M A T A S

ESG Report

2023/24

1 APRIL 2023 – 31 MARCH 2024

G R O U P

Matas A/S | Rørmosevej 1 | DK-3450 Allerød | Business reg. no. 27 52 84 06

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WE SUPPORT

Matas' ESG Report 2023/24 constitutes the Company's reporting pursuant to section 99a and 99d of the Danish Financial Statements Act.

M A T A S

ESG at Matas Group

G R O U P

Together, we can do more

The past financial year has truly been groundbreaking for Matas Group. From being the biggest player in the Danish market, we have now, with the acquisition of the Swedish beauty retailer KICKS, become a Nordic market leader.

The acquisition of KICKS has not only a significant business potential, it also gives us opportunities to engage with all parts of the value chain with greater impact than before. And together with our partners, suppliers, and customers, we have a huge and broad responsibility.

Matas and KICKS share the same ambitions. As a joint group, we want to drive sustainable retail by reducing our emissions and limiting plastics and waste. We actively work to champion safe, healthy, and responsibly sourced products. We believe we can promote mental wellbeing of the people we engage with – our employees and customers – through our culture, communication, codes of conduct and concrete initiatives.

This year, we have worked on target setting and reporting, plans and initiatives that help us reach those targets and the governance around ESG, not least preparing for the CSRD to take effect.

I want to highlight five areas in particular:

CO_2 reductions and SBTi

We have decided to commit to the Science Based Targets initiative (SBTi) to validate our reduction plans for our CO_2 emissions and join a network of more than 4,000 responsible companies across

Gregers Wedell-Wedellsborg
Group CEO

>500

employees have, since the start in FY 2022/23, taken part in our mental wellbeing training programme.

countries and industries. We are not alone. Some of our partners have already committed, and we look forward to taking a shared responsibility for the climate and work together to drive a sustainable retail industry.

Mental wellbeing
Caring for the wellbeing of our customers and employees is not new for Matas or KICKS. Separately, we have focused on supporting mental wellbeing, especially among young women. Together, we can do even more to support a beauty industry, where everyone can feel confident in their own skin and feel represented by the beauty and wellbeing universe we create, and the products we carry. We support the mental health organisations Tjejzonen in Sweden, Girltalk in Denmark, Mental Helse Ungdom in Norway and Mieli in Finland.

And we strive to support the mental wellbeing of our employees. In Denmark, in collaboration with True North, we have integrated mental wellbeing into our materialist student education programme. Now our students will not only educate themselves in the products we sell, but they will get to know and understand their own inner compass and how they themselves build mental resilience.

The hasty run towards the CSRD
Reporting and policies are high on our agenda. We have in recent years worked intensively to strengthen our governance, including new codes of conduct for both employees and suppliers. We have started the work to comply with the new EU legislation for ESG reporting; the CSRD. We are well underway, with a Double Materiality Assessment that will guide the work for the coming year, during which we will set up disclosure processes to support our reporting.

We strive to support the mental wellbeing of our employees and customers.

Reducing the impact of our operations
KICKS' new automated warehouse, Rosersberg, in Stockholm, is now operational. It will be BREEAM-SE Excellent certified, it is powered by solar panels and it applies innovative methods for optimised packaging. Matas' new warehouse, MLC, will follow the coming year - and with the same level of ambition; to provide operational retail logistics with less environmental impact.

Performance linked to ESG
Results are driven by responsibility and accountability. We will continue to link all leadership bonus agreements to specific ESG targets. By doing this, we will be able to activate all parts of the business to drive a more sustainable retail industry.

Gregers Wedell-Wedellsborg
Group CEO

Matas Group ESG framework

The inclusion of KICKS in Matas Group supports our effort to achieve our ESG strategy and goals. Our new Nordic leadership position empowers us to collaborate with our suppliers more efficiently, advancing the realisation of our ESG ambitions.

The acquisition of KICKS has made us the Nordic beauty and well-being leader, with Matas leading in Denmark and KICKS leading in Sweden and Norway and being the contender for market leadership in Finland. As one Nordic company, we will now be able to better serve customer demand with a larger assortment, new brands, access to stores in all markets, and fast, convenient, and inspiring online shopping. Together Matas and KICKS serve over 5 million loyalty club members across the 4 Nordic markets with almost 500 stores, leading web shops, and 4,000 skilled colleagues that are motivated to keep a continued focus on personal and expert advice and services.

As the leading beauty and wellbeing retailer in the Nordics, Matas Group will now have a more comprehensive impact on suppliers, employees, customers, organisations, and the society in general. We will not surpass this opportunity to make a significant positive impact.

A clear direction for our ESG ambitions

The financial year 2024/25 will be the year where we consolidate the Group's ESG ambition within our focus areas to drive sustainable retail, champion health and promote inclusion. Our work will include important aspects such as:

01

Setting goals for reporting and governance across the Group, e.g., ESG boards and committees and CSRD compliance.

02

Setting new Nordic goals to reduce CO_2 emissions in scopes 1, 2 and 3, aligned with Science Based Targets initiative.

03

Defining updated Nordic and local goals focused on establishing an inclusive and safe working environment.

04

Launching strategic partnerships that will strengthen our work with physical and mental health.

ESG highlights 2023/24

Drive sustainable retail

- Matas Group commits to Science-Based Targets initiative
- Matas enters into research project to explore plastic recyclability.
- Matas Group reduces scopes 1 and 2 emissions by 37%.

Promote inclusion

- Matas adopts a no retouch policy on brand marketing images. KICKS has not allowed retouch since 2022.
- Matas Group Executive Management Team reaches equal gender distribution.
- Matas reduces employee turnover by 7 pp.

Champion health

>300

Matas employees trained in mental health with True North partnership.

>17%

increase in beauty products with recognised environmental and health certifications.

Nordea

A

Improved rating from BBB.

MSCI

AA

Sustained rating.

SUSTAINALYTICS

13.4 (low)

Improved rating from 13.6.

ESG performance 2023/24

Since the acquisition of KICKS in August 2023, we have worked to consolidate KICKS data into Matas Group ESG data. Due to different measuring methods and data availability, gaps remains to be closed. Throughout the report we have disclosed when the reported ESG KPI is consolidated with KICKS data and when it is not. Consequently, the reported year provides some limitations when comparing performance against previous years' performance.

Environment

Scopes 1 and 2 emissions
Absolute CO_2e, tons

2023/24	3,627*
2022/23	5,763
2021/22	6,227

Reductions in our scopes 1 and 2 emissions are due to energy reductions, better data quality on heating consumption and renewable energy investments.

Scope 3 emissions
Absolute CO_2e, tons

2023/24	116,164*
2022/23	50,318
2021/22	47,187

The increase is driven by the Group's increasing purchase of goods sold. With the KICKS acquisition, the combined scope 3 increases as the account now also includes KICKS' purchase of goods sold.

CO_2 intensity
Revenue, tons/DKKm

2023/24	17.9*
2022/23	12.5
2021/22	12.8

The recorded increase in scope 3 emissions, driven by underlying business activity growth and KICKS consolidation, results in a significant increase of CO_2 intensity.

Plastic reductions
Pieces

2023/24	46,360,320
2022/23	44,019,944
2021/22	39,081,783

Plastic reductions are primarily driven by improvement of in-house brands, reductions in stores, with 100% recycled plastic alternatives to virgin plastic bags and the collection of plastic waste for recycling.

Social

Employee satisfaction
Satisfaction and motivation score

2023/24	7.6
2022/23	7.5
2021/22	7.6

We have secured a marginal improvement, indicating high satisfaction. Due to different methods, KICKS data is not part of the KPI. For the coming financial year we are aligning methods.

Employee turnover
%

2023/24	40.8
2022/23	47.8
2021/22	49.3

We have reduced Matas' employee turnover significantly, with 7 pp. Due to different data approach, this KPI does not include KICKS data. Alignment will be a focus for the coming financial year.

Gender diversity, overall
% of female representation

2023/24	93*
2022/23	91
2021/22	92

We have seen an increase in the female share of the overall gender distribution. This is explained by the consolidation of KICKS data, where women constitute 95% of the workforce.

Gender diversity, other mmt. level
% of female representation

2023/24	50
2022/23	41
2021/22	36

Following the acquisition of KICKS and a new Nordic Management structure in place, this leads to a 50/50 gender diversity on other management levels.

Governance

36% suppliers committed to Code of Conduct
36% of suppliers have committed to the new Code of Conduct, that was introduced in FY 2022/23.

Code of Business Conduct
We have introduced a Code of Business Conduct to drive responsbile behavior across our organisation.

Human Rights Policy
We have launched a new Human Rights Policy outlining our commitment to upholding human rights across our business.

10% of bonus agreements linked to ESG goals
To ensure accountability, all leadership bonus agreement are linked to ESG targets.

* FY 2023/24 data includes KICKS data from 1 September 2023 to 31 March 2024.

Double Materiality Assessment

Matas Group's Double Materiality Assessment is updated annually and provides an overview of the sustainability topics that are material for the Group. This year, we have adopted KICKS into our assessment.

The Corporate Sustainability Reporting Directive (CSRD) is a reality, and preparations are essential to ensure reporting compliance and organisational involvement. At Matas Group, we have updated our Double Materiality Assessment and the results can be viewed on page 12.

Double Materiality Assessment

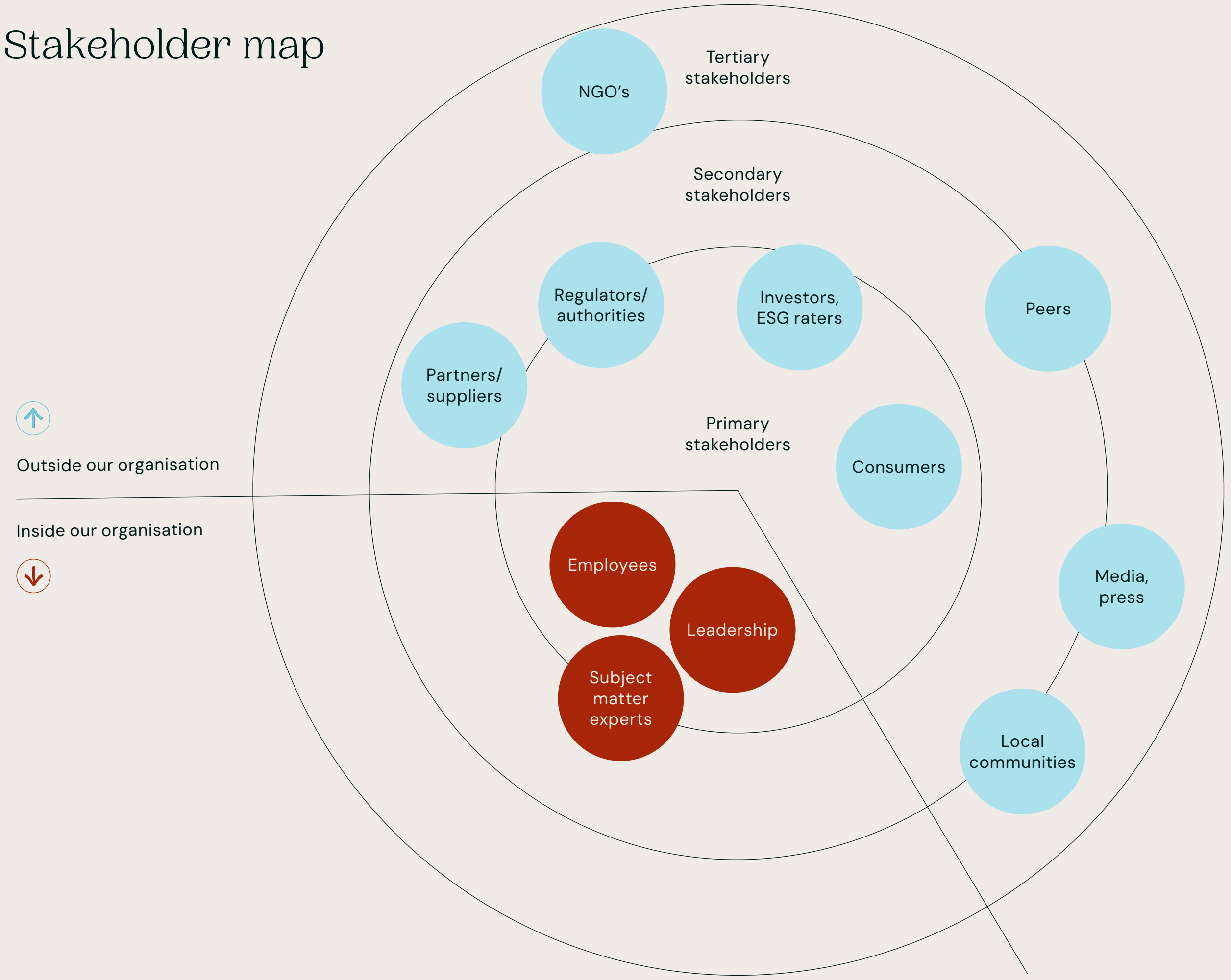
For our financial year 2023/24, we have conducted Matas Group's Double Materiality Assessment in accordance with CSRD guidance. Our assessment applies to the entire Group, hereby catering to the recent acquisition of KICKS. The assessment identifies sustainability topics that have impact materiality and financial materiality for Matas Group. Our assessment process covers 7 steps:

1. Understand the context of the business, our value chain and governance structures,
2. Identify relevant stakeholders to engage with,
3. Identify list of sustainability topics, based on stakeholder engagement, and previous sustainability activities and achievement of the Group,
4. Assess the impact of company activities (Impact Materiality), by identifying and scoring Impacts, Risks and Opportunities (IROs) with relevant stakeholders and subject matter experts (SMEs),
5. Assess the effect on company performance (Financial Materiality), by identifying and scoring Impacts, Risks and Opportunities (IROs), with relevant stakeholders and subject matter experts (SMEs),
6. Visualise results,
7. Validate results with internal senior stakeholders.

Stakeholder engagement

Engagement with relevant stakeholders is fundamental in updating the Group's Double Materiality Assessment. Through dialogue, desk research and interviews, we have engaged many of Matas Group's external stakeholders. Internal stakeholders and subject matter experts from Matas and KICKS have been interviewed to ensure a holistic view of the Group. Stakeholder engagement has been applied in the process of identifying material sustainability topics and identifying and defining IROs. The Group's ESG Board together with subject matter experts from KICKS business functions have scored Impact Materiality and Financial Materiality. Lastly, the Executive Committee has reviewed and approved the results.

Stakeholder map



Time periods

To best reflect Matas Group's business model and context, the Double Materiality Assessment applies three distinct time periods. The short-term is defined as 1 year as guided by ESRS: "the reporting period in its financial statements". The medium term is defined as 2 to 5 years. The long term is defined as 5 to 10+ years.

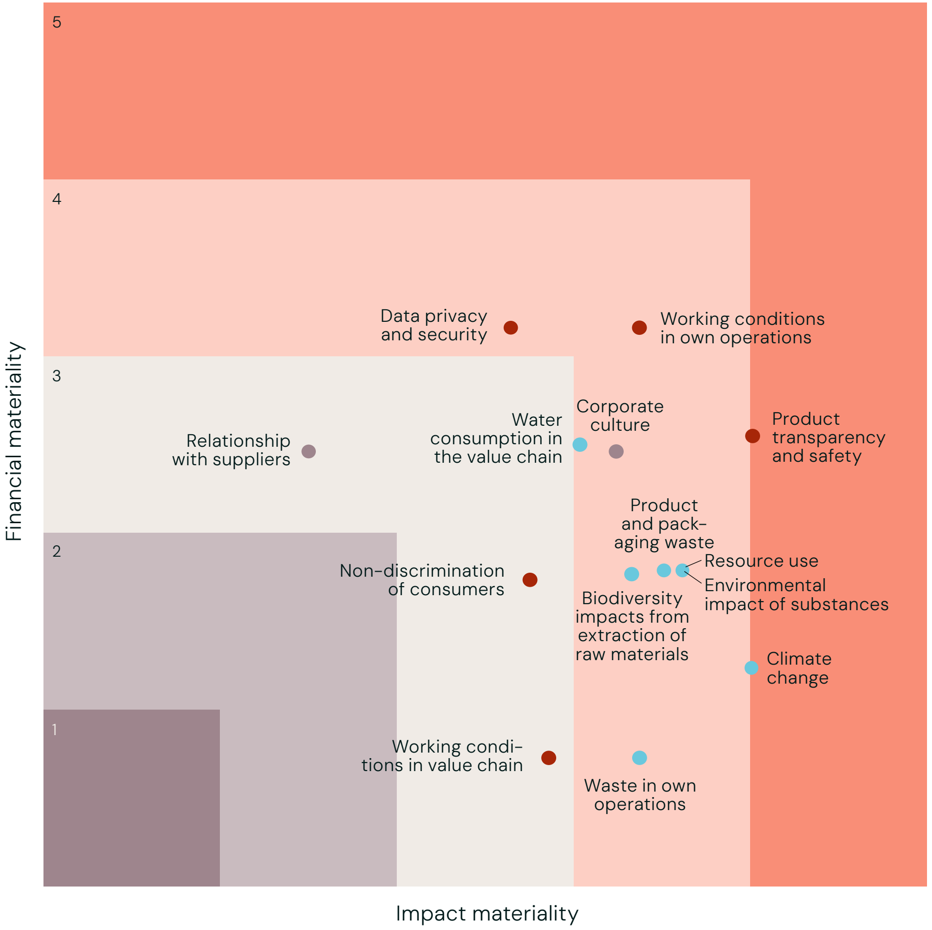
Materiality thresholds

Sustainability topics are considered material if they score above the threshold of 2, as defined by Matas Group. The scale goes from 1 to 5.

Updates to our Double Materiality Assessment

For this financial year 2023/24, we have followed the updated guidelines and methodology by EFRAG to ensure a roadmap for CSRD compliance preparations for the financial year 2024/25. Compared to previous years' reporting, we have therefore changed the wording of Matas Group's identified material sustainability topics to reflect underlying identified sub-topics described by the European Sustainability Reporting standards. Though our Double Materiality Assessment has undergone updates compared to our financial year 2022/23 reporting, no sustainability topics have been removed or added, just renamed.

Matrix of Matas Group's material topics results



Environment

Climate change	**E1**	E1.1	Climate change mitigation
		E1.3	Energy
Environmental impacts of substances	**E2**	E2.2	Pollution of water
		E2.4	Pollution of living organisms
		E2.5	Substances of concern
		E2.7	Microplastics
Water consumption in the value chain	**E3**	E3.1	Water
Biodiversity impacts from extraction of raw materials	**E4**	E4.4	Impacts and dependencies on ecosystem services
Resource use	**E5**	E5.1	Resource inflows including resource use
Product and packaging waste		E5.2	Resource outflows related to products and services
Waste in own operations		E5.3	Waste

Social

Working conditions in own operations	**S1**	S1.1	Working conditions (own workforce)
		S1.2	Equal treatment and opportunities for all (own workforce)
Working conditions in the value chain	**S2**	S2.1	Working conditions (value chain)
		S2.3	Other work-related rights (value chain)
Product transparency and safety	**S4**	S4.1	Information related impacts for consumers and/or end-users
		S4.2	Personal safety of consumers and/or end-users
Non-discrimination of consumers		S4.3	Social inclusion of consumers and/or end-users
Data privacy and security		S4.1	Information related impacts for consumers and/or end-users

Governance

Corporate culture	**G1**	G1.1	Corporate culture
Relationship with suppliers		G1.5	Management of relationship with suppliers including payment practices

ESG governance structure

In Matas Group, the ESG Board is responsible for implementing ESG responsibilities across business functions, building capacity and ensuring that we can convert our ESG ambition into operational objectives.

Throughout the financial year 2023/24, we have made changes to our ESG Board as we introduced new members to the board to increase the representation of teams and functions across the organisation. Our ESG Board remains actively engaged in driving and reporting on the implementation and progress of our ESG ambition. The ESG Board meets five times annually to oversee the implementation of our ESG strategy.

As of 31 March 2024, our ESG Board consists of 11 members. For the coming year, we will update our ESG governance structure to reflect our consolidated strategic ESG direction and ensure continuous progress for ESG strategy implementation.

Remuneration linked to ESG performance and goals

To strengthen ESG responsibility and ensure accountability, we have made amendments to our remuneration structure in FY 2023/24. Previously, the ESG criterion in the short-term incentives programme for the Group CEO and the Group CFO accounted for 7.5%. We have extended this requirement to cover all employees with bonus agreements, and, in addition, increased the percentage. Now the ESG criterion in the short-term incentive programme accounts for 10% and is linked to the ESG performance.

ESG governance

ESG structure driving ESG strategy implementation.

- **Board of Directors** — **Endorses ESG strategy**
- **Executive Committee** — **Endorses ESG strategy**
- **ESG Leadership Team** — **Defines ESG strategy** and as part of annual strategy review
- **ESG Team** — **Oversees strategy implementation** and guides Category Owners
- **ESG Board** — **Drives strategy implementation** within business areas

Environment

ESG category	Business area
CO_2 - Energy management	Facility/Finance
CO_2 - Logistics transportation	Logistics/ E-commerce
Logistics packaging	Logistics
Product packaging	In-house brands

Social

ESG category	Business area
Product transparency and safety	In-house brands
Public health	New Business
Human resources	HR
Labour relations and human rights	HR/Commercial
Diversity and inclusion	HR/marketing
Occupational health and safety	HR

Governance

ESG category	Business area
Governance	Legal/ESG
Sustainable procurement	Commercial
Anti-corruption	Legal
Data GDPR and ethics	Legal

M A T A S

ESG reporting

G R O U P

Environment

Reducing climate impact

We have made significant progress in addressing our climate impact. Our commitment to join Science-based Targets initiative (SBTi), renewable energy investments, plastic reductions, and a Nordic ambition for a more sustainable beauty retail industry, all line up our plans to reduce emissions across the value chain.

Results in 2023/24

Following the acquisition of KICKS, we have undergone significant work to identify the data requirements and availability for the Group's combined CO_2 emissions. Our reported carbon account covers emissions from the entire Group across all categories in scopes 1 and 2, and selected categories in scope 3, as per the GHG protocol corporate standard. As with Matas, KICKS emissions in own operations (scopes 1 and 2) are primarily linked to energy consumption and the largest part of emissions in scope 3 is tied to purchase of goods for sale from external suppliers.

Compared to previously reported financial year, we have recorded a reduction in the CO_2 emissions in scopes 1 and 2 – even with an underlying growth in activity and after fully consolidating KICKS' scopes 1 and 2 data into the Group's carbon account. The reductions have been realised by energy reductions, purchase of Renewable Energy Certificates, and increased data quality.

For scope 3, we have recorded an increase in carbon emissions. This increase is driven by the purchase of goods sold, which, with the integration of KICKS data, naturally increases the combined scope 3 as we now also account for KICKS' purchase of goods sold. The emissions factor for purchase of goods sold has however been reduced due to reduced carbon emissions at some of the Group's major suppliers.

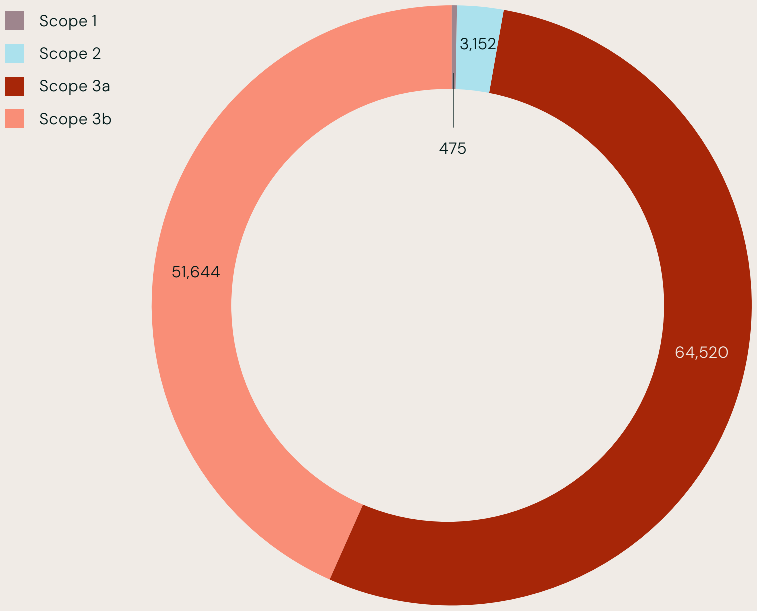
For the coming financial year, we will continue to reduce our emissions in our own operations by monitoring our electricity consumption, reduce where possible and invest in renewable energy. This will enable us to reduce our emissions in scopes 1 and 2. However, as we continue to expand our assortment, we expect to see an increase from this in our scope 3 emissions, which is measured from external suppliers based on spend-based calculation, which may be counterbalanced by further decarbonisation initiatives at suppliers. We want to use our new position, as the Nordic leading beauty retailer, to engage with our suppliers on their emission targets and reduction plans. The best way to reduce significantly in scope 3 is by collaborating with our supply chain to identify the most efficient means to reduce their impact especially when it comes to their direct and indirect energy consumption.

37%

CO_2 reduction in scopes 1 and 2.

Matas Group CO_2e in 2023/24

CO_2e tons



119,791

T CO_2e for 2023/24

40.9

T CO_2e per Matas Group FTE

17.9

T CO_2e per DKKm revenue

Definitions of scopes

Scope 1: Direct emissions from owned or controlled sources

Scope 2: Indirect emissions from purchases of electricity, steam, heating or cooling

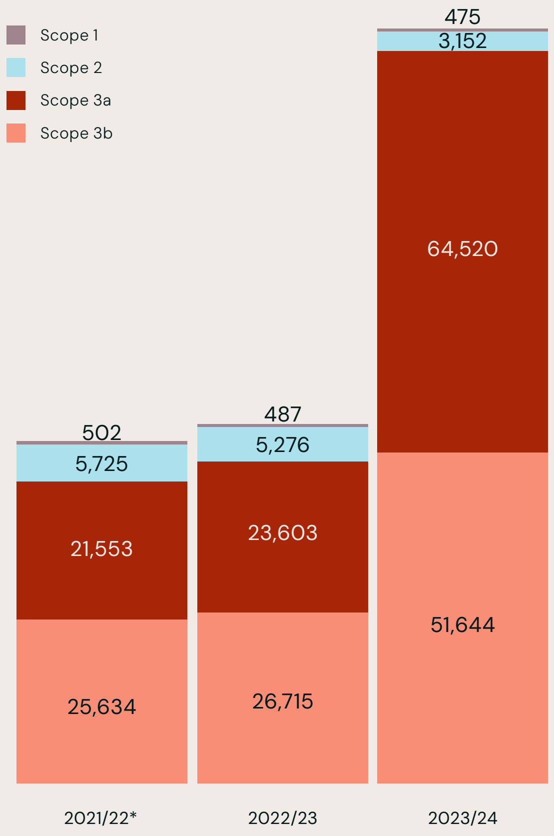
Scope 3: Emissions from assets not owned or controlled by the Company

Scope 3a: House brand products, transport of goods, Matas Group's purchases of goods and services

Scope 3b: Products from other suppliers

CO_2 emissions development

CO_2 tons



* Restated carbon account in ESG Report 2022/23

Renewable energy investments

In the financial year 2023/24, Matas Group partnered with the company O-mission to purchase Renewable Energy Certificates (RECs) totaling 6,000,000 KWh. The investment is associated with a windmill project located at the harbour of Hirtshals, Denmark. Importantly, the project is guaranteed to be realised without state funds. For the coming financial year, we will assess other renewable energy investments such as power purchase agreement options.

SBTi

In the financial year 2023/24, Matas Group reached a significant milestone as we committed to SBTi. For the coming year we will work to complete a full carbon account inventory to set up a baseline, and subsequently define a decarbonisation pathway, before we develop and submit our targets for validation.

Environmentally certified warehouses

KICKS new automated warehouse located at Rosersberg in Stockholm became operational this financial year. The warehouse's advanced automation enables optimised packaging processes, which leads to a reduction in environmental impact. This is achieved through an innovative packing method that minimises the use of air and filling materials in packages. This results in denser packaging and reduced cargo volumes. The warehouse will be classified with the environmental certification BREEAM-SE Excellent. Additionally, the solar panels on the roof power the warehouse that also holds charging stations for electric vehicles.

Matas will complete its new automated warehouse in Lynge the coming financial year. The facility will feature solar panels, charging stations, and automated processes and will strive for the DGNB sustainability certification. The solar panels are expected to fulfill about one third of the warehouse's electricity needs. The large facility will become Denmark’s most advanced automated warehouse.

Plastic reductions

Matas Group is committed to support a more sustainable retail industry by managing its resource flows efficiently. We will achieve this when we investige for materials with less impact and reduce materials where possible. As part of our journey to reduce, we investigate proper alternatives to virgin plastic, but we are also working actively to increase the use of recycled plastics, both in operations and when relaunching new in-house brands. In addition, it is a priority for us to support the recyclability of our in-house brands’ product packaging. For the financial year 2023/24, plastic reductions have been realised by the relaunch of our in-house brands and the collection of plastic waste from the Return System that will go to recycling.

Take-back system for plastic waste

Matas stores continue to have its product packaging take-back system, the Matas Return System, in which customers can dispose of their product packaging plastic waste. The take-back system ensures that over 32 tons of plastic waste are collected and processed for maximum recycling possibilities. For the coming financial year, we have entered a research project with the leading Danish universities, Danish Technological Institute, and Danish company partners to uncover the potential of our Return System in relation to plastic waste recyclability.

Hazardous cosmetics waste

Since 2017, KICKS has guided customers on proper disposal methods for hazardous cosmetic waste. KICKS stores in Sweden have served as collection points for cosmetic waste which is then processed at special incineration plants to produce thermal energy. Efforts are underway to explore similar collection schemes in Finland and Norway.

>30

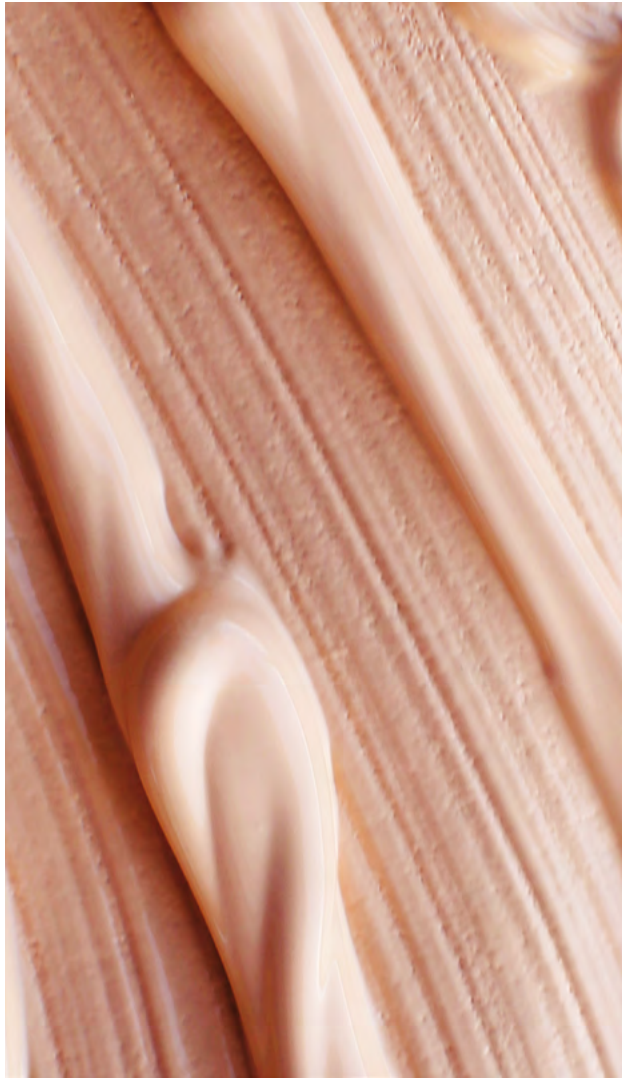
tons hazardous cosmetic waste collected at KICKS stores since 2017.

>32

tons plastic waste collected at Matas stores in 2023/24.

>46

million plastic pieces removed from Matas since 2019



Protecting the environment

Environmental protection remains an important priority for us. Our customers recognise and value our commitment to developing products that meet high health and safety standards while also reducing the impact on the environment.

Matas Group goes beyond regulatory compliance when developing in-house brands. Both Matas and KICKS operate with an ingredients policy that sets ambitious requirements for formulation and product development. We want our policies to surpass industry regulations and aim to mitigate the risks for producing products that may have a negative impact on the environment and people. The requirements set out in the policies target problematic ingredients that may pose allergenic risks or have adverse environmental impacts.

Any uncertainty surrounding the credibility of our in-house brands presents a risk for Matas Group. For in-house brands developed, we prohibit the use of polyfluorinated substances (PFAS), micro-plastics, parabens, phthalates and formaldehyde, paraformaldehyde, and formaldehyde splitters, as some of the most significant restrictions.

In-house brand certifications

While the most standard certifications such as Nordic Swan Ecolabel and Asthma-Allergy Nordic are widely used in Denmark, it has not been adopted by the customers in the additional Nordic markets. However, Matas continues to prioritise certification wherever possible to assist customers when they navigate between products that align with environmental and chemical safety criteria. Matas and KICKS also supports the use of sustainable palm oil in our in-house brands, where selected products are certified with the RSPO certification..

359

in-house products certified with The Nordic Ecolabel (13% increase compared to 2022/23).

230

in-house products certified with Asthma Allergy Nordic (25% increase compared to 2022/23).

Social

People at Matas Group

We want to be a workplace where all our employees can see themselves growing, both personally and professionally. We now operate across the Nordic markets and cultures, and it is essential that we continue to create a workplace that is the best place to be and grow.

40%

turnover (7.8 pp ↓ from 2022/23).

For the financial year 2023/24, we have lowered our employee turnover rate across all business functions. We have built a new training and education organisation and platform that will enable us to meet our goals for providing employees with personal and professional development. In addition, it has been a key priority to work with the integration of KICKS and the making of an integrated organisation that is tailored to deliver synergies across all four geographical markets.

Employee turnover remains to be a significant risk for Matas Group. The negative trends impacting the retail industry affect our ability to recruit talent. The trends cover low employment rates, declining interest in vocational education and increased derogatory language. To stay competitive as well as attract talent, we are continuing our efforts to respond to new demands for a modern workplace. For the coming year, we will continue to build an integrated Group with a significant focus on our employees' opportunities to develop in their roles.

Social

Training and education

We believe that prioritising the best training and education opportunities will not only help our employees grow in their roles, but it will also attract the talent and capabilities we need to create a sustainable business.

It is the ambition for Matas Group to become a place where everyone can see a long-term development plan with appropriate means to progress in their career. We believe that a strong focus on training and education of employees is a prerequisite for ensuring the current and future skills needed to develop Matas Group.

In the financial year 2023/24, Matas invested in a new Learning and Development Platform, Matas Academy, to increase awareness of personal and professional development, career paths and leadership training. KICKS operates a similar platform, KICKS Academy, which is a digital training portal.

For the coming financial year, we will continue our strong focus on learning and development, both to succeed in our new integrated organisation, but also to mitigate the risks affecting employee turnover. We will also focus on how to approach cultural differences in shared ways of working, so we can begin to foster a new corporate culture across all markets.

Employee satisfaction

To ensure the success of our new organisational structure, we want to measure KPIs that offer insights into employee satisfaction and other relevant areas for improvement. Both Matas and KICKS have applied methods to measure this, however, not all reported KPIs across the companies apply the same methods. Therefore, in the coming financial year, we will implement a unified method for measuring employee satisfaction across the Group. This will help us to gauge overall employee satisfaction across markets.

Employee satisfaction

7.6

score in overall Matas employee satisfaction (1.3% improvement from 2022/23).

Social

Health and safety

One of our priorities is to create a healthy and safe workplace. With a diverse range of roles spanning warehouse logistics, administrative functions, and customer-facing positions, we ensure that we have health and safety guidelines that cover all employee functions.

58

Reported occupational injuries.

For the financial year 2023/24, we have recorded an increase in the number of reported work injuries, due to the consolidation of KICKS data. Excluding KICKS' data Matas recorded a 12% reduction in work injuries, as the number went from 51 reported work injuries in 2022/23 to 45 in 2023/24. Most injuries are related to theft and aggressive confrontations with customers, and we have therefore set new guidelines that describe how employees should respond to these incidents. For the coming financial year, we will train our employees in these guidelines.

Generally, the retail industry is affected by an increase in the use of derogatory language from customers, along with threatening behavior and theft. We address this negative trend in the health and safety organisation we apply at Matas Group. As we cannot eliminate this condition, we work to minimise the negative effect on our employees with proper health and safety training, targeted at these specific incidents.

For the coming financial year, we will continue our work with the established work environment organisation to ensure a healthy and safe work environment.

Diversity and inclusion

We recognise the importance of diversity in creating an attractive workplace, and we believe it enhances our competitiveness and performance. Diversity and inclusion are essential for us, and we believe it contributes to a more sustainable business conduct.

At Matas Group, we want to create an inclusive culture that values our employees' diverse backgrounds, perspectives, and experiences. Both Matas and KICKS are actively applying this lens in all customer communications and marketing material. We ensure that the face and body of beauty and wellbeing represent all our customers and the surrounding community we operate in.

We aim to employ candidates for management positions based on competences and our Company's interests, considering diverse qualifications and experiences. We provide equal career opportunities to all employees, and our job postings encourage applications from individuals of all backgrounds.

Results on gender diversity in leadership positions in 2023/24

In the financial year, our gender diversity in leadership positions reached two separate milestones, as the Board of Directors and the Executive Management Team now hold equal gender balance:

- Matas A/S Board of Directors comprises of three women and three men, thereby fulfilling the requirement of gender balance.
- Matas Operations A/S Board of Directors comprises of one woman and two men, which also fulfills the requirement.
- The Executive Management Team consists of directors of Matas Operations A/S and KICKS that have line manager responsibility. This consolidated group comprises 3 women and 3 men. This management level hereby fulfills the requirement of gender balance.

For the coming financial year, we will continue to promote diversity in all external and internal communication, recruitment processes and work to create an inclusive corporate culture.

See Matas Groups Diversity Policy for more information on our diversity ambitions and goals

50%

women in Matas A/S Board of Directors.

33%

women in Matas Operations A/S Board of Directors.

50%

women in the Executive Management Team.

Corporate governance

At Matas Group, we continuously work to improve the policies and processes that guide responsible business practices. During the financial year 2023/24, we have updated our Human Rights Policy, rolled out our updated Supplier Code of Conduct and introduced a Code of Business Conduct for employees.

36%

of suppliers committed to the Supplier Code of Conduct by end of 2023/24.

Supplier Code of Conduct

In the financial year 2023/24, we have rolled out our updated Supplier Code of Conduct to all suppliers, and we expect to complete the implementation in the financial year 2024/25. The Supplier Code of Conduct is the foundation for how we do business with suppliers and partners, and it covers guidelines on anti-corruption and bribery, data ethics and privacy, health and safety, human rights, protection of people and the environment.

At KICKS, a Code of Conduct for KICKS' suppliers has been applied, however, for the coming financial year, we will work towards merging the codes into one consolidated code based on Matas Group's newest code. The combined code will apply for all suppliers going forward.

Supplier Code of Conduct

Employee Code of Business Conduct

At Matas Group, we acknowledge that responsible business practices require training of employees in a shared set of values. This training must guide the relationships between employees, partners, and suppliers. During the financial year 2023/24, we have developed a Code of Business Conduct stating the expected behavior when employed by the Group. The Code is aligned with the expected behavior we require from our suppliers and partners and describes the rules and values that will guide to proper business conduct and ethics in Matas Group.

The Employee Code of Business Conduct applies to all entities in the Group. For the financial year 2024/25, we will train our employees in the code.

Code of Business Conduct

Anti-corruption and bribery

At Matas Group, we are committed to comply with all applicable laws and we actively fight against corruption in all forms. Our internal policies and our Code of Business Conduct for employees state that no employee may receive or solicit services, gifts, or payments that could be interpreted as an attempt to motivate the recipient to act in a way, which is dishonest, illegal or constitutes a violation of trust. This includes if the purpose is to get the recipient to refrain from doing somethings which – if done – would have been disadvantageous to the giver of the gift. Any violation of these policies will result in serious disciplinary measures against the employees involved.

No cases of corruption identified in the financial year 2023/24.

Human Rights Policy

At Matas Group, we acknowledge our responsibility to conduct operations with a commitment to human rights. We believe in treating everyone equally, with respect and dignity. This commitment extends to both internal operations and throughout the supply chain, as described in our Suppliers Code of Conduct. Matas Group's Human Rights Policy is applicable to all entities within the Group, and outlines our human rights commitment, and includes, actively opposing corruption, supporting employees' rights, eliminating forced and child labour, prohibiting discrimination, and prioritises a safe and healthy work environment.

Human Rights Policy

No human rights breaches identified in the financial year 2023/24.

Due diligence process

Matas Group's due diligence process supports both proactive and reactive due diligence in the engagement with external stakeholders. Before we enter into new agreements with suppliers and partners, we review and assess potential risks associated with the prospect. During the relationship with suppliers and partners, our due diligence processes and preparedness follow case by case identifications of issues and provide sufficient alertness to handle these issues. For the coming financial year, it is our ambition to assess the requirements for implementing a system that regularly assesses potential issues and incidents in all relevant partner relationships in the Group's value chain, in the effort to proactively manage these.

Whistleblower scheme

Matas Group has a Whistleblower scheme for internal and external stakeholders that wish to report suspected misconduct, violations of the Company's policies or applicable laws, and fraud. Submitted reports can be anonymised and are accessible only to the Chairman of the Board of Directors, the Group General Counsel and the Head of Human Resources. Deletion requires approval from at least two of these individuals. The Whistleblower scheme is regularly communicated to employees, and a link on both Matas' and KICKS' websites facilitates accessible reporting for anyone wishing to report misconduct.

Matas' Whistleblower Scheme
KICKS' Whistleblower Scheme Sweden
KICKS' Whistleblower Scheme Norway
KICKS' Whistleblower Scheme Finland

Tax residence

At Matas Group, we are committed to comply with applicable tax laws and regulations, and we do not accept any form of tax evasion. Matas A/S operates in Denmark, is listed on the Copenhagen Stock Exchange (Nasdaq OMX Copenhagen) and pays taxes locally in Denmark. The proportion of Danish to foreign investors is 65/35.

Tax Policy

Safeguarding personal data

At Matas Group, we prioritise individual privacy and compliance with privacy regulations to ensure data confidentiality and integrity. Personal data is processed transparently and solely for stated purposes as disclosed in the privacy policies. Our work with securing privacy follows an annual wheel. We have procedures in place to secure that potential security breaches are promptly addressed and stringent data processing agreements with data processors are mandatory. Weekly meetings between IT and the legal department ensure ongoing adherence to data protection standards and that new data processors adhere to our security standards.

Our employees undergo ongoing training in the safe and correct processing of personal data. The training is carried out 4 times a year and covers personal data protection, IT security and mitigation of risks in relation to cyberattacks.

Privacy policies

At Matas Group, we recognise the importance of safeguarding and ethically processing personal data. Non-compliance with this responsibility poses significant risks to both the Group and our customers. To address how we work with and protect personal data, we have formulated privacy policies that hold our commitment to responsible, transparent, and secure processing of personal data.

Privacy Policy – matas.dk
Privacy Policy – kicks.se
Privacy Policy – kicks.no
Privacy Policy – kicks.fi

Data Ethics Policy

Matas Group places high value in respecting the privacy and integrity of our employees, customers, and other stakeholders. Therefore, decisions regarding use of personal data are both based on legal requirements and ethical considerations even if such ethical considerations are not required by law. Our commitment to ensure the ethical use of data and new technologies is stated in our Data Ethics Policy. The Policy applies to all employees under the Matas Group.

Matas Group has established a Data Ethics Committee, responsible for ensuring compliance with data ethics in daily operations. The committee consists of representatives from all areas of the company, and reports to the Executive Committee. Matas' Board of Directors regularly evaluates the Data Ethics Policy.

Data Ethics Policy

M A T A S

ESG partnerships

G R O U P

Partnerships and memberships

Inclusion and diversity
Matas and KICKS collaborate with relevant partners in all Nordic market when it comes to supporting diversity and inclusion. The purpose of all partnerships is to focus on diversity, Inclusion, equality and belonging, including equal rights for the LGBT+ community.

Girltalk
Girltalk is Matas' partner on mental health in Denmark. Since 2019, the partnership has focused on supporting Girltalk and their work to provide young women access to qualified counseling.

Tjejzonen
Tjejzonen is KICKS' partner on mental health in Sweden. It is Sweden's leading support group for girls aged 10-25, aiming to promote mental health by providing counseling, while also raising awareness about mental health issues.

Mental Helse Ungdom
Mental Helse Ungdom is KICKS' partner on mental health in Norway. It is a youth-oriented organisation up to age 36, advocating for mental health awareness, prevention, and improved services, offering a chat function and various activities for its members.

MIELI Mental Health Finland
MIELI Mental Health is KICKS' partner on mental health in Finland. Existing in 125 years, MIELI is among the world's oldest mental health organisations, offering 24/7 crisis support, counseling, and peer support groups.

True North
Matas collaborates with True North, an organisation with the aim to support young people's mental health. The purpose of the partner-ship is to integrate mental health resilience as part of the personal development of Matas' employees.

The Sunflower Program
In 2023, Matas committed to the Sunflower program, ensuring that users of the Sunflower Ribbon are seen and catered for in all stores. The purpose of the partnership is to raise awareness of invisible disabilities.

The Cancer Society
Matas collaborates with the Danish Cancer Society to provide Matas customers with guidance on how to reduce the risk of skin cancer. In 2023, the collaboration expanded to also support the breast cancer cause.

UN Global Compact
Matas has, since 2022, upheld its commitment to the UN Global Compact as a signatory. In 2024, KICKS also committed to UN Global Compact as well, enhancing Matas Group's impact in the areas of human rights, labour rights, environmental responsibility, and anti-corruption measures.

M A T A S

ESG performance

G R O U P

Taxonomy reporting

We recognise the important role the EU Taxonomy plays in driving the green transition of businesses. In Matas Group, we are proactively applying our taxonomy reporting process to build sustainability capacity across the organisation, so that we can continue to support this transition.

To reach the objectives under the European Green Deal, the EU introduced the EU Taxonomy as a regulation that establishes a common language for what is considered 'sustainable'. It acts as a classification system for sustainable economic activities across a wide variety of industries and is aimed at creating a framework for directing capital flows towards sustainable projects and economic activities. Matas Group reported on the EU Taxonomy in both financial years 2021/22 and 2022/23, however, since then both the regulation and our approach have evolved.

This is the third time Matas Group reports in compliance with the EU Taxonomy regulation. In 2022/23, we reported on the Group's eligible and degree of aligned high-emission sector activities described by the taxonomy's two climate objectives 'Climate change mitigation' (CCM) and 'Climate change adaptation' (CCA). In June 2023, the EU enacted the Environment Delegated Act, which introduced four additional environment objectives, i.e. 'Water and marine resources' (WMR), 'Circular economy' (CE), 'Pollution prevention' (PPC), and 'Biodiversity' (BIO).

Eligibility results in 2023/24

In this financial year, we have used a systematic approach of allocating eligible revenue (turnover), capital expenditure (CAPEX), and operational expenditure (OPEX) to each of the identified economic activities. We have considered both the first two climate objectives, as well as the additional four environment objectives. Our findings indicate that two of these objectives are the most relevant Matas Group: Climate change mitigation and Circular economy.

We have identified the following taxonomy eligible activities:

Turnover

For Matas Group, our primary business activity is within retail, which includes the sale of our products and goods. However, this business activity is not included as an eligible economic activity in the EU Taxonomy, which means our turnover KPI, covering sales of health and beauty products, will be non-eligible until the point that such an economic activity is added to the regulation. We will continue to screen our revenue-generating activities and assess in accordance with new guidelines and regulatory updates to the taxonomy reporting framework and criteria, as and when they become available.

CAPEX

CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles. This economic activity covers leasing and purchasing of company cars and leasing of light transport vehicles.

CCM 7.1 / CE 3.1 Construction of new buildings. This economic activity covers investments in construction projects of our two new warehouses, Matas Logistics Center (MLC) in Denmark and Rosersberg in Sweden.

CCM 7.2 / CE 3.2 Renovation of existing buildings. This economic activity covers major renovation and refurbishment work of our stores, warehouse and offices.

CCM 7.3: Installation, maintenance and repair of energy efficiency equipment. This economic activity covers the Group's work with energy refurbishment in all our locations.

CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings). This economic activity covers installation of chargers for electric vehicles.

CCM 7.7: Acquisition and ownership of buildings. This economic activity covers the Group's long-term rental of buildings, offices and warehousing.

CCM 8.1: Data processing, hosting and related activities. This economic activity covers purchases of new data centers, IT servers and networking equipment.

OPEX

CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles. This economic activity covers repair, maintenance and cleaning of company cars.

CCM 7.3: Installation, maintenance and repair of energy efficiency equipment. This economic activity covers maintenance and repair of ventilation, lighting, heating, etc.

CCM 7.7: Acquisition and ownership of buildings. This economic activity covers general repair, maintenance, cleaning and other running costs related to stores, offices and warehouses.

CCM 8.1: Data processing, hosting and related activities. This economic activity covers the repair and maintenance of data centers, IT servers and networking equipment.

Assessing alignment in 2023/24: substantial contribution to Climate change mitigation

To assess the degree of alignment of eligible economic activities, companies must demonstrate how they substantially contribute to at least one of the six objectives. We have chosen to focus on the Climate Change Mitigation objective as it is highly synergised with our ambitions to drive sustainable retail. By making efforts to increase our aligned activities over time, we expect to see improvements of energy efficiency in all our buildings. In turn, this will lead to less energy used and therefore a key driver in reducing the carbon footprint of our stores.

In 2023/24, we have considered four main economic activities as important to help drive these initiatives, which includes CCM 7.7 Acquisition and ownership of buildings, CCM 7.1 Construction of new buildings, CCM 7.2 Renovation of existing buildings, and CCM 7.3 Installation, maintenance and repair of energy efficiency equipment.

When assessing alignment to the technical screening criteria, we consider these economic activities as a priority, given their individual contributions to our CAPEX and OPEX KPIs. As a retail company, we lease many properties across the Nordics, which means that these economic activities are directly relevant for our business model.

While the other eligible economic activities are important in their own right, we have not found them to be material to our operations. They are very small in relation to the overall CAPEX and OPEX amounts, as well as lacking strong links and impact for our environmental goals and ambitions, i.e. reducing carbon emissions. Consequently, this makes it difficult to ascertain the availability of data and documentation to assess their alignment performance. The economic activities we have descoped for alignment assessment include CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings), and CCM 8.1 Data processing, hosting and related activities.

CCM 7.7 Acquisition and ownership of buildings

To assess alignment for substantially contributing to climate change mitigation, we have systematically collected available energy declarations (EPC-labels) of 177 buildings across Denmark and Sweden, covering Matas and KICKS' assets. Due to the lack of publicly available data of EPC-labels in Norway and Finland, we have not been able to collect energy efficiency information for real estate in these countries. In total, our findings indicate that 8 Matas stores in Denmark have the highest possible energy class of A. The buildings where these stores are located have measures in place for building automation and control systems to efficiently operate heating and ventilation systems. Moreover, 23 additional stores have been certified under energy class B. Going forward, we will assess the potential of engaging with the lessors of these buildings to understand if any energy renovations are planned in the coming years.

However, for the 8 stores with the highest energy efficiency class, we have successfully fulfilled all of the technical screening criteria. This means that the investments and lease additions for these properties are fully satisfying the substantial contribution criteria for Climate change mitigation. However, as we do not adhere to the criteria for DNSH Climate change adaptation, we do not fully align with the requirements for this economic activity.

CCM 7.1 Construction of new buildings

During 2024 we expect to finalise the construction of the new Matas Logistics Centre (MLC) in Lynge, Denmark. In this reporting period, we have invested significant funds in this project, as well as assessed compliance with the taxonomy requirements. Since we are constructing for our own use, we have applied the technical screening criteria specified under CCM 7.7, which involves assessing the energy performance of the finalised building. The MLC has achieved an energy efficiency class of A2020, which is a primary energy demand (PED) that is 10% lower than the nearly zero-energy building (NZEB) requirements in Denmark (currently set at A2015). This certification is performed according to the requirements set by Rådet for Bæredygtigt Byggeri (Green Building Council Denmark), which will also enable us to calculate the life-cycle Global Warming potential (GWP) once construction is finalised. We are still undergoing testing for air-tightness and thermal performance, as well as assessing operational efficiency of building automation and control systems, given that the building is still under construction.

Moreover, we have assessed the alignment performance of KICKS' new warehouse in Rosersberg, Sweden, which was finalised in 2023. Like the MLC, we have also assessed compliance against CCM 7.7. For example, we are currently working towards achieving an applicable BREAAM-SE certification from the Sweden Green Building Council, which would enable us to reach a primary energy demand that is 10% lower than the threshold set for NZEB in Sweden, as well as calculate the life-cycle GWP. This building is also currently undergoing testing for air-tightness and thermal integrity by assessing thermal bridges according to applicable standards.

For both the MLC and the warehouse in Rosersberg, we should be able to fulfil the technical screening criteria once the construction is finalised and all available documentation is collected. Upon completion of the construction, we expect to be able to report all funds that Matas Group has invested as environmentally sustainable.

CCM 7.2 Renovation of existing buildings

During the financial period, we have invested in renovation and refurbishment projects across our stores and offices. We have not been able to ascertain whether the renovation projects have led to improvements in energy performance or a reduction in the primary energy demand of the building. As such, we are not able to assess compliance to the technical screening criteria for this economic activity.

CCM 7.3 Installation, maintenance and repair of energy efficiency equipment

We have engaged in several energy refurbishment projects across our stores in this reporting period, including installing energy efficient lighting, heating, ventilation and air-conditioning, doors, and windows to reduce our overall energy demand. One of our major expenditures relates

to the purchase and installation of new energy efficient light sources (LEDs) of which we have collected the available product datasheets with energy efficiency class information. In our Danish stores, these products are rated under class D, which is in alignment with the requirement of being within the highest two populated classes of energy efficiency. Moving forward, we are planning to improve data collection of energy efficiency information for all other types of equipment that we install in our properties. This will further ensure that energy refurbishment projects across our stores fully align with the relevant requirements of falling within the highest two populated classes of energy efficiency.

Do No Significant Harm (DNSH) criteria

For economic activities CCM 7.7, 7.1 and 7.3, only the DNSH criteria related to Climate change adaptation are relevant, for which we have performed

an alignment assessment below. For CCM 7.2, DNSH criteria under Water, Circular economy, and Pollution prevention are also applicable, but we have not been able to assess alignment according to these objectives due to lacking data and documentation.

Climate change adaptation

To fulfil the requirements under Climate Change Adaptation, we have evaluated the degree to which our stores and other properties are screened through a physical climate risk assessment to identify any relevant climate-related hazards, including whether climate and vulnerability assessments are done for affected assets.

We are currently investigating the possibility of engaging with lessors of our stores and other buildings to determine where adequate measures are in place, which means that at this stage we cannot report alignment with the DNSH-criteria under CCM 7.7 nor 7.3.

However, regarding CCM 7.1, we have conducted a physical climate risk screening for the new MLC warehouse, as well as a climate and vulnerability assessment. From this, adaptation solutions have been implemented as part of the overall construction project to reduce most material negative effects from flooding, sea level rise, severe storms, and precipitation (blue spots).

This has been drawn up in an adaptation plan to implement the solutions during the construction. The solutions are relying on blue/green infrastructure to the extent possible, such as the use of rainwater basins, efficient drainage designs, green areas and backfilling, and the natural elevation of the site. We have also ensured efforts are consistent with municipal-level climate adaptation plans in Lynge, especially in terms of the management of rainwater and flooding.

Similarly, KICKS' new warehouse in Rosersberg also mostly aligns with the DNSH criteria under CCA. As part of the construction process, we have conducted physical climate risk screening for specific climate-related hazards, such as changing temperature, wind patterns, precipitation patterns, sea level rise, flooding, as well as soil erosion, landslide, and other applicable events. For the risks identified as material, a climate and vulnerability assessment has been conducted to identify adaptation solutions, where climate scenarios are based on accounts from SMHI (Swedish Meteorological and Hydrological Institute). The adaptation solutions have been implemented as part of the construction and include specific improvements to the roof and facade, as well as windows and doors. These will work to reduce the most negative and material effects of precipitation and temperature changes. We are also investigating the use of green/blue infrastructure in adapting the building to the identified risks, including verifying that these are consistent with local or regional efforts.

Minimum Safeguards

We have assessed compliance to the minimum safeguards on a Group level, determining the extent to which adequate processes and documentation are in place to safeguard against violations in terms of human rights, tax governance and compliance, fair competition laws, and corruption, ethics and bribery. In financial year 2022/23, it was determined that Matas did not comply with these criteria, mainly due to the specific points related to having a Human Rights Due Diligence (HRDD) process, which is ongoing in nature, with a systematic effort to identify breaches in the value chain.

Since then, we have worked on developing a robust HRDD process to comply with the requirements, which we are investigating during 2024. We have embedded our commitment to due diligence processes in our Human Rights Policy, Supplier Code of Conduct and Whistleblower scheme, including communicating publicly on our approach to stakeholders (Read more about our Human Rights Policy on page 24). In implementing a compliant HRDD process, we are working on employing operational practices in our new Employee Code of Business Conduct to identify and assess adverse impacts, as well as take actions to enable efficient tracking of our results in this area. This means we are not fully aligned with the criteria under human rights, but we expect to be able to fulfill all requirements over the next financial year.

For areas related to taxation and fair competition, adequate policies and processes are in place to ensure tax governance and compliance, as well as promoting employee awareness of competition laws and regulations. However, there are currently no standardised training programmes for senior management on fair competition regulations. This means that while our taxation policies and operational practices comply with the minimum safeguards in 2023/24, the fair competition procedures are not.

In terms of our anti-corruption and bribery processes, clear polices and guidelines are outlined in our Employee Handbook, Supplier Code of Conduct, Human Rights Policy, and associated documents, which aim to promote employee awareness and the Group's approach to this area. While we employ processes for preventing and detecting bribery, the internal controls in this area are not fully formalised. In our new Employee Code of Business Conduct, we are taking the necessary steps to further enhance our approach.

Finally, for each of the four topic areas there have been no final convictions of Matas, nor any of our subsidiaries.

EU Taxonomy effort in the coming year

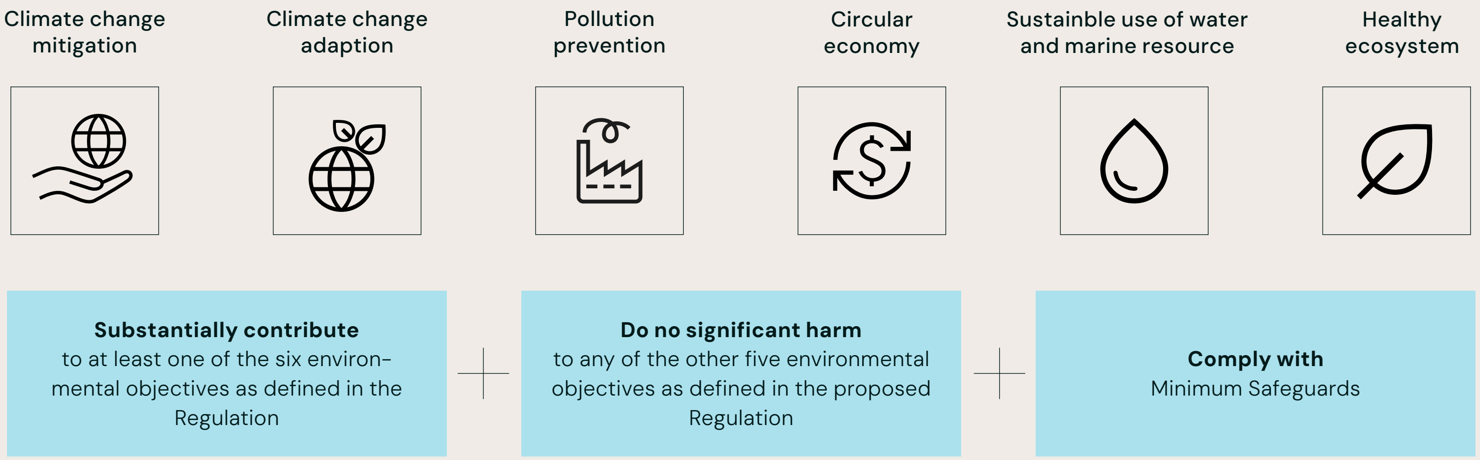
For the coming financial year, we will work to improve elements of our reporting where we determine the most positive effects of achieving alignment. We will implement standardised data collection processes and internal controls with key stakeholders across the Group. This will ensure we employ a systematic process of collecting both financial and non-financial data for our EU Taxonomy reporting.

From this process, we will be able to refine our screening approach for the MLC and Rosersberg warehouses and aim to achieve alignment in the part of our CAPEX KPI that is linked to both warehouses once the construction finalises. Moreover, we will engage with relevant lessors of our properties to evaluate the measures in place to screen against climate-related hazards, as well as implement standardised data collection of energy efficiency information across our buildings.

During 2024, we expect to continue our work with energy refurbishment and renovation of our properties to further improve our energy efficiency, but we will also ensure that the required datapoints are collected for assessing compliance against the technical screening criteria.

As noted in regards to the minimum safeguards, we will finalise development of our new Employee Code of Business Conduct, as well as assess the potential to implement the HRDD process to ensure compliance with the requirements. We also intend to improve our existing processes and policies relating fair competition employee training, and internal controls for detecting and preventing bribery and corruption.

The EU Taxonomy framework



Turnover

Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Bio-diversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Bio-diversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Turnover, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
		mdkk	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. **TAXONOMY-ELIGIBLE ACTIVITIES**																			
A.1 **Environmentally sustainable activities (Taxonomy-aligned)**																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0.0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.0%**		
Of which enabling		0.0	0.0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0.0%	E	
Of which transitional		0.0	0.0%	0%						N	N	N	N	N	N	N	0.0%		T
A.2 **Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.0	0.0%	0%	0%	0%	0%	0%	0%								-		
A. **Turnover of Taxonomy-eligible activities (A1. + A.2)**		0.0	0.0%	0%	0%	0%	0%	0%	0%								-		
B. **TAXONOMY-NON-ELIGIBLE ACTIVITIES**																			
Turnover of Taxonomy-non-eligible activities		6,701	100.0%																
TOTAL		6,701	100.0%																

CAPEX

Economic Activities (1)	Code (2)	CapEx (3)	Proportion of Turnover, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Bio-diversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Bio-diversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
		mdkk	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. **TAXONOMY-ELIGIBLE ACTIVITIES**																			
A.1 **Environmentally sustainable activities (Taxonomy-aligned)**																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0**	**0.0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.0%**		
Of which enabling		**0.0**	**0.0%**	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0.0%	E	
Of which transitional		**0.0**	**0.0%**	0%						N	N	N	N	N	N	N	0.0%		T
A.2 **Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5** / CCA 6.5	3.5	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.7%		
Construction of new buildings	**CCM 7.1** / CCA 7.1 / CE 3.1	170.3	10.9%	EL	EL	N/EL	N/EL	EL	N/EL								17.1%		
Renovation of existing buildings	**CCM 7.2** / CCA 7.2 / CE 3.2	31.9	2.0%	EL	EL	N/EL	N/EL	EL	N/EL								0%		
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3** / CCA 7.3	24.9	1.6%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.6%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	**CCM 7.4** / CCA 7.4	0.1	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Acquisition and ownership of buildings	**CCM 7.7** / CCA 7.7	830.2	52.9%	EL	EL	N/EL	N/EL	N/EL	N/EL								74.8%		
Data processing, hosting and related activities	**CCM 8.**1 / CCA 8.1	2.4	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,063**	**67.8%**	67.6%	0%	0%	0%	0%	0%								95.5%		
A. **CapEx of Taxonomy-eligible activities (A1. + A.2)**		**1,063**	**67.8%**	67.6%	0%	0%	0%	0%	0%								95.5%		
B. **TAXONOMY-NON-ELIGIBLE ACTIVITIES**																			
CapEx of Taxonomy-non-eligible activities		**505**	**32.2%**																
TOTAL		**1,568**	**100.0%**																

OPEX

Economic Activities (1)	Code (2)	OpEx (3)	Proportion of Turnover, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Bio-diversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Bio-diversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
	2023			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
		mdkk	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. **TAXONOMY-ELIGIBLE ACTIVITIES**																			
A.1 **Environmentally sustainable activities (Taxonomy-aligned)**																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0.0%**		
Of which enabling		**0**	**0%**	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0.0%	E	
Of which transitional		**0**	**0%**	0%						N	N	N	N	N	N	N	0.0%		T
A.2 **Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)**																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.5** / CCA 6.5	0.1	0.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.0%		
Installation, maintenance and repair of energy efficiency equipment	**CCM 7.3** / CCA 7.3	3.7	8.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								10.0%		
Acquisition and ownership of buildings	**CCM 7.7** / CCA 7.7	32.2	68.7%	EL	EL	N/EL	N/EL	N/EL	N/EL								88.0%		
Data processing, hosting and related activities	**CCM 8.1** / CCA 8.1	2.0	4.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**38**	**81.3%**	81.3%	0%	0%	0%	0%	0%								100%		
A. **OpEx of Taxonomy-eligible activities (A1. + A.2)**		**38**	**81.3%**	81.3%	0%	0%	0%	0%	0%								100%		
B. **TAXONOMY-NON-ELIGIBLE ACTIVITIES**																			
OpEx of Taxonomy-non-eligible activities		**9**	**18.7%**																
TOTAL		**47**	**100%**																

Accounting practice

The share of taxonomy-eligible economic activities is expressed as the proportion of turnover, total additions (CAPEX) and direct non-capitalised expenditures (OPEX) related to a product, service, assets or processes of an economic activity described in the EU Taxonomy. As we only assess one environmental objective, double counting is avoided when allocating turnover, CAPEX and OPEX.

The taxonomy reporting is done at a Group level, ensuring that the reporting covers all Matas Group's subsidiaries, including KICKS from the date of the acquisition on 31 August 2023. For the CAPEX KPI, we also include all additions to property, plant and equipment and intangible assets (excluding goodwill) from the acquisition of KICKS.

Turnover

The reported total turnover follows the revenue line reported in the Matas' Annual Report 2023/24 (see note 4).

The reported taxonomy turnover KPIs are:

1. Eligible turnover. This KPI is defined as taxonomy-eligible turnover / total turnover.
2. Aligned turnover. This KPI is defined as taxonomy-aligned turnover / total turnover.

CAPEX

The Taxonomy defines CAPEX as additions to property, plant and equipment, including right-of-use assets, and intangible assets during the financial year. The total CAPEX measure is aligned with reported additions in Matas' Annual Report 2023/24 on the following points in the Taxonomy CAPEX definition:

1. IAS 16 Property, plant and equipment (see note 18),
2. IAS 38 Intangible assets (see note 16),
3. IFRS 16 Leases (see note 32).

The EU Taxonomy defines three categories of allocating eligible and aligned CAPEX:

a) CAPEX related to assets or processes that are associated with a taxonomy-aligned economic activity;

b) CAPEX that is part of a plan to expand an aligned or upgrade an eligible activity to become aligned;

c) CAPEX related to the purchase of output from taxonomy-aligned economic activities and individual measures enabling target activities to become low-carbon or lead to greenhouse gas reductions.

For this financial year 2023/24, the CAPEX measure is affected in part by the KICKS acquisition, as we account for all historical assets as part of the acquisition. A majority of eligible CAPEX is therefore allocated under CCM 7.7, representing acquisition of property and right-of-use assets under IFRS 16. For the next financial reporting year, we expect a much smaller overall size of the CAPEX KPI as we will not account for the same historical assets in the reporting. For other economic activities, eligible CAPEX is allocated based on either 'a' or 'c' depending on the nature of the asset. As mentioned earlier, KICKS' additions in the period are accounted for from the acquisition date.

Non-eligible CAPEX includes additions to property, plant and equipment and intangible assets related to retail and sales operations, IT software, and administrative activities. Moreover, we have allocated an overall amount resulting from the acquisition of KICKS under the non-eligible proportion, which include additions to intangible assets, such as trademark and tenancy rights.

The reported taxonomy CAPEX KPIs are:

1. Eligible CAPEX. This KPI is defined as taxonomy-eligible CAPEX / total CAPEX.
2. Aligned CAPEX. This KPI is defined as taxonomy-aligned CAPEX / total CAPEX.

OPEX

The taxonomy defines OPEX as direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets.

In our reporting, OPEX covers direct non-capitalised expenditures related to taxonomy-eligible and non-eligible economic activities that align with the definition above. For our eligible proportion, we have allocated repair and maintenance, building renovation, and other direct running costs associated with eligible assets identified under our CAPEX KPI. For our non-eligible OPEX, we have assigned repair and maintenance costs related to our retail, sales and administrative activities, as well as employee training. We also account for eligible and non-eligible OPEX from KICKS following the acquisition date.

The reported taxonomy OPEX KPIs are:

1. Eligible OPEX: This KPI is defined as taxonomy-eligible OPEX / total OPEX.
2. Aligned OPEX: This KPI is defined as taxonomy-aligned OPEX / total OPEX.

Taxonomy alignment process

The process for determining Matas Group's degree of sustainable economic activities has been conducted in three steps:

1. Screening and identifying eligible economic activities across Matas Group carried out in the reporting period.
2. Assessing the identified economic activities' alignment degree by compliance checking up against the technical screening criteria for Substantial Contribution and Do No Significant Harm
3. Comparing defined requirements to comply with Minimum Safeguards against Matas Group's existing procedure and policies.

ESG data

Climate and environment data

Data	Unit	2023/24	2022/23	2021/22	Comments
Climate					
CO_2e Scope 1 – location based	tCO_2e	475	486,8	501,9	FY 2023/24 KPI is consolidated with KICKS' emissions. We have recorded a reduction due to reduced energy consumption and the purchase of RECs. Matas Group scope 1 emission, excluding KICKS emissions, is 442 tons CO_2.
CO_2e Scope 2 – location based	tCO_2e	1,704	2,108.7	2,342.2	FY 2023/24 data is consolidated with KICKS' emissions. The reduction in Matas Group emissions is due to improved data on district heating, Matas Group 2 emission, excluding KICKS emissions, is 1,554 tons CO_2.
CO_2e Scope 2 – market based	tCO_2e	3,152	5,276.2	5,725.3	FY 2023/24 KPI is consolidated with KICKS' emissions. The reduction in Matas Group emissions is due to energy reductions, and purchase of RECs. Matas Group scope 2 emission, excluding KICKS emissions, is 2,874 tons CO_2.
CO_2e Scope 3	tCO_2e	116,164	50,317.8	47,187.5	FY 2023/24 KPI is consolidated with KICKS' emission. We have recorded a significant increase despite a drop in the carbon footprint of a majority of suppliers, due to an increase in purchase of goods for sale and increased transport activity all related to underlying company growth. Matas Group scope 3 emission, excluding KICKS emissions, is 71,773 tons CO_2.
Scope 3 categories included	Number	5	5	5	
CO_2-e intensity (revenue)	tCO_2-e/DKKm	17.9	12,5	12,8	FY 2023/24 KPI is consolidated with KICKS data. We have recorded an increase in CO_2- intensity, as a result of the significant increase in scope 3 emissions. Matas Group CO_2 intensity, excluding KICKS data, is 15.5.
CO_2-e intensity (FTE)	tCO_2-e/FTE	40,9	26,4	24,7	FY 2023/24 KPI is consolidated with KICKS data. We have recorded an increase in CO_2-intensity due to the overall increase of emissions.

Data	Unit	2023/24	2022/23	2021/22	Comments
Energy					
Energy consumption	GJ	92,325	103,846	106,044	FY 2023/24 KPI is consolidated with KICKS data. We have recorded a reduction due to the reduction realised in district heating, as a consequence of better quality data. Matas Group energy consumption, excluding KICKS' energy consumption, is 73.492 GJ.
Renewable electricity, share of total electricity consumption	%	42%	13	0	FY 2023/24 KPI is consolidated with KICKS data. The increase in percentage is due to both Matas and KICKS renewable energy certificate purchases in the financial year. Matas Group renewable electricity, share of electrcity consumption, excluding KICKS is 50%.

ESG data

Climate and environment data

Data	Unit	2023/24	2022/23	2021/22	Comments
Ressources					
Water	m³	19,570	8,886	8,236	FY 2023/24 KPI contains KICKS data. We have recorded a significant increase water consumption due to access to better data from Matas stores, but also because of the consolidation with estimated water consumption from KICKS stores. Excluding KICKS data, the water consumption recorded is 11,129 m³. The increase is due to improved data on water consumption in Matas' stores.
Purchased cardboard/paper – percentage of recycled material	%	93	92	80	FY 2023/24 KPI does not include KICKS data due to limitations of data availability.
Purchased plastic – percentage of recycled plastic	%	50	39	12	FY 2023/24 KPI does not include KICKS data due to limitations of data availability.
Waste	Tons	1,879	1,213	1,258	FY 2023/24 KPI is consolidated with KICKS data. We have recorded an increase of waste due to the data consolidation with KICKS. Excluding KICKS data, the waste is recorded at 1,501 tons, which is due to general waste increase as a result of increased business activity.
Waste intensity (revenue)	Tons/DKKm	0.28	0.27	0.29	FY 2023/24 KPI is consolidated with KICKS data. Excluding KICKS data, the waste impact is recorded at 0.30, a minor increase in intensity, primarily driven by the increase in overall business activities. .
Recycled waste	%	62	69	66	FY 2023/24 KPI does not include KICKS data. We have recorded a decrease in the share of waste that is sent to recy-cling. This is due to limited data we have on the share of waste recycled at KICKS stores.
Plastic – removed	Number	46,630,320	44,019,944	39,081,783	FY 2023/24 KPI does not include KICKS data due to limited data availability.
House brands – partially recycled plastics	Number	102	68	58	FY 2023/24 KPI does not include KICKS data due to limited data availability.
House brand certifications – RSPO (Mass Balance)	%	15	16	16.3	FY 2023/24 KPI does not include KICKS data due to limited data availability.

ESG data

Social and employee-related data

Data	Unit	2023/24	2022/23	2021/22	Comments
Diversity					
Full-time employees	FTE	2,931	2,124	2,164	FY 2023/24 KPI is consolidated with KICKS data.
Subsidised flexi jobs and Project KLAP	Number	86	66	81	FY 2023/24 KPI does not include KICKS data, as KICKS does not operate with flexi jobs or Project KLAP tennures.
Gender diversity, overall (m/f)	%	7/93	9/91	8/92	FY 2023/24 KPI is consolidated with KICKS data. We have recorded an increase in the share of women in the overall workforce, due to KICKS overall gender distribution. Without KICKS data, the overall gender distribution for Matas Group is 10/90.
Gender diversity, other management level (m/f)	%	50/50	62/38	62/38	FY 2023/24 KPI is consolidated with KICKS data.
Gender pay gap, m/f	%	49/51	49/51	n/a	FY 2023/24 KPI does not include KICKS data due to differences in roles descriptions and responsibilities.
Workforce nationalities	Number	24	15	n/a	FY 2023/24 KPI does not include KICKS data due to limited data availability.

ESG data

Social and employee-related data

Data	Unit	2023/24	2022/23	2021/22	Comments
Occupational health and safety					
Sickness absence	%	7.1	4.8	5.5	FY 2023/24 KPI is consolidated with KICKS data. Excluding KICS data, we have recorded a reduction in sickness absense as the rate is 4.4
Reported occupational injuries	Number	58	51	44	FY 2023/24 KPI is consolidated with KICKS data. Excluding KICS data, we have recorded a reduction in reported occupational injuries, as the number is 45.
Employee turnover	%	40,8	47,8	49,3	FY 2023/24 KPI does not include KICKS data due to limited data availability.
Leave	Number	255	72	94	FY 2023/24 KPI is consolidated with KICKS data. We have recorded a significant increase due to the KICKS acquisition because of Swedish leave conditions. In Sweden you are allowed to take longer maternity leave, which is then skewing the comparison with the length of maternity leave in the Danish market. Excluding KICKS data, leave is recorded at 68, a minor reduction from FY 2022/23.
Proportion of trained beauty and health therapists as well as beauty and health therapists in training	%	76	79	80	FY 2023/24 KPI does not include KICKS data, as KICKS does not operate with the Matas materialist education, and therefore does not have the data required for consolidation.
Health and beauty therapists in training	Number	236	287	245	FY 2023/24 KPI does not include KICKS data, as KICKS does not operate with the Matas materialist education, and therefore does not have the data required for consolidation.
Employee satisfaction (overall)	Score	7.6	7.5	7.6	FY 2023/24 KPI does not include KICKS data, as KICKS operate with a different methodlogy to measure employee satisfaction. For the coming financial year, we will apply one consolidated method across markets to assess employee satisfaction.

Data	Unit	2023/24	2022/23	2021/22	Comments
Quality					
House brand certifications – The Nordic Ecolabel (Svanemærket)	Number	359	316	307	FY 2023/24 KPI does not include KICKS data as KICKS does not work with this certificate in its markets.
House brand certifications – Ashtma Allergy Nordic (Den Blå Krans)	Number	230	184	177	FY 2023/24 KPI does not include KICKS data as KICKS does not work with this certificate in its markets.

ESG data

Governance data

Data	Unit	2023/24	2022/23	2021/22	Comments
Composition of the Board of Directors					
Members of the Board of Directors	Number	6	6	6	KPIs are reported on Group level, hence it reflects the entire of Matas Group.
Board meetings	Number	12	10	13	
Board meeting attendance	%	92	97	100	
Gender diversity, Board of Directors (m/f)	%	50/50	67/33	67/33	
Percentage of independent board members	%	100	100	83	

Data	Unit	2023/24	2022/23	2021/22	Comments
Risk and regulation					
Whistleblower reports	Number	0	0	0	FY 2023/24 KPI is consolidated with KICKS data.
Reports of corruption	Number	0	0	0	FY 2023/24 KPI is consolidated with KICKS data.
Suppliers committed to Code of Conduct	%	36	0	–	FY 2023/24 KPI does not reflect KICKS' suppliers and KICKS Code of Conduct (CoC). For the coming financial year, KICKS CoC will be merged with Matas CoC, and one consolidated CoC will be launched for signing new suppliers.

ESG data

Governance data

Data	Unit	2023/24	2022/23	2021/22	Comments
Remuneration					
Pay gap between Group CEO and employees	Times	28	19	18	KPIs are reported on Group level, hence it reflects the entire of Matas Group.
Shares held by members of the Board of Directors	%	0.10	0.07	0.07	
Shares held by members of the Executive Committee	%	0.57	0.46	0.44	
Group CEO remuneration linked to ESG goals	%	10	7.5	7.5	

Data	Unit	2023/24	2022/23	2021/22	Comments
Donations and partnerships					
Donations to NGOs	DKK	1,668,065	3,085,754	4,222,966	FY 2023/24 KPI is consolidated with KICKS data. Excluding KICKS data the number is DKK 1,272,902.
Danish Doctors' Vaccination Service	Number	0	0	12,534	FY 2023/24 KPI does not include KICKS data, as KICKS does not operate with vaccinations.

Accounting practices

Environment

Matas scopes 1, 2 and 3

In the Matas Group's Greenhouse Gas accounting and inventory, Matas Group's CO_2e emissions across scopes 1, 2 and 3, are complied and are based on the Greenhouse Gas Protocol Corporate Standard.

Matas has chosen to apply the operational control approach to set the reporting boundary. The accounting year for the Greenhouse Gas Accounting follows Matas' financial year (1 April to 31 March).

The Greenhouse Gas account has been prepared to achieve a level of precision that measures up to Matas' control and materiality standards. The accounts cover all greenhouse gases under the Kyoto Protocol (CO_2, CH2, N2O, HFCS, PFCS, SF6).

Wherever possible, Matas has prioritised the use of primary data and direct calculation methods. Matas accounts for scopes 1 and 2 and selected scope 3 categories. The scope 3 accounting categories are based on an assessment of relevance, coverage and in one case data availability.

Matas' Greenhouse Gas account covers all scope 1 and scope 2 emissions. Scope 3 emissions covered by the Greenhouse Gas account are 'Upstream leased assets', 'Business travel', 'Waste generated in operations', 'Purchased goods and services' and 'Downstream transportation and distribution'. 'Upstream transport and distribution' covering Matas' suppliers of goods for sale is considered material, however, the activity is managed and paid for by suppliers which results in limited data availability and the impact is therefore captured as an integral part of 'Purchase of goods and services'.

Matas' GHG accounting cover the following physical and legal entities within the operational boundary:

- Matas (CL1, CL2, CL3, CL4, 'Pavillion, 'stores')
- Grænn
- Firtal
- Web Sundhed
- GeniAds (50% ownership)
- KICKS Group (administration, warehouse and stores in Sweden, Norway and Finland)

Scope 1

Direct emissions from sources controlled or owned by Matas Group comprise: 1) fuels for truck owned by Grænn and leased company vehicles, Matas Group's procurement and consumption of 2) natural gas and 3) cooling refrigerant (R32).

Truck – Emissions are calculated based on the annual fuel consumption.

Leased vehicles – Emissions are calculated by leasing company based on fuel consumption and fuel type.

Natural gas – Emissions resulting from natural gas are estimated based on natural gas consumption, with one general and one specific emissions declaration.

Cooling – Emissions are estimated based on inventory, plant emissions, operating emissions and disposal emissions. The conclusion is that there are no cases of new cooling equipment for the current year. Operating emissions are estimated based on the annual filling of cooling gas.

Scope 2

Indirect emissions from sources controlled or owned by Matas Group comprise Matas Group's procurement and consumption of 1) Electricity, and 2) District heating.

Electricity – Emissions are estimated directly by the supplier (Norsk Elkraft). In some cases emissions are based on the consumption data as well as annual electricity and environmental declarations, respectively, publicly available data on emissions factors. In some cases, the electricity consumption is estimated based on partial data (Pavillion), in some cases estimated based on average square meter usage (KICKS' stores). Electricity is supplied to Matas' stores, HQ and all but one warehouse by Norsk Elkraft and mainly by Entelios to KICKS' stores.

The general preliminary environmental declarations for 2023 for eastern Denmark and western Denmark are from Energinet. For Sweden the 2022 declarations comes from EEA and are applied the location-based estimations.

The general electricity declaration for electricity from Energinet 2022 is applied for one Matas warehouse, Graenn, Firtal and Sentia. National statistics on CO_2e intensity for electricity is applied for estimation of the KICKS electricity emissions.

The market-based electricity emissions from Matas Denmark are reduced with the purchase of 6,000 MWh of renewable energy certificates from O-mission. The market-based electricity emissions from KICKS Sweden have been reduced with 355 MWh of renewable energy certificates from Entelios.

District heating – Emissions resulting from district heating are based on energy consumption and an emissions factor based on energy statistics for 2021 by Energistyrelsen for Denmark and from Energiforetagen.se for Sweden for 2022. The energy consumption is based on actual consumption where possible and in other cases it is based on average energy use per square meter estimated based on a sample of stores in Denmark, Sweden, Norway and Finland.

Scope 3

Other indirect emissions from activities under Matas Group not controlled by the Company, and relating to Matas Group's value chain, including emissions related to the use and disposal of products.

Matas Group scope 3 emissions comprise:

1. Matas house brand products purchased from Matas' sub-suppliers, third-party products purchased from external suppliers and other purchases of goods and services,
2. Waste and recycling,
3. Business travel
4. Downstream transportation and distribution,
5. Upstream leased assets (stores, warehouse).

General purchases – emissions are estimated by way of line-by-line allocation of Matas' annual consumption across suitable emission categories using spend data.

Consumption of packaging and the associated emissions is assessed separately based on spend consumption of paper/cardboard and plastics.

Emissions from goods purchased for sale are estimated based on financial data on use of goods divided into two categories: Matas' in-house branded goods and third-party goods. Based on Persano data, emissions from Matas' in-house brands are estimated by using Persano emissions as generally applicable for scopes 1 and 2 only. Emissions from the purchase of third-party goods are based on emissions data from ELC, L'Oreal, Henkel, Dr. Bonners and Natura emissions for scopes 1 and 2, as no general emission factors are available for the personal care industry, and no other brands/companies estimate emissions with the robust coverage of their scope 3. Emissions from scope 3 of purchased goods for sale vary considerably and are therefore excluded till such a point where consistent data is available, which is still not the case.

Emissions from plastics and paper are estimated according to spend volume based on HQ inventory records by spend volume and virgin/recycled materials and adjusted to reflect the total category consumption by Matas A/S.

Waste and recycling – waste volumes are based on statements from Marius Pedersen and Stena Recycling, respectively from estimates of per store square meter average waste production and emissions factors related to incineration in Danish waste to heat/energy respectively recycling (outside scope).

Downstream transport and distribution – emissions are calculated directly by logistics suppliers based on haulage (tons km) and type of equipment and fuel type.

Upstream leased assets – shared costs and their emissions for leased properties are estimated based on rental costs and a general emission factor.

Scope 3 categories included

The climate accounts include selected scope 3 emission categories from the Greenhouse Gas Protocol: 'Upstream leased assets', 'Business travel', 'Waste generated in operations', 'Purchased goods and services' and 'Downstream transportation and distribution'.

Energy consumption

The total energy consumption for Matas Group, including electricity consumption

(MWh), district heating consumption (MWh), fuel consumption in the form of natural gas (NM3), diesel (l) and petrol (l).

In the financial statements for 2020/21, Matas presented ESG key performance indicators only for the electricity consumption of Matas' stores. Accordingly, the indicator is not comparable with the total energy consumption for Matas Group for the financial year 2021/22. Accordingly, it is not possible to compare year-on-year or draw conclusions on the year-on year performance for this year. From 2022/23 and onwards the indicator is comparable.

Renewable energy percentage

Matas' purchases of sustainable energy certificates as a percentage of Matas' total energy consumption. This does not reflect the environmental declaration of the energy mix in Denmark.

Social

Employee turnover
Departed employees as a percentage of the average number of employees.

Leave
Number of Matas employees on leave at the end of the financial year.

Proportion of trained beauty and health therapists
Number of trained employees as a percentage of FTEs. Trained employees are defined as all trained employees (whether beauty and health therapists or sales assistants with profile), store managers, deputy store managers and trainees.

Health and beauty therapists in training
Beauty and health therapist trainees for the financial year 2022/23.

Employee satisfaction (overall)
The satisfaction measurement method / EVI (evidence-based measurement) applied since 2020 (AS3) builds on 15 evidence-based questions divided into four categories. The four areas surveyed are: job meaningfulness, management and cooperation, organisational values and work-life rhythm. All employees, temporary and permanent, are invited to participate in the survey. The survey is conducted bi-annually.

House brand certifications – Asthma-Allergy Nordic
Matas house brand products with Asthma-Allergy Nordic (Blue Label) certifications at the end of the financial year.

Governance

Members of the Board of Directors
Matas board members at publication date.

Board meetings
Number of Matas board meetings held. Does not cover other board seminars or committees.

Board meeting attendance
Number of board meetings attended relative to number of board meetings held.

Gender diversity, Board of Directors (m/f)
Distribution of men and women on Matas' Board of Directors.

Percentage of independent board members
Distribution of independent and non-independent board members.

Whistleblower reports
Whistleblower reports to Matas falling within the correct use of the Whistleblower scheme.

Reports of corruption
Reports via Matas' Whistleblower scheme and via other of Matas' channels of communication.

Pay gap between Group CEO and employees
Based on average salary of an employee of Matas HQ (excluding members of the Executive Committee).

Shares held by members of the Board of Directors
Number of shares held by members of the Board of Directors as a percentage of the total number of shares.

Shares held by members of the Executive Committee
Number of shares held by members of the Executive Committee as a percentage of the total number of shares.

Group CEO remuneration linked to ESG goals
Percentage of overall bonus agreement linked to ESG targets.

Donations to NGOs
Matas' total donations for 1) the Danish Cancer Society (collection via Club Matas points, sales of Matas Sun Stripes with Danish Cancer Society logo, sales of Limited Edition Luxury shampoo, and 2) CPH Pride (sales of CPH Pride 2022 bracelets).

M A T A S

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G R O U P