

AB Lietuvos oro uostai

LITHUANIAN AIRPORTS

VNO KUN PLQ

MANAGEMENT REPORT 2024



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VILNIUS I 2025

Vilnius Airport



LITHUANIAN AIRPORTS



LITHUANIAN AIRPORTS



LITHUANIAN AIRPORTS

SIMONAS BARTKUS,

Chief Executive Officer of AB
Lietuvos oro uostai



2024 was a memorable year for Lithuanian airports, marked by progress and achievements in overcoming a wide range of numerous challenges. The network that brings together Vilnius, Kaunas and Palanga airports moved forward coherently in the direction outlined in the organisation's strategy, while delivering on significant milestones. Despite global challenges in aviation, such as aircraft shortages, we collectively proved that strategic planning, flexibility and sustainable growth allow us to take a prominent role in the Baltics and to build further on our long-term ambitions.

At the end of last year, we reinforced our aspirations by adopting a new operational strategy to 2028. At the heart of this strategy is modernising infrastructure, making a qualitative breakthrough in air transport, strengthening a balanced business model, improving partnerships and the passenger experience. Equally important are strengthening business continuity and resilience and sustainability-oriented organisational transformation.

For Lithuanian Airports, the past year was overflowed with both unique achievements and valuable lessons. The successful and early completion of a new passenger departure terminal in Vilnius airport, the renovation of the central square with its complete transport scheme – all this was the backdrop for introducing a long-term master plan for the development of the entire network until 2052, foreseeing significant changes to airports' infrastructure. This long-term perspective opens up solutions to expand capacity and ability to serve 17 million passengers at all three airports.

With consistent implementation of changes, Vilnius will become increasingly modern passenger hub, Kaunas will consolidate its position in the cargo market and become a hub for Maintenance, Repair and Overhaul services,

while Palanga will increase capacity, improve the passenger experience and continue to play an important role for transport nodes and traffic routes in the west.

The rooftop of the new departures terminal is fitted with solar panels, thereby demonstrating our focus on sustainability. We have made preparations for the procurement of electric buses. When planning the reconstruction of old terminals and other activities, we consistently look for and implement solutions that allow reducing our environmental impact.

We are positive about the future, looking forward to serving more than 6.8 million passengers in the airport network by 2025. We are strengthening partnerships, expanding our airline network, where the launch of new airlines such as PLAY Airlines, Aegean, Israir signals the increasing attractiveness of Lithuania to international aviation. This is also significantly supported by a predominantly used risk-sharing model that brings Lithuania closer to the world through new routes of long-term strategic importance to the country's economic development and international cooperation.

I am confident that our strategic approach, decisive actions, transparency and open partnership with the entire aviation community will not only allow us to grow, but also to strengthen the position of Lithuanian airports in the Baltic region and internationally.

I express my gratitude to everyone who contributes to our joint success: employees, partners, passengers and all stakeholders.

Let's travel together to further increase the contribution of aviation to Lithuania's economy and the prosperity of the country as a whole.

GEDIMINAS ALMANTAS,

Chair of the Board at Lithuanian airports



2024 demonstrated that with a higher number of passengers served at Lithuanian Airports (LTOU), improved passenger experience and reinforced partnerships, the organisation managing the network of Lithuanian airports is consistently moving in a strategic direction, focused on a long-term change.

The breakthrough direction is best defined by the new Company's operational strategy to 2028, which was approved last year. It gives a very clear picture of priorities: improving the passenger experience, making a qualitative breakthrough in air travel, modernising infrastructure, developing partnerships, and strengthening a balanced business model. Coordinated progress across many different areas will increase the Company's resilience and ensure smooth business continuity. At the same time, it will promote a sustainability-focused organisational transformation. We see all this as a contribution of Lithuanian Airports to the country's sustainable economic development, increased attractiveness of investments, and the state's reputation building. The Strategy identifies a EUR 1 billion contribution of LTOU to Lithuania's GDP by 2028.

We have an ambitious journey ahead. The 2024 results instill determination and optimism as they show a major milestone has been successfully passed. LTOU reached a record-breaking 6.6 million passengers in 2024, an increase of nearly 10% compared to 2023. Consequently, strong partnerships and a proactive approach to its operations enabled the Company to withstand major aviation challenges, such as the aircraft shortage, while seamlessly re-routing all the destinations to the West, North and South. Total traffic in 2024 was 7% higher than in 2023, with more than 56,800 flights operated.

Growth was achieved across all three airports in Vilnius, Kaunas and Palanga. It clearly shows that the collaborative teams of airport professionals demonstrated the ability to prepare in advance and respond to the growing public demand for travel both globally and in Europe and Lithuania.

The improved financial position of the major airlines has created favourable opportunities for developing new partnership projects, such as the EU-wide exclusive risk-sharing model. It was first applied in 2023 to connect Vilnius and London City Ai-

port, and in 2024 it was used as the basis for routes Vilnius – Lisbon, and Düsseldorf – Hamburg. Lithuanian aviation establishes good practice that will continue to be developed in 2025, as business and inbound tourism has a long list of priority routes, with a total of 27 routes of strategic importance to the country. Of course, we all understand that projects to promote route development demand more than attention, they require investment at national level. On the other hand, the risk-sharing model is based on a business plan with the projection that investments in Lithuania's air accessibility will yield multiple returns, both direct and indirect.

One of the simplest ways to measure returns is to analyse passenger traffic dynamics. The new departures terminal at Vilnius Airport has rolled out advances in modern technology and engineering solutions into a reality - the opening of the terminal has doubled the airport's capacity. Completion of the reconstruction of the Kaunas Airport passenger terminal is yet another important step to be made in 2025. This will give the impetus to exceed the 6.8 million passenger traffic in 2025 and to reach the strategic target of 8 million passengers in the airport network in 2028.

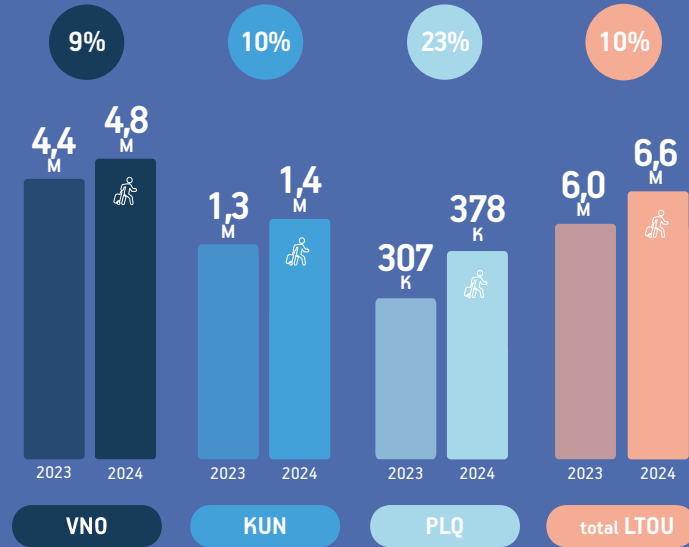
However, maintaining high passenger satisfaction rates and ensuring a great experience is no less challenging. With respect to the previous year's data, the Company's customer NPS was 62%, exceeding the previous target. It is worth noting that airports act as an important hub in the transport system, an entire complex ecosystem of services with multiple components. A high passenger satisfaction rate demonstrates the organisation's and its partners' ability to ensure a smooth, comfortable and pleasant visit and a high quality service. This will continue to be a focus for LTOU, as a key plank of its Strategy focused on improving the passenger experience. A high NPS rate will be a strategic objective again in 2025, with increasing number of passengers experiencing the advantages offered by technologies at the upgraded Vilnius and Kaunas airports: from smart self-service systems and more convenient navigation to faster air security screening using C3 scanners. More spacious parking lots, improved public transport integration, clear traffic patterns and EV charging stations are the homework has been done and will be appreciated by millions of passengers in 2025.

LITHUANIAN AIRPORTS 2024 AVIATION STATISTICS OVERVIEW

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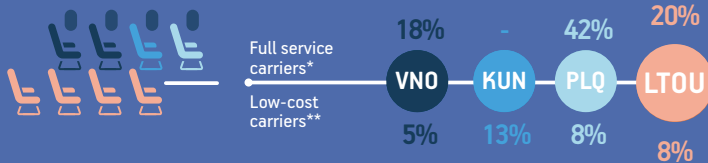
PASSENGERS, K.

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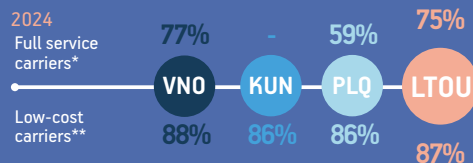
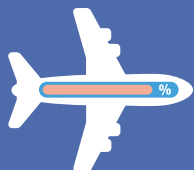


SEATS OFFERED

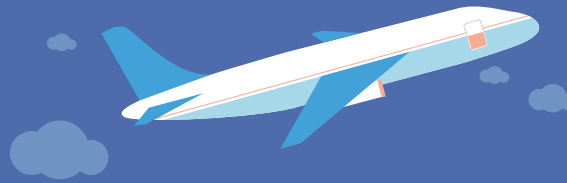
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AVERAGE LOAD FACTOR

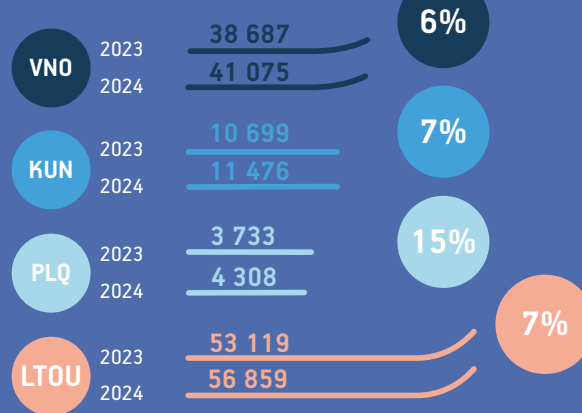


* - Airlines operating scheduled flights excluding low-cost carriers
 ** - Norwegian Air Shuttle, PLAY Airlines, Ryanair, Wizz Air
 *** - The number of routes was calculated using a new methodology

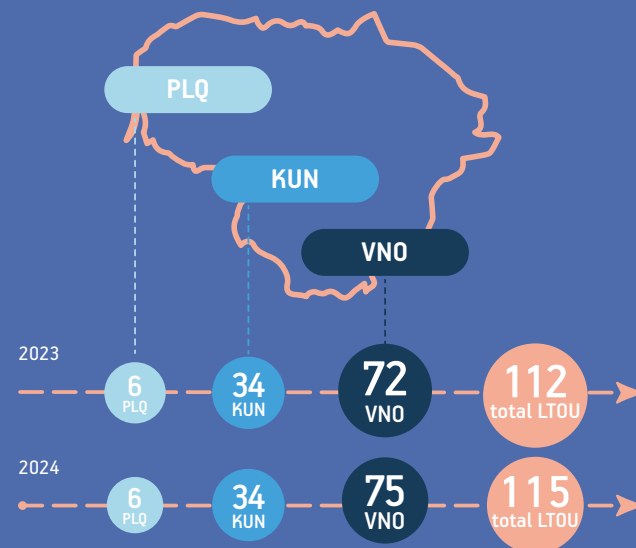


FLIGHTS

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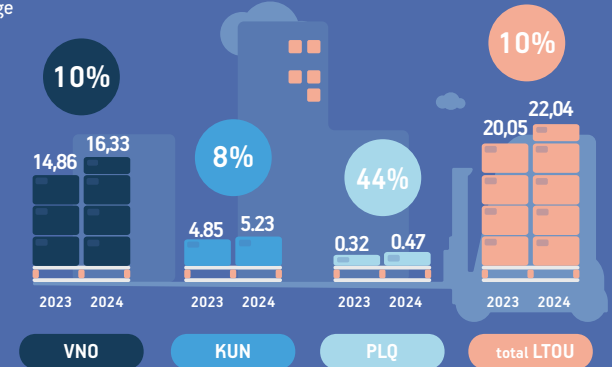


NUMBER OF ROUTES***



CARGO, K, T

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TOP 10 COUNTRIES BY PASSENGERS

COUNTRY	PASSENGER SHARE
1. UNITED KINGDOM	17%
2. GERMANY	11%
3. ITALY	10%
4. DENMARK	7%
5. SPAIN	7%
6. LATVIA	6%
7. POLAND	5%
8. NORWAY	4%
9. SWEDEN	4%
10. NETHERLANDS	4%

TOP 10 DESTINATIONS BY PASSENGERS

DESTINATION	PASSENGER SHARE
1. London LTN	8%
2. Copenhagen CPH	7%
3. Riga RIX	6%
4. London STN	5%
5. Warsaw WAW	5%
6. Oslo OSL	4%
7. Frankfurt FRA	4%
8. Stockholm ARN	4%
9. Istanbul IST	3%
10. Berlin BER	3%

TOP 5 AIRLINES BY PASSENGERS

RYANAIR	47%	LOT POLISH AIRLINES	6%
AIR BALTIC	14%	SAS SCANDINAVIAN AIRLINES	6%
WIZZ AIR	13%		

2024

MANAGEMENT REPORT

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1. The Company's Infrastructure, Business Strategy and Objectives

1. THE COMPANY'S INFRASTRUCTURE, BUSINESS STRATEGY AND OBJECTIVES

The joint stock company Lithuanian Airports (hereinafter the "Company" or LTOU) is a company that connects and manages Vilnius, Kaunas and Palanga airports, develops the operations of these airports in a coordinated manner, offering a wide variety of aviation and non-aviation services, and high quality standards of service to passengers and partners. The ideology and strategy of Lithuanian Airports is focused on the goal of "Bringing the world closer to Lithuania".

The address of the Company's registered office is Rodūnios road 10A, Vilnius, Lithuania. Company code 120864074. **The Company does not have branches.** The following is basic information about each of the airports that make up the Lithuanian airport network.

THE MAIN STATISTICS OF THE LTOU

Address	Rodūnios road 10A, Vilnius		
Director of the Operations Department	Valdas Stropus (Darius Vinciūnas until 4 of March 2024)		
Number of employees	513 (2023: 449) (Vilnius airport and administrative office)		
Length of runway	2,515 m		
Maximum passenger terminal capacity	7 M		
Key performance indicators 2024	Indicator	2023	2024
	Number of passengers served	4.4 M	4.8 M
	Number of flights	38.7K	41.1K
	Amount of cargo	14.9K t	16.3K t
	Aviation revenue	EUR 33.9 M	EUR 35.8 M
	Non-aviation revenue	EUR 14.8 M	EUR 16.9 M
Provided non-aviation services	Rent of buildings and premises, rent of parking lot, car parking, advertising, business club, VIP terminal services, Fast Track service, organisation of events, lease of land, etc.		
Carriers	14		
Routes	75		

KAUNAS AIRPORT (KUN)

Address	Oro uosto st. 4, Karmėlava		
Director of the Operations Department	Valdas Stropus (Darius Vinciūnas until 4 of March 2024)		
Number of employees	140 (2023: 128)		
Length of runway	3,250 m		
Maximum passenger terminal capacity	1 M		
Key performance indicators 2024	Indicator	2023	2024
	Number of passengers served	1.3 M	1.4 M
	Number of flights	10.7K	11.5K
	Amount of cargo	4.9K t	5.2K t
	Aviation revenue	EUR 2.8 M	EUR 2.7 M
	Non-aviation revenue	EUR 4.9 M	EUR 5.7 M
Provided non-aviation services	Rent of buildings and premises, car parking, advertising, lease of land, etc.		
Carriers	2		
Routes	34		

PALANGA AIRPORT (PLQ)

Address	Liepojos pl. 1, Palanga		
Director of the Operations Department	Valdas Stropus (Darius Vinciūnas until 4 of March 2024)		
Number of employees	83 (2023: 75)		
Length of runway	2,300 m		
Maximum passenger terminal capacity	0.3 M		
Key performance indicators 2024	Indicator	2023	2024
	Number of passengers served	307K	378K
	Number of flights	3.7K	4.3K
	Amount of cargo	328 t	494 t
	Aviation revenue	EUR 2.5 M	EUR 3.2 M
	Non-aviation revenue	EUR 0.9 M	EUR 1.2 M
Provided non-aviation services	Rent of buildings and premises, car parking, advertising, lease of land, etc.		
Carriers	4		
Routes	6		

The services provided by the Company are divided into two main groups: aviation and non-aviation (commercial). Aviation service providers include airlines, suppliers of ground handling services to aircraft and passengers, as well as cargo and mail operators. Non-aviation (commercial) service providers are companies engaged in commercial activities at the airport. The Company has no special obligations. Below is the scheme of the business model of LTOU:

KEY PARTNERS	MAIN ACTIVITIES	VALUE OFFERED	UPKEEPING COMMUNICATIONS	CLIENT SEGMENT
Airlines Trading companies Ground handling companies MRO companies Transport competences agency VŠĮ Investuok Lietuvoje Government of the Republic of Lithuania Ministry of Transport and Communications of the Republic of Lithuania Public Security Service (VST), State Border Guard Service (VSAT), Customs Lithuanian Transport Safety Administration	Infrastructure management and maintenance Efficient aircraft management Environmental control Coordination of aircraft maintenance	Ensured growth (number of passengers, flights) Geographical location (coverage area includes residents of other countries) Fast passenger service Wide geography of flights Competitive rates of fees and infrastructure charges	Meetings Events Exhibitions Social Networks Online Inquiries	Low-cost airline companies Full service airlines Charter airlines Companies operating cargo flights Passengers
	RESOURCES		SALES CHANNELS	
	Infrastructure Aircraft coordination system Personnel External suppliers		Direct Sales (B2B) Indirect Sales (B2C)	
COST STRUCTURE		REVENUE STRUCTURE		
Infrastructure ensuring and maintenance costs Aviation security costs Personnel costs Tax costs Utility costs Other costs		Income from aviation charges Income from infrastructure charges Rental income Other commercial income		

Being the largest provider of civil aviation infrastructure services in Lithuania, LTOU is one of the catalysts for the development of Lithuanian economy, attracting direct foreign or local business investment and creating workplaces. Through various incentive programs for airlines, airports attract additional flights and increase passenger flows. In recent years, there has been a trend observed – LTOU is moderately increasing the number of directions every year and is currently approaching the position of the regional leader.

The statement of the organisation's mission emphasises the ambitious goal of partnership between clients, partners, shareholders, colleagues and society in order to unite resources to achieve a common goal: to bring the world closer to Lithuania. Ensuring joint commercial and/or social projects and pro-

grams between LTOU and other organisations, the incentive is to seek to create mutual value and strengthen partnerships. Emphasis is placed on high quality services and service standards for passengers, aiming to form a positive passenger opinion about the airport and create an emotionally attractive personal experience, on which the image of a particular airport and its opportunities to attract new service providers and additional passenger flows depends.

Lithuanian airports have identified the main stakeholders: clients, shareholder, partners, colleagues and the public. In order to meet the expectations of stakeholders, the Company formulated a mission, vision and strategic directions.



LTOU mission: building sustainable partnerships

To ensure attractiveness to partners and contribution to the country's economic development, LTOU has identified 6 key strategic areas:

- **Infrastructure** – completing a world-class transformation of airport infrastructure.
- **Avia connectivity** – achieving breakthrough in Avia connectivity quality.

- **Business model** – building a balanced business model.
- **Experience** – improving partner and passenger experience in the context of changes.
- **Security** – ensuring business continuity and resilience.
- **Sustainability** – implementing sustainability-focused organisational transformation.

Including three enabling areas that will support the goals listed in the key strategic areas:

- **People and culture** – organisational transformation.
- **Technology** – digital transformation.
- **Finances** – financial strategy.

LTOU vision: accelerating the country's economic growth

The role of LTOU is critical to Lithuania's successful development and growth momentum. We believe that the LTOU can act as an economic accelerator: by creating attractive conditions for our business partners, expanding the range of destinations and ensuring a good passenger experience at airports, we not only contribute to the development of our country's reputation, but also create the right conditions for the sustainable development of our economy.

LTOU values: creativity, trust, good sense of ownership.

- **Creativity**

I am looking for non-traditional solutions, I find solutions with existing resources, I offer alternative solutions to achieve the objective, I encourage colleagues to express themselves: to speak, to try, to learn.

- **Trust**

I keep agreements and follow promises, I communicate in a timely and open manner about the course / activity / process, my actions do not cause risk to the Company's reputation, I create long-term mutually beneficial relationships.

- **Good sense of ownership**

I treat the Company's assets responsibly, I communicate about problems and look for solutions in my own and colleagues' environment, I share good practices with colleagues.

LTOU is guided by the principles of sustainability and aims to manage and balance economic, social and environmental factors in an integrated way.

The LTOU Strategic Action Plan 2024-2027 was approved by Resolution of the Board No 1VN-44 of 27 December 2023. Table 1 below presents LTOU's key strategic performance indicators in 2024:

TABLE 1. Key strategic performance indicators in 2024

Metrics	Indicator units of measurement	Plan	Fact
		2024	
Airport loyal passenger (<i>NPS Promoters</i>) indicator	%	62	62
Number of passengers	M	6.3	6.6
EBITDA	EUR M	19.9	22.1

The LTOU Strategic Action Plan 2025-2028 was approved by Resolution of the Board No 1VN-34 of 19 December 2024. The table of indicators and targets for the strategic objectives of the LTOU in 2025 is presented in Annex 2.





2. Company's Governance Structure, Management Bodies

2. COMPANY'S GOVERNANCE STRUCTURE, MANAGEMENT BODIES



Lithuanian airports are owned by the state according to ownership rights. The institution implementing the rights and obligations of the owner of the enterprise is the Ministry of Transport and Communications of the Republic of Lithuania. It performs the following specified functions:

- | | | |
|--|---|--|
| I. Amends the Articles of Association of the Company, except for the exceptions provided for in the Law on Joint Stock Companies of the Republic of Lithuania. | VIII. Adopts a decision to change the number of shares of the same class and the nominal value of a share issued by the company without changing the amount of the share capital. | XVI. Adopts a decision to reorganise or separate the company and approve the terms of reorganisation or separation, except for the exceptions provided for in the Law on Joint-Stock Companies of the Republic of Lithuania. |
| II. Changes the registered office of the Company. | IX. Approves the set of annual financial statements, with the exception of the exceptions provided for in the Law on Public Limited Companies of the Republic of Lithuania. | XVII. Adopts a decision to convert the company. |
| III. Elects and recalls members of the Board. | X. Adopts a decision on the distribution of profits (losses). | XVIII. Adopts a decisions on restructuring of the company in the cases provided for by the Law on Insolvency of Legal Persons of the Republic of Lithuania. |
| IV. Elects and recalls an auditor or audit firm to audit the set of financial statements, determines the terms of payment for audit services. | XI. Adopts a decision on creation, use, reduction and elimination of reserves. | XIX. Adopts a decision to liquidate the company, to cancel the liquidation of the company, except for the exceptions provided for in the Law on Joint-Stock Companies of the Republic of Lithuania. |
| V. Elects and recalls an auditor or audit firm or independent sustainability reporting service provider to provide sustainability reporting services when sustainability disclosures are required to be included in the management report in accordance with the Law on Undertakings and Group of Undertakings Reporting of the Republic of Lithuania; | XII. Approves the set of interim financial statements drawn up for the purpose of deciding on the distribution of dividends for a period of less than one financial year. | XX. Elects and recalls the liquidator of the company, except for the exceptions provided for in the Law on Companies of the Republic of Lithuania. |
| VI. Determines the class, number, nominal value and minimum issue price of shares to be issued by the company. | XIII. Adopts a decision to issue convertible obligations. | XXI. Adopts a decision on the audit of the company's annual financial statements in cases other than those specified in the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania or provided for in the company's Articles of Association. |
| VII. Adopts a decision to convert the Company's shares of one class into shares of another class and approves the description of the procedure for the conversion of shares. | XIV. Adopts a decision to increase the share capital. | |
| | XV. Adopts a decision to reduce the share capital, except for the exceptions provided for in the Law on Companies of the Republic of Lithuania. | |

The body exercising the rights and duties of a shareholder of the company may also decide on other matters assigned to its competence by the Law on Companies of the Republic of Lithuania and the Articles of Association of the Company.

The collegial management body is the Board of the Company, the sole management body is the head of the Company. The LTOU governance structure is set out in Annex 1.

The Board of Lithuanian Airports consists of persons appointed by the order of the Minister of Transport and Communications of the Republic of Lithuania. In 2024, the Board consisted of four independent and one dependent member. On the expiry of the term of office of the Board of AB Lietuvos oro uostai, the following four members were elected by Order of the Minister of Transport and Communications of the Republic of Lithuania No 1VN-3-83 of 5 March 2024 for a new four-year term of office as of 23 March 2024: Gediminas Almantas, Eglė Čiužaitė, Dan Strömberg, Tadas Arvydas Vizgirda. By Order of the Minister of Transport and Communications of the Republic of Lithuania No 3-127 of 18 April 2024, Vilius Veitas was elected to the Board of AB Lietuvos oro uostai until the end of the term of office of the current Board.

TABLE 2. Management bodies of Lithuanian airports (until 22/03/2024)

Management	Name, surname, workplace	Education
Chair of the Board	Eglė Čiužaitė , independent member of the Board, does not have a main workplace, other positions held: an independent member of the Board and the chair of the Audit committee at AB Vilniaus šilumos tinklai (code 124135580, address Elektrinės st. 2, LT-03150 Vilnius), a member of the Board at VšĮ Jaunimo linija (code 302594405, address Vingrių st. 6, LT-01141 Vilnius), an independent member of the Audit committee at UAB Akropolis Group (code 302533135, address Ozo st. 25, LT-07150 Vilnius), and an independent member of the Audit committee at MAXIMA GRUPĖ, UAB (code 301066547, address Ozo st. 25, LT-07150 Vilnius).	Master of Science in Finance and International Business Sciences – Aarhus University, School of Business and Social Sciences, Denmark. Bachelor's degree in Business Administration (Finance) – Bellevue University, USA. Completed the training program for members of the Board of "Baltic Institute of Corporate Governance".
Members of the Board	Gediminas Almantas , independent member of the Board, does not have a main workplace, other positions held: a member of Procurement and Investment Committee at Lietuvos nacionalinis radijas ir televizija (code 124241078, address S. Konarskio st. 49, LT-03123 Vilnius), a member of the Board at VĮ Atviros Lietuvos fondas (code 210063570, address Didžioji st. 5, LT-01128 Vilnius), a chair of the Board at AB LTG Infra (code 305202934, address Geležinkelio st. 2, LT-02100 Vilnius), a chair of the Board at AB Novaturas (code 135567698, address A. Mickevičiaus st. 27, LT-44245 Kaunas), a head of strategic partnership at Lithuanian Red Cross society (code 190679146, address Statybininkų st. 12, LT-50127 Kaunas), Visiting research fellow – Thunderbird School of Global Management, Phoenix, AZ, USA.	Vilnius University, Master's degree in Law. University of Bern, Switzerland, Master of Laws. Copenhagen Business School, Ethics of Business Negotiation, Industrial PhD.
	Saulius Kerza , dependent member of the Board, main workplace: a director of the Budget and Investment Department at the Ministry of Transport and Communications of the Republic of Lithuania (code 188620589, address Gedimino ave. 17, LT-01103 Vilnius).	Vilnius University, Master's degree in Law. Bachelor's degree in Law, Lithuanian Academy of Law.
	Tadas Vizgirda , independent member of the Board, main workplace: CEO at UAB Shift4 Payments Lithuania (code 304341621, address A. Goštauto st. 40A, LT-03163 Vilnius), chairman of the Board American Chamber of Commerce in Lithuania (code 223908210, address Konstitucijos ave. 26, LT-08105 Vilnius), senior manager at UAB Revel Systems (code 303480970, address A. Goštauto st. 40A, Vilnius); CEO at UAB Shift4 Services (code 306660468, address A. Goštauto st. 40A, LT-03163 Vilnius).	BSBA in Business Administration – Kaplan University, USA. Company management program of "Baltic Institute of Corporate Governance".
	Darius Makauskis , independent member of the Board, main workplace: group HR manager at Stansefabrikken (company code 111798718, address Pašilės g. 10, LT-20194 Ukmergė), shareholder of MB Keturvėjininkai (code 306043253, address Jociškių st. 16, Suvernyų k., LT-99361 Šilutė District).	Vilnius University, Personnel Management and International Trade Studies. Personnel development studies at Cornell University (USA).
Management bodies of Lithuanian airports (from 23/03/2024)		
Chair of the Board	Gediminas Almantas , independent member of the Board, does not have a main workplace, other positions held: a member of Procurement and Investment Committee at Lietuvos nacionalinis radijas ir televizija (code 124241078, address S. Konarskio st. 49, LT-03123 Vilnius), a member of the Board at VĮ Atviros Lietuvos fondas (code 210063570, address Didžioji st. 5, LT-01128 Vilnius), a chair of the Board at AB LTG Infra (code 305202934, address Geležinkelio st. 2, LT-02100 Vilnius), a chair of the Board at AB Novaturas (code 135567698, address A. Mickevičiaus st. 27, LT-44245 Kaunas), a head of strategic partnership at Lithuanian Red Cross society (code 190679146, address Statybininkų st. 12, LT-50127 Kaunas), Visiting research fellow – Thunderbird School of Global Management, Phoenix, AZ, USA.	Vilnius University, Master's degree in Law. University of Bern, Switzerland, Master of Laws. Copenhagen Business School, Ethics of Business Negotiation, Industrial PhD.

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Members of the Board	Eglė Čiužaitė , independent member of the Board, does not have a main workplace, other positions held: an independent member of the Board and the chair of the Audit committee at AB Vilniaus šilumos tinklai (code 124135580, address Elektrinės st. 2, LT-03150 Vilnius), a member of the Board at VŠĮ Jaunimo linija (code 302594405, address Vingrių st. 6, LT-01141 Vilnius), an independent member of the Audit committee at UAB Akropolis Group (code 302533135, address Ozo st. 25, LT-07150 Vilnius), and an independent member of the Audit committee at MAXIMA GRUPĖ, UAB (code 301066547, address Ozo st. 25, LT-07150 Vilnius).	Master of Science in Finance and International Business Sciences – Aarhus University, School of Business and Social Sciences, Denmark. Bachelor's degree in Business Administration (Finance) – Bellevue University, USA. Completed the training program for members of the Board of "Baltic Institute of Corporate Governance".
	Tadas Vizgirda , independent Member of the Board, main workplace: Managing Director at Shift4 Payments Lithuania (code 304341621, address A. Goštauto st. 40A, LT-03163 Vilnius), chair of the Board at American Chamber of Commerce in Lithuania (code 223908210, address Konstitucijos ave 26, LT-08105 Vilnius), senior manager at UAB Revel Systems (code 303480970, address A. Goštauto st. 40A, Vilnius).	BSBA in Business Administration – Kaplan University, USA Company management program of "Baltic Institute of Corporate Governance"
	Dan Stromberg , independent member of the Board, does not have a main workplace, other positions held: member of Supervisory Council at SIA Tet (code 40003052786, address 105 Dzirnau iela Ryga, LV-1011 Latvia).	Finance studies at IHM Business School/Stockholm University (Sweden). Marketing studies at IHM Business School (Sweden).
	Vilius Veitas , dependent member of the Board, main workplace: a Transport Attaché at the Permanent Representation of Lithuania to the EU (address Rue Belliard 41-43, 1040 Brussels) (civil aviation, shipping).	Master of Management and Business Administration, Pilot Engineer – Vilnius Gediminas Technical University.
Chief Executive Officer	Simonas Bartkus	Executive Studies, Strategic Marketing Management, Stanford University Graduate School of Business, 2012. Master's degree in European Economic Studies, VU, 2008. Bachelor of Economics, VU, 2005.
Head of the Flight Development Department (cancelled from 01/01/2025)	Tomas Zitikis	VGTU bachelor of transport engineering, 2012.
Director of Development Department (director of Infrastructure Department from 01/01/2025)	Arnas Dūmanas	Norwegian Business School ir ISM Master in Executive Business Management, 2020. Civil Engineering bachelor, Vilnius Gediminas Technical University, 2006.
Director of the Operations Department	Valdas Stropus	Bachelor of Aviation Engineering, Vilnius Gediminas Technical University, 2006.
Director of the Department of Commerce	Gintarė Norvilaitė-Tautevičė	ISM Master in Executive Business Management, 2024. Master of International Marketing and Management, ISM University of Economics and Management, 2014. Vilnius University, Bachelor's degree in Economics, 2011.
Director of the Safety and Security Department (Director of Safety, Security and Resilience Department from 01/01/2025)	Vidas Kšanas	Business Administration, Baltic Institute of Management, 2008 Master of Management and Business Administration, Vytautas Magnus University, 2008 Vilnius University, Bachelor's degree in Management and Business Administration, 2003
Director of the Finance Department	Petras Akstinas	Bachelor of Business Management, VGTU, 2000.
Head of Personnel and Administration (cancelled from 01/01/2025, director of People and Culture Department from 01/01/2025)	Natalja Andreičiuk	Bachelor of Psychology Klaipėda University, 2006. Master of Business Psychology, Mykolas Romeris University, 2009.
Head of Law (cancelled from 01/01/2025, director of Legal and Compliance Department from 01/01/2025)	Diana Bankauskienė	Master of Business Law, Mykolas Romeris University, 2015. Bachelor of Laws, Mykolas Romeris University, 2013.
Head of Communication Section (cancelled from 01/01/2025)	Marius Zelenius	Vilnius University, public relations, professional studies. Institute of Journalism, 2008. Bachelor of Landscape Management, Klaipėda University, 2002.

SELECTION CRITERIA FOR COLLEGIAL BODIES

The selection of candidates to the collegial supervisory or management body shall be carried out by the shareholder, the Ministry of Transport and Communications of the Republic of Lithuania, in accordance with the current wording of Resolution No 631 of the Government of the Republic of Lithuania of 17 June 2015. The Resolution establishes the essential principles and processes for the selection of candidates to the collegial supervisory or management body of a state or municipal enterprise, state-owned or municipally-owned Company or its subsidiary:

- **Autonomy.** This includes the appointment of independent members of the collegial body and restrictions on the participation of public politicians in these bodies. All state-managed companies (SOC) are subject to the requirement that, in a collegial body elected directly by the shareholder/owner, members meeting the criteria of independence must represent at least half of the members of the collegial body. Meanwhile, state politicians or civil servants with political trust cannot be appointed to the collegial bodies of a state-managed Company.
- **The collegial bodies of an SOC are formed on the basis of the principles of competence and taking into account the specificities of the SOC activities and strategic objectives.** The legislation stipulates that the collegial body of a SMC must have appropriate competences in strategic planning and governance, financial management and the sector of the economy in which the SOC operates. Other competences required are tailored to individual needs. The selection of the members of the collegial body is based on this principle.
- **Professional and transparent selection.** The selection of independent members is subject to detailed selection procedures, covering the steps from the initiation of the selection process to the appointment as a member of the collegial body. The selection procedures established are public and follow the principle of a detailed screening process, whereby the candidate is evaluated by both a professional selection agency and a selection panel set up specifically for the selection.
- **Empowered.** The functions of the collegial bodies of state-owned companies (SOCs) are similar to global governance practices, i.e. they follow generally accepted corporate governance principles: they appoint and dismiss the CEO, approve the Company's strategy and oversee the implementation of the Company's strategy. Currently, the functions of the boards of the SOC's with the Public institution legal status are limited and they are more advisory bodies.



2.1. FUNCTIONS OF THE BOARD

13 meetings of the Board were held in 2024.



The Board considers and approves:

- The Company's business strategy, including the Company's operating budget;
- Management Report;
- The Company's annual targets, on the basis of which employees may be paid a variable component of remuneration;
- The Company's management structure and employee positions;
- Positions to be filled by competitive recruitment;
- The regulations of the Company's branches and representative offices;
- The rules governing the management of the Company's donations;
- A list of the Company's operating policies approved by the Board and the Company's operating policies set out in that list;
- Determine the information which shall be considered as the Company's commercial/productive secrets and confidential information;
- Elect and remove the Company's Chief Executive Officer, determine his remuneration, other terms and conditions of employment, approve his job description, promote him and impose penalties. Approves the nomination of branch and representative office managers;
- Decide on the Company becoming a founder or participant in other legal entities;
- Decide on the establishment of branches and representative offices of the Company;
- Take decisions on the investment, transfer (calculated separately for each type of transaction), lease (calculated separately for each type of transaction), pledge and mortgage (calculated as a total amount of transactions) of fixed assets with a carrying amount equal to or exceeding EUR 3,000,000;
- Deciding on the guaranteeing or guaranteeing of the performance of the obligations of other persons for an amount equal to or exceeding EUR 3,000,000;
- Take decisions on the acquisition of fixed assets for a price equal to or exceeding EUR 3,000,000;
- Take decisions on the lending or borrowing of funds, including, but not limited to, decisions on the conclusion of any loan or credit agreement with a per transaction value equal to or exceeding EUR 3,000,000 and/or the modification of an existing loan or credit agreement with a modification value equal to or exceeding EUR 1,000,000;
- Adopt decisions to approve the Chief Executive Officer of the Company:
 - To enter into transactions for the purchase of goods, services and works, the value of each transaction of which is equal to or greater than EUR 1,000,000 excluding VAT;
 - To enter into transactions for the pledge of the Company's assets;
 - To enter into and terminate transactions that meet the criteria of a market economy operator, where the Company invests with a publicly selected partner to promote the development of flight routes;
 - All decisions relating to the assets constituting the airport infrastructure (assignment, mortgage or other encumbrance, guarantee, surety or other security for the fulfilment of its own obligations and those of others, lease, loan or transfer to others for their use in any other way, declaration of unnecessary or unusable (unfit for) use, etc.);
 - Making amendments to transactions (with a value equal to or greater than EUR 1,000,000) if the value of the contract for goods and services increases by more than 10% of the value of the contract and the value of the contract for works increases by more than 15% of the value of the contract and such increase in the value of the goods and services or the value of the contract for works amounts to at least EUR 250,000 excluding VAT.

The Board may also decide on other matters assigned to the competence of the Board by the Law on Joint Stock Companies of the Republic of Lithuania, the Articles of Association of the Company and the decisions of the General Meeting of Shareholders.

2.1.1. KEY ISSUES DISCUSSED

Monthly review of the Company's performance; approval of the Remuneration Policy; consideration of the terms and conditions of purchases within the Board's remit and approval of transactions; consideration of Board assignments; Internal audit activity report and action plan for 2024; Audit and Risk Committee Report 2024 and Action Plan 2024; Annual LTOU procurement plan 2024; Action plan 2023 based on the LTOU 2023 Corporate Governance Index Assessment Report; Presentation of the risk management situation; presentation of the LTOU Head Office Relocation Project; presentation of the VNO Business Club Governance Model; presentation of the results of the Employee Engagement Survey; the Company's annual targets for 2024 and KPIs for the Company's senior management team - targets for 2024; self-assessment of the Board's performance; deputising for CEO; setting of CEO's annual objectives for 2024; discussion of the programme for the implementation of long-term development plans (master plans) for a period of 5 years; presentation of the Net Zero Strategy; operational and financial results (unaudited) for 2023, including

comparison with market benchmarks, other airports; revision of the Company's organizational structure; review of IT and cyber security improvement measures; presentation of the Company's 2023 annual performance and financial results. Independent audit report; assessment of the LTOU CEO's performance for 2023; election of the Chairman of the Board; Discussion on competence requirements of the Audit and Risk Committee, initiation of the selection of the new members of the Audit and Risk Committee; operational and financial performance for Q1 2024; discussion of the progress on the implementation of the Letter of Expectations initiatives; presentation of the progress of the implementation of the personal data protection requirements in the Company; Action plan and progress on the implementation of the LTOU's sustainability/ESG practices; approval of the Rules of Procedure of the Board; amendment of the employment contract of the Company's CEO; appointment of the members of the Audit and Risk Committee; approval of the LTOU's updated strategy; review of the LTOU's budget 2023 (in case of significant deviations from the appro-

ved budget, approval of new aviation pricing on VNO); presentation and discussion of commercial real estate development activities; presentation of the shareholders' approved distribution of profit for 2023 and its impact on LTOU's performance and investment in 2024; presentation of LTOU's anti-corruption situation; discussion on climate resilience of infrastructure and operations; Presentation of the VNO T4, T2/T3 and KUN lease tender schedule and commercial terms; discussion with Audit and Risk Committee members; presentation of the HR activities; Discussion on the risk management priorities; Audit and Risk Committee activity report H1 2024. Operational and financial performance for Q2 2024; presentation on the implementation of the Net Zero strategy; approval of the interim report for H1 2024; KUN terminal project's risks and risk management; CEO and the Board's discussion on strategy implementation; aviation and non-aviation revenue, OPEX outlook (preparation for 2025 budget, 2025-2028 SAP issues); presentation of commercial real estate development activities; presentation of detailed unmanned aircraft management strategy, inclu-

ding partnerships and legal aspects; presentation of the results for Q3 2024; consideration and approval of the Company's budget and operational KPIs for 2024; presentation of the results of LTOU's Passenger Segmentation Study; compliance management; review of the Company's Articles of Association; consideration of the Company's Strategic Business Plan 2025-2028 (initial); approval of the Company's Organisational Structure; borrowing on the capital markets; approval of the Company's Sponsorship Policy; results of the Food and Beverages and Duty-Free Tenders; VNO - LCY route performance review; Flight Development and Connectivity Strategy (3 years); appointment of a member of the Audit and Risk Committee; aircraft accident: lessons learned, communication with stakeholders; T4 ORAT progress, status and risks; further discussions on borrowing on the capital market; removal of LTOU's branches from register; presentation of the website upgrade and application development; presentation of the Employee Engagement Survey; approval of the Audit and Risk Committee Terms of Reference; Board Action Plan for 2025.



THE BOARD ACCEPTED THE FOLLOWING TRANSACTIONS OF THE COMPANY IN 2024 (ORIGINAL TRANSACTION VALUES ARE INDICATED):

1. On 29 February 2024, the Board, by a joint decision of the Board members, approved the award of the contract to UAB Jungtiniai projektai, the winner of the procurement procedure for the contract works for the VNO warehouse building, provided that no claims are received or rejected (value of the transaction – EUR 1,226,658.73, excluding VAT).
2. On 29 February 2024, the Board, by a joint decision of the members of the Board, approved the award of the contract to Air Baltic Corporation AS, the winner of the procurement procedure for the selection of the operator of the scheduled flights between VNO and HAM (LTOU's investment amounts to EUR 4,233,352.88).
3. On 29 February 2024, the Board, by a joint decision of the members of the Board, approved the award of the contract to Air Baltic Corporation AS, the winner of the procurement procedure for the operator of scheduled flights between VNO and LIS (LTOU's investment amount is EUR 3.767 million).
4. On 21 March 2024, the Board, by a joint decision of the members of the Board, approved the award of the contract to Ekskomisary biuras UAB, the winner of the Procurement of Video Surveillance Services (value of the transaction – EUR 1,558,500.00, excluding VAT).
5. On 22 May 2024, the Board, by a joint decision of the members of the Board, approved the award of the contract to Lucidus techno UAB, the winner of the procurement procedure of Mobile Electric Power Supplies, Aircraft (value of the contract – EUR 1,546,650.00, excluding VAT).
6. On 3 July 2024, the Board, by a joint decision of the members of the Board, approved the award of the contract to the winner of the procurement procedure for Electricity for Vilnius, Kaunas, Palanga branches of Lithuanian Airports AB, UAB Ignitis (maximum value of the contract – EUR 2,651,684.66, excluding VAT).
7. On 25 July 2024, the Board, by a joint decision of the members of the Board, approved the award of the contract to Air Baltic Corporation AS, the winner of the procurement procedure for the operator of scheduled flights between VNO and DUS (LTOU's investment amounts to EUR 3.2 million).
8. On 21 November 2024, the Board, by a joint decision of the Board Members, approved the award of the contract to UAB Atea, the winner of the procurement procedure for the reconstructions of KUN perimeter security systems (value of the transaction – EUR 1,795,433.56, excluding VAT).
9. On 21 November 2024, the Board, by a joint decision of the Board Members, approved the award of the contract to UAB Litcargus, the winner of the procurement procedure for the provision of services to Special Needs Passengers at Vilnius Airport (value of the transaction – EUR 1,583,262.88, excluding VAT).
10. On 21 November 2024, approved the award of the contract to Aebi Schmidt International, the winner of the procurement procedure for Snow Plow Trucks (value of the transaction – EUR 7,481,000.00, excluding VAT, i.e. the value of the contract corresponds to the price of the snow plow trucks indicated in the final tender, EUR 6,581,000.00, excluding VAT, and EUR 900,000.00, excluding VAT, for the annual maintenance services, spare parts, cassette brushes, front-mount plows, etc. to be purchased on demand).



SUMMARY

PERIOD 2024:

- In 2024, a new organisational strategy was prepared, approved and presented to stakeholders. A new organisational structure was approved.
- Focusing on the State's objectives and expectations for the Company, as defined in the Letter of Expectations, the aim is to grow the number of passengers and destinations, to make the Company's operations profitable and sustainable, to provide high quality passenger services and to implement strategic investment projects (LTOU reached a record-breaking 6.6 million passengers in 2024, i.e. an increase of nearly 10% compared to 2023 and 1.6% the pre-pandemic 2019 level).
- The flight incentive model is being implemented through the Risk Sharing Model (MEOP), with 3 new contracts awarded in 2024.
- Development programmes for Vilnius and Kaunas airports are implemented to ensure capacity for growing passenger traffic.
- Sustainability, ESG (environmental, social and governance) and net-zero CO2 programmes are implemented.
- Systematic risk management, strengthening of internal controls and the application of good governance practices have been carried out to achieve the highest standards in all evaluation categories (transparency, collegial bodies, strategic planning and implementation).
- 13 meetings of the Board were held and an additional 4 resolutions were adopted on issues of relevance to the Company within the Board's remit without convening meetings.

THE MAIN LONG-TERM PRIORITIES OF THE BOARD FROM 2024 AND CONTINUING IN 2025 ARE:

- Digitalizing the passenger experience.
- Continued implementation of Vilnius and Kaunas airports development programmes.
- Continued implementation of the flight incentive model through the Risk Sharing Model (MEOP) and other measures.
- Development of commercial real estate (MRO, cargo, mixed-use buildings in the restricted area, commercial premises, logistics centres).
- Ambitious growth and business development, investing in projects generating long term returns, continued implementation of key investment projects.
- Development of renewable energy sources.
- Sustainable development of financing options.
- Preparation of a tactical plan for the implementation of the Net Zero strategy and implementation of planned milestones.
- Strengthening cybersecurity measures.
- Enhancing the resilience of physical and digital infrastructure.
- Systematic risk management, strengthening of internal controls and application of good governance practices to achieve the highest standards in all evaluation categories (transparency, collegial bodies, strategic planning and implementation).



2.1.2. ATTENDANCE OF MEETINGS

The overall average meeting attendance rate in 2024 was 93.85%.

TABLE 3. Meeting attendance

No	Meeting date	Number of members attended	Attended	Did not attend	Total	Attendance (%)	No	Meeting date	Number of members attended	Attended	Did not attend	Total	Attendance (%)
1.	31 January	4 members	Gediminas Almantas Eglė Čiužaitė Tadas Vizgirda Darius Makauskis	Saulius Kerza	5	80%	8.	25 July	5 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Dan Strömberg Vilius Veitas	-	5	100%
2.	29 February	4 members	Eglė Čiužaitė Saulius Kerza Gediminas Almantas Darius Makauskis	Tadas Vizgirda	5	80%	9.	29 August	4 members	Eglė Čiužaitė Gediminas Almantas Dan Strömberg Vilius Veitas	Tadas Vizgirda	5	80%
3.	23 March	5 members	Eglė Čiužaitė Tadas Vizgirda Saulius Kerza Gediminas Almantas Darius Makauskis	-	5	100%	10.	26 September	5 members	Gediminas Almantas Eglė Čiužaitė Tadas Vizgirda Dan Strömberg Vilius Veitas	-	5	100%
4.	25 March	4 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Dan Strömberg	-	4	100%	11.	24 October	4 members	Eglė Čiužaitė Tadas Vizgirda Dan Strömberg Vilius Veitas	Gediminas Almantas	5	80%
5.	23 April	5 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Dan Strömberg Vilius Veitas	-	5	100%	12.	21 November	5 members	Gediminas Almantas Eglė Čiužaitė Tadas Vizgirda Dan Strömberg Vilius Veitas	-	5	100%
6.	30 May	5 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Dan Strömberg Vilius Veitas	-	5	100%	13.	19 December	5 members	Gediminas Almantas Eglė Čiužaitė Tadas Vizgirda Dan Strömberg Vilius Veitas	-	5	100%
7.	19 June	5 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Dan Strömberg Vilius Veitas	-	5	100%							



2.1.3. REMUNERATION RECEIVED FOR THE POSITION OF A MEMBER

The procedure for the payment of remuneration to the members of the Board is established by the procedure for granting remuneration to the members of the boards of state-owned enterprises and municipal enterprises, approved by the Resolution No 1092 of the Government of the Republic of Lithuania of 14 October 2015. Until 23 March 2024, the members of the Board were paid a monthly remuneration of EUR 2,412 (two thousand four hundred and twelve euros) (before taxes), set by the Ministry of Transport and Communications of the Republic of Lithuania. In the case a member of the Board is a civil servant, his/her monthly remuneration was EUR 1,206 (one thousand two hundred and six euros) (before taxes). The monthly remuneration of the Chairman of the Board was EUR 3,216 (three thousand two hundred and sixteen Euros) (before tax). As from 23 March 2024, the members of the Board are paid a monthly remuneration set by the Ministry of Transport and Communications of EUR 2,526 (two thousand five hundred and twenty six euros) (before taxes). In the case a member of the Board is a civil servant, his/her monthly remuneration shall be EUR 1,263 (one thousand two hundred and sixty three euros) (before taxes). The monthly remuneration of the Chairman of the Board is EUR 3,368 (three thousand three hundred and sixty eight euros) (before tax).

If the activities of a member of the Board require reasonable travel (transport) expenses, the Company reimburses such reasonable travel expenses. For members of the board in 2024 fuel costs were compensated for EUR 3,216.08.

The remuneration accounted to members of the Board for their work during 2024 (including all taxes and contributions payable) – EUR 144 thousand.

TABLE 4. Remuneration estimated for the Board members in 2024

Name, surname	Position	Term of office in the Board in 2024	Estimated remuneration for work in 2024, gross
Eglė Čiužaitė	Chair (independent)	01/01/2024-22/03/2024	EUR 8,714
Saulius Kerza	Member (civil servant)	01/01/2024-22/03/2024	EUR 3,268
Tadas Vizgirda	Member (Independent)	01/01/2024-22/03/2024	EUR 6,536
Darius Makauskis	Member (Independent)	01/01/2024-22/03/2024	EUR 6,536
Gediminas Almantas	Member (Independent)	01/01/2024-22/03/2024	EUR 6,536
Gediminas Almantas	Chair (independent)	23/03/2024-31/12/2024	EUR 31,290
Eglė Čiužaitė	Member (Independent)	23/03/2024-31/12/2024	EUR 23,467
Tadas Vizgirda	Member (Independent)	23/03/2024-31/12/2024	EUR 23,467
Dan Strömberg	Member (Independent)	23/03/2024-31/12/2024	EUR 23,467
Vilius Veitas	Member (civil servant)	18/04/2024-31/12/2024	EUR 10,651

TABLE 5. Beginning/end of the term of office of LTOU Board members

Member	Beginning of term	End of term
Eglė Čiužaitė	23/03/2020	22/03/2024
Saulius Kerza	07/04/2020	22/03/2024
Tadas Vizgirda	23/03/2020	22/03/2024
Darius Makauskis	16/03/2021	22/03/2024
Gediminas Almantas	26/10/2021	22/03/2024
Eglė Čiužaitė	23/03/2024	23/03/2028
Tadas Vizgirda	23/03/2024	23/03/2028
Gediminas Almantas	23/03/2024	23/03/2028
Dan Strömberg	23/03/2024	23/03/2028
Vilius Veitas	18/04/2024	23/03/2028

2.2. AUDIT AND RISK COMMITTEE



By Resolution No 1VN-9 of 5 April 2023, the Board of Directors of Lithuanian Airports approved the new Committee for a new term of office, consisting of 3 members. Following the change of legal status to a public limited liability company, the Committee was renamed the Audit and Risk Committee as of 1 September 2023.

TABLE 6. Composition of the Audit committee of Lithuanian airports (until 22 March 2024)

Composition of the Committee	Name, surname, experience	Education
Chair of the Committee	Gediminas Almantas , delegated member of the Board, member of the Procurement and Investment Policy Committee of the Public Institution Lithuanian National Radio and Television, member of the Board and Chairman of the Audit Committee of AB Oro navigacija, member of the Board of the Public Institution Open Society Foundations, Chairman of the Board of LTG Infra, Chairman of the Board of Novaturas. Visiting Lecturer - Thunderbird School of Global Governance, Phoenix, AZ, USA; Lecturer – ENAC, Toulouse, France. Areas of expertise: organisation management, organisational development, ethics and morality, building trust in organisations, crisis management.	Vilnius University, Master's degree in Law. PhD candidate, Negotiation, Business Ethics – Copenhagen Business School. L.L.M. – University of Bern, Switzerland.
Committee's member	Karolis Brazas , independent member. UAB Green Genius – Head of Financial Control. MB Finansų ir korporatyvinio valdymo laboratorija – Director; AB Lietuvos paštas – Independent member of the Audit and Risk Committee. Member of the Association of Chartered Certified Accountants (ACCA). Areas of expertise: financial management, audit and accounting, tax.	Vilnius University, Bachelor's degree in Management and Business Administration.
Committee's member	Gintarė Vilimaitė-Kučinskienė , independent member. Licensed auditor; AB Civinity, CFO of Civinity Group Areas of expertise: financial management, audit and accounting, internal control and processes, change management.	Vilnius University, Bachelor's degree in Economics. Master of Management and Business Administration, Vilnius University.

By Resolution No 1VN-18 of 3 June 2024, the Board of Lithuanian Airports appointed the new members of the Committee until the end of the current Board's term of office, i.e. until 23 March 2028.

TABLE 7. Composition of the Audit and Risk Committee of Lithuanian Airports (from 3 June 2024)

Composition of the Committee	Name, surname, experience	Education
Chair of the Committee	Eglė Čiužaitė , Board-delegated member. Independent member of the Board and the chair of the Audit committee at AB Vilniaus šilumos tinklai, a member of the Board at VŠĮ Jaunimo linija, an independent member of the Audit committee at UAB Akropolis Group, and an independent member of the Audit committee at MAX-IMA GRUPĖ, UAB. Fields of competence: strategic planning and management; infrastructure project management and development, finance management.	Master of Science in Finance and International Business Sciences – Aarhus University, School of Business and Social Sciences, Denmark. Bachelor's degree in Business Administration (Finance) – Bellevue University, USA. Completed the training program for members of the Board of "Baltic Institute of Corporate Governance".
Committee's member	Edita Malūkienė , an independent member. Director at UAB Gaudera, certified auditor, a member of the Audit Committee at AB Kelių priežiūra, a member of the Lithuanian Chamber of Auditors. Fields of competence: independent audit of financial statements, accounting, taxes, activities in collegial bodies.	Vilnius University, Bachelor's degree in Economics and Management. Vilnius University, Master's degree in Business Management and Administration.
Committee's member	Gediminas Šiušas , an independent member (from 6 December 2024). Authorised representative of Convera Europe Financial S.A., a member of the Board at Convera Singapore Pte Ltd and at Convera Singapore Financial Pte Ltd. Fields of competence: risk management, finance management, audit and accounting, internal control.	Stockholm School of Economics in Riga, Bachelor's degree in Economics and Business Administration. Vilnius University, Bachelor's degree in Economics and Management. Vilnius University, Master's degree in Economics.

2.2.1. BEGINNING/END OF TERMS OF OFFICE

By Resolution No 1VN-9 of 5 April 2023, the Board of Lithuanian Airports appointed the new members of the Committee until the end of the Board's term of office, i.e. until 22 March 2024. On the expiry of the term of office, by Resolution No 1VN-18 of 3 June 2024, the Board of Lithuanian Airports appointed the new members of the Committee until the end of the current Board's term of office, i.e. until 23 March 2028.

TABLE 8. Beginning/end of the term of office of LTOU Audit Committee members:

Member	Beginning of term	End of term
Gediminas Almantas	31/03/2023	22/03/2024
Karolis Brazas	31/03/2023	22/03/2024
Gintarė Vilimaitė-Kučinskienė	31/03/2023	22/03/2024
Eglė Čiužaitė	03/06/2024	23/03/2028
Edita Malūkienė	03/06/2024	23/03/2028
Gediminas Šiušas	06/12/2024	23/03/2028

2.2.2. MAIN FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

New Regulations on the Establishment and Activities of the Audit and Risk Committee were approved by Resolution No 1VN-36 of the Board of Directors of Lithuanian Airports on 19 December 2024. Audit and Risk Committee:

- Informs the Company's Board of the outcome of the audit of the financial statements and/or the assurance of sustainability reporting, and explains how the audit and/or the assurance of sustainability reporting contributed to the integrity of financial reporting and/or sustainability reporting, and what the role of the Audit Committee was in that process.
- Monitors the financial reporting and/or sustainability reporting process needed for the preparation of financial statements and information on sustainability matters reported within the management report in accordance with the Law on Reporting of Undertakings and Group of Undertakings of the Republic of Lithuania in the EU electronic reporting format, the Company's processes for collecting and reporting information on sustainability matters in accordance with the European Sustainability Reporting Standards, and make recommendations or suggestions to ensure its reliability.
- Monitors the effectiveness of the Company's internal control and risk management systems affecting the Company's financial reporting and/or sustainability reporting, including the process needed for the preparation of the management report which must include information on sustainability matters prepared in accordance with the Law on Reporting of Undertakings and Group of Undertakings of the Republic of Lithuania in the EU electronic reporting format, the effectiveness of the Company's internal control and risk management systems for the prevention of corruption, the bribery of foreign officials in international transactions, money laundering and terrorist financing, and the effectiveness of the internal audit, without breaching the independence of the internal audit.

- Approves the internal audit regulations, the internal audit methodologies, the risk-based internal audit plan, the annual activity reports, the budget and resources of the internal audit function, and the appointment, dismissal, remuneration and evaluation of the head of the internal audit function. It shall take note of the findings and recommendations of the internal audits carried out and, in the event of significant observations, report to the Management Board on the substantive findings of the internal audits and the status of implementation of the recommendations.
- Monitors the audit of the annual financial statements and the consolidated financial statements and/or the assurance of the annual and consolidated sustainability reporting, in particular performance of the audit and/or the provision of assurance services, taking into account the deficiencies in the audit of the financial statements and/or sustainability reporting assurance identified during the audit firm's inspection and the conclusions reached pursuant to Article 26(6) of the Regulation.
- Reviews and monitors the independence of the auditor/auditors or the audit firms or assurance service providers as stipulated in Article 4(4)(3) and Articles 7-13 of the Law and Article 6 of Regulation, in particular the appropriateness of the provision of non-audit services to the audited entity in accordance with Article 5 of that Regulation.
- Bears responsibility for the carrying out of the procedure of selection of the auditor/auditors or the audit firm/firms and the submission of a recommendation for the appointment of the auditor/auditors or the audit firm/firms pursuant to Article 16 of Regulation, except in cases covered by Article 16(8) of Regulation.
- Promptly informs the Chair of the Board and the Chief Executive Officer of the information provided by the audit firm to the Audit and Risk Committee on issues of concern arising from the audit, in particular where significant deficiencies in internal control relevant to the financial statements are identified.
- Provides an opinion on related party transactions as provided for in the Related Party Transactions Policy approved by the Board.
- Assesses whether the Company complies with the provisions in force governing the possibility for employees to file a complaint or to report anonymously allegations of wrongdoing within the Company and that procedures are in place for a proportionate and independent investigation of such matters and for the appropriate follow-up; make recommendations on the improvement of the system for anonymous reporting of wrongdoing by the Company.
- Monitors the functioning of the Company's internal control and risk management systems.
- Performs other duties as provided for by law of the Board's decisions.



10 meetings were held in 2024.

2.2.3. KEY ISSUES DISCUSSED

Discussion of the independent auditor's report and the results of the financial audit; monitoring the auditor selection procedure; monitoring the progress of the audit of interim and annual financial statements; monitoring and evaluation of the Company's financial results; evaluation of the performance of the Internal Audit unit, review of annual and long-term plans and activity reports, evaluation of the information contained in the internal audit reports; evaluation of the performance of the head of the Internal Audit unit, and the formulation of objectives; monitoring the effectiveness of anti-corruption, anti-money laundering, and evaluation of supervision; evaluation of the effectiveness of the risk assessment and management system and making recommendations to the Board; evaluation of the implementation of recommendations from external and internal audits as well as from external bodies; monitoring of the progress of strategic projects; monitoring the of cyber security; monitoring of the procedures and process of related party transactions; evaluation of compliance risk management.





2.2.4. ATTENDANCE OF MEETINGS

Total attendance percentage of Audit committee members in 2024 was 100%.

TABLE 9. Attendance of meetings 2024

No	Meeting date	Number of members attended	Attended	Did not attend	Total number of members	Attendance (%)
1.	6 February	3	Gediminas Almantas Karolis Brazas Gintarė Vilimaitė-Kučinskienė	-	3	100%
2.	27 February	3	Gediminas Almantas Karolis Brazas Gintarė Vilimaitė-Kučinskienė	-	3	100%
3.	20 March	3	Gediminas Almantas Karolis Brazas Gintarė Vilimaitė-Kučinskienė	-	3	100%
4.	4 June	2	Eglė Čiužaitė Edita Malūkienė	-	2	100%
5.	5 July	2	Eglė Čiužaitė Edita Malūkienė	-	2	100%
6.	19 July	2	Eglė Čiužaitė Edita Malūkienė	-	2	100%
7.	20 August	2	Eglė Čiužaitė Edita Malūkienė	-	2	100%
8.	11th of October	2	Eglė Čiužaitė Edita Malūkienė	-	2	100%
9.	25 November	3	Eglė Čiužaitė Edita Malūkienė	-	2	100%
10.	16 December	3	Eglė Čiužaitė Edita Malūkienė Gediminas Šiušas	-	3	100%

2.2.5. REMUNERATION RECEIVED FOR THE POSITION OF A MEMBER

The procedure for payment of remuneration to the members of the Board of the Joint-Stock Company Lithuanian Airports and the members of the committees formed by it in these bodies is regulated by the Resolution of No 1092 of the Government of the Republic Lithuania of 14 October 2015 On the Approval of the Procedures for the Payment of Remuneration to the Members of the Collegial Bodies of the State-Owned Undertakings and the Municipality-owned Enterprises, as well as on the Liability Insurance of the Members of the Collegial Bodies of the State-Owned Undertakings and the Municipality-Owned Enterprises. The remuneration of the members of the Audit and Risk Committee is de-

termined in the agreements on the members' activity in the bodies, in accordance with Order No 3-380 of the Minister of Transport and Communications of the Republic of Lithuania of 29 August 2023 On the Remuneration of the Members of the Board of Directors and the Members of the Committees of the public limited liability company Lietuvos oro uostai (effective until 23 March 2024) and Order No 3-93 of the Minister of Transport and Communications of the Republic of Lithuania of 8 March 2024 On the Remuneration of the Members of the Board of Directors and the Members of the Committees of the public limited liability company Lietuvos oro uostai (effective from 23 March 2024).

Until 23 March 2024 the monthly remuneration of a member of the Audit and Risk Committee was EUR 1,206 (one thousand two hundred and six euros) (before taxes). The monthly remuneration of the Chairperson of the Audit and Risk Committee was EUR 1,809 (one thousand eight hundred and nine euros) (before tax). As of 23 March 2024, the remuneration of a member of the Audit and Risk Committee is EUR 1,263 (one thousand two hundred and sixty three) and the monthly remuneration of the Chair of the Committee set up by the Board is EUR 1,895 (one thousand eight hundred and ninety-five). The estimated remuneration for the members of the Audit and Risk Committee for 2024 (including all taxes and contributions payable) was EUR 28,6 thousand.

TABLE 10. Remuneration accrued in 2024 for members of the Audit and Risk Committee

Name, surname	Position	Period of service as a member of the Committee in 2024	Estimated remuneration for work in 2024, gross
Gediminas Almantas	Chair (Board-delegated member)	01/01/2024-22/03/2024	EUR 4,902
Karolis Brazas	Member (Independent)	01/01/2024-22/03/2024	EUR 3,268
Gintarė Vilimaitė-Kučinskienė	Member (Independent)	01/01/2024-22/03/2024	EUR 3,268
Eglė Čiužaitė	Chair (Board-delegated member)	03/06/2024-31/12/2024	EUR 13,265
Edita Malūkienė	Member (independent)	03/06/2024-31/12/2024	EUR 8,841
Gediminas Šiušas	Member (Independent)	06/12/2024-31/12/2024	EUR 1,059



3. Key Events Significant to the Company's Operations During the Reporting Period

3.1. IMPLEMENTATION OF INVESTMENT PROJECTS



One of the most important projects carried out by LTOU is the construction of T4 departure terminal at VNO and the deployment of the necessary technologies. A new departure terminal opened on 4 February 2025 as planned. The opening of the new departure terminal not only makes the physical premises of the terminal more modern and passenger-friendly, but also supports critical functions for the airport's operations. It features a new registered baggage screening system with two EDS (Explosive Detection System) scanners, as well as new screening lines for cabin baggage and passenger's personal belongings. It was impossible to upgrade these and other technological solutions in the old departure terminal due to their infrastructure restrictions.

VNO's programme objective is to create an infrastructure capable of handling 2400 passengers/hour (one way) at peak times and to increase non-aviation revenue per passenger by more than 40%. The programme comprises three main infrastructure components: land-side access, terminal, and airside. Following the achievement of the sub-objective of the VNO Development Programme, i.e. the opening of T4 departure terminal, work is planned to continue in the old VNO terminals, creating more comfortable spaces and guaranteeing more services to passengers.

The construction of T4 terminal and the reconstruction of the existing T2 and T3 terminals addressed travel restrictions for departing passengers. Considering the solutions covered by the VNO's Masterplan, VNO's development is entering a new phase - the resolution of arrival infrastructure constraints. Hence, at the end of 2024, VNO announced an architectural competition for the new T5 arrivals terminal design.

To increase the capacity of the KUN terminal, the KUN expansion program is underway, which includes the reconstruction of the terminal, the renewal of the necessary systems (baggage system, introduction of self-service solutions and safety and security solutions) and the expansion of the apron. By the end of 2024, significant milestones were achieved in the KUN's development programme: KUN's terminal expansion project includes the installation of roof structures and waterproofing of the terminal extensions, leaving technological openings for loading equipment. Also during 2024, all contract works (asphalting, painting, installation of the airflow suppression barrier, etc.) on KUN apron were completed except for the installation of PIT systems (temporary PIT cover solutions were installed due to the contractor's delay in delivering PIT systems). The apron is planned to be fully operational (with PIT systems) in early 2025.

The KUN terminal expansion is carried out on a modular basis; by expanding the terminal in two directions, the expansion of the terminal area will not only provide the necessary space for the installation of technological systems but will also allow for an increase in the range of services offered as well as an increase in the waiting areas.

The projects related to the production and use of renewable energy sources at airports are also continuing. The design of solar power plants at VNO, KUN and PLQ is underway. Installation of the EU co-funded electric charging stations at VNO and KUN on the airfield areas is in progress, while VNO utilises mobile electric power supplies for aircrafts (instead of diesel). One of the most significant projects to improve the passenger experience is also being implemented - the purchase of electric buses for VNO. The purchase of electric buses will not only reduce CO2 emissions, but will also make the passenger journey from the terminal to the aircraft and from the aircraft to the terminal more comfortable.

Other projects initiated relate to terminal reconstruction and the acquisition and modernisation of technological systems and equipment, improvement of working conditions for employees, development of storage, cargo and parking infrastructure, etc.

MAJOR INVESTMENT PROJECTS HAVE BEEN AND CONTINUE TO BE IMPLEMENTED IN 2024:

- Construction of the T4 terminal module of the VNO programme, with the necessary technology for its operation.
- Expansion of the KUN MRO infrastructure and apron extension.
- Reconstruction of the KUN terminal with the necessary technology for its operation.
- Reconstruction of facilities in a state of disrepair and the most critical technological projects for the continuity of operations.
- A programme for the renewal of the company's special transport.
- Other investment projects initiated within the Company.

Key intangible resources such as digitalisation, customer experience and employee competences are key to the business model as they determine the efficiency of operations and the competitiveness of the organisation. Technological progress allows us to optimise processes, increase operational flexibility and create new opportunities for value creation. Customer trust and a quality experience strengthen an organisation's position in the market, building long-term relationships and increasing the attractiveness of services. Employees' knowledge and ability to adapt to changes are key drivers for the organisational growth and innovation. For more detailed description of resources, see sections "3.3 Customer experience" and "15.4.3 Employee well-being".

INFORMATION ON RESEARCH AND DEVELOPMENT ACTIVITIES

Since 2024, Vilnius Airport officially started participating in a project to find innovative hydrogen solutions for aviation. The BSR HyAirport project aims to find concrete solutions to adapt airport infrastructure to hydrogen-powered aircraft in the future, to prepare airports to store, recycle and supply green hydrogen as a future energy source for aviation.

The total project budget is EUR 4.8 million, part of which will be invested in activities coordinated by experts from Vilnius Airport (Lithuanian Airports).

In total, the project involves more than 40 different organisations, including different European airports, technology companies and research centres.

The project will create a unique platform to co-develop, implement and test practical solutions to address common challenges and specific needs of hydrogen-powered aviation.

The project started at the end of 2023 and will run until the end of 2026.



3.2. APPLYING LEAN MANAGEMENT TECHNIQUES

LTOU has devoted attention and resources in 2024 to improving its performance, customer and supplier experience to achieve efficiency, sustainability and competitive advantage through the LEAN philosophy. This has helped the Company to achieve higher productivity, reduce waste and optimise processes. Employees were encouraged to raise ideas (Kaizen) to improve the efficiency of daily operations. 85 ideas were presented in 2024, of which 51 were implemented, 44 with no investment required, 17 applied across the Company and resulted in savings of 5,285 working hours, and 48 had impact on sustainability (reduction of paper waste – about 2,500 sheets, overconsumption, positive impact on the Company's reputation). Thus, it is important for the Company to improve its operations and use operational improvement tools to ensure its long-term success and competitive advantage, and to become more flexible, efficient and customer and partner oriented.



3.3. IMPROVING THE PASSENGER EXPERIENCE

Due to the rapid growth in passenger flows, Lithuanian airports still face challenges in managing passenger processes and ensuring high quality services and an excellent passenger experience. The key customer experience activities identified for the period 2024-2030 were:

- Infrastructure maintenance and development of the new Vilnius terminal.
- Ensuring cleanliness and safety in the travel process.
- Developing customer service competences.
- Getting to know customers through research and surveys.
- Developing the airport community by involving employees and partners.

In 2024, a passenger segmentation study was carried out to better understand passengers and respond to their needs. The study used qualitative and quantitative research methods to identify passenger segments, their needs and their behaviour while travelling. The meetings were organised to present this information to the Board, managers, employees and partners, and educational materials and leaflets were produced for work at the passenger terminals to provide the best possible service to customers. Additionally, in 2024, the focus

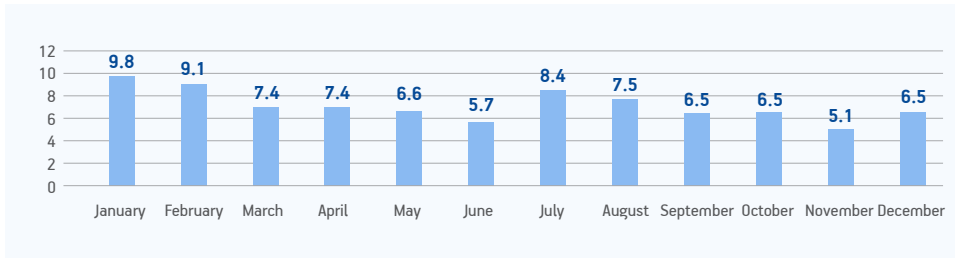
was on the implementation of the customer service standard and training, periodic quality control for employees and partners, feedback, discussions and debate to improve the passenger experience. Training continues on servicing passengers with individual needs at airports.

Also in May 2024, Vilnius Airport became Airport Customer Experience Accredited at Level 1 by the Airports Council International (ACI). This programme incorporates best airport management practices to improve passenger experience. It is also a public international recognition of our professionalism in this area. In 2024, 17 airports across Europe were awarded the ACI Customer Experience Accreditation. This is a small victory in the long journey of improving the passenger experience, thus efforts will be made towards higher level of accreditation (there are 5 levels in total).

In 2024, 785 employees participated in a training programme on this topic. In order to increase awareness and quality of the airport services, in 2024, for the second time, Lithuanian Airports invited more than 20 different organisations bringing together people with different disabilities to discuss the quality of the services provided and the challenges that arise when travelling. Participants were also given a tour of the new departure terminal

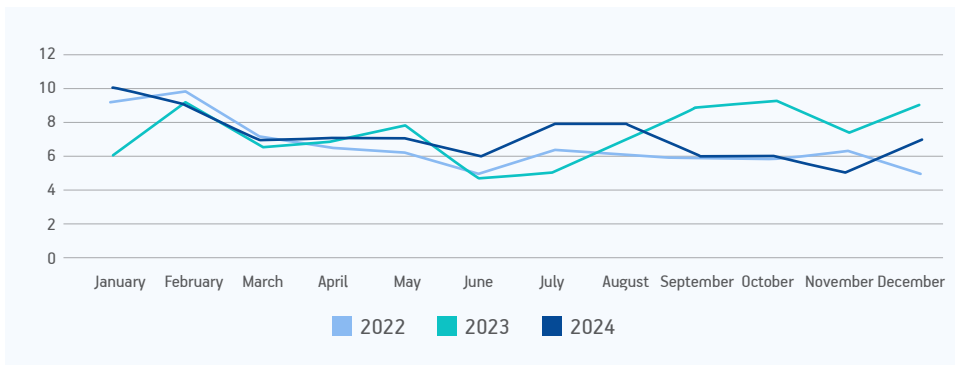
at Vilnius Airport, and valuable feedback on infrastructure and process improvements was obtained. Representatives of the organisations were also invited to the testing of the new Vilnius terminal at the end of 2024. Their comments were used as basis for making changes. In 2024, 468 passenger complaints were received about the performance of Vilnius, Kaunas or Palanga airports. There were 350 complaints about Vilnius Airport, 85 complaints about Kaunas Airport and 33 complaints about Palanga Airport. The analysis of complaints supports preventive actions to reduce the number of complaints about similar situations in the future. Therefore, the Company monitors and analyses the rate of complaints per 100k passengers handled. The target for 2024 is less than 10 complaints per 100k passengers. In 2024, the figure was 7 complaints/100k passengers. The highest number of complaints was received regarding ground handling activities (check-in, boarding, baggage) and aviation security screening processes. Each complaint is investigated with the involvement of the parties concerned, a response is given to the customer and preventive actions are taken. In July and August, more complaints were received due to the landside access reconstruction project works at Vilnius Airport and the resulting inconvenience for passengers (more difficult access by car and access to the departures terminal).

CHART 1. Passenger complaints per 100k passengers, 2024 data



Preventive action has helped to keep the number of complaints relatively stable and not increasing over the years. Although, as passenger numbers grow and infrastructure challenges are faced, it is becoming more and more difficult to achieve a high passenger satisfaction score. Chart 2 provides information on the number of complaints per 100k passengers for the period 2022-2024.

CHART 2. Complaints per 100k passengers during the period 2022-2024



The Net Promoter Score (NPS) is an ongoing passenger loyalty survey at all three airports. The overall annual passenger loyalty rate for all three airports is 62%. The results of all quality and passenger experience improvement surveys are discussed within the company and an action plan, known as the NPS programme, is drawn up annually, with the aim of improving the passenger experience through projects and actions. In 2024, 86% (79 out of 92) of the NPS programme actions have been implemented. The dynamics of loyal passengers at Vilnius, Kaunas and Palanga airports, i.e. strong NPS supporters (rated 9-10) over a five-year period, are shown in Charts 3, 4 and 5.

CHART 3. Vilnius Airport Loyal Passenger Rate and NPS Indicator, 2019-2024

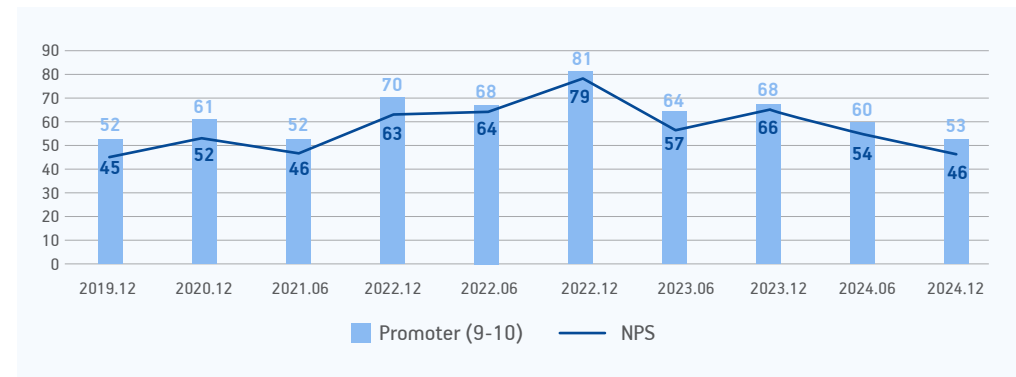


CHART 4. Kaunas Airport Loyal Passenger Rate and NPS indicator, 2019-2024

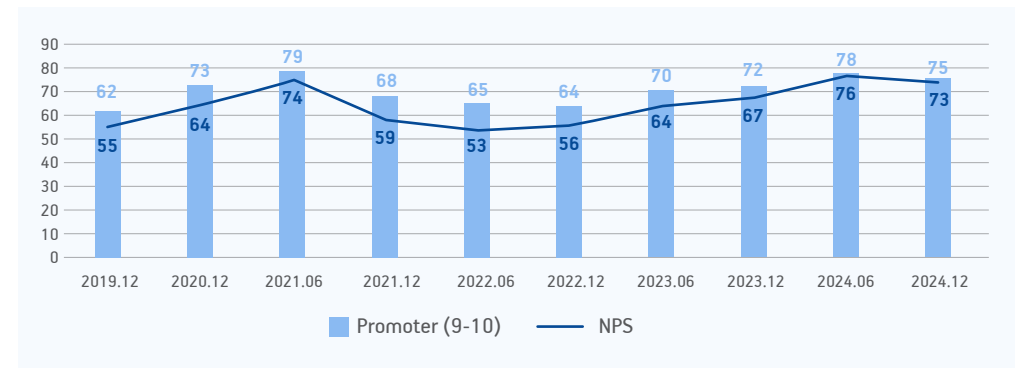
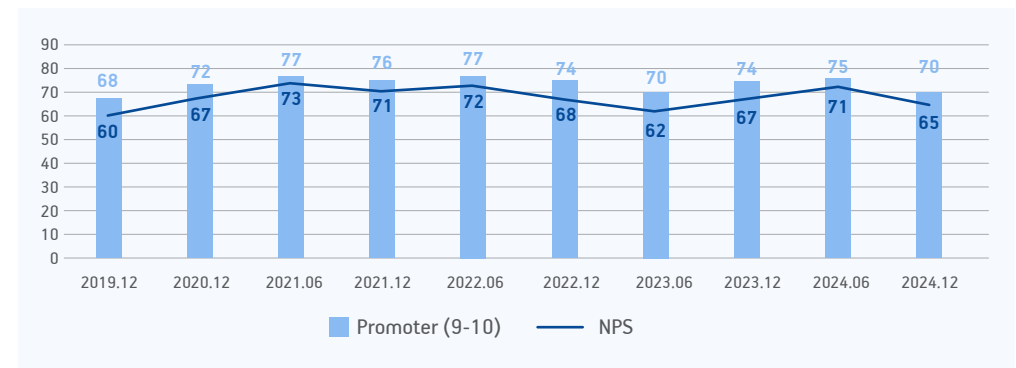


CHART 5. Palanga Airport Loyal Passenger Rate and NPS indicator, 2019-2024



3.4. ROUTE DEVELOPMENT MODEL

Considering the directions for the implementation of the strategic objectives set out in the Lithuanian Aviation Guidelines until 2030 and the implementation of the Government Programme, a business plan for the operation of flights in strategic destinations has been prepared, which analyses different alternatives for the promotion of flights that would enable the provision of air connectivity to target markets important for the development of the Lithuanian economy. After evaluating the alternatives, international experts found that a risk-sharing partnership model would best meet the current and future air connectivity needs.

A legal model for project implementation has also been developed, which could serve as a basis for a risk-sharing partnership in line with national and EU legislation:

The risk-sharing partnership will involve contracts between the LTOU and airlines selected through an open and transparent tender process, and the agreement must meet the Market Economy Investor Principle (MEIP) criteria.

- MEIP criteria aim at assessing whether a private investor of a similar size operating under normal market economy conditions in similar circumstances would be able to make such an investment.
- MEIP criteria require that, prior to the award of the contract, a route-specific business plan must be prepared for the entire duration of the contract, which will have to justify that the route will be commercially sustainable and will generate an operating profit for both parties at the end of the contract.

The risk-sharing partnership model will be applied to the routes approved in Order No 4-393/3-335 of the Minister of Transport and Communications of the Republic of Lithuania and the Minister of Economy and Innovation of the Republic of Lithuania of 17 July 2023 On the Approval of the List of the Routes of Significance to the Business and Tourism Sector, the targeted accessibility of which may be ensured by the implementation of the Flight Promotion Measures, as well as to the flight routes approved by the Minister of Transport and Communications of the Republic of Lithuania, in addition to the

flight routes of the other routes, where agreements concluded in line with the principles of MEIP would comply with the MEIP.

The risk-sharing partnership model is important to increase the profitability of the LTOU, to promote inbound tourism and to attract investment into the country.

In September 2023, the first contract under this model was signed with LOT Polish Airlines, which continues to operate regular flights between Vilnius and London City (LCY) Airport.



In 2024, three agreements were signed with the airline Air Baltic Corporation AS regarding operation of the following flights: on 1 March 2024: Vilnius – Lisbon (LIS) and Vilnius – Hamburg (HAM), and on 1 August 2024: Vilnius – Düsseldorf (DUS).



3.5. ADDRESSING ASSET MANAGEMENT ISSUES

LTOU owns, maintains, and operates a wide range of real estate assets, including airport buildings, administrative premises, engineering structures and networks.

In 2024, 45 new items of immovable property owned by LTOU AB were registered in the State Enterprise Centre of Registers and 16 items were removed from the register. The Company owns a total of 484 registered unique items of immovable property, with a total increase of 8.6% in the average market value of the items compared to the previous tax period, and an

increase of around 4.3 times in the immovable property tax paid by the Company.

LTOU holds 12 land plots in trust: 7 at Vilnius Airport, 2 at Kaunas Airport and 3 at Palanga Airport. In 2024, by resolution of the Government of the Republic of Lithuania, 1 land plot was transferred to LTOU to be held in trust, with a corresponding increase in the boundaries and area of Palanga Airport's territories. In addition, the territorial boundary plans of Vilnius, Kaunas and Palanga airports were approved by the Government of the Republic of Lithuania in 2024.

Around 80% of the immovable property owned is used for direct operations, such as passenger and aircraft handling, or reserved for future development. The remainder is leased or made available for use by institutions related to the direct activities of airports. LTOU has provided premises to the Vilnius, Kaunas and Klaipėda Territorial Customs Offices, the State Border Guard Service under the Ministry of the Interior, the Public Security Service under the Ministry of the Interior, and the Lithuanian Hydrometeorological Service to carry out the activities stipulated by the legislation.

LTOU had 50 land lease agreements in force in 2024: 34 non-auctioned agreements for the operation of partner-owned facilities and/or buildings, 15 agreements for commercial purposes and 1 agreement for the use of state land. LTOU concluded 2 non-auctioned land lease agreements and successfully completed 1 land lease auction and signed a commercial land lease agreement in 2024.

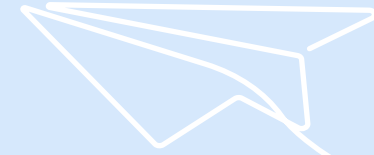
3.6. DEVELOPING CARGO INFRASTRUCTURE AND THE AIRCRAFT MAINTENANCE INDUSTRY (MRO)

To attract investors to Kaunas and Vilnius Airport, LTOU intends to continue active sales activities of plots of land suitable for the development of aircraft repair industry. In the first half of 2024, the second aircraft repair and maintenance facility with two hangars, built by the company Ryanair, was officially opened at Kaunas Airport, with an investment of EUR 20 million. With the completion of this expansion phase, Kaunas Airport will continue to maintain its position as the largest MRO service centre in the Baltics, with the capacity to accommodate as many as 12 C-category aircraft for repairs and maintenance. In 2024, active design work was carried out on the last MRO-adapted site in the northern part of Kaunas Airport.

The aim will be to further develop the country's MRO industry competences in basic aircraft maintenance services activities, including the maintenance and repair of aircraft fuselages, engines, landing gear and components. Further development of MRO and cargo operations is foreseen by expanding the infrastructure of the southern part of Kaunas Airport and western part of Vilnius Airport, adapting it to potential investors in MRO and cargo operations. The company will continue to pursue the development of MRO services and the creation of an MRO cluster at Kaunas Airport.

Cargo infrastructure development is also foreseen at Vilnius and Kaunas airports, with land plots offered to investors for air cargo operations, ensuring convenient distribution of cargo by ground transport. Negotiations are also underway with cargo airlines to increase cargo volumes at Lithuanian airports.

To develop cargo activities, the possibility to develop further with logistics companies already operating at LTOU airports will be further assessed. The added value created by this partnership for LTOU will be analysed, as well as its compliance with the regulatory framework.



4. Overview of Aviation Services

4.1. GLOBAL AVIATION OUTLOOK 2024

In 2024, the further prevailing geopolitical situation and operational challenges had an impact on European civil aviation companies. In the context of macroeconomic developments, supply chain disruptions, air carriers needed to further adjust their flight plans and routes. This is also evident from the results, where demand is recovering faster than supply. According to preliminary data, the overall annual recovery rate of passenger traffic in Europe is expected to be around 104% and supply flows 96%. This means that passenger sentiment is stronger. This is also reflected in the statistics of ACI Europe, the organisation that brings airports together, when the first half of the year began to see a recovery in European passenger traffics. A survey by the European Travel Commission shows that travellers continued to prioritise spending on travel over other expenditures. Increased demand was observed during the summer season, however it is believed that due to the accelerated inflation tourists spent more in 2024 than they did a year ago.



4.2. GLOBAL AVIATION FORECASTS 2025

As uncertainty continues to prevail in the aviation sector due to operational challenges, high inflation and the geopolitical situation, aviation organisations continue to review their forecasts for the sector. IATA (International Air Transport Association) has projected that a total passenger traffic should grow by almost 7%. Other international organisations, such as ACI World and ICAO, also anticipate the market growth at the same rate. The recovery forecast in Europe, provided by ACI Europe (Airport Council International), the representative of airports' interests, is similar to IATA. Demand is forecast to grow by around 8% in 2025. As the market is experiencing a faster recovery of demand than supply (due to operational challenges), Eurocontrol (European Organisation for the Safety of Air Navigation) forecasts that a full recovery of the demand is possible in 2025. While further growth in traffic is expected in 2025, it is inevitable to identify the risks that will shape the aviation sector, such as the geopolitical situation, filling of the labour market and continued operational challenges.



4.3. LITHUANIAN AIRPORTS' PERFORMANCE

TABLE 11.
Distribution of TOP 10 carriers in LTOU,
2024

Airline	Market share
Ryanair	47%
Wizz Air	14%
airBaltic	13%
SAS-Scandinavian Airlines	6%
LOT Polish Airlines	6%
Lufthansa	4%
Turkish Airlines	3%
Norwegian	2%
Finnair	2%
Swiss Airlines	1%

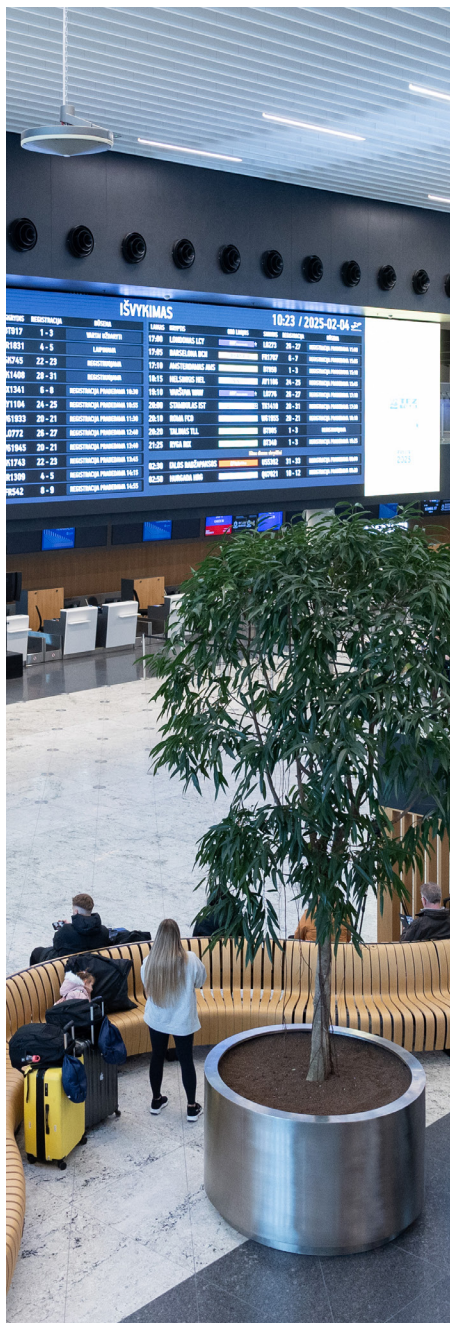
TABLE 12.
TOP10 regular routes in LTOU,
2024

Airport	Percentage of passengers
London LTN	8%
Copenhagen CPH	7%
Riga RIX	6%
London STN	5%
Warsaw WAW	5%
Oslo OSL	4%
Frankfurt FRA	4%
Stockholm ARN	4%
Istanbul IST	3%
Berlin BER	3%

TABLE 13.
Recovery of supply at LTOU,
2024

Carrier	Share of seats offered in 2024	Supply levels for 2019 reached
Ryanair	43%	133%
Air Baltic	17%	158%
Wizz Air	12%	54%
SAS-Scandinavian Airlines	6%	107%
LOT Polish Airlines	6%	80%
Lufthansa	4%	99%
Turkish Airlines	3%	144%
Finnair	3%	115%
Norwegian	3%	86%
Swiss Airlines	1%	n/d%





4.3.1. LITHUANIAN AIRPORTS

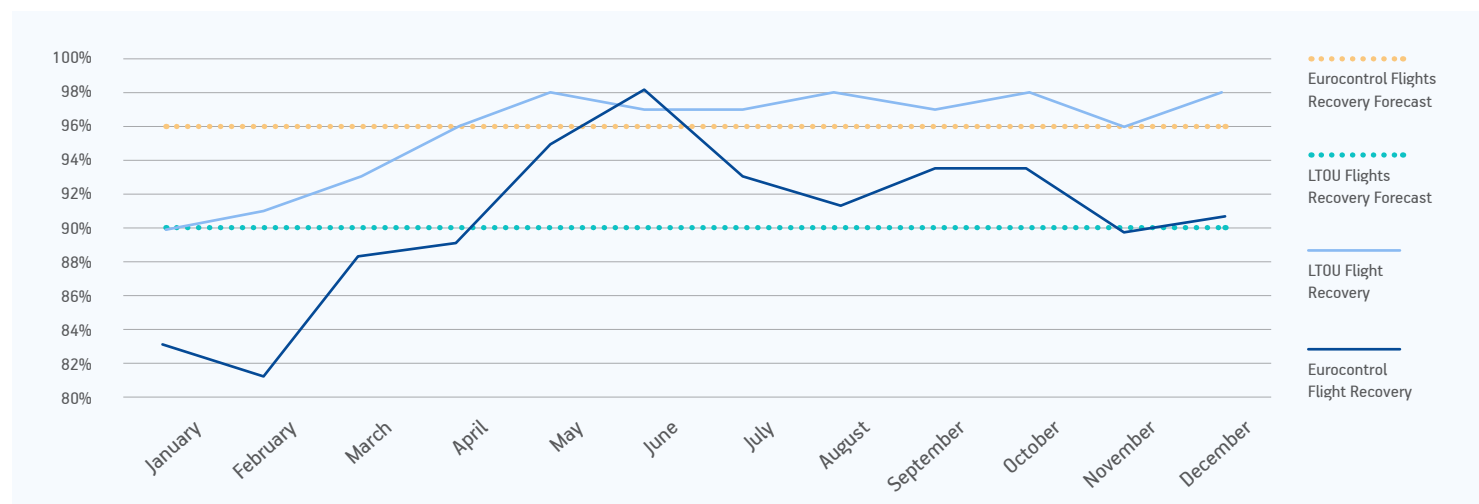
The adequate strategy, the priority given by passengers to travel over other spending groups (according to a survey conducted by the European Travel Commission, increased demand was observed during the summer season, however it is believed that due to the accelerated inflation tourists spent more in 2024 than they did a year ago), the momentum of the summer season and the recovery in business traffic (demand on routes of full-service airlines was 4% higher than in 2019, with annual growth of 20%) contributed to the continued growth of passenger numbers in 2024 (with almost +2% in 2024 compared to pre-pandemic). In May, Lithuanian airports handled the highest number of passengers among all Baltic airports. June marked the first month since the start of pandemic that traffic levels from 2019 were exceeded at each airport individually (VNO +2%, KUN +36%, PLQ +9%). The start of the summer aviation season and the increased inbound traffic during

the Song Festival further boosted passenger numbers. Additionally, that month saw a significant rise in Lithuania's overall connectivity index, as calculated by ACI Europe, which grew by 22% compared to 2023. One of the key factors in this was a 19% increase in direct connectivity. Still, the highest traffics were seen in August, when an all-time record for passenger numbers was set – the 2019 level was exceeded by 7%.

Although the recovery of supply is slightly slower and beyond the level prevailing in Europe (Chart 6), the attraction of new airlines (Aegean, a full service airline offering connections to the Greek islands, and Fly Play, a low-cost airline connecting Lithuania to Iceland) has contributed to the improvement of connectivity. New routes offered by other carriers (Vilnius – Lisbon, Vilnius – Krakow, Vilnius – Reykjavik, Vilnius – Athens, Vilnius – Düsseldorf, Vilnius – Oslo, Kaunas – Pisa,

Kaunas – Berlin, Kaunas – Zadar, Kaunas – Belfast, Palanga – Amsterdam) and by the rapid increase in flight frequencies to strategically important destinations also had an impact on the recovery. All of this has allowed to exceed 2019 passenger numbers by almost 2% in 2024 (annual growth of 10%) and to reach 99% of the 2019 level of seats offered on scheduled flights (+13% compared to 2023 figures). According to IATA, Europe experienced a 93% fall in connectivity, making it strategically important to restore adequate connectivity. Both newly opened routes and retention of existing carriers have a significant impact on the national economy. It creates more attractive environment for foreign direct investment, bilateral trade and inbound traffic, which has a direct impact on aviation flows and airport revenue. With aeronautical revenue growing by 10% in 2024 compared to 2023, it becomes imperative to support the further deployment of financing models to maintain consistent growth.

ART 6. Comparison of flight traffic: LTOU and European airports





4.3.2. VILNIUS AIRPORT

In 2024, the number of passengers at Vilnius Airport reached 4,804 thousand (+9% compared to 2023). The number of flights also grew, reaching 41.1 thousand (+6% compared to 2023).

- **6 new destinations** were opened in 2024 (Reykjavik KEF - two to three weekly flights, Düsseldorf - two weekly flights, Athens - two weekly flights, Oslo - two weekly flights, Lisbon - two weekly flights, Krakow - two weekly flights).
- **Two new carriers**, Fly Play and Aegean, launched flights.
- **The average load factor for full-service carriers was 77%** (+3% compared to 2023) and for **low-cost carriers 88%** (-2% compared to 2023).
- Compared to last year, **18% more seats were offered on the aircrafts of full-service airlines.**



4.3.3. KAUNAS AIRPORT

In 2024, the number of passengers at Kaunas Airport reached 1,427 thousand (+10% compared to 2023). The number of flights also grew, reaching 11.5 thousand (+7% compared to 2023).

- KUN continued to **increase its destinations in 2024 with the launch of 4 new routes** (Pisa PSA - two weekly flights, Berlin BER - three to four weekly flights, Zadar ZAD - two weekly flights, Belfast BFS - three weekly flights). The average load factor for low-cost airlines was 86% (-2% compared to 2023).
- Compared to last year, **13% more seats were offered on the aircrafts of low-cost airlines.**



4.3.4. PALANGA AIRPORT

In 2024, the number of passengers at Palanga Airport reached 378 thousand (+23% compared to 2023). In 2024, the number of flights reached 4.3 thousand (+15% compared to 2023).

- In 2024, the airline **airBaltic launched direct flights between Palanga and Amsterdam** (two weekly flights).
- **The average load factor for full-service carriers was 59%** (-4% compared to 2023) and for **low-cost carriers 86%** (-1% compared to 2023).
- Compared to last year, **42% more seats were offered on the aircrafts of full-service airlines.**

4.4. OVERVIEW OF SURROUNDING MARKETS



Below is the 2024 passenger number growth and comparison with the nearest airports:

- **Lithuanian airports**, 6,609 thousand passengers (+10%);
- **Riga Airport**, 7,117 thousand passengers (+7%);
- **Tallinn Airport**, 3,492 thousand passengers (+18%).

CHART 7. Growth in the number of passengers in the Baltic States, 2024

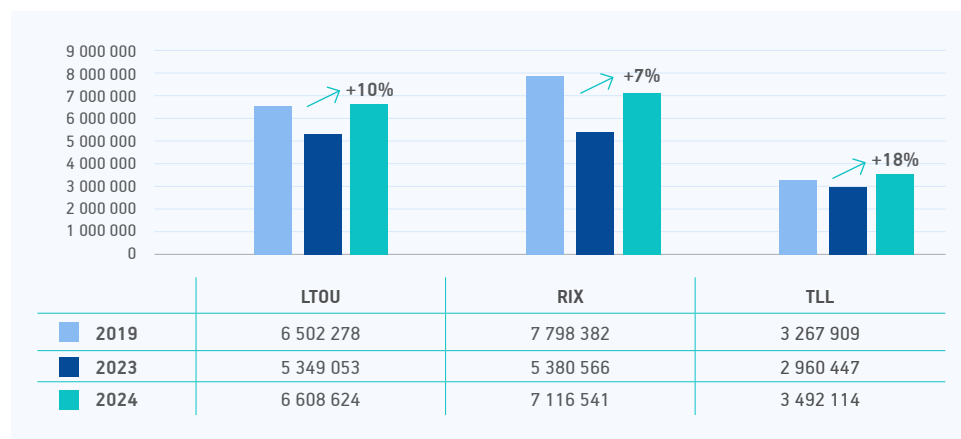


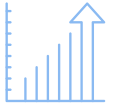
TABLE 14. Comparative indicators at surrounding markets in 2024, thousands

Airport	Number of passengers	Number of flights	Quantity of cargo, t
LTOU	6,609	57	22
VNO	4,804	41	16
KUN	1,428	11	5
PLQ	378	4	0.47
RIX	7,117	63	19
TLL	3,492	n/d	10

n/d = no data

In the Baltic countries, the recovery in 2024 varied slightly: TLL 107%, LTOU 102%, RIX 91%. Even though Lithuania does not have a national carrier, Lithuanian airports are among the leaders in the Baltic States in terms of passenger traffic. This shows that Lithuanian airports are strategically important for air carriers and that the route development strategy and airline relationship management are working well. It is also observed that Lithuanian airports still have the highest tonnage of all Baltic airports. Improvements to the infrastructure are further expected to lead to an increase in cargo volumes.

4.5. LITHUANIAN AIRPORTS FORECAST FOR THE YEAR 2025



GOALS FOR THE YEAR 2025:

- Promoting the development of existing hub airlines (HUBs) and attracting new ones in the priority markets of interested parties.
- Updating the package of incentives at Lithuanian airports and implementing new ones.
- Systematic cooperation between institutions for the promotion of in-bound traffic.

Due to the recorded annual growth in 2024 (+10%), LTOU's traffic is expected to continue to grow in 2025, reaching 6.8 million passengers (+4% compared to 2024), thanks to the planned new scheduled routes and the launch of never-before-seen charter destinations in Palanga. The number of flights is expected to reach 59 thousand (+4% compared to 2024). However, these forecasts may be subject to adjustments due to the main demand drivers (uncertainty in supply planning, geopolitical situation, fluctuations in macroeconomic indicators) which are difficult to control.





5. Overview of Non-aviation Services

5. OVERVIEW OF NON-AVIATION SERVICES

Passengers and airport partners were directly affected by the various infrastructure developments launched by LTOU in 2024. The main development was the reconstruction of the VNO's central traffic scheme. From the start of the year until the end of the summer, this project had various restrictions and challenges in accessing the airport by bus, car or other means. In September 2024, the project was completed with a new central parking lot P2, a parking lot for intercity buses, a new taxi lane and a Kiss&Fly zone. All these changes resulted in the modernised airport connectivity services offered by airports and laid the foundations for the opening of a new T4 departure terminal in 2025. Another important change that has already started is the expansion of the KUN terminal, which also covered the functioning terminal at the end of the year. It is also worth mentioning that P4 parking lot, located in KUN, was temporarily closed for renovation works.

While the need for expansion is inevitable, contract works at functioning airports cause inconvenience for passengers and airport part-

ners. In 2024, both VNO and KUN experienced parking restrictions, temporary changes in the supply chain of goods, and engineering equipment failures. These challenges likely had an impact on both the revenues of LTOU partners and passenger satisfaction. Trends in passenger travel habits suggest that they did not change much since 2023. Some months also saw a decrease in passenger spending compared to last year, likely due to the increase in the VAT rate for caterers and a decrease in inflation, indicating market pressures to lower or maintain prices.

LTOU's operating partners continued to demonstrate strong performance: in 2024, LTOU's non-aviation commercial revenues amounted to EUR 21.8 million, representing a 6% growth in non-aviation revenues compared to 2023. LTOU's main revenues are generated from the lease of commercial buildings and premises and from the rent of parking lot. The breakdown of revenues by activity is detailed in the graph below.

THE MAIN NON-AVIATION ACTIVITIES OF LTOU ARE:

- Renting buildings and premises
- Car parking (rent of parking lot)
- Business club (only VNO)
- VIP service (only VNO)
- Advertising services
- Lease of land
- Express screening of passengers (only VNO)
- Organisation of events (rental of premises, filming, photo sessions)
- Loyalty program (VNO only)

CHART 8. Structure of non-aviation revenues (%)

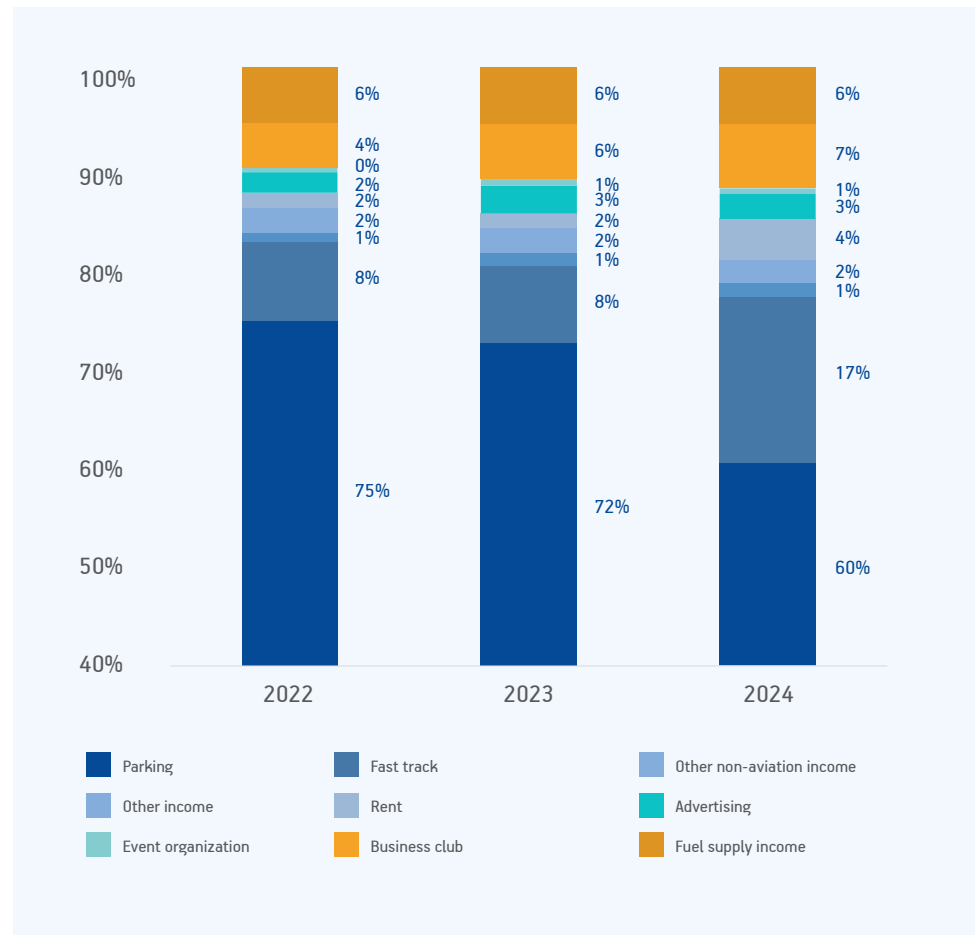


TABLE 15. Non-aviation revenue share in airport gross revenue for 2024

Entity	Share (%)
Global average	37%
LTOU	34.3%
VNO	30.0%
KUN	65.6%
PLQ	25.9%

KEY PROJECTS IMPLEMENTED IN 2024:

- Three international lease tenders were implemented to select partners for the development and management of future convenience stores, duty-free shops, and for the installation and management of catering facilities at Vilnius, Kaunas and Palanga airports. The expected start of operations is either 2025 or 2026, depending on the point in question.
- uniPark, a parking management partner, launched parking services at all publicly accessible parking lots at Lithuanian airports.
- The tendering procedure for the lease of LTOU properties was updated by reviewing the various conditions and providing more flexibility in the lease of immovable property.
- The Narbutas Business Club was partially upgraded, offering additional seating for passengers, an updated workspace and additional space for children.



6. Changes in Balance Sheet Indicators

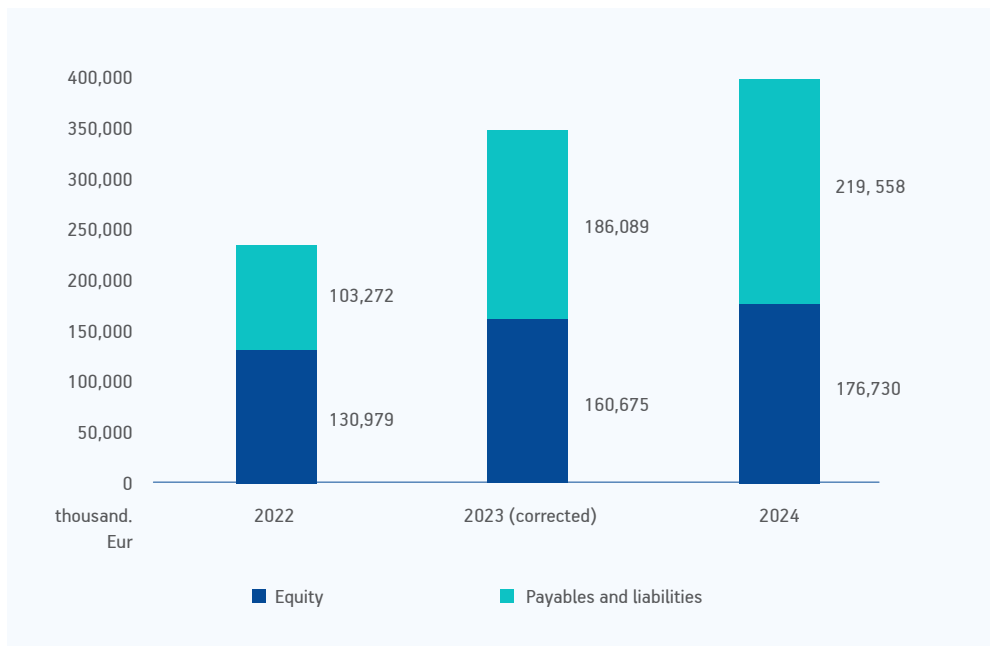
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6.1. CHANGES IN OWNERS' CAPITAL

At the end of 2024, the Company's equity amounted to EUR 176.7 million, representing 45% of total equity and liabilities. In 2023, equity was created as a result of becoming a public limited liability company, which consisted of the issued capital, the statutory reserve and other reserves, and retained earnings (loss). The company has not acquired its own shares.

The largest part of accounts payable and liabilities was made up of grants related to assets (EUR 110.4 million). Compared to 2023, payables and liabilities increased by EUR 33.5 million, including: by EUR 21.3 million due to an increase in non-current borrowings and EUR 2.9 million of the current portion of the borrowings, and by EUR 5.5 million due to an increase in trade payables.

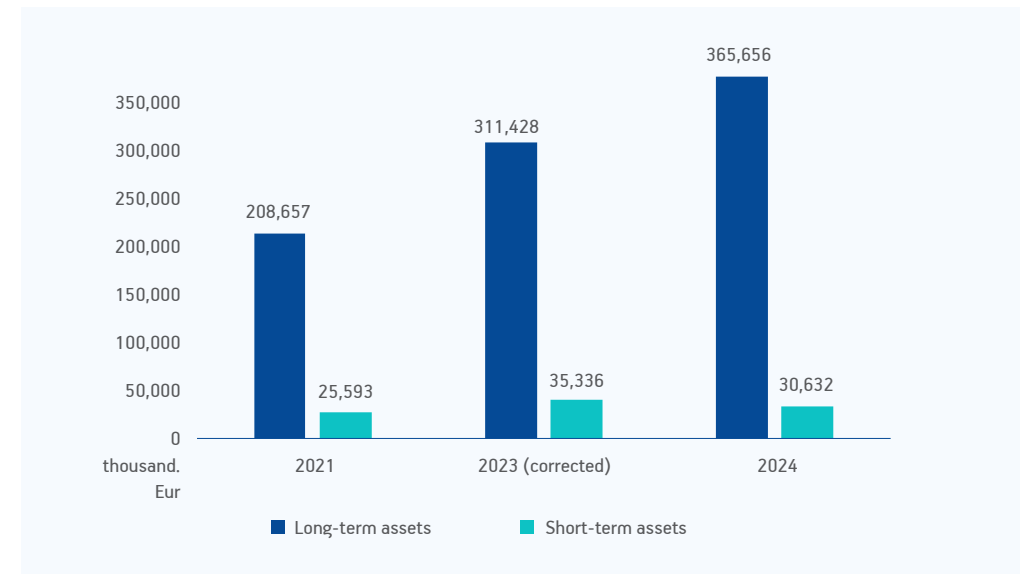
CHART 9. Equity, payables and liabilities (2022-2024)



6.2. CHANGES IN ASSETS

As at 31 December 2024, the assets under management of the LTOU amounted to EUR 396.3 million, 92% of which were non-current assets. At the end of 2024, the value of total assets was EUR 49.5 million higher than at the end of 2023 due to an increase in the value of non-current assets.

CHART 10. Non-current and current assets (2022-2024)



Pursuant to Article 59, Part 2 (11), Article 60 of the Law on Liability for joint-stock companies of the Republic of Lithuania and taking into account Article 23, of the Law on the Management, Use and Disposal of State and Municipal Property of the Republic of Lithuania, also with the aim that for the shares of joint-stock companies and closed joint-stock companies owned by the state dividends would be received, the Government of the Republic of Lithuania has adopted a Resolution approving the Description of the Procedure for the Exercise of the State's Proprietary and Non-Proprietary Rights in State-Owned Enterprises, and stipulating that the managers of the shares are obliged to ensure that a share of the profit specified in the Description is allocated to the payment of the dividend in the state-owned companies in the financial years. If the return on equity of a state-owned company for the year under review is more than 3% and does not exceed 5% of the return on equity, at least 75% of the distributable profits of the state-owned company must be allocated to dividends.

TABLE 16. Profit distribution percent

Return on equity	Up to 1%	1–3%	3–5%	5–10%	10–15%	More than 15%
The proportion of distributed profits shall be allocated to the distribution of dividends not less than:	85%	80%	75%	70%	65%	60%





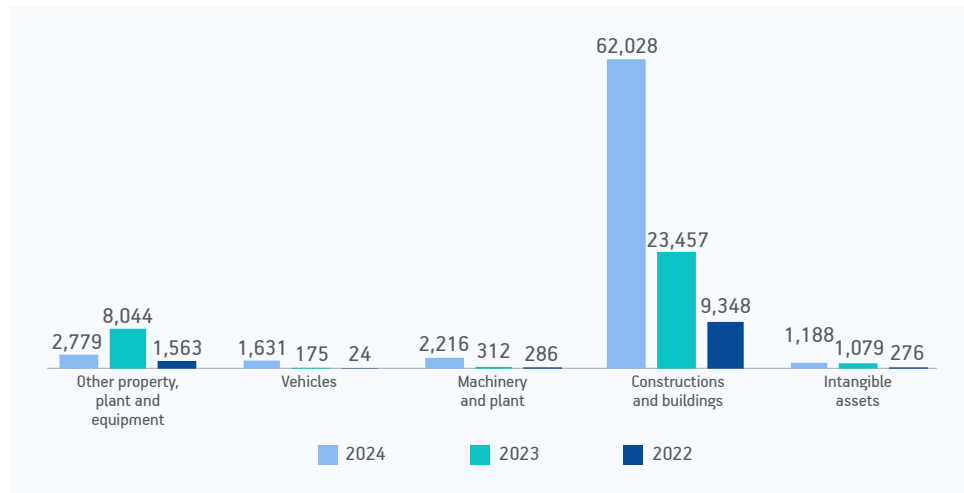
7. Company's Investments, the Largest Ongoing and Planned Investment Projects

7.1. INVESTMENTS DURING THE REPORTING PERIOD

Projects implemented and long-term assets purchased in the Company are aimed at improving and expanding the services provided by airports, modernising the infrastructure, ensuring flight safety and optimising operational processes.

In 2024, LTOU invested EUR 69.8 million (2023: EUR 33.1 million with grants). The distribution of investments by type is presented in the chart below.

CHART 11. Breakdown of investments by type 2022-2024 (EUR thousand)



LTOU's investments during 2024 were mainly in the category of buildings and structures. The largest investments were: the VNO Departures Terminal T4 (EUR 27.4 million, buildings and structures category); KNU's northern apron (EUR 15.3 million, buildings and structures category); KUN terminal expansion (EUR 5.2 million, buildings and structures category); construction of multi-storey parking at KUN (EUR 3.7 million, buildings and structures category).

In addition to the company's funds, the LTOU's investments in 2024 were carried out using the EU funds amounting to EUR 6.3 million. EU-funded projects: *EUR 5.7 million is allocated to the project Development of Kaunas International Airport infrastructure, ensuring its adaptability to military mobility needs, and increasing its dual-use capabilities; EUR 0.6 million to the project Establishment of Electricity Supply and Charging Infrastructure in the Baltic States' Airports in North Sea-Baltic CNC / TEN-T Corridor for the Transition to Environmentally Friendly Operations.*



7.2. ONGOING AND PLANNED PROJECTS

PROJECTS ARE IMPLEMENTED IN THE COMPANY IN ACCORDANCE WITH THE FOLLOWING PRINCIPLES:

- The return on investment is assessed according to cost-benefit analysis.
- Investment payback period is 7-10 years.
- The need to comply with flight safety and aviation security requirements.
- Timely and appropriate reaction to market changes and emerging opportunities.
- Striving to reduce the negative impact on the environment, to conserve resources.
- Utilisation of the available infrastructure for the development of commercial services.
- Further development of the company's activities.
- Improving passenger experience and increasing satisfaction.

The LTOU Investment Evaluation and Project Management Policy sets out the main principles that must be followed in the selection and evaluation of investments in order to comply with the strategic operational plan approved by the LTOU Board. The table below indicates the minimum financial criteria of an investment project, which LTOU is guided by when evaluating investment projects.

TABLE 17. Criteria for assessing LTOU investments

	According to the formula
IRR	Not less than WACC (before tax)
Return on equity	Not less than WACC (before tax)
NPV	Positive

For projects, alternative options are also compared for decision making (including comparison of negative NPVs in different alternatives). LTOU implements projects that are necessary to ensure business continuity and compliance with applicable professional standards, therefore they are not subject to the criteria for assessing investments, and are assessed for other benefits they create. Additionally, in exceptional cases, where a project of strategic importance for an enterprise and/or a new activity is developed, the required return may be lower than in the table above, but in that case, a duly reasoned explanation of one of the management bodies of the Company should be adopted depending on the value of the project solution. The following management bodies of the Company are considered (jointly or separately): **the Investment Committee, CEO of LTOU and the Board of LTOU.**

LTOU's Investment Committee (IC) works to manage the company's assets prudently and collegially, attracting the necessary competences needed to make well-analysed investment decisions, taking into account the Company's goals and strategy. IC approves investments in assets (CAPEX) - when the planned investments amount to EUR 50 thousand (excl. VAT) and above.

Initiated investment and performance assurance projects are prepared using standardised forms and spreadsheets to ensure the principle of project comparability. After the initiation of the project in accordance with the Investment Management Policy, monitoring of the progress of the project and the essential condition of the project is carried out every month by the Project Committee.

If the project's material conditions change, the project must be submitted for IC's approval or amendment. Substantiative conditions are understood as conditions that have a significant impact on the future cash flows (income and expenses) of the project and material changes in volume and time, deadlines.

MAJOR INVESTMENT PROJECTS HAVE BEEN AND CONTINUE TO BE IMPLEMENTED IN 2024:

- Construction of the T4 terminal module of the VNO programme, with the necessary technology for its operation.
- Expansion of the KUN MRO infrastructure and apron extension.
- Reconstruction of the KUN terminal with the necessary technology for its operation.
- Reconstruction of facilities in a state of disrepair and the most critical technological projects for the continuity of operations.
- A programme for the renewal of the company's special transport.
- Other investment projects initiated within the Company.



8. Employees and Compensation

8. EMPLOYEES AND COMPENSATION



The goal of LTOU's Human Resource management strategy is to increase employee engagement and loyalty by creating a competitive value proposition for employees, including a fair and transparent remuneration system, competitive additional benefits which reflect organisational values, and a sustainable organisational culture. In order to achieve this goal, the following long-term Human Resource management goals have been established:

- **High** employee competences now and in the future and a high focus on the substitutability of critical competencies.
- **Effective** management of employee needs and use of their skills and abilities to perform the functions necessary for the Company's operations.
- Ensuring **competitive** remuneration.
- **Managers** with strong leadership and management skills, as well as recruitment, development and planning skills, and building a sustainable organisational culture and working environment.
- **The Company's image and culture** that attracts professionals in the field and fostering a sense of pride for existing employees.

To ensure the achievement of the long-term objectives in the field of human resources, the following activities are carried out:

1. Actions for developing the competences of managers and key positions in the organisation, succession planning and retention.
2. Projects and initiatives are implemented to improve the employee experience.
3. Means of internal communication are used to promote greater employee participation and involvement in the Company's activities.
4. The image of the organisation as a desirable employer is strengthened.

In 2024, AB Lietuvos oro uostai adopted a new Remuneration Policy and updated the Remuneration Payment Regulations.

The Company's remuneration system is designed in the light of those principles:

1. **Internal fairness:** ensuring fair and equitable pay for the same work, taking into account responsibility, competences, and contribution to results.
2. **External competitiveness:** attracting and retaining employees with the necessary competences to achieve the Company's goals and drive innovative operational improvements, considering the conditions of the Lithuanian labour market. Each year, the Company participates in remuneration surveys and the Employee remuneration is based on the all labour market median.
3. **Clarity and transparency:** all decisions related to remuneration are made based on clear and objective criteria, which are transparently communicated and known to employees.
4. **Equal opportunities and non-discrimination:** remuneration decisions are made in accordance with the provisions set out in the Remuneration Policy and the company's Equal Opportunities Policy.

We aim to ensure that the remuneration aligns with the conditions of the Lithuanian labour market, that the opportunity to earn variable pay motivates employees to achieve high results, and that additional benefits allow for choices tailored to individual needs.

Total wages and salaries of AB Lietuvos oro uostai in 2024 was EUR 23.4 million (2023: EUR 18.2 million), and were 28.6% higher than in 2023. Total wages and salaries in 2024 accounted for 42.8% of the Company's total costs and 49.6% of its operating costs (2023: 32.3% and 50%, respectively).

TABLE 18. Remuneration amount by position

Category	2022		2023		2024	
	Number of employees	Average monthly base (assigned) remuneration (EUR)	Number of employees	Average monthly base (assigned) remuneration (EUR)	Number of employees	Average monthly base (assigned) remuneration (EUR)
Chief Executive Officer*	1	8,540	1	9,001	1	10,351
Top-level managers	8	5,703	8	6,616	8	7,288
Mid-level managers	23	3,523	25	3,943	25	4,464
First-level managers	26	1,911	26	2,195	40	2,350
Specialists	138	2,355	159	2,541	166	2,828
Customer service and operational employees	395	1,333	448	1,450	498	1,606

* In 2022-2023, this figure included the Monthly Variable Component set for the Company's CEO by the Order of the Minister of Transport and Communications of the Republic of Lithuania, and from 2024, by the decision of the Board.

TABLE 19. Payment of bonuses and monthly variable component (before tax)

	2022		2023		2024	
	Number of employees	Amount paid (EUR)	Number of employees	Amount paid (EUR)	Number of employees	Amount paid (EUR)
Bonus payments to employees for activities exceeding normal workload, where there is an increased amount of work in the functions defined in the job description, as well as for the performance of additional tasks in the case of functions not specified in the job description	134	70,585	302	133,916	198	113,337
Variable component for the achieved performance results	444	538,954	439	636,667	529	730,823
Annual share of variable component for employees for the Company's performance	124	379,929	156	423,682	179	529,481
Of which share of variable component for CEO	-	-	1	11,678	1	8,000

The annual share of variable component for 2022 was paid in 2023. The annual share of variable component for results in 2023 was paid to employees in 2024, and the annual share of variable component for 2024 will be paid in 2025.

As of 1 September 2023, following the change in the legal status of Lithuanian Airports from a state-owned company to a public limited liability company, the remuneration of CEO was determined by the Board of LTOU on the basis of the information from remuneration market research and the procedure laid down in the Resolution No 1341 of the Government of the Republic of Lithuania of 23 August 2002 On the remuneration of the CEOs of state-owned enterprises, sub-paragraphs 1.1 to 1.6, which regulates the determination of the salary of CEOs of the state-owned enterprises. Base remuneration and variable component take into account the results of the performance evaluation of the Chief Executive Officer, the achievement of the Company's strategic objectives and the shareholder's expectations.

The number of employees members receiving bonuses for activities above their normal work-

load and for additional tasks in 2024 was 34% lower and the amount paid was 15% lower than in 2023. The number of employees receiving variable component for performance in 2024 was 21% higher and the amount paid was 15% higher than in 2023. The annual variable component for 2023 was calculated and paid in Q2 2024. The annual variable component for 2024 performance will be calculated and paid out to employees in Q2 2025. In 2024, compared to 2023, 15% more employees received the annual variable component and the amount paid was 25% higher than in 2023.

As at 31 December 2024, the number of actual employees (excluding those on parental leave) at Lithuanian Airports was 736, which is an increase of 10.4% compared to the same period in 2023 (2023: 652).

TABLE 20. Comparison of the actual number of employees

Airport	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024
LTOU administrative office	270	325	389
VNO	124	124	124
KUN	107	128	140
PLQ	68	75	83
Total in the Company	569	652	736

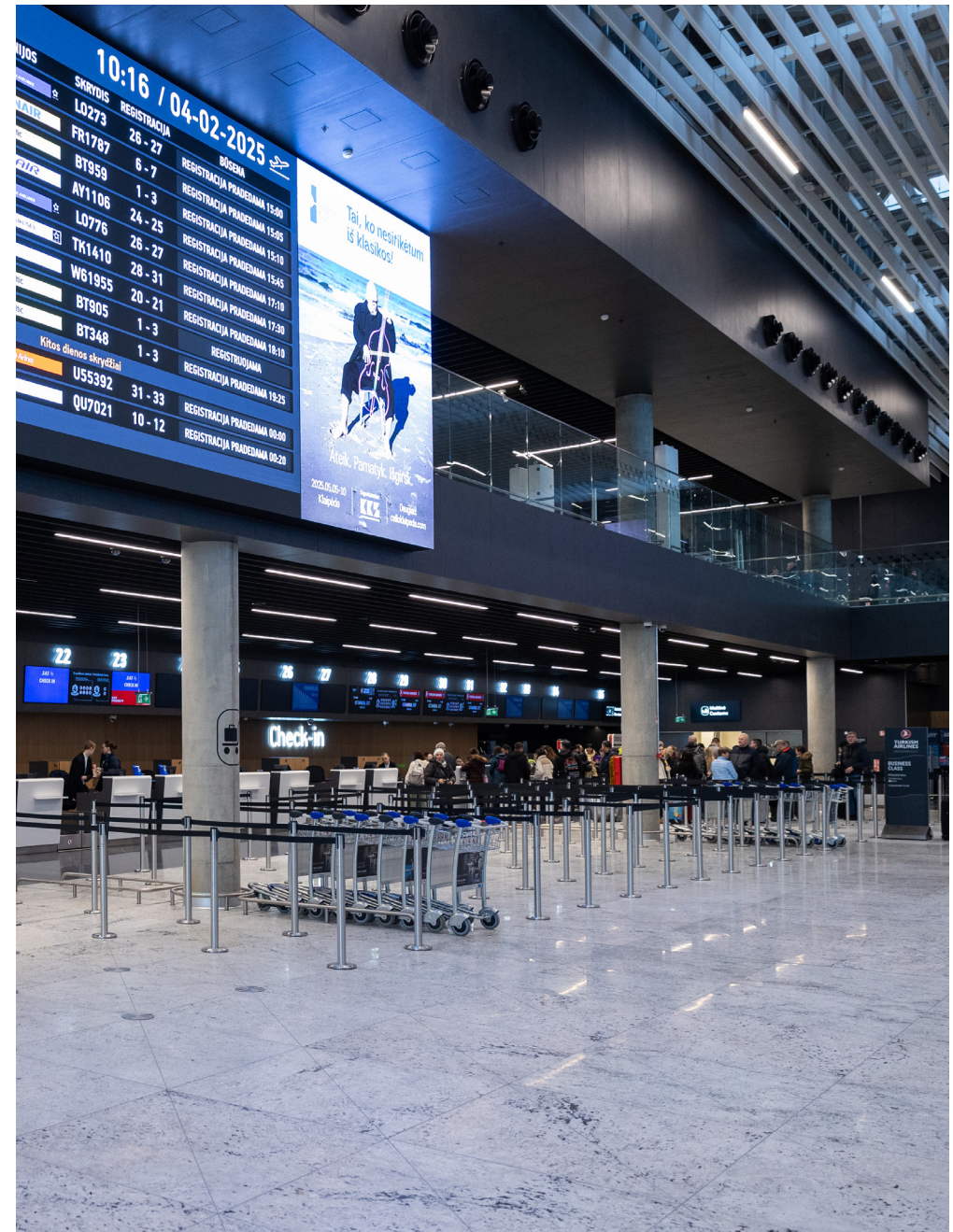
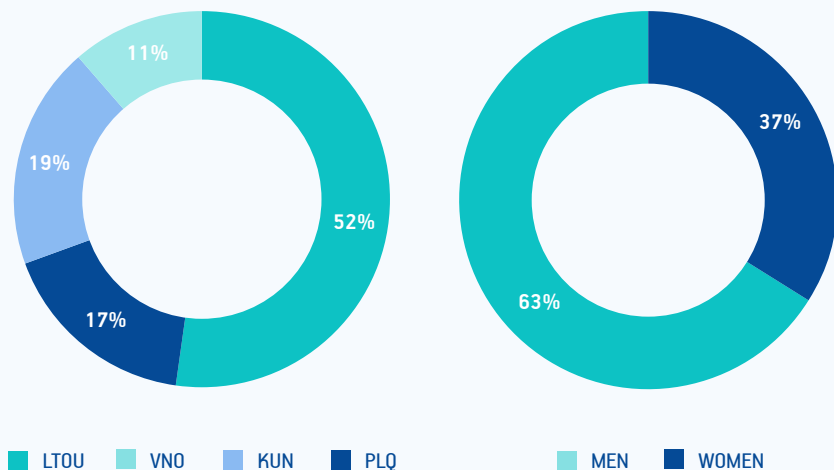


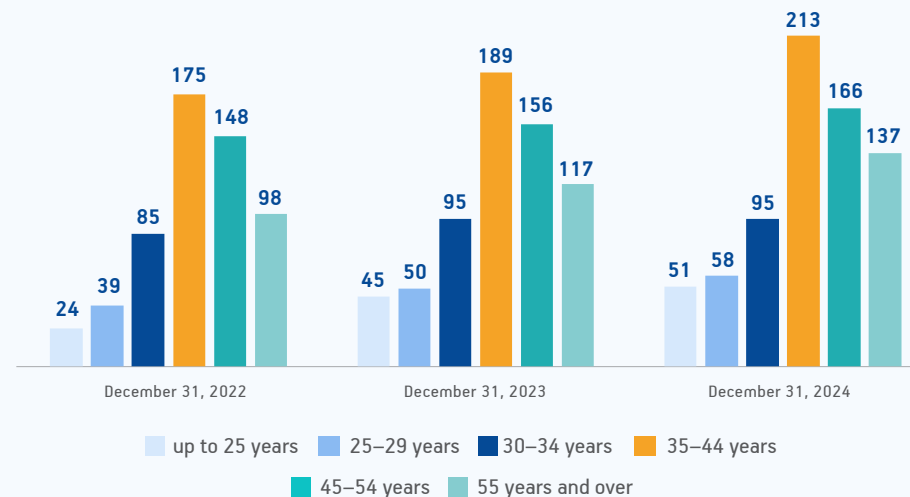
CHART 13. Actual employee distribution by gender in the year 2024



In 2024, the actual number of male employees increased by 7.44% (from 423 to 457) and the actual number of female employees increased by 12.93% (from 229 to 263). The proportions in the distribution of the actual number of employees as at 31 December 2024 changed by 2% compared to the same period in 2023, with men accounting for 63% of the actual number of employees, and women 37%.

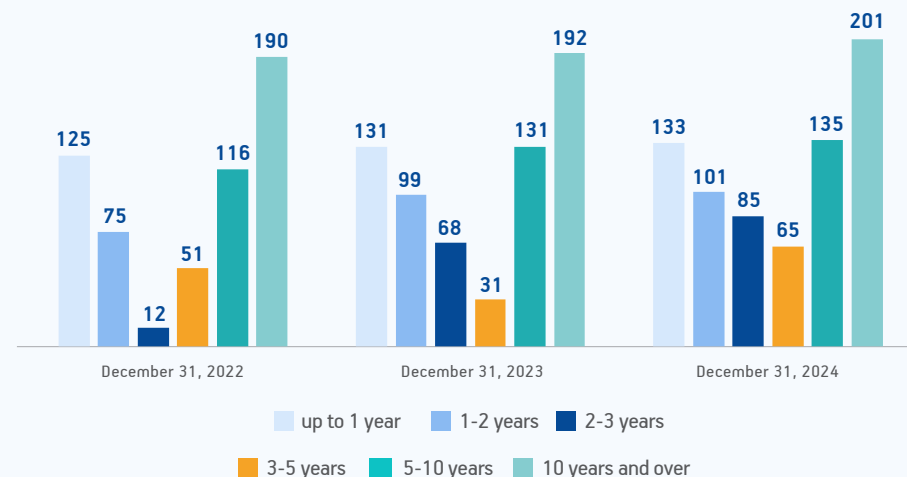
The majority of the Company's employees are aged between 35 and 54 years, with a total of 52.6% of employees in this age group as at 31 December 2024 (52.9% as at 31 December 2023). Comparing the figures as at 31 December 2024 with the same period in 2023, the number of employees in 2024 increased in all age groups, except for age group 30–34. The number of employees in this group has remained unchanged.

CHART 14. Distribution of employees by age



As at 31 December 2024, 27.525% of employees with more than 10 years of service were employed (2023: 29.45%), while those with less than 1 year of service accounted for 18.47% (2023: 20.1%).

CHART 15. Distribution of employees by work experience





9. Key Performance Indicators and Financial Highlights

9. KEY PERFORMANCE INDICATORS AND FINANCIAL HIGHLIGHTS

The Company does not hold financial instruments for the purpose of financial risk management. The Company does not use hedging instruments qualifying for hedge accounting, and the Company's exposure to price risk, credit risk, liquidity risk and cash flow risk.

In 2024, revenues grew by 10% compared to 2023 due to an increase in aviation revenue, driven by passenger and flight growth, and 9% due to an increase in non-aviation revenue, driven by growing car parking rental revenue.

CHART 16. Evolution of aviation revenue 2022-2024 (EUR thousand)

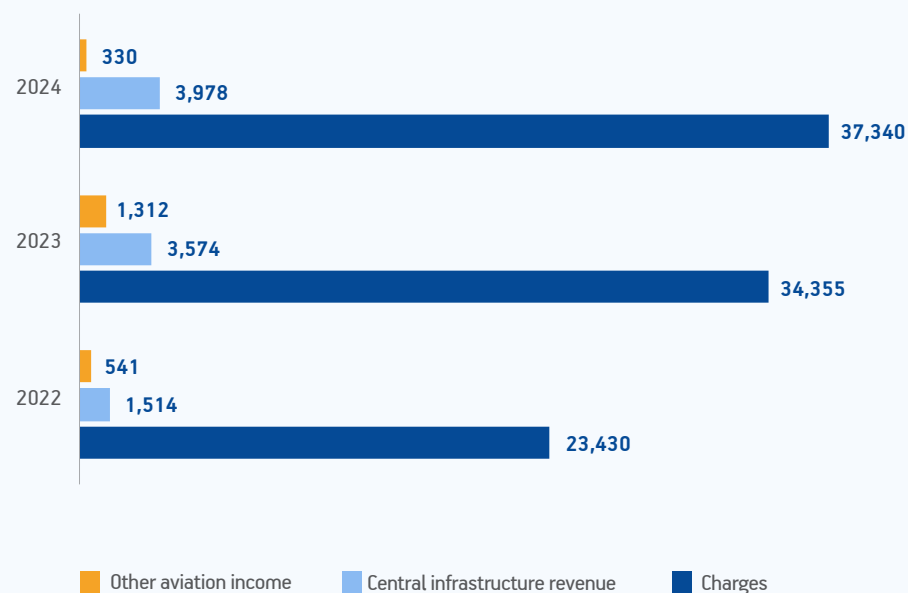
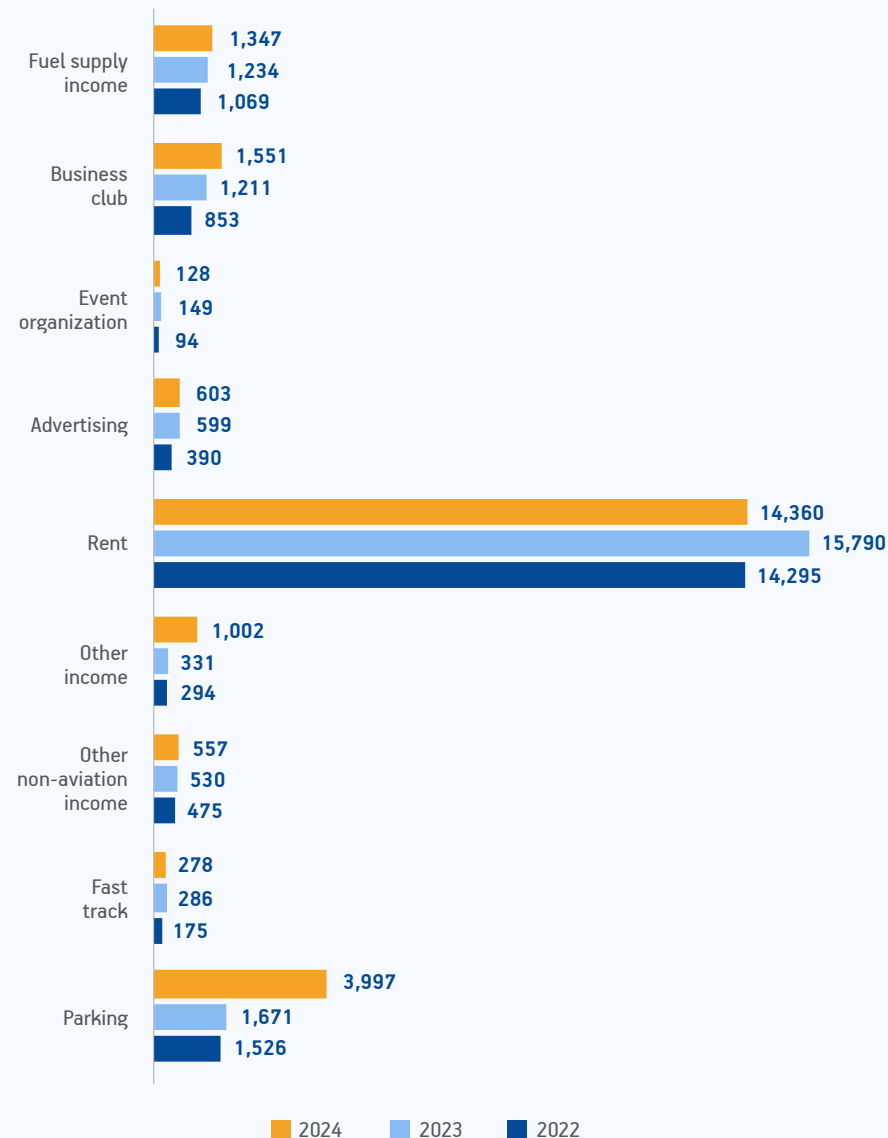
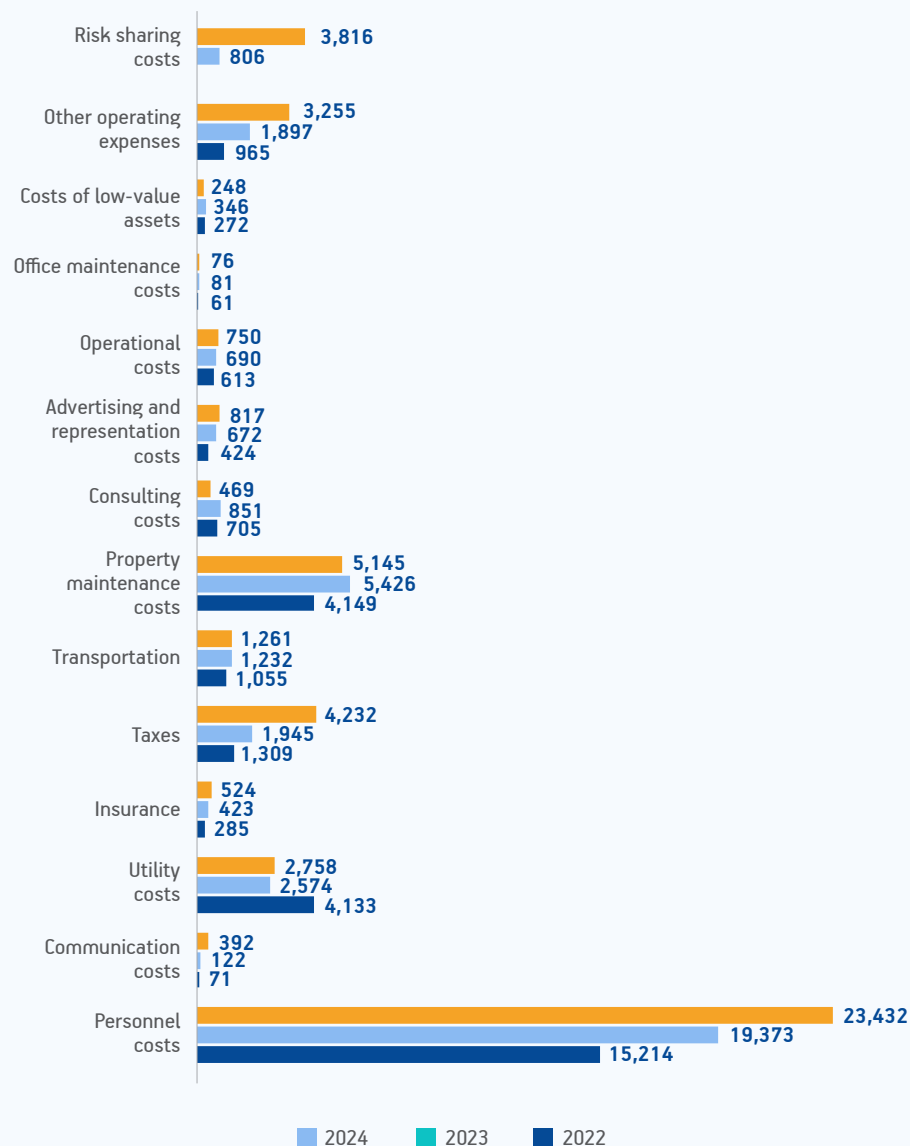


CHART 17. Evolution of non-aviation revenue 2022-2024 (EUR thousand)



Detailed information on the distribution and change of individual cost groups during 2022-2024 is provided.

CHART 18. Operating costs 2022-2024 (EUR thousand)



- Retention 2024:** compared to the previous year, the Company's employee costs increased by 21%. This is the increase in headcount as a result of the Company's growing activity (partly due to higher passenger traffic). The relative share in the Company's total operating costs was 50%.
- Energy and utilities:** in 2024, these costs increased by 7% due to higher passenger traffic compared to 2023.
- Asset maintenance:** costs decreased by 5% due to increased amount of investments.
- Taxes:** the Company has almost no impact on the tax expense line. After LTOU became public limited liability company, the Company calculates and pays property tax, which increased by EUR 1.4 million or 126%.
- Advertising and representation costs:** in 2024, these costs grew by 22% due to increased demand for publicity about the construction of the new terminal.
- Transport costs:** in 2024, transport costs rose by only 2% due to an increase in business volumes.
- Operational costs:** in 2024, these costs grew by only 9%. It should be noted that the cost of mobility-restricted services, which accounts for 80-90% of the costs in this group, is limited by contractual fixed commitments.
- Consultancy services:** In 2024, these costs decreased by 45% due to a decrease in the allocation of funds for various business and legal consultancy services, the implementation of projects and for the outsourcing of some tasks to external suppliers.
- Costs of low-value assets:** this part of the cost includes rent of assets (inventory), low-value assets, and workwear and uniforms. In 2024, these costs decreased by 28% due to reduced need for these costs (sourced last year).
- Office costs:** in 2024, the cost of maintaining an office also decreased by 6% due to reduced need compared to last year.
- Risk-sharing expenses:** EUR 3.8 million of costs incurred in 2024 (see 3.4 Route development model).

10. The Company's Main Financial Indicators and Their Analysis

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10. THE COMPANY'S MAIN FINANCIAL INDICATORS AND THEIR ANALYSIS



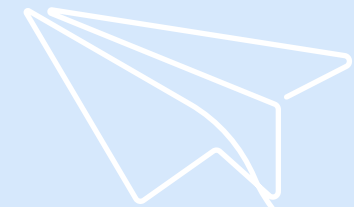
The table below shows the main financial indicators of AB Lietuvos oro uostai and their changes over 3 years.

TABLE 21. Key financial indicators

Indicator	Calculation	2022	2023 (restated FS)	2024	2023/2024 change
Revenue (EUR thousand)	Company's gross income, including financial and other operating income	44,709	60,045	65,931	10%
Aviation revenue (EUR thousand)	Total aviation-related revenue	26,553	38,007	41,648	10%
Non-aviation revenue and other operating income (EUR thousand)	Total non-aviation revenue and other operating income	18,104	21,801	23,823	9%
Operating costs (EUR thousand)	Costs related to the management, administration, organization of sales, etc.	29,271	36,438	47,174	29%
Total costs (EUR thousand)	Total Company's costs, including depreciation, financial operating costs	38,153	56,293	61,122	9%
Risk-sharing model expenses (EUR thousand)	Risk-sharing model expenses (EUR thousand)	-	809	3,813	371%
Adjusted EBITDA (EUR thousand)	Earnings before interest, taxes, depreciation and amortisation	15,386	24,178	22,109	-9%
Adjusted EBITDA margin (%)	Profit before interest, taxes, depreciation and amortization / (income)	34%	40%	34%	-6 pp
Net profit (loss) (EUR thousand)	Net profit of the Company after tax	6,556	4,191	11,202	167%
Profitability of operations (%)	Operating Profit (EBIT) / income	19%	13%	14%	1 pp
Net profitability (%)	Company net profit after tax / income	15%	7%	17%	10 pp
Return on assets (%)	Net profit (loss) after tax assets	2.8%	1.2%	2.8%	1.6 pp
Liquidity (generation)	Current assets / current liabilities	1.9	1.47	1.00	-0.47 times
Return on equity (%)	Net profit (loss) after tax / own equity	5.0%	2.6%	6.3%	3.7 pp
Asset turnover (times)	Sales revenue / assets	0.19	0.17	0.16	-0.01
Turnover of fixed assets (generation)	Sales revenue / non-current assets	0.21	0.19	0.18	-0.01
Debt to equity ratio	(non-current borrowings + current borrowings) / (equity)	28%	30%	41%	11 pp
Equity-to-assets ratio	Equity / total assets	0.56	0.46	0.45	-0.01
Debt to EBITDA ratio*	(Payables and liabilities – cash and cash equivalents) / EBITDA	1.72	3.29	4.93	1.64 pp
Profit tax (EUR thousand)	Income tax	1,862	2,183	3,287	-251%
Dividends (EUR)	Dividend amount accrued and paid	4.7 M	3.0 M**		

* The amount of grants related to assets is eliminated from the total amount of liabilities. ** After becoming public limited liability company, LTOU calculates any pays dividends as of 1 September 2023.

In 2024, the Company's financial performance improved compared to 2023. Revenues grew by 10% or EUR 5.9 million. Both aviation and non-aviation revenue growth was driven by increased flight and passenger traffic. Operating costs grew accordingly (29%). LTOU's adjusted EBITDA decreased by 8% due to higher operating costs to avoid queues. The Company ended 2024 in the black with a profit of EUR 11.2 million (a 167% increase compared to 2023).



11. Annual Income And Costs Review in Respect of Services for Passengers with Reduced Mobility and Persons with Disabilities

11. ANNUAL INCOME AND COSTS REVIEW IN RESPECT OF SERVICES FOR PASSENGERS WITH REDUCED MOBILITY AND PERSONS WITH DISABILITIES



Pursuant to Article 8 (6) of 5 July 2006 Regulation No 1107/2006 of the European Parliament and of the Council on the rights of disabled persons and persons with reduced mobility when travelling by air, AB Lietuvos oro uostai conducted an overview of the fee collected by persons with reduced mobility and the costs associated with this assistance.

The special fee for financing the aid applies to all VNO air carriers and is paid for each departing and arriving passenger, except for transit passengers and children under two years of age.

Air carriers operating scheduled flights from/to VNO and/or having existing aviation services agreements with the airport shall pay their charges on a monthly basis directly to the airport on the basis of an invoice issued on the basis of the operations provided to the Accounting section of the Operational control group data.

In their accounts, Lithuanian airports have separated their activities, including activities related to assistance to persons with disabilities and persons with reduced mobility (PRM). Accounting has separate accounts: income and expenses from income and expense accounts of other activities. In 2024, LTOU received EUR 1,777.2 thousand in income for activities related to assistance to persons with disabilities and persons with reduced mobility.

Under Order No 1R-9 of CEO of 13 January 2017, Lithuanian Airports provide aviation and non-aviation services in Vilnius,

Kaunas and Palanga airports in the course of its activities, and incurs costs related to the provision of services and their improvement. In order to separate the income and expenses of the services provided at the airports and their departments, the service, denoted by the activity code, and the structural unit, denoted by the division code, are indicated in LTOU's Accounting System. For each service, there must be a systematic, clear and transparent allocation of income and costs, which allows for the determining of the rates of the airport services, monitoring the profitability of the services, and making operations more efficient. Methods of attributing income and expenses to the Services are as follows:

Direct assignment: the assignment of department and activity codes is done by submitting documents (invoices, certificates on assignment, allocation of costs, etc.) to the accounting department.

Indirect allocation: the allocation of indirect costs according to the "discovered relationship", i.e. cost drivers between the Service and costs while maintaining the principles of objectivity, causality, constancy and transparency

These procedures provide for the principles of direct attribution of income and costs and the principles of indirect attribution of costs to services in accordance with the recommendations of the International Civil Aviation Organization (ICAO's Policies on Charges for Airports and Air Navigation Services, Doc. No 9082) on the determination of airport charges, including the linking of charges to costs principles.



Direct and indirect costs are assigned to each service:

$$Service = TS + \sum (NS_n * N)$$

S – Airport costs incurred by providing the Service in question and depreciation of investments in connection with the provision and improvement of the service

TS – Directly attributable costs in the accounting system

NS – Indirect costs attributable to cost centres

n – Cost centre allocated to PRM and other activities: ADMIN

N – Cost driver

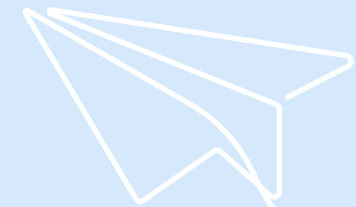


In Table below, we provide detailed information on the costs incurred for servicing persons with reduced mobility and persons with disabilities at Vilnius Airport.

TABLE 22. Revenue and costs of VNO for servicing reduced mobility and disabled passengers during 2024

Expense type	Direct	Indirect	Total
IT costs	9,546.13		9,546.13
Office maintenance costs	1,830.54		1,830.54
Work tools and low-value inventory	1,411.61		1,411.61
Personnel expenses	389,963.91	850.00	390,813.91
Other operating expenses	5,283.42	0.87	5,284.29
Tax expenses	58,460.84		58,460.84
Operational costs	72,958.46	564,876.00	637,834.46
Purchased services	45,208.92	312.00	45,520.92
Expenses of financing and investing activities	45,652.57		45,652.57
Depreciation	56,567.98		56,567.98
Income taxes	-79,982.12		79,982.12
Cost of changes in the value of assets	-243.66		-243.66
Total costs	606,658.6	566,038.87	1,172,697.47
Revenue			1,777,138.86
Profit			604,441.39

VNO purchases services for reduced mobility and disabled passengers from outside in accordance with the contractual fixed monthly contributions. Meanwhile, the fee is calculated on the basis of the projected passenger traffic and the methodology for setting the fee approved by CEO of the airport. In 2024, PRM activities resulted in a profit of EUR 604.4 thousand. Since the service pricing methodology ensures that in the long term, the airport is not able to make a profit or suffer a loss from these activities, the full result of these activities will be transferred to the calculation of the fee for the next few years.



12. Overview of the Company's Performance and Development

12.1. MATERIAL RESOURCES, INFRASTRUCTURE



The Company's tangible resources, which are used for the achievement of its goals and objectives, are the Company's fixed assets, which comprise intangible assets and tangible assets: land, buildings and structures, vehicles, plant and equipment, investment property and other assets. Property, plant and equipment of the LTOU represent 92% of the total value of non-current assets held by the Company in 2024.

The main part of the non-current assets managed by LTOU consists of land plots, terminals, airside structures, administrative premises and parking lots. The capacity and existing resources of airport infrastructure are detailed in the table below.

TABLE 23. LTOU Infrastructure capacity and existing resources

Capacities	Measurement units	VNO	KUN	PLQ
Number of runways	unit	1	1	1
Total runway area	m ²	162,150	189,600	119,600
Total area of the apron	m ²	365,298	229,950	179,600
Number of aircraft stands	unit	54	37	15
Total area of passenger terminals	m ²	34,742	7,327	4710
Total area of administrative buildings	m ²	1,500	6,314	392*
Airport Runway Capacity	Movements/h	24	18	12
Annual capacity of terminals	M of passengers/year	7.0	0.8 (2.0*)	0.33
Check-in Desks	unit	35	8	6
Number of boarding gates	unit	18	4	4
Number of Security gates	unit	7	3	2
Capacity of Aviation Security Gates	Passengers/h	1750	720	240
Capacity of baggage transportation and inspection system	Units/h	2400	720	120
Arrival baggage conveyors handing over	unit	5	1	2
Arrival baggage conveyor system capacity	Units/h	1080	1,200	240
Number of short-term, long-term and commercial parking spaces (after assessing competing Companies)	unit	1,830+1,848**	1,440+300**	582
Land plots managed by trust right	unit	7	2	3
Land plots managed by trust right	ha	343.2	437.4	161.9

* PLQ administrative premises are located in the passenger terminal building. ** With surrounding competitors.



Taking into account the planned and ongoing development of the airport infrastructure and the changing needs and habits of passengers, as well as the activities of competitors and the stricter requirements of the authorities regulating the activities of airports, public procurements were carried out for the development of some essential technologies (departure baggage management system VNO, EDS devices, C3 devices with box return conveyors). These systems will ensure the needs of interested parties, respond to expectations and expand

the possibilities of provided services. Innovative technological solutions at the stage of planning and procurement will allow the offering of new services (e.g. independent baggage drop-off system VNO and KUN) to passengers and will contribute to the proper implementation of the strategic goals of LTOU.

Currently, the Vilnius Airport reconstruction program is being implemented. The existing infrastructure is not adapted to the current passenger flow and does not meet the minimum

passenger experience indicators, which are critical to expanding Lithuania's accessibility map by attracting new airlines and new destinations and maintaining passenger growth opportunities. Also, due to the tightening of safety requirements, it is necessary to update the baggage transportation and inspection systems, which do not fit in the premises of the current terminal. Table below presents a comparison of the current situation at Vilnius Airport with the International Air Transport Association (IATA) quality standard.

TABLE 24. VNO throughput limits

Indicators	Current situation	IATA Quality standard	Goal value
Check-in Desks	28	30	35
Aviation security and service area (m ₂ /person)	0.65	1.00	1.20
Aviation Security Gates	7	-	7 (14*)
Passport control and departure service area (m ₂ /person)	0.89	1.00	1.05
Passport control and arrival service area (m ₂ /person)	0.54	1.00	1.15
Capacity of baggage transportation and inspection system (pcs/h)	2400	1427	2400
Number of Stands for Narrow Body Aircraft	35	-	36
Passenger Boarding Bridges (units)	7	-	7

* The first phase consists of 7 lines, but creates an area of 14 lines (the number of lines increases in line with passenger growth).

After the implementation of the reconstruction program, IATA quality standards will be achieved and the necessary infrastructure capacity will be ensured during peak periods.



12.2. HUMAN RESOURCES



ENSURING KEY COMPETENCES:

- A critical posts assessment project continues to identify critical posts and competences for the aviation sector and business continuity. Critical posts are regularly reviewed, their succession is assessed and development measures to maintain competences are planned.
- The Professional Qualification Compliance Division has been established with the main objective of ensuring compliance of the employee competences with aviation regulations, legal requirements, internal standards of the organisation and adequate professional training of employees.
- A mentoring programme is being developed to share best professional and practical expertise and build employee competences.

MAINTAINING AND INCREASING EMPLOYEE ENGAGEMENT:

- Continuous communication with employees on decisions and planned changes.
- Strong focus on maintaining employee engagement and motivation: events organised to build a sense of team; meetings between middle and senior management to identify areas for improvement in HRM; training to improve the emotional health of employees.
- In 2023, an employee engagement survey was carried out, areas for improvement were identified and actions to improve employee engagement were launched, such as updating the reward development policy and promoting internal career development.

To empower employees, their participation in the management of the Company is being strengthened; they are given greater responsibility in the LTOU's operational processes and budget management, and they are involved in major decision-making.

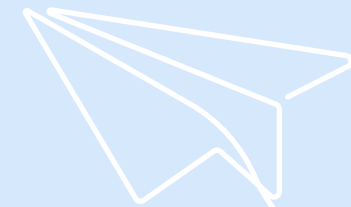
In 2024, changes to LTOU's organisational structure were implemented in order to improve the efficiency of the Company's management, to ensure business continuity in the context of the return to business volumes and to ensure the implementation of strategic projects.

Since 1 January 2024, the following changes to the organisational structure of the LTOU have been implemented as follows:

1. Aviation Services Division renamed to Flight Development Department.
2. Business processes and Risk Management Division renamed to Business Processes Management Division.
3. Economic Analysis and Regulation Division renamed to Planning and Analysis Division.
4. Passenger Experience Group was established in the Passenger Experience Management Division.
5. Professional Qualification Compliance Division was established in the Safety, Security and Resilience Department.

Since 1 April 2024, the following organizational changes were implemented at LTOU:

1. Training and Development Group in the Personnel and Administration Division was dissolved.
2. Two new groups were established in the Technology Support Division within the Development Department: Information Systems Group and Critical Systems Group.



13. Risk Management

13. RISK MANAGEMENT



In April 2024, Head of Risk Management joined the team to ensure systematic developments in risk management.

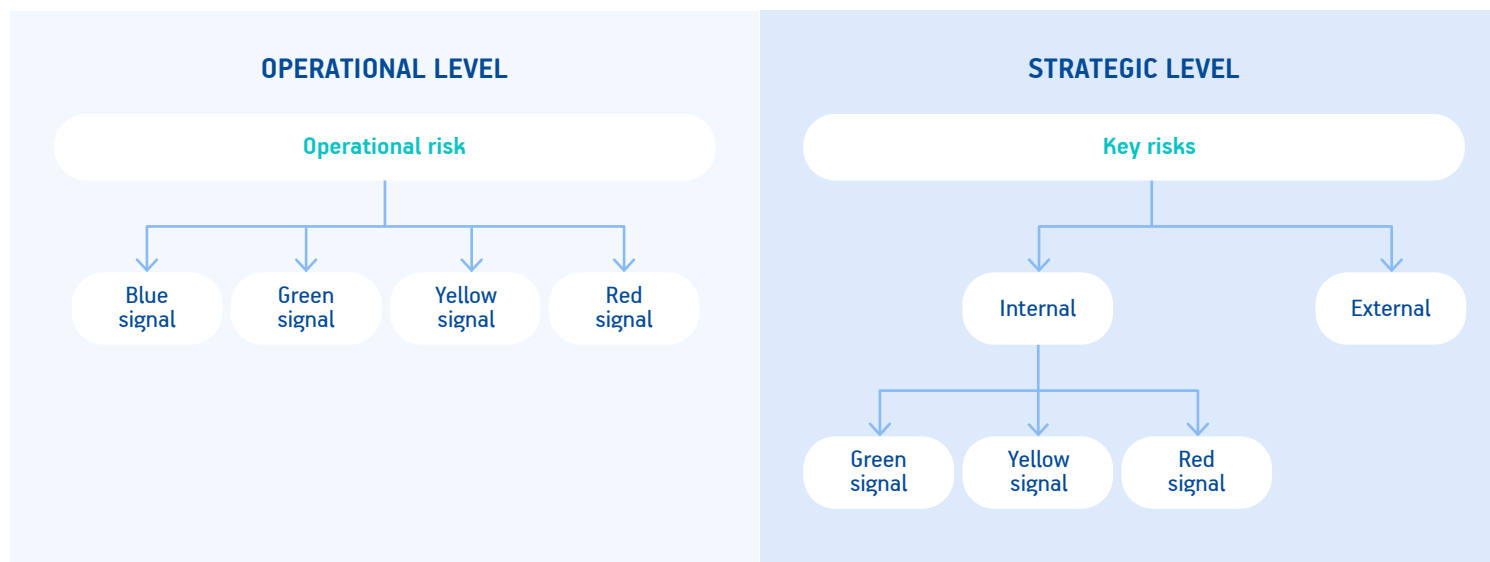
Since Q2 2024, the risk management framework has been undergoing review and improvements. During the diagnostic and model development and testing, the elements/methods most relevant to the needs of the organisation were selected, taking into account the maturity of the area and the value to be created. A new risk management model was developed, focusing on organisational transformation and strategic goals. The model includes risks with both negative and positive effects.

Given the specific nature and dynamics of the organisation's activities, it was decided to manage risks at two levels: operational and strategic. Risk identification and management is based on alerts.

The Head of Risk Management is responsible for coordinating the risk management process at operational level. At this level, the focus is on managing risks that have a low to medium impact on the organisation.

The Risk Management Working Group is responsible for coordinating the risk management process at strategic level. At this level, the focus is on managing risks that have a high impact on the organisation.

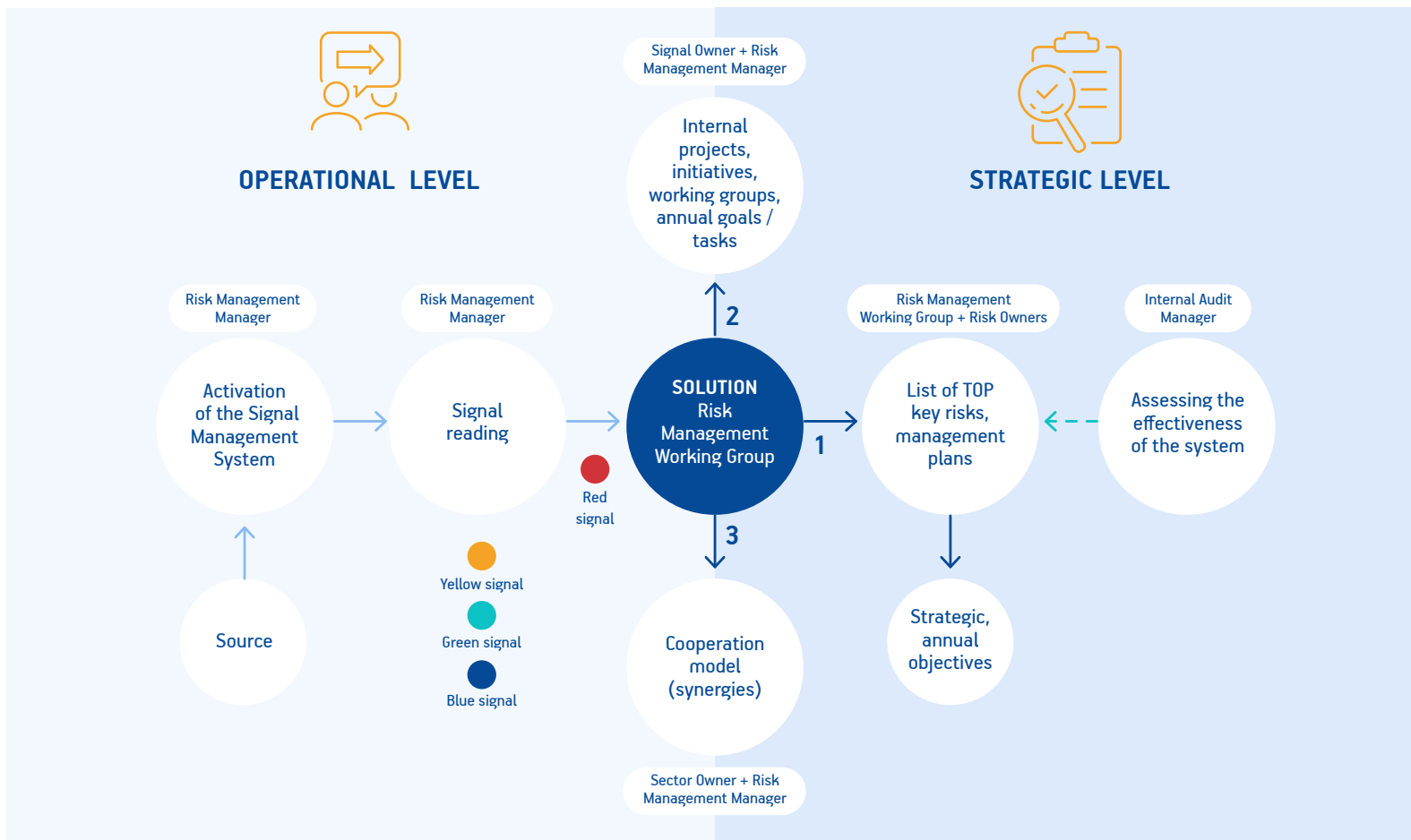
To ensure the effectiveness of the risk management model, responsible persons and process control points were identified at each stage, enabling proactive responses to changes and decision-making.

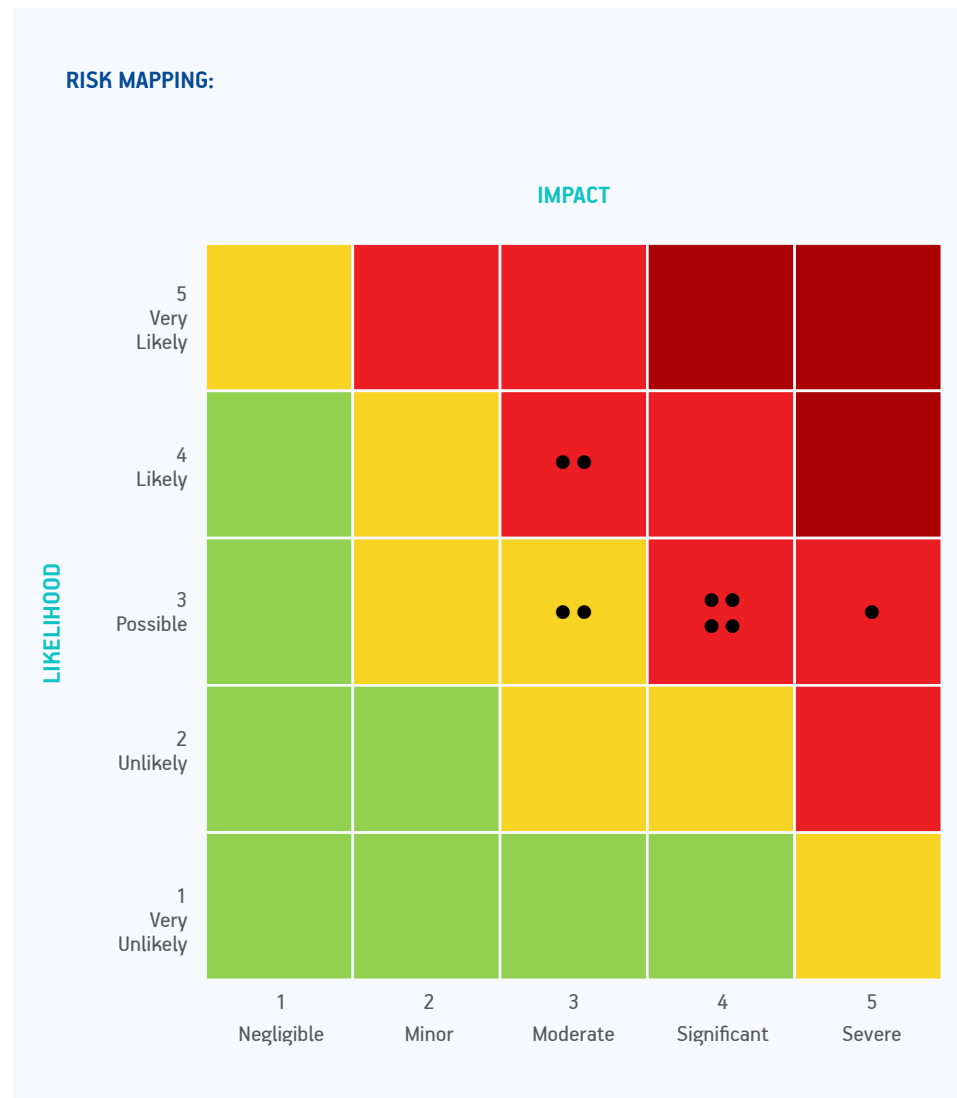


As of Q2 2024, 102 alerts have been identified in the organisation, on the basis of which risks with a high impact on the organisation have been identified and submitted to the Risk Management Working Group. The calibration and assessment of the list of key risks is ongoing.

To ensure continuity in risk management, the existing list of key risks was used together with a new list developed with due regard for the organisation's new strategy, organisational structure, and long-term network development plan. The new list of key risks will be approved in early 2025.

Risk rating scale:





TO ENSURE CONTINUITY, THE FOLLOWING LIST OF RISKS IS USED:

RISK	EXPLANATION	RISK LEVEL
Market instability in energy resources	<p>Due to geopolitical instability, the high volatility of energy prices affects the Company's financial outflows and the budget slippage affecting investments.</p> <p>Strategic objective: Develop safe and efficient infrastructure</p> <p>Indicator: Energy efficiency indicator</p>	15
Non-implementation of the budget	<p>Inadequate planning and monitoring of financial plans affects the Company's results, liquidity and infrastructure development.</p> <p>Strategic objective: Develop safe and efficient infrastructure</p> <p>Metrics: EBITDA margin</p>	12
Credit Risk	<p>Failure to properly assess credit risks leads to loss of income, shortages of working capital and an increase in bad debts</p>	12
Legal dispute delays lease tenders	<p>Legal disputes due to improperly drafted tender conditions prolong the tendering of leases, lead to loss of revenue and</p>	12
Poor passenger service by passenger service organisations	<p>Poor passenger service due to inadequate agreements with partners affects reputation and the NPS score.</p>	12
Loss of critical posts	<p>Inadequate training of critical posts (inadequate planning of the need for new specialists, lack of trainers) leads to a shortage of critical posts, reducing the airport's passenger throughput and the earning potential of ancillary services</p> <p>Strategic objective: To act with unity and ambition in governance</p> <p>Indicator: Employee Engagement Index</p>	12
Delays in strategic projects	<p>Delays in strategic projects due to inadequate financing plans, staff shortages, delays by contractors and legal disputes lead to financial losses, loss of reputation and budgetary</p>	12
Reduced passenger numbers	<p>Inadequate supply of flights to meet customer demand and/or the expansion of flights by competing airports results in a reduction in LTOU's passenger numbers.</p> <p>Strategic objective: To be open and impartial in creating an attractive business environment</p> <p>Indicator: Number of passengers</p>	9
Withdrawal of a significant partner	<p>The withdrawal of a significant partner due to a failure to provide the right conditions affects the airport's operational security, restriction/stoppage of operations, passenger dissatisfaction, financial losses and reputational impact.</p>	9



14. Significant Events after the End of the Financial Year

14. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

There were no significant events after the reporting period up to the date of issue of these financial statements.



15. Sustainability

A white line-art icon of a paper airplane, positioned in the upper right quadrant of the page. A thin white line extends from the tail of the airplane, curving downwards and then back up to form a large, open circle that partially encircles the word 'Sustainability' in the main title.

15.1.1. GENERAL INFORMATION

This Sustainability Report of Lithuanian Airports (hereinafter the "Company"; LTOU), operating in Lithuania at Rodūnios rd. 10A, LT-02189 Vilnius, published in November, covers the period from 1 January 2024 to 31 December of the same year.

The LTOU Sustainability Report is an annual review of the Company's performance and achievements in environmental, social and governance (ESG) areas. The Report has been prepared in accordance with the Global Reporting Initiative (GRI) standards. The Sustainability Report is part of the LTOU Management Report 2024.

The Company's Management Report, together with the Sustainability Report, is first approved by the Board and then submitted to the shareholder for approval. The Management Report is reviewed by an independent auditor. This report has been prepared in consultation with external experts and contains the best available data at the time of publication.

The information contained in the report complies with the requirements of the Social Responsibility Report of the Republic of Lithuania and with the European Commission's Guidelines for Non-Financial Reporting. The Sustainability Report presents our contribution to the Sustainable Development Goals of the United Nations and to the principles of the Global Compact.

Contact us to enquire about the content of the Sustainability Report and LTOU's sustainability activities:

Sustainability Project Manager:
Vilius Jorudas, v.jorudas@ltou.lt



15.1.2. SUSTAINABILITY PRINCIPLES AND COMMITMENTS

In working on all three parts of the ESG, we follow the [LTOU Sustainability Policy](#), which enshrines and announces our guiding principles for sustainable and responsible operations and guides our development of sustainability themes:

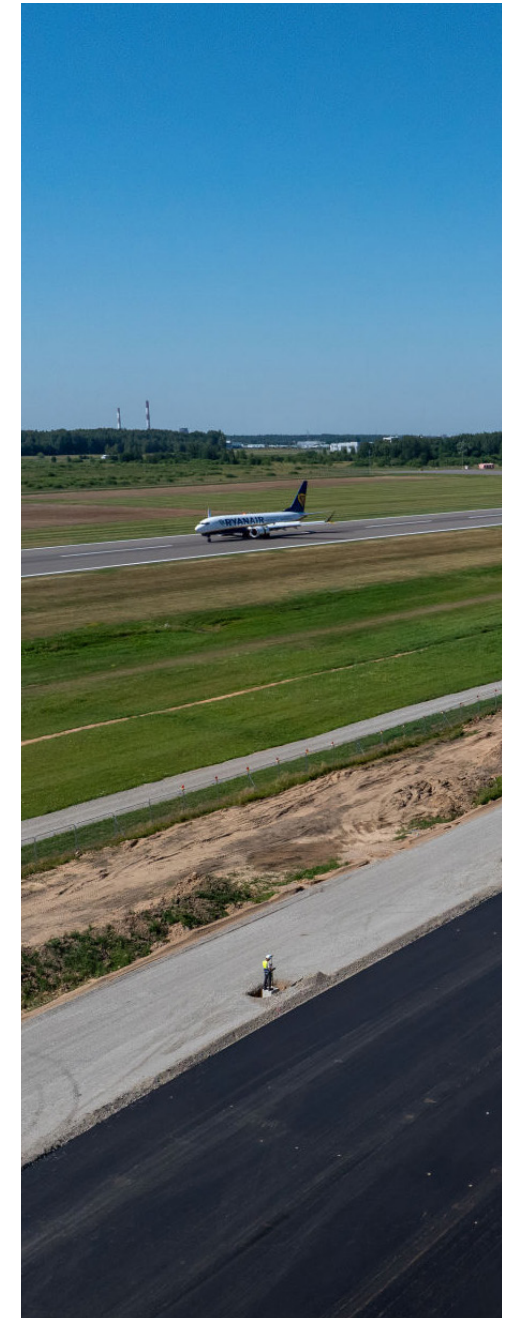
- We are guided by the company's vision, mission, values and strategic objectives in developing LTOU's sustainability directions and goals. We implement our sustainability strategy in three sustainability areas – environmental, social and economic – and aim to contribute directly to the Sustainable Development Goals.
- We adhere to the 10 principles of the Global Compact in the areas of human rights, workers' rights, the environment and anti-corruption.
- Contributing to the European Green Deal, the Paris Agreement, and the European Airports Net Zero initiative to reduce carbon emissions to zero by 2050. We are committed to becoming climate neutral by 2030 in terms of emissions from operations we can control (Scope 1 and Scope 2).
- In order to become climate neutral, we follow Airport Council International Europe's (ACI Europe) program Airport Carbon Accreditation (ACA) for assessing CO2 emissions and aim to move through all the steps of the program to the level of Neutrality - zero emissions from operations that the airport can control - through an offsetting mechanism.
- We adhere to the [Airport Sustainability Declaration](#) adopted on 31 October 2016, signed together with other international airports such as Chicago, Dallas, Rome, Amsterdam Schiphol, New York John F. Kennedy (JFKIAT), London Heathrow, London Gatwick and others. The Declaration's main objective is to strengthen the system of sustainable and resilient airports around the world through co-operation, transparency, innovation and engagement.



[SUSTAINABILITY POLICY](#)



[AIRPORT SUSTAINABILITY DECLARATION](#)



15.1.3. SUSTAINABILITY MANAGEMENT

The management of the Company's environmental, social and economic impacts are overseen by the Board. The Board shall consider and approve the draft strategic action plan, including sustainability objectives, prepared by the top management and reported to the Ministry of Transport and Communications. In 2023, action plans for strengthening LTOU's sustainability practices and their implementation were discussed at quarterly Board meetings.

Responsibility for sustainability in day-to-day operations and the preparation of sustainability reports is assigned to the Head of Communications, and coordination of each priority sustainability topic is assigned to the responsible employee. Half-yearly, annual and sustainability reports are presented to the Board and ongoing sustainability management issues are discussed at monthly Board meetings. The Company's Sustainability Report is integrated into the Annual and Performance Report, which is first approved by the Board and then by the Ministry of Transport.

Critical issues related to the company's sustainability can be brought to the attention of the Board during regular Board meetings and informal weekly meetings between the Board and CEO. In 2024, we observed an increase in pollution at one of the surface water outlets at Kaunas Airport. LTOU's Environment Protection Division, together with other responsible employees in the Company, took appropriate measures to identify the source of the pollution and to bring the pollution down as indicated in the pollution permit.

For more information on LTOU's governance structure and composition, see [Management and structure | Lithuanian Airports \(ltou.lt/en\)](#).



15.1.4. DOUBLE MATERIALITY

The sustainability of Lithuanian Airports is underpinned by the Company's strategy and a double materiality assessment carried out in Q3 2023.

Considering the recommendations of the ACI Sustainability strategy for airports, the practices and insights of other airports (Tallinn, Helsinki, Riga, Stockholm, Copenhagen, etc.), the analysis of various trends, etc., 15 different sustainability themes relevant to Lithuanian airports were identified and evaluated by the company's internal experts and external consultants in terms of their impact and financial significance.

Stakeholders' involvement

The LTOU has identified five stakeholders (shareholder, customer, employee, public and partners). The stakeholders were presented with 15 sustainability topics of relevance to Lithuanian Airports.



Each of the stakeholders was to be scored on a scale of 1 to 10 according to their relevance to the operations of LTOU. A total of 794 respondents were involved in the double materiality assessment: 17 shareholders, 45 partners, 85 employees and 647 members of the public.

The five most important sustainability topics for stakeholders according to the survey (from most to least important) are as follows:



Air safety and aviation security



Responsible governance



Passenger experience



Employee well-being



Sustainable transport



CHART 19. Double materiality assessment

MATERIALITY ASSESSMENT



The updated LTOU materiality assessment is structured around three strategic sustainability areas – environmental, social and governance – consisting of 15 interlinked sustainability strands. The strategic sustainability strands are long-term priorities that contribute to the sustainable achievement of the Company’s business strategy objectives and performance indicators.

LTOU’s priority sustainability topics are Flight Safety and Aviation Security, Safety of Airport Workers, Climate Change Impact and Adaptation, Employee Well-being and Responsible Governance.

It is important to underline that all sustainability themes are significant, i.e. giving a lower significance to the impact or financial axis does not imply that LTOU will not make efforts to fulfil the themes in this category.

For 2025, the Climate Change Risk Assessment Study is planned, after which we will re-perform the double materiality assessment to obtain more accurate information and to prepare for the sustainability reporting for 2025 under ESRS.

15.1.5. SUSTAINABILITY OBJECTIVES AND TARGETS

Our analysis identified 15 key environmental, social and economic sustainability themes that are most relevant to the company's operations. The management principles for all material sustainability topics are described in accordance with GRI requirements in the sections of this report, arranged by topic.

Having identified the main areas of impact of our activities, we have analysed and selected the Sustainable Development Goals (SDGs) to which we can contribute most in each area. The Sustainable Development Goals are a universal set of aspirations that set the direction for global economic, social and environmental development until 2030.

Our sustainability targets, objectives and the policies we follow **are made public**.



15.1.6. SUSTAINABILITY RISKS AND THEIR MANAGEMENT

The table below sets out the company's sustainability risks and their management. For 2025, we have set ourselves the objective of re-analysing/reviewing all sustainability risks and updating our management tools.

TABLE 25. Sustainability risks and their management in the Company

Risk	Risk management
Violations of environmental legislation	We continuously monitor environmental compliance indicators and apply corrective/preventive measures as needed. We allocate sufficient resources to meet environmental requirements.
The growing importance of the environment in society	In the LTOU Environmental Strategy, we have set out to go beyond compliance with minimum legal requirements. Spreading environmental ideas within the organisation, based on best practices at other airports. Agreeing on deadlines for the Environmental Strategy and Action Plans.
Limited financial resources for environmental projects	Considering and assessing the potential of the EU funds to support the introduction of environmental measures. Integrating environmental solutions into ongoing development projects. When proposing projects, we make forecasts of potential financial and non-financial value.
Limited human resources for environmental projects and/or employees turnover	We assess the scope of the planned activities and the human resources needed to implement them. Encourage the engagement of all employees in the implementation of the environmental strategy. Virtual storage of environmental information and copies of relevant documents available to responsible employees of LTOU.
Incidents of discrimination based on race, gender, religion, age, etc.	We initiate internal initiatives to promote diversity and inclusion. Creating and developing an ambassadorship program.
Incidents of corruption or conflict of interest	We run a corruption awareness education program. We conduct surveys on employees' perceptions and tolerance of corruption.
Community annoyance and complaints due to aircraft noise	Continuous noise monitoring is carried out at noise monitoring stations. We educate and communicate to communities about aircraft take-off and landing routes. We actively communicate about the applied noise abatement measures.
Non-compliance with applicable noise mitigation measures (engine testing, during departure procedures, etc.)	Monitoring of noise abatement procedures applied during take-off. We monitor and record aircraft flights statistics that do not meet standard instrument departure routes requirements. We monitor aircraft noise and submit annual noise monitoring reports with noise contour maps to the authorities every year. Analysis of annual noise contour maps allows us to predict and plan efficient noise mitigation actions. In the field of aircraft noise management, we cooperate with air navigation services provider State Enterprise Oro navigacija. Participating in Vilnius city spatial planning procedures.

15.1.7. STAKEHOLDERS' INVOLVEMENT

Engaging relevant parties and fostering good relations with them is at the heart of our business strategy. LTOU's key stakeholders are customers, shareholders, partners, colleagues and the public. Meeting the needs and expectations of these parties is crucial to the success of our strategy. The Company's strategy and sustainability orientations, and thus the content of this Report, are based on the main topics of interest to related parties. For more information on the stakeholder engagement, see our [website](#).

Stakeholders' expectations beyond sustainability are described in more detail on our [website](#).

TABLE 26. Stakeholders and their involvement

Stakeholders	Initiative/measure	Frequency	Priority sustainability topics*
Shareholder	Meetings	Regular	1 Security and safety 2 Passenger experience 3 Sustainable transport 4 Responsible governance 5 Energy
	Information letters	Weekly	
	Reports	On demand	
	Other	On demand	
Partners	Newsletters	Once a month	
	Events	Periodically	
	Information letters	Weekly	
	Conferences or route development forums	On demand	
	Airport Users Committee	On demand	
Employees	Other	On demand	1. Employee well-being 2. Security and safety 3. Passenger experience 4. Responsible governance 5. Energy
	Newsletters	Once a month	
	Quarterly meetings	Once in a quarter	
	Internal intranet	On demand	
	Internal events	On demand	
	Trainings	On demand	
	Shared email	On demand	
	Glossary	On demand	
	Displays for employees	On demand	
	Bulletin boards	On demand	
	Employees Council	On demand	
	Notification channels	On demand	
	Other	On demand	
Customers and society	Website	On demand	1. Security and safety 2. Responsible governance 3. Passenger experience 4. Employee well-being 5. Sustainable transport
	Media	On demand	
	Social networks	Daily	
	LinkedIn ambassadors	On demand	
	Events	On demand	
	Newsletters	Once a month	
	Call Centre	On demand	
	Notification channels	On demand	
	Displays	On demand	
	Audible notifications	On demand	
	Information boards	On demand	
	Marketing campaigns	On demand	
	Other	On demand	









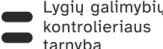



*Note: Priority sustainability topics from the Stakeholder Survey, which we carried out as part of our double materiality assessment.



15.1.8. ASSOCIATIONS AND ORGANISATIONS

We are working towards the LTOU's sustainability goals with the help of a wide range of partners and organisations, with whom we share best practices. We work with the following associations and organisations:

TABLE 32. Associations and organisations

	<p>A non-governmental organisation bringing together private, public and non-governmental organisations working to create open and inclusive working environments and to strengthen their social responsibility. With this organisation, we conduct a Diversity and Inclusion Survey and share best practices.</p>		<p>An organisation that develops and applies social innovations to help people from different vulnerable backgrounds integrate into a multidimensional society. We have signed a gratuitous cooperation agreement with this institute for parking at terminals for passengers with disabilities.</p>
	<p>An association of companies and organisations committed to implementing and following the principles of sustainable development. We consult and share best practices with LAVA.</p>		<p>A social employment agency that we consult on the employment and integration of people with special needs.</p>
	<p>An organisation that helps airports achieve their sustainability goals through the Airport Carbon Accreditation (ACA) programme. It is an international council of airports that conducts a passenger satisfaction survey and best practice sharing programme, in which Vilnius Airport has been participating since 2016.</p>		<p>A unique service that helps to organise trips for people with disabilities to places of economic and social employment. We have signed a gratuitous cooperation agreement with Social Taxi to provide parking at terminals for passengers with disabilities.</p>
	<p>A charity and relief fund that collects food donations and distributes them to organisations that care for people in need. At Vilnius Airport, due to aviation security standards for hand luggage contents, items left behind by travellers are not thrown away but selected and distributed to the needy through a food bank.</p>		<p>A charity with which we have signed a gratuitous cooperation agreement for parking at terminals to provide services for passengers with disabilities.</p>
	<p>An independent state body whose one of its objectives is to ensure compliance with the prohibition of discrimination between women and men and the prohibition of discrimination against persons enshrined in the Equal Opportunities Act. We consult with the Council and share good practices.</p>		<p>A non-profit company whose main purpose is to act as the administrator of the deposit scheme as provided for in the Packaging and Packaging Waste Management Act. The body administers the deposit for disposable packaging in the context of the catering services provided to passengers at the VIP Terminal and the Business Club.</p>
	<p>A public organisation of Lithuanian HR professionals working to raise the level and effectiveness of HR management in Lithuania. We consult and share best practices with the association.</p>		<p>A social welfare organisation to which we hand over items left behind by passengers and not collected within six months but are still usable.</p>



TAXONOMY

15.2. TAXONOMY



Overview of compliance with the EU Taxonomy Regulation

The European Union (EU) Taxonomy Regulation (EU) 2020/852 and the delegated acts adopted pursuant to it (hereinafter “the Taxonomy”) is a framework for classifying environmentally sustainable economic activities, with the aim of directing private investment towards environmentally sustainable activities that contribute to Europe’s green ambition of becoming the first climate neutral continent. The taxonomy defines science-based criteria for assessing the sustainability of activities and sets out reporting obligations for companies.

The EU Taxonomy defines criteria for activities that contribute to these objectives:

- Climate change mitigation.
- Climate change adaptation.
- Sustainable use and protection of water and marine resources.
- Transition to a circular economy.
- Pollution prevention and control.
- Protection and restoration of biodiversity and ecosystems.

A taxonomy-eligible economic activity is defined as an activity that can contribute to at least one of the EU’s environmental objectives, as described in the delegated acts of the Taxonomy Regulation, i.e. are included in the Taxonomy. It is

important to note that the EU Taxonomy is not yet a comprehensive list of sustainable economic activities and related criteria, as many activities, including airport activities, are not yet defined in the Taxonomy.

A taxonomy-aligned activity is defined as an activity that meets the criteria of the Taxonomy’s technical analysis, i.e. contributes significantly to at least one of the six environmental objectives and does not cause significant harm to the other five.

In this overview, we provide the best available information at the time of reporting on the taxonomy activities carried out and their compliance with the Taxonomy criteria, according to the main indicators: revenue, capital expenditure (Capex) and operating costs (Opex) (Tables 33-36).

We note that some of the wording and terminology of the Taxonomy and the delegated acts adopted under it are still subject to divergent interpretations and have not been formally clarified. We also foresee that over time the Regulation will become more detailed in terms of sustainable practices and criteria. In the future, the taxonomy activities we have identified and the methodology used to calculate indicators may change in the light of possible new official interpretations of the EU Taxonomy.

Determining taxonomy activities and calculating indicators

Our analysis of the activities identified that the LTOU is engaged in taxonomy activities that can contribute to climate change mitigation, adaptation and the transition to a circular economy. The Company does not carry out activities that could contribute to the other three environmental objectives.



Revenue

Part of the Company’s revenue in 2024 corresponds to the following activities defined in the Taxonomy:

- Rental income from the rental of real estate premises – **acquisition and ownership of buildings.**
- Revenue from the maintenance of airfield runways, taxiways and aprons (including aircraft landing and parking fees) – **maintenance of roads and motorways.**
- Revenue from ground handling services (including passenger baggage claim/delivery revenue) – **provision of ground handling services for air transport.**
- Revenue from the supply of electricity to aircraft from stationary sources – **low-carbon airport infrastructure.**

The share of income from taxonomic activities is calculated by dividing the income from services related to taxonomic activities by the Company’s total income.

CAPEX

Part of the Company's non-current assets as set additions during 2024 correspond to the following activities defined in the Taxonomy:

- Investments for the improvement of immovable property (buildings) – **acquisition and ownership of buildings**.
- New buildings – **construction of new buildings**.
- Modernisation of the baggage system – **provision of air-ground transport services**.
- Installation of solar power plant – **installation, maintenance and repair of renewable energy technologies**.
- Airside maintenance equipment – **road and motorway maintenance**.

The capital expenditure for taxonomy activities is calculated by dividing the investment related to the activities defined in the Taxonomy by the total capital expenditure.

OPEX

Taxonomy through 2024 corresponds to the following activities defined in the Taxonomy:

- Repair of buildings – **acquisition and ownership of buildings**.
- Airside maintenance – **maintenance of roads and motorways**.
- Baggage system repair and maintenance – **provision of air transport ground services**.

The EU Taxonomy's definition of operating expenses is much narrower than the definition normally used in financial accounting. According to the Taxonomy definition, we have only included the maintenance and upkeep of assets in the OpeX denominator.

Taxonomy performance assessment

The assessment of the performance against the technical analysis criteria showed that the company's current activities only partially comply with the Taxonomy criteria and are therefore overall assessed as non-compliant. As we aim to contribute to the European Green Deal, we intend to take the Taxonomy Regulation into account in our future investment planning, so that as much of our activities as possible are classified as compliant.

No assessment of climate risks and operational vulnerability has been carried out at the Company level. Therefore, in this report, we provide an overall assessment that the Company's activities do not comply with the climate change adaptation criterion and do not assess compliance with the other criteria for non-material harm.

Minimum protection measures

According to the Taxonomy, economic activities can only be considered environmentally sustainable if they are carried out in compliance with minimum safeguards, as defined by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, the ILO's eight core Conventions, and the International Charter of Human Rights. The Company has implemented these measures and therefore fulfils the minimum safeguards condition.

TABLE 28. Taxonomy activities identified in terms of revenue, CAPEX, OPEX and technical analysis criteria.

Activities	LTOU Taxonomy Indicator 2024	Technical analysis criteria – item number in Delegated Regulation (EU) 2021/2139
Acquisition and ownership of buildings	Revenue, CAPEX, OPEX	(EU) 2021/2139 Annex I, point 7.7 (EU) 2021/2139 Annex II, point 7.7
Low-carbon airport infrastructure	Revenue	(EU) 2021/2139 Annex I, point 6.17
Provision of air transport ground handling services	Revenue, CAPEX, OPEX	(EU) 2021/2139 Annex I, point 6.20
Road and motorway maintenance	Revenue, CAPEX, OPEX	(EU) 2023/2486 Annex II, point 3.4
Construction of new buildings	CAPEX	(EU) 2021/2139 Annex I, point 7.1 (EU) 2021/2139 Annex II, point 7.1 (EU) 2023/2486 Annex II, point 3.1
Installation, maintenance and repair of renewable energy technologies	CAPEX	(EU) 2021/2139 Annex I, point 7.6 (EU) 2021/2139 Annex II, point 7.6



TABLE 29. Revenues in 2024 by Taxonomy

Economic activities	NACE	Absolute revenue in 2024	Percentage of revenue in 2024	Substantial contribution criteria		Do-no-significant-harm criteria						Minimum protection measures	Percentage of taxonomy-aligned revenue in 2024	Category (eligible activity)	Category (transition activity)
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine	Žiedinė ekonomika	Pollution	Biodiversity and ecosystems				
		EUR thousand	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	Y
A. Taxonomy-eligible activities:															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%										0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Acquisition and ownership of buildings	L68	13,250	20%												
Low-carbon airport infrastructure	F41, F42	1,012	2%												
Provision of air transport ground handling services	H52	461	1%												
Road and motorway maintenance	F42	14,606	22%												
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		29,329	45%												
TOTAL: A.1 + A.2		29,329	45%												
B. Taxonomy-non-eligible activities															
Revenue of Taxonomy-non-eligible activities (B)		36,136	55%												
TOTAL: A + B		65,465	100%												

TABLE 30. Capital Expenditure (Capex) by Taxonomy in 2024

Economic activities	NACE	Absolute Capex in 2023		Substantial contribution criteria		Do-no-significant-harm criteria						Minimum protection measures	Percentage of taxonomy-aligned capital expenditure in 2024	Category (eligible activity)	Category
		Absolute Capex in 2023	Percentage of Capex in 2023	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine	Circular economy	Pollution	Biodiversity and ecosystems				
		EUR thousand	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No				
A. Taxonomy-eligible activities:															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%										0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Acquisition and ownership of buildings	L68	5,641	8%												
Construction of new buildings	F41	27,663	41%												
Installation, maintenance and repair of renewable energy technologies	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28	1,073	2%												
Provision of air transport ground handling services	H52	3,222	5%												
Road and motorway maintenance	F42	15,268	23%												
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		52,867	79%												
TOTAL: A.1 + A.2		52,867	79%												
B. Taxonomy-non-eligible activities															
Capex of Taxonomy-non-eligible activities (B)		14,346	21%												
TOTAL: A + B		67,213	100%												

TABLE 31. Operating Costs (Opex) by Taxonomy in 2024

Economic activities	NACE	Operating Costs (Opex)		Substantial contribution criteria		Do-no-significant-harm criteria						Minimum protection measures	Percentage of Taxonomy-aligned Opex in 2023	Category (eligible activity)	Category (transition activity)
		Absolute Opex in 2023	Percentage of Opex in 2023	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine	Circular economy	Pollution	Biodiversity and ecosystems				
		EUR thousand	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No				
A. Taxonomy-eligible activities:															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%										0 %		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Acquisition and ownership of buildings	L68	140	0,3%												
Provision of air transport ground handling services	H52	89	0,2%												
Road and motorway maintenance	F42	2,079	5%												
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,308	5%												
TOTAL: A.1 + A.2		2,308	5%												
B. Taxonomy-non-eligible activities															
Opex of Taxonomy eligible activities (B)		41,516	95%												
TOTAL: A + B		43,824	100%												



ENVIRONMENTAL

15.3. ENVIRONMENTAL

Lithuanian Airports are strategically important infrastructure; therefore, we strictly adhere to environmental requirements established by the legislation of the Republic of Lithuania, the European Union, as well as international standards applicable to our industry. In developing our operations, we aim to identify and manage the company's environmental impact, foster a culture of corporate responsibility, and strategically pursue NET ZERO goals.

Our core document for environmental impact management is the internal Environmental Strategy for 2018–2028, which is aligned with the globally recognized Airport Council International (ACI) Sustainability Strategy. Our Environmental Strategy addresses five environmental focus areas of the "balanced business model" outlined in the ACI Sustainability Strategy: climate change, resources, water, transportation, and biodiversity. Since 2019, we have been monitoring and disclosing environmental indicators in our sustainability reports in accordance with ACI Sustainability Strategy metrics.

Environmental protection is a broad field encompassing many aspects of airport operations; therefore, Lithuanian Airports monitor a wide range of indicators. The main indicators are presented in the table, followed by those aligned with the GRI (Global Reporting Initiative) standards in this section.

TABLE 32. Environmental indicators

LTOU environmental KPIs (aligned with ACI Sustainability Strategy KPIs)	VNO				KUN				PLQ			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
CLIMATE CHANGE												
CO ₂ emissions (Scope 1 and Scope 2), t	3,586	2101	1538	1210	1988	1554	1064	838	516	418	310	239
CO ₂ emissions (Scope 1 and Scope 2) per passenger, kg CO ₂ /passenger	1.89	0.5	0.35	0,25	4.1	1.34	0.82	0,6	6	1.5	1	0.63
Green electricity as % of total consumption	100	100	100	100	100	100	100	100	100	100	100	100
RESOURCES (WASTE)												
Waste generation, kg/passenger	0.12	0.072	0.048	0.061	0.58	0.26	0.249	0.2	0.42	0.154	0.113	0.131
Reuse/recycling rate in the total waste stream, %	20.3	21.1	32.68	7.42	3.82	7.67	10.91	13.39	6.33	20.2	24.59	40.7
WATER												
Water consumption, m ³ /passenger	0.019	0.017	0.011	0.013	0.019	0.010	0.012	0.165	0.019	0.009	0.007	0.006

15.3.1. IMPACT ON CLIMATE CHANGE AND ADAPTATION (INCLUDING SUSTAINABLE TRANSPORT)

Emission Reduction

Our goals are aligned with the 2015 Paris Agreement and the 2019 European Green Deal. In 2021, we joined the Net Zero initiative by European airports, under which 324 airports across Europe have committed to achieving net-zero greenhouse gas (GHG) emissions from operations under their control no later than 2050.

Why This Matters to Us

The increasing concentration of greenhouse gases (GHGs) in the atmosphere and the resulting climate change are among the most pressing global challenges of this century. While the aviation sector accounts for just 2% of global GHG emissions—and around 4% in Europe (with airports contributing an even smaller share)—unchecked growth in the sector could lead to a tenfold increase in emissions. Some projections suggest that aviation-related CO₂ emissions may rise by a further 20% before they begin to decline. Furthermore, aviation is one of the most difficult sectors to decarbonize. Implementing some solutions, such as hydrogen- or electric-powered aircraft for long-haul flights, could take decades—making it crucial to act as early as possible.

Our Impact and Ambitions

Climate-impacting emissions are classified into three scopes:

Scope 1 – Direct GHG emissions from airport operations that are under our control.

Scope 2 – Indirect GHG emissions from activities not occurring on-site but influenced by airport operations.

Scope 3 – GHG emissions from our partners' activities, which we do not directly control but can significantly influence—for example, by engaging partners in initiatives such as sustainable aviation fuel use, incorporating environmental obligations into supplier contracts, and other actions.

To ensure sustainable development of the aviation sector while maintaining the global benefits it provides, the Air Transport Action Group (ATAG) has set a goal for all global civil aviation operations to reach net-zero climate impact by 2050. This target is supported by the International Civil Aviation Organization (ICAO) and endorsed by all ICAO member states, including Lithuania. While the majority of aviation-related GHG emissions come from air carriers, airports play a crucial role in the decarbonization process by providing infrastructure adapted to new, sustainable solutions—whether related to sustainable aviation fuel supply, electrification, or other innovations.

Climate change impacts are included in [LTOU's Sustainability Policy](#).



The Strategic Action Plan includes two indicators:

Strategic goal/objectives	Indicator	2023F	2024F	2025P	2026P	2027P
Objective. Improve energy efficiency	Average electricity consumption, kWh per passenger	1.88	1.55	1.48	1.38	1.38
Objective. Reduce the CO ₂ footprint of airports	CO ₂ emissions (Scope 1 and 2), kg per passenger	VNO 0.35 KUN 0.82 PLQ 1	VNO 0,25 KUN 0,6 PLQ 0,63	VNO 0.7 KUN 1.1 PLQ 0.6	VNO 0.6 KUN 1.0 PLQ 0.5	VNO 0.5 KUN 0.9 PLQ 0.4

Indicators not included in the Strategic Action Plan, but still measured:

Goal	Indicator	2023F	2024F	2025P	2026P	2027P
Reducing airports' CO ₂ footprint	CO ₂ emissions (Scope 1 and 2), t	VNO 1,538 KUN 1,064 PLQ 310	VNO 1,210 KUN 838 PLQ 239	VNO 1,022 KUN 684 PLQ 268	VNO 420 KUN 543 PLQ 232	VNO 359 KUN 413 PLQ 199

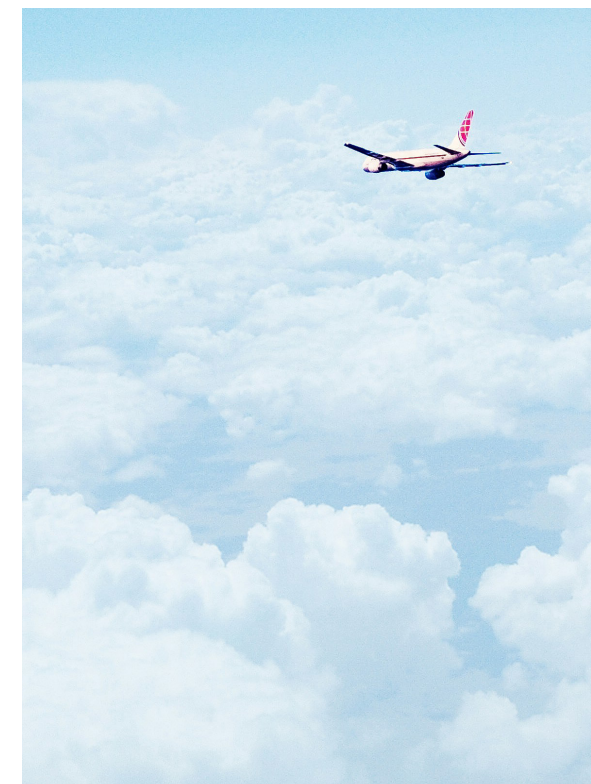


CHART 20. GHG emissions in Lithuania by economic sector

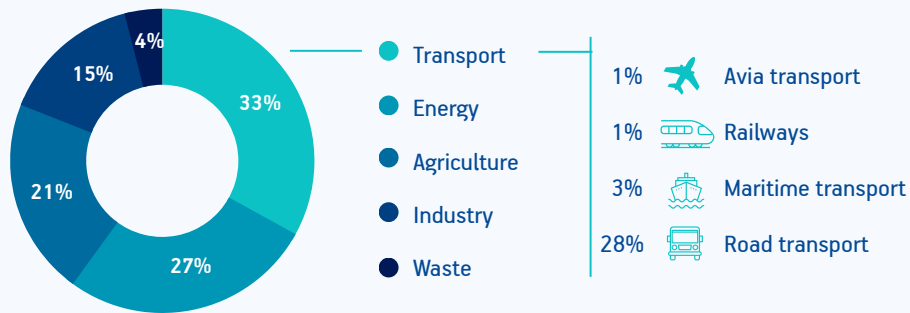


CHART 21. Transport sector's share of GHG emissions



Achievements in 2024

In 2024, the construction of the new departures terminal was completed. During the construction phase, we experienced thermal energy losses and observed higher-than-expected energy consumption, which led to a slower-than-planned reduction in Vilnius Airport's CO₂ footprint.

However, upon completion of the new terminal, we were awarded a BREEAM "Very Good" certification. This ensures enhanced energy efficiency of the building and confirms that all sustainability criteria were duly considered throughout the construction process.

A key contribution of the new terminal to sustainability is the installation of a 500 kW solar power plant on its rooftop. Thanks to bifacial panel technology and the building's white reflective roof, the system is capable of covering up to 30% of the terminal's total energy needs.

BREEAM rating	% score
Outstanding	≥ 85
Excellent	≥ 70
Very good	≥ 55
Good	≥ 45
Pass	≥ 30
Unclassified	< 30

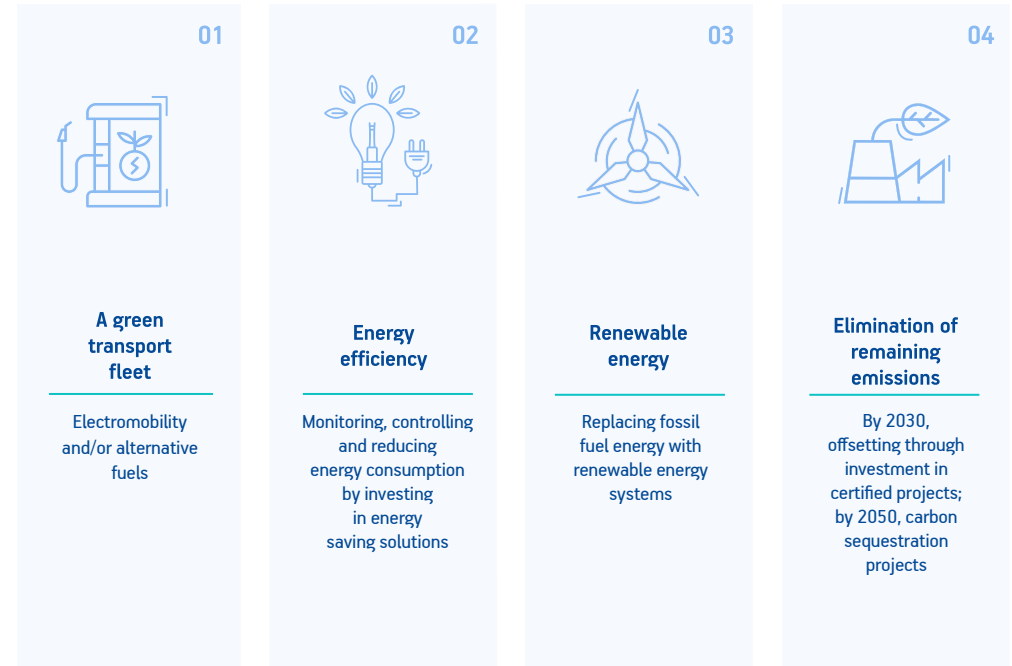
- Management
- Water
- Energy
- Transport
- Health & wellbeing
- Resources
- Resilience
- Land use & ecology
- Pollution
- Materials
- Waste
- Innovation



ACA Programme

The main framework we follow for calculating and reducing GHG emissions is the globally recognized *Airport Carbon Accreditation* (ACA) programme, specifically designed for airports and implemented by Airports Council International (ACI). To meet the requirements of this programme, we submit annual reports and develop CO₂ reduction plans. At least once every two years, our GHG emission calculations are verified by an accredited programme assessor.

CHART 22. The core of the company's Net Zero Strategy



*Strategy adopted in January 2023

GHG Emissions Calculation Methodology

Our carbon footprint calculations follow the ACI methodology and utilize the ACERT (Airport Carbon and Emissions Reporting Tool), both of which are based on the widely accepted *Greenhouse Gas Protocol* (GHG) and guidelines from the *Intergovernmental Panel on Climate Change* (IPCC).

Scope 3 Emissions Include the Following Activities:

1. Aircraft landing and take-off cycle (up to 1,000 m altitude), taxiing, auxiliary power unit (APU) use, servicing, and other related activities.
2. Ground handling operations (e.g., passenger transport within the airfield, de-icing, baggage handling, etc.).
3. Electricity and heat consumption by tenants.
4. Business travel by LTOU employees.
5. Ground transportation to and from the airport.
6. Waste management.

No biogenic Scope 2 emissions (e.g., from biomass combustion) are reported by LTOU. Vilnius Airport (VNO) purchases all thermal energy from centralized heating networks, while Kaunas (KUN) and Palanga (PLQ) airports operate gas-fired boilers. We lack data on biogenic Scope 3 emissions, but most major emitters rely on fossil fuels (aircraft use aviation fuel; ground handling companies use diesel and petrol).

Emission calculations are based on the emission factors (EF) and global warming potential (GWP) values provided in ACERT. The Scope 2 electricity EF source: latest available 2022 data from AIB *European Residual Mixes*. Under the *market-based method*, the emission factor is 0 g CO₂/kWh (100% of purchased electricity is covered by Guarantees of Origin); under the *location-based method*, the EF is 242.1 g CO₂/kWh. For thermal energy, the CO₂ EF was calculated using 2023 data by dividing the total CO₂ emissions from Vilnius city's centralized heating system (reported by APVA) by the total heat supplied (2,843,000 MWh), resulting in an EF of 0.09 kg CO₂/kWh.



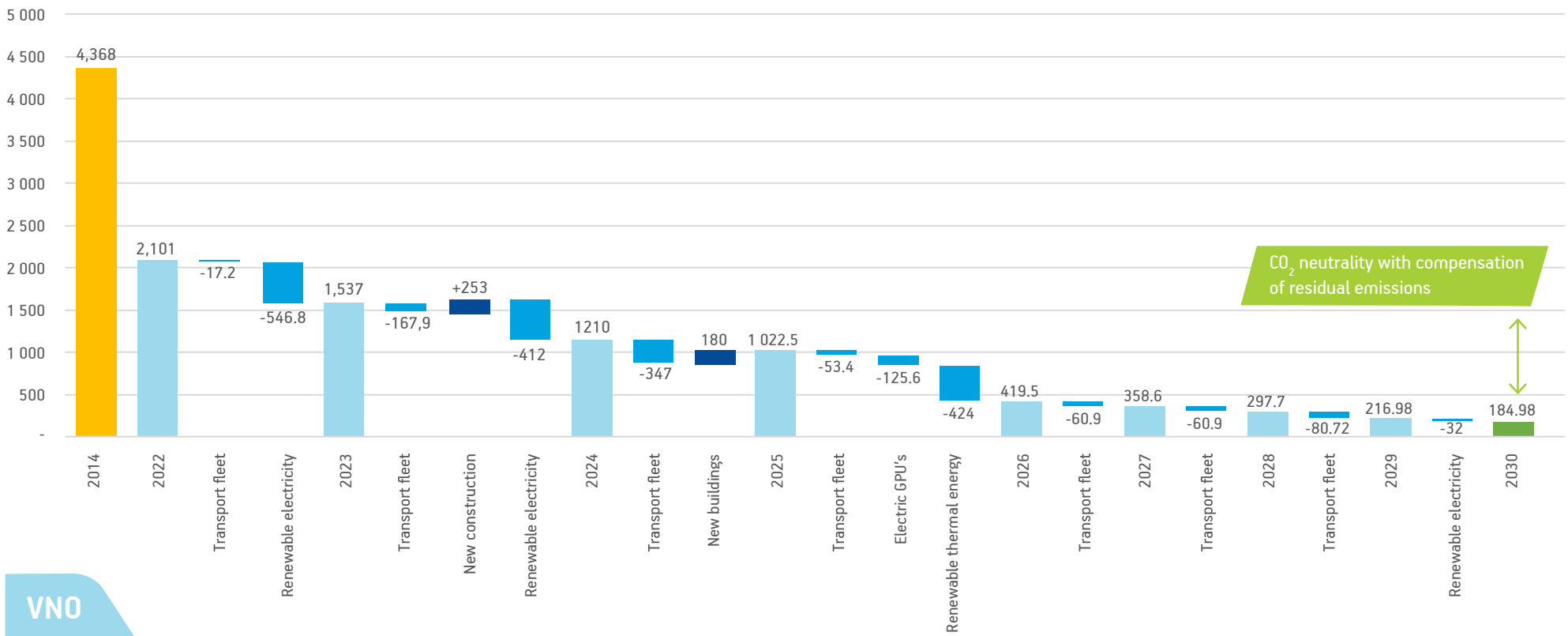
GHG emission reductions achieved since the start of the calculation

To achieve CO₂ neutrality and zero emissions, it is necessary to link emissions to the Paris Agreement. According to these, airports must achieve at least 90% CO₂ reductions, taking 2010 as the starting point, or the first year in which CO₂ emissions were calculated. For VNO, the first CO₂ baseline year was 2014, while for KUN and PLQ, emissions started to be calculated from 2018.

The graphs show the decrease in CO₂ emissions (Scope 1 and Scope 2) for VNO, KUN and PLQ starting from the first base year, and the projected CO₂ reductions after the implementation of the measures foreseen in the NET ZERO Implementation Plan.

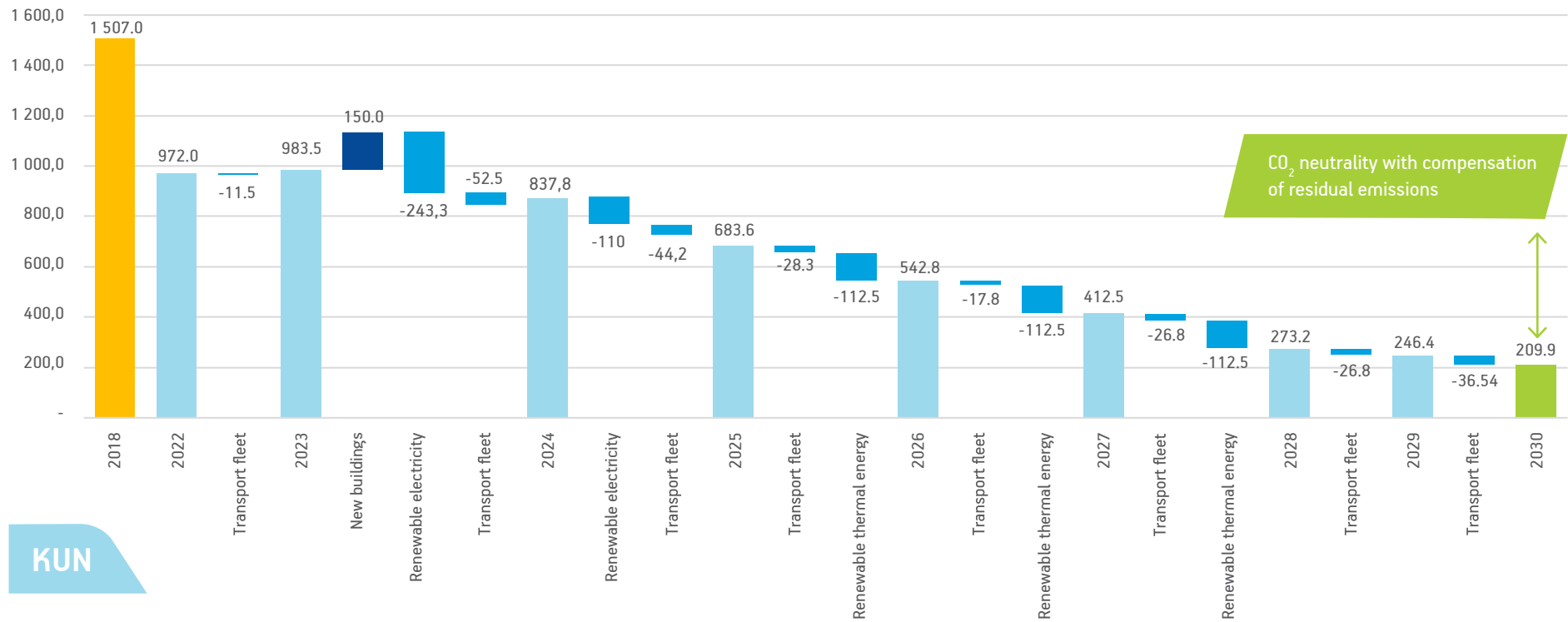
NEUTRALITY AND ZERO EMISSION PLAN

Vilnius Airport will need to offset less than 200 tonnes of CO₂ to achieve neutrality after 2030

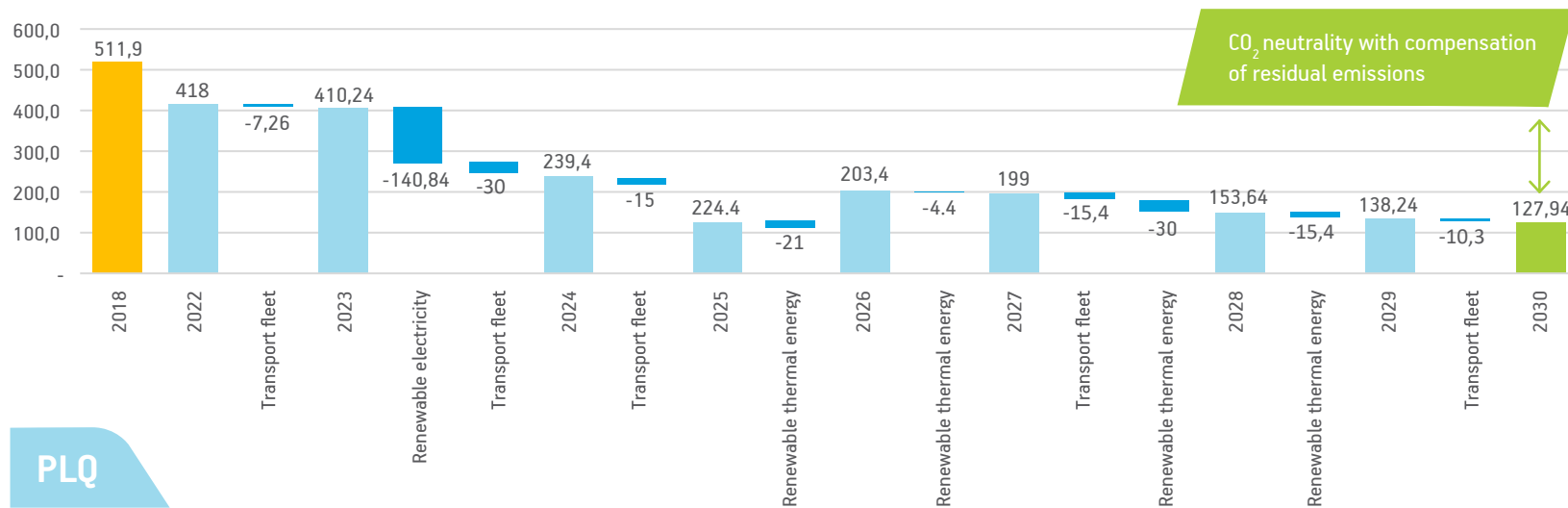


VNO

Kaunas Airport will need to offset about 200 t of CO₂ to achieve neutrality after 2030



Palanga Airport will need to offset less than 200 t of CO₂ to achieve neutrality after 2030



Planned GHG Reduction Measures by 2030

Vehicle Fleet

Passenger cars (categories M1, M2, and N1) are leased for three years. With each lease renewal, we will increase the share of hybrid and electric vehicles, aiming for a fully electric fleet in these categories by 2030. Specialized vehicles and equipment (fire trucks, tractors, snow plows, mowers, etc.) will also be gradually replaced with the most sustainable alternatives available. A new operating lease agreement signed in 2023 is expected to reduce CO₂ emissions by approximately 36 t/year.

Ground Power Units (GPU)

By 2025, 8 diesel-powered mobile GPUs at VNO will be replaced with electric units, reducing emissions by 125 t CO₂ annually.

Renewable Diesel

By 2025, 50% of the fuel used by the vehicle fleet will be renewable diesel, cutting emissions by approximately 323 t CO₂. The share of renewable diesel will be progressively increased until the fleet becomes climate-neutral (fully electric or powered by renewable diesel).

Thermal Energy

Until renewable gas becomes available via the grid, KUN and PLQ will use renewable-sourced gas for heating, verified with Guarantees of Origin.

EV Charging Infrastructure Expansion

By 2025, VNO will install:

- A 1.08 MW charging station for electric passenger buses.
- Five double charging points and five three-phase outlets (0.36 MW total) for specialized airfield vehicles, equipment, and mobile GPUs.
- Four double 0.24 MW charging points for ground handling companies and other partners.

KUN will install a 14-point charging station (1.32 MW total) for electric buses, airfield vehicles, equipment, and partners' cars.

PLQ will install 3 charging stations (each with two 44 kW points) for the same purposes.

Green Electricity

Until we can fully meet LTOU's electricity needs from in-house renewable sources, we will continue purchasing electricity from the grid with certified Guarantees of Origin (100% coverage in 2024 and ongoing).

In-House Renewable Energy Production

Our goal is to cover 100% of LTOU's electricity demand with our own renewable energy. We plan to install photovoltaic panels on unused land at VNO, KUN, and PLQ, as well as on the rooftop of VNO's new T4 terminal. We are also exploring options like building or leasing off-site power plants.

Energy Efficiency

To reduce electricity and heating consumption, we will implement various energy-saving measures: use LED lighting exclusively, install motion sensors in low-use areas, and deploy temperature sensors to optimize climate control.

Sustainable Building Standards

All new buildings will be designed to meet internationally recognized certification standards (e.g., BREEAM, LEED, etc.).

International Projects

HyAirports. This project is led by Hamburg Airport and involves airports from countries around the Baltic Sea (Sweden, Finland, Latvia, Estonia, Lithuania, Poland), as well as companies producing hydrogen fuel and hydrogen-powered aircraft (e.g., PowerCell AB, SIA Gulfstream Oil). The aim is to connect the Baltic Sea region with major aviation hubs and promote sustainable flights by developing a green hydrogen supply chain—from production to fueling aircraft or airport ground equipment.

LTOU's objective in this project is to enhance its readiness for hydrogen fuel deployment, define required infrastructure changes, and explore various use cases. At least two pilot studies are planned - a test of a modified hydrogen-powered snowplough and a demonstration flight of a hydrogen-powered aircraft from Hamburg Airport to one of the participating airports.



15.3.2. WATER MANAGEMENT

Soil and water conservation and wastewater management

The operation of airports inevitably creates various sources of pollution that affect the state of the environment and local water bodies (for example, wastewater generated during processes such as de-icing of the surface and aircraft; and surface wastewater generated from the airfield area during rains). We monitor pollution sources, monitor and control their impact and constantly look for ways to implement measures to reduce the impact. Successful management of this impact helps to achieve strategic goals - reducing GHG emissions and risks related to environmental protection and legal compliance. Cooperation with business partners and tenants operating in our territories also has a considerable influence in this area.

We conduct monitoring of pollutants emitted and/or discharged with wastewater in accordance with the programs coordinated with the Environmental Protection Agency: at KUN and PLQ for surface and at VNO for industrial-communal wastewater. Research results are published on our website. Periodic tests of surface and production wastewater are conducted annually, once a quarter. At PLQ, we monitor the impact on underground water due to oil product storage operated in the territory, and we submit data to the Lithuanian Geological Survey every year. We have been granted pollution permits for our activities, and we pay taxes for pollutants entering the environment every year.

Water consumption

In all airports, we purchase drinking water under contracts from centralised water suppliers: at VNO from the company Vilniaus vandenys, at KUN from the company Giraitės vandenys and at PLQ from the company Palangos vandenys. The wastewater is discharged into the wastewater disposal systems of the same suppliers, through which it enters the treatment plants of the wastewater treatment companies.

At airports, the main consumption of drinking water:

- For domestic purposes (in the activities of trade, service provision and catering companies, business partners and administrative premises).
- For production purposes (washing vehicles, cleaning various technical premises and washing floors).

VNO drinking water is also used by firefighters for exercises, training, and firefighting. At KUN, we have a separate water system for extinguishing fires. Firefighters use water for exercising, training, and extinguishing fires from three fire reservoirs located on the territory of KUN, in which water is supplemented as needed from its own two wells located on the territory. We account for water extracted from wells according to meter readings. We pay taxes for the extraction of natural resources every quarter.

To ensure the reliability of KUN's water supply, a clean water tank with a level II lifting pump station has been built, from which water is supplied to airport users in the event of a water supply failure in the networks of the town of Karmėlava.

In all airports, we perform water accounting according to the readings of water meters installed on our premises. We calculate the amount of domestic wastewater discharged into the sewage network based on the amount of water used in each airport. All suppliers of drinking water ensure the operation of their

water bodies, equipment maintenance and hygiene standards in accordance with the procedure established by legal acts. We do not control the suppliers' activity processes.

The amount of water consumed depends on the number of passengers, business partners operating in our territory and the area of the rented premises and the activities carried out in them. Together with our business partners, we are interested in saving water resources because the amount of taxes for communal services depends on it.

TABLE 34. Water consumption

Water	Measurement units	2024
Drinking water consumption (total):	ML (megalitres)	91.258
VNO		66.182
KUN		20.09
KUN extracted from own wells		2.527
PLQ		2.459



Wastewater management

Wastewater management

Domestic sewage Wastewater generated during the activities of VNO and KUN airports is classified as industrial wastewater due to trade, service provision and catering companies operating in passenger terminals and other buildings. Also, industrial wastewater at VNO and KUN is generated during the cleaning of various premises: at VNO during the washing of airport vehicles in the car wash. At VNO, KUN and PLQ, domestic and/or industrial wastewater is discharged into centralised urban wastewater networks according to contracts.

TABLE 35. Domestic sewage

Wastewater	Measurement units	2024
Domestic sewage (total):		76.565
VNO		56.806
KUN		17.30
PLQ		2.459
Surface stormwater (total):		709.0
VNO		452.1
KUN, of which:		216.28
To a stream of <i>Rykštynė</i>	ML (megalitres)	11.63
To a stream of <i>Žversa</i>		115.35
To a stream of <i>Musinė</i>		89.29
PLQ, of which:		40.62
to the fire-fighting pond through outlet no. 1		5.85
to the fire-fighting pond through outlet no. 3		6.65
to <i>Ošupis</i> stream (flows into the Baltic Sea)		28.12

Note: VNO's breakdown of surface rainwater by receiving water bodies is not provided, as this data is not collected - all wastewater is discharged into surface wastewater tanks belonging to Grinda.

Surface sewage

VNO	The area has a surface wastewater collection system. About 60 ha (19.5%) of the territory is covered with artificial waterproof surfaces (aircraft runway, taxiways, parking lots, service roads and areas, buildings, etc.). The surface wastewater generated on these surfaces is mostly collected by the surface wastewater collection system and is led and discharged through two outfalls belonging to the company Grinda: through the northern outlet - into the centralised city surface wastewater networks, through the southern outlet - into the stream R2.
KUN	The surface wastewater collected from the surfaces of potentially polluted areas is cleaned in its own wastewater treatment facilities and through the eastern, western and northern outlets (No 1, 2, 5, respectively), it is discharged into the surface sewage networks, through which it enters the surface water bodies. Surface is 44.54 ha.
PLQ	Surface wastewater from potentially polluted areas is collected separately and sent to rainwater treatment plants (6 units), where they are cleaned of oil products and suspended substances and released into the natural environment through three outlets (firefighting surface water and wastewater collection pools). Surface is 22.72 ha.

KEY INITIATIVES:

- Following the reconstruction of VNO's northern apron, 2 dedicated aircraft de-icing sites with a special wastewater collection system are in operation. This system allows for the collection of wastewater contaminated by de-icing agents and its transfer to a wastewater treatment plant (recycling plant).
- In 2023, the construction of an automated recycling facility for aircraft de-icing wastewater was completed at VNO. This plant will recover propylene glycol, a material suitable for secondary use. This plant will recover propylene glycol, a material suitable for secondary use. This not only prevents the release of pollutants into soil and water but also helps to conserve resources and implement the principles of the circular economy. The wastewater treatment/recycling plant has been designed to have the capacity to accept future KUN and PLQ surface effluents.
- The expansion of KUN's northern apron was completed at the end of 2024. The reconstruction included the addition of about 4 ha of new pavements, together with a surface water management system. A surface water collection tank (168 m³ capacity) was designed to discharge surface water with elevated glycol concentrations during the aircraft de-icing in winter season, thus preventing potential waste water pollution. As a result, the pollution permit and monitoring programme for KUN were updated and agreed with the Environmental Protection Agency.

15.3.3. WASTE MANAGEMENT

Promotion of the circular economy

Moving towards a circular economy that aims to minimise waste through reuse and repair, recycling, sustainable consumption and new business models is one of the goals of the European Green Deal. The stricter requirements for waste recycling and landfill reduction are closely linked to the EU's main ambition to become a climate-neutral continent. In our activities, we undertake to contribute to these goals and in the long term reduce the amount of waste entering landfills, improve waste management and sorting practices and increase the share of reused and recycled waste in the overall waste stream, including our partners and suppliers in these processes. In the future, we will also consider alternatives to energy production from waste. In the future, we will also consider alternatives to energy production from waste. Waste prevention and reuse can help us reduce costs and our GHG emissions footprint.

In 2024, a waste generation survey of PLQ's partners/tenants of VNO, KUN and PLQ to identify waste streams and waste volumes. The results of this analysis will be relevant for the

preparation of a **Waste Management Strategy**, which will aim to identify priority areas for the development of waste management activities based on the efficient and cost-effective implementation of waste management processes, taking into account the principles of the circular economy. During the preparation of the Waste Strategy, we plan to carry out a detailed analysis of the current situation, to identify indicators to measure progress in waste management, to set specific goals and targets and to develop an action plan.

Today, the topic of waste management is part of the main strategy of LTOU, included in our Strategy 2030, Net Zero Strategy 2023–2050, Environmental Strategy 2018–2028 and Strategic Action Plan 2024–2027. Since 2015, the topic of waste has been included in the Environmental Policy of LTOU. When organising waste accounting, sorting and handing over to waste handlers and other procedures, we follow the Waste Management procedure and procedure descriptions approved internally by the Company. Sustainability reports provide annual key waste management indicators.

Waste generation and associated impacts

Airport operations generate many different types of waste, such as municipal, industrial, international and other waste (see table). The generated waste types and flows are related not only to our activities but also to the activities of our business partners and companies providing aviation and non-aviation services and goods. Some of the generated waste has special, stricter requirements (for example, quarantine waste generated in terminals serving international flights), the handling of which is organised by our business partners.



TABLE 37. Waste, origin and cleaning

Types of waste	Contents	Sources of waste	Party organising waste management
Municipal waste	Items used and discarded daily: aluminium and steel cans, glass bottles and containers, plastic bottles and containers, plastic packaging and bags, paper products and cardboard, etc.	Terminal waste — from public spaces and airport administrative offices; tenants' waste - from terminal retail trade, etc.; cargo waste - from loading operations; airline waste - from aeroplanes and airline offices.	LTOU
Construction and demolition waste	Concrete, wood, metals, soil, brick and masonry residues, asphalt concrete, mixed construction waste, insulating material, plasterboard, plastic, pipe waste, etc.	Earthworks, excavation, reconstruction, renovation and demolition works	Part of the management of this waste is organised by companies performing contract work, part by LTOU.
Biodegradable waste	Uneaten food or food waste	Food waste from terminals	Part of this waste management is organised by catering establishments operating in passenger terminals, part by LTOU
Airport environmental maintenance waste	Green waste - trees, bushes, grass clippings, leaves and similar vegetation. In LTOU this waste can be classified as municipal waste	It is formed by taking care of the landscape	LTOU
Hazardous and industrial waste	Oils, solvents and other chemical activity waste	Washing and cleaning of aircraft and ground vehicles, refuelling, maintenance and repair of aircraft and maintenance of ground vehicles	Part of this waste management is organised by aircraft maintenance companies, part by LTOU
Aircraft cabin waste	Cabin kitchen waste: waste and food carts and bags, tools, and food waste	From aircraft cabins, after passenger flights	Airlines
International waste	This is waste originating from countries with different requirements, policies and regulations. Such waste can cause plant pests, diseases and more	During international flights and in terminals serving international flights	Managed by operating partners: aircraft servicing or cargo transportation companies
Toilet waste	Contains chemicals and possible pathogenic microorganisms that may pose a risk to the environment and human health	From public spaces and airport administrative offices	The management of this waste is organised by aircraft maintenance companies.

TABLE 38. Waste generation 2024

Generating waste	2024		
	VNO	KUN	PLQ
Generated waste (total, tons), of which:	294.941	285.768	49.877
Municipal waste	270.02	223.473	15.0
Construction and demolition wastes	0	8.251	0
Organic waste	0.004	0	0
Non-hazardous and hazardous packaging waste	14.002	3.24	3.154
Waste electrical and electronic equipment, batteries and accumulators	2.863	0.238	4.311
Industrial hazardous and non-hazardous waste	2.732	50.566	23.915
Bulky waste (furniture, etc.)	5.32	0	3.497
Waste for which special requirements apply	0	0	0

Note: Waste generated from LTOU activities is accounted for through the GPAIS platform, in accordance with the Law on Waste Management of the Republic of Lithuania No VIII-787, Waste Management Rules No 217 and Waste Generation and Management Accounting and Reporting Rules No D1-367.

WASTE MANAGEMENT

The waste flows generated in the activities of LTOU are managed and processed in compliance with EU and national waste management legislation. When managing waste, we rely on recommendations and good practices drawn up by international organisations specifically for the airport sector. The waste generated in the activities of LTOU is sorted at the place of its generation, accounted for in the GPAIS system and, according to contracts, transferred to waste managers who have the right to manage it. We periodically perform controls of waste accounting and environmental internal audits of airport departments.

KEY INITIATIVES

Recycling. Paper, plastic and household waste sorting containers are placed in passenger terminals, their access points and administrative buildings, encouraging passengers and employees to sort waste. According to the contracts, LTOU tenants are obliged to collect and sort the waste generated during the activities carried out in the premises.

REDUCTION OF PLASTIC CONTAINERS AND PACKAGING

We implement various initiatives aimed at reducing the use of single-use plastic: free drinking water stations have been installed at Vilnius Airport and only glass containers are used in the VIP terminal and the Business Club. Companies operating at the airport must aim to reduce single-use plastic products in their operations. Takeaway bags must be reusable or paper. In the future, we plan to expand this initiative and encourage LTOU activity partners to choose products and packaging of sustainable origin.

REDUCING THE WASTAGE OF FOOD AND HYGIENE PRODUCTS

At Vilnius Airport, due to aviation safety standards, the items left by travellers from confiscation of hand luggage are not thrown away but are selected and handed over to needy people through the organisation Maisto bankas. We are currently looking for solutions regarding the transfer of other abandoned items found at the airport to Maisto bankas or other charitable organisations.

TABLE 39. Products transferred to Maisto bankas

	Measurement units	2017	2018	2019	2020	2021	2022	2023	2024
Hygiene products, drinks or other items left at the airport that were handed over to Maisto bankas	kg	7,245.66	8,187.37	5,411.96	1,834.06	2,995.7	6,575.4	1,065.95	9,868.1

Note: Data provided by Maisto bankas.

TABLE 40. Reused and recycled waste

Reused and recycled waste	2024		
	VNO	KUN	PLQ
Recyclable waste in the total waste stream, tons (%)	21.89 (7.42%)	38.27 (13.39%)	20.235 (40.57%)
Hazardous waste not disposed of in landfill, tons	2.2	46.23	20.35
Non-hazardous waste not disposed of in a landfill, tons	283.86	219.9	22.63

Note: We separate the part of waste suitable for recycling and secondary use and the amount of hazardous waste only in our generated waste stream. After transferring the waste to the waste handlers, we do not control the waste processing processes and do not collect data, so we cannot guarantee that all or part of the waste will be recycled or used for energy extraction after processing by the handlers. We plan to carry out a detailed analysis of the waste management process during supplier inspections during the preparation of the LTOU's Waste Management Strategy.

15.3.4. BIODIVERSITY AND TERRITORY PLANNING

In 2023, Double Materiality Assessment found that biodiversity and spatial planning are important topics for our company, but they are not yet a priority and we do not have any specific targets for them at the moment.

In 2024, a new Airside Manual (description of procedures) was approved, with additional and revised measures for the wildlife control at airside.

It is important to note that no Lithuanian airport operates in or near biodiversity-protected areas (reserves).



ANIMAL RISK REDUCTION PLAN

The current focus is on ensuring flight safety and reducing collisions with wildlife and birds. We have a number of measures in place to achieve this. Measures used at an airside to reduce the wildlife and birds risks to flight safety are divided into passive and active measures.

Active:

- Sound cannons for bird scaring are controlled by remote control.
- Audio equipment for bird alarm calls.
- Bird and animal scaring sound equipment on cars.
- Patrols.
- Green laser generation device.

Passive:

- Perimeter fencing.
- Making the airside area unattractive to wildlife and birds.
- Protecting household and food waste from wildlife and birds.
- Invertebrate removal from runway, RT and apron surfaces
- Maintenance of drainage systems.

We have put these measures in place based on:

- European Union Regulation 1108/2009.
- Annex 14 of the International Civil Aviation Organisation (ICAO) Convention.
- Airport Handbook (DOC 9137 - AN/898).
- International Bird Strike Committee (IBSC) guidelines for aerodromes.
- The Airports Council International (ACI) Guide to the Management of Animal Hazards at Aerodromes.

Each year we calculate the number of confirmed bird strikes per 1,000 flights (number of strikes/ number of flights per month).

TABLE 41. Collisions with birds

		2022			2023			2024		
		VNO	KUN	PLQ	VNO	KUN	PLQ	VNO	KUN	PLQ
Collisions, total pcs.		13	12	4	9	9	6	9	10	11
Number of collisions. per 1,000 flights	Objective	0.25	0.92	0	0.35	0.97	0.86			
	Fact	0.35	0.98	0.87	0.23	0.61	1.49	0.21	0.9	2.5

Increasing biodiversity

In 2025, we plan to take additional actions to improve the Biodiversity Index beyond reducing the risk of a wildlife strike. One of the planned measures is the installation of beehives on the roofs of the administrative buildings outside the airfield. Thereby we will seek to increase the biodiversity of the surrounding areas. We are consulting the company Miesto Bitininkai on this matter.



15.3.5. AIR QUALITY

Around a third of people living in cities breathe air with pollution levels above EU and national legislation. Pollutants specific to urban environments such as NO_x, PM₁₀ and PM_{2.5} are also associated with airport activities: aircraft and vehicle movements on airfields, the use of ground-based equipment and generators, etc. The European Green Deal states that “air quality in the vicinity of airports should be improved by reducing emissions from aircraft and airport activities”.

To assess and identify measures to improve ambient air pollution, in the summer and winter periods of 2024, we carried out measurements of ambient air pollutants such as NO_x, PM₁₀, PM_{2.5} and black carbon at Vilnius Airport (a busy aerodrome area) (see Fig. 1). The measurement showed that none of the pollutants were present at concentrations at or above the maximum permissible levels for both short (single) and long (daily) periods. The results of the black carbon measurements

showed that the largest part of this pollution is due to transport emissions (89% in summer, and 79% in winter).

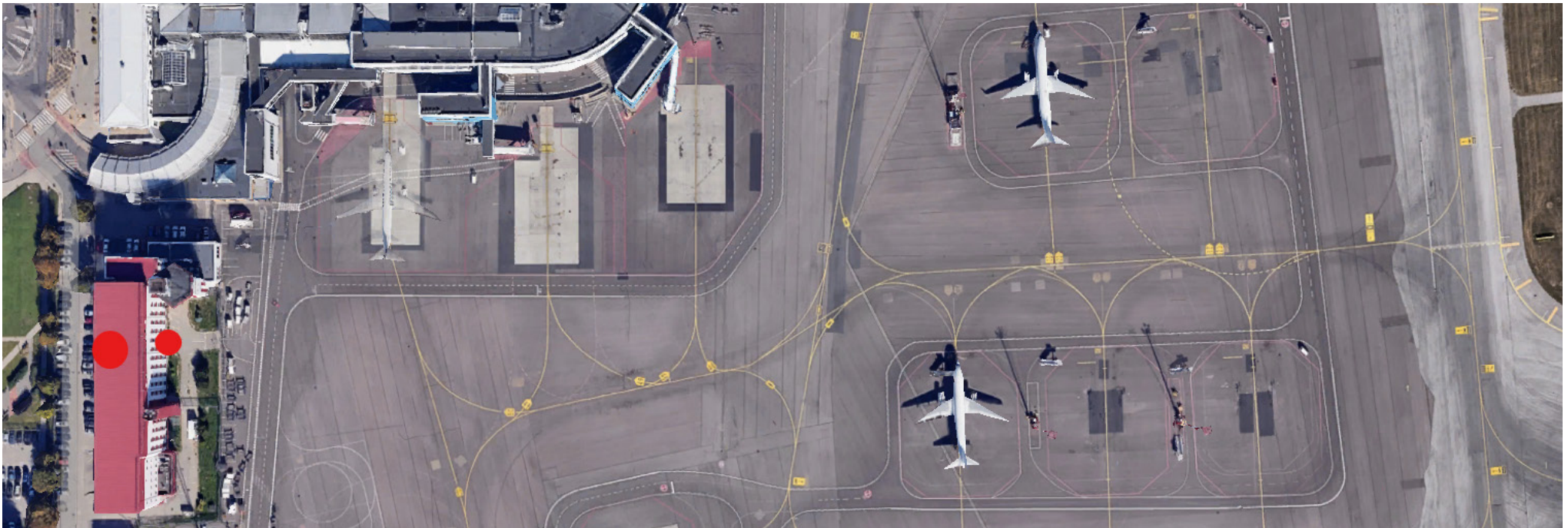
The low concentrations of ambient air pollutants at the aerodrome suggest that in the residential areas adjacent to the airport, ambient air pollution is more likely to be influenced by emissions from car traffic. Nevertheless, LTOU plans to further continue the frequency of ambient air pollutant measurements. In the future, similar

measurement sessions will also be carried out at Kaunas and Palanga airports to reflect the potential impact of the growing number of flights.

Measures planned to mitigate climate change as described in the Climate Change impacts and Adaptation topic (e.g. phasing out diesel GPUs, electrification of transport, etc.) will also have a positive impact on ambient air pollution in the airport environment.

Aviation safety, like security, is a fundamental

Fig. 1. Place of air sampling at VNO (54.64182924285524, 25.280042639077653), defined by a red circle (near the eastern wall of the premises of AB Oro navigacija).





SOCIAL

15.4. SOCIAL



15.4.1. FLIGHT SAFETY AND AVIATION SECURITY (AND PERSONAL DATA PROTECTION)

condition for the success of our operations. The Company implements a safety policy approved by the Supervisory Authority (TKA) and an Internal Aviation Security Program prepared based on the requirements of the International Civil Aviation Organization (ICAO). The program includes actions and measures for the development and nurturing of a safety culture. All partners of LTOU's aviation activities are also involved in ensuring safety and security.

By improving security procedures and strengthening cyber security at airports, we constantly implement new technological solutions, cooperate and share good practices with responsible state institutions. In order to make safety even more clearly perceived among employees as part of the organisational culture, we plan to pay more attention to it in internal communication.

Safety

At airports, we must ensure the highest level of safety in all flight and ground operations: to prevent dangerous situations from arising and to eliminate the possibility of accidents and incidents. Safety management at LTOU complies with the requirements of the European Aviation Safety Agency (EASA). All airports are subject to a Safety Management System (SMS) approved by Competent Authority of which the Safety Policy is a component. The **Policy defines that safety is the Company's highest priority** over any commercial, operational, environmental or social interest.

All LTOU aviation partners are subject to the same regulations (based on the scope of their activities), safety requirements and the same principles of the safety management system, in order to ensure the continuous improvement of the level of safety and the efficiency of the system.

Strategic safety objective

Although 2024 was characterised by increasing flight activity, a large amount of change management (VNO's T4 reconstruction phases, KUN's north apron expansion, etc.), the total Level of Safety Performance (LoSP) at all three airfields reached 85.24%.

Atypical wildlife activity (SPI 7 and SPI 21) and airfield traffic incidents had a significant impact on the indicator. All reported incidents were subject to safety investigations with corresponding conclusions for safety improvement. These areas will continue to receive additional attention in 2025.

Control of airfield safety compliance with applicable EASA requirements is ensured through inspections of airfield operations and operational partners. 76 safety compliance inspections were carried out in 2024 and 109 inspections are scheduled for 2025.

The safety management systems, the established methodology for monitoring safety performance, the Safety Performance Targets (SPT) and the Safety Performance Indicators (SPI) in the daily operations allow for the rapid identification of operational activities with increasing risks related to flight safety or ground operations and for their timely management through the identification of risk mitigation measures.

In all three airports, the LoSP consists of a set of 27 different activities and the associated risk indicators (e.g. SPI03 - runway incursions per 1,000 flights) and the combined average of all three airports are included in the strategic plan of LTOU.

In order to ensure safety improvement, the indicator value is set at a relevant higher level for each calendar year compared to the previous calendar year, resulting in a target LoSP of 89.17% for 2025.

Safety Policy

The Safety Policy clearly defines aviation safety as the company's highest priority over any commercial, operational, environmental or social interest. It aims to:

- Maintain an acceptable level of safety and, where possible, improve it in all areas of aerodrome operations.
- Reduce the possibility of any accidents, occurrences or incidents as far as reasonably practicable.

This policy is periodically reviewed to ensure its relevance and appropriateness.

Safety risk management process

We consider the Safety Management System to be based on a safety risk management process that proactively identifies potential flight safety hazards and associated risks, which allows for the timely identification of risk mitigation measures and ways to manage them. This process is often not possible to carry out alone, due to the need for different competencies and knowledge, and therefore, safety teams are formed from the Company's individual departments and partners operating at the aerodromes (air navigation services and ground handling service providers, representatives of air carriers, maintenance organisations, etc.).

Each aerodrome has its own safety committee, whose main task is to proactively manage the risks identified in the aerodrome's operational activities. The Safety Committee and the involvement of its members create the opportunity to hear and value the comments, opinions and suggestions of all the employees who are confronted on a daily basis with already identified and new hazards in the course of performing their roles in the dynamic environment of aerodrome operations.

In order to ensure the fastest possible continuous improvement in the identification and management of risks, a process of digitisation of the entire safety management system was launched in 2024, which will ensure faster feedback to reporting providers, allow more efficient systematisation and processing of identified threats, speed up the dissemination of information and more.

National and cyber security

Ensuring business continuity and resilience is one of the strategic directions of the Company's Strategy by 2028. Key initiatives in this area include strengthening cybersecurity, enhancing the resilience of physical and digital infrastructure and playing an active role in national security.

LTOU is a Category 1 national security company, providing services of critical importance and managing infrastructure of strategic importance for national security. National legislation provides the basis for the Company's internal regulations and processes, detailing our operational procedures, risk identification and management processes, etc. As a Category 1 national security company, the Company has also developed and agreed with the competent authorities on a security plan, which includes measures for physical, cyber, personnel security, information confidentiality, etc. The security plan, of an undertaking of national security importance, shall also identify the assets that are important for the protection of national security in the context of important activities.

Topic management

The management of national security issues is described in the description of the processes for the management of transactions, destruction of assets and compliance of persons with the criteria of national security interests and prevention of corruption, which has been prepared in accordance with the Law on the Protection of Objects Critical to National Security of the Republic of Lithuania, and with the other legal acts, on the basis of which the screening of persons, investors and transactions is carried out.

In recent years, the Company has focused on counterparty due diligence process and implementation of international sanctions:

- Developed the [Description Of International Sanctions Implementation](#).
- Developed a screening process for Business Partners and implemented a Know Your Customer (KYC) procedure to ensure that the Company's Business Partners are not subject to international and national sanctions and that the Business Partner does not pose risks to national security or reputational risks. The Business Partner screening procedure covers all the areas of activities before the conclusion and renewal of contracts, as well as periodic screening procedures for existing Business Partners are also provided.

In ensuring cyber security and information security, we are guided by the Law on Cyber Security of the Republic of Lithuania and the legal acts detailing it, as well as by the Company's internal documents on information safety and cybersecurity. We apply good cyber security practices in our activities, continuously improve and implement additional security measures, communicate regularly on these issues and encourage a responsible attitude from employees towards information security and cyber security. Periodically, both internal and external inspections and compliance and risk assessments are carried out in the area of cyber security by controlling authorities. We manage identified risks and implement recommendations by improving measures applied, internal procedures and legislation and continuously introducing new best practices.

In 2024, to further strengthen cybersecurity, new security information and incident monitoring and management solutions were launched to further improve the detection, analysis and response to cyber-incidents.

In 2024, we continued our cooperation with the relevant government authorities and participated in the Cyber Shield 2024 cyber security exercise.



KIBERNETINIS SKYDAS PHISHEX 2024

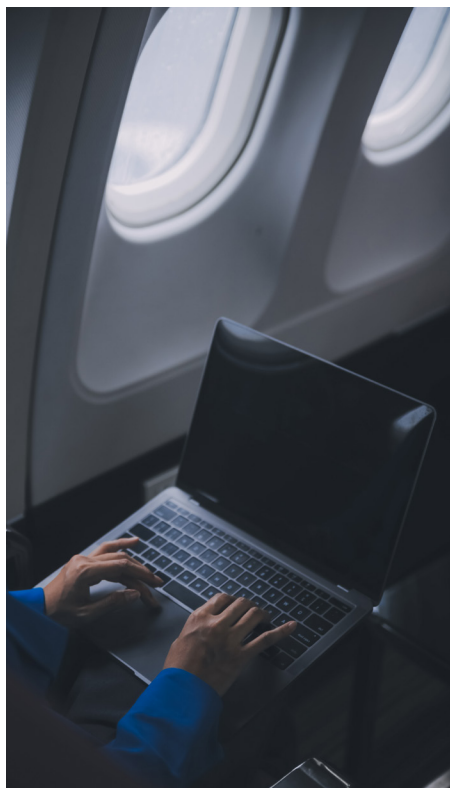
To strengthen employee vigilance and ability to identify cyber threats, LTOU participated in three PhishEx exercises. In addition, to enhance the ability of its employees to detect, investigate and prevent cyber-incidents, LTOU joined an OpEx exercise to simulate real-time cyber-incidents to test the effectiveness of the response to threats. In addition, our cyber security officer also participated in the NATO cyber defence exercise Locked Shields 2024, and thus contributed to international capacity building by protecting strategic information technology systems from sophisticated cyber-attacks.

LTOU CYBER

The LTOU has a cyber incident management and response team – LTOU CYBER.

This group consists of specialists from different structural units with diverse experience in different areas of the company's activities (IT support, IT development, application of national and foreign law, corruption/crime prevention, cyber security/resilience, etc.).

The objective of the team is to adequately, efficiently and seamlessly manage cyber-incidents and ensure disaster recovery.



GRI 418-1

Personal data protection

Every year, AB Lietuvos oro uostai, operating the main international airports in Lithuania, is increasingly stands out with the growing number of passengers. The year 2024 was no exception, as the passenger traffic from a quantitative perspective reached record levels. More than 6.5 million passengers were handled at the country's largest airports, representing a significant increase in the company's air traffic compared to previous periods. With the growth in passenger traffic, the expansion of the company's operations, the increasing scope of partnerships, the diversity of technologies deployed, and the active globalisation/digitalisation processes, there is a growing need for solutions that are based on data of different type, nature and content. In the context of these developments, the importance of the Company's multi-dimensional personal data processing and protection activities is taking even greater priority, with more attention/resources being devoted to these processes and incorporating them into the Company's future development plans.

AB Lietuvos oro uostai has for some time been committed to high privacy, personal data processing and protection standards to enable organisational units to properly manage and protect the data of their colleagues, passengers, customers, partners, service providers and other natural persons involved in international airport operations. In our activities, we adhere to high performance standards to ensure the Company's personal data processing or personal data protection processes' compliance with the provisions of both the General Data Protection Regulation and the Law on Legal Protection of Personal Data of the Republic of Lithuania. The implementation of these stan-

dards in practice is usually manifested through our organisational and technological solutions that are consistent with the level of potential/emerging risks in our personal data processing operations. Nevertheless, the Company's main objectives go beyond compliance with the applicable legislation, and include other equally important strategic objectives such as the Good Governance Index A+ and maintaining a high level of employee engagement.

Internal data management

AB Lietuvos oro uostai is confident that its procedures and practices for the processing or protection of personal data and the application of those procedures must be based on respect for fundamental rights or freedoms of natural persons, in particular those most closely linked to ensuring privacy and personal data processing/protection (e.g. the right to private and family life, freedom of thought, conscience and religion, the right to the protection of personal data, etc.). In this context, the components of the Personal Data Protection Policy are presented in a free and understandable form to all data subjects concerned, but through different tools, thus ensuring increased awareness of the substance, purposes, nature, scope and content of the processing of personal data among these persons. The said information is available to external data subjects (passengers, customers, partners or employees of partners, visitors to airport premises/areas and other persons outside the organisation's activity) through a publicly available and specially adapted **Privacy Notice**. This condensed summary of the key components of the Company's Personal Data Protection Policy enables external data subjects to effectively exercise their data subject rights and their interests

as the owner of the processed data. Additional measures are used to inform internal data subjects, including access to relevant internal regulations, processes, procedures, guidelines or recommendations.

During 2024, we received 6 different general enquiries from natural persons (passengers, partners, employees, etc.) that may have been related to the personal data management or the exercise of the data subject's rights, but further detailed communication did not justify the need.

We believe that adequate privacy protection is of importance to every data subject and we are committed to continuously improving our internal procedures, processes and practices, as and when the need arises, to ensure ethical, responsible, fair and secure personal data processing. The organisation's Personal Data Protection Policy and Privacy Notice are reviewed and updated at least once a year.



Data protection initiatives and audits

Taking into account the personal data breaches that occurred last year, their management challenges and the assessments of breach handling smoothness, it was decided to implement a methodology for personal data breach severity measurement within the organisation in 2024. The set of detailed instructions, memos and other methodological materials included the methodology, which allows each employee to accurately identify the nature, severity, and complexity of a personal data breach and to assign a qualitative assessment to the breach, which will help to appropriately select a follow-up action plan in cooperation with the stakeholders, supervisory authorities or affected data subjects. The methodology is based on best practice in this area applied by the European Data Protection Board and the European Union Agency for Cybersecurity. Once all processes were formalised, the methodology and the smooth functioning of its components were tested through a specialised exercise where employees assessed various hypothetical personal data breach scenarios.

Among other things, as part of the periodic compliance monitoring, routine due-diligence GDPR compliance checks/audits were conducted within the Company. These systematic actions aimed to identify:

- The level of formalisation of the personal data processing relationships and the efficiency of the organisational units involved, by identifying the need for personal data processing contracts, based on an analysis of the roles of the actors involved in the processing.
- The level of compliance of the information technology systems managed, used or administered by the Company with the GDPR's fundamental requirements, and their general state in the context of personal data processing, protection and privacy.

The main findings of these activities, including formalised conclusions and summary thereof, were presented to all stakeholders of the Company. This is done to develop a comprehensive compliance culture within the organisation, to strengthen our organisation's resilience to external threats and to manage potential risks. In 2024, two reports of two personal data breaches were received through internal and external channels, but the initial investigations established the existence of only one breach. We have not received any complaints or breach notifications related to our activities from the State Data Protection Inspectorate.

Educational activities and awareness-raising

The Company continuously improves its employee training programmes and awareness initiatives to cultivate proper employee attitude towards data security. This year, we have made significant changes in our GDPR training programme to make training more transparent, accessible and effective. The new training programme was extensively reshaped to ensure better accessibility and assimilation of essential information on the personal data processing and protection by all employees of the organisation, regardless of their existing knowledge or competences in this area. The newly developed GDPR training, which varies in scope and content (special and general) and is applicable to different groups of employees according to their job functions, was delivered in an interactive digital format on the "ASmokymai" platform managed by the Company, to ensure continual improvement in knowledge and good conduct among employees.

Despite these changes, AB Lietuvos oro uostai is mindful of its continuing commitment to provide annual specialised training to its employees on a range of topics related to the natural persons' privacy enforcement. In 2024, the following additional training was organised:

- Training the standardised and specialised personal data protection (common for all employees).
- Training on personal data breach severity level (common for all employees).

During the new GDPR training, 450 employees updated their knowledge on personal data processing and protection, which is 62% of the total number of the Company's employees. The total number of participants in the training in 2024 was around 600 employees.

The development of good personal data processing/protection practices, the extension of information tools (guidelines, memos, recommendations, methodologies, etc.) or other available training material, always involved a timely communication of the initiatives to the Company's employees via the Company's internal network (intranet).

Innovation and next steps

AB Lietuvos oro uostai will sustain the commitment to continuous improvement of its personal data processing/protection processes, and will conduct regular training, research, implementation of new protection measures and ongoing GDPR compliance monitoring to ensure the highest level of compliance and security for all stakeholders. We will also strive to ensure that our employees continuously develop their skills in this area and are ready to respond to new threats and challenges.



15.4.2. SAFETY OF AIRPORT WORKERS

Safe working conditions for employees are one of the priorities for successful airport operations. Due to the specific nature of airport operations, LTOU carries out a wide range of work involving a higher-than-normal risk of injury or adverse health effects, including driving special snow clearance vehicles, driving fire-fighting vehicles, fire-fighting and rescue work, work in abnormal weather conditions, work in other conditions that are harmful to health (noise, vibration, temperature of the air and the working environment), work at height.

To ensure a safe working environment for our employees, we comply with our legal and regulatory obligations, implement additional measures and provide a range of additional benefits, such as:

- Occupational risk assessment
- Health checks
- A wide range of preventive measures
- Safe working instructions
- Mandatory safety briefings
- Supplementary health insurance
- Accident insurance
- Additional vaccinations
- Training
- Other

TABLE 42. Number of accidents

	Measurement units	2021	2022	2023	2024
Mild accidents at work	Number of incidents	2	3	0	6
Serious accidents at work	Number of incidents	0	0	0	0
Accidents on the way to and from work	Number of incidents	0	0	1	2
Number of minor accidents (injuries) per million hours worked	Indicator	2.3	3.12	0	4.7

Note: The total recordable injury rate per million hours worked is calculated according to the GRI 403-9 formula.





In 2024, the following major achievements were made in the area of occupational safety and health:

- We carried out occupational risk assessments at Kaunas and Palanga airports at all workplaces, assessing all possible factors (physical, chemical, biological, ergonomic, and physical) at specific workplaces. On the basis of this assessment, it was found that the risks at the workplaces were acceptable and safe for the employees.
- Digitised tracking of the issue of personal protective equipment and health check schedules in self-service and its simplified management.
- Digitised initial process for occupational safety and health briefing. The transition from paper to digital logbooks has improved the quality of briefings and equipping employees with more knowledge.
- The process of cooperating with partners has been initiated. Cooperation with partners operating at the Company's site has been initiated. This will enable to identify additional risks and help prevent occupational safety and health incidents and accidents, creating a safe working environment for all persons at the Company's sites, not just its employees.
- Health checks are available through the "E.sveikata" portal. Employees are provided with the possibility to quickly and easily undergo a health check by using "E.sveikata" portal functionalities. This solution also helps to reduce paper usage and makes the process more efficient.
- A memo for partners on the occupational safety and health compliance at the Company's site. A leaflet has been drawn up for partners with information on the occupational safety and health requirements that must be observed at the Company's site. This memo is an additional measure with legal references, highlighting the Company's focus on a safe working environment and its aim to prevent all breaches of occupational safety and health requirements and accidents.

As of 2025, we intend to focus on the health and safety of our employees and partners, modernising our processes and transferring them to cyberspace.

- To carry out a psychosocial risk assessment, using a questionnaire tailored to the specific character of the work of airport departments and units, reflecting the problems and difficulties encountered by employees.
- To continue the modernisation and digitisation of self-service platform for issuing personal protection equipment.
- To set up a page for occupational safety and health with relevant information, memos and the ability to report occupational safety and health incidents and violations.
- In cooperation with employees, a health risk was re-assessed and relevant health check factors were developed. These factors are planned to be included in the updated documentation, thus increasing the efficiency of the employee health check process.
- To continue the process of digitisation of briefings, by transitioning from paper to digital logbooks. This solution will lead to a better risk management, process efficiency through the Company's internal system and increased quality of briefings by reviewing and updating their material.
- To continue developing cooperation with partners to improve the efficiency of the process and, where necessary, take additional steps to further strengthen the safe working environment.

15.4.3. EMPLOYEE WELL-BEING

To ensure the efficient operation and development of airports, we focus on building a caring relationship between the employee and the organisation. We continuously improve our remuneration policy and the adaptation process for new employees, develop employees' competencies, encourage and enable career development within the Company and strive for ever-greater employee engagement.

In 2024, our employee management efforts will focus on the following projects, as approved in the 2023-2026 Strategic Action Plan:

- Building conscious leadership.
- Talent management and strengthening competences.
- Enhancing the emotional well-being of employees.

Achievements in 2024:



Since 2023, we have been giving employees the opportunity to work from an EU country (up to one month per year). This contributes to a better work/leisure balance and more flexible working conditions



As many as 6.7% of employees took advantage of internal career opportunities



We organised lively events for our employees: newcomers' days, children's day, summer festivals, professional firefighters' day, informal events for individual teams



We organised additional training and internships (see Talent Management and Competence Building).



In 2024, we updated our Remuneration Policy and Remuneration Payment Regulations

Employee engagement

One of our Company's key strategic indicators to strengthen employee well-being is the Engagement Index, which we have measured annually since 2015 through a survey. The results of the survey help to identify the key expectations of colleagues and highlight areas for improvement.

In 2024, employee engagement stood at 59%, and although it fell short of previous years' record result, engagement remained high. Engagement scores demonstrate some decline, but it is noteworthy that this change did not extend to the management level, where scores even improved. However, it should be noted that there is no single reason for the change, and the results show that different factors are driving engagement in different groups of employees. The labour market also witnessed a year-over-year increase in employees' expectations of working conditions.

This year's survey showed that we should pay more attention to the Remuneration Policy, top management, working conditions and engagement with the work, while it also confirmed that we value work-rest balance, company image, line managers, psychological safety, empowerment and work activities.

TABLE 43. Employee Engagement Index

Year	Target values	Results
2021	60%	60%
2022	65%	67%
2023	65%	62%
2024	67%	59%
2025	69%	n/d
2026	70%	n/d

Loyalty indicator

The Company also measures the Employee Loyalty Score (eNPS), which shows how many employees would recommend it.

In 2024, the highest Employee Loyalty Score (eNPS) was set, which stood at 30%. With an average of 4% in Lithuanian companies and 4% in state-owned companies, our Company scored very high, thus demonstrating a large proportion of employee ambassadors within the organisation.

TABLE 44. Employee Loyalty Indicator (eNPS)

Year	eNPS (Employee Loyalty)
2021	8%
2022	19%
2023	28%
2024	30%

Number of employees and breakdown

As at 31 December 2024, the Company had 736 employees (668 at the end of 2023 and 595 at the end of 2022). The increase in the number of employees compared to 2023 is due to the improvement of the passenger experience and the provision of aviation safety functions in line with existing regulations. The tables below provide a detailed breakdown of employee numbers, recruitment and turnover rates.

TABLE 45. Number of employees by type of contract*

	2023					2024				
	All employees (pcs)	Working on open-ended contracts	Working on fixed-term contracts	Full-time ¹	Part-time	All employees (pcs)	Working on open-ended contracts	Working on fixed-term contracts	Full-time ¹	Part-time
Total number, of which:	668	655	13	652	16	736	724	12	718	18
Women	245	236	10	242	3	279	270	9	274	5
Men	423	419	3	410	13	457	454	3	444	13
VNO	463	452	11	450	13	513	503	10	499	14
KUN	129	127	2	129	0	140	138	2	140	0
PLQ	76	76	0	73	3	83	83	0	79	4

Note: The data presented refers to the number of employees at the end of the reporting periods, i.e. 31 December 31st 2024 and 2023.

¹ Full-time employee is defined as staff working 40 hours per week. Part-time employees work less than 40 hours per week.

TABLE 46. New recruits and employee turnover

	2024			
	Recruitment of new employees		Employee turnover	
	Number of incidents	Change in each category (rate)	Number of incidents	Change in each category (rate)
All employees, of which:	180	24.46%	49	27.22%
Women	74	41.11%	19	25.68%
Men	106	58.89%	20	18.87%
Up to 30 years of age	68	37.78%	19	27.94%
30-50 years of age	89	49.44%	22	24.72%
More than 50 years of age	23	12.78%	8	34.78%
VNO	133	73.89%	36	27.07%
KUN	32	17.78%	10	31.25%
PLQ	15	8.33%	3	20%

Note: the share in each category (rate) is calculated by dividing the number of new recruits/turnover in 2024 by the total number of employees by category.

¹ In 2024, the total voluntary turnover rate was 12.6% (11.01% in 2023). We will aim to keep voluntary employee turnover below 15%.



REMUNERATION

Remuneration Policy

In developing our Remuneration Policy, we aimed to establish transparent and clear principles related to employee remuneration that motivate employees to elevated levels of performance, contribute more actively to the achievement of the Company's goals, and strengthen a culture that values personal and team achievements.

The Company's remuneration system is designed in the light of those principles:

- 1. Internal fairness:** ensuring fair and equitable pay for the same work, taking into account responsibility, competences, and contribution to results.
- 2. External competitiveness:** attracting and retaining employees with the necessary competences to achieve the Company's goals and drive innovative operational improvements, considering the conditions of the Lithuanian labour market. Each year, the Company participates in remuneration surveys and the Employee remuneration is based on the all labour market median.
- 3. Clarity and transparency:** all decisions related to remuneration are made based on clear and objective criteria, which are transparently communicated and known to employees.
- 4. Equal opportunities and non-discrimination:** remuneration decisions are made in accordance with the provisions set out in the Remuneration Policy and the company's Equal Opportunities Policy.

We want our team to be composed of competent and motivated employees, so we strive to ensure not only internal fairness but also external competitiveness in our reward management decisions. We want to attract, motivate and retain the right people with the right skills to deliver our strategic business objectives.

The basis of the Company's remuneration system is the Company's Job Levelling Matrix, which consists of Positions classified and graded according to the nature and value of the job.

For the evaluation and determination of the levels of positions, the Company applies the Korn Ferry Hay Group Guide Chart - ProfileSM Method of Job Evaluation, which is recognised in international practice and widely used in the Lithuanian market. Under the method, the value of positions in the chart is determined by the following criteria:

- 1. Know-How:** set of theoretical and practical knowledge, skills and experience needed for a job. Ability to plan and organise own and/or others' work effectively, communicate effectively and influence others.
- 2. Problem-Solving:** the amount and type of thinking needed for a job, identifying and analysing problems or situations of varying complexity and forming ideas or drawing conclusions.
- 3. Accountability:** individual decision powers and the extent and nature of the impact on the Company or part of it.

The level of the post is the basis for determining the Remuneration Band of the Post. The Post Level and the Remuneration Band are the basis for determining the remuneration of an individual Employee. All decisions on setting and changing remuneration are made on the basis of the employee's Compa-ratio.

Drawing on the results of the Employee Engagement Survey, carried out at the end of 2024, satisfaction with the Company's remuneration is higher than the average for Lithuanian companies and state-owned enterprises.

Information on the remuneration of LTOU employees is available on our website (only in Lithuanian language).



Board remuneration principles

The procedure for the payment of remuneration to the members of the Board is established by the procedure for granting remuneration to the members of the boards of state-owned enterprises and municipal enterprises, approved by the Resolution No 1092 of the Government of Republic of Lithuania of 14 October 2015 (as subsequently amended and supplemented). Members of the Board shall be paid a base monthly remuneration, the amount of which shall be determined by the Company's General Meeting of Shareholders, for the performance of the functions set out for them in

the legislation, the Company's documents and the performance contracts concluded with members of the collegial bodies.

An independent member of the Board shall be paid a fixed monthly remuneration of at least 1/4 of the average monthly remuneration of the Company's CEO, and a civil servant serving as a member of the Board shall be paid a fixed monthly remuneration of at least 1/8 but not more than 1/4 of the average monthly remuneration of the Company's CEO. If an independent member of the Company's Board is elected as

Chair of the Board, the fixed monthly remuneration during the term of office of the Chair of the Board shall be at least 1/3 of the average monthly remuneration of the Company's CEO. The specific amount of the remuneration in euros shall be determined by the Company's General Meeting of Shareholders.

A member of the Board may also be reimbursed for reasonable expenses (including travel/transport, accommodation expenses and business trips to exhibitions, conferences and other events directly related to the Company's

field of activity) incurred in the performance of his/her duties as a member of the Board.

Information on the remuneration of the members of the Board is published on our [website](#).

In 2024, the remuneration policy for Board and Management members was not directly linked to the Company's performance in terms of sustainability.

Principles of remuneration of the CEO and management

The remuneration of the Company's Chief Executive Officer shall be determined by the Board of Directors in accordance with the legislation governing the remuneration of managers of State-owned enterprises. The fringe benefits applicable to all Employees of the Company shall apply to the CEO without exception, and the application of fringe benefits applicable only to targeted groups of Employees to the CEO shall be decided by the Board.

The remuneration of senior executives shall be determined by the Chief Executive Officer of the Company in consultation with the Board of Directors of the Company. Remuneration shall be determined in accordance with uniform principles applicable to all employees of the Company. Specific rewards are determined taking into account the remuneration scale of the position, the experience of the employee, the competences available, internal equity and trends in the labour market.

TABLE 47. Total annual remuneration ratio

Total annual remuneration ratio	Measuring pcs.	2024
Annual remuneration of the highest earner in the organisation compared to the median remuneration of all employees	Ratio	6 : 1
Percentage increase in the annual remuneration of the highest earner in the organisation compared to the increase in the median annual remuneration of all employees		1.4 : 1

Notes: This is the ratio of the highest-paid employee in the organisation earning more than the overall median of the Company's workforce (excluding the highest earner). In 2024, the annual remuneration of the organisation's highest-paid employee increased by 15%, while the median remuneration of all employees was 11%.



TABLE 48. Remuneration ratio between women and men

Average remuneration	2024 m.		
	Average remuneration for women (EUR)	Average remuneration for men (EUR)	Ratio of average remuneration between women and men
Vilnius			
Top-level managers	6,867	8,370	0.8:1
Mid-level managers	4,103	4,930	0.8:1
First-level managers	2,655	2,457	1:1
Specialists	2,863	3,174	0.9:1
Customer service and operational employees	1,721	1,669	1:1
Kaunas			
Mid-level managers	*	*	*
First-level managers	2,140	2,467	0.9:1
Specialists	1,334	2,552	0.5:1
Customer service and operational employees	1,447	1,574	0.9:1
Palanga			
Mid-level managers	*	*	*
First-level managers	2,140	2,140	1:1
Specialists	2,480	2,576	1:1
Customer service and operational employees	1,423	1,588	0.9:1

* Data is not available due to GDPR



TALENT MANAGEMENT AND COMPETENCE BUILDING

Employee development and competence building

LTOU aims to constantly build the competences of its employees, to ensure access to mandatory professional training and to promote employee development.

In 2024, particular emphasis was put on digitising training, managing training data and improving the quality of training to optimise learning processes and ensure increased effectiveness of training. The procedures for organising training are also being updated and new projects are being developed to improve employee learning experiences.

Key projects and initiatives in 2024

A new Professional Qualification Compliance Division was established. Aviation is a dynamic and strictly regulated industry, where high safety and quality standards require continuous employee development. The market is experiencing shortages of professionals with specific competences in aviation security and airfield safety, therefore the organisation is actively investing in employee development and professional growth.

Majority of the professional training in aviation is conducted in-house by qualified in-house

trainers who not only impart essential theoretical knowledge but also share know-how. This ensures adequate employee preparation for real-life work situations and their ability to effectively adapt to the changing needs of the aviation sector.

For this reason, in 2024, the Professional Qualification Compliance Division has been established with the main objective of ensuring compliance of the employee competences with aviation regulations, legal requirements, internal standards of the organisation and adequate professional training of employees.

Mentoring programme. LTOU develops a mentoring programme to share best professional and practical expertise and build employee competences. In the organisation, mentoring is applied in several directions:

- To prepare for CEO succession by helping future CEOs prepare for their new responsibilities.
- To enhance specialist competences by giving employees the possibility to learn from experienced colleagues.
- To adapt aviation safety newcomers, where new employees receive support from more experienced colleagues, ensuring a smooth succession of knowledge and a quicker integration into the working environment.

In 2024, 20 colleagues took part in the mentoring programme, forming 10 mentoring pairs to strengthen the competences of professionals. In addition, 38 employees took part in the Aviation Security Newcomer Adaptation Mentoring Training.

We will continue this initiative in 2025 to further strengthen the competences of our employees, promote knowledge sharing and build a sustainable training culture.

Training digitalisation. In total, we have 23 e.training courses, 9 of which were created in 2024. The new training covered the following topics:

- Threats from hostile intelligence and security services
- Prevention of violence and harassment
- Personal data processing and protection
- Managing employee performance and providing feedback

Digitalisation increases access to training, improves process efficiency, reduces costs and ensures legal compliance. Employees can undertake training at their convenience and from any location, eliminating travel and reducing CO₂ emissions. All training material and tests are managed digitally, reducing paper usage.

Real-time monitoring of training data enables prompt analysis of employees progress and content update in line with the latest legislative and organisational developments.



In 2024, 158 different training sessions took place. 97% of the Company's employees attended the training.



Launching a new training management system. In 2024, a new training management system was launched, with the aim of fully digitising examinations and briefings.

Once the system is implemented:

- All tests will take place electronically, eliminating the need for paper-based post-training tests or briefing logs.
- Training content will be easy to manage: the system will allow to quickly upload training, assign it to employees and automate key processes.
- More effective tracking: the system will provide accurate data on training progress, and will ensure greater accessibility and transparency of learning.

Additionally, the newcomer's training process will be automated:

- Training will be assigned automatically based on the training matrix.
- Development activities are arranged in a logical sequence to ensure a consistent learning path.
- Information on the training progress will be automatically forwarded to HR for remuneration-related changes.
- Managers will be informed when an employee becomes capable of working independently.

This change will not only streamline administrative processes, but will also help the organisation to shift towards a modern, digital and sustainable learning environment, optimising resources and increasing the efficiency of employee development.

A new training classroom is being set up. To improve the learning experience for employees, the set up of a new training classroom in Vilnius started in 2024 to accommodate aviation security, airfield safety, firefighters' and other in-house training by in-house trainers. The new space will provide more comfortable and efficient conditions, with several different training environments, and aviation security personnel will be able to practise on X-ray equipment, low explosive devices, metal detectors, where they will be able to learn new and improve their existing skills.

The training classroom will be designed to accommodate different training needs, both for theoretical courses and practical simulations to help prepare employees for real workplace situations. This training hub will also be used for the competence and qualification assessments, and will have a necessary equipment installed, whereas, in the future, smart, interactive technologies will be introduced.

This class is distinguished by its sustainable approach, as >80% of the inventory is recycled (desks, chairs, computers previously used in the training classroom, security equipment previously used in screening, i.e. X-ray equipment, low explosive detectors, stationary and hand-held metal detectors, etc.). The set up is carried out on a relatively low budget, thus ensuring efficient use of resources.

Management training. Initiatives to strengthen managers' competences, ensuring their professional development and the quality of leadership in the organisation continued in 2024.

- Training for new managers "I'm the new leader" are designed for shift leaders and their deputies. During the training, partici-

pants strengthened their decision-making, team motivation and work organisation skills.

- Hogan Personality Inventory: external consultants conducted a personality assessment of top managers. All 10 managers received individual reports and coaching on their strengths and areas for improvement. CEO received an overall management team analysis with recommendations for strengthening leadership. The assessment results were used to draw up a targeted development plan, which will include individual and group development activities.
- Executive MBA: some managers have started or are continuing their Masters studies, which provide not only theoretical knowledge but also practical skills in strategic management, organisational development and change management. The studies encourage critical thinking, enable experience sharing with leaders from other organisations and implementing knowledge gained in day-to-day activities.

Employee development opportunities. The Company provides employees wide access to continuous growth, knowledge immersion and skills development. Development is promoted through number of activities, depending on individual and organisational needs:

- Participation in professional events: employees can upgrade their skills at seminars, conferences, exhibitions and training courses in Lithuania and abroad. It provides an opportunity to learn about the latest trends, share experiences and apply international practices in the organisation.

- Mentoring: promotes know-how sharing among colleagues, facilitating onboarding and development of less experienced employees.
- Library: employees have access to books, publications and other training resources to help them to gain deeper knowledge in a wide range of areas.
- Competency assessment surveys: methods such as Hogan tests, 360-degree feedback are used to better understand employee strengths and areas for improvement.
- E-learning: enables self-directed learning through remote learning platforms and in-house e-learning courses.
- Professional clubs and memberships: promotes engagement with professional communities, organisations and networking, where employees can share knowledge and experience with other professionals.
- Studies and upskilling: employees are encouraged to pursue higher education, participate in certification programmes, continue BA, MA or PhD studies and specialised professional training.

These initiatives give employees the opportunity to continuously develop their skills, enhance competences and actively contribute to the success of the organisation by innovating and relying on good practices in their work. In the future, the range of development options will be further expanded to ensure consistent professional growth and adaptation to changing labour market needs.

The Training and Development Strategy is being updated. To ensure consistent development of employee competences and long-term growth of the organisation, LTOU is updating its Training and Development Strategy, which will define a clear learning vision, objectives and division of responsibilities.

The main strategy objectives are the following:

- Strengthening the training culture: promoting knowledge sharing, mentoring and other initiatives that improve collaboration and succession of knowledge within the organisation.
- Sustainable competence management: ensuring the opportunities for employees to continuously develop existing and learn new skills in line with changes in the aviation sector.
- Effective training planning: prioritising training needs based on the organisation's strategic objectives, access to finance and management of critical positions.
- Technology-enabled training: continuing digital transformation of training management, ensuring more efficient data analysis and customised learning experience.

The updated strategy will aim to ensure that learning is an integral part of work, fostering innovation, professional growth and the competitiveness of the organisation in the aviation market.

Strengthening the management of mandatory training and ensuring compliance.

A centralised training data system is being developed to effectively manage mandatory training and ensure compliance with legal and organisational requirements. It brings together all employees' training information in one place, allowing real-time monitoring of training status, identification of deficiencies and

ensuring that all employees receive mandatory training on time.

In addition, a mandatory training matrix is being developed, which clearly defines necessary training for each position. This helps to ensure a consistent and transparent assignment of training activities, adapted to the specific characteristics of the activity and regulatory requirements.

Training data is analysed and visualised to monitor training coverage, identify deficiencies and make data-driven decisions. This enables to efficiently track the status of employee training, plan training in a timely manner and avoid risks associated with insufficient or outdated competences.

These initiatives enhance transparency in training management, reduce administrative burdens and help ensure organisational compliance. It enables employees to acquire the necessary knowledge and skills to carry out their duties, contributing to the overall efficiency and safety of the organisation.

Improving training quality. To ensure high quality training and conformity of employee

competences with operational requirements, a professional qualification and competence assessment process has been introduced for aviation security and airfield maintenance employees in 2024. The aim of the process is to systematically assess the knowledge, skills and training of the employees to ensure compliance with the legal and organisational standards.

Standardised training quality check-lists have been developed, allowing for objective measurement of the effectiveness of training and improvement of its content and techniques. From 2024, these check-lists will be used after live trainings delivered by trainers, allowing structured feedback to be collected. With the introduction of the new training management system, the check-lists will be adapted for e-learning quality assessment.

In the future, the assessment process will be extended to include analysis of the long-term impact of the training, testing of practical skills and additional techniques. This will enable to more accurately assess the applicability of the training outcome in the real-life working environment and ensure continuous improvement of training quality.



HEALTH

Physical and emotional health is one of the top priorities when it comes to employees. Many of the company's fringe benefits are aimed at this (more on this in this section, in the following sub-sections).

Work carried out in 2024:

- We organised discussion groups on negative emotions, stress, issues and difficulties experienced by employees at work. Having regard to this, we are developing a psychosocial risk assessment questionnaire, adapted to the specific characteristics of the work of the units and departments.
- We organised trainings on Managing Stress After a Disaster, The Psychology of Crisis Management, Psychological First Aid.
- In 2024, we developed interactive e-learning on preventing harassment, mobbing and other inappropriate behaviour at work. This training was delivered using a comic book style to make it attractive and easy to understand for all employees.

Additional benefits for employees

ADDITIONAL BENEFITS	
 <p>A hybrid working pattern and the ability to choose a convenient start and end time</p>	 <p>1 month of working holidays in the EU</p>
 <p>Events</p>	 <p>Sports activities</p>
 <p>Gyms</p>	 <p>Training and development</p>
 <p>Discounts at perks.lt and airport's partners</p>	 <p>Accident insurance</p>
 <p>Health insurance (with access to psychotherapist)</p>	 <p>Vaccinations and health screening programmes</p>

Additional paid rest and holiday days:

- **5 additional days** of annual leave for shift workers
- **2 additional working days** of annual leave for fixed-hours employees
- **An additional day off** on a birthday
- **2 days off** per year for personal needs
- **3 working days off** for a marriage
- **1 working day for successful completion of higher education studies**
- **The first day of the school year** for employees who have a child/children in mainstream education
- **3 working days off** in the event of the death of a close relative

Supplementary benefits:

- **EUR 645** for the birth or adoption of a child
- **Up to 6 months'** allowance for retired workers
- **EUR 1,200** in the event of the death of an employee's relative
- **EUR 2,000** in the event of the death of an employee
- **EUR 970** hardship allowance
- **EUR 155** anniversary allowance
- **EUR 518** allowance for recommendations of candidates
- **100%** reimbursement of a sanatorium or rehabilitation centre for a disabled child, up to the equivalent of one minimum monthly salary (MMS) per calendar year
- **80%** reimbursement of the cost of camps for children attending public schools, up to one MMS per calendar year

Employee involvement in decision-making

Lithuanian Airports involve employees in decision-making processes, especially when decisions relate to working conditions, changes in functions or other issues affecting employees. Employee involvement takes several forms.

Meetings with the Works Council are held several times a year or ad-hoc when important issues arise, such as changes in working conditions or organisational changes. The Works Council members have the opportunity to express the views of employees, make proposals and raise issues, which are then discussed with the Company's management.

In addition to the **Works Council**, **meetings are organised with individual groups of employees** (e.g. administration, operational employees) to discuss specific issues related to their working environment and conditions. In this way, employees from different departments can directly participate in discussions and make their own proposals.

An **Annual Employee Engagement Survey**, where employees can give their views on working conditions and make suggestions for improved working conditions. The results of the survey are analysed and the views and suggestions expressed by employees are used in planning organisational changes and improving working conditions.

Prevention of violence and harassment

No psychological violence, harassment or other unethical behaviour is tolerated in the Company, which is why we have developed and communicated to all employees a **violence and harassment prevention policy (only in Lithuanian language)**

Employees who reasonably believe that they have been or may have been subjected to violence and/or harassment have the right to report it in one of the following ways:

- Contact their line manager.
- Report the situation to pranesk@ltou.lt
- Fill in the reporting form on the intranet.
- By dropping a free-form letter in the special mailboxes.

Employees are constantly reminded of the methods of notification: in live or online meetings, on the intranet, on screens, etc.

LTOU has a Commission to deal with cases of violence and harassment. During 2024, the Commission received and handled 4 such reports.



Various initiatives and projects

Since 2017, we have run an annual shadowing initiative. This is a day when employees choose which other department they would like to shadow.

The three main benefits of shadowing employees are as follows:

- It strengthens cooperation and allows you to see what your colleagues are doing for the common goal of a happy passenger.
- It increases professional knowledge.
- It provides an opportunity to explore an unfamiliar field, acquire new competencies and plan your career.



In 2024, 40 employees participated in annual shadowing initiative.

Cooperation with SOPA

For several years, we have been working with SOPA, a social employment agency that works to integrate people with various disabilities into the labour market. Every year they organise DUOday, where companies and organisations all over the world invite people with visible or invisible disabilities to try out new professions and job roles. We are joining this initiative.

In 2024, DUOday brought together six people with different disabilities, giving them a closer look at aviation security, business processes, communications and HR.

Other initiatives

Diversity, equality and inclusion are closely linked to employee well-being, and we have a strategic objective in this area. Read more in the Diversity, Equality and Inclusion theme.

15.4.4. CUSTOMER EXPERIENCE

For more than ten years, improving the passenger experience has been a strategic focus for Lithuanian Airports, ensuring that we meet the needs of all passengers, help them reduce the stress of their journey and adapt our infrastructure and processes to ensure that all customers feel comfortable and experience as few challenges as possible at the airports. To ensure attractiveness to partners and contribution to the country's economic development, the Company has identified 6 key strategic areas:

- 1. Infrastructure** – completing a world-class transformation of airport infrastructure.
- 2. Avia connectivity** – achieving breakthrough in Avia connectivity quality.
- 3. Business model** – building a balanced business model.
- 4. Experience** – improving partner and passenger experience in the context of changes.
- 5. Security** – ensuring business continuity and resilience.
- 6. Sustainability** – implementing sustainability-focused organizational transformation.

In improving passenger experience, we are guided by the Strategy for Improving the Passenger Experience 2030, adopted in 2022. The main focus is on infrastructure maintenance and development of the new arrival terminal in Vilnius, ensuring cleanliness and safety in the travel process, the development of customer service competences, customer insight and the development and involvement of the airport community.

One of the Company's strategic performance indicators to measure progress towards passenger experience improvement is the Net Promoter Score (NPS). This is an indicator of customer loyalty and satisfaction, measured by asking customers how likely they are to recommend an organisation's product or service to others. The percentage value of loyal customers in Vilnius, Kaunas and Palanga during 2019-2024 (NPS) is disclosed in 3.3 section of this report.

The results of all quality and passenger experience improvement surveys are discussed on a quarterly basis, and, based on the analysis of the results and the needs of passengers, an action plan, known as the NPS programme, is drawn up each year to improve the passenger experience. In 2024, 86% (79 out of 92) of the NPS programme actions have been implemented.

Main projects implemented in 2024:

- A passenger segmentation study carried out based on qualitative and quantitative methods. Based on the results, passenger personas were identified, presentations were delivered to the airport's managers, employees and partners.
- Customer service training for aviation security employees (12 groups).
- Reconstruction of Vilnius Airport's landside access and solutions to improve the passenger experience during the reconstruction (additional employees for traffic management, a shuttle bus to transport passengers from distant stops, etc.).
- Lounge areas in terminals (in Vilnius Airport - "Play and Read" in the arrivals terminal, Olympic Gate A15, in Kaunas Airport - a bean bag area in the waiting hall, in Palanga Airport - the Amber Museum exhibition).
- Educational display of prohibited items at Vilnius Airport.
- Interneto psl. Item scanner is a solution that allows to check in advance items that are allowed in a hand baggage.
- An information desk set up at Vilnius Airport and employees providing travel assistance.
- Installation of free drinking water stations at Palanga Airport.



AWARDS

Also in May 2024, Vilnius Airport became Airport Customer Experience Accredited at Level 1 by the Airports Council International (ACI). This programme incorporates best airport management practices to improve passenger experience. It is also a public international recognition of our professionalism in this area. In 2024, 17 airports across Europe were awarded the ACI Customer Experience Accreditation. This is a small victory in the long journey of improving the passenger experience, thus efforts will be made in 2025 towards higher level of accreditation (there are 5 levels in total).



PASSENGER COMPLAINTS

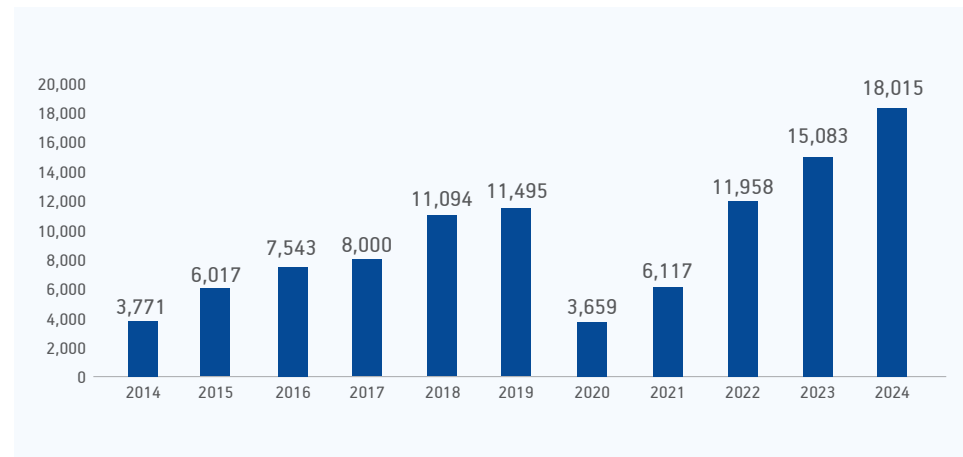
The Company focuses on analysing passenger feedback, not only through surveys and polls, but also by addressing complaints received. Passengers can complain through various channels: by phone, email, website or social media. All of them are logged, resolved and responded. The analysis of the trends supports preventive actions to avoid similar situations and complaints in the future. In 2024, 468 passenger complaints were received about the performance of Vilnius, Kaunas and Palanga airports.

The indicator monitored by the Company is the number of complaints per 100 thousand passengers served. The target for 2024 was less than 10 complaints/100 thousand passengers; the actual figure is 7 complaints/100 thousand passengers. The highest number of complaints was received regarding ground handling activities (check-in, boarding, baggage) and aviation security screening processes. In July and August, more complaints were received due to the landside access reconstruction project works at Vilnius Airport and the resulting inconvenience for passengers (more difficult access by car and access to the departures terminal). Number of complaints per 100 thousand passengers by month in 2024 and complaints statistics for 2022-2024 is presented in section 3.3 of this report.

PASSENGERS WITH INDIVIDUAL NEEDS

Passengers with individual needs, or visible and invisible disabilities represent an important and vulnerable segment of airport travellers. The number of passengers travelling through Lithuanian airports with various disabilities and requesting assistance services is increasing every year. Compared to 2023, 19% more travellers booked this service in 2024.

TABLE 49. Number of passengers with individual needs served in Lithuanian airports in 2014-2024



As post-pandemic flights have fully recovered, all airports observe an annual increase of about 20% in the number of passengers with individual needs. Statistics on special assistance bookings are provided for each airport for the last three years. A rapid growth in the services is particularly observed in Kaunas Airport due to the growing popularity of medical tourism (a service often booked by passengers who have undergone various surgical operations and need assistance).

Provision of a special assistance service or serving passengers with individual needs is exposed two main risks:

- Inadequate provision for the needs of passengers with special needs, discrimination or bullying.
- Damage to passenger equipment and the cost of compensation.

We have a permanent action plan to manage these risks.

TABLE 50. ?

Year	Passengers who have booked a special assistance service at Lithuanian airports	VNO	KUN	PLQ
2022	11,958	7,610	3,724	624
2023	15,083	9,628	4,657	798
2024	17,932	10,781	6,083	1,068



Permanent actions and measures:

- We continuously invest in infrastructure and quality of service to minimise the challenges faced by this group when travelling. All three Lithuanian airports have emergency call buttons, special waiting areas, special mobility wheelchairs are available free of charge at the airports. All this information is constantly updated on a dedicated web area of each airport.
- As part of the reconstruction of the landside access at Vilnius Airport, new and very modern emergency call points, tactile surfaces of the landside access have been installed, with essential information provided in Braille.
- We work with organisations representing different disabilities to make airports and processes as accessible as possible for travellers: SOPA, Social Taxi, Diversity Charter, Lithuanian Union of the Blind and Partially Sighted, etc.
- In 2024, an event was organised for the organisations of people with disabilities at the new terminal at Vilnius Airport, and representatives of the organisations representing different disabilities were also invited to the testing of the new Vilnius terminal. A number of changes were made in response to their comments.
- We continuously monitor the quality of special assistance services, survey passengers, respond to and analyse complaints received and external audits to ensure quality service delivery.
- We continuously improve our skills in the provision of these services and share our experience with our employees, partners and other airports.
- We are the first airport in the Baltic States to join the international initiative The Hidden Disabilities Sunflower. The initiative aims to help people with hidden disabilities identify their needs more easily and airport employees to identify passengers with disabilities that are not immediately apparent and to provide them with the right help in time. Employees are trained to recognise this accessory and are ready to give more attention and time. The armband is available free of charge at check-in desks.

TABLE 50. Implemented projects and actions in 2024

<p>We conducted surveys of passengers with individual needs</p>	<p>The results of the 2024 passenger survey showed that 96% passengers who booked the Assistance in Vilnius airport were satisfied with the service. In Kaunas Airport, 100% of passengers were satisfied with the service, in Palanga Airport - 90%.</p>
<p>We organised training for employees</p>	<p>During 2024, 785 employees of Lithuanian airports and partners attended the training. This is a significant increase compared to 2023 (when 617 employees attended the training). To master the topic, e-learning and practical in-person training, by inviting representatives of organisations representing various disabilities.</p>
<p>We organised an event</p>	<p>More than 20 different organisations that bring together people with different disabilities took part in the event we initiated. The representatives were also given a tour of the new departure terminal at Vilnius Airport, where they were able to test the airport's layout. Based on the comments received, the necessary improvements were made prior to the opening of the terminal.</p>
<p>We educated the public</p>	<p>We provided practical training to the public, employees and passengers "Love to Help" on how to use the defibrillators at the terminal in case of an emergency.</p>



15.4.5. NOISE MANAGEMENT

Sustainable noise management is a prerequisite for the successful operation and development of LTOU. The acceptability of the growth of the aviation sector is directly related to its global and local impact on people's lives and surrounding environment. The role of the public and friendly neighbourhoods is important, affecting not only the image of airports but also the development of planned projects. A balanced approach is, therefore, necessary to take into account local conditions, the problem of noise exposure, territory planning, the quality of life of people living in the vicinity of airports and the need to protect the communities from the adverse effects of aircraft noise. Airports are committed to sustainable development and to promoting aviation development, while taking into consideration the protection of the community and people from noise.

The main objective of noise management is to maintain or reduce the number of noise-sensitive areas and the number of people exposed to them, even as the number of flights increases.



Impact on local communities

VNO. Vilnius Airport is located just 5 km from Vilnius city centre, easily and quickly accessible by any means of transport. This is a great advantage for the airport, a distinctive feature among European Union Member States, but due to the unlimited use of land, as the city expands, new settlers are increasing in the vicinity of the airport and residential blocks are being formed (Salininkai, Kalnėnai, etc.). Due to the location of VNO's runway, part of the departure and approach routes extend overpopulated urban areas in both the north and south direction; therefore, aircraft noise has a negative impact both adjacent to the airport and in its vicinity, as well as further along the aircraft take-off/ landing corridors which affects the quality of life of living people.

KUN. Kaunas Airport is easily accessible and located in the Karmėlava settlement, 13 km North-East of Kaunas, 8 km from the A1 highway Vilnius - Kaunas - Klaipėda, which connects the three largest cities of Lithuania. The residential blocks of the Karmėlava settlement are located close to the borders of Kaunas airport, in the north, north-west directions. Other settlements in close proximity to KUN: Ramučiai on the south-west side, while on the east side there are no larger settlements, therefore noise nuisance in this direction is considered minimal. Aircraft take-off/landing corridors extend over the territories of the city and district of Kaunas, but the aircraft in those areas have already reached a relatively high altitude, therefore noise dispersion is reduced in these settlements.

PLQ. Palanga Airport is located in western Lithuania, 32 km from Klaipėda, 17 km from Kretinga city centre and 7 km from Palanga city centre. Aircraft take-off and landing corridors extend over the city of Palanga in the South, and over the resort town of Šventoji on the Baltic coast in the North. Since the city of Palanga is a resort in accordance with the Hygiene norm HN 33:2011, noise limits of 5 dBA lower are applied in the environment of facilities located in resorts and resort areas.

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Topic management

The topic of noise management is included in the LTOU Strategy 2030, the LTOU Environmental Strategy 2018-2028, which identifies noise as a priority environmental activity. It is also included in the LTOU Strategic Operational Plan 2024-2026 and the LTOU's Environmental Policy 2015.

LTOU's noise activities are regulated not only by the legislation of the Republic of Lithuania and the European Union but also by the International Civil Aviation Organisation (ICAO) documents, industry standards and are monitored by both non-governmental organisations and the public.

ICAO's 4 principles that guide us are as follows:

- Reduction of noise at source.
- Land-use planning and management.
- Amendments to operational procedures.
- Operating restrictions of aircraft.

Permanent actions and measures:

- In 2019, we prepared and agreed with the Air Navigation Authority (ANA) on a Noise Management Plan (NMP) for Vilnius Airport, which includes noise management and mitigation measures.
- We continuously monitor aircraft noise at all airports. We have noise monitoring stations in the vicinity of each airport where aircraft noise is measured 24/7, 365 days a year, subject to regular updates.
- At Vilnius Airport, we monitor the compliance of aircraft departing on course 01 with their departure routes, and we address each non-compliance we address case-on-case basis.
- We prepare annual noise monitoring reports and submit them to the Lithuanian Transport Safety Administration (LTSA), which are then shared with the Ministry of Transport

and Communication, the Ministry of Health, and the National Public Health Centre. They include annual flight statistics, the size of the noise-sensitive areas and the number of inhabitants affected.

- Every two years, we prepare and update noise contour maps, which are published annually on the LTOU website (only LT language).
- We organise and implement procedures for the identification of noise protection zones at airside, as well as carry out publicising and informing procedures related to this topic. More information here;
- We investigate complaints from surrounding communities, and conduct noise-related communication.
- We periodically discuss and communicate noise management issues and concerns with LTSA and ON.

Noise maps for all three airports can be found on our [website \(only in Lithuanian language\)](#).

Projects implemented in 2024:

1. The identification procedures of noise protection zones at airside was completed and the identified zones for VNO, KUN and PLQ were registered in line with the Order No 3-69 of the Minister of Transport and Communications of 28 February 2024.
2. Prospective noise maps were prepared for 2024 for compensation payments and implement procedures for publicising these maps and informing the population.
3. Internal noise management audit was conducted, to establish internal procedures for noise management and the determination of noise-related compensations and increase their efficiency.

Projects planned for 2025:

1. Prepare new prospective noise maps, which are updated every two years.
2. Improve and simplify the compensation procedure for noise abatement measures in noise protection zones based on the internal audit report.
3. Install an upgrade of the noise monitoring stations to ensure and uninterrupted operation for three days in the event of disruption of the central power supply.



Noise Complaints

During 2024, LTOU received a total of 13 complaints/inquiries about aircraft noise.

VNO. The airport received 2 suggestions, 2 inquiries, and 7 complaints: one suggestion was from the Salininkai community to follow the departure routes specified in AIPs instead of applying the omnidirectional departure for aircrafts in the direction of runway 19, another suggestion was from the residents of Liepkaļnis, to restrict the ground procedures that cause the most noise during the night. One enquiry was received from the Ministry of Transport and Communications, which was contacted by a resident about flights operated at night. Another enquiry concerns the location-specific noise measurement and the planned number of flights in the direction of runway 01. One complaint was received about aircraft taking off and passing through the Old Town; one complaint from the residents of Fabijoniškės neighbourhood and one complaint from the residents of Smėlynės settlement about landing aircraft; two complaints from residents of Markučiai and Naujamiestis settlements about flights operated during the day and at night; and one complaint from residents of Nemenčinė neighbourhood about an increase in the number of aircraft flying in the direction 01, which results in increased noise. One complaint was also received from a resident of the Salininkai community regarding non-adherence to and deviations in the take-off routes by aircrafts flying in the direction 19. Every situation was investigated by the airports on case-by-case basis in cooperation with the reporting persons and/or the responsible authorities and provided a substantiated response.

KUN. In 2024, there were no complaints from the surrounding population about aircraft noise.

PLQ. 1 inquiry and 1 complaint were received. The inquiries to the Palanga airport were related to spatial planning: the applicant asked for clarification on whether the plot in question falls within the Noise Protection Zones (NPZs) and if it no longer falls within this zone, to remove it from the NPZ registers. The applicant was advised that the plot in question does not fall within NPZ. One complaint was received from a resident of Palanga about flights operated at night. Every situation was investigated by the airports on case-by-case basis in cooperation with the reporting persons and/or the responsible authorities and provided a substantiated response.

Noise protection zones (NPZs)

The company carries out activities specified in the Law on Special Land Use Conditions of the Republic of Lithuania, which require the establishment of NPZs in the territory of airfield subject to special land use conditions due to the potential negative impact of noise on public health. External legislation requires the Company to prepare prospective noise maps for the establishment of noise protection zones and compensation maps for the payment of compensations, and to compensate for the costs of the implementation of the measures to reduce the noise in residential and non-residential buildings in accordance with the requirements of the Rules for the Preparation, Harmonization, Approval, Publication of the Prospective Noise Maps and the Rules for the Reimbursement of the Costs of the Implementation of the Measures to Reduce the Noise (Resolution No 1369 of the Government of the Republic of Lithuania of 2 December 2020). Prospective noise maps and prospective compensation maps were prepared and approved by separate orders of the Minister of Transport

and Communications of the Republic of Lithuania on 28 February 2024 and made public from 29 February 2024. This has helped to ensure compensations to all residents within the noise protection zone for the purchase of measures to reduce the noise. The LTOU has appointed a temporary commission, with intention to appoint a permanent commission, to deal with applications and enquiries, thus simplifying the process for those falling within NPZs to receive compensation.

Payment of compensation under NPZ procedures

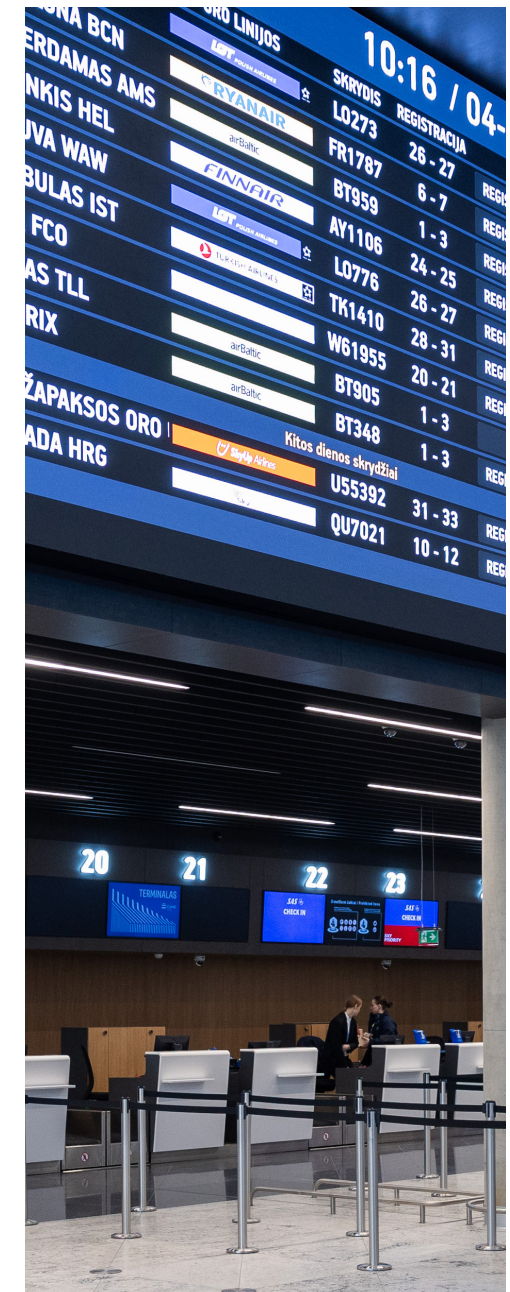
During 2024, 9 applications for compensation of the costs of the implementation of the measures to reduce the noise were received.

VNO. 8 applications for compensation for the noise reduction measures were received, of which 6 were investigated within 2024. Three persons were fully compensated by awarding a maximum amount, one application was rejected for not falling within NPZ and two applications were rejected due to inappropriate period of time costs were incurred.

KUN. One application was received from a resident of Karmėlava, in respect of which Lithuanian Airports took a positive decision and satisfied the application by awarding a maximum amount provided.

PLQ. No requests were received from surrounding population of Palanga Airport.

We have been in regular contact with the public in response to complaints about aircraft noise. We also manage our cooperation with the LTSA and other parties involved in this topic. We also apply the management measures and actions identified in this chapter.



15.4.6. DIVERSITY, EQUALITY AND INCLUSION

Lithuanian airports are the gateway to the world – our employees are the first to greet and see off millions of passengers (for example, in 2024, just over 6 million passengers flew through all three airports), and there are more than 700 of our employees. We can only imagine how different they all are. The Company's statistics and the results of the Diversity and Inclusion Questionnaire suggest that the Company employs people of different ages (range 19-66 years), people with disabilities, and people who identify as LGBT.

That's why we have an ambitious goal – to create an environment where everyone feels 100% themselves. An environment that respects human diversity, promotes equal and non-discriminatory treatment and guarantees human rights.

In this environment, we are:

- Improving the physical and especially emotional health of employees and creating an inclusive and motivating environment.
- Improving the experience not only for passengers but also for all stakeholders.

We are committed to the following for the stakeholders:

- **CUSTOMERS.** We want all passengers to feel welcome at airports. At LTOU, we adhere to the **Passenger Service Standard**, which is communicated to all employees and partners. The Standard is updated periodically, taking into account comments received from colleagues and partners and the latest trends in the field, and we regularly monitor compliance with the Standard.
- **PARTNERS.** In 2022, we updated and made available to partners the **Partners' Code of Conduct**, which is equally applicable to all partners in the operation of LTOU and is made public [here](#).
- **EMPLOYEES.** All employees are familiar with the **Equal Opportunities Policy**, which we adopted in 2022 and is made public [here](#) (only in Lithuanian language). The Policy outlines key principles to ensure that equal opportunities and non-discrimination are respected in all areas of the employment relationship within the company, i.e. with existing or dismissed employees and with individuals seeking employment with LTOU.

Permanent actions:

- We conduct an annual Diversity Charter survey to identify problems and measure progress. In 2022, the survey was completed by 89 employees, in 2023 by 204 employees. In 2024, the survey is yet to be carried out in February-March.
- We are one of the founding members of the Diversity Charter. We regularly participate in their training and seminars and share best practices.
- We run a Diversity and Inclusion Ambassadors project, with as many as 20 employee ambassadors. We continuously improve the competencies of our ambassadors on this topic and initiate various projects.
- We work extensively with passengers with individual needs (more on this in the sustainability topic - CUSTOMER EXPERIENCE).
- Every year on Children's Day, we organise a celebration for the children, foster children, children under guardianship and grandchildren of our employees.



The aim of this theme is to improve the overall score in the Diversity Charter's annual Diversity and Inclusion Employee Survey, which has only been available since 2023. This indicator has been included as part of the company's strategic objectives since last year.

TABLE 51. Annual employee diversity and inclusion survey score (out of 10)

Year	2022	2023	2024	2025	2026	2027
Objective	We did not have one raised yet	We did not have one raised yet	6.7	6.9	7.1	7.3
Fact	6.5	6.5	Data not yet available	-	-	-

TABLE 52. Employee diversity*

Distribution of the number of employees	2024			
	Board	Top-level managers	Middle-level managers	All employees
All employees	5	9	25	736
Women	1 (20%)	3 (33%)	9 (36%)	279 (38%)
Men	4 (80%)	6 (67%)	16 (64%)	457 (62%)
Up to 30 years of age	0	0	0	114 (16%)
30-50 years of age	3 (60%)	8 (89%)	23 (92%)	410 (56%)
More than 50 years of age	2 (40%)	1 (11%)	2 (8%)	212 (28%)

* Includes employees on parental leave.

Projects implemented in 2024:

- For the first time in the history of the LTOU, we expressed our support for the LGBTQ+ community by taking part in the Lithuanian Pride march FOR EQUALITY! 2024. It is not the first time when in June, a LGBTQ supportive campaign is displayed on airport screens and social media, and employees and partners wear a badge to show their support for the community.
- In 2024, we updated the description of the selection process, clearly laid down the principle that all candidates are treated equally, regardless of gender, age, nationality, disability, religion or other personal characteristics.

- In 2024, we allocated funding for the development of an interactive e-learning on preventing harassment, mobbing and other inappropriate behaviour at work. This training was delivered using a comic book style to make it attractive and easy to understand for all employees. The practical examples used in the training are specially adapted for our employees to better reflect real-life situations and working environment.

Virtual training is mandatory for all employees, including newcomers. This helps to ensure that everyone in the company has a good understanding of the principles of recognising inappropriate behaviour and knows how to respond to discrimination or harassment identified.

- In November 2024, we approved the update on fringe benefits, which will take effect from 1 January 2025. **The main change is that we have extended the list of the employee's relatives.** This is a very important step in further delivering on our promise that all LTOU's employees have the opportunity to feel authentic. The list of the employee's relatives has been extended to include the employee's partner with whom the employee shares a household, the employee's permanent foster children, children under guardianship. One month's paid leave for the birth of an employee's child, where the employee is not entitled to paternity leave under Article 133 of the Labour Code of the Republic of Lithuania (relevant for same-sex partners).
- We started to involve employees on parental leave in the Company's activities: sending them and all employees newsletters, inviting them to company celebrations, trainings and more.
- We invited all organisations working with people with disabilities to an event at Vilnius Airport to showcase services and facilities for passengers with visible and invisible disabilities and to discuss how we can improve.

LTOU won the title of Diversity Promoting Workplace 2023 in the category of large companies in the National Responsible Business Awards in 2023 for promoting diversity and inclusion both in the Company and beyond.

Plans for 2025:

- A new post of Sustainability Culture Partner is established. This position was established with the aim of strengthening the culture of diversity, inclusion and employee well-being, more effectively delivering ESG social objectives, attracting a diverse talent pool and creating a better working environment, promoting employee well-being and motivation.
- Develop the Ambassadors project.
- Focus on passengers with individual needs.
- Conduct an annual Diversity and Inclusion Survey.
- Have an LGBTQ+ month campaign.
- Update the Equal Opportunities Policy.
- Engage with the Diversity Charter.
- Other.





GOVERNANCE



15.5.1. RESPONSIBLE GOVERNANCE

As we strive to be the wings of Lithuania's growth and prosperity, it is very important for us to comply with the requirements of business ethics, transparency and anti-corruption.

Strategic objective

Every year, we strive for the highest rating in the Governance Coordination Centre's Good Governance Index. This rating is one of our company's strategic objectives. For more information on this assessment [here](#) (only Lithuanian language).

TABLE 53. Good Governance Index score

Year	2022	2023	2024	2025	2026
Objective	A+	A+	A+	A+	A+
Fact	A+	n/d	n/d	n/d	n/d

**A+ rating for good governance in 2023 (also A+ for the sustainability part).
This is the rating we will be aiming for this report.**

Fighting corruption and bribery

We have always placed great emphasis on creating and implementing a corruption-proof environment. We do not tolerate any form of corruption in our activities; therefore, we continuously assess and manage corruption risks, foster an attitude of intolerance towards corruption among our employees and partners and systematically implement measures to eliminate all possible causes and conditions of corruption.

The Company was recognised at the National Responsible Business Award 2024 (NAVA) or its efforts to enhance corruption prevention and promote various anti-corruption awareness ini-

tiatives. Often referred to as the "Oscar" of social responsibility, this award underscores the strategic importance of corporate social responsibility within the Company's operations.

Topic management

The main documents that guide us in this area are:

- The Law on Prevention of Corruption of the Republic of Lithuania and its implementing legislation.
- Sectoral Corruption Resilience Documents approved by orders of the Minister of Transport and Communications.

- The Company's internal documents, e.g. Corruption Prevention Policy, and other legal acts.

Anti-Corruption Description of the Procedures. This Description regulates the general provisions of the Company on the intolerance of corruption, the basic principles of corruption prevention, the measures for creating a corruption-resilient environment to be applied within the Company and the coordination and control of their implementation. Every employee of LTOU undertakes to comply with the principles set out in the policy, to avoid any violation of the law of corrupt practices and to carry out the functions entrusted to him in a fair and transparent manner.

Codes of Ethics. The Company's value system and ideology, which we instil in both employees and business partners, is also reflected in the Code of Ethics for Employees (only in Lithuanian language), which also includes in its annex guidelines for dealing with situations of corrupt or non-transparent behaviour, and in the Code of Ethics for Business Partners. Thus, we include all operational partners in LTOU's system for creating a corruption-resilient environment.

LTOU has approved, applied and published on our website the Procedures for the Implementation of the Provisions of the Law on the Harmonisation of Public and Private Interests, the Approval of the Related Party Transactions Policy, the Procedures for the Management of the Accounting of Gifts and the Procedures for Actions Taken in the Event of Receiving an Unlawful

Consideration, the Procedures for the Implementation of the Internal Channels of Information on Violations and the Enforcement of their Functioning, and other relevant information on the measures implemented by the Company for creating the resilient environment.

Cooperation with other institutions. We work with competent authorities to create a corruption-proof environment, sharing best practices both within the transport sector and with other organisations. For example, we participate in the preparation and implementation of the action plan for the prevention of corruption in the transport and communications sector, which is approved by the Order of the Minister of Transport and Communications of the Republic of Lithuania, and we take part in the workshops, training sessions and other events of the Transparency Academy, the Special Investigation Service, the General Prosecutor's Office and the High Commission for Official Ethics, etc.

The Prevention of Corruption Action Plan is prepared for at least two years, reviewed annually and subject to periodic internal audits. The Company reports on the implementation of the measures in the plan. The Plan includes an analysis of the sociological survey data, an assessment of the Plan's effectiveness and an analysis of the current situation, and the Plan's objectives, implementation, monitoring, reporting, updating, and financing. The Plan also sets out the employees responsible for implementing each measure, the timeframe for implementation and the expected results.

Read [more](#) about this. (only in LT language).

Main risks of corruption

Identifying and managing corruption-related risks is a crucial part of creating a corruption-proof environment. We periodically review the register of preventive risks, including corruption risks, the measures in place to assess their effectiveness. We also each year carry out the procedure for identifying the likelihood of corruption in at least two areas of the Company's operations.

All areas of the company's operations (100%) are assessed for corruption risk. Seven areas have been identified as the most likely to be affected by corruption:

1. Organisation and execution of procurement.
2. Management, use and disposal of assets.
3. Project implementation and supervision.
4. Human Resources Administration.
5. Reconciliation and declaration of public and private interests.
6. Use, management, protection and control of information that may pose a risk of corruption.
7. Taking decisions relating to the supervision of third parties.

Managing the main corruption risks

ASSESSMENT. Each year, at least two of the following areas are assessed for the likelihood of corruption. In 2024, the risk of corruption was assessed in the area of vehicle parking operations and the accounting of LTOU's inventories and low-value assets. No significant risk of corruption (high likelihood of occurrence)

was identified, but proposals were made for mitigation measures to address identified risks. It should be noted that, at the same time, the implementation of the proposals made in the conclusions on the likelihood of corruption for 2023 was monitored, the measures were found to have been implemented. We publish the conclusion of the assessment, approved by the Company's CEO, on our [website](#).

REGISTER. In order to create a corruption-resistant environment as efficiently as possible, we maintain a register of preventive risks, including corruption risks, periodically review the list of business areas with the highest probability of corruption and take additional actions to address the identified risks.

TRAINING. LTOU regularly provides induction, specialised and general training for employees, and discusses issues during recurring meetings or training sessions (see below for details). **REPORTING.** The implementation of the Corruption Prevention Action Plan is reported annually to the Ministry of Transport and Communications, the Board and the Audit Committee. It is published on the website.

PRESENTATIONS. Performance results, significant developments and events shall be presented at Board and Audit Committee meetings as required. They are also periodically presented to managers and employees during briefings and on the internal website.

EMPLOYEE INFORMATION. Employees are made aware of the anti-corruption policies and procedures through the document management system, the Company's process repository, and those without digital access must be made aware by their line managers.



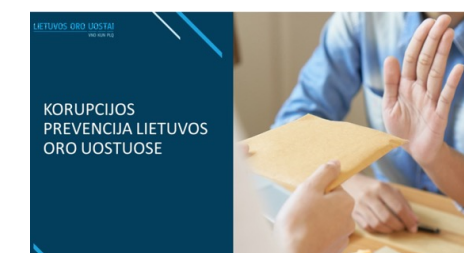
Anti-corruption communication and training

The company has a corruption prevention training programme, with regular induction, recurrent and specialised training for employees, both in person and on an internal distance learning platform.

Last year, we paid particular attention to employee education. We have developed a new interactive employee training, providing employees not only with teaching material, but also with modelled scenarios. Last year, additional specialised training on "Corruption Risk Factors and their Management in Public Procurement" was also provided to employees working in high corruption risk areas.

All employees and members of the company's governing bodies are 100% informed and trained on corruption prevention, policy application and procedures.

We have developed and distributed various methodological materials to our employees, we periodically discuss relevant anti-corruption issues during meetings with employees and recordings of meetings are available to all employees. We also cooperate with other institutions on employee education: the General Prosecutor's Office of the Republic of Lithuania, the Chief Official Ethics Commission and the Special Investigation Service.



Zero-gift policy

We follow a zero-gift policy in the company, and we inform our business partners about it. A zero-gift policy means that employees, while performing the functions assigned to them, have no right to directly or indirectly accept or give gifts, except for the exceptions provided by legislation, and all received gifts are registered regardless of their value.

The register of gifts received, which is updated on regular basis, is published on our website. More information is published on our website (only in Lithuanian language).

Topic management

New employees are made aware of the procedure and existing employees are constantly reminded of the information through a variety of means: newsletters, emails, internal intranet, employee screens, live meetings or training, etc.



Notification channels

Employees and other persons can contact the persons responsible for creating a corruption-proof environment within the Company in the Safety, Security and Resilience Department on various ethical conduct issues. More information on whistleblower protection is provided in the Company's website.

The notification can be submitted:

- By email to pranesk@ltou.lt
- By filling in a form on the Company's intranet.
- On the website by filling in the violation report form (only LT language).
- By visiting the Company.

LTOU encourages its employees to report through the Company's established reporting channels: either through the internal reporting channel or through dedicated Spread the Cloud (Lith. Išsklaidyk debesis) message boxes. We strive to operate in accordance with the highest ethical standards and principles, therefore we value the integrity of each employee or business partner and promote a culture of openness, and we invite you to report such activities by communicating about them in meetings, training sessions, and through the Company's external and internal websites, which also provide information about confidentiality, legal remedies, and remuneration and compensation measures.

In 2024, 5 reports of potential violations of corruption nature were made through the internal reporting channel. Based on the information obtained, 3 internal investigations were carried out. The internal investigations did not identify any irregularities, but proposals were

made to introduce additional internal controls in certain areas. The choice of the areas to be assessed in a given year for the likelihood of corruption is always based on the information received through reporting channels. The Company also publishes statistics on reports received in the air transport on its website.

Combating bribery of foreign officials in international business transactions

LTOU has zero tolerance to corruption in any form, including the bribery of foreign officials in international business transactions. In this area, LTOU is guided by the Convention on Combating Bribery of Foreign Officials in International Business Transactions of the Organisation for Economic Co-operation and Development (OECD) (hereinafter the "Convention"), which was ratified by the Seimas of the Republic of Lithuania on 20 April 2017, as well as by national and LTOU's internal legal acts.

The definition of corruption offences provided in the LTOU's Description of Corruption Prevention Procedures also includes bribery and influence peddling. The commitment to zero tolerance of such activities is also provided for in the LTOU's Code of Ethics for Employees, LTOU's Code of Ethics for Business Partners, e.g.: *LTOU operating partners undertake not to tolerate any corruption or other unfair activities between them, as well as such activities with the clients, partners, institutions, organisations, and other persons of Lithuanian and foreign countries.*

In addition to this legal framework, during the general anti-corruption training, LTOU employees are also provided with information on the Organisation for Economic Cooperation and Development, its benefits for Lithuania, the provisions of the Convention, and examples of foreign cases. All new and existing employees are encouraged to take this training periodically via a distance learning platform.

Conflicts of interest

Procedures for monitoring and disclosing the Company's transactions with related parties, for the declaration of private interests and for the assessment of conflicts of interest, are defined as:

- LTOU's Related Party Transactions Policy.
- The Procedures for the implementation of the provisions of the Law on the Harmonisation of Public and Private Interests of LTOU, which sets out how potential conflicts of interest are managed within the Company and provides a list of the positions declaring a private interest.

The members of the Board and the General Director shall declare their private interests in accordance with the provisions of the Law on the Harmonisation of Public and Private Interests and the Order of the Minister of Transport and Communications of the Republic of Lithuania elaborating on it.

Employees declare their private interests on the basis of the Law on the Harmonisation of Public and Private Interests and the Procedures for the Implementation of the Provisions of the Law on the Harmonisation of Public and Private Interests of LTOU. The following persons shall declare their private interests in LTOU: heads and deputy heads of structural units, persons holding positions whose list has been agreed with SSEC and persons holding positions in public procurement (members of the commission, initiators, experts, persons appointed as responsible for simplified procurement).

The data on declarations of private interests are periodically monitored and the results are reported to CEO.



15.5.2. SUPPLY CHAIN

The supply chain constitutes an important part of Lithuanian Airports' operations, and it is the key to our sustainability performance. The fundamental objectives set out in the European Union and Lithuanian legislation did not change in 2024, therefore we continue to strive to ensure that the goods, services and works we buy have the lowest possible impact on the environment, contribute to solving social problems, promote the development and supply of innovative products, and at the same time we strive to ensure that the actors in our supply chain adhere to the principles of ethical business conduct and develop the products we buy in a way that ensures the protection of human rights.

Topic management

- One of the strategic directions for Lithuanian Airports set in 2024 is a sustainability-oriented transformation of the organisation, which defines our efforts to achieve sustainability in the areas of renewable energy deployment, improved noise management and zero emissions.
- Lithuanian Airports' Strategic Action Plan for 2024-2027 includes the development of green public procurement and sets out actions to help achieve the objectives set out in the Government Resolution No 478 of the Government of the Republic of Lithuania of 21 June 2021.
- We comply with the principles and objectives set out in the legislation of the European Union and the Republic of Lithuania.

- We comply with the provisions of the Law of the Republic of Lithuania on Procurement by Contracting Entities in the Field of Water Management, Energy, Transport or Postal Services (hereinafter the "Law") and other legal acts.
- We comply with the Lithuanian Airports Sustainability Policy approved in 2022.
- We oblige the Company's suppliers to comply with the Code of Ethics for Business Partners approved in 2022.

Resources

In 2024, we successfully implemented the actions set out in our Strategic Action Plan:

TOOL FOR DETERMINING ENVIRONMENTAL REQUIREMENTS. To make it easier for employees engaged in public procurement to identify and determine environmental requirements, we have developed a tool for determining environmental requirements to help identify potential green requirements more easily and quickly, given the environmental impact of each requirement.

SUSTAINABLE PUBLIC PROCUREMENT STRATEGY The Sustainable Procurement Strategy for Lithuanian Airports 2025-2028 was developed to define the main objectives of sustainable procurement and the measures to be taken to achieve them. The strategy includes objectives such as increasing competition in public procurement at Lithuanian Airports, contributing to the implementation of the NET ZERO strat-

egy, achieving social objectives by promoting fair work practices among suppliers, and encouraging innovative, breakthrough and best practice in public procurement.

CONTRACT PERFORMANCE MEMO. To help the responsible persons to ensure a smoother procurement contract performance process, we have developed a Contract Performance Memo, which, by consistently following the checkpoints provided, will help to reduce the risk of possible breaches of contracts.

A TOOL FOR MEASURING THE SUCCESS OF CONTRACTS. A tool for measuring the success of contracts has been developed and launched to assess the success of a contract at the end of a public procurement contract. This tool helps to evaluate the outcome of the contract performed against the objective of the procurement, by assessing the overall performance of the contract: the quality of the goods, services or works, the conformity of the goods, services or works to the technical specification, and the timeframe for completion of the contract. Measuring the success of a contract aims to identify a range of risks and issues that, as lessons learnt, will help to prepare for new purchases more smoothly. We are proud that Lithuanian Airports have been selected as a winner in the **Best Management Practice** category of the most efficient public procurement in 2024 organised by the Ministry of Economy and Innovation of the Republic of Lithuania for its contract performance measurements.

TRAINING. Specialised training was organised for procurement professionals and lawyers, covering, among other issues, qualification requirements and the detection of false information. In 2024, procurement professionals continued and successfully completed upskilling training on sustainable procurement, organised by the Baltic Environment Forum, which are conducted by representatives of the Public Procurement Service and the Ministry of the Environment of the Republic of Lithuania, in accordance with the European Commission's Green Public Procurement Training Programme, which is used in the EU countries and coordinated by ICLEI, an organisation of local authorities working towards sustainability, and the Baltic Environment Forum.

The training and follow-up meeting organised by WeBuySocialEU under the European Commission's service contract EISMEA/2022/OP/0014 on Training and Awareness-raising Activities in Socially Responsible Public Procurement were also attended. This initiative aims to increase awareness on the benefits of sustainable public procurement and to promote its use among public buyers. The follow-up meeting aimed to identify missing systemic elements and issues hindering the implementation of socially responsible procurement, to put recommendations forward to key stakeholders to improve the effectiveness of such procurement, and to encourage national, regional and local authorities and social economy actors to initiate and implement activities that would contribute to better implementation of socially responsible public procurement.



Green, innovative and socially responsible public procurement

In 2024, we maintained our 100% green procurement target, i.e. all our procurements in writing were carried out in line with environmental requirements to ensure the lowest possible negative environmental impact. Moreover, Lithuanian Airports received the **Green Procurement Leaders** award from the Ministry of Environment of the Republic of Lithuania for best practice in the procurement of uniform tailoring services. During the awards ceremony, we shared examples of good practice of Lithuanian airports, both of the application of environmental requirements in specific procurements, and on practical measures and instruments used by Lithuanian airports to facilitate the setting of requirements in specific procurement procedures.

Innovative procurement in 2024 accounted for 5.3% of the total value of all procurement procedures executed at Lithuanian airports this year, excluding low-value procurement procedures. There is much to be happy about, as innovative procurement procedures in Lithuania accounted for only 0.56%. In

2024, the focus on socially responsible procurement continued. Although the socially responsible procurement criteria are still applied in public procurement with particular caution, in a duly assessed and risk-based manner, we are pleased that the target has been achieved beyond expectation. We endeavour to encourage suppliers to provide dedicated employees servicing persons from vulnerable groups with flexible working arrangements. We identify exclusion grounds related to social obligations in our procurement procedures, and do not support and in no way tolerate violations of human and labour rights or anti-competitive agreements.

We buy the majority of our products from local suppliers established in the Republic of Lithuania, contributing to the strengthening of the local economy. In 2024, 90.5% of new contracts were awarded to local suppliers. Particular attention is paid to screening suppliers for national security requirements due to Russia's war with Ukraine and to ensuring compliance with the EU sanctions to prevent companies with any links to aggressor countries from participating in public procurement procedures.

We encourage the participation of small and medium-sized enterprises in public procurement by increasingly evaluating bids on the basis of price or on the basis of a cost-quality evaluation criterion, with the aim of encouraging suppliers to offer higher quality, more sustainable products and to choose more sustainable solutions in the provision of services or goods. Almost half (45.5%) of all procurement tenders announced were carried out based on the price/quality criteria, accounting for 60.7% of the total value of all procurement tenders. We further encourage engagement with suppliers before the procurement process starts, we conduct market consultations and inform suppliers as early as possible about the upcoming procurement, and provide them with the opportunity to submit comments, which we try to take into account when considering the circumstances.

Human rights in the supply chain

Our activities are strictly monitored to avoid the risk of non-compliance with human rights. No cases of human rights abuses have been identified in our operations or among our suppliers during 2024. To date, we have not identified any cases of violation of fundamental workers' rights, restrictions on collective bargaining rights, risks of forced or compulsory labour, child labour and/or young people being forced to perform hazardous work in supplier companies. Companies participating in our procurement tenders and seeking to become our suppliers are required to comply with the Lithuanian airports' policies on safe working conditions, anti-corruption and human rights.

In order to combat the shadow economy and to promote suppliers' social responsibility and awareness by paying fair wages to their employees, we apply a social evaluation criterion in certain types of procurement, assessing the extent to which the median monthly wage proposed by the supplier and the subcontractor, if any, for the employees who will be performing the contract and the tasks set out in our procurement documents, exceeds the minimum wage in the Republic of Lithuania.



GRI CONTENT INDEX



15.6. GRI CONTENT INDEX

TABLE 54. GRI index

Statement on the use of GRI standards		The Sustainability Report of JSC Lithuanian Airports complies with GRI standards and is presented for the period from 1 January to 31 December 2024.
Applicable GRI 1		GRI 1: Framework for application 2021
Applicable GRI standards for sectors		Not applicable
GRI 2: Background information 2024		
GRI STANDARD	Chapter	
1 The organisation and its reporting practices		
2-1	Information about the organisation	15.1
2-2	Entities included in the organization's sustainability reporting	15.1
2-3	Reporting period, frequency of reporting and contact person for questions about the report	15.1
2-4	Repetitive information	15.1
2-5	External verification	15.1
2 Activities and employees		
2-6	Activities, value chain and other business relationships	1
2-7	Number and diversity of employees	15.4.3
2-8	Workers who are not employees of the organisation	15.4.3
3 Management		
2-9	Governance structure and composition	15.1.3
2-10	Nomination and selection of members of the supreme governing body	15.1.3
2-11	Chair of the highest governance body	15.1.3
2-12	The role of the highest governance body in overseeing the organisation's impact management	15.1.3

2-13	Delegation of responsibility for managing the impact of the organisation	15.1.3
2-14	Role of the highest governance body in sustainability reporting	15.1.3
2-15	Conflicts of interest	15.5.1
2-16	Critical problem notifications	15.1.3
2-17	Knowledge of sustainable development among members of the highest governance body	The information is not available because to date there has been no separate record of how board members improve their knowledge in the field of sustainable development.
2-18	Performance evaluation of the supreme governing body	15.1.3
2-19	Remuneration Policy	15.4.3
2-20	Remuneration setting process	15.4.3
2-21	Annual salary ratio	15.4.3

4 Strategy, policies and practices

2-22	Statement on the Sustainable Development Strategy	CEO statement
2-23	Responsible Business Policy	15.1.2
2-24	Embedding the commitments set out in the Responsible Business Policy	15.1.2
2-25	Processes for remediation of negative impacts caused	15.1.2
2-26	Instruments for advice and raising concerns	15.1.2
2-27	Regulatory compliance	During the reporting period, the Company had no significant cases of non-compliance with laws and regulations.
2-28	Membership associations	15.1.8.

5 Stakeholder engagement

2-29	Practices of cooperation with related parties	15.1.7
2-30	Collective bargaining agreements	The Company does not have a collective agreement with its employees.

GRI 3: Key Sustainability Topics 2021

3-1	Process for identifying key sustainability topics	15.1.4.
3-2	List of key sustainability topics	15.1.4.
3-3	Managing key sustainability topics	15.1.5.

Statement on the use of GRI standards		The Sustainability Report of JSC Lithuanian Airports complies with GRI standards and is presented for the period from 1 January to 31 December 2024.
Economic topics		
GRI 205: Anti-corruption 2016		
205-1	Operations that have been assessed for corruption risk	15.5.1
205-2	Communication and training about anti-corruption policies and procedures	15.5.1
205-3	Confirmed incidents of corruption and actions taken	15.5.1
GRI 204: Purchasing Practices 2016		
204-1	Share of costs for local suppliers	15.5.2.
Environmental topics		
GRI 303: Water and wastewater 2018		
303-1	Water-related effects	15.3.2.
303-2	Managing the impacts of water discharges	15.3.2.
303-4	Water discharge	15.3.2.
303-5	Water consumption	15.3.2.
GRI 304: Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	15.3.4.
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	15.3.2.
305-2	Indirect (Scope 2) energy GHG emissions	15.3.1.
305-3	Indirect (Scope 3) GHG emissions	15.3.1.
305-4	GHG emission intensity	15.3.
305-5	Reduction of GHG emissions	15.3.1.
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	15.3.3.
306-2	Management of significant waste-related impacts	15.3.3.
306-3	Waste generated	15.3.3.
306-4	Waste diverted from disposal	15.3.3.

GRI 308: Supplier screening against environmental criteria 2016		
308-1	New suppliers that have been checked against environmental criteria	15.5.2.
Social topics		
GRI 401: Employment 2016		
401-1	New recruits and employee turnover	15.4.3.
GRI 402: Employment Relations 2016		
402-1	Minimum notice periods regarding operational changes	15.4.3.
GRI 403: Occupational health and safety 2018		
403-6	Promotion of worker health	15.4.2. 15.4.3.
403-9	Work-related injuries	15.4.2.
GRI 404: Training and education 2016		
404-1	Average hours of training per year per employee	15.4.3.
GRI 405: Diversity and equal opportunity 2016		
405-1	Diversity of governance bodies and employees	15.4.6.
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	15.4.6.
GRI 407: Freedom of association and collective bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	15.5.2.
GRI 408: Child labour 2016		
408-1	Operations and suppliers at significant risk for incidents of child labour	15.5.2.
GRI 409: Forced or compulsory labour 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	15.5.2.
GRI 413: Local communities 2016		
413-2	Operations with significant actual or potential negative impacts on local communities	15.4.5.
GRI 414: Supplier social assessment 2016		
414-1	New suppliers that were screened using social criteria	15.5.2.
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	15.4.1.



UN GLOBAL COMPACT PRINCIPLES

15.7. UN GLOBAL COMPACT PRINCIPLES

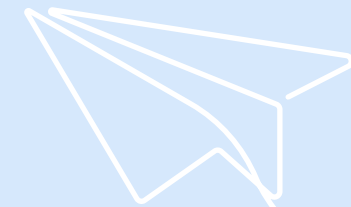


At the beginning of this century, the United Nations developed and published the 10 Universal Principles (Global Compact), to which all organisations seeking to operate in a responsible and sustainable manner are invited to voluntarily subscribe. We support these principles in our work and promote their implementation in areas where we can have an impact. Below is a list of all the principles and the pages in this report that describe our activities, ambitions and initiatives to implement them.

TABLE 55. UN Global Compact Principles

	Global Compact principle	Chapter
1	We support and respect internationally recognised human rights.	15.3. 15.5.
2	We are committed not to be complicit in human rights abuses.	15.3. 15.5.
3	We guarantee freedom of association and trade unions and recognise workers' right to collective bargaining.	15.3. 15.5.
4	We do not use compulsory or forced work, and we aim to contribute to its eradication in an environment where we can have an impact.	15.3. 15.5.
5	We do not exploit child labour and try to contribute to its destruction in environments where we can influence it.	15.3. 15.5.
6	We do not discriminate and strive to contribute to the elimination of occupational discrimination in environments where we can have an impact.	15.3.
7	We take preventive measures and take a precautionary approach to the environment.	15.3.
8	We take initiatives to promote environmental responsibility.	15.3.
9	We promote the development and application of environmentally friendly technologies.	15.3.
10	We do not tolerate corruption and fight all forms of it, including bribery and graft.	15.5.





16. Information on Compliance with Chapters II-III of the Transparency Guidelines

16. INFORMATION ON COMPLIANCE WITH CHAPTERS II-III OF THE TRANSPARENCY GUIDELINES

AB Lietuvos oro uostai prepares management report and financial statements in accordance with the provisions of the Transparency Guidelines, approved by Resolution No 1052 of the Government of the Republic of Lithuania of 14 July 2010 On the Approval of the Description of the Guidelines for Ensuring the Transparency of the Activities of State-Owned Enterprises (and its subsequent amendments) (hereinafter the "Transparency Guidelines") and the requirements established in the Law on State and Municipal Enterprises of the Republic of Lithuania. The Company's mission, vision, values, strategic goals and objectives, information on the current number of employees, the annual wage fund, the monthly salary of the company's managers and their deputies are published on the company's website (<https://www.ltou.lt>) and on the websites of the airports, flight and passenger statistics. The information provided in this management report of AB Lietuvos oro uostai ensures full compliance with the transparency guidelines laid down in Resolution No 1052 of the Government of the Republic of Lithuania of 14 July 2010. Information on compliance with the provisions of Chapters II-III of the Transparency Guidelines is presented in the table below:

TABLE 56. Transparency Guidelines Compliance Summary

Item of the description of the guidelines for ensuring the transparency of the activities of state-owned enterprises (Description)	Execution	Notes
II section. Disclosure of State-Owned Company Information		
5 The following data and information must be published on the website of the state-owned company:		
5.1–5.14. Title; code and register where data about the company is collected and stored; domicile (address); legal status, if the state-owned enterprise is being reorganised, reorganised (indicate the method of reorganisation), liquidated or bankrupt; the name of the institution representing the state and a link to its website; operational goals, vision and mission; structure; manager data; data of a chair and members of the Board, if the Board is formed according to the Articles of Association; a chair of the Supervisory Council if the Council is formed according to the Articles of Association; the sum of the nominal values of shares owned by the state (in euros to the nearest euro cent) and the share (percentage) in the authorised capital of the state-owned enterprise; information about social responsibility initiatives and measures, important ongoing or planned investment projects.	+	All public information about the company is published on the Company's website https://www.ltou.lt/en/
6 In order to publicise the professionalism of the management and supervisory bodies established in state-owned enterprises, as well as the committee members, the following data of the persons specified in clauses 5.8–5.11 of the Description are published: name, surname, date of commencement of current positions, other current management positions in other legal entities, education, qualification and professional experience. If the person specified in clauses 5.9–5.11 of the Description is elected or appointed as an independent member, this is additionally indicated in addition to his data.	+	All public information about the company is published on the Company's website https://www.ltou.lt/en/
7 The following documents must be published on the website of the state-owned company:		
7.1–7.6. Articles of Association; a letter from the institution representing the state regarding the establishment of the state's goals and expectations in the state-run company; operational strategy or its summary in cases where the operational strategy contains confidential information or information that is considered a commercial (production) secret; a document establishing the remuneration policy, which includes the determination of the salary of the manager of the state-owned company and the remuneration of the members of the collegial bodies and committees formed in the state-owned company, described in more detail in the Code of Corporate Governance; annual and interim reports of a state-owned company, annual and interim activity reports of a state-owned company for a period of at least five years; sets of annual and interim financial statements for a period of at least five years and the auditor's reports on the auditor of annual financial statements.	+	All public information about the company is published on the Company's website https://www.ltou.lt/en/

Item of the description of the guidelines for ensuring the transparency of the activities of state-owned enterprises (Description)	Execution	Notes
III. section Preparation of sets of financial statements, reports and activity reports		
14 State-owned enterprises manage their accounting in such a way as to ensure the preparation of financial statements in accordance with International Accounting Standards.	+	The Company's financial statements are prepared according to International Financial Reporting Standards.
15 In addition to the set of annual financial statements, a state-owned enterprise prepares a set of six-month interim financial statements.	+	The Company prepares a set of annual financial reports and sets of three-, six-, nine- and twelve-month interim financial reports and publishes them on the Company's website https://www.ltou.lt/en/
16 A state-owned enterprise classified as a public interest company according to the Law on the Audit of Financial Statements of the Republic of Lithuania, in addition to the annual report, additionally prepares a six-month interim report. A state enterprise classified as a public interest enterprise according to the Law on the Audit of Financial Statements of the Republic of Lithuania, in addition to the annual activity report, additionally prepares a six-month interim activity report.	+	The Company prepares an annual activity report and a six-month interim activity report and publishes them on the Company's website https://www.ltou.lt/en/
17 In the management report or the annual activity report of a state-owned company, in addition to the content requirements set out in the Law on Financial Reporting of Companies of the Republic of Lithuania or the Law on State and Municipal Companies of the Republic of Lithuania, the following must also be presented:		
17.1. A brief description of the state-owned enterprise's business model.	+	Information about the business model of the state-owned Company is provided in Chapter 1 Company's Infrastructure, Strategy and Objectives and Chapter 2 Company's Governance Structure, Management Bodies.
17.2. Information about important events that took place during and after the financial year (before the preparation of the annual report or the annual activity report) and that were of fundamental importance to the activities of the state-owned enterprise.	+	Information about the main events that are of fundamental importance to the activities of the state-owned enterprise, which occurred during the reporting period and after it, is presented in Chapter 3 Key Events Significant to the Company's Operations During the Reporting Period and in Chapter 14 Significant Events After the End of the Financial Year.
17.3. The results of the implementation of the goals provided for in the strategy of the state-owned enterprise.	+	Information about the implementation of the objectives set out in the state-owned enterprise's strategy, the results are presented in chapter 1 Company's Infrastructure, Strategy and Objectives.
17.4. Indicators of profitability, liquidity, asset turnover and debt.	+	Information on the indicators achieved by the Company is presented in Chapter 10 The Company's Main Financial Indicators and Their Analysis.
17.5. Execution of special obligations.	-	The Company does not have special obligations.

Item of the description of the guidelines for ensuring the transparency of the activities of state-owned enterprises (Description)	Execution	Notes
17.6. Implementation of the investment policy, ongoing and planned investment projects and investments during the reporting year.	+	Information on investments during the reporting period, the largest ongoing and planned projects is presented in Chapter 7 Company's Investments, the Largest Ongoing and Planned Investment Projects.
17.7. Implementation of the risk management policy applied in the state-owned enterprise.	+	Information on the implementation of the risk management policy applied in the Company is provided in Chapter 13 Analysis of Environmental Factors Risk and Risk Management.
17.8. Implementation of dividend policy in state-owned enterprises.	+	Information on the Company's dividend policy can be found in Chapter 6.1 Changes in Owners' Equity.
17.9. Implementation of remuneration policy.	+	The remuneration policy applied by the Company is presented in Chapter 8 Employees and Compensation.
17.10. Total annual salary pool, average monthly salary according to current position and/or departments.	+	Information on the total annual wage fund and the average monthly fixed (assigned) wage by position group is provided in Chapter 8 Employees and Compensation.
17.11. Information on compliance with the provisions of Chapters II and III of the Description: it is indicated how they are implemented, which provisions are not complied with, and an explanation is given as to why.	+	Information on compliance with the provisions of Chapters II and III of the Description is indicated in Chapter 16 Information on Compliance with the Provisions of Chapters II and III of the Transparency Guidelines.
18 State-owned enterprises and state enterprises, which are not required to prepare a social responsibility report, are recommended to provide information related to environmental, social and personnel, human rights, anti-corruption and bribery issues in the annual report or annual activity report, respectively.	+	Information about ongoing social, environmental, personnel, human rights and anti-bribery initiatives and policies is presented in Chapter 15 Sustainability.

Also, in order to increase transparency, AB Lietuvos oro uostai publicises its performance through various media. AB Lietuvos oro uostai informs interested parties about its airport activities, cooperates with various organisations, and publicises its planned development projects. The Company also cooperates with the Airport Users' Committee, to which performance, pricing policies, development projects and other important information are presented.



17. Information on the Audit of the Annual Financial Statements

17. INFORMATION ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

In accordance with the Law on State and Municipal Enterprises of the Republic of Lithuania, the Ministry of Transport and Communications of the Republic of Lithuania, the institution exercising the owner's rights, selects a certified auditor or an auditing firm to carry out an audit of the company's annual set of financial statements. LTOU is subject to the requirements of public procurement legislation, therefore all audit procurements are carried out through public procurement. UAB ROSK Consulting has been selected to provide audit services for the financial years 2022-2024. The contract was signed on 9 June 2022. Information on other services provided: translation services.

TABLE 57. Auditor's data and information of financial statements

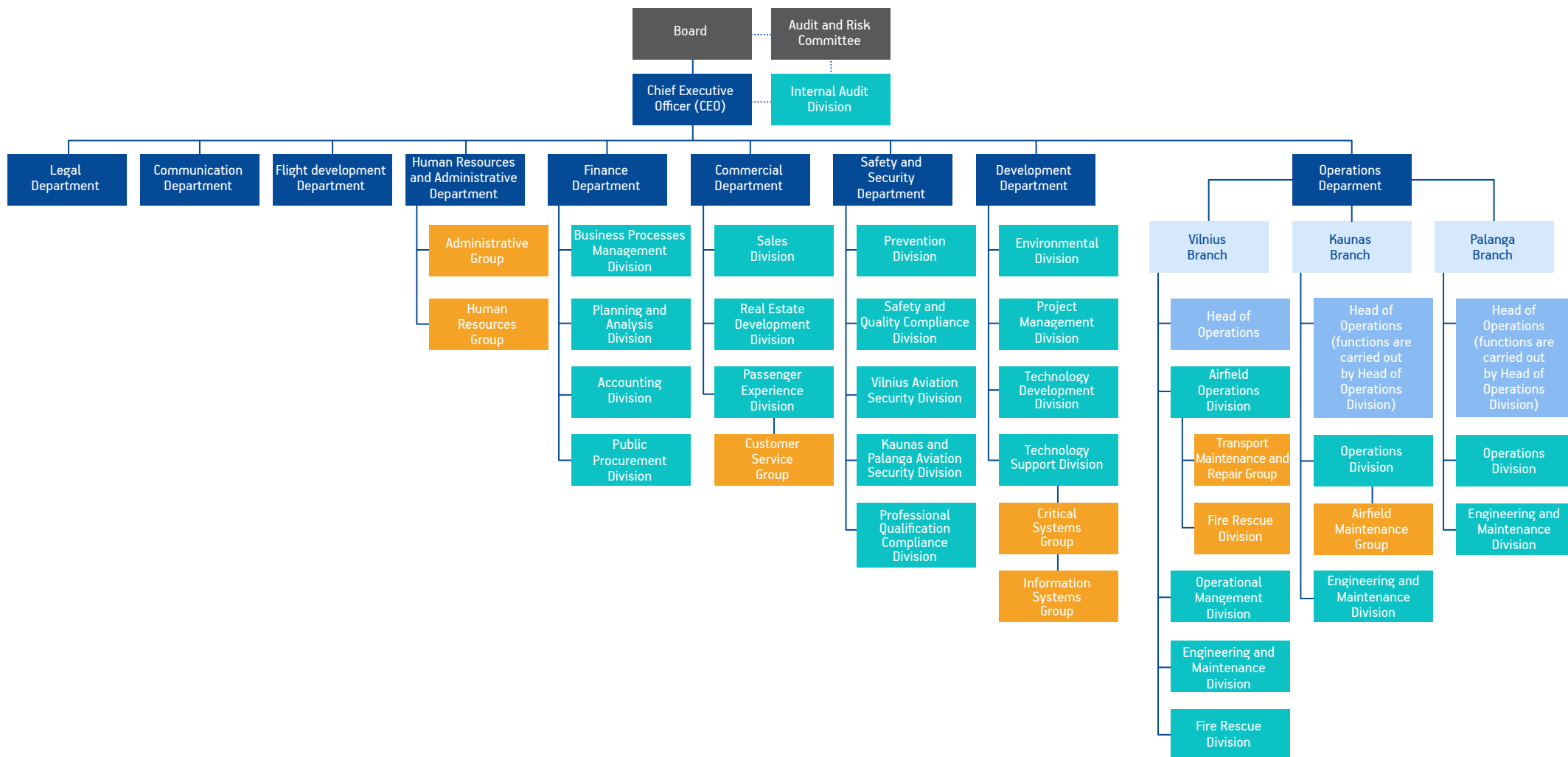
The entity that performed the audit:	UAB ROSK Consulting
Remuneration for the audit for 2024 and for the review of the Management Report:	EUR 41,000
Reference to the auditor's report:	https://www.ltou.lt/lt/lietuvos-oro-uostai/veikla/ataskaitos/
Reference to the audited financial statements:	https://www.ltou.lt/lt/lietuvos-oro-uostai/veikla/ataskaitos/
The Management Report is published at:	https://www.ltou.lt/lt/lietuvos-oro-uostai/veikla/ataskaitos/



Annex 1. The Company's organizational management structure in 2024

APPROVED:
AB Lietuvos oro uostai
On 21 March 2024, by the Board decision
(Minutes No 1VN-10 of 22/03/2024)
EFFECTIVE AS OF 01/04/2024

Governance Structure of LTOU (end of 2024)



Annex 2. Strategic goals, objectives, indicators

Strategic goal/objectives	Indicator	2022F	2023F	2024L	2025P	2026P	2027P	2028P	Benchmark weight	Responsible for the achievement of the objective/target
Objective. To ensure the timely deployment of the infrastructure project	Infrastructure capacity created per hour of outbound traffic	VNO – 1050	VNO – 1050	VNO – 1050	VNO – 2400	VNO – 2400	VNO – 2400	VNO – 2400	34%	Director of the Operations Department
	VNO's infrastructure capacity created per hour of inbound traffic (T5)	KUN – 540	KUN – 720	KUN – 720	KUN – 1100	KUN – 1100	KUN – 1100	KUN – 1100	33%	Director of the Operations Department
		VNO – 800	VNO – 800	VNO – 800	VNO – 980	VNO – 980	VNO – 980	VNO – 2400	33%	Director of the Operations Department
Objective. To foster an attractive business environment	Commercial occupancy rate, % at all airports	VNO – 84 KUN – 97 PLQ – 96	VNO – 75 KUN – 92 PLQ – 84	VNO – 78 KUN – 93 PLQ – 95	VNO – 80 KUN – 90 PLQ – 95	VNO – 80 KUN – 93 PLQ – 95	VNO – 82 KUN – 95 PLQ – 95	VNO – 85 KUN – 80 PLQ – 95	VNO – 34%	Director of the Commercial Department
Objective. To coordinate business and infrastructure development	Capex, EUR million			68	58.5	41.5	32.4	51.6	100%	Director of the Development Department
Objective. To strengthen core competences and expand human resources	Voluntary employee turnover, %	8.47	≤15	≤15	≤15	≤15	≤15	≤15	100%	Head of the Personnel and Administration Department
Objective. To expand flight routes strategically	Passenger numbers, million	5.3	6	≥6.4	≥6.8	≥7.2	≥7.5	≥7.9	100%	Head of the Flight Development Department
Objective. To apply, adapt and diversify the risk-sharing partnership model	Connectivity index, country ranking	95	95	94	93	91	89	85	100%	Head of the Flight Development Department
Objective. To review the terms of existing contracts and revise future pricing strategy	Aviation revenue, million	26.6	39.2	42.1	46	48.3	50.6	53	100%	Head of the Flight Development Department
Objective. To coordinate route development and demand creation with key strategic partners	National priority routes handled, %		70%	70%	78%	81%	85%	90%	100%	Head of the Flight Development Department
Objective. To implement projects generating non-aviation revenue	Adjusted EBITDA, EUR million	15.4	21	≥19	≥21	≥23	≥24	≥25	100%	Director of the Finance Department
Objective. To increase non-aviation revenue per passenger, EUR/passenger	Non-aviation revenue per passenger, EUR/passenger			3.34	3.31	3.51	3.93	4.24	100%	Director of the Commercial Department
Objective. To actively manage external investments and investor relations	Net annual debt-to-adjusted EBITDA	≤5.5	≤5.5	≤5.5	≤5.5	≤5.5	≤5.5	≤5.5	100%	Director of the Finance Department
Objective. To ensure return for shareholder	Dividend share of distributable profit, %				≥70%	≥70%	≥70%	≥70%	100%	Director of the Finance Department
Objective. To open up new revenue flows by increasing MRO and Cargo capacity	Ratio of aviation and non-aviation revenues in the total revenue structure, %	59/41	66/34	65/35	66/34	66/34	63/37	61/39	100%	Director of the Commercial Department
Objective. To improve passenger experience	Loyalty rate (NPS), %	72	≥58	≥62	≥63	≥65	≥66	≥68	100%	Director of the Commercial Department

Strategic goal/objectives	Indicator	2022F	2023F	2024L	2025P	2026P	2027P	2028P	Benchmark weight	Responsible for the achievement of the objective/target
Objective. To increase partner satisfaction ranking	Partner Satisfaction Index ('cooperation is going well', on a 5-point scale of 4 and 5)	81	76	79	77	80	80	80	100%	Director of the Commercial Department
Objective. To achieve Level 3 in the ACI Airport Customer Experience Accreditation	ACI Airport Customer Experience Accreditation level			I	II	II	II	III	100%	Director of the Commercial Department
Objective. To improve employee work experience	Employee engagement index, %	67	65	67	65	65	65	65	100%	Head of the Personnel and Administration Department
Objective. To reduce waiting times at checkpoints	Waiting times at checkpoints, min			20	20	17	14	10	100%	Director of the Safety and Security Department
Objective. To enhance infrastructure resilience and recoverability (ensuring aviation security)	ALoSec, %	83.33	≥82.95	≥83.95	≥84.95	≥85.95	≥87	≥88	100%	Director of the Safety and Security Department
Objective. To enhance infrastructure resilience and recoverability (ensuring airside safety requirements)	ALoSP, %	88.03	≥87.17	≥88.17	≥89.17	≥90.17	≥91	≥92	100%	Director of the Safety and Security Department
Objective. To ensure employee training and competences	EASA/ICAO Full Compliance Training Programme and 100% of trained and qualified flight/aviation security employees (implementation plan, %)				100	100	100	100	100%	Director of the Safety and Security Department
Objective. A drone detection solution covering 100% of sensitive airport infrastructure by Q4 2028	Implementation according to plan, %				100	100	100	100	100%	Director of the Safety and Security Department
Objective. Destroyed aircraft removal options full category C (equipment + trained personnel)	Implementation according to plan, %				100	100	100	100	100%	Director of the Safety and Security Department
Objective. To ensure a reduction in carbon dioxide emissions compared to the first measurement	Reduction in carbon dioxide emissions compared to the first measurement			VNO – 48% KUN – 65% PLQ – 60%	VNO – 59% KUN – 69% PLQ – 4%	VNO – 71% KUN – 74% PLQ – 68%	VNO – 82% KUN – 78% PLQ – 72%	VNO – 93% KUN – 82% PLQ – 76%	VNO – 34% KUN – 33% PLQ – 33%	Director of the Safety and Security Department
To implement compliance with the European Sustainability Reporting Standard (ESRS)	ESRS compliance (%)			-	100	100	100	100	100%	Director of the Finance Department
To maintain compliance with the Good Governance Index	Good Governance Index (GGI assessment)	A	A+	A+	A+	A+	A+	A+	100%	Director of the Finance Department