ENERGY CONSUMPTION AND MIX FOR OWN OPERATIONS[3], MWh	COMPARATIVE, 2022	REPORTING YEAR, 2023
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products	49,650	55,862
Fuel consumption from natural gas	58,163	51,089
Fuel consumption from other fossil sources	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	401,419	370,765
Total fossil energy consumption	509,233	477,716
Share of fossil sources in total energy consumption (%)	74.3%	73.8%
Consumption from nuclear sources	30,284	29,454
Share of consumption from nuclear sources in total energy consumption (%) heat, steam, and cooling from fossil sources	4.4%	4.5%
Fuel consumption from renewable sources	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	145,139	138,412
Consumption of self-generated non-fuel renewable energy	792	1,867
Total renewable and low carbon energy consumption	145,931	140,280
Share of renewable and low carbon sources in total energy consumption (%)	21.3%	21.7%
Total energy consumption	685,447	647,450

ENERGY INTENSITY PER NET REVENUE[4]

ENERGY INTENSITY	COMPARATIVE, 2022	REPORTING YEAR, 2023	YoY
In high climate impact sectors[5] (MWh)	133	111	-16.71%

GHG Emissions Inventory

For the second consecutive year, we have continued calculating our greenhouse gas (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. None of our Group companies fall under the EU Emissions Trading System, therefore, none of our GHG emissions are regulated.

No significant changes have occurred in the definition of what constitutes a reporting entity or a value chain. Our inventory includes all greenhouse gases specified in the GHG Protocol scope: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3. We do not include biogenic CO_2 emissions from the combustion or biodegradation of biomass in either Scope 1, 2 or Scope 3 of our GHG inventory. Also, our Scope 3 inventory doesn't account for any removals, purchases, sales, or transfers of carbon credits or other GHG allowances.

[3] 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.

[4] The Energy intensity per net revenue for year 2022 has been calculated using the total net revenue from the Note 19 of the Consolidated financial statements for the year ended 31 December 2022 in the denominator. The Energy intensity per net revenue for year 2023 has been calculated using the total net revenue from the Note 19 of the Consolidated financial statements for the year ended 31 December 2023 (Note 19) in the denominator. The value of Total energy consumption is used in the numerator.

[5] Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors.

[302-1] [302-4]

In calculating our market-based Scope 2 emissions, we apply a zero GHG emissions factor to the electricity that has attributed Guarantees of Origin, which represents 15.8% of our Scope 2 emissions. This market mechanism accounts for 100% of the contractual instruments considered in our Scope 2 calculations.

We have calculated our Scope 3 emissions by adhering to the GHG Protocol Corporate Value Chain Standard, encompassing all categories present in our value chain. We haven't excluded any Scope 3 categories, and the complete list is 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.

The thoroughness of our Scope 3 calculations is guided by the materiality of each category. This materiality is assessed based on its proportionate weight relative to our total gross Scope 3 emissions. For more detailed information on the methodologies employed, please refer to the annexes. We utilise approximately 1500 emission factors, sourced from reliable and publicly accessible databases or data providers, including ADEME, Agribalyse, AIB, DEFRA, and IEA.

	RETROSPECTIVE			
GHG INVENTORY, tCO_2E (HERE, NO – NOT OCCURRING)	**BASE YEAR, 2021**	**COMPARATIVE, 2022**	**REPORTING YEAR, 2023**	**CHANGE YoY, 2023/2022**
Scope 1 GHGEmissions				
Gross Scope 1 GHG emissions	96,724	101,401	90,750	-10.5%
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	218,853	207,654	-5.1%
Gross market-based Scope 2 GHG emissions	183,339	187,242	174,759	-6.7%
Significant Scope 3 GHG emissions				
Total Gross indirect (Scope 3) GHG emissions	4,228,889	4,451,399	4,451,524	0.0%
Category 1. Purchased goods and services	3,621,985	4,024,218	3,960,801	-1.6%
Category 2. Capital goods	75,742	69,914	110,209	+57.6%
Category 3. Fuel and energy-related activities	69,717	68,693	54,030	-21.3%
Category 4. Upstream transportation and distribution	253,161	177,571	152,100	-14.3%
Category 5. Waste generated in operations	1,511	1,358	11,816	+770.0%
Category 6. Business travels	169	309	158	-48.8%
Category 7. Employee commuting	20,768	21,208	19,292	-9.0%
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	58,837	123,054	+109.1%
Category 12. End-of-life treatment of sold products	3,516	2,564	3,443	+34.3%
Category 13. Downstream leased assets	20,032	21,966	10,575	-51.9%
Category 14. Franchises	4,962	4,761	6,045	+27.0%
Category 15. Financial investments	NO	NO	NO	NO
Total upstream Scope 3 emissions	4,043,052	4,363,271	4,308,408	-1.3%
Total downstream Scope 3 emissions	185,837	88,128	143,117	+62.4%
Total GHG emissions				
Total GHG emissions (location-based)	4,538,872	4,771,652	4,749,927	-0.5%
Total GHG emissions (market-based)	4,508,951	4,740,041	4,717,033	-0.5%

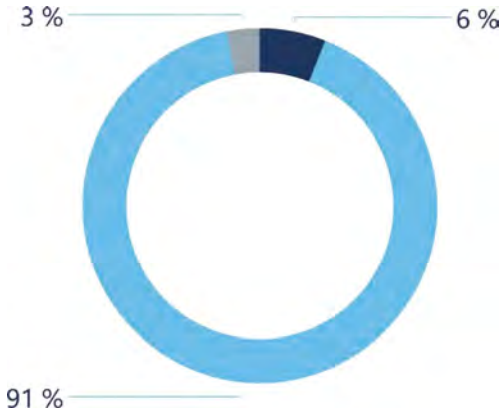
[305-1] [305-2] [305-3]

The changes in different Scope 3 emissions categories, compared to previous year, are mainly influenced by the business activities, structure of products sold. In case of "Category 5. Waste generated in operations", more data has been available compared to previous year, thus resulting in increase in precision of calculations.

GHG INTENSITY PER NET REVENUE[6]	COMPARATIVE, 2022	REPORTING YEAR, 2023	YoY
Total GHG emissions (location-based) per net revenue (tCO_2e/EURm)	925.87	812.71	-12.22%
Total GHG emissions (market-based) per net revenue (tCO_2e/EURm)	919.73	807.08	-12.25%

MARKET-BASED GHG EMISSIONS, 2023

In the structure of our total market-based GHG emissions the biggest share of impact is from the indirect upstream emissions, which is common for retail companies.



The Importance of Land-related Emissions

In 2023, the Science Based Targets initiative (SBTi) revised its methodology for setting science-based targets by introducing the Forest, Land, and Agriculture (FLAG) guidance. The FLAG Guidance provides a unified and scientifically grounded framework for determining how and to what extent land-related emissions should be reduced to align with the Paris Agreement objective of limiting global warming to 1.5°C.

Responding to these pivotal updates, we have undertaken a screening of our emissions inventory for FLAG-related emissions for the very first time. This evaluation was conducted for the reporting year, marking a significant advancement in our carbon emissions reporting. We focused on establishing the FLAG and non-FLAG portions of Category 1 emissions, particularly those emissions associated with the goods we sell. A key aspect of our analysis was the examination of food and beverage products, a major component of our inventory. These items constitute approximately 70.2% of our Category 1 emissions, underscoring their importance in our overall environmental impact.

Our screening process was comprehensive, although it did not separate the emissions into subcategories such as land-use change, non-land-use change, or removals. Instead, our methodology aggregated these components to provide an overall impact assessment. This approach has been instrumental in pinpointing the primary product categories with the most significant land-related impact in our product offering. The estimated FLAG emissions for the reporting year accounted for 58.9% of our total GHG inventory.

FLAG EMISSIONS IN THE REPORTING YEAR, tCO_2e	TOTAL CAT 1 EMISSIONS	FLAG CAT 1 EMISSIONS	NON-FLAG CAT 1 EMISSIONS
Food and Beverages	3,557,458	2,779,064	778,394
Non-Food	316,089	Not estimated	Not estimated

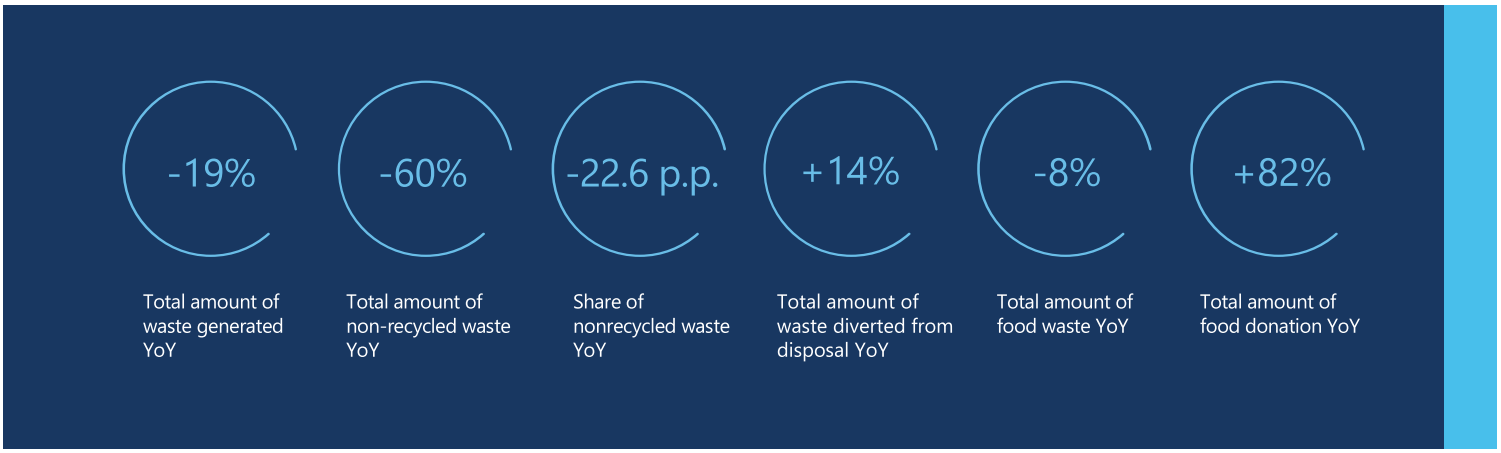
In 2024, we will further develop our methods for estimation of Scope 3 focusing on the FLAG emissions in Food and Beverages sub-category.

[6] The GHG intensity per net revenue for year 2022 has been calculated using the net revenue from the Revenue line of the Consolidated financial statements for the year ended 31 December 2022 (Note 19) in the denominators. The GHG intensity per net revenue for year 2023 has been calculated using the net revenue from the Revenue line of the Consolidated financial statements for the year ended 31 December 2023 (Note 19) in the denominator.

[3-3] [305-4]

Materials and Waste Management

As the Group companies are active in the retail sector, naturally waste management and efficient use of packaging materials are 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 the food and non-food waste generation and handling, and we consider this approach to be sector specific. The actions that we take in this material topic are focused on integration of circular economy principles where feasible.



Packaging

In 2023 a substantial change in lightweight plastic packaging was enforced in Lithuania through introduction of regulation prohibiting free of charge distribution of lightweight plastic bags. MAXIMA has introduced a fee of EUR 0.01 per plastic bag starting from July 2023. The introduction of the change resulted in the reduction of lightweight plastic bags usage by a half when comparing second half of 2023 to the second half of 2022. At the same time, the usage of reusable bags has increased three times. We believe that it will take certain time for behavioural changes to show even better results, which we support through additional informational campaigns in stores and in mass media.

Maxima Lithuania has set a target to reach 100% recyclability of plastic packaging of its own private label "Master's Quality" products by 2025. At the end of 2023, the recyclability level reached 99.93%.

During the recent reporting period, our companies that operate in the Baltic region initiated efforts to enhance the recyclability of packaging in our private label ready-to-heat and ready-to-eat product lines. This initiative was kicked off through a series of focused internal workshops. These workshops were dedicated to developing packaging designs that are easier to recycle, and we also engaged with industry professionals for insights and guidance. Through these collaborative efforts, we developed a set of foundational principles aimed at improving our packaging design for recycling. These principles are based on industry best practices and refer to the RecyClass guidance, a recognized standard for evaluating the recyclability of packaging solutions.

Looking forward, our plans for the upcoming years involve testing these established principles to assess their practicality and effectiveness. Our aim is to progressively refine our approach over time, thereby enhancing the recyclability of the packaging used for our private label products in the long run. We anticipate that in the medium term such changes will be fundamental given the forthcoming changes in the packaging industry due to the proposed Packaging and Packaging Waste Regulation amendments. We also foresee that the recycled content requirement in contact sensitive packaging would be one of the most challenging to implement requirements introduced by the regulation.

[3-3] [306-1] [306-2]

Recycling

The beverage packaging deposit system is already implemented in our stores in Lithuania and Latvia, and in a year such a system will be introduced in Poland. While we look forward to these changes in the beverages packaging waste management in the Polish market, our operators from the countries with already established deposit systems are sharing their knowledge and experience with Polish colleagues to make the introduction easier.

During 2023, we diverted approximately. 73.6 thousand tons of generated waste from landfilling and directed it towards recycling. Out of this number, 59.5% is the cardboard and paper waste that was directed to recycling and 19.4% is food waste that was handed to farmers or directed to recycling.

Food waste prevention

Food waste adds to the growing issue of waste and landfills and has major economic, social, and environmental effects. Food waste means wasting the resources used to produce, transport, and store food that is then discarded. Decomposing food emits greenhouse gases, which contributes to climate change, as well. Furthermore, it is a financial issue due to possible costs linked with food waste management. For these reasons, all of our companies take measures to prevent wasting food.

Main activities, that we take on in our daily operations in the field of food waste prevention concentrate around avoiding food wasting, donating and repurposing.

Responsible planning

When we manage our inventory, we pay close attention to how often and how much our customers are buying different products. This helps us figure out just the right amount of each product to order. For 2024 we plan to implement a unified demand planning tool, which is a substantial upgrade from current method, and it will assist in order planning by more accurately estimating the impact of promotions and evaluating stock levels in the stores. We will be able to predict the future demand by modelling different parameters, taking into account historical data on sales, promotions, seasonal events. Through implementation of new forecasting techniques, we aim to decrease out of stock levels, write offs, and food waste.

Food waste prevention

In our stores, we take a proactive approach to inventory management, with a particular focus on monitoring the expiration dates. This process is conducted daily to ensure the freshness and quality of our products. We have an effective discounting strategy for items that have a shorter shelf life or are nearing expiration dates. Prices for these products can be reduced by up to 70%, making them highly attractive for cost-conscious shoppers. Additionally, we employ smart placement and various promotional methods to enhance the visibility of these discounted items. This helps to capture customer attention and rotate our goods more efficiently.

Food donations

Part of the unsold but safe for consumption food products are donated to charitable organisations. Companies of the Group work with partners in their respective countries for food donations. In 2023 MAXIMA Lithuania worked closely with the Food Bank to increase the share of food donations and several changes were introduced in their internal processes to accommodate a wider scope of stores participating in this initiative.

[3-3] [306-2]

As a result, MAXIMA Lithuania has doubled the donated amounts in 2023 compared to the previous year. In a similar manner, MAXIMA Estonia further expanded its cooperation with food banks and also doubled the food donations compared to previous year. The total amount of food donations to Food Banks and other charity organisations increased by 82% and reached 3,727 tons in 2023.

COUNTRY	COMPARATIVE, 2022	REPORTING YEAR, 2023	CHANGE, YOY
Lithuania	464	1,005	+117%
Latvia	-	402	-
Estonia	534	1,091	+104%
Poland	1,053	1,229	+17%
Total	2,051	3,727	+82%

Food waste prevention

In our waste management efforts, we primarily focus on two key categories: non-food waste and food waste. This distinction is particularly significant in our field of work, which is centred on food retail.

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

On the other hand, 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 the waste generated in trimming and preparing food.

Managing this waste effectively is crucial for us, not only to maintain an efficient operation but also to minimise our environmental impact in the food retail sector.

The waste data that we collect covers our own operation. The amount of waste that is generated in our value chain is not included in the figures that we disclose. It should be noted that the climate-related impacts of packaging are, to a certain extent, captured in our Scope 3 GHG inventory: Category 1 covers the upstream emissions that are associated with the production of packaging of the goods that we sell, and Category 11 includes the impacts that occur during the end-of-life treatment of the packaging.

TOTAL AMOUNT OF NON-RECYCLED AND HAZARDOUS WASTE (FOOD AND NON-FOOD)	COMPARATIVE, 2022	REPORTING YEAR, 2023	CHANGE, YoY
Total amount of non-recycled waste	52,214	20,833	-60%
Total amount of waste diverted from disposal	66,149	75,246	+14%
Total amount of waste generated	117,916	96,078	-19%
Total amount of hazardous waste	168	121	-28%
Total amount of radioactive waste	-	0	-

[3-3] [306-3] [306-4]