

2020 MAXIMA GRUPĚ

CORPORATE SOCIAL RESPONSIBILITY REPORT



MAXIMA
| G R U P Ě |

TABLE OF CONTENTS

1. ABOUT MAXIMA GROUP	4	2. SUSTAINABILITY IN MAXIMA GROUP	13	3. OUR RESPONSE TO COVID-19	16
A short introduction and history	4	Our approach	13	Effects of the pandemic	16
Few highlights of our CSR in 2020	8	Our stakeholders	14	Dealing with COVID-19 on daily basis	17
Governance at MAXIMA GRUPÉ	9			BARBORA: Front-line service during the pandemic	20





4. SUPPLY CHAIN **— RESPECT, TRUST, TRANSPARENCY 22**

Responsible sourcing	23
Partnership with suppliers	23



5. CUSTOMERS **— HEALTH AND WELL-BEING 26**

Responsible products and services	27
Making healthy choices affordable	29
A better shopping experience	31



6. OUR PEOPLE **— EVERY PERSON COUNTS 32**

Our team	33
A work environment that accords with our culture	35
Health and safety	37
Employee training and development	39



7. COMMUNITY **— PROSPERITY 40**

Supporting communities	41
Cooperation with food banks	43



8. ENVIRONMENT **— CLEAN AND SUSTAINABLE 44**

Our environmental approach	45
Climate and energy	45
Materials and waste management	48
Food waste	51

9. ABOUT THIS REPORT 52

Materiality topics	53
GRI Standards Content Index	54
Appendix	58



[102-14]

Dear Reader,

It is with great pleasure that I share with you MAXIMA Group's first Social Responsibility Report, covering the period of our 2020 financial year. It presents an overview of how we understand our social and environmental impact, and our responsibility as a member of society. I welcome you on a tour of our Group's activities towards sustainable development. This report is also a great opportunity for us to demonstrate our accountability to you, our stakeholder, and an invitation to get to know us better.

MAXIMA Group owes its leading position in grocery stores across the Baltics to the commitment of its employees and business partners, and to the trust placed in us by our customers. We opened our first store 30 years ago, and from the very beginning we chose to build our success on our principles, mutual trust between us and our partners, and a determination to overcome any and all challenges. Over the years, we have defined our sustainability priorities, including our contribution to the environment and society, and improvement of our key stakeholders' well-being. The areas of focus we have identified include activities affecting the supply chain, our employees, customers, the communities in which we operate, and the environment. Although we have already started working on these issues, we want to strengthen our activities and make them more unified and integrated into all our business processes in the immediate future.

We entered 2020 with great plans and expectations to create a better shopping experience for our customers. Additionally, we planned to increase environmentally friendly resources and activities within the Group. However, the realities of 2020 brought unexpected challenges for everyone.

We always knew the importance of the strength of our team and the foundations on which our business is built. But the COVID-19 pandemic proved us just how

important it really is. Helpful attitude of each of our employees-heroes brought us all closer and gave us more opportunities to provide help for those in need. The health and safety of our employees and our customers as well as the widespread and equal availability of our products have become a priority for us. More than ever before, we felt a deep responsibility and connection to the communities in which we operate. Together with our employees and business partners, we have put our best efforts towards ensuring that our customers have daily access to essential products. Furthermore, in spring 2020, within less than a month we doubled our BARBORA e-commerce capabilities to ensure a safer shopping experience for our customers in the three Baltic countries. By the end of 2020, we were delivering up to 12,000 orders per day. From the start of the pandemic to the end of 2020, this has enabled our customers to avoid at least 1.8 million social contacts and this number is further growing.

I am proud of how much we have managed to achieve together during this difficult time. I am also aware that without the efforts of hundreds of our heroes: doctors, pharmacists, policemen, volunteers, and other essential workers, we would not be able to be where we are today. We hope to continue supporting the efforts of our community heroes by providing services and products to make their life easier as they focus on managing the pandemic.



Finally, I wish to say “AČIŪ”, “PALDIES”, “ΑΙΤÄΗ”, „DZIĘKUJĘ” and “БЛАГОДАРЯ” to everyone who contributed to our combined efforts during the COVID-19 pandemic. We are grateful to:

- over 40,000 employees-heroes of our Group, especially those who worked in shops, warehouses, production and e-commerce. We are grateful for their courage, strength, and hard work as they remained on the front lines of our fight against the COVID-19 pandemic, irrespective of the personal risks each of them took on;*
- our suppliers who displayed strong cooperation and a helpful attitude, ensuring that all necessary products would reach thousands of our stores each day;*
- our 1.3 million daily customers in our shops and the communities we are working in, who trusted us as a safe and accessible partner during these challenging times.*

We greet 2021 with great optimism and adaptive processes for our fight against the pandemic. We aim to concentrate on delivering a great and affordable shopping experience for ever more customers, unifying our sustainability policies and integrating the necessary measures throughout our value chain.

Stay safe and responsible.

Mantas Kuncaitis

CEO and Chairman of the Board
of MAXIMA GRUPĖ, UAB

1. ABOUT MAXIMA GROUP

[GRI 102-1] [GRI 102-3] [GRI 102-4] [GRI 102-13]

A short introduction and history

The MAXIMA Group of companies (hereinafter – “the Group” or “MAXIMA Group”), controlled by MAXIMA GRUPĖ, UAB (hereinafter “MAXIMA GRUPĖ”) headquartered in Vilnius, is the largest group of retail companies of Lithuanian origin in the Baltics. The Group consists of MAXIMA retail chains in Lithuania, Latvia, and Estonia, the STOKROTKA retail chain in Poland, the T-MARKET retail chain in Bulgaria and e-grocer BARBORA, which operates in the Baltic countries and has recently launched operations in Poland. The Group also includes FRANMAX, UAB (hereinafter “FRANMAX”), which provides information technology and support services for the Group’s companies, and MAXIMA International Sourcing, UAB (hereinafter “MAXIMA International Sourcing”), which provides centralized services of wholesale and agency of food and consumables to the Group’s retail companies.

[GRI 102-4] [GRI 102-6] [GRI 102-7]

Key numbers about MAXIMA Group

Total number of employees:

40,109

(*Does not include employees of UAB “Loganas”, UAB “Eigeris” and UAB “Akonkagva”)



Daily customers:

More than

1,3 million



Total sales:

EUR 4,226 million

Trade area:

~875,000 sq. m.

Total number of stores

1,323

(*Including 85 franchise stores)

Active loyalty card holders:

3,1 million

E-commerce orders within 2020:

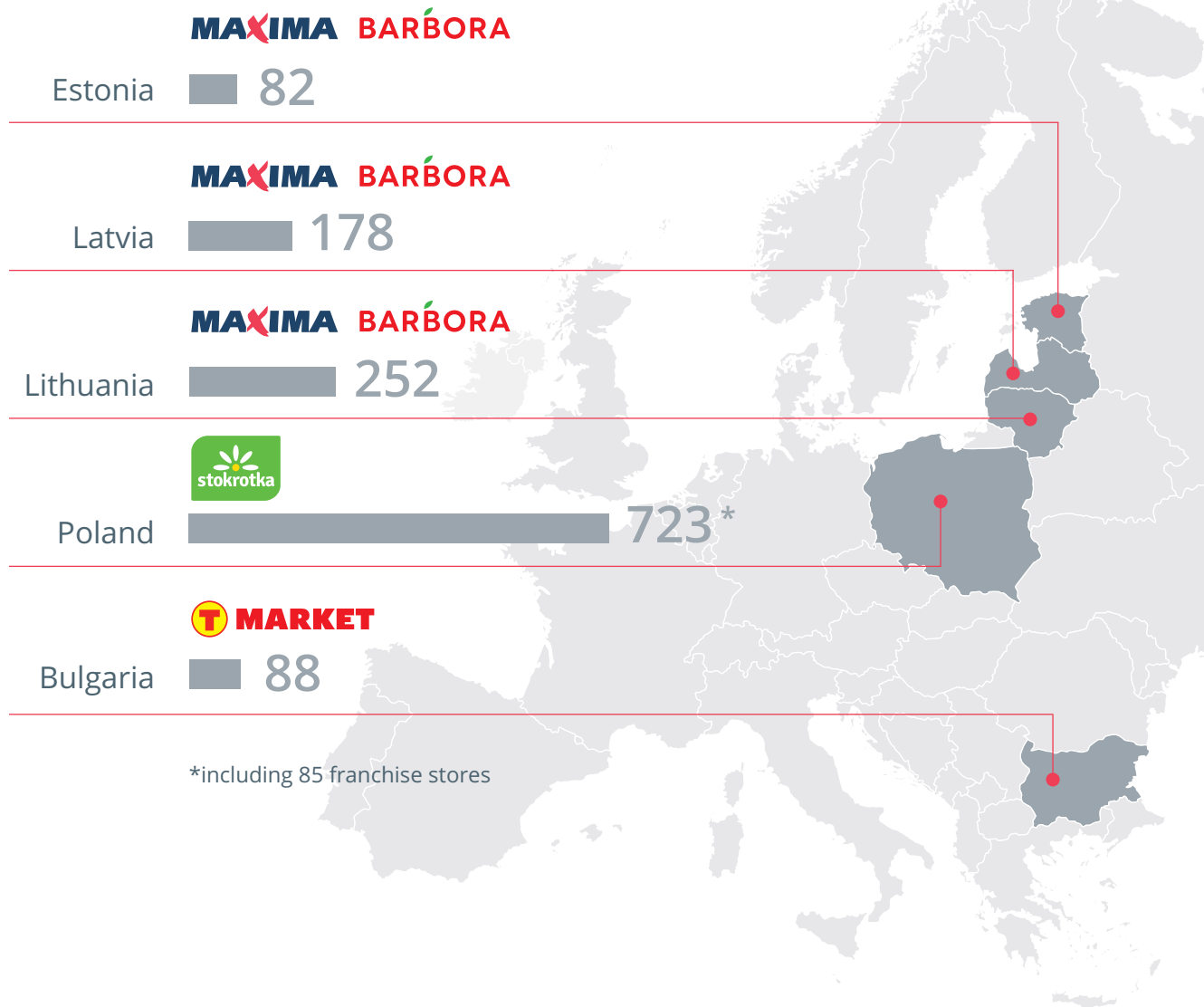
2,3 million



Products sold in 2020:

3,383 million

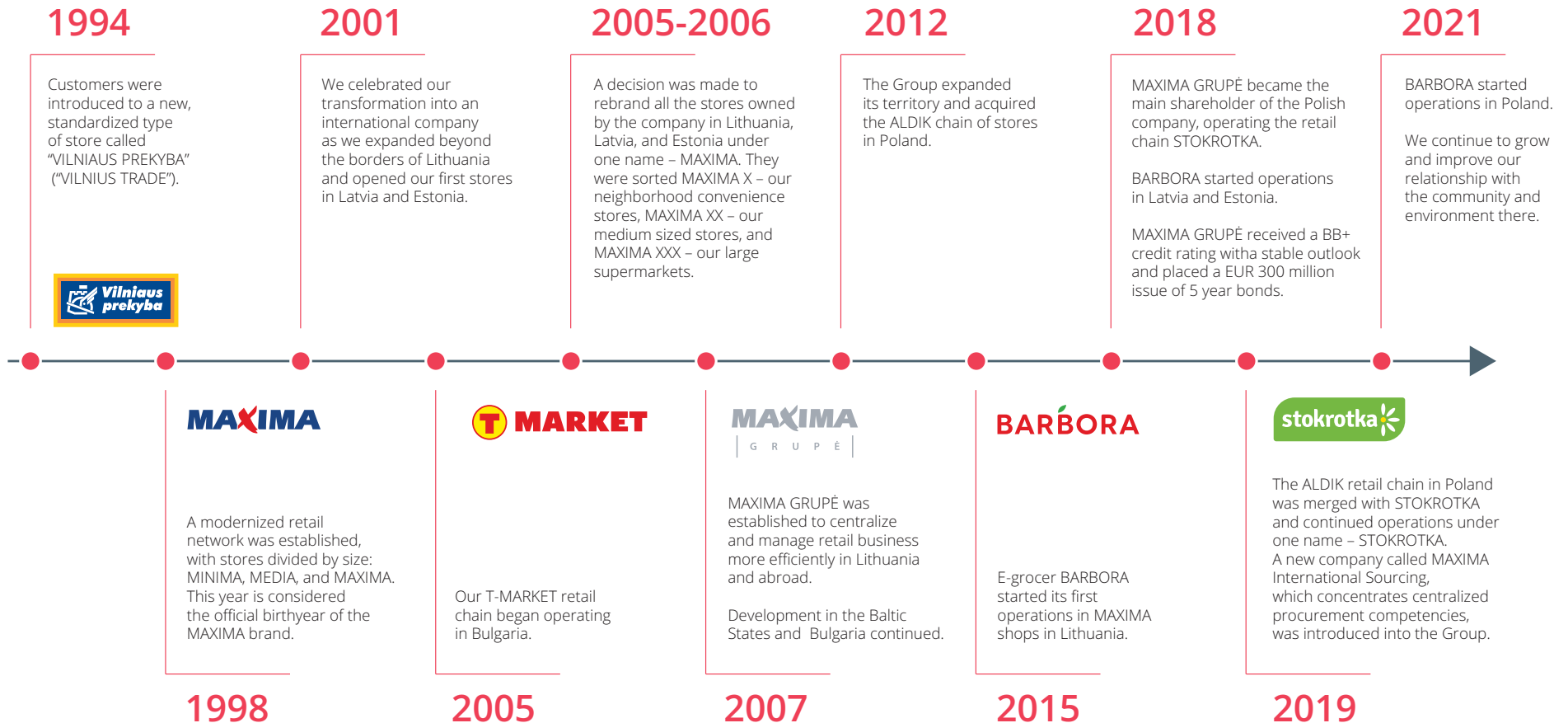
NUMBER OF STORES



At the Group, we believe that community is our greatest strength. Over the past three decades, the Group has grown to become a staple part of the communities it services. We are proud to have developed from a single store in Vilnius to Lithuania's largest grocery retailer, expanding into over 1,300 locations across the Baltic States, Poland, and Bulgaria. During this time, we have gained the trust of consumers to become their primary choice in the Baltic countries. And we have no plans to slow down. That is why we recently launched our e-platform BARBORA to serve customers in Lithuania, Latvia, Estonia, and Poland. We owe our position as market leader to our network of employees, suppliers, customers, and stakeholders, as we firmly believe that reaching our common goals brings success and allows us to become even greater as a whole.

OUR STORY

The story of the Group began long before the MAXIMA brand came into being. In 1992, Lithuania, which had regained its independence just a few years before, was bravely fighting with instability and difficulties caused by political and economic changes. Shoppers were resorting to open air markets to satisfy their needs, as store shelves were often empty. Seeking room for improvement, a group of like-minded students saw an opportunity for a modern, functional solution to the problem of supply chain disruption. With the goal of getting products to the customer as efficiently as possible, they started their business by opening three shops. Here is how things went from there:





[GRI 102-2] [GRI 102-5] [GRI 102-45]

WHO WE ARE TODAY

MAXIMA Group is the largest retail store chain and employer in the Baltics, employing more than 40,000 employees in five countries — Lithuania, Latvia, Estonia, Poland, and Bulgaria. The Group owns 1,238 MAXIMA, T-MARKET, and STOKROTKA stores (and 85 more STOKROTKA stores operate under franchise).

MAXIMA Group is part of a larger company group controlled by Vilniaus Prekyba, UAB (a private limited liability company established in Lithuania) (hereinafter “VILNIAUS PREKYBA”). VILNIAUS PREKYBA controls and manages the group of subsidiary companies that operate chains of retail stores (MAXIMA Group), DIY stores (ERMI Group), pharmacies (EUROAPOTHECA Group), and real estate development and management companies (AKROPOLIS Group) in the Baltic States, Sweden, Poland, and Bulgaria.

When developing businesses, Group companies use IT services provided by FRANMAX. The main subsidiaries included in the Group are: MAXIMA LT, UAB (hereinafter “MAXIMA Lithuania”); MAXIMA LATVIJA, SIA (hereinafter “MAXIMA Latvia”); MAXIMA EESTI, OÜ (hereinafter “MAXIMA Estonia”); MAXIMA BULGARIA EOOD (hereinafter “T-MARKET”); STOKROTKA SP. Z O.O. (hereinafter “STOKROTKA”); RADAS, UAB which manages our e-commerce business under the BARBORA brand

in Lithuania, Latvia, Estonia, and Poland (hereinafter collectively “BARBORA”); FRANMAX; MAXIMA International Sourcing, as well as more than 90 real estate companies which own our stores and is operated by us in Lithuania, Latvia, Estonia, Bulgaria, and Poland.

Our principal business activity is retail in food and consumables. Each MAXIMA retail store is classified as one of three types of shops: MAXIMA X, MAXIMA XX, and MAXIMA XXX, with customers’ needs and expectations in mind. MAXIMA X, our smallest shops, serve as local convenience stores and can be found in residential areas. These shops offer goods for daily meal preparation and function as local grocery stores. MAXIMA XX is our supermarket format, providing a wider selection of goods for customers who want to shop fast but have a range of choices. MAXIMA XXX stores are our largest shopping option, located strategically within a city. They offer the widest selection of high-quality, low-priced products and services. Additionally, these stores offer fresh meat and deli sections, bakeries, smokeries, and market areas next to the store. We have also launched an e-commerce channel, BARBORA, that allows customers to order food and other products online. The Group also owns and operates the retail chains STOKROTKA in Poland and T-MARKET in Bulgaria.

[GRI 102-12] [GRI 102-13]

ASSOCIATIONS AND INITIATIVES

Our companies stay informed about new developments in our sector through membership in industry associations and national and international organizations:

- **MAXIMA Lithuania** Lithuania participates in the Lithuanian Association of Trade Enterprises.
- **MAXIMA Latvia** is a member of the Foreign Investors Council of Latvia, the Latvian Chamber of Commerce and Industry, and the Latvian Employers’ Confederation, as well as is a partner of the Latvian Retailers’ Association.
- **MAXIMA Estonia** is a member of the Estonian Trade Association, the Estonian Employers’ Confederation, Estonian Marketing Association, European Personnel Management Association, and PARE – a network of personnel and people management professionals in Estonia. It is also involved in a PARE group that unites companies employing people with disabilities.
- **T-MARKET** is a member of the Association for Modern Trade.

Few highlights of our CSR in 2020

The Group's companies are regularly awarded industry prizes and international recognition for their initiatives and quality of service. In 2020, MAXIMA Lithuania was awarded the **QUDAL Award** by the Swiss certification agency Icertias for providing the **highest quality of vegetables and fruits** on the Lithuanian market. Furthermore, another Group company MAXIMA Latvia was given an award by Icertias in the **"Customer's Friend"** category that is granted to companies that invariably offer customers such impressive experiences that they choose to recommend them to their friends and colleagues, and a **Best Buy Award** granted as proof that our customers purchase the highest quality products at the best prices. The MAXIMA brand **was named number two in DDB Brand Capital's ranking of the most beloved brands** in the Baltic States, as well as the

second most beloved brand in Lithuania and third in Latvia during the Baltic Brand Awards ceremony in Latvia, providing further proof of our popularity with shoppers.

Our companies have been recognized as good places to work. In 2020, BARBORA Lithuanian branch was selected **TOP Employer**, with 750 new employees joining the team. MAXIMA Lithuania was recognized as one of the most attractive employers in the country according to the **TOP Employer** ranking held by a major job search portal, where we ranked highest among trading companies and third in the overall list of winners. This year, MAXIMA Latvia garnered the **TOP 500 largest employers' valuation** of the year – an award the company has received consecutively for several years now. Our initiatives in innovation and information technologies were also highly rated, e.g. in 2020, MAXIMA Estonia's mobile application providing customers with innovative and contactless shopping in our stores received the **Annual Trade Award**.

"Thank you Heroes"

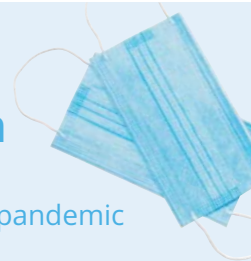
initiative launched by MAXIMA Lithuania united our fight with COVID-19



At least **90%** of Group companies implemented Suppliers Code of Conduct and Corruption Prevention Policy*

(*as of the publication of this report)

More than **EUR 9 million** additional direct costs related to the COVID-19 pandemic



100% of T-MARKET stores across Bulgaria have been powered entirely by green energy for one year now



~**EUR 49 million**

Total employee benefits, of which **36%** are discretionary incentive payments and benefits-in-kind

MAXIMA Lithuania is saving around

30 thous. m³

of water each month by eliminating all live fish aquariums from stores



3 Employer of the Year Awards

~**EUR 1.7 million** invested in our communities

Governance at MAXIMA GRUPĒ

Governance of MAXIMA GRUPĒ is rooted in transparency and effective corporate governance based on international best practices, ensuring the success and sustainability of the Group's activities.

Our three-tier management system includes the CEO (General Manager) who manages the company's daily operations and represents the company in its dealings with third parties; the Board of Directors – a collegial management body that is responsible for strategic management and approving core transactions to be concluded by the company, along with electing the chairman and calling general meetings of the shareholders; and the Supervisory Board, which oversees the activities of the CEO and Board of Directors, including appointing and removing members of the Board of Directors. The Supervisory Board is also responsible for submitting comments and proposals to the General Meeting of Shareholders on the Company's business strategy, financial statements, and other reports on the Board of Directors and the CEO. MAXIMA GRUPĒ also has an Audit Committee that helps the Supervisory Board ensure the process for auditing the Company's financial statements is effective and reliable.

BOARD OF DIRECTORS		
	MANTAS KUNCAITIS Chairman of the Board MAXIMA GRUPĒ CEO	
JOLANTA BIVAINYTĒ Board Member MAXIMA Lithuania CEO	TOMAS RUPŠYS Board Member Maxima Latvia CEO	ARŪNAS ZIMNICKAS Board Member STOKROTKA President of the Management Board
EDVINAS VOLKAS Board Member MAXIMA Estonia CEO	PETAR PETROV PAVLOV Board Member MAXIMA Bulgaria CEO	VITALIJ RAKOVSKI Board Member MAXIMA GRUPĒ CFO
SUPERVISORY BOARD		
EVELINA ČERNIENĒ Chairwoman of the Supervisory Board	LAIMONAS DEVYŽIS Member of the Supervisory Board	POVILAS ŠULYS Member of the Supervisory Board
AUDIT COMMITTEE		
IRENA PETRUŠKEVIČIENĒ Independent Member Chairwoman of the Audit Committee	RASA MILAŠIŪNIENĒ Independent Member	RYTIS JEZEPČIKAS Member



[GRI 102-16]

OUR WORKING PRINCIPLES

Our work is grounded in excellence by ensuring that our customers can purchase their desired product as conveniently as possible, delivering the best prices, quality, assortment, and services.

Our working principles are centered on people:



We work for the customer by offering exactly what they need at a fair price, ensuring that they return to our stores.



We value everyone equally, and our interaction and relationships are based on mutual respect, whether they involve colleagues, partners, or clients. We are a responsible member of society.



Awareness, responsibility and self-belief form the basis for our culture, that unifies every single one of us to work as a team.



We get things done by promoting activity, taking responsibility for our actions and decisions, and encouraging initiatives brought forward by members of our community.

[GRI 205-2]

ETHICS & CORPORATE GOVERNANCE

All of the Group's companies conduct their activities fairly, ethically, and in accordance with the laws of their countries.

Our three key policies include:

- 1. Equal Opportunities and Diversity Policy;**
- 2. Corruption Prevention Policy;**
- 3. Suppliers Code of Conduct.**

Among our most significant commitments are our anti-corruption practices. The Group's Corruption Prevention Policy covers all actions and procedures that are prohibited in our business. We act with responsibility and transparency, and follow the principle of zero tolerance for corruption. Each of the Group's companies have appointed a person or department to ensure compliance with the policies that have been developed. Our Corruption Prevention Policy is communicated to all Group employees and governing body members.

These policies were developed based on our company's existing internal principles as well as the Code of Business Ethics applied by our shareholder, VILNIAUS PREKYBA. All of the policies were approved by most of the Group's main companies in 2020 and the process of their adoption is to be finalized in the first half of 2021. We educate our employees, business partners and stakeholders by making these policies public on our websites, intranet, and internal company materials. Some of our companies have already conducted internal trainings for employees, especially in relation to anti-corruption issues, while others are planning to conduct them in 2021. As we fine-tune the procedures related to these policies, we hope to create a reliable, continuous system for informing our community about the principles we follow.

Each company has internal and external hotlines (e-mails and/or phone numbers) that our stakeholders can use to report inappropriate behavior. All of our companies have an appointed person or department responsible for investigating any such complaints and observations. Reports must be properly investigated and documented.

[GRI 102-15]

RISK MANAGEMENT

We seek to promote a work culture that takes a proactive approach to risk management and lets us meet stakeholder expectations. We believe that properly managed risks can even add value to our Group and stakeholders, and we aim to push ourselves and our industry towards greater sustainability.

As we employ our strategies to monitor financial, business, and compliance risks, we also aim to mitigate environmental and sustainability risks by reducing packaging, implementing new methods to increase energy efficiency across stores and warehouses, and minimizing waste throughout the entire value chain. The safety of our stakeholders, and customers, as part of them, is our greatest priority. Therefore, we monitor standards for food and non-food products, product origins and conditions, and provide training for our employees in quality assurance.



CSR-RELATED RISKS

TYPE OF RISK	DESCRIPTION	MITIGATION
Environment and sustainability risk	Failure to reduce the environmental impact of our business (packaging and waste, energy usage across stores, warehouses and offices), could lead to fines or other penalties and could have a significant impact on the operations and reputation of the Group	Reducing packaging; implementing new methods to increase energy efficiency across stores and warehouses; implementing methods to reduce waste throughout the entire value chain.
Product safety and liability risks	The manufacturing, packaging, marketing, distribution, and sale of products entail an inherent risk of product and public liability, product recall, and resultant adverse publicity.	Product safety policies and control standards for food and non-food products; standardized procedures; performance-tracking; tracing of product origin; third-party certification; sample testing; compliance with rules for product transportation, storage, sale, and sanitation; employee training in quality assurance.
Supplier choice risk	The chosen suppliers, not following our accepted sustainability principles, could lead to adverse publicity and/or financial performance.	Publicizing the Supplier Code of Conduct; introducing terms and conditions thereof to each of the suppliers; supplier surveys and audits; info lines for information collection.
Human resources risk	The Group's ability to continue to conduct and expand operations depends on its ability to attract and retain a large and growing number of personnel. If the Group is unable to locate, to attract, and to retain qualified personnel, the quality of service provided to customers may decrease and the Group's financial performance may be adversely affected.	Monitoring the labour market and providing employee benefits in line with the market; processes ready for employee onboarding, training, and development; development of corporate culture.
Occupational health and safety risk	Risks related to occupational health and safety may result in workplace accidents impacting a company's business operations. Group companies employ personnel in certain locations that are inherently dangerous working environments where the use of machinery and the presence of heavy loads pose risks of accident or injury.	Safe and comfortable working environments; compliance with employees' working hours and holiday schedule; safety trainings; regular medical examinations and health screenings for employees.



We have compiled this report as a guide across a wide range of activities aiming to help us achieve our sustainability goals. We are excited to share how we are improving for the well-being of our stakeholders.
Thank you for choosing us!

2. SUSTAINABILITY IN MAXIMA GROUP

Our approach

Our focus: we are a responsible leading retailer that creates shared value for its customers, suppliers, and the societies in which it operates.

We are working to ensure sustainable, long-term, and successful activities harmonizing the interests of various stakeholders, including customers, employees, suppliers, business partners, shareholders, and society. This means a wide variety of social, environmental, and economic issues are relevant to us. To ensure our activities deliver the best positive impact for our stakeholders and our business, we focus on those areas that matter most – our material issues.

We strive to keep our promises to all our stakeholders on a daily basis and to create sustainable environments both inside and outside the organization. We want to ensure the well-being of our employees, create a strong and trust-based environment that is directly related to customer satisfaction, initiate and execute long-term cooperation projects with partners, reduce the environmental impact of all business operations, and work with communities to address socioeconomic issues.

Our approach to sustainability is in line with our goals as a business. One of our leading goals is to create value for our customers, suppliers, and the communities in which we operate. We aim to create value by ensuring

a sustainable business model that elevates our shareholders and makes the company a valued member of society while promoting personal well-being, as well as respect and care for the environment. We have observed that, in addition to price and quality, our customers care for their communities and environment, and are holding us accountable for our actions regarding sustainability.

With these goals in mind, we are developing our Corporate Social Responsibility (CSR) activities to define our aims and initiatives for social responsibility in these focus areas: Suppliers, Customers, Employees, Community, and Environment.

Our path towards a more enhanced and unified approach to corporate social responsibility was recently marked by an important milestone. At the end of 2019, MAXIMA GRUPĒ became a member of the **United Nations Global Compact Initiative**, committing to uphold the ten principles of the Global Compact in the areas of human rights, environmental protection, work environment, and anti-corruption. In 2020, we stepped up in this area even more. The Group created a unified internal CSR reporting system, forming the basis for our first corporate social responsibility report to our stakeholders. This process will be further improved, and reporting will continue in forthcoming years. Next year, we are planning to work even more on unifying our sustainability policies and integrating the necessary measures throughout our value chain.



Our efforts to care for the well-being of the public and our employees have been recognized, as MAXIMA Latvia received the Gold Rating in the Sustainability Index for the fourth time in a row last year.

[GRI 102-40] [GRI 102-43]

Our stakeholders

IN DIALOGUE WITH STAKEHOLDERS

As part of our Group's corporate social responsibility targets, this report aims to provide a clear view of our responsibilities, results to date, and areas for future improvement, along with an outline of what we do to support our relationships with key stakeholders. Through this process, we can define MAXIMA Group's key sustainability topics.

We define our stakeholders as those groups that affect company activities and who can have an impact on our organization. They influence our daily business operations, transactions, and decisions, and play a major role in shaping the landscape of the Group's value chain. We feel responsible to all our stakeholders and we make every effort to maintain long-term and trustworthy relationships with them.

We are deeply involved in dialogues with our stakeholders, and want to engage them in our development processes. As we continue to review our CSR practices, we have committed ourselves to understanding the view and position of our stakeholders regarding our Group. We communicate with them on a regular basis as efficiently as possible through various channels and try to respond promptly to common concerns, issues, and interests. The following table maps out our stakeholders and divides them into groups.



STAKEHOLDER TABLE [GRI 102-42] [GRI 102-44]

Topics of concerns

How we communicate and engage

	 Shareholders and investors	 Suppliers and business partners	 Employees	 Customers	 Local communities	 Media	 Authorities/ public administration
Topics of concerns	Financial stability and performance, sustainable performance, continuity of activities, risk management, ethics and transparency	Delivery terms and conditions, attractive payment terms, fair treatment, trustworthiness, ethics and transparency	Working conditions, well-being, benefits, professional development, career opportunities, availability of information, equal opportunities, safety measures during pandemic	Products (quality, availability, safety, assortment), affordable prices, sustainability, good shopping experience, possibility to address a claim, data protection, shopping safety during pandemic	Food waste, decreasing impact on environment, social initiatives, investments into infrastructure, local suppliers, ethics and transparency, shopping safety during pandemic	Open dialogue, timely presentation of relevant information, ethics and transparency	Taxes, reporting, compliance, ethics and transparency
How we communicate and engage	Corporate website, annual report and CSR report, general meetings of shareholders, public announcements to stock exchanges and press, individual meetings and investor calls	Corporate website, individual meetings, supplier surveys and audits, email, phone communication, annual supplier events	Intranet, employee surveys, feedback channels, internal magazines and other documents, trainings, company events, regular direct communication	Corporate website, social media, promotional magazines, TV, radio and outdoor advertising, customer surveys, newsletters, customer loyalty programs, feedback/claims channels	Corporate website, regular face-to-face communication, various events, social media, TV, radio and outdoor advertising, feedback/claims channels	Corporate website, corporate publications, press releases, social media, annual report and CSR report, email and phone communication	Corporate website, individual meetings, email and phone communication, annual report and CSR report



We feel optimistic about what we can achieve. Sustainable growth presents its own unique challenges, but we seek to contribute to the preservation of our planet and care for our community while adding value to the business itself.

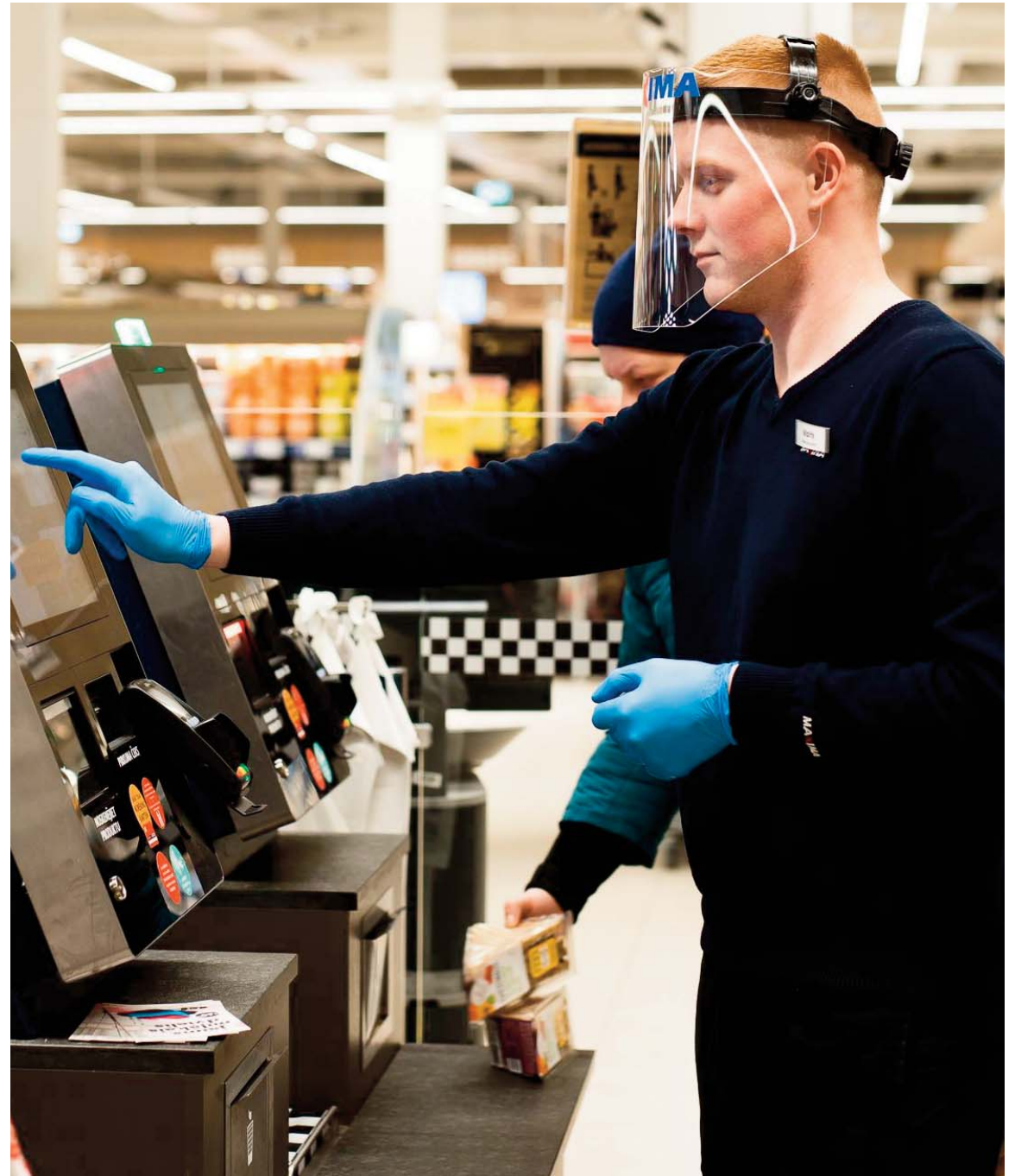
Fortunately, we are at an advantage as we already have a strong network of customers, employees, producers and suppliers, NGOs, municipalities, market regulators, charities, local communities, and environmental organizations that can work with us along the way.

3. OUR RESPONSE TO COVID-19

Effects of the pandemic

Our response to the COVID-19 pandemic was a true test of our crisis preparedness as a business. We had to stay ahead of the curve to protect the safety of the people who make up our organization: our customers and communities; employees in stores, warehouses, production and offices; and our suppliers. Within 48 hours, the daily routine of thousands of employees was turned on its head and we had to adjust to the “new normal” for the retail sector.

We quickly realized that a holistic COVID-19 response would involve more than the health and safety of our stakeholders. We made sure that not only our customers would be equipped with everything they needed, but other stakeholders as well. Bearing in mind that the pandemic would slow economic development, we decided to freeze prices on products and goods for the duration of the state of emergency, and even continued to find opportunities to lower prices. We enhanced our cooperation with our business partners, e.g. tenants in our shops (by reducing rent and extending payment periods) and suppliers (by being more flexible with regard to supply terms). Furthermore, the crisis also encouraged us to enhance our philanthropic activities by providing additional support to those who need aid, e.g. hospitals, families in need, and people who had lost their jobs due to the pandemic.



Dealing with COVID-19 on a daily basis

During the pandemic, the work of our heroes — store employees, cashiers, e-commerce employees, and others who continue to distribute food, is valued even more, increasing the value of these professions. Along with the work of doctors, police officers, and other essential workers, the work of retail employees is seen as an essential service to the communities in which we operate. Thanks to their courage, we were able to keep our stores open during lockdowns so that our customers would have access to food and other essential products without interruption. We helped our customers avoid social contact by expanding BARBORA's e-commerce services in all three Baltic states and accommodating e-commerce in T-MARKET and STOKROTKA.

We are also grateful to our customers who have continued to place their trust in us by complying with our safety measures. Their choices, including shopping less often, buying more at once, and increasing their use of the technology in our stores, like our self-service checkouts and contactless payment options, also made a great impact on the safety of the shopping experience for everyone. We appreciate their efforts to avoid crowding. We have also been inspired by our community's willingness to help each other. We have seen members of our networks helping out work colleagues and neighbors, volunteering in groups to provide assistance, and purchasing necessities for those who need them most. Without the strength of our community, we would be in a much weaker place.

Our COVID-19 strategy has been applied to our main stakeholder groups: customers, employees, partners in the supply chain, and the communities we serve.



CUSTOMER SAFETY

Our goal has been to make safety as convenient as possible to keep our customers protected. Some of the measures we have taken include:

Masks: Masks are mandatory in all our stores, and we provide free masks to all our employees, while MAXIMA Lithuania, Latvia, Estonia, and T-MARKET also offer free masks to customers.

Disinfection: We disinfect our surfaces at least once a day, depending on the department (retail, production, and logistics). We disinfect shopping baskets and carts, SCO-s (self-scan and checkout technology), open counters, and checkout screens frequently – some as often as every hour. We also provide free hand sanitizer to our customers and employees.

Social distancing: Our strategy for social distancing and regulating customer flow depends on regulations for customer limits and the distance between customers. We have made following guidelines easier

for our customers by recommending limited access to our shops (e.g. one family member at a time), tracing the number of clients in every store, and placing two-meter distance markings on our floors. We also use printed, audio, and video messages to remind clients to wear masks, avoid standing in groups, and observe safety rules. Plexiglas partitions separate employees from customers at registers, info desks, and counters. MAXIMA Lithuania and MAXIMA Estonia also keep every other cash register open to help customers maintain a safe distance between themselves.

Adjusted hours: We have been responsive to legal requirements affecting shopping hours and have also implemented our own initiatives for a safer shopping experience. MAXIMA Latvia provides printed information at entrances of shops to show color-coded hours when client traffic is higher and lower (green, yellow, red), and our Latvian stores were open for longer hours during the holiday period. During the peak time of the pandemic, T-MARKET and STOKROTKA were open exclusively to customers over 60 for two hours every morning.

EMPLOYEE SAFETY

The health and safety of our employees has also been a priority in our COVID-19 response. We are aware of the risks our employees face and applaud them for their dedication and courage – especially those who are unable to do their job from the safety of their home. With this in mind, we have taken the following steps:

Safety equipment: Masks, rubber gloves, shields, and sanitizers have been provided to all our employees at no cost.

Health checks & thermometers: Our employees are reminded regularly to stay home if they experience symptoms of COVID-19. Shift supervisors or managers are authorized to make decisions to send employees who are unwell home.

Employees of MAXIMA Lithuania sign a daily temperature measurement log, and have their temperature measured by thermometer twice a day. The temperature of office and logistics employees is measured once a day and twice a day respectively by thermal imagers. MAXIMA Latvia and Estonia, BARBORA, and STOKROTKA have also made temperature checks mandatory upon entering any office.

COVID-19 tests: Tests are available to employees in Estonia, Bulgaria, Latvia, and Lithuania. MAXIMA Latvia cooperates with laboratories to make the distribution of COVID-19 tests more efficient. MAXIMA Lithuania has performed over 33,400 PCR tests for prophylactic risk assessment.

Remote work: To encourage social distancing and avoid crowding, all office staff have been offered the opportunity to work remotely provided they can carry out their tasks from home. MAXIMA Estonia and MAXIMA Latvia have provided training sessions for employees who began working from home, including on topics such as remote work safety, usage of MS Teams, and well-being.

LOGISTICS SAFETY

Logistics processes need protection to prevent interruptions in the flow of goods to our customers. In addition to the measures provided to our store and office employees, we have also taken further steps for warehouse employees and transport companies:

Hygiene procedures: We have installed hand disinfection stations for drivers, provided face masks

and protective equipment, and require temperature checks. We disinfect rooms, halls, and common areas.

Limiting contact: We have modified shift times and breaks between shifts to keep employees partially segregated and have increased the frequency of buses transporting employees to and from work. In MAXIMA Lithuania and MAXIMA Estonia, dining areas have installed separators to limit how many people can sit at a table at a time. In some areas, drivers are separated from employees.

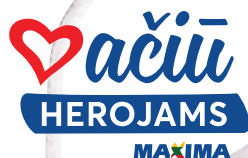


COMMUNITY SUPPORT

When the COVID-19 pandemic hit, we were one of the first companies to react immediately and set clear goals for how we would help our communities and provide support during the uncertainties of the COVID-19 lockdown.

Our main goals included support for each local community and drawing the public's attention to the importance of following the necessary restrictions.

When the pandemic burst, MAXIMA Lithuania has reviewed its social activities to target and enhance the help for those, who are in need during this tense period. The company unified all its activities, related to social and community support, under the umbrella of its integrated still ongoing social and internal initiative "THANK YOU HEROES" („AČIŲ HEROJAMS"). The initiative unifies our struggle and direct our social support to the institutions, occupations and persons, fighting the pandemics on everyday basis. The company further extended the campaign and rooted it throughout all its daily operations – from now on, throughout related broad communication and other activities, MAXIMA Lithuania expresses its gratitude to all the heroes we encounter every day – policemen, medics, volunteers, pharmacists and our employees, especially in stores, leading us through the tough and unexpected challenges we face.



Support provided to community medical institutions

- Disposable face masks to the organization "Ankstukai," which helps families with premature babies (MAXIMA Lithuania)
- Needed supplies to the Vilnius University Hospital's Santaros Clinic's Center for Rare Infectious Diseases to ensure hygienic conditions (MAXIMA Lithuania)
- Meals for children and medical staff at the Children's Hospital (MAXIMA Latvia)
- Over 20 tons of supplies to medical facilities struggling with COVID-19 (STOKROTKA)
- Food and necessities to hospital staff (MAXIMA Estonia)
- Masks and equipment to several hospitals (T-MARKET)

Food donations

- For volunteers at "Corona Hotline 1808" to help keep it running 24/7 (MAXIMA Lithuania)
- Food baskets to unwell or self-isolating employees (MAXIMA Estonia)

Financial support

- Discounts for in-store tenants who could not operate due to restrictions. Yearly discounts provided by Group companies — more than EUR 1.6 million
- E-commerce delivery fee discounts during the COVID-19 pandemic (BARBORA)

Market support

- Initiated "Together for Lithuania" campaign which aims to help the Lithuanian economy cope with the pandemic. MAXIMA unified 80 Lithuanian suppliers and producers to provide significant discounts on more than 500 most popular Lithuanian goods to encourage customers to choose and consume more Lithuania-sourced food products. It's estimated, that due to this initiative, Lithuanian customers saved up to EUR 1.5 million every month (MAXIMA Lithuania)
- Supported professionals in industries that came to a halt during the pandemic by providing opportunities for work without severing ties with former employers (MAXIMA Latvia, BARBORA)
- Froze prices during the lockdown (MAXIMA Latvia)

BARBORA: Front-line service during the pandemic

Our e-grocery BARBORA was on the front lines of our COVID-19 management strategy. While other businesses were just setting up their online activity, we managed to use our existing online store to ensure safe shopping practices for our customers. As a reaction to the pandemic, we nearly doubled BARBORA capabilities in less than a month. We encouraged our customers to use this service to order goods for relatives living at other addresses or cities to minimize contact and keep everyone safe. We knew our strategy was working when we saw increased demand and growth in this area, as people who were in quarantine, self-isolation, or at risk saw online stores and home delivery as their only choice given the situation.

BARBORA EXPRESS

BARBORA EXPRESS was one of the solutions we implemented in response to the pandemic. The new online service offered customers the opportunity to order food and household goods through the BARBORA online platform for pick-up at a convenient store location. These express pick-up points (132 in the Baltic countries) helped deliver goods to customers in a fast and safe manner even in more remote areas.

Response strategy: After the announcement of the first lockdown in the spring of 2020, BARBORA implemented all preventive and security measures recommended by authorities, and some remained in place even after restrictions were loosened. Workers in direct contact with food wore disposable gloves. Premises, vehicles, and equipment were regularly disinfected. Later, our online shop implemented more stringent safety measures as the number of people infected with the virus grew. All BARBORA warehouse employees were required to have their temperature measured every morning, wear masks and disposable gloves during work, maintain a safe distance, and work in a manner that would put couriers and staff in minimal contact. We offered COVID-19 testing to employees who came into contact with colleagues who had tested positive. Where possible, all employees were moved to remote work.

Customer safety: During this period, BARBORA adjusted its practices to accommodate customers. We maximized the number of delivery slots and required that customers pay for goods online before delivery in order to minimize contact. We implemented contactless front door delivery (purchases were previously brought inside customers' houses) and provided free deliveries in all countries during the lockdown period.

Member of the community: BARBORA proved its worth in mitigating job losses resulting from the pandemic. Within two months we hired over 1,000 new employees in three Baltic states on permanent contracts. In this way, we did our best to help our communities overcome economic difficulties in this unpredictable time. BARBORA truly became one of our greatest weapons in the fight against COVID-19.



“

The uncertainty brought about by COVID-19 is a major challenge we have faced. We are proud to have remained stable during the pandemic as we have provided continuous service to our community in a safe manner. We always value the engagement of our stakeholders, and the pandemic has proven our importance to the society, and the strength of our communities in persevering through difficult times.



4. SUPPLY CHAIN — RESPECT, TRUST, TRANSPARENCY

Our focus: MAXIMA Group is a valued long-term ally, enabling its partners to grow and thrive together.

Our strategic partners play a central role in the story of our success, and we greatly value these relationships. Three core principles are the foundation for our close cooperation with strategic partners: respect, trust, and transparent communication. We seek to build constructive and mutually beneficial relationships, and we expect the same standards of business ethics from our partners. Our sustainable practices also support local producers so that we can maintain our collaboration and close relationships for many years to come.

Challenges and directions for the future

One of the greatest challenges in our work with partners is being on the same page about our practices and expectations. Transparent communication is one way to address this issue. So our directions for the future focus on fine-tuning the systems that communicate our standards and expectations, such as anti-corruption training and a cohesive Supplier Code of Conduct.



More than

5,000

suppliers

More than

60%

of Group suppliers are local
(vary to more than 80%
in some countries)

Almost

64%

suppliers have been
working with the Group
for over 5 years

[GRI 102-9]

Responsible sourcing

The Group's supply chain model has changed over the years as we have expanded our geographical reach. The majority of the supply chain is directly managed by local Group companies. They are primarily responsible for expanding the regionality and local sourcing of products. Every country individually accounts for about 80% of products, negotiation, and purchasing processes. The remaining 20% of the Group's supply chain is built on a centralized delivery model. MAXIMA International Sourcing provides centralized sourcing, purchasing, and negotiation services to our retail chains, develops private label brands, and engages in wholesale activities. As a wholesaler, MAXIMA International Sourcing buys goods from suppliers and delivers the products via warehouse or directly to operators.

The Group manages and operates owned and leased regional warehouses. Highly centralized delivery model increases operational efficiency and allows the Group to control the quality of its products and service better. MAXIMA does not have its own delivery fleet, therefore it gets this service from delivery companies. Most non-food items are purchased through MAXIMA International Sourcing, which assures that their quality can be thoroughly checked. When a product is introduced, manufacturers submit certificates for assessment. After it passes, the product is tested in a laboratory.

Partnerships with suppliers

Our cooperation with suppliers has always been based on partnership, responsibility, and mutual trust. Thanks to the commitment and cooperation of suppliers, customers in the countries where we operate have access to fresh, high-quality products.

Each company carries out internal procedures and audits to evaluate a supplier's reliability and transparency. Suppliers are also evaluated for production, service, and product quality.





THE SUPPLIER CODE OF CONDUCT

In 2020, we wrote down our principles and defined a Code of Conduct for Suppliers, clarifying our expectations regarding human rights and the environment.

Human rights & well-being

The Group's companies abide by the principle that respect is the foundation of personal and business relationships. We expect suppliers to respect human rights and comply with all relevant legislation and regulations in the countries in which they operate, and to behave fairly, respectfully, and justly towards their employees. We also expect suppliers to ensure working hours, wages (at least minimum wage), and overtime policy are in compliance with local laws, providing appropriate work conditions and equal opportunities for growth. Our suppliers are also responsible for protecting employees from verbal or psychological harassment, sexual abuse and coercion, and situations that give rise to the threat of physical and psychological violence. A safe and healthy work environment motivates employees to strive for good performance and to contribute to our common goals.

Environment

Our company carries out day-to-day activities in accordance with environmental laws, regulations, standards and permits, and expects suppliers to do the same. We expect suppliers to take responsibility for the environmental impact of their activities, and to use environmentally responsible technologies and operational practices whenever possible.

By articulating this Code of Conduct, we hope that we can increase cooperation with ethically minded suppliers.

LOCAL SUPPLIERS

As community members with an interest in sustainable development, we are committed to partnerships with local suppliers, producers, and farmers, helping them enter the market and grow. In this way, we support our communities and minimize our negative impact on the environment.

Shop locally

One way we can help our suppliers is by encouraging our customers to shop locally through product listings, advertising, joint communication campaigns, and exclusive products only available to the Group's customers. For example, MAXIMA Lithuania initiated the "Together for Lithuania" promotional campaign for local products. The campaign encouraged customers to choose local products by lowering their prices. T-MARKET organized the "Choose Bulgaria" campaign, which promotes local dairy, fruits and vegetables, eggs, fish, and fresh meat. MAXIMA Latvia organized the "We for Latvia" campaign, which was broadcast on television, radio, internet, and in outdoor spaces, inviting customers to buy local products made in Latvia. The company developed special price tags and pallet designs to highlight products manufactured in Latvia.



MAXIMA Estonia organized the "Choose Local" promotional campaign, which increased the visibility of local products and provided further motivation for consumers to choose these goods.

Supplier support

We take additional measures to make cooperation with local suppliers as easy as possible. MAXIMA Estonia has introduced simplified contracts for small local suppliers. MAXIMA Latvia was among the initiators and supporters of a reduction of VAT on products made in Latvia and led studies on "product patriotism" that highlighted how cooperation with local producers benefits the population, economy, environment, and country.

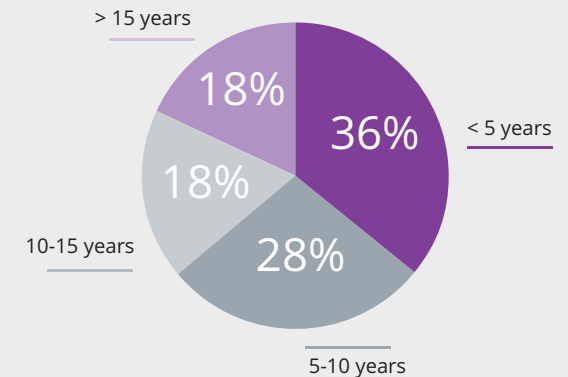
We want to foster long-term partnerships because we know that reliable relationships ensure reliable products. For example, a manufacturer that has been with us for a long time can apply an innovative approach to a new product trusting that we will provide support. In return, we know that we will receive a high-quality product, as our long-term partners have repeatedly shown their commitment to quality and high standards. We are also proud of the business partnerships that have allowed us to coordinate efforts to fight COVID-19. We know we can count on our trusted suppliers to step in and help our common communities.

[GRI 204-1]

Proportion of local suppliers within the Group



Percentage of suppliers cooperating with the Group on a long-term basis*



* In above chart suppliers from MAXIMA International Sourcing are not included as the company is newly established.



5. CUSTOMERS — HEALTH AND WELL-BEING

Our focus: stores that are accessible to every single customer and make healthy food available to everyone.

All of our decisions are focused on the well-being and satisfaction of our key stakeholder: the customer. Thanks to the trust of our customers, we can operate and continuously develop, becoming increasingly accessible to our customers with every passing year. For this reason, we want our customers to have the best possible shopping experience. With a wish to create value for the customer, we aim to implement modern, digital solutions. Most of all, we want to focus on protecting our customers' health, which is even more important during the COVID-19 pandemic. Whatever challenges life brings, we will continue to develop ourselves so we can better serve our customers and provide them with a diversity of choices they can make for their own well-being.

Challenges and directions for the future

We are constantly adapting to our customers' changing needs and expectations. As the pandemic is not yet over and new COVID strains arise, we need to ensure the continuous safety of customers in our stores. We also want to adapt to our customers' needs by expanding our logistics and enhancing store layouts to provide convenient, effortless shopping experiences. Our customers' interests are important to us, therefore we pay more attention to their changing habits by promoting healthier products and reviewing the composition of current products, e.g., reducing fat, sugar, and so on. We challenge ourselves by adapting new technologies to make customers' experiences easier, faster, and more convenient.



1.3

million customers
daily

3.1

million active
loyalty card holders

Almost **40%**
of purchases were made
at lower-than-regular prices

2,175

self-service
checkouts

Scan&Go
implemented in

3 out of **5** countries

Responsible products and services

With an intention to create value for the customer, we are providing choice. Our customers are able to select:

- The highest quality product at the lowest possible price
- Products that are sourced both locally and globally

In addition to offering a wide variety of products and services, we have implemented practices to ensure that they are sourced responsibly and safely.



In 2020, MAXIMA Latvia's efforts were recognized by the Switzerland-based International Certification Association ICERTIAS when it received the association's **Best Buy Award (Quality at Best Price)**. This achievement is a proof that customers are satisfied with the products received and the company's price-to-quality ratio in retail.

LOW PRICES

The accessibility of our products is important, as we want as many customers as possible to be able to buy the products they need. Our price strategy ensures affordability and competitive prices across our product groups. For example, MAXIMA Latvia has prioritized lowering prices on top-quality products. As a leading retailer, the company feels it is its duty to ensure that MAXIMA customers in Latvia have better access to high-quality products at lower prices every day. These efforts can promote a balanced diet while enabling people to put the money they save towards improving their health and well-being in other ways. The company allocated EUR 7.2 million to achieving its long-term price lowering program, reducing prices by up to 40% on several thousand basic items and fresh produce within a year. It also managed to freeze prices to slow down inflation and reduce commodity prices in certain categories.

LOCAL CHOICES

We are making large-scale product changes across all of our categories to provide customers with the choices they need. In 2020, MAXIMA Estonia launched innovations in its range of fresh meat and poultry, fish and fish products, deep-freeze products, ice cream, and soft drinks. Thanks to these innovations, offerings of fresh meat increased by over 30%, with 96% of the increase in fresh meat coming from Estonian suppliers. These changes were inspired by our goal to provide our customers with the power to choose sustainably when making their purchasing decisions. They can now choose to purchase either locally or globally, as we have the assortment to satisfy both needs.



[GRI 416-1]

PRODUCT SAFETY AND QUALITY

Our focus on product quality is what makes our company trustworthy in the eyes of our customers. We assemble products carefully and deliver food goods by special transport that maintains the necessary temperature to preserve the freshness and quality of the products. We carefully track expiration dates so our customers can keep them for as long as possible. Our products must pass several checks before they arrive on our shelves, as our customers deserve only the healthiest, highest-quality products available.

Additionally, our e-grocer BARBORA provides customers with a special “freshness guarantee”. BARBORA personnel are specifically trained to pick the best and freshest products to be delivered. Perishable products that should be utilized within 12 hours of delivery (such as ready-to-eat products) are marked with a sticker that says “Today” when ordering. Our BARBORA trucks are equipped with special temperature compartments for carrying cold and frozen products.

Our comprehensive selection process for new suppliers and products ensures that products meet the requirements noted in our specifications. We also collect additional documentation to classify the products, such as eco certification and safety data sheets. Planned and ad hoc laboratory testing is performed to evaluate the safety characteristics of food and non-food products. We check our own brand products to ensure that all European and local requirements are met. The quality of our products is also maintained by planned and ad hoc supplier audits carried out to ensure that the production environment and safety assurance procedures are satisfactory.

In 2020, MAXIMA Lithuania was awarded the **QUDAL Award by ICERTIAS for the highest quality vegetables and fruits sold on the Lithuanian market**. The award was based on customer satisfaction surveys conducted by the agency, which means that customers in Lithuania recognize our efforts to sell only the best and freshest products.



INCLUSIVITY

We want our shops to be an inclusive environment for all. This idea has led to initiatives such as the introduction of Quiet Hours at STOKROTKA to provide a dementia and autism-friendly shopping experience for our customers.

BARBORA has also become one of the tools uniting our customers and providing accessible shopping for everyone. Home delivery is extremely important for people with limited mobility, disabilities, or health problems. Online shopping can make their everyday lives much easier. The possibility of having multiple delivery addresses on the same customer account makes BARBORA a meaningful tool for taking care of elderly relatives and people in isolation during the pandemic. It can also help those who are temporarily abroad take care of their parents and other family members.

QUICK RESPONSE

When it comes to their orders, our clients expect efficiency and speed. Our companies have developed various procedures for managing customer requests. For example, MAXIMA Lithuania manages customer requests through its Customer Request Management System. All incoming requests are registered in the FRESHDESK system. Incoming requests can be received by phone, e-mail, post, website, social networks, or in-shop. MAXIMA Latvia has implemented a Customer Complaint and Recommendation Procedure that involves contact via an info line, e-mail, and social networks. STOKROTKA has a Customer Service Office that replies to customers as soon as possible, no later than within seven days. These services are available 24/7. Similar customer service lines are used in other countries and by BARBORA.

Making healthy choices affordable

The events of 2020 have reminded us that without our health we have nothing. We can see very clearly that it is our responsibility to offer healthy products at an accessible price and to educate our customers about the choices they make so they could live healthier lives.

HEALTHY PRODUCTS

We help our customers make healthier choices by increasing the availability of seasonal products – especially fruits and vegetables. We are pleased to support local producers by offering customers the benefits of local farm products. Providing people with quality vitamin-rich food is especially important during the pandemic, and it also increases the volume of orders for local businesses. In addition to price freezes, this provides customers with better access to healthier products.

PRIVATE LABEL



MAXIMA offers a wide selection of products under our private labels. Group companies offer fresh food within their shops: brands like MEISTRO KOKYBĖ (Lithuania), MEISTARA MARKA (Latvia), and MEISTRITE KVALITEET (Estonia) include freshly-prepared meats and seafood, confections and baked goods, salads, and sandwiches.

We offer a range of fresh and frozen products and brands exclusive to Group companies, including dairy and meat products, spices and salads, high-quality seafood, ice cream, dumplings, grocery items, and other products. These products are all available at an accessible price.

We are also launching initiatives to develop our private labels and offer healthier ready-made options in our stores.



LESS SUGAR

We are changing some of our products to cut the amount of sugar content. For example, our FAVORIT label tomatoes and canned beans no longer contain any added sugar. Also, Group companies like MAXIMA Estonia are cutting salt and sugar in their deli and confectionery offerings, labeling these items “low salt” and “no sugar.” Company is planning to reduce the amount of sugar in children’s products to a minimum by 2025.



GROWING ECO AND BIO PRODUCTS

Since 2010, our private brand EKOLOGICA has provided customers with organic products such as fresh fruit and vegetables, oils, flour, and more. These products are grown in sustainable ways, respecting natural ecosystems and cycles, and abiding by laws regulating organic production. EKOLOGICA products are marked with the European Union’s organic logo and specify where the ingredients were produced or grown.



CUSTOMER AWARENESS

Shopping at our stores can be an educational experience for our customers. For example, we show our customers how to change their consumption habits by providing advice on how to be “zero-waste”. By increasing customer awareness, we bring value to their lives as we help them make decisions that can lead to better health and benefits for the environment.

PACKAGING AND LABELLING [GRI 417-1]

We are adapting packaging and labeling to provide full nutritional information to our customers. We provide nutritional information per 100 g and per portion whenever the size of the packaging allows it. We want the most important information to be present on the front of the packaging so the customer can be more informed. We comply with all European Union regulations in this process. As the producer is liable for product labeling compliance, our product quality experts work with producers to ensure all product labeling meets legal requirements. 100% of our own products, whether newly-introduced or modified, are checked for compliance with European and local legislation.



RESPONSIBLE COMMUNICATION

We put significant effort into ensuring that our communication with clients is truthful, transparent, and up-to-date. MAXIMA Lithuania and MAXIMA Latvia have defined communication principles according to their customer service standards and follow best trade and advertising practices as recognized by the international community.

A better shopping experience

We see ourselves as a modern player on the retail market, so we want to provide a modern experience for our customers. We take the latest innovations and trends into consideration when we design tools for our shoppers.

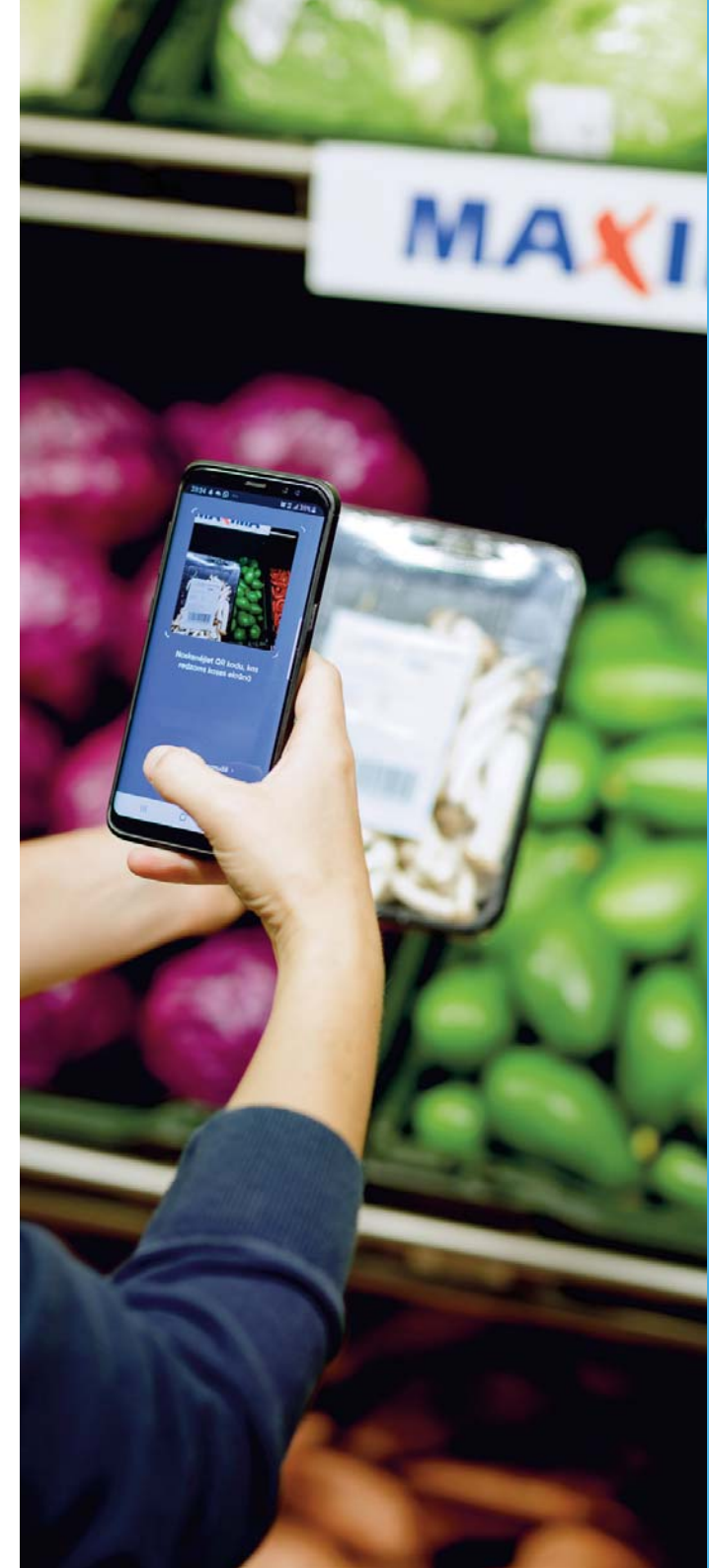
TECHNOLOGY AND INNOVATION

We want to use the newest technology available to provide the safest, most efficient, and most convenient shopping experience. Digitalization and new technological solutions like the following can help us achieve this goal:

- MAXIMA Lithuania, MAXIMA Latvia, and MAXIMA Estonia launched a MAXIMA mobile application (app) enabling customers to pay for their purchases in store with their phone. The app allows people to stay on top of their expenditures, monitor their purchases and savings, and search for the nearest stores.
- MAXIMA also unveiled Scan&Go — a new checkout service in the Baltics. Scan&Go enables shoppers to scan products using a portable scanner, place them in their bag, and pay for their goods in a special payment area without removing the products from their bag. MAXIMA Estonia upgraded their version of the MAXIMA app with Scan&Go. Now customers can scan and pay using the app alone. The launch of this app was a great success in Estonia, earning MAXIMA Estonia the Annual Trade Award in 2020.
- The app provides a unique, modern service with a range of functions that can be accessed through a single interface. It has been created with the

demands of today's users in mind. This is confirmed by the number of users: within six months the app was downloaded in Estonia almost 70,000 times and more than 80,000 times in Latvia. For MAXIMA Lithuania, the total number of users is currently more than 170,000.

- Many of our stores have a self-service price check. This lets customers check the price of any product before getting to the checkout. Most MAXIMA stores in the Baltics also have self-service scales that assure customers they are purchasing the exact amount of product they need. Finally, self-service checkouts are integrated into all of the Group's companies to some extent to help customers shop quickly and efficiently.
- MAXIMA Latvia is even experimenting with Artificial Intelligence (AI) solutions. Artificial Intelligence solutions are being piloted by MAXIMA to ensure that customers' favorite products, such as dairy products, meats, and beverages are readily available. Meanwhile, BARBORA is testing new AI solutions to help customers with their regular shopping basket.
- STOKROTKA has remodeled its stores to include self-service checkouts to diversify the ways customers can pay for their purchases.
- The MAXIMA XXX store at the AKROPOLE shopping center in Riga, operated by MAXIMA Latvia, was the first store in the Baltics to introduce electronic price tags for thousands of goods, making work easier for employees and providing transparent, up-to-date information for buyers. Today, electronic price tags are being tested in some MAXIMA Lithuania and MAXIMA Estonia stores, as well.





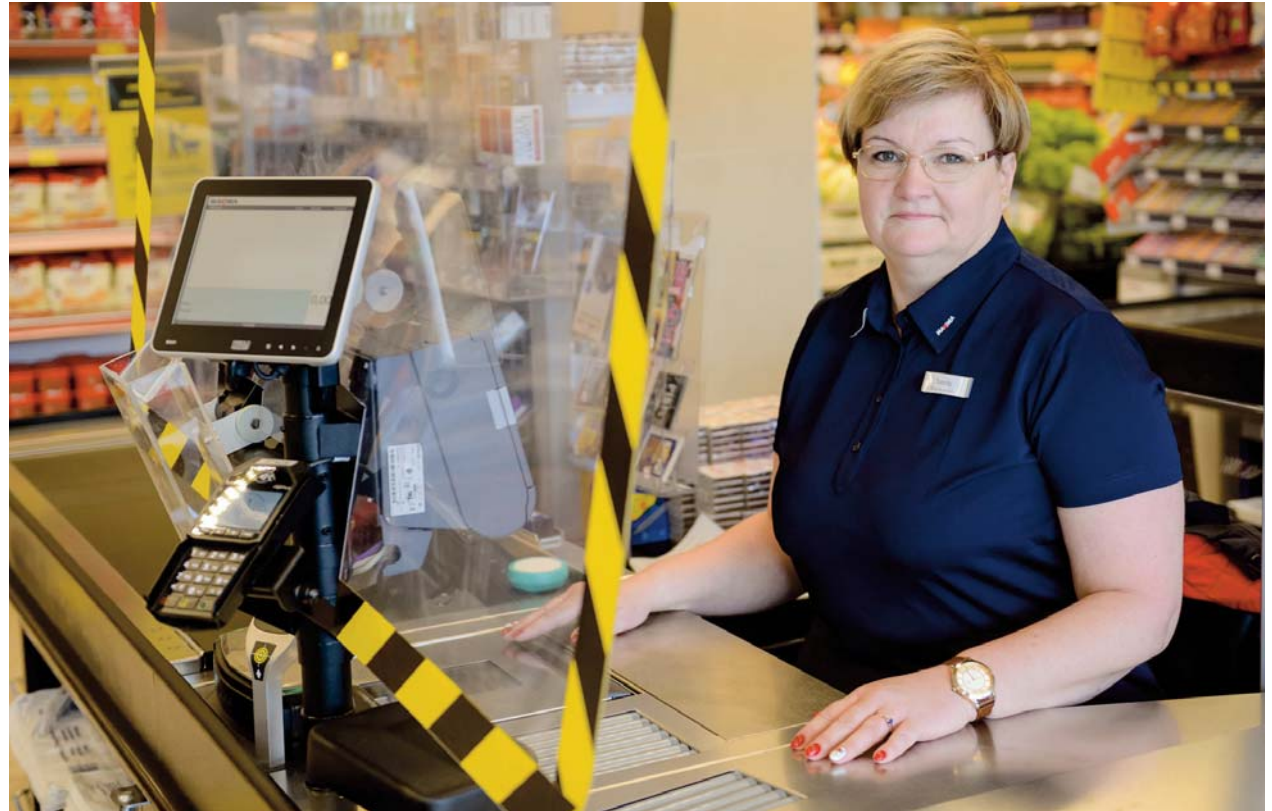
6. OUR PEOPLE — EVERY PERSON COUNTS

Our focus: to be a valued and attractive employer, employing the most qualified employees in every area of its activities.

Our employees are an essential pillar of our organization. They regularly demonstrate their commitment, expertise, and energy, allowing us to reach far and beyond each and every day. In 2020, MAXIMA proved that it is a responsible, stable, and health-conscious organization. Our companies have been recognized as good places of employment. BARBORA Lithuanian branch and MAXIMA Lithuania have both been named “Employer of the Year” in Lithuania. These awards indicate their position as two of the most attractive employers in their country among trading companies. MAXIMA Latvia enjoys a similar award for several years in a row now.

Challenges and directions for the future

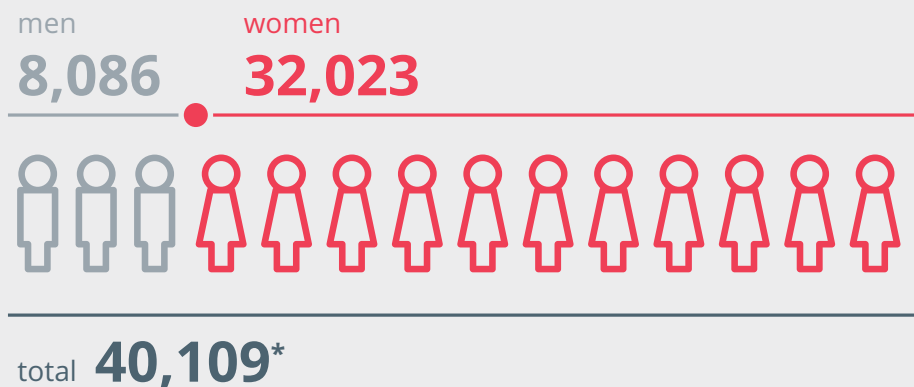
Our ability to conduct and expand operations depends on our capacity to attract and retain a large number of quality personnel. The most significant challenge in this area comes from managing and responding to external factors that may affect whom we can hire. These external factors include the availability of a sufficient number of qualified people in the workforce of the markets in which our businesses operate, unemployment levels within those markets, prevailing wage rates, changing demographics, health and other insurance costs, and new or revised employment and labor laws and regulations. We strive to provide attractive working conditions to high-quality employees.



As an employer, we have given ourselves the following tasks. First, we monitor the labor market to provide our employees with appealing benefits in line with market standards. Second, we continue to develop processes that prepare our employees for their work assignments

and pursuing the career. For that, we are developing onboarding, training, and professional development processes. Finally, we focus on developing our corporate culture by clarifying and communicating our shared principles, attitudes, standards, and beliefs as a Group.

Number of employees employed by the Group* [GRI 102-8]



Number of employees employed by type of contract and employment type*

Type of contract

	Permanent employment contract	Temporary employment contract
Men	7,018	1,068
Women	27,017	5,006
Total	34,035	6,074

Type of employment

	Part time			Full time
	0.25	0.5	0.75	1
Men	37	259	1,392	6,396
Women	91	880	4,741	26,313
Total	128	1,139	6,133	32,709

Our team

We can only achieve our goals successfully when all of us work effectively together as a team. Our employees are our core asset, and we have only been able to achieve our present success thanks to their hard work, loyalty, dedication, and teamwork. In return, we do our best to create an atmosphere for growth and success by collecting feedback from our employees, offering additional benefits, and providing opportunities for professional development.

At the same time, we contribute to improving the family time of our employees, by co-financing fitness club memberships or giving allowances to employees with children.

Parental leave rate* [GRI 401-3]

	Men	Women	Total
Percentage of employees that are entitled to parental leave	100%	100%	100%
Number of employees that took their parental leave	51	1,224	1,275
Number of employees who returned after their parental leave	27	730	757
Return rate (how many employees tend to come back to work after their parental leave has ended)	53%	60%	59%

* The data referred above does not include 622 employees of UAB "Loganas", UAB "Eigeris" and UAB "Akonkagva", as these companies are not part of the Group from 01-03-2021.

BENEFITS

In addition to safe working conditions, our companies want employees to enjoy benefits that can make their employment more rewarding. Our employees at stores, warehouses, and other locations have access to free food or paid lunches. Many of our companies offer various forms of health insurance, free vaccinations, and free health check-ups. Employees commuting from different cities receive accommodation allowances. They also have access to discounts at our stores and partner locations.

Our companies organize annual employee events, like summer festivals and Christmas parties, which bring our employees together to celebrate their achievements, provide entertainment, and communicate our culture, thus strengthening our team's cohesion.

Some of our companies, such as in Lithuania, Latvia, and Estonia, are offering employees psychological and social support in relation to the COVID-19 pandemic.

Here are some examples of additional employee benefits offered by our companies (practices vary by country):

- Long-term employee rewards
- Pharmacy vouchers for employees raising disabled children
- Co-financing fitness club memberships
- Free qualification courses
- Tuition support
- Summer camps for employees' children
- Easter and Christmas gifts
- Christmas gifts for employees' children
- Financial wedding and childbirth gifts
- Payments in case of death in the family, disability or illness
- Various special bonuses (best employee, reference bonus, etc.)

MAXIMA Lithuania, Latvia, and Estonia are also very proud of our MAXIMALIST program, which provides long-term scholarships to high-achieving children of employees. Since its inception 15 years ago, this project has become inseparable from the MAXIMA brand and raised many young talents, who are creating value for our communities. This program is well known and valued not only by our current, but also by potential employees.

EMPLOYEE FEEDBACK

We monitor employee satisfaction by conducting regular surveys. Although the pandemic interrupted our evaluation processes in some countries, the evaluations performed in 2020 show higher scores in most surveys. The employee feedback we are most proud of:

MAXIMA Latvia's engagement index (80.4) increased by 5% and is well above the industry average of 66%. Some areas needing for improvement were also indicated for further focus of the company.

In 2020 **BARBORA** disseminated a newcomer adaptation questionnaire. Responses showed that in their first three months of work, new employees in logistics and distribution centers were concerned about the lack of feedback from supervisors about their work. This helped BARBORA implement new processes for providing more frequent feedback on employee performance.

STOKROTKA conducts an annual employee satisfaction survey among employees and managers. The results show 86.7% satisfaction in supermarkets and 90.1% satisfaction in smaller shops – an improvement from 2019.

T-MARKET measured and saw improvement in 25 categories, including satisfaction with the company, management, teamwork, motivation, and stress. The survey also indicated additional areas for improvement.

A work environment that accords with our culture

THE WORKPLACE

Our culture promotes awareness, responsibility and self-belief. As part of this, mutual respect, diversity, and equal treatment are fostered in the Group. We want to be sure we apply these principles in the workplace. With this in mind, we can be certain that our professional relationships will remain among our greatest assets.

FAIR HIRING [GRI 406-1]

Our hiring policy, which we have outlined in our Equal Opportunities and Diversity Policy, implemented in 2020, protects candidates from discrimination on the basis of their beliefs, age, gender, relationship status, maternity/paternity, race, religion, or sexual orientation.

We welcome applications from candidates with a wide range of qualifications and experience, and invite all who could potentially contribute to the objectives of our organization. Job vacancies are open to any applicant and every candidate is given equal consideration for the job, including internal applicants. Our companies have established appropriate recruitment procedures.

There were no incidents of discrimination during the reporting period. We are committed to ensuring a non-discriminatory workplace and we are proud of the lack of incidents.

INVOLVING EMPLOYEES

Today's business practice shows that involving employees in solving internal challenges can become a formula for a company's success. This format is equally beneficial for young people, who get the opportunity to gain experience and pursue a career, as well as for the companies themselves, giving impetus to process improvement. Therefore,

the businesses abroad widely practice forming "shadow boards". In 2020, our company MAXIMA Lithuania has followed this example, actively involving various employees of the company in the newly created eight-member "Speed Board" ("Greičio valdyba"), whose ideas and insights will contribute to internal changes within the company. Members of "Speed Board" were thoroughly chosen from the company's existing employees with various competences. In their daily tasks, the members of this board are getting acquainted with the daily work of managers, learns to form and to share new ideas, as well as develop their personal competences, and, respectively, changes the company itself. The "Speed Board" members are also participating in various strategic topics such as shaping MAXIMA formats, assortment, and others. Within their daily tasks and activities, the members of this group are assisted by experienced mentors – the various specialists and managers of MAXIMA Lithuania. The project was a great success within the company and among its employees. It is anticipated to be continued for a new term of office with new candidates in 2021.

Diversity within the Group by gender, age, and employee category* [GRI 405-1]

		< 30 years		30-50 years		> 50 years	
Managers at the company (Clevel) by gender and age group	Men	4	0.01%	60	0.15%	11	0.03%
	Women	6	0.01%	75	0.19%	23	0.06%
Directors of departments, unit managers by gender and age group	Men	10	0.02%	141	0.35%	14	0.03%
	Women	11	0.03%	132	0.33%	24	0.06%
Regional and shop managers by gender and age group	Men	32	0.08%	131	0.33%	7	0.02%
	Women	70	0.17%	882	2.20%	266	0.66%
Others (office employees, shop employees, warehouse employees and etc.)	Men	2,653	6.61%	3,224	8.04%	1,799	4.49%
	Women	5,561	13.86%	14,174	35.34%	10,795	26.91%

* The data referred above does not include 622 employees of UAB "Loganas", UAB "Eigeris" and UAB "Akongagva", as these companies are not part of the Group from 01-03-2021.



BARBORA — A SUCCESS STORY

One of our proudest achievements in 2020 was the growth of BARBORA, which more than doubled in the past year.

During the COVID-19 lockdown periods, we provided temporary employment opportunities to workers from industries whose main activities were shut down, such as cafes and restaurants. At BARBORA, these employees could secure a steady income until they were able to return to their regular job.

BARBORA's greatest expansion came during the second wave of COVID-19. By this time, we were prepared for the growing needs of shoppers and hired 750 new employees in Lithuania in various departments, including administration, couriers, and order pickers. We hope that most of these employees will remain with our company beyond the pandemic period.

OPPORTUNITIES TO GAIN EXPERIENCE

Our employment practices adapt to changes in society. Over the summer, MAXIMA Latvia was the country's largest employer of young people aged 14–17. Employing young people helped our current store employees, who were already under increased pressure because of the pandemic. It also allows young people to gain useful work experience and skills for the future, such as budgeting, adaptability, and communication.

[GRI 102-8]

Number of employees employed by age and gender*

	< 30 years	30-50 years	> 50 years
Men	2,699	3,556	1,831
Women	5,648	15,263	11,112
Total	8,347	18,819	12,943

* The data referred above does not include 622 employees of UAB "Loganas", UAB "Eigeris" and UAB "Akonkagva", as these companies are not part of the Group from 01-03-2021.

Customer satisfaction is heavily dependent on the well-being of our employees. When we build new shops or modify existing ones, we strive to improve employee facilities as well, providing an ergonomic work environment, a kitchen and dining area for free meals prepared on site, lounges for rest and relaxation, and other comforts and conveniences.

We also want to improve working conditions by providing workers with state-of-the-art equipment that makes their jobs easier – like modern convection cookers, cooling chambers, multifunctional mixers, the latest generation of ovens, modern meat and sausage-making equipment, and other technological solutions in both storage rooms and cooking areas. These tools help production workers perform their tasks quickly and efficiently, saving their time and energy.

We also try to make the process of organizing goods more efficient for our employees. Merchandise containers are organized on the floor according to item category locations, which are zoned by special floor markings. Empty containers are separated and designated for removal during the arrival of the delivery transport. Consistency in categories and zoning allows our goods to remain organized. That way our employees always know where the items belong and where to find them.

EMPLOYEE HELPLINE

We want to make sure our employees are treated fairly and their voices are heard. So we have created helplines to communicate with them on issues like corruption, abuse, problems related to working conditions, or occupational health and safety. Employees can report unfair behavior or violations by phone, e-mail, or to designated individuals. Systems of reporting may differ between companies, but every one of our employees is provided with the possibility to be heard.



Health and safety

[GRI 403-1] [GRI 403-2] [GRI 403-3] [GRI 403-4]
[GRI 403-5] [GRI 403-6] [GRI 403-7]

Workplace health and safety are fundamental, so we our occupational health and safety management measures are developed in accordance with legislative regulations and internal risk assessment procedures. Workplace risk assessment is carried out regularly in all countries. Procedures that are included in our health and safety system include: risk evaluation (internal and external); preventative measures determination; documentation preparation and issue; work environment monitoring/supervision; preventive and corrective action planning; training and communication; medical examination; personal protective and safety equipment; and accident investigation. Each company follows its procedures according to the laws of its country.



HAZARD IDENTIFICATION & RISK ASSESSMENT

Our companies employ different risk assessment strategies in accordance with relevant legal regulations. MAXIMA Lithuania's provisions are contained in internal documents, and risk assessment is performed by an independent service provider. The results are shown to managers who prepare strategies to manage these risks. They are then presented to employees and tracked by continuous internal controls. MAXIMA Latvia follows a similar procedure, hiring a subcontractor for annual risk evaluations in each structural unit, including internal controls by an internal health and safety specialist. MAXIMA Estonia registers and addresses risks internally. Their work environment council meets at least twice a year – more often if necessary. STOKROTKA performs risk assessment and hazard identification according to Polish legal requirements, and health and safety inspections are carried out regularly. T-MARKET provides risk documentation to all offices, stores, and workshops. BARBORA has prepared a guide to risk analysis and assessment, which is updated annually.

REPORTING THREATS

There are occasions when our employees may notice threats to themselves or other employees. These threats must be reported according to each company's guidelines. Each company has implemented the necessary systems for such reporting and has delegated responsible internal unit/employee positions (e.g. working environment commissioners).

PROCEDURES FOR DANGEROUS SITUATIONS

Our employees must be prepared for critical situations. They are made aware of our procedures through trainings and are encouraged to stop work if they encounter a dangerous situation. In most of our companies, the rules are enumerated in the Internal Rules of Working Procedures manual. Employees are encouraged to stop work immediately if a risk is discovered or if a situation poses imminent danger to the employee's life or health. They must then report the situation to a supervisor as soon as possible. Some companies, such as T-MARKET, provide employees with action plans on crisis prevention and what to do during a crisis, such as when encountering aggressive behavior, injuries, robbery, natural disasters, fire, accidents, or evacuations.

OCCUPATIONAL HEALTH SERVICES

We follow all safety instructions and legal requirements regarding the medical health of our employees. All our companies provide employee health check-ups before the start of their employment and continue these check-ups regularly throughout their careers. Some companies engage independent third-party professionals to carry out these services, while other companies hire internal medical staff.

PROMOTING EMPLOYEE HEALTH

We do what we can to help our employees stay healthy. Almost all companies provide free seasonal flu vaccination for willing employees. Many of the companies (MAXIMA Lithuania, MAXIMA Latvia, MAXIMA GRUPĒ, FRANMAX) provide all employees with health insurance after the initial probationary period of their employment. STOKROTKA provides this service to some employees. STOKROTKA provides employees with a "FitProfit" card that gives them access to sports and leisure activities at over 3,500 facilities across Poland.



EMPLOYEE INVOLVEMENT IN HEALTH AND SAFETY

Our employees have the possibility to have their voices heard, and we encourage them to participate in the consultation and evaluation of our occupational health and safety management systems. MAXIMA Lithuania and MAXIMA Estonia have an anonymous hotline for suggestions. An employee complaints commission has been established by MAXIMA Lithuania. There are also elected employee health and safety representatives, including an occupational health and safety committee composed of an equal number of employers and workers' health and safety representatives. MAXIMA Latvia collects employee feedback during monitoring visits. Special working groups are formed as needed. Employees are kept informed through the company intranet, newsletters, e-mails, trainings, and other meetings. STOKROTKA has a permanent Occupational Health and Safety Commission consisting of employee and employer representatives that collects and analyzes employee opinions. T-MARKET involves employees in quarterly working groups and provides trainings and discussions on specific issues.

We regularly update our employees on the most current safety issues and procedures through annual training sessions and visual aids. Employees are trained in general occupational health and safety issues, along with certification of personnel working with potentially hazardous equipment. Our new and existing employees are trained by certified managers in areas such as first aid and fire safety.

The Group's strong focus on employee safety contributes to the development of a more cohesive, stable, and healthy team. We regularly assess the situation in our shops, logistics centers and other places of operations, and monitor whether employees are complying with safety requirements, particularly, of late, with regard to COVID-19 prevention. The assessments provide a sense of security for employees and promote responsible behavior within the team.

Work-related injuries* [GRI 403-9]

Total number of work related injuries	446
The number of fatalities as a result of work-related injury	0
The number of serious work-related injuries (excluding fatalities)	7
Rate of recorded work-related injuries ¹	6.2
Rate of serious work-related injuries (excluding fatalities) ¹	0.1

¹ Rates are calculated by dividing the number of injuries by the total number of hours worked during the reporting period multiplied by 1,000,000

* The data referred above does not include 622 employees of UAB "Loganas", UAB "Eigeris" and UAB "Akonkagva", as these companies are not part of the Group from 01-03-2021.

Employee training and development [GRI 404-2]

It is important for us that our employees stay informed about the latest procedures and industry standards within our company and beyond. We want them to benefit from learning opportunities. Our training courses are an opportunity for career development, allowing employees to deepen their understanding of their role and tasks. In a typical situation, our employee's first training would occur before their first day on the job: either in person or online. In the wake of COVID-19, we switched our training to online courses wherever possible. Our training courses are available to all employees whose positions require special skills and knowledge, such as store employees, warehouse employees, cashiers, employees preparing food, and BARBORA pickers/couriers. Additionally, all new employees are required to take and pass work safety and company policy trainings. Throughout their careers, employees are provided opportunities to further develop their skills, acquire new knowledge, or change qualifications, if necessary.

Our courses provide information that helps employees develop their expertise and familiarizes them with safety and best practices in different situations. If needed, employees may participate in external (including online) courses, but internal courses make up the majority of our training sessions, as they address the specifics of work knowledge and internal processes.

PERFORMANCE REVIEW

The Group's employees are receiving performance reviews in accordance with established internal procedures. In some of our companies all administrative staff are receiving regular performance and career development reviews while others provide them only at management levels. In our stores, employee evaluation takes place in two ways: some are evaluated monthly, depending on quality KPIs and turnover results, while for others, evaluations are less frequent, and the criteria depend on their team's goals, company goals, and the like. Group-wide, more than half of our employees receive regular performance and career development reviews in one form or another.



[GRI 404-3]

Percentage of employees receiving regular performance and career development reviews*

		Employees who received a performance review	Percentage
Total:	40,109	22,930	57.17%
Administration employees	2,738	1,869	68.26%
Men	820	575	70.12%
Women	1,918	1,292	67.36%
Others (shops, warehouses, etc.)	37,371	21,061	56.36%
Men	7,266	3,344	46.02%
Women	30,104	17,717	58.85%

* The data referred above does not include 622 employees of UAB "Loganas", UAB "Eigeris" and UAB "Akonkagva", as these companies are not part of the Group from 01-03-2021.



7. COMMUNITY — PROSPERITY

Our focus: MAXIMA Group is a valued, caring member of society, always working hand-in-hand with the communities in which we operate.

In 2020, we continued to show that we are a responsible, stable, and health-conscious corporate citizen. Once again, we demonstrated that we could create greater positive impact and more value if we go beyond our role as a retail company and engage in initiatives to help and support our communities. By creating equal opportunities for all members of society to achieve their full potential, we help contribute to a safer, more productive and more stable society. For this reason, social inclusion initiatives and cooperation on projects with non-governmental organizations are amongst the fundamentals of our activities. In the past year, our companies engaged in many social initiatives and charity events to contribute to their local communities. Each country team defined its own priorities based on the country's location, social situation, pressing concerns, and vulnerable groups. Our approach is best demonstrated by the diversity of actions we take to make our communities better.

Challenges and directions for the future

Our aim for the future is to keep up our momentum and build on the success of our initiatives and cooperation. We want to widen our impact by getting our partners involved in our existing community activities. We are also constantly looking for new initiatives to offer our help and resources. By setting more unified targets for cooperation in each country, we believe we will be able to reach our goals.



EUR 1,733,311

Total amount contributed to our community

EUR 116,034
Community support

EUR 270,208
Social initiatives

EUR 1,347,069
Charity

Supporting communities

Our business operations extend across five countries, which means we are responsible for millions of people with a wide range of needs. We would like to thank the members of our communities for their engagement in addressing local challenges, helping those who are disadvantaged, working with local organizations, and organizing projects related to health care as well as people with disabilities. By being attentive to the needs of our communities, we maintain a close partnership with the people we serve. Constantly increasing the scope of our business, we also attach great importance to taking into account local needs when opening new stores and expanding existing ones.

[GRI 413-1]

TAKING COMMUNITY INTO ACCOUNT

The Group's stores are generally located in areas subject to detailed urban planning, and the detailed plans specify,

among other things, allowable locations and sizes of facilities. Preparing for construction, renovation, and paving of parking lots must be coordinated with relevant authorities. All planning documents are subject to impact assessment in terms of both environmental and social impact resulting from implementation of building plans. The impact assessment is then publicized on the website of the responsible authority, in the construction information system, and, in some countries, on the bulletin board of the authority, on a stand next to the project site itself, and/or at a public meeting.

During the pandemic, live meetings with the public were organized remotely by means of live online audio-visual broadcasting. This allowed interested members of the public to submit suggestions and questions, and receive answers live. An overview of the results of these public consultations were made publicly available. The Group's companies always take public opinion into consideration and try to find the optimal solutions.

LOCAL SUPPORT

The members of our vibrant communities have many innovative ideas and we are eager to make them happen! For the past five years, MAXIMA Lithuania has been running the "We Are Community" program, which aims to support local communities and their initiatives. Each year, the best ideas earn awards and funding. The theme for 2020 was "Second Life," with many projects implemented to give items, traditions, and infrastructures a new, "second" life.

In addition to their creativity, the members of our communities show their constant engagement in local issues by volunteering their time to various causes. We want to recognize these people for the time they have spent making their communities a better place. For example, MAXIMA Lithuania is partnering with the Lithuanian Deaf Society by giving additional benefits to its members and rewarding volunteers with gift cards.

We recognize that our decisions now will affect the citizens of tomorrow, which is why we are developing a sustainability approach with a view to the future. For this reason, we are focusing on engagement in three main areas: community health, education, and support for disadvantaged groups. We hope that the investments we make into our communities will help contribute to the common good, providing solutions for generations to come.



COMMUNITY HEALTH

Promoting healthy habits

The future of our society depends on the health of our communities, especially children. The Group's companies have supported initiatives to promote healthy habits and an active lifestyle. For example, MAXIMA Latvia, an official partner of the Latvian Athletics Association, has organized events to improve children and youth sports training programs by making them more interesting, innovative, and attractive for children and their families. The "Children's Athletics" program was launched in Latvia in cooperation with local governments, sports academies, and fitness clubs, with the participation of children in Riga, Liepaja, Saldus, Ogre, Jelgava, and Bauska. Children also participated in competitions at the Children's Athletics Festival. The Latvian Athletics Association and MAXIMA Latvia continue to work together to develop children's athletics and physical fitness, making it a real community effort. MAXIMA Latvia has also encouraged children and families to live a healthy lifestyle by supporting orienteering programs, hockey academies, and other activities. In Bulgaria, T-MARKET is a sponsor of the Plovdiv Marathon.



Support for hospitals, people with illnesses or disabilities

Unfortunately, our communities face many health challenges. The Group's companies want to contribute to solutions in this vulnerable sphere. We are involved in initiatives promoting healthier food in hospitals and rehabilitation centers and providing support to ill and disabled people. We strengthened our cooperation with these partners during the COVID-19 pandemic by extending additional support to hospitals. We provided safety measures and equipment, donated face masks, and provided meals to hospital staff.

The Group's companies are also involved in initiatives to support elderly people, people with disabilities, and families of people battling illnesses. For example, MAXIMA Latvia established long term cooperation with children's rehabilitation center POGA. The program cares for infants with mobility issues. MAXIMA Estonia has been collecting empty bottles and packaging and donating the money received from recycling to the Estonian Association of Parents of Children with Cancer. The Association finances a support center, summer camps, and entertainment for children during hospital stays. MAXIMA Lithuania has worked with the Disabled People's Union of Kaunas Region. It has also organized events for children through SOS Children's Village, the Mothers' Union, and the Rimantas Kaukėnas Charitable Fund. MAXIMA Lithuania has sponsored therapy for children at the Dolphin Assisted Therapy Center and organized a campaign together with the non-profit organization Ankstukai that raised funds for families with premature babies. In Poland, STOKROTKA participates in the Great Orchestra of Christmas Charity, which raises money for pediatric and elderly care. The organization purchases medical equipment for Polish hospitals and clinics while also running medical and educational programs. STOKROTKA was also a sponsor of the Seventh Santa Claus Charity Run, organized by the Foundation for Sport Development in Lublin. Proceeds from the run were donated to sponsor long-term therapy for a child who had experienced cerebral strokes.

And we are always prepared to react to unexpected health crises. *You can see how we supported our communities during the COVID-19 crisis in page 19*

EDUCATION



Education plays an important role in a sustainable future. We are involved in many educational initiatives, rewarding the brightest minds in our communities with opportunities to further their studies.

One of our biggest achievements is our long-running "LITHUANIAN MAXIMALISTS" ("LIETUVOS MAXIMALISTAI") project in Lithuania, which provides scholarships for children throughout all the country with outstanding academic results (implemented by "MAXIMA Lithuania"). This project has grown over 15 years ago from our program for motivation for our employees' children "MAXIMALISTS". The received scholarships allow gifted children a possibility to prepare and participate in various national and international science, art, ecological, innovation and sport competitions or to acquire means necessary for further development of their talents.



HOLIDAY SEASON SUPPORT

The spirit of the Christmas season inspires additional giving. Our holiday initiatives are beloved by our customers and employees, and have become annual traditions. In the period leading up to Christmas, MAXIMA Estonia brings the “Angel Tree” to all of its stores. Customers can take an angel from the tree and grant the wish they find there of one of almost 2,000 children selected by social workers and by the Estonian Association of Large Families. In 2020, the Angel Tree was also put up in the MAXIMA Estonia office, carrying the wishes of 43 children from low-income families. MAXIMA Estonia employees supplemented requests that remained unfulfilled by customers to ensure all selected children received a gift. In Bulgaria, T-MARKET participated in the Social Kitchen Project, preparing and donating hot soup to disadvantaged members of the community over a period of three weeks. This initiative brought warm food to 500 people during the winter period. Meanwhile, STOKROTKA and the Polish Red Cross organized a Christmas food drive, collecting dry goods for the most vulnerable, such as the elderly and ill who were in isolation during the holiday season. STOKROTKA has also supported Christmas initiatives such as the We Give Help Foundation, a figure-skating championship, and the Pioneers Club from Koszalin, who were collecting Christmas Eve products for the disadvantaged. For over ten years, MAXIMA Lithuania has been cooperating with the Order of Malta on their Christmas initiatives. As a part of this cooperation, MAXIMA Lithuania employees donated Christmas meals to more than 800 elderly people. MAXIMA Lithuania also participated in the Order’s’ Easter activities, thanks to which more than 525 elderly people and over 380 children received Easter packages of groceries. Similar Easter initiatives were sponsored in other countries, such as in Bulgaria, where T-MARKET donated 3,000 Easter cakes to those in need.

Cooperation with food banks

Food waste, or the loss of food that is not eaten, is a major 21st century ethical, economic, and environmental concern. Most of the products we sell are food, therefore we draw our greatest attention to planning our orders and selling, to reduce the waste as much as it is possible. However, these processes cannot be managed 100%, so we are constantly looking for ways to use surplus food, such as by donating it to food banks. In our opinion, cooperation with food banks is the perfect solution to the problem of excess food, as it also allows us to support those in need in our communities.

Group companies take an individualized approach to their cooperation with food banks. MAXIMA Latvia addresses food waste by donating to food charities, optimizing supplies, and adhering to food waste norms. The company was among the initiators of legislation that would allow food donations to charities and individuals. In 2020, MAXIMA Latvia donated 230,000 items of fresh produce and packaged groceries worth EUR 150,000 to six charity organizations. MAXIMA Latvia has also been an active supporter of the Children’s Clinical University Hospital, the Riga East University Hospital, Hospiss LV, and many other charitable organizations including the Samaritan Association of Latvia, Food for Life, Foundation of Latvian Children, Association of Latvian Foster Families, and the Union of People with Hearing Disabilities.

STOKROTKA regularly donates food to Polish organizations, with 500 tons of food donated in 2020. Over 91 tons were donated to Caritas and 409 tons were donated to the Federation of Food Banks. The food (mostly cold cuts, fruits, and vegetables) was used to prepare meals and packages for people who have found themselves in difficult situations. STOKROTKA donated packages with private label goods, including

sweets, coffee, tea, energy drinks, and hand creams to paramedics of the Ambulance Station “Czechów,” to nurses at the Stefan Kardynał Wyszyński Province Specialist Hospital, and to blood and bone marrow donors at the RCKiK donation center in Lublin. They have also supplied food baskets to thousands of families through The Volunteer Center in Lublin.

MAXIMA Lithuania works hand-in-hand with the Lithuanian Food Bank. In 2020, the company transferred food products worth more than EUR 530,000 to the organization. Additionally, MAXIMA Lithuania and MAXIMA Estonia stores periodically organize food drives that allow customers to buy and donate food themselves right in our stores.

Our e-commerce company BARBORA also has long-standing arrangements with the Food Bank. Customers shopping at BARBORA can choose to donate Food Bank products they purchase directly from home.

You can read about our other efforts to minimize food waste in page 51.





8. ENVIRONMENT — CLEAN AND SUSTAINABLE

Our focus: clean and sustainable business practices that have as little impact as possible on the environment.

Our common welfare depends on the health of our environment. As we are faced with new ecological challenges, we are obliged to make every effort possible to use natural resources, protect the environment and to contribute to a sustainable future. Therefore, environmental awareness is a key part of our corporate social responsibility approach. As one of the largest company groups in the Baltics, we are constantly looking for ways to be more environmentally friendly, use energy and other resources more efficiently, and reduce our negative impact.

Challenges and directions for the future

We are committed to practices that will maintain a clean environment, as we understand that a sustainable future is dependent on the decisions we make today. At the Group, we are constantly challenging ourselves, our employees, and our partners to find more sustainable packaging methods and implement renewable solutions to meet climate targets, accelerate emissions reduction, and manage food waste.



More than

30%

energy savings after
each store renovation

More than

65%

of our total waste
is recycled

More than

42%

of electricity consumed by us
is from renewable sources

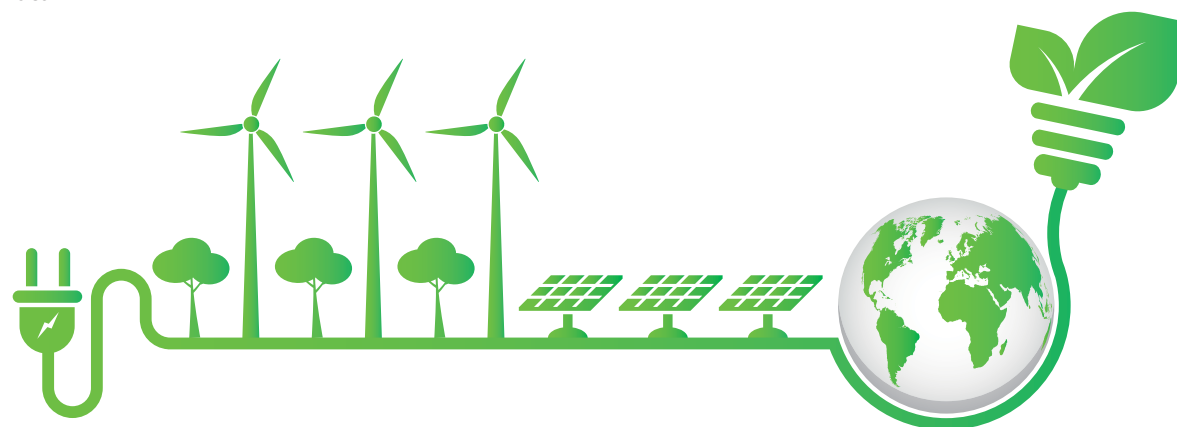
Our environmental approach

Given the wide range of our Group's operations, it behooves all of our companies to take special responsibility for the environment. Over the years, we have been trying to reduce our environmental impact, whether in purchasing, logistics, store organization, or educating employees and customers. We continue to do this by identifying and addressing our sustainability priorities: counteracting climate change through energy efficient operations, responsible waste management, and prevention of food waste.

The environment is a critical factor we take into account when assessing risks and opportunities within the organization. One of the major factors affecting our business is climate change. Climate change can have serious effects on the food retail industry, impacting agriculture and fisheries. We have seen that produce can be exposed to unexpected environmental factors like droughts, heavy rain, floods, and wildfires. For example, Lithuania suffered a severe drought in the summer of 2020, which cut the year's harvest by up to one half, thus increasing prices for our customers as demand for products remained the same. In Estonia, shorter winters and colder summers are also affecting yields of local

producers, leading to price increases as production is reduced and land where produce can grow becomes more expensive. We have also observed that a decreased supply of local food can increase competition between retailers, resulting in higher prices. The Group tries to mitigate the risks of climate change by remaining attentive to the situation around the globe and taking whatever steps it can.

In recent years, we have devoted resources to making MAXIMA a more sustainable retailer. In 2019, MAXIMA Lithuania and the Nordic Investment Bank (NIB) signed a 10-year EUR 52 million loan agreement according to which the Group's companies in the Baltics will allocate money for green investments. These investments will go towards enhancing the energy efficiency of newly opened and renovated stores in the Baltics. With this funding, we can upgrade store refrigeration systems and cooling technologies, install energy-saving lighting solutions, and build solar power plants. We are sure this will result in a better shopping experience for customers and a positive shift towards sustainable measures within the sector.



Climate and energy

We see the effective use of energy resources as the foundation of our sustainable development. Therefore, we have been working on improving our energy efficiency not only when opening new stores and modernizing existing ones, but also across our whole business operation from start to finish. We can achieve this goal with the use of renewable energy solutions, improved logistics, and other strategies. All units work to reduce energy consumption at all levels. Though our companies each have individualized their commitments and implementation, we are all headed in the same direction.

A sustainable energy policy is crucial at all stages of our business, including goal planning, implementation, and evaluation. It is an essential aspect of our Group's energy management system, and our companies strive to achieve the latest global standards. For example, MAXIMA Latvia was issued the energy management system certificate LVS ISO 50001: 2012 by the internationally accredited certification organization, Bureau Veritas.

We believe in saving energy at every stage, from the beginning of sourcing to the moment the product ends up in the client's basket. Here is how we address energy efficiency within our logistics processes, store activity, and office infrastructure.

[GRI 302-4]

ENERGY EFFICIENCY IN LOGISTICS

Before our product arrives on the store shelf, it needs to travel from its origins to warehouses and distribution centers. Our energy efficiency solutions at this stage include changes in lighting, electric equipment, and greener transportation solutions.

Lighting in STOKROTKA's distribution centers is currently being changed to LED, which are significantly more efficient than fluorescent and last longer than incandescent lights. This means decreased use of energy and resources to illuminate workplaces. MAXIMA Latvia has implemented motion-activated lighting in aisles and ramp gates of its distribution center, decreasing the amount of unnecessary energy usage. It is also a convenient solution for our employees, who do not have to worry about switching the lights on and off. Our offices in Lithuania have also adopted motion-activated lighting which can be regulated to different levels of brightness and natural light to save energy.

We are opting for more efficient, state-of-the-art equipment to increase the comfort of our employees while becoming more environmentally friendly. For example, equipment in MAXIMA Latvia's distribution centers is powered by lithium-ion batteries. MAXIMA Latvia has the largest fleet of lithium-ion powered forklifts in the Baltics, with the number still growing.

The use of such loaders can increase work efficiency and reduce power consumption by up to 30%. In addition, distribution centers in Estonia use nitrogen as an environmentally benign, natural refrigerant. Transport has a significant impact on the environment, which is why we are switching to greener solutions here, too. MAXIMA Latvia's logistics partners are required to use cars that are less than 10 years old. Because of this rule, 80% of trucks delivering goods to MAXIMA Latvia are even younger – less than five years old. T-MARKET employee cars were replaced with new hybrids that can reach speeds of 45 km/h using electric power. The use of electric power reduces harmful emissions and minimizes fuel consumption. A significant part of MAXIMA Estonia's employee fleet has been replaced with hybrid Toyotas. Meanwhile, twenty-one trucks operated by STOKROTKA are Euro 6 compliant. The use of these vehicles reduces the negative impact of our transportation systems on the environment.



101,8 MWh

Total electricity produced by our solar power stations in 2020



280

Number of stores with LED lighting



37

Number of stores with natural refrigerants (CO₂, WL)



9

Number of stores with electric vehicle charging stations (both owned or leased parking lots)

[GRI 302-4]

ENERGY EFFICIENCY IN OUR STORES

Our stores are the final stop in our supply chain, as from there the product goes home with the customer. We are improving our stores by implementing sophisticated solutions like in-store LED lighting (e.g., all new and renovated stores in Lithuania, Latvia, Estonia and Poland are equipped with LED lighting solutions), up-to-date ventilation, heating, air conditioning, and cooling systems, and green energy sourcing.

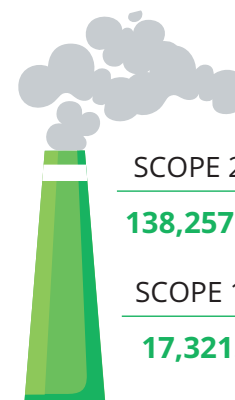
Every fifth MAXIMA Lithuania store implements energy efficiency solutions that save natural resources, such as energy-efficient heating and ventilation systems, energy-saving condensing gas boilers, and aérothermal heat pumps. Our new and renovated stores contain a new generation of cooling systems through which heat is recovered and used to heat the store – a modern, closed-loop solution. These devices are saving about 290 MWh of energy every year.

We also try to source green energy from wind, solar, and hydro, such as by installing solar panel arrays on the roofs of our buildings. Two such arrays were installed at our stores – both of them in Lithuania: one at the MAXIMA XX store on P. Žvirka street in Vilnius, and another on the roof of the MAXIMA XX store on J. Basanavičiaus Street in Kėdainiai.

Furthermore, almost 80 percent of total energy consumed by MAXIMA Lithuania is purchased from third party producers who use green sources, such as wind, solar, and hydro. This company decision shows how we prioritize our long-term vision like sustainability, over short-term savings.

Our T-MARKET chain is well ahead of the curve, as all 88 of the chain's stores in Bulgaria are 100% powered by green energy. This has been made possible through cooperation with a Bulgarian company that produces energy through photovoltaic installations, wind generators, and biomass processing plants. By decreasing the excessive burning of fossil fuel, T-MARKET is supporting Bulgaria's transition to a low-carbon economy.

GHG EMISSIONS: [GRI 305-1][GRI 305-2]



SCOPE 2

138,257.87 tones CO₂ eq

SCOPE 1

17,321.73 tones CO₂ eq

Total energy consumption within the Group [GRI 302-1]

Total electricity consumption	497,067.92 (MWh)
Total electricity consumption from non-renewable sources	287,550.93 (MWh)
Total electricity consumption from renewable sources	209,516.99 (MWh)
Total heating energy consumption	113,538.42 (MWh)
Total energy consumption	1,107,674.26 (MWh)

Materials and waste management

Our society has become dependent on plastic. After all, this material has made it possible for us to provide safe, fresh food conveniently and inexpensively. However, we recognize that our planet and waste management infrastructure have a limited ability to handle the volume of plastic that is being produced and thrown away each day. We strive to protect the environment by reducing the excessive use of plastic and minimizing the entry of plastic waste into nature and water. For this reason, we have developed an approach to plastic that aims to optimize use and increase recycled materials.

MATERIALS IN OUR PRODUCT DEVELOPMENT

While developing and producing of our own private label products, ordered in a centralized manner, we ensure that manufacturers include recyclable materials in the production of product packaging. Moreover, we are reducing the amount of combined packaging to a minimum and replacing it with paper. We use 40% recycled plastic to produce shopping bags, and 10% recycled raw materials to produce household appliances and tableware. Plastics and metals that have been made defective during the manufacturing process are recycled on site and reused.

We want our private label products to be made with safe materials, so all our requirements for producers are prepared according to REACH legislation and Packaging Waste Directive 94/62/EC. We choose the safest technological processes in our production. For example, our textile manufacturers must use dyed raw materials and work only with approved dye suppliers. Each product is tested by accredited laboratories in keeping with the highest standards.



IN-STORE PACKAGING

At MAXIMA Lithuania, we are implementing environmentally friendly solutions like purchasing new containers with silicone fastening straps and reducing disposable packaging. We are also trying to phase out all disposable plastic products, including plastic earplugs, cutlery, plates, straws, drink mixers, balloon sticks, polystyrene foam food and beverage containers, lids, and products made of clear plastic. By 2025, we want to ensure that all plastic packaging from our private label products is 100% recyclable. This plastic reduction initiative has been inspired by the reconstruction of our shop on the Lithuanian Curonian Spit – a unique sand dune peninsula that is a UNESCO World Heritage Site. A few years ago we eliminated all single-use plastic at this location, offering eco-friendly alternatives.

We are cooperating with scientists and institutions to analyze the possibilities of replacing plastic packaging with environmentally friendly materials like hemp fiber, starch, or biomaterials. We are prioritizing sustainable, non-toxic, reusable products and systems to reduce waste. We are in the process of launching more sustainable shopping bags (paper bags, bags from degradable or already reused plastic, etc.) in all countries in which we operate. We further encourage our customers to use these bags through attractive pricing, customer education, and by other means. We trust our customers to make the right decisions.

PACKAGING FOR PURCHASES

All our companies are moving away from plastic bags and we want to help our customers choose less harmful ways to get their purchases home. At MAXIMA Lithuania, our customers can choose from different packaging alternatives, such as cardboard boxes, recycled paper bags, or recycled plastic. We remind our customers to save clean, undamaged plastic bags for reuse. We have observed that our customers tend to be environmentally conscious, often choosing bags made of jute fiber. New, non-plastic bags are made of kraft, or hard paper, which makes them more resistant to tearing even as they withstand weights of up to 10 kg. During lockdown, the use of plastic bags decreased by as much as 2% compared to the previous year.

STOKROTKA has introduced paper bags for bread to reduce the number of HDPE bags used in our stores. Meanwhile, T-MARKET is planning to launch paper bags and textile bags to reduce the use of nylon.

One of our leaders in the movement towards plastic-free shopping is MAXIMA Latvia. As early as 2008, MAXIMA Latvia was the first retail company in Latvia to completely abandon free plastic bags for the sake of the environment. Polyethylene bags at checkouts have been replaced by EPI, which is a material that decomposes faster in the natural environment. Customers also have the option of purchasing paper and cloth bags along with cardboard boxes, and MAXIMA Latvia packs deli products sold by weight in food wrapping paper instead of plastic bags. MAXIMA Latvia reported having the lowest price for paper bags in the Baltics, making the choice easy and obvious for customers.

Our e-commerce leader BARBORA is also very proud of its accomplishments in this area. As a food delivery company, it follows strict legal regulations for product packaging (e.g. separating food and non-food products). As a result of this and due to the volume of products purchased, BARBORA customers tend to have more shopping bags than in-person customers. However, the company has recently introduced environmentally friendly packaging and has been working to encourage customers to choose paper instead of plastic bags. This has led to great results: paper bag usage by customers has increased from 18% in 2019 to 50% in 2020. Moreover, BARBORA has also reviewed their goods picking and packing processes and reduced the number of bags used for packing of separate goods wherever possible.



SEPARATING WASTE

We can help our customers make better recycling decisions, too. Our private label packaging has a recycling and green dot symbol clearly displayed on visible parts of the packaging next to other important labeling information. We also try to use blended recycled materials in our packaging. MAXIMA International Sourcing and MAXIMA Lithuania work with the EEPA, which is the association of distributors of electronics, and other organizations to provide public education on this topic. For example, they organized the “Learn More About Sorting” campaign, which was broadcast through all types of media.

Our stores, distribution centers and offices have different waste strategies. For example, T-MARKET gathers waste in a distribution center, separates the plastic and transfers it for recycling. They have also installed specialized paper presses across the country to optimize utilization of transport packaging. MAXIMA Lithuania stores and offices provide containers for sorting waste. They have also conducted internal audits of how waste is sorted in supermarkets and provide educational activities to employees and customers. STOKROTKA separates waste in store, while MAXIMA Latvia and MAXIMA Lithuania provide containers for customers to return batteries and used household appliances, such as phone chargers or hair dryers. This prevents harmful waste from reaching landfills. MAXIMA Estonia also separates waste, including cardboard and paper, polyethylene, bio-waste, and animal waste, along with wood, styrofoam and other plastic waste when necessary. They store animal waste in separate refrigerators while bio-waste containers are located only in shops where local authorities provide for removal of this type of waste. Offices also sort paper, bio-waste, and bottles. The logistics center sorts cardboard, plastic, transparent packaging, mixed packaging, wood, bio-waste, and animal waste. This cross-section shows that we are involved in the separation and recycling of waste at all levels.

REDUCING PAPER USAGE

MAXIMA Estonia stores are paving the way to paperless shopping by issuing receipts for purchases at the self-checkout counters only at the customer’s request when prompted on the screen. The 385 self-service checkouts are set to a default mode which does not automatically provide customers with a purchase receipt upon finishing the transaction. The customer must choose the option to print a receipt. This decision was prompted by research which showed that most customers do not take the paper receipt when it is automatically issued at the self-checkout counter. The company plans to implement a similar solution at regular checkouts. This will significantly decrease the amount of paper used – by up to 154,000 rolls or 16,500 kilometers of cashier’s check paper per year. Additionally, customers shopping with the MAXIMA Estonia mobile app receive only electronic receipts for all their purchases.

STOKROTKA and some of our other companies have implemented electronic invoicing systems, enabling us to save at least 60% of the paper intended for these purposes.



[GRI 306-2]

Waste by type and disposal method

Waste for recycling	[tonne]
Cardboard waste	35,112.0
Paper waste	565.4
Glass waste	848.9
Metal waste	242.3
Styrofoam waste	95.3
Polyethylene waste	2,635.4
Hard plastic waste	430.9
Multilayerd packaging waste	1,514.8
Timber waste	816.8
Food waste of animal origin	4,538.8
Fats' waste of animal origin	403.4
Food waste of non – animal origin	8,165.0
Waste from cooking oil	8,566.8
Total weight of hazardous waste	265.8
Waste handed to farmers	
Waste of animal origin given to farmers	134.6
Waste of non-animal origin given to farmers	256.0
Fats' waste handed over to farmers	5.6
Non-recyclable waste	
Non-recyclable production waste	33,005.9

Food waste

Food waste is currently one of the most pressing ethical and economic issues, as it generates about 8% of global greenhouse gas emissions and wastes natural resources. Nearly one third of all food produced in the world is never eaten. As one of the biggest food retailers in the Baltics, we must take action to prevent and reduce food waste and increase the sustainability of the food system. For example, by 2025 MAXIMA Lithuania aims to reduce food waste by 30%. We have analyzed our supply chain and identified three areas with potential for reducing food waste: distribution centers, transportation, and shops. Our companies are taking several preventive measures to minimize food waste and develop alternative pathways to save it from ending up in landfills.

PREVENTING FOOD WASTE

The first step in decreasing food waste is to ensure that the adequate quantities of products are ordered for sale. We are also regularly checking the level of losses at stores, in order to minimize it as much as it is possible. Furthermore, it is very important the products are stored and transported in ways that will keep them from spoiling. We actively monitor food storage temperatures along the whole food supply chain, such as when receiving and transporting food, storing food in logistics centers, and when displaying products in stores.



Our companies minimize food waste by discounting products that have a shorter expiry date so that the customer would be more likely to notice and purchase this product. Some Group companies conduct educational campaigns that encourage customers to avoid wasting food.

In our fight against food waste, we try to keep our options open as to what to do with surplus food that is unsuitable for donation. Food products that have reached the end of their shelf life are used as animal feed, compost, biomass, electricity, and heat production. For example, 40 tons of food waste, such as vegetables, fruits, and bread, were collected by MAXIMA Lithuania and given to farmers who feed livestock and poultry or make compost with the products that are no longer suitable for human consumption. To prevent unsold food from ending up in landfills, MAXIMA Lithuania transfer products that are no longer suitable for consumption (500 tons of plant waste, 30 tons of fat, and 190 tons of animal by-products per month) to one of our partners who converts them into biomass and biogas. We also cooperate with a high-quality, certified company that collects and converts used oils into biodiesel.

Finally, we are proud of our companies' cooperation with food banks, which helps save nutritious food for redistribution to those in need.

For more information, please refer to page 43.

By 2025, MAXIMA Lithuania is aiming to reduce food waste by

30%



9. ABOUT THIS REPORT

[GRI 102-45] [GRI 102-50] [GRI 102-51] [GRI 102-52]
[GRI 102-53] [GRI 102-54] [GRI 102-56]

This is the Group's first annual Corporate Social Responsibility Report. It contains data for the financial year starting on the 1st of January and ending on the 31st of December 2020. The scope of reporting includes MAXIMA GRUPĖ, UAB and all of its direct and indirect subsidiaries.

In 2020 the Group's main subsidiaries are provided in the table herein. Other subsidiaries not listed below are mainly involved in real estate management. The Group owns 100% of shares in all subsidiaries.

Name	Country of incorporation	% held by the Group on 2020, 31 December	Principal business activities
MAXIMA GRUPĖ, UAB	Lithuania		Holding company
MAXIMA LT, UAB	Lithuania	100%	Retail in food and consumables
MAXIMA Latvija SIA	Latvia	100%	Retail in food and consumables
MAXIMA Eesti OU	Estonia	100%	Retail in food and consumables
MAXIMA Bulgaria EOOD	Bulgaria	100%	Retail in food and consumables
Stokrotka Sp. z.o.o.	Poland	100%	Retail in food and consumables
BARBORA, UAB	Lithuania	100%	E-trade
PATRIKA SIA	Latvia	100%	E-trade
SUPERSA OU	Estonia	100%	E-trade
FRANMAX, UAB	Lithuania	100%	IT and supporting services
MAXIMA INTERNATIONAL SOURCING, UAB	Lithuania	100%	Wholesale and agency of food and consumables

This report has been prepared in accordance with the GRI Standards: Core Option. These guidelines provide a framework for a consolidated approach to reporting, maintaining the highest degree of transparency and consistency. The standards allow this information to be reliable and useful to markets and society. All presented data have been consulted internally and verified by employees responsible for individual areas of our business so that they are true and up to date. *Moreover, this report has been read by our auditors (see the statement in the financial report).*

We are committed to reporting annually on our sustainability performance. In case of any question, feel free to contact us at: CSR@maximagrupe.eu

Materiality topics

[102-46] [102-47]

According to GRI Standards guidelines, the content of this report is a product of the materiality definition process. The report was prepared based on internal and external consultation and an overview of trends and issues important for the retail industry, and it contains strategic aspects for the Group's sustainable development.

As a result, topics were categorized into five main categories: supply chain, customers, employees, communities, and environment. In 2020, the topic of COVID-19 and its consequences was also relevant.

LIST OF MATERIAL TOPICS:

1. MAXIMA Group response to COVID-19

2. Supply chain

- Responsible sourcing
- Partnership with suppliers

3. Customers

- Products quality and safety
- Healthy products
- Shopping experience

4. Employees

- Responsible workplace
- Safety and health of employees
- Training and development of employees

5. Society and local communities

- Supporting local communities
- Food donation

6. Environment

- Environmental protection and climate change
- Packaging of products
- Preventing food waste

GRI Standards Content Index

[GRI 102]

GENERAL DISCLOSURES

GRI Standard Number	Indicator name	Page
1. Organizational profile		
102-1	Name of the organization	4
102-2	Activities, brands, products and services	7
102-3	Location of headquarters	4
102-4	Location of operations	4
102-5	Ownership and legal form	7
102-6	Markets served	4
102-7	Scale of the organization	4
102-8	Information on employees and other workers	33, 36, 58
102-9	Description of the supply chain	23
102-10	Significant changes to the organization and its supply chain	n/a
102-11	Precautionary Principle or approach	45
102-12	External initiatives	7
102-13	Membership in associations	4, 7
2. Strategy		
102-14	Statement from senior decision-maker	2
102-15	Key impacts, risks, and opportunities	11
3. Ethics and integrity		
102-16	Values, principles, standards and norms of behavior	10
4. Governance		
102-18	Governance structure	9

GRI Standard Number	Indicator name	Page
5. Stakeholder engagement		
102-40	List of stakeholder groups	14
102-41	Collective bargaining agreements	52%
102-42	Identifying and selecting stakeholders	15
102-43	Approaches to stakeholder engagement	14
102-44	Key topics and concerns raised	15
6. Reporting practice		
102-45	Entities included in the consolidated financial statement	7, 52
102-46	Defining report content and topic Boundaries	52
102-47	List of material topics	52
102-48	Restatements of information	Not applicable as it is first report
102-49	Changes in reporting	Not applicable as it is first report
102-50	Reporting period	52
102-51	Date of most recent report	52
102-52	Reporting cycle	52
102-53	Contact point for questions regarding the report	52
102-54	Claims of reporting in accordance with the GRI Standards	52
102-55	GRI Index	54-56
102-56	External assurance	52

Management approach [GRI 103]

GRI Standard Number	Indicator name	Page
103-1	Explanation of topics identified as significant, with an indication of their restriction	22, 26, 32, 33, 35, 40, 41, 44, 45, 48, 50
103-2	Management approach and its elements	22, 26, 32, 33, 35, 40, 41, 44, 45, 48, 50
103-3	Assessment of management approach	22, 26, 32, 33, 35, 40, 41, 44, 45, 48, 50

SPECIFIC STANDARD DISCLOSURES

Economic Category

GRI Standard Number	Indicator name	Page
GRI 204: Procurement Practices		
204-1	Proportion of spending on local suppliers	25
GRI 205: Anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	11 partially reported

Environment Category

GRI Standard Number	Indicator name	Page
GRI 302: Energy		
302-1	Energy consumption within the organization	47
302-4	Reduction of energy consumption	46, 47 partially reported
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	47
305-2	Energy indirect (Scope 2) GHG emissions	47
GRI 306: Effluents and Waste (2016)		
306-2	Waste by type and disposal method	50

Social Category

GRI Standard Number	Indicator name	Page
GRI 401: Employment		
401-1	New employee hires and employee turnover	59-60
401-3	Parental leave	33 partially reported
GRI 403: Occupational Health and Safety (2020)		
403-1	Occupational health and safety management system	37
403-2	Hazard identification, risk assessment, and incident investigation	37
403-3	Occupational health services	37
403-4	Worker participation, consultation, and communication on occupational health and safety	37
403-5	Worker training on occupational health and safety	37
403-6	Promotion of worker health	37
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	37
403-9	Work-related injuries	38
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	35
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	35
GRI 413: Local communities		
413-1	Operations with local community engagement, impact assessments, and development programs	41
GRI 416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	28
GRI 417: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	30

Appendix

Total number of employees by employment contract (permanent and temporary), by region* [GRI 102-8]

	MAXIMA Lithuania		MAXIMA Latvia		MAXIMA Estonia		STOKROTKA		T-MARKET		BARBORA		Other**		The Group (Consolidated Data)	
	P	T	P	T	P	T	P	T	P	T	P	T	P	T	P	T
Men	2,176	124	1,638	3	819	36	903	886	508	0	865	12	109	7	7,018	1,068
Women	10,380	510	6,066	3	2,933	39	4,738	4,422	1,694	3	1,029	23	177	6	27,017	5,006
Total	12,556	634	7,704	6	3,752	75	5,641	5,308	2,202	3	1,894	35	286	13	34,035	6,074

P = Permanent, T = Temporary

* The data referred above does not include 622 employees of UAB "Loganas", UAB "Eigeris" and UAB "Akonkagva", as these companies are not part of the Group from 01-03-2021.

** MAXIMA International Sourcing, MAXIMA GRUPĒ, FRANMAX, EMPERIA HOLDING Sp. z o.o., ELPRO DEVELOPMENT Sp. z o.o.

Appendix

New employee hires and employee turnover* [GRI 104-1]

		MAXIMA Lithuania			MAXIMA Latvia			MAXIMA Estonia		
		< 30 yrs.	30–50 yrs.	> 50 yrs.	< 30 yrs.	30–50 yrs.	> 50 yrs.	< 30 yrs.	30–50 yrs.	> 50 yrs.
Total number of new employee hires during the reporting period	Men	757	404	308	744	462	314	564	268	237
	Women	1,164	981	611	934	1,037	727	710	598	380
	Total	1,921	1,385	919	1,678	1,499	1,041	1,274	866	617
Total percentage of new employee hires during the reporting period	Men	51.53%	27.50%	20.97%	48.95%	30.39%	20.66%	52.76%	25.07%	22.17%
	Women	42.24%	35.60%	22.17%	34.62%	38.44%	26.95%	42.06%	35.43%	22.51%
	Total	45.47%	32.78%	21.75%	39.78%	35.54%	24.68%	46.21%	31.41%	22.38%
Total number of seasonal workers hires during the reporting period	Men		561			96			26	
	Women		1,016			124			35	
	Total		1,577			220			61	
Total percentage of seasonal workers hires during the reporting period	Men		35.57%			43.64%			42.62%	
	Women		64.43%			56.36%			57.38%	
	Total		100.00%			100.00%			100.00%	
Total number of employee turnover during the reporting period	Men	743	503	425	657	478	329	556	288	261
	Women	1,248	1,409	1,164	775	982	714	618	603	484
	Total	1,991	1,912	1,589	1,432	1,460	1,043	1,174	891	745
Total number of employee turnover during the reporting period	Men	5.63%	3.81%	3.22%	8.52%	6.20%	4.27%	14.53%	7.53%	6.82%
	Women	9.46%	10.68%	8.82%	10.05%	12.74%	9.26%	16.15%	15.76%	12.65%
	Total	15.09%	14.50%	12.05%	18.57%	18.94%	13.53%	30.68%	23.28%	19.47%

* The data referred above does not include 622 employees of UAB "Loganas", UAB "Eigeris" and UAB "Akonkagva", as these companies are not part of the Group from 01-03-2021.

Appendix

New employee hires and employee turnover* [GRI 104-1]

		STOKROTKA			T-MARKET			BARBORA		
		< 30 yrs.	30–50 yrs.	> 50 yrs.	< 30 yrs.	30–50 yrs.	> 50 yrs.	< 30 yrs.	30–50 yrs.	> 50 yrs.
Total number of new employee hires during the reporting period	Men	417	264	45	37	276	4	726	219	15
	Women	1,125	1,601	353	267	315	204	806	302	30
	Total	1,542	1,865	398	304	591	208	1,532	521	45
Total percentage of new employee hires during the reporting period	Men	57.44%	36.36%	6.20%	11.67%	87.07%	1.26%	75.63%	22.81%	1.56%
	Women	36.54%	52.00%	11.46%	33.97%	40.08%	25.95%	70.83%	26.54%	2.64%
	Total	40.53%	49.01%	17.66%	27.56%	53.58%	18.86%	73.02%	24.83%	2.14%
Total number of seasonal workers hires during the reporting period	Men		751						1	
	Women		1,289						0	
	Total		2,040						1	
Total percentage of seasonal workers hires during the reporting period	Men		36.81%						100.00%	
	Women		63.19%						0.00%	
	Total		100.00%						100.00%	
Total number of employee turnover during the reporting period	Men	430	316	64	304	177	40	655	220	12
	Women	1,136	1,694	536	359	482	357	770	315	38
	Total	1,566	2,010	600	663	659	397	1,425	535	50
Total number of employee turnover during the reporting period	Men	3.93%	2.89%	0.58%	13.79%	8.03%	1.81%	33.96%	11.40%	0.62%
	Women	10.38%	15.47%	4.90%	16.28%	21.86%	16.19%	39.92%	16.33%	1.97%
	Total	14.30%	18.36%	5.48%	30.07%	29.89%	18.00%	73.87%	27.73%	2.59%

* The data referred above does not include 622 employees of UAB "Loganas", UAB "Eigeris" and UAB "Akonkagva", as these companies are not part of the Group from 01-03-2021.

Appendix

New employee hires and employee turnover* [GRI 104-1]

		Other**			The Group (Consolidated Data)		
		< 30 yrs.	30-50 yrs.	> 50 yrs.	< 30 yrs.	30-50 yrs.	> 50 yrs.
Total number of new employee hires during the reporting period	Men	18	15	0	3,263	1,908	923
	Women	29	24	0	5,035	4,858	2,305
	Total	47	39	0	8,298	6,766	3,228
Total percentage of new employee hires during the reporting period	Men	54.55%	45.45%	0.00%	53.54%	31.31%	15.15%
	Women	54.72%	45.28%	0.00%	41.28%	39.83%	18.90%
	Total	54.65%	45.35%	0.00%	45.36%	36.99%	17.65%
Total number of seasonal workers hires during the reporting period	Men		1,435				
	Women		2,464				
	Total		3,899				
Total percentage of seasonal workers hires during the reporting period	Men		36.80%				
	Women		63.20%				
	Total		100.00%				
Total number of employee turnover during the reporting period	Men	15	23	5	3,360	2,005	1,136
	Women	27	50	1	4,933	5,535	3,294
	Total	42	73	6	8,293	7,540	4,430
Total number of employee turnover during the reporting period	Men	5.02%	7.69%	1.67%	8.38%	5.00%	2.83%
	Women	9.03%	16.72%	0.33%	12.30%	13.80%	8.21%
	Total	14.05%	24.41%	2.01%	20.68%	18.80%	11.04%

* The data referred above does not include 622 employees of UAB "Loganas", UAB "Eigeris" and UAB "Akonkagva", as these companies are not part of the Group from 01-03-2021.

** MAXIMA International Sourcing, MAXIMA GRUPÉ, FRANMAX, EMPERIA HOLDING Sp. z o.o., ELPRO DEVELOPMENT Sp. z o.o.

