

**NON-FINANCIAL,
SUSTAINABILITY -
ENVIRONMENTAL
IMPACT
AND ESG REPORT**



20

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INTRODUCTION

Norofert SA is an integrated system, being a Romanian producer of inputs for organic farming with three business lines: production of organic inputs, farm operation and grain trading. The shares and bonds of the company, NRF respectively NRF25, are listed on the Bucharest Stock Exchange, ATS - AeRO segment since 2020.

Capital market funding was accessed exclusively for the company's development, and the investment programs brought very good financial results. Growth through annual strategic investments remains the company's goal for the future and we recognize that these must be done in a way that is sustainable for the environment and society, through quality corporate governance. Access to the capital market is a privilege and we have a commitment to transparency towards the more than 3,000 investors who have joined us. We have a responsibility to shareholders, employees, collaborators, customers, financiers, suppliers, the rest of the stakeholders but also to the environment, namely to build a sustainable and dynamic company. These were the reasons why it was decided to publish our first sustainability report and to improve the company from year to year.



This non-financial sustainability report consists of two parts: the first documents the positive impact on the environment, generated by our business model and the second, concerns the report on the environmental, social and corporate governance (ESG) rating provided by Sustainalytics (Morningstar). The latter is a premiere for a company listed on BVB's AeRO segment and further proof that Norofert is a transparent company, raising the reporting standard.

Input production for agriculture is a highly polluting industry, but the Norofert business model has been created, adapted and improved as a profitable alternative with a positive impact on the environment and industry, drastically reducing greenhouse gas emissions. It took 6 years to reach this point, and the rating and completion of the ESG report took 4 months from initial contact to publication in the Sustainalytics database, where investors around the world have access to the analysis of 14,000 companies.

Norofert was ranked in the chemical industry, the agro-chemical sub-industry, where for the first year of ESG rating it was ranked 17th out of 56 companies internationally. In this sub-industry, only 10 companies have an average ESG rating, and all companies have a significantly higher market valuation than ours, most of which are over \$1 billion, with some reaching tens of billions of dollars. Their corporate social responsibility (CSR) and ESG programs have been active in some cases for decades.

We invite you to learn more about the positive impact on the environment brought by Norofert through the production of organic agricultural inputs, which do not use gas for synthesis, thus largely eliminating the release of greenhouse gases. In the second part, we explain what an ESG report is, what the analysis criteria are, how to interpret the rating received and the steps we have identified as necessary to improve the indicators.

Alex Cristescu
Norofert BoD Member

NON-FINANCIAL, SUSTAINABILITY – ENVIRONMENTAL IMPACT AND ESG REPORT



NOROFERT MISSION

Norofert SA aims to grow the organic farming market in a profitable and sustainable way compared to the soil and its natural resources. At our roots, we are a company built on environmental protection with three integrated business lines in the field of organic farming:



Research, production and selling of organic inputs.



1,000 ha farm cultivated in organic system.



Grain trading.

About this report

We are pleased to present the first non-financial public report of Norofert SA, which is composed of two analyzes:

- The company's impact on the industry;
- Environmental, Social and Corporate Governance (ESG) rating.

This report is an opportunity to explain in detail the mission of Norofert SA and the business model that has a positive impact on the industry of input production for agriculture and, secondly, on the environment, society and corporate governance (ESG).

This report is a starting point for annual improvements in ESG indicators. We would also like to inform shareholders, employees, collaborators, customers, financiers, suppliers and other stakeholders that Norofert SA aims through concrete steps to become a company with a greater positive impact in the industry, aiming at climate neutrality in operations according to ESG requirements.

About agriculture

Agriculture is an activity that underlies the world we live in, and in order to grow, plants need **NPK, ie nitrogen (N), phosphorus (P) and potassium (K), supplemented** with treatments against pests or diseases. NPK input can be provided to plants through conventional or organic inputs. Norofert is a producer of inputs for organic farming.

Conventional inputs

It should be noted that the agricultural input industry is a major pollutant, especially the production of conventional inputs, which are obtained from natural gas, and the synthesis production process is one with a high release of greenhouse gases (GHG) and, at the same time, an energy-consuming one (coal is often used for energy). For more details, see the Haber-Bosch synthesis process, which has been the basis of modern agriculture for more than 100 years, producing chemicals that stimulate crop growth and higher production per hectare.

In nature, an imbalance in nutrient intake leads to unhealthy, unsustainable soil in the long run. The contribution of NPK in the soil helps the development of crops, by increasing the production per hectare but also the quality of crops. However, adding these macroelements in an excessive way can cause imbalances in the environment. Nitric and ammoniacal nitrogen are the most dangerous in large quantities for the ecosystems in which they are found.

When nitrogen is found in water, it encourages the production of excess aquatic plants. When they die, the decomposition process consumes large amounts of oxygen from the water, affecting aquatic life. Another problem with nitrogen is its contribution to the emission of greenhouse gases (GHGs) by its excessive use, often applying more to the needs of plants.

Organic inputs

Research in microbiology has gained momentum in recent decades and opened up new possibilities for ecological inputs into agriculture. Synthetic gas, fossil fuels or chemicals are not present in their production and synthesis. Thus, the production of environmentally friendly inputs has a low degree of greenhouse gas (GHG) release.

In addition to natural resources, such as nitrogen of animal or vegetable origin or potassium extracted from the mineral source or phosphate rock, organic agriculture also uses bacteria, amino acids, microorganisms, etc. For the context, bacteria have been discovered that can store natural nitrogen, releasing it gradually, as well as microorganisms that break down NPK trapped in the soil or bacteria that sequester carbon in the soil, which, of course, we use in some Norofert products. Due to research into organic inputs, the production gap between organic and conventional has been reduced to insignificant percentages, bringing another economic argument for switching to organic farming.

Organic farming results in clean food, free of multipesticide residues. Another great advantage of the absence of any fertilizer or pesticide residue is the health of the soil and the environment.

PART I

POZITIVE IMPACT



Short history

Norofert started its business as an importer and distributor of chemicals for conventional agriculture. By 2015, the company had sold products for about 10,000 hectares.

Since 2015, the company has identified an opportunity in organic farming. In addition to the higher price of organic cereals and subsidies for larger farmers, the European Union is promoting this industry through its Green Deal policy. Thus, each Member State intends to devote 25% of its total agricultural area to the organic scheme. Today, Romania has around 4% of the area worked in an ecological regime.

NOROFERT TODAY

Norofert started the production of inputs for organic farming in 2015, a step that paid off, currently producing and selling its own products at the factory in Filipeștii de Pădure (Prahova), becoming the main Romanian producer. The company also owns a subsidiary in Ohio, USA - Norofert USA, LLC - which is currently under development. To consult all Norofert products from the Organics, Karisma, Horticulture and Hobby Gardening Line, we invite you to access www.norofert.ro.

Norofert products are currently used on an area of over 200,000 hectares. Producing own products is a laborious activity, but the increase of Norofert's partner farmers' portfolio from 10,000 ha to over 200,000 ha contributes to the reduction of greenhouse gas emissions from input production, because they are not conventionally produced with synthesis gas. In addition, agricultural products are natural and the soil is much healthier with optimal biodiversity, and groundwater, fauna and flora are little affected.

It should be noted that the system created in 2015 took 4 years to reach sufficient maturity to access financing on the capital market. In the past, the Advisory Board of Norofert SA has generated internal reports on the company's impact on the environment and the strategy and business model of Norofert SA have been adapted and strengthened accordingly, the process lasting approximately 2 years. In total, the information presented in this report is the result of 6 years of work and the experience of the three generations of the company's founding family.



THE MISSION IN PRACTICE

Norofert is an integrated agriculture system respecting the targets of the European Union's Green Deal but also a sustainable and profitable business model.



Main business lines



Research, production and selling of organic inputs.



1,000 ha farm cultivated in organic system.



Grain trading.

RESEARCH, PRODUCTION AND SELLING OF ORGANIC INPUTS

The company's research has generated organic inputs with modern technology that it produces in its own factory in Filipestii de Padure, Prahova County. Norofert's organic products account for over 90% of total sales.

The company also has its own products developed for conventional agriculture in order to serve farmers who have not yet fully entered the Norofert system of integrated organic farming. All Norofert products are EcoCert certified by France.

In addition to organic farming, input and seed packages, Norofert provides advice on meeting all soil analysis, traceability and legal requirements.

Bio-input production processes do not generate significant GHG emissions compared to conventional input production processes. The company uses electricity and heat but not for chemical synthesis but for the operation of the factory and reaching the necessary temperatures for microorganisms.

Water consumption has also increased in line with production, but it is important to note that this water is used for the liquid production line. All products being then used by Norofert customers, the water returns in nature.



Electricity consumption 2021

LOCATION	MONTH	CONSUMPTION	M.U.
Factory	January	4.099	MWh
Factory	February	12.721	MWh
Factory	March	20.993	MWh
Factory	April	26.996	MWh
Factory	May	16.07	MWh
Factory	June	9.235	MWh
Factory	July	7.084	MWh
Factory	August	4.322	MWh
Factory	September	3.636	MWh
Factory	October	6.609	MWh
Factory	November	5.989	MWh
Factory	December	5.807	MWh
	TOTAL	123.561	

Gas consumption 2021

LOCATION	MONTH	CONSUMPTION	M.U.
Factory	February	3.110	MWh
Factory	April	1.855	MWh
Factory	June	0.147	MWh
Factory	August	0.127	MWh
Factory	Sept - Oct	0.412	MWh
Factory	November	0.412	MWh
	TOTAL	8,207.68	

Water consumption

LOCATION	2019	2020	2021
Factory	90.000 L	157.000 L	234.000 L

The management of the company understood the importance of water and, thus, Norofert developed the effervescent pill that condenses its own formulas and keeps the microorganisms in suspension.

As a result, a pack of effervescent pills can replace a few tens of liters of liquid in transport, with a significantly reduced size and weight.

Moreover, Norofert developed GRAAL, a product that, due to the presence of microorganisms, retains moisture in the soil. It was sent to all customers free of charge in 2020, when Romania faced a severe drought, and for many customers it brought an important benefit.

Due to the particularity of agriculture in Romania and its underfunding, farmers need credit from the supplier of agricultural inputs for the establishment of crops while receivables are due upon harvest, ie 250-300 days after delivery. Thus, Norofert invests in each farmer partner and in each hectare worked in organic system, annually increasing these areas.

The positive impact on the environment is substantial, the symbiotic relationship between the company and the customer reduces GHG emissions from hectare to hectare, because organic inputs are used that contribute to a healthier soil and a less affected environment.

The company is continuously investing in the factory, that will be acquired in 2022. Subsequently, the management intends to dedicate financial resources to the installation of photovoltaic systems, geothermal pumps, thermal energy recovery systems. The main strategy of the company remains to increase the customer base by investing in them, while also expanding the area it works annually, bringing more benefits to the environment.



ORGANIC FARM

In 2021, the company acquired a 1,000-hectare farm in Zimnicea, Teleorman County, for organic farming, where the technology of Norofert products is tested and improved.

In addition, the aim is to make the farm a platform for good practice for organic farming.

The farm is also a tool for presenting the viability of organic farming from an operational and financial point of view to potential customers.

On this farm, Norofert produces organic seed, which is included in the technological packages it sells next season to farmers.

The farm is an important asset in Norofert's climate strategy for sequestering carbon in the soil using its own product RECONN C6 and generating oxygen through the process of photosynthesis.



GRAIN TRADING

Following the completion of the process of growing and harvesting, Norofert takes over the customers' products and exports them to the final processors, with whom it has previously concluded trading contracts. Thus the cycle of organic farming is completed and integrated. Through this ecosystem, farmers capitalize on their products at a better price, and the final processor has the guarantee of product quality.

This strategy helps the company to expand its customer base by offering them, in addition to technological packages, consultancy for obtaining grants, ensuring product traceability and a direct market to the final processor at a better price than a conventional trader.





PART II


ESG RATING

ABOUT THE ESG REPORT

The Board of Directors of Norofert SA considered that an independent ESG report and rating from an international supplier is a necessary policy for the future of the company. We chose to be evaluated by Sustainalytics (Morningstar) and published in their database, where investors around the world have access to reports for over 14,000 companies.

Analyzing the legislative approach in the United States and the European Union, it has become very clear that in the future companies, especially large ones, will be required to generate non-financial reports.

We believe that Norofert will grow from year to year and it is only a matter of time before we get closer to the EU legislative requirements for large companies in the field of sustainability, NFRD (Directive 2014/95 / EU) or the CSRD proposal. Thus, we want to start early and prepare Norofert for a sustainable future.

	NFRD	CSRD
 <p>Cine intră în domeniul de aplicare?</p>	<ul style="list-style-type: none"> Entitățile publice mari cu >500 de angajați și care îndeplinesc 1 din 2 criterii financiare (active totale >20 milioane EUR sau cifra de afaceri netă >40 milioane EUR) 	<ul style="list-style-type: none"> Toate societățile mari (care îndeplinesc 2 din 3 criterii: >250 de angajați, active totale >43 milioane EUR sau cifra de afaceri >50 milioane EUR) Toate societățile cu valori mobiliare listate la bursă de pe piețele reglementate din UE (cu excepția microîntreprinderilor⁸)

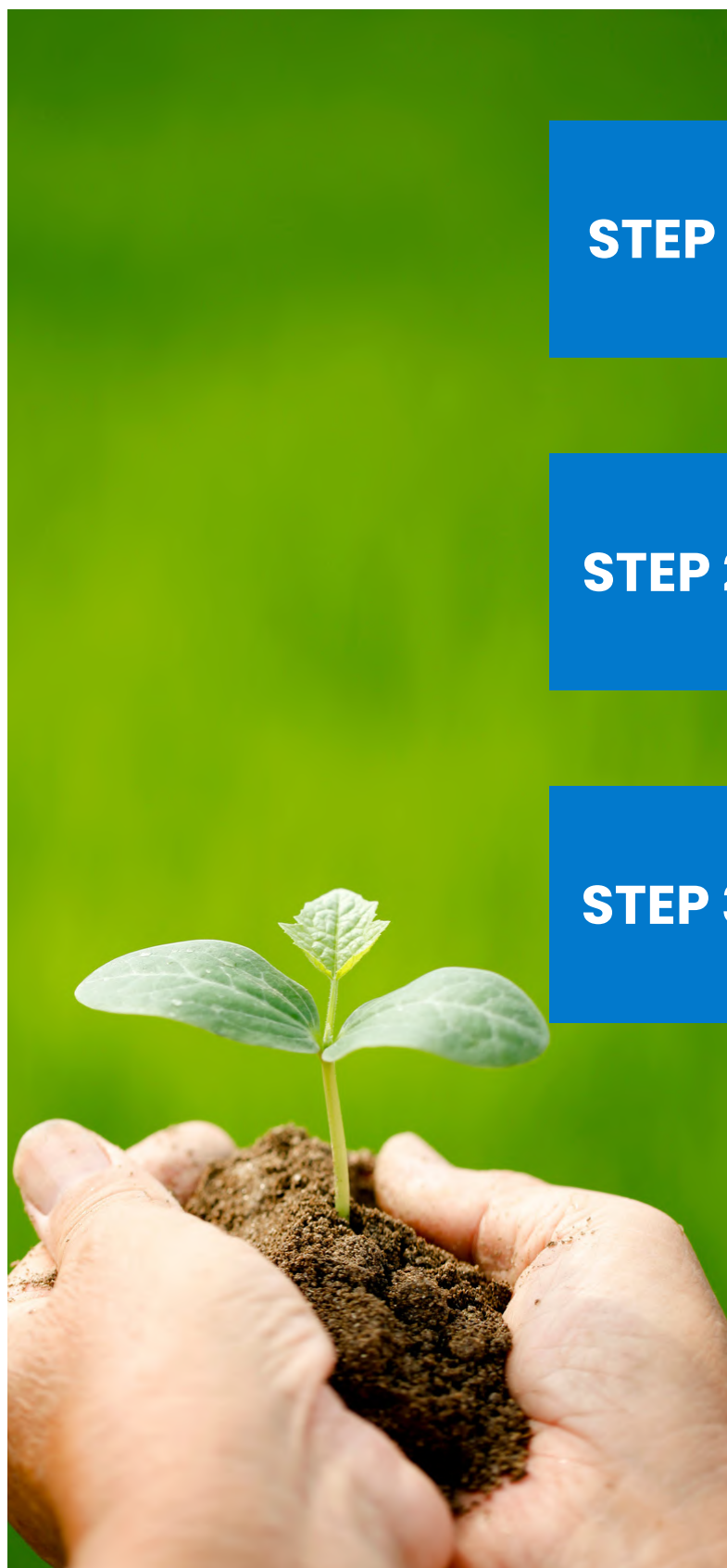
Source: BVB

The company goes through an accelerated growth process, and the foundations and resources on which we base our development must be solid, sustainable and well managed. In the opinion of the Board of Directors, this strategic step we are taking will create a much stronger Norofert in the future.

The summary report on the company made by Sustainalytics is attached to this report and the ESG rating can be consulted at this [link](#).



What is the ESG report and rating



STEP 1

ESG is an analysis of the risks of an industry related to the environment, social impact and corporate governance.

STEP 2

ESG analyzes the risk factors applicable to a company in the respective industry and sub-industry.

STEP 3

ESG examines the management of risk by a company, excluding any risk that cannot be managed. Only after this phase can a rating be given, and the company can better identify the risk to which it is exposed, facilitating its management. A lower rating is preferable, more important is how this rating is situated in the sub-industry, compared to all the companies analyzed.

What is not an ESG report and rating

The ESG report is not a required document and does not analyze a company's financial performance.

ESG analysis is not exhaustive and standards are continually re-evaluated.

The ESG rating, unfortunately, cannot take into account the positive impact of a company in the industry in which it operates. Rather, the rating assesses how well the company is aware of its impact on the environment, society and the level of corporate governance, and then how well this is managed.

The context of ESG analysis

Norofert is part of the Sustainalytics database, where most companies are mature, with valuations of billions of euros, which have been investing for decades in processes and technologies to reduce GHG emissions and with an internationally selected human component.

ESG criteria are largely created for large and mature companies, with well-defined strategies by established consultants, their implementation being capital intensive.

For example, an oil and gas company may have a better rating than a renewable energy company because it knows its risks and manages them much better, thanks to in-depth monitoring processes and resources. In addition, oil companies also have the financial resources to invest in risk management. The ESG rating takes into account how well risks are managed, and not whether the business model has a positive impact on the environment.

How to read an ESG rating

For a proper understanding of an ESG report a stakeholder must go through the following steps:

Identifying the degree of risk of the industry / sub-industry to which the company is exposed (page 2 Sustainalytics Report);

Management of this risk by the company (page 2 Sustainalytics Report);

The criteria that were analyzed to identify the company's risk management and its overall weight (page 3 Sustainalytics Report).

Consequently, the company's rating and positioning in the sub-industry creates the necessary context (page 1 Sustainalytics Report).

PRIORITY OBJECTIVES

Of the 17 Sustainable Development Goals (SDGs) or Global Goals of the Universal Agenda for Global Sustainable Development, NoroFert can have a positive influence on the following:



SDG 1: No Poverty

Agriculture is important for society as a whole. If we want a healthier society, we must achieve sustainable agriculture. The 2030 Agenda aims to eradicate hunger and food security by increasing agricultural productivity and reducing food waste.



SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

This goal implies sustainable economic growth and promotes decent work for all, regardless of gender, geographical location and descent.



SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

The modern age has brought an accelerated way of life. Only countries that encourage innovation in addition to resilient infrastructure and a sustainable industry can be competitive in this era.



SDG 12: Ensure sustainable consumption and production patterns

This goal includes both awareness of finite resources and the application of sustainable measures. In this way, an ambience similar to the current one is designed for the descendants.

13 CLIMATE ACTION



SDG 13: Take urgent action to combat climate change and its impacts

The effects of climate change are evident in all areas of life, including health, quality of life and accelerated biodiversity loss.

14 LIFE BELOW WATER



SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Most of the oxygen in the atmosphere (about 70%) is produced by marine plants. We can thus conclude how important these aquatic environments are for our ecosystem and the need to protect nature in this regard is obvious.

15 LIFE ON LAND



SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Most of the oxygen in the atmosphere (about 70%) is produced by marine plants. We can thus conclude how important these aquatic environments are for our ecosystem and the need to protect nature in this regard is obvious.

17 PARTNERSHIPS FOR THE GOALS



SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

Global problems require global solutions. This approach also requires collaboration and international funding to achieve sustainable goals.

SUSTAINABLE DEVELOPMENT GOALS

ABOUT THE INDUSTRY RISK

The degree of risk in the sub-industry

The overall risk in the sub-industry is extremely high - **with a score of 59.3**. This is due to the fact that the field is intensely regulated at national and international level, with strict rules, the implementation of which is expensive. GHG emissions occupy an important position in the industry, and their management is achieved by investing in complex equipment for energy efficiency and renewable energy.

Risk management in the sub-industry

Norofert received an **average score of 44.2** in the sub-industry risk management. This score is reasonable, and with future ESG publications and in line with international standards this score will be improved.



Norofert SA is a producer of inputs for organic farming. Thus, it was included by Sustainalytics in the Chemical industry and the Agro-Chemical sub-industry.



NOROFERT SA RATING

The final ESG rating is composed of the rating given based on the criteria in the analysis and then weighted by Sustainalytics.



35.8

For the first year of ESG reporting and rating, Norofert SA received a score of 35.8.

17

Internationally, in the Sustainalytics database, Norofert SA occupies the 17th position out of 56 companies in the agro-chemical sub-industry.

Most of these companies have a market valuation of over 1 billion euros, some reaching tens of billions, with environmental and social oriented programs, active in some cases for decades, with large budgets and corporate governance provided by industry leaders with decades of experience.

It should be noted that the sub-industry in which we operate has a very high degree of risk, **respectively 59.3**. In addition, only 10 of the 56 companies have an average ESG rating, which is below 30.

We believe that this score is a very good result that we can improve in the future through monitoring, profitable investments and more robust policies.

ANALYSIS CRITERIA AND FUTURE IMPROVEMENTS



The risk rating received is 5.8.

medium risk

Corporate Governance

Norofert SA is a public company. For this reason, corporate governance risk has been identified as high, with mid-level management being accessible through the adoption of stronger remuneration procedures and policies in the area of remuneration and reporting systems. These improvements can be adopted in the organizational structure of the company.

It is worth mentioning that Norofert SA organizes annual meetings with investors, with a high transparency in reporting. Also, the General Meetings of Shareholders (GMS) are organized in various cities in the country, not only at the headquarters in Bucharest, in order to know and inform as many Norofert investors as possible. All General Shareholders' Meetings are broadcast online, and each shareholder can vote via the eVote platform regardless of their location.



The risk rating received is 5.7.

medium risk

Carbon - from Operations

The identified risk is medium and management can be improved by reporting GHG emissions (scope 1,2,3), which is accompanied by the implementation of a GHG management policy and a transition to renewable energy sources. As explained in the first part of the report, Norofert has a positive impact on the industry, by relieving the environment of the GHGs released, due to the fact that the company's inputs do not use gas for synthesis.

We believe that we have a beneficial contribution through the scaling up of our customer base. By investing in and financing their crops - which is our strategic priority - we are helping to reduce GHG emissions. To strengthen this policy, we invest annually in our production. When it comes to switching to renewable energy and energy recovery, there are opportunities that we are considering because they are profitable investments. The more we grow, the more we can invest in such assets and monitoring systems, solutions that have an industrial purpose and are only effective on a larger scale.



The risk rating received is 4.6.

medium risk

Emissions and Waste

The identified risk is an average one, and its management is satisfactory, through the procedures and certifications obtained by the company.

This risk can be improved by more detailed monitoring and reporting, especially for non-GHG emissions and waste management.



The risk rating received is 4.1.

medium risk

Use of Resources

The identified risk is medium, according to the sub-industry, and management can be improved by investing in water treatment and reuse.

We understand the importance of water, especially by operating our own farm, and efforts in this direction will be intensified by investing in the management of this resource.



The risk rating received is 3.8.

low risk

Human Capital

The identified risk was medium and the management is medium. The report recommends that the focus be on research and attracting highly qualified human resources to have products that are as easily adaptable to climate change as possible.

Norofert has a research partnership with the University of Agronomic Sciences and Veterinary Medicine (USAMV) and is developing a Microorganism Multiplication Laboratory at Filipești de Padure.

Norofert operates in the field of production for organic agricultural inputs, operates a farm and is engaged in grain trading, totaling a workforce of 40% women and 60% men, with a reasonable share of both sexes throughout the organization chart. We consider that, for the specifics of the sub-industry, we have a competent and complex human component, the diversity of which exceeds in some cases other companies with which we were compared by the ESG report. We have no differences between employees' remuneration, which is based on performance, skill and experience.

There are no collective bargaining agreements because the workforce is not so large. Norofert has a strict anti-discrimination policy, and positive discrimination is also prohibited.



The risk rating received is 3.6.

low risk

Relationship with the Community

The identified risk is small, and management can be greatly improved through a clearer human rights policy and greater involvement in the communities where Norofert has offices: Filipeștii de Pădure and Zimnicea.

In Bucharest, we mention the research partnership and the scholarship program for PhD students within USAMV.

Moreover, Norofert actively participates in agricultural cooperatives, the press, society and the capital market to promote organic farming.



The risk rating received is 2.6.

low risk

Business ethics

The identified risk is medium and the management is strong. There have been no incidents of corruption or influence peddling.

An improvement in this rating will be achieved after the development of a set of ESG compliant rules.



Impact of Environmental and Social Products and Services

The risk identified in the sub-industry is high and the management is strong because Norofert products are environmentally friendly.

We can improve our performance through a green purchasing policy.

The risk rating received is 2.2.

low risk



Product Governance

The identified risk is small and the management is medium. Norofert is a company with very good and well-established certifications, as well as outstanding performance in terms of product safety.

We can improve by adopting a stronger marketing policy and more robust quality control.

The risk rating received is 1.7.

negligible risk



Occupational Health and Safety

The identified risk is medium and the management is strong.

Improvements can be made through occupational health and safety policy for contractors.

We have not had any accidents at work or other such events at any of our workplaces.

The risk rating received is 1.6.

negligible risk

NOROFERT ACTION PLAN

Monitoring and data collection through research

First, we investigate the level of emissions generated for the production of NPK and microelements required for one hectare worked in conventional regime versus one in ecological regime. This approach generates accurate data, which allows the measurement of the positive impact on the environment. In addition, such comparative measures are also beneficial for promoting organic farming and increasing the customer base.

Secondly, we quantify the carbon sequestering per hectare worked in an organic system, through our own product specially developed to trigger this phenomenon. We also analyze how much oxygen we produce per hectare through the process of photosynthesis. We consider our 1,000 ha farm in Zimnicea to be an asset that helps offset our carbon footprint.

Thirdly, we will monitor GHG and non-GHG emissions, which will allow emissions to be reported (scope 1, 2 and 3). We can say that we have already completed the centralization of consumption data for utilities and kilometers traveled by our fleet of vehicles. Of course, Norofert is a company whose raw materials and products are measured in thousands of liters and tons, which require transportation. From such monitoring we can get to know our emissions better and manage this risk.

Profitable investments

We are also analyzing the opportunity for technologies for renewable energy generation, thermal energy recovery and better water management.

Applications have been submitted for projects that also have a photovoltaic panel component. We are in an ongoing process of securing funding in this area, in order to streamline our operations, first and foremost, but also to reduce our carbon footprint.

Robust policies

As previously mentioned, we began the process of developing the reporting system by publishing financial results for the 1st quarter, optional reporting for AeRO market issuers, waste management policy, whistle-blowing program, security and health for contractors, green procurement policy, and policy involvement policy. We are also pursuing a greater involvement in the community, a strong marketing program and quality control, etc.

CONCLUSION

We believe that this non-financial sustainability report comprised of our environmental impact and ESG rating, brings a greater degree of transparency and clarity regarding our business model, which is structured on three main pillars:



In the first part of the report, our stakeholders can better understand how Norofert is an integrated system of organic farming with a positive impact on industry by largely eliminating GHGs from the production of agricultural inputs. Our main strategy, which aims to increase the customer base by financing thousands of hectares of organic farming, helps each farmer to obtain a healthier soil, by accessing the entire spectrum of necessary advice. At the end of the process, farmers have access to a processing client through our trading activity. Moreover, by operating our vegetable farm we aim for economic development, which will facilitate research, but which can serve as a platform for good practices in organic farming. The farm also helps us reduce our carbon footprint by sequestering carbon, which is possible with our products. In addition, the process of photosynthesis produces oxygen.

In the second part of the report, Norofert SA set a new standard for non-financial reporting among companies listed on the ATS - AeRO segment of the Bucharest Stock Exchange, by voluntarily generating an ESG analysis and obtaining a rating from Sustainalytics (Morningstar). This rating is published on their platform for international investors, along with the analysis of over 14,000 companies. Later, explanations followed on what a ESG report is, the criteria behind the analysis, and how it should be read and then interpreted. **For the first year of reporting and rating ESG Norofert SA received a score of 35.8.**

Norofert SA occupies the 17th position out of 56 companies in the agro-chemical sub-industry. Obtaining the rating and completing the ESG report took 4 months from initial contact to publication in the Sustainalytics database. We consider the rating to be a good one, which we can improve by monitoring and collecting data, profitable investments and robust policies, as we explained above, observing the international standards.

Norofert SA aims through concrete steps to become a company with a positive impact on the industry, aiming at climate neutrality in operations, according to ESG requirements.

This type of report will be published on a recurring basis and, in addition to informing Norofert SA stakeholders, will also help attract new customers, diversify suppliers, but also in securing more advantageous financing, investment programs and attracting new employees and high-performing collaborators.

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GRI 303	303-5 Water consumption	10
GRI 304	304-2 Significant impacts of activities, products, and services on biodiversity	4,26
GRI 403	403-1 Occupational health and safety management system	25

ACKNOWLEDGEMENTS



Thank you for your support in our efforts to become a company with a positive impact on the industry.



Contact

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Norofert SA

Agricultural Chemicals Romania BSE:NRF

ESG Risk Rating

35.8

Updated May 8, 2022

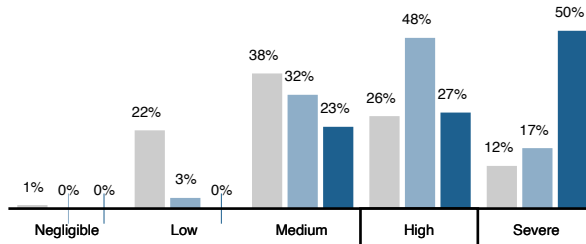
Not available

Momentum

High Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk)	(1 st = lowest risk)
Global Universe	11803/14735	80th
Chemicals INDUSTRY	304/466	66th
Agricultural Chemicals SUBINDUSTRY	17/56	30th

Peers Table

Peers (Market cap \$0.2 - \$0.2bn)

	Exposure	Management	ESG Risk Rating
1. Syngenta AG	56.6 High	60.9 Strong	26.0 Medium
2. OCP S.A.	67.1 High	66.2 Strong	27.5 Medium
3. Norofert SA	59.3 High	44.2 Average	35.8 High
4. Consolidated Energy Finance SA	58.0 High	9.1 Weak	53.2 Severe
5. Marrone Bio Innovations, Inc.	70.1 High	16.5 Weak	59.7 Severe