

Approved by the Board of AB Ignitis grupé

Effective as of: 1 January 2026

Policy owner – *Group procurement*

# Group policy on Commercial or Regulated Procurement

## 1. PURPOSE AND SCOPE

The Group's Supply Chain includes the system and processes that define how goods, services, and works are procured and managed across the Group's entire value chain. This system comprises the Public Procurement Policy, Policy on Commercial or Regulated Procurement, Strategic Sourcing and Category Management, contract and supplier management processes (Group Supplier Code of Ethics).

Group's Policy on Commercial or Regulated Procurement (hereinafter - the "Policy") objective - to establish the principles for the management and execution of Commercial or Regulated Procurement within the Group, in order to acquire goods, services, and works, and to ensure the responsible and efficient use of resources.

Policy applies to all companies of AB Ignitis grupė group of companies and only to those procurements of the Companies that are not subject to the requirements of national public procurement legislation. The provisions of this Policy apply to Regulated procurements to the extent that they do not conflict with the laws and regulations governing them.

In the Policy, Commercial procurement and Regulated procurement jointly are referred to as procurement.

## 2. PRINCIPLES OF PROCUREMENT REGULATION

The principles of Commercial procurement management and execution set out in this Policy are implemented through uniform requirements for procurement throughout the Group, regulated by the Procurement Function.

The Procurement Function shall establish the requirements for regulated by government procurements to the extent that they do not conflict with the requirements established by the laws of the Republic of Lithuania.

## 3. PRINCIPLES OF PROCUREMENT MANAGEMENT

Commercial procurement requirements are differentiated according to the value of the procurement contract: low-value procurements (up to EUR 15,000) are

subject to lighter requirements for price justification and decision documentation compared to high-value procurements (over EUR 15,000).

Various procurement solutions (preliminary contracts, dynamic systems, procurement consolidation, division, selection of strategic suppliers, auctions, choice of procurement methods, etc.), technical (information systems, robotization, AI, etc.) and organizational (dissemination of best practices, standardized forms, etc.) solutions are applied to ensure the effectiveness and quality of procurement, competitive and reasonable prices for purchased products, a balance between costs and benefits, or process efficiency, and to optimize the use of resources.

Procurement management solutions are selected by assessing and taking into account the expectations of internal and external stakeholders (e.g. procurement customers, contractors, suppliers, institutions that formulate or control procurement policy) to the extent that they can be reconciled with each other and with the interests of the Group.

The execution and management of Commercial procurement within the Group is decentralized, i.e., Commercial procurement is carried out and managed by the Company initiating it on its own responsibility. The Company may engage GSC to carry out Commercial procurement.

Regulated procurement procedures are carried out exclusively by the GSC, except in cases where energy resources are purchased on energy resource or natural gas exchanges. The latter procurements are carried out by the Company initiating them.

The Company initiating the procurement is responsible for determining the appropriate applicable legal regulatory environment, identifying procurement needs and securing funds for them, determining the technical and quality parameters of the objects being procured, the qualification requirements for suppliers in the procurements, the proper selection of the offer, the conclusion of the contract, and the proper application of the Group's requirements

applicable to the procurements, regardless of whether it carries out the procurements itself or through GSC.

In exceptional cases, to the extent permitted by law, the Company may authorize (agree) to carry out procurement not through a Group Company if such a need is justified by the specific professional experience or competence of another entity, the parties' cooperation in a joint project, or it is necessary for the implementation of important projects in which the Company participates. The Company must ensure that the procurement carried out by another entity complies with the principles of transparency and responsible procurement and that the object is purchased at a reasonable price.

Procurement data is stored in the Group's centralized procurement information system or the Company's information systems in such a way as to ensure the traceability of actions taken and decisions made, the provision of procurement data required by the Group, effective monitoring of procurement management, and enable data-driven decisions to be made.

#### 4. PRINCIPLES OF PROCUREMENT EXECUTION

When determining procurement needs, the Company's available resources and the possibility of their reuse shall be taken into account.

Procurement encourages the search for competitive offers and innovative solutions on the market - companies initiating procurement conduct various market research to assess the supply of the required products and their alternatives on the market, emerging innovations and solutions, trends in the professional field, and other circumstances that shape the object and scope of the procurement and other procurement requirements.

Procurement aims to purchase the necessary goods, services, or works at economically reasonable prices, ensuring that the price of the object being purchased meets the criteria of reasonableness and prudence. The selection of a specific offer is based on a comparison of several suppliers of the product being purchased or offers for similar products, using price, quality, and technical criteria, and negotiations with potential suppliers are encouraged. The application of this principle, as well as any exceptions, is defined in the Procurement Function requirements.

The risks associated with the selection of suppliers are assessed and managed in the procurement process, and the reliability and capacity of the supplier to perform the contract are verified as necessary. The aim is for the Group's suppliers to comply with environmental, social, and governance expectations defined in the Supplier Code of Ethics.

The Group prohibits the participation in procurement of suppliers and manufacturers associated with countries that pose security risks to Lithuania or the Group's companies, as well as the purchase of products originating from these countries, is prohibited, except in exceptional cases when this is necessary for technical or economic reasons and security can be ensured by other means and the necessary decisions are taken in accordance with the procedure established by the Procurement Function.

Sustainability (green, socially responsible, governance) requirements are integrated into procurement - procurement aims to contribute to the achievement of the Group's strategic sustainability goals, sustainable development, climate change mitigation, the implementation of the European Green Deal and other international and national legislation and initiatives, and the transition to sustainable energy.

Procurement is carried out by Company employees in an impartial manner, i.e. objectively, professionally, without prejudice, in accordance with the principles of equal treatment of all suppliers, non-discrimination, proportionality, and transparency.

The confidentiality of the information received in procurement is ensured to the extent provided for by law.

To ensure transparency, essential decisions in procurement are made on the basis of the "four eyes" principle.

The Commercial procurement process is based on flexibility and the ability to make the most beneficial decisions for the Company. If the Company's needs change, the Company has the right to change the procurement conditions or terminate the procurement at any time without violating the principle of transparency.

In order to achieve continuous progress in meeting long-term needs for solutions or products, a procurement contract may not be concluded for a

disproportionately long period. Procurement contracts shall be concluded for a period not exceeding 5 years, except where a longer term of contractual obligations is necessary, taking into account the specific nature of the procurement object or normal business practice for such types of contracts.

Procurement contracts in companies must be concluded in writing, except for low-value purchases, where the contract may also be concluded verbally if the nature of the obligations assumed by the parties or legislation does not require a written contract.

Changes to Commercial procurement contracts in unforeseen circumstances are possible to the extent that the subject matter of the procurement is not substantially altered, the economic balance between the parties to the contract is maintained, and the total value of the initial contract does not increase by more than 25 percent. If the value increases by more than 25 percent, the amendment may only be made after a procedure similar to that for a new procurement has been carried out for the scope of the amendment to the contract, thus ensuring that the price of the amendment to the contract is reasonable.

## **5. IMPLEMENTATION AND MONITORING**

The Policy Owner is responsible for the preparation of the Policy, its review, the provision of advice on the application of the Policy provisions and the monitoring of the implementation of the Policy.

The implementation and enforcement of the Policy in the Group of Companies and Functions are the responsibility of their managers and/or their delegated persons. They shall cooperate with the Policy Owner in implementing the Policy.

In order to ensure the implementation of the requirements established by the Policy and the Procurement Function, the Companies carrying out procurement shall regulate the procurement processes within the Company and may specify or additionally regulate the implementation of procurement to the extent that this does not conflict with the Policy and the procurement regulations established by the Procurement Function. Draft internal legal acts of the Company related to the execution and management of procurement must be coordinated with the Procurement Function.

The Policy is published publicly.

## TERMS AND ABBREVIATIONS

General terms shall be defined in the [Glossary](#):

<b>Company</b>	any company of the Group.
<b>Commercial procurement</b>	the remunerated procurement of goods, services, or works, the procedure for which is not regulated by national legislation governing public procurement.
<b>Group</b>	AB "Ignitis Grupė" and its directly and indirectly controlled legal entities.
<b>GSC</b>	UAB "Ignitis grupės paslaugų centras".
<b>Procurement Function</b>	activities that enable and support the Company's procurement management and execution, as specified in the AB "Ignitis grupė" Group Governance Policy.
<b>Regulated procurement</b>	<p>the procurement governed by resolutions of the Government of the Republic of Lithuania:</p> <ul style="list-style-type: none"><li>• Resolution No. 1036 of the Government of the Republic of Lithuania of December 13, 2017 "On the Approval of the Procedure for the Acquisition or Lease of Land, Existing Buildings or Other Immovable Property or the Acquisition of Rights to Such Property," including subsequent amendments</li><li>• Resolution No. 277 of the Government of the Republic of Lithuania of March 3, 2003, "On the Approval of the Procedure for the Procurement of Energy or Fuel Required for the Production of Electricity and Heat by Companies Operating in the Energy Sector," including subsequent amendments</li><li>• Other resolutions of the Government of the Republic of Lithuania establishing special requirements for the performance of certain procurements.</li></ul>