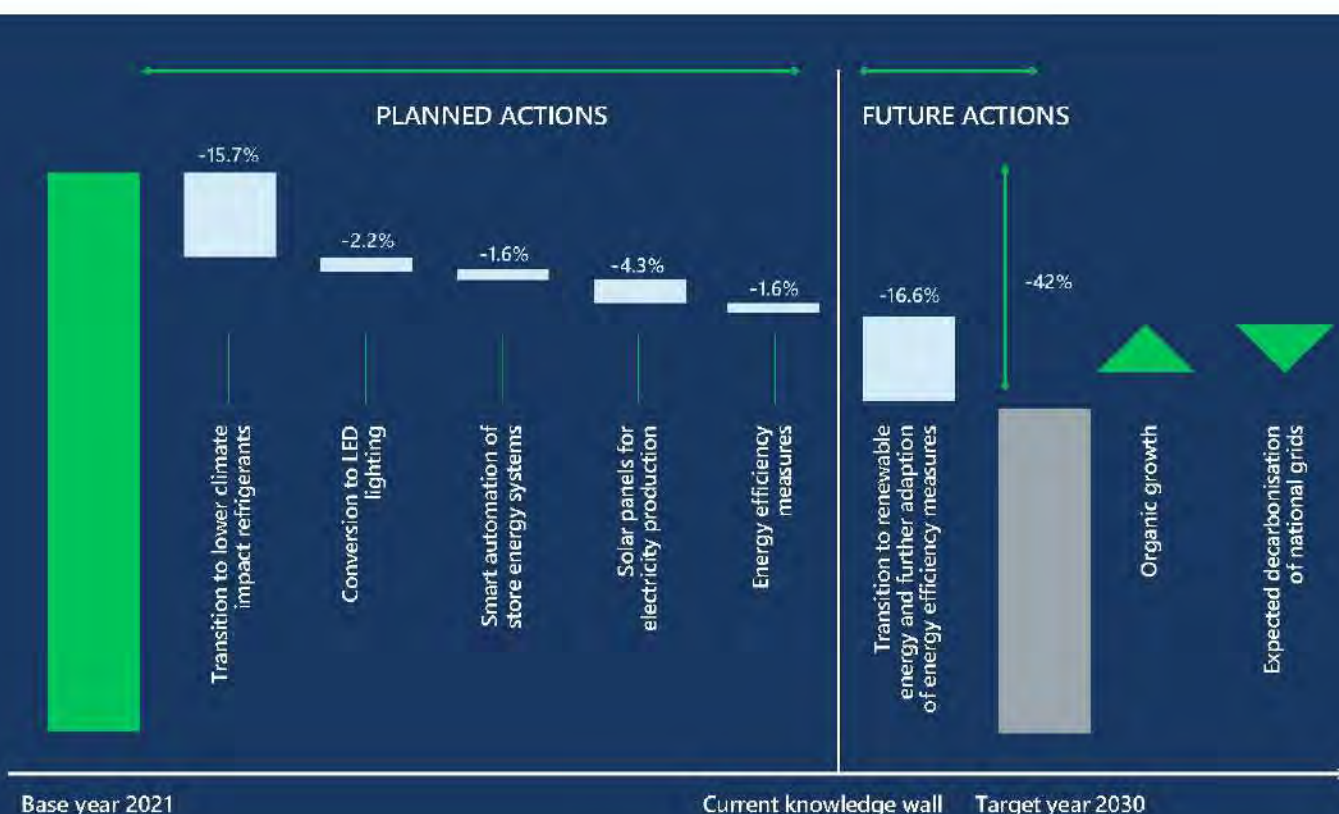


E1-1 Transition Plan For Climate Change Mitigation

The Group has started to develop a Transitional plan for climate change mitigation, which is anticipated for completion no earlier than 2026. The plan is being developed based on GHG emissions reduction targets verified by the Science Based Targets initiative in alignment with the goal of the Paris Agreement to limit global warming to 1.5 °C. More information is available in the Targets section of the E1 Climate change chapter.

The picture below shows our decarbonisation levers and key actions to achieve Scope 1 and 2 science-based targets. We have a "Current knowledge wall" in our plan that splits our target achievement plan into two parts: action planned already and future action that we have not explicitly planned yet, as our current knowledge is not sufficient to foresee future technological developments and market conditions. However, we foresee that measures will focus on the transition to renewable energy and further adaptation of energy-efficiency solutions. We also expect that any increase in greenhouse gas emissions due to our Group companies' organic growth will be balanced by the pace at which national power grids will become greener. This is based on CRREM (Carbon Risk Real Estate Monitor) models, which are tailored for real estate assets.

Back in 2023, we assessed the preliminary investment needed to achieve our science-based targets pertaining to Scope 1 and 2 emissions. These investments are projected to amount to approximately EUR 100 million between 2023 and 2030. A reasonable share is expected to be Taxonomy-eligible, falling under the Climate Change Mitigation environmental objective. At the time of publishing the sustainability statement, we had not conducted any estimations on the potential alignment of future Capex and Opex with the Taxonomy.



The Group does not fall under the definition for exclusion from the EU Paris-aligned Benchmarks as laid down in Article 12 of Commission Delegated Regulation (EU) 2020/1818. During the reporting period, the Group made no significant Capex investments in coal-, oil- and gas-related economic activities.

E1-2 Policies

The Group has not adopted policies relating to climate change mitigation and adaptation, energy efficiency, renewable energy deployment or other climate change-related topics, with the relevant policies set to be developed no earlier than 2026. The delay relates to the complexity of implementing such policies within the Group due to different contexts, markets and regulatory environments in the countries of operation.

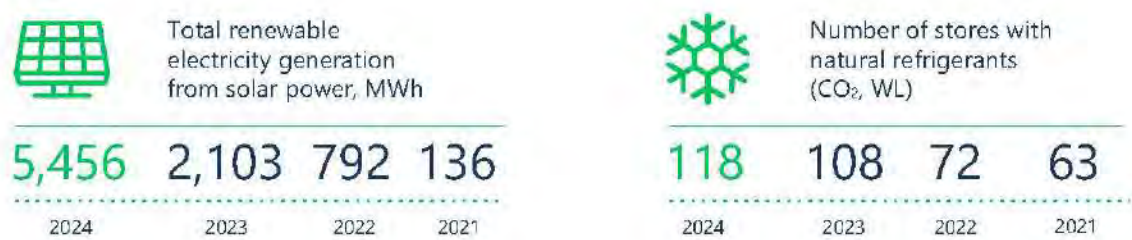
E1-3 Actions

Although there are no climate-related written policies at present, Group companies are actively implementing measures that address energy consumption, renewable energy generation and the reduction of GHG emissions. The Group's total GHG footprint amounted to 5,167,645 tCO₂e in 2024, with the biggest share of emissions coming from the value chain for the production of acquired goods (detailed information is provided in the Metrics sub-chapter). As we are yet to perform a detailed evaluation of physical climate risks for our real estate portfolio, our actions in 2024 were limited to insurance against such risks.

Our monitoring of investments in carbon reduction measures is conducted through the EU Taxonomy Regulation framework. We acknowledge that all investments that align with the EU Taxonomy climate change mitigation objective contribute significantly to the reduction of GHG emissions. Additionally, mitigation measures that occur in routine business activities other than hard investments and contribute to GHG emission reduction are systematically disclosed through our GHG inventory, with the specific monetary values of these changes not explicitly quantified. Based on data on eligibility under the EU Taxonomy climate change mitigation objective, a total of EUR 71.9 million in Capex and EUR 14.5 million in Opex was directed towards reduction of climate impacts throughout the whole Group in 2024 (compared with EUR 58.1 million in Capex and EUR 5.5 million in Opex in 2023).

Renewable Energy Development

In September 2024, MAXIMA Latvia finalised a project to install solar power stations at two stores, which have total nominal capacities of 100 kW and 150 kW respectively. During the year STOKROTKA deployed 35 solar power stations with capacities ranging from 26.4 kW to 50 kW, totalling around 1,700 kW in nominal capacity.



In tackling the reduction of purchased energy consumption, we increased the amount of renewable energy we generate to more than 5.4 GWh (compared to 2.1 GWh in the previous year), of which we consumed 89% directly on-site, with the rest exported to the grid. In addition, our own generation of renewable energy enabled us to avoid emissions of 2,257 tCO₂e (1,203 tCO₂e in previous year).

Transitioning To Lower-Impact Refrigerants

The use of refrigerants is another area in which our engineering teams are taking steps to lower the climate impact of existing systems. GHG emissions arising from refrigerant leakage reached 66,993 tCO₂e in 2024 (compared with 80,339 tCO₂e in 2023). We are steadily increasing the number of stores with natural refrigerants to reduce impacts that arise from such leakages. At the end of 2024 we had 118 stores with water-loop or carbon dioxide-based refrigeration systems (108 in 2023).

Energy Efficiency

When it comes to our fleet, 99.9% of our owned and operated vehicles are EURO 6 standard for tailpipe emissions. For passenger cars, we have been transitioning away from diesel-run vehicles, with 69% of passenger cars being petrol and hybrid at the end of 2024.

MAXIMA Lithuania has started a process to update the current logistics management module to ensure that product deliveries are optimised, resulting in reduced travel distances and improved loading efficiency of delivery trucks. It is anticipated that the evaluation of alternatives will be completed in 2025 and the update will then begin, subject to the feasibility of implementation.

Since 2016, MAXIMA Latvia has been using an ISO 50001-certified energy management system to improve efficiency across stores, logistics warehouses and offices, ensuring compliance with European and Latvian regulations. In 2024, the company implemented a wide range of energy-saving measures, such as LED lighting installations, equipment upgrades and the use of energy analysers, monitored via the EMCOS reporting system.

Promotion Of Plant-Based Choices

The "Neapēd Zemeslodi" initiative, supported by MAXIMA Latvia, encourages environmentally friendly eating habits by promoting plant-based diets to reduce the environmental impact of food consumption. As part of this annual January challenge, MAXIMA Latvia expanded its plant-based product range, offering more vegan meals under the "Master's Quality" ("Meistara Marka") brand. This led to an increase in customer engagement and satisfaction, while around 30,000 participants joined the initiative in 2024. Success metrics included participant numbers, sales growth in plant-based products and heightened public awareness through media coverage. Participation in this initiative has helped us evaluate, if the plant-based products would be of interest to our customers. MAXIMA Latvia plans to continue supporting this initiative in line with its commitment to sustainability and fostering healthy lifestyles, reinforcing its position as a leader in promoting sustainable choices.



E1-4 Targets

In March 2023, the Group has committed to set science-based targets which would be validated by the Science Based Targets initiative (SBTi). This decision was not related to any internal policy objective. We chose this approach because we believe it aligns with the best practices for setting climate mitigation goals. By adhering to the guidelines set by the SBTi cross-sector pathway and Corporate near-term criteria with absolute contraction approach, we aim to ensure that our climate mitigation goals are not only ambitious but also scientifically grounded, aligning with the objectives of the Paris Agreement, and include whole value chain, including upstream, own operations, and downstream. Internal stakeholders, including Management Board, have been involved in the whole process of setting the targets and assessing implementation measures. The official approval has been issued at the end of 2023, and SBTi has classified our Scope 1 and Scope 2 target ambition as in line with a 1.5°C trajectory. The Scope 1 and 2 target is an absolute reduction target, and the Scope 3 target is calculated following the market-based approach. The Scope 3 target is an engagement target.



MAXIMA GRUPĒ, UAB commits to reduce absolute scope 1 and 2 GHG emissions **42.0%** by 2030 from 2021 a base year. **MAXIMA GRUPĒ, UAB** also commits that **78.3%** of its suppliers by emissions covering purchased goods and services, will have science-based targets by 2027.

Targets were set with application of the same organisational and operational boundaries as in the GHG inventory, ensuring consistency with indicators used for tracking progress. Following SBTi methodology Scope 1+2 target covers 100% of Scope 1+2 emissions, Scope 3 engagement target covers 2/3 of Scope 3 emissions. Adhering to SBTi criteria, we will review and, if necessary, recalculate and revalidate our targets in line with the most recent criteria at least every five years. Additionally, we have set a 5% significance threshold for emission recalculations. No reviews of the baseline were performed during the reporting year.

117,626 | Absolute value of Scope 1+2 (market-based) GHG emission reduction, tCO₂e

42% | Percentage value of Scope 1+2 (market-based) GHG emission reduction (compared with emissions in base year)

Our selection of 2021 as our baseline year has been scrutinised during the target validation process by SBTi and deemed appropriate given our business-specific circumstances. At the time we submitted our targets for validation, our inventory for 2022 had not been completed. Meanwhile, although we had reliable input data for the 2020 GHG inventory calculation, that year was significantly impacted by the COVID-19 pandemic and thus does not accurately represent our business operations. Using earlier years as a baseline would lead to substantial discrepancies given the significant changes and developments in our operations since then.

Progress is monitored annually, with results presented to the Management Board. Other stakeholders receive information on progress through annual sustainability statements which are presented together with annual financial statements, with progress measured through the comparison of Scope 1 and 2 emissions in the reporting year to those in the baseline year. As of the end of the reporting period, a 13.2% reduction has been achieved. Progress towards engagement goals is assessed by evaluating the maturity of climate action at the supplier level, which is discussed in more detail in the sub-chapter on that subject. The progress achieved towards the engagement target is 16.0%.

Decarbonisation levers are further described in sub-chapter E1-1 – Transition plan for climate change mitigation.



In tackling the reduction of GHG emissions and air pollution associated with the leak of refrigerants, **STOKROTKA** has set a target that no refrigerants with a global warming potential (GWP) above **2,500** are used in refrigeration equipment by the end of 2026. Our retail companies in the **Baltics** have set a target that no refrigerants with a GWP above **1,800** should be used in refrigeration equipment by 2030.

Metrics

Climate Impact At A Supplier Level

As is evident from our GHG inventory, the goods we offer through our stores and e-commerce have the most significant GHG impact in our organisational footprint. Diving deeper into this category, we have allocated the scale of such emissions to our suppliers based on the amounts of their products sold.

To understand how our suppliers are addressing the impacts associated with their goods and products, we have performed a detailed analysis of publicly available information for initial classification of our biggest suppliers in terms of associated GHG emissions based on the maturity of their climate impact management. We have established that suppliers that already have science-based targets (either SBTi-approved or in line with the 1.5 °C ambition) cover 14.1% of our total Scope 3 GHG emissions, or 16.0% of Scope 3 Category 1 emissions.

BREAKDOWN OF GOODS AND PRODUCT SUPPLIERS BY MATURITY OF CLIMATE ACTION	AS OF TOTAL GHG SCOPE 3		AS OF SCOPE 3 CATEGORY 1	
	COVERAGE IN 2023, %	COVERAGE IN 2024, %	COVERAGE IN 2023, %	COVERAGE IN 2024, %
Have SBTi-approved targets	9.1%	14.1%	10.2%	16.0%
Have committed to setting targets under the SBTi	0.9%	3.6%	1.0%	4.0%
Have targets in line with the 1.5 °C ambition	0.3%	0.0%	0.4%	0.0%
Have GHG reduction targets	1.3%	0.8%	1.6%	1.0%
Do not have GHG targets, but have related activities (energy efficiency measures, tracking GHG emissions)	1.4%	12.3%	1.6%	13.9%
Have no targets	30.5%	16.1%	36.3%	18.2%
Not classified at current stage	56.5%	53.1%	61.3%	57.0%

Land and agriculture impacts

During the reporting period, we continued to improve our calculation methods for agriculture-related (so-called FLAG – forest, land and agriculture) emissions in our Scope 3. We have used the updated emission factors from the Agribalyse database and introduced new ones sourced from the CarbonCloud database to achieve a higher quality of estimations. The resulting uncertainty is considered moderate to high due to the absence of supplier-specific emission factors.

FLAG EMISSIONS IN REPORTING YEAR, tCO ₂ E	TOTAL CAT 1 EMISSIONS	FLAG CAT 1 EMISSIONS	NON-FLAG CAT 1 EMISSIONS
Food and Beverages	3,927,449	1,912,214	2,015,235
Non-Food	336,678	Not estimated	Not estimated

For the first time, we have estimated the breakdown of FLAG emissions into land-use change (LUC) and land management components. The results presented in the table below show that approximately 19% of emissions are related to land-use change, which is a driver for biodiversity-related impacts.

FLAG BREAKDOWN, tCO ₂ E	FLAG CAT 1 EMISSIONS	LUC CAT 1 EMISSIONS	LAND MANAGEMENT CAT 1 EMISSIONS
Food and Beverages	1,912,214	355,696	1,556,518

E1-5 Energy Consumption and Mix

We follow the conservative approach in reporting the renewable share of our energy use, in line with the provisions of ESRS E1-5. We only include renewable energy for which we have Guarantees of Origin attributed. When we consume purchased electricity, we do not therefore include any extra renewable energy share that might be in the country's power grid but isn't specifically claimed through market instruments. We have also not considered the renewable part of fuel used in road transport, even though the countries in which we operate have legal obligations for biofuel to be mixed with diesel and petrol. We have taken the same approach for district heating, for which we do not calculate how much comes from renewable sources in cases where we do not have attribution certificates.

ENERGY CONSUMPTION AND MIX FOR OUR OWN OPERATIONS ¹ MWh	COMPARATIVE, 2023	REPORTING YEAR, 2024
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products	55,862	56,876
Fuel consumption from natural gas	51,089	47,216
Fuel consumption from other fossil sources	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	370,765	386,935
Total fossil energy consumption	477,716	491,028
Share of fossil sources in total energy consumption (%)	73.8%	74.1%
Consumption from nuclear sources	29,454	30,904
Share of consumption from nuclear sources in total energy consumption (%)	4.5%	4.7%
Fuel consumption from renewable sources	0	136
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	138,412	136,080
The consumption of self-generated non-fuel renewable energy	1,867	4,862
Total renewable and low carbon energy consumption	140,280	141,078
Share of renewable and low carbon sources in total energy consumption (%)	21.7%	21.3%
Total energy consumption	647,450	663,009

ENERGY INTENSITY PER NET REVENUE ²	COMPARATIVE, 2023	REPORTING YEAR, 2024	YOY
In high climate impact sectors ³ (MWh/M EUR)	111	109	-2%

¹ Energy-related information is reported as final energy consumption in net calorific value. Default conversion factors have been sourced from DEFRA. Consumption from nuclear sources has been estimated based on AIB (Association of Issuing Bodies) data on residual mix of electricity in respective country of operation for year 2022 and 2023 respectively.

² The energy intensity per net revenue for the year 2023 has been calculated using the total net revenue from Note 19 of the Consolidated financial statements for the year ended 31 December 2023 as the denominator. The energy intensity per net revenue for the year 2024 has been calculated using the total net revenue from Note 19 of the Consolidated financial statements for the year ended 31 December 2024 as the denominator. The total energy consumption is used as the numerator.

³ Total energy consumption from activities in high climate impact sectors (NACE sections relevant for the Group: Section G – Wholesale and retail trade and Section L – Real Estate Activities) per net revenue from activities in high climate impact sectors.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

We continue to calculate our GHG emissions inventory in accordance with the GHG Protocol Corporate Standard. The scope of this inventory matches our financial reporting boundaries and uses the operational control consolidation approach. The Group does not have investees (such as associates, joint ventures or unconsolidated subsidiaries), nor contractual agreements that are joint arrangements not structured through an entity for which the Group would have operational control. None of our Group companies fall under the EU Emissions Trading System, meaning that none of our GHG emissions are regulated.

On 3 March 2024, Barbora Polska Sp. z o.o., which provided food delivery services in Poland, ceased operations. This event is not considered significant in terms of impact on GHG emissions, since the share of Group annual emissions of the entity that ceased operations is below a threshold of 5%. No other significant changes have been made in the definition of what constitutes the reporting entity's value chain.

Our inventory includes all greenhouse gases specified in the scope of the GHG Protocol: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃. We report biogenic CO₂ emissions from the combustion of biomass (wood pellets) separately from Scope 1 emissions. In the case of Scope 1, we assume that all fuels apart from wooden pellets used during the reporting period are 100% fossil fuels. For Scope 2, the applied emissions factors do not include CH₄ or N₂O, nor specify the biogenic emissions from the combustion and biodegradation of biomass. Meanwhile, in the case of Scope 3, the applied emissions factors also do not specify the biogenic emissions from the combustion and biodegradation of biomass. In addition, our Scope 3 inventory does not account for any removals, purchases, sales or transfers of carbon credits or other GHG allowances. We consider the uncertainty level of GHG emissions in Scope 1 and 2 to be low to medium and due to uncertainties associated with the emission factors.

In calculating our market-based Scope 2 emissions, we apply a zero-GHG emissions factor to electricity that has attributed Guarantees of Origin, representing 28% of our electricity consumption. This market mechanism accounts for 100% of the contractual instruments considered in our Scope 2 calculations.

We have calculated our Scope 3 emissions in adherence with the GHG Protocol Corporate Value Chain Standard, encompassing all categories present in our value chain. We have not excluded any Scope 3 categories, with the complete list available in the table below. Notably, 0% of our Scope 3 emissions inventory was calculated using primary data obtained directly from suppliers or other actors in our value chain, so we consider the results to be associated with a high level of uncertainty.

The thoroughness of our Scope 3 calculations is guided by the materiality of each category, which is assessed based on its proportionate weight relative to our total gross Scope 3 emissions. More detailed information on the methodologies is provided in the next sub-chapter. We use over 2,000 emission factors sourced from reliable, publicly accessible and licensed databases and data providers, including ADEME, Agribalyse, AIB, DEFRA, CarbonCloud, EXIOBASE and IEA.

The emissions for the year 2023 are restated for Scope 1 and Category 5 of Scope 3. That has been carried out after the internal control identified incompleteness in the data for the previous reporting year.

GHG INVENTORY, tCO ₂ e (IN THE TABLE, NO MEANS NOT OCCURRING)	RETROSPECTIVE				MILESTONES AND TARGET YEARS			
	BASE YEAR, 2021	COMPARATIVE, 2023	REPORTING YEAR, 2024	YoY	2025	2030	2050	ANNUAL % TARGET/ BASE YEAR
Scope 1 GHG Emissions								
Gross Scope 1 GHG emissions	96,724	105,561	91,793	-13.0%				
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%	0%				
Scope 2 GHG Emissions								
Gross location-based Scope 2 GHG emissions	213,259	207,654	171,938	-17.2%				
Gross market-based Scope 2 GHG emissions	183,339	174,759	151,368	-13.4%				
Significant Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions	4,228,889	4,454,832	4,924,483	+10.5%				
Category 1. Purchased goods and services	3,621,985	3,960,801	4,358,712	+10.0%				
Category 2. Capital goods	75,742	110,209	235,239	+113.4%				
Category 3. Fuel and energy-related activities	69,717	54,030	49,545	-8.3%				
Category 4. Upstream transportation and distribution	253,161	152,100	155,459	+2.2%				
Category 5. Waste generated in operations	1,511	15,124	13,120	-13.2%				
Category 6. Business travels	169	158	138	-12.6%				
Category 7. Employee commuting	20,768	19,292	18,570	-3.7%				
Category 8. Upstream leased assets	NO	NO	NO	NO				
Category 9. Downstream transportation	NO	NO	NO	NO				
Category 10. Processing of sold products	NO	NO	NO	NO				
Category 11. Use of sold products	157,327	123,054	78,504	-36.2%				
Category 12. End-of-life treatment of sold products	3,516	3,443	1,056	-69.3%				
Category 13. Downstream leased assets	20,032	10,575	8,870	-16.1%				
Category 14. Franchises	4,962	6,045	5,270	-12.8%				
Category 15. Financial investments	NO	NO	NO	NO				
Total upstream Scope 3 emissions	4,043,052	4,311,715	4,830,783	+12.0%				
Total downstream Scope 3 emissions	185,837	143,117	93,700	-34.5%				
Total GHG emissions								
Total GHG emissions (location-based)	4,538,872	4,768,046	5,188,215	+8.8%				
Total GHG emissions (market-based)	4,508,951	4,735,152	5,167,645	+9.1%				

OTHER GHG EMISSIONS

REPORTING YEAR, 2024

Scope 1 – Biogenic emissions	48 tCO ₂ e
Scope 2 – Biogenic emissions	Not available
Scope 3 – Biogenic emissions	Not available

GHG INTENSITY PER NET REVENUE⁴COMPARATIVE
2023REPORTING
YEAR, 2024

YoY

Total GHG emissions (location-based) per net revenue (tCO ₂ e/EURm)	816	851	+4.3%
Total GHG emissions (market-based) per net revenue (tCO ₂ e/EURm)	810	847	+4.6%

⁴The GHG intensity per net revenue for year 2023 has been calculated using the figure from the Revenue line of the Consolidated financial statements for the year ended 31 December 2023 (Note 19) as the denominator. The GHG intensity per net revenue for the year 2024 has been calculated using the value from the Revenue line of the Consolidated financial statements for the year ended 31 December 2024 (Note 19) as the denominator.

E1-6 GHG Calculation Methods

The global warming potential (GWP) values used in the calculation are based on Intergovernmental Panel on Climate Change (IPCC) assessment reports AR4, AR5 or AR6, depending on the availability of emission factors administered by the providers of databases of such factors.

The methods used to calculate the Scope 3 GHG inventory are in line with the GHG Protocol Corporate Value Chain Standard. Higher tier methods have been used for material categories, with materiality evaluated based on the weight of a relevant category in the Scope 3 inventory.

SCOPE 3 CATEGORY	MATERIALITY	CALCULATION METHOD	CALCULATION BOUNDARIES
Category 1. Purchased goods	Material	Average-data method	Covers GHG emissions associated with the goods that have been sold in physical stores and e-commerce during the reporting year (cradle-to-gate).
Category 1. Purchased services	Not material	Spend-based method	Covers GHG emissions associated with the services purchased during the reporting year.
Category 2. Capital goods	Not material	Spend-based method	Covers GHG emissions that are associated with the capital expenditure for the reporting year.
Category 3. Fuel and energy-related activities	Not material	Average-data method	Covers GHG emissions related to well-to-tank (WTT) and transmission and distribution (T&D) losses associated with fuel and energy consumption.
Category 4. Upstream transportation and distribution	Not material	Distance-based method	Covers GHG emissions from the transportation of goods sold from the manufacturers to distribution centres, and from distribution centres to physical stores. Calculations include WTT emissions.
Category 5. Waste generated in operations	Not material	Waste-type-specific method	Covers GHG emissions from waste generated during the organisation's own operations.
Category 6. Business travel	Not material	Spend-based method	Covers GHG emissions associated with business travel, excluding travel that has been accounted for in Scope 1 and 2.
Category 7. Employee commuting	Not material	Average-data method	Covers GHG emissions of employees commuting to and from work.
Category 8. Upstream leased assets	Not occurring	Not occurring	Not occurring.
Category 9. Downstream transportation	Not occurring	Not occurring	Not occurring.
Category 10. Processing of sold products	Not occurring	Not occurring	Not occurring.
Category 11. Use of sold products	Not material	Direct use-phase emissions	Covers GHG emissions associated with the use of products that use electricity directly (electrical/electronic equipment).
Category 12. End-of-life treatment of sold products	Not material	Waste-type-specific method	Covers GHG emissions related to processing/landfilling for discarded retail packaging for sold goods.
Category 13. Downstream leased assets	Not material	Asset-specific method	Covers GHG emissions from energy consumption in subleased areas.
Category 14. Franchises	Not material	Average-data method	Covers GHG emissions arising from energy consumption in franchised stores.
Category 15. Financial investments	Not occurring	Not occurring	Not occurring.

Inventory for Category 1, the sole material category among Scope 3 emissions, has been compiled using industry average emissions factors applied at product category level, with categories specified as per our internal business intelligence systems. It is planned to further refine the granularity of the calculations relating to GHG inventory using indirect sources of information before starting to transition to direct sources of information.

E2 Pollution

During the reporting period, there were no major developments in the field of pollution-related matters. Group companies, which continue pollution prevention and control activities, did not encounter any material pollution-related incidents requiring remedial action in 2024. Our internal audits, training programmes and preventive measures are designed to avert such occurrences. Should any future incidents arise, our established protocols will guide immediate response efforts, stakeholder engagement and corrective actions to prevent recurrence.

SBM-3 Impacts, Risks And Opportunities

Upon reviewing the technical documentation for the SBTN framework and WWF Risk Filter Suite, we were not able to identify any issues regarding pollution in the downstream value chain of our business that would be associated with the products and services we provide. The resulting material impacts, risks and opportunities are described further in this chapter.

MATERIAL SUSTAINABILITY MATTER		ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES
CONTROL OF AIR AND WATER POLLUTION	Impact [Own Operation]	Pollution of ambient air and water bodies from stationary or mobile sources causes adverse impacts on nature and human health. [E2_MI-1]
	Impact [Value Chain]	Overfertilisation in agricultural activities results in the pollution of water bodies. [E2_VCM1-1]
CONTROL OVER INTENTIONALLY ADDED CHEMICALS	Impact [Value Chain]	Intentional addition of substances of concern and very high concern, as well as microplastics, leads to adverse impacts on health and ecosystems. [E2_VCM1-2]

Acknowledging the contribution to air pollution from both stationary and mobile sources, Group companies are improving the operated fleet and transitioning to natural refrigerants used in refrigeration equipment. Additionally, recognising the potential for water pollution due to runoff from parking lots, we are ensuring proper maintenance of oil traps to prevent contamination.

	IMPACT ON PEOPLE AND ENVIRONMENT	LINK TO STRATEGY AND BUSINESS MODEL	TIME HORIZON	NATURE OF INVOLVEMENT
E2_MI-1	Emissions to air and water from transportation contribute to reduced quality of air and water bodies, negatively affecting public health, particularly in densely populated areas.	Air and water pollution are connected to store infrastructure and logistics, which are integral parts of the business model.	Negative impacts are ongoing and expected to persist in the 5-to-10-year horizon.	The Group is involved through its direct operations, particularly through its fleet and parking lot infrastructure.
E2_VCM1-1	Excess fertiliser runoff pollutes waterways, harming aquatic life, ecosystem health and communities that rely on clean water.	The business model for non-specialised food retail provides a higher share of conventional agricultural products that rely on the use of fertilisers.	Impacts occur now and persist long-term as nutrients accumulate and ecosystems degrade.	The Group is indirectly involved through its procurement activities.
E2_VCM1-2	Unsafe materials, substances of concern and microplastics can harm users' health and damage ecosystems.	No link to business model or strategy identified.	Negative effects are both immediate and long-term, as harmful substances persist in the environment and supply chains.	The Group is indirectly involved through its procurement activities.

E2-1 Policies

Although air and water pollution have been assessed as being material within our operations, the Group has not yet adopted dedicated policies for managing such impacts and risks. The primary sources of pollution in our operations are associated with transport (tailpipe emissions) and refrigerant leakage. The latter is addressed under our climate change mitigation efforts, while tailpipe emissions are managed by selecting the highest-available EURO standard whenever renewing our fleet.

We have identified several pollution-related topics that are also significant in the upstream value chain. However, due to limited visibility into Tier-N suppliers, we have been unable to prioritise the development of dedicated policies in these areas. Most impacts are expected to materialise beyond our Tier-1 suppliers. To address some of these challenges, our revised Supplier Code of Conduct conveys our expectations that our upstream business partners will manage environmental issues with due care. Embedding the reviewed code and subsequent enforcement of compliance are the main actions to be taken to manage pollution-related matters in the value chain. The Supplier Code of Conduct is presented in more detail in chapter G1-2 – Management of relationships with suppliers.

In addition, Group companies have complaint mechanisms that enable stakeholders to report adverse environmental impacts in the upstream value chain that may not have been identified through existing processes.

E2-2 Actions

Environmental Management System

During the reporting year, MAXIMA Lithuania undertook a series of key environmental management actions that aligned with their ISO 14001 certification. The company conducted approximately 50 comprehensive internal audits across retail stores, distribution centres and administrative offices. These were focused on evaluating the use of chemical products, ensuring robust spill-prevention measures for oil-based materials, and reviewing other environmental protection practices and controls. The outcome of these actions included better compliance with ISO 14001 standards and early identification of improvement opportunities, both of which contribute to ongoing policy objectives and environmental performance targets. Staff training sessions were also provided during the year via an online training platform, improving our employees' proficiency in chemical handling and spill prevention, and thus reducing the likelihood of environmental incidents.

MAXIMA Lithuania completed a recertification process in March 2025 to reaffirm their commitment to ISO 14001 and extend its validity. This effort is expected to reinforce the organisation's continuous improvement practices and maintain the integrity of its environmental management system. Stakeholders affected by these initiatives include our employees and environmental regulatory bodies, which will benefit from improved environmental practices and compliance standards.

The time horizons for these actions are structured to ensure both short- and long-term improvements. In the short term, MAXIMA Lithuania will complete the recertification process in early 2025 and further enhance its environmental practices. In the longer term, we anticipate ongoing audit cycles, continuous staff development and the sustained adaptation of our environmental management practices to evolving regulations and emerging best practices.



Control Over Intentionally Added Chemicals

Regarding intentionally added substances of concern and substances of very high concern, including but not limited to microplastics – as outlined in Regulation (EC) 1907/2006 (REACH regulation) – we include requirements in supply contracts to comply with the applicable regulations, including but not limited to REACH regulation. In cases for which contamination above permissible levels is identified through active internal or external testing, the products are recalled.

Taking into consideration the need for access to information, we provide our customers with 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.

E2-3 Targets

As the priority level for the topic is low, no measurable outcome-oriented targets have been set or implemented by the Group during the reporting period. The Group does not track the effectiveness of policies and action in management of pollution.

Metrics

The Group measures the pollution to air in own operation through entity specific indicator: the EURO standard of the vehicles, that comprise the operated fleet. 99.9% of fleet is of EURO 6 standard for tailpipe emissions.

The Group did not gather information or evaluate any metrics for material pollution-related impacts concentrated in the value chain. We have applied phased-in provisions for value-chain information. Limitations on data gathering arising from the disclosure scope set by the to-be-approved LSME and VSME standards is putting additional constraints on the information we can access in the upstream value chain. When these standards are finally approved, we will be able to identify which information we can gather without putting an unreasonable burden on actors in the value chain.

E3 Water and Marine Resources

As a retail business, the Group recognises the role the water plays in supporting daily operations. While our activities do not encompass resource-intensive manufacturing processes and our water consumption is primarily confined to the essential needs of our stores, distribution centres and offices, we put effort to reduce water usage. No major developments in the field of water-related matters occurred during the reporting year.

SBM-3 Impacts, Risks And Opportunities

Upon reviewing the technical documentation for the SBTN framework the WWF Risk Filter Suite, we were unable to identify any sustainability-related concerns about water or marine resources in the downstream value chain of our business that would be associated with the products and services that we provide or make available. The resulting material impacts, risks and opportunities are described further in this chapter.

MATERIAL SUSTAINABILITY MATTER		ASSOCIATED IMPACTS, RISKS, AND OPPORTUNITIES
WATER AND MARINE RESOURCE MANAGEMENT	Impact [Own Operation]	The withdrawal and inefficient use of water in our own operations in regions vulnerable to water stress, droughts and quality-related challenges put stress on ecosystems and/or local communities. [E3_MI-1]
	Impact [Value Chain]	Food systems put pressure on water resources and marine capital through high levels of withdrawal and consumption, as well as overextraction. [E3_VCMI-1]

The business strategy of primarily relying on municipal networks for water withdrawal and wastewater treatment enables a managed approach to this shared resource. Municipal water management enables a high level of control over impacts and risks in the region that may affect the local population and ecosystems.

	IMPACT ON PEOPLE AND ENVIRONMENT	LINK TO STRATEGY AND BUSINESS MODEL	TIME HORIZON	NATURE OF INVOLVEMENT
E3_MI-1	Water withdrawal and inefficient store operations in water-stressed regions contribute to local water scarcity. This can strain ecosystems and reduce water availability.	The Group's need for water usage is tied to the aim of maintaining hygienic conditions.	Water stress impacts are expected to persist in the short to medium term.	The Group is directly involved through its operations in areas at risk.
E3_VCMI-1	Intensive water use in agriculture and food processing strains local water supplies, affecting community access to clean water and degrading aquatic ecosystems.	No link to business model or strategy identified.	Impacts are ongoing and expected to intensify as climate change alters water availability over the medium to long term (5-20 years).	The Group is indirectly involved through its procurement activities.

E3-1 Policies

The Group has not adopted dedicated policies for the management of material impacts, risks and opportunities related to water and marine resources. The Group companies rely on municipal water supplies for both sourcing and discharging water at nearly all of its sites across its countries of operation. This approach ensures that our water usage does not interfere with the needs of local communities and ecosystems in a way that deviates from established best practices in urban freshwater management. Given this, we have determined that developing a dedicated water and marine resources policy for our operations is not a high priority.

The Group has not adopted policies or practices related to sustainable oceans and seas. The topic has material impacts and risks that arise from the upstream value chains, but we were unable to set high priority level for development of such policies due to limited Tier-N visibility.

E3-2 Actions

As the priority level for this topic is low, no action plans were adopted by the Group during the reporting period in relation to water and marine resources. The Group did not implement any dedicated actions with regard to areas at water risk, including in areas of high-water stress, for its own operations or in the value chain. The Group plans to reevaluate the priority of the topic in no longer than three years' time.

E3-3 Targets

As the priority level for this topic is low, no measurable outcome-oriented targets have been set or implemented by the Group during the reporting period. The Group does not track the effectiveness of policies or actions in the management of water and marine resources.

Metrics

E3-4 Water Consumption

In our operations, we do not directly meter water consumption. In most of our stores, we meter only water withdrawals and have separate metering of water effluents. In stores where there is no metering of effluents, the amounts are assumed to be equal to the amount of water withdrawal. The water consumption is then estimated as the difference between withdrawals and effluents. A total of 99.9% of water withdrawal data has been obtained from direct measurements or invoices, with the remaining amount estimated.

WATER-RELATED INFORMATION	COMPARATIVE, 2023	REPORTING YEAR, 2024
Total water consumption, m ³	49,752	9,055
<i>Of which in areas at water risk, including areas of high-water stress, m³</i>	-	-
Water consumption intensity ⁵ , m ³ /M EUR	8.5	1.5
Total water withdrawals, m ³	853,856	850,334
Total water effluents, m ³	804,103	841,278

⁵Water consumption intensity per net revenue for the year 2023 has been calculated using the total net revenue from Note 19 of the Consolidated financial statements for the year ended 31 December 2023 as the denominator. The volume of water consumption is used as the numerator.

E4 Biodiversity And Ecosystems

Biodiversity and ecosystems are essential components of natural capital, forming the foundation of all food systems. For Group companies operating in the food retail sector, this places a significant focus on biodiversity and ecosystem-related issues within the upstream value chain.

E4-1 Consideration Of Biodiversity And Ecosystems In Strategy And Business Model

The resilience of the strategy and business model in relation to biodiversity and ecosystems was not assessed during the reporting period. The decision to postpone the assessment was taken considering the fact that our own operations are not dependent on ecosystem services and that there are no material impacts from our own operations with regard to biodiversity and ecosystems, apart from pollution-related impacts that are already addressed through sustainability matters in disclosures presented in chapter E2 Pollution. The materiality of biodiversity- and ecosystems-related impacts has been established in the upstream value chain. Due to the limited availability of information, the assessment will require more detailed planning for execution and will be considered in later reporting periods.

SBM-3 Impacts, Risks And Opportunities

Upon reviewing the technical documentation for the SBTN framework and the WWF Risk Filter Suite, we were unable to identify any material impacts, risks or opportunities with regard to biodiversity and ecosystems in the downstream value chain of our business that would be associated with the products and services we offer.

In our own operations, interaction with biodiversity and ecosystems is concentrated at physical locations, comprising our brick-and-mortar stores and warehouses. Due to the nature of operations, the influence zone is rather narrow. Some of our physical stores and warehouses are in or near areas considered sensitive in terms of biodiversity and ecosystems (such as NATURA 2000 sites). Those locations are, however, in urbanised areas, meaning those sites are not considered to negatively affect sensitive areas by leading to the deterioration of natural habitats and habitats of species, as well as disturbance of species for which protected areas have been designated. Drawing upon these arguments, no sites are considered material in terms of impacts on biodiversity and ecosystems. Through our evaluation processes, we did not conclude that it is necessary to implement mitigation measures for biodiversity-related impacts in our own operations.

In the broader value chain, various upstream organisations interact with biodiversity and ecosystems at different levels. We have not, however, yet conducted a detailed mapping of such companies' operational locations as part of preparing this report. Due to the fact that in our business model, biodiversity- and ecosystem-related matters are material in the upstream value chain, transitional and physical risks and opportunities related to biodiversity and ecosystems were not assessed, nor systemic risks explicitly considered. For the same reasons, we were not able to conduct a consultation with the affected communities in the value chain.

We used the ENCORE tool and WWF Risk Filter Suite to assess our dependencies and impacts on nature in terms of biodiversity and ecosystems. For our own operations, the ENCORE tool identified only a very low materiality level of dependencies for the topics under consideration. Based on that tool and the technical documentation for the SBTN framework, the impact of pollution in our own operations is material. The resulting material impacts, risks and opportunities are described further in this chapter.

MATERIAL SUSTAINABILITY MATTER		ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES
IMPACTS AND DEPENDENCIES ON BIODIVERSITY AND ECOSYSTEMS	Impact [Own Operation]	Pollution of the environment, having adverse impacts on biodiversity. [E4_MI-1]
	Impact [Value Chain]	Food systems (agriculture, manufacturing) contribute to global GHG emissions, land-use and water-use change, driving loss of biodiversity. [E4_VCMI-1]

Only pollution-related matters have been deemed material for our own operations, with these matters addressed in more detail under disclosures presented in chapter E2 Pollution. The impacts are detailed further in the table below.

IMPACT ON PEOPLE AND ENVIRONMENT	LINK TO STRATEGY AND BUSINESS MODEL	TIME HORIZON	NATURE OF INVOLVEMENT
E4_MI-1 Pollutants can degrade natural habitats and disrupt ecosystems. This loss of biodiversity reduces ecosystem services such as pollination, water purification and climate regulation, which are vital for human well-being and environmental health.	Pollution originates from operational activities integral to the company's retail business model. See more in chapter E2 Pollution.	Impacts will persist in the long term, with proper environmental management essential for mitigation.	The Group is directly involved through its own activities that cause pollution. Indirect involvement also occurs through business relationships with suppliers and logistics partners, the practices of which may contribute to environmental pollution.
E4_VCMI-1 Upstream food supply chain emissions, land- and water-use change, and deforestation accelerate climate change, leading to habitat loss and altered ecosystems, as well as driving the loss of biodiversity. In turn, this decline affects ecosystem services essential for human well-being.	The business strategy is related to offering a wide variety of food products to meet consumer demand, involving sourcing from suppliers with practices that may not prioritise reductions in emissions.	The negative impacts are ongoing and expected to intensify over the medium term if current practices persist, potentially leading to irreversible biodiversity loss.	The Group is indirectly involved through its business relationships with suppliers in the agricultural and manufacturing sectors.

E4-2 Policies

It has been identified that all biodiversity- and ecosystems-related sustainability topics, apart from invasive alien species, are highly material in the upstream value chain, while only pollution is material in our own operations. The management of pollution-related impacts, risks and opportunities in our own operations has been addressed in chapter E2 Pollution.

The majority of impacts are expected to materialise beyond our Tier-1 suppliers. Due to limited Tier-N visibility, we have therefore been unable to prioritise the development of dedicated policies for biodiversity and ecosystems. Currently, data availability in the value chain is limited for several reasons: the phased-in application of the CSRD among companies and provisions for value-chain information, and the limitations on data gathering arising from the disclosure scope set by the draft LSME.

To address some of these challenges, our Supplier Code of Conduct conveys our expectations that our upstream business partners will manage environmental issues with due care. In addition, our complaint mechanisms, developed under due diligence processes, enable stakeholders to report adverse environmental impacts in the upstream value chain that may not have been identified by existing processes.

For the reasons outlined, the Group did not adopt biodiversity and ecosystem protection, sustainable land and agriculture or sustainable oceans and seas policies. Group companies have, however, drafted, or already adopted a Deforestation-free policy.

Deforestation-Free Policy

GROUP COMPANIES THAT HAVE ADOPTED THE POLICY

In 2024: MAXIMA Lithuania

Planned for 2025: MAXIMA Latvia; MAXIMA Estonia; MAXIMA Bulgaria; STOKROTKA; MAXIMA International Sourcing

KEY CONTENTS OF THE POLICY

General objective: the primary goal of the policy is to ensure that all products associated with deforestation and forest degradation made available on the market by the company are sourced sustainably and legally.

Material matters covered: the policy covers a wide range of sustainable-sourcing-related sustainability matters, including direct impact drivers of biodiversity loss through the deforestation-induced land-use change, land-use rights, environmental protection, third-party rights, human rights protected under international law, free, prior and informed consent (in particular, with regard to indigenous people), adherence to tax laws and anti-corruption.

SCOPE OF THE POLICY AND EXCLUSIONS

Activities: the policy covers sourcing and procurement, supply chain management, and risk assessment and mitigation activities for relevant commodities and relevant products.

Value chain: the policy covers the whole upstream value chain, the organisation's own operations and the downstream value chain to the extent of application of the EUDR regulation (concerning legal entities that directly purchase relevant commodities or relevant products from the Group company).

Geographies: the policy applies to all actors in the value chain regardless of geography.

Affected stakeholder groups: The primary stakeholders affected by this policy are our own employees, as well as business partners and suppliers.

MOST SENIOR MEMBERS OF THE ORGANISATION ACCOUNTABLE FOR IMPLEMENTATION

Senior management⁶ holds ultimate responsibility for ensuring that the policy is implemented and enforced.

THIRD-PARTY STANDARDS OR INITIATIVES RESPECTED

The policy aligns with the European Union's Regulation (EU) 2023/1115 and references the Accountability Framework Initiative.

CONSIDERATIONS GIVEN TO THE INTERESTS OF KEY STAKEHOLDERS

The primary stakeholders considered are affected communities, workers in the upstream value chain and nature as a silent stakeholder.

AVAILABILITY OF THE POLICY

The policy is publicly available on the website of relevant subsidiaries and communicated to suppliers and stakeholders.

ADDITIONAL CONSIDERATIONS

The policy is directed towards prevention of deforestation, thus addressing material dependencies on forest ecosystems. Its implementation establishes a mechanism for the traceability of relevant products and commodities through the upstream value chain up to the sourcing of raw materials sourcing fields, ensuring negligible risks from deforestation and the violation of legal requirements. In addition, it addresses the social consequences of harvesting practices on communities and indigenous people. Furthermore, the policy gives preference to certification systems that ensure the segregation of supply chains, thereby enabling traceability of the origins of raw materials. It also sets out commitments to prioritising relevant products certified under internationally recognised responsible management standards to ensure that raw materials are sourced from responsibly managed land plots or, in the case of cattle, from farms, and comply with relevant legal requirements.

⁶We define senior management as CEO, and persons, that directly report to the CEO and have other persons under their management.

As the Deforestation-free policy is directly linked to EUDR, it addresses the implementation of measures to prevent deforestation – a direct driver of biodiversity loss – and addresses the upstream value chain, where the impacts are concentrated. The regulatory requirements embedded in the policy support traceability throughout the whole supply chain down to the geolocation of production of relevant raw materials through the gathering of traceability data. Compliance with legal requirements addresses the prevention of social consequences of agricultural expansion and deforestation through the prohibition of placement and making available relevant product on the market.

E4-3 Actions

Regulation On Deforestation-Free Products

EUDR has become a cornerstone in driving action to protect biodiversity while addressing a broad range of critical issues within supply chains. Beyond combating deforestation, the regulation introduced legality requirements that promote respect for human, labour and third-party rights, as well as the rights of indigenous peoples. It emphasises the importance of free, prior and informed consent, environmental compliance and tackling other pressing challenges that impact sustainability and fairness in global supply chains.

The regulation targets seven commodities – cattle, cocoa, coffee, palm oil, soya, rubber and wood – and prohibits their placement on the market unless proven deforestation-free and legally produced. Non-SME traders must establish due diligence systems to ensure compliance. Initially set for December 2024, enforcement was postponed until December 2025. This change offered an essential window for companies and authorities that faced major delays in appointing competent bodies to align their efforts, ensuring a smoother and more effective implementation of the regulation.

In preparation, in 2024, Group companies allocated dedicated resources to identifying all relevant items in their assortments subject to the regulation. They have worked to assess the inherent risk levels of non-compliance, based on the country of production, and establish robust due diligence procedures aligned with EUDR requirements. Throughout the year, the companies actively engaged with suppliers to raise awareness about the regulation, encountering significant gaps in understanding among stakeholders.

During 2025, Group companies will concentrate on the development and integration of tools that will enable faster and more efficient due diligence processes for the relevant commodities and products. We consider the scope of the EUDR to be essential for current action, while in the future, building on their experience of implementation, Group companies will be well prepared for implementing Forced Labour Products Regulation (FLPR) and Corporate Sustainability Due Diligence Directive (CSDDD).

The management of pollution-related impacts, risks and opportunities in our own operations has been addressed in chapter E2 Pollution.

It should be noted that no biodiversity offsets were used during the reporting year.

E4-4 Targets

No measurable outcome-oriented targets were set or implemented by the Group during the reporting period, while the effectiveness of policies and action in the topic on biodiversity and ecosystem management was not tracked. Potential targets in this area will be assessed by Group companies during 2025 and 2026 as part of the implementation and continuous improvement of EUDR-related processes.

Metrics

E4-5 Impact Metrics Related To Biodiversity And Ecosystem Change

We consider land-use change (LUC) associated with the food products we offer in our stores to comprise the main metric representing the impact on biodiversity and ecosystems. Group companies are indirectly involved through business relationships with suppliers and producers of agricultural products, with the impacts concentrated in the upstream value chain.

LUC is expressed in tCO₂e, which is emitted due to land-use change and measured indirectly applying emission factors. The same factors are used to estimate GHG FLAG emissions, applying SBTi and GHG Protocol methodologies, using statistical LUC and levelling deforestation emissions using linear discounting over a 20-year period following a deforestation event.

LUC associated with food products sold totalled 355,696 tCO₂e in 2024, with no comparative figures available because it was calculated for the first time. More details are available in the Metrics sub-chapter of E1 Climate Change.



E5 Circular Economy

+9%	Total amount of waste generated, YoY
-15%	Total amount of non-recycled waste, YoY
26.2%	Share of nonrecycled waste in 2024
+20%	Total amount of waste diverted from disposal, YoY

Group companies are active in the retail sector, with waste management and efficient use of packaging materials among the most important topics in the field of environmental impact mitigation. As food products account for a significant portion of the goods offered in our stores, we track both food and non-food waste generation and handling, and consider this approach to be sector-specific. In chapter E5, we provide total and non-food waste-related information, while in further sector-specific disclosures, we present food waste-related information.

SBM-3 Impacts, Risks And Opportunities

Upon reviewing the technical documentation for the SBTN framework and WWF Risk Filter Suite, we were not able to identify circular economy issues concentrated in the downstream value chain of our business that would be associated with the products and services we provide and that is not already captured in identified impacts, risk and opportunities in our own operations or upstream value chain, apart from waste. Based on the stakeholder survey, we concluded that packaging and waste handling are the most important concerns for stakeholders. The resulting material impacts, risks and opportunities are described further in this chapter.

MATERIAL SUSTAINABILITY MATTER		ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES
CIRCULAR ECONOMY AND WASTE	Impact [Own Operation]	Placing products that are packed in non-recyclable packaging on the market diminishes the rate of recycling and increases landfill and incineration demand [E5_MI-1].
	Impact [Own Operation]	Generating non-recyclable waste streams thus increases pressure on the environment [E5_MI-2].
	Risk [Own Operation]	Regulatory risks relating to increased taxes for waste management [E5_MR-1].
	Impact [Value Chain]	Depletion of natural resources driven by high use of virgin materials in packaging, while unmanaged demand results in excessive waste [E5_VCM1-1].
	Impact [Value Chain]	Non-recyclable food packaging creates pressure on waste management systems on the consumer side [E5_VCM1-2].

The Group acknowledges the environmental impact of placing products with non-recyclable packaging on the market, especially those that are private-label products. Additionally, we track legislative developments in the field of packaging relating to the circular economy. All of this information is considered in the strategy and business model-driven decisions.

	IMPACT ON PEOPLE AND ENVIRONMENT	LINK TO STRATEGY AND BUSINESS MODEL	TIME HORIZON	NATURE OF INVOLVEMENT
E5 MI-1	Products packaged using non-recyclable materials contribute to increased waste that cannot be processed through recycling systems. The accumulation of non-recyclable waste harms ecosystems, contributes to soil and water contamination, and negatively affects human health.	This impact originates from private-label product packaging strategies used by the Group companies.	The negative impacts are ongoing, with the potential to worsen over the medium term if sustainable packaging practices are not adopted.	The Group is directly involved through its activities by making available non-recyclable packaged products in the market.
E5 MI-2	Our own operations generate flows of waste that if not managed with circularity in mind, lead to increased waste streams. This exacerbates landfill use and greenhouse gas emissions from waste decomposition or incineration.	The impact is connected to the business model and is heavily dependent on food safety regulations affecting contact materials.	The negative impacts are present and are expected to increase over the medium term.	The Group is directly involved through private product label packaging and indirectly through making products available on the market.
E5 VCMI-1	The extraction of virgin materials contributes to the depletion of finite resources, undermining the availability of such resources for other applications.	The food retail business model is directly linked to the use of packaging materials that align with food safety regulations.	The negative impacts are ongoing and expected to escalate over the medium term if reliance on virgin	The Group is indirectly involved through its business relationships with suppliers using virgin materials for packaging.
E5 VCMI-2	The use of non-recyclable or excessive packaging results in increased pressure on waste management systems and the environment on the consumer side.	The food retail business model is directly linked to the use of packaging materials that align with food safety regulations.	The negative impacts are ongoing and expected to escalate over the medium term if reliance on non-circular packaging persists.	The Group is indirectly involved through its business relationships.

E5-1 Policies

Group companies have not adopted policies relating to the circular economy. Amendments to the Packaging and Packaging Waste Regulation (PPWR) are the key drivers for future developments in the field of packaging circularity, which we consider to be the main aspect for the retail sector. As the amended regulation was finally approved at the end of 2024, we plan to review the direction drawn and finally agreed by the European policymakers and will establish if dedicated policies in the field of the circular economy should be developed by the Group companies.

E5-2 Actions

Deposit System Development In Poland

Initially scheduled to begin on 1 January 2025, Poland's deposit system has been delayed by a government decision, with the enforcement pushed back to 1 October 2025. The deposit system will apply to retail outlets larger than 200 square metres and cover items such as aluminium cans and plastic bottles, with the goal of enhancing recycling efforts and reducing environmental impact. The basis for the introduction of the deposit-refund system in Poland was Directive 2019/904 on reducing the impact of certain plastic products on the environment (SUP Directive). It imposed an obligation on Member States to ensure selective collection for recycling purposes.

STOKROTKA is actively preparing for the integration of the deposit system into everyday operations and held a series of consultations in 2024 with Group companies that operate in Baltic region, where national deposit systems have already been functioning for several years. STOKROTKA is currently in the process of selecting suppliers of reverse vending machines, and is preparing the investment plan for implementation.

Reduction Of Plastic Film In Logistics

In March 2024, MAXIMA Latvia launched an environmental initiative to cut plastic film use in logistics by nearly 50% through improving delivery processes and alternative goods-securing methods. As a result, the amount of plastic film used in 2024 was 41% lower than in the previous year – a change that not only reduces plastic waste but also boosts operational efficiency, freeing up employee time for other tasks. Results are tracked through reductions in plastic use and cost savings, with the initiative expected to yield substantial environmental benefits and smoother logistics. MAXIMA Latvia plans to continue enhancing supply chain sustainability through similar efforts.

E5-3 Targets

Drawing from the draft proposal for renewal of PPWR, some Group companies decided to set circular economy-related targets corresponding with the draft regulation. The scope of the targets comprises the private-label “Master’s Quality” products, which provide ready-to-eat and ready-to-heat offerings to our customers. Both set targets relate to the recycling layer of the waste hierarchy, and align with the consensus of scientific research⁷ and the opinion of stakeholders expressed through a survey – highlighting the importance of recyclable packaging. These targets will contribute to the increased use of circular design for packaging to enable recyclability and the use of circular materials.



In the Baltics, our retail companies have set a target of ensuring that 100% of “Master’s Quality” packaging is recyclable by 2030. MAXIMA Lithuania and MAXIMA Latvia have set a target to have at least 30% recycled content in “Master’s Quality” PET packaging and at least 10% recycled content in other plastic packaging by 2030.

Both targets are measured annually and the progress will be reported in Sustainability Statements.

Metrics

E5-5 Resource Outflows – Products And Materials

We consider the packaging for “Master’s Quality” products to be the key outflow. We have set targets for this and will evaluate the recyclable content rate, which we plan to track for plastic and paper/cardboard packaging. As the targets were set at the end of reporting period, the relevant Group companies will establish proper data collection workflows to enable them to report on progress during 2025.

E5-5 Resource Outflows – Waste

A sizeable amount of our non-food waste comes from various packaging materials. These can range from the wrapping and containers in which our products come to the materials used during maintenance or small-scale repair work. Additionally, we deal with operational waste, which includes things like used containers for cleaning supplies, an assortment of paper waste and other miscellaneous waste generated from our daily operations. We do not create radioactive waste during our operations.

Our food waste predominantly consists of items that are no longer fit for sale or consumption. This includes products that have expired, fruits and vegetables that have perished or become spoiled and waste generated from trimming and preparing food.

The waste data we collect covers our own operations, with the amount of waste generated in our value chain not included in the figures we disclose. It should be noted that to a certain extent, the climate-related impacts of packaging are captured in our Scope 3 GHG inventory: Category 1 covers upstream emissions associated with the production of packaging for the goods we sell, while Category 12 includes the impacts that occur during end-of-life treatment for packaging.

⁷ The scientific consensus leans toward 100% recyclable packaging being a net positive action under well-managed conditions, although the magnitude and reliability of those positive impacts are situation-specific rather than universally guaranteed. There is substantial scientific and regulatory consensus that when proper controls are in place, the use of recycled plastic in food-contact applications can be safe and environmentally beneficial.

The waste data for year 2023 has been restated after the internal control identified an incompleteness of data for the previous reporting year. In 2024, 5.5% of the waste volume was estimated due to a lack of information about actual waste streams.

Further we provide a summarised information on waste, tailored for the needs of the financial market participants, that are subject to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

TOTAL AMOUNT OF WASTE GENERATED (FOOD AND NON-FOOD), TONS	COMPARATIVE 2023	REPORTING YEAR, 2024	YoY
Total amount of non-recycled waste	38,126	32,375	-15%
Total amount of waste diverted from disposal	75,644	91,132	+20%
Total amount of waste generated	113,770	123,507	+9%
<i>Total amount of hazardous waste</i>	121	80	-34%
<i>Total amount of radioactive waste</i>	0	0	-

The table below summarises the total waste generated, including food and non-food components, by combining the separate data for each.

WASTE GENERATION AND DISPOSAL, TONS	COMPARATIVE, 2023	REPORTING YEAR, 2024
Total amount of waste generated	113,770	123,507
Total amount by weight diverted from disposal:	75,644	91,132
<i>Hazardous waste:</i>	91	74
<i>preparation for reuse</i>	-	0
<i>recycling</i>	88	16
<i>other recovery operations</i>	2	57
<i>Non-hazardous waste:</i>	75,553	91,058
<i>preparation for reuse</i>	3,613	853
<i>recycling</i>	70,432	85,465
<i>other recovery operations</i>	1,508	4,740
Directed to disposal:	38,126	32,375
<i>Hazardous waste:</i>	30	7
<i>incineration</i>	22	1
<i>landfill</i>	8	5
<i>other disposal operations</i>	0	0
<i>Non-hazardous waste:</i>	38,096	32,369
<i>incineration</i>	3,459	40
<i>landfill</i>	33,659	30,499
<i>other disposal operations</i>	977	1,829
Total amount of non-recycled waste	38,126	32,375
Share of non-recycled waste	35.5%	26.2%

Waste associated with the packaging of sold products, which is generated at the consumer and end-user level, is reported through GHG emissions associated with the end of life of packaging. The climate impact of this packaging totalled 1,056 tCO₂e in 2024. The figures are presented in Category 12 of the Scope 3 GHG emissions inventory and are available in chapter E1-6.

Packaging for the upstream value chain is evaluated through GHG emissions incorporated in Category 1 of Scope 3. The packaging component is not distinguishable from the total number, and no additional data has been collected from companies in the upstream value chain in the first-year reporting cycle under ESRS standards.

Non-Food Waste Management

We gather information about both hazardous and non-hazardous non-food waste using our internal business systems. We currently have detailed information from waste management companies and tracking systems on how around 81% of total non-food waste is handled, while the remaining part has been estimated using Eurostat data for each country where we operate. We do not include the movement of beverage deposit packaging or reusable packaging such as EURO pallets in the numbers we report. Similarly, we do not include any data on electronic waste collected in our stores from customers.

NON-FOOD WASTE GENERATED IN OWN OPERATIONS, TONS	COMPARATIVE, 2023	REPORTING YEAR, 2024
Total amount of non-food waste generated	87,206	95,293
Total amount by weight diverted from disposal:	61,368	71,744
Hazardous non-food waste:	91	74
<i>preparation for reuse</i>	-	0
<i>recycling</i>	88	16
<i>other recovery operations</i>	2	57
Non-hazardous non-food waste:	61,277	71,670
<i>preparation for reuse</i>	-	-
<i>recycling</i>	59,770	66,930
<i>other recovery operations</i>	1,508	4,740
Directed to disposal:	25,838	23,549
Hazardous non-food waste:	30	7
<i>incineration</i>	22	1
<i>landfill</i>	8	5
<i>other disposal operations</i>	0	0
Non-hazardous non-food waste:	25,808	23,543
<i>incineration</i>	2,444	14
<i>landfill</i>	22,620	22,166
<i>other disposal operations</i>	744	1,363
Total amount of non-recycled non-food waste	25,838	23,549
Share of non-recycled non-food waste	29.6%	24.7%

The amounts of non-food waste have been collected from the internal waste accounting systems of the Group companies. The estimated share of non-food waste in the reporting period amounted to 5.2% of the non-food total.

When splitting the amounts of non-food waste by disposal and treatment methods, the most recent official statistical information provided by Eurostat per country of operation has been used. More granular operations-specific information was not available at the time this report was prepared.

Sector-Specific Matters In Environmental Pillar

The following chapters cover sector-specific sustainability matters that fall under environmental pillar. As sectoral ESRS standards had not been developed at the time of preparing the sustainability statement, the information disclosed in these chapters follows the general approach for presentation of sustainability-related information.

+6%	Total amount of food waste, YoY
+13%	Food donation, YoY

Food waste contributes to landfill overflow and has significant economic, social and environmental impacts. It incorporates waste relating to resources used in production, transport and storage, while the decomposition of food releases greenhouse gases, fuelling climate change. Additionally, managing food waste incurs financial costs. To address this, Group companies take active measures to minimise food waste.

The main activities we undertake in our daily operations in the area of food waste prevention are focused on avoiding food wastage, as well as donating food and repurposing waste.

SBM-3

Impacts, Risks And Opportunities

Food waste is defined as food intended for human consumption but that is discarded, directed for recycling or repurposed as animal feed. When evaluating the topic along the value chain, the materiality level has been assessed as highest on the downstream side due to the fact that households are responsible for more than half the food wasted in the EU. The upstream value chain was not evaluated due to the distinct nature of the issue—here, food loss occurs, referring to a reduction in food quantity or quality due to supply chain processes, excluding the retail and consumer stages.

Food waste is a socio-environmental issue and while acknowledging the environmental impact, we have addressed the views of stakeholders on the social side of things. Based on the stakeholder survey, we conclude that food waste is among the most important issues for them. We decided to disclose the information under the environmental pillar, with the resulting material impacts, risks and opportunities described further in this chapter.

MATERIAL SUSTAINABILITY MATTER		ASSOCIATED MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES
FOOD WASTE	Impact [own operations]	Food waste contributes to environmental impacts arising from waste handling and the production of goods.
	Opportunity [own operations]	Opportunities in the reduction of losses in operations.

Policies And Targets

The Group companies have internal procedures and processes that, based on the judgement of the management, enable adequate administration of the material impacts, risks and opportunities that have been discussed in this chapter. No dedicated policies have been developed, as no need for them has been identified after evaluating current practices. The need for policy development is reviewed annually.

Acknowledging the importance of food waste reduction in own operations and taking into consideration expressed views of the internal stakeholders highlighting the importance of putting focus on this matter, our retail companies in the Baltics have set a target to reduce food waste in own operations. This target relates to the prevention layer of the waste hierarchy. In addition, broad scientific consensus from leading international bodies, including UN Sustainable Development Goals, strongly affirms that reducing food waste yields meaningful environmental, economic, and social benefits.



In Baltics our retail companies set a target to reduce food waste in own operations by 30% from a 2023 base year by 2030.

The target progress is monitored annually, with the results publicly communicated in the sustainability report. So far, the food waste of Group retail companies in Baltics has increased by 12% compared to the baseline, with more details provided in the following sub-chapters.

FOOD WASTE GENERATION IN OWN OPERATIONS, TONS	BASE YEAR, 2023	REPORTING YEAR, 2024	CHANGE FROM BASE YEAR
Baltic retail companies	12,412	13,918	+12%

Actions And Metrics

Responsible Planning

When Group companies manage inventory, close attention is paid to how often and how much our customers buy different products, which helps in figuring out the right amount of each product to order. In 2024, we started using a unified demand forecasting tool (SAP UDF) in Baltics and Bulgaria, which is a substantial upgrade from the existing method and will assist in order planning by allowing more accurate estimates of the impact of promotions and the evaluation of stock levels in stores. By the end of reporting year, a total of 24 stores in Lithuania and all stores in Latvia and Estonia had already implemented the new process, with plans for the remaining stores to follow suit in 2025. When the project is finalised, the Group companies will be able to predict future demand by modelling different parameters, taking into account historical data on sales, promotions and seasonal events. Through implementation of new forecasting techniques, we aim to decrease out-of-stock levels, write-offs and food waste.