport has increased by 1.01% over the three-year period, based on vehicle capacity and kilometres travelled. The tram and trolleybus infrastructure is continuously being improved, reducing energy losses in the network. Electricity consumption for buildings and infrastructure has decreased by 13.93% over the three-year period due to energy performance improvement measures, heating temperature regulation, set-up and changes in employee habits.

Rīgas satiksme operates the only H₂ plant in the Baltic states and provides publicly accessible filling station services to external customers. In addition to the purchased energy, Rīgas satiksme produced 10.28 t of hydrogen in 2023. This is used to run hydrogen-powered trolleybuses on routes where there is no overhead line system.

An external audit of the energy management system has been carried out in 2023. Based on the assessments, conclusions and recommendations of the audit, further actions to improve energy performance have been reviewed and complemented. Internal regulatory documents will be improved.

In addition, more attention is being paid to assessing the energy efficiency class of equipment and collecting this data in procurement and/or renovation planning.

In 2023, the energy management system implemented in Rīgas satiksme was subject to a surveillance audit, which resulted in confirmation of the 2022 recertification audit conclusion that the system meets the requirements of the ISO 50001:2018 standard.



Reduction of Pollution Caused by the Operations



Rīgas satiksme directly impacts and controls the operations at the following objects included in the GHG emission calculation:

- trolleybus park No. 1 (Ganību dambis 32, Rīga);
- trolleybus park No. 2 (Jelgavas iela 37, Rīga);
- tram depot No. 3 (Fridriķa iela 2, Rīga);
- tram depot No. 5 (Brīvības iela 191, Rīga);
- bus park No. 6 (Kleistu iela 28, Rīga);
- bus park No. 7 (Vestienas iela 35, Rīga);
- parking lots (Atgāzenes iela 24A (20), Krišjāņa Valdemāra 5A, Rīga);
- terminals;
- depot No. 4 (Augusta Spariņa iela 1 (Tipogrāfijas iela 1), Rīga).



The report also covers GHG emissions from transport and related infrastructure of Rīgas satiksme:

- trams;
- trolleybuses;
- buses;
- vehicles in the fleet that are necessary for economic activities (e.g. light-duty vehicles);
- hydrogen production (Vienības gatve 6, Rīga).

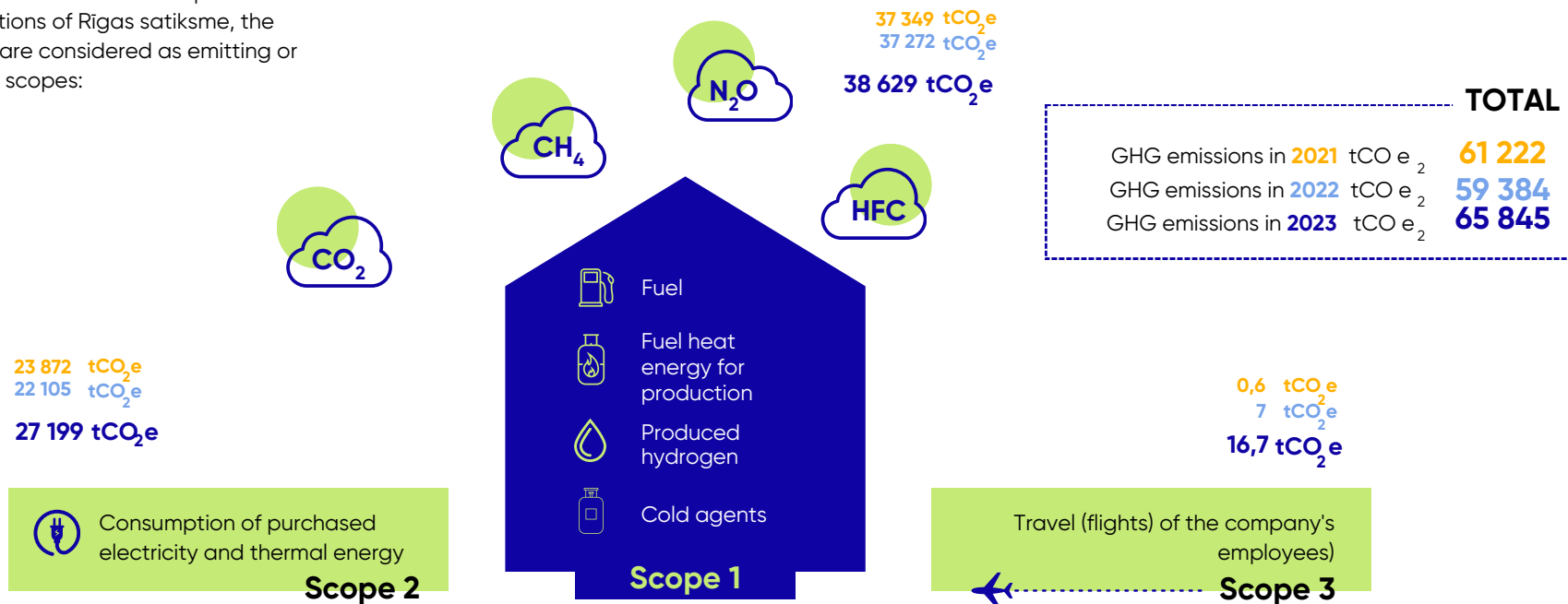
Emissions

The Energy Management System described in the previous chapter provides not only that Rīgas satiksme aims to optimise energy consumption, but also to reduce the greenhouse gas (GHG) emissions resulting from this consumption. Rīgas satiksme has made a detailed calculation of the GHG emissions from its operations in 2023. The calculation has been carried out in accordance with the guidelines of the GHG Protocol, an internationally recognised methodology.³⁷

The GHG Protocol assesses the following GHG emissions that can be attributed to the operation of Rīgas satiksme: carbon dioxide (CO₂) from fossil fuels, methane (CH₄), nitrous oxide (N₂O) and refrigerants (HFCs). To calculate the total emissions at the end of the assessment, all GHGs are converted to CO₂ equivalent (tCO₂e – tonnes of CO₂ equivalent), taking into account the global warming potential (GWP) of each GHG.³⁸

ENVIRONMENTAL IMPACT

According to the GHG Protocol, the GHG emissions of a company are determined at three scopes. In the context of the operations of Rīgas satiksme, the following operations are considered as emitting or contributing to these scopes:



Given the specific nature of economic activity of Rīgas satiksme, a significant part of the GHG emissions in tCO₂ equivalent are **Scope 1** emissions. In 2023, diesel use accounted for 88% of total Scope 1 emissions of Rīgas satiksme and 52% of all GHG emissions of the Company.

The significant increase in tCO₂e emissions in Scope 2 is due to the ratio of electricity supplied (renewable/non-renewable), where the electricity emission factor has increased by 21.16%.

3. The increase in GHG emissions is due to the increase in the number of flights per year compared to previous years.

Bus parks No. 6 and 7 and their infrastructure have a significant share in the GHG emissions structure, which is also in line with the previous energy management analysis of Rīgas satiksme, which identified these facilities as the most significant sources of emissions. This is mainly due to diesel consumption in the bus segment, as well as emissions from vehicle maintenance, washing, painting, repair, diagnostics, etc. processes and emissions from the heating of the facilities concerned.

The next largest source of emissions is the trolleybus segment, where the main source of GHG emissions is electricity consumption.

In the coming years, the emissions of Rīgas satiksme are expected to be reduced by the gradual replacement of vehicles by more environmentally friendly ones, including zero-emission vehicles, as well as by planned investments in the reconstruction and construction of infrastructure, which include energy efficiency improvement measures (thus reducing the consumption of energy resources and hence their emissions) and other measures.

Other Sources of Pollution

In addition to GHG emissions, Rīgas satiksme has identified the following types of pollution from its operations:

- emissions to water;
- noise emissions;
- waste generation and management (this area is not discussed in detail in the Sustainability Report as it is a relatively minor part of the operations of Rīgas satiksme);
- soil pollution.

Emissions to water are caused by domestic, industrial and storm water discharges from the operation of Rīgas satiksme. Rīgas satiksme has a contract with SIA Rīgas ūdens for the discharge of domestic and industrial wastewater into the wastewater system.

In total, Rīgas satiksme discharges an average of 100 thousand m³ of water per year:

Rīgas satiksme Water Consumption 2021-2023			
	Water/sewage (m3)	Rainwater (m3)	TOTAL (m3)
2021	76174,49	19863,41	96037,90
2022	80161,10	20288,73	100449,83
2023	80081,09	20384,20	100465,29

Water and sewerage consumption in 2023 is very close to 2022 consumption, with no significant changes.

In order to improve wastewater disposal and water management, Rīgas satiksme will launch in 2024 development of construction projects to upgrade the external storm, industrial and sewerage networks at two of its objects – Kleistu iela 28 and Vestienas iela 35.



The approach to the further management of industrial wastewater varies depending on the system installed at each specific operational location of Rīgas satiksme.

For example:

- at Vestienas iela 35, industrial wastewater from the washing of vehicles and parts is treated in a local treatment plant before being discharged into the sewerage system. Once the sludge has accumulated in a special tank, it is transferred to the waste management company
- At Brīvības iela 191, local wastewater treatment plants and regeneration of washroom wastewater are planned by reconstructing the tram depot No. 5 production buildings;
- at Kleistu iela 28, a local wastewater treatment plant was installed for industrial wastewater and the wastewater is discharged to two treatment plants. After the initial treatment the wastewater is transferred to a bioreactor, where the produced oils and coolants are discharged into a special storage tank, which is periodically removed for disposal. Wastewater from the Company's cafeteria is treated in a grease trap before being discharged into the centralised sewerage network.

ENVIRONMENTAL IMPACT

For noise emissions

Environmental noise is a form of natural pollution. Noise from public transport is one of the influencing factors³⁹. Public transport traffic is a source of increased noise intensity, especially in the early morning and in the evening when vehicles leave and return to the park area. Most of parks of Rīgas satiksme are located in industrial areas and do not have residential buildings in their immediate vicinity, but the tram depot at Brīvības iela191 is located in an area of the city that has also developed over time as a residential area. Noise impacts during night hours are potentially low as Rīgas satiksme operates on a standby basis at night and vehicle movements are restricted during this time.

The project "Revision of the Action Plan for the Reduction of Environmental Noise of the Riga Agglomeration and Development of a New Action Plan for the Period from 2024 to 2028", commissioned by the Riga City Council Housing and Environment Department, is being implemented, within the framework of which Rīgas satiksme participated in the working group for the development of the action plan.

In implementing the projects to (re)build the rail infrastructure of Rīgas satiksme, the technical solution includes noise abatement elements:

- wooden sleepers, which are relatively good at reducing sound and vibration;
- the rails are constructed using a two-component polyurethane sub-rail decking, which is one of the best sound and vibration damping materials;
- the rails are welded together along their entire length to form a seamless track section, which does not cause additional noise when the rail joints are crossed.

"Quiet" tyres provide a more comfortable ride, and lower noise levels reduce stress for both the passenger and others, making a ride more comfortable. When procuring tyres for public transport, their noise level is one of the criteria to be assessed, and as a result, Rīgas satiksme purchases tyres with an external rolling noise level of Class A.

Today, more than 80% of the city's buses and trolleybuses are equipped with "quiet" tyres. In the coming years, Rīgas satiksme plans to increase the use of "quiet" tyres for public transport, thus contributing to the reduction of noise pollution in the Riga conurbation.



ENVIRONMENTAL IMPACT

Soil pollution

Rīgas satiksme manages two historically contaminated sites – the former gas station site at Kleistu iela 29 and the petrol station site at Vestienas iela 35.

In 2023, SIA Geo Consultants started an environmental assessment of the gas station site at Kleistu iela 29, which is planned to be completed in 2024. The report is to be submitted to the State Environmental Service for to receive remediation work orders and develop a remediation programme.

In 2024, it is planned to procure and select a geological survey partner to carry out an in-depth investigation and update the environmental data on the gas station site at Vestienas iela 35 and to develop a programme of remediation works for the contaminated site in accordance with the environmental assessment.

Waste management

Rīgas satiksme prevents the spread of pollution by storing hazardous waste in separate, leak-proof, appropriately labelled metal containers on a water and pollutant-proof surface. They are handed over to the hazardous waste manager. The amount of hazardous waste transferred in 2023 was 104.3895 tonnes (in 2022 – 170.84 tonnes).



ENVIRONMENTAL IMPACT

One of the priorities of Rīgas satiksme is the gradual replacement of the vehicle fleet with more environmentally friendly vehicles.

On 31 December 2023, vehicle fleet of Rīgas satiksme comprised 880 public transport vehicles (including reserve transport units), including 486 buses (average age 12.23 years), 113 tram cars, 46 low-floor three- and four-section trams (average age 18.84 years) and 235 trolleybuses, of which ten are hydrogen-powered (average age 11.27 years).

In 2021–2023, 111 new buses (incl. 23 of the 35 new electric buses) to replace the partly ageing fleet (Euro 2 and Euro 3 engine buses), and 20 low-floor trams have been taken into service. In accordance with the investment plan for Rīgas satiksme the purchase of buses, including electric buses, and the creation of an adequate charging infrastructure, as well as the gradual renewal of other segments of vehicles, will continue with particular attention to the further development of low-floor trams.

By 2026, with co-financing from the RRF, Rīgas satiksme is expected to additionally purchase 17 new electric buses. The replacement of other vehicles and rolling stock will be carried out gradually, according to the available funding.

Plans for the purchase of trolleybuses are being finalised, but it should be stressed that trolleybuses are environmentally friendly public transport, powered by electricity and do not generate additional exhaust gases in the city. At the same time, 84% of trolleybuses in operation are hybrid vehicles (i.e. capable of running on a diesel generator during certain phases or in the event of a power failure), so that the continuity of public transport services can be ensured even in temporary emergency situations. A study has been launched to renew the trolleybus fleet using the IMC (In Motion Charging) functionality in the existing overhead line system.

The feasibility of introducing more environmentally friendly public transport vehicles is assessed taking into account the potential of the electric transport infrastructure as well as the existing vehicle fleet, its performance and technical capabilities, personnel resources and financial implications.

More Environmentally Friendly, Modern Vehicles



	2021	2022	2023
Buses	403	473	463
Electric buses	0	0	23
Trolleybuses	278	235	235
Low-floor trams	185	46	46
TATRA tram cars		113	113
VEHICLES TOTAL	866	867	880

Average vehicle age, buses	13.9	12	12.23
Average vehicle age, trams	17.6	17.8	18.84
Average vehicle age, trolleybuses	10.2	10.3	11.27

New vehicles taken into service

Buses	0	88	0
Electric buses	0	0	23
Trolleybuses	0	0	0
Trams	18	2	0

ENVIRONMENTAL IMPACT

As regards trams, which are an environmentally friendly type of transport due to the energy they use, great attention will be paid to making public transport more comfortable and accessible for passengers by gradually switching to low-floor trams and adapting the infrastructure accordingly. Currently, 46 low-floor trams is used to carry passengers.

Thus, progressively and according to the available funding, more and more environmentally friendly public vehicles will be purchased in the future, ensuring environmental accessibility in tram transport and a higher level of comfort for all passengers. Increasing the share of zero-emission vehicles will reduce the CO2 emissions of the transport fleet of Rīgas satiksme in the future.

Rīgas satiksme has started work on the replacement of the fleet of utility vehicles with zero-emission vehicles, as the renewal of the vehicles and equipment in question was necessary due to their physical deterioration, their further operation and repair costs have become uneconomical, and this will lead to an overall reduction of environmental pollution and consumption of fossil energy resources. The first zero-emission vehicles (vans) were delivered in January/February 2024. The new vehicles will improve the daily lives of staff and the quality of the work they do in different areas – maintenance of public transport infrastructure, cleaning of sites, transporting goods, etc.

The procurement for the purchase of light zero-emission vehicles has been finalised, with deliveries scheduled for 2024/2025.

The Energy and Climate Action Plan for 2030 of Riga State City reflects the distribution of energy consumption in the main sectors in 2020, with public transport accounting for 2%. Reducing energy consumption, improving energy efficiency and increasing the use of renewable energy sources are key ways in which Riga can sustainably move towards climate neutrality. Although public transport produces CO2 emissions, specific energy consumption and CO2 emissions per passenger-kilometre are much lower than for private cars, which is why the development and accessibility of public transport is also a priority.⁴⁰



IMPACT ON SOCIETY



IMPACT ON SOCIETY

Services Provided by Rīgas satiksme

The social impact of Rīgas satiksme should be assessed in terms of employment, public transport service provision and quality requirements. Rīgas satiksme is one of the largest employers in the country. Although the number of employees has decreased in recent years and the downward trend is linked to organisational and economic changes in the Company, through various efficiency measures, several thousand employees and their families are directly affected by Rīgas satiksme.

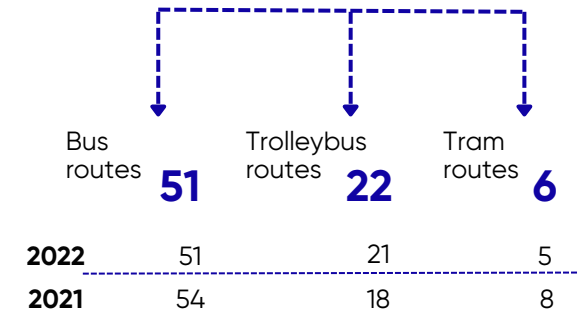
Given the competence of Rīgas satiksme in providing public transport services, representatives of the Company participate in discussions with representatives of the Local Government of Riga State City, as well as other involved institutions (e.g. Ministry of Transport, VSIA Autotransporta direkcija, Pierīga municipalities, etc.), and advise the Local Government of Riga State City on issues related to the mobility of the population and the development of the city infrastructure.



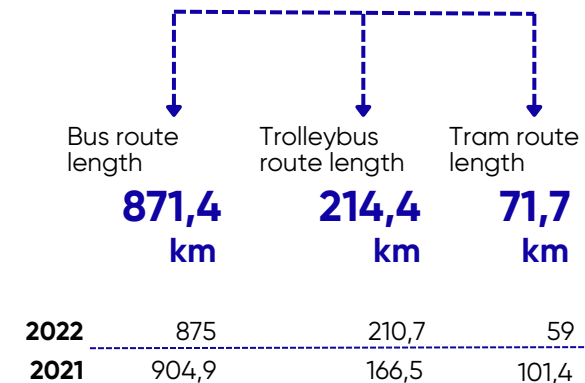
	2021	2022	2023
Proposals submitted to the Riga City Council's Department for Spatial Planning and Mobility	16	95	19
Proposals introduced	-	34	15
Cycle parking stands	48	44	64



Number of routes in 2023 **79**



Length of routes in 2023 **1157,5 km**



Promoting Mobility, Development and Optimisation of the Public Transport Route Network

The service of Rīgas satiksme, including route planning, provision of public transport services and mobility development, is organised in accordance with the Riga City Council's order, balancing the transport volume with the funding possibilities provided in the Riga City Council's budget for the execution of the order. Rīgas satiksme also receives suggestions from citizens, passengers and institutions regarding changes to the route network (the need to introduce more departures, create additional stops, extend or change routes, create new routes, change departure times, provide higher capacity vehicles, etc.) – the suggestions received are considered and evaluated accordingly.

Resource-efficient route and capacity planning is based on data analysis. Public transport vehicles of Rīgas satiksme are equipped with equipment that provides valuable information on daily traffic. For example, the automatic passenger counting system provides data on passengers boarding and disembarking at a stop and on cabin occupancy, GPS data provides information on the actual trip times, and electronic payment system data provides information on passenger flow and travel behaviour. Based on this information, possible changes to the route network and timetables are assessed by evaluating passenger needs and the most economically efficient solutions.

The key challenges for public transport services in 2023 were to respond in time to the increase in passenger flows in order to provide and improve the service within the allocated funding and to facilitate a faster return of passenger flows. Other major challenges were caused by the shortage of driver resources, large-scale infrastructure reconstruction and development projects in Riga City (Rail Baltica project and adjacent infrastructure, reconstruction of tram routes No. 5 and 7, construction of the Brasa overpass, construction of the Eastern Motorway, construction of the Ķekava bypass, etc.), as well as the XXVII Latvian Song and XVII Dance Festival in July 2023.

In line with the available funding, in order to align timetables with changes in passenger flows, changes were made to timetables both in the summer season, with an increase in the number of services to bathing areas and allotments in Riga, and in September, when the school year starts, the holiday season ends and the number of public transport users increases significantly.



Key changes to public transport services in 2023:

- Changes to a number of routes related to ongoing infrastructure reconstruction works in the city, such as the closure of traffic under the Dzirnāvu iela overpass, under the Prāgas iela overpass (Rail Baltica), reconstruction of the intersection of 11. novembra krastmala and 13. janvāra iela, tram tracks and stops reconstruction project in Slokas iela, intersection of Slokas iela and Kalnciema iela, bus transport organised in part of the route within the reconstruction of tram routes No. 5 and 7, etc.;
- Changes to public transport timetables to coincide with events such as the World Running Championships, Lāčplēšis Day celebrations, the proclamation of the Republic of Latvia, etc.;
- Additional routes and changes in public transport in July 2023 in connection with the XXVII Latvian Song and XVII Latvian Dance Festival;
- Trolleybus route No. 1 has been restored from 2 October, running on weekdays;
- From 21 November, changes to trolleybus route No. 9, rerouting it along Slokas iela and reducing the travel time towards Ilģuciems;
- From 27 December, changes to bus routes No. 13, 20, 58 and 63 due to the opening of the Eastern Motorway;
- Public transport ticket prices and ranges were changed as of 31 December 2022. Until then, there were 135 different ticket types in the system, many of which were used by a small number of passengers. This range of tickets was very complex and costly to administer, so 41 types have now been introduced, significantly reducing the administrative resources needed to service them. To encourage passengers to use public transport regularly, monthly ticket prices have been substantially reduced, with a monthly ticket for all public transport types now costing EUR 30 instead of EUR 50. A new type of ticket, the 90-minute ticket, was also introduced, priced at EUR 1.50 for all passengers and replacing the existing one-trip and one-hour tickets. Passengers who benefit from the Riga City Council's ticket discounts (e.g. students, teachers, etc.) will now be able to buy a monthly ticket for EUR 15 for all types of transport instead of the previous EUR 16. As of 31 December 2022, working old-age pensioners can travel for free on Riga's public transport.



IMPACT ON SOCIETY

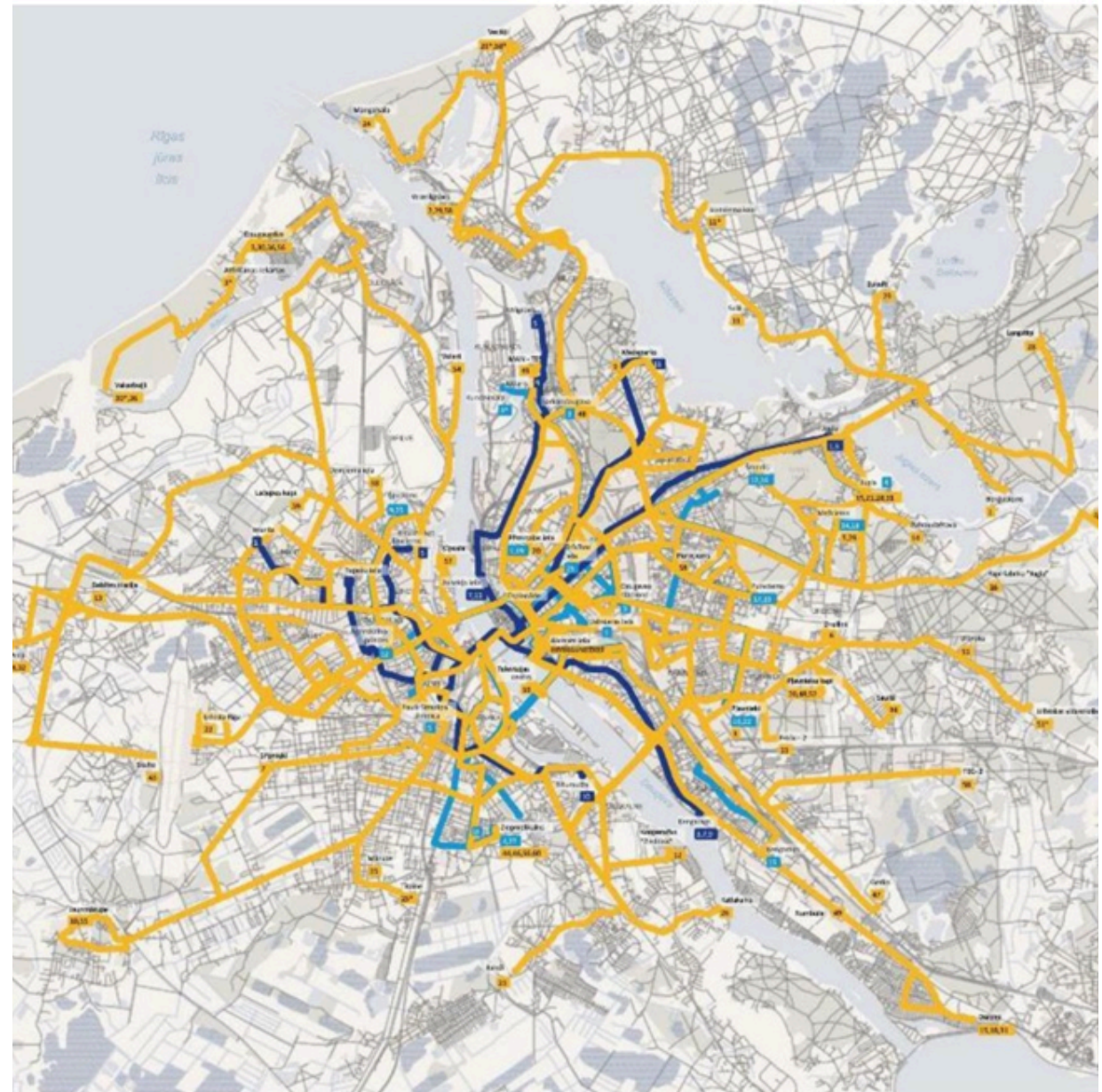
In 2023, there was a slight increase in the total length of the route network **from 1144.7 km to 1157.5 km (by around 1.1%)**.

In line with the changes in the route network described above, **at the end of 2023, Rigas satiksme serviced a total of 51 (0) bus routes with a total length of 871.4 km, 22 (+1) trolleybus routes with a total length of 214.4 km and 6 (+1) tram routes with a total length of 71.7 km.**

70% of the routes provide connections from Riga's neighbourhoods to the city centre, including inter-neighbourhood connections within the route. 18% of the routes connect different neighbourhoods outside the city centre (e.g. bus route No. 15 Jugla – Pļavnieki), while 12% provide connections between more distant neighbourhoods via the city centre (e.g. bus route No. 3 Daugavgrīva – Pļavnieki). In order to avoid duplication of routes, it is planned to examine the possibility of creating trunk routes with interchanges to ensure the most rational transport planning and mobility of the population and to relieve the city centre from excessive traffic.

Such a change would require municipality government investments to create mobility (interchange and passenger exchange) points. In order to ensure that the changes to the route network are based on international best practice, it is necessary to carry out a comprehensive study of both the current situation and examples and best practice in other parts of the world where changes of this scale have been made to the route network. In 2023, Rigas satiksme, together with other Riga State City institutions responsible for mobility in Riga, co-worked within a working group established by the City Development Department of Riga City Council to develop a technical specification for the procurement announced in September 2023 as a first step towards large-scale changes to the route network.

Riga Municipality Limited Liability Company (SIA) Rigas satiksme public transport route network.



— Bus routes

— Trolleybus routes

— Tram routes

IMPACT ON SOCIETY

Rīgas satiksme is also involved in discussions and participates in working groups established by the Riga State City on the development of mobility solutions in Riga and the wider area, including seeing both challenges and opportunities for public transport development in the context of the Riga Development Programme 2022–2027 and the measures envisaged in the Riga Metropolitan Area Development Action Plan (including closer integration of the Riga Metropolitan Area in terms of transport connections and inter-institutional solutions developing interaction between different types of passenger transport), as well as the possible establishment of a low emission zone in the Riga State City.

Rīgas satiksme has already prepared a detailed proposal, which has been presented to the stakeholders, to improve public transport provision in Mārupe, Ropaži and Ķekava Municipalities, both in the directions where bus routes of Rīgas satiksme already run, and to develop new connections. Rīgas satiksme has continued to be open to dialogue and to communicate with the State Joint Stock Company (VSIA) Autotransporta direkcija and the municipalities on the development of public transport.

In order to enhance the competitiveness of public transport and increase its speed, Rīgas satiksme is making proposals to the Riga City Council Department for Spatial Planning and Mobility on the necessary improvements to public transport lanes, traffic organisation changes, as well as the wider use of smart technologies to ensure priority for public transport in traffic light signal timetables. In 2023, 19 proposals were submitted by Rīgas satiksme, of which 15 have already been implemented, 4 have been supported and will be implemented in the near future. The most important improvements to promote public transport priority are public transport lanes on A.Deglava iela from Ilūkstes iela to Daugava Stadium, on Zolitūdes iela from Gramzdas iela to Rostokas iela, on Lubānas iela for the left turn to A.Saharova iela.

There are also plans to develop a unified transport ticketing, electronic payment and passenger tracking system at national level to ensure the most efficient planning and a more convenient service for the end customer, whatever their chosen type of mobility.

The development of both mobility points and ticketing and accounting systems is linked not only to improving the efficiency of intermodal transport of Rīgas satiksme, but also to the potential development of cooperation with other types of passenger transport, such as rail and regional bus services.

In the context of the establishment of six mobility points (Zemitāni, Sarkandaugava, Dauderi, Ziemeļblāzma, Šķīrotava and Bolderāja) planned by the Local Government of Riga State City within the framework of the RRF, where the electric rail link with the city public transport is to be ensured and developed, Rīgas satiksme plans to purchase 17 electric buses by June 2026 under the project “Emission Reduction in Riga City

Public Transport Services” to serve the individual mobility points.

Rīgas satiksme continues to work actively on the implementation of better data analysis and visualisation tools, which will enable the integration of ticket system data with GPS, automatic passenger counting system (APS) data in a single data stream, thus providing opportunities to perform comprehensive analysis of passenger movement data, including analysis of necessary changes in travel times, number of departures to ensure the desired passenger load on an automated level. The data analysis tool is expected to identify major discrepancies between the Automatic Passenger Counting System and ticketing system data, thus allowing more efficient planning of the work of transport ticket controllers. In 2023, an analysis of the systems involved was carried out and in 2024, the software for a single data visualisation and analytics tool is planned to be purchased.



IMPACT ON SOCIETY

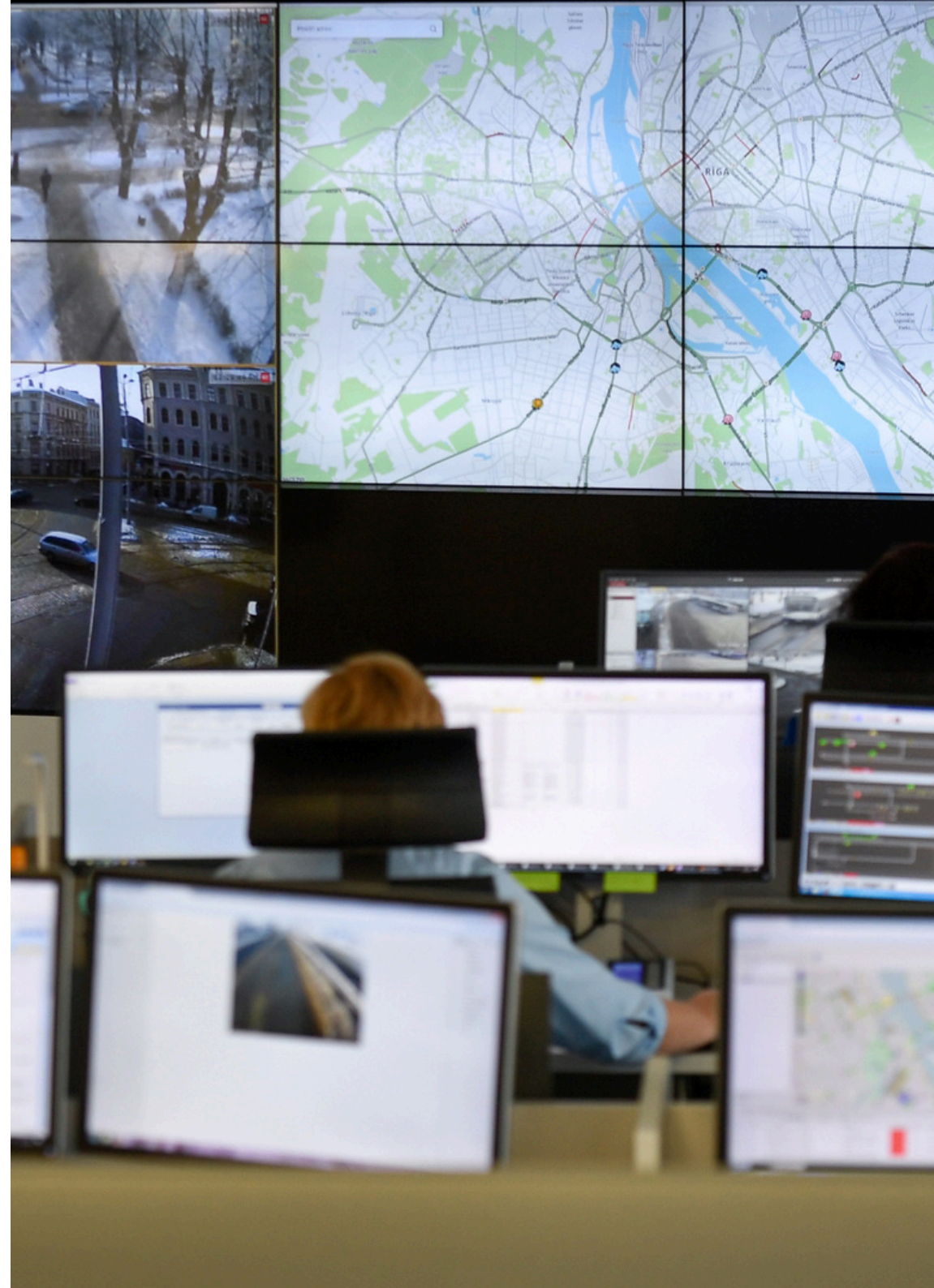
At the end of 2023 (from 22 December), electric buses were started to be used on the route network, and will be increasingly used on different routes. After data extraction and analysis, the most efficient scenarios for their use in the route network will be evaluated.

In 2023, improvements to the existing Mobis work planning software for public transport drivers have been launched and a new PIKASFLEET system has been launched, providing online display of vehicle location and route movements, rapid communication with the driver, alarm management from the public transport driver, historical data storage, automated reporting on completed and uncompleted journeys.

In 2023, remote monitoring of public transport movements from the control centre has been significantly expanded by closing five control points (Daugavgrīva, Iļģuciems, tram terminus, Pētersala, Zolitūde, Mežaparks), thus reducing the number of posts by 18. Instead, upskilling training was provided and 1 new post with 2 post units was created in the control centre.

In 2024, low-floor trams are planned to start operating in the directions of Ķengarags and Iļģuciems, with changes to the tram route network to allow low-floor trams to operate in directions where there is suitable infrastructure for their operation.

In 2024, it is planned to assess scenarios for the development of the route network, with a view to developing infrequent routes serving less densely populated areas to interchanges based on the connecting route principle, thereby improving their frequency and offering passengers better public transport provision.



IMPACT ON SOCIETY

In 2024, it is planned to carry out a study of the situation and to develop proposals for the introduction of uniform route numbering in the Riga city public transport route network to ensure that route numbers do not overlap, regardless of the mode of transport.

In 2024, a unified control centre concept is planned, assessing the need for other control centres and the possibility of providing fully remote traffic monitoring.

Rīgas satiksme is also already making additional improvements to facilitate the change in mobility habits of the residents, as ordered by Riga City Council – for example, 64 bicycle sites have been created at the bus park No. 6 at Kleistu iela 28, the bus park No. 7 at Vestienas iela 35, the terminals, Āgenskalns Market, Krišjāņa Valdemāra iela and elsewhere in the city, where a total of 247 bicycles can be parked (in 2022 – 208).

Accessible and Good Quality Public Transport

An efficient public transport service requires not only an optimal route network that meets the needs of the population, but also high-quality vehicles that are accessible to different groups of people. Investments in more environmentally friendly vehicles also help to improve the quality of the vehicle fleet of Rīgas satiksme and the accessibility of the public transport service to its users.

In 2023, 94% of the total number of public transport vehicles in operation was adapted for persons with functional disabilities, pregnant women and persons with young children (including pushchairs). On trolleybus and bus routes, 100% of public transport is adapted to these requirements. On tram routes, 48% of the vehicles have this option, which is due to the fact that work on the introduction of low-floor trams is ongoing, while the old model trams are not technically adaptable to passengers with special needs.

	2021	2022	2023
Applications received (number)	180 815	156 944	162 832
Type of applications received, by telephone (%)	85.3	85.2	81.6
Type of applications received, electronically (%)	12.9	13.4	15.5
Type of applications received, customer service centres of Rīgas satiksme (%)	-	-	2.3
Type of applications received, social networks (%)	1.8	1.3	0.6
Type of application – question of an informative nature (%)	90.5	90	91
Citizens' proposals (%)	0.6	0.6	0.6
Complaints or claims about the service received, shortcomings (%)	8.5	4	8
Registered claims (number)	1 727	2 232	2 199
Justified claims (number)	537	1 313	1 193
Justified claims (%)	31	59	54
Acknowledgements (number)	637	642	718
Issued cards (personalised, e-talons, Riga resident, student, companion cards) (number)	62 698	87 543	101 159

Assessment of the Services of Rīgas satiksme

Rīga City Council and Rīgas satiksme conduct surveys of residents of Rīga to obtain an assessment of the quality of services provided and related aspects. The results of the 2023 Rīga City Council survey show that 69% of Rīga residents⁴¹ who have used public transport at least once a week or more in the last year are satisfied with the service provided.

As positive aspects of public transport and the services of Rīgas satiksme, respondents emphasise the availability of information on vehicle movements and timetables, the range of ticket types available, the network of public transport routes, the possibility of purchasing e-tickets, the level of comfort and cleanliness of vehicles, the driving culture of drivers, the level of heat/air conditioning according to weather conditions, the work and attitude of controllers, and the cleanliness of the transport stops.



At the same time, respondents point to the need to address situations where people are travelling in dirty or smelly clothes or are aggressive towards other passengers, vehicle overcrowding (crowded transport) and aggressive driving styles of drivers as potential areas for improvement. Taking into account that some positive and negative aspects overlap (e.g. drivers' behaviour and driving culture), it can be concluded that respondents' opinions are subjective, based on personal experience, but Rīgas satiksme pays attention to these aspects, organises training for employees and takes other measures to prevent such situations.

In particular, Rīgas satiksme has developed a public transport driver's handbook describing the basic principles of communication, problem solving, road traffic rules and driving culture, etc., and all drivers are familiarised with this handbook. In 2023, the project "Improvement of Driving Skills of Drivers" was launched, where public transport drivers have the opportunity to undergo a practical driving skills development programme.

In addition to the surveys, Rīgas satiksme also provides a daily opportunity for all residents to contact the Company in case of questions or suggestions. In 2023, Rīgas satiksme received 162 832 customer requests (in 2022 – 156 944), of which 81.6% were received by phone, 15.5% were received electronically, 2.3% were submitted in customer service centres of Rīgas satiksme and 0.6% were sent via social networks (Facebook, X). In 91% of cases, customers ask questions of an informative nature. In 2023, there was a 4% increase in customer applications compared to 2022, due to the reform of the ticketing system in 2023 and changes in the range and prices of tickets, which led to customers applying for refunds for unused tickets at the pre-set price.

As for residents' proposals, which account for 0.6% of the total volume of applications, the largest share (66%) is related to possible changes in the route network and the availability of information on public transport delays.

In 8% of all applications received, customers have made a complaint or claim about the service they received or reported a shortcoming. The most common issues reported by customers are malfunctions of parking ticket machines, issues related to the purchase or use of tickets, and the driving culture of public transport drivers. All applications have been forwarded to the responsible departments for evaluation and improvement of the service quality.

In 2023, 2 199 complaints (in 2022 – 2 232) were registered for the service provided. After their examination, 1 193 (54%) were found to be justified.

Customers have appreciated the service provided by Rīgas satiksme and the work done by its staff and expressed their gratitude 718 times (in 2022 – 642 times), 74% of them for customer service, most of them to public transport drivers.

In 2023, the number of issued cards (personalised, resident's, student, companion cards) is high compared to other years – 101 159. This is due to the fact that 10 years have passed since the first residents' cards were issued, which is also the card's validity period.

In 2024, the customer service centre on Spīķeru iela will be relocated to Rīga Central Station – the shopping centre "Origo", where customer service will be provided all days of the week, including Sundays and public holidays.

Development of E-services

In order to enhance customer experience, improve internal accounting and data analysis capabilities, as well as to enable the future development of new mobility services and opportunities, Rīgas satiksme, working on its medium-term operational strategy until 2027, has identified the digitisation of processes and participation in the state-built Unified Public Transport Ticketing System (VBN IS) as two of the most important strategic challenges. The objectives also include opening up the data held by Rīgas satiksme to facilitate the introduction of new derived services – including for the mobility of the wider public and the display of real-time transport movement information in various passenger information systems.

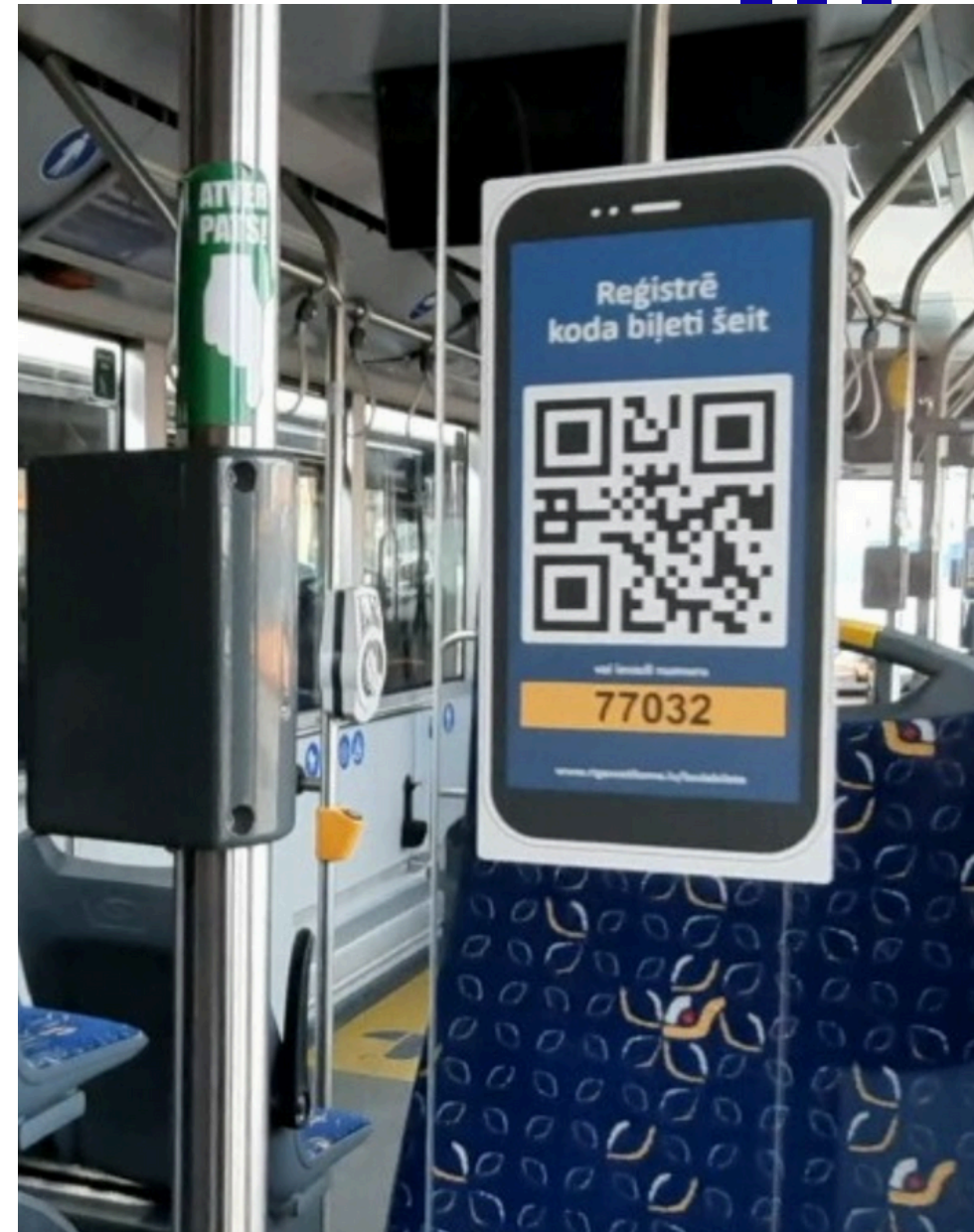
Work continues on the real-time boards at Riga's public transport stops, so that in 2024 they will show customers real-time data received from the GPS devices of the vehicles. Real-time data will show the actual arrival time of the vehicle – this will be a precisely calculated time based on the location of the vehicle. In 2024, 23 e-ink based stop boards will be deployed, replacing the non-energy efficient LED stop boards which cannot display real-time arrival data. Real-time information will also be posted in other publicly accessible locations (e.g. the airport, customer service centres).

Open data is information that is freely available and can be used without restriction and with available applications.

Rīgas satiksme publishes monthly public transport route and timetable lists (GTFS txt format) and e-talon registration data. [42](#)

In 2021, in line with the concept⁴³ of a public transport ticketing and service payment system, Rīgas satiksme announced a market study for the introduction of a new electronic travel accounting and ticketing system in Riga. The public transport ticketing system concept was reviewed, resulting in a decision not to proceed with the procurement of a new public transport ticketing, electronic payment and service management system until 2024, but to focus on the development of a code-based ticketing system.

Code tickets which enable the customers to pay for the ride using their smartphones in an online mode, using the mobile app, as a payment method work alongside and complement the existing e-ticket system, making everyday life easier for passengers who may not plan their travel in advance or who are more used to paying by smartphone. Code tickets can be purchased on the Rīgas satiksme, Mobilly and Narvesen mobile apps. Since its introduction, the number of code ticket users has been steadily increasing, **with the number of code tickets purchased at the end of 2023 exceeding 700 000 tickets on average per month.**



Customer Safety

In terms of customer safety, Rīgas satiksme distinguishes between two key safety aspects:

- **physical safety**, including the safety of passengers while in the vehicle, and road safety when interacting with Rīgas satiksme vehicles on the street;
- **personal data safety**, mainly related to the processing of customer applications and the processing of customer data in information systems (e.g. when accepting applications for personalised smart cards, ticket discounts, handling calls or e-mails with customer complaints or suggestions) (see Section S.4.).

As regards **physical safety**, in 2023, 99% of the total number of public transport vehicles were covered by video surveillance in accordance with the policy document "Video Surveillance Policy" ⁴⁴, with signs indicating video surveillance in the vehicles. Only eight Ikarus RABA E91 buses, which are not used on regular passenger transport routes, are not equipped with video surveillance.

At the end of 2023, online video surveillance and analytics were introduced on all vehicles of Rīgas satiksme, including the operational involvement of dispatchers. In 2024, it is planned to improve and modernise the information systems of the low-floor trams and Solaris into a single management system.

Video surveillance thus helps to ensure the protection of the property of Rīgas satiksme, the safety of persons and order in vehicles, compliance with procedures, and helps to mitigate the risk of corruption and high-level risks.

In 2022, the Control Unit's controllers underwent an equipment replacement aimed at future technological development. Controllers use a phone with an application that allows them to check the QR code of the ticket, issue a receipt or invoice for the payment of the fine and allow cashless payment of fines without a POS terminal. The video cameras at the disposal of the employees help to create a sense of security for both the user of the public transport service and the controller. In 2023, the portable POS terminals have been completely phased out and replaced by new video recorders (88 video recorders in total).



IMPACT ON SOCIETY

In 2023, the printers used by the Control Unit were gradually replaced by newer, smaller and more user-friendly models (110 new printers in total). Printers are used for printing fine slips, they are more modern, lighter, smaller and more convenient for the controller to carry around in his daily work. As part of the streamlining and digitisation of daily processes, the paper "Daily Work Report" will be discontinued and will be filled in via an app.

In 2023, 37 047 fines were issued, which means 1 836 stowaways less than in 2022, when 38 883 passengers were fined for travelling without a ticket on public transport.

In 2023, the Control Unit had about 76 employees, the work was divided into 21 control sectors, with controllers checking 675 transport units per day.

The physical safety of customers can also be affected by road accidents involving the vehicles of Rīgas satiksme. The total number of such accidents has not changed significantly in the last five years. In 2023, 1 132 road accidents (in 2022 – 1 219) involving the vehicles of Rīgas satiksme were recorded. It should be noted that in only 19.52% of cases was the accident caused by the driver of a vehicle of Rīgas satiksme – most often due to failure to observe manoeuvring rules, distance and weather conditions. Rīgas satiksme assesses such accidents and, if necessary, provides drivers with repeated or additional training and other measures to improve their ability to react in non-standard situations and to respect other road users, including drivers, cyclists, pedestrians, etc.

Every year, Rīgas satiksme also analyses the proportion of accidents caused by public transport drivers per million kilometres travelled, which is 5.97 in 2023 (4.56 in 2022).

At the same time, Rīgas satiksme has developed a Support Programme for victims of public transport accidents,⁴⁵ which is available on the website of Rīgas satiksme. Under this programme, victims are provided with a professional psychologist free of charge. Customers can provide information about accidents or other circumstances related to the safety of customers through the communication channels established by Rīgas satiksme – the application form on its website or the information line (+371) 20361862.

Civil Protection

Continued improvement of security systems improves the safety of employees and the traffic environment in Riga. An example is the installation of the new Automatic Fire Detection and Alarm system in bus parks No. 6 and 7, which provides centralised control, thus reducing the response time to identify the origin of a fire. In 2024, the fire safety system in tram depot No. 5 will be rebuilt, and then in all other parks.

In connection with the purchase of electric buses for Riga State City and the construction of electric charging infrastructure at Riga traffic facilities, additional safety measures will be taken in 2024 to reduce the risk of ignition.

Improvements to access, security and video systems are also being considered. The systems are built to operate in automatic mode, thus eliminating the human error factor when a security guard fails to notice unwanted persons or vehicles entering the facility.

As part of the development of the above safety systems, solutions are being sought to integrate them into a single common management system. The modernisation of security systems has led to a significant reduction in the number of guard posts. Rīgas satiksme has created a new position of Security Dispatcher, whose duties include monitoring the situation and managing security incidents at the facilities and public transport of Rīgas satiksme on a 24/7 basis. All security systems (CCTV, security and access control) are to be automated over the next three years. By 2023, security systems have been upgraded and automated at 11 termini, with work continuing at 7 more termini in 2024.

In today's stressful times, civil protection issues have also come to the fore. To raise staff awareness of civil protection issues, monthly information material will be sent to staff emails explaining what to do in an emergency. In order to involve all employees in fire safety issues, an e-learning module is planned to be introduced and all employees of Rīgas satiksme trained and tested in 2024.

At management level, two civil protection exercises will be carried out during the year. The first exercise will be a theoretical emergency (table-top exercise), while the second will be a practical military exercise "Namejs", involving a crisis situation at Rīgas satiksme.

Privacy and Information Security

Customer Data Protection

In the area of personal data protection, Rīgas satiksme has developed internal regulations and implemented processes that comply with the requirements of the General Data Protection Regulation, including a Customer Privacy Policy ⁴⁶ that defines the possible objectives and purposes of processing personal data in Rīgas satiksme and the justification for such processing.

Rīgas satiksme has two Data Protection Officers who are registered on the State Data Inspectorate's list of Data Protection Officers and a Personal Data Processing and Protection Group which collects information on data protection incidents, potential data protection risks, assesses them and determines appropriate measures. The most significant risks identified in the operation of Rīgas satiksme are accidental disclosure of personal data, loss of personal data, as well as unauthorised access to personal data. Such risks apply to the processing of both customer and employee data.

Having assessed these risks, a number of improvements have been made to the data processing and protection processes in order to mitigate the likelihood of incidents.

For example:

- educating the staff involved in data processing;
- improving data protection in the employee self-service portal "UKV" by reducing the amount of data processing and the duration of data retention;
- improving the staff rostering system by developing a solution for sending individual work schedules in accordance with the data minimisation principle;
- developing privacy notices, including in the context of alcohol testing;
- reviewing data processing procedures by introducing new or improved measures;
- reviewing and updating key data processing agreements;
- identifying and preventing disruptions to the information system involving the processing of personal data by further use of data encryption. This is essential as Latvian cyberspace has been experiencing intense denial of access or DDoS attacks since the beginning of 2022, resulting in additional focus on business continuity. An independent connection has been established in Rīgas satiksme to ensure independent data connectivity during DDoS attacks and the continuity of information technology services and interconnections. At the same time, there is an active transition to more modern information technology solutions and two-factor authorisation has been introduced, which has significantly reduced the possibility of unauthorised access to the Company's information technology resources. In 2022, a significant upgrade of the competence of information technology specialists was carried out, which will help to further detect and prevent anomalies that may affect the security of information systems.

In 2022, Rīgas satiksme had received an information request from the Data State Inspectorate on employee data processing for two data processing processes, provided the necessary information, and in May 2023 received remote consultation on possible solutions to improve the employee self-service portal "UKV", made improvements, but the verification process has not been fully completed.

In 2023, the Data State Inspectorate opened a case regarding the processing of personal data by Rīgas satiksme in connection with the sending of reminders about outstanding debts for the use of Riga City Municipality paid parking. The Data State Inspectorate has closed the inspection case and called on Rīgas satiksme to improve certain data processing processes. Rīgas satiksme has improved the evidence checking process to assess the veracity of customer data and to identify customers having been issued incorrect post-paid notices more quickly, thus cancelling the incorrect notices. In addition, a procurement is underway for the development and implementation of a new Parking Management System, which also includes the reading of plate numbers via an app (in addition to manual registration) for the payment control process, as well as the drafting of a new version of Riga City Council's binding regulations.

In 2023, Rīgas satiksme sent to the Data Protection and Information Technology Security Centre of the Riga City Council (hereinafter referred to as the "DAITDC") a self-assessment questionnaire (hereinafter referred to as the "questionnaire") on the functioning of the data protection system for natural persons and additional information on the questions asked, as well as received recommendations for improvement of the functioning, which it has partially implemented in 2023 and plans to implement also in 2024.

No requests from the Data State Inspectorate have been received in relation to the processing of customer data. But we have received some requests for information on the processing of customer data, which have not identified any data breaches, but have provided the customer with information that complies with the General Data Protection Regulation.

In order to promote responsible attitudes in personal data processes and to increase the data protection culture in the Company, the "Data Protection e-Learning School" activity was relaunched at the end of 2022 and was continued at the beginning of 2023, where one topic on data protection is sent once a week to Rīgas satiksme e-mail users and as a message on the employee self-service portal UKV, and info graphics are added to make the topics easier to understand.

EMPLOYEES



EMPLOYEES

The main asset of Rīgas satiksme is its employees, who support the Company's day-to-day business processes, and therefore the Company is responsible for the safety, health and well-being of its employees, promoting employee satisfaction and loyalty, while also contributing to the growth and sustainability of Rīgas satiksme.

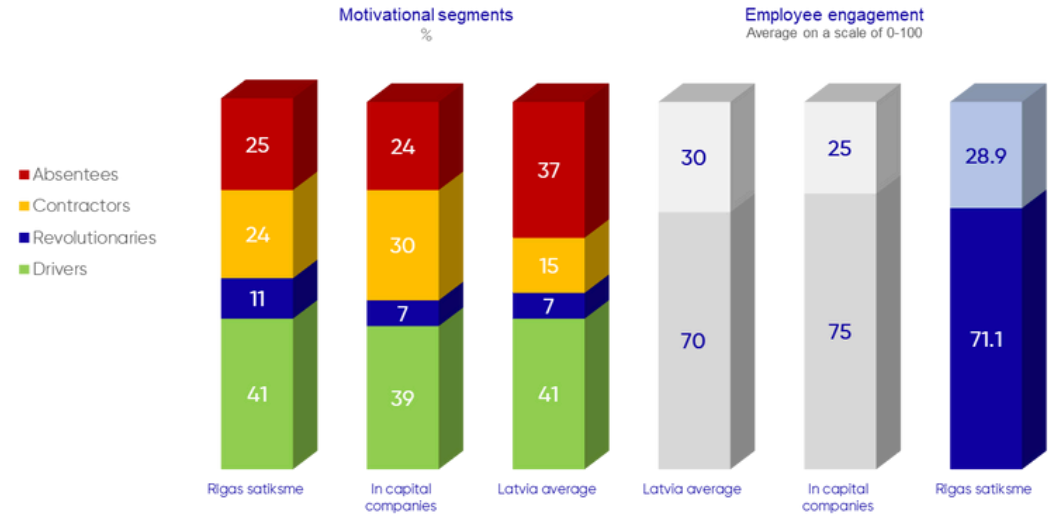
Employees of Rīgas satiksme are of different ages, genders and nationalities. The average age of employees is 51.61 years, the average length of service in the Company is 14.23 years, the longest length of service – 56 years, therefore the issue of generational change and attracting new specialists is becoming more and more important. The development of the Company requires modern solutions and digital skills to implement and use these technologies, so Rīgas satiksme cooperates with the Riga Technical University Development Fund, attracting new trainees for other vacancies.

Rīgas satiksme has a collective agreement with three trade unions (one collective agreement with all trade unions, which applies to all employees of Rīgas satiksme, regardless of whether they are members of a trade union).

The Company considers it important to involve employees in the assessment of the Company's processes, and employee satisfaction and level of engagement is regularly surveyed at Rīgas satiksme. The Company's employee engagement score is 71.1 (employee engagement and satisfaction survey conducted in 2023).

	2021	2022	2023
Workplace risk assessment protocols	264	248	228
Protocols for reassessment of the working environment after accidents at work	18	29	39
Reports on occupational diseases from the State Labour Inspectorate	39	24	29
Accidents at workplace	25	35	45
Average of the last five years	27	30	33

Employee engagements of Rīgas satiksme



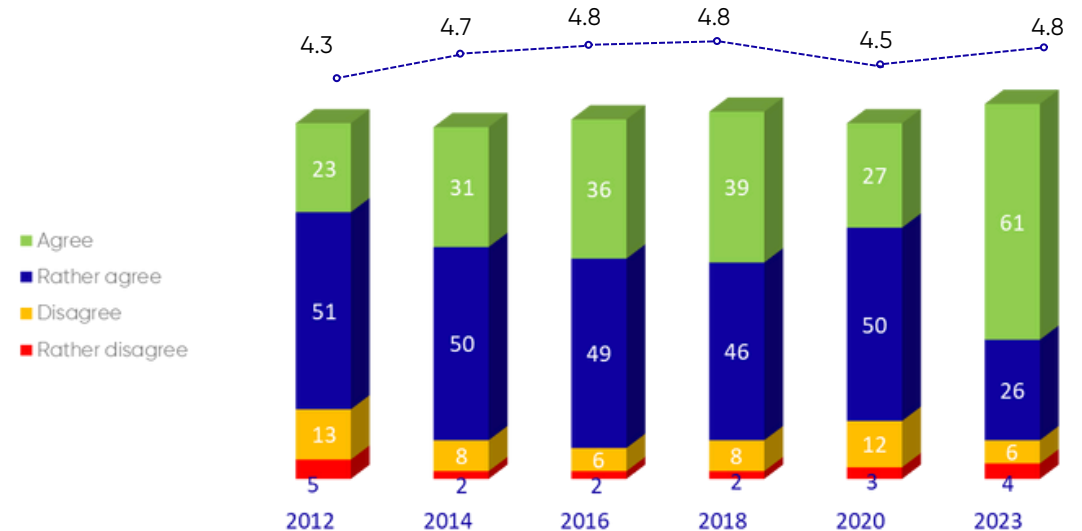
87% of employees have an overall positive attitude towards the performance of Rīgas satiksme

Performance evaluation of Rīgas satiksme

2023: I have a positive overall opinion of the performance of Rīgas satiksme. 2012-2020: How do you assess the performance of Rīgas satiksme in general?

Average on a scale of 1-6

Breakdown of responses, %



2023: Scale: 1 Strongly disagree; 2 Disagree; 3 Somewhat disagree; 4 Somewhat agree; 5 Agree; 6 Strongly agree. "No rating" is not reflected.

Occupational Health and Safety

Given the specific nature of operations of Rīgas satiksme and the technical sectors represented in the Company (including driving, maintenance, repair, etc. of public transport vehicles), in order to prevent accidents and occupational diseases at work, a high level of responsibility for compliance with the principles of labour protection, as well as for ensuring an inclusive, equal and fair working environment, play an essential role in the planning and organisation of daily work.

The assessment of risks and measures to improve the working environment are carried out by the Occupational Health and Safety Department of Rīgas satiksme.

The occupational health and safety system of Rīgas satiksme is certified in accordance with ISO 45001:2018 and, in accordance with the Integrated Quality, Occupational Health and Safety, Energy Management and Environmental Policy of Rīgas satiksme and based on five basic principles:

- safe and healthy working environment;
- controlled working environment;
- raising awareness among staff;
- adequately trained and qualified staff;
- facilitation of employee health;
- cooperation between the parties.

In order to ensure compliance with these principles and to strengthen occupational safety in Rīgas satiksme, based on the results of laboratory measurements of the working environment and taking into account financial resources, an Occupational Safety and Health Plan is developed, specifying specific actions to be carried out during the period. In 2023, the implementation of the Occupational Safety and Health Plan for lighting improvements continued.

The Company also implements an Occupational Safety and Health Plan for the improvement of the microclimate for the period 2022-2025.

The most important risks in the working environment in Rīgas satiksme are considered to be possible road traffic accidents, vibrations caused by vehicles, exhaust gases, chemical pollution of oil, paint, various types of dust, work involving prolonged sitting (e.g. at the wheel of a vehicle), as well as various risks related to tripping, using tools, lifting weights and other aspects. Given the specific nature of traffic operations in Riga, certain risks are associated with shift work, including at night, as well as with aggression by passengers in vehicles. In order to ensure that the risks identified are sufficiently identified and adequately assessed, Rīgas satiksme has developed a methodology for the assessment of risks to the working environment. The risk assessment takes into account the magnitude of the risk (severity of possible consequences) and the likelihood (frequency) of realisation, identifying those risk factors that need to be eliminated or reduced to ensure the safety and health protection of employees. The risks to the working environment are assessed according to this methodology separately from the other risks to Rīgas satiksme.

Ensuring safety for the customers and employees of Rīgas satiksme is one of the daily priorities.

Employee Engagement

To promote employee engagement in assessing and mitigating risks in the working environment, employees and trusted persons of Rīgas satiksme participate in internal monitoring of the working environment, including both workplace inspections and assessment of risk factors in the working environment. This enables occupational health and safety specialists to identify early the working environment risks that are best known to the employee working in the workplace. Employee trusted persons elected by the trade union are also involved in carrying out working environment risk assessments, developing solutions to eliminate risk factors, assessing their effectiveness and investigating accidents at work. In 2023, 228 working environment risk assessment reports were drawn up for 808 workplaces and 495 positions, as well as 39 working environment risk reassessment reports following accidents at work.



Occupational Health Promotion and Safety Training Measures

Employees are regularly instructed on the possible effects of risk factors in the working environment on their health, the correct choice and use of personal protective equipment and relaxation exercises. In accordance with the requirements of the laws and regulations, briefings take place once or twice a year or after accidents. In 2023, all the Company's employees have been briefed.

Rīgas satiksme also ensures that the workplaces of employees are ergonomically correct and within the required parameters, that employees can adopt the correct posture and change it periodically, and that employees have time for taking breaks and rest pauses. Based on expert measurements, Rīgas transports regularly improves lighting, ventilation, air-conditioning and other elements of the working environment. For example, in 2023, 87 workplaces had their lighting replaced, 29 workplaces were air-conditioned, new ventilation systems were installed in the classroom at Augusta Spariņa iela 1 (Tipogrāfijas iela 1), the metallization room and the 2nd floor shower room of Building 9 at Brīvības iela 191. Ergonomic workplaces are provided for both drivers and other employees of Rīgas satiksme, e.g. work tables, chairs, lighting. The seating position of drivers depends on the type and age of the vehicles. The technical specifications for new vehicles place high demands on the ergonomics of the drivers' workplace. The latest Solaris buses not only have an adjustable seat, but also an instrument panel and steering wheel which can be adjusted to the driver's individual parameters.

Personal protective equipment is issued to employees in line with occupational safety requirements and

the condition of equipment, installations and tools is monitored, with maintenance or replacement carried out in a timely manner. In 2023, an external audit of the occupational health and safety system was also carried out, which found no significant deficiencies and recertified the system, while the auditors praised Rīgas satiksme for its approach to working environment risk assessment, employee briefing, including after accidents, and clear and transparent organisation of mandatory health examinations. Internal audits on occupational health and safety found that employees generally take a responsible approach to occupational health and safety and comply with occupational health and safety requirements.

It is important for Rīgas satiksme that its employees have access to healthy lifestyle activities on a daily basis.

Employees of Rīgas satiksme have the opportunity to visit gyms, swimming pools and, in cooperation with the trade union, tennis courts. All employees are covered by health insurance.

In 2023, Rīgas satiksme received reports from the State Labour Inspectorate confirming 29 cases of occupational diseases in employees, which is fewer than in previous years (24 reports in 2022 and 39 in 2021).



Occupational Health and Safety Requirements for Suppliers

Rīgas satiksme requires its business partners working in the territory or at the objects of Rīgas satiksme to comply with the same occupational health and safety requirements as its employees. In its cooperation contracts, Rīgas satiksme has included a clause stipulating that the employees of its business partners shall be familiarised with and shall comply with the occupational health and safety rules. As Rīgas satiksme also cooperates with foreign companies, these rules are also available in English. The contract stipulates that in the event of a complaint or a finding that the business partners are not complying with the occupational health and safety requirements, the responsible person of Rīgas satiksme for the performance of the contract and the responsible person of the subcontractor shall be informed.

Accidents at Workplace

And in 2023, 45 work accidents occurred in Rīgas satiksme and were duly registered with the State Labour Inspectorate. The average number of accidents at work over the last five years is 33. According to the investigations carried out after the accidents, bus and trolleybus drivers and ticket controllers are the most frequent victims, while the most common causes of accidents are aggressive behaviour by passengers towards ticket controllers, poor movement of employees (falling, tripping) and slippery terrain due to meteorological conditions. To prevent aggression, employees are provided with training in conflict resolution and prevention, as well as in stress resilience.



Equal, Inclusive and Fair Working Environment

In order to promote awareness of diversity, openness and an inclusive environment among employees of Rīgas satiksme, employees have participated in various trainings and internships in 2023. For example, some staff have participated in diversity management training "Viewpoints: Respect", as well as an in-house awareness-raising campaign for the management "Inclusive Environment and Diversity" has been organised in cooperation with the association "Apeirons", which aimed to raise awareness of the possibility of integrating people with functional disabilities into the Company and to promote the belief that such people can be full-fledged employees and colleagues. The events covered issues related to the inclusion of people with functional disabilities in the labour market, support from the state and non-governmental organisations in such situations, as well as the practical challenges faced by people with functional disabilities. These topics will continue to be addressed in the future, raising awareness of their importance among the staff of Rīgas satiksme.

Diversity in Management and Among Employees

Rīgas satiksme respects the principles of equality and does not consider race, sex, age or sexual orientation, religious, political or other beliefs, or social status in employment relationships.

Rīgas satiksme employs a significant number of skilled workers in a variety of professions, so it is essential that both recruitment and the day-to-day work performed by everyone is organised in a way that ensures equal and fair treatment. In 2023, the average number of employees in the capital company was 3 414 ⁴⁷, of whom 34% were women and 66% were men; of the 30 heads of departments, 11 were women and 19 were men. The Board and the Council have a total of two women and six men.

Of the total number of employees in the Company, 85% are full-time (66% men and 34% women) and 15% are part-time (65% men and 35% women). Over the last three years, the number of employees has decreased by around 7%. This change was made following an assessment of the efficiency and effectiveness of certain functions, resulting in a reduction of administrative personnel, merging functions such as quality and risk management, sales and customer service, etc.

	2021	2022	2023
Average annual number of employees	3610	3390	3414
Gender ratio in the Company as a whole (w/m,%)	43/57	35/65	34/66
Gender breakdown at head of unit level (w/m,%)	43/57	34/66	37/63
Gender representation in senior management (w/m,%)	25/75	25/75	25/75
Full-time employees (%)	-	86	85
Full-time employees by gender (w/m,%)	-	34/66	34/66
Part-time employees (%)	-	14	15
Part-time employees by gender (w/m,%)	-	37/63	35/65

Age breakdown:

up to 30 years (%)	-	6	6
31-50 (%)	-	37	36
51-70 (%)	-	54	55
above 70 (%)	-	3	3
Asylum seekers from Ukraine at the beginning of the year	0	31	20
Asylum seekers from Ukraine at the end of the year	4	23	32
Reports received by the Labour Dispute Commission	1	2	0
Submissions received by the Ethics Committee	2	3	3

EMPLOYEES

At the same time, it is significant that by age group, in 2023, 6% of employees of Rīgas satiksme were aged under 30, 36% between 31 and 50, 55% between 51 and 70, and 3% over 70.

Taking into account the fact that the average working age of Rīgas satiksme is 51.61 years, this is considered a significant challenge in human resources management, because in the next 10–15 years, Rīgas satiksme will have to be able to ensure sufficient recruitment of new employees, ensure succession and transfer knowledge to younger generation colleagues. This can be achieved while ensuring an equal working environment and treatment of all employees and job applicants.⁴⁸



The principles of equality are defined in the Procedure for the Selection of Employees and Officers and the Selection Privacy Policy, the Employee Privacy Policy and the Remuneration Policy of Rīgas satiksme. The Collective Agreement also stipulates that the employer shall ensure equal working conditions for employees performing duties of the same nature in accordance with their profession and job specifics, as well as other support instruments for its employees. Two amendments to the 2023 Collective Agreement promote digital solutions and improve social guarantees for employees. In 2023, an e-mail account has been set up for all employees of Rīgas satiksme, to which up-to-date information and work schedules are sent to employees working aggregated hours, except for public transport drivers, who have a separate assignment system.

Rīgas satiksme has developed a Procedure for the Selection of Employees and Officers and the Selection Privacy Policy, which stipulates that during the selection process, employees are not asked, and Rīgas satiksme also encourages candidates themselves, not to provide information that is not necessary for the selection process (including birth data, information on national or ethnic origin, pregnancy, criminal record, health or family status, membership of political or other organisations, religious beliefs, sexual orientation, etc.).

The Employee Privacy Policy also states that certain types of information (e.g. the number and age of an employee's children) are processed only if and for purposes to which the employee has consented and expressed a willingness to provide the data (e.g. to receive additional benefits provided to employees with children under a collective agreement).

The determination of a disability or occupational disease does not affect the form and content of the employment relationship of an employee of Rīgas satiksme, unless the occupational physician imposes special requirements or conditions, in which case it is assessed accordingly.

In 2023, Rīgas satiksme was awarded the status of "Family Friendly Company" for the first time, as part of which it participated in a grant competition and received funding to implement family-friendly activities. With the funding, Rīgas satiksme organised a Curiosity Day in cooperation with the Curiosity Centre "Futurimo Rīga". The aim of the event was to give the children of the employees an opportunity to spend quality time in a meaningful way, while at the same time arousing interest in science and engineering, which is important not only for Rīgas satiksme as an employer, but for society and Latvia as a whole, given the shortage of highly qualified professionals in STEM fields. Rīgas satiksme plans to continue activities that promote the development of family-friendly company practices.

The Company provides work opportunities for asylum seekers from Ukraine. Also in this case, equal opportunities with other employees are provided, for example, Rīgas satiksme can offer these employees short-term, paid stays at the Rīgas satiksme Service Hotel. In 2023, 20 asylum seekers from Ukraine started their employment in the Company. By the end of 2023, 32 Ukrainian civilians were in employment relationships. Ukrainian civilians were employed in the following positions: cleaner, sharpener, bus driver, bus manoeuvring driver, electrical fitter on duty, worker on duty, electrician, electrician locksmith, cable line electrical fitter, customer service specialist, repairer, rolling-stock locksmith, vehicle cleaner, trolleybus driver. Training is provided for bus drivers to obtain the professional category (code 95), and Ukrainian civilians are integrated into the working environment through seminars for new employees (all information is translated and a representative of the Board of the Company participates in the seminars). In order to integrate Ukrainian civilians early on, the departments where they are employed are encouraged to inform their employees about the opportunities to learn Latvian free of charge.

Discrimination in Workplace

In order to resolve possible internal conflicts or situations of unequal treatment, if necessary, Rīgas satiksme provides the possibility for employees to address the Ethics Committee or the Labour Disputes Committee. The Ethics Committee receives mostly complaints about the relationships and communication between employees, which are dealt with accordingly. In 2023, three complaints were received and dealt with. The Ethics Committee assessed the communication and interaction between the parties in its assessment of the applications and in the decisions taken. However, the Labour Dispute Commission has not received any applications in 2023.

Remuneration Comparison Between Women and Men

Remuneration in Rīgas satiksme is determined in accordance with the Remuneration Policy⁴⁹ issued on the basis of the Law on Governance of Capital Shares of a Public Person and Capital Companies⁵⁰ and in accordance with Riga City Council Internal Regulation No. 4 adopted 21.08.2020 "Procedure for Management of Capital Shares and Capital Companies Owned by the Local Government of Riga City"⁵¹, which stipulates that the Company shall establish the most important conditions for determining the remuneration of employees, the conditions for payment of benefits and compensation, reimbursement of expenses, bonuses and other material incentives and the maximum monthly salaries (wages), which shall be approved by the Board of Rīgas satiksme with the prior consent of the Council. The Remuneration Policy shall not apply to the determination of the remuneration of the Members of the Board and the Council.

The Remuneration Policy provides for seven basic principles for determining remuneration, including equal treatment, without taking into account factors unrelated to the performance of the job in determining remuneration.

These basic principles are:

- social responsibility (towards the employee, the State and society);
- justice (objectivity and similar conditions for the performance and remuneration of similar duties);
- transparency and common understanding (a system that is accurate, understandable and as far as possible IT-based);
- employee focused (support for employee development and satisfaction);
- orientation towards strategic objectives and performance indicators (remuneration facilitates and values the achievement of performance results);
- balance between competitiveness and relevance to financial opportunities (taking into account the competitiveness of remuneration in the market while being aware of the financial opportunities of Rīgas satiksme);
- recognition and support of excellence and ideas (motivating employees to contribute purposefully to the development of Rīgas satiksme).

The basic principle of the Remuneration Policy is "justice", which means that Rīgas satiksme employees who have the same or similar job duties and qualifications are paid equally for the same work or work of equal value; remuneration subsystems are established according to uniform principles for certain job groups that have the same or similar job characteristics. Remuneration of employees are determined according to the duties of the position to be performed and not according to the sex of the employee.

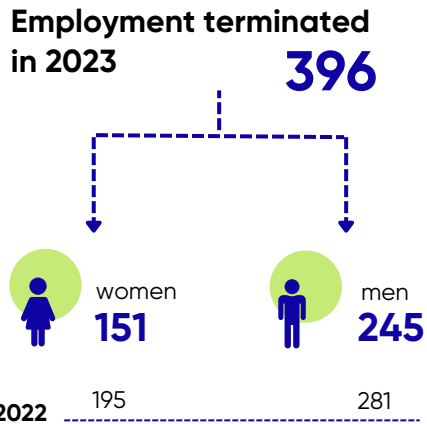
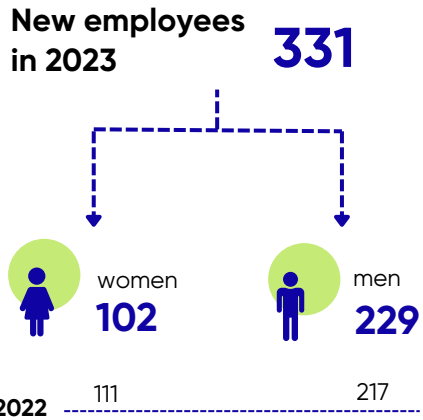
An equal working environment and fair treatment of employees in Rīgas satiksme are promoted by improving work efficiency, by setting precise work norms, workloads and working hours. This reduces the loss of working time, which creates a feeling of inequality for those employees who do not have such losses.



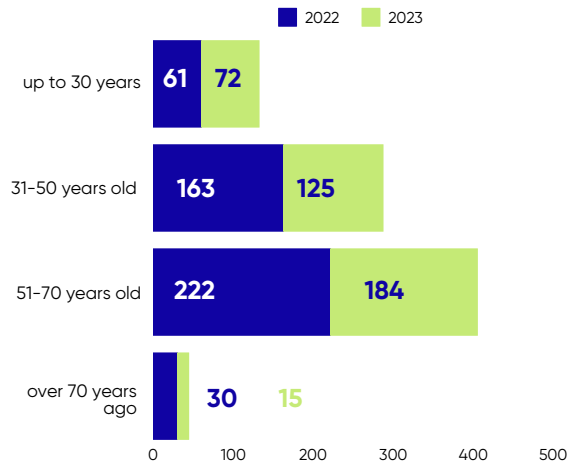
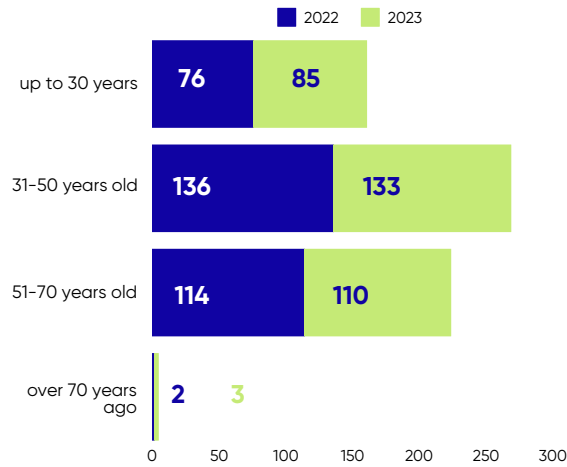
EMPLOYEES

Employee Satisfaction

Employment



Age breakdown



	2022	2023
Traineeships	16	22
Employee satisfaction survey, participants	-	66 %
Employee engagement index	-	71.1
Positive about working for the Company	-	87 %
Training	-	380
Staff who attended training	43.62 %	39,51 %
Maternity leaves (total)	55	54
Women	43	42
Men	12	12

Recruitment of New Employees

In 2023, labour relations were entered into with 331 new employees, including 102 women and 229 men, 85 in the age group under 30, 133 in the age group 31–50, 110 in the age group 51–70 and 3 in the age group over 70. At the same time, 396 workers, including 151 women and 245 men, terminated their employment relationship, 72 in the age group under 30, 125 in the age group 31–50, 184 in the age group 51–70 and 15 in the age group over 70.

In 2023, improvements to the integration process for new employees have been made by preparing a draft New Employee Handbook of Rigas satiksme, which provides all the necessary information about the Company, the working environment, the list of integration tasks and other relevant information that is important for a new employee to know. In 2024, a printed version of the New Employee Handbook and other activities to improve the integration process for new staff, such as making the recruitment procedure more convenient and pleasant for new staff, are planned. Ensuring a sufficient number of new employees for the future is still a pressing issue for Rigas satiksme, which is why attracting trainees is important for the Company. In 2023, the Company provided 22 traineeships in various, mainly technical, positions—rolling stock locksmith, electrical fitter, turner, locksmith, repairer, car mechanic, business process analyst, legal advisor, database engineer, mechanical engineer, HR specialist, etc. The trainees are students from various educational institutions, such as Riga Technical University, University of Latvia, Riga Stradiņš University, RISEBA, Riga Vocational School No. 3, Riga State Technical College and Riga Technical College.

Within the framework of the European Social Fund project “Participation of students of vocational education institutions in work-based learning and internships in companies” No. 8.5.1.0/16/1/001 under the SAM 8.5.1. agreement with the Employers’ Confederation of Latvia No. SAM.8.5.1./6–12.1.3.933, 9 internships were provided for the positions of locksmith and SEI electrical fitter. In November 2023, the Employers’ Confederation of Latvia was recognised for its significant contribution to the development of vocational education and excellent cooperation with vocational education institutions in the implementation of learning processes in the Company.

In 2023, Rigas satiksme continued its cooperation with the establishment “Riga Technical University Development Fund”, attracting new trainees. One student has been accepted for a traineeship as a quality engineer in the specialised repair shops and one student as a repairer in the bus repair shops.

Employee Benefits

Given the significant number of employees and the wide range of professions, as well as the high level of responsibility in the field of public transport, Rigas satiksme is aware of the role of human resources in ensuring the operation of the Company. Therefore, in order to attract and retain employees, it is essential to promote employee satisfaction and willingness to be involved in the development of Rigas satiksme. The human resources of Rigas satiksme are regulated by the Human Resources Policy and the Remuneration Policy, which lay down the basic principles of human resources management, as well as by the Collective Agreement.

As a socially responsible employer, the Company has introduced additional guarantees for employees in accordance with the collective agreement, in addition to the guarantees provided for by national legislation. Benefits and social guarantees for employees include allowances, compensation, insurance, reimbursement of expenses and benefits for points in the employee motivation system “DaMoS” (hereinafter referred to as the “DaMoS”) established by Rigas satiksme, under which employees are awarded points for productivity and time worked according to a certain system.

An important area of HR management that received increased attention in 2022 and 2023 at Rigas satiksme is personnel development and the establishment of a reward system that improves employee motivation and commitment to contribute to the overall development of the Company. Another important area is the revision of the information system for new employees and the development of manuals for different areas of activities of Rigas satiksme in order to ensure easy, clear and consistent information transfer and to promote employee job satisfaction.

One of the factors contributing to employee satisfaction is the remuneration system, which consists of a basic salary and a variable bonus component, with performance indicators defined for all job groups in the Company. These are measured on a monthly or quarterly basis, with the bonus salary component determined accordingly. The indicators include both specific performance indicators and indicators relating to the employee’s attitude to work, the quality of the work done, etc.

In addition, the possibility to contribute to private pension funds, as well as a retirement allowance depending on the period of service in Rigas satiksme, which is paid to retiring employees, should be mentioned as motivating factors.

EMPLOYEES

Employees with children receive camping expenses and gifts at Christmas and when they start first grade.

In addition to these motivational factors linked to the job and its performance, the DaMoS offers sports and physically active employees the opportunity to earn extra points – this is how Rīgas satiksme motivates employees who are often sedentary in their daily work to move more and improve their health. The points accumulated can be used to pay for activities included in the DaMoS catalogue, most of which are directly related to promoting a healthy lifestyle, such as sports activities chosen by the employee. In order to promote employees' self-directed learning skills and the learning culture in the Company as a whole, Rīgas satiksme provides opportunities for all employees to acquire new knowledge on the learning platform LU Open Minded on various topics relevant not only to their professional but also to their personal life. Likewise, employees are offered online conferences and webinars on various topics, for which they also receive additional DaMoS points that they can spend on their personal benefit.

Performance and contribution appraisals play an important role in motivating employees.

In 2022, the rewards system was reformed, which operates successfully also in 2023, by amending the collective agreement accordingly. This reform introduced awards for 5 and 15 years of continuous service in addition to the previous 10 years, as well as "Achievement of the Year" awards for an employee or several employees for realising the Company's best achievement, "Team of the Year" for realising the Company's best achievement within a team, "Idea of the Year" for the author of the best idea after realising the best idea, "Talent of the Year" for an employee with a highly developed capacity to learn and who has developed his/her professional skills, accumulating and transforming new experience,

purposefully realising the achievement as an innovative work for the Company with high added value, going beyond the requirements set out in the job description, "Golden Steering Wheel" for employees in the vehicle driver group who work in the transport sector with exemplary integrity in passenger or freight transport and "Colleague of the Year" for employees who have distinguished themselves with special passion and selflessness, who have been able to help and inspire.

In order to promote employee involvement in improving the Company's performance and at the same time to foster a sense of belonging, in 2022 Rīgas satiksme launched and in 2023 continued the employee welfare programme "VIS-banka", which included an assessment of the Company's values and the submission of employee ideas and achievements. This welfare programme requires every employee to submit their ideas and achievements in the working environment that are in line with the values of Rīgas satiksme and contribute to the development of the Company or certain areas of its activities. The final event for the achievements submitted by "VIS-banka" in 2022 took place in the first quarter of 2023, with the awarding of the "Achievement of the Year", "Team of the Year" and "Talent of the Year" nominations.



An employee satisfaction survey is carried out every two years to measure overall employee satisfaction with regard to the above and other working environment factors.

In March 2023, an employee engagement and satisfaction survey was carried out using an electronic questionnaire. 66% of the Company's employees took part in the survey. Employee engagement is a key performance indicator for measuring the sustainability of a company's workforce, and in this study the employee engagement index was measured on a 100-point scale. The employee engagement index of Rīgas satiksme is 71.1 points, slightly above the Latvian average, but lower than other capital companies' indexes. The results of the survey characterise employee motivation as positive, as well as employee perception of the performance of Rīgas satiksme is generally positive (87% of employees indicate that they have a positive perception of the Company's performance) and has also improved slightly compared to the previous results. The results of the survey point to strengths such as: employees know their responsibilities, see the purpose of their work, are satisfied with their line manager, support the Company and are supported by their colleagues. Employees were offered the opportunity to benefit from an adult lifelong learning programme (European Social Fund project "Improving the professional competences of employed persons" [52](#), with a co-payment from the employer for the training completed.

EMPLOYEES

Last year, Rīgas satiksme also researched and identified which skills would be critical for the Company's own employees in the future. Cross-departmental discussions identified the following core and transversal skills that both the Company as a whole and each individual should strive to improve:

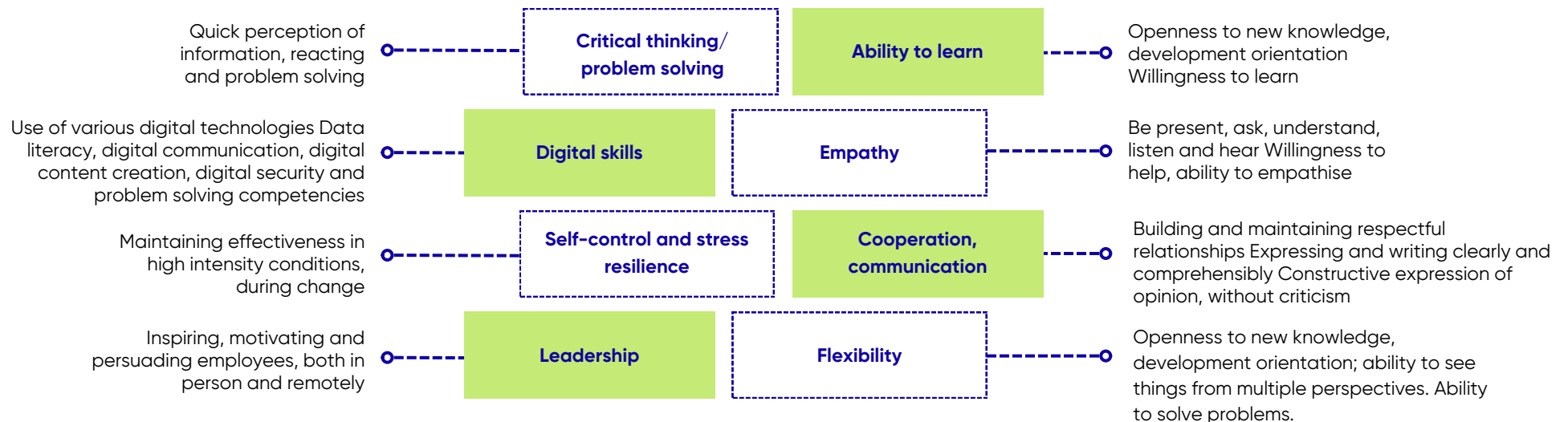
We learn and improve!

Employees are the value of Rīgas satiksme. The more competent experts in their field are in our team, the more efficient and stronger the company is. Therefore, the company organizes training and courses so that employees can improve their knowledge and skills.

Training in 2023



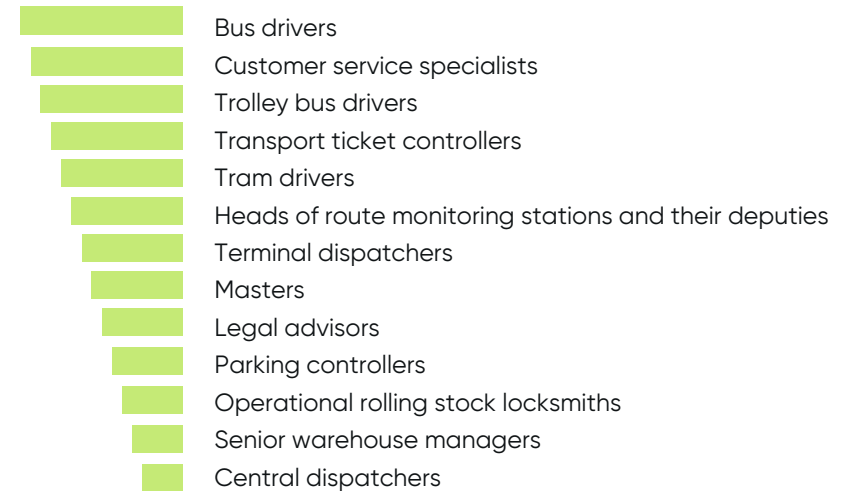
Future skills



In the period 02.01.2023–30.12.2023, training was provided according to the needs of Rīgas satiksme, as well as general staff qualification was improved through seminars and training on various topics.

- Around 380 training sessions on 208 topics were organised, attended by a total of 1349 employees.
- One of the largest training projects in 2023 was for middle and junior managers, with 130 staff members taking the course "Negotiation, Persuasion and Reasoning".
- 223 staff members participated in the University of Latvia's Open Minded online training.
- In 2023, training within the framework of the ESF was provided on 14 different topics. A total of 121 employees have been trained.
- In May 2023, a computer lab with 16 computer-based training stations was opened and by the end of the year, both in-house and outsourced training had been provided on a variety of topics. 186 staff members have received training in the new premises.
- In 2023, the "Manager's Compass" project, successfully launched in the previous year, was continued – it is a single training programme aimed at providing staff with the knowledge they need in their daily work to strengthen their competences in internal process management, delivered by internal trainers – Heads of Unit and staff.
- In 2023, the opportunity to benefit from an adult lifelong learning programme (European Social Fund project "Improving the professional competences of employed persons") continued, with a co-payment from the employer for the training completed.

Which positions have employees participated in training the most?



Training for senior staff

participants
131

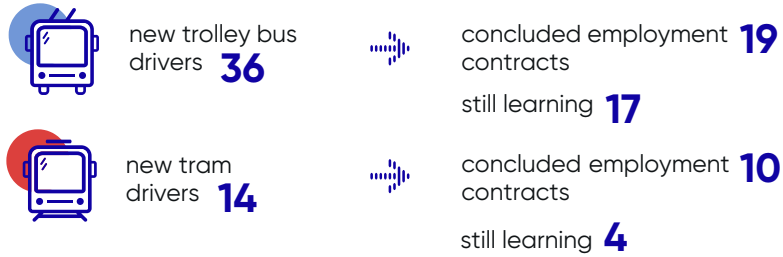
Middle and lower level managers participated in the trainings: heads of departments, their deputies, other senior employees.

training groups
13

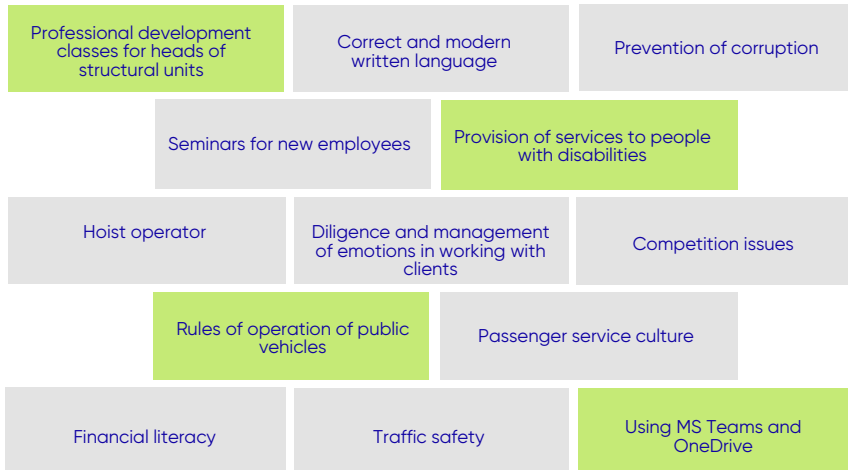
Topic:
Developing communication and cooperation skills

EMPLOYEES

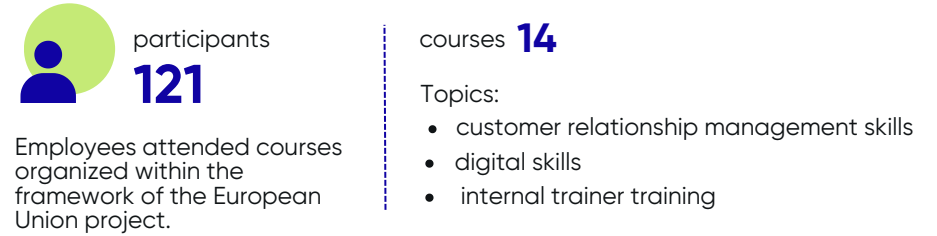
Vehicle driver training



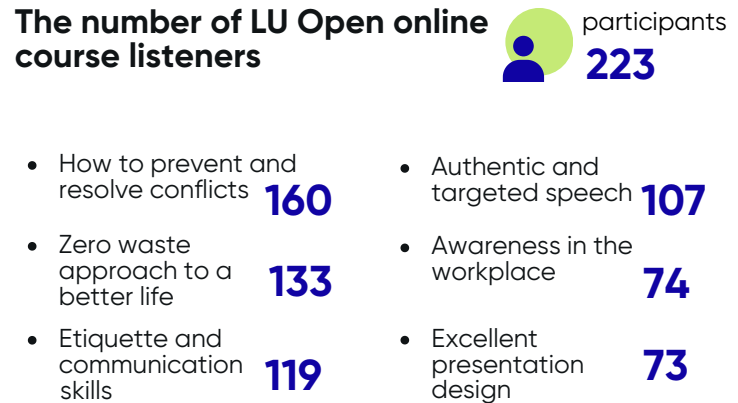
What other trainings or webinars have we participated in?



Studies with the support of European Union Funds



The number of LU Open online course listeners



Number of employees who have completed 1-6 courses



Maternity Leave

In 2023, 54 employees – 42 women and 12 men – in Rīgas satiksme have used one of the social guarantees established by the State related to childcare after childbirth and parental leave, which can be used by both the mother and the father.

Employee-Management Relations, Changes in the Activities of the Company

In Rīgas satiksme it is important to provide timely and clear information to employees, which ensures employee attraction and loyalty, and to involve employees in the Company's development processes. Different communication channels are used to ensure that up-to-date information reaches all employees. The ways in which the Company presents documents to employees are laid down in the working regulations, while employees receive comprehensive information on current developments in the Company through the newspaper "Rīgas Satiksmes darbinieks"⁵³ and the DaMoS, where they can log in electronically.

The regulatory documents issued by Rīgas satiksme are presented to employees:

- in the form of a paper printout, certified by a personal signature;
- by sending information to the official information distribution and communication channel indicated by the employee – e-mail or mobile phone number in the form of a text message;
- by sending information to electronic mail if the employee has indicated a current electronic mail address or telephone number and has agreed to its use;
- by using bulletin boards;
- in other information systems – Microsoft Teams platform, work e-mail provided by Rīgas satiksme;
- at meetings and trainings attended by the employee.

The information procedure is also contained in the Collective Agreement.

The employee welfare programme "VIS-banka" will also be used to involve employees in submitting ideas to improve the Company's performance.



STREAMLINING AND DIGITISATION OF INTERNAL PROCESSES

The efficiency and digitalisation of various internal processes, which have been the focus of increased attention at Rigas satiksme in recent years, are also considered to be factors for improving the working environment, promoting employee satisfaction and increasing overall efficiency at the capital company.

In 2023, work continues to review and improve the processes related to external applications and complaints. Processes have been improved for the circulation of smart tickets, smart card blanks and paper tickets at ticket offices, as well as processes for alcohol testing of drivers before and between journeys have been streamlined.

Analysis and improvement of the repair shops' accounting processes has been initiated and the process for issuing and monitoring tangible or intangible items to staff has been improved.

In 2023, the review of core business processes continued, contributing to their streamlining, including further reduction of paper documents and assessment of the possibilities to optimise documentation in general, ensuring further information flow in the Doclogix document management system. In 2023, the nomenclature of document files has been reorganised according to corporate function (previously by structure/unit). The main advantage of such nomenclature is that the functions of the Company are not subject to much change, so that the nomenclature of files does not have to be amended regularly in the event of structural changes. The linking of the nomenclature of document files with the Doclogix document management system started in 2023 and will continue in 2024.

New electronic forms were introduced for HR management and the endorsement of various documents was replaced by electronic approval where possible, thus improving the transparency and speed of processes. Processes are also electronically supported through the employee self-service portal UKV (e.g. reading documents, applying for leave, applying for change of residence, viewing pay slips, etc.).

In the area of information systems development and data processing, work is in progress on more than 50 projects for optimisation, maintenance and development of the information systems of Rigas satiksme and their software; changes are made in accordance with the requirements laid down in internal

regulatory enactments and the IVS procedure. In order to improve the efficiency of the Company's operations, it is essential to continue work on the digitisation of processes and innovative solutions to improve their quality, e.g. to introduce a new comprehensive resource management system (Enterprise Resource Planning System (ERP)), optimise the existing QR tickets – supplement the app functionality with real-time data display, introduce an external application management system, develop a new website, develop an employee training module, vehicle accounting system. Also, capacity building of employees is implemented using Microsoft Power Automate and other analytical solutions.



REFERENCES USED

9.lpp

1. Carbon dioxide equivalent in tonnes

14.lpp

2. [Delegation Agreement](#)

3. [Order Agreement](#)

4. [Riga City Council Strategy Monitoring System website](#).

5. [Riga City Council electronic document search website](#) Riga City Council Decision No. 1036 adopted 24 November 2021 "On Setting Specific Non-Financial Objectives of the Riga Municipality Limited Liability Company (SIA) Rigas satiksme"

6. Letter RD-21-2235-nd of the Executive Director of the Riga City Council of 21.12.2021 "On Financial and Non-Financial Objectives of the Riga Municipality Limited Liability Company (SIA) Rigas satiksme" for the Development of a Medium-Term Operational Strategy". The objectives are published on the website of Rigas satiksme:

https://www.rigassatiksme.lv/files/rs_nefinansu_merki.pdf;

7. [Corporate Governance Code](#)

8. [Procedure for Management of Capital Shares and Capital Companies Owned by the Local Government of Riga State City](#)

18.lpp

9. [Corporate Governance Code](#);

10. [Code of Ethics](#);

11. [Risk Management Policy](#);

12. [Prevention of Corruption and Conflict of Interest Policy](#);

13. [Communication Policy](#);

14. [Remuneration Policy](#);

15. [Procedure for the Selection of Employees and Officers and the Selection Privacy Policy](#);

16. [Employee Privacy Policy](#);

17. [Customer Privacy Policy](#);

18. [Video Surveillance Policy](#);

19. [Basic Principles of the Internal Control System in Riga Municipality Limited Liability Company \(SIA\) Rigas satiksme](#);

20. [Staff Policy](#);

21. [Integrated Quality, Occupational Health and Safety, Energy Management and Environmental Policy](#);

22. [Corporate Social Responsibility and Sustainability Policy](#)

19.lpp

23. [Basic Principles of Cooperation with Business Partners](#)

21.lpp

24. [Information for whistleblowers](#)

33.lpp

25. [Cabinet Regulation No. 435 of 28 July 2015 "Procedures for the Determination and Compensation of the Losses and Expenditures Related to the Provision of Public Transport Services and for the Determination of the Tariff for a Public Transport Service"](#)

36.lpp

26. The Recovery Fund (RF) is a centrally managed budget programme of the European Commission, set up in addition to the multiannual budget of the European Union (EU) for the programming period 2021–2027. <https://www.esfondi.lv/atveselosanas-un-noturibas-mehanisms>

40.lpp

27. [Green Deal](#)

28. [Taxonomy Regulation \(EU\) 2020/852](#)

29. [Directive \(EU\) 2022/2464 of the European Parliament and of the Council](#)

30. [Delegated Regulation \(EU\) 2021/2178](#)

31. [Delegated Regulation \(EU\) 2021/2139](#)

41.lpp

32. [Prevention of Corruption and Conflict of Interest Policy](#)

43.lpp

33. [Procurement and Auctions](#)

44.lpp

34. [Basic Principles of Cooperation with Business Partners](#)

47.lpp

35. Data as of 31.12.2023.

36. <https://ast.lv/lv/electricity-market-review?year=2023&month=13>

49.lpp

37. <https://ghgprotocol.org/>

38. Emisiju aprēķinu veikšanai izmantoti Rigas Enerģētikas aģentūras, Latvijas Vides ģeoloģijas un meteoroloģijas centra un ārvalstu datu avotu informācija par emisiju faktoriem

52.lpp

39. [Cabinet Regulation No. 16 adopted 07.01.2014 "Noise Assessment and Management Procedure"](#)

55.lpp

40. [Energy and Climate Action Plan for 2022–2030 of Riga State City](#).

64.lpp

41. [Survey of Riga residents 2023](#)

65.lpp

42. [Open data](#)

43. [A new concept for a public transport ticketing and service payment system for Rigas satiksme has been developed : News : Rigas satiksme \(rigassatiksme.lv\)](#)

66.lpp

44. [Video Surveillance Policy](#)

67.lpp

45. [Support Programme](#)

68.lpp

46. [Customer Privacy Policy](#)

74.lpp

47. The staff section uses data from the Personnel Management Department of Rigas satiksmei

75.lpp

48. The assessment given in the 2022 opinion of the "Diversity is Strength" movement.

76.lpp

49. [Remuneration Policy](#)

50. Section 107, Paragraph two, Clause 12 of the law

51. Sub-paragraph 23.2.8, Sub-paragraph 97.1 and Sub-paragraph 97.2 of the Internal Regulation.

79.lpp

52. <https://www.macibaspieaugusajiem.lv/>

83.lpp

53. The newspaper has been published since 15 April 1957.

