

MAXIMA Lithuania's employee development and growth programme "Speed Board" has been reinvented after running for over three years. In 2023 the programme was reworked and "Career Centre" was established. "Career centre" is a real operating store, where through a fast-paced programme ambitious persons have an opportunity to understand the peculiarity of the retail business and develop skills needed for swift career growth. The programme is open for internal and external participants.

Throughout 2023, we continued our initiative to provide language trainings for our colleagues from different backgrounds and nationalities, who are eager to improve their national language skills.

Employees within the Group receive regular performance and career development reviews in different way and approaches, but the most crucial aspect is continuous dialogue to keep the feedback timely, discuss challenges and celebrate milestones. Despite being a large organisation, the Group maintains a flat structure and emphasizes informal continuous feedback and self-assessment between managers and employees.

## Employee wellbeing and benefits

We focus on creating healthier and more effective workspaces by improving facilities used by our personnel, providing advanced equipment, and offering benefits such as free of charge meals to the employees of stores, logistics centres, warehouses in addition to larger discounts for goods purchased in stores. The Group's efforts are aimed at creating an ergonomic work environment that makes it easier for employees to perform their tasks quickly and efficiently, saving their time and energy.

The well-being of our employees is of utmost importance to us. Therefore, all our companies conduct health screenings before hiring new employees and provide the necessary personal protective gear in areas where it is needed. We continue to conduct employee health check-ups throughout entire tenure, offering guidance on occupational health, safety, and hygiene, as well as access to first aid and emergency care. Some businesses employ third-party providers to offer these services, while others have their own medical professionals. Additional benefits such as private health insurance, possibility to consult psychologists, and similar, are aimed at increasing the overall health of our employees.

**Additional social benefits for our employees (may vary between the Group companies):**

- Additional health and critical illness insurance
- Additional allowance in case of major life events (loss of a close family member, birth or adoption of a child, death of the employee)
- Additional allowance in case of home fire
- Accommodation allowance
- Various financial bonuses, such as reference bonus, best employee programme, long-term employee awards, etc.
- National language courses

The Group is committed to fostering a family-friendly work environment, offering a suite of additional benefits designed to support the well-being and work-life balance of our employees. Recognizing the diverse needs and preferences of our workforce, we have hybrid working conditions for our administrative staff across most countries. This flexible approach allows employees to seamlessly integrate their professional and personal lives by giving them the freedom to work both from the office and remotely from home.

Furthermore, we extend the commitment to flexibility to our employees in stores, warehouses, and logistics centres by providing adaptable work schedules and options for part-time employment. These measures are part of our ongoing efforts to accommodate the varying needs of our team members, ensuring they have the support they need to thrive both in their careers and in their personal lives.

100% of our employees, irrespective of age or gender, are entitled to family-related leave (maternity leave, paternity leave, parental leave, and carers' leave) through national laws.

| FAMILY-RELATED LEAVES                                                                                | FEMALE | MALE  | TOTAL |
|------------------------------------------------------------------------------------------------------|--------|-------|-------|
| Number of employees that took family-related leave                                                   | 1,682  | 183   | 1,865 |
| Number of employees that were due to return from family-related leave during the reporting period    | 654    | 94    | 748   |
| Number of employees that returned to work after family-related leave ended during the reporting year | 310    | 92    | 402   |
| Return-to-work rate                                                                                  | 47.4%  | 97.9% | 53.7% |
| Percentage of employees that took family-related leave                                               | 5.6%   | 2.4%  | 4.9%  |

The consistent efforts that we make have been officially recognised by the Society Integration Foundation, that has awarded MAXIMA Latvia with the "Family-Friendly Workplace" title in 2023. This initiative, launched in 2020, is designed to encourage employers to focus more on the work-life balance and to assist their employees in enhancing it. Companies that submit their applications are evaluated by the Society Integration Foundation and may receive support for the further implementation of various family-friendly practices within their organisation.

## Occupational health and safety

Our health and safety management systems are based on legal requirements in the countries of operation and cover 100% of our employees in every company within our Group. Each company has appointed specialists or divisions responsible for maintaining and implementing occupational health and safety standards. Our staff is instructed on our protocols and is advised to halt work in the event of a hazardous situation. Typically, the regulations are outlined in an Internal Rules of Working Procedures handbook within our organisations. If a risk is detected or a situation endangers an employee's safety or health, the three essential actions are to STOP work without delay, REMOVE oneself from the dangerous area, and REPORT the incident to a supervisor as soon as feasible. A generalised description of health and safety management systems is provided in the annexes.

| WORK-RELATED SAFETY METRICS, OWN WORKFORCE                                                            | COMPARABLE, 2022 | REPORTING YEAR, 2023 | CHANGE |
|-------------------------------------------------------------------------------------------------------|------------------|----------------------|--------|
| Number of fatalities as a result of work-related injuries and work-related ill health (own employees) | 0                | 0                    | +0%    |
| Number of high-consequence work-related injuries                                                      | 13               | 4                    | -69%   |
| Number of recordable work-related accidents                                                           | 400              | 433                  | +8%    |
| Rate of recordable work-related accidents (TRIR)                                                      | 6.25             | 6.98                 | +12%   |
| Number of cases of recordable work-related ill health                                                 | No data          | 27                   | -      |
| Rate of high-consequence work-related injuries (excluding fatalities)                                 | 0.20             | 0.06                 | -68%   |

Regarding the training of employees on health and safety, all newly hired employees undergo initial training before they commence work. Other employees are trained at intervals determined by the management systems, which are based on the findings of ongoing risk assessments and improvement processes. Typically, internal health and safety training for department heads is conducted at least once every three years. Training in hygiene skills for all company employees is provided at least once every five years. Employees engaged in hazardous jobs, such as manual handling and working with hazardous chemicals, receive internal health and safety training at least once every five years. Workers performing hazardous tasks, like operating electric forklift trucks, undergo internal health and safety training at least once every three years. Similarly, employees working with potentially dangerous equipment, including lifts/elevators, are trained at least once every three years. External first aid training is provided at least once every five years. 26,811 employees received training on health and safety during 2023.

## Our Customers



We recognise that customer satisfaction is crucial to our business success and creates additional value to our internal and external stakeholders. That is why we are committed to offering high-quality products that not only meet but exceed our customers' needs and expectations, all at a price they can afford. We are dedicated to enabling our customers to make choices that are healthier and more sustainable, by providing a broad selection of products that are beneficial for them and the environment. Whether our customers are in search of fresh food products, organic items, or eco-friendly household goods, we strive to make it straightforward for them to make choices. To enhance the shopping experience, we are actively investing in technology and infrastructure improvements. This includes the adoption of advanced technologies like self-checkout systems, including Scan&Go, and a mobile app for our loyalty program, among others.

## Product safety and quality

At our stores, product safety is our top priority across all assortment categories we offer, whether it involves food or non-food products. We are acutely aware that our customers depend on us to supply products that are safe for use and consumption, and we have implemented a range of measures to ensure our products adhere to the highest safety standards. Our entire Group adheres to the food safety management system HACCP, ensuring compliance in every aspect.

We maintain stringent policies and procedures that mandate our suppliers to submit all necessary documentation demonstrating their products' compliance. This includes safety data sheets, organic or eco-certifications, and any other pertinent certifications. To verify the safety and quality of our products, we carry out both scheduled and ad hoc laboratory tests. Furthermore, we conduct supplier audits to confirm that their manufacturing environments and safety assurance processes align with our high standards. We also have specialized teams dedicated to monitoring and swiftly addressing any issues related to our products. By placing a strong emphasis on product safety and quality, we strive to foster trust with our customers and uphold a favourable reputation in the market.

To ensure product quality and safety, MAXIMA performs in-house and outsourced fit-for-use tests in addition to supplier tests. Samples are taken from products and examined by independent testing labs or MAXIMA's in-house labs for specific technical and chemical parameters. We also rely on our Quality and Food Safety team and external auditors to implement related procedures and assess relevant indicators. At our own or partner warehouses, we apply comprehensive quality control procedures for the acceptance of fresh foods such as fruit, vegetables, and fresh meat. This involves assessing various parameters to determine quality issues, such as cold chain temperature violations and inconsistencies in product appearance and smell. Only goods that pass all assessments are made available for sale. These measures ensure quality across the entire supply chain.

| PRODUCT SAFETY ASSESSMENTS THROUGH SAMPLING | FOOD  | NON-FOOD | TOTAL |
|---------------------------------------------|-------|----------|-------|
| Total number of samples analysed            | 2,505 | 676      | 3,181 |
| Of which samples of private label products  | 1,839 | 676      | 2,515 |
| Own control samples analysed                | 2,401 | 517      | 2,918 |

Following our stringent product safety and quality assurance procedures, a total of 82 food safety recalls were made.

We place extra emphasis on fulfilling our customers' needs for access to information about the quality and composition of our products. To cater to these needs in our non-prepacked goods sections, we have introduced QR codes that offer comprehensive details about the products, including information about allergens. Additionally, customers can obtain necessary information directly from our staff or by calling the contact numbers provided on the product labels. In the event of a public recall, in line with our internal procedures, we display recall notices in our stores, where customers can return the product for a refund.

Regarding substances of concern and substances of very high concern as outlined in Regulation (EC) 1907/2006 (commonly referred to as the REACH regulation), our customers have the option to inquire about the composition of products and the presence of these substances by reaching out to our customer support and quality hotlines. This ensures that our customers are well-informed about the products they purchase, reflecting our commitment to transparency and safety.

During 2024, MAXIMA International Sourcing is planning to expand the private label testing capabilities and will increase the quantity of testing for fresh meat products: poultry, beef products, basic dairy products. In addition, MAXIMA International Sourcing is exploring the options to offer more sustainable marine products in the private label offering.



## Private label

We strive to provide our customers with detailed information to help them make well-informed choices when purchasing. Our team is dedicated to constantly checking our products for any potential enhancements, focusing on health and safety. By analysing laboratory tests, evaluating prototypes, and conducting taste tests, we continually refine our product formulas and manufacturing processes. Ensuring that our private label products are of the highest quality is as crucial as providing precise and clear product information and labels. The private label teams handle the creation and approval of product specifications. In designing labels, our priority is to clearly present all vital information to our customers. We make sure our private labels include all necessary details, such as:

- Where the product components come from;
- What is in the composition of the products, especially any substances of concern;
- How to use the products safely;
- Guidelines for product disposal and its environmental or social effects.



In 2023 Maxima International Sourcing, in addition to RSPO and Ecolabel licences, has obtained the Rainforest Alliance licence and our private label products that comply with the Rainforest Alliance requirements are now marked with the seal signifying this. Now it is easier to identify such products in our private label offering.

In the Baltic region our companies have continued the process of enhancing our private label ready-to-eat and ready-to-heat products by eliminating additives in the components that we use in the production process. For example, last year in Estonia, E621 was eliminated from 80% of "Master's Quality" products in which it had been present.



## Better shopping experience



To provide better shopping experience, we have been working on unifying our shop formats in the Baltic region making it easier for our customers to find goods by following the same layout and assortment in similar-size stores. In the second half of 2023, we started introduction of new self-checkout terminals that will reduce the number of interactions our employees take with the terminals and thus making the whole process faster for our customers. Last year as many as 40.8% of our customers used the self-checkout option.

Our efforts on enhancing the customer experience have not gone unnoticed. STOKROTKA won the "BLIX AWARDS – Consumers' Choice 2023" in the Promotion of the Year category in the Supermarkets group. More than 130,000 consumers from all over the country took part in this year's edition of the programme which evaluated the activity of retail chains.

## Loyalty programmes

We provide our customers with different participation options in our loyalty programmes: physical loyalty cards and mobile applications. Through different approaches we strive to cater to the needs of our diverse customers and deliver the tailored discount offerings.

In the beginning of 2023, MAXIMA Lithuania updated its physical loyalty cards "AČIŪ" with a new design, which accommodates the contactless feature and makes the use of cards seamless. Later the same year new loyalty and promotion programmes were introduced, which allows our customers to utilise their loyalty membership even better – from additional discounts by a travel agency and insurance company, to discounts for cinema tickets.



Last year over 2 million individuals actively used the Nasza STOKROTKA mobile application, which provides access to a wide range of enticing offers, promotions, and exclusive events. The application's perceived benefits have garnered significant interest from customers, reflected in its high ratings. In December, the app was once again recognized as the top-rated application among national grocery chains, according to user feedback on both Google Play and App Store. This achievement was based on the average ratings of loyalty apps on these platforms for December 2023.

The app serves as a vital communication channel with our customers. It hosts the latest special campaigns, including challenges and lotteries, and offers customers access to the best deals. Increasing the app's user base is crucial for us, as it was designed with the consumer in mind, aiming to facilitate more affordable shopping experiences. We are delighted with the consistent positive reception of our solution. Furthermore, the app plays a central role in our promotional efforts, enabling us to minimize the use of paper brochures and contribute to environmental sustainability.

## Engaging customers

At MAXIMA Group, we prioritize ensuring that all our interactions with customers are characterised by honesty, transparency, and timeliness. To disseminate information to our customers, we utilise a variety of channels, including newspapers, weekly flyers, customer magazines, television advertisements, and our official websites. Recognising the diverse preferences of our customer base, we also engage with them through social media platforms such as Facebook, LinkedIn, and Instagram. This approach allows us to connect with those customers who prefer the immediacy and convenience of social media.

While the specific communication tools available may vary by country, we ensure that customers across all regions can contact us, pose questions, and provide feedback. In most countries, we offer several options for customers to reach out to us, including by phone, email, in person at our stores, through our loyalty app, or on various social networks. This comprehensive approach to customer communication reflects our commitment to accessibility and responsiveness, allowing us to effectively meet the needs and preferences of our diverse customer base.

## Promoting Healthier Choice

In 2023, we proudly initiated the "Be FIT" promotional campaign in STOKROTKA stores, aimed at introducing our customers to a carefully curated selection of new products, ingredients, and meals that are integral to maintaining a balanced diet. Our commitment is to continually adapt our offerings to meet the dynamic expectations and lifestyles of our customers, acknowledging the growing trend towards health-conscious eating habits.

The increasing demand for products that facilitate a healthy, mindful, and balanced dietary lifestyle has driven us to expand our range during this campaign. We've gone above and beyond our usual selection to incorporate a variety of health-oriented options. This expansion includes eco-friendly products that support sustainable living, gluten-free items catering to dietary restrictions, vegetarian choices for those seeking plant-based alternatives, and products without added sugars for a healthier lifestyle. These new offerings are prominently featured on a dedicated special shelf "STOKROTKA na zdrowie" (STOKROTKA for health), making it easier for our customers to find and incorporate these healthier options into their daily lives. This initiative is part of our ongoing effort to enhance the wellness and satisfaction of our community through thoughtful and responsive adaptations to our product lineup.