



**linas agro**

Linus Agro Group, AB

**Sustainability report**  
2021/2022



Our companies operate along the food production chain from field to table: supplying goods and services to farmers, buying the produce they grow and producing some of it ourselves, and processing that produce into food and feed.

We are one of the largest exporters of Lithuanian cereals and a major exporter of Latvian cereals. Our poultry farms are the largest producers of poultry meat in Lithuania and Latvia, and we are a major Lithuanian milk producer. We are also one of the leading suppliers of goods to farmers in Lithuania. Our factories produce one tenth of all instant products in Europe.

Over the years, we have been building a growing group of companies, step by step, working together to implement energy-saving solutions, sorting waste, developing solutions for agribusiness, improving working conditions for employees, and joining in social and community activities. Alongside this, we have analyzed whether all our chains are operating sustainably, but without reference to sustainability standards. This is our first sustainability report based on the globally accepted Global Reporting Initiative (GRI) standards.

Our Group is a large consumer of electricity, gas and water, one of the largest in Lithuania and Latvia. With the acquisition of the KG Group companies in July 2021, our business and the amount of resources we use in our operations have grown. In the financial year ended, we consumed over 455 GWh of energy, or 2.87 times more than in the previous year. One fifth of our energy purchases came from renewable sources: we purchased almost 92 GWh of green electricity, avoiding 35.3 thousand tons of CO2 and greenhouse gas emissions.

This financial year, which has seen changes in partners, logistics, collapsing markets, skyrocketing prices and energy costs as a result of the war in Ukraine, has exposed potential threats to each of our businesses, as well as strengths and weaknesses. Some of our businesses have risen to the challenge and proved that we are dynamic and creative. Others are still highly dependent on energy prices. We are working on plans to reduce that dependency.

We farm over 18,000 hectares of land in Lithuania - 0.8% of the country's total cultivated land - and we are committed to keeping the soil fertile for future generations. We market microbiological products that reduce fertilizer application rates – first tested on our farms, they are later offered to farmers.

Our dairy cows account for 1.5% of Lithuania's dairy cattle. We see dairy farming as a viable business because of the growing demand for milk, and we have no plans to give it up because larger dairy farms are more sustainable than small ones. By renovating and robotizing some of our cowsheds each year, we are improving the conditions in which cows are housed and maximizing the efficiency of this business. Our two dairy farms are the most efficient in Lithuania year after year. In the future, we plan to build biogas production facilities to reduce the environmental impact of the dairy business.

Our flour, milk and poultry meat reach households in the country and beyond on a daily basis, so ensuring that our products are of the highest quality and comply with standards is our daily job. But we want to go beyond that - to create products of exceptional quality that are even more beneficial to public health.

Supermarkets are increasingly choosing us over Asian suppliers to shorten their supply chains. We have planned investments to expand production and from 2024 we will produce an additional 110 million pieces of instant noodles in packets every year. Before the plant is even built, we will have to think about how to reduce future pollution and make the 110 million packaging units more sustainable.

Devoted to our business, our sector and our people, driven by our mission and values, and mindful of our impacts, we are committed to a responsible and sustainable path. Our Group is setting five-year targets to deliver change and impact in the economic, environmental and social spheres and in improving governance.



Our vision for the future is sustainable agriculture and healthy food. We have called our ambition 'Four hearts', becoming a sustainable company with 5,000 of our employees doing it from the heart.



Sincerely,

Chief Executive Officer Darius Zubas

This year marks 31st anniversary of Linas Agro Group, AB. We are pleased to publish the special edition of our 2021/2022 sustainability report to celebrate this important milestone.

As a leading food company locally, we have a critical role in offering affordable, accessible, nutritious meal. As a key exporter of locally harvested grain and oilseeds, we operate as part of a global food system connected across borders and depend on global trends and events. More than 50% of our production output is directed to export markets; thus, we are bound to address both local and international sustainability challenges.

This publication presents non-financial impacts of Linas Agro Group, AB companies to all our stakeholders. The sustainability report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. GRI reporting process and the final report is delivered by an independent third-party sustainability consulting provider *Sustainability.lt*.

## MAJOR CHANGES

- On 15 of July, 2021 Linas Agro Group, AB has completed one of the largest business acquisitions in the history of Lithuania: it has acquired controlling stakes from shareholders in AB Kauno Grūdai, AB Kaišiadorių Paukštynas, AB Vilniaus Paukštynas, and the related companies, acting together as KG Group. Following this acquisition, Linas Agro Group, AB becomes a vertically integrated group of agricultural and food production companies in the Baltic region, operating the entire production chain and producing products from the field to the table.
- On 24 of February 2022 Russian federation launched a full scale attack on Ukraine, as a result we have ceased all trade operations with Russia and Belarus resulting into supply disruptions and ongoing divestment of assets in aggressor states (Russia and Belarus).

## PRINCIPLES DEFINING REPORT CONTENT

**Stakeholder inclusiveness:** The report content is consistent with the outcomes of stakeholder engagement processes used by our companies in our ongoing activities, and as required by the legal and institutional framework, in which we operate. Accountability strengthens trust between the organisation and its stakeholders. Trust, in turn, strengthens the credibility of the report. We engage with all the stakeholders, to whom we consider ourselves accountable.

**Sustainability context:** Linas Agro Group, AB is a largest vertically integrated agriculture and food business in Baltic States. Our scope of operations has measurable and significant impacts to people and environment. Due to the complex nature of our businesses, we analyse most of the social impacts on Group level, while environmental impacts are more distinguishable on business segment level.

**Materiality:** In order to ensure balanced representation of material issues, we performed materiality assessment on three levels:

- Individual companies (measuring individual impacts on company level);
- Business segments (merging, assessing and prioritising impacts of individual businesses);
- Group level

**Completeness:** All material information and impacts on environment, society and our economic performance are analysed under specific GRI disclosures. This report does not omit relevant information.

## PRINCIPLES DEFINING REPORT QUALITY

**Accuracy:** All data provided is consistent with available evidence and traceable to our books. All business activities of the Group are covered.

**Balance:** No omissions were made to negative impacts of our business activities. We report our positive as well as negative activities in order to facilitate reader's unbiased assessment of our business.

**Clarity:** Sufficient explanation provided to facilitate better understanding of our impacts.

**Comparability:** Measurement units correspond to industry standards, conversion are made based on globally accepted and verified conversion rates. Only internationally accepted metrics are used. Where applicable, contextual information is presented. Reported impacts of FY2021/22 are comparable to the results of previous periods as well as to the future targets.

**Timeliness:** The sustainability reporting is in line with an annual financial report. Unless otherwise indicated, information represents 2021/2022 financial year, and data is accurate as on 30 June 2022. In order to provide a better perspective on our impacts, we disclose relevant data from financial year 2020/2021 as a base year. The disclose of Group structure, management, employee and Health and Safety data reflects the situation as on 30 June 2022.

**Reliability:** All calculations and assumptions are thoroughly documented, clear explanations of any uncertainties associated with reported information are available. Audited financial results are published whenever possible.

**SUSTAINABILITY TARGETS:** We disclose our latest sustainability agenda. All commitments and goals are aligned with UN's Sustainable Development Goals.

**OTHER NOTES:** From January 1, 2022 the EU Taxonomy Disclosure Requirements (Taxonomy Regulation (EU) 2020/852 and its implementing legislation) come into force, covering disclosing requirements according to the classification system of sustainable economic activities and investments, defining activities that are considered to significantly contribute to the achievement of environmental goals. According to the latest version of the Taxonomy Regulation and the legal acts implementing it, the activities of Linas Agro Group, AB are not included/classified among the activities that meet the criteria of the Taxonomy Regulation.

**EXTERNAL ASSURANCE:** No external assurance was commissioned for this report.

**REPORTING FREQUENCY:** We are committed to publish GRI reports annually.

**CONTACTS:** All stakeholders are encouraged to send us feedback or ask any questions related to the content of this report. Key contact Dovilė Jakučionė, [D.JAKUCIONE@LINASAGRO.LT](mailto:D.JAKUCIONE@LINASAGRO.LT)



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# VISION

New era of sustainable agriculture and nourishing food.

# MISSION

Unlock the potential of agriculture and food industry.

# VALUES

## RESPONSIBLE:

Acting sustainably and with a sense of responsibility to employees, the environment, investors, and the community.

## DYNAMIC:

We are vibrant optimists - passionate and not afraid to be challenged.

## CREATIVE:

We are curious. Aim to make something new and useful or valuable.

## CREATIVE:

Cooperate with colleagues, customers, investors, and communities. We value long-term partnerships.

In our view, agriculture is both - the art and the science of cultivating soil, growing crops, and raising livestock. It provides food, as well as economic growth and has ever since been a major part of human development. Grain products, milk and poultry products are the core of the diet.

Linus Agro Group, AB plays a significant role in food sector in the region. We are a major grain exporter working hand in hand with thousands of farmers.

Over the reporting period, calories (fit for human consumption) produced by Group companies was equal to annual calorie intake for 520 thous. adults. In other words, we supply enough food to satisfy calorie intake of Lithuanian population for 9 weeks.

*\*Reference intake for an average adult (8400kJ/2000kcal)*



**KEY MILESTONE**

UAB Linas and viza, the first company of Linas Agro Group, AB founded



Acquisition of a 50% stake of UAB Dotnuvos Projektai



Installation of seed processing plant

1st modern grain elevator commissioned

Acquisition of first farming entities in LT

EUR 28m IPO with a listing on Nasdaq Vilnius



Acquisition of LV's largest poultry producer



Acquisition of fertiliser sales business in LV

Committing to agri-innovation



Acquisition of controlling stake of KG Group



Integration of KG Group activities  
Divestment from Belarus and Russia

HISTORIC DEVELOPMENT OF THE GROUP



**NEW ACTIVITIES**

- 1991 International trading of agricultural products
- 1993 Start of agricultural contracting
- 1998 Expanding activity with agricultural machinery sales, seeds and grain storage equipment



- 2001 Seed production
- 2002 Grain handling and storage services
- 2003 Milk production and crop cultivation



2010 Entering poultry business

2013 Expanding fertilizer operation

2016 Agri-innovation: development of precision farming systems

- 2020 Poultry business in LT
- 2021 Milling business
- 2021 Compound feed production
- 2021 Pet food production
- 2021 Instant food production
- 2021 Compound feed retail

**WAR IN UKRAINE**

- On 28th February, 2022 – Group announced withdrawing trading activity with Russian and Belarusian companies, no longer buying goods, nor supplying to parties in these geographies (even Group’s owned subsidiaries in those countries)
- Reclassification of RU, BY companies of the Group to “Assets held for sale” and at the date of publication of this report - divestment in majority of it
- Continuing operation of Group company in Ukraine, acting as a sales office intermediary for trading desks in Baltics; continuous imports from Ukraine via Poland border by rail
- Financial and Production support to Ukraine

**DIVESTMENT OF RU AND BY BUSINESSES**

- By acquiring KGG, Group became the owner of 5 companies in RU and BY, active in the feed and agricultural inputs sectors, of which 1 was soon deregistered;
- After Russia’s invasion – decision to divest the business was already taken, assets were reclassified as “assets held for sale”
- On 25<sup>th</sup> of Aug, 2022 - Linas Agro Group, AB sold OOO VitOMEK (Moscow), OOO VitOMEK (Tver)), also IOOO Belfidagro, registered in Belarus; management estimates divestment to result in approx. EUR 2.8 million impairment on the books
- At the date of publication of this report, one company in Belarus, OOO KLM, still belongs to the Group, however Group is continuously looking for the ways to divest this business (30% of it is owned by a natural person in Belarus)
- RU and BY companies generated EUR 144 million revenues throughout FY 2021/2022, non-current assets accounted for EUR 23 million

**NUMBER OF GROUP COMPANIES AFTER DIVESTMENTS**



Detailed list of Group companies provided in the [ANNEX 3](#)

**LINAS AGRO GROUP, AB GOVERNANCE**

According to the Linas Agro Group, AB Articles of Association, the Company's bodies are:

- The General Meeting of shareholders;
- The Management Board of the Company;
- The Head of the Company (CEO).

Over the reporting period, the Company does not have the Supervisory Board.

General Meeting of Shareholders is the supreme body of the Company. Over the reporting period Annual General Meeting was held on [29 October 2021](#).

The Board of the Company consists of seven members to be elected for a period of four years. The Board was elected on [June 1, 2018](#) in the Extraordinary General Meeting of Shareholders. Mr. Darius Jaloveckas resigned from the post of the Member of the Board on [September 3, 2019](#).

**MANAGEMENT BOARD**

Member  
**Dainius Pilkauskas**  
*joined the Group since 1991, owns 480,281 company shares*

Master's degree in Animal Science at Veterinary Academy of Lithuanian University of Health Sciences in 1991

Member  
**Tomas Tumėnas**  
*joined the Group in 2001, owns 2,200 company shares*  
Master's degree in Economics at Vilnius University and a certificate in International Business Economics from Aalborg University in 1995. Master's degree in Business Administration at Manchester Business School, The University of Manchester in 2011

Deputy Chairman  
**Andrius Pranckevičius**  
*joined the Group in 1999, owns 568,380 company shares*

Master's degree in Marketing Management, 2000, Kaunas University of Technology

Chairman  
**Darius Zubas**  
*the main founder of the Group, owns 17,049,995 company shares*

Graduated from Veterinary Academy of Lithuanian University of Health Sciences in 1988

Member  
**Jonas Bakšys**  
*joined the Group in 2004, owns 3,400,000 company shares*

Bachelor's degree in International Economics, 1997, Concordia University (USA)  
Master's degree in Business Administration, 2003, University of Surrey (UK)

Member  
**Arūnas Zubas**  
*joined the Group in 1995, owns 480,281 company shares*

Master's degree in Chemical Technology, 1985, Kaunas University of Technology

**LINAS AGRO GROUP, AB COMMITTEES**

Audit committee:

Member	Interest in Linas Agro Group, AB	Tenure	End of tenure
Andrius Drazdys	Independent	4 years	30 Oct, 20222
Agnė Preidytė	Independent	4 years	30 Oct, 20222
Irma Antanaitienė	Employee of the Group, has no shares	4 years	30 Oct, 20222

No other committees are formed on the Group level. Sustainability agenda and sustainability report are approved by the management board

**SENIOR MANAGEMENT**

Majority of our senior management members (98%) are employees in our "home market" - Lithuania, Latvia and Estonia

MANAGEMENT BOARD'S PARTICIPATION IN OTHER GOVERNANCE BODIES: [ANNEX 4](#)



# INPUTS



# PRODUCTS AND SERVICES

# GROUP ACTIVITIES

# FINANCIAL RESULTS

## NEGATIVE OUTPUTS



The infographic above illustrate all volumes of key inputs and our outputs for society, value generation to shareholder and effects on environment.



## OWNERSHIP AND LEGAL FORM

Linus Agro Group, AB (hereinafter the Company or the parent) is a public limited liability company registered in the Republic of Lithuania. The Company was registered on 27 November 1995, while the first company of the group UAB Linas and viza was founded back in 1991.

Group companies and branches are situated in more than 60 different locations with headquarters in Subačiaus str. 5, 01302 Vilnius Vilnius, Lithuania,

Linus Agro Group, AB, ISIN code LT0000128092, ticker in AB Nasdaq Vilnius – [LNA1L](#)

The financial year of the Company and the Group starts on 1 July of the calendar year and ends on 30 June of the following calendar year. As at 30 June 2021 and as at 30 June 2022 the shareholders of the Company were:

	June 30, 2022		June 30, 2021	
	Percentage	Number of shares	Percentage	Number of shares
Akola ApS (Denmark)	68.52%	109,909,167	69.15%	109,909,167
Darius Zubas	10.63%	17,049,995	10.73%	17,049,995
Investment and pension funds managed by UAB INVIL Asset Management	5.65%	9,065,182	5.72%	9,087,369
Other shareholders (private and institutional investors)	15.20%	24,370,054	14.40%	22,893,867
<b>Total</b>	<b>100.00%</b>	<b>160,394,398</b>	<b>100.00%</b>	<b>158,940,398</b>

*Shareholders of the Group, Jun 30, 2022, Linus Agro Group, AB*

On 22 November 2021, a new wording of the Articles of Association of the Company was registered in the Register of Legal Entities – the authorised capital of the Company was increased by EUR 421 thousand, issuing 1,454,000 new ordinary registered shares of the Company. The newly issued shares were subscribed by the employees and/or members of the corporate bodies of the Company who have concluded the Share Option Agreement of the Company in 2018 and accordingly in 2021 have submitted notice to the Company regarding the use of the option. The New Shares are granted free of charge and they are paid by the Company from the reserve set up by the Company for shares issue.

All the shares of the Company are ordinary shares with the par value of EUR 0.29 each as at 30 June 2022 (EUR 0.29 each as at 30 June 2021) and were fully paid as at 30 June 2022 and as at 30 June 2021.

The Company holds 748,972 of its own shares, percentage 0.47%, as at 30 June 2022 (767,972 as at 30 June 2021). Subsidiaries and other related companies did not hold any shares of the Company as at 30 June 2022 and as at 30 June 2021.

## TAXES

Group pays its taxes in the geographies where profits are earned and does not apply any tax optimisation/consolidation practices.

## GROUP STRUCTURE

Detailed Group structure provided in the [ANNEX 2](#)

## COMPANIES INCLUDED IN THIS REPORT

Detailed list of Group companies included in this report provided in the [ANNEX 3](#)

## COMPANIES EXCLUDED FROM THIS REPORT

Detailed list of Group companies not included in this report provided in the [ANNEX 4](#)

## ACTIVE MEMBERSHIPS

- Estonian Seed Association;
- The Estonian Chamber of Agriculture and Commerce;
- Grain and feed Trade Association (GAFTA);
- Klaipėda Chamber of Commerce, Industry and Crafts;
- Latvian Egg and Poultry Producers Association;
- Latvian Federation of Food Processing Businesses;
- Latvian Association for People Management;
- Latvian Chamber of Commerce and Industry;
- Latvian Seed Producers Association;
- Latvian Agricultural association for producers and traders of agricultural machinery;
- Lithuanian Agrochemical Products and Fertilizers' Industry and Trade Association;
- Lithuanian Plant Protection Association;
- Lithuanian Association of Planters and Ornamental Plants Growers;
- Lithuanian Cattle Breeders' Association;
- Lithuanian Grain Processors' Association;
- Lithuanian Association of Shipping Agents and Freight Forwarders;
- Lithuanian Marketing Association;
- Lithuanian Association of Poultry growers;
- Lithuanian Seed Producers Association;
- Lithuanian Association of Agricultural Companies;
- Lithuanian Agricultural Machinery Association;
- Several associations for users of drainage systems;
- Panevėžys Chamber of Commerce, Industry and Crafts;
- Association of Business Effectivity (Latvia)



Devoted to our business, our sector and our people, driven by our mission and values, and mindful of our impacts, we are committed to a responsible and sustainable path. Our Group is setting **five-year targets to deliver change and impact in the economic, environmental and social spheres and in improving governance.**

KEY TOPICS	COMMITMENT	Goal by 2026/2027	BASE YEAR
<b>Economic</b> Sound financial indicators, diversified, creditworthy group	Operational efficiency Optimal return on capital Sustainable debt level Target level of EBITDA Creating shareholder value L/T strategic diversification in activities	Operating profit margin $\geq 3\%$ Return on capital employed (ROCE) $\geq 8\%$ , a new target for future periods- 12% RMI adjusted Net financial debt / EBITDA $\leq 4.0$ EBITDA $\geq 70\,000 - 90\,000$ thousand EUR Dividends paid within financial year to net profit of the previous financial year $\geq 20\%$ Revenue split: <ul style="list-style-type: none"> <li>Grain, Oilseed, and Feed: 45%</li> <li>Products and Services for Farming: 20%</li> <li>Agricultural Production: <math>&lt; 2\%</math></li> <li>Food Products: 30%</li> <li>Other Activities: <math>&lt; 2\%</math></li> </ul>	2020/2021: 2.07%, 2021/2022: 5.47% 2020/2021: 6.61%, 2021/2022: 18.97% 2020/2021: 2.66, 2021/2022: 1.90 2020/2021: 33,401, 2021/2022: 132,173 2020/2021: 0.00%, 2021/2022: 0.00% Revenue split: 2020/2021 & 2021/2022 <ul style="list-style-type: none"> <li>Grain, Oilseed, and Feed: 67% &amp; 62%</li> <li>Products and Services for Farming: 22% &amp; 20%</li> <li>Agricultural Production: 4% &amp; 2%</li> <li>Food Products: 10% &amp; 18%</li> <li>Other Activities: - &amp; 2%</li> </ul>
<b>Environmental</b> Energy efficiency Packaging GHG Emissions Scope 1 & 2 Water Waste Products and services for farming	Improving energy efficiency Regular energy efficiency audits for energy intensive companies Reduce energy consumption per ton of TOTAL output* Increase percentag of renewable packaging Develop low carbon agriculture Reduce GHG intensity in milk (CO <sub>2</sub> eq kg per ton of ECM milk) Improve energy mix: include renewable energy sources (Scope 1) Maintain water use intensity Reduce waste directed to disposal Climate positive agricultural innovations More environment positive equipment, fertilizers and plant care products	Prioritise investments improving energy efficiency At least once per every 4 years Report and gradually reduce Perform energy consumption feasibility study during FY 2022/2023, followed by approved quantitative goal towards energy consumption reduction by FY2026/2027 50% of total - renewable 3-5% reduction of N fertilizers 5% reduction Share of renewable energy at least 25% 2.6 m <sup>3</sup> /t 5% reduction Prioritised Climate positive agricultural innovations Promoted environment positive equipment, fertilizers and plant care products	2021/2022: No 2021/2022: No 2021/2022: 0.6 MWH/t 2021/2022: 45.7% 2021/2022: 4.26kg of N <sub>2</sub> O per Ha (1269 kg CO <sub>2</sub> eq) 2021/2022: 378 kgCO <sub>2</sub> eq/t 2021/2022: 1.2% 2021/2022: 2.6 m <sup>3</sup> /t 2021/2022: 4.7 kg/t
<b>Social</b> Human capital, society, clients	Occupational health and safety Employee turnover ratio (full time employees) Employee retention ratio (employees with Group >1Y) Economic inclusion: be fair and helpful partner for local partners Build stronger communities Healthier food	TRIR** $< 0,62$ (20% reduction) Not more than 35% Higher than 85% No legal actions, claims, scandals Engage with local communities, provide assistance etc Decrease antibiotics quantity in farming companies by 25%	2021/2022: 0.78 2021/2022: 55.3% including Kaišiadorių Paukštynas AB or 35% if excluding Kaišiadorių Paukštynas AB 2021/2022: 90.8% 2021/2022: no legal actions, claims, scandals n/a 2021/2022: antibiotics free production in poultry companies: 100% in LV and 65% in LT
<b>Governance</b> Compliance, policies and processes, transparency	Zero tolerance to breaches Revision and establishment of new policies Whistle blower system (internal & external) Transparency	Zero compliance breaches Revision: environmental policy, Partner Code of Ethics New: Soil health, Quality policy, Food safety policy, Procurement policy, Sponsorship policy, Good governance policy Established and functional whistle blower system Annually published sustainability reports	2021/2022: 0



We understand that our sustainable development is highly dependent on our ability to meet the expectations of our business partners, employees, shareholders, and local communities (our neighbors). Key stakeholders are defined as entities or individuals that can reasonably be expected to be significantly affected by our business activities, products, or services; or whose actions can reasonably be expected to affect our ability to pursue our business strategies and achieve objectives.

In order to identify the main issues and prioritise our future actions, we went through **the process of structured stakeholder engagement assessment**.

**STEP I. BENCHMARKING**

- Assessment of industry-specific issues and best practices

**STEP II. IDENTIFICATION**

- Identification of a full list of stakeholders though the entire supply chain
- Stakeholder mapping based on their influence and interest in our long-term success
- Approval by key decision makers

**STEP III: ENGAGEMENT PLAN**

- Assessment of the most reliable methods and communication channels to collect feedback (expectations and grievances)

**STEP IV: PERFORMANCE**

- Revision of existing engagement
- Assessment of our understanding of the key expectations and grievances of our stakeholders
- Reaching out to our stakeholders to fill in the gaps

**STEP V: ANALYSIS**

- Analysis of relevant information on stakeholder engagement
- Categorisation of all stakeholders by their interest and influence areas into major groups
- Summary of the key points on stakeholder engagement in the following table

	OUR PEOPLE	CLIENTS	SUPPLIERS	CAPITAL PROVIDERS	LOCAL COMMUNITIES	REGULATORS
COMMUNICATION CHANNELS	<ul style="list-style-type: none"> <li>- Daily activities</li> <li>- Involvement in cross-functional teams</li> <li>- Employee training</li> <li>- Annual performance reviews</li> <li>- Intranet channel</li> <li>- Newsletters</li> <li>- Teambuildings, company events</li> <li>- Employee surveys</li> </ul>	<ul style="list-style-type: none"> <li>- Contracts</li> <li>- Negotiations</li> <li>- Exhibitions</li> <li>- Media</li> <li>- Social networks</li> <li>- Customer line</li> <li>- Focus groups</li> <li>- Meetings</li> <li>- Consultations</li> <li>- Quality control</li> </ul>	<ul style="list-style-type: none"> <li>- Contracts</li> <li>- Meetings &amp; negotiations</li> <li>- Exhibitions</li> <li>- Media</li> <li>- Social networks</li> <li>- Quality control</li> <li>- Supplier company visits</li> </ul>	<ul style="list-style-type: none"> <li>- Financial reports</li> <li>- Webinars</li> <li>- Shareholder meetings</li> <li>- Credit agreements</li> <li>- Stock exchange</li> <li>- Public announcements</li> <li>- Business plans</li> <li>- Media</li> </ul>	<ul style="list-style-type: none"> <li>- Employment relations</li> <li>- Meetings</li> <li>- Direct chat</li> <li>- Support (in products)</li> <li>- Financial support</li> <li>- Media</li> <li>- Social media</li> </ul>	<ul style="list-style-type: none"> <li>- Regular reports</li> <li>- Cooperation with municipalities</li> <li>- Visits to objects</li> <li>- Activities in associations</li> <li>- Subsidies</li> </ul>
KEY EXPECTATIONS	<ul style="list-style-type: none"> <li> Honest treatment</li> <li> Stability</li> <li> Consistent career development</li> <li> Occupational safety</li> <li> Personal development</li> <li> Fair and transparent salary</li> <li> Participation in the decision-making process</li> <li> Innovations</li> <li> Management of adverse effects</li> <li> Good reputation</li> </ul>	<ul style="list-style-type: none"> <li> Quality</li> <li> Timely execution of contracts</li> <li> Reliable supply</li> <li> Flexibility</li> <li> Traceability</li> <li> Good reputation</li> <li> Reducing air pollution &amp; CO2 emissions</li> <li> Reducing the use of drugs &amp; antibiotics</li> <li> Animal welfare</li> <li> Optimising packaging</li> <li> Reducing food waste</li> <li> Managing negative impacts</li> <li> Optimising the use of pesticides and fertilisers</li> </ul>	<ul style="list-style-type: none"> <li> Compliance with standards</li> <li> Business continuity</li> <li> Execution of contractual terms</li> <li> Loyalty</li> <li> Risk management</li> </ul>	<ul style="list-style-type: none"> <li> Financial return</li> <li> Operational efficiency</li> <li> Transparency</li> <li> Risk management</li> <li> Compliance</li> <li> Good management practices</li> <li> Reputation</li> <li> Reduction of CO2 emissions</li> </ul>	<ul style="list-style-type: none"> <li> Employment opportunities</li> <li> Economic inclusion</li> <li> Positive economic effects</li> <li> Supporting local communities</li> <li> Accessibility of services</li> <li> Sustainable business practices</li> <li> Responsible agriculture</li> <li> Odours/air quality</li> <li> Responsible management of environmental resources</li> </ul>	<ul style="list-style-type: none"> <li> Compliance</li> <li> Product safety</li> <li> Timely reports</li> <li> Taxes</li> </ul>
OUR APPROACH	<ul style="list-style-type: none"> <li>- Constantly strengthening the dialogue</li> <li>- Promoting the exchange of employees' experiences and ideas within the Group</li> <li>- Occupational safety and health</li> <li>- Promoting employee inclusion and the sense of pride in working with us</li> <li>- Adequately addressing issues and questions raised</li> </ul>	<ul style="list-style-type: none"> <li>- Only high-quality and nutritious food products</li> <li>- Communication and proactive disclosure of social and environmental impacts of activities, purchase practices, and overall Group's efforts</li> <li>- Ambitious yet realistic sustainability agenda</li> <li>- Focusing on solving occurring client problems swiftly</li> </ul>	<ul style="list-style-type: none"> <li>- Starting to consistently assess, communicate and promote social and environmental action by suppliers, reducing negative impacts throughout the supply chain</li> <li>- Fulfilling contractual terms in a timely and honest manner</li> <li>- Where relevant, striving to meet the standards set by suppliers</li> </ul>	<ul style="list-style-type: none"> <li>- Generating financial returns in the most transparent way</li> <li>- Applying innovations and constantly looking for ways to reduce our negative effects on the environment</li> <li>- Consistent reporting on non-financial results</li> <li>- Ensuring the highest standards of compliance</li> </ul>	<ul style="list-style-type: none"> <li>- Social inclusiveness</li> <li>- Commitment to economically stressed communities</li> <li>- Financial support</li> <li>- "Good neighbour" approach</li> </ul>	<ul style="list-style-type: none"> <li>- Zero tolerance for breaches</li> <li>- Transparent and timely reporting</li> <li>- Promotion of long-term cooperation</li> <li>- Remaining a reliable and respected social partner</li> </ul>



**CHOOSING WHAT REALLY MATTERS**

In financial reporting, materiality is commonly considered a threshold for influencing the economic decisions of those using an organisation’s financial statements, investors in particular. A similar concept is also important for sustainability reporting, but it has two dimensions.

In sustainability reporting, materiality is the principle that determines which relevant topics are sufficiently important to be reported. Essentially, materiality assessment is a great way to indicate the key topics crucial to our long-term success as well as securing social and legal license to operate.

According to GRI, all material topics should be mapped to indicate the significance to our business continuity against the importance to our stakeholders.

Data and relevant information on the most material topics are analysed and disclosed in the following sections of the report, using GRI standards.

Materiality assessment also reflects the key risks for the organisation and helps identify critically important sustainability areas for the organisation.

**STEP I: STAKEHOLDER ENGAGEMENT**

As per previous chapter, *IMPACT ASSESSMENT: ENGAGING WITH OUR STAKEHOLDERS*.

**STEP II: IDENTIFICATION**

The scope and complexity of group activities were reflected in materiality assessment process. The final mapping and prioritisation of material topics was performed, taking into account the following factors:

- Results of stakeholder engagement: expectations and grievances
- Food industry specifics in general
- Sustainability issues associated with dairy industry
- Region-specific agriculture issues
- Risks associated with grain trade business model
- Peer comparison
- Laws, regulations, international agreements, and voluntary agreements of strategic significance to the organisation and its stakeholders
- Standards and certifications
- Our values, policies, strategies, operational management systems, goals, and targets

- Our ability and opportunities to contribute to sustainable development
- The core competencies of the organisation and the manner, in which they can contribute to sustainable development

**STEP III: IMPACT MEASUREMENT**

- Qualitative assessment: which impacts are of critical importance for our long-term success.
- Quantitative assessment: how much resources we need for our products and services, as well as residual outputs in the form of emissions and waste.
- Over the course of sustainability assessment, all business impacts are divided into four main categories:

- Economic: how much value added we produce in the form of orders, paid taxes, dividends, long term investment, etc.
- Social: what effects our activities, products, services, and byproducts have on people: our employees, neighbours, consumers, and suppliers.
- Environmental: resource intensity, emissions, waste, effects on biodiversity, soil health, animal welfare, etc.
- Governance and compliance requirements specific to our businesses.

**STEP IV: SUSTAINABILITY RISKS**

Our impacts were assessed in terms of risks they pose to our sustainable long-term development.

**STEP V: PRIORITISATION**

To make sure we focus on the most important issues, we prioritised all impacts by their criticality. All topics were mapped according to their importance to our stakeholders and our long-term development.

**STEP VI: VALIDATION**

- The final list of topics, prioritised as highly material, was reviewed by the Board for feedback and approval.
- We identify and report on the indicators within each relevant GRI Standard to ensure the completeness of the report.
- We do not limit ourselves to the topics of relevant GRI standards and disclose information on all topics of critical importance.
- The report is subsequently reviewed and approved by the Board.
- We are committed to reviewing impacts, risks, and opportunities annually.



IMPORTANCE TO OUR STAKEHOLDERS

	<ul style="list-style-type: none"> <li> Tax</li> <li> Packaging</li> <li> Economic inclusion</li> <li> Equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li> Human rights</li> <li> Health and Safety</li> <li> Food safety</li> <li> GHG emissions</li> <li> Animal health and welfare</li> <li> Code of ethics</li> <li> Shareholder value creation</li> <li> Innovation</li> <li> Risk management</li> </ul>
<ul style="list-style-type: none"> <li> Water stewardship</li> <li> Soil health</li> <li> Pesticide use</li> </ul>	<ul style="list-style-type: none"> <li> Waste</li> <li> Human capital development</li> </ul>	<ul style="list-style-type: none"> <li> Energy use</li> <li> Materials</li> <li> Compliance</li> </ul>
<ul style="list-style-type: none"> <li> Biodiversity</li> <li> Responsible consumption</li> </ul>	<ul style="list-style-type: none"> <li> Partnerships</li> <li> Local communities</li> </ul>	

IMPORTANCE TO OUR LONG-TERM DEVELOPMENT

Materiality assessment matrix, Linas Agro Group, AB, 2021/2022

- Environmental
- Social
- Economic
- Governance

# SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs), part of the 2030 Agenda for Sustainable Development, adopted by the 193 United Nations' member states, comprise the world's comprehensive plan of action for achieving sustainable development.

Formally, SDGs and the targets associated with them apply on country level. Given the scope and complexity of our activities, Linas Agro Group, AB has the potential to contribute to all SDGs by enhancing their positive impacts or by preventing and mitigating their negative impacts on the economy, environment, and people.

## 1. NO POVERTY



- We operate in economically stressed regions providing employment opportunities.
- Among others we provide support for the most vulnerable society groups, such as people with limited physical or mental capabilities.

## 2. ZERO HUNGER



- We are a major food producer in the region producing affordable and accessible nutritious food.
- We produce and sell certified seed adapted to local conditions, contributing to genetic diversity and productivity of crops.
- The scale and know-how of our agricultural companies help us to maintain high productivity.
- Poultry products are the most affordable source of animal based protein.

MATERIAL TOPIC	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
GHG emissions	Light Blue	Light Green	Dark Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Energy use	Light Blue	Light Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Biodiversity	Light Blue	Dark Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Soil health	Light Blue	Dark Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Use of pesticides and fertilisers	Light Blue	Dark Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Water stewardship	Light Blue	Light Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Packaging	Light Blue	Light Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Waste	Light Blue	Light Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Food safety	Light Blue	Dark Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Animal health and welfare	Light Blue	Light Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Materials	Light Blue	Light Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Local communities	Dark Red	Light Green	Dark Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
OHS*	Light Blue	Light Green	Dark Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Human rights	Light Blue	Light Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Employee welfare	Dark Red	Light Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Shareholder value	Light Blue	Light Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Tax	Light Blue	Light Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Supply chain transparency	Light Blue	Light Green	Dark Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Compliance	Light Blue	Light Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Economic inclusion	Dark Red	Dark Green	Light Green	Dark Red	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Partnerships	Light Blue	Light Green	Light Green	Light Blue	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Equal opportunity	Light Blue	Light Green	Light Green	Dark Red	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Governance practices	Light Blue	Light Green	Light Green	Dark Red	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
Human capital development	Light Blue	Light Green	Light Green	Dark Red	Light Blue	Yellow	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue

Linkages between the material topics and Sustainable Development Goals

\* OHS: Occupational Health and Safety



**3. GOOD HEALTH AND WELL-BEING**

- Eliminated use of antibiotics in poultry business minimises risk of catching antibiotic-resistant bacteria.
- Strict Occupational Health and Safety procedures and training helps as to avoid fatalities and injuries causing long term consequences for our employees.

**5. GENDER EQUALITY**

- All employees of the Group are granted the same opportunities for professional development.
- No cases of discrimination were recorded within the Group.

**6. CLEAN WATER AND SANITATION**

- Rigid effluent and manure management practices are followed to avoid contamination of drinking water.

**7. AFFORDABLE AND CLEAN ENERGY**

- Virtually all electricity used within the group comes from renewable resources.
- We are working on reducing our dependency on third party energy.

**8. DECENT WORK AND ECONOMIC GROWTH**

- Over the reporting period, the turnover of the group reached EUR 1,896million.
- Annual total compensation reached EUR 52.5m.

**9. INDUSTRY, INNOVATION AND INFRASTRUCTURE**

- Promoting and implementing agriculture innovations is our daily business. We sell modern farm equipment and agricultural machinery.
- Our professionals train and advice local farmers.
- Modern equipment installed in own poultry and cattle farms contributes to increased animal welfare standards and production efficiency.
- Improved and less intensive packaging helps us and our consumers to reduce waste.

**10. REDUCED INEQUALITY**

- We employ more than five thousand people. Our Non-Discrimination and Human Rights,

**11. SUSTAINABLE CITIES AND COMMUNITIES**

- Child and Forced Labour Policies document our firm commitment to reducing inequality.

- A majority of our operations are based in economically stressed areas. Improved resilience and economic capacity of local communities is our strategic commitment.

**12. RESPONSIBLE PRODUCTION AND CONSUMPTION**

- We are the largest poultry producer in the region. AS Putnu fabrika Kekava and AB Vilniaus Paukštynas are members of the elite Ross® 420 Club, measuring European Production Efficiency Factor (EPEF)\*.
- Flour is an essential ingredient and a key component in human nutrition. AB Kauno Grūdai is a significant producer of flour, mixes and instant food in Lithuania. We are constantly improving procurement and production processes to increase product quality and efficiency.
- We develop a technological capacity to move towards more sustainable consumption and production patterns in agriculture.
- Farming and grain storage equipment installed by our professionals help our clients to increase operational efficiency.
- We focus on transparency by publishing balanced and accurate sustainability reports.
- The waste intensity in agriculture and food production is one of the lowest. Our strategic commitments include the reduction of waste directed to disposal.
- Vertical integration of the Group allows us to employ the nutrition loop internally. Manure is used as a fertiliser for crops, which are materials for cattle and poultry feed.
- Efficient food production, packaging and correct labelling contribute to the food waste reduction.
- Our business portfolio includes pest control services which help our partners and us avoid the loss of food materials in production and storage processes.

**13. CLIMATE ACTION**

- Cattle is a significant source of CO<sub>2</sub> emissions worldwide. We manage highly productive dairy farms. The Group is committed to increase milk production efficiency in order to reduce GHG emissions per unit of raw milk produced.
- Virtually all electricity used by the Group is generated from renewable resources.
- We are committed to shifting to renewable energy sources on production sites.
- We strive to increase CO<sub>2</sub> sequestration in soil by employing more sustainable agricultural practices.
- We are committed to further reducing Nitrogen use for fertilising our crops.
- We invest in agri-innovations by developing a precision farming system called Geoface.
- We are committed to promoting climate-positive agricultural innovations to our clients (local farmers).

**15. LIFE ON LAND**

- We manage 0.8% of the total arable land in Lithuania. Our goal is to avoid land degradation via sustainable and economically sound farming.
- Our agricultural activities and products sold to local farmers are designed to prevent the introduction and significantly reduce the impact of invasive alien species.
- On all our production sites, we take action to reduce the degradation of natural habitats and halt the loss of biodiversity.
- Eliminated use of antibiotics prevents the spread of resistant bacteria in the soil.

**16. PEACE, JUSTICE AND STRONG INSTITUTIONS**

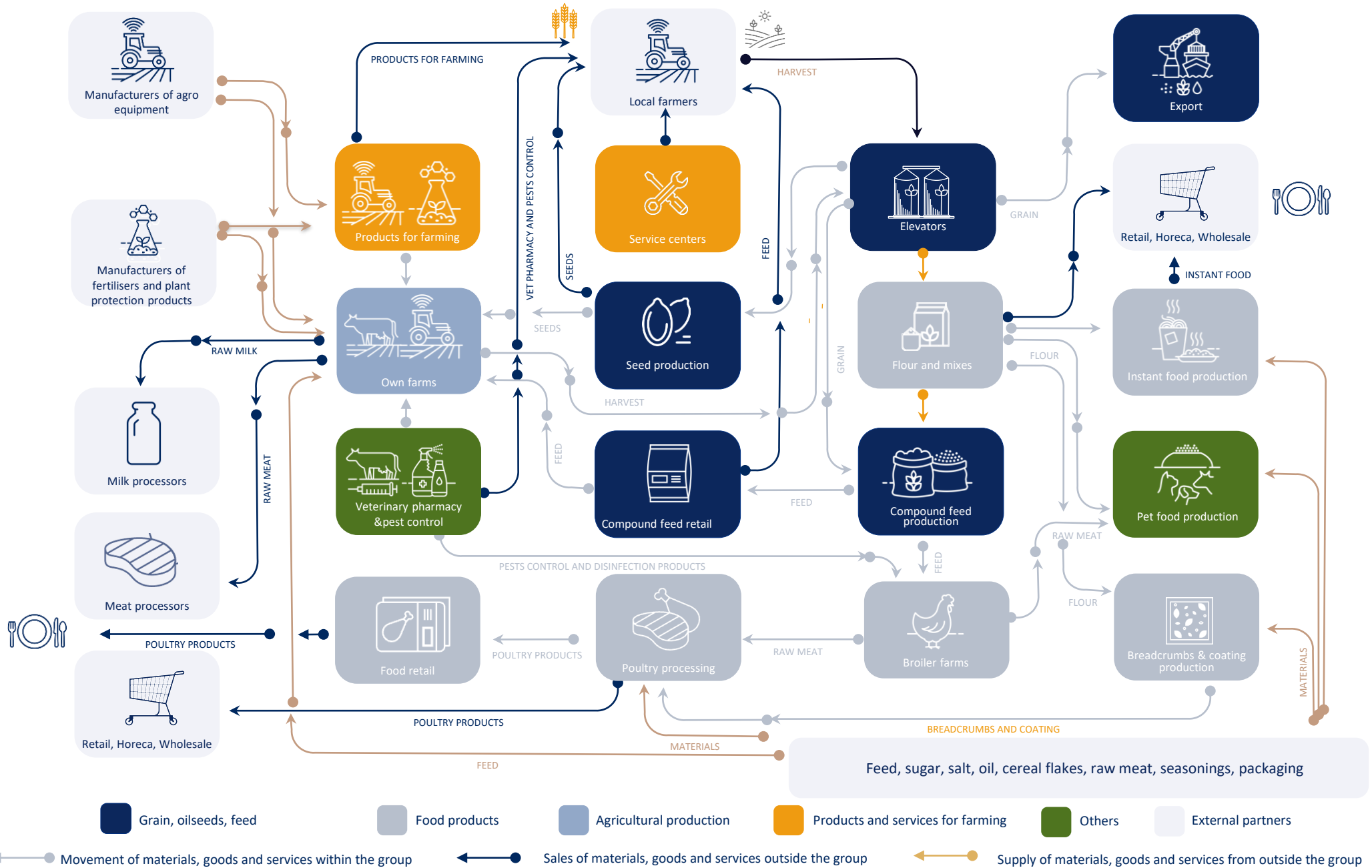
- We condemn corruption and bribery in all their forms.
- Refrain from participation in public policy.
- We are committed to maintaining transparent operations and timely reporting.
- Tax paid in profit-generating countries.

**17. PARTNERSHIPS FOR THE GOALS**

- We represent a significant share in exports of local countries.
- Strengthening domestic economics by developing production capacity.

\*European Production Efficiency Factor (EPEF) - standardized measure of farm performance (includes feed conversion, mortality, and daily weight gain results), used to compare broiler performance from different flocks and different regions.

The scheme below illustrates the main flows of key inputs and outputs inside the group as well as interactions between our companies and our key suppliers and clients.





Grain, oilseed trade  
 Ecologic grain and oilseeds  
 Grain storage and preparation  
 Feedstuff trade  
 Compound feed production  
 Logistic services

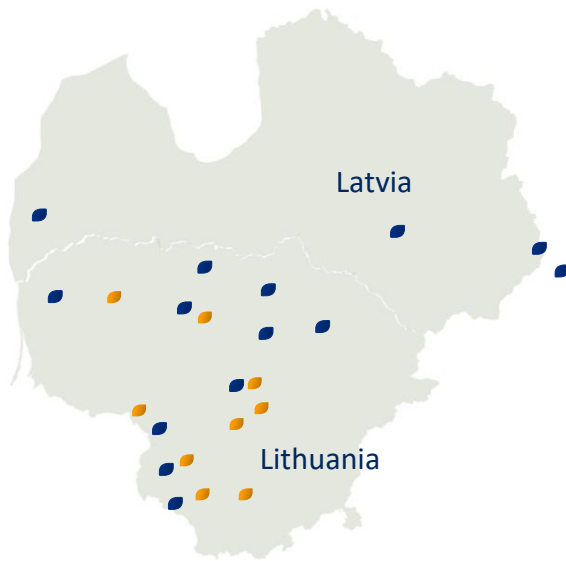


OUR LOCATIONS

KEY FACTS

OUR BRANDS

KEY EXPORT MARKETS



- Main export commodity is Lithuanian and Latvian wheat
- 564 thousand tons total capacity of grain storage
- 310 thousand tons storage capacity at ports
- 12 feed retail stores
- 40 trade directions
- 62% share in Group income



KEY COMPANIES

CERTIFICATIONS

SDGS

AB Linas Agro  
 UAB Linas Agro Grūdų centrai  
 UAB Jungtinė ekspedicija  
 AB Kauno grūdai  
 UAB KG Mažmena

UAB Kauno grūdai and partneriai  
 UAB Agro logistic service  
 SIA Linas Agro  
 SIA Linas Agro Graudu centrs  
 SIA KG Latvija

Linas Agro OU  
 TOV LINAS AGRO UKRAINA  
 KG Polska Sp. zo.o





## GRAIN TRADE

Crop cultivation is the backbone of global economy and the foundation of food system. We are an international player in grain trade market, exporting locally grown grain and oilseeds from Lithuania and Latvia to more than 40 markets worldwide.

For more than three decades we have been working to ensure a steady supply of high-quality locally grown grain and oilseeds. Our long-term success is built on fair and economically inclusive relations with local farmers and farming companies. We cherish trust of our suppliers and are always willing to share our profound experience by advising business partners on grain price fluctuations and business risks.

Farmers and farming companies deliver sowed harvest (food and feed wheat, rapeseed, barley, peas and beans, rye, triticale, oats and corn) directly from fields to our grain centres and partner elevators.

Our highly skilled and motivated professionals working at our grain centres are responsible for proper preparation of grain for export markets. Therefore, we are focused on increasing the demand and competitiveness of Lithuanian and Latvian grain in the highly competitive global market.

We strive to maintain high grain quality, so we have acquired GMP+, GTP, ISCC certificates for international trade, and have joined the GAFTA trade association, which obliges us to comply with extremely strict requirements.

## GRAIN STORAGE

Harvesting is very important for every farm. As farmers have a narrow time window for harvesting their crops, the two most important things in grain harvesting are speed and accuracy.

We operate 13 modern elevators, 10 of them in Lithuania: Joniškis, Kėdainiai, Vilkaviškis, Šiauliai, Pasvalys, Lukšiai, Jungėnai, Kartena, Kupiškis, and together with partners – in Gustonys (Panevėžys district). 3 grain storages operate in Latvia: Jēkabpils, Grobiņa, and Rēzekne.

At our grain centres, we are constantly innovating and looking for the best solutions in order to improve client experience and decrease service time. Automated presses in our laboratories ensure swift and reliable grain quality assessment. Integration of quality assessment system with our accounting programme allows smoother documentation of delivered harvest. As a result, we minimise the possibility of error and our clients do not waste time waiting.

Should farmers have capacity to prepare their harvest to match the appropriate parameters, grain can be delivered directly to the port. Modernised and automated reception process at the ports helps us manage cargo flows smoothly and helps farmers to minimise waiting time.

## FEED



This business line includes production and sale of bulk and bagged feed for poultry, pigs, cattle, and other animals, also feed material and feed additive trading. We produce compound feed for maturing breeders, laying hens, broilers, turkeys, quails, waterfowl, calves, dairy cows, lactating cows, beef cattle, piglets and fattening pigs, horses, fish, sheep, goats, rabbits, as well as baits for fish.

Feed materials entail trade in food by-products (such as sunflower cake, sunflower meal, rapeseed cake, soybean meal, sugar beet pellets, etc.) and vegetable oils. The portfolio of feeding products includes feed additives, such as licks, premixes, vitamins, amino acids, etc.

Upon the acquisition of KG Group by Linas Agro Group, AB on 15 July 2021, the feed production activities of the Group companies were carried out in small volumes, with a greater concentration on trade in feed materials until the beginning of this reporting period.

## RETAIL & WHOLESALE

12 dedicated AB Kauno Grūdai feed stores operate around Lithuania. Products are also available in our online store.

## ECO GRAIN PROCUREMENT

Driven by global consumer trends, organic farming is gaining momentum in Lithuania. In addition to possible health benefits, environmentally friendly farming practices reinforce the potential of infertile soils.

All organic produce is intensively regulated and must comply with the European Council regulations. All supply chain participants, beginning with seed producers, must have a valid Ekoagros certificate from the public institution, confirming that the sold organic products comply with the directives and requirements of the European Union.

AB Linas Agro has a certificate of trade in organic crop products issued by Ekoagros; our organic trade department buys harvest of organic grain and seeds from local farmers: oats, wheat, spelt, rye, barley, millet, beans, chickpeas, lupins, lentils, soybeans, rapeseed, sunflower seeds, flaxseed, hemp seeds, cumin, mustard, coriander, buckwheat. We run a dedicated elevator in Kartena which handles only organic grain.





Certified seed  
 Fertilisers  
 Plant protection products  
 Micronutrients  
 Agricultural machinery  
 Grain storage facilities and farm equipment  
 Spare parts and service  
 Smart farming system

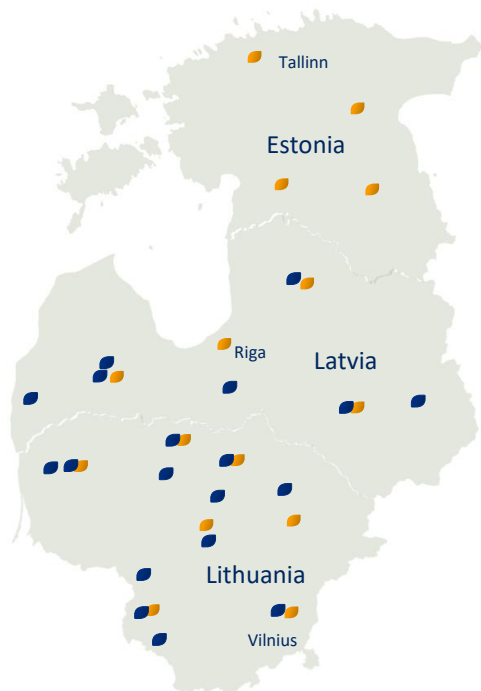


OUR LOCATIONS

KEY FACTS

OUR BRANDS

MARKETSHARES



- Seed production plant capacity 30 thousand tons heavy seeds (cereals and pulses)
- 19 outlets in Baltic
- 15 service centers
- 185 thousand tons total Group's warehousing capacity
- 20% share of group revenue



UAB Dotnuva Baltic's market share: For tractors (western type) - 12.2% For harvesters - 5.8%



SIA Dotnuva Baltic's market share: For tractors (western type) - 9.6% For harvesters - 17.0%



AS Dotnuva Baltic's market share: For tractors (western type) - 5.9% For harvesters - 3.0%

COMPANIES

CERTIFICATIONS

SDGs

AB Linas Agro  
 UAB Dotnuva Baltic  
 AB Kauno Grūdai  
 UAB GeoFace  
 UAB Linas Agro Grūdų Centrai

SIA Linas Agro  
 SIA Dotnuva Baltic  
 SIA Linas Agro Graudu Centrs  
 SIA KG Latvija

AS Dotnuva Baltic  
 Linas Agro OÜ



UAB Dotnuva Baltic, SIA Dotnuva Baltic and AS Dotnuva Baltic have joined the Case IH international quality network Red Excellence, which unites companies representing the Case IH brand in Europe.



### CERTIFIED SEEDS



Quality seeds is the cornerstone of food industry. We represent and distribute certified seeds most suitable for local soil and climate conditions. Our product portfolio consists of all locally grown crops, such as cereal, rape, corn, sugar beet, fodder, lawn grass, and bean plants.

### SEED MANUFACTURING

It is estimated that our brand "Dotnuva Seeds" accounts for 30% of certified seeds' market in Lithuania. In FY2021/2022, 25 thousand tons of certified seeds were produced in our own seed production plant located in Dotnuva.

UAB Dotnuva Baltic has a certificate for preparation and trade of organic seeds, issued by the PE Ekoagros.

During 2020/2021, we invested EUR 1.4 million into modern seed warehousing facilities, increasing production capacity by one-third by the end of 2022.

### CAREFUL ADVICE

Our dedicated teams of professionals look for the right solutions for each individual farm. We consult and give advice to attain the best possible yield and highest income.

We cooperate with the world's most famous agrochemical companies, which allows us to share and help implement the best world-class agricultural practices.

### FERTILISERS & MICRONUTRIENTS

We supply fertilisers for crops, garden, and vegetables. Our portfolio includes mineral, organic, micronutrient, and bio mineral fertilisers. Over the reporting period, the total volume of fertilisers sold amounted to 314 thousand tons.

### PLANT PROTECTION PRODUCTS

To ensure safety of crops, we offer a wide range of herbicides, fungicides, growth regulators, insecticides, glyphosates, etc. Over the reporting period, we have supplied 12 thousand tons of plant protection products.

The use of chemicals for plant protection in Lithuania is strictly regulated by the Law on Plant Protection.



### AGRICULTURAL MACHINERY

We are proud representers of world-class agricultural machinery in the Baltic States. Our portfolio of agricultural machinery includes everything necessary for successful farming: tractors, grain and forage harvesters, tillage, sowing and forage preparation machinery, sprayers and fertiliser spreaders, telescopic and articulated loaders, trailers and semi-trailers, irrigation and manure handling equipment.

In order to maintain representation rights, we must meet the highest quality requirements, so we are always trying to provide top class experience to all our clients.

We also sell and rent used machinery of high quality.

### SPARE PARTS AND SERVICE

Our professional maintenance services are designed to ensure maximum efficiency of our clients' farms so that our clients can focus on their direct farming activities.



### FARM EQUIPMENT



Our range includes feed production, grain drying, cleaning, sorting, baiting, transport and storage equipment, as well as air purification and dust collection equipment. Modern equipment installed by our teams of professionals contributes to increased energy efficiency, helps prevent loss of grain and materials caused by pests, mold, etc.

### REGULATED DRAINAGE

We are the experts in helping our clients to increase the efficiency and the long-term profitability of their fields. Our experienced engineers at Dotnuva Baltic are able to adapt the regulated drainage systems to the fields of a specific farm. This method of water management developed by "Ekodrena" helps reduce short-term water-related stress on plants.

### MODERN FARMING SOLUTIONS



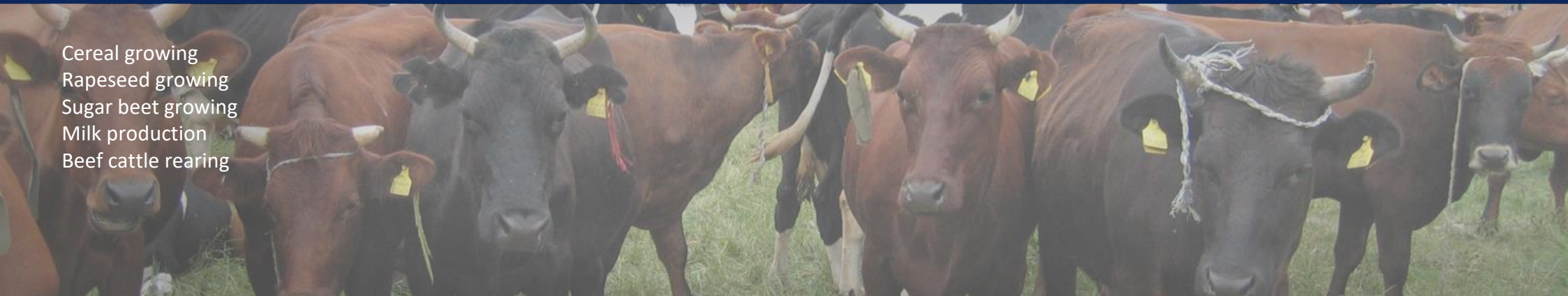
Precision farming is a key driver behind sustainable and profitable agriculture. Crop monitoring, spraying and fertilisation planning, as well as financial analysis, are the key functions of our smart agricultural system.

The faPAR\* algorithm used by Geoface analyses the part of the solar spectrum that is absorbed by chlorophyll in plants, thus enabling a highly precise estimate for the need of fertilisers and plant protection products.

Precision helps optimise fertilisers, which in turn makes farming more profitable and helps decrease GHG emissions associated with fertiliser application, and increases carbon sequestration in soil.

\*"faPAR" algorithm quantifies the fraction of the solar radiation absorbed by live leaves for the photosynthesis activity





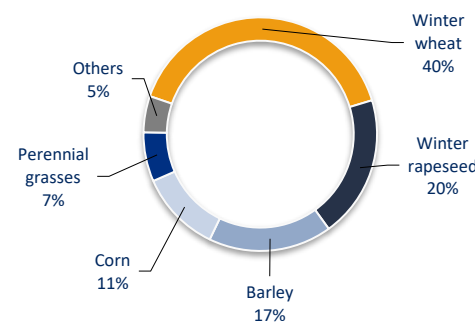
- Cereal growing
- Rapeseed growing
- Sugar beet growing
- Milk production
- Beef cattle rearing

OUR LOCATIONS

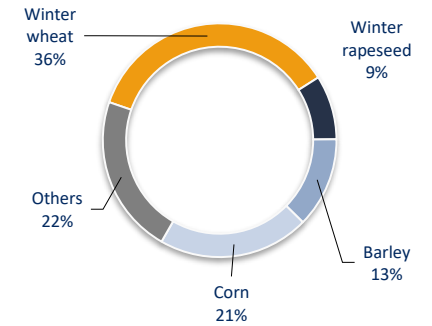


KEY FACTS

- 7** agricultural companies
- 18,258 ha** – arable land, out of which 5,919 ha owned
- 3,304** dairy cows
- 35.5 thousand tons** of raw milk
- 127 thousand tons** of crop harvest
- 420** full-time employees from local communities
- 2%** share in Group income



Agricultural area by crops, Linas Agro Group, AB 2021/2022



Harvest by crops, Linas Agro Group, AB 2021/2022

The development of agricultural activities are restricted by land resources, thus we are committed to nurture arable land to ensure business continuity.

Pesticide use and intensive agriculture are two main hazards for biodiversity, thus we are obliged to strictly follow existing regulations and apply precise measures such as timing and quantities of chemicals applied.

No invasive crops are cultivated within the Group.

KEY COMPANIES

Direct agricultural activities:

- Aukštadvario ŽŪB
- Labūnavos ŽŪB
- Lukšių ŽŪB
- Medeikių ŽŪB

Indirect agricultural activities:

- ŽŪB Nemunas
- Sidabravo ŽŪB
- Žibartonių ŽŪB
- UAB Linas Agro Konsultacijos
- UAB Landvesta 1
- UAB Landvesta 2
- UAB Landvesta 3
- UAB Landvesta 4
- UAB Landvesta 5
- UAB Landvesta 6
- UAB Noreikiškės
- UAB Lineliai
- Užupės ŽŪB
- UAB Paberžėlė

SDGs



## OUR CATTLE



By the end of the reporting period, the headcount of ruminants in our farms amounted to 7.3 thousand cows, bulls, and heifers.

## MILK PRODUCTION

According to the State Enterprise Agricultural Information and Rural Business Centre, over the reported period, our dairy cattle (3,304 cows) accounted for approximately 1.5% of total dairy cattle in Lithuania. Raw milk production over the reporting period reached 35.5 thousand tons (35.6 thousand tons of energy-corrected milk (ECM)), which accounts for 2.5% of total raw milk sold in Lithuania.

We are managing the most efficient dairy farms in Lithuania. In 2022, Sidabravo ŽŪB was officially recognised as the most efficient raw milk producer in Lithuania, followed by Šakiai District Lukšių ŽŪB. In 2021, Šakiai District Lukšių ŽŪB ranked first, followed by Sidabravo ŽŪB as a runner-up.

We understand that higher productivity levels are highly dependent on the life quality of the animals. In addition, higher farm efficiency helps us reduce resource intensity without compromising the quality of produced milk. Therefore, farming companies cooperate closely with other professionals within the Group to develop the most sustainable industrial milk production.

## COWS AND CLIMATE CHANGE

Absolute emission reduction is critical, as the world moves towards carbon neutrality by 2050. We recognise the responsibility of the dairy sector to develop sustainably; however, the mitigation potential of the industry will remain limited by biological processes.

In 2021/2022, total enteric emissions by our ruminants accounted for 16% of total Scope 1 GHG emissions generated by Group activities.

In order to reduce negative impacts of milk production, we focus on efficiency of dairy farming to achieve declining emission intensity per product unit.

Over the reporting period, average enteric GHG emissions per ton of ECM produced by our dairy cattle amounted to 0.378t CO<sub>2</sub>eq. Meanwhile, GHG emissions associated with milk produced in Lukšių ŽŪB (officially the most efficient dairy farm in Lithuania in 2021) were equal to 0.317t CO<sub>2</sub>eq per ton of ECM.

## ANIMAL WELFARE

A better life quality of the cattle is our prime focus in animal rearing business sector. Animals are sentient beings; managing livestock is a very delicate and responsible process. All our farms adhere to the local standards as well as those issued by the European Union.

We are committed to implementing proper and modern farming processes and ensuring the best possible conditions. Highly skilled professionals are responsible for providing balanced nutrition, skilled care, and disease prevention. The living environment provides all animals the opportunity to behave and develop naturally. A special attention is given to the hygiene and sanitation of the cow farms.

Managing directors of farming companies are obliged to ensure the compliance to animal welfare standards at all phases of animal lifecycle. Compliance assessment is conducted regularly on a farm level.

## WATER BEDS

A double water bed allows our cows to form the most comfortable bearing and have a sound rest. Water inside the bed facilitates the heat exchange and eliminates the risk of heat-related stress.

Special water bed coating is less damaging to cows' feet, which results in fewer diseases and bruises.

Water beds are mounted in longitudinal metres, so that the fluid does not intermix (which would lead to bacterial accumulation). Water beds are balloon-shaped; when a cow stands up, all the liquid runs on the manure path, reducing the risk of mastitis.

## CROP PRODUCTION

According to the State Enterprise Agricultural Information and Rural Business Centre, over the reported period, arable land managed by our farming companies accounted to approximately 0.62% of total arable land in Lithuania.

Crops are the core component of food industry. In 2021/2022, we harvested 127 thousand tons of different sorts of grain.

## SOIL HEALTH



Soil is an essential ecosystem that delivers valuable service, such as the provision of food, energy and raw materials, carbon sequestration, water purification, nutrient regulation, pest control, and support for biodiversity and recreation.

We have run the agricultural business since 1993. The area of managed land limits the development of this segment; therefore, we are bound to make sure the soil is managed in a balanced and sustainable manner.

Since 2016, all our farms are shifting their focus towards more sustainable agricultural practices:

- 🌱 Reducing tillage
- 🌱 Avoiding soil compaction by the reduced number of treatment
- 🌱 Introducing cover crops
- 🌱 Better crop rotations
- 🌱 Organic fertilisers: in total, organic fertiliser used amounted to 90 thousand tons per reporting period
- 🌱 Mineral fertilisers and precision farming: we analyse the state of our crops to apply fertilisers in a timely manner based on specific crop needs

## SOIL AND GHG EMISSIONS

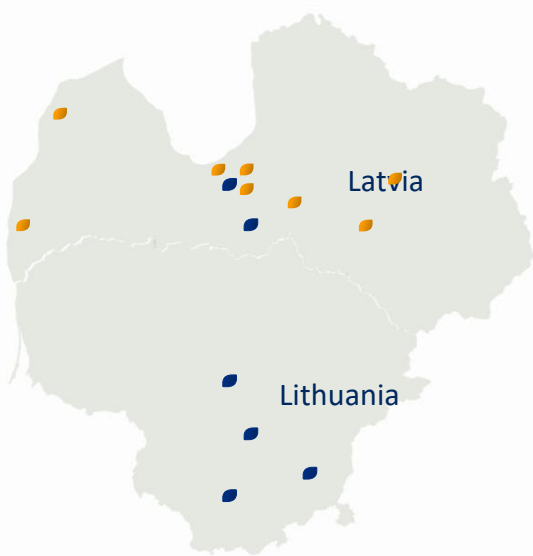
Agricultural soil is a dynamic biological system that sequesters and emits greenhouse gases. In 2021/2022, total emissions from managed soils amounted to 23.6 thousand tons of CO<sub>2</sub>eq or 17.6% of total Scope 1 emissions by the Group. The most conservative estimate indicates that the soil sequestered approximately 20 thousand tons of CO<sub>2</sub>eq. Therefore, adjusted to estimated sequestration, total emissions from managed soils amount to 2.4% of the entire Scope 1 GHG emissions by the Group.



Full poultry manufacturing cycle:

- Feed mill plant
- Parent flocks, hatching
- Chicken from locally laid eggs
- Broiler
- Poultry meat products
- Manufacture and wholesale of flour, flour mixes, breadcrumbs, breeding mixes, instant foods

OUR LOCATIONS



KEY FACTS

- Top poultry producer in LV and LT
- 65% antibiotics free birds in Lithuania  
100% antibiotics free birds in Latvia
- 50.9 million broilers per year
- 21 Retail shops (SIA PFK Trader)
- Major flour producer in Lithuania
- Private label contractor
- Sole producer of instant noodles in the region

OUR BRANDS



KEY EXPORT MARKETS



COMPANIES

Poultry business

- |  |   |
|--|---|
| AS Putnu Fabrika Kekava,<br>SIA Cerova | SIA Broileks,<br>UAB Alesninkų Paukštynas |
| AB Vilniaus Paukštynas                 | UAB Domantonių Paukštynas                 |
| AS Putnu Fabrika Kekava                | UAB Lietbro,                              |
| SIA Lielzeltīni,                       | AB Zelvė                                  |
| UAB Avocete                            | SIA PFK Trader                            |

Flour products

- AB Kauno Grūdai
- UAB Šlaituva

Management & logistics

- UAB VKP Valdymas
- UAB KP Valda
- UAB KG Distribution
- UAB KG Logistika
- UAB VP Valda

CERTIFICATIONS



SDGs



**A NEW BUSINESS LINE FOR THE GROUP**

Flour products were added to our business portfolio amid the acquisition of Kauno Grūdai Group. Flour is one of the most widely used ingredient and is the basis for a wide range of products.

**FLOUR**

The beginning of milling business of KG Group dates back 120 years. The flour milling industry is a vibrant sector that combines traditional skills with modern technology to produce a wide range of flours. Quality flour production is one of the cornerstones of food industry.

Upstream, we are a reliable partner for local farmers: in 2021/2022, AB Kauno Grūdai procured 306 thousand tons of local harvest, 30% of which was used for flour production in our mill.

All grain is carefully tested in our own laboratory; optical sorting technology ensures the highest precision in removing all impurities and defected grain.

Downstream, we are a key player in multiple fields, from industrial bakeries to household kitchens.

**FLOUR MIXES**



We offer flour mixtures for pancakes, chocolate cake, doughnuts, kibins, pizza, cupcakes, and we keep introducing new options for those who are looking for hustle-free cooking experience at home.

**INSTANT NOODLES**



Since 2011, AB Kauno Grūdai has been producing instant noodles. Our factory sources only the finest and most exotic materials from overseas as well as in the local market and remains the only instant noodle manufacturer in the Baltic States. Products are exported to 23 countries all over the world, including Spain, Germany, France, Holland, and Scandinavia.

We produce palm oil, flavour enhancers, preservatives, synthetic color-free product lines. Natural exotic additives, such as coconut, mushrooms, or green curry, enrich this product range and add an exceptional taste to Sun Yan Nature noodles.

Noodles are packed in pouches and cups.

**INSTANT PORRIDGE**

Whole grain oatmeal, buckwheat, or couscous porridge is an excellent source of dietary fiber for everyone.



Dairy free



Source of fibre



Quick and easy to prepare



Feeling full for up to four hours



Low fat



Low in sugar



No added sugar



Better for you

According to research carried out by the Lithuanian Sports University, eating 70 grams of Activus porridge will maintain the feeling of fullness for at least four hours.

The dairy-free product line is for vegans or those who suffer from lactose intolerance. No sugar added – for healthy eating.

**FOOD SAFETY**

Ensuring highest quality and safety is our primary responsibility to society. All our products are “Ready to cook”, thus the key issues are to prevent physical contamination and ensure top class pest control.



**PRIVATE LABEL CONTRACTING**

More than 40 major foreign companies, including large supermarket chains, trust their private label production to AB Kauno Grūdai.

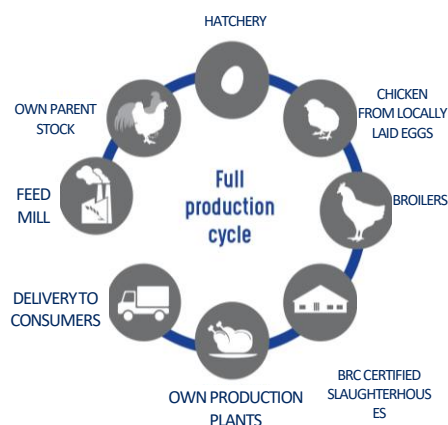
We are ready to produce instant food products based on clients’ recipes or the ones created by our R&D team.

Product assortment for Private Label: instant noodles, pasta, oatmeal, buckwheat, couscous, rice, granola, muesli, superfood mix.

The majority of highest quality raw materials for instant noodles are made by AB Kauno Grūdai. Constantly improving recipes will allow your customers to enjoy only the highest quality products.



## WHOLE CYCLE POULTRY BUSINESS



Life of a broiler chicken begins at our own hatcheries from fertilised eggs produced by parent flocks raised in our poultry farms. Our dedicated professionals ensure the genetic diversity and strength of the flock. Eggs are collected from laying hens and are sent to a special hatchery for 21 days.

Approximately 165-170 thousand chicken hatch on average at our hatcheries everyday. After the first day of life, chicks are delivered to clean poultry houses. Depending on the size of a poultry house, 22-35 thousand broilers are raised in the best possible conditions for 39-42 days in LT and 37-39 days in LV.

The diet of our birds must address their needs at all stages of their life. Large part of ready-to-serve feed is mixed and prepared locally.

All birds are slaughtered in compliance with the strictest requirements and ensuring highest animal welfare standards.

We process fresh meat in own production plants. Today we are able to offer an ever growing range of products.

Poultry business is highly regulated; compliance breaches might result in an immediate revoke of our activities or/and substantial fines.

### ANIMAL WELFARE

We are committed to and responsible for meeting the animals' physiological and etiological needs from hatching to slaughtering.

All our companies engaged in poultry farming business are obliged to comply with national and European Union laws and regulations, including the world-renowned animal welfare standard, or The Five Freedoms:

- 🌿 **Freedom from thirst, hunger and malnutrition:** all birds are provided with free access to water and balanced nutritious feed based on animal needs by breed, age, and life stage.
- 🌿 **Freedom from fear and distress** by ensuring conditions and treatment, which allow to avoid mental suffering. We provide animals with gentle and attentive care at all times: while growing, during transportation to the slaughterhouse, and throughout the slaughter process.
- 🌿 **Freedom from physical and heat-related stress and discomfort.** We provide a safe and comfortable living space for animals, protecting them from frost, rain, draught, extreme temperatures, and predators. They are raised in large, open broiler houses. The houses are well-equipped with mechanical systems to deliver feed and water to the birds, and have environmental systems to provide a comfortable and protective environment, including ventilation systems and heaters. Rest period is provided, including the period of darkness.
- 🌿 **Freedom from pain, injury, and disease.** Our team of highly trained qualified professionals is constantly monitoring all birds and ensure humane treatment of sick animals and slaughter animals. Animal health surveillance, disease prevention, and control are performed by certified veterinarians.
- 🌿 **Freedom to express normal behaviour.** We provide animals with sufficient space, dry, clean, and soft bedding, and company of the birds' own kind.

### RAISED WITHOUT ANTIBIOTICS



SIA Putnu Fabrika Kekava is among the leading poultry companies in Europe, which managed to reach 100% antibiotic-free meat production. The most important thing for us is to ensure very good conditions for the chickens to grow, so that they do not get sick and there is no need to treat them with antibiotics. As a result, all fresh chicken raised in Latvia and 60-65% of chicken meat in Lithuania is raised without antibiotics.

Social benefits of antibiotic-free chicken meat:

- 👍 Minimised risk of catching antibiotic-resistant bacteria
- 👍 Healthier diet without antibiotic exposure
- 👍 Growing demand for healthier food options encourages us to improve the quality of life for our animals

Environmental benefits of antibiotic-free chicken meat:

- 🌿 Preventing the spread of resistant bacteria via manure used as an organic fertiliser in local farms

### FOOD SAFETY

It is our prime responsibility to ensure all food safety risks are managed soundly:

- 👍 Effective salmonella prevention
- 👍 Helping our consumers minimise food waste through product preparation process and effective packaging

### BIOSECURITY

Biosecurity refers to procedures used to prevent the introduction and spread of disease-causing organisms in poultry flocks. All people who come into contact with chicken must follow strict biosecurity standards:

- 👍 Keeping visitors to the minimum
- 👍 All visitors must take a shower before entering farming spaces
- 👍 All visitors must wear personal protective equipment at all times
- 👍 People showing symptoms of contagious illness are not allowed to the chicken barn
- 👍 Ensuring sound rodent and pest control
- 👍 Avoiding contact with wild or non-commercial birds
- 👍 Controlling humidity and ensuring good ventilation
- 👍 Making sure all facilities are cleaned and maintained to the maximum standard

### QUALITY

Poultry meat processing is a robustly regulated business. The EU has [marketing standards for poultry](#); these are designed to improve the quality of product, protect the consumer, and make sure that standards are consistent throughout the EU marketplace.

All our suppliers are carefully assessed to ensure top quality and highest compliance standards. Our quality assurance system ensures that every product reaching consumer table is traceable back to the original source of ingredients.

### RETAIL

We run 21 specialised poultry retail shops in Latvia, offering a full range of our products to local customers looking for 100% antibiotics-free locally raised and processed chicken meat and its products.

- Pest control
- Hygiene products
- Disinfection
- Pet food production and sales
- Veterinary pharmacy
- Other



OUR LOCATIONS

KEY FACTS

OUR BRANDS

KEY EXPORT MARKETS



Lithuania

Pet food factory in Alytus



Extruded products, pet food  
 Veterinary pharmacy  
 Pest control, disinfection



Own extruded pet food  
 manufacturing factory in Alytus



AB Kauno Grūdai has pharmaceutical  
 license for wholesale distribution



2% share in Group income



KEY COMPANIES

- AB Kauno Grūdai
- UAB Baltic Fumigation Services

SDGs





## ANIMAL AND PET HEALTHCARE

### VETERINARY PHARMACY

Our veterinary business line offers the most advanced means of disease prevention and treatment for animals and pets:

- Selection of feed and feed additives
- Veterinary medicine and tools for veterinary pharmacies, veterinary doctors, clinics, and pet shops
- Professional consultation for veterinarians
- Individual customer information about market innovations

- Regular training seminars

### TRAININGS, SEMINARS

Educating veterinary community helps raising quality standards, saving animal life and maintaining business segment development. Our professionals and partners share their experience, insights, and present veterinary pharmacy novelties.

In addition, we hold the largest biannual veterinary pharmacy congress in the Baltic States, "VET Congress", which attracts hundreds of participants not only from Lithuania, but also from foreign countries. During the congress, we delve into trends in veterinary medicine, advanced practice solutions, and innovations in veterinary pharmacy.

### FOOD WASTE PREVENTION VIA PEST CONTROL

Since 2021, AB Kauno Grūdai has been offering pest control services and products.



We help our clients build integrated pest control programmes in compliance with BRC, ISO, and other certifications. Pest control is a critical process ensuring the quality of food materials, produced and stored food. Everyday we help our Group companies and clients assure food safety and quality, and prevent loss of materials and production.

### DERATIZATION

We offer a full scale of products and tools for observation, repelling, destruction of rodents using special methods and tools.

### DESTRUCTION OF INSECTS

Insects might cause a large-scale irreparable damage for food industry; thus, a complex of measures that includes prevention, monitoring, repelling, and destruction of arthropods using various methods and tools must be considered at all times.

### DETERMINATION OF PESTS IN WAREHOUSES

Up to several dozen types of pests are found in storage facilities. Cereal pests multiply very quickly; they damage and contaminate huge quantities of grain and other products that are no longer suitable for use, causing significant financial damage. Fumigation can be carried out in warehouses with infected grain or other products.

### DISINFECTION

Our team helps prevent and remove mold and microorganisms by performing prophylactic and focal disinfections.



To ensure human health and safety, these services are essential in public gathering places, such as shops, schools, hospitals, public catering, etc. In addition, disinfection is necessary in poultry and livestock farms, as well as manufacturing facilities processing the products of animal origin.

### BIRD CONTROL

Wild birds, such as pigeons, might cause damage to storage and production facilities; therefore, we offer sustainable and modern solutions for the protection of materials and products.

### FREEZE-DRIED PET FOOD

AB Kauno Grūdai has been producing pet food for almost 30 years.

We offer economically inclusive brands, such as "Canis" and "Aport", providing pet owners with an opportunity to maintain proper nutrition for their pets.

In 2020, a super premium pet food production line was launched in Alytus.

"Freeze-dried raw coated" is an innovative technological solution which offers an exclusive taste to "QUATTRO" products and enriches them with naturally preserved nutrients necessary in daily nutrition.

"QUATTRO" dog food contains 58-83% of animal proteins to ensure that the natural nutritional needs of dogs are met.

"QUATTRO" cat food contains 64-73% of animal proteins for better nutrition and health of cats.





TRANSITION RISKS

PHYSICAL RISKS

SHORT- AND LONG-TERM IMPACTS

INDICATED EFFECTS ON VALUE CHAIN

OUR APPROACH

REPUTATION

- Growing general concerns about carbon intensive businesses
- Growing pressure on dairy industry
- Growing expectations for responsible manufacturing
- Threats to securing social license to operate

POLICY AND LEGAL

- Tightening regulation and supervision of carbon intensive businesses
- Financing restrictions related to GHG emissions
- Introduction of carbon pricing

TECHNOLOGY

- Expensive technology development
- Scarcity of components for fast developing technology
- Lack of the infrastructure

MARKET

- Shift from dairy to plant-based milk products
- Increased prices for electricity
- Increasing costs of mineral fertilisers
- Increased prices for feed (raw material), such as soy

CHRONIC

- Higher livestock mortality rates due to increase in temperature and number of hot days
- Increasing yield volatility due to changing climate conditions
- Soil erosion
- Irregular seasonal weather conditions
- Overall reduction in livestock productivity

ACUTE

- Increasing number of storms
- Precipitation volatility and lower predictability
- Damaged crops
- Extreme cold during winter

- Shift in procurement practices, such as strict environmental assessment downstream the supply chain
- Opportunity to enhance reputation and brand value
- Opportunity to engage with stakeholders consistently

- Increased production costs

- Increased demand for energy-efficient lower-carbon products
- New technologies that disrupt markets

- Increased volatility in grain prices
- Grain deficit
- Compromised reliability of material supply
- Reduced energy demands for heating of farms
- Increased water demands for cooling farms
- Possible shift in species of profitable crops
- Increased yields of crops

- Improving transparency (regular non-financial reporting)
- Improved accounting of non-financial impacts on environment and society
- Monitoring changes in regulation through supply chain
- Active engagement with stakeholders

- Prioritisation of energy-efficient investments
- Tracking and implementing sustainable innovations
- Improving livestock productivity in order to reduce GHG emissions associated with milk production
- Vertical integration of feed production business
- Shift to renewable electricity
- Improving energy efficiency

- Employing sustainable agriculture practices
- Developing precision farming tools
- Livestock is highly sensitive to extreme temperature changes
- Assessing and implementing advanced control of the microclimate
- Operating broiler houses at full capacity with bird flocks of uniform size is a common practice, one which enables more accurate control of the microclimate inside the barn and improves efficiency
- Improved Climate Change Scenario
- Promoting climate-positive agriculture innovation in products and services for farms

We performed qualitative climate change risk analysis based on TCFD (Task Force on Climate-related Financial Disclosures) reporting principles. Quantitative analysis was chosen over the qualitative analysis due to the limited reliable tools and scenarios to assess climate change-related risks specific to our region and business lines. We understand that quantitative climate change scenario analysis would be of value for our stakeholders and eventually we would have reliable tools to model possible long-term effects on our supply chains and business lines.

Please consult [GHG INVENTORY](#) for specific climate change disclosures published by the Group.





	Grain, oilseeds, and feed*		Products and services for farming		Agricultural production		Food products		Group level	
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021
Renewable energy										
Biofuel	0	0	0	0	0	0	4.5	0	4.5	0
Electricity	20.1	2.4	0.83	0.83	3.4	3.5	67.3	22.5	91.67	29.3
Non-renewable energy										
Natural gas	36	0	0.04	0.04	0	0	261.5	83.7	297.54	83.74
Electricity	0	0.4	0.18	0.18	0	0	0.29	0.27	0.47	0.85
Diesel for transportation	2.90	2.70	5.32	4.94	0	0	17.00	3.96	25.22	11.50
Diesel for heating of elevators	0.55	0	0	0	1.97	2.60	0	0	2.52	2.60
Diesel in agriculture	0	0	0	0	24.51	23.90	0	0	24.51	23.91
Petrol for transportation	0.53	0.5	0.48	0.39	0.05	0.09	1.9	0.27	2.96	1.25
LPG for transportation	0.03	1.0	0	0	0	0	0.23	0	0.26	1.00
LPG for heat production	3.95	2.8	0.18	0	0.38	0.72	0	0	4.51	3.52
Heating	0.4	0.5	0.38	0.26	0.01	0.01	0.07	0	0.86	1.75
<b>TOTAL ENERGY USED</b>	<b>64.46</b>	<b>10.3</b>	<b>7.41</b>	<b>6.64</b>	<b>30.3</b>	<b>30.82</b>	<b>352.79</b>	<b>110.7</b>	<b>454.97</b>	<b>158.46</b>
<b>% of renewable energy</b>	<b>31.2%</b>	<b>23.3%</b>	<b>11.1%</b>	<b>12.5%</b>	<b>11.2%</b>	<b>11.4%</b>	<b>19.8%</b>	<b>20.3%</b>	<b>21.1%</b>	<b>18.5%</b>

\* Includes energy consumption for flour products, instant food, and segment of Other activities

Energy consumption GWh, Linas Agro Group, AB, 2020/2021-2021/2022

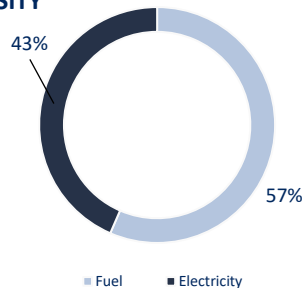
As a result of the integration of Kauno Grūdai Group, our consolidated energy consumption almost tripled and reached 454.97 GWH. Group-wide, natural gas consumption accounts for 65% of total energy used. 87% of total natural gas was used in poultry production. Poultry business is particularly sensitive to temperature; thus, energy savings are mostly related to better insulation of buildings and the introduction of alternative energy sources. All poultry houses and production facilities are regularly audited to assess the need for energy efficiency-related investments. In 2022, we upgraded heating system in AB Vilniaus Paukštynas hatchery.

Virtually all electricity consumed by the Group companies came from renewable resources. In total, renewable energy amounted to 21.1%. Crop cultivation was the key contributor to the consumption of fuel, 40% of fuel-generated energy was required for crop production. Introduced sustainable agricultural practices reduce the number and extent of operations over grain production cycle, resulting in reduced fuel consumption and increasing energy efficiency.

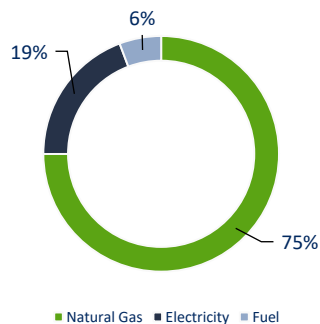
ENERGY INTENSITY



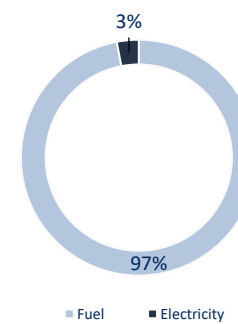
0.08 MWH/T



3.3 MWH/T



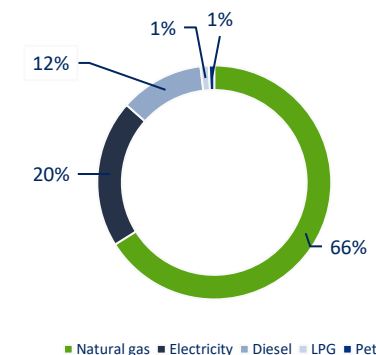
0.16 MWH/T



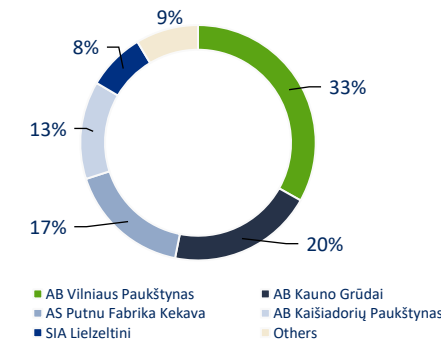
Energy intensity and energy mix, milk production, Linas Agro Group, AB 2021/2022

Energy intensity and energy mix, poultry production, Linas Agro Group, AB 2021/2022

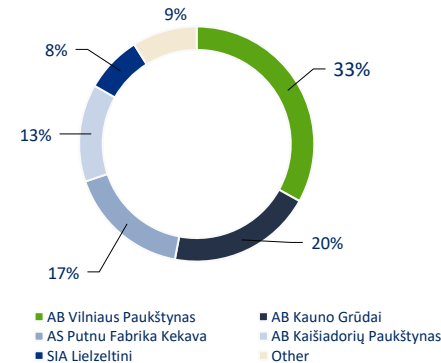
Energy intensity and energy mix, crop production, Linas Agro Group, AB 2021/2022



Energy mix GWh, Linas Agro Group, AB 2021/2022



Natural gas consumption on company level, Linas Agro Group, AB 2021/2022



Electricity consumption on company level, Linas Agro Group, AB 2021/2022



**SCOPE 1:** Direct GHG emissions occur from sources that are owned or controlled by the Group. GHG emissions not covered by the Kyoto Protocol, e.g., CFCs, NOx, etc., are not included in Scope 1. Total Scope 1 GHG emissions over the reported period accounted to 133.8 thousand tons of CO<sub>2</sub>eq. We estimate that sequestration of organic carbon in managed soil could account for 20.8 thousand tons of CO<sub>2</sub>eq, which could potentially reduce our Scope 1 emission down to 113 thousand tons of CO<sub>2</sub>eq.

Type of key GHG gases	CO <sub>2</sub>	N <sub>2</sub> O	CH <sub>4</sub>	CO <sub>2</sub>	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	CH <sub>4</sub>	HFCS
Source									
	NATURAL GAS FOR PRODUCTION	SOIL MANAGEMENT	CATTLE ENTERIC FERMENTATION	FUEL (EXCLUDING AGRICULTURE)	DIESEL IN AGRICULTURE	POULTRY ENTERIC FERMENTATION	MANURE MANAGEMENT CATTLE&POULTRY	REFRIGERANTS	
% share in Scope 1 not adjusted for sequestration	<b>39.3%</b>	<b>17.6%</b>	<b>16%</b>	<b>4.7%</b>	<b>6.6%</b>	<b>8%</b>	<b>6.6%</b>	<b>1.2%</b>	
% share in Scope 1 adjusted for sequestration	<b>46.5%</b>	<b>2.4%</b>	<b>18.9%</b>	<b>5.8%</b>	<b>7.7%</b>	<b>9.5%</b>	<b>7.9%</b>	<b>1.3%</b>	

Scope 1 GHG emissions by source, thousand tCO<sub>2</sub>eq, LINAS AGRO GROUP, AB 2021/2022

**SCOPE 2:** represents emissions that our companies caused indirectly when the energy (electricity and heating) we purchase has been produced by third party providers. 99.5% of electricity consumed by the Group companies came from renewable sources; thus, Scope 2 GHG emissions are virtually non-existent. Essentially, the difference between location-based and market-based volumes of GHG emissions equals to avoided GHG emissions; in other words, we avoided 35.2 thousand tons of CO<sub>2</sub>eq in 2020/2021.

	Grain, oilseeds, feed		Products & services for farming		Agricultural production		Food products		Group level	
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021
Scope 1	8.3	1.1	1.5	1.8	55.0	58.0	69.0	24.5	133.8	85.4
Scope 2 (location-based)	8.1	1.3	0.5	0.5	1.3	1.3	26.0	8.8	35.9	11.9
Scope 2 (market-based)	0.07	0.4	0.2	0.1	0.0	0.0	0.1	0.1	0.4	0.6
Scope 3	410.1	124.8	26.3	29.4	25.9	26.3	90.2	36	552.5	216.5
Total (location-based)	426.5	127.2	28.3	31.7	82.2	85.6	185.2	69.3	722.2	313.8
<b>TOTAL (market-based)</b>	<b>418.5</b>	<b>126.2</b>	<b>28.0</b>	<b>31.6</b>	<b>80.9</b>	<b>84.3</b>	<b>159.3</b>	<b>60.6</b>	<b>686.7</b>	<b>303.7</b>

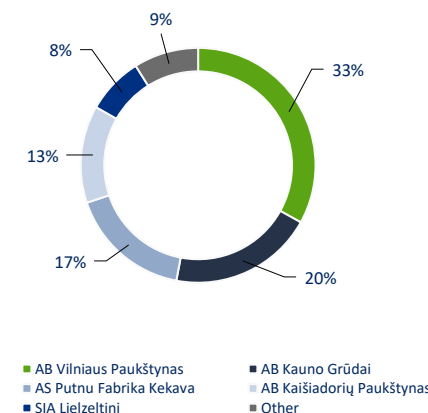
GHG emissions by business segments, thousand tCO<sub>2</sub>eq, LINAS AGRO GROUP, AB 2020/2021 – 2021/2022

**SCOPE 3:** Other indirect emissions are consequences of the activities of the company, but occur from sources neither owned, nor controlled by the Group. We acknowledge the lack of reliability of final numbers for Scope 3 calculations due to wide range and complexity of data which is not directly available. We are ready to improve data collection process through supplier assessment in the future.

Group activity	Flour products, feed, instant food	Grain, oilseeds, feed	Poultry business	Instant food	Pet food	Agricultural production	Group-wide
Source							
	PRODUCTION OF PROCURED GRAIN AND GRAIN PRODUCTS	TRANSPORTATION OF GRAIN TRADED	FEED PRODUCTION	COOKING OIL	RAW MEAT PRODUCTION	PRODUCTION OF FERTILISERS	UPSTREAM & DOWNSTREAM TRANSPORTATION
% share in Scope 3	<b>34.4%</b>	<b>18.1%</b>	<b>9.8%</b>	<b>5.9%</b>	<b>4.5%</b>	<b>3.2%</b>	<b>18.7%</b>
							PRODUCTION OF OTHER INPUTS AND TRANSMISSION OF ENERGY
							<b>5.4%</b>

Scope 3 GHG emissions by activity, thousand tCO<sub>2</sub>eq, LINAS AGRO GROUP, AB 2021/2022

For detailed GHG inventory and methodology please consult [ANNEX VII GHG INVENTORY](#)



TOP 5 Scope 1 GHG sources company level, Linas Agro Group, AB 2021/2022

Indicator	2021/2022
t CO <sub>2</sub> eq/employee	26.6
t CO <sub>2</sub> eq/revenue (million Eur )	70.6
t CO <sub>2</sub> eq/ton ECM*	0.378
t CO <sub>2</sub> eq/poultry meat (live weight)	0.650
t CO <sub>2</sub> eq/ton wheat	0.251
t CO <sub>2</sub> eq/ha arable soil	1.269

\* Energy corrected milk

Scope 1 GHG emission intensity, thousand tCO<sub>2</sub>eq, LINAS AGRO GROUP, AB 2021/2022

Emission source	tCO <sub>2</sub> eq	%
Production of inputs	336	60.8%
Transportation of grain traded	100	18.1%
Downstream transportation of products	50	9.0%
Upstream transportation of inputs	27	4.9%
Transportation of products for farmers	26	4.8%
Well to tank (fossil fuels)	11	1.9%
Other	2.5	0.5%
<b>Total</b>	<b>552.5</b>	<b>100 %</b>

Scope 3 GHG emissions by source, thousand tCO<sub>2</sub>eq, LINAS AGRO GROUP, AB 2021/2022





In this section, we review key materials used to make our products. When compiling the information, we revised the supply chains of our key business lines and focused on the following product categories. In comparison to materials used for food production, materials used in other business segments have no material impact to the Group's performance.

## CATTLE



Cattle breeding and milk production is a circular business; virtually all material inputs for the business segment are renewable. In turn, cow manure is used to fertilise crops which are consequently used as feed for the animals.

On average, 82% of total feeding material was grown and prepared independently by our agricultural companies. More than half of remaining feedstuff was procured within the Group.

Data below presents input volumes for all our cows, heifers, and bulls.

	2021/2022	2020/2021
<b>RENEWABLE MATERIALS</b>		
Maize	30,216	32,680
Hay	12,467	11,450
Grass silage	10,361	10,200
Compound feed	7,940	5,048
Rape seed	2,782	3,703
Sugar beet slices	2,550	3,097
Any type feed grains	1,705	3,146
Other	2,834	2,686
<b>Total renewable</b>	<b>70,855</b>	<b>72,010</b>
<b>NON-RENEWABLE MATERIALS</b>		
Vitamins, premixes, food supplements	1,179	1,043
Other	1.1	1.1
<b>TOTAL MATERIALS</b>	<b>72,035</b>	<b>73,054</b>
% renewables	98.4%	98.6%

Materials for cows, Linas Agro Group, AB, 2021/2022 – 2020/2021

## CROP PRODUCTION



Consolidated agronomic know-how and exposure to the most innovative solutions Group-wide contribute to the more sustainable management of crop fields. We are constantly working to optimise the productivity of our crops to obtain better value for the society in the form of food and to keep adverse effects on the environment at the lowest possible level.

In absolute volume terms, organic fertilisers, such as slurry and solid manure, accounted for 90.5% of the total input used for crop production at our fields.

We believe agriculture will remain one of the most innovative traditional businesses, and rapidly developing technology would help us reach even higher precision levels for applying mineral fertilisers and plant protection products.

	2021/2022	2020/2021
<b>RENEWABLE MATERIALS</b>		
Slurry	43,649.0	39,543.2
Solid manure	56,060.1	55,008.3
Seeds	2,637.5	2,926.6
<b>Total renewable</b>	<b>102,346.5</b>	<b>97,478.1</b>
<b>NON-RENEWABLE MATERIALS</b>		
Mineral fertilisers	10,621.3	12,880.4
Pesticides	98.0	119.3
<b>TOTAL MATERIALS</b>	<b>113,065.9</b>	<b>110,477.8</b>
% renewables	90.5%	88.2%

Materials for crop production, Linas Agro Group, AB, 2021/2022 – 2020/2021

## FRESH POULTRY MEAT AND MEAT PRODUCTS



Our key responsibility is to deliver top quality nutritious and safe products to your table.

Packaging is the largest non-food category among our inputs. Due to the sanitary requirements for food packaging, only secondary packaging might contain recycled materials; thus, our task is constantly to look for opportunities to reduce product packaging intensity not compromising food safety.

	2021/2022	2020/2021
<b>RENEWABLE MATERIALS</b>		
Feed for birds	196,992	77,611
Purchased raw meat	254	0
Semi-manufactured food and additives	3,812	784.3
Oil	657	29.0
Packaging and packaging materials	2,701	755.2
<b>Total renewable</b>	<b>204,416</b>	<b>79,180</b>
<b>NON-RENEWABLE MATERIALS</b>		
Vitamins, premixes, food supplements	1,008	389
Process materials	1,102	598.4
Packaging and packaging materials	2,132	662.7
<b>Total non-renewable</b>	<b>4,242</b>	<b>1,650.1</b>
<b>TOTAL MATERIALS USED</b>	<b>208,658</b>	<b>80,830</b>
% of renewables	98 %	98 %

Materials for poultry products, Linas Agro Group, AB, 2021/2022 – 2020/2021

## GRAIN PRODUCTS

Development of higher value added product lines, such as mixes and instant food, implies a growing use of semi-manufactured food and additives, such as dried fruit and vegetables, broth, spices, and sugar.

Over the reporting period, compound feed accounted to the major part of our production, so more than a half of total output was sold in bulk.

Data below sums up materials used for flour products and mixes, instant food, compound feed, pet food, and breadcrumbs & coating systems.



	2021/2022	2020/2021
<b>RENEWABLE MATERIALS</b>		
Raw grain	306,290	0.0
Grain products	376,707	0.0
Purchased raw meat	2,244	0.0
Semi-manufactured food and additives	12,995	0.0
Oil	8,889	0.0
Packaging and packaging materials	225.5	0.0
<b>Total renewable</b>	<b>707,351</b>	<b>0.0</b>
<b>NON-RENEWABLE MATERIALS</b>		
Packaging and packaging materials	247.2	0.0
<b>Total non-renewable</b>	<b>247.2</b>	<b>0.0</b>
<b>TOTAL MATERIALS USED</b>	<b>707,598</b>	
% of renewables	99.9%	0.0

Materials for flour & feed products, Linas Agro Group, AB, 2021/2022 – 2020/2021



SOURCE	Grain, oil seeds and feed		Products and services for farming		Agricultural production		Food products		TOTAL GROUP	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Tap water	100	3.7	2.8	1.9	1.0	0.8	31.5	0	135.8	6.4
Water from well	0.1	2.7	0	0	187.3	183.3	1784.1	380.7	1971.6	566.7
Surface water	0	0	0	0	10.6	16.2	0	0	10.6	16.2
<b>TOTAL</b>	<b>100.1</b>	<b>6.4</b>	<b>2.8</b>	<b>1.9</b>	<b>198.9</b>	<b>200.3</b>	<b>1,815.6</b>	<b>380.7</b>	<b>2,118.0</b>	<b>589.3</b>

Water withdrawal by source, Linas Agro Group, AB, million litres, 2021/2020 – 2021/2022

**NOTE:**

Not all rented offices have individual waste metering system.  
 Water consumption for flour, instant food, and flour mixes is included in Grain, oil and feed category business segment.  
 Water embedded in processed materials was not estimated.

**WATER IN OUR BUSINESS**

Compared to FY 2020/2021, the total water withdrawal over reporting period increased 3.6 times and accounted for 2,118.0ML, equivalent to 2.3 Olympic swimming pools daily.

According to the OECD\*, both Lithuania and Latvia have an abundant freshwater supply. Water is an essential daily need for livestock; we are committed to maintaining the highest animal welfare standards. Thus, no optimisation of water consumption by animals is planned. All production sites operate in water-rich areas; water from own wells accounts for 93% of total water withdrawal.

Poultry business is the most water-intensive activity within the Group, accounting for 86% of total water withdrawal. Besides water for chicken consumption, we use water to clean poultry houses after each cycle (every 37-42 days). Water intensity can be decreased by improving the floor surface of poultry houses to facilitate more efficient cleaning. In recent years, we have renewed the flooring surfaces of poultry farms in Latvia.

Water is also used for cooling livestock. Livestock, especially chicken, are very sensitive to heat-related stress; thus, water consumption for cooling our animals is estimated to increase as a result of the climate change.

**MANAGEMENT OF EFFLUENTS**

Poultry business is the most water intense segment within the Group accounting for 94.4% of total waste water. In Latvia, all waste water from operations is directed to the sewage network for the third party treatment. AB Kaišiadorių Paukštynas and AB Vilniaus Paukštynas use own treatment facilities, waste water from smaller poultry companies in Lithuania is sprayed on the manure and used as fertiliser.

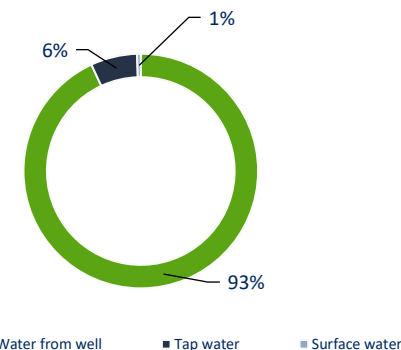
TYPE	Grain, oil seeds and feed		Products and services for farming		Agricultural production		Food products		TOTAL GROUP	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Untreated directed to third party treatment facilities	85.7	3.0	1.1	1.1	2.2	2.2	436.2	319.2	525.2	325.5
Partially treated directed to third party treatment facilities	0.0	0.0	0.0	0.0	0.0	0.0	316.9	0.0	316.9	0.0
Completely treated	1.0	0.0	0.2	0.1	0.0	0.0	770.9	0.0	772.1	0.1
<b>TOTAL</b>	<b>86.7</b>	<b>3.0</b>	<b>1.3</b>	<b>1.2</b>	<b>2.2</b>	<b>2.2</b>	<b>1,524.0</b>	<b>319.2</b>	<b>1,614.2</b>	<b>326.6</b>

Effluent by type of discharge, Linas Agro Group, AB, million litres, 2021/2020 – 2021/2022

**NOTE:**

Not all rented offices have individual waste water metering system.  
 We do not include evaporation from grain drying process.  
 Effluents for flour, instant food, and flour mixes is included in Grain, oil and feed category business segment.

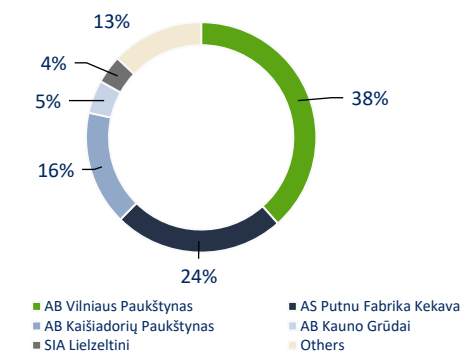
\*The Organisation for Economic Co-operation and Development



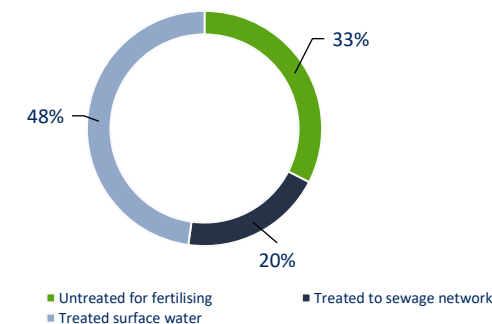
**WATER INTENSITY**



Water withdrawal by source, Linas Agro Group, AB, million litres, 2022/2021



Water withdrawal by company, Linas Agro Group, AB, million litres, 2022/2021



Effluents discharge by type, Linas Agro Group, AB, million litres, 2022/2021





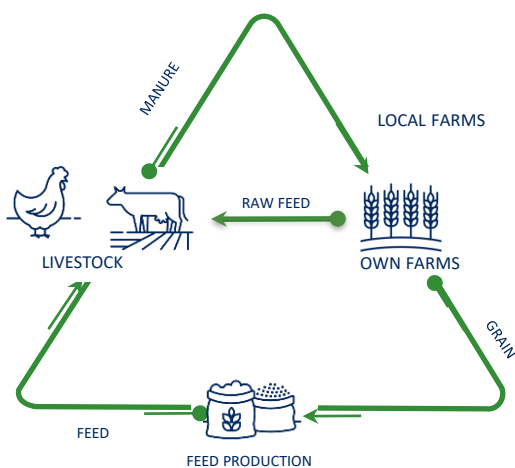
	WASTE GENERATED		WASTE DIVERTED FROM DISPOSAL		WASTE DIRECTED TO DISPOSAL	
	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021
<b>HAZARDOUS WASTE</b>						
Hazardous waste	164	159.3	10.9	22.8	153.1	136.5
<b>NON-HAZARDOUS WASTE</b>						
Animal byproducts	21,338.8	2,845.7	20,230.3	2,845.7	1,108.5	0
Manure and sludge	248,322.9	191,242.3	248,322.9	191,242.3	0,0	0,0
Packaging	3,100.5	540	1,100	220	2,000,5	320
Construction waste	504.44	390.5	143.84	117.9	360.6	272.6
Service for farmers waste	257.4	138.4	257.4	138.4	0.0	0.0
Other	3,712.6	3,124	3,422.1	2,869.6	290.5	254.4
<b>TOTAL WASTE</b>	<b>277,400.64</b>	<b>198,440.2</b>	<b>273,485.4</b>	<b>197,456.7</b>	<b>3,913.2</b>	<b>983.5</b>
<b>WASTE EXCLUDING MANURE</b>	<b>29,078.74</b>	<b>7,197.9</b>	<b>24,164.5</b>	<b>6,214.4</b>	<b>3,913.2</b>	<b>983.5</b>

Waste generated t, Linas Agro Group, AB 2020/2021 – 2021/2022

**NUTRITION LOOP**

Agriculture and food industry form a loop of nutrients. For example, animal waste (manure) is applied as an organic fertiliser which increases crop yields and is used as feedstuff for the livestock.

90% of total waste Group-wide actually is fertiliser which is a valuable nutrition source.



Nutrition loop, Linas Agro Group, AB 2020/2021 – 2021/2022

**HAZARDOUS WASTE**

Total volume of hazardous waste amounted to 164 tons Group-wide, which accounted for 0.06% of total waste generated and 4% of total waste directed to disposal.

**NON-HAZARDOUS WASTE**

Non-hazardous waste mainly consists of animal products not fit for human consumption, construction waste, and packaging.

**OTHER RECOVERY OPERATIONS**

We sell animal sub-products not fit for human consumption to pet food and other manufacturers. This way poultry processing has virtually no waste, all parts of animals are used to retrieve calories and nutrients.

Other recovery operations also refer to up-cycling and reuse of waste generated. For example, reuse of packaging.

**BIOGAS PRODUCTION**

In Latvia, fallen birds and part of animal by-products are utilised for biogas production (third party).

**RECYCLING**

Whenever possible, we aim to recycle both administrative and production waste. Recycled waste mostly consisted of packaging and electronics.

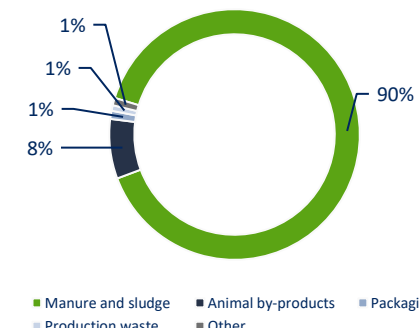
**WASTE DIRECTED TO DISPOSAL:**

**INCINERATION WITHOUT ENERGY RECOVERY**

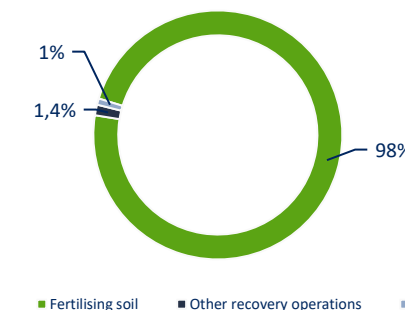
In 2021/2022, 1,130 tons, mostly dead birds, are incinerated by a third party utilisation provider.

**LANDFILLING**

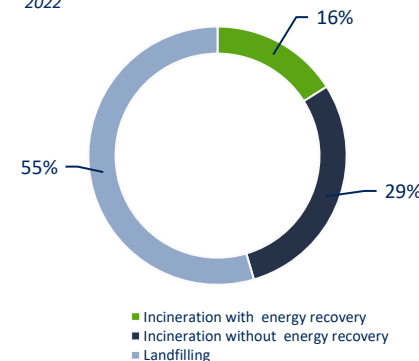
Overall 2,050 tons were directed to landfill Group-wide. Waste directed to landfill mostly consisted of construction waste and mixed packaging. Landfilling is the least favourable option of waste management and we are committed to reduce landfilling by at least 5% before 2027.



Waste generated by composition, Linas Agro Group, AB, 2021-2022



Waste diverted from disposal, Linas Agro Group, AB, 2021-2022



Waste directed to disposal, Linas Agro Group, AB, 2021-2022



## DIVERSITY

Due to the complexity of our Group's activities, our people bring a wide variety of skills needed to perform daily tasks and drive business development to address future challenges.

The diversity in background, skills, and education of our people brings ideas, insights, and experiences which help us adapt to changing business environments and build long-term business resilience.

There is a long list of specialist career paths with opportunities in our Group, such as:

- Accounting
- Sales and business development
- Human resources management
- Veterinary science
- Nutrition and diet formulation
- Food safety and quality assurance
- Food technology
- Environmental management
- Agronomy, etc.

## HUMAN CAPITAL DEVELOPMENT

The complexity and variety of tasks leads to diverse training and personal development needs. We believe in the long term benefits of proper training and strongly encourage internal career development within the Group. Over the reporting period, all companies had own human capital development practices.

	2021/2022	2020/2021
Top management	6-60	6-80
Management	1-80	8-368
Specialists	2-697	2-560
Line workers	6-140	6-24

Range of average training hours per year, Linas Agro Group, AB 2020/2021 – 2021/2022

### External training:

- Qualification and product seminars by suppliers
- Mandatory training for acquiring or renewal of certifications, such as handling of plant protection products
- Professional training
- Need-based *ad hoc* training

### Internal training:

- Health and Safety
- Onboarding .

## EMPLOYEE TURNOVER

Employee turnover rate refers to the total number of workers who leave a company over a certain time period, divided by the average number of employees.

On 14 March 2022, the activities of the slaughtering and cutting shop of AB Kaišiadorių Paukštynas were suspended as result of operations being transferred to AB Vilniaus Paukštynas slaughtering and cutting shop.

Discontinuing of slaughtering activities and further optimisation of business at AB Kaišiadorių Paukštynas resulted in a drastic decrease in employee number. As a result, employee turnover rate spiked up to 55.3%.

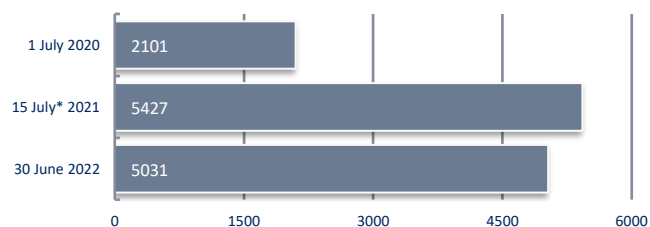
	2021/2022	2020/2021
Employee turnover rate	55.3%	31.5%
Employee retention rate	90.8%	92.2%

Employ turnover and retention ratios, Linas Agro Group, AB 2020/2021 – 2021/2022

## EMPLOYEE RETENTION

Long-term employees (working for over 12 months) accounted for 90.8%. In other words, nine out of ten people work with us longer than one year.

Naturally, retention rates vary depending on the position held by employees and a business segment. For example, managers tend to stay within the Group longer than line workers. We believe this is a healthy tendency which strengthens our long-term prospects.



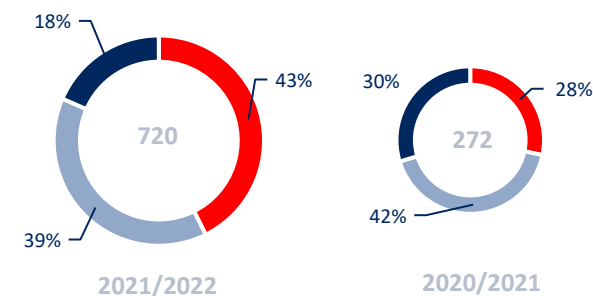
\* Immediately aft the acquisition of KG Group companies

Number of employees, Linas Agro Group, AB 2020/2021 – 2021/2022

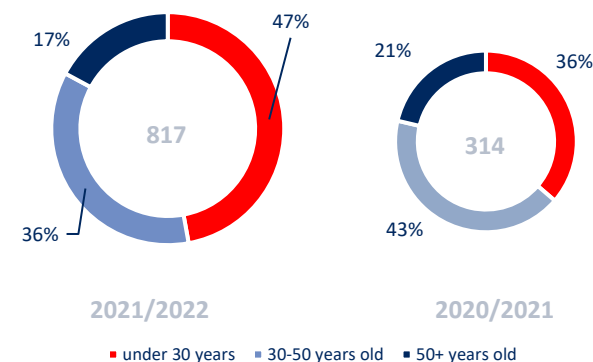
## NEW HIRES

Over the reporting period, we hired 1,537 new people, 720 or 47% of new colleagues were females. Distribution by age was similar both among female and male new hires.

### NEWLY HIRED FEMALES BY AGE



### NEWLY HIRED MALES BY AGE



Newly hired employees, Linas Agro Group, AB 2021/2022

## PARENTAL LEAVE

82 females and 9 males took parental leave in 2021/2022. All heads of our companies are obliged to make sure all people are granted the same or higher position and duties upon the return from parental leave. In total, 58 female and 9 male employees returned from parental leave to their positions in 2021/2022.





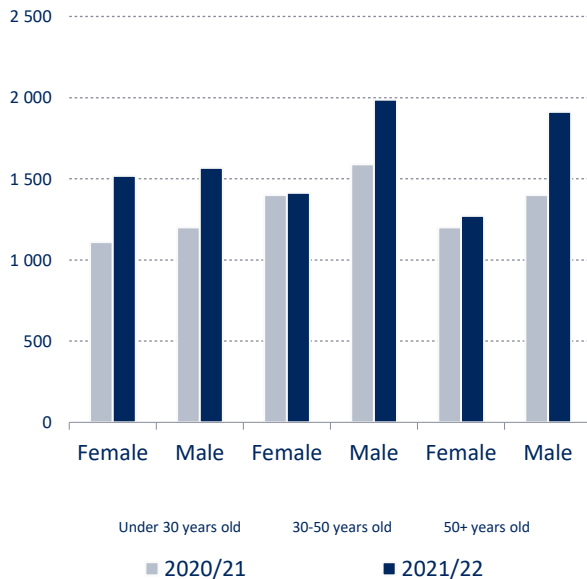
**EMPLOYEE WELFARE**

The success of our business is our employees.

Our strength is not only technological competence, but also our team, which consists of more than 5,000 qualified and knowledgeable industry professionals, including engineers, food technologists, poultry farmers, laboratory assistants, logistics specialists, highly motivated sales and marketing professionals, who are flexible and dedicated to the customers’ needs.

Labour councils are active in the largest companies of the Group. We strive to be a stable and reliable employer by compensating our employees based on their skills and performance.

Following the acquisition of KG Group companies, the unified Group level remuneration and motivation policy is impending.



Average monthly brutto wages, Linas Agro Group, AB 2020/2021 – 2021/2022

**KEY ASPECTS OF OUR HEALTH AND SAFETY POLICY**

Our Occupational Health and Safety policy is implemented in compliance to relevant regulations, applies to all employees and contractors of the group and is an integral part of our daily activities.

The Group strives to create a business culture, where every employee understands the importance of compliance with Occupational Health and Safety requirements in their daily activity. On the other hand, We are committed to provide safe and healthy working environment and to improve it regularly.

The approach of the Group is based on the culture of prevention and dialogue. Prevention first of all means risk management. Accidents, incidents, injuries, occupational diseases, unsafe actions and unsafe conditions can be avoided by analysing work processes and taking proper preventive measures to avoid or reduce the risk.

The culture of dialogue means involvement of employees and their constructive participation in ensuring safe and healthy working environment.

To make sure that Health and Safety policy is implemented soundly we focus on following actions:

- Proper instructions and training
- Sufficient resources are allocated to ensure safe working conditions
- All employees should be qualified to perform their duties in a safe manner
- Employees are obliged to report all potential health hazards and dangerous situations immediately
- Punishment of employees reporting potential hazards or other disciplinary actions are strongly prohibited
- All employees are empower to refrain from dangerous activities
- Managers are responsible to identify potential risks in their company and be ready for potential emergencies/critical situations and accidents
- Managers are expected to lead by example
- Regular health checks
- Promotion of healthy lifestyles
- Focus on prevention.

**HEALTH HAZARDS**

Agriculture is one of the most dangerous sectors, with a high risk of vehicles, machinery and handling livestock accidents. Exposure to chemical pesticides, vibrations, noise and stress also pose safety and health risks.

The most notable risks in grain handling and grain processing businesses are fires, suffocation, exposure to high noise levels, engulfment, entrapment, falls from heights, and amputation.

Exposure to high noise levels and hot surfaces, cutting equipment, slippery floors, and hazardous chemical are key hazards in poultry hearing and processing. In addition, employees might be exposed to zoonotic infection.

Back pains, lib injuries and other musculoskeletal problems resulting from overexertion and wrong postures during lifting and moving are common hazards for most of our workers.

**HAZARD PREVENTION MEASURES**

- Regular safety trainings training
- Provision of personal protective equipment
- Maintaining walking and working surface to prevent slips, trips and falls
- Safety information boards in manufacturing and service facilities
- Proper ventilation
- Regular security checks and improvement of dangerous equipment
- Ensuring that emergency exits are not blocked and easy to open without tools
- Proper storage and handling of chemicals

**RATE OF INJURIES**

In total, we registered 32 work related accidents over the reporting period. Bruises, slips and lifting injuries account for majority of the accidents. No fatal injuries were recorded within the Group. We are committed to remain fatality free workspace and aim to reduce total recordable injury by at least 20% yearly.

	2021/22	2020/21
Total number of accidents	32	14
Total man hours worked per year	8,379,359	3,598,562
TRIR*	0.78	0.78

Total hours worked and rate of injuries, Linas Agro Group, AB 2020/2021-2021/2022

\*TRIR means the total recordable incidents per 200,000 man hours worked.



## FOOD LABELLING

Proper labelling of food is our major responsibility. The requirements for information vary across different markets and different requirements might apply for private label products.

Food labelling rules established by the European Union are a good indicator of minimum requirements we must adhere to before our products reach the shelves.

### MANDATORY INFORMATION FOR PACKED FOODS

Required to mention information:

- name of the food
- ingredient list (including any additives)
- allergen information
- quantity of certain ingredients
- date marking (best before / use by)
- country of origin, if required for consumer clarity (example: products that display on their packaging country flags or famous landmarks)
- name and address of the food business operator established in the EU or importer
- net quantity
- any special storage conditions and/or conditions of use
- instructions for use if needed
- nutrition declaration

Under EU law and/or national law, some food products might also need to show specific warnings referring, for example, to ingredients not recommended for consumption by children (such as caffeine).

### NUTRITION DECLARATION

Under EU law, prepacked food that is sold in the EU must bear a label informing consumers about its energy and nutrient content. This is called 'nutrition declaration' and must appear directly on the package or on a label attached to it. The nutrition declaration must include the following information:

- energy value
- amounts of fat, saturates, carbohydrate, sugars, protein and salt

Nutrient amounts must be indicated per 100 g or per 100 ml.

In some cases, energy values and nutrient amounts may also be expressed per portion and/or per consumption unit.

Authorised vitamins and minerals. Their amounts must be expressed:

- per 100 g or per 100 ml
- as a percentage of reference intakes

### REQUIRED INFORMATION

The information required must be:

- accurate
- easy to see and understand
- not misleading
- indelible.

### INGREDIENTS LIST

The list must be preceded by a heading that includes the word 'ingredients' and must include all the ingredients of the food:

- in descending order of weight
- designated by their legal name

### QUANTITY OF CERTAIN INGREDIENTS

We must mention the quantity (by percentage) of any ingredients that:

- appear in the name of the product (example: 'seasoned poultry')
- are emphasised on the labelling in words, pictures or graphics (example: 'with berries')
- are essential to characterise the food and to distinguish it from other foods

### ALLERGEN INFORMATION

Any allergens present must be emphasised in the list of ingredients, for example by using a different font, letter size or background colour.

In the absence of a list of ingredients, the indication of allergens must include the word 'contains' followed by the name of the allergen.

### LABELLING

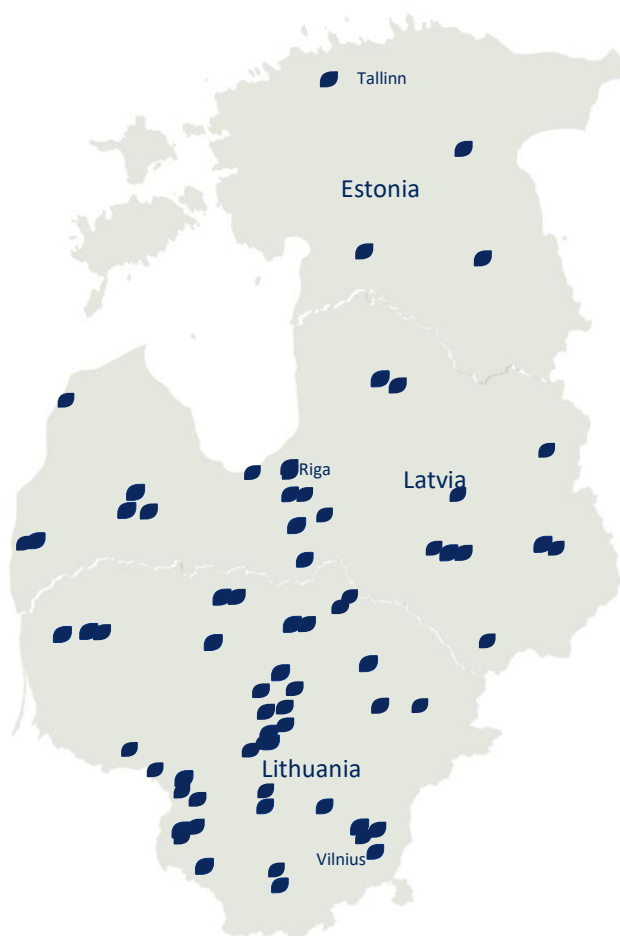
Mandatory information must be printed using a font with a minimum x-height of 1.2 millimetres. If the largest surface area of packaging is less than 80 cm<sup>2</sup>, we can use a minimum x-height of 0.9 mm.

For packaging surface of less than 10 cm<sup>2</sup>, we must list:

- name of the food
- any substances or products causing allergies or intolerances used during manufacture or preparation and present in the finished product
- net quantity of the food
- 'best before' or the 'use by' date







99% employees live in local communities



Proportion of spending on local suppliers – 78.5%



Focus: odour control

### WE ARE YOUR NEIGHBOURS

Our poultry businesses date back almost 60 years. All our largest poultry sites are located close to cities and towns.

In Latvia, AS Putnu Fabrika Kekava is established in Kekava, close to Riga and SIA Lielzelteni operates close to Bauska. In Lithuania, AB Vilniaus Paukštynas operates in Rudamina next to Vilnius; AB Kaišiadorių Paukštynas is based next to Kaišiadorys in central Lithuania.

Among others, odour control is our crucial responsibility to local communities. Unpleasant smell mainly occurs during the manure management process. To reduce negative impacts on our neighbours, we sell manure to local farmers. Whenever possible, manure is transported from our site as soon as possible.

Located in the city centre, AB Kauno Grūdai has become a landmark and an integral part of the city's image. In 2021, AB Kauno Grūdai became partner of BC Žalgiris.

### FOR LOCAL FARMERS

In the summer of 2023, we will invite everyone to one of the most significant agriculture events in Lithuania – “Grūdo kelias 2023” (Grain Road), which is organised by “Linus Agro” together with “Dotnuva Baltic”. The event will take place at Labūnava Agricultural Company, Kėdainiai district. Here, the participants of the “Grain Road” will be introduced to the latest crop production technologies and modern farming machinery; together with agronomists, they will evaluate various crops, analyse the most complex crop production cases, and find solutions for them.

### ECONOMIC INCLUSION

Most of our sites operate in economically stressed areas. We believe that geographic diversity serves local communities and helps building rural resilience:

- Enhanced skills and knowledge
- Employment opportunities
- Reliable partnerships with local farmers
- Availability of our products within reasonable distance (specialised retail shops)
- Career opportunities: attracting young professionals to rural areas
- Promoting positive and innovative image of farming

### GIVING BACK TO SOCIETY

It is our privilege and duty to support social initiatives which align with our values:

- Local communities
- Projects building resilient society
- Farmers’ and other agricultural organisations
- Training and educational institutions
- Children and youth engagement projects
- The most vulnerable society groups, such as people with limited physical or mental capabilities
- Children foster homes, children medical institutions
- Health promotion and environmental projects

### BRIGHTENING UP OUR TOWNS

To celebrate 55 years of AS Putnu Fabrika Kekava in 2022, we invited local community and visitors of Kekava town to a colourful chicken parade to lighten up our surroundings.



## POLICIES ON GROUP LEVEL

All subsidiaries must approve and comply with relevant policies issued by the Group:

- Occupational Safety and Health Policy
- Remuneration Policy
- Non-Discrimination Policy
- Human Rights, Child and Forced Labour Policy
- Anti-Bribery and Anti-Corruption Policy
- Animal Welfare Policy
- Environmental Protection Policy
- Personal Data Protection Policy
- Code of Business Ethics
- Partner Code of Ethics
- Privacy Policy
- Procurement Policy

Amid the approval of sustainability agenda, we are committed to integrating supplier screening process to contribute to our sustainability agenda.

## PRINCIPLES OF THE EXISTING PARTNER CODE OF ETHICS:

- Work standards. The Group expects its Partners not to use child or forced labour; respect their employees and not discriminate them on the grounds of gender, race, nationality, language, origin, social status, faith, beliefs or convictions, age, sexual orientation, disability, ethnic affiliation or religion; as well as pay fair remuneration.
- Occupational Safety and Health. The Group believes that Partners must create healthy and safe working environment to all their employees.
- Anti-corruption. The employees of the Group must not accept from or give gifts to customers; offer a fee or services that could be considered a bribe and influence the decision of another company. The Group expects that Partners will display the same attitude.
- Transparency in business. We believe that our Partners shall promote fair competition in their activities. We are against obscure agreements on prices, market shares, etc.
- Human rights: the Group shall protect and secure human rights and expects its Partners to display the same attitude.
- Quality assurance. All the products of Partners shall conform to the parameters indicated in the documents and labels, including the origin, composition (ingredients), and set of goods. The services provided by Partners shall be in line with the terms and conditions stipulated in agreements and other arrangements.
- Environment protection. Partners must protect the environment and comply with the laws and regulations valid in the country, where production activities are carried out, products are delivered, or services are supplied.
- Confidential and restricted information. Partners shall ensure the confidentiality of information and data provided by the Group.
- Personal data protection. The Group respects personal privacy and collects data about persons only with their consent. So, the Group expects Partners to protect personal data of its employees and use them responsibly.

Our goal is to be a reliable and long-term partner, and we strive for healthy cooperation. Thus, in cases not provided in this Code of Ethics, the Group expects fair, ethical, and professional behaviour of our Partners.



The Group indicates and publicly discloses key risks. The Group companies have risk management policies which describe precautionary actions to be taken in order to mitigate negative impact in case of the materialisation of risks.

### MARKET RISKS

Due to the high volatility of commodity prices and disruptions in the supply chain, the companies of the Group were exposed to market risk over the reporting period.

In order to manage the potential impact of a market risk, the employees of the Group:

- Constantly monitor the market of specialised products
- Manage trading positions on the basis of permissible limits of open trading positions and criteria for their liquidation
- Use derivatives

The probability of the occurrence of market risks in future periods remains high due to the specifics of the Group's normal business operations. However, due to complex forecasting of market movement trends, it is not possible to anticipate the consequences of encountering these risks.

### TRADE AND CREDIT RISKS

A trade and credit risk is understood as the risk of a lower-than-expected profit if, due to reasons that are dependent or not dependent on the employees of the Group, improper performance of contractual terms and conditions is encountered.

A trade risk in the activities of the Group could occur through a non-delivery of purchased goods; refusal of a buyer to accept sold goods; non-compliance with contractual terms and conditions concerning the quantity, range, completeness, quality, or other characteristics of goods; inaccuracies in the procedures of the Group or of outsourced service providers; failure to ensure a due process; and criminal operation of parties to a transaction.

A credit risk in the activities of the Group could occur through the sale of goods with deferred payment, lending money, payment of an advance for the future delivery of goods or services, extension of an overdue payment term, etc.

Our approach to managing these risks:

- Conduct a thorough screening of customers prior to starting trade operations and assesses the availability of additional security at the start of the cooperation

- Observe the credit limit values set for the trade operations of the Group, perform continuous customer monitoring, and make use of insurance options
- Ensure control over activities of outsourced service providers
- Properly document the execution of trade operations and other procedures

### POLITICAL RISKS

In the European Union, agriculture is a highly regulated and supervised industry. Although this regulation and supervision is aimed at ensuring a sufficient income for those engaged in agricultural activities, political changes may affect the situation in the market, in which the Group operates. Political risks could arise from the reduction of agricultural subsidies, the tightening of financial assistance-related requirements (which would have a negative impact not only on the activities of agricultural companies of the Group, but also on the enterprises supplying to those companies), as well as the adoption of political decisions, such as embargoes, quotas, import or export bans.

To minimise the consequences of such risks, we monitor the economic situation in Lithuania and all other countries where we trade, and assess possible changes that might result from certain political decisions.

### HR RISKS

The ability of the Group to maintain a competitive position and implement its growth strategy is determined by the experience and knowledge of the management. Loss of employees and/or inability to hire new employees with relevant knowledge may adversely affect the business prospects and financial position of the Group. HR-related risks in the activities of the Group could also be encountered in connection with the confidential information available to staff members, decisions made by the staff, responsibility granted to staff members based on their rights and duties, improperly designed employee motivation systems, etc.

Our approach to managing HR risks:

- Non-compete agreements with certain executives of the Group
- Requirements and responsibility concerning the storage of confidential information set for employees
- Development of motivational system
- Improving employee dialogue

### FUNDING AND LIQUIDITY RISKS

Examples of funding and liquidity risks include funding supply risk, lack of liquidity, short-term investment risk, foreign exchange risk, interest rate risk, etc.

Our approach to managing funding and liquidity risks:

- Hedging instruments
- Other financial instruments

### RISKS OF CHANGE IN BIOLOGICAL ASSETS

The risk of change in biological assets used in the operations of the Group (cattle, birds and crops) is related to improper maintenance of biological assets, possible outbreaks of diseases, and other factors that may cause the loss of such assets.

Our approach:

- Soil health monitoring
- Precise application of plant protection products and fertilisers
- Careful control of the quality of cattle and poultry feed
- Improving animal welfare
- Robust infection prevention measures
- Insurance options

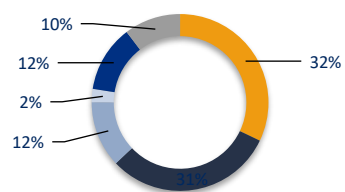
### SECURITY RISKS

In order to manage security or environmental risks within the Group, the installation of antivirus programmes, archiving of IT and paper documents in accordance with the established rules and with the assistance of third parties, and installation of office environment surveillance systems is carried out and updated on a regular basis.

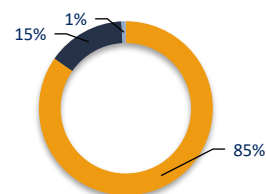
### REPUTATION RISKS

The probability of occurrence of these risks in future periods is low due to the standards set by the Group and the responsibility in applying the provisions of the Code of Business Ethics and performing its content revisions and compliance checks.

## ANNEX 1: DATA CENTER



■ Lithuania  
■ Europe except Scandinavia  
■ Scandinavia



■ Lithuania ■ Latvia ■ Poland  
■ Ukraine ■ Germany ■ Denmark

Group income by markets, Linas Agro Group, AB, 2021/2022

Taxes paid by markets, Linas Agro Group, AB, 2021/2022

KEY FINANCIAL DATA	Unit	2021/22	2020/21
Revenue	thous. EUR	1,895,667	942,442
Gross profit	thous. EUR	188,859	51,201
Gross profit margin	thous. EUR	9.96%	5.43%
EBITDA	thous. EUR	132,173	33,401
EBITDA margin	thous. EUR	6.97%	3.43%
Operating profit	thous. EUR	103,619	19,467
Operating profit margin	thous. EUR	5.47%	2.07%
Earnings before taxes EBT	thous. EUR	90,841	16,797
Earnings before taxes margin	thous. EUR	4.79%	1.78%
Net profit	thous. EUR	77,257	14,189
Net profit margin	thous. EUR	4.08	1.51%
Grants received for agriculture activity	thous. EUR	3,930	3,657
Grants for poultry activity, related with COVID-19	thous. EUR	3,376	962
Other grants for poultry activity	thous. EUR	346	-

GROUP CAPACITY	Unit	2021/22	2020/21
Employees	persons	5,031	2,118
Total hours worked	thous. hours	8,379	3,598
Arable land (ha)	ha	18,258	18,258
Own land (ha)	ha	5,919	5,944
Total cattle	headcount	7,374	7,355
Dairy cattle	headcount	3,304	3,394
Broilers raised	headcount	50,854,264	21,038,586
Size of parental flock	headcount	512,318	212,722

INPUTS	Unit	2021/22	2020/21
Grain for production	tones	682,997	0
Feed for livestock (cattle and birds)	tones	209,034	151,053
Vitamins, premixes, food supplements	tones	2,187	1,432
Semi-manufactured food and additives	tones	16,808	784.3
Plastic packaging	tones	2,337	605
Paper packaging	tones	2,424.5	264.9
Metal packaging	tones	1,132	6.6
Wood packaging	tones	549.6	544
Raw meat	tones	2,498	0
Food oil	tones	9,546	29
Fertilisers	tones	10,621.3	12,880.4
Plant protection	tones	98	119.3
Seeds	tones	2,637	2,926

ENERGY CONSUMED	Unit	2021/22	2020/21
Natural gas	1,000m <sup>3</sup>	28,207	7,948
Diesel for transportation	thous liters	2,527.9	114.7
Petrol for transportation	thous liters	378	140.2
Diesel for agriculture	thous liters	2,452.6	2,386.6
LPG	thous liters	745.1	669.6
Diesel for heat production	thous liters	251.6	257.1
Certified green electricity	Gwh	91.6	29.3
Not certified electricity	Gwh	0.47	0.85
Heating purchased	Mwh	0.8	1.75

PRODUCTION OUTPUT	Unit	2021/22	2020/21
COMPOUND FEED	thous. tones	423	0.0
FLOUR AND MIXES	thous. tones	58	0.0
RAW MILK	thous. kg	35,514	34,159
Harvest	thous. tones	127	130
Poultry products	thous. tones	105	42
Pet food	thous tones	12	0.0
Instant food	million units	214	0.0
Seeds	thous tones	25	25

SOCIAL EFFECTS		2021/22	2020/21
Wages and salaries and social security	Thous. EUR	52,486	24,473
Income tax	million EUR	7.1	1.3
TRIR		0.78	0.78

ENVIRONMENTAL EFFECTS		2021/22	2020/21
Scope 1 GHG emissions	tCO <sub>2</sub> e	133,821	85,364
Scope 2 GHG emissions (market based)	tCO <sub>2</sub> e	0.36	0.62
Scope 3 GHG emissions	tCO <sub>2</sub> e	552,540	216,541
CO <sub>2</sub> sequestration in soil	tCO <sub>2</sub> e	-20,798	-18,450
Waste directed to disposal	tones	3,913.2	983.5
Waste directed from disposal	tones	277,400.6	198,440.2





## ANNEX 3: COMPANIES INCLUDED IN THIS REPORT

Company	Status	Activity	Code	Registration Office	Country	Legal form	Stock, owned directly by Linas Agro Group, AB	Other Stockholders	Share of the stock held by the Group
AB Linas Agro	Subsidiary	Wholesale trade of grains, oilseeds, feedstuffs, and agricultural inputs supply	147328026	Smėlynės St. 2C-3, LT-35143 Panevėžys,	LT	public company,	100 %		100 %
UAB Dotnuva Baltic	Subsidiary	Sale of agricultural machinery, equipment for grain elevators and farms, seeds production	261415970	Parko St. 6, Akademija, 58351 Kėdainiai district	LT	private limited liability company	100 %		100 %
UAB Linas Agro Grūdų Centrai	Subsidiary	Grain processing and storage	148451131	Smėlynės St. 2C, LT-35143 Panevėžys,	LT	private limited liability company	56.54 %	AB Linas Agro owns 43.46% stock.	100 %
UAB Jungtinė Ekspedicija	Subsidiary	Logistics and forwarding services	141642963	Nemuno St. 2A, LT-91199 Klaipėda,	LT	private limited liability company	100 %		100 %
UAB Linas Agro Konsultacijos	Subsidiary	Management of subsidiary farming companies	248520920	Žibuoklių St. 20, LT-57128 Kėdainiai,	LT	private limited liability company	100 %		100 %
Biržai District Medeikių ŽŪB	Subsidiary	Growing and sale of crop	154771488	Biržų St.32, Medeikių vill., LT-41462 Biržai district	LT	agricultural company		UAB Linas Agro Konsultacijos owns 98.34% stock, Kėdainiai District Labūnavos ŽŪB – 0.06% stock.	98.39%
Panevėžys District Aukštadvario ŽŪB	Subsidiary	Mixed agricultural activities	168573274	Pirties St. 3, Aukštadvario vill. LT-38255 Panevėžys district	LT	agricultural company		UAB Linas Agro Konsultacijos owns 99.54% stock.	99.54%
Sidabravo ŽŪB	Subsidiary	Mixed agricultural activities	171331516	Pergalės St. 1A, Sidabras, LT-82251 Radviliškis district	LT	agricultural company		UAB Linas Agro Konsultacijos owns 96.25% stock.	96.25%
Panevėžys District Žibartonių ŽŪB	Subsidiary	Mixed agricultural activities	168521815	Žibartonių St. 74, Žibartoniai vill.,	LT	agricultural company	0.05%	UAB Linas Agro Konsultacijos owns 49.028% stock, Užupės ŽŪB owns 50.826% stock.	99.90%
Šakiai District Lukšių ŽŪB	Subsidiary	Mixed agricultural activities	174317183	Lukšių vill. 2, LT-71176 Šakiai district	LT	agricultural company		UAB Linas Agro Konsultacijos owns 98.82% stock.	98.82%
Kėdainiai District Labūnavos ŽŪB	Subsidiary	Mixed agricultural activities	161228959	Serbinų St. 19, Labūnava vill. LT-58173 Kėdainiai district	LT	agricultural company		UAB Linas Agro Konsultacijos owns 98.95% stock.	98.95%
Kėdainiai District ŽŪB Nemunas	Subsidiary	Mixed agricultural activities	161268868	Žibartonių St. 74, Žibartoniai vill., LT-78323 Panevėžys district	LT	agricultural company		Panevėžys District Žibartonių ŽŪB owns 66.68% stock, UAB Linas Agro Konsultacijos - 0.831%.	67.44%
UAB Landvesta 1	Subsidiary	Rent and management of agricultural purposes land	300501060	Smėlynės St. 2C, LT-35143 Panevėžys,	LT	private limited liability company	76.47%	AB Linas Agro owns 23.53% stock	100 %
UAB Landvesta 2	Subsidiary	Rent and management of agricultural purposes land	300501085	Smėlynės St. 2C, LT-35143 Panevėžys,	LT	private limited liability company	76.97%	AB Linas Agro owns 23.03% stock	100 %
UAB Landvesta 3	Subsidiary	Rent and management of agricultural purposes land	300501092	Smėlynės St. 2C, LT-35143 Panevėžys	LT	private limited liability company	13.91%	AB Linas Agro owns 86.09% stock.	100 %
UAB Landvesta 4	Subsidiary	Rent and management of agricultural purposes land	300709428	Smėlynės St. 2C, LT-35143 Panevėžys,	LT	private limited liability company	26.42%	AB Linas Agro owns 73.58% stock.	100 %
UAB Landvesta 5	Subsidiary	Rent and management of agricultural purposes land	301019661	Smėlynės St. 2C, LT-35143 Panevėžys,	LT	private limited liability company	67.92%	AB Linas Agro owns 32.08% stock	100 %
UAB Landvesta 6	Subsidiary	Rent and management of agricultural purposes land	301520074	Smėlynės St. 2C, LT-35143 Panevėžys,	LT	private limited liability company	15.51%	AB Linas Agro owns 84.49% stock.	100 %
UAB Noreikiškės	Subsidiary	Rent and management of agricultural purposes land	302841649	Žibartonių St. 70, Žibartoniai vill. LT-38323 Panevėžys district	LT	private limited liability company	99.96%	UAB Linas Agro Konsultacijos owns 0.04% stock	100 %
Užupės ŽŪB	Subsidiary	Mixed agricultural activities	302612561	Liaudės St. 81, Užupės vill. LT-58311 Kėdainiai district	LT	agricultural company	0.05%	UAB Linas Agro Konsultacijos owns 99.95% stock.	100 %
UAB Paberžėlė	Subsidiary	Rent and management of agricultural purposes land	301772627	Liaudės St. 81, Užupės vill., LT-58311 Kėdainiai district	LT	private limited liability company		Užupės ŽŪB owns 100% stock.	100 %
UAB Lineliai	Subsidiary	Rent and management of agricultural purposes land	302740714	Smėlynės St. 2C-3, LT-35143 Panevėžys,	LT	private limited liability company	100 %		100 %
UAB Geoface	Subsidiary	Software developing	304781617	Karaliaus Mindaugo per. 37 LT-44307 Kaunas	LT	private limited liability company		AB Linas Agro and UAB Dotnuva Baltic each own 50% shares.	100 %
AB Kauno Grūdai	Subsidiary	Production and wholesale of flour and flour products, compound feed, extruded products, and instant foods; products and services for farming; wholesale of feed materials; fumigation, disinsection, disinfection and deratization services	133818917	H. and O. Minkovskių St. 63, LT-46550 Kaunas	LT	public company,		UAB TABA Holding owns 86% stock, Panevėžys District Žibartonių ŽŪB – 0.07%, Kėdainiai District ŽŪB Nemunas – 0.03% stock.	89.09%

## ANNEX 3: COMPANIES INCLUDED IN THIS REPORT

Company	Status	Activity	Code	Registration Office	Country	Legal form	Stock, owned directly by Linas Agro Group, AB	Other Stockholders	Share of the stock held by the Group
AB Vilniaus Paukštynas	Subsidiary	Chicken raising for meat and eggs production, production of poultry and its products	186107463	Gamyklos St. 27, LT-13249 Rudamina, Vilnius district,	LT	public company	54.58%	AB Kauno Grūdai owns 33.27% stock, TABA Holding – 0.15% stock.	84.37%
AB Kaišiadorių Paukštynas	Subsidiary	Chicken raising for meat and eggs production, production of poultry and its products	158891218	Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania	LT	public company	26.00%	AB Kauno Grūdai owns 65.32% stock, TABA Holding – 0.4% stock.	84.60%
UAB Šlaituva	Subsidiary	Production and wholesale of breadcrumbs and breeding mixes	134019827	Sodų St. 7, 53290 Linksmakalnis, Kaunas district	LT	private limited liability company		AB Kauno Grūdai owns 83% shares.	73.95%
AB Zelvė	Subsidiary	Broiler breeding	181323215	Tiesioji St. 21, 21364 Daučiuliškės, Vievis eldership, Elektrėnai municipality	LT	public company,	13.3%	AB Kauno Grūdai owns 65.95% stock	72.05%
UAB Kauno Grūdai and Partneriai	Subsidiary	Rent of own real estate	13582875	H. and O. Minkovskių St. 63, LT-46550 Kaunas	LT	private limited liability company		AB Kauno Grūdai owns 100% shares.	89.09%
UAB Kormoprom Invest	Subsidiary	Management services	304141542	Subačiaus St. 5, LT-01302 Vilnius	LT	private limited liability company	100 %		100 %
UAB TABA Holding	Subsidiary	Management services	304141581	Subačiaus St. 5, LT-01302 Vilnius	LT	private limited liability company	100 %		100 %
UAB Baltic Fumigation Service	Subsidiary	Fumigation services	300094020	Stoties St. 38, 70484 Pilviškiai, Vilkaviškis district	LT	private limited liability company		AB Kauno Grūdai owns 100% shares.	89.09%
UAB KG Mažmena	Subsidiary	Retail trade	302602745	H. and O. Minkovskių St. 63, LT-46550 Kaunas, Lithuania	LT	private limited liability company		AB Kauno Grūdai owns 100% shares.	89.09%
UAB KG Distribution	Subsidiary	Consultation and business management	186442465	Gamyklos St. 27, LT-13249 Rudamina, Vilnius district	LT	private limited liability company		AB Vilniaus Paukštynas owns 100% shares.	84.37%
UAB Lietbro	Subsidiary	Broiler breeding	300073371	Nevežio St. 70, Velžys, Panevėžys district, LT-38129	LT	private limited liability company		AB Vilniaus Paukštynas owns 100% shares.	84.37%
UAB Avocetė	Subsidiary	Management services	186758285	Gamyklos St. 27, LT-13249 Rudamina, Vilnius district	LT	private limited liability company		AB Vilniaus Paukštynas owns 100% shares.	84.37%
UAB VKP Valdymas	Subsidiary	Consultation and business management	302682691	Paukštininkų St. 15, LT-56110 Kaišiadorys	LT	private limited liability company		AB Vilniaus Paukštynas owns 50% stock and AB Kaišiadorių Paukštynas owns 50% stock.	84.48%
UAB Domantonių Paukštynas	Subsidiary	Broiler breeding	300030822	Muizelėnai vill., Alytus district	LT	private limited liability company		AB Kauno Grūdai owns 98% stock and AB Kaišiadorių Paukštynas owns 2% stock.	89.00%
UAB Alesninkų Paukštynas	Subsidiary	Broiler breeding	300092247	Tiesioji St. 21, 21364 Daučiuliškės, Vievis eldership, Elektrėnai municipality	LT	private limited liability company		AB Kaišiadorių Paukštynas owns 100% shares.	84.60%
UAB KG Logistika	Subsidiary	Freight transport services	301133864	Paukštininkų St. 15, LT-56110 Kaišiadorys	LT	private limited liability company		AB Vilniaus Paukštynas owns 50% stock and AB Kaišiadorių Paukštynas owns 50% stock.	84.48%
UAB VP Valda	Subsidiary	Rent of own real estate	305776014	Gamyklos St. 27, LT-13249 Rudamina, Vilnius district	LT	private limited liability company		AB Vilniaus Paukštynas owns 100% shares.	84.37%
UAB KP Valda	Subsidiary	Rent of own real estate	305775535	Paukštininkų St. 15, LT-56110 Kaišiadorys	LT	private limited liability company		AB Kaišiadorių Paukštynas owns 100% shares.	84.60%
UAB Agro Logistic Service	Subsidiary	Wholesale of feedstuffs for fodder and premixes production	303014392	H. and O. Minkovskių St. 120 LT-46550 Kaunas	LT	private limited liability company	100 %		100 %
SIA Linas Agro	Subsidiary	Wholesale trade of grains and oilseeds, agricultural inputs supply	53603019011	Baltijas Ceļš, Brankas, Cenu District, Jelgava municipality,	LV	private limited liability company		AB Linas Agro owns 100% stock.	100 %
SIA Linas Agro Graudu Centrs	Subsidiary	Grain processing and storage	436030591	Jaunsalieši, LV-5202 Jekabpils	LV	private limited liability company		UAB Linas Agro Grūdų Centrai owns 100% stock.	100 %
LLC LINAS AGRO UKRAINE	Subsidiary	Representative office	42340549	Verhnyi Val St. 28, Kiev, 04071	UA	private limited liability company		AB Linas Agro owns 100% stock.	100 %
SIA Dotnuva Baltic	Subsidiary	Sale of agricultural machinery and equipment for grain elevators	43603041881	Baltijas Ceļš, Brankas, Cenu District, Jelgava municipality, LV-3043	LV	private limited liability company		UAB Dotnuva Baltic owns 100% stock.	100 %
AS Dotnuva Baltic	Subsidiary	Sale of agricultural machinery and equipment for grain elevators	12019737	Savimäe 7, Vahi 60534, Tartu district, Estonia	EE	public company		UAB Dotnuva Baltic owns 100% stock.	100 %

## ANNEX 3: COMPANIES INCLUDED IN THIS REPORT

Company	Status	Activity	Code	Registration Office	Country	Legal form	Stock, owned directly by Linas Agro Group, AB	Other Stockholders	Share of the stock held by the Group
AS Putnu Fabrika Kekava	Subsidiary	Poultry farming, production and marketing of poultry and poultry products	50003007411	Kekava, Kekava district, LV-2123	LV	public company	60.87%	SIA Lielzeltini owns 36.29% stock	97.16%
SIA PFK TRADER	Subsidiary	Food retail	40103703853	Kekava, Kekava district, LV-2123	LV	private limited liability company		AS Putnu Fabrika Kekava owns 100% stock.	97.16%
SIA Lielzeltini	Subsidiary	Poultry farming, production and marketing of poultry and poultry products, feed production	40003205232	"Mazzeltini", Janeikas, Bauskas district	LV	private limited liability company	100 %		100 %
SIA Broileks	Subsidiary	Chicken breeding and sale	50103262981	Gaismas St. 2A-48, KekavaLV-2123	LV	private limited liability company	100 %		100 %
SIA Cerova	Subsidiary	Egg incubation and chicken sale	43603019946	Centra St. 11, Musa, Bauskas district	LV	private limited liability company	100 %		100 %
Linas Agro OÜ	Subsidiary	Products for crop growing	16071924	Savimae 7, Vahi 60534, Tartu region	EE	private limited liability company		AB Linas Agro owns 100% shares.	100 %
SIA KG Latvija	Subsidiary	Production and wholesale of compound feed, wholesale of feed materials and products for crop growing	40103775495	Škunu St 2, Peltes, Sigulda Parish, Sigulda Municipality, LV-2150		private limited liability company		UAB KG Mažmena owns 100% shares.	89.09%
KG Polska Sp.zo.o.	Subsidiary	Wholesale of feed materials	200655918	Sejnenska St. 51, Suwalki, Poland	PL	private limited liability company		AB Kauno Grūdai owns 100% shares.	89.09%
Nordic Agro investment Limited	Subsidiary	Management services	7625931	93 Tudor drive, Kingston, Surrey, England, KT2 5NP, UK	UK	private limited liability company		AB Kauno Grūdai owns 100% shares.	89.09%



## ANNEX 4: COMPANIES NOT INCLUDED IN THIS REPORT

Company	Status	Activity	Code	Registration Office	Country	Legal form	Stock, owned directly by Linas Agro Group, AB	Other Stockholders	Share of the stock held by the Group
IOOO Belfidagro	Subsidiary	Production and wholesale of premixes	690651896	Kalinin St. 89A, Asipovichy, Mogilev region	BY			UAB KG Mažmena owns 70% stock, AB Kauno Grūdai – 30% stock.	89.09%
OOO KLM	Subsidiary	Wholesale of products for crop growing, veterinary products, premixes and seeds for gardening	69608281	Sosnovaja St. 7, office 9, Sonečnij vill., Minsk region	BY			Nordic Agro investment Limited owns 50% stock, AB Kauno Grūdai owns 20% stock.	62.37%
OOO VitOMEK	Subsidiary	Wholesale of premixes, compound feed and feed materials	1157746009398	Juliusa Fučika St. 6, Building 2, 2 floor, Room 2, 123056 Moscow	RF			UAB Kormoprom Invest owns 75% stock, AB Kauno Grūdai owns 25% stock.	97.27%
OOO VitOMEK	Subsidiary	Production of premixes	1117746107291	St.Severnaya 5, Likhoslavl, 171210 Tver region	RF			UAB Kormoprom Invest owns 75% stock, AB Kauno Grūdai owns 25% stock.	97.27%

As of the date of publication of the report, companies are sold and the transaction will close on 31.12.2022

\* As at June 30, 2022. Dormant companies and companies under liquidation, as well as associates not attributable to the Group are not included:

- UAB Gerera (dormant, the Group owns 100% stock)- private limited liability company, founded 15/1/1993, code of legal entity 147676584, address Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);
- UAB Dotnuvos technika (dormant, the Group owns 100% stock)- private limited liability company founded 25/6/1998, code of legal entity 161452398, address Parko St. 6, Akademija, LT-58351 Kėdainiai District, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);
- Linus Agro A/S (under liquidation, the Group owns 100% stock)-private limited liability company, founded 15/3/1994, code of legal entity CVR 17689037, address Vinkel Allé 1, DK-9000 Aalborg, Denmark, company register – Danish Commerce and Companies Agency;
- UAB Kekava Foods LT (dormant, the Group owns 100 % stock)- private limited liability company, founded 8/3/2018, code of legal entity 304784428, address Subačiaus St. 5, LT-01302 Vilnius, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);
- UAB KG Group LT (dormant, the Group owns 89.09% stock)- private limited liability company, founded 25/4/2013, code of legal entity 30305107, address H. ir O. Minkovskių St. 63, LT-46550 Kaunas, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);
- UAB Gastroneta (dormant, the Group owns 84.37% stock)- private limited liability company, founded 15/2/2000, code of legal entity 125057526, address Dariaus ir Girėno St. 175, LT-02189 Vilnius, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);
- UAB Kaišiadorių Paukštyno Mažmena (dormant, the Group owns 84.60% stock)- private limited liability company, founded 2/6/1999, code of legal entity 158986919, address Paukštinių St. 15, LT-56110 Kaišiadorys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);
- UAB Kaišiadorių Skerdykla (dormant, the Group owns 84.60% stock)- private limited liability company, founded 20/12/2016, code of legal entity 304435729, address Paukštinių St. 15, 56110 Kaišiadorys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);
- KG Eesti OU (dormant, the Group owns 89.09% stock)- private limited liability company, founded 12/7/2016, code of legal entity 14079784, address P. Suda 11, 10118 Tallinn, Estonia, company register – Centre of Registers and Information Systems (RIK);
- UAB Uogintai (dormant, the Group owns 84.60% stock)- private limited liability company, founded 10/11/2006, code of legal entity 300614873, address Paukštinių St. 15, LT-56110 Kaišiadorys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);
- Kooperatyvas Baltoji plunksnelė (dormant, the Group owns 82.88% stock)- cooperative, founded 22/11/2007, code of legal entity 301293559, address Paukštinių St. 15, LT-56110 Kaišiadorys, Lithuania; company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);
- KG Khumex Coldstore B.V (associate, the Group owns 42.24% stock)- private limited liability company, founded 16/11/2016, code of legal entity 67283845, address Landauer 11, 3897AB Zeewolde, the Netherlands; company register – Chamber of Commerce (Kamer van Koophandel);
- KG Khumex B.V. (associate, the Group owns 50% stock)- private limited liability company, founded 17/12/2012, code of legal entity 56668317, address Landauer 9, 3897AB Zeewolde, the Netherlands; company register – Chamber of Commerce (Kamer van Koophandel).

## ANNEX 5: MANAGEMENT BOARD MEMBER PARTICIPATION IN GOVERNANCE OF OTHER COMPANIES

**DARIUS ZUBAS**

<i>Companies of the Group:</i>	Position	Since
AB Kauno grūdai, 133818917, H. ir O. Minkovskių g. 63, Kaunas, Lithuania	Chairman of the Board	2021
AB Vilniaus Paukštynas, 186107463, Gamyklos g. 27, Rudamina, Vilnius District, Lithuania	Chairman of the Board	2021
AB Kaišiadorių Paukštynas, 158891218, Paukštinių g. 15, Kaišiadorys, Lithuania	Chairman of the Board	2021
AB Zelvė, 181323215, Tiesioji g. 21, Daučiuliškės, Vievis eldership, Elektrėnai municipality, Lithuania	Chairman of the Board	2021
UAB Linas Agro Konsultacijos, 248520920, Žibuoklių g. 20, Kėdainiai, Lithuania	Deputy Chairman of the Board	2020
UAB Dotnuva Baltic, 261415970, Parko g. 6, Akademija, Kėdainiai District, Lithuania	Member of the Board	2019
SIA Lielzeltini, 40003205232, "Mazzeltini", Janeikas, Bauskas District, Latvia	Chairman of the Council	2015
AS Putnu Fabrika Kekava, 50003007411, Kekava, Kekava District, Latvia	Chairman of the Council	2014
AB Linas Agro, 147328026, Smėlynės g. 2C-3, Panevėžys, Lithuania	Chairman of the Board	2006
<i>Other companies:</i>		
UAB Darius Zubas Holding, 305363909, Subačiaus g. 5, Vilnius, Lithuania	Chairman of the Board	2019
UAB MESTILLA, 300097027, Kretainio g. 5, Klaipėda, Lithuania	Chairman of the Board	2006

**ANDRIUS PRANCKEVIČIUS**

<i>Companies of the Group:</i>	Position	Since
AB Kauno grūdai, 133818917, H. ir O. Minkovskių g. 63, Kaunas, Lithuania	CEO	2021
AB Vilniaus Paukštynas, 186107463, Gamyklos g. 27, Rudamina, Vilnius District, Lithuania	Deputy Chairman of the Board	2021
AB Kaišiadorių Paukštynas, 158891218, Paukštinių g. 15, Kaišiadorys, Lithuania	Deputy Chairman of the Board	2021
AB Zelvė, 181323215, Tiesioji g. 21, Daučiuliškės, Vievis eldership, Elektrėnai municipality, Lithuania	Deputy Chairman of the Board	2021
AB Kauno Grūdai Labdaros ir Paramos Fondas, 300144110, H. ir O. Minkovskių g. 63, Kaunas, Lithuania	Chairman	2021
UAB Linas Agro Konsultacijos, 248520920, Žibuoklių g. 20, Kėdainiai, Lithuania	Chairman of the Board	2020
AS Putnu Fabrika Kekava, 50003007411, Kekava, Kekava District, Latvia	Chairman of the Board	2015
SIA Lielzeltini, 40003205232, "Mazzeltini", Janeikas, Bauskas District, Latvia	Chairman of the Board	2015
SIA Cerova, 43603019946, Centra St. 11, Musa, Ceraukstes par., Bauskas District, Latvia	Chairman of the Board	2015
SIA Broileks, 50103262981, Gaismas g. 2A-48, Kekava, Latvia	Chairman of the Board	2015
<i>Other companies:</i>		
Latvian Poultry Association LAPNA, 50008102661, Republikas laukums 2, Rīga, Latvia	Chairman of the Council Member of the Council	2022 2021

**TUMAS TUMĒNAS**

<i>Company name, code of legal entity, address</i>	Position	Since
UAB PICUKĖ, 302557830, Ignalinos r.sav.teritorija, Lithuania	Director	2021
Kredito unija Saulėgraža, 302894776, Senasis Ukmergės kel. 4, Užubalių k., Vilniaus r., Lithuania	Stebėtojų Council Member of the Council	2020
UAB Darius Zubas Holding, 305363909, Subačiaus g. 5, Vilnius, Lithuania	Member of the Board Director	2019 2019
Akola ApS, 25174879, Thistedvej 68, st., Norresundby, Danija	Director	2018
UAB Baltic Fund Investments, 111587183, Labdarių g. 5, Vilnius, Lithuania	Director	2003

**ARŪNAS ZUBAS**

<i>Companies of the Group:</i>	Position	Since
Linas Agro Group, AB, 148030011, Subačiaus g. 5, Vilnius, Lithuania	Business Development Director	2022
AS Putnu Fabrika Kekava, 50003007411, Kekava, Kekava District, Latvia	Deputy Chairman of the Council Member of the Council	2018 2015
SIA Lielzeltini, 40003205232, "Mazzeltini", Janeikas, Bauskas District, Latvia	Deputy Chairman of the Council Member of the Council	2018 2015

*Other companies:*

UAB MESTILLA, 300097027, Kretainio g. 5, Klaipėda, Lithuania	Deputy Chairman of the Board Managing Director	2018 2005
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**DAINIUS PILKAUSKAS**

<i>Companies of the Group:</i>	Position	Since
UAB Linas Agro Grūdų Centrai, 148451131, Smėlynės g. 2C, Panevėžys, Lithuania	Deputy Chairman of the Board	2022
SIA Linas Agro, 53603019011, "Baltijas Ceļš", Brankas, Cenu District, Jelgava municipality, Latvia	Member of the Council	2020
AB Linas Agro, 147328026, Smėlynės g. 2C-3, Panevėžys, Lithuania	Trade Director for Baltic States Member of the Board	2006 2006

**JONAS BAKŠYS**

<i>Companies of the Group:</i>	Position	Since
UAB GeoFace, 304781617, Karaliaus Mindaugo pr. 37, Kaunas, Lithuania	Director	2022
AB Kauno Grūdai, 133818917, H. ir O. Minkovskių g. 63, Kaunas, Lithuania	Chairman of the Board	2022
Linas Agro OU, 16071924, Savimāe 7, Vahi, Tartu District, Estonia	Member of the Board	2021
UAB Dotnuva Baltic, 261415970, Parko g. 6, Akademija, Kėdainiai District, Lithuania	Deputy Chairman of the Board CEO	2019 2019
SIA Linas Agro, 53603019011, "Baltijas Ceļš", Brankas, Cenu District, Jelgava municipality, Latvia	Deputy Chairman of the Council	2019
UAB Dotnuva Baltic, 43603041881, Baltijas Ceļš, Brankas, Cenu District, Jelgava municipality, Latvia	Deputy Chairman of the Council	2019
AS Dotnuva Baltic, 12019737, Savimāe 7, Vahi, Tartu District, Estonia	Member of the Council	2019
AB Linas Agro, 147328026, Smėlynės g. 2C-3, Panevėžys, Lithuania	CFO Member of the Board	2019 2018
SIA Lielzeltini, 40003205232, Mazzeltini, Janeikas, Bauskas District, Latvia	Member of the Council	2018
AS Putnu fabrika Kekava, 50003007411, Kekava, Kekava District, Latvia	Member of the Council	2018
<i>Other companies:</i>		
UAB MESTILLA, 300097027, Kretainio g. 5, Klaipėda, Lithuania	Member of the Board	2018
Lobiu Sala AS, 556671-6501, BERIT MÖLLER & CO, Brahegatan 30 7TR, Stockholm, Sweden	Member of the Board	2017

AGRICULTURAL MACHINERY



FARM EQUIPMENT



GRAIN CLEANING, DRYING AND STORAGE FACILITIES



ADJUSTABLE DRAINAGE SYSTEM



SEEDS



PLANT CARE PRODUCTS, FERTILISERS



PLANT CARE PRODUCTS, FERTILISERS



VETERINARY PHARMACY & SUPPLEMENTS



Group companies are fostering close relations with a wide array of world class producers. Our extensive network allows us to offer the best possible solutions for the needs of local farmers and agricultural companies.



## ACCOUNTING PRINCIPLES

This is our first consolidated GHG emissions accounting effort based on the Greenhouse Gas Protocol.

### RELEVANCE

We analysed entire value chain of the Group to make sure that collected GHG inventory reflects Group activities and GHG emissions. All relevant Group activities re described in our sustainability report.

### COMPLETENESS

We account for and report on all GHG emission sources and activities within the chosen inventory boundary. Contextual information behind reported results are presented for all relevant inventories. All exclusions and reasons for excluding are listed below.

### CONSISTENCY

We use consistent methodologies to allow for meaningful comparisons of emissions over time. All emission factors and other indicators are carefully documented.

### TRANSPARENCY

All relevant issues are addressed in a factual and coherent manner, based on a relevant activity data. We disclose relevant accounting methods and assumptions behind our calculations and assess the reliability of results.

### ACCURACY

Quantification of final results is comparable and reports in unified units (tCO<sub>2</sub> equivalent).

## ACCOUNTING APPROACH

We account for 100 percent of the GHG emissions from operations over which we have operational control.

## SCOPE 1: DIRECT EMISSIONS

Direct emissions and sequestration occur from GHG sources or sinks within the Group boundaries and are owned or controlled by the organisation.

### KEY DIRECT EMISSIONS WITHIN THE GROUP:

*CO<sub>2</sub> (carbon dioxide) emissions* occur from direct combustion off fossil fuels (natural gas, diesel, LPG, petrol) by stationary and mobile machinery.

*HFC (hydrofluorocarbon) emissions* are direct results of cooling, refrigeration, and freezing of production mainly occurring in poultry processing processes.

*N<sub>2</sub>O (nitrous oxide) emissions* are the result of application of chemical nitrogen fertilisers and manure to agricultural soils.

*CH<sub>4</sub> (methane) emissions* are directly related to livestock (ruminants and birds) enteric fermentation process and manure management.

*SOC (soil organic carbon) sequestration (trapping of carbon within soil)* is a result of farming practices in attempt to reduce environmental effects of crop production process.

*HFC (hydrofluorocarbon) emissions* are direct results of cooling, refrigeration, and freezing of production mainly occurring in poultry processing processes.

### STATIONARY COMBUSTION:

The Group operates a network of 13 modern grain storage facilities, which includes 10 facilities in Lithuania and 3 in Latvia, farming companies also run their own grain drying and storage facilities. Poultry business is responsible for 88% of natural gas consumption within the Group.

Reliability: high. Data collected directly from company records.

Source	Unit	Quantity	tCO <sub>2</sub> eq
Natural gas	1000 m <sup>3</sup>	28,207.2	52,775.6
Diesel	1000 l	251.6	640
LPG	1000 l	745.1	1,157
<b>Total</b>			<b>54,573.9</b>

GHG emissions from stationary machinery, Linas Agro Group, AB 2021/2022

### MOBILE COMBUSTION:

The direct emissions from mobile sources are divided in two key categories: fuel consumed for agricultural production and other activities such as transportation of products and inputs by tractors and vehicle owned and/or leased by Group companies.

Reliability: high. Data collected directly from company records.

Source	Unit	Quantity	tCO <sub>2</sub> eq
Diesel in agriculture	1000 l	2,452.6	6,244.3
Diesel for other activities	1000 l	2,527.9	6,436.2
Petrol	1000 l	378	824.8
<b>Total</b>			<b>13,505.3</b>

GHG emissions from mobile machinery, Linas Agro Group, AB 2021/2022

### EMISSIONS FROM COOLING AND FREEZING:

We account for industrial use of refrigerants in poultry production. Refrigerants used for cooling of our offices and vehicles are procured as a service and not included in scope 1 calculations.

Reliability: high. Data collected directly from company records.

Source	Unit	Quantity	t.CO <sub>2</sub> eq
Refrigerants	t	0.559	1,666
<b>Total</b>			<b>1,666</b>

GHG emissions from refrigerants, Linas Agro Group, AB 2021/2022

### N<sub>2</sub>O (NITROUS OXIDE) EMISSIONS:

Direct emissions from managed soils: the method is based on Chapter 11 « N<sub>2</sub>O emissions from managed soils and CO<sub>2</sub> emissions from lime and urea application » of the IPCC Guidelines for National Greenhouse Gas Inventories (GNGGI). The assessment of soils emissions considers, to some extent, soil types and climate.

Reliability: moderately high. Data collected directly from company records.

Source	Unit	Quantity	t.CO <sub>2</sub> eq
Application of chemical fertilisers	t	10,480*	23,637
Manure management			933.3
<b>Total</b>			<b>24,570.3</b>

GHG emissions from managed soils, LINAS AGRO GROUP 2021/2022

\* The composition of all fertiliser was broke down to estimate the actual content N (Nitrogen) based on composition declared by manufacturers

**DIRECT EMISSIONS FROM LIVESTOCK:**

Methane is produced by animals as a result of enteric fermentation, a digestive process by which carbohydrates are broken down by microorganisms into simple molecules. Digestive systems and feed intakes are two major parameters influencing the rate of methane emissions.

The assessment of GHG emissions from enteric fermentation is based on the IPCC, tier 2 simplified method for all livestock categories.

The rate of methane emissions depends on diet (DMI/day), gross energy (MJ/day) and a methane conversion factor per animal and type of diet.

Globally, cattle is the leading methane emission source, poultry are not major contributors to emissions from enteric fermentation emissions.

The reliability of CH<sub>4</sub> depends on organisations ability to compile data on dry matter intake per animal as well as other parameter such as animal weight and days spent grazing etc.

All relevant data can be tracked back to company records, thus reliability of CH<sub>4</sub> calculations is estimated to be high.

Direct N<sub>2</sub>O emissions from the treatment and the storage of manure are estimated with the IPCC method, Tier 2.

Reliability: high. Data collected directly from company records.

	Source	Unit	Quantity	tCO <sub>2</sub> eq
All ruminants*	Animal		7,311	21,525
Broilers	Animal		50,854,264	9,747.9
Parental flock	Animal		297,598	1,083.1
Manure management				8,901
<b>Total</b>				<b>41,257</b>

GHG emissions from livestock, Linas Agro Group, AB 2021/2022

\* Average headcount of the cattle (cows, bulls, heifers)



**GHG SEQUESTRATION**

Soil organic carbon (SOC) is the balance between plant inputs and biologically mediated losses. The amount of SOC is large compared to anthropogenic CO<sub>2</sub> fluxes to the atmosphere that small changes in the SOC pool could have a major impact on the concentration of CO<sub>2</sub> in the atmosphere (Cox et al., 2000; Crowther et al., 2016).

The methodology for estimation of GHG sequestration is mostly based on the IPCC Guidelines for national greenhouse gas inventories – Volume 4: Agriculture, forestry and other land use.

The precise estimation of annual change in carbon storage is an extremely complex multilevel exercise requiring detailed investigation, testing and analysis of specific crops ability to absorb and soil’s capacity to retain CO<sub>2</sub> from the atmosphere.

Our estimate is based on IPCC guidelines taking into account the changes in soil management practices and tier 2 specification level of soil. Calculating total possible sequestration volumes we assumed the worst case scenario, thus we are confident the estimated amount is a conservative representation of change in CO<sub>2</sub> sinks in soils managed by our companies.

Reliability: low. No sampling of soil nor crops were performed.

	Source	Unit	Quantity	tCO <sub>2</sub> eq
Change in SOC in soil		ha	18,258	-20,798
<b>Total</b>				<b>-20,798</b>

GHG sequestration, Linas Agro Group, AB 2021/2022

**SCOPE 2**

Scope 2 represents emissions that our companies caused indirectly when the energy we purchased is produced by the third party providers.

Estimating location based GHG emissions for electricity consumption we apply emission factors published in 2021 European Residual Mix.

GHG emissions related to acquired heating energy is estimated based on supplier-specific emission factors.

Below we present GHG calculations for Scope 2, the location based amount of CO<sub>2</sub> for green electricity represents avoided GHG emissions by switching to clean energy consumption in all production and virtually all administrative sites operated by the Group.

Reliability: high. Data collected directly from company records.

	Source	Unit	Quantity	tCO <sub>2</sub> eq
Green electricity (market based)		Gwh	91.6	0
Not certified electricity (Market based)		Gwh	0.47	181
Heating (market based)		Mwh	0.82	176
<b>Total market based</b>				<b>357</b>

Scope 2 market based GHG emissions Linas Agro Group, AB 2021/2022



	Source	Unit	Quantity	tCO <sub>2</sub> eq
Green electricity (location based)		Gwh	91.6	35,304.5
Not certified electricity (location based)		Gwh	0.47	181
Heating (location based)		Mwh	0.82	176
<b>Total location based</b>				<b>35,661.5</b>

Scope 2 location based GHG emissions Linas Agro Group, AB 2021/2022



## SCOPE 3

Scope 3 represents indirect GHG emissions that occur because of our operations from sources not owned nor controlled by the Group companies.

Reliable data for Scope 3 emissions can be difficult to obtain, thus we used a variety of generally accepted emissions factors in order to represent the extent of our impacts to the indirect GHG emissions.

Evaluating our supply chain and assessing the materiality of our impact, we identified these Scope 3 categories as relevant to our GHG calculation:

- Purchased materials;*
- Fuel and energy related activities;*
- Transportation and distribution;*
- Waste generated in operations;*
- End of life treatment of packaging of sold goods.*

### EMISSIONS ASSOCIATED WITH PURCHASED MATERIALS:

Consistent tracking of consolidated Scope 3 GHG emissions was initiated in 2022.

- Estimating GHG emissions related to packaging we use DEFRA 2021 emission factors.
- GHG emissions from fertiliser production process are estimated based on composition of fertilisers applied.
- Calculating GHG emissions related to grain based products we assume that grain production emission factor are similar to CO<sub>2</sub> emissions per tone of output produced within our Group.

Reliability: average. The supplier specific data was not collected.

Source	Unit	Quantity	t.CO2 eq
Grain and for production	t	306,290	92,990
Grain products	t	376,707	96,927
Purchased feed	t	209,080	54,000
Fertilisers	t	10,480	17,816
Purchased raw meat	t	2,498	24,980
Food oil	t	9,547	32,459
Food additives	t	16,808	4,051
Plastic packaging	t	2,337	7,283
Paper packaging	t	2,424	2,007
Cleaning agents and other petrochemicals	t	1,080	1,836
Metal packaging	t	1,132	1,131
Seeds	t	2,926	752
Plant protection	t	92	156
Wooden packaging	t	550	27
<b>Total</b>			<b>336,415</b>

*Scope 3 GHG emissions from input production, Linas Agro Group, AB 2021/2022*

### FUEL AND ENERGY RELATED ACTIVITIES

We apply DEFRA 2021 emission factors to estimate GHG emissions related to extraction, production, and transportation of fuels and energy consumed within the Group over the reporting period, not already accounted for in scope 1 or scope 2.

Reliability: average. The supplier specific data was not collected.

Source	Unit	Quantity	t.CO2 eq
Transmission and distribution losses of electricity	Gwh	92.2	1,848
Well to tank (natural gas)	1,000 m <sup>3</sup>	28,208	7,419
Well to tank (diesel)	1,000 l	5,232	3,192
Well to tank (LPG)	1,000 l	745	141.5
Well to tank (petrol)	1,000 l	378	230.5
<b>Total</b>			<b>12,831</b>

*Scope 3 GHG emissions from fuel and energy related activities, Linas Agro Group, AB 2021/2022*

### TRANSPORTATION AND DISTRIBUTION

In order to estimate SCOPE 3 transportation and distribution emissions we used average traveling distances for inputs procured as well as for the goods sold. The table below accounts for third party transportation emissions by:

- Rail transport
- Road transport
- Marine transport

DEFRA emission factors for transportation by different means were employed.

Reliability: average. The supplier specific data was not available.

Source	Unit	Quantity	t.CO2 eq
Upstream transportation of inputs	tkm*	44,186,939	27,021
Downstream transportation of products	tkm	82,555,000	50,188
Transportation of goods for farmers	tkm	4,263,2400	25,917
Transportation of grain (trade)	tkm	1,720,000,000	99,958
<b>Total</b>			<b>203,085</b>

*Scope 3 GHG emissions from upstream and downstream transportation, Linas Agro Group, AB 2021/2022*

tkm\* A tonne-kilometre, abbreviated as tkm, is a unit of measure of freight transport which represents the transport of one tonne of goods over a distance of one kilometre.

### WASTE TREATMENT EMISSIONS

We apply DEFRA emission factors to estimate GHG emissions factors to evaluate end-of-life related emissions for waste diverted to disposal assuming no packaging was recycled by our clients.

Reliability: average. The supplier specific data was not available.

Source	Unit	Quantity	t.CO2 eq
Waste generated operations*	t	3,780	81
End of life for packaging sold	t	6,443	128
<b>Total</b>			<b>209</b>

*Scope 3 GHG emissions from waste treatment, Linas Agro Group, AB 2021/2022*

\*Only diverted through the gate



## EXCLUDED EMISSION SOURCES

Our calculations of GHG emissions are based on materiality criteria: emission sources accounting for less than 1 % of total Group emissions are not included.

- Companies: we exclude sold entities operating in Belarus and Russian Federation. The exclusion has no material impact as exclude companies did not have carbon intensive activities such as production, agriculture or poultry farming
- Capital goods such as buildings and other fixed assets: Scope 3 GHG indirect emissions exclude indirect emissions related to processing of materials for buildings.
- We exclude indirect GHG emissions related to materials and processing of owned fixed assets such as machinery, elevators, farm equipment etc.
- Investments: We do not add indirect emissions associated with materials and processing activities related to investments.
- Emissions related to employee commuting: 99% of our employees are from local communities, thus commuting is not material.
- Emissions related to work-from-home.
- Emissions related to heating/cooling and maintenance of rented offices not controlled by the company.
- Processing of sold goods. We are have no capacity to estimate further processing of raw milk, flour products, instant food, poultry meat etc.
- GHG sequestration by trees, groves and other CO<sub>2</sub> sinks not used in agriculture.



## ANNEX 8: GRI INDEX TABLE

GRI standard number	Disclosure number	Disclosure Title and Description	Page(s)/value
<b>GRI 102: GENERAL STANDARD DISCLOSURES</b>			
Organisational profile			
GRI 102	GRI 102:1	Name of the organisation	3
GRI 102	GRI 102:2	Activities, brands, products, and services	6, 8, 15, 16-26, 46
GRI 102	GRI 102:3	Location of headquarters	9
GRI 102	GRI 102:4	Location of operations	16, 18, 20, 22, 25, 43-44
GRI 102	GRI 102:5	Ownership and legal form	9
GRI 102	GRI 102:6	Markets served	16, 18, 20, 22, 25
GRI 102	GRI 102:7	Scale of the organisation	8, 40-43
GRI 102	GRI 102:8	Information on employees and other workers	33
GRI 102	GRI 102:9	Supply chain	15
GRI 102	GRI 102:10	Significant changes to the organisation and its supply chain	3
GRI 102	GRI 102:11	Precautionary Principle or approach	38
GRI 102	GRI 102:12	External initiatives	36
GRI 102	GRI 102:13	Membership of associations	9
Strategy			
GRI 102	GRI 102:14	Statement from senior decision-maker	2
GRI 102	GRI 102:15	Key impacts, risks, and opportunities	12, 38
Ethics and integrity			
GRI 102	GRI 102:16	Values, principles, standards, and norms of behavior	5
GRI 102	GRI 102:17	Mechanisms for advice and concerns about ethics	34
Governance			
GRI 102	GRI 102:18	Governance structure	7, 40
GRI 102	GRI 102:20	Executive-level responsibility for economic, environmental, and social topics	12
GRI 102	GRI 102:22	Composition of the highest governance body	7
GRI 102	GRI 102:23	Chair of the highest governance body	7
GRI 102	GRI 102:25	Conflicts of interest	7
GRI 102	GRI 102:26	Role of highest governance body in setting purpose, values, and strategy	12
GRI 102	GRI 102:27	Collective knowledge of highest governance body	7, 45
GRI 102	GRI 102:29	Identifying and managing economic, environmental, and social impacts	12
GRI 102	GRI 102:30	Effective risk management process	38
GRI 102	GRI 102:31	Review of material topics	12
GRI 102	GRI 102:32	Highest governance body's role in sustainability reporting	3, 12
<b>STAKEHOLDER ENGAGEMENT</b>			
GRI 102	GRI 102:40	List of stakeholder groups	11
GRI 102	GRI 102:41	Collective bargaining agreements	None
GRI 102	GRI 102:42	Identifying and selecting stakeholders	11
GRI 102	GRI 102:43	Approach to stakeholder engagement	11
GRI 102	GRI 102:44	Key topics and concerns raised	11, 12

**REPORTING PRACTICE**

GRI 102	GRI 102:45	Entities included in the consolidated financial statements	41-43
GRI 102	GRI 102:46	Defining report content and topic Boundaries	12
GRI 102	GRI 102:47	List of material topics	12
GRI 102	GRI 102:48	Restatements of information	3
GRI 102	GRI 102:49	Changes in reporting	3
GRI 102	GRI 102:50	Reporting period	3
GRI 102	GRI 102:51	Date of most recent report	3
GRI 102	GRI 102:52	Reporting cycle	3
GRI 102	GRI 102:53	Contact point for questions regarding the report	3
GRI 102	GRI 102:54	Claims of reporting in accordance with the GRI Standards	3
GRI 102	GRI 102:55	GRI Content table	51-52

**GRI 103: MANAGEMENT APPROACH**

## Reporting practices

GRI 103	GRI 103:1	Explanation of the material topic and its boundary	12
GRI 103	GRI 103:2	The management approach and its components	10, 12-14, 16-26,

**GRI 200: ECONOMIC**

## GRI 201: Economic performance

GRI 201	GRI 201:1	Direct economic value generated and distributed	8, 39
GRI 201	GRI 201:2	Financial implications and other risks and opportunities due to climate change	27
GRI 201	GRI 201:4	Financial assistance received from government	8, 39

## GRI 205: Anti-corruption

GRI 205	GRI 205:1	Operations assessed for risks related to corruption	None
GRI 205	GRI 205:3	Confirmed incidents of corruption and actions taken	None

## GRI 206: Anti-competitive behaviour

GRI 206	GRI 206:1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
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## GRI 206: TAX

GRI 207	GRI 207:1	Approach to tax	Group pays its taxes in the geographies where profits are earned.
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**GRI 300: ENVIRONMENT**

## GRI 301: Materials

GRI 301	GRI 301:1	Materials used by weight or volume	8, 30, 39
GRI 301	GRI 301:2	Recycled input materials used	30
GRI 301	GRI 301:3	Reclaimed products and their packaging materials	30, 32

## GRI 302: Energy

GRI 302	GRI 302:1	Energy consumption within the organisation	8, 28, 39
GRI 302	GRI 302:2	Energy consumption outside of the organisation	28
GRI 302	GRI 302:3	Energy intensity	28
GRI 302	GRI 302:4	Reduction of energy consumption	10, 28
GRI 302	GRI 302:5	Reductions in energy requirements of products and services	10, 28

## GRI 303: Water

GRI 303	GRI 303:1	Interactions with water as a shared resource	31
GRI 303	GRI 303:2	Management of water discharge-related impacts	31
GRI 303	GRI 303:3	Water withdrawal	31
GRI 303	GRI 303:4	Water discharge	31
GRI 303	GRI 303:5	Water consumption	31

## ANNEX 8: GRI INDEX TABLE

GRI 304: Biodiversity			
GRI 304	GRI 304:1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	20
GRI 304	GRI 304:2	Significant impacts of activities, products, and services on biodiversity	20-21
GRI 304	GRI 304:3	Habitats protected or restored	None
GRI 304	GRI 304:4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	None
GRI 305: Emissions			
GRI 305	GRI 305:1	Direct (Scope 1) GHG emissions	8, 29, 39, 47, 48
GRI 305	GRI 305:2	Energy indirect (Scope 2) GHG emissions	29, 39, 48
GRI 305	GRI 305:3	Other indirect (Scope 3) GHG emissions	29, 39, 49
GRI 305	GRI 305:4	GHG emissions intensity	29
GRI 305	GRI 305:5	Reduction of GHG emissions	29
GRI 305	GRI 305:6	Emissions of ozone-depleting substances (ODS)	29
GRI 306 Waste			
GRI 306	GRI 306:1	Waste generation and significant waste-related impacts	32
GRI 306	GRI 306:2	Management of significant waste-related impacts	32
GRI 306	GRI 306:3	Waste generated	32, 39
GRI 306	GRI 306:4	Waste diverted from disposal	32
GRI 306	GRI 306:5	Waste directed to disposal	8, 32, 39
GRI 307: Environmental compliance			
GRI 307	GRI 307:1	Non-compliance with environmental laws and regulations	No incidents
GRI 308: Supplier environmental assessment			
GRI 308	GRI 308:2	New suppliers that were screened using environmental criteria	For food ingredients
GRI 400: SOCIAL			
GRI 401: Employment			
GRI 401	GRI 401:1	New employee hires and employee turnover	33
GRI 403: Occupational health and safety			
GRI 403	GRI 403:1	Workers representation in formal joint management–worker health and safety committees	34
GRI 403	GRI 403:2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	34
GRI 403	GRI 403:3	Workers with high incidence or high risk of diseases <sup>(1)</sup> related to their occupation	34
GRI 403	GRI 403:5	Worker training on occupational health and safety	33, 34
GRI 403	GRI 403:6	Promotion of worker health	34
GRI 403	GRI 403:7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	34
GRI 403	GRI 403:8	Workers covered by an occupational health and safety management system	34
GRI 403	GRI 403:9	Work-related injuries	34
GRI 403	GRI 403:10	Work-related ill health	34

GRI 404: Training and education			
GRI 404	GRI 404:1	Average hours of training per year per employee	33
GRI 404	GRI 404:2	Programs for upgrading employee skills and transition assistance programs	33
GRI 404	GRI 404:3	Percentage of employees receiving regular performance and career development reviews	Top management: 100% Management 80%
GRI 406: Non-discrimination			
GRI 406	GRI 406:1	Incidents of discrimination and corrective actions taken	None
GRI 407: Freedom of association and collective bargaining			
GRI 407	GRI 407:1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None
GRI 412: Human rights assessment			
GRI 412	GRI 412:1	Operations that have been subject to human rights reviews or impact assessments	None
GRI 412	GRI 412:3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	None
GRI 413: Local communities			
GRI 413	GRI 413:1	Operations with local community engagement, impact assessments, and development programs	36
GRI 414: Supplier social assessment			
GRI 414	GRI 414:1	New suppliers that were screened using social criteria	For food ingredients
GRI 414	GRI 414:2	Negative social impacts in the supply chain and actions take	For food ingredients
GRI 415: Public policy			
GRI 415	GRI 415:1	Political contributions	None
GRI 416: Customer health and safety			
GRI 416	GRI 416:1	Assessment of the health and safety impacts of product and service categories	None
GRI 416	GRI 416:2	Incidents of non-compliance concerning the health and safety impacts of products and services	None
GRI 417: Marketing and Labeling			
GRI 417	GRI 417:1	Requirements for product and service information and labeling	35
GRI 417	GRI 417:2	Incidents of non-compliance concerning product and service <sup>(1)</sup> information and labeling	None
GRI 418 : Customer Privacy			
GRI 418	GRI 418:1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No personal data collected from customers
GRI 419: Socioeconomic compliance			
GRI 419	GRI 419:1	Non-compliance with laws and regulations in the social and economic area	NO incidents



*Annual total compensation:* compensation provided over the course of a year can include compensation such as salary, bonus, stock awards, option awards, non-equity incentive plan compensation, change in pension value and non-qualified deferred compensation earnings, and all other compensation.

*Anti-competitive behaviour:* action of the organisation or employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition

*Anti-trust and monopoly practice:* action of the organisation that can result in collusion to erect barriers for entry to the sector, or another collusive action that prevents competition

*Area of high biodiversity value:* area not subject to legal protection, but recognised for important biodiversity features by a number of governmental and non-governmental organisations

*Area protected:* area that is protected from any harm during operational activities, and where the environment remains in its original state with a healthy and functioning ecosystem

*Area restored:* area that was used during or affected by operational activities, and where remediation measures have either restored the environment to its original state, or to a state where it has a healthy and functioning ecosystem

*Base year:* historical datum (such as year) against which a measurement is tracked over time

*Baseline:* starting point used for comparisons

*Basic salary:* fixed, minimum amount paid to an employee for performing his or her duties, excluding any additional remuneration, such as payments for overtime working or bonuses

*Benefit:* direct benefit provided in the form of financial contributions, care paid for by the organisation, or the reimbursement of expenses borne by the employee

*Biogenic carbon dioxide (CO<sub>2</sub>) emission:* emission of CO<sub>2</sub> from the combustion or biodegradation of biomass

*Carbon dioxide (CO<sub>2</sub>) equivalent:* measure used to compare the emissions from various types of greenhouse gas (GHG) based on their global warming potential (GWP)

*circularity measures:* measures taken to retain the value of products, materials, and resources and redirect them back to use for as long as possible with the lowest carbon and resource footprint possible, such that fewer raw materials and resources are extracted and waste generation is prevented

*close call:* work-related incident where no injury or ill health occurs, but which has the potential to cause these

*collective bargaining:* all negotiations which take place between one or more employers or employers' organisations, on the one hand, and one or more workers' organisations (trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers

*conflict of interest:* situation where an individual is confronted with choosing between the requirements of his or her function and his or her own private interests

*conservation and efficiency initiative:* organisational or technological modification that allows a defined process or task to be carried out using less energy

*continued employability:* adaptation to the changing demands of the workplace through the acquisition of new skills

*corruption:* 'abuse of entrusted power for private gain',<sup>1</sup> which can be instigated by individuals or organisations

*direct (Scope 1) GHG emissions:* GHG emissions from sources that are owned or controlled by an organisation

*disposal:* any operation which is not recovery, even where the operation has as a secondary consequence the recovery of energy

*DJSI:* The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognized that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios.

*Due diligence:* In the context of the GRI Standards, 'due diligence' refers to a process to identify, prevent, mitigate and account for how an organisation addresses its actual and potential negative impacts.

*Effluent:* treated or untreated wastewater that is discharged

*Employee:* individual who is in an employment relationship with the organisation, according to national law or its application

*Employee category:* breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production)

*Employee turnover:* employees who leave the organisation voluntarily or due to dismissal, retirement, or death in service

*Employment type:*

*Full-time:* A 'full-time employee' is an employee whose working hours per week, month, or year are defined according to national legislation and practice regarding working time (such as national legislation which defines that 'full-time' means a minimum of nine months per year and a minimum of 30 hours per week).

*Part-time:* A 'part-time employee' is an employee whose working hours per week, month, or year are less than 'full-time' as defined above.

*Energy indirect (Scope 2) GHG emissions:* GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organisation

*Energy reduction:* amount of energy no longer used or needed to carry out the same processes or tasks

*Environmental laws and regulations:* laws and regulations related to all types of environmental issues applicable to the organisation

*environmental protection expenditure:* expenditure on environmental protection by the organisation, or on its behalf, to prevent, reduce, control, and document environmental aspects, impacts, and hazards

*exposure:* quantity of time spent at or the nature of contact with certain environments that possess various degrees and kinds of hazard, or proximity to a condition that might cause injury or ill health (e.g., chemicals, radiation, high pressure, noise, fire, explosives)

*financial assistance:* direct or indirect financial benefits that do not represent a transaction of goods and services, but which are an incentive or compensation for actions taken, the cost of an asset, or expenses incurred

*formal joint management-worker health and safety committee:* committee composed of management and worker representatives, whose function is integrated into an organisational structure, and which operates according to agreed written policies, procedures, and rules, and helps facilitate worker participation and consultation on matters of occupational health and safety

*freedom of association:* right of employers and workers to form, to join and to run their own organisations without prior authorization or interference by the state or any other entity

*freshwater:* water with concentration of total dissolved solids equal to or below 1,000 mg/L

*full coverage:* plan assets that meet or exceed plan obligations

*global warming potential (GWP):* value describing the radiative forcing impact of one unit of a given GHG relative to one unit of CO<sub>2</sub> over a given period of time

*governance body:* committee or board responsible for the strategic guidance of the organisation, the effective monitoring of management, and the accountability of management to the broader organisation and its stakeholders

*greenhouse gas (GHG):* gas that contributes to the greenhouse effect by absorbing infrared radiation

*grievance mechanism:* system consisting of procedures, roles and rules for receiving complaints and providing remedy

*groundwater*: water that is being held in, and that can be recovered from, an underground formation

*hazardous waste*: waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation

*health promotion*: process of enabling people to increase control over and improve their health

*hierarchy of controls* systematic approach to enhance occupational health and safety, eliminate hazards, and minimize risks

*high-consequence work-related injury*: work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months

*highest governance body*: formalized group of persons charged with ultimate authority in an organisation

*high-potential work-related incident*: work-related incident with a high probability of causing a high-consequence injury

*impact*: In the GRI Standards, unless otherwise stated, 'impact' refers to the effect an organisation has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.

*incineration*: controlled burning of waste at high temperatures

*indicator of diversity*: indicator of diversity for which the organisation gathers data

*indirect political contribution*: financial or in-kind support to political parties, their representatives, or candidates for office made through an intermediary organisation such as a lobbyist or charity, or support given to an organisation such as a think tank or trade association linked to or supporting particular political parties or causes

*infrastructure*: facilities built primarily to provide a public service or good rather than a commercial purpose, and from which an organisation does not seek to gain direct economic benefit

*landfilling*: final depositing of solid waste at, below, or above ground level at engineered disposal sites

*local community*: persons or groups of persons living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organisation's operations

*local supplier*: organisation or person that provides a product or service to the reporting organisation, and that is based in the same geographic market as the reporting organisation (that is, no transnational payments are made to a local supplier)

*management approach disclosure*: narrative description about how an organisation manages its material topics and their related impacts

*marketing communication*: combination of strategies, systems, methods, and activities used by the organisation to promote its reputation, brands, products, and services to target audiences

*material topic*: topic that reflects a reporting organisation's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders

*MSCI*: is an acronym for Morgan Stanley Capital International. It is an investment research firm that provides stock indexes, portfolio risk and performance analytics, and governance tools to institutional investors and hedge funds

*non-renewable energy source*: energy source that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles or agricultural processes

*non-renewable material*: resource that does not renew in short time periods

*OHS*: set of interrelated or interacting elements to establish an occupational health and safety policy and objectives, and to achieve those objectives

*occupational health and safety risk*: combination of the likelihood of occurrence of a work-related hazardous situation or exposure, and the severity of injury or ill health that can be caused by the situation or exposure

*occupational health services*: services entrusted with essentially preventive functions, and responsible for advising the employer, the workers, and their representatives in the undertaking, on the requirements for establishing and maintaining a safe and healthy work environment, which will facilitate optimal physical and mental health in relation to work and the adaptation of work to the capabilities of workers in the light of their state of physical and mental health

*other indirect (Scope 3) GHG emissions*: indirect GHG emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organisation, including both upstream and downstream emission

*preparation for reuse*: checking, cleaning, or repairing operations, by which products or components of products that have become waste are prepared to be put to use for the same purpose for which they were conceived

*produced water*: water that enters an organisation's boundary as a result of extraction (e.g., crude oil), processing (e.g., sugar cane crushing), or use of any raw material, and has to consequently be managed by the organisation

*product*: article or substance that is offered for sale or is part of a service delivered by an organisation

*product and service information and labelling*: information and labelling are used synonymously, and describe communication delivered with the product or service, describing its characteristics

*product or service category*: group of related products or services sharing a common, managed set of features that satisfy the specific needs of a selected market

*protected area*: geographic area that is designated, regulated, or managed to achieve specific conservation objectives

*reclaimed*: refers to collecting, reusing, or recycling products and their packaging materials at the end of their useful lives

*recordable work-related injury or ill health*: work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness

*recovery*: any operation wherein products, components of products, or materials that have become waste are prepared to fulfil a purpose in place of new products, components, or materials that would otherwise have been used for that purpose

*recycled input material*: material that replaces virgin materials, which are purchased or obtained from internal or external sources, and that are not by-products and non-product outputs (NPO) produced by the organisation

*recycling*: reprocessing of products or components of products that have become waste, to make new materials

*reduction of greenhouse gas (GHG) emissions*: decrease in GHG emissions or increase in removal or storage of GHG from the atmosphere, relative to baseline emissions

*regular performance and career development review*: review based on criteria known to the employee and his or her superior

*remuneration*: basic salary plus additional amounts paid to a worker

*renewable energy source*: energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes

*renewable material*: material that is derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for the next generation

*reporting period*: specific time span covered by the information reported

*Reporting Principle*: concept that describes the outcomes a report is expected to achieve, and that guides decisions made throughout the reporting process around report content or quality

*runoff*: part of precipitation that flows towards a river on the ground surface (i.e., surface runoff) or within the soil (i.e., subsurface flow)

*Scope of GHG emissions*: classification of the operational boundaries where GHG emissions occur

*seawater*: water in a sea or in an ocean

*security personnel*: individuals employed for the purposes of guarding property of the organisation; crowd control; loss prevention; and escorting persons, goods, and valuables

*senior executive*: top ranking member of the management of an organisation that includes a Chief Executive Officer (CEO) and individuals reporting directly to the CEO or the highest governance body

*services supported*: services that provide a public benefit either through direct payment of operating costs or through staffing the facility or service with an organisation's own employees

*significant air emission*: air emission regulated under international conventions and/or national laws or regulations

*significant impact on biodiversity*: impact that can adversely affect the integrity of a geographic area or region, either directly or indirectly, by substantially changing its ecological features, structures, and functions across its whole area, and over the long term, so that habitat, its population levels, and the particular species that make the habitat important cannot be sustained

*significant operational change*: alteration to the organisation's pattern of operations that can potentially have significant positive or negative impacts on workers performing the organisation's activities

*significant spill*: spill that is included in the organisation's financial statements, for example due to resulting liabilities, or is recorded as a spill by the organisation

*spill*: accidental release of a hazardous substance that can affect human health, land, vegetation, water bodies, and ground water

*stakeholder*: entity or individual that can reasonably be expected to be significantly affected by the reporting organisation's activities, products and services, or whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies and achieve its objectives

*supplier*: organisation or person that provides a product or service used in the supply chain of the reporting organisation

*supplier screening*: formal or documented process that applies a set of performance criteria as one of the factors in determining whether to proceed in a relationship with a supplier

*supply chain*: sequence of activities or parties that provides products or services to an organisation

*surface water*: water that occurs naturally on the Earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams

*sustainable development/sustainability*: development that meets the needs of the present without compromising the ability of future generations to meet their own needs

*tax jurisdiction*: country or territory with autonomous taxing powers similar to a country

*termination payment*: all payments made and benefits given to a departing executive or member of the highest governance body whose appointment is terminated

*third-party water*: municipal water suppliers and municipal wastewater treatment plants, public or private utilities

*topic*: economic, environmental or social subject

*topic Boundary*: description of where the impacts occur for a material topic, and the organisation's involvement with those impacts

*value chain*: An organisation's value chain encompasses the activities that convert input into output by adding value

*waste*: anything that the holder discards, intends to discard, or is required to discard

*waste disposal method*: method by which waste is treated or disposed of

*water consumption*: sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period

*water discharge*: sum of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organisation has no further use, over the course of the reporting period

*water stewardship*: use of water that is socially equitable, environmentally sustainable, and economically beneficial, achieved through a stakeholder-inclusive process that involves facility- and catchment-based actions

*water storage*: water held in water storage facilities or reservoirs

*water stress*: ability, or lack thereof, to meet the human and ecological demand for water

*water withdrawal*: sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period

*worker*: person that performs work

*worker consultation*: seeking of workers' views before making a decision

*worker participation*: workers' involvement in decision-making

*work-related hazard*: source or situation with the potential to cause injury or ill health

*work-related incident*: occurrence arising out of or in the course of work that could or does result in injury or ill health

*work-related injury or ill health*: negative impacts on health arising from exposure to hazards at work