AGROKONCERNAS UAB CONSOLIDATED MANAGEMENT REPORT

For the 2023–2024 financial year,
ended 30 June 2024

AGRO
KONCERNO GRUPĖ

TABLE OF CONTENTS

AGRO KONCERNO GRUPĖ

A WORD FROM THE OWNER

AFTER THIRTY YEARS IN BUSINESS, WE ARE SETTING NEW DIRECTIONS

The Agrokoncernas Group is entering a new phase. The 2023–2024 financial year was marked by significant strategic decisions, as well as investments of great importance to the entire agricultural sector, international recognition, and a resolute commitment to creating a sustainable, innovative, science-based future for agriculture built on strong partnerships.

As we commemorated the Group's 30th anniversary, we not only reflected on our journey but also clearly articulated our new goals. We continue what we began three decades ago: our mission to make Lithuanian agriculture innovative, economically efficient, and internationally competitive. The significant steps we took during this period are a testament to our ambition.

One of the year's most notable events was the opening of the 'Farm of the Future' in the village of Bebrujai in Radviliškis District. This unique project implements and demonstrates sustainable farming technologies, precision agriculture, soil conservation, and the use of renewable energy in real-world conditions. This farm is not only a symbol of modern farming but also a practical tool for improvement, promoting the dissemination of knowledge among farmers.

Next to the 'Farm of the Future', construction began on one of the most modern cow farm complexes in Europe. This project, valued at over EUR 80 million, will fundamentally change the face of the dairy sector in Lithuania – from sustainable livestock farming and green energy integration to the application of the highest animal welfare standards.

An equally important project was the start of the technical design for the Agrokoncernas GDP UAB deep grain processing plant in Kuršėnai.

This is one of our most ambitious projects, with planned investments expected to reach approximately EUR 300 million.

The goal of this plant is to move beyond the boundaries of traditional agriculture by creating higher value-added products and implementing circular economy principles and biotechnological solutions. The project company has signed a major investment agreement with the Government of the Republic of Lithuania, which has secured the status of a project of national importance. The project is focused on creating and developing new jobs in the Lithuanian region.

We are consistently implementing renewable energy solutions in our operations: we are expanding our network of solar power plants, developing electric vehicle charging infrastructure, and planning the development of four wind turbines with potential partners. This not only ensures energy independence and cost optimisation but also contributes to a smaller environmental impact.

We pay special attention to science and technological research. This year marked the fifth anniversary of the AgroITC Innovation and Research Centre of Agrokoncernas UAB. Over the past five years, it has become a crucial hub for creating and implementing practical solutions in crop production. Real-world testing, digital analysis, and the testing of new varieties and technologies all contribute to progress on our and our partners' farms.

This year, we also actively strengthened our collaboration with academic institutions, signing new partnership agreements with higher education schools. We established a Sustainability and Innovation Department, which helps us consistently plan long-term transformations and the application of best practices that align with both the European Green Deal's objectives and the realities of our sector.

We are particularly pleased that these steps have not gone unnoticed – the Agrokoncernas Group was selected for the top ten agricultural biotechnology leaders list compiled by the UK-based magazine, Life Sciences Review Europe. This is a significant international recognition that confirms our operations extend beyond Lithuania and inspire other sector participants in Europe.

We continue our mission to advance agriculture not only through investments but also through dialogue. The 'Agroambassador' movement serves this purpose, currently bringing together over 100 active, progressive farmers. They are the voice of our sector, helping to debunk myths and strengthen public trust in agriculture.

I thank everyone – our employees, partners, and clients – who share this vision, inspire us to make bold decisions, and contribute to making the Lithuanian agribusiness visible, valued, and growing.

Ramūnas Karbauskis
Owner of the Agrokoncernas Group

A WORD FROM THE CEO

AGRO KONCERNO GRUPĖ

STRONG PARTNERSHIPS AND INVESTMENTS IN THE FUTURE: THE PATH WE ARE ON

The past financial year was exceptionally active and full of growth; together with the team, we implemented crucial strategic steps. As every year, our priority remained clear: to provide farmers with reliable, science-based solutions and help them farm more economically and sustainably.

This season, we paid special attention to precision farming solutions – we invested in soil testing, variable-rate seeding, fertilising, and spraying. We also continued to invest in scientific research; we allocate more than EUR 1 million annually just to the activities of the AgroITC Innovation and Research Centre and our precision technologies.

The 'Farm of the Future' – a unique project, gained momentum. Here, we fulfil several missions: we demonstrate innovations, seek sustainable solutions, and debunk myths about modern agriculture.

We also began other important work: a cooperation agreement was signed with the Lithuanian Green Alliance, and we established the Sustainability and Innovation Department. Our goal is to more actively integrate the latest technologies, knowledge, and science into agribusiness practices. We also initiated the deployment of the first autonomous drone station in the Baltic States, and we are testing this solution and assessing its potential in real-world farming conditions.

We continued our collaboration with higher education institutions, signing new partnership agreements and actively contributing to the practical education and training of students and specialists.

We are also actively involved in educational projects – our employees visit schools, and we have formed the 'Agroambassador' movement, where the country's most progressive farmers share their experience, seek solutions to the most pressing challenges, promote responsible farming, and help strengthen the sector's reputation.

All this work is our response to change. The agricultural sector faces climate challenges, a changing regulatory environment, generational shifts, and other long-term changes. Therefore, our duty is to work with our partners to find solutions that ensure there is no shortage of healthy and high-quality food on all our tables.

I thank the team, our partners, and our clients for their cooperation in achieving goals of importance to the entire country. By following this path, we can help Lithuanian agribusiness grow, strengthen ourselves, and set an example for others.

Edgaras Šakys
Director of Agrokoncernas UAB

OUR BUSINESS

The operations of Agrokoncernas UAB and its subsidiaries (hereinafter – the Group) are based on science-based solutions for agriculture. The Group's AgroITC Innovation and Research Centre creates and continuously improves crop cultivation technologies, conducts research, and carries out tests, the results of which become recommendations for farmers in the country.

Based on this research, the Agrokoncernas UAB team carefully selects and forms a basket of plant care products, which includes the highest quality fertilisers, plant protection products, and other necessary solutions for agriculture.

The Group cooperates with well-known manufacturers worldwide, and the selected products are supplied to the Lithuanian market and exported to Poland, Latvia, Estonia, the Czech Republic, and other countries.

In addition, the Group is developing the Agro247 smart farming platform and provides the AgroITC Agronomist service to farms, helping to implement sustainable, economically efficient solutions. Its AgroTTC Precision Technology Centre tests the latest machinery, implements, and other innovative solutions for modern agriculture in practice.

A significant part of the Group's activity is agricultural development. The Group's agricultural companies engage in crop and livestock farming, creating economically strong farms that serve as an example for the local community and other farmers in the region.

One of the Group's significant projects is the 'Farm of the Future' being developed in Radviliškis District. It tests the latest technologies and innovative solutions under real-world conditions. The farm purposefully collects and systematises various data, which are constantly analysed by experienced specialists. The 'Farm of the Future' shares the results of its tests and its experience with partners, and the solutions that prove successful on the farm are also applied to other farms being modernised by Agrokoncernas UAB.

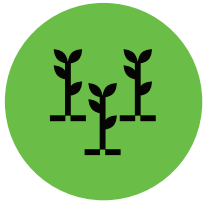
The Agrokoncernas group of companies includes the following

40 consolidated companies:

1. Gečiai Agricultural Company
2. “Latagrokoncerns” Ltd
3. “Agroekologija” Ltd
4. “Agrokoncerno technika” Ltd
5. “Anykščių agrocentras” Ltd
6. “Ateities ūkis” Ltd
7. “Gargždų agrochemija” Ltd
8. “Kretingos agrocentras” Ltd
9. “Joniškio agrocentras” Ltd
10. “Kėdainių agrochemija” Ltd
11. “Kėdainių agrocentras” Ltd
12. “Miežaičių valda” Ltd
13. “Pakruojo agrocentras” Ltd
14. “Panevėžio agrocentras” Ltd
15. “Pasvalio agrocentras” Ltd
16. “Radviliškio agrocentras” Ltd
17. “Raseinių grūdai” Ltd
18. “Vadoklių agrocentras” Ltd
19. “Vilkaviškio agrocentras” Ltd
20. “Žemės ūkio inovacijų centras” Ltd
21. “Žvirblonių agrocentras” Ltd
22. Agricultural Company “Draugas”
23. Anykščiai District Agricultural Company “Elma”
24. Agricultural Company “Klaipėdos agrocentras”
25. Pakruojis District Žvirbloniai Agricultural Company
26. “Agrolabas” Ltd
27. “Naisių investicijos” Ltd
28. Naisiai Agricultural Company
29. “Grūdų centras” Ltd
30. Burbiškis Agri-Service Cooperative
31. “Žvirblonių žalioji energija” Ltd
32. “Agrokoncernas GDP” Ltd
33. “Agrokoncerno biometanas” Ltd
34. "Agrokoncerno Pienas" Ltd
35. Joniškis District Skilvioniai Agricultural Company
36. Skilvioniai Ltd
37. “Šiaulių agrocentras” Ltd
38. AGRO Cemeri Ltd
39. “Žemės ateitis” Ltd
40. “Agrokoncernas GDPE” Ltd

ACTIVITIES AND SERVICES PROVIDED

AGRO KONCERNO GRUPĖ



CROP AND LIVESTOCK FARMING

All major agricultural crops are grown and modern livestock farming is developed on the farms managed by the Agrokoncernas Group.

TRADE OF FERTILISERS, SEEDS, AND PLANT PROTECTION PRODUCTS

We provide solutions to ensure yield quality and sustainability.

PRECISION FARMING

We offer innovative platforms and data-driven solutions to farmers.

SCIENTIFIC RESEARCH AND INNOVATION

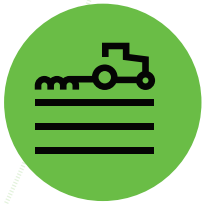
We operate private research centres: AgroITC, AgroTTC, and the educational 'Farm of the Future'.

FARMER CONSULTATIONS

We provide science-based consultations for farmers, and we organise conferences, training sessions, field days, and other educational events.

DAIRYING AND FEED PRODUCTION

We operate cow farm complexes, which are supplied with feed prepared on the farms.



SALES, RENTAL, AND SERVICE OF AGRICULTURAL EQUIPMENT

We provide professional services throughout Lithuania.

LOGISTICS

Our own logistics network ensures smooth cargo transportation by road, rail, and water.

DEEP GRAIN PROCESSING

We are building one of the most modern grain processing plants in Europe, which will operate on the principles of a circular economy.

GREEN ENERGY PROJECTS

Solar and wind power plants and biomethane plants are being developed on the Group's land.

SOCIAL RESPONSIBILITY

The Group supports educational, cultural, and health initiatives throughout Lithuania.

Infrastructure

The Agrokoncernas Group of companies infrastructure includes a central office, where administrative staff work, 11 agrochemical centres, 2 equipment service branches, our own farms with buildings, 5 cow farms, a biomethane plant, the AgroITC Innovation and Research Centre, the AgroTTC Precision Technology Centre, and a logistics base. This infrastructure allows us to ensure the control and efficiency of all stages of our operations.

Business Synergy

The synergy of the Agrokoncernas Group of companies activities ensures stability, reliability, and resilience to external factors. By being actively involved in the agricultural sector ourselves, we share knowledge and experience that we have verified in practice with our clients and partners.

AGRO KONCERNO GRUPĖ

Place in the Value Chain

The Agrokoncernas Group of companies operates across the entire agricultural value chain – from the supply of primary raw materials to the processing, logistics, and export of the final product. The Group's activities include crop production, feed production, and dairy farming complexes. We are also developing renewable energy projects, such as biomethane production and solar power plants.

The synergy of our companies allows us to create a closed, integrated system: we supply farms with seeds, fertilisers, plant protection products, and equipment, conduct research, consult farmers, purchase the harvested produce, and produce energy from production side streams. This model not only increases efficiency but also allows us to manage all the most important aspects of quality and sustainability.

By acting as a link between the agricultural sector and science, we create added value at every stage – from sowing to the exported product.

Operating Environment and Regulation

The Agrokoncernas Group of companies activities are regulated by both national and European Union legislation – specifically, the laws of the Republic of Lithuania and EU regulations, which set requirements for goods and products, their registration, use, and trade.

All traded agro-products and agro-production meet safety, efficiency, and environmental requirements. The trade of agrochemical products, seed certification, and trade are supervised by the State Plant Service under the Ministry of Agriculture. The trade of animal feed and raw materials for feed production is supervised by the State Food and Veterinary Service.

Our extensive experience, professional team, and implemented internal processes ensure regular checks throughout the supply chain. With our exceptional expertise and strong market position, the Group organises educational events and provides ongoing consultations to ensure the proper use of products and compliance with legal acts.

RESEARCH AND DEVELOPMENT

The Agrokoncernas Group of companies consistently invests in scientific progress and innovation to offer Lithuanian farmers the most advanced solutions that help increase yields, reduce environmental impact, and ensure stable incomes. The company's AgroITC Innovation and Research Centre is a recognised leader in the private agricultural research sector in the Baltic States, holding a Good Experimental Practice (GEP) certificate.

AGRO KONCERNO GRUPĖ

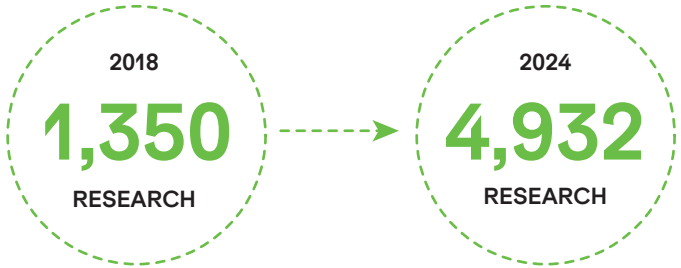
RESEARCH ON A REGIONAL SCALE

The Good Experimental Practice (GEP) certificate confirms our right to conduct plant protection product efficacy studies that meet the highest international EPPO standards. This allows us to carry out research in the Scandinavia and Baltic countries regions. The data collected for clients are reliable and can be used for the registration of plant protection products, based on the evidence of their efficacy from the studies conducted.

In recent years, we have seen a rapid increase in the volume of our research. In 2018, we started with 1,350 test plots, and in 2024, we are studying as many as 4,932 plots, meaning the volume of our research has increased by almost four times.

We are currently working with 6 clients (compared to 5 last year), have performed more than 20 million various measurements, and have conducted more than 5,000 studies. This gives Lithuanian farmers the opportunity to make more sustainable, economically beneficial, and higher-yielding decisions.

Our research is aimed at creating practical recommendations and improving crop cultivation technologies to increase farmers' income per unit area and ensure more stable farming. For example, over the last seven years, with the help of AgroITC, we have created solutions that significantly reduce verticillium infections in winter rapeseed crops.



We successfully select fungicides and determine their application rates for winter rapeseed and wheat, and we choose the most suitable solutions for fertilising with bulk fertilisers and field fertilising technologies. We continuously adapt varieties being created throughout Europe to Lithuanian climatic conditions.

The object of our research covers a wide range of plants, including:

- Winter wheat and rapeseed
- Spring wheat and barley
- Winter barley and triticale
- Beans, peas, and soybeans
- Given the growing need for feed, we have also started working with maize, fodder varieties, and mixtures.

ADVANCED LABORATORY AND RESEARCH MONITORING

The AgroITC Innovation and Research Centre's laboratory, located in Babtai, is modern and continuously updated. It performs a wide range of chemical element analyses in soil, different plant parts, and grains.

The laboratory also studies soil particle size, acidity, and total organic carbon content. These analyses allow for the determination of carbon content in soil or plants in all physical states (vapour, gas, liquid, and other materials).

In the laboratory, we determine the nitrogen content and its forms. This provides the opportunity to assess the mineral nitrogen content in the soil and provide personalised recommendations for nitrogen fertilisation to Lithuanian farmers every spring.

We continuously invest in research equipment and expand the range of analyses we perform. The monitoring and evaluation of field trials are constantly performed by five highly qualified specialists. Periodic scanning of all crops is carried out weekly using drones and multispectral cameras, which ensures comprehensive and accurate data collection.

We also use smart soil sensors, and the data collected is processed with the help of artificial intelligence and advanced software.

FUTURE PLANS AND PERSPECTIVES

Our activities are closely linked to the challenges of climate change. The AgroITC Innovation and Research Centre conducts various agronomic studies to select precise, safe, and effective agricultural solutions, provide recommendations, and continuously improve crop cultivation technologies. This allows us to not only grow a quality yield but also reduce our environmental impact. Although we are valued for our significant contribution to adapting to climate change, we aim to continuously improve, especially in the field of the most advanced climate forecasts and impact assessments.

We have started implementing a carbon capture program, which allows farmers to receive additional income from more sustainable farming activities and contribute to climate change mitigation.

In the future, we will continue to aim to be the main provider of recommendations for Lithuanian farmers. We plan to strengthen the development of livestock research, maintaining our leadership position in the private agricultural research sector.

Strategy

Agrokoncernas UAB and its subsidiaries combine practical agricultural experience and knowledge with science, technology, and innovation in their operations. The synergy of the businesses developed by the companies ensures operational efficiency and provides the opportunity to create a progressive, successful, and sustainable future for clients, partners, employees, society, and Lithuania.

VISION

We are a leader in the agricultural sector, operating on the principles of a global business.

The Agrokoncernas Group aims to be an example of innovation, efficiency, and sustainability, with our operations and the value we create being comparable to the most advanced companies in the world.

MISSION

To create progress in agribusiness.

In its operations, the Agrokoncernas Group actively applies scientific discoveries and innovations. By continuously improving the principles of agricultural production, processing, and trade, we seek effective solutions that help ensure reliable results.

KEY STRENGTH

The synergy of the Agrokoncernas Group's activities ensures stability, reliability, and resilience to external factors. By being actively involved in the agricultural sector ourselves, we share knowledge and experience that we have verified in practice with our clients and partners.

VALUES

SUSTAINABILITY

A responsible approach to the environment is an integral part of our operations. We conduct our activities in a way that conserves natural resources, reduces environmental impact, and strengthens the long-term resilience of the agricultural sector. We offer our clients sustainable agricultural goods and services that help create a more harmonious and environmentally friendly future.

PROFESSIONALISM

We are professionals in our field. Within our team, we cultivate a culture of continuous learning, growth, and improvement. We apply the criteria of professionalism to both our professional activities and our interactions with colleagues, partners, clients, and competitors.

TRUST

We believe in the success of a partnership based on trust. We stand by our word and are open and honest.

DRIVE

We make decisive decisions that help us act quickly, efficiently, and achieve our set goals.

INSIGHT

We are inquisitive, so we notice new opportunities. In our operations, we implement innovations and test advanced solutions.

DILIGENCE

We rely on our abilities and experience. We are diligent, and in pursuing our goals, we are guided by the belief that all problems are solvable.

ASSOCIATION MEMBERSHIPS

The Group is an active participant in the professional, business, and social responsibility communities. As responsible market participants, we join national and international associations that shape the direction of the sector, raise operational standards, and promote collaboration.

Lithuanian Plant Protection Association CropLife Lithuania: We contribute to the safe, responsible, and innovative use of plant protection products in agriculture.

Lithuanian Seed Growers' Association: We participate in creating and fostering a high-quality seed production system.

Lithuanian Association of Agrochemical Products and Fertiliser Industry and Trade: We work together to ensure the availability of sustainable and effective agrochemical solutions.

Lithuanian Marketing Association (LIMA): We share best practices in communication and marketing and deepen our professional knowledge.

Kaunas Chamber of Commerce, Industry, and Crafts: We cooperate with regional businesses and contribute to joint initiatives.

Kaunas HR Managers' Club: We participate in the activities of the community that shares best practices in human resources management.

Lithuanian Green Alliance: We support initiatives aimed at climate change mitigation and environmental protection.

Our membership in these associations and organisations is not only a platform for collaboration but also a commitment to act responsibly, adhere to the highest professional standards, and contribute to the creation of the entire agricultural and business ecosystem.

Key Events and Figures

Technical Design for a Deep Grain Processing Plant Has Begun

Agrokoncernas GDP UAB has started the technical design for a deep grain processing plant in Kuršėnai. A design work contract has been signed with the construction company PST Group. The plant plans to process about 500 thousand tonnes of grain per year. The products manufactured will include gluten, bioethanol, carbonic acid, and animal feed. This is a project of national importance, with a value exceeding EUR 300 million. It is planned to employ about 200 people, and the annual turnover could reach EUR 300 million.

PROCESSING **500** TONNES OF GRAIN PER YEAR

PROJECT **300** € million VALUE

EMPLOYMENT **200** employees

TURNOVER **300** € million

'Farm of the Future' Modernised Crop Production Base Opened

The 'Farm of the Future', an innovative project by the Agrokoncernas Group, aimed at becoming an example of sustainable farming, was opened in Radviliškis District. After investments in infrastructure, technology, and scientific research, the farm aims to become a centre for precision agriculture innovations and the circular economy. The 'Farm of the Future' conducts agronomic research and tests the latest technologies. It also organises training sessions, demonstrations, and meetings with partners and scientists.

Construction of One of the Largest and Most Modern Cow Farm Complexes Has Begun

In Radviliškis District, construction has begun on one of the largest and most advanced cow farm complexes in Europe. The project, valued at over EUR 80 million, is being implemented by YIT Lietuva. The complex will accommodate about 10,000 cattle, 4,000 of which will be milking cows. It is implementing advanced systems for monitoring animal health and controlling milk quality. A biomethane plant is also planned to be built nearby to produce green energy from the farm's waste. The start of milk production is scheduled for the first quarter of 2026.

First Autonomous Drone Station for Agriculture

The first autonomous drone station in Lithuania, designed for the agricultural sector, has started operating at the 'Farm of the Future'. The DBOX technology allows a drone to take off, collect field data, and automatically charge or replace its battery without human intervention. This is a significant step towards automating crop monitoring and reducing the need for human resources on farms.

AGRO KONCERNO GRUPĖ

PARTNERSHIPS AND COLLABORATION

‘Agroambassadors’ Initiative Launched

This project, which unites progressive farmers in the country, has begun. The goal of the ‘Agroambassadors’ club is to introduce modern farming to the public, debunk old myths, and inspire young people. The movement currently brings together about 100 of the country’s most progressive farmers who share their experience and best practices.

Partnerships with Higher Education Institutions

Cooperation agreements have been signed with Vilnius Tech University, Vilnius College of Technology and Design, and the Faculty of Electrical and Electronics Engineering at Kaunas University of Technology. The partnerships include the training of engineering specialists, scientific research, and the practical application of knowledge in the agricultural sector.

Bank Visit

Representatives of SEB bank got a close look at the activities carried out by the by the Agrokoncernas Group of companies. The bank representatives visited the Kutiškės seed preparation factory, the biomethane plant under construction, and the ‘Farm of the Future’ where they observed how innovative technologies work.

EVENTS

25 employee meetings and training sessions were organised at the Agrokoncernas Group's central office during the year.

Agrokoncernas Group Anniversary

The Agrokoncernas Group, bringing together employees and partners at the Kaunas Sports Hall, celebrated its 30th anniversary. The Agrokoncernas Group currently consists of 54 companies, employing about 1,200 people. The event recalled the company's evolution – from a small team to one of the leaders in the agricultural sector in the country. The celebration was a thank you to the employees and partners, thanks to whom the Agrokoncernas Group continues its ambitious projects and expansion.

AgroITC Innovation and Research Centre's Birthday

The AgroITC Innovation and Research Centre, which belongs to Agrokoncernas UAB, celebrated its 5th year of operation. It is the only private agribusiness research centre in the Baltic States and has been awarded an international quality certificate. Over five years, the team has grown from 3 to 10 specialists, and the number of research plots has increased from 1,000 to 5,000. AgroITC not only conducts its own research but also performs commissioned tests, which are used by the country's most progressive farmers.

Agricultural Robot in the City Centre

The Agrokoncernas team participated in an event organised by the Seimas, where they introduced the modern agricultural sector to city residents. Event participants could see the autonomous robot AgXeed, crop scanning sensors, and agronomist tools up close.

Innovations in Agriculture at a Shopping Centre

Agrokoncernas contributed to the event 'Mega Summer | Technologies and Innovations,' where it presented the most advanced agricultural technologies to city residents. Visitors could see the AgXeed robot, agricultural drones, and the DBOX drone station. The team actively interacted with visitors, presenting the reality of modern farming to reduce the gap between urban and rural people.

Education and Training Activities

20 introductory visits for high school and university students were organised at the central office in Babtai. Agrokoncernas Group companies also actively participated in career events throughout Lithuania – at universities, colleges, and student fairs. At these events, they presented career opportunities in the agricultural sector, innovative projects, and the future need for specialists.

Major events we participated in:

- 'VMU Career Days 2023'
- 'Engineering Vision for the Future' at Kaunas University of Applied Engineering Sciences
- Kauno Kolegija Contact Fair
- A meeting with more than 500 high school students at the Vilnius Tech Faculty of Mechanical Engineering
- 'Your PIN Code' in the Šiauliai Arena
- 'HeyAction' (SMK) – a competition for youth business ideas

'Gamtamokslis' Social Initiative Launched

An initiative, launched together with our partner, Adama, has begun implementation. It is aimed at 11th and 12th-grade students who want to build their future in agriculture and natural sciences. The 'Gamtamokslis' project provides an opportunity for a hundred young people to study for free with the best tutors, strengthening their knowledge in biology, chemistry, and other disciplines.

Student of the Year Awarded

The Agrokoncernas Group of companies continues the tradition of awarding students of Babtai Gymnasium for their achievements in natural sciences. A balloon flight was awarded to a graduate, a laureate of the district physics and chemistry olympiads.

Lecture on Innovations in Crop Production

Arnas Radzevičius, Commercial Director of Agrokoncernas UAB, gave a lecture to agronomy students at Vytautas Magnus University. He presented AgroITC's research and its practical applications in agriculture to the audience.

Conference Series ‘Experience. Tools. Goals 2024’

Agrokoncernas UAB organised a conference series ‘Experience. Tools. Goals 2024’, for farmers seeking precision, responsibility, and economic efficiency in agriculture. The events took place in three major cities – Panevėžys, Šiauliai, and Kaunas. At the conferences, agricultural experts gave presentations, sharing the results of practical trials. A total of more than 1,300 farmers from all over Lithuania participated in the events.

‘Dream Career Specialist’

The Lithuanian Association of Career Specialists (*Lietuvos Karjeros Specialistų Asociacija*) organised a conference on careers, where the prospects of the agricultural sector and the importance of youth involvement were presented. The Agrokoncernas Group of companies became a sponsor of the ‘Dream Career Specialist’ competition, aiming to motivate young people to choose professions needed in the agricultural sector.

Presentation at the LOGIN Conference

Arnas Radzevičius, Commercial Director of Agrokoncernas UAB, participated in the LOGIN conference with a presentation titled ‘Undiscovered Land: Where Are the Millions Hidden?’. He presented the opportunities of the modern agricultural sector, emphasising that it is one of the most stable, innovative, and technology-intensive sectors.

‘A Precise Step into the Future’ Seminar

The Agrokoncernas Group of companies organised a seminar ‘A Precise Step into the Future,’ which was attended by more than 150 farmers. The event presented innovations in precision farming, solutions tested at the ‘Farm of the Future’, and the results of scientific research.

Presentation at SEB Bank

At an event organised by SEB bank for the financial managers of the largest Lithuanian companies, Arnas Radzevičius, Commercial Director of Agrokoncernas UAB, discussed the use of artificial intelligence (AI) in agriculture.

AWARDS

Sector Leaders

Agrokoncernas UAB was ranked fifth on 'Verslo Žinios' list of top ten wholesale trade sector leaders. This recognition reflects the company's focused growth, which is based on a professional team, strong partnerships, and consistent investments in science and innovation at the AgroITC research centre.

International Recognition

The Agrokoncernas Group of companies was included in Life Sciences Review Europe magazine's list of the top ten agricultural biotechnology companies. This recognition was the result of an expert commission's assessment of the Group's operations, innovative projects, and international potential

International Exhibition Medals

At the international exhibition 'Ką pasėsi... 2024',The Agrokoncernas Group of companies innovations received high praise – the autonomous drone station DBOX and the Bednar Matador MO 6000 strip-tillage drill were awarded medals. Both solutions help farms work more precisely, conserve resources, and ensure efficient work even in difficult conditions.

MANAGEMENT REPORT

Key Indicators for the Reporting Period

- Sales revenue fell by 16% to EUR 182.5 million (from EUR 217.2 million the previous year).
- EBITDA decreased by 193% to EUR -4.6 million (from EUR 4.9 million the previous year).
- Net profit (loss) increased by 259% to EUR -23.3 million (from EUR -6.5 million the previous year).
- Long-term investments increased by 35% to EUR 27.4 million (from EUR 20.3 million the previous year).

FINANCIAL INDICATORS

(in thousands of euros unless otherwise stated)	30 JUNE 2024	30 JUNE 2023	CHANGE (%)
Sales Revenue	182,487	217,156	-16
EBITDA	-4,570	4,926	-193
EBITDA Margin, %	-2.50	2.27	-
Operating Profit (EBIT)	-12,734	-1,695	651
Operating Profit (EBIT) Margin, %	-6.98	-0.78	-
Profit before Tax	-23,924	-7,578	216
Profit before Tax Margin, %	-13.11	-3.49	-
Net Profit	-23,297	-6,451	261
Net Profit Margin, %	-12.77	-2.97	-
Assets	347,461	381,904	-9
Equity	94,367	120,202	-21
Long-term Investments	27,432	20,313	35

PERFORMANCE INDICATORS

	30 JUNE 2024	30 JUNE 2023	CHANGE (%)
Fertiliser Sales (t, l, pcs)	798,841	781,800	2
Seed and Plant Protection Product Sales (t, l)	1,397,455	1,324,745	5
Agricultural Product Sales (t)	109,482	100,056	9

REVENUE

Agricultural product sales revenue

19%

Sales revenue from fertilisers, seeds, plant protection products, agricultural equipment, etc.

81%

PERFORMANCE INDICATORS

	30 JUNE 2024	30 JUNE 2023	CHANGE (%)
Sales revenue from fertilisers, seeds, plant protection products, agricultural equipment, etc.	147,431	182,289	-19
Agricultural Product Sales (t)	35,056	34,867	1
Total:	**182,487**	**217,156**	**-16**

The decrease in sales revenue was primarily influenced by a 25% drop in fertiliser sales revenue. Fertiliser sales make up the largest portion of the revenue structure in both the previous and current financial years, so their fluctuations led to a general decrease in revenue.

Of all the business areas, milk sales stood out: due to rising milk purchase prices, revenue grew by 12% in the reporting year.

MARKET INFORMATION

Agrokoncernas UAB is one of the leaders in the agrochemical business, with almost all its sales taking place in Lithuania. Despite increasing competition in the fertiliser market, the Group maintains growing sales volumes of cereals and seeds, which shows that more and more farmers are choosing the goods and services offered by the Agrokoncernas Group of companies.

The company secures a market advantage by having a well-developed network of regional branches, warehouses, a wide range of clients, and providing additional consulting and research services. To maintain its position, the company is constantly expanding the range of services offered to farmers, introducing new products at attractive prices, and applying flexible payment terms.

OPERATING EXPENSES

(in thousands of euros unless otherwise stated)	30 JUNE 2024	30 JUNE 2023	CHANGE (%)
Cost of Sales	-177,970	-184,344	-3
Operating Expenses	-20,879	-37,471	-44

At the Agrokoncernas Group of companies level, the cost of sales for the reporting period, compared to the previous financial year, decreased by 3% and amounted to EUR 177,970 thousand at the end of the period.

A general decrease of 44% is observed in the Group's operating expenses during the analysed period. Expenses directly related to employees increased by EUR 2,012 thousand, or 18%, due to growing wages.

Analysing other operating expenses, a significant decrease of 71% was recorded at the Group level, compared to the previous financial year. Other expenses amounted to EUR 7,581 thousand in the reporting period (compared to EUR 26,185 thousand in the previous financial year). This change was driven by the revaluation of inventory in the previous financial year due to changes in market prices.

FINANCIAL POSITION "AND CACH FLOW"

As of 30 June 2024, long-term assets accounted for 38.2% (29.3% in the previous financial year) and current assets accounted for 61.8% (70.7% in the previous financial year) of the Group's total assets. The largest share of current assets was made up of goods for resale, which accounted for 18.5% of current assets (28.0% in the previous financial year) and 11.4% of total assets (19.8% in the previous financial year). Equity at the end of the reporting financial year accounted for 27.2% of total assets (31.5% in the previous financial year).

The Agrokoncernas Group of companies has various types of loan agreements with banks. Business loans are intended for the implementation of investment projects, while working capital loans (credit lines, overdrafts, and factoring limits) are used to finance the daily operations of the Group's companies.

(in thousands of euros unless otherwise stated)	30 June 2024	30 June 2023	CHANGE (%)
Total Assets	347,461	381,904	-9
Long-term Assets	132,593	111,851	19
Current Assets	214,617	269,848	-20
Equity	94,367	120,202	-21
Liabilities	253,094	261,702	-3

LONG-TERM INVESTMENTS

(in thousands of euros unless otherwise stated)	30 June 2024	30 June 2023	CHANGE (%)
Green Investments	6,160	2,281	170
Production and Building Renovation	4,600	4,058	13
Total Long-term Investments	10,760	6,339	70
Ratio of Long-term Investments to Revenue	5.9	2.9	

During the financial year ended 30 June 2024, the Group primarily invested in the construction of a biomethane plant, the installation of solar power plants in Group companies, the design work for a grain processing plant, and the construction of a modern cow complex.

The Group invested EUR 2.1 million in the construction of the cow complex during the reporting financial year. The entire complex is designed to operate on the principle of a circular economy – a biomethane plant will be built next to it to process animal manure into biogas, while also producing biofertilisers for farm operations.

In addition to these major investments, the Group also invested in the construction of new buildings and the renovation of old ones, as well as allocating funds for the renewal of systems and IT infrastructure.

INVESTMENTS IN SUBSIDIARIES

Šiauliai Agrocentras UAB
Žalioji g. 43A, Micaičių k., Šiaulių r.

87.51 %
Acquired Stake

Agrokoncerno Pienas UAB
Vėrupės g. 1, Babtų k., Kauno r.

100 %
Acquired Stake

On 6 September 2023, Agrokoncernas UAB acquired 87.51% of the shares of Šiauliai Agrocentras UAB. Before the business merger, Agrokoncernas UAB and Šiauliai Agrocentras UAB were companies under common control, belonging to the same shareholder.

On 3 June 2024, by a decision of Agrokoncernas UAB, a new legal entity was established: Agrokoncerno pienas UAB.

SHARE CAPITAL

The parent company's authorised capital is EUR 5,792,400, divided into 20,000 ordinary registered shares. The nominal value of one share is EUR 289.62.

The parent company's sole shareholder is Ramūnas Karbauskis (100% of the shares).

DIVIDENDS

Dividends can only be paid to the shareholder when all banking conditions are met and banking requirements are followed. No dividends were paid during the reporting period.

INFORMATION ON RELATED-PARTY TRANSACTIONS

As of 30 June 2024 and 30 June 2023, the Group had not issued loans or paid advances, had not assumed obligations to pay remuneration under defined benefit plans, had not provided guarantees, and had not accrued other significant amounts to the management of Agrokoncernas UAB.

During the year, the Group had no transactions with the parent company's shareholders and with non-consolidated subsidiaries and associated companies. During the year, the Group had transactions with companies controlled by the parent company's shareholders and other related parties.

COMPANIES CONTROLLED BY THE PARENT COMPANY'S SHAREHOLDERS AND OTHER RELATED PARTIES	CURRENT FINANCIAL YEAR (IN THOUSANDS OF EUROS)	PREVIOUS FINANCIAL YEAR (IN THOUSANDS OF EUROS)
Sales of goods and services rendered	37,929	40,059
Purchases of goods and services received	13,281	6,029
Accounts receivable	9,861	10,650
Accounts payable	18,323	38,531

Risk Management

AGRO
KONCERNO GRUPĖ

Price Fluctuation Risk

Price fluctuation risk includes a negative impact on operating results due to negative value fluctuations in agricultural raw materials, goods, and/or products. The Agrokoncernas Group of companies apply different measures and tactics to manage this risk: diversification of supply, active management of warehouse stock, pre-season purchases, and physical contracts with related and unrelated companies according to a long-standing business model. The Agrokoncernas Group of companies performs a retrospective price analysis, evaluates market trends, and constantly analyses the impact of price fluctuations on total costs to assess price fluctuation risk in individual operating segments.

Financing Risk

Financing risk includes the possibility of not obtaining the required financing for operations and/or expansion. The company uses short-term and long-term financing solutions to balance cash flows. To finance its operations and development projects, the company has a long-standing partner – its 'home' bank – and maintains good relationships with other groups of financiers to address conventional and specific capital needs. Other financial creditors are increasingly starting to finance individual subsidiaries, increasing credit diversification at the Group level. For strategic projects developed on a Group-wide scale, the goal is to attract strategic investors who have experience in the marketing of manufactured products or can ensure synergies through partnership.

Liquidity Risk

Liquidity risk includes the company's ability to meet its short-term obligations on time. Due to the seasonality and specificity of the operations, a sufficiently high need for working capital financing is required. To manage liquidity risk, the company attracts external financing and/or inter-Group company debt. To assess liquidity risk, the company forecasts monthly, quarterly, and annual cash flows, monitors liquidity indicators, and constantly performs a joint analysis of the working capital cycle with its subsidiaries.

Currency Risk

Currency risk includes changes in exchange rates and their negative impact on the company's financial results. The operations of the company and its subsidiaries are carried out in Lithuania, with active importing and limited exporting. The functional currency is predominantly EUR, and the majority of the Group's transactions concluded during the 12-month reporting period ended 30 June 2024 were in euros, so the Group avoided significant foreign currency exchange risk. The company used a minimal, insignificant amount of currency derivatives to hedge import commercial contracts. Financing solutions – short-term and long-term loans – were granted only in euros during the reporting period.

Subsidy Reduction Risk

Subsidy reduction risk occurs when business opportunities are lost or smaller state or European Union support is received, which was previously important for the continuity or expansion of operations. Such changes can cause disruptions in financial flows, lead to the suspension or postponement of investment projects, a reduction in employee salaries, and a decrease in competitiveness. This risk is most relevant for new investment projects being developed.

To manage this risk, the Group uses the following management measures:

- planning cash flows
- diversifying financing sources
- monitoring changes in subsidy policies
- seeking alternative forms of support

Human Resources Risk

Human resources risk includes risks related to human resources that affect business continuity, reputation, productivity, and financial results. Different challenges arise in different operating segments developed by the Group:

- For crop and livestock farming, the most relevant issues are a labour shortage, especially of seasonal workers; decreasing youth interest in agriculture; a lack of employee qualifications and limited practical knowledge of modern technologies and sustainable farming; and an insufficient ability to use digital tools.
- In other activities, including new investment projects being developed, attracting and retaining new competencies and talents is important.
- The following measures to reduce human resources risk are relevant across the entire Group: initiatives for retaining existing talents; investments in training through skill enhancement, digital skill development; improving working conditions; implementing innovations in safety measures; flexibility in work schedules; implementing motivation systems; collaborating with vocational schools and universities to attract talent; and strengthening the organisational culture.

Plans and Forecasts

AGRO KONCERNO GRUPĖ

Acquisition included 87.51% of the shares of Šiauliai Agrocentras UAB.

A new company, Agrokoncerno Pienas UAB, was established.

The subsidiary Žemės Ūkio Inovacijų Centras UAB acquired 24.39% of the shares of Burbiškio Agroserviso Kooperatyvas.

The subsidiary Joniškio Raj. Skilvionių ŽŪB also acquired 24.39% of the shares of Burbiškio Agroserviso Kooperatyvas, increasing the total stake controlled by the Group to 84.45%.

100% of the shares of Marijampolės Agrocentras UAB were sold.

PLANNED INVESTMENTS

Agrokoncernas UAB, operating directly and through its subsidiaries, primarily directs its investments towards areas that ensure business continuity, implementing them at the level of amortisation and depreciation. At the same time, to increase its competitiveness, the company invests in activities that create the most value and/or in new projects.

IN ADDITION TO INVESTMENTS IN TRADITIONAL BUSINESS ACTIVITIES, DURING THE REPORTING PERIOD THE COMPANY ALSO COMPLETED OR CONTINUED IMPORTANT STRATEGIC INVESTMENT PROJECTS STARTED EARLIER:

- **Agrokoncerno Biometanas UAB**: The completion of the Group's first biomethane plant exceeded 90%. In this reporting period, the plant has already begun full-scale operations, with activities and processes being streamlined. Operations started in the third quarter of 2024.
- **Ateities Ūkis UAB**: Construction has begun on the largest milk production complex. During the reporting period, the completion of the work reached about 70%, and operations are planned to begin in the first quarter of 2026.
- **Agrokoncernas GDP UAB**: We are continuing to invest in the preparatory work, infrastructure creation, and permitting required for the development of the grain processing plant. The project is planned to be developed only with a strategic investor.
- **Acquisition of the Kretinga Grūdai feed factory**: The company was awaiting a permit from the Competition Council of the Republic of Lithuania to acquire the feed factory and its related assets. The permit was obtained during this reporting period, initial investments were made, and production began. The production capacity exceeds 100,000 tonnes of compound feed, premixes, and concentrated feed per year. In the medium and long term, we plan to expand operations through modernisation. Operations began in the second quarter of 2025.
- **E-commerce project**: Investment planning has begun to create an online store aimed at Lithuanian farmers. During the reporting period, the project was more than 90% complete, and operations are planned to begin in the third quarter of 2025.
- **Investments in Science and Innovation**: We continue to plan investments in advanced scientific solutions, the creation of precision technologies, and their adaptation to local conditions.

Employee and Remuneration Policy

Salaries at the company reflect the functions performed and the value created. In addition, compensation is aligned with market salary levels and corresponds to the Lithuanian average for a specific position.

AGRO
KONCERNO GRUPĖ

ASPECTS OF REMUNERATION POLICY

- Transparency
- Market Competitiveness
- Setting Position-Based Salaries
- Bonuses Focused on Personal and Team Results
- Determining Additional Benefits
- Equal Opportunity Based on Value Created and Functions

The term ‘salary’ at the company includes a position-based salary and potential additional bonuses.

A COMPLETE SALARY MAY INCLUDE ONE OR MORE OF THESE COMPONENTS:

- Base salary
- Additional bonuses for personal results (monthly, quarterly, semi-annually, or annually)
- Additional bonuses for team results
- Additional bonuses for company results
- Other financial and non-financial benefits (life and accident insurance, health insurance, partial tuition reimbursement, partial meal reimbursement)

Salaries are reviewed once a year, or a decision may be made to conduct reviews more or less frequently after an assessment of their alignment with market averages.

ASPECTS OF REMUNERATION POLICY

Compared to the 2023 financial year, the wage increase in 2024 was 18.47%.

Salary 2022-2023	Salary 2023-2024	Change (EUR)	Growth (%)
19,086,775	22,612,575	3,525,800	18.47

The average salary for employees, comparing the 2022–2023 financial year and the 2023–2024 financial year, grew by 7.5%.

Average Salary 2022-2023	Average Salary 2023-2024	Change (EUR)	Growth (%)
2,057	2,210	153	7.5

The salaries of employees are approved by the company's director, and the compensation of company managers is approved by the sole shareholder or another management body specified in the articles of association.

All employees are covered by life and accident insurance, which is valid around the clock, including non-working hours. The company also offers additional health insurance.

The main value of the Agrokoncernas Group is the employee. Therefore, we aim to ensure that every employee can unleash and realise their potential within the company.

We provide opportunities to participate in internal competitions, which not only promote professional development but also offer the chance to pursue a career within the company.

The company's Human Rights Policy and Equal Opportunities Policy provide a solid foundation for employee well-being and a responsible employer approach to the employee.

AGRO
KONCERNO GRUPĖ

THE HUMAN RIGHTS POLICY INCLUDES THE FOLLOWING ASPECTS:

- Child labour
- Forced labour
- The right to professional development (training, English language courses, etc. are conducted)
- Prohibition of discrimination
- Work-life balance

Any employee who notices any violation related to the Human Rights Policy, Equal Opportunities Policy, or other procedures regulating personal rights must contact their direct supervisor, the human resources department, or use the confidential reporting channel.

The Agrokoncernas Group places great emphasis on employee well-being, health, and safety. These principles guide not only the implementation of the Group's internal policy but also the setting of similar requirements for suppliers, contractors, and other partners.

WE ARE COMMITTED TO:

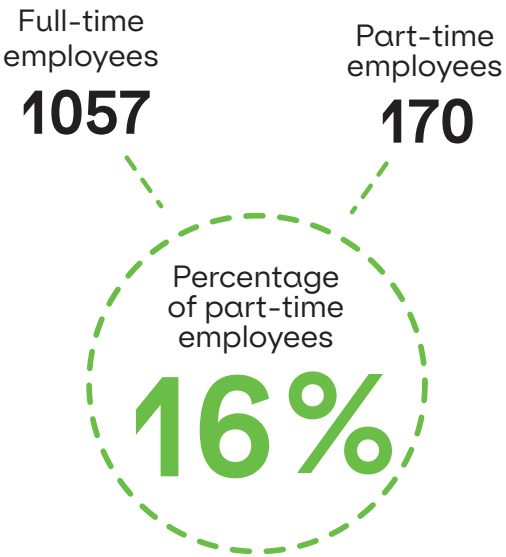
- Creating safe and healthy working conditions.
- Reducing occupational risk and the number of accidents.
- Responding to threats to both the physical and psychological well- being of employees.

The Group's goal is not only to retain and motivate current employees but also to attract new talent.

This is helped by a unified and transparent remuneration system, which is especially important for attracting new employees who do not yet have experience with the Group's culture and values.

Adhering to a clear remuneration system also helps to effectively organise internal employee rotation and maintain high employee motivation.

Below is the total number of employees and their distribution by workload – the ratio of full-time employees.



Most part-time employees at the company often work the other part of their workload at another company within the same group.

Governance

The governance structure of The Agrokoncernas Group of companies is formed to ensure effective organisational management, strategic flexibility, and quick response to changing market conditions. Governance is based on a vertical structure with clearly defined areas of responsibility and decision-making levels.

GOVERNANCE STRUCTURE

SHAREHOLDER

TRADE IN AGROPRODUCTS AND SERVICES FOR FARMS

Director of Agrokoncernas UAB

Fertiliser Products Department	Plant Protection Products Department	Seed Production Department	Livestock Farming Department	Sales Department	Environmental Protection Department	Sustainability Department	Precision Technologies Department	Innovation and Research Department	Transport and Logistics Department	Farm Department	Marketing Department

TRADE IN AGRICULTURAL MACHINERY AND IMPLEMENTS

Director of Agrokoncerno Technika UAB

Sales Division	Spare Parts Division	Rental Division	Service Division

AGRICULTURAL COMPANIES AND THEIR

Director of Žemės Ūkio Inovacijų Centras UAB

Director of Agricultural Companies

Managers of other Agrokoncernas Group of companies

The company's sole shareholder and ultimate beneficiary is Ramūnas Karbauskis.

The company's management structure consists of main divisions and departments that reflect the diversity of business areas and a consistent focus on specialisation.

The top-level management includes: the Director of Agrokoncernas UAB, the Director of Agrokoncerno Technika UAB, and the Director of Žemės Ūkio Inovacijų Centras UAB, who is responsible for the agricultural companies. This trio forms the strategic core, setting the company's development directions and ensuring the synergy of all divisions.

The main operational departments and divisions include: the Construction Department (responsible for infrastructure development and maintenance), the Commercial Department (ensuring efficient trading activities and relationships with partners), AgroITC (innovations and advanced solutions for agriculture), the Sustainability and Innovation Department (continuous work with innovations and the integration of sustainable development principles into all areas of activity), Product Group Departments (ensuring a wide and high-quality product range that meets the needs of various agricultural sectors), the Sales Division (responsible for ensuring service provision and maintaining the quality of client service), the Logistics Department (ensuring the efficient movement of goods and resources), and the Marketing Department (strengthening brand awareness and market position).

The management of agricultural and group companies is carried out by: the Chairs of Agricultural Companies (directly responsible for agricultural activities) and the Managers of other Group companies (coordinating and strengthening the synergy of the entire Agrokoncernas Group).

MANAGEMENT TEAM

The management team plays a crucial role in ensuring operational efficiency, the implementation of the strategic direction, and results.

It consists of top-level specialists with many years of professional experience and deep competencies in their areas of activity.

The management team, led by the Director of Agrokoncernas UAB, the Director of Agrokoncerno technika UAB, and the Director of Žemės ūkio inovacijų centras UAB, is characterised by its ability to make strategic decisions, effectively manage complex processes, and motivate teams to achieve the highest results.

The head of each department and division is responsible for the smooth management of daily processes and actively contributes to the creation of long-term company value.

AUDITORS

Transparency and reliability are among the main principles of the operations of Agrokoncernas UAB and its subsidiaries. To ensure the highest standards of financial reporting and transparency, the company's financial audit for the 2023/2024 financial year was conducted by the global auditing firm KPMG. This collaboration not only allowed for the evaluation of the financial position through the eyes of an independent institution but also provided valuable insights that help us improve.

Given KPMG's competence and international experience, collaboration is planned to continue in future periods.

This will help ensure the reliability of financial information, compliance with international standards, and strengthen trust among the company's partners and clients.

Sustainability Report

AGRO
KONCERNO GRUPĖ

General information

AGRO
KONCERNO GRUPĖ

2 ESRS GENERAL DISCLOSURE INFORMATION

BP-1 General Basis for Preparation of Sustainability Statements

This is the Group's first sustainability report, prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). Despite changes to the application of CSRD requirements due to the 'Stop the Clock' directive, this report is submitted voluntarily. Its preparation marks the Group's first step towards systematically assessing environmental, social, and governance (ESG) factors and their related impacts, risks, and opportunities (IROs).

The report is prepared on a consolidated basis, and its scope aligns with the consolidation boundaries of the Group's 2024 financial statements. The report includes all the Group's subsidiaries operating in crop and livestock farming, biogas production, and the provision of agriculture-related goods and services.

The information provided covers the Group's internal operations, as well as significant stages of the value chain – from the initial stage (purchased raw materials, goods, and services) to the final stage (product use and post-end-of-life impact).

These topics are disclosed based on a double materiality assessment (DMA) process. Sustainability topics are examined in the short, medium, and long term.

This report did not take advantage of the option to withhold information related to intellectual property, technological practices, or innovations – all significant matters have been disclosed based on the principles of transparency and public interest.

We also did not take advantage of the option to withhold information regarding future operational changes or ongoing negotiations, as provided for in Articles 19a(3) and 29a(3) of Directive 2013/34/EU.

BP-2 Disclosures in Relation to Specific Circumstances

This sustainability report is the Group's first report prepared in accordance with the ESRS. Disclosures related to financial data are based on information that has been independently audited in accordance with applicable financial reporting standards. The sustainability report has not been audited by an independent external service provider. The report does not provide additional information required by other legal acts or applied under other sustainability reporting standards.

GOV-1 The Role of the Administrative, Management and Supervisory Bodies

2 The disclosure requirement of ESRS GOV-1 is provided in the 'Governance' section of this report. Information related to our own workforce is provided in the 'S1 Own Workforce' section.

GOV-2 Information Provided to and Sustainability Matters Addressed by the Undertaking's Administrative, Management and Supervisory Bodies

During the reporting year, the Group established a Sustainability and Innovation Department to provide sustainability services to all Group companies. The department is responsible for forming the sustainability strategy, preparing reports and information for management, assessing risks, implementing preventive measures, communicating with stakeholders, coordinating sustainability initiatives, and integrating them into the business strategy of the entire Group. All Group managers participated in double materiality assessment sessions, during which significant impacts, risks, and opportunities related to environmental, social, and governance aspects were identified and evaluated. A Group sustainability strategy is currently being developed, which will clearly define the responsibilities and roles of managers in the field of sustainability.

GOV-3 Integration of Sustainability-Related Performance in Incentive Schemes

Currently, the Group does not have a sustainability-related incentive system in place for administrative, management, or supervisory bodies. Although sustainability performance results are not yet integrated into the salary policy or variable compensation system, the Group plans to evaluate the possibility of including sustainability-related indicators in the incentive system in the future, taking into account the sustainability strategy being created and the goal of strengthening the integration of sustainability principles into Group governance.

GOV-4 Statement on Due Diligence

The Group does not have a comprehensive due diligence process in place for all sustainability matters, but the first steps related to the creation of a sustainability strategy are being taken. During the reporting period, a DMA was performed for the first time, and this assessment is considered the first step towards a systematic due diligence process. The Group plans to integrate the due diligence process into the sustainability strategy, covering the following stages: identifying significant impacts, assessing risks and opportunities, planning and implementing actions, and monitoring and evaluating results.

GOV-5 Risk Management and Internal Controls Over Sustainability Reporting

The Group's Sustainability and Innovation Department is responsible for coordinating all Group sustainability activities, creating the sustainability strategy, and managing sustainability-related information. This department works closely with the Finance, HR, Product Group, and other departments to ensure a consistent and integrated approach to environmental, social responsibility, and governance issues.

In the reporting period, sustainability data was collected from various sources, using both internal systems and decentralised data collection methods, depending on the nature and availability of the data in different Group companies. The Group is gradually implementing solutions to improve the quality of data management and the consolidation of sustainability information.

SBM-1 Strategy, Business Model and Value Chain

Although the Group's business model is oriented towards the principles of sustainable agriculture, the sustainability strategy was only started in the reporting year with the establishment of the Sustainability and Innovation Department.

The main strategic impetus came after the DMA process, during which significant sustainability topics were identified, and the Group's greenhouse gas (GHG) emissions were calculated. The results of these actions became the basis for the creation of a sustainability strategy. The strategy is currently in the drafting stage.

The Group's activities include crop and livestock farming, trading of agrochemicals, agricultural machinery, seeds, and feed, biogas production, and currently developing projects related to renewable energy and agricultural production and processing. The main products sold are agrochemicals (fertilisers, plant protection products, biological preparations), seeds, feed, agricultural machinery, and products (grains, milk, meat), and biogas. The main services provided are soil testing, agronomic and precision technology consultations, and land and agricultural machinery rental. During the reporting period, the Group operated in Lithuania and Latvia.

The Group collaborates with key suppliers operating in Finland, Germany, Poland, Switzerland, and Denmark, who supply the Group with essential goods and services. The Group's customers (agricultural companies and cooperatives, farmers, agricultural (crop and livestock) product buyers) are in Lithuania, Poland, and Latvia. The Group also maintains ties with local communities and partners to ensure responsible operations and social responsibility.

The Group does not operate in sectors subject to additional disclosure requirements (coal or oil sectors). The Group's total revenue is indicated in the 'Management Report' section.

Nature (silent stakeholder)	Suppliers	Communities	Nature (silent stakeholder)	Shareholder	Employees	Financial Institutions	Customers	Nature (silent stakeholder)

UPSTREAM

OWN OPERATIONS

DOWNSTREAM

Product and Raw Material Suppliers

Service Providers

Arable Farms
Livestock Farms
Mixed Farms

Trade and Services

Agricultural Production and Processing

Biogas and Electricity Generation

Consumers and End-Users

E1 E2 E4 E5 S2 G1

E1 E2 E4 E5 S1 S3 S4 G1

E1 E2 E4 E5 S2 S4 G1

Landlords

Suppliers of plant protection products
Suppliers of fertilisers and fertiliser raw materials
Suppliers of livestock products
Suppliers of agricultural machinery
Suppliers of seeds

Providers of logistical services
Providers of strategic services

Contractors and subcontractors

Agrokoncernas UAB
SIA Latagrokoncerns
Agrokoncerno Technika UAB
Kėdainių Agrochemija UAB
Kretingos Agrocentras UAB
Joniškio Agrocentras UAB
Kėdainių Agrocentras UAB
Miežaičių Valda UAB
Panevėžio Agrocentras UAB
Pasvalio Agrocentras UAB
Radviliškio Agrocentras UAB
Vadoklių Agrocentras UAB
Vilkaviškio Agrocentras UAB
Žemės Ūkio Inovacijų Centras UAB
Agrolabas UAB
Naisių Investicijos UAB
Grūdų centras UAB
Žemės Ateitis UAB
Žvirbloniai Agrocentras UAB
Skilvioniai UAB
Agrokoncerno Pienas UAB

Agrokoncerno Biometanas UAB
Agrokoncerno GDPE UAB
Žvirblonių Žalioji Energija UAB
SIA Agro Cemeri UAB

Agrokoncerno GDP UAB

Draugas
Naisiai
Burbiškio Agroserviso Kooperatyvas
Skilvioniai
Žvirbloniai

Agroekologija
Gečiai
Ateities Ūkis
Pakruojo Agrocentras
Elma
Klaipėdos Agrocentras
Šiaulių Agrocentras
Gargždų Agrochemija
Anykščių Agrocentras

Land and building tenants

Customers of plant protection products
Customers of livestock products
Customers of fertilisers
Customers of seeds

AGRO KONCERNO GRUPĖ

SBM-2 Interests and Views of Stakeholders

During the reporting period, the Group involved stakeholders in the DMA process for the first time, taking an important step towards preparing a sustainability strategy. Although this is their first involvement in the context of DMA, the Group consistently maintains relationships with stakeholders, using various methods of engagement related to operational improvement and strategic decisions. Continuous dialogue allows for a better understanding of their opinions and expectations, and the information received is taken into account when making operational decisions. The table below presents the Group's key stakeholders, their expectations, and methods of engagement.

STAKEHOLDER	MAIN SUSTAINABILITY EXPECTATIONS	HOW THE GROUP ENGAGES THEM
Shareholder, Investors	- Long-term financial return and capital value preservation. - Reduction of the Group's GHG emissions. - Investments in sustainable, innovative solutions to ensure future competitiveness. - Increasing renewable energy production capacity. - A culture of respectful communication. - Responsible and transparent governance.	- Preparation of interim and annual reports on the Group's financial and operational results. - Regular meetings with the shareholder and thematic and strategic discussions are organised. - Digital platforms are used for continuous communication with the shareholder. - Meetings are held with investors.
Employees	- A safe and healthy work environment. - A work culture that respects employees' right to rest and personal time. - Competitive and fair compensation. - Ensuring diversity and equal opportunities. - Ensuring opportunities for professional development, learning, and career advancement.	- Use of digital platforms (intranet, newsletters, etc.) for continuous communication with employees. - Participation in work groups or committees. - Team activities and events. - Training and seminars. - Open management meetings with employees.
Financial Institutions	- Application of international governance principles. - Inclusion and diversity within the Group. - Life Cycle Assessment (LCA) management. - Transparent, data-based, and EU-compliant sustainability reporting. - Contribution to the implementation of national and EU sustainability goals.	- Direct meetings and presentations. - Consultations with financial institutions. - Preparation of interim and annual reports on the Group's financial and operational results.
Communities	- Reduction and prevention of negative odour and dust impact on the living environment. - Creation of new jobs in local communities. - Support for local initiatives, community activities, and social projects. - Responsible environmental impact management and pollution prevention.	- Meetings with community representatives. - Informational events organised by the Group and social networks. - Participation in local community activities. - Support for local community education, culture, and sports events. - Collaboration with municipalities and non-governmental organisations. - Employment and internships for local residents.

Suppliers and Service Providers	- Responsible and mutually respectful relationships, including fair and timely payment practices. - Application of international governance principles. - Reduction of the Group's GHG emissions. - Safety and health of value chain employees. - Collaboration on implementing sustainable solutions in the value chain.	- The Group maintains continuous contact (meetings, events, conferences, social networks) with suppliers and service providers to ensure a transparent, fair, and long-term partnership.
Customers	- Ensuring basic principles of animal welfare. - Ensuring high-quality and safe products and services. - Transparent information about product composition, origin, and environmental impact. - Fair pricing and responsible customer service. - Implementation of sustainable innovations.	- Structured surveys (online, by phone, and during live visits). - Continuous dissemination of information in the social sphere, newsletters, AgroITC scientific publications, specialised publications, and portals. - Meetings for the 'Agroambassadors' programme. - Annual conferences and field days 'Experience. Tools. Goals.' and participation in agricultural exhibitions.
Media	- Provision of accurate information and transparent processes for its transfer. - Responsible management of labour relations and fairness of compensation. - Energy production from biodegradable waste. - Ensuring basic principles of animal welfare. - Support for local initiatives, community activities, and social	- Live meetings with media representatives. - Invitations to Group-organised events and seminars. - Joint projects (publicity, advertising, etc. campaigns).
Public	- Ensuring basic principles of animal welfare. - Provision of accurate information and transparent processes for its transfer. - Reduction of the Group's GHG emissions. - Application of international governance principles. - Sustainable waste management and the implementation of circular economy principles.	- Social media and press releases. - Sponsorship campaigns and public events.

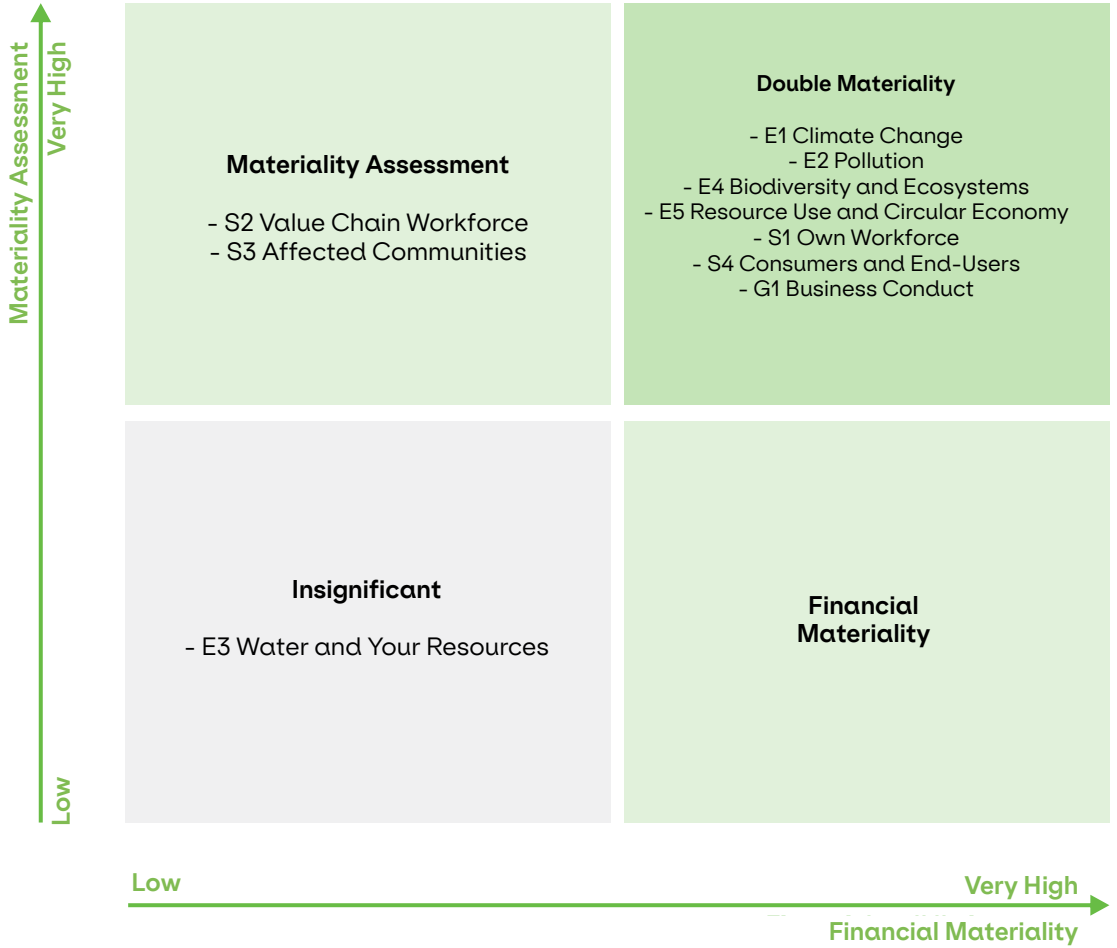
SBM-3 Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

The Group conducted a DMA, which analysed the impact of its operations on the environment and society and assessed the financial risks and opportunities related to sustainability. The DMA was performed according to the ESRS topical standards, and its results showed that topics E1, E2, E4, E5, S1, S4, and G1 are significant from both an impact and a financial perspective.

The majority of significant topics are related to environmental IROs, as the Group's agricultural activities have a direct impact on climate change, pollution, biodiversity conservation, the state of ecosystems, and the use of natural resources. These environmental aspects are important not only from an impact perspective but also lead to significant financial risks and opportunities that affect the Group's operating results, long-term resilience, and strategic planning.

S1, S4, and G1 were also identified as significant topics. Topic S1 covers responsibility for employee health and safety, fair compensation, retention and attraction, equal opportunities, and work-life balance. S4 is related to product and service information for consumers and end-users, as well as their health and safety. G1 covers the Group's ethical principles and payment practices. These topics are essential for both the Group's reputation and its long-term value creation. The Group's activities have a significant impact on employees working in the value chain and on local communities – these aspects are reflected in topics S2 and S3. Following the assessment of topic E3, it was determined to be insignificant for the Group.

The Group is currently improving its methodology for the quantitative assessment of the financial impact of significant risks and opportunities. Given this, the Group has decided to take advantage of the option to gradually disclose information without providing the financial impact of anticipated significant risks and opportunities on its financial position, financial performance, and cash flows in the short, medium, and long term.



Material Sustainability-Related IROs

Each material sustainability topic in the table is presented along with subtopics in which a significant impact, risk, or opportunity has been identified. It is also indicated whether the impacts, risks, and opportunities (IROs) relate to the Group's Own Operations (OO) or its Value Chain (VC). The Group also discloses whether its operations have a positive or negative impact. The IROs are listed and described in more detail in the relevant thematic sections of the ESRS.

	PART OF THE VALUE CHAIN	ANTICIPATED PERIOD	MATERIAL IROs	DESCRIPTION
E1 Climate Change				
Financial Institutions				
Risk	OO	Medium-term, Long-term	Climate Change Risks	The Group's operations are in the agricultural sector, one of the most vulnerable to climate change. This creates a significant financial risk associated with potential damage to operations and the need to invest in climate adaptation measures.
Opportunity	OO	Short-term, Medium-term, Long-term	Precision Technologies and Sustainable Agricultural Practices	The development of precision technologies and sustainable agricultural practices not only increases the Group's resilience to the effects and risks of climate change but also creates long-term financial value. Furthermore, these investments are supported by EU and national programmes that provide funding for adaptation measures. This enables the Group to protect the productivity of its farms and receive additional funds for implementing new technologies, which ultimately leads to greater economic stability and market competitiveness.
Financial Institutions				
Negative Impact	OO and VC	Short-term, Medium-term, Long-term	Greenhouse Gas (GHG) Emissions	Greenhouse gas emissions, generated by the Group and its value chain, increase the concentration of heat-trapping gases in the atmosphere. This contributes to climate change, manifesting as global warming and associated environmental changes.
Positive Impact	OO	Short-term, Medium-term, Long-term	Renewable Energy Sources	The development of solar power farms within the Group contributes to climate change mitigation by facilitating a shift towards clean energy generation and reducing the use of non-renewable energy sources, thereby significantly cutting greenhouse gas emissions.

	PART OF THE VALUE CHAIN	ANTICIPATED PERIOD	MATERIAL IROs	DESCRIPTION
Positive Impact	OO	Short-term, Medium-term, Long-term	Climate Change Risks	The Group's electrification efforts, including the use of electric vehicles and the development of a charging station infrastructure, contribute to climate change mitigation by reducing the use of fossil fuels in transport operations and helping to lower greenhouse gas emissions.
Positive Impact	OO	Short-term, Medium-term, Long-term	Precision Technologies and Sustainable Agricultural Practices	The Group's investment in the construction of a biomethane plant will allow it to reduce methane emissions, one of the most potent GHGs, generated on its livestock farms.
Risk	OO	Short-term, Medium-term, Long-term	Greenhouse Gas (GHG) Emissions	Some of the Group's greenhouse gas emissions result from biological processes, where reduction opportunities are limited. Achieving a significant reduction is a complex goal that cannot be accomplished quickly. This creates a risk that achieving net-zero targets may require additional investment, lead to higher operating costs, or result in financing constraints.
Opportunity	OO	Short-term, Medium-term, Long-term	Renewable Energy Sources	The use of precision technologies and sustainable agricultural practices in the Group's operations contributes to climate change mitigation by reducing greenhouse gas emissions and promoting organic carbon accumulation in the soil. Participation in a carbon credit programme will provide additional revenue, as the carbon credits will be sold on the international market.
Sub-topic: Energy				
Opportunity	OO	Short-term, Medium-term, Long-term	Green Energy	The development of a solar power farm within the Group reduces energy consumption and increases operational efficiency. In-house renewable energy lessens dependency on market price fluctuations and allows for the use of tax incentives as well as state and EU funding.
Opportunity	OO	Short-term, Medium-term, Long-term	Biogas Production	The Group's biomethane plant will allow it to reduce costs related to manure and slurry management and ensure additional revenue from selling biomethane to the main gas pipeline. In addition, the REDcert-EU certification strengthens the Group's position in green technologies and opens up new opportunities to use sustainable finance instruments.

	PART OF THE VALUE CHAIN	ANTICIPATED PERIOD	MATERIAL IROs	DESCRIPTION
E2 Pollution				
Sub-topic: Air Pollution				
Negative Impact	OO and VC	Short-term, Medium-term, Long-term	Ammonia Emissions	Livestock operations contribute to air pollution due to ammonia emissions, which occur during the biological decomposition of animal manure in cattle sheds and during its storage. These emissions negatively affect air quality, contribute to acidification processes in the environment, and can impact human health. Furthermore, ammonia in the atmosphere contributes to the formation of secondary particulate matter, which further deteriorates air quality both locally and regionally.
Sub-topic: Water Pollution				
Negative Impact	OO and VC	Short-term, Medium-term, Long-term	Organic and Microbiological Pollution	Ineffective manure and slurry management, use, or extreme environmental conditions can lead to these substances entering surface water bodies, causing organic and microbiological pollution.
Positive Impact	OO	Short-term, Medium-term, Long-term	Prevention of Nutrient Leaching	Balanced fertilisation according to plant needs and the use of plant cover between seasons in the Group's agricultural operations help to use nutrients efficiently and reduce the risk of leaching.
Sub-topic: Soil Pollution				
Negative Impact	VC	Short-term, Medium-term, Long-term	Agrochemical Pollution	The intensive and uncontrolled use of agrochemicals, such as fertilisers and plant protection products, can have a negative impact on soil health. This practice can disrupt natural biological processes, reduce the diversity and activity of microorganisms, and, over time, weaken soil vitality and its resilience to environmental factors.
Positive Impact	OO and VC	Short-term, Medium-term, Long-term	Precision Technologies and Sustainable Farming	The precise and efficient use of agrochemicals reduces the excess or deficiency of chemical substances in the soil, while soil analyses help to assess the risk of soil degradation. Sustainable practices increase humus content, maintain biological diversity, and reduce the likelihood of erosion.
Opportunity	OO	Short-term, Medium-term, Long-term	Sustainable Agricultural Innovations	Sustainable agricultural innovations (sustainable farming practices and precision technologies) enable a reduction in chemical use and improve soil condition. This helps ensure higher yields, reduces costs for agrochemicals, and lowers fuel consumption for agricultural work. Moreover, these sustainable practices open up opportunities to receive support from EU structural funds, participate in the carbon credit certification programme, and strengthen the farm's market competitiveness.

	PART OF THE VALUE CHAIN	ANTICIPATED PERIOD	MATERIAL IROs	DESCRIPTION
Sub-topic: Pollution of Living Organisms and Food Resources				
Risk	OO	Long-term	Food Resource Contamination	Procedural inaccuracies or errors in the use of chemicals, such as fertilisers, plant protection products, or antimicrobial substances, could lead to their residues appearing in food products – grain, meat, or milk. This poses a risk to human health and would impact the Group's reputation, business continuity, and financial results.
Sub-topic: Substances of Concern and Very High Concern				
Negative Impact	VC	Long-term	Plant Protection Products	Unsafe and non-compliant use of plant protection products, which are classified as substances of concern and very high concern, can have a negative impact on the environment and human health. Due to their toxicity, persistence in the environment, and ability to accumulate in living organisms, these substances can disrupt biological balance, lead to soil and water pollution, and enter the food chain.
Negative Impact	OO	Long-term	Chemicals	Chemicals used in the Group's operations, such as plant protection products, seed treatment substances, and chemical reagents used in soil analysis laboratories, which are classified as substances of concern and very high concern, can have a negative impact on natural resources and human health in the event of production errors. Due to their toxicity, persistence in the environment, and ability to accumulate in ecosystems, these substances can disrupt biological balance, pollute soil and water, and enter the food chain.
E4 Biodiversity and Ecosystems				
Sub-topic: Direct Drivers of Biodiversity Loss				
Negative Impact	VC	Short-term, Medium-term, Long-term	Use of Agrochemicals	The excessive use of mineral fertilisers can lead to the eutrophication of water bodies, while the inefficient application of plant protection products can destroy not only pests but also beneficial organisms, disrupting the balance of ecosystems due to chemical runoff into the soil and water.

	PART OF THE VALUE CHAIN	ANTICIPATED PERIOD	MATERIAL IROs	DESCRIPTION
Negative Impact	OO ir VC	Short-term, Medium-term, Long-term	Habitat Loss and Fragmentation	When natural areas in the agricultural sector are converted into farmland or fragmented into smaller plots, many species can lose their habitats, food sources, and the ability to migrate. This can weaken ecosystem stability, reduce species diversity, and disrupt natural processes.
Positive Impact	OO ir VC	Short-term, Medium-term, Long-term	Precision Technologies and Sustainable Farming	The implementation of precision agricultural technologies and the application of sustainable farming practices help to maintain soil health, reduce the use of agrochemicals, and contribute to the protection of biodiversity and ecosystems. These measures create favourable conditions for the restoration and maintenance of biodiversity, improve soil vitality, encourage populations of beneficial microorganisms and invertebrates, and create habitats for wildlife, thereby strengthening the resilience and functionality of ecosystems.
Opportunity	OO	Short-term, Medium-term, Long-term	Sustainable Agricultural Innovations	The development of precision technologies and sustainable practices increases yields, farming efficiency, and reduces costs for agrochemicals. Their development also provides opportunities to take advantage of financial incentives and market opportunities related to biodiversity conservation.
Sub-topic: Impacts on and Dependencies on Ecosystem Services				
Risk	OO	Long-term	Loss of Ecosystem Services	Even with the application of sustainable practices and advanced technologies, the Group's agricultural operations can lead to habitat fragmentation, changes in soil structure, and the impact of agrochemicals on both target and beneficial species. Over time, such changes could weaken ecosystem stability and reduce their ability to provide important ecosystem services, such as pollination, water purification, or carbon sequestration. This could decrease operational productivity, increase farming costs, and pose financial, reputational, and regulatory risks to the Group.
E5 Circular Economy				
Sub-topic: Resource Outflows Related to Products and Services				
Negative Impact	OO and VC	Short-term, Medium-term, Long-term	Waste	The scale and variety of the Group's operations generate significant amounts of waste, which can have a negative impact on the environment. Although waste is transferred to licensed waste management companies, not all waste is utilised according to the principles of a circular economy.

	PART OF THE VALUE CHAIN	ANTICIPATED PERIOD	MATERIAL IROs	DESCRIPTION
Opportunity	OO	Short-term, Medium-term, Long-term	Biowaste Recycling	The management of biodegradable waste through anaerobic digestion within the Group will allow for the efficient use of organic waste, ensure additional revenue from the sale of biowaste, and create conditions for accessing sustainable financing.
S1 Own Workforce				
Sub-topic: Working Conditions				
Negative Impact	OO	Short-term, Medium-term, Long-term	Health and Safety	Due to the specific nature of work in the agricultural sector, employees may be exposed to an increased occupational risk from intensive physical labour and challenging working conditions, which can have a direct and long-term impact on their health, work capacity, and psychological well-being.
Negative Impact	OO	Short-term, Medium-term, Long-term	Work-Life Balance	Due to the specific nature of work in the agricultural sector, the Group's limited opportunities for flexible hours and hybrid working models can reduce employee satisfaction and disrupt their work-life balance.
Positive Impact	OO	Short-term, Medium-term, Long-term	Adequate Wages	Fair, competitive, and transparently determined remuneration contributes to employee well-being and motivation.
Risk	OO	Short-term, Medium-term, Long-term	Attracting and Retaining Employees	Due to the specific working conditions inherent to the agricultural sector – the physically demanding nature of the work and the remote location of workplaces from urban areas – the Group faces a shortage of skilled labour. This could lead to operational disruptions and a negative impact on the Group's financial results and competitiveness.
Sub-topic: Equal Treatment and Opportunities for All				
Negative Impact	OO	Short-term, Medium-term, Long-term	Equal Opportunities and Diversity	Insufficient attention to equal opportunities and diversity within the Group can lead to discriminatory or biased practices in the workplace, which over time can reduce employee satisfaction, engagement, and productivity.
S2 Value Chain Workers				
Sub-topic: Working Conditions				
Negative Impact	VC	Short-term, Medium-term, Long-term	Health and Safety	Throughout the agricultural sector's value chain, employees can experience a negative impact on their health and safety if safety requirements are not followed when working with chemical substances, agricultural machinery, or in challenging working conditions. In such cases, there is an increased risk of accidents or long-term health problems for the employees of the Group's suppliers, customers, and other stakeholders.

	PART OF THE VALUE CHAIN	ANTICIPATED PERIOD	MATERIAL IROs	DESCRIPTION
Sub-topic: Other Work-Related Rights				
Negative Impact	VC	Short-term, Medium-term, Long-term	Child and Forced Labour	Instances of child or forced labour could occur in the Group's value chain, which would have a negative impact on human rights. Such cases can involve the exploitation of employees, restrictions on their freedom, inadequate working conditions, or physical and psychological harm.
S3 Affected Communities				
Sub-topic: Economic, Social, and Cultural Rights of Communities				
Negative Impact	OO	Short-term, Medium-term, Long-term	Odours and Dust	Certain agricultural processes, such as manure management, the use of organic fertilisers, or soil tillage during dry periods, can cause unpleasant odours and dust, which can affect the quality of life of surrounding communities.
Positive Impact	OO	Short-term, Medium-term, Long-term	Cooperation and Support	Cooperation, support, and initiatives with local communities contribute to their social well-being, strengthen their economic stability, and help build relationships based on trust.
Positive Impact	OO	Short-term, Medium-term, Long-term	New Jobs	Extensive operations in the regions contribute to the creation of new jobs, including for seasonal workers, strengthening local economies and reducing social exclusion.
S4 Consumers and End-Users				
Sub-topic: Information-related Impacts on Consumers and/or End-Users				
Positive Impact	OO and VC	Short-term, Medium-term, Long-term	Product and Service Information for Consumers	Clear and accessible information about the Group's products and services increases consumer confidence and reduces the risk of improper use.
Sub-topic: Personal Safety of Consumers and/or End-Users				
Risk	OO	Long-term	Health and Safety	Procedural inaccuracies or production errors related to the use of chemicals in agricultural operations could lead to their residues appearing in products sold, which would pose a risk to the health and safety of consumers and end-users. Such cases could have negative consequences for the company's reputation, leading to legal liability and financial losses.

	PART OF THE VALUE CHAIN	ANTICIPATED PERIOD	MATERIAL IROs	DESCRIPTION
G1 Business Conduct				
Sub-topic: Corporate Culture				
Risk	OO	Short-term	Ethical Ambiguity	The absence of formally established ethical principles within the Group and its supply chain can create certain challenges related to clarity of expectations for both the Group's employees and suppliers. Such a situation can make it difficult to ensure accountability and increase the likelihood of reputational risks.
Sub-topic: Management of Relationships with Suppliers, Including Payment Practices				
Positive Impact	OO and VC	Short-term, Medium-term, Long-term	Payment Practices	Timely payments to the Group's suppliers strengthen business relationships based on trust and help ensure their operational stability and the continuity of the partnership.

IRO-1 Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities

During the reporting period, the Group implemented the Double Materiality Assessment (DMA) process for the first time. This was done in accordance with the guidelines prepared by the European Financial Reporting Advisory Group (EFRAG) and an interpretation of the standards based on external expertise. The assessment also drew upon the results of stakeholder analysis, the Group's internal documents, and operational context, as well as relevant scientific publications, publicly available environmental impact assessment data for the sector, and the insights of internal experts from different areas of the Group's companies. These sources of information ensured methodological consistency, compliance with EU sustainability reporting requirements, and helped to properly identify significant sustainability topics based on impact and financial materiality criteria. While the Group is confident in the validity of the assessment's results, it acknowledges that the methodology used may have certain limitations. It is therefore committed to continuously improving and strengthening the DMA process.

The Group conducted the DMA process in the following stages:

- Stakeholder assessment and engagement
- Value chain analysis
- Creation of an extended IRO list
- Impact and financial materiality assessment
- Approval and final determination of material IROs

Stakeholder Assessment and Engagement

The Group recognises that, to determine its environmental and social impact, it is essential to consider the needs, expectations, and observations of its stakeholders. The Group conducted a key stakeholder assessment, which was carried out in three stages:

- Creation of an extended stakeholder list: All stakeholders related to the Group are identified, whose interests are or may be directly or indirectly affected by the Group's operations and its business relationships throughout the value chain.
- Assessment of stakeholder importance: This is based on their influence on the Group (power) and their expressed interest in the Group's operations.
- Identification and engagement of key stakeholders.

Decision-Making Process and Internal Control

For the DMA process, special sessions were organised with the participation of experts from various fields across different Group companies and all senior managers. These sessions were dedicated to coordinating both the impact and financial materiality assessments, discussing the identified risks, opportunities, and impacts, and making decisions about their significance. All materiality assessment results were considered and approved during these sessions, ensuring that decisions were well-founded, transparent, and aligned with the Group's strategic priorities. This approach guaranteed internal control and senior-level involvement in the DMA process.

Value Chain Analysis

When assessing impact and financial materiality, a value chain diagram was created for the Group's operational areas. Experts from the Group's companies were involved in this process to help clarify the structure of the various value chains across different business areas and identify what impacts, risks, and opportunities might arise in different parts of the value chain (upstream and/or downstream).

Impact and Financial Materiality Assessment

The Group followed the categorisation into short-term, medium-term, and long-term periods, as defined in ESRS 1, section 6.4. The Group assessed impact and financial materiality over these periods:

- Short-term: up to 1 year
- Medium-term: from 2 to 4 years
- Long-term: 5 or more years

Based on the Group's extended IRO list, an impact and financial materiality assessment was carried out, covering the Group's operational areas and value chain.

Sustainability issues were determined to be material from an impact perspective when they were associated with a significant actual or potential, positive or negative impact on people or the environment in the short, medium, and long term. The materiality of actual negative impacts was based on the severity of the impact, while the materiality of potential negative impacts was based on their severity and likelihood. The severity of the impact was assessed based on its scale, scope, and the possibility of remediation. When assessing potential negative human rights impacts, severity was considered to outweigh likelihood. The materiality of positive impacts was based on scale, scope (for actual negative impacts), and scale, scope, and likelihood (for potential negative impacts).

Sustainability issues were determined to be material from a financial perspective when they led to risks or opportunities that have or could have a significant effect on the Group's business changes, financial position, financial performance, cash flows, access to finance, or cost of capital. The materiality of risks and opportunities was assessed based on a combination of these factors: the likelihood of occurrence and the magnitude of the potential financial impact. The financial impact on the Group was assessed by analysing how the identified risks and opportunities could affect the following capitals: human, intellectual, natural, social and relationship, financial, and technological. The financial impact was assessed on a five-point scale based on the revenue loss (for risks) and additional revenue (for opportunities) ranges determined and approved by the senior management team.

IRO-2 ESRS Disclosure Requirements in ESRS Covered by the Undertaking's Sustainability Statement

The disclosure requirements adhered to by the Group are provided in the 'Appendices' section.

Policy MDR-P. Policy on Managing Significant Sustainability Issues

All information related to the management of significant sustainability issues is provided in the relevant thematic standards, which cover specific issues.

Actions MDR-A. Actions and Resources Related to Significant Sustainability Issues

The thematic standards provide information on the actions the Group has taken or plans to take to mitigate or avoid negative impacts, eliminate them, manage related risks, and take advantage of opportunities. If the same action is mentioned in several standards, the Group provides a more detailed description and financial assessment in the standard where, in its opinion, it is most relevant. The assessment took into account only the main financial resources directly related to a specific action. In cases where the implementation of a certain action does not require significant operating or capital expenditure, no additional information is provided.

Some thematic standards provide information on actions the Group took during the reporting period, including their progress and results, as well as preliminary action plans and their planned implementation periods. In other cases, only approximate goals or intentions are provided when specific actions have not yet begun. Meanwhile, if there are no initiated actions, significant progress, or prepared plans, no additional information is provided.

Metrics MDR-M. Metrics Related to Significant Sustainability Issues

The metrics used by the Group to assess the effectiveness of actions related to significant sustainability issues are provided in the relevant thematic standards. For some issues, metrics have not yet been established. In such cases, the Group indicates the planned period within which metrics will be developed and their effectiveness will be assessed.

Targets MDR-T. Monitoring the Effectiveness of Policies and Actions by Targets

The Group is currently preparing its most important policies related to significant sustainability topics. Therefore, for some topics, measurable, results-oriented targets have not yet been set. In such cases, the Group indicates the planned period within which policies will be approved and targets will be formulated.

Environmental Information

AGRO
KONCERNO GRUPĖ

DISCLOSURE OF INFORMATION ACCORDING TO THE EU TAXONOMY REGULATION

This report on compliance with the Taxonomy Regulation (EU) 2020/852 presents the Group's first comprehensive assessment of taxonomic activities and the calculation of key performance indicators (KPIs) in accordance with the EU Taxonomy requirements. The assessed period was from 1 July 2023 to 30 June 2024, which coincided with the reporting period presented in the annual financial statements. Since the KPI metrics were calculated for the first time, using the exemption for the submission of comparative data, the report does not contain the changes that occurred during the reporting period and their reasons, which are otherwise required by the Disclosures Delegated Regulation (EU) 2021/2178. The purpose of this assessment was to evaluate the compliance of the activities carried out with the substantial contribution criteria for environmental objectives and to determine what actions will need to be taken in the future so that, after implementing the relevant measures, a larger part of the Group's economic activities can be classified as environmentally sustainable activities. In this way, the Group seeks to strengthen transparency and its commitment to contributing to the development of environmentally sustainable taxonomic activities.

I. Application of the EU Taxonomy Regulation

The Group assessed its activities based on this process:

1. Identified taxonomic economic activities.
2. Assessed the substantial contribution criterion to environmental objectives.
3. Assessed whether the activity does not cause significant harm to other environmental objectives (do no significant harm, DNSH).
4. Verified the assurance of minimum safeguards.
5. Finally, assessed the compliance of the activities.
6. Calculated financial KPIs.

II. Identification and Compliance Assessment of Taxonomic Activities

As defined in Article 1(5) of the Disclosures Delegated Regulation (EU) 2021/2178, a taxonomic economic activity is an economic activity described in the delegated regulations, regardless of whether such an economic activity meets any or all of the technical screening criteria established in those delegated regulations.

After reviewing the activities in accordance with the Delegated Regulations, it was determined that the Group carried out the taxonomic economic activities listed below during the reporting period.

An economic activity must substantially contribute to an environmental objective, not cause significant harm to other environmental objectives, and be carried out in compliance with minimum safeguards to be considered an environmentally sustainable activity. The list of identified taxonomic economic activities for the reporting period is provided in the table below.

List of Taxonomic Economic Activities

The table includes economic activities that, after an assessment of the Group's activities according to the applicable Taxonomy requirements, were recognised as taxonomic activities. It should be noted that none of the activities carried out met the technical screening criteria for a substantial contribution to the relevant environmental objectives and/or the DNSH criteria applicable to other environmental objectives. Therefore, all activities were recognised as taxonomic but environmentally unsustainable (non-compliant) activities. The reasons for non-compliance with the criteria are provided separately for the description of each activity.

Delegated Regulations Activity	Activity Code	Activity Description in Delegated Regulations	Compliance with Technical Screening Criteria
Electricity generation from solar photovoltaic technology.	**CCM 4.1** / CCA 4.1	Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology	Non-compliant
Electricity generation from wind power	**CCM 4.3** / CCA 4.3	Construction or operation of electricity generation facilities that produce electricity from wind power.	Non-compliant
Production of heat/cool from geothermal energy	**CCM 4.22** / CCA 4.22	Construction or operation of facilities that produce heat/cool from geothermal energy.	Non-compliant
Construction, extension and operation of water collection, treatment and supply systems; Water supply	**CCM 5.1** / CCA 5.1	Construction, extension and operation of water collection, treatment and supply systems.	Non-compliant
Anaerobic digestion of bio-waste; Utilisation of biogas waste through anaerobic digestion or composting	**CCM 5.7** / CCA 5.7 / CE 2.5	Construction and operation of dedicated facilities for the treatment of separately collected biowaste through anaerobic digestion with the resulting production and utilisation of biogas and digestate and/or chemicals.	Non-compliant
Freight rail transport	**CCM 6.2** / CCA 6.2	Purchase, financing, leasing, rental and operation of freight transport on mainline rail networks as well as short line freight railroads.	Non-compliant
Urban and suburban transport, road passenger transport	**CCM 6.3** / CCA 6.3	Purchase, financing, leasing, rental and operation of urban and suburban transport vehicles for passengers and road passenger transport.	Non-compliant

Delegated Regulations Activity	Activity Code	Activity Description in Delegated Regulations	Compliance with Technical Screening Criteria
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5 /** CCA 6.5	Purchase, financing, renting, leasing and operation of vehicles designated as category M1 , N1, both falling under the scope of Regulation (EC) No 715/2007 of the European Parliament and of the Council, or L (2- and 3-wheel vehicles and quadricycles).	Non-compliant
Infrastructure for rail transport	**CCM 6.14** / CCA 6.14	Construction, modernisation, operation and maintenance of railways and subways as well as bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems including the provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services and the like as well as the performance of physical, chemical and other analytical testing of all types of materials and products.	Non-compliant
Construction of new buildings	**CCM 7.1** / CCA 7.1	Development of building projects for residential and non-residential buildings by bringing together financial, technical and physical means to realise the building projects for later sale as well as the construction of complete residential or non-residential buildings, on own account for sale or on a fee or contract basis.	Non-compliant
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3** / CCA 7.3	Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment.	Non-compliant

Delegated Regulations Activity	Activity Code	Activity Description in Delegated Regulations	Compliance with Technical Screening Criteria
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	**CCM 7.4** / CCA 7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings	Non-compliant
Acquisition and ownership of buildings	**CCM 7.7** / CCA 7.7	Buying real estate and exercising ownership of that real estate.	Non-compliant
Data processing, hosting and related activities	**CCM 8.1 /** CCA 8.1	Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing.	Non-compliant
Engineering activities and related technical consultancy on climate change adaptation	**CCA 9.1**	Research, applied research and experimental development of solutions, processes, technologies, business models and other products dedicated to the reduction, avoidance or removal of GHG emissions (RD&I) for which the ability to reduce, remove or avoid GHG emissions in the target economic activities has at least been demonstrated in a relevant environment, corresponding to at least Technology Readiness Level (TRL) 6.	Non-compliant
Close to market research, development and innovation	**CCA 9.2**	Research, applied research and experimental development of solutions, processes, technologies, business models and other products dedicated to the direct air capture of CO2 in the atmosphere.	Non-compliant

Assessment of Economic Activities for Compliance with Criteria.

4.1. Electricity generation from solar photovoltaic technology

To reduce fossil fuel consumption, greenhouse gas (GHG) emissions, and contribute to climate change mitigation, the Group has installed solar power plants that operate using photovoltaic solar energy technology. These solar power plants are located in three different sites: Stripeikiai, Vinkšnėnai, and Babtai.

The activity uses durable and recyclable equipment and components that are easy to dismantle and upgrade. For the solar power plant installed in Stripeikiai, a strategic environmental assessment (SEA) was conducted, and the necessary mitigation and compensatory measures were implemented, given that the area is part of the Natura 2000 network of protected sites.

This activity did not comply with the DNSH criterion for climate change adaptation. A robust assessment of climate-related risks and vulnerabilities was not carried out, so relevant risks were not identified, nor were adaptation solutions integrated to help mitigate the main identified climate-related risks that would be significant for this activity.

4.3 Electricity Generation from Wind Power

The Group plans to build three wind farms that will collectively generate 800–1,000 MW of energy, approximately 10% of the country's annual electricity needs. In total, over €1.6 billion is planned to be invested in green energy projects by 2035. The projects are currently in the development stage.

A strategic environmental assessment has been performed for this activity. This ensures that potential impacts on biodiversity and ecosystems are avoided, and if they are unavoidable, the necessary environmental mitigation and compensatory measures are implemented.

The activity will generate electricity from wind power, thus making a substantial contribution to climate change mitigation. This activity did not comply with the DNSH criterion for climate change adaptation because a robust assessment of climate-related risks and vulnerabilities was not carried out. Therefore, relevant risks were not identified, nor were adaptation solutions integrated to help mitigate the main identified climate-related risks that would be significant for this activity. Furthermore, due to a lack of evidence regarding the recyclability of the equipment and components, the activity did not comply with the DNSH criteria for the transition to a circular economy.

4.22 Production of heat/cool from geothermal energy

In the Group's administrative building in Babtai, Kaunas district, geothermal energy is used for heating, cooling, and hot water. The activity includes the operation of related installations.

This activity did not comply with the criteria for a substantial contribution to climate change mitigation, as the amount of GHG emissions from the generation of heat or cold from geothermal energy over its entire life cycle was not assessed due to a lack of data.

Therefore, the activity was not further assessed against the DNSH criteria applicable to other environmental objectives.

5.1 Construction, extension and operation of water collection, treatment and supply systems

The Group's administrative building in Babtai, Kaunas district, has a system for the collection, treatment, and supply of water for human consumption, based on the extraction of natural water resources from surface or underground water sources. The economic activity includes the extraction of water resources and the necessary treatment to ensure water quality complies with applicable legal acts.

This activity did not comply with the criteria for a substantial contribution to climate change mitigation because, due to a lack of data, an assessment of energy consumption and leakage levels was not performed, so the activity was not further assessed against the DNSH criteria.

5.7 Anaerobic digestion of bio-waste

During the reporting period, the Group's company Agrokoncerno Biometanas UAB was constructing a new biomethane plant in Alksniupiai Village, Radviliškis District. Construction took place next to the Group's livestock farming company, Draugas. Biomethane is one of the greenest alternatives, applicable in various energy and industrial sectors. Its purpose is to produce biogas from manure generated on the livestock farm. The materials remaining after manure processing (digestate and substrate) will be used as bio-fertilisers, which will reduce the need for synthetic fertilisers and thus help mitigate climate change by reducing methane emissions. The Group is REDcert-EU certified, which confirms that biomethane production meets European Union sustainability criteria, including the use of renewable energy sources and the reduction of greenhouse gas emissions.

Although these solutions contribute to climate change mitigation, it is not enough to ensure compliance with the technical screening criteria for a substantial contribution to climate change mitigation. A robust assessment of climate-related risks and vulnerabilities was not carried out for this activity, and relevant risks were not identified, nor were adaptation solutions integrated to help mitigate the main identified climate-related risks that would be significant for this activity. Additionally, without all the evidence on the activity's compliance with the objective of pollution prevention and control, the activity was assessed as non-compliant with the DNSH criteria for not causing significant harm to other environmental objectives.

This activity also aligns with the description of the economic activity (2.5. Utilisation of bio-waste through anaerobic digestion or composting) established by the Environmental Delegated Regulation, when it is considered a substantial contribution to the transition to a circular economy. The activity includes the construction and operation of installations for the anaerobic digestion or composting of separately collected bio-waste, producing and using biogas, biomethane, digestate, compost, or chemicals. This activity did not meet the criteria for a substantial contribution to the circular economy, so it was not further assessed against the DNSH criteria applicable to other environmental objectives.

6.2 Freight rail transport

The Group's companies invest in the maintenance of locomotives, and repairs are carried out to ensure the technical reliability of these vehicles. This economic activity, categorised under freight rail transport, was not considered environmentally sustainable because the transport of freight uses CO_2-emitting rail transport.

This activity did not comply with the criteria for a substantial contribution to climate change mitigation, so it was not further assessed against the DNSH criteria applicable to other environmental objectives.

6.3 Urban and suburban transport, road passenger transport

In this activity, Group companies provided bus transport services for employees to ensure convenient and efficient commuting.

These vehicles' internal combustion engines directly emit CO_2 into the atmosphere and do not comply with the requirements of the latest Euro 6 standard stage. Therefore, the activity was assessed as non-compliant with the criteria for a substantial contribution to climate change mitigation.

6.5 Transport by motorbikes, passenger cars and light commercial vehicles

The Group has purchased passenger cars that meet the criteria for low-emission vehicles, with specific CO_2 emissions of less than 50 g CO_2/km, as well as electric vehicles with specific CO_2 emissions of 0.

The new vehicles acquired during the reporting period are suitable for reuse, recycling, or disposal in accordance with the waste management requirements set out in applicable legal acts. In line with the Taxonomy's requirements for environmentally sustainable activities, the Group's companies aim to comply with the technical screening criteria by investing in cars and their tyres. This activity did not comply with the DNSH criterion for climate change adaptation. A robust assessment of climate-related risks and vulnerabilities was not carried out, so relevant risks were not identified, nor were adaptation solutions integrated to help mitigate the main identified climate-related risks that are significant for this activity.

6.14 Infrastructure for rail transport

The Group invests in the renovation of railway infrastructure to ensure safe and efficient rail transport movement and extend the operational life of the infrastructure. During the reporting period, repair work was performed on the Mauručiai railway track.

This activity did not comply with the criteria for a substantial contribution to climate change mitigation because it does not include electrified or planned-to-be-electrified railway track infrastructure and related subsystems, nor does it involve the use or adaptation of infrastructure for the operation of trains that do not emit carbon dioxide from their engines. Therefore, it was not further assessed against the DNSH criteria for other environmental objectives.

7.1 Construction of new buildings

This activity includes the development of building projects for residential and non-residential buildings by bringing together financial, technical and physical means to realise the building projects for later sale as well as the construction of complete residential or non-residential buildings, on own account for sale or on a fee or contract basis. The Group is developing Ateities Ūkis UAB in Radviliškis District, which includes the largest and most modern cow farm complex in Europe in its development plan. During the reporting period, construction of the complex began, with design work and geodetic surveys completed. The new complex will implement the latest technologies and adhere to the highest standards of animal welfare, sustainability, and circular economy. A biomethane power plant will be designed nearby to process animal waste into biogas. Biofertilisers will also be produced for farm operations. All cultivation, feed preparation and livestock husbandry processes will be organised in such a way as to minimise GHG emissions as much as possible. The premises of the farm complex will be heated by energy-efficient air-to-water heat pumps. To enable employees to use environmentally friendly transport, the complex will be equipped with charging stations for electric vehicles.

The Group invests heavily in the construction of new buildings. During the reporting period, €2.4 million was invested. Due to the specific nature of the Group's operations (most buildings are for agricultural purposes), the newly constructed buildings did not meet the criteria for a substantial contribution to climate change mitigation, as the Climate Delegated Regulation imposes extremely strict requirements for new buildings. For example, a new building's primary energy demand, which determines its energy performance after construction, must be at least 10% lower than the requirement for a nearly zero-energy building. Therefore, the newly constructed buildings did not comply with the criteria for a substantial contribution to climate change mitigation. Given this, the activity was not assessed against the DNSH criteria for other environmental objectives.

7.3 Installation, maintenance and repair of energy efficiency equipment

During the reporting period, the Group invested in energy efficiency measures. This activity applies to the repairs carried out in the workshops of Naisiai ŽŪB, in the administrative buildings in Mauručiai, Prienai District, and Miežaičiai, Radviliškis District. Building insulation work and heating system replacements were performed.
This activity complied with the technical screening criteria for a substantial contribution to climate change mitigation However, since a robust assessment of climate-related risks and vulnerabilities was not carried out, relevant risks were not identified, nor were adaptation solutions integrated to help mitigate the main climate-related risks that would be significant for this activity. Furthermore, without all the evidence on the activity's compliance with the objective of pollution prevention and control, the activity was assessed as non-compliant with the DNSH criteria applicable to other environmental objectives.

7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

The Group invests not only in electric and low-emission vehicles but also in their infrastructure, ensuring the convenient and efficient use of these solutions in daily operations. Since electricity was generated for the company's own needs, charging stations were installed at the Group's central office building in Babtai, Kaunas District.

This activity complied with the technical screening criteria for a substantial contribution to climate change mitigation However, since a robust assessment of climate-related risks and vulnerabilities was not carried out, relevant risks were not identified, nor were adaptation solutions integrated to help mitigate the main climate-related risks that would be significant for this activity. Therefore, the activity was assessed as non-compliant with the DNSH criterion for climate change adaptation.

7.7 Acquisition and ownership of buildings

This activity includes the purchase and use of real estate. The Group's main administrative building in Babtai, Kaunas District, has an energy performance class of A. All other farm buildings, chemical, and grain warehouses that underwent repairs during the reporting period did not meet the high energy performance class required for buildings. Therefore, the use of this real estate was assessed as non-compliant with the criteria for a substantial contribution to climate change mitigation.

Although the administrative building in Babtai, Kaunas district, makes a substantial contribution to climate change mitigation, it did not comply with the DNSH criterion for climate change adaptation. A robust assessment of climate-related risks and vulnerabilities was not carried out for the activity, and relevant risks were not identified, nor were adaptation solutions integrated to help mitigate the main climate-related risks that are significant for this activity.

8.1 Data processing, hosting and related activities

The Group uses data centres – installations for the centralised storage, management, and processing of data with all the necessary infrastructure and technical equipment. These centres are used for serving both external clients and internal company needs. During the reporting period, programming work was carried out for the Agro247 digital farm management platform, and a new portal was created for customers.

Due to a lack of sufficient evidence, for example, regarding the global warming potential of the coolants used in the data centre's cooling system, the activity did not comply with the technical screening criteria for a substantial contribution to climate change mitigation. Therefore, it was not further assessed against the DNSH criteria applicable to other environmental objectives.

9.1 Engineering activities and related technical consultancy on climate change adaptation

The activity complied with the description of the economic activity set out in Annex II of the Climate Delegated Regulation, where it is considered a substantial contribution to climate change adaptation. The technical screening criteria for economic activities were assessed to determine the conditions under which an economic activity is considered a substantial contribution to climate change and whether that economic activity does not cause significant harm to other environmental objectives.

The AgroTTC Precision Technology Centre of the Group aims to implement the most advanced and sustainable precision agriculture practices in Lithuanian agriculture, promote efficient and responsible farming, and share accumulated experience with farmers throughout the country. AgroTTC offers innovative solutions (e.g., Topcon precision guidance equipment, variable-rate fertilisation based on soil analysis, CultiWise spot spraying, agro-drone seeding, and AgXeed autonomous tractor services, CropSpec nitrogen sensors, variable-rate seeding, etc.) that help optimise farm operations, reduce the use of agrochemicals, and mitigate the impact of the agricultural sector on climate change. Additionally, AgroTTC agronomists provide consulting services (e.g., field monitoring, work analysis and supervision, creation and tracking of farm strategic plans, etc.) to the Group's agricultural companies and clients and offer recommendations for sustainable farming.

Although these solutions contribute to climate change adaptation, this is not sufficient to ensure compliance with all the technical screening criteria for a substantial contribution to climate change adaptation. For this reason, the activity was not further assessed for compliance with the DNSH criteria applicable to other environmental objectives.

9.2 Close to market research, development and innovation

The activity complied with the description of the economic activity set out in Annex II of the Climate Delegated Regulation, where it is considered a substantial contribution to climate change adaptation. The technical screening criteria for economic activities were assessed to determine the conditions under which an economic activity is considered a substantial contribution to climate change and whether that economic activity does not cause significant harm to other environmental objectives.

The Group is the only agri-business representative in the Baltic States with a scientific division – the AgroITC innovation and research centre, which has been certified with the Certificate of Good Experimental Practice. This certifies that the division has the right to conduct efficacy trials of plant protection products in this area. AgroITC supervises thousands of trial plots throughout Lithuania, where various agronomic studies are also carried out (e.g., research on cultural crop varieties and their susceptibility to diseases, plant growth regulators, seed rates, and pest control, etc.) to select accurate, safe, and effective solutions, provide recommendations, and continuously improve plant cultivation technologies to grow a healthy, high-quality crop while reducing the environmental impact.

After assessing the criteria for a substantial contribution to climate change adaptation, we concluded that the activity did not meet only one criterion, which states that an economic activity must use the most advanced climate projections and impact assessments, a vulnerability and risk analysis based on the best available scientific data, and related methodologies. Since this activity did not comply with all the criteria for a substantial contribution to climate change mitigation, it was not further assessed against the DNSH criteria applicable to other environmental objectives.

DNSH: Climate Change Adaptation

The potential to reduce significant impacts from climate-related risks is determined by conducting a robust assessment of climate-related risks in the targeted economic activity. It is important to mention that when preparing the Taxonomy Regulation compliance report for the reporting period, a robust assessment of climate change-related risks and vulnerabilities was not performed for the Group's activities.

Having assessed the Group's economic activities, it should be noted that for the activities listed below to comply with the technical screening criteria for a substantial contribution to climate change mitigation and to be classified as environmentally sustainable (Taxonomy-compliant) activities, only this assessment of climate change-related risks and vulnerabilities and the implementation of adaptation solutions are required, which would help to mitigate the main climate-related risks:

- 4.1. Electricity generation from solar photovoltaic technology;

- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles;

- 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings;

- 7.7. Acquisition and ownership of buildings.

Given the growing importance of physical and transitional risks related to climate change, the Group plans to conduct a robust assessment of climate change-related risks for taxonomic activities in the future. After identifying significant risks for economic activities and assessing adaptation solutions that can help mitigate climate-related physical risks, a plan for implementing these solutions is intended to be prepared and integrated into the overall risk management process, thus contributing to ensuring long-term sustainability.

Minimum Safeguards

According to Article 18 of the Taxonomy Regulation, one of the essential conditions that an economic activity must meet to be considered environmentally sustainable is adherence to minimum safeguards. In its operations, the Group must ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions of the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The Group has implemented Equal Opportunities and Human Rights policies. Given that during the reporting period, policies and procedures ensuring compliance with labour law, anti-corruption, and responsible business management principles were not fully implemented, it is planned to prepare and implement internal procedures that comply with the updated OECD Guidelines for Multinational Enterprises on responsible business conduct and other documents referred to in Article 18 of the Taxonomy Regulation. The Anti-Corruption and Bribery Policy, Business Conduct, and Supplier Conduct Codes are currently being prepared.

III. Accounting Policy

The Group provides information on how and to what extent the Group's activities are related to economic activities that are considered environmentally sustainable, by disclosing the main KPIs based on the Disclosures Delegated Regulation (EU) 2021/2178. The Turnover KPI is directly linked to the data presented in the Group's financial statements, while OPEX and CAPEX according to the Taxonomy only refer to those costs or acquisitions (capital expenditure) that are included according to the rules for calculating these indicators. Therefore, OPEX and CAPEX will only be partially comparable to the financial statements.

Turnover under the Taxonomy is calculated by dividing the portion of net revenues from products or services, including intangible assets (minus sales discounts, VAT, and other taxes directly related to turnover), associated with the criteria-compliant taxonomic economic activity (the numerator) by the net revenues (the denominator).

The Capital Expenditure (CAPEX) metric under the Taxonomy includes the increase in the value of tangible and intangible assets before depreciation and amortisation, and any revaluation, including from revaluations and impairment in the relevant financial year, excluding changes in fair value. Lease payments that do not result in the recognition of a right-of-use asset are not included in capital expenditure.

CAPEX also includes a portion of the plan to expand a criteria-compliant taxonomic economic activity or to enable a taxonomic economic activity to become a criteria-compliant taxonomic economic activity (a capital expenditure plan) under these conditions:

- The plan aims to expand the Group's criteria-compliant taxonomic economic activity or to improve a taxonomic economic activity to become a criteria-compliant taxonomic activity within five years.

- The plan is disclosed at an aggregated level by type of economic activity and is approved directly or by delegation by the management body of non-financial undertakings.

The Operating Expenditure (OPEX) metric under the Taxonomy includes direct non-capitalised expenditure on research and development, building renovation measures, short-term leases, maintenance and repair, and all other direct expenses related to the servicing of real estate, equipment, and installations, which are necessary to ensure the continuous and effective use of the assets.

As certain measures necessary for the precise allocation of economic activity costs have not been implemented in the accounting system, the Group was not yet able to accurately assess the employee costs (including those of the biomethane plant) associated with taxonomic activities, incurred to ensure the continuous and effective operation of such assets. Therefore, such costs were not included in either the numerator or the denominator.

Double Counting

All disclosed metrics under the Taxonomy avoid double counting because each metric is assigned to different activities. The Group's assessment is that all its taxonomic economic activities that contribute to more than one environmental objective contribute most significantly to climate change mitigation. Therefore, when calculating the KPIs, they are disclosed only under this objective.

IV. Turnover According to the Taxonomy Regulation

The Group is assessing and disclosing the turnover metric according to the Taxonomy for the first time. Given that the largest portion of the Group's revenue comes from trading fertilisers and pesticides, livestock products, grains and feed, and trading agricultural machinery, and these activities are not classified as taxonomic activities, only a very small portion of the revenue is considered taxonomic – 0.19% (€349 thousand). This revenue was generated from activities that are defined in the Taxonomy:

- Revenue from providing consulting services at the precision technology centre - CCA 9.1 Engineering activities and related technical consultancy on climate change adaptation.
- Revenue from laboratory tests conducted at the innovation research centre - CCA 9.2 Close to market research, development and innovation.
- Revenue from the leasing of passenger vehicles - CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles.

30 June 2024		2023–2024		Substantial Contribution Criteria						Do No Significant Harm (DNSH) Criteria									
Economic Activity (1)	Code (2)	Turnover (3)	Turnover Percentage (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	% of turnover from Taxonomy-aligned activities (A.1.) or taxonomic activities (A.2.), 30 June 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		Thousand EUR	*%*	*Y; N: NTA*	*Y; N: NTA*	*Y; N: NTA*	*Y; N: NTA*	*Y; N: NTA*	*Y; N: NTA*	*Y / N*	*Y / N*	*Y / N*	*Y / N*	*Y / N*	*Y / N*	*Y / N*	*%*	*S*	*P*
A. TAXONOMIC ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned activities)																			
Turnover from environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		-	0%																
Of which: enabling activities		-	0%																
Of which: transitional activities		-	0%																
A.2. Taxonomic but environmentally unsustainable activities (non-aligned taxonomic activities)																			
				TA; NTA	*TA; NTA*	*TA; NTA*	*TA; NTA*	*TA; NTA*	*TA; NTA*										
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5** / CCA 6.5	70	0.04%	TA	TA	NTA	NTA	NTA	NTA										
Engineering activities and related technical consultancy on climate change adaptation	CCA 9.1	262	0.14%	NTA	TA	NTA	NTA	NTA	NTA										
Close to market research, development and innovation	CCA 9.2	17	0.01%	NTA	TA	NTA	NTA	NTA	NTA										
Turnover from taxonomic but environmentally unsustainable activities (non-aligned taxonomic activities) (A.2)		**349**	**0.19%**																
A. Turnover from taxonomic activities (A.1+A.2)		**349**	**0.19%**																
B. NON-TAXONOMIC ACTIVITIES																			
Turnover from non-taxonomic activities		**182,138**	**99.81%**																
TOTAL		**182,487**	**100 %**																

Y: Yes (Taxonomy-aligned activity that contributes to a given environmental objective);
N: No (Taxonomic activity that contributes to a given environmental objective but is non-aligned);
NTA: Non-taxonomic activity with respect to a given objective;
TA: Taxonomic activity with respect to a given objective;

% of turnover / Total turnover

	Meets Taxonomy criteria (for each objective)	Taxonomic (for each objective)
CCM	0%	0.04%
CCA	0%	0.15%
WPC	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

V. Capital expenditure (CAPEX) under the Taxonomy Regulation

The Group is assessing and disclosing the CAPEX metric according to the Taxonomy for the first time. During the reporting period, CAPEX for taxonomic activities amounted to EUR 13.35 million, which accounted for 48.68% of the Group's total capital expenditure. In the first year, the identified taxonomic activities did not meet the technical screening criteria. The majority of the capital expenditure was for the construction of a biomethane plant and a cattle complex, as well as for the acquisition of buildings and investments in the renovation of existing buildings.

The development period for '4.3 Electricity Generation from Wind Power' is longer than five years due to investments in onshore wind farms. The longer duration of the onshore wind farm projects is due to the early stage of development, where CAPEX under the Taxonomy is already being incurred. To comply with the technical screening criteria for climate change mitigation, an environmental impact assessment has been carried out and the necessary mitigation and compensatory measures have been implemented for environmental protection purposes.

30 June 2024		2023–2024		Substantial Contribution Criteria						Do No Significant Harm (DNSH) Criteria									
Economic Activity (1)	Code (2)	Capital expenditure (3)	% of capital expenditure, (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	% of capital expenditure from Taxonomy-aligned activities (A.1) or taxonomic activities (A.2.), 30 June 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		Thousand EUR	*%*	*Y; N: NTA*	*Y; N: NTA*	*Y; N: NTA*	*Y; N: NTA*	*Y; N: NTA*	*Y; N: NTA*	*Y / N*	*Y / N*	*Y / N*	*Y / N*	*Y / N*	*Y / N*	*Y / N*	*%*	*S*	*P*
A. TAXONOMIC ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned activities)																			
Capital expenditure for environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		**-**	**0%**																
Of which: enabling activities		**-**	**0%**																
Of which: transitional activities		**-**	**0%**																
A.2. Taxonomic but environmentally unsustainable activities (non-aligned taxonomic activities)																			
		Thousand EUR	*%*	*TA; NTA*	*TA ; NTA*	*TA; NTA*	*TA; NTA*	*TA; NTA*	*TA; NTA*										
Electricity generation using photovoltaic solar energy technologies	**CCM 4.1** / CCA 4.1	492	1.80%	TA	TA	NTA	NTA	NTA	NTA										
Electricity generation from wind power	**CCM 4.3** / CCA 4.3	96	0.35%	TA	TA	NTA	NTA	NTA	NTA										
Anaerobic digestion of bio-waste; Utilisation of biogas waste through anaerobic digestion or composting	**CCM 5.7** / CCA 5.7 / CE 2.5	5,572	20.31%	TA	TA	NTA	NTA	TA	NTA										
Freight rail transport	**CCM 6.2** / CCA 6.2	30	0.11%	TA	TA	NTA	NTA	NTA	NTA										
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5** / CCA 6.5	897	3.27%	TA	TA	NTA	NTA	NTA	NTA										
Infrastructure for rail transport	**CCM 6.14** / CCA 6.14	26	0.09%	TA	TA	NTA	NTA	NTA	NTA										
Construction of new buildings	**CCM 7.1** / CCA 7.1	2,345	8.55%	TA	TA	NTA	NTA	NTA	NTA										
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3** / CCA 7.3	427	1.56%	TA	TA	NTA	NTA	NTA	NTA										
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	**CCM 7.4** / CCA 7.4	14	0.05%	TA	TA	NTA	NTA	NTA	NTA										
Acquisition and ownership of buildings	**CCM 7.7** / CCA 7.7	2,917	10.63%	TA	TA	NTA	NTA	NTA	NTA										
Data processing, hosting and related activities	**CCM 8.1** / CCA 8.1	236	0.86%	TA	TA	NTA	NTA	NTA	NTA										
Close to market research, development and innovation	CCA 9.2	302	1.10%	NTA	TA	NTA	NTA	NTA	NTA										
Capital expenditure for taxonomic but environmentally unsustainable activities (non-aligned taxonomic activities) (A.2)		**13,354**	**48.68%**																
A. Capital expenditure for taxonomic activities (A.1+A.2)		**13,354**	**48.68%**																
B. NON-TAXONOMIC ACTIVITIES																			
Capital expenditure for non-taxonomic activities		**14,078**	**51.32%**																
TOTAL		**27,432**	**100%**																

Y: Yes (Taxonomy-aligned activity that contributes to a given environmental objective); NTA: Non-taxonomic activity with respect to a given objective;
N: No (Taxonomic activity that contributes to a given environmental objective but is non-aligned); TA: Taxonomic activity with respect to a given objective;

% of capital expenditure / Total capital expenditure

	Meets Taxonomy criteria (for each objective)	Taxonomic (for each objective)
CCM	0%	47.58%
CCA	0%	1.10%
WPC	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

VI. Operating expenditure (OPEX) under the Taxonomy Regulation

The Group is assessing and disclosing the OPEX metric according to the Taxonomy for the first time. During the reporting period, OPEX for taxonomic activities reached 46.32%. The majority of these costs consisted of car repairs, building rentals and materials used for research. It is important to note that the OPEX disclosed by the Group during the reporting period totalled EUR 20.89 million, while the total OPEX under the Taxonomy was EUR 462 thousand (i.e. 2.21%). The difference is due to the fact that OPEX under the Taxonomy only covers direct non-capitalised expenditure related to research and development, building renovation measures, short-term leases, maintenance and repairs, and all other direct expenditure related to the servicing of real estate, plant and equipment, and which is essential to ensure the continuous and efficient use of the assets. As certain measures necessary for the precise allocation of economic activity costs have not been implemented in the accounting system, the Group was not yet able to accurately assess the employee costs (including those of the biomethane plant) associated with taxonomic activities, incurred to ensure the continuous and effective operation of such assets. Therefore, such costs were not included in either the numerator or the denominator.

30 June 2024		2023–2024		Substantial Contribution Criteria						Do No Significant Harm (DNSH) Criteria									
Economic Activity (1)	Code (2)	Operating expenditure (3)	% of capital expenditure, (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	% of capital expenditure from Taxonomy-aligned activities (A.1) or taxonomic activities (A.2.), 30 June 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		Thousand EUR	*%*	*Y; N: NTA*	*Y; N: NTA*	*Y; N: NTA*	*Y; N: NTA*	*Y; N: NTA*	*Y; N: NTA*	*Y / N*	*Y / N*	*Y / N*	*Y / N*	*Y / N*	*Y / N*	*Y / N*	*%*	*S*	*P*
A. TAXONOMIC ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned activities)																			
Operating expenditure for environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		**-**	**0%**																
Of which: enabling activities		**-**	**0%**																
Of which: transitional activities		**-**	**0%**																
A.2. Taxonomic but environmentally unsustainable activities (non-aligned taxonomic activities)																			
		Thousand EUR	*%*	*TA; NTA*	*TA; NTA*	*TA; NTA*	*TA; NTA*	*TA; NTA*	*TA; NTA*										
Electricity generation using photovoltaic solar energy technologies	**CCM 4.1** / CCA 4.1	3	0.65%	TA	TA	NTA	NTA	NTA	NTA										
Heat or cooling generation using geothermal energy	**CCM 4.22** / CCA 4.22	1	0.22%	TA	TA	NTA	NTA	NTA	NTA										
Construction, extension and operation of water collection, treatment and supply systems; Water supply	**CCM 5.1** / CCA 5.1	1	0.22%	TA	TA	NTA	NTA	NTA	NTA										
Freight rail transport	**CCM 6.2** / CCA 6.2	4	0.86%	TA	TA	NTA	NTA	NTA	NTA										
Urban and suburban transport, road passenger transport	**CCM 6.3** / CCA 6.3	12	2.60%	TA	TA	NTA	NTA	NTA	NTA										
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5** / CCA 6.5	126	27.27%	TA	TA	NTA	NTA	NTA	NTA										
Acquisition and ownership of buildings	**CCM 7.7** / CCA 7.7	24	5.19%	TA	TA	NTA	NTA	NTA	NTA										
Close to market research, development and innovation	CCA 9.2	43	9.31%	NTA	TA	NTA	NTA	NTA	NTA										
Operating expenditure for taxonomic but environmentally unsustainable activities (non-aligned taxonomic activities) (A.2)		**214**	**46.32%**																
A. Operating expenditure for taxonomic activities (A.1+A.2)		**214**	**46.32%**																
B. NON-TAXONOMIC ACTIVITIES																			
Operating expenditure for non-taxonomic activities		**248**	**53.68%**																
TOTAL		**462**	**100 %**																

Y: Yes (Taxonomy-aligned activity that contributes to a given environmental objective);
N: No (Taxonomic activity that contributes to a given environmental objective but is non-aligned);
NTA: Non-taxonomic activity with respect to a given objective;
TA: Taxonomic activity with respect to a given objective;

% of operating expenditure / Total operating expenditure

	Meets Taxonomy criteria (for each objective)	Taxonomic (for each objective)
CCM	0%	37.01%
CCA	0%	9.31%
WPC	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

VII. Disclosure of activities related to nuclear energy and fossil gas

In accordance with Article 8 of the Delegated Regulation (EU) 2021/2178 on Disclosures, non-financial undertakings must disclose the amount and percentages corresponding to the extent of Taxonomy-aligned economic activities referred to in sections 4.26, 4.27 and 4.28 of Annexes I and II to the Delegated Regulation (EU) 2021/2139 on Climate; the extent of taxonomic but non-aligned economic activities in the denominator of their key performance indicators; and the extent of non-taxonomic nuclear energy activities in the denominator and numerator of their key performance indicators. The specified information must be provided in tabular format, using the templates in Annex XII of this Regulation.

The Group does not carry out any taxonomic activities related to nuclear energy and fossil gas.

	Activities related to nuclear energy	
1.	The Group conducts research, development, demonstration and installation of innovative electricity generation facilities that generate energy using nuclear processes that result in the minimum amount of waste over the nuclear fuel cycle, or finances or has holdings related to such activities.	NO
2.	The Group constructs and safely operates new nuclear facilities that generate electricity or technological heat for purposes including district heating or industrial processes, such as hydrogen production, and increases their safety by using best available technologies, or finances or has holdings related to such activities.	NO
3.	The Group safely operates existing nuclear facilities that generate electricity or technological heat for purposes including district heating or industrial processes, such as hydrogen production from nuclear energy, and increases their safety, or finances or has holdings related to such activities.	NO
	Activities related to fossil gas	
4.	The Group constructs or operates electricity generation facilities that generate electricity from fossil gas, or finances or has holdings related to such activities.	NO
5.	The Group constructs, modernises and operates combined heat and/or cooling and power generation facilities that use fossil gas, or finances or has holdings related to such activities.	NO
6.	The Group constructs, modernises and operates heat generation facilities that use fossil gas to generate heat and/or cooling, or finances or has holdings related to such activities.	NO

E1 CLIMATE CHANGE

2 ESRS GOV-3 Integration of Sustainability Performance into Incentive Systems

During the reporting period, the Group calculated its greenhouse gas (GHG) emissions for the first time, and as a result, the remuneration of members of the administrative, management, and supervisory bodies was not linked to climate-related aspects. In the future, based on the calculated GHG emissions data and established climate targets, the Group plans to integrate climate-related indicators into the performance assessment and incentive schemes for managers. Climate-related aspects will include GHG emission reduction targets, increased energy efficiency, and other actions that contribute to climate change mitigation.

E1-1 Transition Plan for Climate Change Mitigation

The Group has not yet adopted a climate change mitigation transition plan, as required by European Sustainability Reporting Standard (ESRS) E1-1. However, the Group acknowledges the importance of such a plan to ensure long-term operational sustainability, alignment with the goals of the Paris Agreement, and the objective of achieving climate neutrality by 2050. In light of these commitments, the Group is currently evaluating potential strategic, technological, and investment decisions that will form the basis of the future plan. The plan will include specific GHG reduction targets, key measures to reduce emissions, investment priorities, and the alignment of operations with the principles of the EU Taxonomy Regulation. The Group plans to prepare the transition plan and make it publicly available by 2027.

2 ESRS SBM-3 Material Impacts, Risks and Opportunities and Their Interaction With Strategy and Business Model

During the reporting period, the Group had not carried out a resilience analysis. Nevertheless, the double materiality assessment (DMA) demonstrated the significance of climate change topics, which encompass both physical and transition risks and present financial opportunities related to sustainability innovations and investments. The DMA identified the following significant topics: 'Climate change risks,' 'Precision technologies and sustainable agricultural practices,' 'Greenhouse gas emissions,' 'Renewable energy sources,' 'Electrification,' 'Methane emissions,' 'Net-zero targets,' 'Soil organic carbon sequestration,' 'Green energy,' and 'Biogas production.' These topics are related to the sub-topics of 'Climate change adaptation,' 'Climate change mitigation,' and 'Energy.' They include the following IROs:

- The Group's operations are in the agricultural sector, which is one of the most vulnerable to climate change. This creates a financial risk related to both the direct impact on operations and the need to invest in adaptation measures. Climate change is leading to more frequent and intense extreme weather events – droughts, heavy rainfall, frosts, and heatwaves – which can negatively affect crop yields, livestock productivity, and overall operational stability. These changes can cause both short-term business disruptions and a long-term decline in agricultural productivity. Furthermore, the effects of climate change can increase operating costs due to the need for additional protective measures (e.g., irrigation systems, frost protection, etc.) and a potential rise in insurance premiums or damage compensation costs.

- The development of precision technologies and sustainable agricultural practices within the Group not only strengthens resilience to the effects of climate change and associated risks but also creates a long-term financial opportunity. Sustainable agricultural innovations allow for more efficient use of natural resources, reduce dependence on climatic conditions, and increase the predictability of farming activities. In addition, investments in these areas are actively supported by European Union and national programmes that promote climate change adaptation and the adoption of innovative solutions in agriculture. In this way, the Group not only protects its agricultural productivity but also secures additional sources of finance, increases operational efficiency, and strengthens its competitive advantage in both local and international markets.

- The Group and its upstream and downstream value chain have a negative impact on climate change due to the GHG emissions generated by their operations. GHG emissions are produced at various stages of operations, from energy consumption, transport, and logistics to raw material supply,

production processes, and service delivery. Agricultural activities, in particular, have a significant impact on climate change, including emissions from crop production (crop residues, organic and inorganic fertilisers) and livestock farming (enteric fermentation, manure management), as well as the use of agricultural machinery.

- The development of large-scale solar power farms by the Group in the reporting year is one of the main measures contributing to climate change mitigation and enabling the reduction of Scope 1 and 2 GHG emissions.

- The Group's transport electrification, which includes the operation of electric vehicles and the development of a charging station infrastructure, has a positive impact on climate change mitigation. These measures help reduce the use of fossil fuels in transport activities, which are a significant source of GHG emissions. The use of electric vehicles, when charged with renewable energy sources, contributes to the reduction of direct emissions.

- The biomethane plant will reduce methane emissions from livestock farms and will have a positive impact on climate change. Following the project's implementation, manure and slurry will be directed to a bioreactor, where a controlled anaerobic process will take place, allowing for the collection of methane for use as a renewable energy source. The stabilised organic residue remaining after biomethane production, which is used as a fertiliser, releases significantly fewer emissions than untreated manure, further reducing the overall impact on climate change.

- Some of the Group's GHG emissions arise from biological processes (e.g., cattle enteric fermentation, soil denitrification), which creates a financial risk due to the limited possibilities for reducing these GHG emissions. Their reduction requires technological and innovative changes and long-term investments. Due to these factors, there is a financial risk that to achieve net-zero targets, the Group may face the need to invest in emission reduction measures, incur higher operating costs, or face financing restrictions if sufficient progress is not made in these areas.

- The application of precision technologies and sustainable agricultural practices in the Group's operations significantly reduces not only GHG emissions but also increases soil organic carbon sequestration, which provides the Group with financial opportunities. Soil carbon sequestration is one of the most effective natural measures for long-term GHG emission reduction. The Group plans not only to develop but also to participate in a carbon credit programme, which will allow for the certification of achieved GHG emission reductions and the generation of additional revenue from the sale of carbon credits on the international market.

- The Group's development of solar power farms allows for a reduction in energy costs and dependence on market price fluctuations. Solar energy also provides additional revenue from the sale of surplus electricity to the grid, enables the use of tax incentives and funding from the state and the European Union, increases investment attractiveness, and improves credit ratings. Sustainable energy generation also strengthens the Group's reputation among investors, partners, the public, and other stakeholders.

- The biomethane plant will optimise the cost of managing livestock by-products, reducing expenses related to the storage and transport of manure and slurry and environmental regulations. The produced biomethane, as a renewable energy source, will be fed into the main gas pipeline, ensuring additional and diversified revenue from energy sales. Certification under the REDcert-EU scheme will ensure compliance with EU sustainability requirements.

2 ESRS IRO-1 Description of the Processes to Identify and Assess Material Climate-Related Impacts, Risks and Opportunities

More information on the Group's materiality assessment and the process of identifying and assessing significant climate change-related IROs is provided in the section '2 ESRS IRO-1 Materiality Assessment Process.' The Group has not yet performed an assessment of physical climate and transition risks, but plans to do so by 2027, including scenarios related to the 1.5°C warming limit. The DMA process was carried out based on the National Greenhouse Gas Inventory Report on anthropogenic GHG emissions and removals in Lithuania, and information from the

European Environment Agency on GHG emission trends, main sources, and their relevance to the EU climate policy context in the EU agricultural sector.

E1-2 Policies Related to Climate Change Mitigation and Adaptation

During the reporting period, the Group had not approved a policy for managing impacts, risks, and opportunities related to climate change mitigation and adaptation. However, by 2026, the Group plans to develop an Environmental Protection Policy that will establish principles and commitments in the areas of climate change mitigation, adaptation, energy efficiency, and the use of renewable energy sources. In addition, by mid-2025, the Group will approve its Business Conduct and Supplier Conduct Codes, which will integrate sustainability principles, including accountability for the climate impact of both the Group and its supply chain.

E1-3 Actions and Resources in Relation to Climate Change Policies

The Group acknowledges that its operations are largely in the agricultural sector, which is one of the largest sources of GHG emissions and has a significant impact on climate change. At the same time, the Group takes responsibility for reducing this impact, aiming to leverage the potential of the agricultural sector to contribute to climate change mitigation through Nature-based Solutions, such as soil carbon sequestration and more efficient agricultural solutions, including the reduced use of synthetic fertilisers, fuel for agricultural machinery, and manure management through biogas production. The Group also understands that achieving net-zero targets requires a consistent reduction of both direct and indirect emissions throughout the value chain. During the reporting period, the Group implemented various actions aimed at both climate change mitigation and adaptation to its impacts.

Precision Agricultural Technologies, Sustainable Practices, and Scientific Activities

- The application of sustainable practices (the use of cover crops and reduced tillage) on the Group's farms reduces soil aeration and carbon dioxide emissions into the atmosphere and helps to accumulate organic carbon, thereby removing GHG emissions from the atmosphere.

- The development of precision technologies (nitrogen and NIR sensors, automatic steering, variable-rate fertilisation, section control) optimises farm operations, reducing the consumption of agrochemicals and fuel and lowering GHG emissions.

- The Group's Innovation Research Centre (AgroITC) carried out various agronomic studies on its test plots to select accurate, safe, and effective agricultural solutions, provide recommendations, and continuously improve crop cultivation technologies to not only grow high-quality crops but also reduce the impact on climate change.

More information on precision technologies and sustainable practices at the Group is provided in the section 'E4-3 Actions and resources related to biodiversity and ecosystems.'

Biomethane Plant

During the reporting period, a biomethane plant was being constructed in Radviliškis District, next to Draugas UAB, a subsidiary of the Group. This plant will produce biogas from manure generated on the Group's livestock farms and will reduce methane emissions, which are one of the most potent GHGs. The materials remaining after manure processing (digestate and substrate) will be used as bio-fertilisers, reducing the need for synthetic fertilisers in the Group's farm operations. The planned annual biomethane production volume is approximately 2.4 million Nm^3. In addition, the bio-fertilisers (digestate and substrate) produced during the production process will be used on the Group's own farms, ensuring the return of nutrients to the soil and reducing the need for synthetic fertilisers. The Group is also certified under the REDcert-EU scheme, which confirms that biomethane production complies with the European Union's sustainability criteria, including the use of renewable energy sources and the reduction of GHG emissions.

Development of Renewable Energy and Increased Energy Efficiency

During the reporting period, the Group implemented other significant actions aimed at reducing its operational GHG emissions and increasing resilience to the effects of climate change:

- Solar power plants with a total capacity of 0.183 MW (including local and remote) were installed, and the installation of power plants on the Group's farms with a total capacity of 0.680 MW has begun.

- One of the Group's larger remote solar power plants (0.999 MW) became operational, and another 5 MW remote solar power plant is currently under development.

- An electric vehicle charging infrastructure with a total capacity of 0.212 MW was installed, and an electric vehicle was purchased.

- Planning for the construction of a wind farm, including an environmental impact assessment (EIA).

- Modernisation of the Group's energy-inefficient buildings and implementation of energy efficiency measures.

The Group's significant investments during the reporting period for the above-mentioned actions amounted to: EUR 492 thousand for the construction and development of solar power farms; EUR 14 thousand for the installation of electric vehicle charging stations; EUR 41 thousand for the purchase of an electric vehicle; EUR 96 thousand for the construction of a wind measurement tower and for the EIA; EUR 5,572 thousand for the construction of the biomethane plant; EUR 427 thousand for the installation of energy-efficient equipment in the Group's facilities; EUR 302 thousand for the purchase of equipment and devices related to AgroITC's research.

In the near future, the Group plans to continue its climate change mitigation actions by completing the development of its solar power farms, commencing operations at the biomethane plant, and assessing its expansion opportunities. It also plans to continue expanding the implementation of precision technologies on all the Group's farms, gradually modernise the remaining energy-inefficient buildings, expand its electric vehicle fleet, and increase the scope of AgroITC's research. The Group will also continue to educate its clients by providing advice on the application and implementation of precision technologies to promote sustainable solutions throughout the agricultural sector. In addition, by mid-2025, the Group will develop a Supplier Conduct Code and begin to assess suppliers based on environmental indicators, including their impact on climate change.

E1-4 Targets Related to Climate Change Mitigation and Adaptation

The Group has calculated its Scope 1, 2, and 3 GHG emissions for two financial years, in accordance with the Greenhouse Gas Protocol methodology. The Group has not yet set targets for reducing GHG emissions, but it plans to do so by 2027. The targets will be based on the guidelines of the Science Based Targets initiative (SBTi), which will help the Group to set GHG emission reduction targets aligned with limiting global warming to 1.5°C.

E1-5 Energy Consumption and Mix	Measurement units	2024	2023	Δ, %
1. Consumption of coal and its products	MWh	Not applicable	Not applicable	-
2. Consumption of crude oil and petroleum products	MWh	Not applicable	Not applicable	-
3. Consumption of natural gas	MWh	1,684.76	1,092.40	54.23
4. Consumption of other fossil fuel resources	MWh	1,557.69	737.27	111.27
5. Consumption of purchased fossil-based electricity, heat, steam, and cooling	MWh	7,846.27	3,932.50	99.52
6. Total consumption of fossil fuel energy (sum of rows 1-5)	MWh	11,088.72	5,762.17	92.44
Percentage of fossil fuel energy in total energy consumption	%	97.1	100	↓2.9
7. Consumption of nuclear fuel resources	MWh	Not applicable	Not applicable	-
Percentage of nuclear energy in total energy consumption	%	Not applicable	Not applicable	-
8. Consumption of renewable fuel resources, including biomass (which includes industrial and municipal waste of biological origin, biogas, hydrogen from renewable resources, and etc.)	MWh	Not applicable	Not applicable	-
9. Consumption of purchased renewable electricity, heat, steam, and cooling	MWh	0	0	-
10. Consumption of self-generated non-fuel renewable energy	MWh	331.42	0	-
11. Total consumption of renewable energy	MWh	331.42	0	-
Percentage of renewable energy in total energy consumption	%	2.9	0	-
Total energy consumption (sum of rows 6 and 11)	MWh	11,420.14	5,762.17	98.19

Energy consumption intensity per net revenue	2024	2023	Δ, %
Energy consumption intensity (total energy consumed divided by net revenue), MWh/thousand EUR	6.26	2.65	136.22

E1-6 Gross Scopes 1, 2, 3 and Total GHG Emissions	Measurement units	2024	2023	Δ,%
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions	thousand tCO_2e	88.442	80.682	9.62
Scope 1 GHG emissions, excluding agricultural activity emissions	thousand tCO_2e	12.168	11.284	7.83
Scope 1 agricultural activity GHG emissions	thousand tCO_2e	76.274	69.398	9.91
Percentage of Scope 1 GHG emissions under regulated emissions trading systems	%	Not applicable	Not applicable	-
Scope 2 GHG emissions				
Scope 2 GHG emissions, calculated using the market-based method	thousand tCO_2e	2.591	1.834	41.27
Scope 2 GHG emissions, calculated using the location-based method	thousand tCO_2e	0.674	0.935	↓ 27.91
Scope 3 GHG emissions				
Gross Scope 3 GHG emissions	thousand tCO_2e	302.325	294.033	2.82
1. Purchased goods and services	thousand tCO_2e	175.929	181.866	↓ 3.27
2. Capital goods	thousand tCO_2e	5.511	4.219	30.63
3. Fuel and energy-related activities (not included in Scope 1 or 2)	thousand tCO_2e	3.922	3.661	7.13
4. Upstream transportation and distribution	thousand tCO_2e	*	*	-
5. Waste generated in operations	thousand tCO_2e	0.136	0.119	14.29
6. Business travel	thousand tCO_2e	0.059	0.067	↓ 11.94

	Measurement units	2024	2023	Δ, %
7. Employee commuting	thousand tCO_2e	0.348	0.367	↓ 5.18
8. Upstream leased assets	thousand tCO_2e	**	**	-
9. Downstream transportation	thousand tCO_2e	0.496	0.391	26.85
10. Processing of sold products	thousand tCO_2e	***	***	-
11. Use of sold products	thousand tCO_2e	115.871	103.319	12.15
12. End-of-life treatment of sold products	thousand tCO_2e	0.00935	0.00708	32.06
13. Downstream leased assets	thousand tCO_2e	0.039	0.0164	137.80
Total GHG emissions (location-based method)	thousand tCO_2e	391.442	375.651	4.20
Total GHG emissions (market-based method)	thousand tCO_2e	393.358	376.550	4.46

* The costs of transporting goods and raw materials are included in the cost of products. Currently, separate emissions related to transport are not identified, but the aim is for future reports to account for these indicators separately, based on a cost analysis.

** Emissions related to upstream leased assets are included in the accounting of Scope 1 and 2 GHG emissions, so no additional separate accounting is applied in the context of Scope 3 emissions.

*** The energy-related processing of sold products is not accounted for due to the current lack of information on actual energy consumption in the final supply chain.

GHG Emission Calculation Methodology

General Provisions

The Group has calculated its GHG emissions in accordance with the following internationally recognised methodologies: - The GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Agricultural Guidance. These guidelines ensure the transparency of accounting, the accuracy of data, and compliance with international standards and best practice principles. The assessment covers the Group's entire value chain, from direct emission sources to indirect emissions related to purchased services, raw materials, products, and other external factors. Emission data is collected from reliable, substantiated, and documented sources, in compliance with the Group's established internal quality control procedures. To ensure the reliability and consistency of calculations, official emission factors are used, which are obtained from international institutions and databases such as the IPCC (Intergovernmental Panel on Climate Change), DEFRA (UK Department for Environment, Food and Rural Affairs), Ecoinvent, and other credible sources. The accounting principles applied by the Group ensure the traceability, objectivity, and comparability of emissions, which are essential for effective management of climate change impacts, risk identification, and the implementation of effective mitigation actions.

Scope 1 Direct GHG Emissions

Gross Scope 1 Emissions

Scope 1 emissions cover all direct GHG emissions from sources under the Group's control. This category includes emissions related to the combustion of fuel in stationary equipment, such as grain dryers or boilers, which use natural gas, diesel, and liquefied petroleum gas (LPG). Scope 1 emissions also include hydrofluorocarbon (HFC) leaks from refrigeration and air conditioning systems, caused by maintenance issues or equipment failure. Emissions from the transport sector are also included in Scope 1 and cover the operation and fuel combustion of light and heavy-duty vehicles, as well as agricultural machinery, such as tractors, combines, loaders, and other equipment. Furthermore, Scope 1 emissions include emissions from livestock and crop production activities. In livestock farming, emissions arise from enteric fermentation and manure storage and management, while in crop production, they are caused by the use of mineral and organic fertilisers, the decomposition of crop residues, and other processes occurring in the soil. All Scope 1 emissions are calculated using international methodological standards, including GHG protocol guidelines, ensuring transparent, accurate, and consistent emission calculation.

Scope 1 Direct GHG Emissions from Agricultural Activities

Livestock Sector

GHG emissions from the Group's livestock activities are assessed using methods that allow for the evaluation of specific characteristics of animal species, feeding rations, and manure management systems. Methane (CH_4) emissions generated during digestive processes are calculated using a detailed assessment based on the composition of the feed energy and nutrients consumed by the animals. The Group has detailed data on the composition of animal rations, including the amounts of crude protein, carbohydrates, and fats. This data allows for a more advanced emission assessment method, based on the fermentation properties of the feed and their impact on methane formation in the animals' digestive tract. The calculations also take into account the amount of dry matter consumed, feed digestibility, and net energy requirements.

Methane and nitrous oxide (N_2O) emissions generated during manure management are assessed according to the applied storage and treatment practices, considering the physical properties of the manure (liquid, semi-liquid, or solid), storage duration, and conditions. International emission factors are applied, and where possible, localised data is used to reflect the actual farm practices. The accounting also includes indirect N_2O emissions arising from nitrogen losses from ammonia volatilisation or nitrate leaching from manure.

Crop Production Sector

The assessment of GHG emissions from crop production activities includes both direct and indirect emissions, taking into account the complex biochemical and physical processes that occur in the soil and the environment.

Direct emissions arise in the form of nitrous oxide directly from the soil when nitrogen, introduced with mineral or organic fertilisers, participates in nitrification and denitrification processes. The impact of these microbiological processes, during which nitrogen is oxidised and reduced, is directly dependent on soil moisture, temperature, structure, and oxygen availability.

Indirect emissions arise from other forms of nitrogen loss that subsequently lead to the release of nitrous oxide into the environment. One of

the main causes is ammonia volatilisation, where nitrogen is released into the air in the form of ammonia, settles in other locations, and is then converted to nitrous oxide. Furthermore, an important source of indirect emissions is the leaching and runoff of nitrogen into groundwater and surface water, where microbiological processes cause additional N_2O emissions.

Scope 2 Indirect GHG Emissions

Gross Scope 2 Emissions

Scope 2 emissions include indirect GHG emissions related to the production of purchased energy (electricity, heat) required for the Group's operations, which is carried out outside the Group's direct control. The main sources of these emissions are electricity consumption in administrative premises, production and agricultural facilities, and centrally supplied heat. Scope 2 emissions are calculated based on actual energy consumption.

Location-based Method

This method is based on the average emission intensity of the country's electricity generation mix, which reflects the amount of GHGs generated during electricity production per unit of energy consumed. The Group's electricity consumption data, obtained from electricity supplier invoices and internal energy consumption registration systems, was used for the calculation. Emission intensity factors were applied according to officially published national data on the structure of the Lithuanian electricity grid's generation, which includes data from both fossil fuels and renewable energy sources. The application of this method is based on the principle that all consumed electricity is supplied from the common electricity grid, where energy from various sources is mixed. Therefore, the location-based method allows for the assessment of the overall environmental impact, regardless of the specific electricity supplier or method of acquisition.

Market-based Method

The market-based method allows for the calculation of indirect GHG emissions based on the origin of the electricity actually purchased by the company. This method relies on information provided in electricity supply contracts, Guarantees of Origin, or other documents provided by the supplier that certify the method of energy production. In cases where the supplier does not provide detailed information on the origin of the energy, the national residual electricity mix is used for the calculation, which reflects the average emission intensity of non-certified electricity. The application of this method allows for a more accurate assessment of the impact of the Group's electricity supply decisions on the amount of GHG emissions. Furthermore, it makes it possible to reasonably demonstrate efforts to reduce Scope 2 emissions by transitioning to less polluting energy or entirely renewable energy sources.

Scope 3 Indirect GHG Emissions

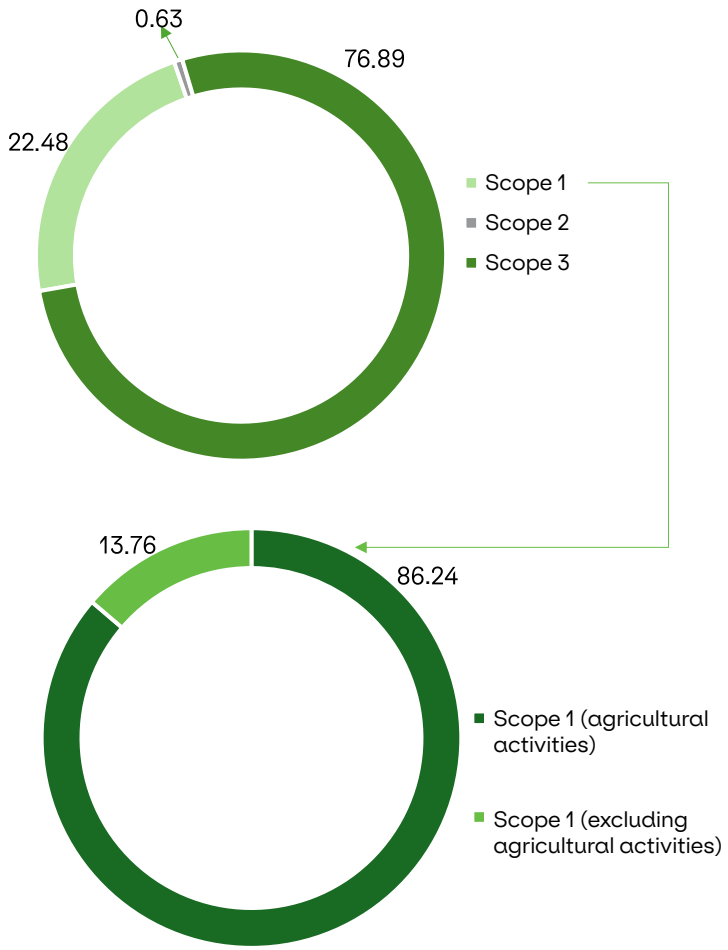
The Group has calculated its Scope 3 GHG emissions in accordance with the GHG Protocol Corporate Value Chain (Scope 3) guidelines. The accounting scope is determined by applying the operational control principle, and the calculations include all companies whose operational results are consolidated into the Group's operational reports.

The following main data sources were used for the calculations: consolidated financial statements (purchases of raw materials, goods, and services), cost of sales data, reports on the acquisition of long-term assets, raw material logistics statements, and business travel accounting.

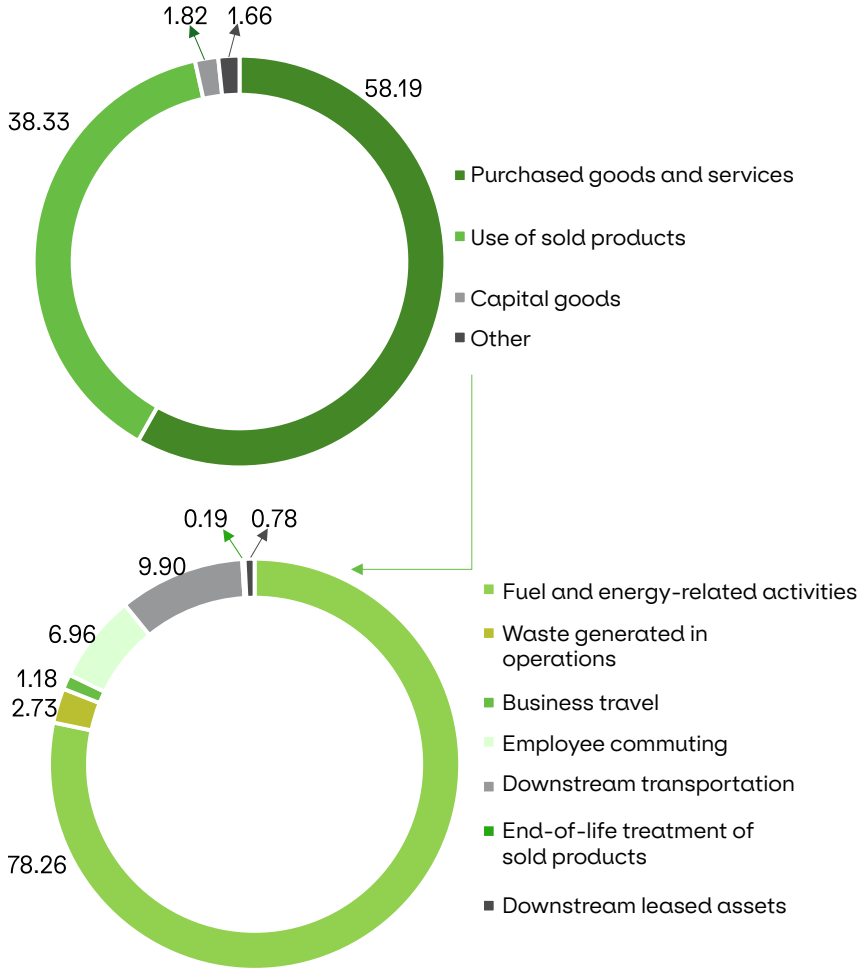
The activity-based method was applied for the calculations when specific physical indicators related to third-party services were available (e.g., freight transport distances). In cases where physical data was not available, operational emissions were spend-based.

The calculated emissions are categorised according to their place in the value chain. Upstream emissions include the acquisition of raw materials and services, the acquisition of long-term assets, transportation, waste management, business travel, and employee commuting. Downstream emissions include the transportation of sold products, their use and intermediate processing, end-of-life treatment, as well as emissions related to leased assets.

Gross GHG emissions by category, %



Scope 3 GHG emissions by category, %



GHG Emission Intensity	2024	2023	Δ, %
Total GHG emissions (location-based method) divided by net revenue tCO_2e/thousand EUR)	2.15	1.73	24.3
Total GHG emissions (market-based method) divided by net revenue tCO_2e/thousand EUR)	2.16	1.73	24.9

E1-7 GHG Removals and GHG Mitigation Projects Financed Through Carbon Credits

During the reporting period, the Group did not carry out carbon removal or storage activities, nor did it finance GHG reduction projects with carbon credits.

E1-8 Internal Carbon Pricing

The Group does not currently apply an internal carbon pricing mechanism. However, the Group is evaluating the potential of this tool as a decision-making and investment planning tool for the future, particularly in view of its future long-term climate change mitigation targets.

E1-9 Anticipated Financial Effects From Material Physical and Transition Risks and Potential Climate-Related Opportunities

The Group, taking advantage of the possibility to phase in the disclosure of information, does not specify the financial impact.

E2 POLLUTION

2 ESRS SBM-3 Material Impacts, Risks and Opportunities and Their Interaction With Strategy and Business Model

The double materiality assessment (DMA) identified the following significant topics: 'Ammonia emissions,' 'Organic and microbiological pollution,' 'Prevention of nutrient leaching,' 'Agrochemical pollution,' 'Precision technologies and sustainable farming,' 'Sustainable agricultural innovations,' 'Food resource pollution,' 'Plant protection products,' and 'Chemicals.' These topics are related to the sub-topics of 'Air pollution,' 'Water pollution,' 'Soil pollution,' 'Pollution of living organisms and food resources,' and 'Substances of concern and very high concern.' They include the following IROs:

- Both the Group's and its value chain's livestock farms have a significant negative impact on air quality due to ammonia emissions, which are generated during the biological decomposition of cattle manure. These emissions occur in animal housing, during manure storage and management, and when it is spread on fields. Ammonia emissions not only contribute to poor air quality but also to the acidification and eutrophication of soil and water. This impact is not only local but also regional, as ammonia and its compounds can be transported over long distances.

- Inefficient manure and slurry management or extreme environmental conditions (heavy rainfall, prolonged droughts, sudden temperature changes, etc.) can lead to these substances entering surface water bodies, negatively affecting water quality. The organic matter present in manure and slurry can increase the biological oxygen demand in water and disrupt natural ecosystems. Additionally, microorganisms from animal manure and slurry that enter water bodies can cause microbiological contamination, leading to a complex negative impact on both the environment and public health.

- The balanced use of fertilisers, particularly those containing nitrogen and phosphorus compounds, and the maintenance of plant cover between seasons in the Group's agricultural activities can have a positive impact on water quality by reducing their potential leaching into surface and groundwater.

- The intensive use of mineral fertilisers and plant protection products in the value chain can have a significant negative impact on soil health. Their use can disrupt natural soil biological processes, reduce the diversity and activity of microorganisms, and destroy the microbiological balance of the soil. This would weaken soil vitality, reduce its ability to naturally regenerate, and over time lead to soil degradation, including a decline in structure, the loss of the humus layer, increased risk of erosion, and the leaching of nutrients.

- By applying precise and data-driven agrochemical use practices, the Group and its value chain contribute to the preservation and restoration of soil quality. Precise fertilisation and spraying help avoid an excess of chemicals, reduce the risk of nutrient leaching, and help maintain optimal soil structure and fertility. In addition, the use of sustainable agricultural practices increases humus content, supports soil biodiversity, and reduces the likelihood of erosion. Such measures not only strengthen the soil's resilience to adverse environmental factors but also contribute to long-term agricultural sustainability throughout the value chain.

- The implementation of sustainable agricultural innovations, precision technologies, and sustainable farming practices within the Group reduces the consumption of agrochemicals and fuel, improves soil condition, and increases crop yield efficiency. These measures also provide a basis for receiving financial support from European Union green funds, participating in the carbon credit certification programme, and strengthening competitiveness in markets that value sustainable production.

- Procedural inaccuracies or errors in the use of chemicals (fertilisers, plant protection products, and antimicrobial substances) can lead to their residues appearing in the final products: grains, meat, and milk. Such residues would pose a food safety risk, could have a negative impact on consumer health, and lead to compliance violations under national and EU legislation. This would directly affect the Group's reputation, could lead to product recalls, loss of trust from trading partners, penalties, or legal consequences, as well as a negative impact on business continuity and financial performance.

- The unsafe use of plant protection products in the value chain – substances of concern and very high concern – that do not comply with established requirements can have a negative impact on the environment and human health. Due to their toxicity, persistence, and bioaccumulative properties, they can disrupt biological balance, reduce the diversity and activity of microorganisms, weaken soil functionality, and enter water bodies and the food chain, thereby increasing ecological and health risks.

- The chemicals used in the Group's operations (plant protection and seed treatment products, as well as laboratory reagents) that are classified as substances of concern or very high concern could, in the event of production errors, have a significant negative impact on natural resources and human health.

2 ESRS IRO-1 Description of the Processes to Identify and Assess Material Pollution-Related Impacts, Risks and Opportunities

More information on the Group's materiality assessment and the process of identifying and assessing significant pollution-related IROs is provided in the section '2 ESRS IRO-1 Materiality Assessment Process.' The double materiality assessment analysed the Group's activities and their locations to identify actual or potential pollution-related impacts, risks, and opportunities. The assessment covered both the Group's operations and the upstream and downstream value chain. The DMA for this section is based on the Group's inventory of pollution sources, the report on the inventory of air pollution sources and emissions prepared by the Environmental Protection Agency for the Group's largest livestock farm, Draugas UAB, and information published by the Environmental Protection Agency, including the dashboards on emissions from the agricultural sector into ambient air and the report 'Agriculture and Lithuanian waters: the impact of agricultural activities on the state of Lithuanian rivers and pollution loads into the Baltic Sea.' The assessment also relied on Regulation (EC) No 166/2006 of the European Parliament and of the Council on the establishment of a European Pollutant Release and Transfer Register, the REACH Regulation (EC) No 1907/2006 on the registration, evaluation, authorisation and restriction of chemicals, and other legal acts.

E2-1 Policies Related to Pollution

In its operations, the Group adheres to the current laws of the Republic of Lithuania and the European Union governing pollution prevention, control, and the reduction of environmental impact. Nonetheless, the Group acknowledges that its operations may have a significant impact on environmental pollution and therefore plans to approve an Environmental Protection Policy by 2026. It will detail commitments to reduce air, water, and soil pollution, the use of substances of concern, and the prevention and management of food contamination and incidents. Additionally, the Group plans to approve a Supplier Conduct Code by mid-2025, which will establish environmental and pollution prevention requirements for its suppliers and partners.

E2-2 Actions and Resources Related to Pollution

In its operations, the Group uses precision agricultural technologies and sustainable practices that allow for the efficient management of fertiliser and plant protection product use, thereby reducing the potential impact on soil and water pollution. More information on the control measures applied, risk management, and the effectiveness of actions is provided in the sections 'Health and safety S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions' and 'E4-3 Actions and resources related to biodiversity and ecosystems.'

These actions are classified as pollution prevention and reduction measures, as they help avoid the excessive use of chemicals and ensure their application only when necessary, based on agronomic and laboratory data. Furthermore, these measures contribute to reducing the risk of food resource contamination, ensuring that the final food products meet safety requirements.

E2-3 Targets Related to Pollution

As this is the Group's first year of preparing a sustainability report, specific pollution reduction targets have not yet been set. Initial targets are currently being prepared, and assessment measures are being planned to form the basis for future decisions. These preparatory steps will allow for an assessment of the current situation and will help prepare for the systematic management of pollution impacts and associated risks. The Group has set the following initial targets, which it plans to implement by 2026-2027:

- To carry out an inventory of air pollution sources and their emissions for all the Group's farms.
- To expand laboratory control of surface runoff from potential pollution zones on the Group's farms.
- To perform laboratory control of discharged wastewater at least once a year.
- To gradually perform soil pollution tests as the facilities' territories are expanded.

These targets are the first step towards creating a structured pollution management strategy. They will help identify priority areas and provide a basis for future targets and action plans.

E2-4 Pollution of Air, Water, and Soil

The Group currently discloses only partial data on air and water pollution, as an inventory and monitoring of pollution sources were not carried out for all of the Group's pollution sources. For this reason, it is not possible to fully assess the Group's operational impact on environmental quality according to the criteria set out in Annex II of Regulation (EC) No 166/2006. The Group is committed to ensuring the comprehensive identification of air, water, and soil pollution sources and the disclosure of emission quantities by 2027 to increase transparency and environmental accountability.

Air Pollution

The Group discloses data on air pollution sources that include the Group's agricultural companies, Draugas UAB and Gečius UAB, as well as the Group's seed production and fertiliser base units. These facilities have prepared reports on the inventory of ambient air pollution sources and their emissions, in compliance with the Rules on the Inventory of Ambient Air Pollution Sources and their Emissions and Reporting, approved by the Minister of Environment of the Republic of Lithuania on 27 June 2002, Order No. D1-340. According to the provisions of Regulation (EC) No 166/2006 of the European Parliament and of the Council, only ammonia emissions exceed the threshold value set in Annex II. Ammonia emissions at the Group are 37,955 kg/year, and the main sources of ammonia are animal housing and manure storage. Despite the fact that fuel-burning equipment, including grain dryers and boilers, is operated in the seed production, fertiliser base units, and the Group's farms, no other pollutant threshold values have been exceeded. However, this data does not represent a comprehensive assessment of the air pollution situation, as measurements were not taken from all of the Group's air pollution sources.

Water Pollution

Some of the Group's units (the main administrative building, seed production, and fertiliser base) operate under Pollution Permits issued by responsible authorities. In these units, continuous monitoring of wastewater quality is mandatory, and surface runoff must be treated in special wastewater treatment plants before being discharged into the natural environment. Regular tests of surface runoff are conducted to ensure compliance with established norms, while also controlling and documenting the quantity and quality of discharged wastewater. According to the provisions of Regulation (EC) No 166/2006 of the European Parliament and of the Council, water pollution indicators do not exceed the threshold values set in Annex II. This data does not reveal a comprehensive assessment of water pollution, as measurements were not taken from all of the Group's water pollution sources.

Soil Pollution

During the reporting period, the Group did not carry out specific studies on pollutant emissions to soil, and therefore had no data on the potential entry of pollutants into the soil according to the criteria set out in Annex II of Regulation (EC) No 166/2006. Nevertheless, the Group's laboratory periodically performs soil quality tests to evaluate the following agronomic and chemical indicators: pH, phosphorus, potassium, magnesium oxides, phosphorus, potassium, nitrate (NO_3) and ammonium (NH_4) nitrogen, total nitrogen, humus, and organic carbon, and also analyses the granulometric composition. These studies help monitor soil condition and ensure sustainable agricultural activities. However, the Group acknowledges its potential operational impact on soil pollution and will gradually conduct soil pollution tests as the facilities' territories are expanded, by 2027.

Pollutant Emissions under Regulation (EC) No 166/2006, Annex II

No.	Pollutant[1]	To Air, kg/year	To Water, kg/year
1	Ammonia (NH_3)	37,955	—
2	Carbon dioxide (CO_2)	—	—
3	Carbon monoxide (CO)	—	—
4	Nitrogen oxides (NO_x/NO_2)	—	—
5	Nitrous oxide (N_2O)	—	—
6	Total nitrogen	—	—
7	Total phosphorus	—	—
8	Total organic carbon (TOC) (as total C or COD/3)	—	—
9	Particulate matter (PM_{10})	—	—
10	Sulphur oxides (SO_x/SO_2)	—	—

(-) indicates that the respective parameter and medium do not trigger a reporting obligation or that the emission quantity does not exceed the threshold.

1 Pollutant according to Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council. Only pollutants released in the Group's operations are included.

Food Resource Contamination

The Group acknowledges that its livestock and crop production activities, including the production of milk, meat, and grain, may pose a risk related to food resource contamination. This risk is associated with the use of agrochemicals (fertilisers and plant protection products) and antimicrobial substances. During the reporting period, no cases were identified where legal limits for pollutants in food products (milk, meat, grains) were exceeded. However, given that the agrochemicals and antimicrobial substances used in agricultural activities can negatively impact the quality of food resources, the Group considers this aspect a significant contextual risk. More information on the control measures applied, risk management, and the effectiveness of actions related to food resource prevention is provided in the sections 'Health and safety S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions' and 'E4-3 Actions and resources related to biodiversity and ecosystems.'

E2-5 Substances of Concern and Substances of Very High Concern

The products used, purchased, and distributed in the Group's operations contain chemical substances that are classified as substances of concern and very high concern under the European Union's REACH Regulation. Although the use of these substances is carried out in compliance with all applicable legal requirements and their safe handling is integrated into the Group's operational processes, the Group acknowledges the potential impact of these substances on the environment and human health and discloses detailed information on the quantities purchased, used, and sold. The Group's activities that use these substances of concern and very high concern include: the import, distribution, and use of plant protection products and fertilisers; the use of reagents in the laboratory; and seed production (seed treatment).

Substances of Concern by Hazard Class[12]	Purchased, t	Used, t	Sold, t
Category 1 or 2 carcinogenic substances*	56.31	0.57	46.75
Category 1 or 2 germ cell mutagenic substances	0	0	0
Category 1 and 2 substances toxic for reproduction **	50.76	6.49	49.35
Endocrine-disrupting substances (human)	0	0	0
Suspected human endocrine disruptors	0	0	0
Environmental endocrine disruptors	0	0	0
Suspected environmental endocrine disruptors	0	0	0
Persistent, bioaccumulative, and toxic (PBT) or very persistent and very bioaccumulative (vPvB) substances	0	0	0
Category 1 respiratory sensitising substances	0	0	0
Category 2 skin sensitising substances	247.54	18.5	205.86
Category 1, 2, 3, and 4 chronic aquatic hazard substances	1,034.19	91.61	939.43
Ozone-depleting substances	0	0	0
Category 1 or 2 specific target organ toxicity – single exposure (STOT SE)	0	0	0
Category 1 or 2 specific target organ toxicity – repeated exposure (STOT RE)	50.64	8.3	58.47
Total substances of concern	**1439.44**	**125.47**	**1299.86**

*Including substances of very high concern

*Including substances of very high concern

Substances of Very High Concern by Hazard Class[1,2]	Purchased, t	Used, t	Sold, t
Category 1A or 1B carcinogenic substances	0.41	0.17	0.25
Category 1A or 1B germ cell mutagenic substances	0	0	0
Category 1A and 1B substances toxic for reproduction	0.26	0.085	0.069
Persistent, bioaccumulative, and toxic (PBT) substances	0	0	0
Very persistent and very bioaccumulative (vPvB) substances	0	0	0
Total substances of very high concern	**0.67**	**0.225**	**0.319**

[1]When a product/substance component is classified under more than one hazard class, the volume of the component will be included in each applicable hazard class for that component.
[2]The amount of chemical substances in mixtures was calculated based on the information provided in the safety data sheets (SDS).
Calculation principles:
- The chemical substance quantities (in percentages) specified in the SDS were used.
- When the SDS provided a precise percentage, that value was used.
- When the SDS provided a range (e.g., 5-10%), the maximum possible value was used for the calculations.

E2-6 Anticipated Financial Effects From Pollution-Related, Risks and Opportunities

The Group, taking advantage of the possibility to phase in the disclosure of information, does not specify the financial impact.

E4 BIODIVERSITY AND ECOSYSTEMS

E4-1 Transition Plan and Consideration of Biodiversity and Ecosystems in Strategy and Business Model

The Group understands the scale of its operations, including its significant role in the Lithuanian agricultural sector, and acknowledges that its activities can have an impact on biodiversity and ecosystems. Considering that the Group's agricultural activities are directly dependent on biodiversity and ecosystems, a comprehensive resilience analysis has not yet been conducted. The Group commits to assessing the resilience of its strategy and business model to these risks by 2028, setting clear targets aligned with the Kunming-Montreal Global Biodiversity Framework, the EU Biodiversity Strategy for 2030, and planetary biosphere boundaries.

2 ESRS SBM-3 Material Impacts, Risks and Opportunities and Their Interaction With Strategy and Business Model

The DMA identified the following significant topics: 'Use of agrochemicals,' 'Habitat loss and fragmentation,' 'Precision technologies and sustainable farming,' 'Sustainable agricultural innovations,' and 'Loss of ecosystem services.' These topics are related to the sub-topics of 'Direct drivers of biodiversity loss' and 'Impact on and dependencies on ecosystem services.' They include the following IROs:

- The excessive use of agrochemicals in the value chain can have a negative impact on biodiversity and ecosystems due to the use of mineral fertilisers and plant protection products. The use of mineral fertilisers, due to their nitrogen and phosphorus compounds, can lead to the eutrophication of water bodies, which promotes algal blooms, reduces oxygen levels in the water, and threatens the vitality of aquatic organisms. The inaccurate use of plant protection products can have a negative impact not only on pests but also on pollinators, soil microorganisms, and natural pest predators. Chemical residues can accumulate in the soil and enter surface and groundwater, disrupting the balance of ecosystems and, over time, reducing their resilience.

- The agricultural sector can lead to the loss and fragmentation of natural habitats (meadows, forests, wetlands), causing many species to lose their living environment, food sources, and breeding grounds. The fragmentation of habitats isolates populations, reduces genetic diversity, and increases the risk of species extinction.

- The precision agricultural technologies and sustainable farming practices implemented in the Group and its value chain help maintain soil health, reduce the use of agrochemicals, and contribute to the protection of biodiversity and ecosystems. Precision technologies (variable-rate fertilisation, nitrogen and NIR sensors, etc.) applied on crop farms allow for the precise management of nutrient balance, reduce the risk of excessive fertilisation, and avoid negative impacts on soil vitality and biodiversity. In addition, sustainable farming practices (crop rotation, growing cover crops, minimum tillage, etc.) are used, which help maintain soil structure, reduce erosion, improve carbon sequestration, and promote the restoration of natural ecosystems. These measures also support beneficial microorganism and invertebrate populations, create habitats for wildlife, and strengthen the resilience and functionality of ecosystems.

- The development of precision technologies and sustainable practices within the Group significantly increases crop yields, improves the efficiency of farming activities, and reduces the costs of agrochemical products. These technologies allow for more precise management of sowing, fertilisation, and spraying with plant protection products, thereby optimising costs. Furthermore, this development opens up opportunities to take advantage of various financial incentives from EU or national programmes that promote sustainable farming.

- Although the Group implements precision technologies and increasingly uses sustainable agricultural practices on its farms, agricultural activities can have a negative impact on biodiversity, which poses a significant risk to the Group itself. The fragmentation of habitats and the impact of agrochemicals on not only target species but also beneficial species (bees, natural pest regulators, etc.) weaken the ability of ecosystems to provide important services: natural pollination, pest control, carbon sequestration, and soil fertility maintenance. The loss of ecosystem services can lead to a decrease in agricultural productivity and an increase in farming costs.

2 ESRS IRO-1 Description of Processes to Identify and Assess Material Biodiversity and Ecosystem-Related Impacts, Risks And Opportunities

More information on the Group's materiality assessment and the process of identifying and assessing significant IROs related to biodiversity and ecosystems is provided in the section '2 ESRS IRO-1 Materiality Assessment Process.' In conducting the double materiality assessment, the Group did not classify operational locations according to their identified impact on and dependence on biodiversity or according to the ecological status of the territories. However, it relied on various sources of information to substantiate the assessment of its impact on biodiversity and ecosystems. An review of scientific literature was conducted, including national and international studies on the impact of agriculture on habitats, species, and ecosystem services. The Group also relied on the 'Strategic Environmental Assessment Report of the Lithuanian Strategic Plan for Agriculture and Rural Development 2023-2027,' which provides a national-level analysis of the agricultural sector's impact on biodiversity and ecosystems. During the DMA, the Group considered the European Environment Agency's 2024 report 'Protecting and restoring Europe's wild pollinators and their habitats' and the findings of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), which helped assess systemic risks and global trends related to biodiversity loss. Two environmental impact assessment (EIA) reports were also used – one for the Group's solar power plant installed in a Natura 2000 area and another for the construction and operation of other buildings, engineering structures, and a biogas plant. These EIA reports, along with the other sources listed, were used as a basis for identifying and assessing significant topics.

E4-2 Policies Related to Biodiversity and Ecosystems

During the reporting year, the Group did not have a policy on biodiversity and ecosystem protection. However, these topics are being integrated into the draft Business Conduct Code, which the Group plans to approve by mid-2025, and into the Environmental Protection Policy, which is scheduled for approval by 2026. These policies will define general principles related to responsible land use, reducing the impact on sensitive areas, preserving ecosystem services, and the Group's commitment to complying with legal acts and international environmental standards.

Furthermore, the Group will prepare and approve Biodiversity and Ecosystem Protection Guidelines by 2027. These guidelines will define best practices on farms, impact assessment and monitoring methods, as well as supply chain traceability principles. The content of the guidelines will be based on international documents such as the European Commission's Communication on Pollinators (COM (2018) 395) and the Organisation for Economic Co-operation and Development (OECD) recommendations on sustainable farm management. The Group will also seek to apply biodiversity protection measures not only in its own locations but also in leased and managed operational locations, especially those in areas with vulnerable biodiversity. The guidelines will be regularly reviewed and updated to reflect the latest scientific data, legal changes, and operational results.

E4-3 Actions and Resources Related to Biodiversity and Ecosystems

The Group is a significant participant in the Lithuanian agricultural sector and therefore acknowledges its responsibility to manage its impact on biodiversity and ecosystems. Taking into account the scale, nature, and potential environmental impact of its operations, the Group pays close attention to biodiversity conservation, integrating these aspects into its land use and farming practices. Although the Group has not yet adopted the biodiversity and ecosystem protection guidelines, specific actions that contribute to biodiversity conservation and the improvement of ecosystem conditions have already been implemented during the reporting period.

Soil Organic Carbon and Humus Testing

Monitoring the amount of organic carbon is important for assessing the ecological status of soil, as it is one of the main indicators reflecting soil fertility, biological activity, and carbon sequestration potential. Humus is also a key factor in supporting biodiversity – the living conditions of microorganisms, invertebrates, and plants, as well as the ecological balance of the soil, depend on it. Healthy soil provides a favourable environment for various forms of life, so its condition is directly related to biodiversity conservation in agricultural ecosystems. To assess soil health and its ability to support biodiversity, the Group began systematic monitoring of soil organic carbon and humus in 2023. The scope of the tests in 2024 was 3.7 times greater than in 2023 (9,144 ha vs. 2,500 ha), and the number of samples increased by 2.74 times over the same period (1,871 vs. 684 samples). The Group plans to continue expanding the monitoring scope to ensure an even more comprehensive assessment of soil conditions and the representativeness of the data across the entire Group's operations. Monitoring soil organic carbon and humus is integrated into the Group's operational planning as a systematic, continuous practice that contributes to the resilience of agricultural ecosystems and biodiversity conservation.

Sustainable Agricultural Practices

During the reporting period, the Group implemented sustainable agricultural practices that act as preventive and restorative measures for maintaining biodiversity in agricultural ecosystems. These measures are integrated into the Group's daily farming operations and are focused on the long-term preservation of soil, flora, and fauna:

- Crop rotation – annually changing the crops grown helps maintain soil fertility, reduces the spread of diseases and pests, increases the diversity of microorganisms, and supports the biological balance of the soil. The Group does not use a rotation of less than four fields.

- Cover crops – grown between the seasons of main crops, they protect the soil from erosion, improve its structure, and enrich it with organic matter. This creates more favourable conditions for beneficial organisms, such as microorganisms, earthworms, or other soil animals, to multiply and live.

- Reduced tillage – applying minimal or strip tillage preserves the microbiological activity of the soil and maintains its natural structure.

- Returning organic matter – the use of manure and crop residues helps maintain humus levels, improves soil fertility, and contributes to biodiversity conservation.

Precision Agricultural Technologies

The Group implements various measures aimed at more precise and sustainable farming to reduce the negative impact on the environment and contribute to biodiversity conservation. One of the main directions is the implementation of precision technologies, which allows for the optimisation of fertiliser and plant protection product use, thereby reducing the risk of excessive chemical use and its impact on biodiversity and ecosystems.

The following precision technologies were applied in the Group during the reporting period:

- Section control – automatically turns off sections of sprayers or fertiliser spreaders when they enter already treated areas, thus avoiding duplication.

- Automatic steering – ensures more precise movement of machinery in fields, reducing fuel consumption and soil compaction.

- Variable-rate fertilisation, based on soil tests and OneSoil maps, allows for the precise application of fertiliser according to specific field zones.
- Nitrogen sensors – evaluate the nitrogen needs of plants in real-time and help to precisely dose fertilisers.

- NIR (Near-Infrared Spectroscopy) sensors – allow for the evaluation of soil properties without laboratory tests, while agricultural machinery is working.

These technologies are integrated into the Group's operational planning as a systematic basis for decision-making, allowing for data-driven decisions, more efficient use of resources, a reduced impact on biodiversity and ecosystems, and a strengthening of the resilience of agricultural ecosystems.

Use of Biological Preparations

Since 2021, the Group's farms have started applying biological solutions for sustainable plant nutrition, protection, and soil quality improvement. These preparations help reduce the use of synthetic agrochemicals, strengthen soil microbiological diversity, and support the functions of natural ecosystems. The following biological preparations were applied during the reporting period:

- Nitrogen-fixing bacteria (PGPR (Plant Growth-Promoting Rhizobacteria) microorganism cultures), which fix atmospheric nitrogen and mobilise micronutrients important for plants from insoluble soil compounds. These processes strengthen plant nutrition naturally and help preserve the diversity and functionality of soil microorganisms.

- Symbiotic bacteria (*Methylobacterium symbioticum*), which live on the above-ground part of plants and perform nitrogen assimilation through the leaves. This mechanism allows plants to obtain nitrogen directly from the atmosphere, regardless of its amount in the soil. Healthier plants create more favourable conditions for pollinators and other beneficial organisms, contributing to biodiversity conservation.

- Biological biostimulants (*Trametes versicolor, Pleurotus ostreatus, Cellulomonas uda, Cellulomonas gelida, Aspergillus awamori, and Trichoderma reesei*), which decompose crop residues (lignin, cellulose), promote humification processes, and improve soil structure and its biological properties. This creates a favourable environment for the development of various microorganisms and invertebrates, strengthens the resilience of soil ecosystems, and supports their vitality.

The application of biological preparations contributes to biodiversity conservation, the strengthening of ecosystem resilience, and the development of sustainable agricultural practices.

E4-4 Targets Related to Biodiversity and Ecosystems

The Group has not yet formulated targets related to biodiversity and ecosystem protection. However, given the importance of this topic, the Group is actively deepening its knowledge, analysing current and future legal requirements, and assessing the impact of its operations on the environment. These efforts are aimed at setting substantiated, effective, and relevant targets in the near future that will help systematically manage the impact on biodiversity and contribute to the preservation of ecosystems. Data on soil condition, the use of precision technologies, and the use of biological preparations have already been collected and evaluated, and their values are provided in the E4-5 section as a baseline that will be used for the formulation of future targets.

E4-5 Impact Metrics Related to Biodiversity and Ecosystems Change

The Group has identified key indicators related to its significant impact on biodiversity and ecosystems. These indicators include data on soil condition (organic carbon and humus content), the use of precision agricultural technologies, and the use of biological preparations. The indicators will be used as a basis for monitoring impacts and formulating future targets. The Group acknowledges that it does not currently have systematic indicators of direct impact on biodiversity or habitat condition but plans to include them in the future.

Soil Organic Carbon (SOC) and Humus Determination

Year	Number of Samples	Area Tested, ha	SOC, %	Humus, %
2023	684	2,500	1.87	3.26
2024	1,871	9,144	2.01	3.50

Calculation Methodology: The concentration of organic carbon is determined according to the international standard ISO 10694:1995, by dry combustion. Humus is calculated from organic carbon.

Application of Precision Technologies	
NIR sensors, % of Agricultural Machinery Units with this function	16.7
Automatic steering, % of Agricultural Machinery Units with this function	19.0
Section control, % of Agricultural Machinery Units with this function	49.0
Variable-rate fertilisation, % of cultivated area	41.0
Nitrogen sensors, % of cultivated area	76.0

Use of Biological Preparations	2021	2022	2023	2024
PGPR microorganism cultures: *Paenibacillus azotofixans, Bacillus megaterium, Bacillus mucilaginosus, Bacillus mycoides* (in equal concentrations, total 1 × 10^9 ksv/g); mycorrhizal fungi 1 × 10^7 ksv/g; organic materials, kg	525	2,025	25	1,675
Methylobacterium symbioticum SB23.3 × 107 CFU/g, kg	-	339	10,773	13,770
Microorganism complex (*Trametes versicolor, Pleurotus ostreatus, Cellulomonas uda, Cellulomonas gelida, Aspergillus awamori, and Trichoderma reesei*), total 1 × 10^9 ksv/g, kg	-	-	-	1,400

E4-6 Anticipated Financial Effects from Biodiversity and Ecosystem-Related Risks and Opportunities

The Group, taking advantage of the possibility to phase in the disclosure of information, does not specify the financial impact.

E5 CIRCULAR ECONOMY

2 ESRS IRO-1 Description of the Processes to Identify and Assess Material Resource Use and Circular Economy-Related Impacts, Risks and Opportunities

More information on the Group's materiality assessment and the process of identifying and assessing significant circular economy-related IROs is provided in the section '2 ESRS IRO-1 Materiality Assessment Process.' In conducting the double materiality assessment (DMA), the Group relied on internal waste accounting data, as well as the European Commission's circular economy action plan and the Lithuanian Republic's waste prevention programme. The assessment also took into account the Group's investments in circular economy solutions, such as the construction of a biomethane plant. The assessment process was carried out in cooperation with external consultants and the Group's internal departments responsible for production, quality, environmental protection, and strategic planning.

The DMA identified the topics of 'Waste' and 'Biowaste recycling,' related to the sub-topic 'Resource outflows related to products and services,' as significant. They include the following IROs:

- Due to the large scale of the Group's operations, significant amounts of waste are generated, which have a negative impact on the environment. Although they are handed over to licensed waste managers, not all waste is reused. Some of it is recycled, but other parts are still incinerated or end up in landfills, contributing to pollution and inefficient resource use.

- The Group will leverage the opportunity to recycle organic waste by directing biowaste from its farms to the newly built biomethane plant. It will be processed into useful by-products: bio-fertilisers and biogas. The biogas will be supplied to the main gas pipeline, and the bio-fertilisers will be used in the Group's operations. This solution will not only help reduce environmental pollution and ensure compliance with manure management regulations but also provide an opportunity to generate additional income from the sale of biogas and to take advantage of sustainable financing tools.

E5-1 Policies Related to Resource Use and Circular Economy

During the reporting period, the Group did not have an approved policy on resource use and the circular economy. However, it plans to prepare and implement an Environmental Protection Policy by 2026, which will establish principles and measures for reducing the use of primary resources, promoting the use of secondary (recycled) resources, ensuring the sustainable use of renewable resources, and assessing the impact throughout the value chain, from supply to the end of the product life cycle. In addition, by mid-2025, the Group will prepare a Business Conduct Code, which will enshrine principles of responsible resource use and the circular economy, as well as a Supplier Conduct Code, which will aim to ensure that suppliers comply with sustainability, responsible resource use, and environmental protection standards.

E5-2 Actions and Resources Related to Resource Use and Circular Economy

During the reporting year, the Group implemented a significant investment project: the construction of a biomethane plant, which is an important step towards sustainable resource use and the implementation of circular economy principles. This plant will allow for the efficient processing of biodegradable waste generated on the Group's farms, which until now has been considered a low-value by-product.

With the introduction of this technology, biomass will be processed into biomethane, which will be supplied to the main gas pipeline, contributing to the development of renewable energy sources and the reduction of fossil fuel consumption. The planned annual biomethane production volume is approximately 2.4 million Nm^3. In addition, the bio-fertilisers (digestate and substrate) produced during the production process will be used on the Group's own farms, ensuring the return of nutrients to the soil and reducing the need for synthetic fertilisers. This action, related to resource use and the circular economy, aligns with several circular economy aspects as specified in ESRS E5-2, point 20:

- Increased use of secondary raw materials (biological waste);

- Circular design - waste is converted into valuable products (energy and fertilisers);

- Application of circular business practices - value preservation and end-of-life actions;

- Prevention of waste generation – waste is not disposed of but recycled;

- Optimisation of waste management according to the waste hierarchy.

Significant financial and technological resources were allocated to the project's implementation, including investments in advanced anaerobic digestion equipment, gas purification, and compression systems. The Group is also certified under the REDcert-EU system, which confirms that biomethane production complies with European Union sustainability criteria, including the use of renewable energy sources, the reduction of greenhouse gas emissions, and responsible land use.

Given the positive impact and operational efficiency, the Group plans to expand its biomethane production capacity by building additional plants at the newly developed cow complex in Radviliškis District.

This expansion will further increase the scale of biological waste recycling, ensure the sustainability of energy production, and strengthen the application of circular economy principles in the agricultural sector.

E5-3 Targets Related to Resource Use and Circular Economy

Biomethane Production Expansion

The Group has set a key target related to resource use and the circular economy: to build and put into operation a new biomethane plant by mid-2027, which will be integrated into the currently developed new cow complex. The new plant will allow for the efficient processing of biodegradable waste from livestock operations into biomethane and bio-fertilisers, which will be used on the Group's farms. The planned annual biomethane production volume is about 2.1 million Nm^3. This target is related to the following resource flows: increasing the circular material use rate, reducing the amount of primary raw materials, sustainable supply of renewable resources, and waste management, including preparation for proper treatment. The target also aligns with the principles of the waste hierarchy, focusing on waste prevention and recycling, and its implementation will be monitored with performance indicators related to production capacity, the amount of recycled waste, and the volume of biomethane produced.

Waste Management

The Group acknowledges that the scale and nature of its operations lead to significant amounts of waste and therefore seeks to ensure maximum transparency and accountability throughout the waste management cycle. Currently, not all waste managers provide detailed information on the final waste treatment methods, especially their end-of-life solutions (recycling, energy recovery, or landfilling).

In light of this, the Group aims to establish a system by 2027 that will ensure comprehensive data collection from all waste management partners on the final treatment of waste. This initiative will allow for a more accurate assessment of the environmental impact of waste management, better adherence to the principles of the waste hierarchy, and the making of informed decisions regarding the selection of waste managers based on not only economic but also environmental criteria.

E5-5 Resource Outflows

Products and Materials

The products used or supplied in the Group's operations (fertilisers, plant protection products, feed, seeds, grains, milk, and meat) are not designed for reuse or refurbishment, so their circular value is limited. Most of these products are for direct consumption or single use, and their life cycle ends with final consumption. Therefore, indicators of product durability, repairability, or returnability are not currently applied.

The Group also engages in the sale and rental of agricultural machinery. During the reporting period, it did not have detailed data on the potential for reuse, repairability, or recyclability of the components of the agricultural machinery sold (metal, plastic, electronics, and other components) in the supply chain. The Group plans to conduct a detailed analysis of the composition of agricultural machinery by 2027 to identify the possibilities for reusing, repairing, and recycling the main components in the supply chain.

The packaging used for product delivery, whether plastic, cardboard, or composite, is not collected for reuse. It becomes a resource outflow, and its management, in accordance with legal acts, has been entrusted by the Group to the Producers and Importers Association 'Gamtos ateitis.' Most packaging is recycled or incinerated for energy recovery, as indicated by the treatment activities in the Waste Managers Register. The use of recycled materials in new packaging is not currently practiced.

Some of the Group's operational results are considered examples of a circular economy in the context of the biological cycle. The fermentation substrate and digestate generated in the biomethane production process are returned to the soil as organic fertilisers. In this way, the generated materials are not disposed of as waste but become useful in the Group's agricultural operations, replacing a portion of the need for synthetic fertilisers.

Waste

Total Waste Quantity (tonnes)	2024
Hazardous waste	96.05
Non-hazardous waste	831.05
Total waste	**927.10**
Total recycled waste	**827.18**
Non-recycled waste	**99.92**
Proportion of non-recycled waste to total waste (%)	10.78

Hazardous Waste (tonnes)	2024
Waste for incineration	1.48
Waste for landfilling	0
Other disposal operations	0
Total for disposal	**0**
Recycling	30.80
Reuse	0
Other recovery operations	63.77
Total diverted from disposal	**0**
Total hazardous waste	**96.05**

Non-Hazardous Waste (tonnes)	2024
Waste for incineration	0
Waste for landfilling	0
Other disposal operations	0
Total for disposal	**0**
Recycling	796.38
Reuse	0
Other recovery operations	34.67
Total diverted from disposal	**0**
Total non-hazardous waste	**831.05**

Waste accounting principles: Waste quantities are recorded in the GPAIS system for each operational location. Data is obtained directly during weighing or is provided by waste managers. When the final waste treatment method is not known, reasonable assumptions are applied based on the activity codes specified in the Waste Managers Register (e.g., R3 - plastic recycling, D10 - incineration, etc.).

Waste Category	Materials*
Packaging waste	Paper, cardboard, plastic, wood
Construction waste	Concrete, stones, gravel, steel, metal
Vehicle fleet waste	Batteries, lubricants, used tires, air filters
Laboratory waste	Chemicals, medicines, contaminated medical instruments
Agricultural waste	Biological materials, packaging of seeds, fertilisers, and plant protection products

*Non-exhaustive list

Quantity of packaging placed on the market during the reporting period:

- Plastic packaging: 380.63 t
- Paper packaging: 59.21 t
- Composite packaging: 0.01 t

The Group's companies do not use radioactive components or products, so no radioactive waste is generated.

E5-6 Anticipated Financial Effects from Resource Use and Circular Economy-Related Impacts, Risks and Opportunities

The Group, taking advantage of the possibility to phase in the disclosure of information, does not specify the financial impact.

Social Information

AGRO
KONCERNO GRUPĖ

S1 OWN WORKFORCE

2 ESRS SBM-2 Interests and Views of Stakeholders

The own workforce, as one of the Group's key stakeholders, was included in the DMA process. More detailed information on the expectations and opinions of stakeholders is provided in the section 'ESRS 2 SBM-2 Interests and Views of Stakeholders.'

2 ESRS SBM-3 Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

The DMA identified the following significant topics: 'Health and safety,' 'Fair pay,' 'Employee attraction and retention,' and 'Equal opportunities and diversity,' related to the sub-topics of working conditions, equal treatment, and equal opportunities for all. They include the following IROs:

- Due to the seasonal nature of agricultural activities, the Group's employees, especially those in logistics, product sales, and on farms, may experience physical fatigue and emotional stress during the most intensive periods. Long working hours, difficult working conditions, and an increased workload can negatively affect employees' health and performance. In addition, the nature of the work and environmental factors can increase the risk of accidents.

- Given the nature of agricultural activities, opportunities to apply more flexible work arrangements, such as a hybrid or individually tailored work schedule, are currently limited. This situation can make it difficult for employees to balance professional obligations with personal life and, in the long run, affect their job satisfaction, emotional well-being, and motivation. Moreover, less work flexibility can pose additional challenges for employees, especially during seasonally intensive periods when both professional and personal needs increase.

- Fair, competitive, and transparent remuneration directly contributes to the well-being of the Group's employees Clear remuneration principles increase trust in the employer, strengthen motivation, encourage engagement in work processes, and reduce the risk of professional burnout.

- There is a risk of a shortage of qualified labour and attracting specialists, especially in regions where the supply of employees is limited and working conditions are difficult. This can lead to difficulties in ensuring the smooth execution of daily operations, especially during the season when the workload increases. A shortage of employees during the season can increase the workload of existing employees, reduce their motivation, and lead to higher employee turnover. In the long run, development opportunities and the ability to implement strategic goals may be limited. This situation can have a direct impact on the Group's finances, leading to a decrease in operational efficiency and an increase in personnel management costs.

- Insufficient attention to ensuring equal opportunities and promoting diversity within the Group can lead to cases of discrimination both at the beginning of the employment relationship and during a career. This can weaken the organisation's internal culture, reduce employee motivation, engagement, and loyalty, and can lead to higher employee turnover. In addition, it can limit the ability to attract diverse talent.

More information on the Group's materiality assessment and the process of identifying and assessing significant IROs related to its own workforce is provided in the section '2 ESRS IRO-1 Materiality Assessment Process.'

S1-1 Policies Related to Own Workforce

Human Rights Policy

The Group respects and protects fundamental human rights, guided by the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and other international and national legal acts. To implement these principles, the Group has approved a Human Rights Policy aimed at ensuring the protection of employees from child labour, forced labour, and human trafficking. The policy also enshrines the right to fair pay, rest, equivalent working conditions, parental leave, and clearly regulated working hours. In addition, the policy covers employees' right to dignified working conditions, non-discrimination, and respect. To ensure the effectiveness of the policy's implementation, the Group has implemented monitoring mechanisms, including a confidential Reporting Channel through which employees can anonymously report human rights or ethical violations. All reports are investigated by responsible specialists, ensuring the protection of employees from retaliation. This way, the Group ensures a transparent and reliable process for identifying and resolving human rights violations.

Equal Opportunities Policy

The Group has approved an Equal Opportunities Policy aimed at ensuring equal conditions for all employees, regardless of their gender, age, nationality, race, ethnic origin, skin colour, health status, disability, religion, sexual orientation, gender identity, marital status, political views, or social origin. This policy defines the Group's commitment to preventing any discrimination in the workplace and promoting diversity and equality in all areas of personnel management. Although the policy is in effect, there have been no systematic implementation measures to date to ensure its consistent application in practice. In light of this, the Group is currently preparing an Equality Plan, which will be the main tool for implementing the policy's goals and strengthening the application of the principles of diversity, inclusion, and equality. This plan will be approved by the end of the next reporting period.

Employee Engagement and Participation

The Group has a Works Council composed of employee representatives from various levels and departments. The Council ensures the involvement of employees in decision-making processes, especially in matters related to their working conditions, well-being, and organisational environment. This structure strengthens internal dialogue between employees and management, fosters mutual trust, and helps create an inclusive, collaborative organisational culture. Employee representation is considered an important part of the Group's social responsibility.

Fair Remuneration and Motivation

In the Group, remuneration is determined in accordance with the internal Remuneration Procedure (not publicly disclosed), which is based on the principles of fairness, justice, and proportionality. The remuneration system is based on clear criteria and standardised procedures that ensure equal treatment of all employees, regardless of their position, department, or personal characteristics, such as gender. In addition to the base salary, employees are provided with additional social benefits and motivational measures that contribute to their financial well-being, professional engagement, and job satisfaction.

Occupational Safety and Injury Prevention

The Group pays special attention to ensuring a safe and healthy working environment. For this purpose, the Procedure for the Investigation and Registration of Accidents at Work and Occupational Diseases (not publicly disclosed) is currently in force, which regulates the processes of incident investigation, registration, and responsibility allocation. All incidents, including accidents at the workplace or on the way to and from work, are investigated with the participation of responsible specialists and employee representatives. Cases of occupational diseases are determined based on internal provisions that ensure the transparency of investigations and the protection of employees' rights. During the reporting period, the Group did not have a separate approved policy related to occupational safety Given the need to systematically strengthen employee safety and health

protection, the Group plans to prepare and approve an Occupational Safety Policy by 2026. It will include a system of preventive measures, a division of responsibilities, risk assessment principles, and monitoring mechanisms to help more effectively manage work-related risks and strengthen a safe working environment.

Prevention of Harassment and Violence

The Group has Rules for the Prevention of Harassment, Violence, and Sexual Harassment (not publicly disclosed), which define unacceptable behaviour and establish mandatory standards of conduct. These rules prohibit all forms of violence, psychological pressure, and sexual harassment in the workplace and provide protection measures for employees who experience inappropriate behaviour. The possibility of using legal remedies is ensured, and the working environment is based on respect, dignity, and mutual respect. Additionally, the Group is currently preparing a Business Conduct Code, which will include the main principles of conduct, the protection of employee dignity, and zero tolerance for discrimination, harassment, or violence. The Group plans to approve this code, which will become an important part of the organisation's conduct and human rights policy, by mid-2025.

Handling Complaints and Violations

The Group operates a Reporting Channel through which employees can anonymously and safely report potential human rights, conduct, or other work-related violations. The operation of this channel is regulated by the internal procedure for providing and handling information on violations (not publicly disclosed), which sets out how received reports are registered, evaluated, and managed (more information in the section 'G1 Business Conduct'). All reports are handled confidentially with the participation of responsible specialists, and reporters are protected from retaliation.

S1-2 Processes for Engaging With Own Workers and Workers' Representatives About Impacts

The involvement of employees in addressing issues related to their impact is carried out through the activities of the Works Council. The Council is composed of representatives elected by employees from all departments, who act independently of their position or status. This model ensures indirect employee representation. Members of the Works Council are regularly informed about the processes of preparing, approving, and implementing policies and internal procedures. They are also provided with information about the updates and integration of these documents into the Group's internal management system. Involvement usually takes place at the preparatory stage of policy formulation or changes, and information is provided during meetings with human resources or administration representatives, through internal announcements, or other communication channels.

In addition, employee opinions are collected through an annual anonymous survey. During it, employee satisfaction with the work environment, management communication, psychosocial climate, engagement, and overall well-being level is assessed. The survey results are analysed and discussed with department heads, and targeted improvement measures are prepared based on them.

Employees are also involved in occupational safety and health (OSH) activities, such as professional risk assessment, the selection of personal protective equipment, or the review of safety instructions. Employee representatives for safety and health are appointed in each of the Group's structures, and they maintain contact with OSH specialists. Although regular meetings are not currently organised with these representatives, cooperation takes place as needed. Responsible managers transfer relevant OSH information to teams during meetings or publish it on shared information resources.

The human resources department is responsible for coordinating employee involvement activities, and it collaborates with department and Group company heads. The Group currently does not have collective or other official agreements with employee representatives on social or human rights issues, but it is considering the possibility of establishing such a basis for cooperation in the future. A systematic evaluation of the effectiveness of the employee involvement process has not yet been implemented. The Group acknowledges this shortcoming and plans to prepare a process by 2026 that will allow for the consistent evaluation of employee involvement methods, the effectiveness of their representation, and the real impact on decision-making. The Group also does not currently collect data on the opinions of particularly vulnerable or marginalised employee groups but plans to integrate these aspects into the content of future surveys or other involvement channels.

S1-3 Processes to Remediate Negative Impacts and Channels For Own Workers to Raise Concerns

The Group operates a Reporting Channel through which employees can anonymously and safely report potential human rights, conduct, or other work-related violations. The operation of this channel is regulated by the internal procedure for providing and handling information on violations (not publicly disclosed), which sets out how received reports are registered, evaluated, and managed (more information in the section 'G1 Business Conduct'). All reports are handled confidentially with the participation of responsible specialists, and reporters are protected from retaliation. Employees are periodically informed about the existence of the channel and how to use it.

S1-4 Taking Action on Material Impacts on Own Workforce, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of Those Actions

The Group seeks to avoid, mitigate, and remedy significant negative impacts on its own workforce, to ensure a positive impact on employee well-being, and to manage related significant risks. The need for action is determined based on employee surveys, risk assessments, internal audits, and legal requirement analysis, while effectiveness is evaluated by the number of training participants, knowledge test results, employee satisfaction surveys, and OSH incident statistics. The Group's main actions and initiatives include:

Employee Development and Training

The Group consistently promotes employees' professional and personal development. Employees participate in Group-funded training – both specialised, based on their position, and general, such as safety, professional, culture-building, harassment, and discrimination prevention training. Everyone has the opportunity to study in person or remotely. The effectiveness of the training is based on the issuance of certificates and periodic knowledge checks. A training plan is prepared annually, and employees can submit their suggestions, which are implemented at the Group's expense after an assessment.

Employee Engagement, Communication, and Community

The Group places great emphasis on creating an open communication culture and engaging employees. Internal communication is maintained through newsletters, the intranet, meetings, and various initiatives that foster collaboration between employees and between new and existing team members. The Group has a Reporting Channel through which employees can submit ideas and suggestions. Surveys are also conducted to hear employees' opinions on working conditions, well-being, and opportunities for improvement. Community is strengthened through team-building activities, festive gatherings, professional holiday celebrations, and other community initiatives. Employees are encouraged to cooperate directly with managers, and the continuous presentation of new projects helps ensure transparency, engagement, and information about the Group's activities and development.

Employee Welfare, Social Guarantees, and Remuneration

All employees in the Group receive additional 24/7 accident insurance, and vaccinations and health check-ups are funded. Discounts are applied for family members of employees at cooperating medical institutions. Remuneration is regulated by the internal Remuneration Procedure (not publicly disclosed), which sets salary ranges for each position. Annual salary reviews are conducted to ensure fair and competitive pay.

Occupational Safety and Health

In accordance with national and internal acts, OSH requirements are implemented in the Group: periodic health check-ups are performed, OSH training is organised, professional risk assessment is carried out, and personal protective equipment is provided. Internal control is in place, and preventive measures are applied. An automatic defibrillator has been installed in the administrative building in Babtai. Active reporting of safety and health hazards is encouraged. A works council operates, whose representatives have the right to receive information on employee safety issues and organises meetings to discuss aspects of employee well-being.

Partnerships with Educational Institutions

The Group actively collaborates with Lithuanian and foreign educational institutions, promoting the development of talent in the agricultural sector. One-time and permanent scholarships are provided to students, tuition fees are compensated, and opportunities are created for summer internships. In developing a long-term talent development strategy, the Group collaborates with schools, participates in career events, and enters into 'Protocols of Intent' with students planning a career in the agricultural sector.

Educational Initiatives

The Group is implementing the 'Gamtamokslis' project, during which tutoring services for 100 of the most talented 11th and 12th graders are financed for preparation for their final exams. The subjects are mathematics, chemistry, physics, biology, and English. The Group also participates in conferences on education and career days, where it presents the organisation's activities, career opportunities, and employee competency needs.

S1-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

The Group acknowledges that its activities have an impact on employees and therefore responsibly assesses the negative and positive impacts and risks related to its own workforce. Since this is the first reporting year in which the Group has systematised and analysed data related to employees, not all targets have been set yet. However, initial goals have already been formulated, which the Group intends to implement by the end of the next reporting period:

- Preparation of an Equality Plan, which will provide for measures for the implementation of the equal opportunities policy, including the promotion of diversity, the prevention of discrimination, etc.

- Establishment of an Organisational Culture Committee, whose goal is to formulate and implement directions for strengthening the organisational culture, promoting employee engagement, job satisfaction, and the implementation of values.

- The Group has set a specific target related to occupational safety: zero fatal accidents. Given the increased professional risk arising from intensive physical work and difficult working conditions, it is planned to strengthen employee safety training, introduce additional preventive measures, and regularly assess risks.

The target-setting process is still being developed, but it is planned that employees and their representatives will be involved in the preparation of the Equality Plan, the activities of the organisational culture working group, and the evaluation and improvement of employee safety initiatives.

S1-6 Characteristics of the Undertaking's Employees

Calculation Policy

Employee data is collected from the human resources data management programme. The number of employees includes all employees (including seasonal employees) who worked during the reporting period. The number of employees is presented as the number of individuals (not full-time equivalents). The data is calculated using the average number of employees for the entire reporting period.

Employees by Gender

Gender	Number of Employees
Men	821
Women	356
Other	-
No data available	-
All hired workers	1,177

Employees by Employment Contract Type and Gender

Women	Men	Other	Not disclosed	Total
Number of Employees				
357	832	-	-	1,189
Open-ended contract				
288	707	-	-	995
Fixed-term contract				
69	125	-	-	194

The proportion of fixed-term contracts is influenced by the specifics of the Group's operations – seasonality, especially during the harvest period when a larger number of employees is needed for short-term tasks.

Overall Turnover Rate

In the reporting year, the Group's employee turnover rate was 8.17%. During the reporting period, 70 employees left the Group, while the average number of employees was 857.

The Group's employee turnover rate is calculated by dividing the number of employees who left the Group during the reporting year (including seasonal employees) by the average number of employees.

S1-9 Diversity Metrics

Distribution of Top Management by Gender

Gender	Number of Top Managers	Proportion of Top Managers, %
Men	38	95
Women	2	5
Other	-	-
No data available	-	-
Total Top Managers	40	-

Distribution of Employees by Age	Up to 30 years		30–50 years		Over 50 years	
	Men	Women	Men	Women	Men	Women
Number of Employees	300		436		445	
By gender	199	101	311	125	315	130

S1-10 Adequate Wages

Remuneration in the Group is regulated by the Remuneration Procedure (not publicly disclosed). Salary ranges are set for each position. For some positions, remuneration is calculated based on set rates; performance-based bonuses may also be included. The level of remuneration is also determined by external factors – market changes and the competitive environment.

The lowest remuneration in the Group is calculated based on the base salary, including all guaranteed fixed bonuses, and does not apply to interns or trainees. The Group ensures that the remuneration paid to all employees corresponds to the applicable fair wage indexes. The assessment of compliance is based on the 60% of the country's median wage indicator, as provided for in Directive (EU) 2022/2041 on adequate minimum wages in the European Union.

S1-14 Health and Safety Metrics

The Group currently does not have an Occupational Safety and Health Management System implemented in accordance with international standards, but all Group employees are subject to the safety and health requirements established by national legal acts. In the reporting year, one work-related fatal accident was recorded. No fatal accidents of value chain workers (including contractors and service providers) were recorded. During the reporting period, the total number of recordable work-related accidents (including fatal ones) was 11 cases. The accident frequency rate was 0.077 cases per million hours worked. This indicator is calculated by dividing the number of accidents by the total annual hours worked by all employees and multiplying by 1,000,000. The total annual hours worked are recorded by internal human resources management systems; it includes only actual working hours, not including periods of vacation or sick leave. The Group does not disclose data on the number of work-related health impairment cases and workdays lost due to injuries or health impairments due to a lack of information. In the future, the Group plans to improve data collection and analysis processes and disclose this data.

S1-16 Compensation Metrics (Pay Gap and Total Compensation)

Gender pay gap (hourly pay), %	-8.97
Ratio of highest annual compensation to average annual compensation of other employees	10.8

Hourly gender pay gap was calculated using the following formula: (Average gross hourly wage of male employees - Average gross hourly wage of female employees) / Average gross hourly wage of male employees x 100.

Ratio of the highest annual remuneration to the average annual remuneration of other employees was calculated using the following formula: Total annual compensation of the highest-paid person in the company / Average total annual compensation of employees (excluding the highest-paid person).

S1-17 Incidents, Complaints and Severe Human Rights Impacts

During the reporting period, no reports related to human rights impacts were received by the Group.

S2 VALUE CHAIN WORKERS

2 ESRS SBM-2 Interests and Views of Stakeholders

In the DMA process, the Group's value chain workers were included – these are individuals working throughout the Group's value chain (both upstream and downstream), regardless of a direct contractual relationship. This includes employees of suppliers, contractors, and customers whom the Group, through its activities, products, services, or business relationships, has or may have a significant impact on. They are not classified as part of the Group's own workforce. More detailed information on the expectations and opinions of stakeholders is provided in the section 'ESRS 2 SBM-2 Interests and Views of Stakeholders.'

2 ESRS SBM-3 Material Impacts, Risks and Opportunities and Their Interaction With Strategy and Business Model

The DMA identified the topics of 'Health and safety' and 'Child and forced labour,' related to the sub-topics of working conditions and other labour-related rights of value chain workers, as significant. They include the following IROs:

- Throughout the Group's value chain, specifically in agricultural work on farms that use the Group's products, a failure to comply with safety and labour requirements can have a negative impact on employee safety and health. This impact can be related to working conditions where chemical substances are used, agricultural machinery is operated, and work is done in difficult field conditions. Working in such an environment can lead to both physical and psychological consequences: poisoning or long-term health problems due to chemical substances, injuries, and fatigue.

- The Group's value chain may be exposed to negative human rights impacts related to cases of child and forced labour. Such cases can lead to a failure to ensure dignified working conditions, the restriction of employee freedom, exploitation, and physical and psychological harm. This impact can occur in the activities of suppliers operating in third countries.

More information on the Group's materiality assessment and the process of identifying and assessing significant IROs related to value chain workers is provided in the section '2 ESRS IRO-1 Materiality Assessment Process.'

S2-1 Policies Related to Value Chain Workers

The Group has an approved **Human Rights Policy** that applies to all of the Group's suppliers, contractors, and partners. The policy is based on respect for employee rights, human dignity, and labour standards, and during the reporting period, it was a key tool for managing significant risks related to value chain workers. It is aligned with the UN Guiding Principles on Business and Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. To strengthen these commitments, a Supplier Conduct Code is planned for approval in mid-2025, which will detail the principles for applying working conditions, human rights, safety, and social responsibility throughout the value chain.

S2-2 Processes for Engaging With Value Chain Workers About Impacts

The Group currently does not have a process for the systematic involvement of value chain workers or their legal representatives in decision-making, so value chain workers are not directly involved at this time. The Group acknowledges the importance of involvement in addressing issues related to significant actual and potential positive or negative impacts that may affect value chain workers. Starting in mid-2025, the Group will begin to gradually implement responsible supply chain management practices to ensure greater involvement of suppliers and their employees in impact management. In the future, it is planned to expand involvement, including the possibility of direct dialogue with value chain workers and their legal representatives, in order to better assess the impact and consider the workers' views in company decisions. The Head of the Sustainability and Innovation Department is responsible for ensuring the involvement of value chain workers and evaluating its results. Evaluations will be conducted periodically to ensure the effectiveness of the involvement and to improve the practices applied.

S2-3 Processes to Remediate Negative Impacts and Channels for Value Chain Workers to Raise Concerns

To ensure an appropriate response to the concerns of value chain workers, the Group has implemented a general Reporting Channel for all stakeholders (more information in the section 'G1 Business Conduct'). The operation of this channel is regulated by the internal procedure for information on violations (not publicly disclosed). By 2026, it is planned to strengthen communication about this channel to value chain workers to ensure that all employees are aware of the opportunity to report concerns. Value chain workers can also raise concerns during direct meetings with Group representatives, at events organised by suppliers or contractors, or through other communication channels operating in the workplace. No human rights violations related to value chain workers were identified during the reporting year.

S2-4 Taking Action on Material Impacts, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Value Chain Workers, and Effectiveness of Those Actions and Approaches

The Group acknowledges the importance of actions aimed at managing the significant impact on value chain workers and seeks to improve its practices in this area. During the reporting year, the scope of actions was limited, but starting in mid-2025, the Group will begin to gradually implement responsible supply chain management practices aimed at ensuring greater involvement of suppliers and, indirectly, their employees. The actions of this practice include:

- Providing a sustainability questionnaire to suppliers to systematically assess their employees' working conditions, health and safety practices, and identify risks related to vulnerable groups of workers.

- Presenting a Supplier Conduct Code to existing suppliers: they will sign to confirm their familiarity with the code and their commitment to adhering to it. A clause obligating compliance with the Supplier Conduct Code is included in the contracts of all new suppliers.

The Group plans to consistently monitor the effectiveness of the actions and allocate the necessary resources to ensure the improvement of the rights and working conditions of value chain workers. In addition, the Group commits to integrating the principles of responsible management into its procurement and other internal practices and to promoting cooperation with agricultural sector organisations, suppliers, non-governmental organisations, and other stakeholders.

S2-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

The Group currently has no targets set for managing significant negative impacts or increasing positive impacts on value chain workers, or for managing significant risks and opportunities. Starting in mid-2025, the Group will begin to implement responsible supply chain management practices, which will include systematic risk identification and management and greater involvement of suppliers and their employees. It is planned that this will allow for the setting of specific targets in the future related to managing significant negative impacts, increasing positive impacts, and managing significant risks, including the health and safety of value chain workers, child labour, and forced labour risks, and opportunities.

S3 AFFECTED COMMUNITIES

2 ESRS SBM-2 Interests and Views of Stakeholders

In the DMA process, affected communities were included – these are groups of people that the Group's activities have or may have an impact on, as well as those who can influence the Group's activities themselves. More detailed information on the expectations and opinions of stakeholders is provided in the section 'ESRS 2 SBM-2 Interests and Views of Stakeholders.'

2 ESRS SBM-3 Material Impacts, Risks and Opportunities and Their Interaction With Strategy and Business Model

The DMA identified the topics of 'Odour and dust,' 'Cooperation and support,' and 'New jobs,' related to the sub-topic of the economic, social, and cultural rights of communities, as significant. They include the following IROs:

- Agricultural activities can have a negative impact on local communities due to unpleasant odours from livestock farms and dust rising during crop cultivation season. These factors can reduce satisfaction with the place of residence and significantly affect the quality of life.

- The positive impact is manifested through cooperation with and support for local communities, which significantly contributes to strengthening their social well-being. This includes various initiatives – from improving local infrastructure and supporting educational and cultural projects to increasing the accessibility of social services. These measures help reduce regional disparity, promote social inclusion, and create more equal opportunities in rural areas. In addition, the Group's active involvement in community life and consistent dialogue with local residents helps build relationships based on trust.

- The Group's activities, carried out throughout Lithuania and involving the employment of both permanent and seasonal workers, significantly contribute to the creation of jobs in the regions, strengthen the local economy, promote the financial stability of residents, and increase the attractiveness of the regions for living and working. In addition, the employment of seasonal workers helps ensure flexibility in the labour market and provides additional income for various social groups – youth, students, and older people. It also promotes social integration and contributes to reducing regional disparity.

More information on the Group's materiality assessment and the process of identifying and assessing significant IROs related to affected communities is provided in the section '2 ESRS IRO-1 Materiality Assessment Process.'

S3-1 Policies Related to Affected Communities

During the reporting period, the Group had not approved a policy aimed at managing the significant impact on affected communities. However, the Group acknowledges that its activities may have an impact on local residents, so continuous communication is maintained with elderships, neighbouring farms, and residents. The Group's Conduct and Supplier Conduct Codes are currently being prepared, which will provide for principles on community involvement, social impact assessment, and transparent dialogue with stakeholders. These codes will be prepared by mid-2025 and will help to systematically manage social impact, strengthen trust between the Group and local communities, and ensure that their interests are properly represented in the decision-making process. The Group is also preparing its Community Partnership and Environmental Protection policies, which will encourage a more consistent management of social and environmental impact and strengthen responsible cooperation with affected communities. The Group plans to prepare these policies by 2026.

S3-2 Processes for Engaging With Affected Communities About Impacts

The Group acknowledges that communication with affected communities is important to understand and manage positive or negative impacts, as well as related risks and opportunities, and to participate in solving related issues. The Group also recognises the need to create a clear process that would allow all communities, including vulnerable or marginalised groups, to understand the impact of the activities and participate in decision-making. Currently, there is no centralised system that would ensure that all affected communities are identified, that dialogue is accessible to all groups (taking into account language, culture, social status, etc.), and that the information received is systematically integrated into decision-making processes The implementation of the Group's policies being prepared (Business Conduct, Supplier Conduct Codes, and Community Partnership Policy) will ensure a structured, inclusive, and transparent system of communication with communities that complies with ESRS S3-2 requirements.

Despite this, the Group maintains continuous informal contact with affected communities – elderships, farmers, residents, and other stakeholders. This communication usually takes place through direct contacts, meetings, events, or participation in local initiatives.

S3-3 Processes to Remediate Negative Impacts and Channels for Affected Communities to Raise Concerns

The Group seeks to responsibly manage the potential negative impact on communities and, if necessary, to eliminate it. Although a formalised complaints and redress system has not yet been implemented, the Group responds to observations and complaints expressed by residents or communities directly – most often by phone, email, or through the local eldership. In situations that may have a negative impact (noise, odours, spraying work near residential areas, etc.), the Group seeks to resolve the issues promptly through dialogue, in cooperation with the affected communities. During the reporting period, no cases were recorded that would have required the application of redress measures. In addition, the Group has implemented a Reporting Channel for all stakeholders, which community representatives can also use to confidentially report inappropriate or illegal actions (more information in 'G1 Business Conduct'). In 2025, the Group plans to ensure that this channel is easily accessible to communities, clearly communicated, and monitored to evaluate its effectiveness and whether the issues raised by communities are being addressed. Efforts will also be made to ensure that affected communities are informed about the existence of this channel, its purpose, and that reporters are protected from potential retaliation.

S3-4 Taking Action on Material Impacts on Affected Communities, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Affected Communities, and Effectiveness of Those Actions

The Group acknowledges that certain economic activities can have a negative impact on surrounding communities – most often due to unpleasant odours from livestock farming and dust in crop farming. Preventive and mitigation measures are applied to reduce this impact. In livestock farms, biological products are used to manage odours, which reduces the intensity of the smell (more information in 'E2 Pollution'). In crop farms, especially during droughts, when harvesting or cultivating the land, dust clouds can form, temporarily affecting nearby communities. Three main measures are applied to reduce this impact: work planning (land cultivation on less windy days), technical maintenance (to reduce dust from improper operation), and the watering of gravel roads. The Group constantly evaluates what actions need to be taken in response to a possible or actual impact on affected communities and strives for these actions to be appropriate, proportional, and effective. Currently, no significant incidents or human rights violations related to communities have been recorded, but the Group plans to strengthen the processes for impact assessment, action planning, and monitoring their implementation.

In addition to reducing the negative impact on affected communities, the Group also seeks to contribute to their well-being. Local residents are hired annually for both permanent and seasonal jobs, thus contributing to employment in rural areas. In addition, the Group consistently implements social

responsibility projects, supporting educational, cultural, sports, health, and regional development initiatives. Along with strategic long-term projects, the Group also contributes annually to many smaller but significant local communities and public initiatives. In the reporting year, €748,176.96 was allocated for social support and patronage.

Long-Term Strategic Projects

'Švieskime vaikus' (Let's Enlighten Children) Charity and Support Fund, supported since 2013.

The fund's activities are focused on promoting children's reading and the dissemination of national literature in all libraries in the country – from big cities to the most remote villages. In cooperation with the Lithuanian Writers' Union, the National Children's Literature Competition is organised annually. The works of its laureates are published in a circulation of at least 15,000 copies and are distributed free of charge to children in the country.

'Mobili laboratorija' (Mobile Laboratory) project, supported since 2011.

This is one of the longest-running and vitally important Group support projects, aimed at the early diagnosis of oncological diseases. The mobile laboratory is medical research on wheels that reaches even the smallest Lithuanian towns and villages, where residents often do not have the opportunity to check their health in time. All tests are performed free of charge. Their results have already helped save many lives, and the project has become a significant contribution to strengthening the health of the region's population and timely prevention of oncological diseases.

'Mažosios kultūros sostinės' (Small Cultural Capitals) project, supported since 2015.

Every year, 10 towns are selected to become cultural centres of their region for a whole year – events, creative initiatives, educational programs, concerts, and exhibitions take place here. This initiative was born to strengthen cultural life not only in large cities but also in the regions. The project contributes to the creation of local community identity and regional diversity. Every year, 10 towns are selected that implement cultural programs, strengthen local identity, and bring communities together.

Girls' Basketball Academy, supported since 2022.

This is the first private sports academy in Lithuania focused on developing female basketball talent. Located in Druskininkai, the academy has assembled a strong team of coaches and introduced a unique program that combines academic studies with professional sports training. The players here are being prepared not only for a career in the Lithuanian women's basketball team but also for a successful start in international arenas. The project encourages greater participation of girls in sports.

Other Support

Education and Development

Various educational initiatives are supported: student educational projects, competitions, school activities, and nominal scholarships and individual support cases for youth development are provided.

Community Celebrations

Support is provided for local communities to organise celebrations, traditional events, cultural programs, and strengthen community spirit in the regions, improve infrastructure, and nurture the environment.

S3-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

The Group has not currently set specific targets related to the impact on communities. However, in order to increase transparency and improve impact management, it plans to systematically monitor the following indicators from the next reporting period:

- Number of community complaints (units), to assess the potential negative impact and the communities' sensitivity to the Group's activities.

- Number of answered and resolved community complaints (units), to determine the effectiveness of the Group's response.

- Amount of support provided (EUR), to assess the positive impact and the scale of support for local communities.

These indicators will be used as a basis for formulating result-oriented targets related to reducing significant impact, increasing positive impact, and managing risks and opportunities. The targets were formulated internally, and the affected communities or their representatives were not directly involved in their setting. In the future, it is planned to involve stakeholders in the process of reviewing and improving the targets to ensure their relevance and effectiveness.

S4 CONSUMERS AND END-USERS

Product and Service Information for Consumers

2 ESRS SBM-2 Interests and Views of Stakeholders

Consumers and end-users are one of the Group's key stakeholders, so their interests and opinions were important during the DMA. More detailed information on the expectations and opinions of stakeholders is provided in the section 'ESRS 2 SBM-2 Interests and Views of Stakeholders.'

2 ESRS SBM-3 Material Impacts, Risks and Opportunities and Their Interaction With Strategy and Business Model

The DMA identified the topics of 'Information on goods and services for consumers' and 'Health and safety,' related to the impact of information on consumers and/or end-users and the personal safety of consumers and/or end-users, as significant. They include the following IROs:

- Clear and accessible information about the Group's services and products (agricultural machinery, innovative research solutions and software, farm products) increases consumer trust and reduces the risk of improper use. The Group ensures that consumers receive not only comprehensive information about the composition of the products, instructions for use, and impact, but also professional consultations. Agronomists, specialists from the Precision Technologies and Innovation and Research Centres, and experts in other fields help to adapt solutions to the individual needs of farms. This complex, interdisciplinary approach not only ensures the safe and effective application of solutions but also helps consumers make informed decisions, increases their satisfaction, and strengthens long-term trust in the Group.

- Procedural inaccuracies or production errors due to the use of chemical substances, such as plant protection products (in crop farming) and antimicrobial substances (in animal husbandry), could lead to their residues entering milk, meat, and grain products, which would pose a risk to the health of consumers and end-users. Residues of chemical substances can have a negative impact on product quality, cause non-compliance with legal requirements, and lead to product recalls from the market. In addition, it could affect consumer confidence, cause reputational damage, and economic losses, especially if permissible residue limits are exceeded or export requirements are violated.

More information on the Group's materiality assessment and the process of identifying and assessing significant IROs related to consumers and end-users is provided in the section '2 ESRS IRO-1 Materiality Assessment Process.'

S4-1 Policies Related to Consumers and End-Users

The Group aims to responsibly manage the impact of its products and services on consumers and end-users. The principles of consumer rights protection, ethical communication, and transparent information provision are currently being established in the Group's Conduct Code, which in 2025 will be the main document defining the values of relationships with customers: sustainability, professionalism, trust, dynamism, insight, and diligence. Although the Conduct Code has not yet been approved, these values are already applied in the Group's activities and integrated into the customer service chain – from consultations, product delivery, to feedback analysis. It is also foreseen that the Conduct Code will enshrine commitments to comply with international human rights principles, including the UN Guiding Principles on Business and Human Rights, the International Labour Organisation's conventions on fundamental principles and rights at work, and the OECD Guidelines for Multinational Enterprises.

The Group has a Reporting Channel that allows consumers and end-users to submit comments or report possible violations. The operation of this channel is regulated by the internal procedure for information on violations (not publicly disclosed), which describes how reports are registered and managed (more information in the section 'G1 Business Conduct').

The Group also follows an internal Communication Procedure (not publicly disclosed), which sets communication goals, values, priority topics, and target audiences. The strategy helps manage risks related to consumers, such as misunderstanding information or improper use of products, and creates opportunities by strengthening customer trust, loyalty, and responsible consumption. Communication is clear, accurate, respectful, and based on facts, focused on key stakeholders, including consumers and end-users.

S4-2 Processes for Engaging With Consumers and End-Users About Impacts

The Group applies a consistent and structured process for involving customers and end-users, which is based on two-way cooperation, trust, and continuous dialogue. One of the tools of this process is the 'Agroambassadors' programme, in which participating farmers from various Lithuanian regions act as customer representatives, helping to identify both the positive and negative impacts of the Group's products and services.

Consumers and end-users are involved directly through personal meetings and visits to farms, surveys, and participation in events. During the reporting period, the Group organised more than 50 meetings with clients in various Lithuanian regions and participated in the country's largest agricultural exhibitions, where comments and suggestions on services, products, and the overall customer experience were collected. Agricultural associations, farming communities, and other stakeholders are also involved in this process. The Group also pays great attention to the involvement of vulnerable groups (small farmers, older consumers, farms operating in the regions). Meetings are organised in the regions where these groups are most represented, and information is provided in an accessible and understandable format. The head of the marketing department, who reports directly to the commercial director, is responsible for coordinating the processes of involving customers and end-users. In 2025, the Group will create a system that will allow for more consistent monitoring of customer satisfaction and the effectiveness of the involvement process.

S4-3 Processes to Remediate Negative Impacts and Channels for Consumers and End-Users to Raise Concerns

To effectively respond to the concerns of consumer sand end-users, the Group has implemented a general Reporting Channel for all stakeholders (more information in the section 'G1 Business Conduct'), including consumers and end-users. The operation of this channel is regulated by the internal procedure for information on violations (not publicly disclosed), but the Group has not implemented a complaints handling mechanism. By 2026, it is planned not only to strengthen communication about this channel to consumers and end-users but also to implement a complaint handling procedure. Consumers and end-users can also express concerns during direct meetings with the Group's agronomists, consultants, or other specialists, at physical customer service points, or through social networks and surveys organised by the Group. During the reporting period, no violations of human rights principles related to consumers or end-users were identified.

S4-4 Taking Action on Material Impacts, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Consumers and End-Users and Effectiveness of Those Actions and Approaches

The Group aims to implement actions related to responsible, accurate, and accessible information about goods and services, thus ensuring a positive impact on consumers. Action planning is based on consumer insights, risk assessments, and cooperation with other market participants. All actions are implemented by allocating appropriate human, technological, and communication resources. The following actions were implemented in the reporting year:

- Product labelling improvement: Updated labels for fertilisers and plant protection products, supplemented with more detailed information about active ingredients, usage time, and safety measures. Infographics, pictograms, and QR codes directing to educational content were added.

- Educational content: Videos were created about the use of machinery, rules for mixing products, and safety aspects. The content is distributed through the YouTube channel, social networks, and seminars.

- Preventive communication: A system of SMS and email reminders was implemented to inform customers about critical usage deadlines, seasonal advice, and preventive actions.

- Group conference cycle 'Experience. Tools. Goals 2024': Events were held in three cities (Panevėžys, Šiauliai, Kaunas), which were attended by more than 1,300 customers. Group employees shared the results of practical tests, innovative solutions, and insights into sustainable farming.

- Group seminar 'Tiksliu žingsniu į ateitį' (A Precise Step into the Future), during which more than 150 customers were introduced to innovations in precision farming, solutions tested on the Group's 'Farm of the Future,' and the results of scientific research from the Innovation and Research Centre.

The need for action is determined based on customer surveys, risk analyses, and market monitoring. Effectiveness is evaluated based on the level of awareness achieved, customer engagement (QR code scan data, number of video views, etc.), participation in events, and feedback. The Group also ensures that its marketing and information practices are ethical, transparent, and do not pose additional risks to consumers.

S4-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

The Group has not currently set specific targets related to the significant impact on customers and end-users, but it has planned to begin a systematic monitoring of significant impact from the next reporting period to substantiate the evaluation of effectiveness and set further targets. By the end of 2025, it is planned to create a data collection and analysis system that includes monitoring customer experience and feedback. From the beginning of 2026, consistent monitoring will begin, and in the period 2026-2027, customer representatives will be included in the review of information quality improvement initiatives. Based on the data received, baseline indicators will be set and targets for their improvement will be raised, including the reduction of recurring negative cases. By 2027, it is also planned to create a mechanism that allows customers and their representatives to participate in the process of reviewing and improving targets, ensuring that consumer insights are integrated into activity planning and evaluation.

Health and Safety

S4-1 Policies Related to Consumers and End-Users

Taking into account the identified significant risk related to the potential negative impact on the safety of consumers and end-users due to the use of chemical substances in crop farming (mineral fertilisers and plant protection products) and animal husbandry (antimicrobial substances), the Group acts in compliance with all valid legal acts and applies appropriate measures to ensure product safety and compliance with requirements.

To further strengthen the management of this risk and ensure a systematic approach to consumer and end-user protection, the Group is preparing Business Conduct and Supplier Conduct Codes (more information in this section under the topic 'Information on goods and services for consumers'). In addition, to reduce the indirect impact on consumers and end-users through environmental pollution, an Environmental Protection Policy is being prepared, which will provide for commitments regarding the responsible use of chemical substances and the reduction of environmental impact. This policy is planned to be approved by 2026.

S4-2 Processes for Engaging With Consumers and End-Users About Impacts

Since the Group does not directly sell milk, meat, and grain to final consumers, a systematic process for involving consumers and end-users in addressing health and safety issues has not yet been implemented. However, the Group acknowledges the importance of this involvement and commits to creating mechanisms in the 2026-2027 period that will allow for the indirect inclusion of consumer views. This will be done by cooperating with milk and grain purchasing companies, slaughterhouses, and organisations representing consumer rights to obtain information about consumer expectations, health and safety priorities, and quality requirements. The head of the farms, who reports directly to the Group's CEO, is responsible for coordinating these initiatives.

S4-3 Processes to Remediate Negative Impacts and Channels for Consumers and End-Users to Raise Concerns

Information about the Group's processes and channels through which consumers and end-users can express concerns is provided in this section under the topic 'Information on goods and services for consumers.'

S4-4 Taking Action on Material Impacts, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Consumers and End-Users and Effectiveness of Those Actions and Approaches

The Group acknowledges that the activities carried out on livestock and crop farms, including the production of milk, meat, and grain, pose risks related to the potential impact on the health of consumers and end-users. These risks arise from the use of agrochemicals (fertilisers and plant protection products) and antimicrobial substances. In view of this, the Group is committed to ensuring high standards of quality, safety, and traceability and applies effective control measures.

Crop Production

The Group applies precision farming technologies that allow for the efficient and targeted use of mineral fertilisers and plant protection products. These decisions are made based on soil test data and the nutritional needs of the plants, which are additionally evaluated during the vegetation period using nitrogen sensors. The use of mineral fertilisers is based on variable fertilisation rates, which are adapted to the specific soil properties of the field and the plant development stage, as well as the needs for the quality and quantity of the grown crop. Fertilisation is carried out in compliance with the nitrogen limits set in legal acts to reduce the surplus of nutrients. The use of plant protection products is also strictly regulated. Only products included in the list approved by the State Plant Service are used, in compliance with the requirements of valid legal acts and manufacturers' recommendations. Fungicides are applied for prophylactic purposes at lower than the permitted registered use rates in Lithuania to prevent the spread of diseases, while insecticides are used only when necessary, i.e., when the abundance of pests reaches the economic damage threshold. In addition, the waiting periods between the use of plant protection products and harvesting are strictly observed. This ensures that no undecomposed chemical residues remain in the final products and that the health of consumers and end-users is protected. The Group also participates in the Good Agricultural and Environmental Condition (GAEC) program and applies Good Agricultural Practices (GAP). The Group's activities are supervised by the State Food and Veterinary Service and the State Plant Service, which perform control of the use of plant protection products and fertiliser accounting. No violations related to the use of plant protection products or mineral fertilisers were recorded during the reporting period.

Livestock

In the Group's operations, antimicrobial substances for treating cattle intestinal, uterine, respiratory tract infections, and mastitis are used only with a veterinarian's prescription. Strict veterinary and food safety requirements are followed, ensuring compliance with EU regulations on veterinary medicinal product residues in food (EU) 2019/6 and (EU) 37/2010. Continuous monitoring and control of antimicrobial substance use are carried out: all treated cattle are tagged, and their milk is milked separately until the end of the withdrawal period. Milk is regularly tested for antimicrobial substance residues during collection, covering the most commonly used antibiotic groups (tetracyclines, penicillins, etc.). No violations related to the use of antimicrobial substances were found in the reporting period.

The Group consistently expands the application of precision farming technologies, implements digital solutions, and collaborates with scientific partners to reduce potential risks to consumer and end-user health. These activities are integrated into daily operational processes and are based on a long-term commitment to ensuring high standards of quality, safety, and traceability. Currently, the Group does not perform an effectiveness assessment of these actions but monitors operational results through legal compliance control, inspections by responsible authorities, and the absence of violations. The Group commits to creating a structured action effectiveness assessment system by 2027, which will include data collection, analysis, and the integration of results into decision-making processes. In the reporting period, no reports of incidents or violations related to human rights or consumer safety and health were received.

S4-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

Crop Production

The Group assessed the level of application of precision farming technologies in crop farming (more information in the section 'E4-5 Impact Metrics Related to Biodiversity and Ecosystems Change'), which will be considered a baseline for future targets. These technologies allow for more accurate and efficient use of fertilisers and plant protection products, thus reducing the excessive use of chemical substances, environmental pollution, and the associated risks to the health of consumers and end-users. In the next reporting year, it is planned to set quantitative targets related to the development of these technologies. Progress will be evaluated based on changes in the application of precision technologies, taking into account the equipment of agricultural machinery units with these functions and the area of cultivated fields where they are applied.

Livestock

In this reporting year, the Group decided that one of the main indicators for assessing the impact of livestock activities on consumer health will be the concentration of antimicrobial substances in milk (mg/l). This indicator was chosen for its importance in food safety and the control of antibiotic residues in the food chain. Data collection and analysis are currently underway to establish a baseline for this indicator. Based on the collected data, a specific, results-oriented target for reducing the risk of impact on consumer health is planned to be formulated in the next reporting period. Progress will be evaluated annually based on the amount of milk sold and the amount of antimicrobial substances consumed for each pharmacological group, in compliance with MDR-T information requirements.

Since the Group does not directly sell products (milk, meat, and grain) to end-users, their involvement in the target-setting process will be carried out indirectly. From 2026, the Group plans to cooperate with milk and grain purchasing companies and slaughterhouses to obtain information they have about consumer expectations and quality requirements. It is also planned to consult with consumer rights and health protection organisations that can represent consumer interests. This information will be used for both target formulation and progress evaluation, ensuring that the Group's actions meet the expectations of stakeholders.

Governance Information

AGRO
KONCERNO GRUPĖ

G1 BUSINESS CONDUCT

2 ESRS SBM-3 Material Impacts, Risks and Opportunities and Their Interaction With Strategy and Business Model

During the DMA, the topics of 'Ethical ambiguity' and 'Relationships with suppliers', related to corporate culture and the management of relationships with suppliers, including payment practices, were identified as significant. They include the following IROs:

- Formally unestablished ethical principles for both the Group's employees and its suppliers can weaken the clarity of expectations for both the Group's employees and its value chain. The lack of clear guidelines and policies could create preconditions for conflicts of interest, unethical or unfair behaviour, which would pose a risk of violating legal or contractual obligations. In the long run, this can lead to reputational damage, loss of trust among employees, partners, and other stakeholders, have negative consequences for business continuity, and result in financial losses due to fines, contract terminations, or lost business opportunities.

- Responsible payment practices strengthen trust and promote fair cooperation in both local and international supply chains. Timely payments are extremely important for smaller suppliers, as this has a direct impact on their business continuity and financial stability. Timely settlements help create long-term, reliable business relationships.

More information on the Group's materiality assessment and the process of identifying and assessing significant IROs related to business conduct is provided in the section '2 ESRS IRO-1 Materiality Assessment Process.'

2 ESRS GOV-1 The Role of the Administrative, Management and Supervisory Bodies

The heads of the Group's companies and departments, the CEO, and the administration and personnel directors formulate the business conduct strategy and its implementation continuity. All heads of the Group's companies are responsible for the integration and implementation of business conduct principles within their companies. Although the Group does not have a formally appointed supervisory body responsible exclusively for business conduct issues, these managers ensure compliance with ethical principles in all areas of activity.

To strengthen competencies, responsible persons participate in thematic training on business conduct, transparency, responsibility, and decision-making. The acquired knowledge is applied in forming the organisational culture of behaviour and integrating ethical principles into the Group's daily operational processes.

ESRS IRO-1 IRO-1 Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities

The identification and assessment of significant impacts, risks, and opportunities related to business conduct were performed as part of the Group's overall double materiality assessment, described in the section '2 ESRS IRO-1 Materiality Assessment Process.' The assessment was based on internal analysis, a review of legal requirements, and stakeholder expectations.

G1-1 Business Conduct Policies and Corporate Culture

The Group's organisational culture is based on trust, openness, respect, and transparency. These values are consistently fostered through internal communication, employee education, and engagement. To strengthen the application of ethical principles, the Group is currently preparing Business Conduct and Supplier Conduct Codes, which are planned to be approved in mid-2025. Currently, the Group's activities are guided by other internal policies related to the Group's culture and business conduct, including: **Human Rights** and **Equal Opportunities Policies** and Rules for the Prevention of Harassment, Violence, and Sexual Harassment (not publicly disclosed). The Group does not have a separate policy on anti-corruption and anti-bribery aligned with the United Nations Convention Against Corruption, but it plans to prepare one by the end of 2026, in compliance with international anti-corruption standards.

The Group has a general reporting channel for all stakeholders. The operation of this channel is regulated by the internal Procedure for Providing and Investigating Information on Violations (not publicly disclosed), which sets out how reports received are registered, evaluated, and managed. This procedure complies with the requirements of Directive (EU) 2019/1937 of the European Parliament and of the Council and ensures the confidentiality of the person who submitted the report on the violation and the information they provide: company employees who, according to their functions, have access to the data provided by the person providing the information on the violation or can find out the data of the person who submitted it, are informed of the responsibility for violating the requirements for the protection of whistleblowers set out in the Law on the Protection of Whistleblowers and/or other legal acts, sign a confidentiality pledge, and undertake not to disclose such information or data to third parties.

Information about violations can be provided through the following channels: by phone or other voice messaging systems directly to the competent entity, by email (https://agrokoncernogrupe.lt/en/trust-line), through the document management system, by meeting with the competent entity within a specified period (only if the consent of the person providing the information on the violation has been previously submitted), by filling out a form on the company's website.

Animal welfare is one of the important areas of the Group's activity, although a separate policy for it has not yet been approved. Despite the fact that the Group ensures compliance with all applicable national and European Union legal acts, including the Law on Animal Welfare and Protection of the Republic of Lithuania, EU regulations on veterinary medicines, animal transport, slaughter, and the rules for keeping farm animals approved by the State Food and Veterinary Service, it plans to prepare an Animal Welfare Policy by 2026. This policy will ensure greater transparency, responsibility, and a long-term commitment to animal welfare in the Group.

The Group does not have a practice for business conduct training that would set target audiences, frequency of training, or content scope. The establishment of these aspects is planned from 2026, and the aim will be to clearly define which employee groups will be targeted for training, how often it will take place, and which topics will be included to ensure the systematic application of ethical principles in the organisation's activities.

The greatest risk of corruption and bribery in the Group is associated with commercial functions, as well as the management of sensitive information and external relations. In these areas, employees may have access to decisions or data that may be affected by the risks of non-transparent behaviour. These functions will be singled out as priority risk areas in the anti-corruption policy and targeted training.

G1-2 Management of Relationships with Suppliers

The Group has designated employees responsible for making payments, who ensure that all payments to suppliers are made accurately, on time, legally, and securely, in compliance with applicable legal acts and contractual terms. Although the Group did not have a policy related to payment practices during the reporting period, all payments, including to small and medium-sized enterprises (SMEs), were made on time and according to the agreed-upon terms. To strengthen the internal control and risk management system, the Group plans to prepare a Payment Policy by 2026.

The Group has not yet fully implemented supply chain risk management procedures and did not apply social or environmental criteria in the supplier selection process. However, recognising the importance of supply chain impact, the Group is currently preparing a Supplier Conduct Code and plans to begin a supplier evaluation process. The evaluation will cover key environmental, social responsibility, and governance aspects, including the reduction of greenhouse gas emissions, responsible use of resources, ensuring working conditions, respect for human rights, and business conduct principles. This process will help to better assess supply chain risks and promote responsible activities of the Group's suppliers.

G1-3 Prevention and Detection of Corruption and Bribery

In the Group, the prevention of corruption and bribery is based on the same system for providing and investigating information on violations, which is described in detail in the G1-1 section. It ensures the detection of possible incidents, an independent investigation, and decision-making, in compliance with the principles of confidentiality and independence.

The investigation of reports is carried out by a responsible person appointed by the Group's CEO, in accordance with the Resolution No. 129 of the Government of the Republic of Lithuania of February 14, 2022. Although the appointment is initiated by the CEO, he does not participate in the investigation process and does not influence decisions. If necessary, a special commission can be formed to investigate more complex cases to ensure the objectivity and independence of the investigations. The results of the investigations, when necessary, are provided to the administrative or management bodies, depending on the nature and significance of the case.

The necessary purchases and sales of products and services in the different companies of the Group are centralised and carried out on a consolidated basis, applying a tender methodology throughout the entire group of companies. Commissions are formed for the implementation of these processes, to which responsible employees are appointed for decision-making. Procedures defining the powers and responsibilities of employees have been approved for the purchases and sales necessary for the activities of all divisions. The process of approving contracts and invoices involves several responsible persons, and the final decision is made by the company's director. Nevertheless, in order to strengthen the management of corruption risks, the Group plans to prepare and approve a Corruption and Bribery Prevention Policy by 2026, which will define behavioural standards, control mechanisms, risky positions, and the distribution of responsibilities.

The highest risk of corruption and bribery is associated with commercial functions, the management of sensitive information, public procurement, contract conclusion, and external relations. These areas will be identified as priority risk zones for both the new policy and the planned training program.

During the reporting period, specialised training on corruption and bribery prevention was not conducted. The Group plans to prepare a systematic training plan by 2026, which will define not only the target risk groups but also the frequency and scope of the training and the training topics. The training will be for both employees working in high-risk areas and members of administrative, management, and supervisory bodies, to ensure a unified understanding and resilience to corruption risks in all areas of activity.

G1-4 Incidents of Corruption or Bribery

During the reporting period, the Group had not received any convictions, fines, or other legal sanctions related to violations of anti-corruption or anti-bribery legislation. No confirmed incidents were found that would have resulted in the termination or non-renewal of contracts with business partners or the initiation of public lawsuits against the Group or its employees.

G1-5 Political Influence and Lobbying Activities

The Group does not engage in lobbying activities, is not included in the list of lobbyists, and does not participate in the law-making or public policy-making processes. The Group is also not registered in the European Union's Transparency Register or an equivalent transparency register in a member state. During the reporting period, the Group did not provide any financial or non-monetary contributions to political parties, candidates, or politically-related organisations.

All of the Group's decisions related to procurement, contract conclusion, or regulatory issues are made in accordance with internal policies, principles of responsibility distribution, and principles of transparent management.

Given that the Group is not a state- or municipality-owned company and is not involved in legislative processes, a separate person responsible for supervising lobbying activities has not been appointed.

G1-6 Payment Practices

The Group applies a responsible payment practice with suppliers, which helps maintain smooth supply chain operations and strengthen long-term business relationships. The average payment time for invoices from the start of the contractual or legally established deadline is 23 days. During the reporting period, the Group did not have any pending lawsuits related to late payments. The data provided is based on all invoice payment information – a representative sample was not used.

APPENDICES

2 ESRS IRO-2 ESRS Disclosure Requirements Content

Disclosure Requirement List	Page
2 ESRS General Disclosure Information	
BP-1 General Basis for Preparation of Sustainability Statements	50
BP-2 Disclosures in Relation to Specific Circumstances	50
GOV-1 The Role of the Administrative, Management and Supervisory Bodies	50
GOV-2 Information Provided to and Sustainability Matters Addressed by the Undertaking's Administrative, Management and Supervisory Bodies	50
GOV-3 Integration of Sustainability-Related Performance in Incentive Schemes	51
GOV-4 Statement on Due Diligence	51
GOV-5 Risk Management and Internal Controls Over Sustainability Reporting	51
SBM-1 Strategy, Business Model and Value Chain	51–52
SBM-2 Interests and Views of Stakeholders	53–54
SBM-3 Material Impacts, Risks and Opportunities and Their Interaction With Strategy and Business Model	55–63
IRO-1 Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities	64–65
IRO-2 ESRS Disclosure Requirements in ESRS Covered by the Undertaking's Sustainability Statement	65–66
E1 CLIMATE CHANGE	
2 ESRS GOV-3-E1 Integration of Sustainability-Related Performance in Incentive Schemes	87
E1-1 Transition Plan for Climate Change Mitigation	87
2 ESRS SBM-3-E1 Material Impacts, Risks and Opportunities and Their Interaction With Strategy and Business Model	87–88
2 ESRS IRO-1-E1 Description of the Processes to Identify and Assess Material Climate-Related Impacts, Risks and Opportunities	88
E1-2 Policies Related to Climate Change Mitigation and Adaptation	89
E1-3 Actions and Resources in Relation to Climate Change Policies	89
E1-4 Targets Related to Climate Change Mitigation and Adaptation	90
E1-5 Energy Consumption and Mix	91

Disclosure Requirement List	Page
E1-6 Gross Scopes 1, 2, 3 and Total GHG Emissions	92
E1-7 GHG Removals and GHG Mitigation Projects Financed Through Carbon Credits	97
E1-8 Internal Carbon Pricing	97
E1-9 Anticipated Financial Effects from Material Physical and Transition Risks and Potential Climate-Related Opportunities	97
E2 POLLUTION	
2 ESRS SBM-3-E2 Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model	98–99
2 ESRS IRO-1-E2 Description of the Processes to Identify and Assess Material Pollution-Related Impacts, Risks and Opportunities	100
E2-1 Policies Related to Pollution	100
E2-2 Actions and Resources Related to Pollution	100
E2-3 Targets Related to Pollution	100–101
E2-4 Pollution of Air, Water, and Soil	101–102
E2-5 Substances of Concern and Substances of Very High Concern	102–103
E2-6 Anticipated Financial Effects from Pollution-Related, Risks and Opportunities	104
E4 BIODIVERSITY AND ECOSYSTEMS	
E4-1 Transition Plan and Consideration of Biodiversity and Ecosystems in Strategy and Business Model	105
2 ESRS SBM-3-E4 Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model	105–106
2 ESRS IRO-1-E4 Description of Processes to Identify and Assess Material Biodiversity and Ecosystem-Related Impacts, Risks and Opportunities	106
E4-2 Policies Related to Biodiversity and Ecosystems	106
E4-3 Actions and Resources Related to Biodiversity and Ecosystems	107–109
E4-4 Targets Related to Biodiversity and Ecosystems	109
E4-5 Impact Metrics Related to Biodiversity and Ecosystems Change	109–110
E4-6 Anticipated Financial Effects from Biodiversity and Ecosystem-Related Risks and Opportunities	110
E5 RESOURCE USE AND CIRCULAR ECONOMY	
2 ESRS IRO-1-E5 Description of the Processes to Identify and Assess Material Resource Use and Circular Economy-Related Impacts, Risks and Opportunities	111
E5-1 Policies Related to Resource Use and Circular Economy	111
E5-2 Actions and Resources Related to Resource Use and Circular Economy	111–112

Disclosure Requirement List	Page
E5-3 Targets Related to Resource Use and Circular Economy	113
E5-5 Resource Outflows	114–115
E5-6 Anticipated Financial Effects from Resource Use and Circular Economy-Related Impacts, Risks and Opportunities	115
S1 OWN WORKFORCE	
2 ESRS SBM-2-S1 Interests and Views of Stakeholders	117
2 ESRS SBM-3-S1 Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model	117
S1-1 Policies Related to Own Workforce	118–119
S1-2 Processes for Engaging with Own Workers and Workers' Representatives About Impacts	119–120
S1-3 Processes to Remediate Negative Impacts and Channels for Own Workers to Raise Concerns	120
S1-4 Taking Action on Material Impacts on Own Workforce, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of Those Actions	120–121
S1-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities	121
S1-6 Characteristics of the Undertaking's Employees	121–122
S1-9 Diversity Metrics	122
S1-10 Adequate Wages	123
S1-14 Health and Safety Metrics	123
S1-16 Compensation Metrics (Pay Gap and Total Compensation)	123
S1-17 Incidents, Complaints and Severe Human Rights Impacts	123
S2 VALUE CHAIN WORKERS	
2 ESRS SBM-2-S2 Interests and Views of Stakeholders	124
2 ESRS SBM-3-S2 Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model	124
S2-1 Policies Related to Value Chain Workers	124
S2-2 Processes for Engaging with Value Chain Workers About Impacts	125
S2-3 Processes to Remediate Negative Impacts and Channels for Value Chain Workers to Raise Concerns	125
S2-4 Taking Action on Material Impacts, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Value Chain Workers, and Effectiveness of Those Actions and Approaches	125

Disclosure requirement	Page
S2-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities	125
S3 AFFECTED COMMUNITIES	
2 ESRS SBM-2-S3 Interests and Views of Stakeholders	126
2 ESRS SBM-3-S3 Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model	126
S3-1 Policies Related to Affected Communities	126
S3-2 Processes for Engaging with Affected Communities About Impacts	127
S3-3 Processes to Remediate Negative Impacts and Channels for Affected Communities to Raise Concerns	127
S3-4 Taking Action on Material Impacts on Affected Communities, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Affected Communities, and Effectiveness of Those Actions	127–129
S3-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities	129
S4 CONSUMERS AND END-USERS	
2 ESRS SBM-2-S4 Interests and Views of Stakeholders	130
2 ESRS SBM-3-S4 Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model	130
S4-1 Policies Related to Consumers and End-Users	130–133
S4-2 Processes for Engaging with Consumers and End-Users About Impacts	131, 133
S4-3 Processes to Remediate Negative Impacts and Channels for Consumers and End-Users to Raise Concerns	131, 133
S4-4 Taking Action on Material Impacts, and Approaches to Mitigating Material Risks and Pursuing Material Opportunities Related to Consumers and End-Users and Effectiveness of Those Actions and Approaches	131–134
S4-5 Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities	132, 135
G1 BUSINESS CONDUCT	
2 ESRS SBM-3-G1 Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model	137
2 ESRS GOV-1-G1 The Role of the Administrative, Management and Supervisory Bodies	137

Disclosure Requirement List	Page
ESRS IRO-1-G1 Description of the Processes to Identify and Assess Material Impacts, Risks and Opportunities	137
G1-1 Business Conduct Policies and Corporate Culture	137–138
G1-2 Management of Relationships with Suppliers	138
G1-3 Prevention and Detection of Corruption and Bribery	138–139
G1-4 Incidents of Corruption or Bribery	139
G1-5 Political Influence and Lobbying Activities	139
G1-6 Payment Practices	139

2 ESRS IRO-2 EU Data Points List

Disclosure requirement and related data unit	Reference to TFIAR	Reference to Pillar 3	Reference to Benchmark Regulation	Reference to EU Climate Law	Significant / Insignificant	Page
2 ESRS GOV-1 Gender Balance on the Board – Article 21(d)	Annex 1, Table 1, Indicator 13		Commission Delegated Regulation (EU) 2020/1816 Annex II		Insignificant	
2 ESRS GOV-1 Proportion of Independent Board Members – Article 21(e)			Commission Delegated Regulation (EU) 2020/1816 Annex II		Insignificant	
2 ESRS GOV-4 Due Diligence Statement – Article 30	Annex 1, Table 3, indicator 10				Material	51
2 ESRS SBM-1 Involvement in Activities Related to Fossil Fuel Activities – Article 40(d)(i)	Annex 1, Table 1, indicator 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/24531 Table: Qualitative information on environmental risks and Table 2: Qualitative information on social risks	Commission Delegated Regulation (EU) 2020/1816 Annex II		Insignificant	
2 ESRS SBM-1 Involvement in Activities Related to Chemical Production – Article 40(d)(ii)	Annex 1, Table 2, indicator 9		Commission Delegated Regulation (EU) 2020/1816 Annex II		Insignificant	
2 ESRS SBM-1 Involvement in Activities Related to Controversial Weapons – Article 40(d)(iii)	Annex 1, Table 1, indicator 14		Article 12(1) of Delegated Regulation (EU) 2020/1818; Annex II of Delegated Regulation (EU) 2020/1816		Insignificant	
2 ESRS SBM-1 Involvement in Activities Related to Cultivation and Production of Tobacco – Article 40(d)(iv)			Article 12(1) of Delegated Regulation (EU) 2020/1818; Annex II of Delegated Regulation (EU) 2020/1816		Insignificant	
E1-1 ESRS Transition Plan to Reach Climate Neutrality by 2050 – Article 14		Article 449a; Regulation (EU) No 575/2013; Commission Implementing		Article 2(1) of Regulation (EU) 2021/1119	Material	87
E1-1 ESRS Undertakings Excluded From Paris-Aligned Benchmarks – Article 16(g)		Regulation (EU) 2022/2453 Template 1: Banking book. Climate Change transition risk. Credit quality of exposures by sector, emissions, and residual maturity.	Article 12(1)(dg) and Article 12(2) of Delegated Regulation (EU) 2020/1818		Insignificant	
E1-4 ESRS GHG Emission Reduction Targets	Article 34, Annex I, Table 2, Indicator 4	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book. Climate Change transition risk. Alignment Parameters	Article 6 of Delegated Regulation (EU) 2020/1818		Material	90

Disclosure requirement and related data unit	Reference to TFIAR	Reference to Pillar 3	Reference to Benchmark Regulation	Reference to EU Climate Law	Significant / Insignificant	Page
EI 5 ESRS Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Annex 1, Table 1, indicator 5 and Table 2, indicator 5				Material	91
E1-5 ESRS Energy consumption and mix paragraph 37	Annex 1, Table 1, indicator 5				Material	91
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Annex 1, Table 1, indicator 6				Material	91
EI-6 ESRS Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Annex 1, Table 1, indicators 1 and 2	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/24531 Template: Banking book. Climate Change transition risk. Credit quality of exposures by sector, emissions, and residual maturity.	Article 5(1), Article 6, and Article 8(1) of Delegated Regulation (EU) 2020/1818		Material	92–93
EI-6 ESRS Gross GHG emissions intensity paragraphs 53 to 55	Annex 1, Table 1, indicator 3	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book. Climate Change transition risk. Alignment Parameters	Article 8(1) of Delegated Regulation (EU) 2020/1818		Material	97
ESRS E1-7 GHG removals and carbon credits paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	Insignificant, Disclosed	97
E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phase-in of Disclosure Requirement	
Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66(c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book. Climate change physical risk: Exposures subject to physical risk.			Phase-in of Disclosure Requirement	
EI-9 ESRS Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67(c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book. Climate Change transition risk. Loans collateralised by immovable property. Energy efficiency of the collateral			Phase-in of Disclosure Requirement	

Disclosure requirement and related data unit	Reference to TFIAR	Reference to Pillar 3	Reference to Benchmark Regulation	Reference to EU Climate Law	Significant / Insignificant	Page
EI-9 ESRS Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Commission Delegated Regulation (EU) 2020/1818 Annex II		Phase-in of Disclosure Requirement	
E2-4 ESRS Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Annex 1, Table 1, Indicator 8 Annex 1, Table 2, Indicator 2 Annex 1, Table 2, Indicator 1 Annex 1, Table 2, Indicator 3				Material	101–102
E3-1 ESRS Water and marine resources paragraph 9	Annex 1, Table 2, indicator 7				Insignificant	
E3-1 ESRS Dedicated policy paragraph 13	Annex 1, Table 2, indicator 8				Insignificant	
E3-1 ESRS Sustainable oceans and seas paragraph 14	Annex 1, Table 2, indicator 12				Insignificant	
E3-4 ESRS Total water recycled and reused paragraph 28 (c) Indicator number	Annex 1, Table 2, indicator 6.2				Insignificant	
E3-4 ESRS Total water consumption in m^3 per net revenue on own operations paragraph 29 Indicator	Annex 1, Table 2, indicator 6.1				Insignificant	
2 ESRS IRO 1 - E4 paragraph 16 (a)(i)	Annex 1, Table 1, indicator 7				Material	106
2 ESRS IRO1 - E4 paragraph 16(b)	Annex 1, Table 2, indicator 10				Material	106
2 ESRS IRO 1 - E4 paragraph 16(C)	Annex 1, Table 2, indicator 14				Material	106
E4-2 ESRS Sustainable land / agriculture practices or policies paragraph 24(b)	Annex 1, Table 2, indicator 11				Material	106
E4-2 ESRS Sustainable oceans / seas practices or policies paragraph 24(c)	Annex 1, Table 2, indicator 12				Insignificant	
E4-2 ESRS Policies to address deforestation paragraph 24(d)	Annex 1, Table 2, indicator 15				Material	106
E5-5 ESRS Non-recycled waste paragraph 37(d)	Annex 1, Table 2, indicator 13				Material	114
E5-5 ESRS Hazardous waste and radioactive waste paragraph 39	Annex 1, Table 1, indicator 9				Material	114
2 ESRS - SBM3 - S1 Risk of incidents of forced labour paragraph 14(f)	Annex I, Table 3, Indicator 13				Insignificant	

Disclosure requirement and related data unit	Reference to TFIAR	Reference to Pillar 3	Reference to Benchmark Regulation	Reference to EU Climate Law	Significant / Insignificant	Page
2 ESRS - SBM3 - S1 Risk of incidents of child labour paragraph 14(g)	Annex I, Table 3, Indicator 12				Insignificant	
S1-1 ESRS Human rights policy commitments paragraph 20	Annex I, Table 3, indicator 9 and Table 1, indicator 11				Material	118
S1-1 ESRS Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816 Annex II		Material	118
S1-1 ESRS Processes and measures for preventing trafficking in human beings paragraph 22	Annex I, Table 3, Indicator 11				Material	118–119
S1-1 ESRS Workplace accident prevention policy or management system paragraph 23	Annex I, Table 3, Indicator 1				Material	119
S1-3 ESRS Grievance/complaints handling mechanisms paragraph 32(c)	Annex I, Table 3, Indicator 5				Material	120
S1-14 ESRS Number of fatalities and number and rate of work-related accidents paragraph 88(b) and (c)	Annex I, Table 3, Indicator 2		Commission Delegated Regulation (EU) 2020/1816 Annex II		Material	123
S1-14 ESRS Number of days lost to injuries, accidents, fatalities, or illness paragraph 88(e)	Annex I, Table 3, Indicator 3				Phase-in of Disclosure Requirement	
S1-16 ESRS Unadjusted gender pay gap paragraph 97 (a)	Annex I, Table 1, Indicator 12		Commission Delegated Regulation (EU) 2020/1816 Annex II		Material	123
S1-16 ESRS Excessive CEO pay ratio paragraph 97(b)	Annex I, Table 3, Indicator 8				Material	123
S1-17 ESRS Incidents of discrimination paragraph 103(a)	Annex I, Table 3, Indicator 7				Material	123
S1-17 ESRS Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104(a)	Annex I, Table 1, indicator 10 and Table 3, indicator 14		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Material	123
2 ESRS - SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11(b)	Annex I, Table 3, indicators 12 and 13				Material	124
S2-1 ESRS Human rights policy commitments paragraph 17	Annex I, Table 3, indicator 9 and Table 1, indicator 11				Material	124
S2-1 ESRS Policies related to value chain workers paragraph 18	Annex 1, Table 3, indicators 11 and 4				Material	124

Disclosure requirement and related data unit	Reference to TFIAR	Reference to Pillar 3	Reference to Benchmark Regulation	Reference to EU Climate Law	Significant / Insignificant	Page
S2-1 ESRS Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Annex 1, Table 1, indicator 10		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Material	124
S2-1 ESRS Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			Commission Delegated Regulation (EU) 2020/1816 Annex II		Material	124
S2-4 ESRS Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Annex 1, Table 3, indicator 14				Material	125
S3-1 ESRS Human rights policy commitments paragraph 16	Annex 1, Table 3, Indicator 9 and Table 1, Indicator 11				Material	126
S3-1 ESRS Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Annex 1, Table 1, indicator 10		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Material	126
S3-4 ESRS Human rights issues and incidents paragraph 36	Annex 1, Table 3, indicator 14				Material	127
S4-1 ESRS Policies related to consumers and end-users paragraph 16	Annex I, Table 3, indicator 9 and Table 1, indicator 11				Material	130–131
S4-1 ESRS Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17	Annex 1, Table 1, indicator 10		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Material	130
S4-4 ESRS Human rights issues and incidents paragraph 35	Annex 1, Table 3, indicator 14				Material	131
G1-1 ESRS United Nations Convention against Corruption paragraph 10(b)	Annex 1, Table 3, indicator 15				Material	137
G1-1 ESRS Protection of whistleblowers paragraph 10(d)	Annex 1, Table 3, indicator 6				Material	138
G1-4 ESRS Fines for violation of anti-corruption and anti-bribery laws paragraph 24(a)	Annex 1, Table 3, indicator 17		Annex II of Delegated Regulation (EU) 2020/1816		Material	139
G1-4 ESRS Standards of anti-corruption and anti-bribery paragraph 24(b)	Annex 1, Table 3, indicator 16				Material	139

2 ESRS GOV-4 Statement on Due Diligence

Key elements of due diligence	Sustainability report pages/sections	Does the disclosure relate to people or the environment?
a) Integration of due diligence into governance, strategy, and business model	2 ESRS GOV-1, 50 2 ESRS GOV-2, 50 2 ESRS GOV-3, 51 2 ESRS SBM-3, 55-63 2 ESRS SBM-3-E1, 87-88 2 ESRS SBM-3-E2, 98-99 2 ESRS SBM-3-E4, 105-106 2 ESRS SBM-3-S1, 117 2 ESRS SBM-3-S2, 124 2 ESRS SBM-3-S3, 126 2 ESRS SBM-3-S4, 130 2 ESRS SBM-3-G1, 137	People and Environment People and Environment People and Environment People and Environment Environment Environment Environment Environment People People People People People and Environment
b) Involvement of affected stakeholders in all key stages of due diligence	2 ESRS SBM-2, 53-54 2 ESRS IRO-1, 64-65 S1-2, 119 S3-2, 127 S4-2, 131, 133	People and Environment People and Environment People People People
c) Identification and assessment of negative impacts	2 ESRS IRO-1, 64-65 2 ESRS SBM-3, 55-63 2 ESRS SBM-3-E1, 87-88 2 ESRS SBM-3-E2, 98-99 2 ESRS SBM-3-E4, 105-106 2 ESRS SBM-3-S1, 117 2 ESRS SBM-3-S2, 124 2 ESRS SBM-3-S3, 126 2 ESRS SBM-3-S4, 130 2 ESRS SBM-3-G1, 137	People and Environment People and Environment Environment Environment Environment People People People People People and Environment

Key elements of due diligence	Sustainability report pages/sections	Does the disclosure relate to people or the environment?
d) Implementation of actions to address these negative impacts	ESRS 2 MDR-A, 65-66 E1-3, 89 E2-3, 100-101 E4-3, 107-109 E5-3, 113 S1-4, 120 S2-4, 125 S3-4, 127-129 S4-4, 131,133	People and Environment Environment Environment Environment Environment People People People People
e) Monitoring and communication of the effectiveness of these efforts	ESRS 2 MDR-M, 66 E1-5, 91 E1-6, 92-93 E2-4, 101-102 E2-5, 102-103 E4-5, 109-110 E5-5, 114-115 S1-6, 121-122 S1-9, 122 S1-14, 123 S1-16, 123 S3-5, 123	People and Environment Environment Environment Environment Environment Environment Environment People People People People People

Agrokoncernas UAB

Company code: 133849777
Address: Vėrupės g. 1, Babtų k., 54328 Kauno r.
+370 37 490 490
info@agrokoncernas.lt

https://agrokoncernogrupe.lt/en/