

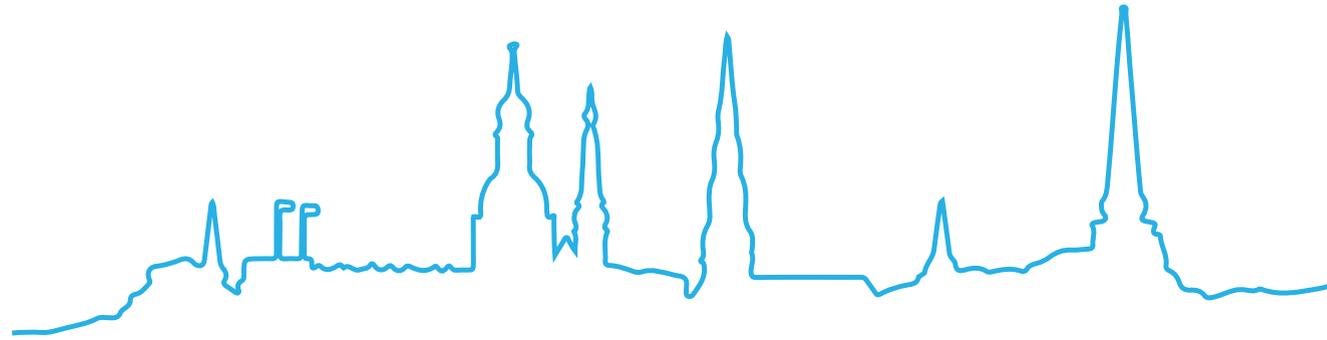


# Medium-Term Operational STRATEGY

of the LLC "Rīgas ūdens"

**2025 – 2030**

RĪGA, 2025



## Medium-Term Operational STRATEGY<sup>©</sup> of the LLC "Rīgas ūdens" 2025 –2030

The strategy uses data as at

31.12.2024.

Regulatory status on the

01.03.2025.

Strategy developed

Management Board of the LLC "Rīgas ūdens"

Strategy agreed with

the responsible bodies of the Riga State City Municipality

Strategy approved by

the decision of the Supervisory Board of the LLC "Rīgas ūdens" dated 14.03.2025

Published

[www.rigasudens.lv](http://www.rigasudens.lv)

# INTRODUCTION

The Medium-Term Operational Strategy of the LLC "Rīgas ūdens" 2025-2030 (hereinafter referred to as - Strategy 2030) is based on the Sustainable Development Strategy 2024-2040, assessing the risks and opportunities defined therein, structuring strategic objectives and performance indicators that will have to be achieved by 2030.

Strategy 2030 has been developed on the basis of the Law on Governance of Capital Shares of Public Entity and Management of Capital Companies Thereof, Decision of the Riga City Council No. 720 of 07.07.2021 "Assessment of Shareholding of the Riga City Municipality in the LLC "Rīgas ūdens"", Decision of the Riga City Council No. RD-24-4064-lē of 20.11.2024 "On Determination of Non-financial Objectives of the LLC "Rīgas ūdens"", and Decision of the Riga City Council No. Rd-25-4256-lē of 29.01.2025 "On a Different Share of the Profit of the LLC "Rīgas ūdens" to be disbursed as dividends during the period of the reporting years 2024-2030", as well as taking into account the requirements and financial objectives contained in the letter No. RD-24-1758-nd "On Financial and Non-financial Objectives of the LLC "Rīgas ūdens"" for the Development of the Medium-Term Operational

Strategy" of the representative of a holder of capital shares in "Rīgas ūdens" dated 26.11.2024.

The development of the Strategy 2030 has taken into account the laws and regulations governing the sector, planning documents of the Republic of Latvia and the Riga State City, the requirements set out in the contract with the Riga Municipality for the provision of public water management services of 24.07.2019, as well as the performance indicators of the non-financial objectives determined for the Company's previous planning period (2022-2024), thus ensuring functional and structured continuity of the development of "Rīgas ūdens".

By implementing actions that will ensure the achievement of the non-financial objectives of the Strategy 2030 over the next six years, we will provide water management services that meet the interests of the Municipality and the residents of Riga, as well as efficiently manage critical water management infrastructure facilities.

In the Strategy 2030, we highlighted rehabilitation, modernisation and expansion of the outdated water management infra-



## Medium-Term Operational STRATEGY of the LLC "Rīgas ūdens" 2025 –2030

structure as a material priority. The objectives of provision of public water management services and environmental protection can be achieved more effectively by balancing the expansion of access to centralised water supply and sewerage services and promoting arrangement of connections to centralised water supply and sewerage networks in those areas where access to water management services is already provided but connections have not been constructed. These are the areas of the city where water supply and sewerage network extension projects co-financed by the European Union Cohesion Fund have been completed since 2004, as well as the neighbourhoods of Riga where ongoing and still planned projects will be implemented during the operational period of the Strategy 2030.

In the area of water supply, we will prioritise the provision of high quality drinking water to the residents of Riga from the treatment plant to the tap in every apartment by further implementing measures strengthening and improving the quality of drinking water based on the Water Safety Plan approach. We will rehabilitate water supply networks and flush water supply networks with greater intensity, and finalise creation of a sustainable future model of the Riga water intake and water supply system, which will determine the sources of underground and surface water and the development of water intakes for the city's water supply.

In order to promote the sustainability of wastewater management, we will start improving the level of wastewater treatment and increasing the hydraulic capacity in line with the new re-

quirements for urban wastewater treatment, which will already have a positive impact on the environment in the next medium-term strategy period after 2030, as well as intensify the rehabilitation of sewerage networks. It should be emphasised that we will plan to significantly improve the climate resilience of the centralised sewerage system by cooperating with Riga State City authorities in the development of the Riga Integrated Urban Wastewater Management Plan.

Targeted action on climate change mitigation is underpinned by ambitious changes to the regulatory framework. During this strategy period, "Rīgas ūdens" will actively engage in increasing renewable energy production, improving energy efficiency and reducing GHG emissions, while moving towards the goal of achieving energy neutrality of wastewater treatment plants.

Every year, the need for innovations and introduction of upgrades innovate increases, digitising the management processes and developing technologies without which no development is conceivable, seeking opportunities to introduce modernisation solutions also in our technological and customer service processes. We will develop digital services for telemetry of commercial metering of drinking water for customer convenience, and the range of customer self-service portal services will be extended. We have already successfully implemented and will continue to implement public awareness campaigns, educating the public in the field of water management, informing and promoting "green thinking" and the benefits of consumption of tap water.

We will keep balancing the need to ensure higher standards in regard of drinking water quality and environmental compliance of treated wastewater discharge as well as the ongoing need to maintain the outdated infrastructure and ensure its modernisation and development with the costs of the water management services through a socially responsible tariff policy. By meeting the objectives set out in Strategy 2030, we will ensure efficient water management governance - making the economically sound tariff changes needed to deliver water services efficiently over the next few years. For the implementation of infrastructure rehabilitation projects, we will mainly attract funding from credit institutions and green bonds, which will generally provide sufficient financial resources for the implementation of large-scale investment projects.

Strategy 2030 has been approved by the decision of the Supervisory Board of the LLC "Rīgas ūdens" dated 14.03.2025 (Minutes No. 2.4.5/2025/04).

## GENERAL INFORMATION ABOUT THE COMPANY

The Company was founded on 24 September 1991. On 16 December 2003, the Riga City Council adopted the Decision "On the Reorganisation of the Riga City Municipality Company "Rīgas ūdens" into the Limited Liability Company "Rīgas ūdens"", establishing that the Company is the successor to the obligations and rights of the municipal company "Rīgas ūdens". The Company was entered in the Commercial Register on 12 January 2004.

"Rīgas ūdens" is a 100% Riga State City Municipality-owned water management company, whose task is to provide the residents of Riga with high-quality and safe water management services. "Rīgas ūdens" operates in a strategically important sector, performing a municipal function in the field of water supply and sewer services, providing public water management services in Riga and in some municipalities of the Greater Riga. The Company has no interests in other companies.

In 2024, the Company successfully implemented a number of important projects aimed at improving the quality of water management services and ensuring sustainable development. According to the international credit rating agency "Moody's", "Rīgas ūdens" received a long-term credit rating A3, which will allow it to attract financing on particularly favourable conditions. In order to implement the ambitious goals and investment plans, last year, "Rīgas ūdens" started preparation for a bond issue. We have already selected strategic partners and are taking specific steps to implement this project.

The Riga City Municipality and the Company have entered into a contract on provision of the following public water management services in the administrative territory of Riga City for a period until 23.07.2029:



production, storage and preparation of water for supply to the centralised water supply network;



water supply from the supply place in the centralized water supply network to the property boundary;



collection of wastewater in the centralised sewerage systems from the boundary of the area of competence, discharging to wastewater treatment plants;



treatment of wastewater and its discharge into the environment, including surface water bodies, except for the collection of wastewater in rainwater sewerage systems;

management of the city's fire hydrants and free cranes and planning for new free cranes.



### MISSION

We provide water management services for the development of the city and the well-being of its residents



### Clean water – green future



### VISION

A sustainably managed and technologically advanced water management company, a reliable service provider, employer and cooperation partner

## VALUES

### Sustainability

Our actions and choices of today will have consequences in the future, and it is therefore important to act responsibly towards a balance between economic, social and ecological dimensions

### Responsibility

For the use of water resources important for Riga, water management services safe for residents and the environment, and the management of strategic infrastructure.

### Reliability

Customers trust that we provide a uninterrupted, safe services, work efficiently, moving towards improvement of our operations, and introduction of new ideas and technologies.

### Honesty

We focus on long-term cooperation, building strong and fair relationship with employees, business partners and other stakeholders

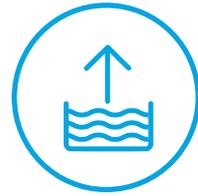
## Water supply



6  
water intakes



285  
wells



2  
WPPs "Daugava"  
and "Baltezers"



17  
water supply  
pumping stations



5  
water reservoirs



1536 km  
of water supply  
networks



11 755  
gate valves  
(DN=>100)



7580  
fire hydrants



4165  
water supply  
manholes

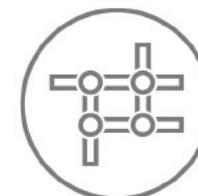
## Waste-water collection and treatment



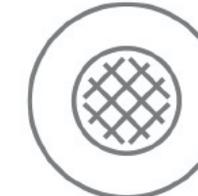
Biological  
treatment plant  
"Daugavgrīva"



107  
sewage pumping  
stations



1282 km  
of sewerage  
networks

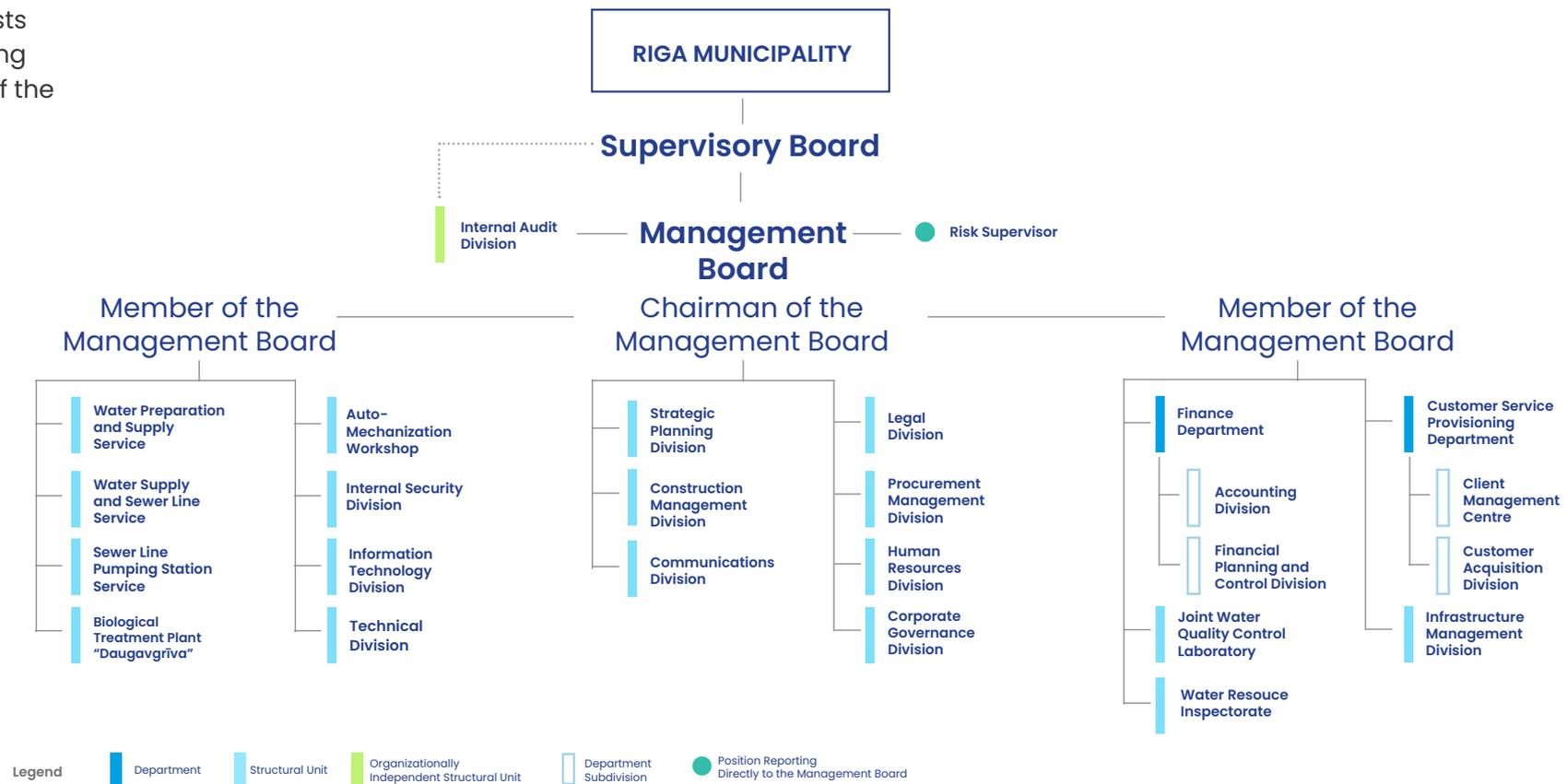


37 031  
sewage manholes



## ORGANIZATIONAL STRUCTURE

Governance and operational management of the Company is provided by the Management Board consisting of three members. The Supervisory Board of the Company consists of three members, who represent the interests of the shareholders in between the meeting of shareholders and supervise activities of the Management Board.



## Volume of the water management services in 2024



**Supplied drinking water:**  
36 604 thous. m<sup>3</sup>

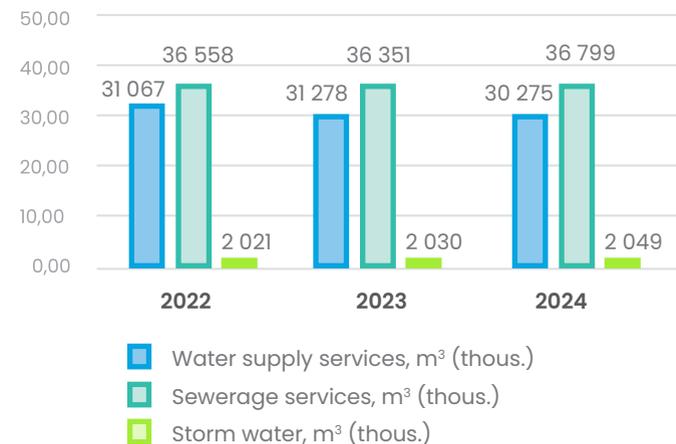
Water supply services:  
30 275 thous. m<sup>3</sup>



**Treated wastewaters:**  
51 345 thous. m<sup>3</sup>

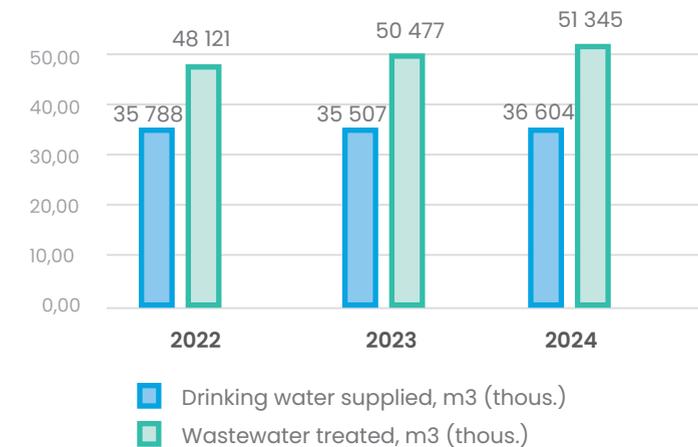
Sewerage services:  
36 799 thous. m<sup>3</sup>

Volume of the provided services



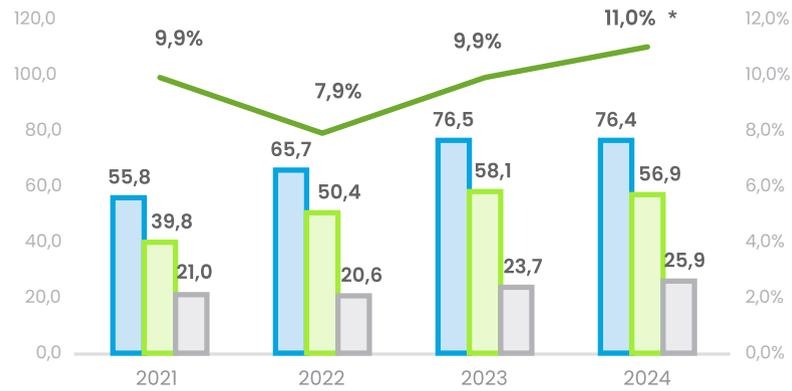
In 2024, 2,334 thous. m<sup>3</sup> of wastewater from public service providers in the Greater Riga – Ķekava, Mārupe and Ropaži Municipalities were collected and treated, amounting to 6.3% of the total volume of sewerage services. Whereas, additional 1,560 thous. m<sup>3</sup> of subsequently treated wastewater was received from the Jūrmala State City (including Babīte Parish) direct connection to BTP "Daugavgrīva"; this represents 10.6% of the total volume of sewerage services provided in the whole Greater Riga area.

Drinking water supply and treated wastewaters

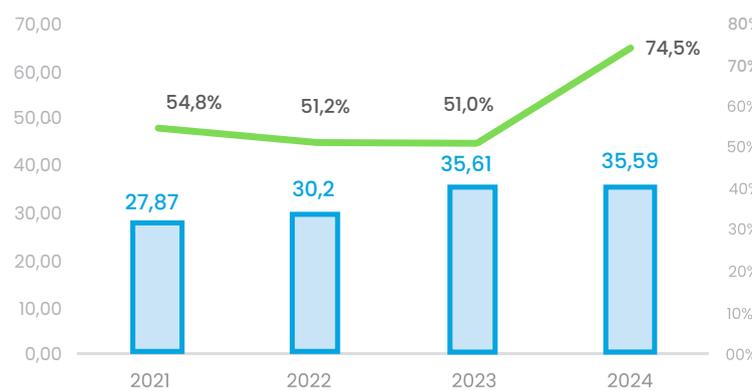


The volume of water supply services provided to the Greater Riga public service providers in 2024 was 277 thous. m<sup>3</sup>, generally representing a small amount, 0.9% of the total volume of water supply services provided.

# KEY FINANCIAL INDICATORS

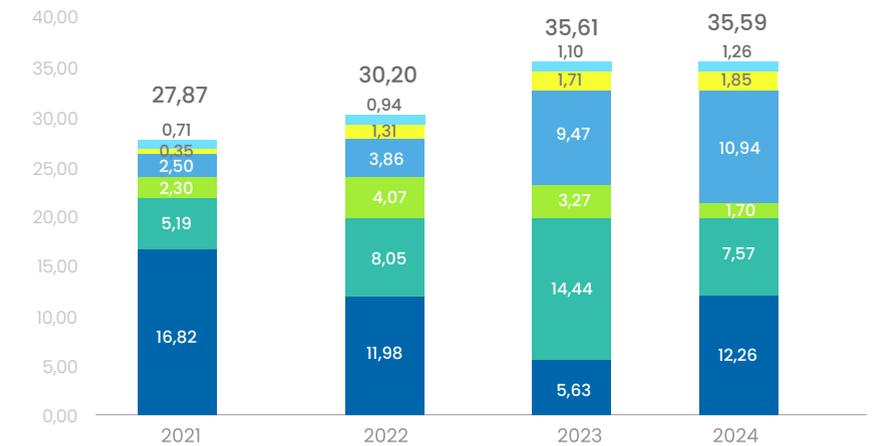


- Net turnover, million EUR
- Expenditure (raw materials and supplies, personnel costs, other operating costs)
- EBITDA, EUR million EUR
- Profitability of qualified net profit in retained earnings



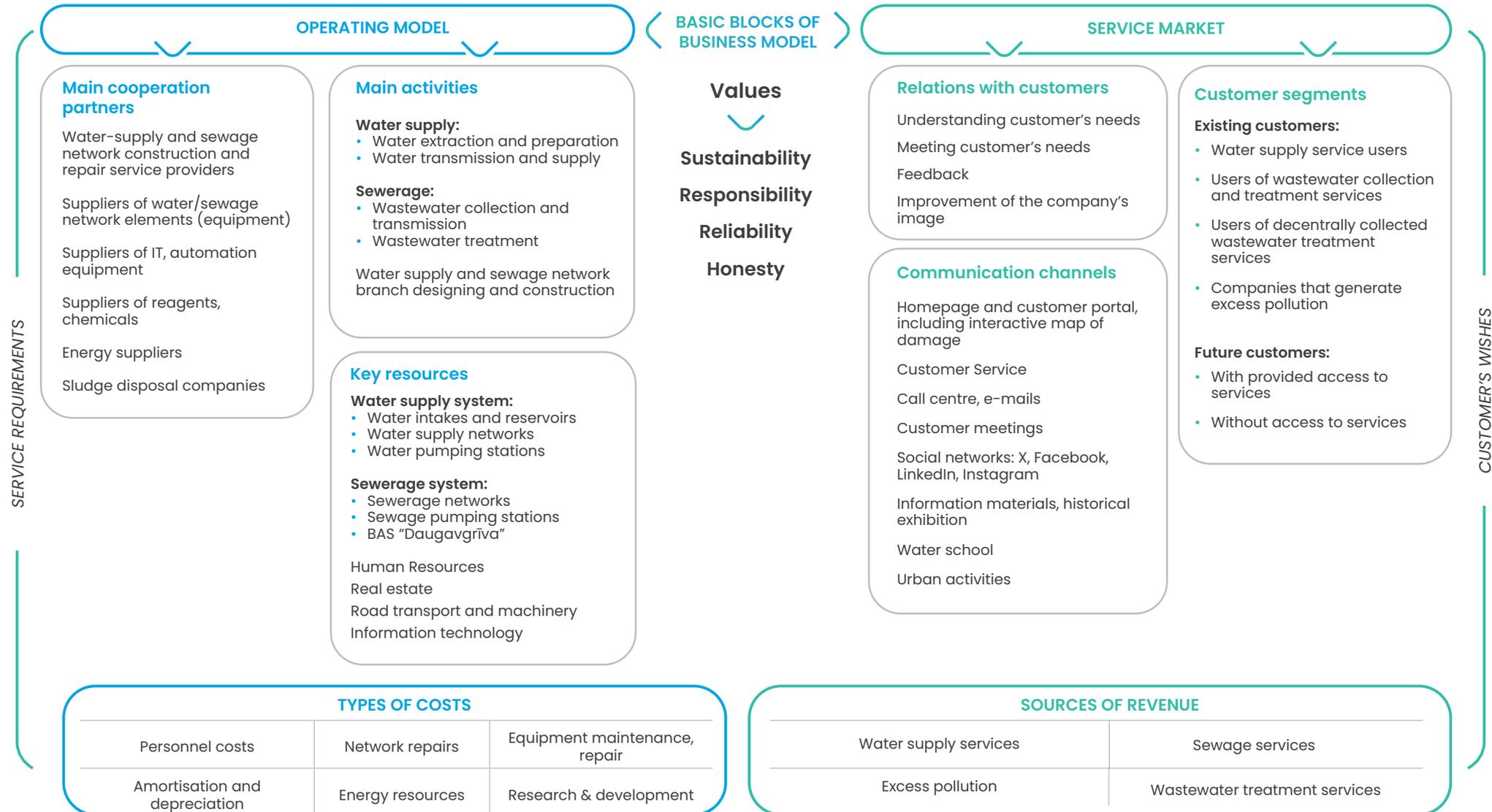
- Investment volume, mln. EUR
- Equity to asset value

Amount of investments by investment group in 2021-2024 (million EUR)

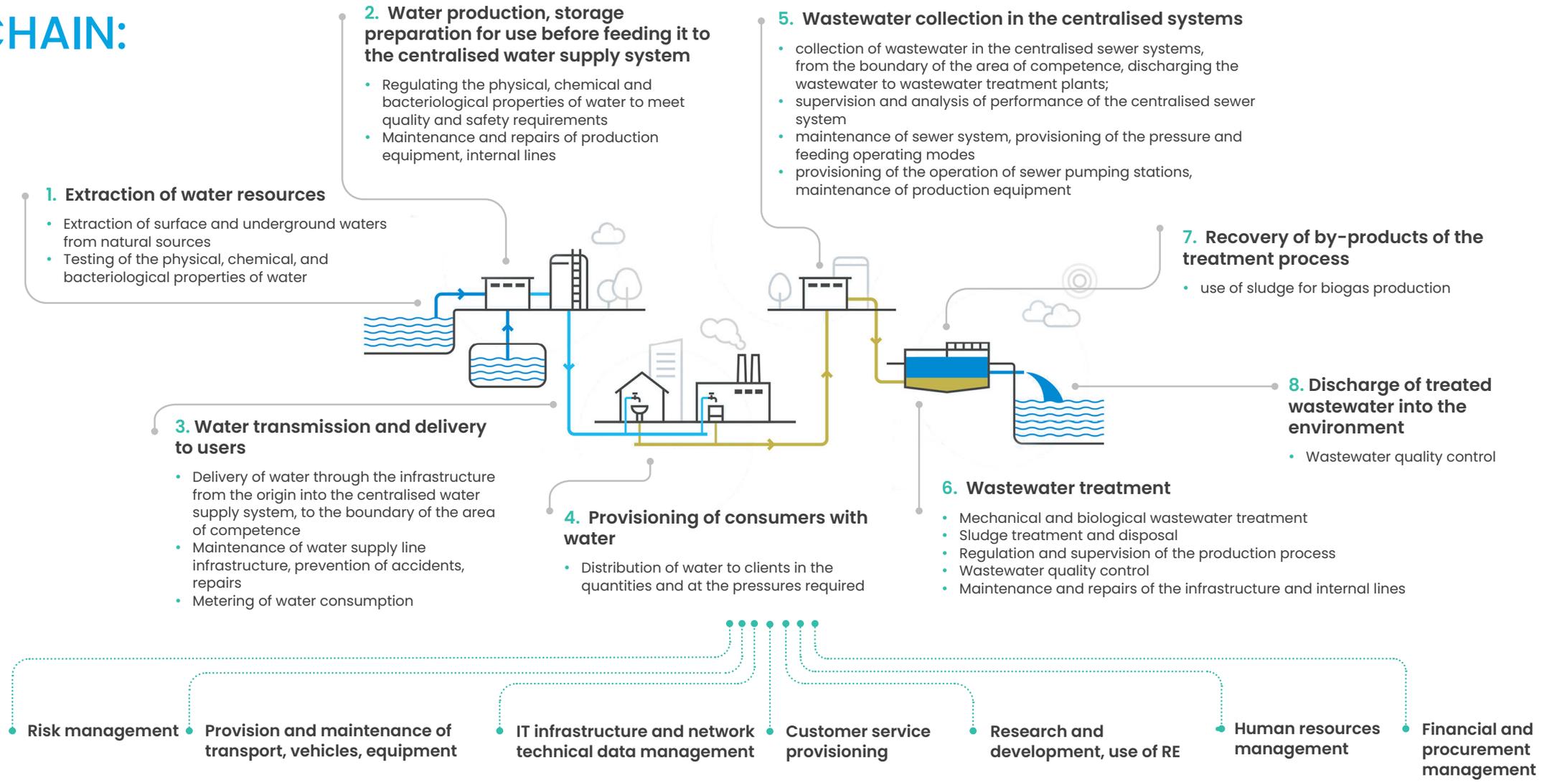


- Total water supply and sewerage projects
- Waste water collection
- Waste water treatment
- Water supply
- Water production
- Other investments for the rehabilitation of technical equipment

# BUSINESS MODEL



# VALUE CHAIN:



## NON-FINANCIAL OBJECTIVES



### OVERALL STRATEGIC OBJECTIVE

To provide high-quality and reliable water management services, to ensure sustainable and safe use of water resources important for Riga and the management of the strategically important infrastructure, as well as to promote involvement of the local residents in prevention of water pollution

### NON-FINANCIAL OBJECTIVES

- NO1.** To improve energy efficiency, increase the use of renewable energy resources and ensure sustainable rehabilitation of sewerage networks
- NO2.** To ensure wastewater treatment requirements and not to deteriorate the environmental condition
- NO3.** To ensure efficient use of water resources and sustainable restoration of water supply networks
- NO4.** To develop availability of centralised water management services
- NO5.** To increase customer satisfaction
- NO6.** To raise public awareness of environmental protection, promote research, digitisation and innovations
- NO7.** To ensure the well-being, motivation and professionalism of staff
- NO8.** To implement responsible corporate governance

### FINANCIAL OBJECTIVES

- FO1.** Financial stability, maintaining proper liquidity indicators:
  - equity is not less than 35% of the total value of assets
  - debt service coverage ratio (DSCR) not less than 1.2
- FO2.** Profitability of assets, delivering stable annual returns. Average net profit margin is not less than 7% over the period of three years until 2027 and not less than 10% as of 2027
- FO3.** Total amount of medium-term investments exceeds total depreciation. Fixed assets renewal to depreciation ratio (%): not less than 130%
- FO4.** Increasing the efficiency of receivables recovery, with bad and doubtful debts to net turnover ratio not exceeding 1%
- FO5.** Investment in research and development projects not less than 2% of the amount of investments per year

## SUMMARY OF NON-FINANCIAL AND FINANCIAL OBJECTIVES IN 2030

**≥90km**

Renovated water supply  
networks

**2%**

Investments in research  
and development

**↓ 30%**

Reduced GHG emissions

**↓ 12,4%**

Water losses

**85%**

WWTP\* energy neutrality

**≥55km**

Renovated sewage networks

**↑ 50%**

WWTP\* hydraulic capacity

**≥ 98% by volume**

Waste-water load collection  
and treatment

**+ 5 points above the  
industry**  
Employee satisfaction



\*wastewater treatment plants

# NON-FINANCIAL OBJECTIVES

ENVIRONMENTAL area

UN	ESRS	Guiding laws and regulations, planning documents and initiatives	Sustainability aspect	Priority area for development	Goal of the Sustainable Development Strategy 2040	Medium-term Operational Strategy's 2025-2030 Non-financial Objective	Performance indicator 2030 (2040)
			Climate change mitigation	<b>Energy efficiency and the development of renewable energy production</b>	1 Achieving energy neutrality of wastewater treatment plants	<b>NO1. To improve energy efficiency, increase the use of renewable energy resources and ensure sustainable rehabilitation of sewerage networks</b>	PI1. RES share from gross energy consumption of WWTPs: $\geq 85\%$  (100%) <sup>26</sup>
			Energy use		2 Reduce GHG emissions		PI2. Scope 1 and 2 GHG emissions reduced by $\geq 30\%$ compared to the baseline or $\geq 3,433 \text{ tCO}_{2\text{eq}}$ summarily over the period of 2025-2030 (Scope 1 and 2 GHG emissions reduced by $\geq 50\%$ ) <sup>27</sup>
			Air pollution		3 Ensure sustainable rehabilitation of sewerage networks		PI3. Rehabilitated sewerage networks: $\geq 55 \text{ km}$ ( $\geq 150 \text{ km}$ )
			Adapting to climate change	<b>Reducing wastewater pollution and improving the environmental condition</b>	4 Ensure higher wastewater treatment requirements and increase hydraulic treatment capacity	<b>NO2. To ensure wastewater treatment requirements and not to deteriorate the environmental condition</b>	PI4. After wastewater treatment, the maximum concentration in the water entering the environment of total phosphorus $P_{\text{tot}} \leq 1.0$ ( $\leq 0.5$ ) mg/litre and of total nitrogen $N_{\text{tot}} \leq 10$ ( $\leq 8$ ) mg/litre
			Water, soil pollution		5 Reduce discharges of untreated wastewater by improving urban wastewater management in the Riga wastewater agglomeration		PI5. Treated wastewaters to total wastewater collected: $\geq 98\%$ <sup>28</sup> (Pollution load caused by wastewater overflows during the rain is reduced to $\leq 2\%$ of the annual pollution load calculated in dry weather)
			Water consumption	<b>Efficient use of water resources</b>	6 Ensure sustainable rehabilitation of water supply networks	<b>NO3. To ensure efficient use of water resources and sustainable restoration of water supply networks</b>	PI6. Renovated water supply networks: $\geq 90 \text{ km}$ ( $\geq 250 \text{ km}$ )  PI7. Reduced water losses by $\geq 12.4\%$ <sup>29</sup> ( $\geq 30\%$ )

<sup>26</sup> Baseline – 2020-2023 average share of renewable energy sources (RES) in gross energy consumption of the WWTP is 26 %, provided by heat produced by biogas combined heat and power technology. Baseline 2020-2023 average consumption is 35 GWh/year.  
<sup>27</sup> Baseline – maximum indicator of 2020-2023 Scope 1 and Scope 2 GHG emissions – 9,249 tCO<sub>2eq</sub>/year, which additionally includes the GHG emission growth potential of the planned projects.  
<sup>28</sup> Baseline – annual average 2022-2024: 98.03% The target value is set with the assumption that, during the 2025-2030 period, there will be no numerous short-term intense showers or prolonged rain and other rainfall extremes compared to the baseline.  
<sup>29</sup> Baseline – 2024: 3240 m<sup>3</sup>/km<sup>2</sup>/year. According to the EU recommendations on the S-shaped water loss reduction progress curve for large water management companies in the document *EU Reference document Good Practices on Leakage Management* and initial calculation projections, the target values are ambitious, while the optimal target value in 2030 would be “by:  $\geq 7\%$ ”. The target values will be specified according to the water loss assessment methodology updated within the Company and according to the methodology introduced in the regulatory requirements.

## NON-FINANCIAL OBJECTIVES

SOCIAL area

UN	ESRS	Guiding laws and regulations, planning documents and initiatives	Sustainability aspect	Priority area for development	Goal of the Sustainable Development Strategy 2040	Medium-term Operational Strategy's 2025-2030 Non-financial Objective	Performance indicator 2030 (2040)
		 <p>Direktīva <b>2024/3019</b> Par komunālo notekūdeņu attīrīšanu <b>NAP 2027</b> <b>VPP 2027</b> <b>NAIP 2027</b> <b>ŪIP 2027</b> <b>RĪGAS</b> ATTĪSTĪBAS PROGRAMMA 2022.-2027. GADAM <b>RĪGA 2030</b></p>	<p>Service availability and quality Water, soil pollution</p>	<b>Available centralised water management services</b>	7 Increase availability of centralised water management services	<p><b>NO4.</b> <b>To develop availability of centralised water management services</b></p>	<p>PI8. Number of declared residents with access to a centralised sewerage service in the agglomeration of centralised sewerage system: additional accessibility <math>\geq 3.3</math> (7.2) thousand residents (Availability of centralised sewerage services in the Riga wastewater agglomeration ensures collection and treatment of <math>\geq 98\%</math> of the wastewater pollution load <sup>30</sup>)</p>
			<p>Service availability and quality</p>	<b>Water supply security and high drinking water quality</b>	8 Ensuring safe and high quality drinking water		<p><b>NO5.</b> <b>To increase customer satisfaction</b></p>

<sup>30</sup> Additional availability 7.2 thous. residents from 636,472 residents in the wastewater agglomeration. Number of declared residents as at 01.01.2024. Values are to be specified taking into account the actual situation and funds assigned by the Riga State City Municipality.

## NEFINANŠU MĒRĶI

SOCIAL area

UN	ESRS	Guiding laws and regulations, planning documents and initiatives	Sustainability aspect	Priority area for development	Goal of the Sustainable Development Strategy 2040	Medium-term Operational Strategy's 2025–2030 Non-financial Objective	Performance indicator 2030 (2040)
	   	 <p>ANO Globālais līgums un korporatīvā sociālā atbildība</p> <p>NAP 2027</p> <p>VPP 2027</p>	Environmental education	<b>Developed environmental education and improved environmental competence</b>	9 Educational and awareness-raising activities for different target audiences	<b>NO6. To raise public awareness of environmental protection, promote research, digitisation and innovations</b>	PII2. Educational activities for the public: ≥ 10/year (implemented ≥ 1 educational programme per year)
			Access to information	<b>Professional expertise and advanced research in water management</b>	10 Involvement in research and development projects in the water management sector		PII3. Number of participants involved in educational activities: ≥ 1,000/year (number of participants involved in educational activities ≥ 1,000 per year)
							PII4. Ratio - number of customers registered on the customer service portal to the total number of customers: ≥ 95 % <sup>31</sup> (indicator was not defined)
							PII5. Annual participation in ≥1 international research project (Annual participation in ≥ 1 international research project)

<sup>31</sup> Baseline – 85% in 2024.

## NON-FINANCIAL OBJECTIVES

SOCIAL area

UN	ESRS	Guiding laws and regulations, planning documents and initiatives	Sustainability aspect	Priority area for development	Goal of the Sustainable Development Strategy 2040	Medium-term Operational Strategy's 2025–2030 Non-financial Objective	Performance indicator 2030 (2040)
		 <p>Direktīva <b>2022/2381</b> par dzimumu līdzsvara uzlabošanu</p> <p>Direktīva <b>2019/1158</b> par darba un privātās dzīves līdzsvaru</p> <p>Direktīva <b>2023/970</b> par vienādu darba samaksu</p>	<p>Staff development</p> <p>Employee involvement</p> <p>Occupational safety</p> <p>Secure employment</p> <p>Adequate remuneration</p> <p>Diversity</p>	<p><b>Skilled and motivated employees in a safe working environment</b></p>	<p>11 Increase workers' well-being and safe employment</p> <p>12 Create an inclusive working environment, promote tolerance and respect for all staff</p>	<p><b>NO7.</b> <b>To ensure the well-being, motivation and professionalism of staff</b></p>	<p>PI16. Employee satisfaction index: retained at least + 5 points above the sectoral average (Employee satisfaction and involvement index above national average)<sup>32</sup></p>

<sup>32</sup> nationwide average in 2023 – 77, "Rīgas ūdens" – 86 points of 100 points.

## NON-FINANCIAL OBJECTIVES

GOVERNANCE area

UN	ESRS	Guiding laws and regulations, planning documents and initiatives	Sustainability aspect	Priority area for development	Goal of the Sustainable Development Strategy 2040	Medium-term Operational Strategy's 2025–2030 Non-financial Objective	Performance indicator 2030 (2040)
			<p>Business ethics</p> <p>Relations with suppliers</p> <p>Working conditions of suppliers</p>	<b>Responsible corporate governance</b>	13 The company's governance processes are fully compliant with good corporate governance regulation and best practice	<p><b>NO8. Implement responsible corporate governance</b></p>	<p>PI17. Assessment of the level of corporate responsibility: "Gold" category<sup>33</sup> (International Corporate Governance Indicators score above the Baltic average)<sup>34</sup></p>
				<b>Developed value chain management</b>	14 Create a value chain by selecting suppliers who conduct responsible business, take active care of the environmental and social matters		
				<b>Involvement and influence of the stakeholders</b>	15 Maintain and improve continuous and effective communication with all the stakeholders, involving them in decision-making		

<sup>33</sup> Sustainability index or equivalent corporate responsibility performance assessment in Latvia.

<sup>34</sup> Average rating of the BICG (Baltic Institute for Corporate Governance) in the Baltic States – 62%, "Rīgas ūdens" rating in 2022 – 72%.

## FINANCIAL OBJECTIVES

FINANCE area

Medium-term Operational Strategy's 2025-2030 Financial Objective	Performance indicator 2030
<b>FO1. Financial stability, maintaining adequate liquidity indicators: equity not less than 35% of the total value of assets; debt service coverage ratio is not less than 1.2</b>	<b>PI18.</b> Equity to the value of assets ratio – equity is not less than 35% of the total value of assets  <b>PI19.</b> Debt service coverage ratio (DSCR) is not less than 1.2
<b>FO2. Profitability of assets, delivering stable annual profit. Average net profit margin is not less than 7% over the period of three years until 2027 and not less than 10% as of 2027</b>	<b>PI20.</b> Average net profit margin is not less than 7% over the period of three years until 2027 and not less than 10% as of 2027 <sup>35</sup>
<b>FO3. Total investment exceeds total depreciation in the medium term. Fixed assets renewal to depreciation ratio (%): not less than 130%</b>	<b>PI21.</b> Fixed assets renewal to depreciation ratio is not less than 130%
<b>FO4. Dncreasing the efficiency of receivables recovery, with bad and doubtful debts to net turnover ratio not exceeding 1%</b>	<b>PI22.</b> Bad and doubtful receivables to net turnover ratio does not exceed 1%
<b>FO5. Investment in research and development projects not less than 2% of the amount of investments per year</b>	<b>PI23.</b> Investments in R&D projects, of the amount of investments: $\geq 2\%$ /year on average over the period 2025-2030

<sup>35</sup> with the relevant "Methodology for Calculation of Water Management Service Tariffs" approved by the Public Utilities Commission

# RISK MANAGEMENT

		FUTURE CHALLENGES						
		Climate change	Environmental change	Changes in human resources and services	Changes in customer expectations and public health	Maintaining critical structures	Changes in the economy	Changes in policy and regulatory
ENVIRONMENT (E)	PRIORITY AREAS FOR DEVELOPMENT							
	Energy efficiency and the development of renewable energy production	✓				✓	✓	✓
	Reducing wastewater pollution and improving the environment	✓	✓		✓	✓	✓	✓
	Efficient use of water resources				✓	✓	✓	✓
SOCIAL (S)	Centralised water management services available		✓		✓	✓		✓
	Water supply security and high quality of drinking water		✓		✓	✓		✓
	Environmental education and improved environmental competence		✓	✓	✓	✓		✓
	Professional knowledge and research in water management developed		✓	✓		✓	✓	✓
	Qualified and motivated staff in a safe working environment			✓	✓	✓	✓	
GOVERNANCE (G)	Responsible corporate governance	✓	✓	✓	✓	✓	✓	✓
	Advanced value chain management			✓	✓	✓		
	Stakeholder engagement & influence	✓	✓	✓		✓	✓	✓

## MONITORING THE IMPLEMENTATION OF THE STRATEGY

Monitoring the implementation of the Strategy is an essential process helping to assess progress towards achievement of our objectives. This will allow to identify possible deviations and to adapt the activity plan in a timely manner to achieve more effective results. The Strategy 2030 contains also integrated essential goals set in the Sustainability Development Strategy 2040 and performance indicators. Thus, monitoring will ensure regular assessment of progress towards the achievement of sustainability goals over the medium activity period and harmonisation with our overall development path.

We will monitor the implementation of the Strategy in accordance with the requirements of the Internal Regulation No. 4 of the Riga City Council dated 21.08.2020 "Procedures for the Management of Capital Shares and Capital Companies owned by the Riga City Municipality".



We started the planning process by structuring the objectives and performance indicators of the Sustainable Development Strategy 2024-2040 to the medium-term operational period 2030, harmonising it with the objectives set by the Riga City Council, as well as assessing the current situation and identifying the requirements of the current planning framework. As a result, we set the most important performance indicators, for the purposes of whose achievement we determined the actions to be included in annual Plan of Activities, additionally assessing, whether these activities contain the necessary mitigation measures for the risks provided for in the Strategy 2040, as well as implementation of the development possibilities.

In order to achieve the non-financial objectives and performance indicators in 2030, we plan specific lines of action through the development of an annual Activity Plan for each calendar year of the Strategy period, planning activities for a scope of three-years. Whereas, we harmonise them with the framework of our three-year budget plan. In the Activity Plan, we will identify and include specific actions, projects, measures that will have a direct impact on or contribute to the achievement of the objective and compliance with the performance indicators in the period of until 2030. We will also communicate the Strategy 2030 to promote engagement in the implementation of the Strategy at the Company management and staff level.

At all levels of governance, we will conduct monitoring the implementation of the Strategy, assessing progress and, where necessary, making changes to the Activity Plan. We will evaluate the implementation of the strategy and the annual performance once a calendar year, reporting to the shareholder. We will conduct control of achievement of the financial and non-financial objectives, performance indicators and the Activity Plan on quarterly basis, providing report to the Supervisory Board according to the procedures stipulated in the Internal Regulation of the Riga City Council and our internal regulatory enactments on the development of strategic documents and supervision of execution.

The Supervisory Board and the Management Board of "Rīgas ūdens" will monitor implementation of the medium-term operational strategy. If we will detect a significant impact on the financial and non-financial objectives included in the medium-term operational strategy, or if the Company's operational environment or commercial activity will be significantly different, the Medium-Term Operational Strategy 2030 will be updated.

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