



IKI LIETUVA

SUSTAINABILITY

REPORT 2025



Arčiau
Tavęs ♥

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Foreword

Foreword by **Nijolė Kvietkauskaitė**, CEO of IKI Lietuva

Fourth sustainability report of IKI... What a journey huh?

If you remember our conversation from last year, I compared our corporate responsibility journey to a hit TV series entering its high-stakes third season. Well, welcome to Season 4. If the previous season raised the bar of expectations exceptionally high, this new chapter is the one where we introduce unexpected plot twists, a few genuine sci-fi elements, and—quite literally—a healthy dose of peace and quiet.

Let's talk about the sci-fi first. In 2025, we officially welcomed advanced autonomous robots to our store floors and partnered with StrongPoint to bring AI-driven age verification to our checkouts. If you had told me a few years ago that our retail sustainability strategy would sound a bit like a tech blockbuster, I might have questioned the scriptwriters. But these digital upgrades are entirely about human efficiency - streamlining daily routines so our team can focus on what truly matters: our people and our customers.

Speaking of our team, they continue to steal the show. This year, IKI earned the market title of the most sought-after employer in the entire retail trade sector. And because a great ensemble cast needs standout leads, our very own Indrė Beinoravičienė was crowned “Sustainability

Manager of the Year.” We are incredibly proud, though at this rate, our HR and sustainability teams are going to need a much bigger shelf just to hold our trophies.

But a truly impactful season also needs heart, alongside a few quiet, powerful moments. After a survey revealed that 7 out of 10 consumers explicitly crave a calmer shopping environment, we rolled out a nationwide “Time of Silence” initiative for sensory-sensitive shoppers across our network. In a noisy world, sometimes the loudest way to demonstrate community care is to simply turn the volume down. We balanced this peace and quiet with active, circular momentum on the ground: we launched a new zero-waste initiative providing free unconsumed food to local farmers for animal feed, expanded our essential partnerships with the “Food Bank,” and even gave our culinary operations a green upgrade. In fact, our famous Kyiv meatballs in Panevėžys are now literally sizzling with green energy from our solar power initiatives.

I could tell you a lot more about how we are executing the final phase-out of cage-reared eggs, introducing “seniors helping seniors” checkout mentorships, or making sure our loyalty discounts stay accessible to customers who don't use smartphones. However, I must respect the golden rule of cinema: you can never put all of your best plot twists in the promotional trailer. Otherwise, who will actually read the rest of the script?

I invite you to turn the page, dive into the details, and enjoy the rest of the season.



Sustainability Highlights of 2025

In 2025, IKI Lietuva continued to make meaningful strides in its sustainability journey, aligning strategic operational growth with responsible business conduct across the core pillars of the Corporate Sustainability Reporting Directive (CSRD). Throughout the year, we accelerated our efforts to reduce our environmental footprint, cultivate an inclusive and rewarding workplace, deepen our connections with local communities, and deploy cutting-edge digital innovations across our store network. The following milestones capture the defining environmental, social, and operational highlights of 2025, demonstrating our ongoing pledge to build a more circular, equitable, and forward-looking retail ecosystem.



Main Sustainability Changes from 2024 (Action-Based)

Environmental (ESRS E)

Food Waste Reduction

Increased discounts on short-shelf-life products to reduce waste.

Green Energy

Powered the Panevėžys production center using solar energy.

Circular Economy

Started providing free unconsumed food to local farmers for animal feed.

Animal Welfare

Committed to completely removing cage-reared (number 3) eggs from store shelves.



Social & Workplace (ESRS S)

Top Employer

Named the most sought-after employer in the retail trade sector.

Diversity & Inclusion

Joined the Lithuanian Diversity Charter Association to reinforce equal opportunities.

Award-Winning Leadership

Recognized internal excellence with Indrė Beinora-vičienė winning “Sustainability Manager of the Year”.

Employee Support

Launched free tutoring services and educational support for younger staff members.

Customers & Communities

Inclusive Shopping

Rolled out a “Time of Silence” network-wide for sensory-sensitive shoppers, backed by survey data showing 7 out of 10 customers favor it.

Guide Dog Awareness

Launched an initiative to educate the public on the integration of guide dogs in stores.

Customer Voice

Formed the second Board of IKI Customers to directly integrate shopper feedback into network improvements.

Assistance at Checkouts

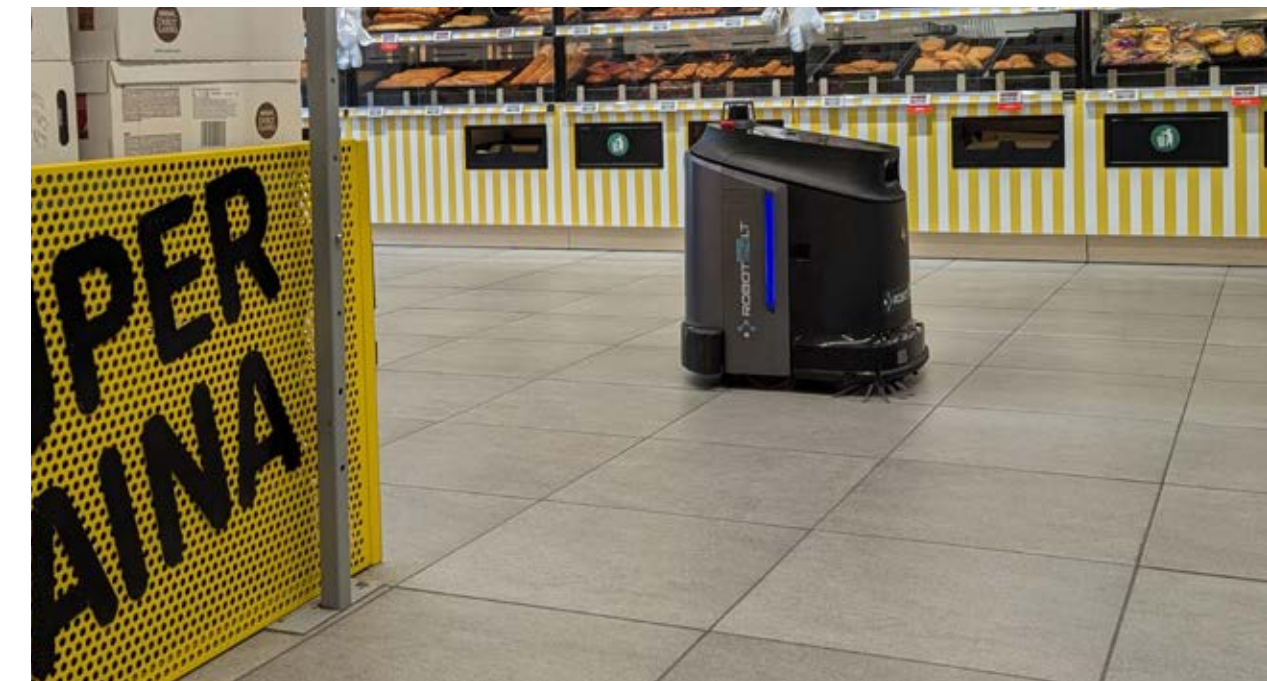
Introduced a “seniors helping seniors” mentorship program at self-service checkouts.

Accessible Discounts

Updated the loyalty program to ensure customers without smartphones can still access extra discounts.

Community Support

Facilitated the donation of nearly 3 tons of food in one month and expanded charity food access streams with the “Food Bank”.



Innovation & Operations (ESRS G / Other)

In-Store Automation

Deployed advanced autonomous robots to assist with tasks across retail locations.

Smart Verification

Partnered with StrongPoint to introduce automated, AI-driven age verification at checkouts.

Strategic Refocus

Completed the “IKI GO!” autonomous store pilot phase to focus resources on wider network innovations.

BUSINESS OVERVIEW



REWE Group overview

UAB IKI Lietuva (IKI Lietuva or IKI) is a member of the REWE Group, an international group of retail and tourism companies. The REWE Group (formerly the Revisionsverband der Westkaufgenossenschaften) was founded in 1927 by 17 purchasing cooperatives and is headquartered in Cologne (Germany).

Key figures in 2025:

Operating in: 21 countries

Net sales: 100.4 billion EUR

(up from 96 billion EUR, hitting a major historic milestone)

Investments: 2.5 billion EUR

(heavily focused on digital infrastructure, supply chain, and retail modernization.)

Employees: 380 thousand

Net profit: 525 million EUR

(approx. 0.5 billion EUR) (down from 1 billion EUR due to intense cost pressures and conscious strategic investments into future market competitiveness)

The business operations of REWE Group are primarily divided into 6 segments:

1. RETAIL GERMANY:

9 retail chains with 6 thousand stores, generating 42,5 billion EUR in revenue

2. RETAIL INTERNATIONAL:

6 retail chains with 4,6 thousand stores, contributing 21,1 billion EUR revenue

3. CONVENIENCE:

4 chains and 61,9 thousand sales points, generating 15,3 billion EUR in revenue

4. DIY:

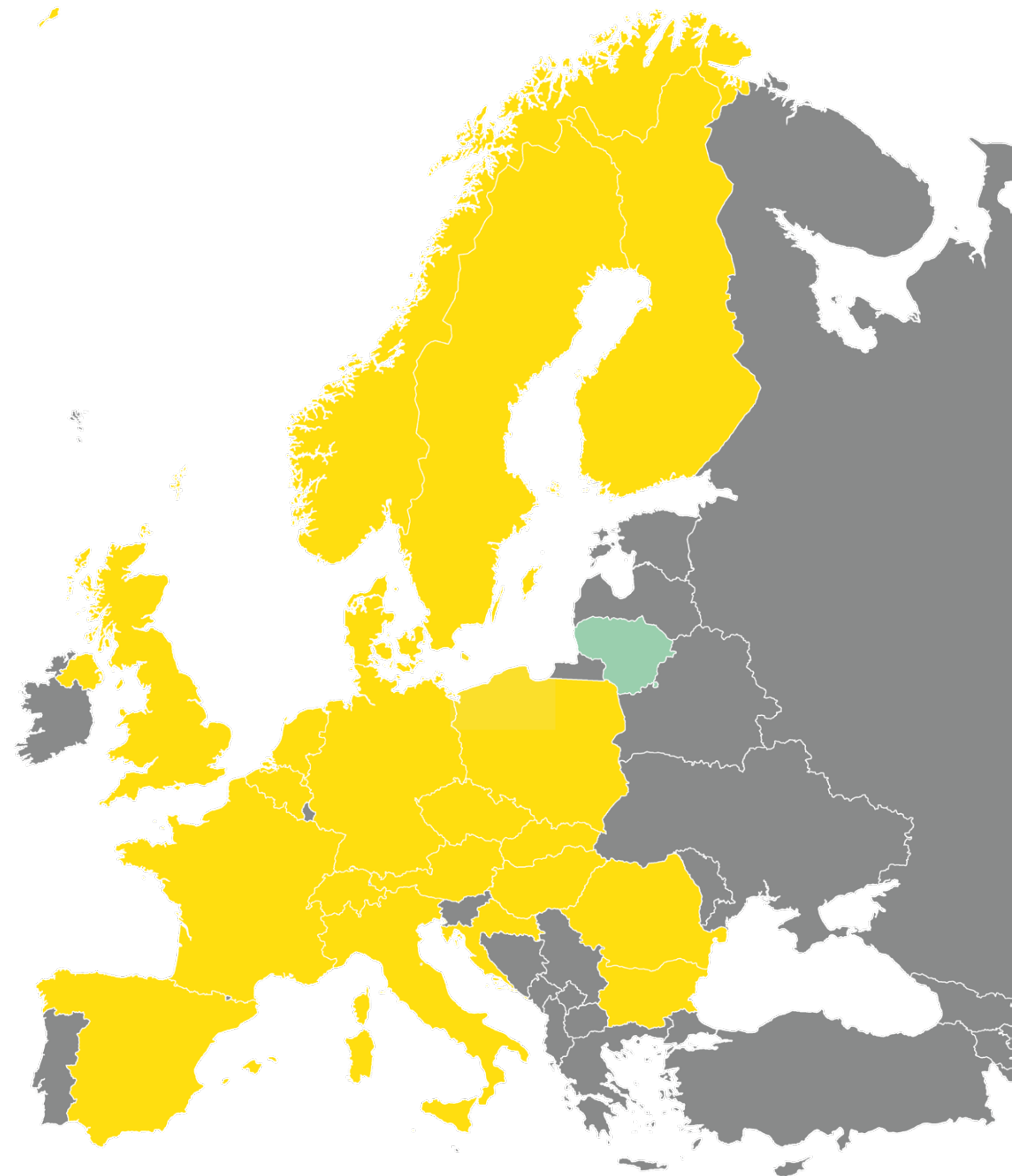
2 chains and 320 stores, generating 2,4 billion EUR in revenue

5. TRAVEL AND TOURISM:

Made up of 130 companies, this segment generates 10,8 billion EUR in revenue

6. OTHER:

Two subsidiaries, providing energy and procurement services to other group



IKI Overview



Founded in 1992, IKI has experienced steady growth and currently ranks as the second-largest retail chain in Lithuania. By 2025, the company operated 248 stores across Lithuania. IKI Lietuva aims to offer its customers a wide selection of fresh and quality products at the best price, which can be found in every neighborhood. Our efforts are proven by the QUDAL award, which is awarded for products and services that offer the greatest level of quality according to the experience and opinion of consumers.

In 2024, IKI was awarded with three international QUDAL medals for product quality. The awards are presented every two years, which means that in 2025 awards where not organized.



1.005 billion EUR
sales (w/o VAT)



14,2 million EUR net profit



248 stores



192 000 sq. m. sales area



300 000 customers per day



5 350 employees



41,9 million EUR investments:

Sustainability initiatives
(photovoltaics, e-signature, etc.)

0,7 million EUR

Store openings and reconstructions –

32 million EUR

Operational efficiency initiatives

(electronic shelf labels, self-checkout, etc.) –

1,5 million EUR

LastMile Overview

Focusing on fast-moving consumer goods, the startup UAB Spartuolis (LastMile) offers its customers the convenience of delivery within few hours.

The platform has more than 400 000 thousand registered users in Lithuania. Customers can choose products from more than 70 partner stores, and the total assortment consists of more than 60 thousand products.

Services

- ◆ Enabling customers to receive orders to home within an hour across 5 cities (Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys).
- ◆ Click & Collect: Enabling customers to pick up groceries from IKI in 107 dedicated pick up points across 34 cities.



lastmile



GENERAL INFORMATION

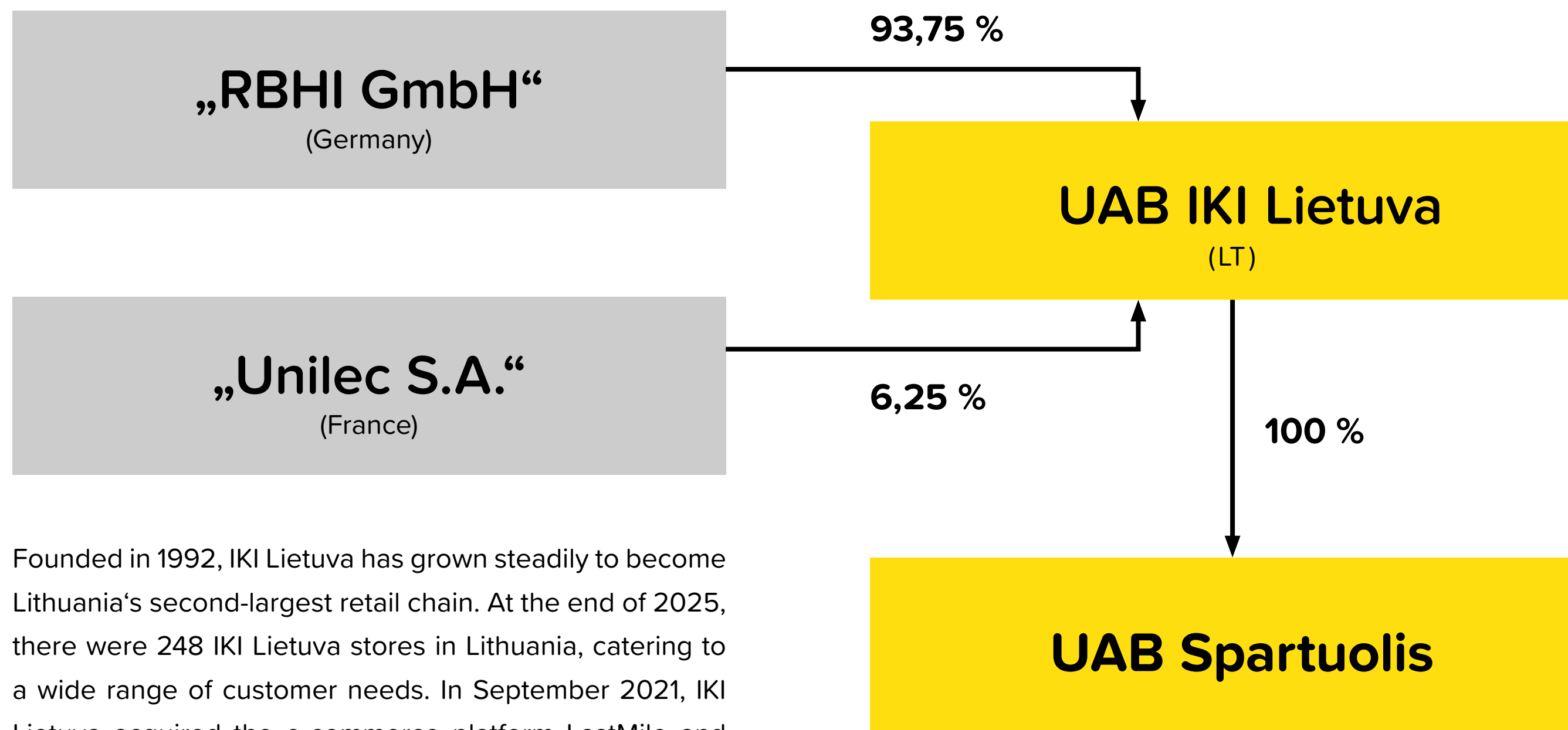


Sustainability Report 2025: Basis for preparation

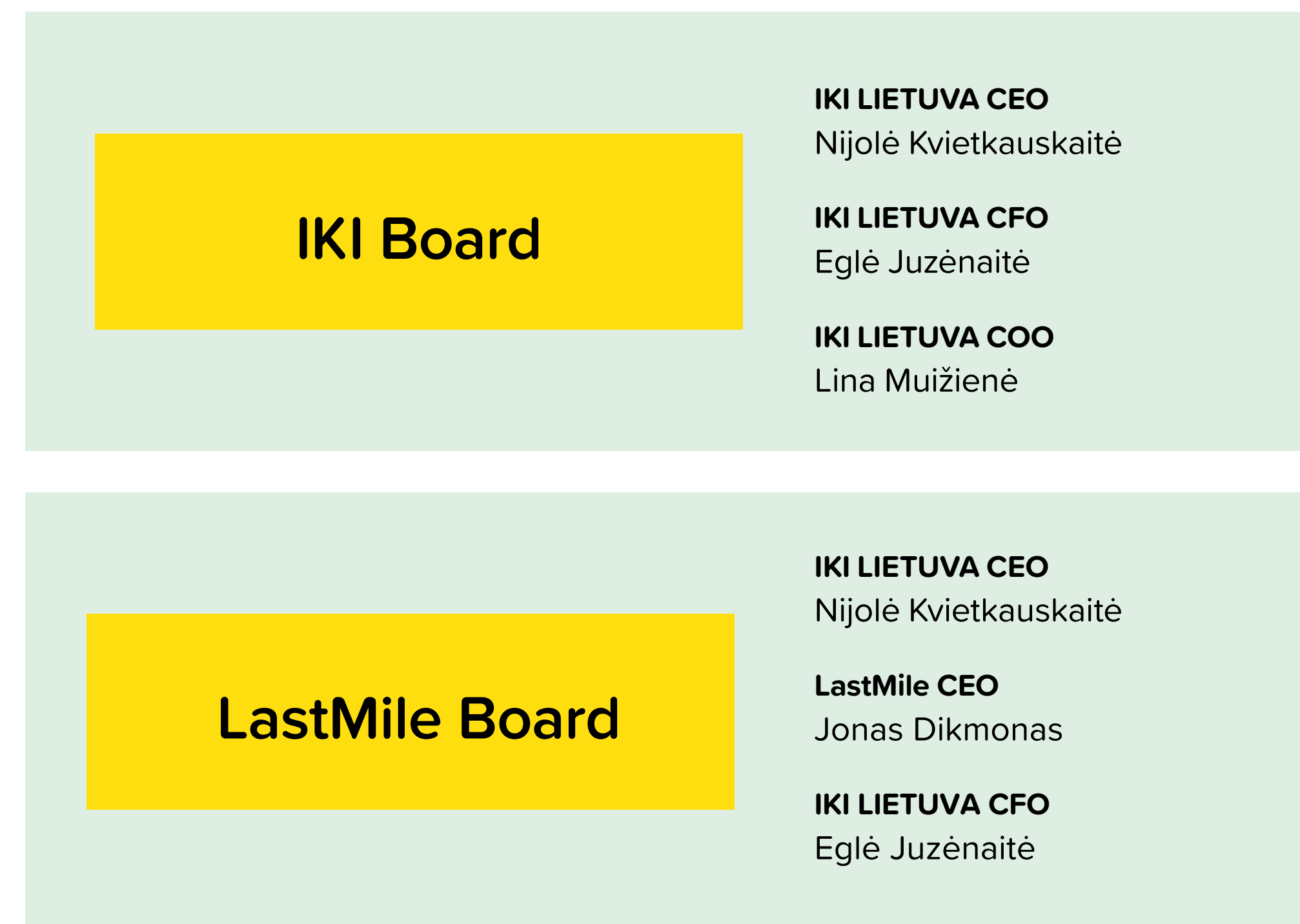
This report of IKI Lietuva, including some relevant information relating to LastMile, is prepared on an individual basis in compliance with the Law of the Republic of Lithuania on Accountability of Undertakings and Groups of Undertakings. IKI Lietuva is not in the scope of the Corporate Sustainability Reporting Directive (CSRD). However, the aim is to be comprehensive and transparent in the sustainability actions. Therefore, the report aligns with simplified draft European Sustainability Reporting Standards (ESRSs) from November 2025, covering both own operations and the value chain.



Governance Structure



Founded in 1992, IKI Lietuva has grown steadily to become Lithuania’s second-largest retail chain. At the end of 2025, there were 248 IKI Lietuva stores in Lithuania, catering to a wide range of customer needs. In September 2021, IKI Lietuva acquired the e-commerce platform LastMile and a controlling stake in UAB Greituolis, which manages the platform. After the transaction, IKI Lietuva held 67% of the shares. At the end of 2024, UAB Greituolis was split into two companies: UAB Greituolis and UAB Spartuolis. Today, IKI Lietuva owns 100% of UAB Spartuolis, which took over the management of LastMile. Meanwhile, UAB Greituolis currently specializes in software solutions and is owned by REWE Ventures.



By the end of 2025 the role of LastMile CEO was given to Kristina Liškauskaitė who was promoted from her previous role of Chief Commercial Officer.

The Board of IKI Lietuva is elected at the shareholders’ meeting. It has no independent Board members. The main shareholder, REWE International AG, carries out the supervisory function. The term of office of the members of the IKI Lietuva Board, each of whom has one vote, is three years.

The Board elects the CEO, who can only act by consensus with one member of the Board (i.e. decisions of the Board cannot be taken unanimously). The CEO may be a member of the Board.

Members of the Boards

At the end of 2025, the following members were at Boards of IKI Lietuva and LastMile:



**Lina
Muižienė**

Member of the Board
of IKI.
COO of IKI.

**Eglė
Juzėnaitė**

Member of the Board
of IKI and LastMile.
CFO of IKI.

**Nijolė
Kvietkauskaitė**

Member of the Board
of IKI and LastMile.
CEO of IKI.

**Jonas
Dikmonas**

Member of the Board,
CEO of LastMile
(till end of 2025).

Composition of the Board	IKI Lietuva	LastMile
Number of executive members	3	4
Gender balance of the Board*	100%	75%

*The percentage of women on the board is disclosed.

THE PRIMARY RESPONSIBILITIES OF IKI LIETUVA AND LASTMILE BOARD INCLUDE:

- ◆ The company’s strategy and financial forecasts;
- ◆ Annual business plans;
- ◆ Budget;
- ◆ Key transactions;
- ◆ Oversight of strategic issues related to sustainability.

MAIN RESPONSIBILITIES OF IKI LIETUVA CEO INCLUDE:

- ◆ Convening the shareholders’ meetings;
- ◆ Making important corporate governance decisions;
- ◆ Providing the Board for approval with IKI Lietuva’s annual reports (consolidated financial statements, annual report and sustainability information);
- ◆ Dealing with other matters within the CEO’s remit.

Labour Council

The Labour Council represents employees, comprising of 11 members elected in an anonymous undertaking-wide ballot. The Labour Council operates following the provisions of the Labour Code of the Republic of Lithuania. The primary responsibilities of the Labour Council are to defend and represent employees’ occupational, labour, economic and social rights and interests.

Oversight of the process to manage material impacts, risks and opportunities

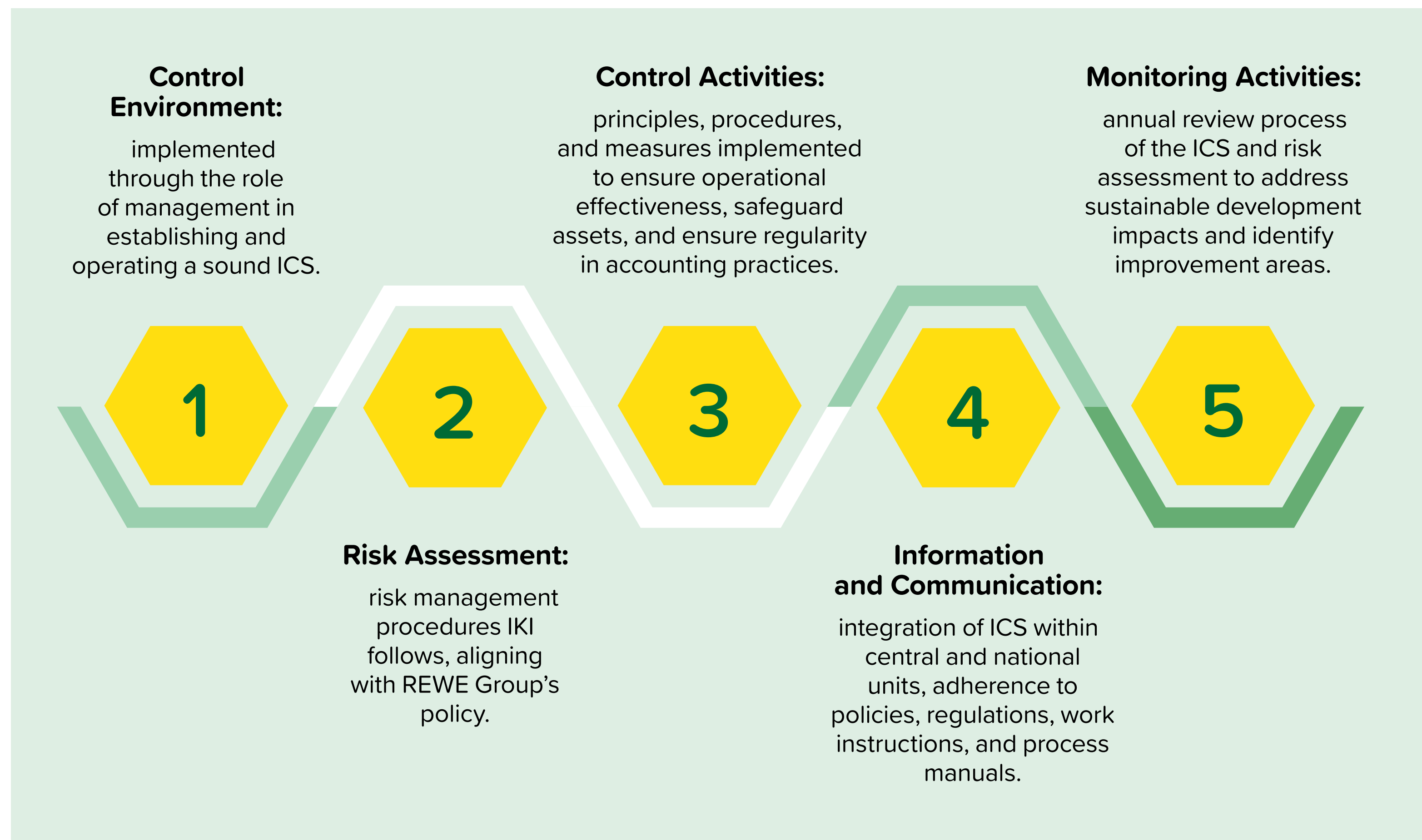
The CEO is the top manager of the undertaking and is responsible for implementing the sustainability strategy, targets and the associated impacts, risks and opportunities. The Sustainability Manager implements strategic sustainability initiatives reflecting the key sustainability orientations. All Sustainability management aspects and duties are described in the company's Sustainability management policy, which was created and implemented at the end of 2025. Key aspects are described in the "Sustainability Governance" part of this report.

External experts are used where needed to provide specific expertise and to ensure that the Board is always ready to meet challenges and opportunities as they arise. For example, external advisors have been engaged in double materiality assessment and compiling of the sustainability report.

The IKI Board is responsible for the effective operation of the Internal Control System (ICS), which includes principles, procedures and measures to ensure the organisational implementation of management decisions in the following areas:

- ◆ maintaining the efficiency and profitability of business operations, which incorporates the protection of physical assets, including the prevention and detection of misappropriation, etc.;
- ◆ ensuring the regularity and reliability of internal and external accounting;
- ◆ ensuring compliance with the relevant legislation applicable to the company.

This system is embedded in the REWE Group's internal QMS Policy and provides for various control mechanisms and risk management procedures. The available ICS is integrated into the structures and processes of the IKI and LastMile business units. The specific requirements are set out in IKI's internal documents.



Sustainability Governance

In September 2025, IKI Lietuva adopted its first Sustainability Management Policy, establishing a formal framework for integrating sustainability principles into the company's governance, strategy and daily operations. The policy defines the company's sustainability management model, strategic priorities, reporting principles and responsibilities, while ensuring alignment with stakeholder expectations and the sustainability direction of the REWE Group and VS CEE region.

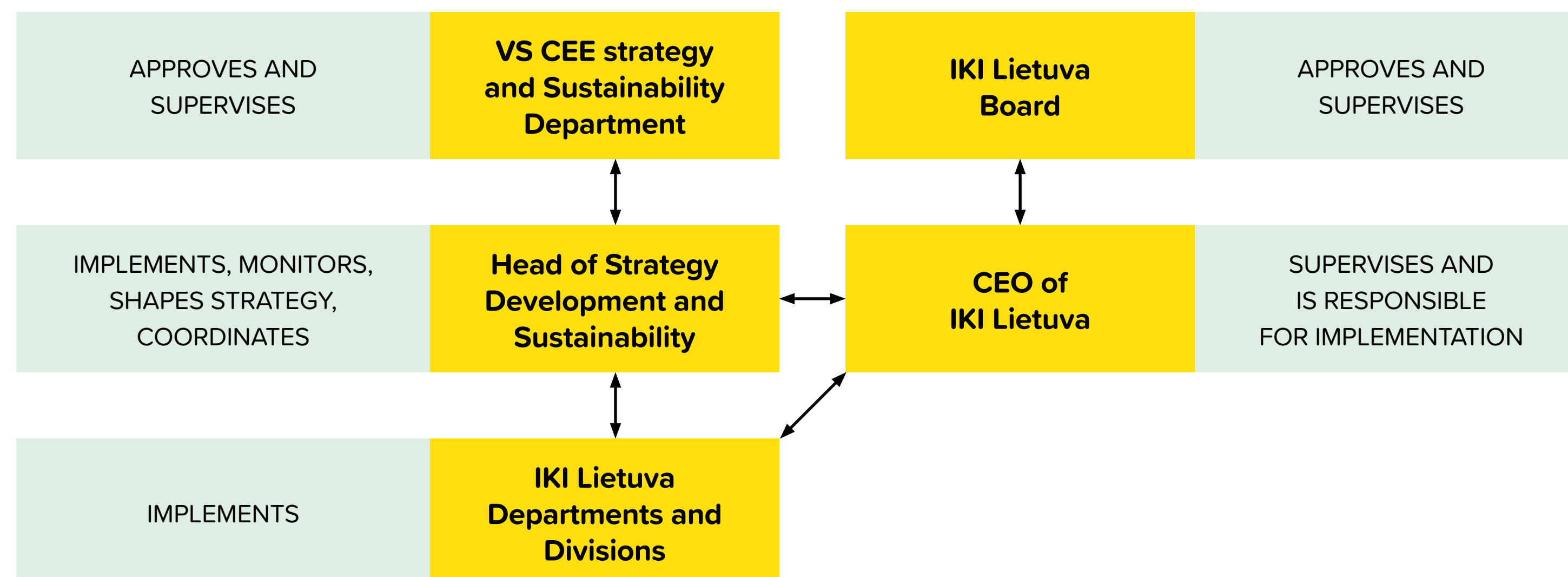
The policy was created with the purpose to ensure the effective implementation, accountability and cross-functional integration of sustainability objectives.

The policy is based on internationally recognized sustainability frameworks, including the UN Global Compact, the Paris Agreement and other relevant EU sustainability initiatives. It outlines five strategic sustainability directions: **Sustainable products; Energy, climate and environment; Social responsibility; Employees** and **Governance**. Across these areas, IKI Lietuva commits to promoting local and healthier products, improving energy efficiency and waste management, supporting local communities and inclusive workspace and ensuring transparent and ethical business conduct.

The implementation and governance of those strategic priorities are established in the sustainability management model. It defines the roles and responsibilities of the VS CEE Strategy and Sustainability Department, the Management Board, the CEO, the Strategy Development and Sustainability Manager, and individual business departments.

Key responsibilities and dependencies are described in the visualization of Sustainability Management Model.

Sustainability Management Model



THE PRIMARY RESPONSIBILITIES OF THE SUSTAINABILITY MANAGER OF IKI LIETUVA INCLUDE:

- ◆ Implementing and monitoring the sustainability strategy;
- ◆ Preparation of sustainability information for the annual report;
- ◆ Implementing sustainability projects;
- ◆ Developing methodologies, systems and processes to vertically integrate sustainability themes across business areas and ensure implementation through monitoring tools;
- ◆ Increasing awareness of sustainability and sustainability management among all employees;
- ◆ Contributing to developing the sustainability strategy and ensuring the management of sustainability activities within the organisation.

The policy also establishes the principles and process for preparing the annual sustainability report in line with CSRD and ESRS requirements, emphasizing transparency, accuracy, relevance and comparability of sustainability information.

Integration of sustainability-related performance in incentive schemes

The Board is not subject to a bonus or incentive schemes directly linked to sustainability issues (including climate targets).



Sustainability risk management and internal controls over sustainability reporting

The primary risk associated with potentially misleading information is managed by involving responsible department heads during both the information gathering and report preparation stages. The report is sent to the IKI Lietuva Board for final approval. Although there is no formally documented process description, it includes the following parts:



Collecting information

The managers of the responsible areas collect the necessary information to ensure its accuracy and reliability.



Drafting a report

The information collected is processed, and a Sustainability Report is drafted.



Approval process

The report is sent to the responsible managers for approval and final approval by the Board.

Statement on due diligence

As part of the REWE Group, which is subject to German legislation on comprehensive supply chains, we are also guided by the principles set out in this legislation in our activities. As this regulation is not mandatory in Lithuania, we encourage our suppliers to provide information voluntarily through the external Ecovadis System. The suppliers' data helps assess the current situation and identify potential risks in the supply chain.



We also have an internal due diligence process: the Quality Department of IKI Lietuva carries out supplier inspections and regular audits, which check quality parameters and ask for relevant sustainability-related documentation. For example, organic products are subject to stricter requirements, and suppliers must provide documentation to support their organic credentials. The exact requirement applies to LastMile suppliers of organic products.

Our Strategy



Mission

MAKE DAILY LIFE EASIER

by providing the most convenient way
of shopping – anytime, anywhere



Vision

THE FAVOURITE STORE
in every neighbourhood and
community we serve



INCLUSIVENESS

Everyone is important,
everyone is accepted

TRUST

Always true to our word

Values

WINNING SPIRIT

Always ahead of an
ever-changing world

POSITIVITY

Always see a glass
as half full

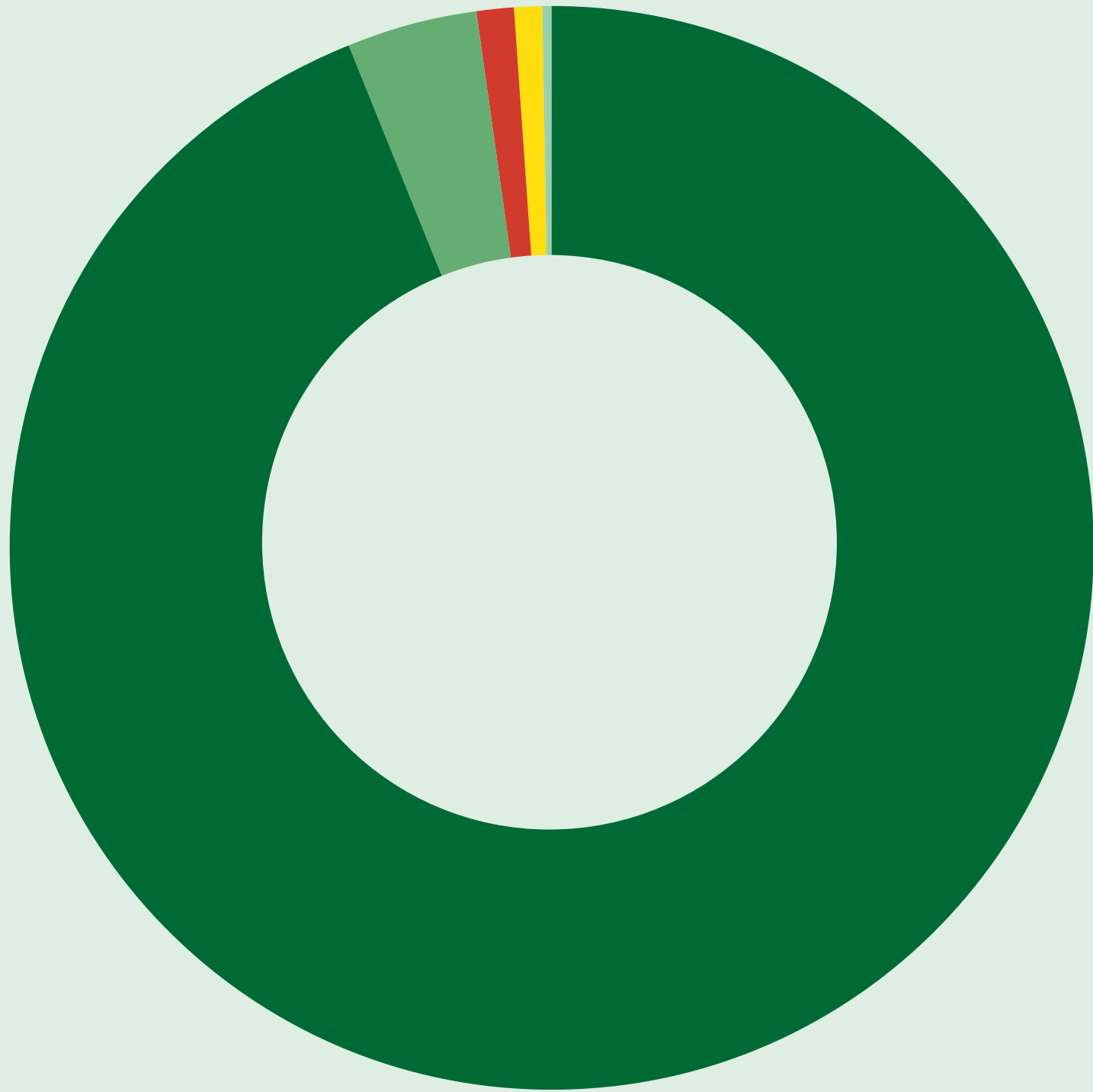
Our vision – **the favourite store in every neighbourhood and community we serve** – perfectly reflects our ambition to offer our customers a wide selection of fresh, quality products at the best prices in stores close to home. Driven by our vision and mission and with a strong backbone of loyal employees, we are Lithuania’s second-largest retail chain. LastMile platform offers shoppers food and other goods delivered within few hours and has more than 400 000 registered users in Lithuania. Shoppers can choose from more than 70 partner stores, with a total assortment of more than 60 000 items.

Sustainability considerations increasingly inform strategic decisions, including investments in energy efficiency, renewable energy, refrigeration and store modernisation, the operation and development of e commerce services, and the development of private label products aligned with quality, animal welfare and environmental requirements. Sustainability management therefore addresses impacts across the value chain, including upstream sourcing, own operations, and downstream consumption and end of life of products.

	IKI Lietuva	LastMile
NUMBER OF EMPLOYEES	5350 (an average number of employees for the reporting year)	18 (at the end of the year)
REVENUE AND PROFIT	♦ EUR 1,008B (excluding VAT) ♦ EUR 19.2M	♦ EUR 17,828M in sales revenue (excluding VAT) ♦ EUR 2,459 million loss

*LastMile data is provided for November–December of 2025

Business areas of IKI Lietuva:



	93,6 % Retail
	4 % Deli, confectionery and bakery products
	1,1 % E-commerce
	1,1 % Real estate (e.g., leasing premises to various businesses within our owned buildings)
	0,2 % Wholesale
	Data monetisation (ScreenClub) is a new business area.

Our Value Chain



Goods intended for sale, both direct and electronic, pass through the trading phase before they reach their end consumers, and at the end-of-life, they generate waste. The life cycle of some end-user-generated waste continues in the recycling cycle as the company maintains and supports the deposit system. Some goods and products past their expiry date or not in a marketable condition may be handed over to non-governmental organisations such as the Food Bank.



Services related to direct activities (e.g. security, cleaning services) and **goods not for sale** (raw materials, packaging, workwear, cleaning products) are used in the production and maintenance of the operation, and their waste is separated and transferred for recycling or energy production.



Other services (construction, repair, logistics, IT) usually include renting real estate to business clients and maintaining infrastructure.



Wholesale focuses on business customers.



Data monetisation is carried out mainly for business customers as an additional revenue generation activity.

The value chain covers different stages of an activity, from the initial supply of raw materials or services to end use and end of life.

This forms a comprehensive supply, production, trade and service chain, ensuring operational efficiency and sustainable use of resources.

Upstream	Direct activities	Downstream	
		End use	End of life
◆ Goods for sale ◆ Goods not for sale (raw materials, packaging, workwear) ◆ Services related to direct activities (security, cleaning services) ◆ Other services (construction, repair, energy, logistics, IT services)	◆ Trade ◆ Manufacture ◆ E-commerce ◆ Lease of real estate ◆ Wholesale ◆ Data monetisation	◆ Selling goods to customers ◆ Selling the undertaking's products to customers ◆ Customers of online shops ◆ Lease of real estate to corporate customers (e.g. pharmacies located on premises owned by IKI Lietuva) ◆ Wholesale (to corporate customers) ◆ Corporate customers	◆ Waste ◆ Sorting of waste and forwarding it to recycling ◆ Sorting of waste and forwarding it to energy production ◆ Maintenance and support of the deposit system ◆ Transfer of products to NGOs (e.g. Food Bank, etc.)

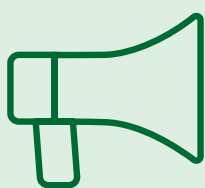
Our stakeholders

Stakeholder engagement is key to ensuring that our strategic direction and business model align with all stakeholders' interests and views. IKI Lietuva's stakeholders are individuals and groups interested in or affected by our business activities. By proactively engaging with these stakeholders, we can make informed decisions, strengthen our operations and improve the management of key issues.

Interests and views of stakeholders are collected and evaluated by the heads of the responsible functional units, who also share relevant information with the top management bodies. The insights or recommendations of stakeholders lead to changes that directly impact business operations and inform business decisions. For example, if we are testing new solutions related to sustainability, stakeholder views are first gathered, stakeholders can be involved in „live“ testing, and the results are then presented to the Board. The Board's approval is required for the new solution to be rolled out across the IKI Lietuva network.



Stake-holders	How engagement is organised	Purpose of engagement (topic)	How stakeholder views are taken into account
EMPLOYEES 	- Regular face-to-face meetings - Regular team meetings - Regular meetings with management - General staff meetings (organised remotely, once per quarter; employees may raise issues of concern to them) - Intranet, MELP - IKI Talks Initiative (monthly) - Employee surveys - Newsletters (weekly) and other internal documents - Store and regional management meetings	- The undertaking's information and strategy - Changes and news - Remuneration and benefits - Employee well-being - Training program - Career development - Health and safety - Equal opportunities - Sustainability	Feedback from employee surveys or other forms of engagement is used to make informed decisions.
CUSTOMERS 	- IKI Customers' Board (four live meetings in 2024) - Customer surveys - Customer service channels - Focus group discussions - Website - Social network profiles (Facebook, Instagram, LinkedIn, "TikTok") - IKI mobile app - Advertising (outdoor advertising, TV and radio advertising) - Brochures	- Product-related issues - Pricing - Shopping experience - Sustainability - Customer service - Data protection - Partnerships	- Updating the product range in response to consultations. - Improved communication of personalised offers. - Improved shopping experience at self-service checkouts. - Additional communication for seniors.

Stake-holders	How engagement is organised	Purpose of engagement (topic)	How stakeholder views are taken into account
BUSINESS PARTNERS 	- Regular audits and consultations - Joint initiatives - Surveys	- Contract terms - Delivery and payment terms and Conditions - REWE Group and IKI guidelines - Sustainability matters (e.g. policy, data, etc.)	Collecting sustainability-related information from suppliers and business partners.
ASSOCIATIONS AND NaGOs 	- Membership - Donations and charity - Events and campaigns	- Social projects - Donations and charity	- Contributions to various support campaigns. - Physical health-related campaigns. - Active participation in associations (e.g. commenting on legislation).
AUTHORITIES 	- Discussions on regulatory issues - Discussions on joint projects	- Legislative - Taxes - Compliance	- As regulations change, internal processes are improved accordingly. - Sustainability targets are linked to national targets for the trade sector.
MEDIA 	- Website - Meetings - Press releases - Events and campaigns	- Financial and operational results - Accomplishments - Social projects - Senior management changes	Monitoring topics of interest to the media. Processes or initiatives can be changed in response to them.

ENVIRONMENT



Highlights

In 2025, IKI Lietuva accelerated its transition toward a circular, climate-resilient retail model, proving that environmental responsibility can be seamlessly woven into everyday operational choices and customer value. Much like the bold environmental milestones of previous chapters, our strategy this year focused on turning potential waste streams into valuable circular assets, expanding our clean energy self-sufficiency, and advancing our commitments to responsible sourcing. From the green energy powering our local production facilities to the very choices available on our store shelves, we continue to demonstrate that protecting the planet goes hand-in-hand with being closer to our communities.

KEY ENVIRONMENTAL MILESTONES:

Consumer-Driven Waste Reduction

We expanded commercial discount structures for short-shelf-life products, delivering a dual benefit that directly protects both our customers' wallets and the environment.

Solar-Powered Production

We scaled up our renewable energy utilization on the ground by shifting our culinary and deli production operations in Panevėžys to run on clean solar energy.

Circular Farming Partnerships

We established a new zero-waste opportunity for local agricultural networks, allowing farmers to receive unconsumed food free of charge to use as animal feed.

Assortment and Animal Welfare

We finalized our long-term commitment to higher animal welfare standards, confirming that we will completely phase out and stop filling our retail shelves with cage-reared (number 3) eggs.



Climate

Climate protection, energy efficiency and emissions reduction remain important priorities for IKI Lietuva as part of our broader sustainability strategy.

As part of REWE Group, in 2025 we continued contributing to the Group-level Science Based Targets initiative (SBTi) process. Climate-related data collection and target development activities were carried out at REWE Group level, with final SBTi targets, metrics and transition plan expected to be confirmed in 2026 following the target validation process. The targets are being developed based on 2024 baseline data.

Environmental processes, projects and environmental performance tracking within the company are managed by the Head of Energy and Environmental Management together with the dedicated team and energy project managers.

Investments in modern store technologies, energy-efficient solutions and operational improvements remained central to our efforts to reduce energy consumption and environmental impact. These measures support the transition towards lower-emission retail operations and more efficient use of resources.

*The Science Based Targets initiative (SBTi) provides businesses and financial institutions with guidance on reducing greenhouse gas (GHG) emissions in line with climate science and the Paris Agreement goal of limiting global warming to 1.5°C.



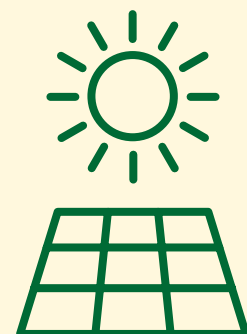
Our actions

Actions and Resources (Mitigation & Adaptation)

In 2025, we continued strengthening renewable electricity generation and energy efficiency measures aimed at reducing emissions and environmental impact. The Company expanded solar energy self-production capacity, further implemented Building Management Systems (BMS) and continued transitioning towards lower-emission refrigeration solutions. Energy management activities remained aligned with the ISO 50001 standard.

KEY ACTIONS IN 2025:

- During 2025 we acquired additional 1.1MW self-production capacity with solar panels on stores rooftops. By the end of 2025 we had combined 10.9MW capacity of solar energy production that covered 12% of our energy needs.



Expansion of Building Management Systems (BMS)

The system provides centralised control of electrical and mechanical equipment in buildings. In 2025, IKI Lietuva further expanded on BMS implementation, and by the end of the year, 100% of its buildings were managed by BMS, compared to 82% in 2024. Cooling system upgrades. Freon is being replaced with a more environmentally friendly refrigerant alternative, carbon dioxide (CO₂). In 2024, we also began implementing „Waterloop“ refrigeration systems. This solution is based on a decentralized system where numerous individual chillers are connected to a unified cooling infrastructure. „Waterloop“ is one of the most environmentally friendly refrigeration solutions. We installed it in 15 stores in 2024.

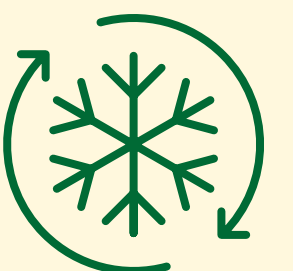
MAIN ENERGY INDICATORS IN 2025:

- Green energy as a share of total energy: 80.2%
- Green energy production capacity: 10,9 MW
- Energy efficiency per sq.m.:
 - 2025m - 439 kWh/m²
 - 2024m - 457 kWh/m²
 - 2023m 452 kWh/m²



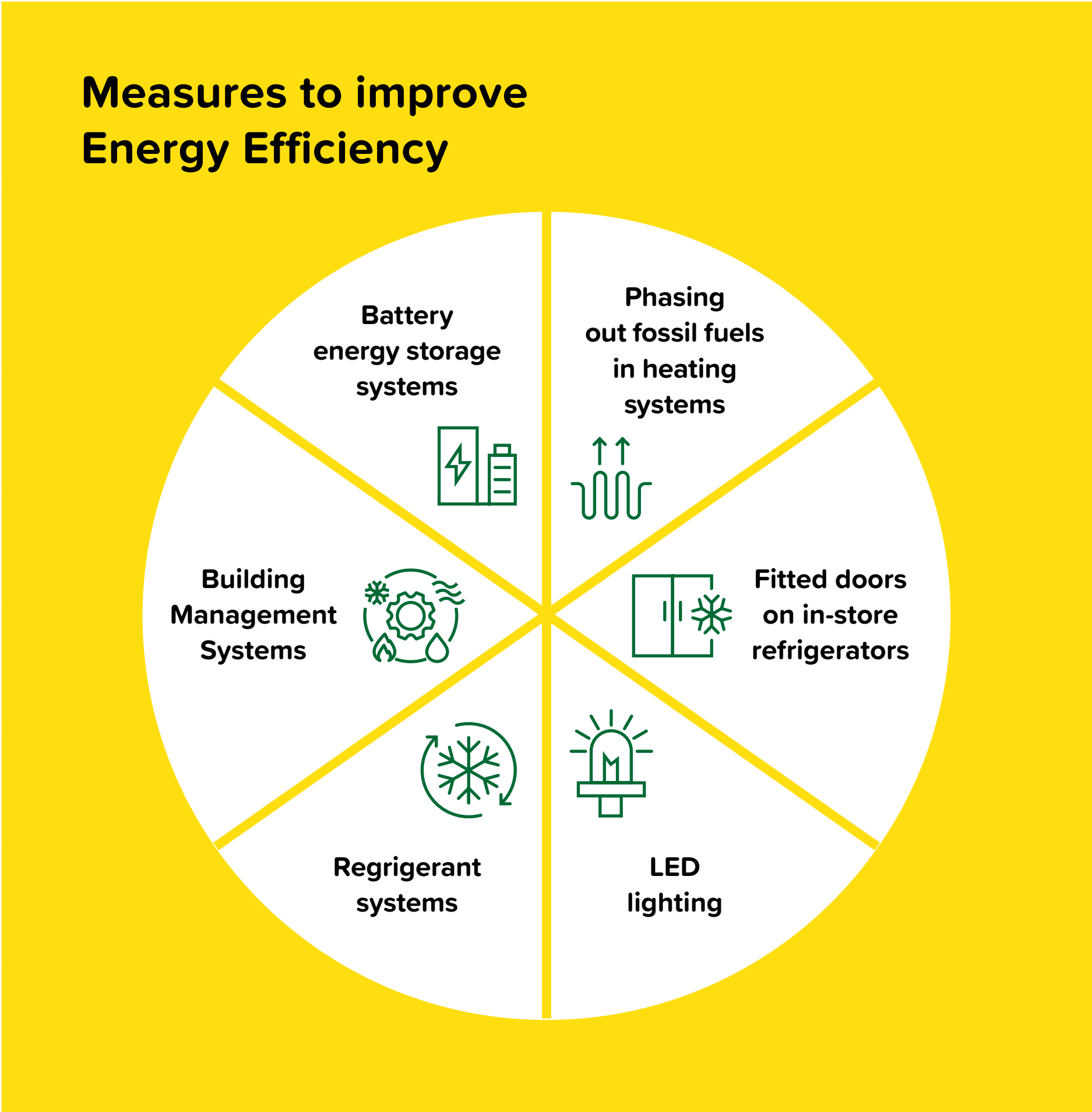
Cooling system upgrades

Freon is being replaced with a more environmentally friendly refrigerant alternative, carbon dioxide (CO₂). In 2025, we also began implementing „Waterloop“ refrigeration systems. This solution is based on a decentralized system where numerous individual chillers are connected to a unified cooling infrastructure. „Waterloop“ is one of the most environmentally friendly refrigeration solutions. We installed it in 5 stores in 2025.



MEASURES TO IMPROVE ENERGY EFFICIENCY

2024	4%	- Energy storage devices (batteries) help balance electricity supply and demand, enable more efficient use of renewable energy sources, reduce energy waste, and contribute to energy security and sustainability. - IKI Lietuva began installing these storage units in 2024. Currently, 10 stores have them, with a total capacity of 10 MWh.
2026	100%	BMS allows for centralized control of a building's electrical and mechanical equipment.
2024	82%	In 2024, IKI Lietuva focused significantly on BMS implementation. By the end of the year, 82% of its buildings were managed by BMS, a substantial increase from 37% in 2023.
2023	37%	
2030	70%	- Freons are widely used in refrigeration systems, but its use has a negative impact on the environment and contributes to climate change. - IKI Lietuva is replacing freon with more environmentally friendly refrigerant alternatives – carbon dioxide (CO₂)-based and waterloop systems. In 2024, 36% of stores used such systems, compared to 26% in 2023.
2024	36%	
2023	26%	



- Currently, 18% of existing heating systems use fossil fuels. - During store reconstructions, we replace these systems with heat pumps, which allow buildings to be heated using external thermal energy. - IKI Lietuva currently does not have a set goal to abandon fossil fuels, but systems are replaced during all reconstructions.		2024	18%
		2023	20%
- Fitted doors allow for a significant reduction in energy losses in refrigerators. - By the end of 2024, 80% of refrigerators in stores were equipped with doors. - IKI plans to have all refrigerators in stores equipped with doors by 2030.		2030	100%
		2024	80%
		2023	72%
- LED lighting systems are energy efficient and durable.compared to 26% in 2023. - In 2024, 92% of all managed retail locations had LED lighting, compared to 87% in 2023.		2030	100%
		2024	92%
		2023	87%

Identified Climate Risks

While we have not currently carried out a comprehensive climate resilience analysis, we have identified key climate change risks in 2025 that are still relevant and unchanged.

Category	Risk	Potential impact	Our response
PHYSICAL RISKS	Extreme weather (heatwaves, droughts, storms, heavy rainfall)	Disrupted supply chains can lead to increased prices of products	Supply chain diversification (e.g., partnership with vertical farms)
		Lower quality of food (especially fruits and vegetables), higher levels of pesticides	◆ Quality control procedure in place, suppliers are introduced to the procedure ◆ Frequent testing of products
		Physical damage to our infrastructure, especially – solar panels	◆ Insurance plans to cover potential damages ◆ Investment in infrastructure that is designed to withstand extreme weather conditions
		Higher operational costs due to increased energy usage for cooling or heating facilities	Investment in solar and wind power technologies to produce at least 30% of required energy by 2030
TRANSITION RISKS	Policy and regulatory changes	More resources needed to meet new regulations (e.g., employees analyzing legal requirements, conducting supplier risk analysis, etc.)	◆ Improving and automating internal processes for monitoring, controlling and reporting ◆ Cooperation with NGOs and regulatory bodies
		Reluctance from suppliers to collaborate or increased costs (since IKI is part of the REWE Group, some of the requirements we impose on our suppliers are not yet required of them by other buyers)	Investing in partnership with suppliers, educating them about the benefits of adopting higher sustainability standards
	Brand reputation and consumer preferences	Failure to address risks related to climate change; failure to reduce our negative impact and ensure sustainable assortment can damage brand reputation	◆ Review of assortment and communication campaigns to encourage more consumers to choose sustainable products ◆ Monitoring the supply chain to ensure high standards
Category	Opportunity	Potential impact	Our response
PHYSICAL OPPORTUNITIES	Energy efficiency	Reduced operational expenses due to investment into energy-efficient technologies and own energy production	Further investment into the most successful and financially feasible solutions. More details about our response in chapter “Energy, climate and environment” .
TRANSITION	Waste reduction	Due to strong regulatory push, implementing waste reduction initiatives, especially food-related, can lead to cost saving and higher profitability	Optimizing assortment, updating pricing campaigns to minimize food waste will also help us reduce financial losses
	Innovation opportunities	Investing in innovative retail, product and packaging solutions strengthens our position as retail-tech and retail innovator in Lithuania	Collaboration with research and development teams inside and outside of our organization, collaboration with startups, implementation of innovative solutions.
	Brand image	Engaging with and support for local communities as well as expanding of sustainable product offerings, can improve brand loyalty and expand our customer base.	Consistent partnerships with local communities and NGOs, especially those that directly correspond to IKI’s sustainability strategy and goals.

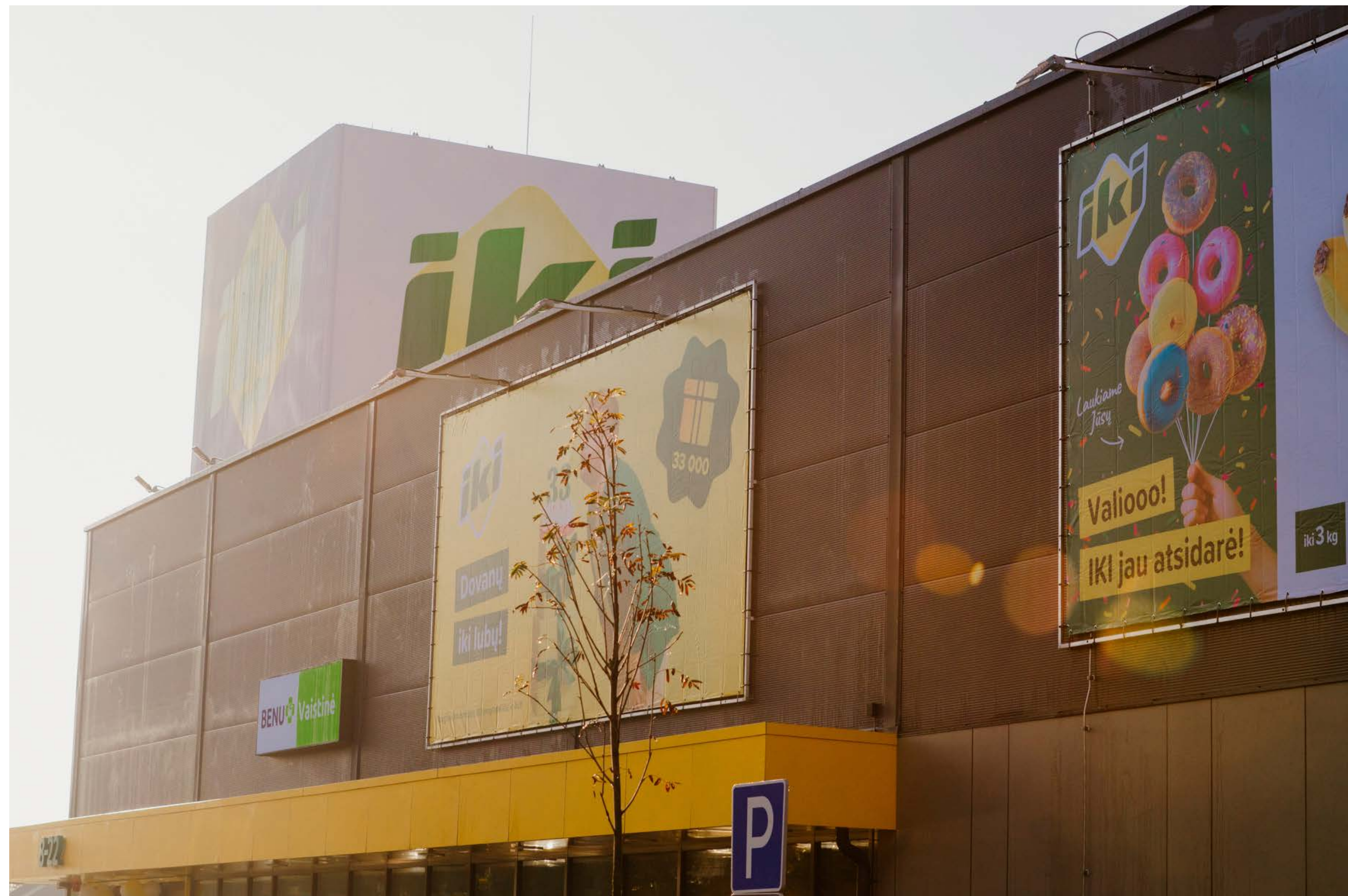
Policies

Although the emissions across Scopes 1,2, and 3 have been calculated more thoroughly, IKI Lietuva does not have an environmental policy to manage the significant impacts, risks, and opportunities associated with climate change mitigation and adaptation. The absence of this policy is based on the fact that we will align our self with REWE group goals and policies that are under development at the moment.



Targets and metrics, Transition plan

In 2025 we collected the data for SBTi on a REWE group level. As a group, we are committed to set the final SBTi targets, metrics and transition plan in Q2 2026. Currently REWE Group is going through the final steps of target validation. Targets are built on 2024 base-year data.



Energy

Energy consumption remains a significant challenge in the retail and production sectors due to extended operating hours and the continuous need for lighting, refrigeration, heating, ventilation, and air conditioning (HVAC) systems. In 2025, IKI Lietuva continued its efforts to improve energy efficiency and further strengthen the use of renewable energy sources. We continued purchasing green electricity for all buildings it owns and is permitted to manage.



In 2025, we continued expanding our electric vehicle charging station network, installing new stations next to 8 stores. By the end of the year, owners of electric vehicles had access to more than 200 charging ports located near 52 IKI stores.

ENERGY CONSUMPTION AND MIX	2024	2025
(1) Fuel consumption from coal and coal products (MWh)	5 633	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	9 898	9 444
(3) Fuel consumption from natural gas (MWh)	23 486	11 053
(4) Fuel consumption from other fossil sources (MWh)	3 540	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	0	2 511
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	42 557	23 008
Share of fossil sources in total energy consumption (%)	34%	17.9%
(7) Consumption from nuclear sources (MWh)	1 840	2 358
Share of consumption from nuclear sources in total energy consumption (%)	1.0%	1.9%
(8) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	77 107	94 323
(9) The consumption of self-generated non-fuel renewable energy (MWh)	2 135	8 503
(10) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 9)	79 242	102 826
Share of renewable sources in total energy consumption (%)	64%	80.2%
Total energy consumption (MWh) (calculated as the sum of lines 6 and 10)	123 669	128 193

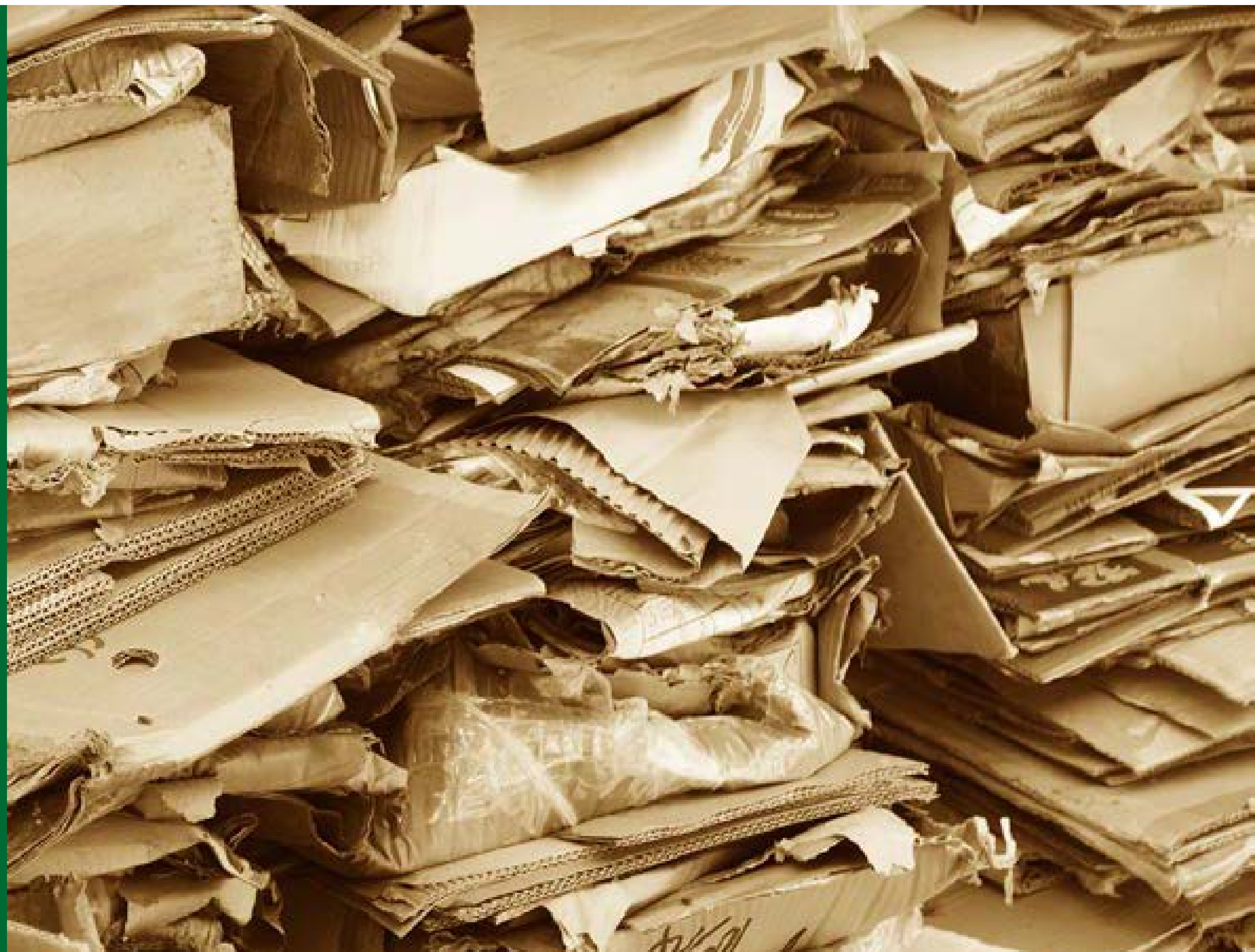
Emissions

The Company’s greenhouse gas (GHG) emissions are calculated in accordance with the Greenhouse Gas Protocol and aligned with ESRS requirements, using internationally recognised emission factor databases. In 2025, IKI Lietuva expanded its GHG accounting approach by starting to collect data for Scope 3 emissions calculation. This is part of global REWE group data collection (in scope according to ESRS). The CO₂e calculations was made on a group level and no segregated data for IKI Lietuva Scope3 emissions is yet available.

CO ₂ e in kg	2021	2024	2025
Electricity market based	3 574.605	5 193.896	1 217.681
Electricity location based	17305.850	5 873.739	6 465.101
Heat	5957.182	4 129.811	4 150.218
Fuels	1 311.954	1 807.239	2 990.011
Refrigerants	9 815.708	11 817.765	4 644.059
Logistics 3rd party	11 290.213	12 490.321	7 700.087
Business travel	38 947	153.719	126.803
SUM MARKET BASED	33 134.040	35 592.751	20 828.496
SUM LOCATION BASED	46 865.284	36 272.594	26 076.280



SUSTAINABLE RESOURCE USE AND CIRCULAR ECONOMY



Reducing food waste remains one of IKI Lietuva's most critical sustainability priorities. As a food retailer, the Company focuses on scaling practical, circular economy solutions that prevent waste, optimize resource efficiency, and generate long-term value from surplus food. Throughout 2025, we continued to mature our waste prevention frameworks, enhance our waste sorting and recycling practices, and expand the integration of sustainable materials across our entire operational ecosystem.

Policies

While the Company does not have a separate policy specifically dedicated to circular economy and waste management, it continues to implement related targets and initiatives, including reducing food waste and increasing the use of recycled plastic in private-label packaging.

The Company have a dedicated food waste reduction action plan that stands as a policy for food waste prevention. It can be found at [Maisto Švaistymo Mažinimo Planas](#)



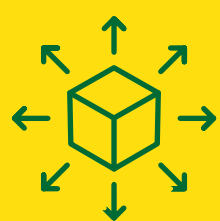
Circularity and Waste related actions

IKI Lietuva follows the publicly available REWE Group Guidelines on the Use of Palm (and Palm Kernel) Oil Products, which promote sustainable palm oil sourcing. In line with these guidelines, the Company purchases only RSPO-certified palm oil for use in confectionery and private-label products.

OUR KEY RESOURCES



Food raw materials
(used for own
production)



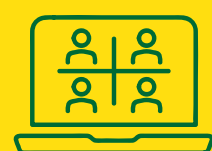
Packaging (used
for packaging
own production)



Packaging/packaging
materials (used to
transport products)



Fuel (for transport)



Equipment and
installations (computer
equipment, shop
and other premises
equipment (furniture and
other similar equipment),
electrical appliances
(food production,
administration, logistics
warehouses).



Electricity and
thermal energy



Textiles
(workwear)



Natural resources
(water (for domestic use
and food production)
and solar energy)



Circularity and Waste related actions

Management of food waste

A key food waste prevention initiative introduced in 2025 was our innovative “**second-day bakery**” **project** — a targeted initiative designed to significantly curb waste within our fresh, in-store baked goods segment. The operational model optimizes the lifecycle of these high-quality products by offering fresh buns and bread at a substantial discount on the second day, while seamlessly redirecting any remaining surplus to charitable donations on the third day.



This initiative was launched as a strategic **pilot project across 15% of our store network in 2025**. Backed by the valuable operational insights and positive data gathered during this testing phase, IKI Lietuva is preparing to scale this food saving framework to its full potential, with a **complete network-wide rollout planned for 2026**.

In our Food Preservation Plan, we have established a hierarchy of waste management and a set of key actions we are taking to achieve our goal.

FOOD PRESERVATION PLAN

	Type of waste hierarchy	Implementation
NON-WASTE	Prevention	Expired products are sold at a discount or donated to the Food Bank and other charities.
WASTE	Re-use	Certain products (e.g. vegetables and fruit) that are no longer fit for consumption or donation to charity are collected by Lithuanian farmers and used as animal feed. We also work with animal shelters, zoos and other organisations.
	Sorting	At the end of the shelf life of products, when they are no longer fit for human consumption, our food waste management partner collects all waste from stores and sends it to its recycling plants. Food waste is used to produce energy. The by-product of food waste processing is used as a high-quality organic fertiliser to generate energy.
	Recovery	
	Disposal	We are committed to zero tolerance of food waste in landfills. From 2021, IKI Lietuva's food waste is not sent to landfill.

Circularity and Waste related actions

Plastic reduction and the use of recycled

ADDITIONAL ACTIONS TAKEN IN 2025:

- ◆ We collect detailed data from private label product suppliers, paying close attention to the composition of packaging. This process should be completed by early 2025, and based on the analysis, we plan to develop a separate strategic direction and targets for packaging, aiming to increase the amount of plastic recycled and reduce the amount of plastic in packaging.
- ◆ In 2024, we changed how products are transported and stored in all our stores. Instead of wooden pallets wrapped in plastic film, goods are now transported using roll-containers. This change has led to a 68% reduction in plastic film consumption.
- ◆ In 2024, we reduced plastic packaging for IKI deli products and eliminated plastic accessories, such as disposable forks. This change will reduce plastic consumption by 8 tons annually.

Other Resource and Waste Management

- ◆ There is a strong focus on efficient waste separation and recycling:
 1. All plastic shopping bags used in IKI Lietuva stores are made from plastic waste collected in our own operations.
 2. In early 2024, we started working with Circleplast (R&R IDEAS), a company that recycles waste polystyrene foam (Styrofoam) and makes pellets. In 2024, 15 tonnes of waste polystyrene foam were transferred.
 3. At the beginning of 2025, we started collecting coloured film separately at the Panevėžys Logistics Centre.
 4. Since 2018, IKI Lietuva has been cooperating with UAB VIRBANTĖ, which recycles black plastic boxes and uses them for moulding car parts. In 2024, 79 tonnes of plastic waste were delivered for recycling.
- ◆ At the end of 2023 and the beginning of 2024, all IKI Lietuva stores all shelf labels became electronic. This has led to the elimination around 76 tonnes of paper per year .

Metrics

Municipal waste management practices continue to vary across Lithuanian municipalities, limiting the availability of consistent data. In 2025, IKI Lietuva continued its efforts to minimise waste sent to landfill by promoting proper waste sorting, reuse, and recycling wherever possible.

- ◆ Total weight of waste: 16163,7 tonnes;
- ◆ Total amount of recycled/repurposed waste 58,7%;
- ◆ Weight of secondary materials reused or recycled in the production of company products (plastic IKI bags): 206.3 tonnes.

Targets

TARGET: to increase the amount of recycled plastic in private label packaging.

Today’s target is 100% recycled plastic in own production packaging by 2030.

In 2025, we reached 12% recycled content rate. However, we are aware that for various reasons beyond our direct control, such as the failure of suppliers to provide the necessary information or the irreplaceability of the value chain and certain products, achieving this target in the year foreseen may be challenging.

The upcoming Packaging and Packaging Waste regulation (PPWR), that we preparing for on the group level, will help us to achieve this goal, as manufacturers will have to oblige to it by increasing recycled material amount in packahing.

TARGET: to use certified palm oil.

100% sustainably grown (certified) palm oil is used in all IKI Lietuva products forth year in a row.

TARGET: to reduce food waste.

The target is twofold: to reduce food waste by saving the resources used to grow, produce, transport and package food, and to ensure that as little food waste as possible ends up in landfills, where it contributes to the greenhouse gas methane as it decomposes. We aim to reduce food waste by 30% by 2030 compared to 2022. To this end, we are complying with the obligation of the Law of the Republic of Lithuania on Waste Management to have a **Food Waste Prevention Plan**, to set out the targets and to provide for the measures to be taken to achieve the targets.

Year	2024	2025	Change (%)
QUANTITY OF FOOD WASTE (IN TONNES)	7063	6966	-1,4 %
WASTE AMOUNT (IN KG/M ²)	39,2	36,2	-7,6 %

We exceeded our 2025 goal for –5% reduction of food waste per sales area (stated in our Food Waste Prevention Plan) and moving steadily forward towards our 2030 goal.

Waste

Municipal waste management practices continue to vary across Lithuanian municipalities, limiting the availability of consistent data. In 2025, IKI Lietuva continued its efforts to eliminate waste sent to landfill by promoting proper waste sorting, reuse, and recycling wherever possible.



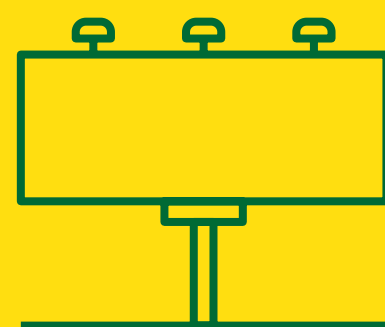
MAIN TYPES OF WASTE GENERATED BY OUR ACTIVITIES:

1. Municipal waste



2. Industrial waste

E.g. stands, broken and other bulky waste



3. Packaging waste

The largest portion consists of secondary/tertiary packaging used for products sold by IKI Lietuva. This also includes some primary packaging, such as cardboard boxes, wooden crates (from fruits and vegetables), plastic containers, metal cans, and other similar items.



4. Food waste

Unsold food that is no longer fit for consumption, food left-over from food production.



SOCIAL INFORMATION



Highlights

Recognition as a Leading Employer

IKI Lietuva was recognized as the most sought-after employer in Lithuania's retail sector.

Strengthening Diversity and Inclusion

In 2025, IKI Lietuva joined the Diversity Charter Association in Lithuania, reaffirming its commitment to equal opportunities, non-discrimination, respect, and an inclusive working environment.

Supporting Young Employees' Development

IKI Lietuva launched a dedicated educational support initiative, providing free tutoring services to young employees to help them continue their education and enhance their future career opportunities.

Fostering Employee Innovation

IKI Lietuva continued to encourage employee-led innovation by engaging employees and cross-functional teams in identifying and implementing ideas that improve operational efficiency and enhance customer experience.

Recognition of Sustainability Leadership

IKI Lietuva's commitment to sustainability and employee development was further acknowledged through the national recognition of Indrė Beinoravičienė as "Sustainability Manager of the Year."



Our employees

Our employees are at the core of IKI Lietuva's success, daily operations, and long-term growth. We continue to invest in employee wellbeing, professional development, and career opportunities by offering competitive salaries, learning and growth opportunities, and a supportive working environment. At the same time, the Company recognizes potential workforce-related challenges, including work-related stress and maintaining work-life balance, and continues to address these areas through ongoing people-focused initiatives.



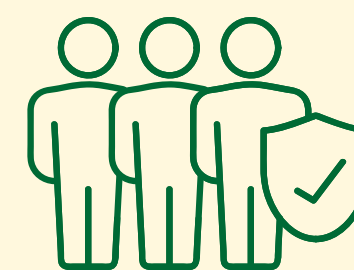
Working conditions and employee protection; Policies

In 2024, the Company identified and assessed material impacts, risks and opportunities (IROs) related to its own workforce as part of its double materiality assessment (DMA), building on the materiality analysis process disclosed in the 2024 Sustainability Report.

The DMA process covered both actual and potential impacts of the Company's activities on its own workforce, as well as financial risks and opportunities arising from workforce-related matters. The assessment considered employees across all operational functions, including retail store personnel, logistics and warehouse staff, administrative employees and managerial workforce.

THE IDENTIFICATION OF S1-RELATED IROS WAS INFORMED BY:

- ◆ internal workforce data (e.g. turnover, absenteeism, occupational accident statistics, training participation),
- ◆ employee engagement survey results,
- ◆ information received through internal communication and feedback channels,
- ◆ collective dialogue mechanisms where applicable,
- ◆ operational risk assessments related to health and safety and working conditions,
- ◆ HR policy reviews and compliance monitoring processes.



THE COMPANY ASSESSED IDENTIFIED WORKFORCE-RELATED TOPICS FROM BOTH:

- ◆ an **impact perspective**, considering the severity and likelihood of actual or potential positive and negative impacts on employees' working conditions, equal treatment and opportunities, health and safety, skills development and job security; and
- ◆ a **financial perspective**, considering the potential effects of workforce-related matters on operational continuity, productivity, employee retention, labour costs, legal compliance and reputation.



In addition, external sources such as sector-specific workforce risks in retail operations, national labour market trends and applicable regulatory developments were taken into account in order to identify potential workforce-related impacts and financial risks that may not yet have materialised within the Company's own operations.

Working conditions and employee protection; Policies

As a result of this process, the Company identified the material impacts, risks and opportunities related to its own workforce presented in the table below. These IROs form the basis for the workforce-related policies, actions and targets disclosed in the following sections of this report.

Workforce topic	Material impact on own workforce	Related financial risks	Related opportunities
WORKING TIME ORGANISATION AND WORKLOAD	Shift work, overtime and seasonal workload may negatively affect employees' working conditions and well-being	Challenges in attracting and retaining workforce may increase labour costs and employee turnover	Process automation and innovative store formats may reduce overtime needs and improve workforce efficiency
WORK-LIFE BALANCE	Working time patterns may affect employees' ability to maintain work-life balance	Reduced employee satisfaction may contribute to absenteeism and turnover	Flexible work organisation may improve retention and productivity
ADEQUATE WAGE	Remuneration above statutory minimum wage contributes positively to employees' economic security	Increases in minimum wage levels may raise operational labour costs	Competitive remuneration may support workforce attraction and retention
SOCIAL DIALOGUE AND EMPLOYEE ENGAGEMENT	Employee engagement initiatives may positively influence employees' inclusion in workplace decision-making	Ineffective engagement processes may result in additional operational costs due to misaligned improvement actions	Effective engagement may improve workforce satisfaction and operational efficiency
FREEDOM OF ASSOCIATION	Employee representation structures support protection of workers' interests	Consultation processes may affect implementation timelines of business decisions	Structured dialogue may facilitate more effective organisational change processes
TRAINING AND SKILLS DEVELOPMENT	Access to professional and personal development opportunities supports employees' career development	Investments in training may not always result in expected productivity improvements	Workforce upskilling may enhance operational performance and reduce employee turnover
PRIVACY	Inadequate personal data protection practices may negatively affect employees' rights	Data protection breaches may result in financial penalties and reputational damage	Improved data governance may strengthen employee trust and compliance

■ Negative impact ■ Positive impact

Working conditions and employee protection; Policies

Policies that manage the identified workforce impacts and risks.



To manage the workforce-related impacts and risks identified through the Company’s double materiality assessment, internal policies addressing working conditions, employee engagement, skills development and personal data protection are applied across the organisation.

POLICY OVERVIEW TABLE

Policy area + actual policies	Related material IROs	What the policy covers in practice	Workforce groups covered	Implementation in 2025
WORKING CONDITIONS AND REMUNERATION	Workload, working time organisation, work–life balance, remuneration adequacy, retention risk	Organisation of working time and shift scheduling, overtime principles, rest periods, remuneration and employee benefits, equal treatment in employment conditions	Store employees, logistics and warehouse staff, administrative personnel	Applied across operations; reviewed in line with labour market developments
EMPLOYEE ENGAGEMENT AND REPRESENTATION	Employee inclusion in decision-making, organisational change processes	Employee communication channels, consultation practices, employee representation mechanisms, feedback integration into workplace improvements	All employees	Engagement practices maintained and applied across operational units
TRAINING AND SKILLS DEVELOPMENT	Workforce capability gaps, productivity and retention risk	Onboarding processes, job-related training, professional development opportunities and internal career development	All employees	Training programmes implemented across store network and administrative functions
EMPLOYEE PRIVACY AND DATA PROTECTION	Employee personal data protection, compliance and reputational risk	Processing of employee personal data, use of workplace IT systems and reporting of data protection breaches	All employees	Internal data protection requirements applied in daily operations

Working conditions and employee protection; Policies

Health and Safety

Ensuring safe and healthy working conditions remained a priority for IKI Lietuva in 2025. Occupational health and safety requirements are integrated into daily operations across stores, logistics operations and administrative functions, with a focus on accident prevention, employee awareness and continuous improvement of workplace safety practices.

Occupational health and safety processes are implemented in line with applicable legal requirements and internal procedures covering workplace safety, fire safety, incident prevention and risk management. The occupational health and safety management system covers 100% of the company’s workforce. Employees receive mandatory health and safety trainings, regular briefings and role-specific information related to workplace risks and preventive measures. Internal audits, workplace inspections and occupational risk assessments are carried out regularly to identify improvement areas and strengthen preventive actions.

Employees can report safety-related concerns directly to managers, responsible specialists or through internal reporting channels. Reported incidents and near-miss situations are investigated individually, with corrective and preventive actions implemented where necessary.

HEALTH AND SAFETY INDICATORS FOR 2025

	2024	2025
NUMBER OF WORK-RELATED ACCIDENTS	50	57
WORK-RELATED FATALITIES (ACCIDENTS)	0	0
WORK-RELATED FATALITIES (OCCUPATIONAL DISEASES)	0	0

Employee engagement, representation and social dialogue

Employee engagement and representation

Employee engagement remains an important part of IKI Lietuva's organisational culture across retail operations, logistics and administrative functions. Employees are engaged through surveys, internal communication platforms, direct dialogue with managers and employee representation structures.

IKI Lietuva ensures employee representation through the Works Council, consisting of elected employee representatives. The Works Council represents employee interests and participates in regular information, consultation and dialogue processes with management on workplace-related matters, including working conditions, organisational changes and employee well-being.

One of the main engagement tools is the employee satisfaction survey MAZU, conducted every two years and last carried out in 2024, with 90% employee participation. The anonymous survey helps assess employee experience, engagement and work environment, while enabling benchmarking across REWE Group companies. The next MAZU survey cycle is planned for 2026, with updated results expected in summer 2026.

The overall employee satisfaction score in 2024 was 2.09 on a scale from 1 to 6, where 1 represents the highest score.



Employee engagement, representation and social dialogue

Element	Description
EMPLOYEE REPRESENTATION	Employee representation is ensured through the Works Council consisting of elected employee representatives participating in dialogue on workplace-related matters.
CONSULTATION PRACTICES	Employees are consulted on workplace-related matters, organisational changes and employee well-being topics through regular dialogue and engagement practices.
FREQUENCY OF DIALOGUE	Employee dialogue takes place through regular meetings, engagement surveys, 1:1 meetings and internal communication channels.
WORKFORCE COVERAGE	Engagement and dialogue practices apply across retail operations, logistics, production and administrative functions
OUTCOMES OF DIALOGUE	Employee feedback contributes to workplace improvements related to communication, work environment, leadership practices and employee well-being initiatives.

Main employee engagement channels used during 2025 included onboarding surveys, ad hoc pulse surveys, quarterly engagement meetings, regular 1:1 meetings and the whistleblowing channel. One of the key employee engagement initiatives implemented during the year was the internal championship “IKI pergalių lyga”.

In 2025, we further energized our workplace culture and team dynamics by running our premier internal championship, **“IKI pergalių lyga” (IKI Victory League)**. Designed to foster healthy competition and strong collaboration among store teams and departments across Lithuania, this initiative turned daily operational milestones—ranging from customer service excellence to efficient resource management—into a collective arena with shared goals. “IKI pergalių lyga” succeeded in boosting grassroots employee engagement, strengthening team spirit, and recognizing the everyday dedication of our frontline staff. This championship underscored our continuous commitment to an empowering, high-vibrancy workplace, serving as a key internal driver behind our recognition as the market’s most sought-after employer in retail trade.

Employee feedback and grievance mechanisms

Employees can raise concerns or complaints directly to managers or through confidential and anonymous internal reporting channels, including the whistleblowing channel (kaipjautiesi@iki.lt). Additional support is available through anonymous psychological support hotlines.

REPORTED CONCERNS ARE ASSESSED INDIVIDUALLY AND ARE RELATED TO:

- ◆ Workplace behaviour
- ◆ Working conditions
- ◆ Remuneration-related matters
- ◆ Health and safety
- ◆ Equal treatment

Preventive and corrective actions are implemented where necessary.

Employee engagement, representation and social dialogue

Following each MAZU survey, team workshops are organised to identify key improvement areas and develop action plans. Progress on these actions is monitored regularly and reviewed during the next survey cycle to support continuous improvement.

Key workforce topics raised

THE MOST COMMON WORKFORCE-RELATED TOPICS RAISED BY EMPLOYEES IN 2025 INCLUDED:

- ◆ Working conditions
- ◆ Employee well-being and engagement
- ◆ Leadership and feedback culture
- ◆ Remuneration-related matters
- ◆ Health and safety
- ◆ Internal communication

IKI Lietuva manages occupational health and safety matters through internal procedures, regular risk assessments, mandatory training and preventive measures aimed at ensuring safe and healthy working conditions and compliance with applicable legal requirements. Employees typically communicate occupational health and safety-related observations or concerns directly to their immediate managers. Reported matters are reviewed and addressed in accordance with company procedures and applicable occupational health and safety requirements.

Actions implemented in response to employee feedback

Employee feedback and participation initiatives continue contributing to workplace and operational improvements across IKI Lietuva's operations.

IKI Lietuva continued strengthening leadership and internal communication practices through regular engagement initiatives and the Friday communication "Hello with news!" shared through the MELP application. Leadership structures in stores were also strengthened, with 12 shift managers becoming direct reports to store managers, supporting clearer communication and closer cooperation within store teams.

To support integration of employees arriving in Lithuania, 150 employees participated in Lithuanian language learning initiatives, with attendance exceeding 90%. Employee engagement and organisational culture were additionally strengthened through meetings, internal engagement activities and shared leisure initiatives supporting teamwork and collaboration.

Several initiatives aimed at improving workplace environment

and employee well-being were implemented in production areas during 2025. These included installation of rest areas with massage chairs, comfortable seating and Wi-Fi, upgrades to ventilation systems in bakeries and improvements to work equipment.

Incidents, complaints and significant impact on human rights

Throughout 2025, IKI Lietuva continued maintaining a working environment based on respect, equal treatment and human rights principles. Internal reporting channels remained available for employees to report concerns related to workplace behaviour, including potential mobbing situations, with 7 reports received during the year. **None** of the reported cases were confirmed, while additional monitoring and preventive actions were implemented where relevant.

During the reporting period, no major human rights incidents, discrimination or harassment cases were identified, and no fines, sanctions or compensation related to such incidents were imposed.

Actions and targets related to own workforce

In 2025, the Company implemented actions to address the workforce-related impacts and risks identified through the double materiality assessment. These actions focus on working conditions, employee development, engagement and personal data protection, and are supported by internal HR resources, training initiatives and workplace management systems.

Material workforce topic	Key actions implemented in 2025
WORKING CONDITIONS AND WORKLOAD	Teams channel created for team leaders to share best practices and e-learning on team development.
EMPLOYEE PRIVACY	Measures to ensure protection of employee personal data

OTHER IMPORTANT ACTIONS

Material workforce topic	Key actions implemented in 2025
RENUMERATION AND RETENTION	• Remuneration for operative workforce was reviewed twice through 2025 • New additional health care package system implemented with options to choose from • Additional compensation benefits added in case of loss in close family
SKILLS AND DEVELOPMENT	• New onboarding process implemented in 2025 with “buddy” program for non-formal introductions • Trainings on new onboarding process • New training center in logistics Warehouse

In 2025, the Company did not establish specific time-bound targets related to own workforce matters. Workforce-related topics are currently monitored through internal indicators integrated into human resource management processes. For example, metrics like employee turnover, absenteeism, occupational accidents, training participation and employee engagement are used to monitor the effectiveness of actions addressing workforce-related impacts and risks.

Our Employees in Numbers

IKI Lietuva’s workforce in 2025 consisted of employees working across retail stores, logistics, production and administrative functions.

Workforce characteristic	Category	2025	2024
TOTAL NUMBER OF EMPLOYEES	Headcount	5 350.58	5 281
EMPLOYMENT TYPE	Full-time	5 112.25	5 057.40
	Part-time	238.33	224.80
	Temporary contract	202.58	168.10
GENDER DISTRIBUTION	Female	4 136.33	4 134.70
	Male	1 214.25	1 147.50
AGE DISTRIBUTION	Under 30	841.5	-
	30–50	2 396.75	-
	Over 50	2 112.33	-



Adequate wages

IKI Lietuva reviews remuneration practices regularly taking into account labour market conditions, operational needs, employee performance and changes in statutory minimum wage requirements. Employee-related topics, including remuneration and benefits, may also be discussed through internal communication and employee consultation practices.

Through its double materiality assessment, IKI Lietuva identified potential financial risks related to remuneration practices. Increases in statutory minimum wage levels may lead to higher labour costs, particularly for employee groups whose remuneration is aligned with minimum wage thresholds. Maintaining competitive remuneration levels in the labour market may also require additional financial resources.

IN 2025:

- ◆ base salary was reviewed for 99.5% of employees;
- ◆ average salaries increased by 13% compared to December 2024;
- ◆ the Compensation Policy was approved to strengthen consistency and transparency of remuneration practices;
- ◆ employees could choose from three different health insurance plans;
- ◆ employee discounts available through the MELP application were expanded to up to 505 partner and shopping discounts.

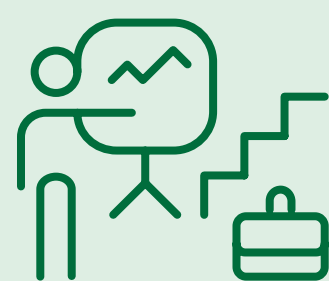


Additional employee support initiatives

In addition to base remuneration, employees may receive additional benefits in accordance with internal policies, including health insurance options, additional leave, employee discounts and professional development opportunities. These measures are intended to support employees' well-being and overall working conditions.

The Company also supports employees through the “Veikime drauge” (“Let's Act Together”) fund, established in 2013 by IKI Lietuva employees. The fund is dedicated to supporting employees and their family members facing critical illnesses or other hardships. Each year, employees organise a Christmas auction, with all proceeds transferred to the fund. Since its inception, the fund has raised over EUR 75 thousand, with IKI Lietuva contributing more than EUR 30 thousand. In 2025, employees donated EUR 5.5 thousand to the fund.

Training and skills development



IKI Lietuva provides employees with access to training, career development opportunities and performance management initiatives that support professional and personal growth across the organisation.

A Performance Management Policy, renewed in June 2025, supports employee development, performance assessment and career planning processes. Managers are further supported through the “Lead Forward” guidelines, which strengthen development discussions and career conversations with employees.

Annual performance assessment interviews continued throughout 2025, achieving a participation rate of 97%.

To support internal talent development and career progression, IKI Lietuva continued implementing dedicated development programmes in 2025. A total of 23 colleagues from stores, logistics and production participated in the “Grow at IKI” shift manager programme, including 20 employees from stores, two from logistics and one from production. The programme contributed to internal career growth, with five participants promoted to managerial roles in 2025.

Professional and educational development remained an important focus throughout the year. Employees had access to a range of learning opportunities, while additional initiatives were introduced to help younger colleagues combine work and studies through dedicated educational support measures.

In 2025, IKI Lietuva completed its internal management trainee programme, designed to prepare future leaders through structured learning, practical experience and exposure to different areas of the business. The programme strengthened the internal talent pipeline and supported leadership succession planning.

Employees also continued to benefit from a range of internal training programmes covering operational, professional and leadership development topics. These programmes help build role-specific competencies, encourage knowledge sharing and support career development across the organisation.



External recognition

In 2025 IKI Lietuva was ranked among top 30 employers attracting the highest interest from potential employees by CVOnline.lt awards. The recognition highlighted IKI Lietuva’s working conditions, career development opportunities, employee benefits, workplace culture, and flexible work arrangements.

For the forth consecutive year, IKI Lietuva also received the “**Top Employer 2026 Lithuania**” certification in recognition of its human resource management practices and the use of digital solutions aimed at improving employee experience, workplace efficiency and employee motivation.

In addition, IKI Lietuva’s internal sustainability leadership was recognised externally, with Indrė Beinoravičienė receiving the “Sustainability Manager of the Year” award.

CUSTOMERS AND SUSTAINABLE PRODUCTS



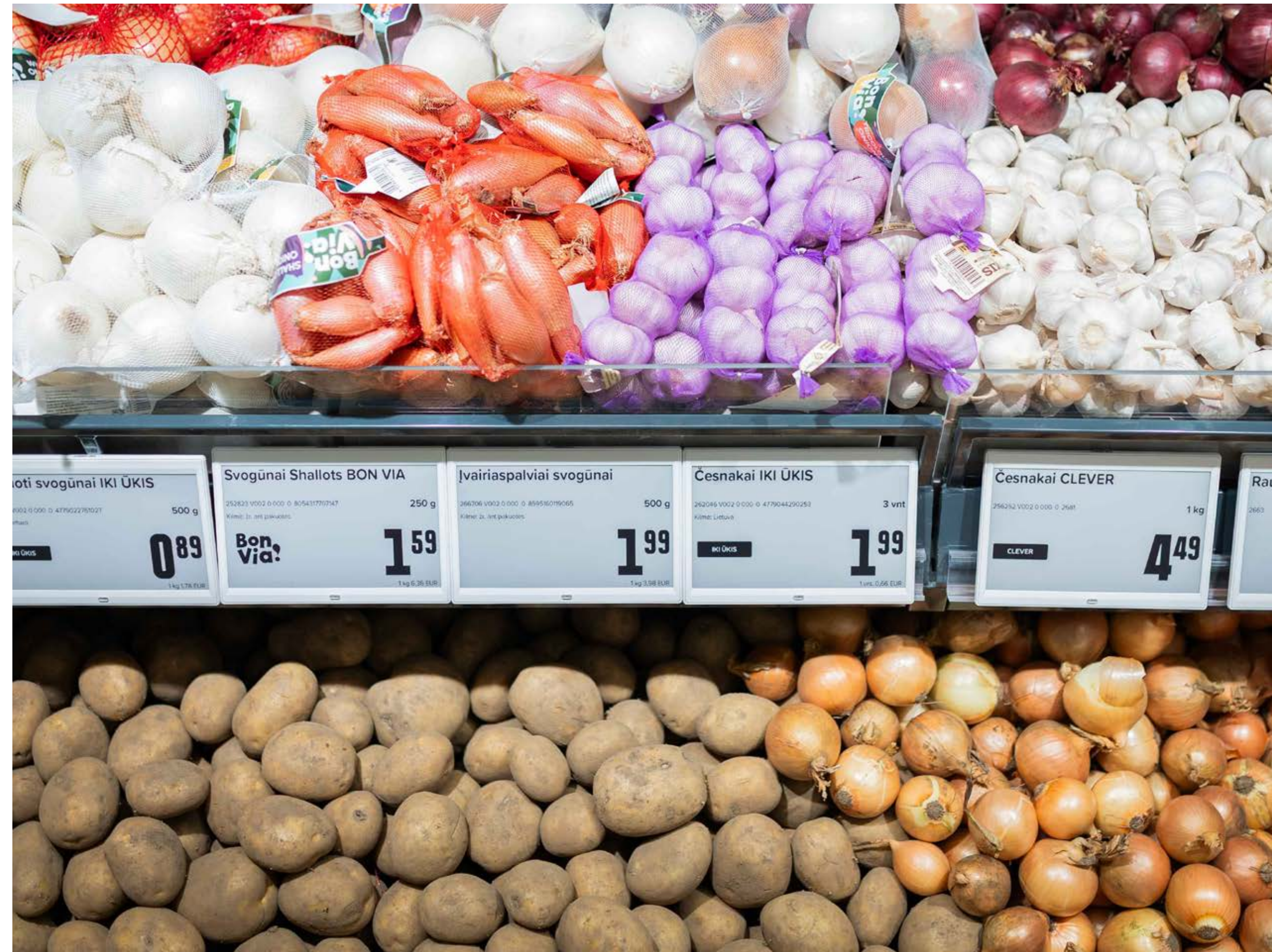
Highlights

Electronic price labels updated together with the IKI Customers' Board to improve accessibility and readability

“Time of Silence” introduced to improve shopping experience for customers with sensory sensitivities

Transition towards cage-free eggs in IKI stores

NAVA award for community engagement



Our Approach and Key Initiatives

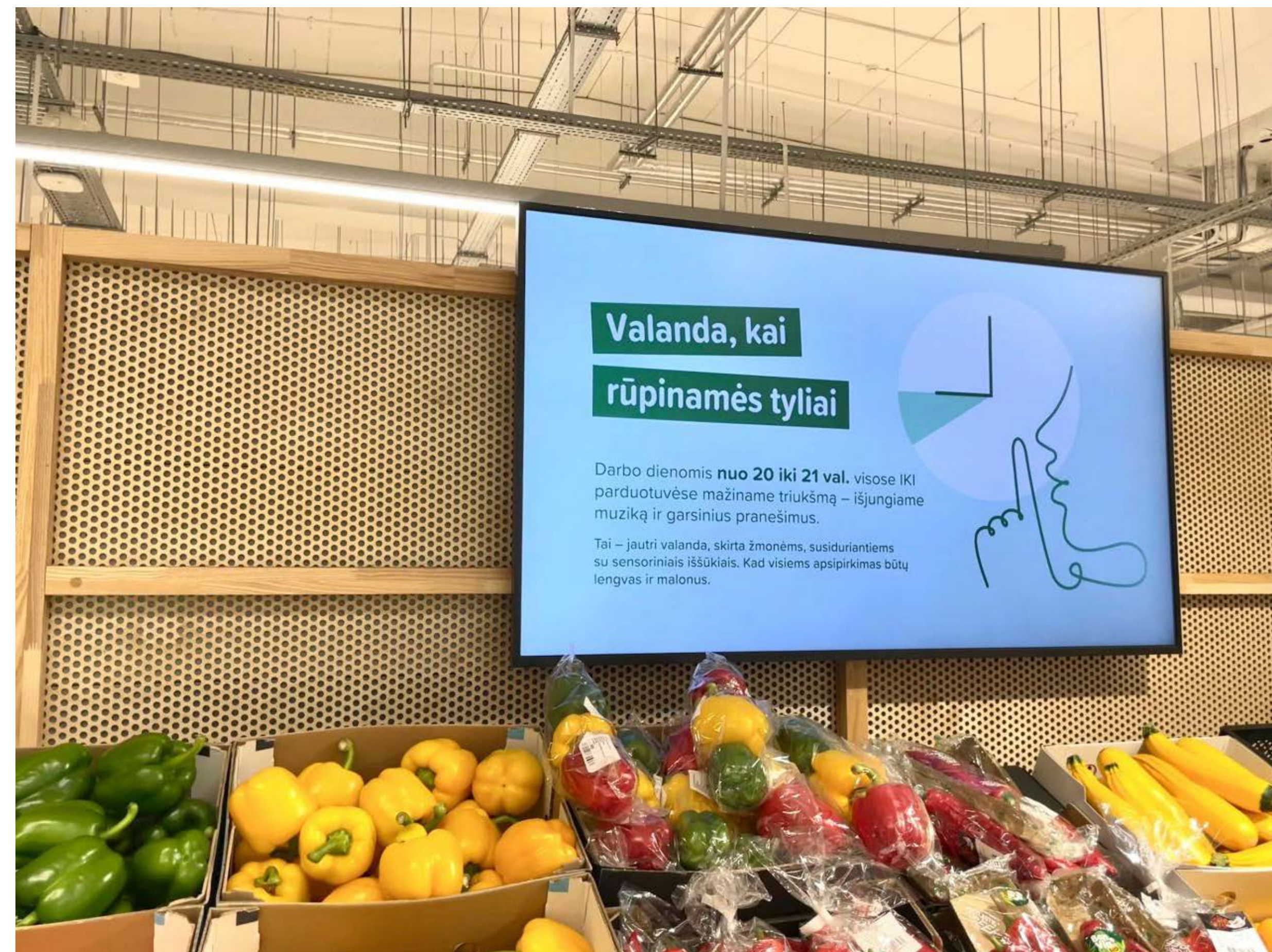
IKI Lietuva aims to ensure that customers can rely on safe and high-quality products, access services conveniently and make choices that support their needs, preferences and well-being. Through responsible retail practices and continuous improvements across operations, we seek to strengthen customer trust and everyday shopping experience.

Operating in the dynamic food retail sector, IKI Lietuva places strong emphasis on product quality, food safety and responsible sourcing practices. Quality control procedures are implemented throughout the product journey — from supplier selection and audits to product testing, inspections and monitoring in stores. These processes help ensure compliance with food safety requirements, product quality standards and customer expectations.

In addition to product quality and food safety measures, IKI Lietuva continued focusing on customer accessibility and inclusion. Creating a more accessible and inclusive shopping environment also remained an important focus area in 2025. We continued initiatives aimed at im-

proving shopping experience for different customer groups, including quiet shopping hours introduced to create a calmer environment for customers who are more sensitive to noise and sensory stimulation. This initiative was nominated and awarded First place in Mi:t & Links Communication awards.

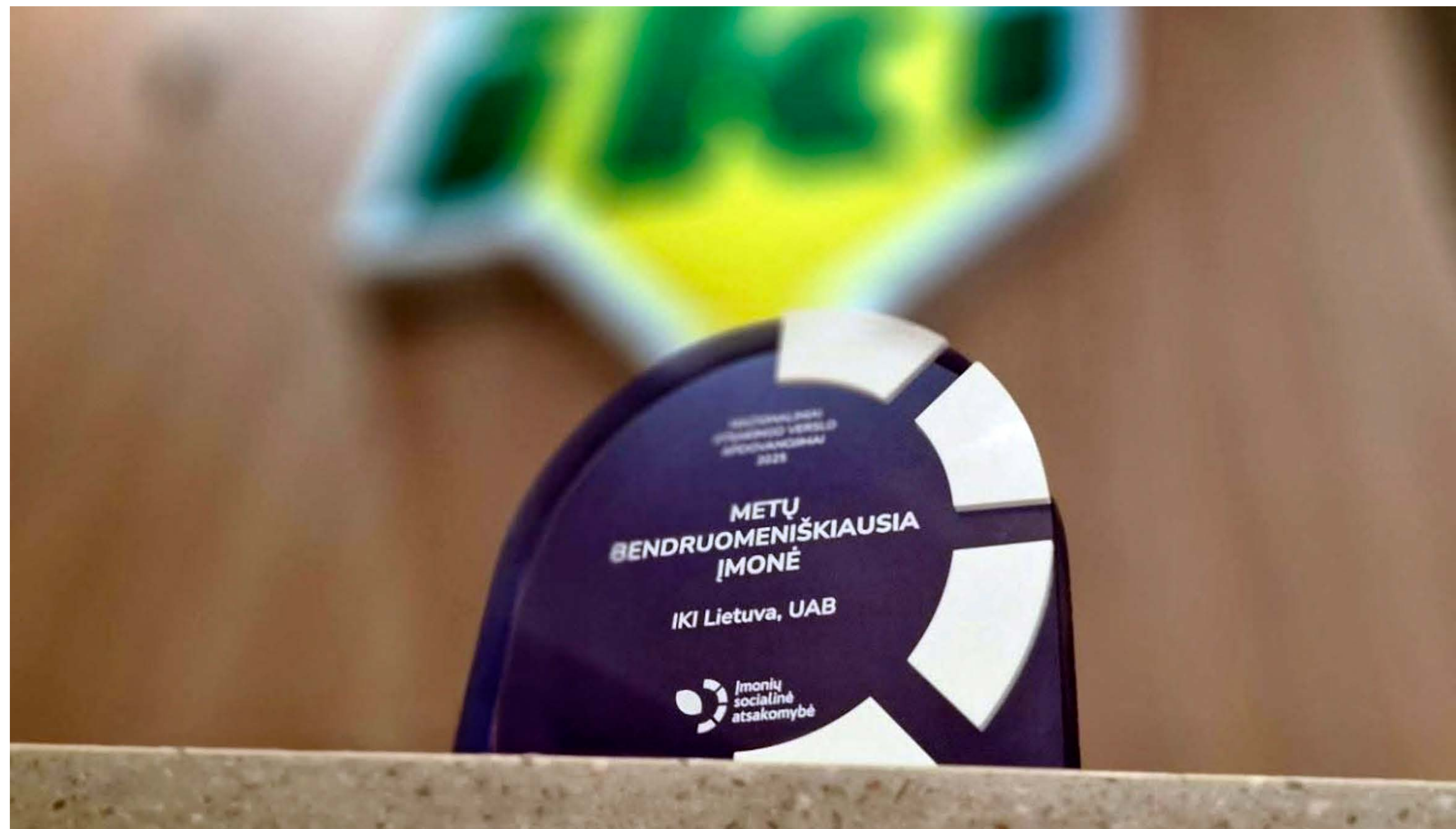
Improvements were also introduced within the loyalty programme to ensure that discounts and loyalty benefits remain accessible to customers who do not use smartphones.



Our Approach and Key Initiatives

Community Engagement Highlight: NAVA 2025 Recognition

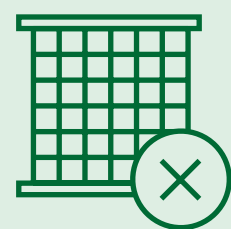
At the **National Responsible Business Awards (NAVA) 2025**, organized by the Ministry of Social Security and Labour, **IKI Lietuva** was officially recognized as the “**Metų bendruomeniškiausia įmonė**” (Community Enterprise of the Year) in the large enterprise category. This prestigious accolade honors the Company’s strategic focus on conscious consumption, food waste mitigation, and active promotion of public physical health initiatives. Furthermore, the award celebrates IKI’s distinct corporate culture and its systemic approach to local community integration—demonstrated through deep NGO partnerships and the pioneering “**Klientų valdyba**” (Customer Board), which directly involves neighbors and shoppers in corporate decision-making. This recognition firmly validates IKI’s strategic evolution from being simply “closer to the shopper” to becoming an indispensable, close partner to Lithuania’s local communities.



Our Actions and Targets

Throughout 2025, IKI Lietuva continued applying product quality and food safety controls across the supply chain, including supplier oversight, regular store inspections and quality assurance procedures for private-label products.

As part of our sustainability strategy, **a key goal established in 2022 is the elimination of caged-hen eggs from store shelves and production processes by the end of 2025.** The goal reflects stakeholder expectations related to animal welfare and aligns with REWE Group’s publicly available “Focus on Animal Welfare” policy, which outlines commitments to improve animal welfare standards across supply chains involving animal-derived products by 2030.



During the reporting period, we continued progressing towards this commitment and announced that eggs marked with code “3” **are no longer available in IKI stores from 2026 onwards.**



Customer Engagement

In alignment with our commitment to give our consumers a direct voice in our operations, 2025 marked the successful continuation and evolution of our pioneering retail initiative: **The Board of IKI Customers** (IKI klientų valdyba).

Following a highly successful inaugural year that saw massive public interest, we officially selected and launched **the second Board of IKI Customers in 2025**. This unique advisory panel consists of 10 systematically selected shoppers representing the true diversity of our customer base, including students, young families, working professionals, and seniors from both major cities and smaller regional towns.

- ◆ **Direct Collaboration:** The board meets regularly throughout the year to provide unfiltered feedback, evaluate existing services, and co-create future solutions directly with IKI's executive leadership.
- ◆ **Impact on Decision-Making:** Rather than relying solely on traditional market surveys, this board serves as a live testing ground for our network improvements. In 2025, insights from our customer board heavily influenced how we roll out in-store digital upgrades, enhance accessibility, adjust product lines, and optimize the shopping experience to ensure IKI remains truly “Closer to You” (Arčiau tavęs).

By integrating the authentic voice of our shoppers into our governance framework, we ensure that our sustainability goals, customer service practices, and commercial innovations directly address the daily needs and expectations of Lithuanian consumers.

Customer feedback and communication

Throughout 2025, we continued collecting customer feedback through surveys, LastMile communication channels and customer service interactions. Customer satisfaction indicators, including Net Promoter Score (NPS), are regularly monitored to better understand customer expectations and identify areas for improvement.

Customers can contact us through multiple communication channels, including email, customer service platforms, social media and in-store information centres. Most customer complaints relate to product quality issues and are assessed together with the Quality Division. Where necessary, products are removed from sale, corrective actions are implemented and customers are compensated accordingly.

We also monitor response times and the effectiveness of customer service processes as part of ongoing service quality management. Customer data is processed in accordance with applicable legal requirements, and anonymous complaints may also be submitted in stores.

Sustainability-focused customer survey

Every two years, REWE Group conducts a more in-depth sustainability-focused customer survey across its countries of operation. Following the previous survey conducted in 2023, the assessment was repeated in Lithuania in 2025 and involved approximately 1,000 respondents.

The results showed that customers primarily associate retailer choice with practical factors such as price, convenience and product freshness, while sustainability-related aspects remain secondary in purchasing decisions. Respondents most commonly linked sustainability with reducing food waste, recycling and avoiding unnecessary consumption. At the same time, the survey highlighted growing expectations regarding product quality, food safety, transparency and responsible business practices.

Accessible and Inclusive Shopping Experience

We continue working to create a shopping environment that is accessible and comfortable for different customer groups, taking into account diverse needs and expectations identified through customer feedback and engagement initiatives.

To create a more comfortable shopping environment for customers with sensory sensitivities and invisible disabilities, “Time of Silence” was introduced in stores. During designated hours, in-store music and advertising announcements are reduced to help minimise sensory stimulation and improve shopping comfort.

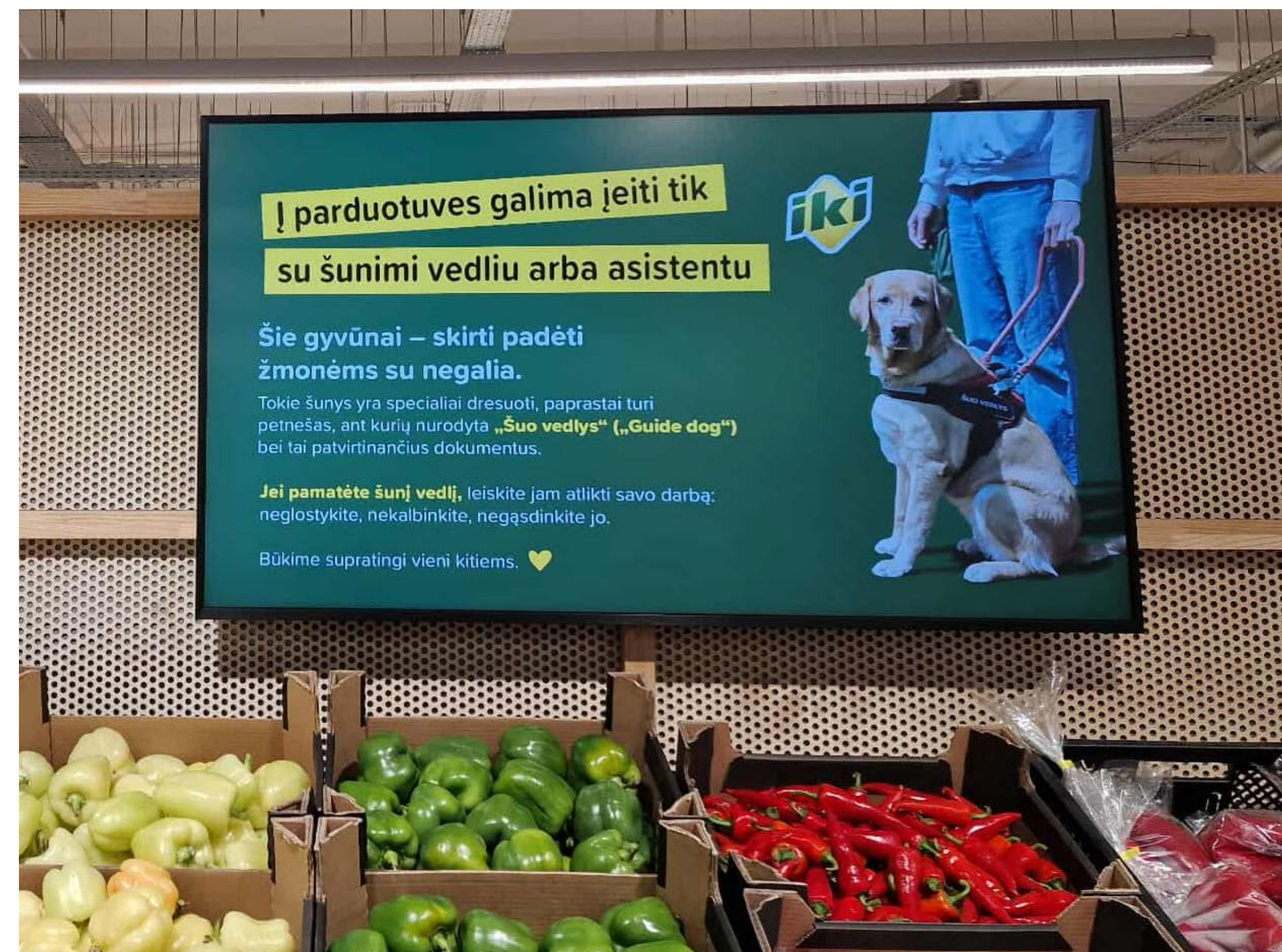
Accessibility improvements were also introduced within the loyalty programme to ensure that discounts and loyalty benefits remain accessible to customers who do not use smartphones. Customers were provided with the possibility to register loyalty cards and print discount coupons directly in stores using dedicated devices.

In cooperation with the IKI Customers’ Board, electron-

ic price labels were updated to improve readability through clearer design and larger font sizes, supporting easier access to pricing information and improving shopping convenience.

To support digital inclusion among older customers, IKI together with the organisation “Senjoro” implemented the social initiative “Smart Seniors”, during which senior volunteers assisted other seniors in using self-service checkouts in selected stores.

During 2025, awareness initiatives related to guide dogs and accessibility for visually impaired customers were also implemented through customer information campaigns aimed at improving public understanding of accessibility-related topics.



SOCIALLY RESPONSIBLE ACTIVITIES



Highlights

More than 3 tonnes of food donated through permanent Food Bank donation boxes

EUR 61 thousand donated through IKI reverse-vending machines

70% discount introduced for selected products after the “best before” date

Fresh food support expanded to smaller regional charity organisations

A three-year partnership launchhead with the Lithuanian Football Federation under “IKI pergalės!”



Financial Support and Food Donations

In 2025, IKI Lietuva continued supporting communities and socially vulnerable groups through long-term cooperation with non-governmental organisations, food donation initiatives and customer engagement campaigns.

OUR VALUES

INCLUSIVENESS Everyone is important, everyone is accepted	TRUST Always true to our word
WINNING SPIRT Always ahead of ever-changing world	POSITIVITY Always see a glass as half full

Our priority areas for social action and community engagement in 2025 included:

Donations		Sponsorship	
			◆ Sponsorship for Lithuanian Football Association ◆ The “IKI Walking Competition” ◆ Collaboration with Walk15 ◆ Local regional events
MESSAGE TO SOCIETY	IKI fights hunger and poverty among the most vulnerable people (65+) in Lithuania.		Enriching the Lithuanian football community and inspiring people to strive for personal success.
PREVIOUS AGREEMENTS	It was decided that IKI <u>will not</u> significantly increase its monetary donations to fight hunger among the people in poverty. Instead, it was agreed that IKI will look for alternative approach to strengthen its social activities.		

Financial Support and Food Donations

Beneficiary	Value of donated products (EUR)	Donated amount (EUR)
Charity and Support Fund Food Bank	2 670 346	
Vilma and Ramunas Kavanauskas Family-Home “Bravo”	10 109	
Family-Home “Šatrijos namas”	9 320	
Charity and support fund “Vilties centras”	154 677	
Charity and support fund “Gerumo sparnai”	240 900	
Lithuanian free market institute		10 000
Charity and Support fund “Food for Ukraine”	38 479	
Ukrainian support VŠĮ “Miliūtė”	6 318	
TOTAL	3 140 149	

The Charity and Support Fund Food Bank remain IKI Lietuva’s primary beneficiary, continuing a long-term partnership established in 2009.

In 2025, cooperation with Food Bank was strengthened through the introduction of permanent food donation boxes in the largest IKI stores across Lithuania. Within several months, customers donated more than 3 tonnes of food, while additional donation campaigns organised during the Christmas period provided further support for people experiencing poverty and food insecurity.

Support for socially vulnerable groups was also expanded by providing organisations with the possibility to apply for free food directly from IKI stores. At the same time, IKI Lietuva introduced a 70% discount for selected products after the “best before” date. The measure was introduced to improve product accessibility, increase public awareness of food labelling and contribute to food waste reduction.

Customers also supported charitable organisations through donations made via reverse-vending machines located near IKI stores. In 2025, customer donations through IKI reverse-vending machines exceeded EUR 61 thousand. Funds collected through the programme supported organisations including Blue/Yellow, Food Bank and Lithuanian Red Cross.

We also continue to search and support smaller organizations operating at the city or regional level. These organizations receive fresh food (meat, dairy products, etc.) from IKI stores.

Promoting Healthier Lifestyles and Physical Activity

In 2025, IKI Lietuva continued supporting healthier lifestyles and physical activity through partnerships and community initiatives aimed at encouraging everyday movement and healthier habits.



#walk15



Walking initiative

Together with **WALK15**, IKI Lietuva continued organising the IKI Walking Competition, which annually brings together more than 35 thousand participants across Lithuanian cities. Through cooperation with WALK15, customers can also exchange collected steps for discounts on fruits, vegetables and other selected products through the “Steps Market”, encouraging healthier everyday choices and more active lifestyles.

Sports Sponsor of the Year 2025

At the **Lithuanian Sports Management Awards 2025** (Lietuvos sporto vadybos apdovanojimai), **IKI Lietuva** was honored with the prestigious title of “**Metų sporto rėmėjas**” (Sports Sponsor of the Year). This accolade recognizes the Company’s long-term strategic investment in fostering a healthier, more active Lithuanian society by supporting grassroots sports communities, nurturing emerging youth talent, and backing major national athletic organizations. A key highlight of this commitment is IKI’s 2025 partnership with the Lithuanian Football Federation (LFF), whose president, Edgaras Stankevičius, was concurrently named Sports Manager of the Year at the same event. Driven by the public engagement campaign **#IKIPergalės**, this award firmly validates IKI’s corporate social responsibility efforts to promote physical well-being, persistence, and community health across the country.



GOVERNANCE



Highlights

Introducing a Sustainability Management Framework

In 2025, IKI Lietuva adopted its first Sustainability Management Policy, defining the Company's sustainability governance structure, responsibilities and strategic sustainability priorities.

Strengthening Compliance Awareness

Employees continued to participate in ethics and compliance training through internal learning platforms, including Code of Conduct and anti-corruption training, while maintaining a target of 100% completion for mandatory training programmes assigned to employees.

Advancing Responsible Supplier Management

Sustainability, human rights and environmental considerations remained integrated into supplier due diligence and risk assessment processes conducted in line with REWE Group requirements and the German Supply Chain Due Diligence Act.

Maintaining Strong Compliance Standards

No major compliance breaches, corruption incidents, whistleblower reports related to ethics and compliance matters, fines or sanctions were identified during the reporting period.

Recognition of Sustainability Leadership

IKI Lietuva's commitment to sustainability and employee development was further acknowledged through the national recognition of Indrė Beinoravičienė as "Sustainability Manager of the Year."



Governance

Business ethics, compliance and transparent governance remained key priorities for IKI Lietuva in 2025. Our approach is guided by the REWE Group Code of Conduct, which defines the core principles and values applied across daily operations, including:

- ◆ respect,
- ◆ loyalty,
- ◆ integrity,
- ◆ reliability,
- ◆ transparency,
- ◆ honour,
- ◆ sustainability.



Employees continued to access the Code of Conduct and related policies through internal communication and e-learning systems. Ethics and compliance awareness was supported through internal training, onboarding processes and regular communication initiatives.

Potential violations of the Code of Conduct can be reported through the REWE Group Hintbox whistleblowing system, local reporting channels or directly to responsible compliance representatives. Reports may be submitted confidentially or anonymously by employees and external stakeholders. All reported cases are assessed individually by the responsible departments based on the nature and complexity of the issue.

In 2025 no major compliance breaches, corruption incidents or significant fines related to ethics or governance matters were identified during the reporting period.

Looking ahead, IKI Lietuva will continue strengthening governance processes, compliance awareness and internal reporting practices, while further aligning sustainability and governance priorities with broader REWE Group standards and targets.



Policies, Goals and Targets

Overview of Key Policies

The REWE GROUP Donation Guidelines and the REWE GROUP Guidelines for the Acceptance and Provision of Gifts provide an overview of the donation process and bind all employees. The company’s Rules of Procedure also contain specific provisions that define/complement the Code of Conduct and provide particular provisions regarding gifts, conflicts of interest, and breaches of employment duties. By signing these Rules, staff members acknowledge that they have read, understood and agree to comply with all policies, procedures, guidelines and other relevant documents. The HR oversees this process. The REWE Supplier Code of Conduct governs relationships with suppliers. It requires suppliers to adhere to the principles of human rights and environmental protection, ethical business practices, risk management, compliance with laws and animal welfare. REWE Group expects its suppliers to carry out risk assessments and provide the necessary information for risk analysis. The REWE Group ensures the implementation of this code by regularly updating the document and requesting suppliers to provide detailed information about their supply chains, thereby confirming compliance with these standards. Under the Code, suppliers are obligated to report any violation of human or environmental rights. The document specifies the channels for reporting, either through the REWE Group’s general mailing address or an external complaints system.

Business conduct G1 Policy	REWE Group Code of Conduct	Rules of Procedure	REWE GROUP Donation Guidelines	Guidelines for Accepting and Giving Gifts	REWE Supplier Code of Conduct
AVAILABILITY	Public document	Internal document	Public document	Public document	Public document
RESPONSIBLE DEPARTMENT/PERSON		Department of People and Culture	Central Governance & Compliance Department		
SCOPE OF APPLICATION:	REWE Group companies (including IKI Lietuva and LastMile)	IKI Lietuva (all new employees are introduced to all the undertaking’s procedures, including this one, on their first day of employment with IKI)	REWE Group companies (including IKI Lietuva and LastMile)	REWE Group companies (including IKI Lietuva and LastMile)	REWE Group companies (including IKI Lietuva and LastMile) and suppliers related to them
◆ Corporate culture	x	x			
◆ Protection of whistleblowers	x				
◆ Animal welfare					x
◆ Management of relationships with suppliers, including payment practices					x
◆ Corruption and bribery	x	x	x	x	

We link the target for mandatory training to the policies: 100% of all employees to whom it is assigned.

- We take various steps to ensure adherence to the principles of business conduct and effectively manage related risks, such as:
1. Various training on this topic (both mandatory and optional).
 2. Management Department provides recommendations for initiating internal processes or updating existing procedures if it is determined that there is a risk of corruption and/or bribery.

Corruption and Bribery

IKI Lietuva maintains a zero-tolerance approach towards corruption and bribery and continues strengthening transparent and ethical business practices across operations. The company's anti-corruption framework is based on the REWE Group compliance system, internal policies and risk control procedures designed to prevent unethical behaviour, conflicts of interest and corruption-related risks.

Compliance and anti-corruption measures include the four-eyes principle in decision-making, procurement oversight procedures, internal approvals and regular risk assessments in areas identified as having increased corruption exposure. Employees are also expected to follow internal rules related to gifts, conflicts of interest and ethical business conduct.

In 2025, employees participated in ethics and compliance-related training programmes, including Code of Conduct and anti-corruption training provided through internal e-learning systems. Additional compliance-focused training sessions were organised for employees working in higher-risk functions and management positions.

Potential violations related to ethics, corruption or other misconduct can be reported confidentially or anonymously through the REWE Group Hintbox whistleblowing platform, local reporting channels or directly to responsible compliance representatives. All submitted reports are assessed individually according to the nature and severity of the issue.

In 2025, no whistleblower reports related to ethics or compliance topics were received. No major corruption incidents, convictions, fines or sanctions related to corruption or bribery were identified during the reporting period.



Management of Relationships with Suppliers

IKI Lietuva maintains long-term relationships with suppliers and integrates sustainability considerations into supplier management processes. Supplier-related requirements are implemented through procurement procedures, contractual obligations and risk assessment activities carried out as part of REWE Group's supplier management framework.

Supplier Code of Conduct

The Supplier Code of Conduct forms part of IKI Lietuva's supplier management approach and sets expectations regarding business ethics, human rights, labour practices and environmental responsibility. The Code is incorporated into supplier onboarding and contractual processes and applies to suppliers providing goods and services to the Company.

Supplier risk management

As part of REWE Group, IKI Lietuva participates in supplier due diligence and risk assessment processes aligned with the German Supply Chain Due Diligence Act. Supplier risks are assessed considering factors such as country, industry and supply chain-related risks, including potential impacts on human rights and the environment. Suppliers identified as higher-risk may be subject to additional assessments and engagement measures.

Collaboration with suppliers

IKI Lietuva works closely with suppliers, including local producers, to support compliance with quality, food safety and sustainability requirements. Particular attention is given to private label suppliers through audits, assessments and continuous dialogue aimed at maintaining high product quality standards and supporting long-term cooperation.

Payment practices

Supplier payment processes are governed by established internal procedures and contractual arrangements. IKI Lietuva aims to ensure timely payments and maintain transparent and reliable business relationships with suppliers.



INNOVATION AND DIGITALISATION



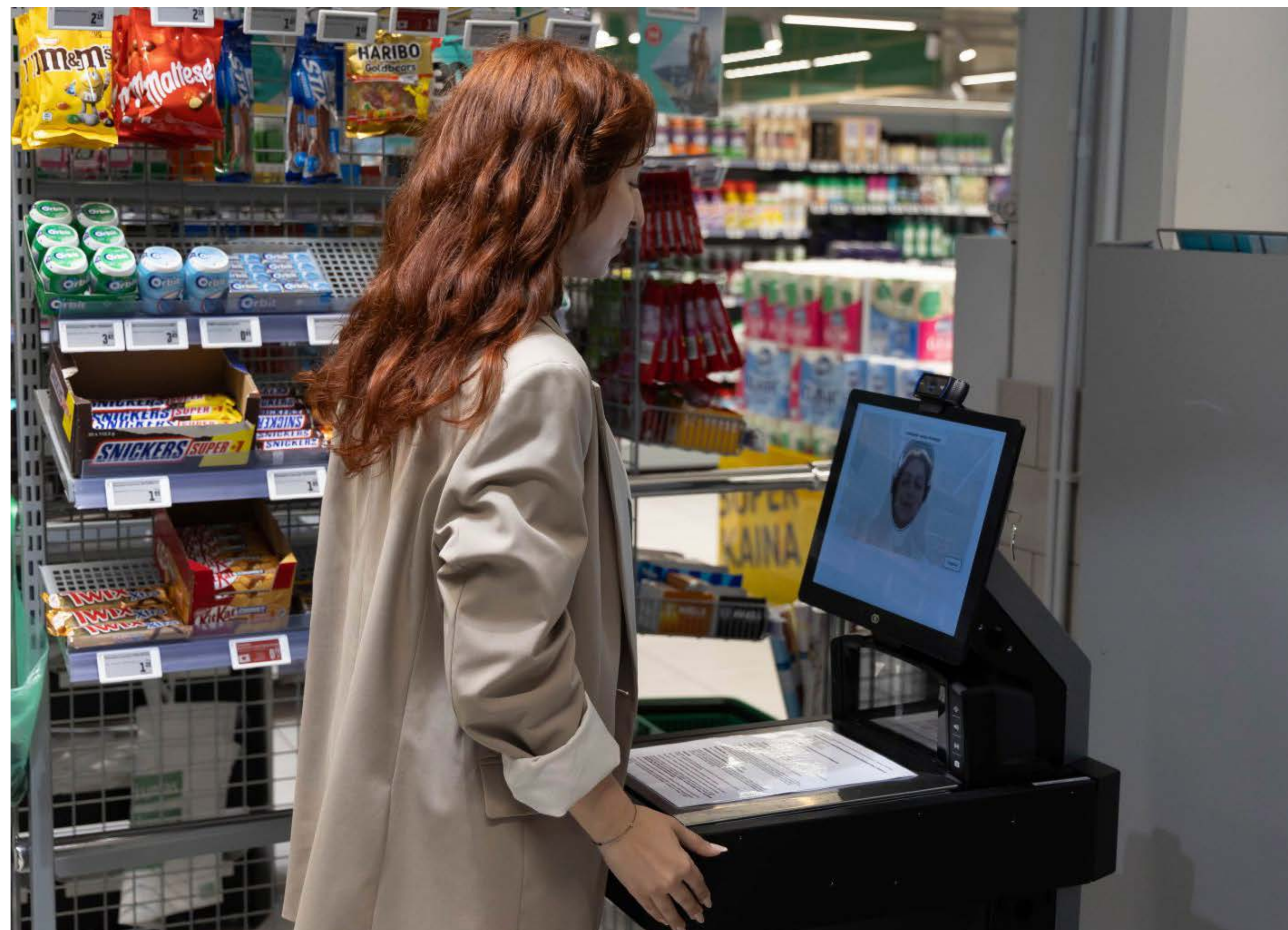
Highlights

Autonomous cleaning robots introduced in selected IKI stores

AI-based age verification solutions implemented at self-service checkouts

The third “IKI x REWE Digital Startup Night” strengthened cooperation with retail tech startups

Innovation and digitalisation remain an important part of IKI Lietuva's development. Technological advancement and the implementation of smart retail solutions continue to play a key role in improving operational efficiency and enhancing the customer experience. That is why we continue introducing innovative technologies and testing new retail formats aimed at supporting the future development of our operations.



Automation and smart store technologies

In 2025, IKI Lietuva introduced advanced autonomous cleaning robots in selected stores. The robotic systems operate independently throughout store premises, using intelligent navigation technologies to recognise and avoid obstacles while ensuring high hygiene standards. The robots autonomously perform daily cleaning tasks and help improve operational efficiency by reducing the need for manual routine maintenance work.



The use of robotic technologies also contributes to sustainability goals, as the systems consume lower amounts of water and cleaning chemicals while supporting responsible use of natural resources.

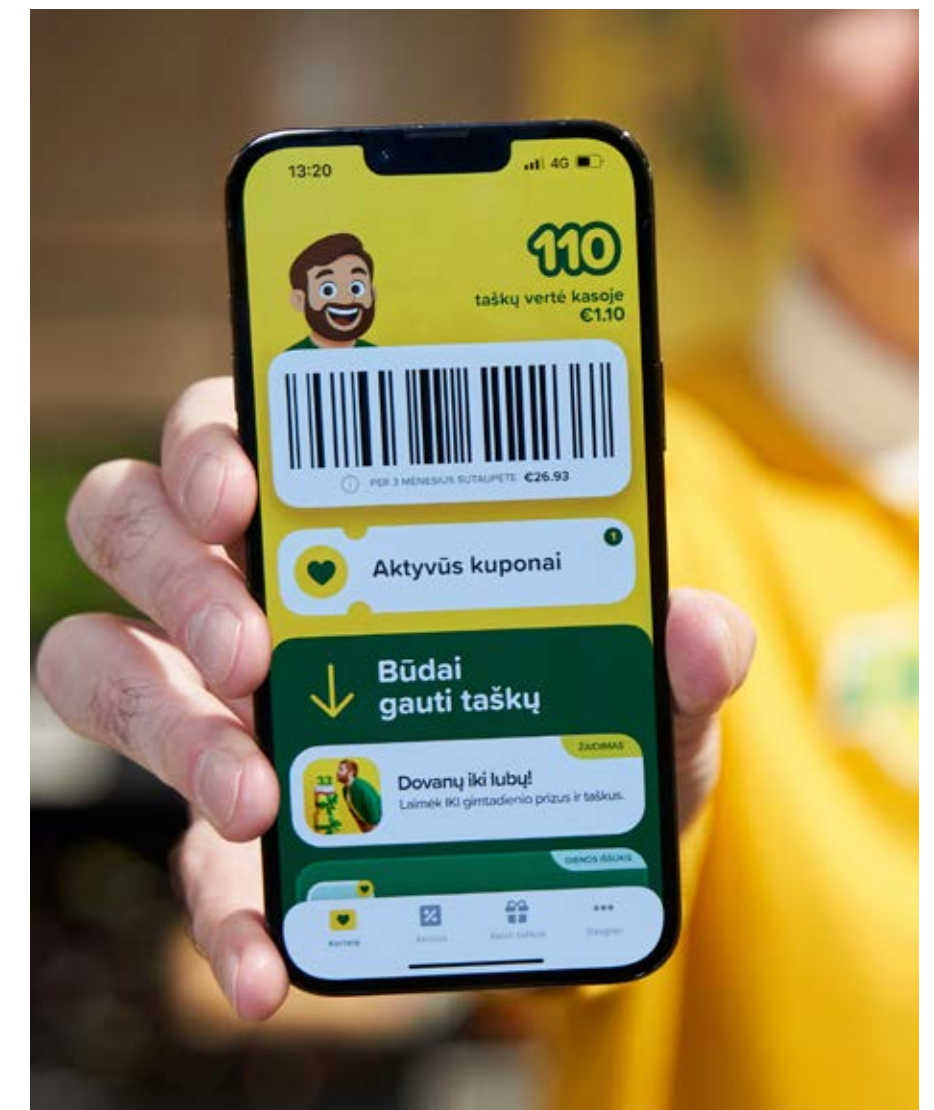
In 2025, additional digital retail technologies were introduced across store operations. In co-operation with technology partners, AI-based age verification solutions were implemented at self-service checkouts in selected stores to support automated age verification processes for restricted products. The solutions help ensure compliance with legal requirements while also improving the convenience of the shopping experience for customers.

We also completed the pilot phase of the autonomous store concept “IKI GO!”, which enables customers to enter stores, purchase goods and complete payments using digital technologies without traditional checkout processes. Following the evaluation of the concept and customer experience solutions tested in autonomous stores, we decided to focus further innovation efforts on development of other technological solutions, store modernisation projects and expansion of the retail network. The experience gained through the “IKI GO!” initiative contributed to broader digitalisation and innovation activities related to modern retail technologies and operational solutions.

Retail innovation initiatives

In 2025, the largest IKI store in Šiauliai reopened following renovation works. The renovated store introduced updated infrastructure, modern shopping environment solutions and additional customer services aimed at improving customer convenience and operational efficiency. New service solutions and updated store environment elements were implemented to enhance the shopping experience and support more efficient store operations.

Digitalisation initiatives also continued through the development of customer-facing digital services and loyalty solutions. We continued improving the IKI mobile application by introducing personalised offers, digital loyalty solutions and additional convenience features designed to enhance the digital shopping experience and strengthen customer engagement.



Startups: Cooperation and Investment

The “IKI x REWE Digital Startup Night”

The third annual “IKI x REWE Digital Startup Night,” hosted in September 2025, successfully deepened our cooperation with the Baltic retail-tech ecosystem. Co-organized by IKI and REWE Digital, this high-impact event served as a strategic bridge connecting local technology startups and visionary investors directly with international corporate experts. By providing a platform for breakthrough tech pitches and cross-border networking, the initiative underscores our commitment to fostering digital transformation, piloting cutting-edge retail solutions, and helping regional startups scale their innovations across the broader REWE Group.



ADDITIONAL INFORMATION



Double Materiality Matrix

The double materiality matrix outlines the results of the double materiality assessment conducted in accordance with ESRS requirements. The assessment considered both impact and financial materiality perspectives, as well as stakeholder input. The topics highlighted in dark yellow were identified as material and represent the most significant sustainability matters for the company.

- Environment
- Social
- Governance
- A Actual impact
- P Potential impact
- + Positive impact
- Negative impact

DESCRIPTION OF METHODOLOGIES AND ASSUMPTIONS USED IN DATA COLLECTION AND CALCULATIONS

		Financial materiality		
		IMPORTANT	MATERIAL	CRITICAL
Impact materiality	CRITICAL	Business conduct (P/-) Management of relationships with suppliers, including payment practices	Climate change (A/-) Climate change mitigation Own workforce (A/-) Working time (A/+) Social dialogue (P/-) Privacy Consumers and end-Users (P/-) Privacy (A/+) Access to (quality) information (A/+) Health and safety	Own workforce (A/-) Work-life balance
	MATERIAL	Biodiversity and ecosystems (A/-) Land degradation Own workforce (A/-) Health and safety (A/-) Employment and inclusion of persons with disabilities (A/-) Measures against violence and harassment in the workplace Business conduct (P/-) Corruption and bribery	Pollution (F/-) Pollution of air (F/-) Pollution of water (F/-) Pollution of soil Water and marine resources (F/-) Water consumption Biodiversity and ecosystems (F/-) Species population size Own workforce (P/-) Diversit Affected communities (A/+) Adequate food Consumers and end-users (F/+) Access to products and services Business conduct (P/-) Corporate culture (A/+) Animal wefare (P/+) Political engagement	Circular economy (A/-) Resource inflows, including resource use Own workforce (A/-) Adequate Wages (A/+) Training and skills development Sector specific topic (A/+) Sustainable innovations
	IMPORTANT	Circular economy (A/-) Resource outflows related to products and services Business conduct (A/+) Protection of whistleblowers	Climate change (A/-) Climate change adaptation Circular economy (A/-) Waste Own workforce (P/-) Gender equality and equal pay for work of equal value Affected communities (P/-) Land-related impacts	Climate change (A/-) Energy

List of Disclosure Requirements

IKI Lietuva continues to gradually align its sustainability reporting practices with the requirements of the European Sustainability Reporting Standards (ESRS) and the Corporate Sustainability Reporting Directive (CSRD). Fulfilled and partially fulfilled disclosure requirements are presented in the tables below. Certain disclosures are currently not disclosed, as related data collection and reporting processes are still under development.

ESRS 2 General disclosures

Disclosure requirement		Report paragraph
BP-1	Basis for preparation of the sustainability statement	Sustainability Report 2025: Basis for Preparation
BP-2	Specific information if the undertaking uses phasing-in options	N/A
GOV-1	The role of the administrative, management and supervisory bodies in relation to sustainability	Governance Structure
GOV-2	Integration of sustainability-related performance in incentive schemes	Integration of sustainability-related performance in incentive schemes
GOV-3	Statement on due diligence	Statement of due diligence
GOV-4	Risk management and internal controls over sustainability reporting	Sustainability risk management and internal controls over sustainability reporting
SBM-1	Strategy, business model and value chain	Our Strategy; Our Value Chain
SBM-2	Interests and views of stakeholders	Our Stakeholders
SBM-3	Interaction of material impacts risks and opportunities with strategy and business model, and financial effects	Oversight of the Process to Manage Material Impacts, Risks and Opportunities
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities and material information to be reported	N/A
IRO-2	Material impacts, risks and opportunities and disclosure requirements included in the sustainability statement	Working conditions and employee protection; Policies Actions and targets related to own workforce Adequate wages



List of Disclosure Requirements

ESRS E2 **Pollution** - currently not disclosed.

ESRS E3 **Water and marine resources** - currently not disclosed.

ESRS E4 **Biodiversity and ecosystems** - currently not disclosed.

ESRS E1 Climate change

Disclosure requirement		Report paragraph
E1-1	Transition plan for climate change mitigation	Climate
E1-2	Identification of climate-related risks and scenario analysis	Identified Climate Risks
E1-3	Resilience in relation to climate change	Identified Climate Risks
E1-4	Policies related to climate change mitigation and adaptation	Policies
E1-5	Actions and resources in relation to climate change mitigation and adaptation	Our actions - Actions and Resources (Mitigation & Adaptation)
E1-6	Targets related to climate change	Targets and metrics, Transition plan
E1-7	Energy consumption and mix	Energy
E1-8	Gross scope 1, 2, 3 GHG emissions	Emissions
E1-9	GHG removals and GHG mitigation projects financed through carbon credits	N/A
E1-10	Internal carbon pricing	N/A
E1-11	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	N/A

ESRS E5 Resource use and circular economy

Disclosure requirement		Report paragraph
E5-1	Policies related to resource use and circular economy	Policies
E5-2	Actions and resources related to resource use and circular economy	Circularity and Waste related actions
E5-3	Targets related to resource use and circular economy	Targets
E5-4	Resource inflows	N/A
E5-5	Resource outflows	Waste

List of Disclosure Requirements

ESRS S2 **Workers in the value chain** - not material.

ESRS S3 **Affected communities** - currently not disclosed.

ESRS S1 Own workforce

Disclosure requirement		Report paragraph
S1-1	Policies related to own workforce	Working conditions and employee protection; Policies
S1-2	Engagement with own workforce and workers’ representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy	Employee engagement, representation and social dialogue
S1-3	Actions and resources related to own workforce	Actions and targets related to own workforce
S1-4	Targets related to own workforce	
S1-5	Characteristics of the undertaking’s employees	Our Employees in Numbers
S1-6	Characteristics of non-employees in the undertaking’s own workforce	N/A
S1-7	Collective bargaining coverage and social dialogue	Employee engagement, representation and social dialogue
S1-8	Gender diversity in top management	Governance Structure
S1-9	Adequate wages	Adequate wages
S1-10	Social protection	N/A
S1-11	Persons with disabilities	N/A
S1-12	Training and skills development metrics	Training and skills development
S1-13	Health and safety metrics	Working conditions and employee protection; Policies
S1-14	Work-life balance metrics	N/A
S1-15	Remuneration metrics	N/A
S1-16	Incidents of discrimination and other human rights incidents	Employee engagement, representation and social dialogue



List of Disclosure Requirements

ESRS S4 Consumers and end-users

Disclosure requirement		Report paragraph
S4-1	Policies related to consumers and end-users	N/A
S4-2	Engagement with consumers and end-users, existence of channels for consumers and end-users to raise concerns or needs and approaches to remedy	Customer Engagement
S4-3	Actions and resources related to consumers and end-users	Our Approach and Key Initiatives
S4-4	Targets related to consumers and end-users	Our Actions and Targets

ESRS G1 Business conduct

Disclosure requirement		Report paragraph
G1-1	Policies related to business conduct	Policies, Goals and Targets
G1-2	Actions related to business conduct	
G1-3	Targets related to business conduct	
G1-4	Metrics related to corruption or bribery	Corruption and Bribery
G1-5	Metrics related to political influence, including lobbying activities	N/A
G1-6	Metrics related to payment practices	Management of Relationships with Suppliers

CONTACT INFORMATION

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