JALAJÄLG

Official Distributor of Nike



2025–26

Sustainability Report

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FOREWORD

Dear readers,

At Jalajälg Group, we see ourselves as marathon runners rather than sprinters. We sell the best shoes for that! For us, sustainability is a long-term commitment that requires patience, consistency and continuous progress – not a short-lived initiative.

Jalajälg Group is the official representative of Nike, one of the world's best-known brands, in the Baltics. By sales Nike continues to be the most popular sports brand in three Baltic countries. With this position comes responsibility and an expectation that we act responsibly towards our customers, partners and the wider society.

Given our name, Jalajälg – which means "footprint" in Estonian – we simply cannot ignore the footprint we leave behind. We want our footprint to be large in terms of the positive impact we create for society, young people, people's health and our employees, while keeping our environmental footprint as small as possible.

Across Estonia, Latvia and Lithuania, we focus on the sustainability topics that matter most to our business locally and where we can make a difference.

Read more about our progress, actions and impact in this Sustainability Report.

Viire Viss
Sustainability Manager
Jalajälg Group (Nike official distributor in the Baltics)



Jalajälg Group's sustainability strategy reflects our commitment to fostering a healthy, active lifestyle among youth and communities, fully aligning with our core values of inspiring movement and community engagement.

Sustainability is not a separate initiative but a valuable addition that strengthens our path toward a successful future. This strategy integrates environmental, social, and governance (ESG) principles across our operations, supporting our long-term vision to inspire movement, build resilient communities, and make a lasting impact.

ABOUT THE REPORT

The Jalajälg Group is publishing sustainability report on a **voluntary basis**[1], and has been doing so since 2021. The first ones were prepared in accordance with Global Reporting Initiative (GRI) requirements, but the last year's sustainability report was compiled following the European Sustainability Reporting Standard for Voluntary Sustainability Reporting by Micro, Small and Medium-sized Enterprises (ESRS VSME standard).[2] We are also following the VSME Standard this year, in line with the European Commission (EC) Delegated Regulation and its revised reporting datapoints.[3]

The report has not been independently verified and audited. KPMG Baltics reviewed last year's report and confirmed that its structure and elements comply with the standard. We have followed mostly the same structure this year.

Scope 2 greenhouse gas (GHG) emissions have been calculated by Nomine Consult. The company performed the scope 1 and selected scope 3 categories GHG calculations itself and can confirm the accuracy of the results.

This report focuses on the sustainability impacts of our **own operations** and activities, including energy use, transport, waste generation, our workforce, consumers, and the local community – areas where we can directly influence outcomes.

The report's **target audience** includes our partners, clients, employees, and to anyone interested in our activities.

KEY SUSTAINABILITY PERFORMANCE INDICATORS FOR FY2026

	FY 2025	FY 2026
Geenhouse gas emissions scope 1 and 2 (tCO_2e)	710	535↓
Geenhouse gas emissions scope 3 (tCO_2e)	480	669↑
GHG intensity (scope 1 and 2) per sale ($kgCO_2e$/eur)	51	36↓
Energy intensity (kWh/m²)	175	157↓
Share of renewable energy (%)	30	52↑
Packaging waste generation (t)	148,7	137,4↓
Share of permanent contracts with our employees (%)	99,6	99
Training hpours per employee (h/employee)	-	13,2
Employee turnover rate (%)	52	66↑
Work incidents and deaths (number)	0	0
People engaged in supported sports activities (number)	~130 000	~180 000↑
Gender diversity at management level (female-to-male ratio)	7:6	5:6
Corruption and bribery cases	0	0

[1] The Jalajälg Group is not required to submit a mandatory sustainability report.
[2] EFRAG. December 2024. Voluntary sustainability reporting standard for non-listed micro-, small- and medium-sized undertakings (VSME).
[3] European Commission. Sustainability reporting voluntary use. (12.06.2026)

GENERAL INFORMATION

B1 – BASIS FOR PREPARATION

Reporting period is 1 May 2025 – 30 April 2026 (hereinafter in the report FY2026). The reporting period is aligned with the company's financial year, except where stated otherwise.

The Jalajälg Group sustainability report is based on the **basic and comprehensive modules** of the voluntary standard for non-listed micro-, small- and medium-sized undertakings (VSME) by EFRAG. According to the EC regulation classification we cover all "necessary" and "necessary if applicable" datapoints.

This sustainability report was prepared on a **consolidated basis** (the report includes information about the undertaking and its subsidiaries).

The VSME standard and EC voluntary sustainability reporting regulation allow to refer to the information provided in the previous year's report if specific datapoints remained unchanged. In such cases, a reference to the previous year's report has been provided under the respective data point.

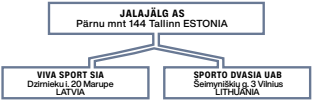
The Jalajälg Group sustainability report for 2024/2025 (FY2025) is available on Jalajälg's website – https://jalajalg.ee/jatkusuutlikkus/

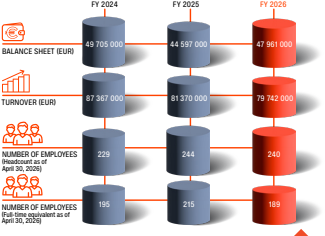
The **primary activity** of the company is **retail sale of sporting equipment in specialised stores** (NACE 47.64), the secondary activity is wholesale of clothing and footwear (NACE 46.42).

Jalajälg AS has been the official representative of the world's leading sports brand, Nike, in the Baltics since 1997.

Our **primary country of operation is Estonia**, but we are also active in Latvia and Lithuania.

JALAJÄLG AS AND ITS SUBSIDIARIES



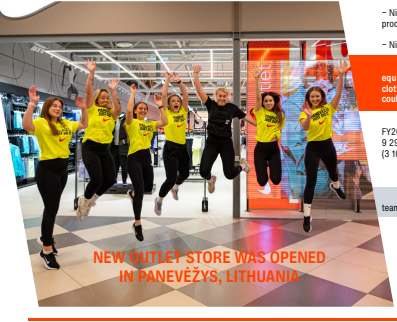


SUSTAINABILITY-RELATED LABELS

The undertaking has not obtained sustainability related certification or labels in FY2026.

AS Jalajälg continues to be a part of the programme of Family-Friendly Employer* launched by the Ministry of Social Affairs of Estonia. The programme lasts for three years and the final assessment will be done in 2027.

The Family-Friendly Employer label is a recognition that shows an organization values the well-being of its members.



NEW OUTLET STORE WAS OPENED IN PANEVĖŽYS, LITHUANIA

C1 – STRATEGY: BUSINESS MODEL AND SUSTAINABILITY-RELATED INITIATIVES

Jalajälg Group core activities include:

– marketing the Nike and Converse brand in the Baltics

– wholesale and retail of Nike and Converse products

– direct sales to athletes and teams.

Retail operations are carried out through two channels:

– Nike concept stores, offering the latest and most high-quality selection of Nike products.

– Nike outlet stores, providing a wide range of Nike products at attractive prices.

Outlet stores contribute to both environmental sustainability and social equality. They sell past-season collections and excess stock, ensuring that clothing is not written off or discarded as waste. At the same time, customers could purchase good-quality products at lower prices.

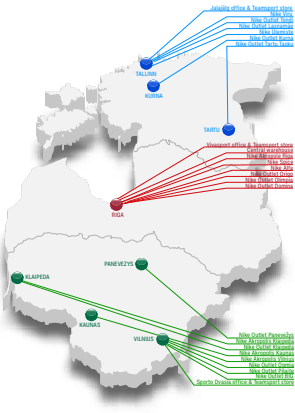
New outlet store was opened in Panevėžys, Lithuania. At the end of the FY2026 the company operated in **20 stores** with total area of 9 883 m² (FY2025: 9 295 m²) + 3 offices/showrooms (1 701 m²) and central warehouse in Riga area (3 100 m²). Two-thirds of our retail space is dedicated to outlet stores.

All Jalajälg Group premises (shops, warehouses, offices) are leased.

To serve teams and athletes, we have created the online platforms teamsport.ee, teamsport.lv and teamsport.lt with showrooms located at our offices.

* Programme of Family-Friendly Employer.

LOCATIONS



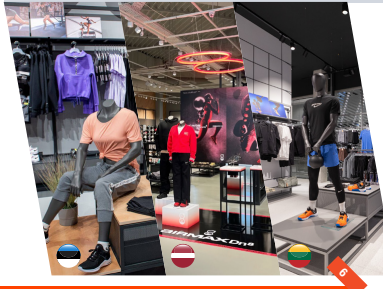
Our main partners are:

- globally – Nike and Converse
- regionally and locally – shopping centres/owners of the premises and logistics' partners.

Main wholesale customers are different local retailers and various (sports) organisations. Our customers are all the people – individuals, sport clubs, fans etc – interested in sports and active lifestyle.

Nike as a group publishes comprehensive sustainability/responsibility data and reports.

See: Nike sustainability web page for main initiatives.



B2, C2 – PRACTICES, POLICIES AND FUTURE INITIATIVES FOR TRANSITIONING TOWARDS A MORE SUSTAINABLE ECONOMY

Jalajälg Group has identified six sustainability topics as important (material) and has practices, policies, future initiatives and targets in place for transitioning towards a more sustainable economy, where relevant and appropriate.

CLIMATE CHANGE

Materiality: Our biggest share of the environmental impact comes from production and transport of retail goods we distribute and sell. Use of electricity and heat in the shops/warehouses/offices, consumption of fuel for goods' transport and work-related travel are the main sources of greenhouse gas emissions (GHG) of our own activities.

Jalajälg Group calculates its greenhouse gas (GHG) emissions to better understand the impact of its energy and fuel use. Jalajälg's ability to transition to renewable energy is constrained by the fact that most of its stores are located in leased premises within shopping centres, where energy sourcing is determined by the property owners.

While not all GHG categories are currently included, we plan to gradually expand the scope of our calculations over time (see B3 for details). There is also significant potential to improve the quality of emissions data from our key partners, such as shopping centres and logistics providers, and we will continue these efforts throughout 2026–2027.

Jalajälg's objective is to reduce GHG emissions by:
– increasing renewable electricity production and procurement
– actively engage with landlords and property managers of shopping centres to encourage the adoption of renewable energy and energy efficiency solutions
– optimizing logistics and engaging with logistics' partners (to use more environmentally friendly transport modes)
– encouraging more sustainable employee behaviour (such as adopting greener commuting solutions and energy-saving practices).

We expect to see a year-on-year reduction in GHG emissions, and we have set preliminary targets for climate transition (please see C3).

CIRCULAR ECONOMY

Materiality: Our products use a lot of resources (both non-renewable and renewable). We have limited options to influence the resource use at the production and design phase or packaging options selected by Nike. Our main responsibility related to circular economy is to prolong the lifespan of the products (to sell good quality products, explain the basics of product care), reduce the packaging waste and take responsible actions towards potential textile/footwear waste.

Jalajälg is committed to reducing packaging waste generated by its operations. For example, we have introduced the use of transport cages to minimize the need for transport packaging. This initiative has significantly reduced the use of paper and cardboard packaging during transportation. Read more in chapter B7.

We aim to extend refurbishment cycles of our stores where appropriate and, during renovations or new store openings, retain and reuse existing materials and interior elements wherever feasible.

Most of our objectives related to packaging and apparel/footwear waste are driven by evolving European Union regulations, which are expected to come into force between 2027 and 2028. We aim to collect and either reuse or recycle our textile products in compliance with applicable legal requirements, which may vary across the Baltic countries.

VivaSport in Latvia has cooperated with Bourzma Botique sustainable fashion festival, who is especially active in in public awareness campaigns, and educational programmes for young people.



BOURZMA[1] is a Latvian creative sustainability platform that promotes circular fashion, upcycling, and emerging designers through workshops, fashion events, and educational initiatives. It brings together designers, artists, and young creatives to encourage more sustainable production and consumption of textiles.

[1] https://www.bourzma.com/



AFFECTED COMMUNITIES

Materiality: Jalajälg is committed to supporting local communities and the general public, particularly through our involvement in sports and youth development. We believe that leading an active lifestyle, participating in sports, and attending sporting events are important ways to promote both physical and mental well-being.

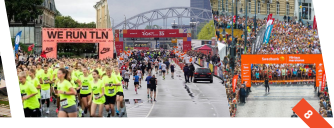
Jalajälg has consistently supported community initiatives by sponsoring local and regional sport clubs and events, empowering athletes, and investing in youth programmes. These supporting activities range from big sport events to sponsoring sport and fitness clubs, athletes and local activities. With our contribution, 3% of people in the Baltics engage in regular sports activities (in clubs) + people participating in the sport events (approx. 180 000 in 2026).

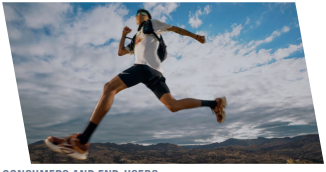
Jalajälg Group has supported such gigantic sport event is the Baltics like:

- Tallinn, Riga and Vilnius marathons
- Estonian Night Run and May Run for Women in Estonia
- TV10 athletic series for kids
- Liepaja and Jelgava Half Marathons, Ghetto Games in Latvia
- Kuršių and Vilnius Trail races in Lithuania.

We continue to contribute to the supporting next generations sporting habits and healthy lifestyle. Our objective for 2027 is to maintain the engagement of more than 3% of the population in sports through our initiatives.

We are mindful of vulnerable groups, such as children and low-income households, and offer different shopping concepts to meet their needs (see C1).





CONSUMERS AND END-USERS

Materiality: Consumers and end-users' behaviour and needs directly impact Jalajälg's financial, social, and environmental performance. Addressing their needs and being transparent helps Jalajälg stay competitive, meet regulatory requirements, and advance its sustainability goals.

Jalajälg Group takes a responsibility on products that we sell to our consumers.

Our main aim is to provide athletes with professional information that helps them make the right choices and take proper care of their products, thereby prolonging the lifespan of the items.

Jalajälg carefully monitors market and regulatory developments regarding environmental product information and implements measures to ensure consumers are not misled in their choices, for example in line with the EU Empowering Consumers Directive or Digital Product Passport (DPP) initiative.[6]

[6] European Commission. EU Empowering Consumers Directive; Ecodesign for Sustainable Products Regulation.

Made with Space Waste Yarn
One athlete's trash is another's treasure.
Space Hippie's Flyknit yarn is made
from 85-90% recycled content, including plastic bottles,
t-shirts and post-industrial scraps.

BUSINESS CONDUCT

Materiality: Ethical and responsible business conduct in all our operations is our core principle. It maintains our reputation and builds trust with our customers, partners, employees, and the public. It also ensures our regulatory compliance and helps to meet stakeholders (e.g. financial institutions, global brands) expectations.

We follow the ethical and transparency principles in leading our business.

Our objective is to maintain zero confirmed incident of corruption, bribery or unethical conduct. We closely monitor regulatory developments and will continue to publish a voluntary sustainability report on an annual basis.

Jalajälg Group has a sustainability (ESG) lead, who is responsible for coordinating sustainability activities, including preparing the sustainability report, planning and engaging employees in sustainability initiatives, keeping up to date with relevant legislation, cooperating with partners, etc.

ESG newsletter is issued internally every other month and provides an overview of the company's sustainability initiatives in all the Baltics States.



ENVIRONMENTAL METRICS

B3 – ENERGY AND GREENHOUSE GAS EMISSIONS (GHG)

In FY2026, renewable energy sources accounted for 52% of the company's total energy consumption.

	ELECTRICITY	HEATING *	FUELS FOR OWN TRANSPORT	TOTAL
Renewable (MWh)	687	288	-	1 189
Non-renewable (MWh)	907	199	223	1 115
TOTAL FY26	1 594 ↑	487 ↓	223 ↓	2 304 ↓
TOTAL FY25	1 475	701	286	2 462
Renewable share FY26 (%)	57% ↑	59% ↑	0%	52% ↑
Renewable share FY25 (%)	23%	52%	10%	30%

* Gas, biomass, oil shale, waste incineration, etc.
If the location is heated with electricity, it is included under electricity consumption.



ELECTRICITY consumption grew by 8% compared to FY2025 (1 474 MWh). The share of renewable electricity increased from 23% to 57%, meaning that more than half of the electricity consumed came from renewable sources.

The main drivers of this increase across all three countries were more accurate identification of electricity origin and the transition to renewable electricity.

Shopping centres that use 100% renewable electricity: Ülemiste in Tallinn; Akropole, Alfa and Origo in Riga; Akropolis, Ogmia, BIG and Pilaite in Vilnius.

In November 2026, Jalajälg's Tallinn office switched to renewable electricity. This alone increased the overall use of renewable electricity in Estonia by 74%. In addition, solar panels were installed at the Group's warehouse and the VivaSport office in Mārupe (Dzirnieku iela), near Riga.

Lithuanian office (Sporto Dvasia UAB) in Vilnius uses 100% renewable electricity.

HEAT consumption decreased significantly (30%) compared with the previous year This change is primarily attributable to a more accurate calculation methodology and improved data quality rather than to an actual reduction in heat use. See the methodology description in pg 12.

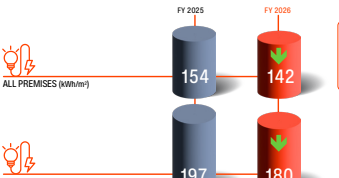
The high share of renewable energy in heating – 59% (FY25: 52%) – is driven by the extensive use of biomass (wood chips), and municipal waste incineration in district heating systems across the Baltics.[1] Biomass is considered to emit zero greenhouse gases. A growing number of shopping centres are moving away from fossil fuel-based gas boilers and connecting to district heating networks that include renewable energy sources in their energy mix.

COMPANY-OWNED TRANSPORT (16 passenger cars) consumed non-renewable fuel – 6 189 litres of diesel and 17 672 litres of gasoline.

[1] Eurostat. Renewable energy statistics.

THE SHARE OF RENEWABLE ELECTRICITY INCREASED FROM 23% TO 57% IN FY26

ENERGY INTENSITY (KWH/M2)



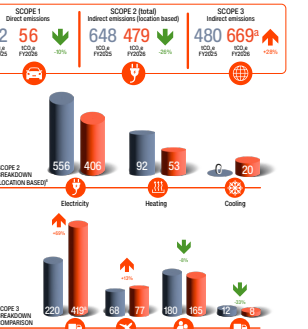
The decrease in energy intensity was primarily driven by lower heat energy consumption.

GREENHOUSE GAS (GHG) EMISSIONS

Jalajälg Group main greenhouse gas (GHG) emissions are related to electricity consumption (shops, offices, events), transportation and employee commuting. Not all categories of scope 3 GHG emissions are covered in GHG calculations.

The significant reduction in both location-based and market-based GHG emissions from electricity and heat were driven by several factors:
– improved identification of electricity sources
– increased use of renewable electricity
– lower national average electricity emission factors (both location-based and market-based), particularly in Estonia and Latvia.

JALAJÄLG GROUP GREENHOUSE GAS (GHG) EMISSIONS IN FY2025 AND FY2026



a) The increase in transport GHG emissions is mainly due to improved data quality, rather than a significant increase in actual activity.
b) Transport from central (European) warehouses to our warehouses and stores.
c) E-commerce (parcel transport to customers).
The location-based method reflects the average emissions intensity of grids on which energy consumption occurs, using grid average emission factor data. The market-based method reflects emissions from electricity that companies have purposefully chosen (i.e. include energy attribute certificates, direct contracts (e.g renewable), supplier-specific emission rates).

METHODOLOGY OF GHG CALCULATIONS

The calculation of GHG emissions was carried out in accordance with the Greenhouse Gas Protocol. All the Jalajälg Group subsidiaries were included in GHG calculations, and the data is provided in consolidated bases. The GHG inventory covers scope 1 and 2, but not all scope 3 emission categories (see the figure).

Scope 1 and Scope 3 emissions were calculated by the undertaking, while Scope 2 emissions were calculated by Nomine Consult. The activity-based and supplier-specific methods were primarily used for data collection and emissions estimation.

As shopping centres generally do not provide heating consumption data in kWh, the energy performance certificate (EPC) data of the buildings was used wherever available. These values provide a more reliable basis for estimating heating consumption than the averaged assumptions used previously.

The primary source of emission factors was the Estonian Ministry of Climate's model for calculating the environmental footprint of organisations 2025.[9] Where possible, country-specific emission factors and data for Latvia and Lithuania were identified and applied by the consultants. AIB electricity residual mixes 2025 were used for all three countries.[10]

The reduction in GHG emissions is closely linked to the decrease in national electricity emission factors, especially in Estonia and Latvia (23-30% reductions compared to 2024).

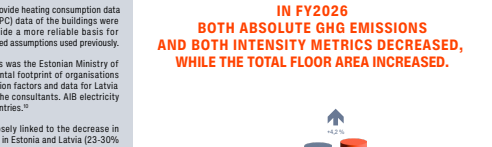
[9] Estonian Ministry of Climate. Model for GHG calculations 2025.
[10] AIB. Residual mix for 2025.

GHG INTENSITY

GHG intensity indicates how much greenhouse gas is emitted per EUR turnover (shows whether emissions are becoming less intensive relative to business performance) or per square metre (shows progress in decarbonising operations e.g. switching to renewable energy).

GHG intensity for scope 1 and 2 (location based) has decreased compared to previous financial year. This was primarily due to improved data quality and the increased use of renewable energy.

IN FY2026
BOTH ABSOLUTE GHG EMISSIONS AND BOTH INTENSITY METRICS DECREASED, WHILE THE TOTAL FLOOR AREA INCREASED.



C3 – GHG REDUCTION TARGETS AND CLIMATE TRANSITION

To date, the company has been focussing on improving energy-related data collection and quality. There is no formulated detailed transition plan for climate change mitigation (and adaptation). Nevertheless, we have taken several actions to improve our energy efficiency and reduce GHG emissions (see B2, B3) and we also have formulated preliminary targets to reduce our GHG emissions.

These targets are subject to annual review (taking into account the opening of new stores or significant increases in sales volumes, etc.).

GHG REDUCTION TARGETS FOR 2030

Target	Indicator	Base Year (FY2026)	Target Year (2030)
Reduce total energy consumption by 15%	MWh/year	2 304	1 960
Increase the share of renewable energy in Scope 1 and 2 to 80%	% of MWh/year	52%	80%
Reduce Scope 1 and 2 GHG emissions (location-based) by 30%	t CO_2e/year	535	375
Reduce Scope 1 and 2 GHG emissions intensity per m^2	kg CO_2e/m^2/year	36	30
Reduce Scope 1 and 2 GHG emissions intensity per turnover	kg CO_2e/EUR/year	0,007	0,006
Reduce electricity and heat intensity at stores	kWh/m^2/year	180	150
Reduce Scope 3 Category 4 and 9 GHG emissions (transport)	t CO_2e/year	427	363

Of the greenhouse gas emission categories measured to date, our largest impact arises from Scope 2 energy consumption and scope 3 transport, which is largely attributable to the activities of our partners.

Note: 85% of our transport (by cost) is provided by DSV/Schenker, Raben and DPD, who have set net-zero targets for 2040 or 2050.

C4 – CLIMATE RISKS

Climate-related risks remain unchanged compared with the previous reporting period. Therefore, no updates are presented in this report.

Please see Jalajälg Group sustainability report 2024/2025 pg[9].

B4 – POLLUTION OF AIR, WATER AND SOIL

The undertaking has no legal obligation to report air, water, or soil pollution to the relevant authorities. Given its primary activities in the retail sector, the company's operations do not result in significant direct pollutant emissions to the environment.

B5 – BIODIVERSITY

There are no sites that the undertaking owns, has leased, or manages in or near a biodiversity sensitive areas.[11]

B6 – WATER

The company **does not engage in water-intensive activities.** Water is used primarily in offices, warehouses, and stores. Most of the water we use is withdrawn from public water supply systems. Not all shopping centres provide precise information on water usage related to our premises.

As direct water consumption data are not available, water use is estimated by multiplying the number of full-time equivalent (FTE) employees by an average office water consumption factor of up to 40 litres per person per working day. Based on this methodology, the estimated annual water consumption is approximately 1 740 m^3, which is slightly lower than in the previous financial year due to a reduction in the number of FTE employees.

There are no Jalajälg Group locations on areas of high water-stress.[12]

In the Baltics the water stress levels (understood as a proportion of freshwater withdrawal from available freshwater resources) are low, reaching from 1% to 8%.[13]

[9] Biodiversity sensitive areas are defined as such by special nature protection regulation at European or international level. These comprise areas belonging to the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas (KBAs), as well as other protected areas designated as requiring special protection by governmental authorities. Estonian Land and Spatial Development Board (nature protection areas and individual nature protection objects)
[12] WWF Risk Filter Suite
[13] UN-Water SDG 6 Data Portal

B7 – RESOURCE USE, CIRCULAR ECONOMY AND WASTE MANAGEMENT

Many resources are used, and waste generated in Jalajälg's global value chain by producing the products we sell. Nike has taken serious steps and initiatives towards minimising and preventing the generation of waste. [14]

We apply circular economy principles wherever feasible by advancing circular solutions:
– providing good quality and durable products
– sorting and separately collecting waste streams (e.g. packaging) wherever possible
– products from previous seasons are sold through outlet stores or donated where possible to minimise waste and avoid disposal.

WASTE

The subsidiaries of the Jalajälg Group do not generate significant amounts of waste in their day-to-day operations. Most waste arises in offices (mainly household waste), warehouses and shops (primarily packaging waste).

Packaging waste. All Jalajälg Group subsidiaries that generate packaging waste are required to submit a packaging waste report and have agreements with producer responsibility organisations for the collection and recycling of their waste. These organisations ensure that the collected packaging waste is recycled to the extent required by regulation.

PACKAGING WASTE GENERATION IN 2024 AND 2025* BY MATERIAL TYPE (TONS)

Company & Country	Packaging Producer Responsibility Organisation	Paper & Cardboard	Plastic	Other (wood, metal)	Total
Jalajälg AS Estonia	Eesti Pakendiringlus	27,4	4,9	0,6	32,9
Viva Sport SIA Latvia	AJ Power	69 3	8,6	-	77,8
Sporto Dvasia UAB Lithuania	Žaliasis taškas	27,4	4,9	-	26,7
Total 2025*		122,8	14,0	0,6	137,4
Total 2024*		**132,3**	**11,5**	4,8	148,7

* Calendar years

The biggest amount of our packaging waste is made of paper and cardboard (e.g. shoe boxes). Larger cardboard boxes are often reused to ship smaller parcels in buik. We have reduced the transport packaging by using more and more reusable metal cages in all our warehouses and shops.

TEXTILE WASTE AND PRODUCER RESPONSIBILITY

National packaging recycling rates in 2023 were in Estonia – 69%, Latvia – 63%. Lithuania – 61% (average in EU27 – 67%).[15]

Most of the products we sell, such as clothing and footwear, will eventually become textile waste at the end of their useful life. Since 2025, textile waste has been required to be collected separately in all three Baltic States.

Latvia has already introduced a natural resources tax on textiles.[16] Our Latvian subsidiary, VivaSport, is a client of the textile producer responsibility organisation AJ Power Recycling.[17] In 2025, VivaSport placed approximately 140 tonnes of textile products on the Latvian market.

Producer responsibility organisations are responsible for organising the collection and legally compliant management of textile waste arising from products placed on the market, including its preparation for reuse, recycling and other forms of recovery.

According to AJ Power, more than 45% of the collected textile volume is diverted to recycling, reuse and material recovery.

At the latest by 2027–2028 an extended producer responsibility (EPR) system for textile waste will be implemented in all Baltic counties, incl Estonia and Lithuania. This means that Jalajälg AS and Sporto Dvasia will also need to collect more comprehensive and higher-quality data on textiles and join an EPR scheme.

BIO (FOOD) WASTE is generated only in offices, in very small amounts. At the Tallinn office, kitchen food waste is collected separately and handed over to a licensed waste management company.

[14] https://about.nike.com/en/mission/initiatives/advancing-circular-solutions
[15] Eurostat. Recycling rates for packaging waste per EU member states (last update 12/05/2026)
[16] Latvian Natural Resources Tax Law
[17] AJ Power Recycling web-site

SOCIAL METRICS – WORKFORCE

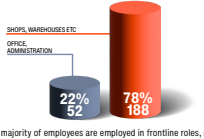
B8 – GENERAL CHARACTERISTICS

JALAJÄLG GROUP TOTAL NUMBER OF EMPLOYEES (FY2025 AND FY2026)

Country		Head count (30.04.2026)		Full time equivalent (30.04.2026)	
		FY2025	FY2026	FY2025	FY2026
Estonia		96	90↓	81	68↓
	Female	57	54↓	47	37↓
	Male	39	36↓	34	31↓
Latvia		68	65↓	61	57↓
	Female	40	34↓	36	29↓
	Male	28	31↑	25	28↑
Lithuania		80	85↑	73	64↓
	Female	59	62↑	55	47↓
	Male	21	23↑	18	17↓
TOTAL		244	240↓	215	189↓
	Female	156	150↓	137	114↓
	Male	88	90↑	77	75↓

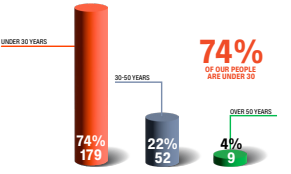
In FY2026 the total number of employees (headcount) increased by 4 persons. The largest change was in FTE, which decreased by 18%.

JALAJÄLG GROUP DISTRIBUTION BY OCCUPATIONAL CATEGORIES



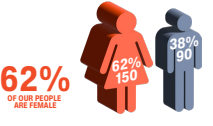
The majority of employees are employed in frontline roles, such as shops and warehouses. The share by occupational categories remained the same.

AGE DISTRIBUTION IN JALAJÄLG GROUP



Age split of employees reminded the same in FY2026 with only a slight increase in the proportion of employees aged over 50.

GENDER DISTRIBUTION IN JALAJÄLG GROUP



The gender distribution remained largely unchanged compared with FY2025.

EMPLOYEE TURNOVER

Country	Employee[18] turnover		Change (%)
	FY2025	FY2026	
Estonia	54%	54%	0%
Latvia	36%	65%	+29% ↑
Lithuania	66%	80%	+14% ↑
TOTAL	52%	66%	+14% ↑



The average Jalajälg Groups employee turnover rate was 66%. It is higher than last year (FY25: 52%), due to increased turnover rates in Latvia and Lithuania.

Employee turnover differs significantly between stores and warehouses (so called blue-collar roles) and offices and administration (white-collar roles), at 81% and 13% respectively. Average turnover rate in stores has increased by 17 pp, in the office 7 pp.

In retail sector the turnover of employees is usually high, especially at the shop level. It is mainly due to fact that retail jobs are often entry-level, with lower pay and high demands, leading to frequent job changes. The workforce is younger, incl. many students or part-timers.

Common employee turnover in retail is typically 30–60% per year for frontline roles. Above 60% is high, but common in some markets and roles.[20]

99% of employees have permanent contracts[19] and 54% have full-time contracts (5 pp less than last year). It indicates that the employees have permanent employment contracts that provide job security, while still allowing them to work part-time if they wish.

B9 – HEALTH AND SAFETY

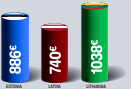
There has been no work-related recorded accident in Jalajälg Group. Therefore, the rate of recordable work-related accidents of employees in FY2026 was 0.[21]

There have not been fatalities as a result of work-related injuries and work-related ill health in Jalajälg Group.

[18] Employee turnover = people left during the year/average number of employees (HC; FY2025+FY2026/2) * 100
[19] Share of employees (HC) with permanent contracts.
[20] Employee turnover in retail – what it's costing you and how to fix it (2025)
[21] Rate = recorded accidents/ total number of hours worked in a year by all employees *100 full-time workers' hours a year.

B10 – REMUNERATION, COLLECTIVE BARGAINING AND TRAINING

Jalajālg Group confirms that all the employees have received pay that is equal or above applicable minimum wage for the country it reports in.



NATIONAL MINIMUM WAGES IN THE BALTIC STATES 2025[22]:

Please note: Minimum wages are calculated differently in the three countries: in Estonia, the employer pays the majority of social taxes; in Lithuania, they are largely paid by the employee; and in Latvia the tax burden is shared. As a result, net (take-home) minimum wages in Lithuania and Latvia are relatively lower than in Estonia, as shown here.

There are no employees covered by collective bargaining agreements.

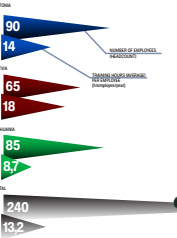
Collective bargaining levels in Estonia, Latvia, and Lithuania are among the lowest in the European Union.[23] It is mainly due to weak traditions of sectoral/national bargaining and labour markets dominated by individual contracts.

TRAININGS

In FY2026, Jalajālg Group organised several trainings for its employees. These trainings are mainly internal and are focussing on improving product knowledge and customer service. At least once a year there is an on-boarding training for new employees (Nike DNA training). It indicates that most of the training is targeted to blue collar roles (stores).

A notable example is the SOLE training programme in all Baltic countries, which introduced thecustomer service standard which aims to improve the quality of customer service provided by store employees.

AVERAGE TRAINING HOURS PER EMPLOYEE IN FY2026



OUR CHAMPION TRAINER ARNIS OZOLIŅŠ FROM LATVIA



[22] Eurostat. Minimum wages 2025.
[23] Collective bargaining coverage: Estonia ~9%, Latvia ~26%, in Lithuania ~29%. Source: worker-participation.eu/: Collective bargaining (10.08.2026)

C5 – ADDITIONAL (GENERAL) WORKFORCE CHARACTERISTICS

The female-to-male ratio at management level at the end of the reporting period was 5:6.

C6 – HUMAN RIGHTS POLICIES AND PROCESSES

The undertaking doesn't have yet a specific code of conduct or human rights policy for its own workforce, which would cover child labour, forced labour, human trafficking, discrimination, accident prevention. But some of these topics (and other own workforce related rules) are covered in organisation work rules and occupational health and safety rules.

The undertaking has a complaints-handling mechanism for its own workforce. Complaints can be submitted through the whistleblowing channel, as required by applicable legislation.

C7 – SEVERE NEGATIVE HUMAN RIGHTS INCIDENTS

There have been no confirmed incidents within our own workforce related to child labour, forced labour, human trafficking, discrimination, or any other human rights-related issues.

GOVERNANCE METRICS

B11 – CONVICTIONS AND FINES FOR CORRUPTION AND BRIBERY

During the reporting period, there have been no convictions or fines imposed on Jalajälg Group for violations of anti-corruption or anti-bribery laws.

C8 – REVENUES FROM CERTAIN SECTORS AND EXCLUSION FROM EU REFERENCE BENCHMARKS

Jalajälg Group is not operating and do not earn revenues in the sectors of controversial weapons, the cultivation and production of tobacco, fossil fuel, and manufacture of pesticides and other agrochemical products.

The undertaking is not excluded from EU reference benchmarks that are aligned with the Paris Agreement.[24]

C9 – GENDER DIVERSITY RATIO IN THE GOVERNANCE BODY

The governance body of Jalajälg Group consists of three male board members and no female members. Consequently, the gender diversity ratio is 0.[25]

[24] It means that the undertaking is not ruled out because of harmful or unsustainable activities (like coal mining and energy generation, controversial weapons production, oil and gas power generation, etc) and therefore could be included in climate-conscious investment indices.
[25] Gender diversity ratio = female board members/male board members.



FUTURE REPORTS AND ACTION

The Jalajäg Group will continue to regularly compile and publish its voluntary sustainability report in accordance with the EFRAG VSME standard/EU regulation. In order to improve the clarity and practical value of the report in FY2027, we will:

- make efforts on improving data quality and collecting comprehensive information to clearly establish baselines and measure our progress
- focus on the most significant sustainability impacts, aiming to reduce the negative (e.g. energy use) and enhance the positive ones (e.g. supporting sports)
- improving communication and encouraging our partners (e.g. shopping centres, transport providers and construction partners) to adopt more sustainable practices
- focusing on our employees – providing more training and encouraging them to participate in sports challenges and sporting events.

Thanks

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