



Sustainability Report for 2025

The background of the slide is an aerial photograph of a vast, rolling green agricultural field. In the distance, a line of trees separates the field from a horizon where the sun is setting, casting a warm, golden glow. A small tractor is visible in the middle ground, working the field. The image is framed by green wavy shapes on the left and right sides.



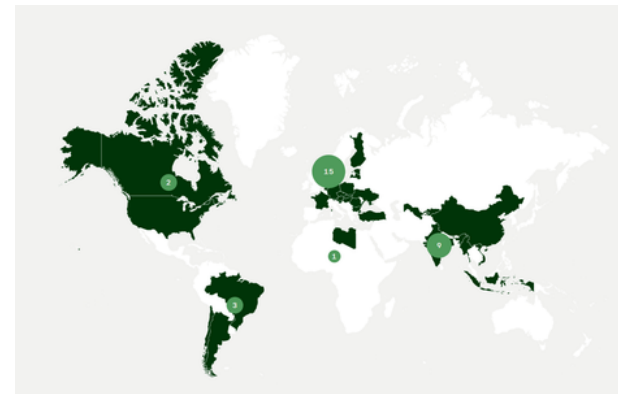
This sustainability report of UAB Širmulis has been prepared for 1 January – 31 December 2025. Although the reporting period is 2025, the report also includes previous projects and initiatives. This sustainability report is aimed at evaluating the level of the company in terms of sustainability, to summarise the areas of sustainability that have already been implemented and the strategy for the future.

About us

UAB Širmulis is a Lithuanian capital company founded in 1996 and supplying food raw materials to food production and marketing sectors both in Lithuania (about 70%) and other countries of the European Union (about 30%). All operations of the company take place in Raudondvaris, Kaunas Region. In 2022, the company's turnover reached EUR 29 million. According to the end-of-2023 data, the company had a total of 31 employees, including:

- 12 members of administration staff;
- 8 drivers;
- 11 warehouse employees.

We have prepared our sustainability report in accordance with the principles of the UN Global Compact and we seek to make a significant contribution to the achievement of the Sustainable Development Goals. In 2025, we analysed the sustainability of UAB Širmulis in 3 different spheres: social, environmental and governance.



The most important aspects of the social sphere

3 GOOD HEALTH AND WELL-BEING



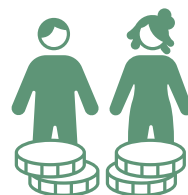
Goal No 3. Good health and well-being

Occupational safety. Our company strives to ensure that the company's employees receive training about safe working and behavioural rules and comply with them in performance of the specific tasks assigned. As a prevention in terms of personal safety at work, the company provides special work clothes and safe footwear to employees. There wasn't any accident in the company in 2025.

Health check-ups. Employees are encouraged to check their health condition, therefore, the company initiates annual preventive health check-ups and tests for all employees, thus contributing to the improvement of the health of employees.



Tikslas Nr. 5. Lyčių lygybė



We strive for gender equality and prevent discrimination – so far, we have not received a single report on discrimination on the basis of gender. The company employs 18 men and 13 women.

Equality of pay. In the last quarter of 2025, the average (gross) salary of men in our company was EUR 2,194, and of women – EUR 2,108. In the fourth quarter of 2025, the average wage gap between women and men was 3.92%. Difference lowered 4.08% comparing with 2024 year.

When searching for new employees, we accept all candidates regardless of their age or gender.



The most important aspects of the social sphere

8 DECENT WORK AND ECONOMIC GROWTH



Goal No 8. Decent work and economic growth

Hearing the expectations of employees. The well-being of our employees is important to us. Each year, we carry out anonymous employee surveys to collect feedback, find out and analyse the needs, expectations, opinions about the company's microclimate, the level of satisfaction of our staff. The survey has revealed that one of the main factors determining job satisfaction is salary. In the fourth quarter of 2025, the average (gross) salary in our company was EUR 2,158, it is 9,5 % higher than in 2024.

We strive to uphold the core values of the company: **integrity, communication and cooperation with each other.**

Loyal employees. Our company's goals include promotion of innovations, productivity and loyalty of employees. During 2025, staff turnover was low: the company employed 7 new employees, and 6 employees left our team, the biggest change was in warehouse. Staff turnover reduced 15% than in 2024. We have many long-term employees:

- 7 employees (23 %) have worked with us for over 10 years now;
- 5 employees (16 %) – for over 15 years;
- 3 employees (10 %) – for over 20 years.

For the work to be productive, we strive for the well-being of our employees: we help our employees in the professional area. We appreciate the flexibility of working time, place and methods. The company has arranged opportunities to work from home for some employees, thus saving the time and transport costs of our employees. Employees are given the opportunity to come to work with bicycles and scooters.



Employees are provided with all the conditions for return and work in the same position after parental leave. Where possible, we offer a workplace with the most suitable schedule for the employee, thus helping to reconcile work and family time. We also provide extra rest days for those employees who have children.



Support for local communities.

We support the community of Raudondvaris. UAB Širmulis was awarded at the Kaunas District Business Awards 2023 for its support allocated to Raudondvaris Eldership.

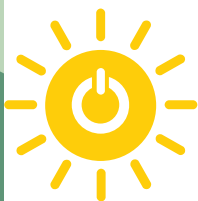
The most important aspects of the environmental sphere

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Goal No 12. Responsible consumption and production

Awareness. The aim of UAB Širmulis is to promote conscious, prudent consumption and responsible, environmentally-friendly actions of employees. We regularly provide training to employees on the conservation of natural resources (electricity, water, etc.) and environmental issues.



Conservation of resources. Some of the company's premises are equipped with light switches with motion sensors – this reduces the consumption of electricity. Sanitary units in the administrative building are equipped with hand-drying equipment, which allows to reduce paper consumption; hand-dryers are smart and operate in the electricity-saving mode.

RSPO. Since 2023, we have been included and approved as RSPO (Roundtable on Sustainable Palm Oil) palm suppliers. For some of our customers, we sell palm oil, which is certified with the RSPO mark. This certificate ensures that tropical forests and endangered animal species living in these forests are protected during palm oil extraction processes and the rights of workers working on plantations are ensured. We buy palm oil from RSPO-certified suppliers only.



Reduction of packaging costs. When organising the purchase of food raw materials from their manufacturers and suppliers, we always take into account the packaging of raw materials. We seek to ensure that food raw materials and products entering our company have the most sustainable and cost-effective packaging possible to minimise environmental pollution and promote recycling.

We transport raw materials in combined packaging only in cases where there is no alternative option to preserve the quality characteristics of the raw material. We try to educate our customers and, where possible, deliver raw materials directly from the manufacturers with the special transportation containers (flour, oil), which are reusable – this completely reduces the need for packaging.

We also choose the optimal size packaging as well as the unpacking of raw materials for our customers. The customer avoids the additional amount of waste generated.



Some of the raw materials are also received in a reusable package. For example, glucose syrup, which is poured into plastic containers – they are returned to the supplier and re-used. We encourage our suppliers to use reusable packaging as it is beneficial not only to the environment, but also to our customers: they reduce the amount of their packaging waste, and the manufacturer reduces the cost of packaging. This allows us to contribute to responsible production.



Sorting. The employees are trained to properly sort plastic and paper waste generated in the company, which are then directed for recycling or re-use. We cooperate with UAB Ekonovus on this matter

The most important aspects of the environmental sphere

13 CLIMATE ACTION

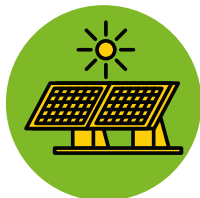


Goal No. 13 Climate action

Our company is taking actions in combating climate change and its consequences. The company's activities are carried out in compliance with all the mandatory requirements of environmental legislation.



Water. The drinking water is supplied to the company and wastewater is collected by UAB Giraitės vandenys. Over the year, our company consumed 489 m³ of water and generated the same amount of wastewater. All employees seek to make the most rational use of all the resources, including water.



Benefits of solar power plant. In July 2023, a solar power plant was installed in the company's territory – we started to produce and use renewable 'green' electricity ourselves. In 2024 and 2025, 'green' electricity accounted for 100 % of the electricity consumed by our company. During the whole year of 2025, the energy generated by the solar power plant accounted for 13 % of the total electricity required by the company. In the next year, we expect solar energy to reach 15% of the total electricity consumed by the company. This amount is sufficient to cover the company's administrative activities.



Sorting and waste reduction. The company transfers the sorted waste to the waste management company UAB Ekonovus, which then directs it for recycling and re-use. It allows us to reduce the amount of plastic and paper waste and environmental pollution. Sanitary units in the administrative building are equipped with hand-drying equipment, which allows to reduce paper consumption, hand dryers are smart and operate in the electricity-saving mode.

The most important aspects of the environmental sphere

13 CLIMATE ACTION



Goal No. 13 Climate action

CO₂ emission indicator. The calculation of CO₂ footprint and the aim to reduce it are important aspects for companies that consider sustainability to be one of their values. In 2023, we started calculating the greenhouse gas (GHG) emissions indicator. Below is a brief information on the calculation of GHG emissions and the results obtained.

Calculation of GHG emissions

The company's activities. To ensure the activity of UAB Širmulis, electricity, gas and water are purchased from centralised suppliers. 'Green' electricity is generated by solar power plants installed on the roof of the company's warehouses (13%) and buying centralised "Green" energy (87%). The resulting waste is classified into mixed and sorted (paper and plastic). The company's fleet consists of 9 heavy-duty vehicles and 5 passenger cars. Electric forklift trucks are used in the warehouse premises. The footprint of CO₂ emissions has been calculated from the point of view of the company's activities, excluding suppliers of raw material and other companies not controlled by UAB Širmulis and the further existence of the product outside the company (gate-to-gate method). The travel of employees commuting by their own or public transport was also not included in the accounts.

GHG emissions have been calculated by multiplying the level of activity from the GHG emission factor described by the respective activity (electricity consumption, combustion of fuels, etc.):

$$E = VL \cdot TR,$$

where:

E – GHG emissions, t of CO₂;

VL – level of activity, unit;

TR – emission indicator (GHG emission factor), t CO₂/units.

Emissions from diesel and natural gas are calculated based on the amount of fuel consumed and the corresponding emission factors. CO₂ emissions are calculated based on the carbon content of the fuel, while CH₄ and N₂O emissions are calculated using the relevant emission factors. CH₄ and N₂O emissions are converted into CO₂ equivalents using GWP100 values. The calculation is performed separately for each fuel type, and total emissions are expressed in t CO₂e.

General formula:

$$\text{CO}_2\text{e} = K \times [\text{EFCO}_2 + (\text{EFCH}_4 \times \text{GWP100CH}_4) + (\text{EFN}_2\text{O} \times \text{GWP100N}_2\text{O})] + \sum (\text{HFC}_i \times \text{GWP100,HFC}_i)$$

where:

K – quantity of fuel consumed (e.g., litres, m³, kg or MWh);

EFCO₂ – CO₂ emission factor; EFCH₄ – CH₄ emission factor; EFN₂O – N₂O emission factor;

GWP₁₀₀ – 100-year Global Warming Potential of the respective GHG;

HFC_i – quantity of the specific HFC refrigerant emitted/released, e.g. in kg;

GWP_{100,HFCi} – GWP₁₀₀ of the specific HFC refrigerant;

Σ – sum of emissions from all relevant HFC refrigerants.

Types of energy, fuels, activities	Emission factor, t CO ₂ /unit	Units
Gas for heating CO ₂	0.001914	kg/m ³
Gas for heating CH ₄	1	kg/TJ
Gas for heating N ₂ O	1	kg/TJ
'Green' electricity	0.03	MWh
Diesel fuel CO ₂	3.17	kg
Diesel fuel CH ₄	0.27	g/kg
Diesel fuel N ₂ O	3.9	kg/TJ
Extraction, preparation and pumping of drinking water	0.000177	m ³
Wastewater collection	0.000652	m ³
Waste disposal	0.002022	km

Classification of GHG emissions by the area of assessment

The CO₂ footprint was calculated by classifying the sources of GHG emissions into three groups by area. The grouping is based on the GRI standard (Sustainability Reporting Standards). The list of sources of GHG emissions grouped by the area of assessment:

Area 1	Area 2	Area 3
Motor vehicle fuel (diesel)	Green electricity (electricity from electric grid supplier 87%)	Water consumption (drinking water extraction, wastewater collection)
Heat energy (gas)	Green electricity (our solar power plant 13%)	Waste management (mixed waste, collection of plastic, paper)
Refrigeration and air-conditioning equipment (HFCs)		

The most important aspects of the environmental sphere

13 CLIMATE ACTION



Goal No. 13 Climate action

Calculation of GHG emissions

Scope 1 emissions (direct)

It refers to the amount of CO₂ that comes from the sources owned or controlled by the company. For example, cars, manufacturing processes. These are the company's direct emissions. The first area includes the consumption of diesel fuel by trucks and gas (heat energy). No refrigerant was replaced or refilled in the refrigeration and air-conditioning equipment during the reporting period. Therefore, no HFC emissions were recorded, and HFC emissions are considered to be zero (0 tCO₂e).

Type of activity	Diesel Fuel, l	Gas, m ³ t	Total t CO ₂ e
Fuel quantity	110 674 l	9 690 m ³	—
CO ₂	292,84 t CO ₂	18,55 t CO ₂	311,39 t CO ₂
CH ₄ → CO ₂ e	0,696 t CO ₂ e	0,010 t CO ₂ e	0,71 t CO ₂ e
N ₂ O → CO ₂ e	4,220 t CO ₂ e	0,098 t CO ₂ e	4,32 t CO ₂ e
TOTAL CO₂e	297,76 t CO₂e	18,66 t CO₂e	316,41 t CO₂e

Scope 2 emissions

Indirect emissions arising from the services purchased and used by the company. These include electricity (for administrative purposes, outdoor lighting, alarm system, etc.) and electricity consumed by production facilities (warehouses) and production processes (packaging). This scope include and energy from our own solar generating system

Type of activity	E, t of CO ₂
Green electricity (electricity from electric grid supplier 87%)	3,63
Green electricity (our solar power plant 13%)	0,63

Scope 3 emissions

All other indirect emissions resulting from sources that are not owned by the company. We have attributed waste, drinking water extraction and wastewater.

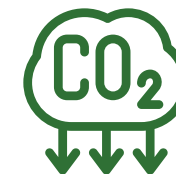
The amount of water and wastewater emissions was calculated taking into account the water consumption indices for 2025.

Management of waste for sorting (collection from the company) is carried out 12 times per calendar year, mixed waste is removed once a week. Since there is no possibility to determine which specific vehicles were used for the removal of waste, we have chosen the factor 0.002022 t CO₂ /km. The distance travelled was assumed to be the distance from the company to the regional municipal waste management site.

Type of activity	E, t of CO ₂
Extraction of drinking water	0.086
Wastewater	0.319
Waste management (collection of plastic, paper, disposal of mixed waste)	1.181



The most important aspects of the environmental sphere



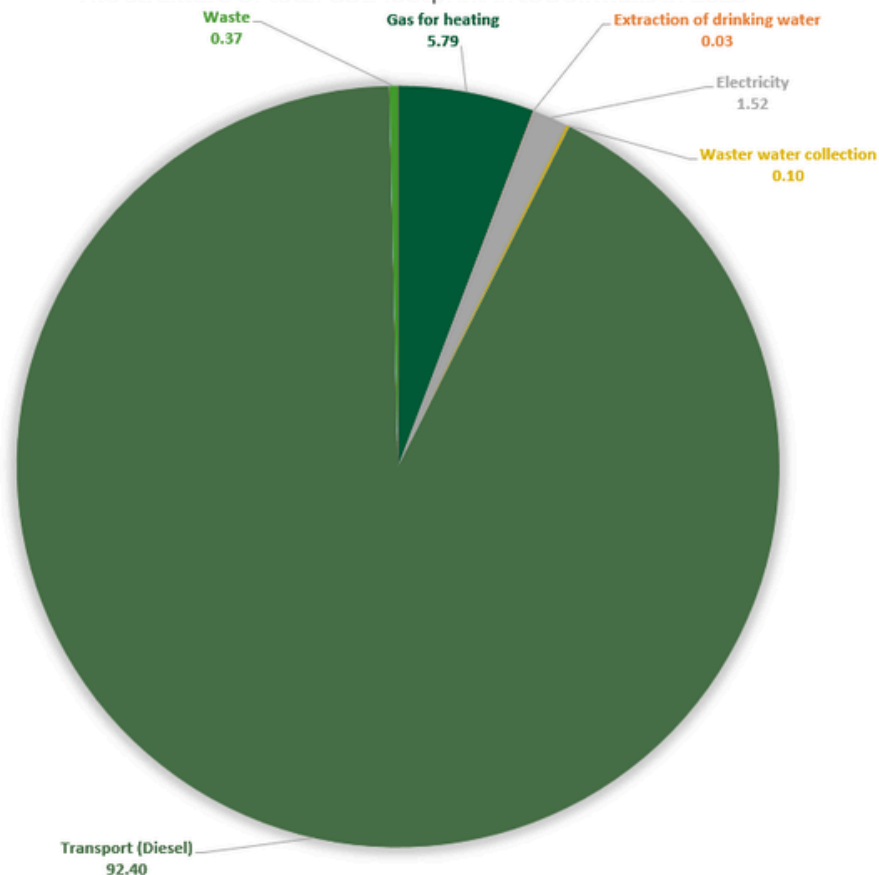
Goal No. 13 Climate action

Calculation of GHG emissions

Summary

In 2025, the total CO₂ footprint from the activities under consideration was 322,26 t of CO₂ in all areas assessed - higher 0,7 % comparing with 2024. The use of car diesel accounts for 92,4 % of this amount, electricity – 1,52 %, etc. Total CO₂ emissions per employee amounted to 10,4 t in 2025.

The structure of total CO₂ footprint in JSC Širmulis in 2025



Our company seeks to assess the annual carbon dioxide footprint of its activities starting from 2023. Furthermore, the aim is to identify the main sources of CO₂ footprint and search for the ways to reduce emissions. The data of 2025 show that the share of car emissions (diesel) leaves the most significant CO₂ footprint - 92,4 %. We are pleased to acknowledge that all of electricity used is “Green” energy. The increase in CO₂ emissions was due to the company's higher turnover, which also leaves a larger CO₂ footprint in the company's operations.

The most important aspects of the governance scope

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



Goal No. 16 Peace, justice and strong institutions

Governance is a set of processes and procedures that form the foundation for the company's activities, including the relationship between employees, management and stakeholders. All of them play important roles in achieving long-term business success.

It all starts with the choice of corporate governance policy. The governance policy of UAB Širmulis includes **business ethics, transparency issues, responsibilities and anti-corruption policies**. We associate the goals of governance with goal No 16 'Peace, justice and Strong Institutions' of 'The Global Goals'.



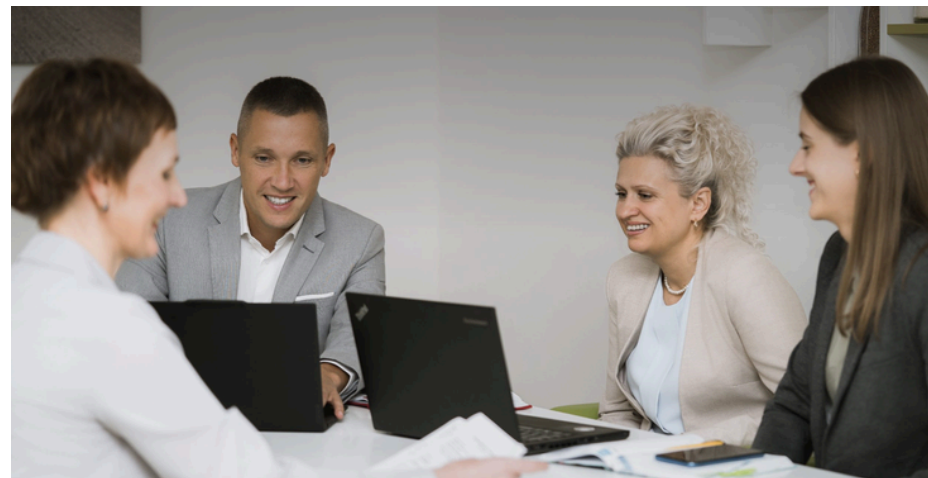
Business ethics. Good governance helps maintaining and improving the reputation of the company among employees, potential investors, customers and partners. We share knowledge with small and medium businesses and participate in community events.

A great deal of attention is paid to the company's employees, to the creation of their well-being. We strive to create an inspiring, supporting and coherent working environment that promotes loyalty and cooperation. We do not tolerate discrimination, and we solve any arising problems together.

Responsibilities. We seek for immediate reaction to any questions or complaints from our customers and partners. Operating in the food supply sector, we also ensure all the requirements related to the food safety. We are able to carry out and ensure the traceability of raw materials. We ensure that raw materials are safe and suitable for food production in any subsequent processes. We are committed to promoting sustainability. We strive not only to make a positive impact ourselves, but also to encourage our customers to make more sustainable decisions.

Transparency. When searching for suppliers, we also evaluate the suppliers' position on the matters of transparency and preparation of documents. We choose suppliers whose values and operational standards are similar to ours. We do not cooperate with suppliers that may damage our company's reputation.

Anti-corruption. Co-workers, customers and partners are treated with equal respect and care, regardless of their social and financial situation. We ensure the implementation of the principles of democracy, active participation and tolerance.



Sustainability improvement goals of UAB Širmulis for 2026

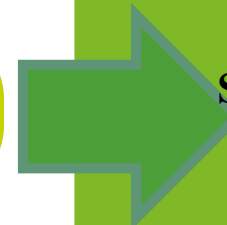
Increase the awareness of employees in the field of sustainability

Enable employees to charge electric cars at work

Seek for the most efficient use of resources

Renew the company's fleet (minimum 1 car per year)

Reduce carbon dioxide emissions by 2%.



Reduced environmental pollution

Lower carbon emissions

Conservation of resources

Slowing climate change processes

Improvement of society

Dissemination of information about and relevance of sustainability

A wide-angle photograph of a lush green rural landscape. In the foreground, there's a vibrant green field. A small pond is visible in the middle ground, surrounded by trees and shrubs. In the background, there are rolling hills and a small village with a church spire. The sky is hazy. The image is framed by green decorative shapes on the left and right sides.

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