

2023 SUSTAINABILITY REPORT



Contents





Statement of the CEO



Jan G. de Boer
President & CEO,
DN AGRAR

For the second year, we are reporting our initiatives and progress in terms of governance, environment, and social impact.

Our commitment to sustainability is reflected in our strategic initiatives, aimed at minimizing environmental impact and promoting responsible business practices.

In 2023, we continued our investments for improving animal welfare, as well as for more efficient operations in terms of energy and fuel consumption leading to a **reduction in energy intensity** of 14%.

Also, we see the **benefits of implementing technology and innovation**, namely the reduction of manual labor due to the automatization of certain steps of the milking process in two of our farms. Further impact is expected starting with 2024.

We have expanded our manure storage capacity by 60% and made **significant progress on our compost factory**, with operations expected to begin in the third quarter of 2024.

On the **governance side**, we have continued to streamline our organizational setup and to strengthen the governance framework with additional policies, aiming to enforce our commitment to transparent and responsible business conduct.

We continue to support the **development of local communities** through various social and educational initiatives, and we are committed to providing a safe and supportive workplace, ensuring zero tolerance for discrimination and harassment. We are a significant partner of the Maria Beatrice organization, which is building the first Medical Campus dedicated to the premature child in Romania.

Our proactive **communication with investors** resulted in an increased share liquidity and recognition in the capital markets. We remain dedicated to maintaining transparency and delivering value to our shareholders, through sustainable growth and robust financial performance.

In 2023, we saw remarkable growth and success across various aspects of our business, both at operational and financial levels.

As we move forward, we will continue to implement innovative farming practices, to continuously improve our products and processes, and to remain committed to our sustainability goals, driving positive change for our environment, community, and stakeholders.



2023 Key Results



Key Operational Results

+14%

milk deliveries

+20%

number of animals

+43%

cereal production



Key Financial Results

+0.06%

turnover

+62.6%

net profit

+24.5%

EBITDA

+11%

personnel expenses

+15%

social insurance contributions

Key Sustainability Results



-14%

energy intensity*

-2%

energy consumption



-16%

fuels intensity*

-4%

fuels consumption

+30%

water consumption

+13%

generated waste



32% women, above national and local averages

0

food safety incidents

fatalities and work-related incidents

discrimination & corruption incidents

*energy and fuels intensity as consumption per delivered 1,000 milk liter



DN AGRAR Group Structure

DN AGRAR GROUP S.A. (also named in this Report “DN AGRAR” or “the Group”) is the largest integrated zootechnical farm in Romania, with cow milk and vegetable production. The group operates in 3 counties of Transylvania: Alba, Sibiu, and Hunedoara.

The company was founded in 2008 by Jan Gijsbertus de Boer and is listed on the Bucharest Stock Exchange, on the AeRO market, since February 2022.

As of September 19th, 2022, DN AGRAR shares are included in BETAeRO index of the most traded companies in the SMT Multilateral Trading System.

Starting March 1, 2024, DN AGRAR shares are part of the MSCI Frontier IMI and MSCI Romania IMI (Investable Market Indices) indices, in the Small Cap category.

Streamlining our organizational structure was a priority for 2023, and therefore, we undertook all the necessary steps to further integrate our activities. Our optimization project targeted the reduction to 10 companies (DN AGRAR GROUP S.A. and 9 subsidiaries) starting with 2024. Compared to 2023, 5 companies were either absorbed or closed in 2024, and the shareholding structure was modified for DN AGRAR CUT S.R.L., DN AGRAR GROUP S.A. becoming the only shareholder.

DN AGRAR GROUP S.A. holds, direct or indirect, a majority share of 100% in its subsidiaries, which allows for a tightly integrated operational approach across all aspects of its business, from crop production and dairy farming to logistics and service provision.

DN AGRAR GROUP S.A. and its affiliated companies (100% direct and indirect shareholdings)

- DN AGRAR CUT S.R.L.
- LACTO AGRAR S.R.L.
- DN AGRAR STRAJA S.R.L.
- DN AGRAR HOLDING S.R.L.
- DN AGRAR SERVICE S.R.L.
- DN AGRAR PRODLACT S.R.L.
- DN AGRAR LOGISTICS S.R.L.
- DN AGRAR APOLD S.R.L.
- PENSIUNEA CASA BUNA S.R.L.



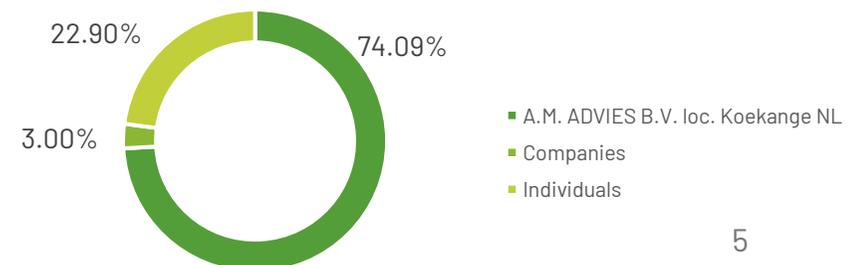
Optimized
Group structure
starting 2024

- DN AGRAR CÂLNIC S.R.L.
- PRODAG GARBOVA S.R.L.
- DN AGRAR TRADING S.R.L.
- DN AGRAR BIO S.R.L.
- DN AGRAR GREENFIELD S.R.L.



Merged or
closed starting
with 2024

DN AGRAR GROUP S.A. had the following shareholding structure at 31.12.2023:





Key Activities

At European level, in 2023 the dairy market has been volatile, influenced by economic factors. Consumption has remained robust, with some notable changes in consumer preferences and behavior.

In the dairy sector in Romania, there was a 6.2% increase in the quantity of milk collected in 2023, one of the highest growth rates in the European Union. In the region, Bulgaria reported a growth of 4.2%, Poland 1.9%, while Hungary experienced a decrease of 3.3%.

Also, the imported milk volumes decreased by 21% compared to 2022.

The milk price saw a decrease of approximately 37% in Q4 2023 compared to Q1 2023.

In 2023, the National Strategic Plan (PNS) 2023-2027 came into force, implementing the **EU Common Agriculture Policy** and bringing new requirements for farmers.

The objectives of the PNS are:

- Promoting an intelligent, resilient, and diversified agricultural sector to ensure food security, increase farm viability;
- Strengthening market orientation and enhancing the competitiveness of the agri-food sector;
- Fostering the socio-economic development of rural areas.

DN AGRAR was involved in relevant discussions, and we adjusted our activities to comply with the new requirements and to be able to benefit from the proposed subsidies.

DN AGRAR - the largest integrated player in milk production sector



Milk Production

Largest milk producer in Romania

4 zootechnical farms

over **14,000** total number of cows

over **3,300** young cattle

approx. **55 mil** liters of sold milk



Cereal Production

Significant cereal production, covering the internal needs

7,145.38 hectares of land

Alba, Sibiu and Hunedoara counties



Logistics & Services

Service, maintenance and logistics for own needs and external partners

Modern fleet of vehicles and agricultural equipment



Our Farms

	DN AGRAR CUT	LACTO AGRAR	DN AGRAR APOLD	DN AGRAR PRODLACT
Location	Câlnic, Alba County	Vaidei, Hunedoara County	Gârbova, Alba County	Pianu de Jos, in Alba County
Main activities	Cow's milk production Cereal production	Cow's milk production Young cattle Cereal production	Cow's milk production Young cattle Cereal production	Young cattle
Key figures	2,100 dairy cows 40,000 liters/day 300 cows milked/hour	4,000 dairy cows 53,000 liters/day 350 cows milked/hour Largest milking parlor in Romania	over 4,800 dairy cows and young stock 65,000 liters/day 400 cows milked/hour	over 3,300 young cattle



Main changes in 2023

- +20% in number of cows;
- + 14% in milk deliveries;
- Manual labor reduction;
- Industrial robots for udder disinfection in 2 farms;
- New igloos and boxes for young cattle and adult cows;
- Increased manure storage capacity & new transportation system;
- Optimized management system for young stock;
- Strategic optimization impacting operational costs (stables rent reduction).

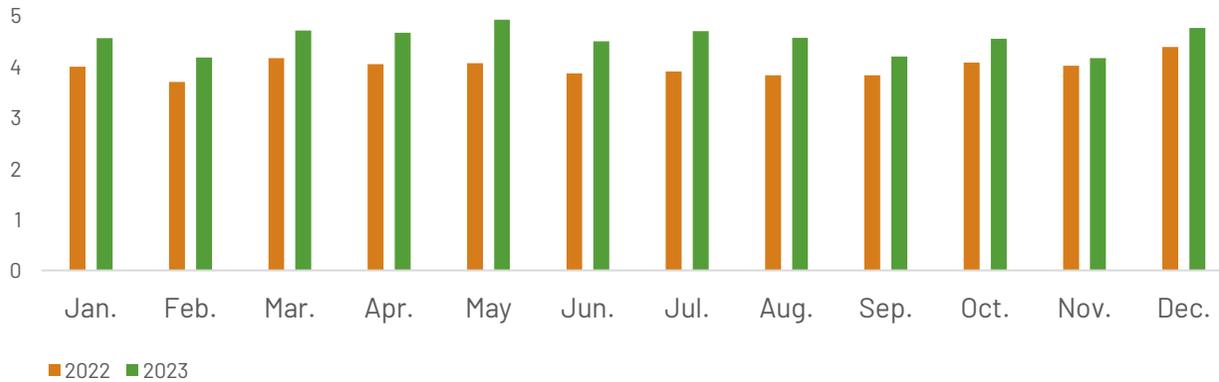




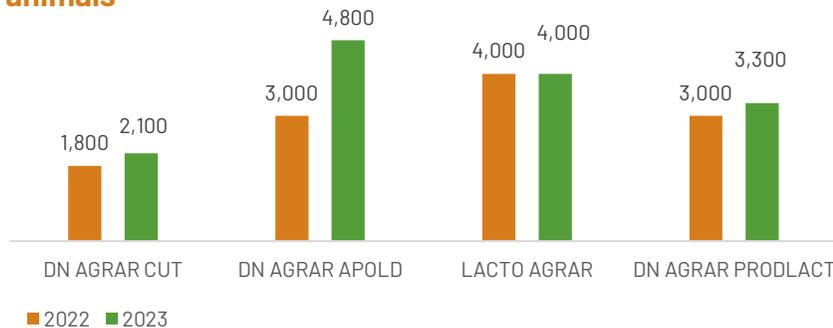
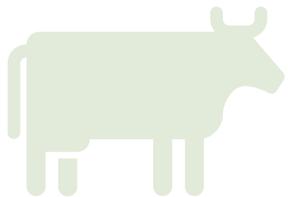
Our Farms

In 2023, DN AGRAR increased its annual milk deliveries by 14%, compared to 2022.

Monthly milk deliveries, mil. liters



Evolution of the number of animals





Cereal Cultivation

In 2023, DN AGRAR worked on a surface of 7,145.38 ha, similar to 2022. Out of this total surface, 977.9 ha are owned by DN AGRAR, and 6,167.51 ha are leased land.

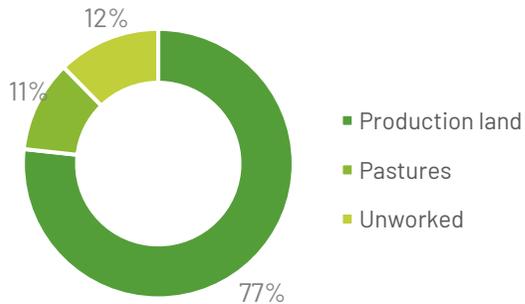
The vegetal production significantly improved compared to 2022, mainly for triticale (+73%) and Alfalfa (+74%), amounting to a total of 95,319 tons. Maize represented the biggest production (51,254t), followed by triticale and alfalfa.

A significant part of our vegetal production (90%) is used to provide the fodder base for DN AGRAR's cow farms (silage maize, alfalfa, silage triticale, grass, wheat straw) and to pay the land rent (for those opting for cereals). The only part of DN AGRAR's production that is subject to sale is sunflower and barley, if cultivated in the respective year.

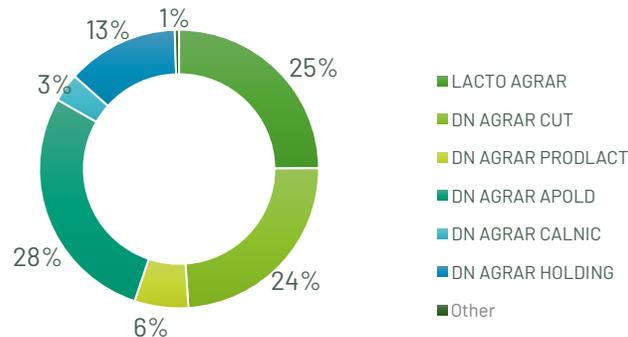
DN AGRAR owns **storage facilities** for grains and for plants that are consumed entirely. The grain is stored in a modern grain storage silo, inaugurated in 2018, which has a capacity of 10,000 tons, consisting of 10 vertical cells with a capacity of 1,000 tons/cell, providing integrated services for grain reception, analysis, weighing, storage, conditioning, and drying. Animal feed is stored on the farms and is used daily.



Types of land



Farm size, by land surface





Logistics

The logistics and agricultural services segment of our operations is covered by two companies of the Group, DN AGRAR SERVICE S.R.L. and DN AGRAR LOGISTICS S.R.L.

DN AGRAR SERVICE S.R.L. offers comprehensive agricultural services for all companies in the Group. With modern fleet of machinery, including tractors, agricultural equipment, trailers, and trucks, ensures efficient farming operations and transportation of crops.

DN AGRAR LOGISTICS S.R.L. specializes in logistics, focusing on grain and cow's milk transportation nationally and throughout Europe. Both entities prioritize efficiency and safety, utilizing advanced GPS fleet monitoring systems to optimize transport routes and ensure timely deliveries.

With specialized vehicles equipped for safe transportation, they provide reliable solutions for agricultural and freight transport needs.

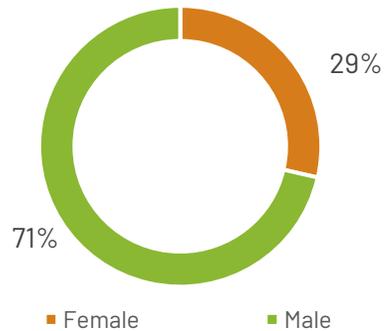




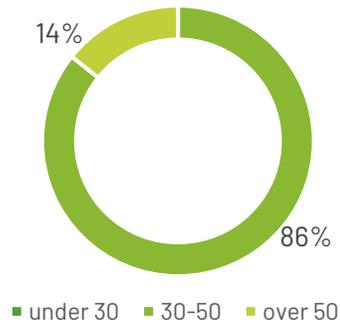
Our Management Team

Our management team is composed of 7 members, out of which 5 are employed from the local community.

Management, by gender



Management, by age



Jan Gijsbertus de Boer

Function: CEO
Founded DN AGRAR in: 2008
Nationality: Dutch
Experience: A graduate of the Higher Institute of Agriculture in Groningen and a founding member of DN AGRAR, Jan Gijsbertus de Boer has a large experience in the field of agri-business, accumulated over 20 years.

Arriving in Romania in 2008, he found here the people and the conditions to building a business in agriculture and especially dairy farms. He put into practice all the knowledge gained in the years of leadership from the farms in the Netherlands and Germany. Thanks to the efforts made, DN AGRAR became in 2022, the largest integrated livestock farm in Romania.



Peter Hilbertus de Boer

Function: Investor Relations Manager
Part of DN AGRAR since: 2019
Nationality: Dutch
Experience: Peter is a graduate of the Faculty of Law and Business Administration at Leiden University, the Netherlands, as well as the financial evaluation and modeling course at the CFI Corporate Financial Institute. He is part of the DN AGRAR team since 2019, as Strategic Corporate Financial Manager and Investor Relations Manager. Due to his experience, Peter is responsible for leading the administrative departments of the DN AGRAR group of companies, he is responsible for establishing and implementing HR strategies, as well as the strategy of digitization of the companies within the group, by implementing an ERP system and a management software for agriculture. From the perspective of the relationship with the investors of DN AGRAR, Peter is responsible for maintaining an efficient, constant and transparent communication, ensuring a long-term partnership with them.



Ștefan Gabriel Țico

Function: Economic Director
Part of DN AGRAR since: 2008
Nationality: Romanian
Experience: Gabriel holds the position of Economic Director within DN AGRAR, since 2008.

“Being at the beginning of the road, DN AGRAR offered me the opportunity to develop professionally, together with a young and motivated team, which had a bold goal: to become the largest agrozootechnical farm in Romania.”

He is a graduate of the “1 DECEMBRIE 1918” University of Alba-Iulia and holds a Master’s degree in Public Administration.

He is professionally licensed as a Chartered Accountant and a member of CECAR since 2011.

Before joining DN AGRAR, Gabriel was at a company specialized in the processing of ferrous and non-ferrous metals.



Our Management Team



**Adina
Trufaș**

Function: Livestock Farms Manager

Part of DN AGRAR since: 2011

Nationality: Romanian

Experience: Adina is a graduate of the Bucharest Academy of Economic Studies and has a Master's degree in Audit and Accounting Expertise. Due to her high interest in animal husbandry, she attended qualification courses and has specialized in countries such as Ireland, England, Italy and the USA.

She is part of DN AGRAR team from 2011, starting as responsible of the Lacto Agrar farm.

Due to her involvement, experience and the performances accumulated within the farm, starting with 2015, she is the Manager of Livestock Farms of DN AGRAR GROUP SA.



**Mihaela Laura
Nicula**

Function: Chief of Accountancy Department

Part of DN AGRAR since: 2011

Nationality: Romanian

Experience: Mihaela is the Chief Accountant within DN AGRAR, since 2011. She ensures the organization of the financial-accounting activity of the company and she is responsible for the timely fulfillment of the obligations towards the state budget and towards third parties.

She is a graduate of the Babes-Bolyai University Cluj-Napoca and holds a Master's degree in Accounting Audit. She is professionally authorized as a Chartered Accountant and is a member of CECCAR since 2010.

Before joining DN AGRAR team, Mihaela was a legal loans analyst and a member of the loan approval committee within a banking institution, as well as an economist in a company with a similar profile.



**Bogdan-Ioan
Dan**

Function: Vegetal Production Manager

Part of DN AGRAR since: 2012

Nationality: Romanian

Experience: Bogdan started his career as Head of Farm within DN AGRAR in 2012, and since 2017 he holds the position of Manager of vegetal production within DN AGRAR GROUP SA.

He is responsible for the organization and planning of the agricultural works within DN AGRAR, for the quality and quantity of the crops that are produced annually, for the processes of treatment and storage of the seed lots, as well as for the coordination of the entire team of agronomists within the company. He is a graduate of the University of Agricultural Sciences and Veterinary Medicine Cluj-Napoca - Faculty of Agriculture, specializing in Agriculture and holds a Master's degree in Organic Agriculture, graduated in 2011. He is professionally authorized by ANF, is a grader authorized by CNGSC Romania and is authorized by ITCSM România.



**Marian Mircea
Rusu**

Function: Technical Director

Part of DN AGRAR since: 2008

Nationality: Romanian

Experience: Marian is graduate of the "1 DECEMBRIE 1918" University of Alba-Iulia - Faculty of Sciences, Specialization Cadastre, and is professionally authorized, starting with 2012, for the realization of the geodesy and cadastre works, category B.

He has been part of the DN AGRAR team since 2008, starting his activity as a topographer engineer. Due to his dedication and the performances accumulated within the company, starting with 2011, he holds the position of Technical Director within DN AGRAR GROUP SA and is responsible for the activity of the Topography Department.

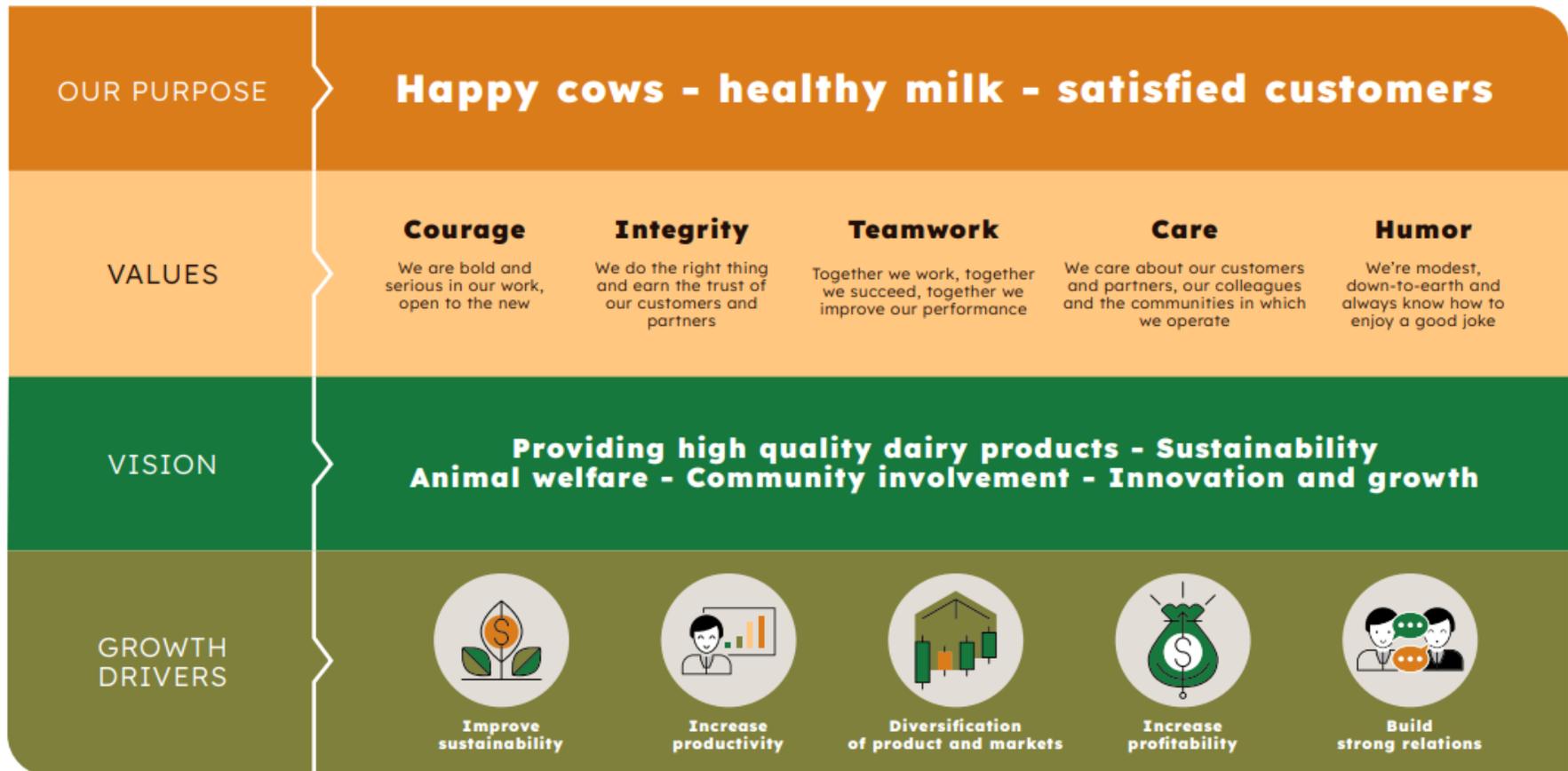


Sustainable Growth Strategy



At DN AGRAR, our aim is to be a leader in sustainable agriculture, ensuring economic viability while preserving environmental resources and contributing positively to the communities we operate in.

Our strategy is built on the foundation of integrating sustainable practices into our operations, from milk production to cereal cultivation.





Impact & Materiality

Material Topics

Environment

Animal Welfare

Environmental Impact



Social

Consumer Safety

Community Investment

Working conditions, diversity and professional development



Governance

Supply Chain Sustainability

Economic Performance



Disclosures in the Report

Approach to processing of animal products, animal transportation, handling, housing, animal health

Energy & Waste Management

Water Management

Sustainable Farming Practices

DN AGRAR Impact



Employment practices, approach to diversity, approach to professional development

Approach to customer health and safety

Approach to community development, philanthropy actions



Governance Framework, approach to business ethics

Our financial results





Sustainability Objectives

DN AGRAR's sustainability objectives

- Continuous development and **improvement of the governance framework** and simplification of the company's organizational structure;
- Continuation of the practice of **sustainable agriculture**, the application of food safety standards and innovative farming techniques in order to reduce environmental impact;
- Implementation of key projects for the **sustainable development of the company**, such as the compost factory, the solar energy production plant and new investments in technology;
- Further developing **a sustainability mindset** within the DN AGRAR team;
- Continuing to invest in the **professional development** of our specialists;
- Continued integration of **sustainability-relevant key performance indicators** into DN AGRAR activities.



Strategy Implementation

To achieve these strategic goals, we are:

- Leveraging advanced agricultural technologies to enhance productivity and sustainability;
- Implementing ERP systems to integrate data across different functions, improving decision-making and operational efficiency;
- Strengthening our governance structure to ensure compliance with environmental laws and ethical standards.



Sustainability Objectives

Risks

Climate-Related Risks

Extreme weather events, water scarcity, temperature variability, pest and disease outbreaks.



- crop diversification;
- sustainable farming techniques;
- low soil disturbance;
- low water use equipment;
- usage of cover crops to maintain soil moisture;
- crop and livestock permanent monitoring;
- promote circular economy practices.

Operational Risks

Supply chain disruptions, equipment failure, limited human resources availability, health and safety.



- strengthen supplier relationships;
- diversify sourcing options;
- encourage suppliers to integrate ESG principles;
- implement technological advancements.

Financial Risks

Market volatility, financial stability of suppliers/client, payment delays, credit risk, intense competition.



- monitor market trends and adjust operational strategy accordingly;
- maintain strong financial health to secure favorable credit terms;
- establish strong partnerships.



Financial Performance

DN AGRAR's management approach to financial performance is centered on strategic investments, operational efficiency and market adaptability.

In 2023, the company has focused on expanding its production capacity and improving its operational processes to achieve significant growth in turnover and profitability.

Additionally, the implementation of advanced technologies for operations, process management and reporting has streamlined operations and improved financial oversight.

The company's proactive adaptation to market conditions, including the volatile dairy market and new regulatory requirements, underscores its commitment to maintaining a robust financial position and delivering long-term value to its stakeholders.

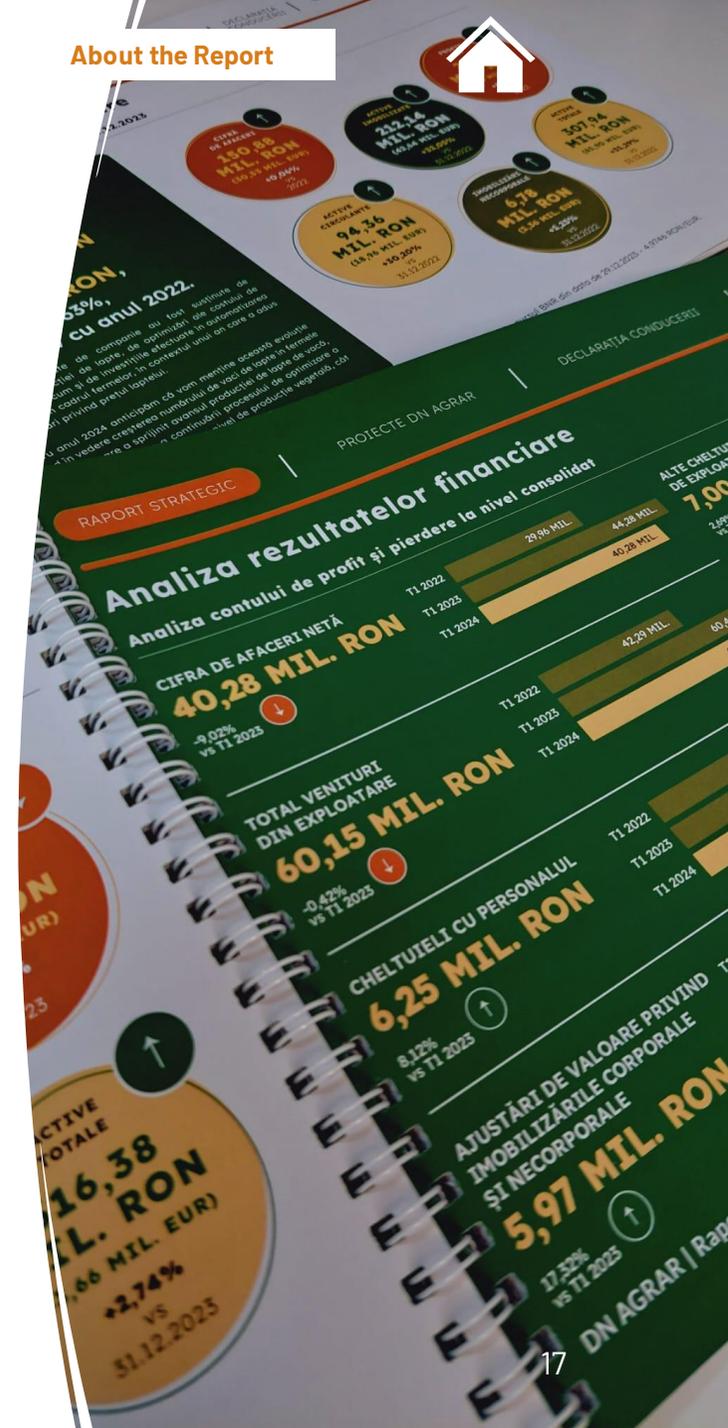
All the relevant financial information for 2023 are to be found in our [Annual Report](#).

Factors that impacted the consolidated financial results

- Increase in income from operating subsidies;
- Increased expenditure on depreciation compared to the previous year;
- Intra-group eliminations;
- Unrealized profit on feedstocks;
- Decrease in profit with minority interests to AM Advies BV;
- Expenses related to reevaluation differences;
- Increased cow milk production;
- Changes in the strategy for the growth of the young cattle herd;
- Higher production cost for crops;
- Decrease in cow's milk price.

↑ **62.6%**
in Net Profit

↑ **24.5%**
in EBITDA





The Corporate Governance Framework

Our investors expect transparency, responsibility, and ethical conduct in managing our business activities and we are committed to the development of our governance framework to meet these expectations.

The structures providing guidance and supervision of DN AGRAR activities are the **General Shareholders Meeting (GSM)** and the **Board of Directors (BoD)**, elected by the GSM.

The **Board of Directors** is in charge of the strategic oversight of the Group's activities, and together with the executive management deals with the overall functioning of the Group's companies.

DN AGRAR's Board of Directors consists of 5 members, out of which 2 are independent. All members have a 4 years mandate which will expire on July 1st, 2025.

The Board of Directors was involved in the 2023 sustainability reporting by participating in an annual workshop aiming both to review the current and future regulations, previous reporting exercise and prepare the current sustainability report. Topics such as the main impacts, projects, and sustainability performance were discussed with members of the Board, of the executive team, and other staff involved in sustainability reporting.

A final review of the 2023 Sustainability Report by the Board of Directors was conducted.

The General Shareholders Meeting (GSM) was convened 3 times in 2023, as follows:

Ordinary General Shareholders Meeting	27.04.2023, 24.11.2023
Extraordinary General Shareholders Meeting	27.04.2023

Board of Directors

Director	Role	Gender	Mandate
Jan Gijbertus de Boer	Chairman, Executive Member	Male	4 years
Marijke Geerts de Boer	Non-Executive Member	Female	4 years
Hilbertus Peter de Boer	Executive Member	Male	4 years
Gheorghe Sorin Șerban	Non-Executive Member, Independent	Male	4 years
Cristian Dan Bințița	Non-Executive Member, Independent	Male	4 years



The Corporate Governance Framework

The **Articles of Incorporation** represents the main corporate governance document, providing the main responsibilities of the General Shareholders Meeting, Board of Directors and executive management. The latest version of the Articles of incorporation may be consulted, both in Romanian and English languages on the company [webpage](#).



Additionally, the DN AGRAR Group aligns to the AeRO Market (Bucharest Stock Exchange) governance requirements. Further details regarding the compliance with the AeRO Market Corporate Governance Principles are available in the [2023 Annual Report](#), page 121.



Other **corporate governance documents** in force are:

- Business Ethics and Anticorruption Policy
- Remuneration Policy
- Dividend Policy

Documents elaborated in 2023 and under final review at the date of the Report:

- Board of Directors Charter
- Stakeholder Engagement Policy
- Supply Chain Sustainability Policy
- Human Resources and Training Policy
- Health and Safety Policy

The **Remuneration Policy** values and rewards the individual contribution of our directors and management team members to our business results. The benefits system includes two components, **fixed and variable**.

The **fixed remuneration** is set at a competitive level and aims to attract valuable professionals and to motivate them, according to the complexity of the job position.

The **variable component** considers the individual performance, the performance of the area of responsibility and the results of the company and the Group.

The evaluation process covers multi-annual results, in order to encourage long term performance and a prudent approach in decision making.

Remuneration type	Board of Directors	Executive Management
Fixed remuneration	Yes*	Yes
Variable remuneration	Stock Option Plan*	Stock Option Plan**

*GSM approval

**Performance linked

The **Dividend Policy** practiced by the Company aims to maintain a balance between rewarding shareholders through dividends and the need to finance new investments from the profit earned.

Maintaining this balance helps both to increase the investment attractiveness in the long term and to preserve the company's future development potential, ensuring the sustainable profitability of the activity, for the benefit of increasing the value created for shareholders.



The Corporate Governance Framework

Board of Directors Charter

The **Board of Directors Charter** sets the rules for selecting, nominating, and appointing directors, their roles, and responsibilities, including in relation to business ethics, conflict of interests, and the sustainable development of our companies.

Stakeholder Engagement Policy

Since we started the business in Romania, the core values of our business conducted the relation with our stakeholders and, as an important actor of the local business environment, we have always recognized the right of our stakeholders to be informed and involved. To this purpose, we have taken constant measures to eliminate possible barriers of language, gender or cultural.

Our Stakeholder Engagement Policy formalizes a set of activities already undertaken by our company and its representatives and encourages our stakeholders to address their concerns in constructive manner, as we provide full support for informing, clarifying, addressing, or resolving any situations generated by our operations that may have an impact on any category of stakeholders.





The Corporate Governance Framework

Business Ethics

The Business Ethics and Anticorruption Policy represents the commitment of DN AGRAR companies to respect the highest standards in business ethics and to prevent and address any corruption threats to the company's activities. Also, it lays the principles for avoiding conflict of interests and for ensuring a safe, fair and tolerant workplace, for all employees, regardless of their job position, gender, religion or ethnic group.

All members of the organization are encouraged to report any misconduct observed at the workplace, by using the communication channels provided by the company, including to the Board of Directors.

The Board of Directors has an active role in showing a firm engagement for ethical business conduct and for addressing any ethical concerns.

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corruption incidents



In 2023 there were no incidents of corruption, nor any legal actions for anticompetitive behavior, anti-trust nor monopoly practices.

Also, neither in 2023, nor before, no contributions from our company were directed to any political organization.

Responsible Business Conduct

Developing a robust corporate governance framework is important for promoting responsible business conduct.

By establishing clear policies, ethical standards, and transparent reporting mechanisms, a well-structured governance framework ensures that our company adheres to legal requirements and ethical norms, while fostering accountability and integrity throughout its operations.

This structured approach helps in aligning business practices with stakeholder expectations and social values, thereby enhancing trust and sustainability.

Effective governance not only mitigates risks but also optimizes decision-making processes, which in turn secures the company's reputation and long-term success by balancing the interests of all stakeholders, including shareholders, employees, customers and the broader community.



The Corporate Governance Framework

Supply Chain Sustainability

At DN AGRAR, we are committed to managing our business in a manner that aligns with our values of sustainability, responsibility and ethical behavior.

In order to formalize and communicate DN AGRAR's commitment to sustainable, ethical, and responsible business practices within the supply chain, we drafted a **Policy for Supply Chain Sustainability**, encouraging our suppliers to integrate ESG principles into their businesses.

We have developed a **self-assessment form** for the annual collection of information from suppliers or at the initiation of commercial relationships with a supplier, to be implemented starting with 2024.



We cooperate closely with our suppliers for animal feed, agricultural inputs, fuel, farm equipment.

Our clients are milk processors, as well as beneficiaries of our cereal, animals or transport services.

Improved process management and reporting of results

In 2023, we continued to implement the SAP tool for managing and reporting the company's activities. This will result in consolidated business processes, automated daily operations and advanced management and reporting functionalities, a process that will be completed in 2024.

For DN AGRAR, implementing SAP will drive better governance by enforcing standardized procedures, ensuring compliance, enhancing transparency and data security, and integrating business functions.

This leads to more effective control and oversight, critical for any company looking to improve its governance framework.





Stakeholder Engagement

Stakeholder Engagement – strategic shift from local to national player

Ever since starting our business in 2008, we prioritized developing strong relationships with local stakeholders, a strategy that has helped us build a robust community-centric brand. This focus on local engagement has fostered deep-rooted connections and a solid understanding of community needs, driving sustainable growth and mutual benefits.

In 2022, as our company was listed on the BVB AeRO Market, we started a shift in our communication and stakeholder engagement strategy.

This transition expanded our focus to include a broader array of stakeholders, such as investors, analysts and global partners.

The listing not only enhanced our visibility and credibility in the market but also diversified our engagement strategies to meet the expectations of this new, wider audience, while continuing to value our community relationships.



Our Stakeholder Management Policy brings more clarity and structure to stakeholder communication and addressing concerns.

Our Network



Association of Cattle Breeders "HolsteinRo"



"Largest production and investments in Agriculture"
Award, Agriculture segment, Large farms, Best of Business Gala, Alba County Council



Alba Chamber of Commerce and Industry Excellence Award

Our Stakeholders



Investors



Employees



Authorities



Partners & Clients



NGO & Local Community



Education



Media

Stakeholder Category	Engagement Examples
Investors	Regular conferences & reports, General Shareholders Meetings, meetings with investors, newsletters, events with investor clubs & brokers.
Employees	Employee evaluation yearly, teambuilding, informal events.
Authorities	Attending meetings, regular reports, visits from the authorities in the farm on different occasions.
Business Partners & Clients	Negotiation & contract, meetings with suppliers (plans and aligning strategies).
NGOs & Local Community	Philanthropy, social projects, conferences, meetings, debates, videocalls.
Education	Partnerships, internships, events organized Dutch education institutions from the Netherlands and local Chamber of Commerce.
Media	Press releases, events, interviews, conferences.



Investors Relations Activity

In 2023, DN AGRAR dedicated its efforts to **enhancing interactions with investors**, focusing on proactive communication and adopting best practices in investor relations.

This approach led to notable growth in our investors' community, increased liquidity, and recognition of our efforts by the individual investors who voted us as the **"Best Company in IR" at the GALA by ARIR 2023**.

Main IR achievements of 2023

- **Investor Day** event, first edition, with over 60 participants visiting the company's headquarters and operational sites;
- **Market Making services**, aimed at supporting the liquidity of DN AGRAR shares;
- Three **capital market analysts started following** DN AGRAR's shares - BRK Financial Group, Prime Transaction and TradeVille;
- **Dedicated newsletters** sent to the investors' community (including quarterly communication of operational results);
- **New investor relations tools** including a dedicated website, quarterly conference calls, newsletters;
- **Attending local and international conferences** dedicated to institutional and individual investors to present the company.



2 x

Number of investors
vs 2022



75.82%

Capitalization
vs 2022



67.38%

Equity/Share
vs 2022





Investors Relations Activity



Investor's Day, first edition & new website and interactive tools



Results presentations & newsletters & trading and operational reports



Speaker at capital markets dedicated events



Press releases and media appearances in dedicated publications



Best Company in IR 2023 at the GALA by ARIR 2023



Nomination for the "Public Listed Company of the Year 2023", Business Review Awards



The maximum score - 10, at the VEKTOR by ARIR evaluation from 2023, an increase from 8.5 score obtained in 2022 evaluation





Environmental Performance

As a responsible leader in milk production sector, we are deeply committed to integrating sustainability into every aspect of our operations. Our comprehensive environmental strategy is designed to minimize our ecological footprint, safeguard natural resources and promote the resilience of our agricultural practices.

This commitment is outlined in our clearly defined **specific objectives:**

1. **Animal Welfare:** Commit to the highest standards of animal welfare, ensuring that all animals are treated with care and respect, promoting their health and well-being.
2. **Energy Consumption Efficiency:** Enhance the efficiency of energy use across all operations, to reduce overall consumption.
3. **Reduce Emissions:** Target sector-specific emissions reductions through innovative technologies and process improvements.
4. **Manage Climate-Related Risks:** Identify, assess and mitigate risks associated with climate change, to ensure operational sustainability.
5. **Biodiversity Conservation & Ensure Soil Health:** Implement sustainable agricultural practices that maintain and improve soil quality and productivity. Preserve and enhance biodiversity on our farmlands and surrounding environments.
6. **Improve Waste Management Practices:** Optimize waste management to reduce, reuse and recycle materials wherever possible.
7. **Reduce Water Usage:** Implement measures to decrease water consumption and increase water use efficiency, throughout our production processes.

These objectives guide our efforts to operate in a responsible and sustainable manner, ensuring that we contribute positively to environmental conservation while continuing to produce high-quality milk.





Animal Welfare

Approach

Our commitment to animal welfare is central to our management philosophy, and we actively strive to ensure the health and well-being of our livestock through a comprehensive set of initiatives.

To this end, we have developed a management approach that encompasses several key objectives aimed at enhancing the conditions and care of our animals:

1. **Preventative Health Measures**
2. **Implement New Technologies**
3. **Ensure Optimal Living and Feeding Conditions**
4. **Ensure Young Stock Development**

By focusing on these objectives, our management approach not only adheres to high standards of animal welfare but also aligns with our overall commitment to sustainability and responsible farming practices.

With this approach our animals are not only productive but also healthy and well-cared for, which in turn supports the quality and safety of the milk products we proudly produce.

Actions

Preventative health

- Hooves health check-ups and preventive measures for hooves health;
- Vaccinations as disease risk mitigation;
- For mastitis prevention, we installed an udder disinfection robot in Lacto Agrar and Cut farms, especially designed for rotary milking parlors;
- Our animals are under **24/7 monitoring** by a dedicated team that includes 20 members, both veterinarians and caring specialists.

New technologies for improving the milking process and milk quality.

Optimal living & feeding conditions - in 2023 we have built new shelters in Apold farm, for both adult cattle and young stock.

Starting with 2023 we use dedicated software for **improved nutrition** (Cow Connect), available on all farms, monitoring the feed distribution via mobile devices.

To improve our rate of female calves in the total number of births, **we use sexed semen in our breeding activities.**



2023 Results

- Mortality rate under 10%;
- Udder disinfection robot in Lacto Agrar and Cut Farms ;
- 200 new igloos in Apold farm;
- 800 new boxes for young stock;
- 1,000 boxes for adult cows;
- Feeding monitoring software on mobile devices;
- Optimized management system for young stock.



Energy & Emissions

Approach

Circular economy practices, energy consumption optimization and responsible waste management are integrated into the company's daily activities.

Energy consumption is mainly associated with fuels used by agricultural machinery during field works, as well as transportation. The volume of work depends on the specificities of the year, including meteorological conditions. Natural gas is used for administrative and storage facilities.

Electricity consumption is mainly associated with farm activities and technology implementation.

Consumption monitoring systems and sustainable agricultural practices contribute to the reduction of fuels consumption in vegetal production.

Emissions reduction is another focus point of our management, and we have two major ongoing projects: the compost factory and the biogas production unit. The finalization of these two projects will allow us to reduce emissions and to develop additional business lines.

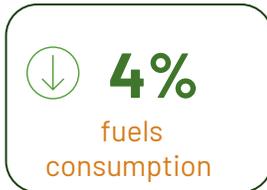
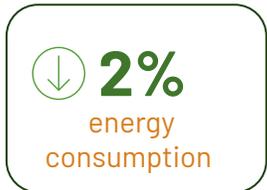
Also, we implement a multiannual project for **installing solar panels** on the farms' roofs and low productivity land.

Actions

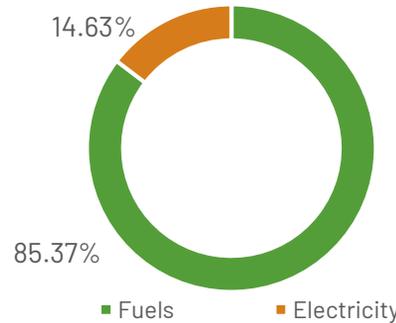
- GPS monitoring systems & fuel cards on agricultural machinery, allowing us to **strictly monitor fuel consumption**;
- Installation of **a manure transportation system** with pipes, reducing the necessary transportation needs from farms to fields;
- Implementation of **LED lighting systems** in our farms and **movement sensors** for improved light management;
- Starting in 2023, we **seek third-party certification for low emissions crops**, the results being expected in 2024;
- The monitoring of our fields for low emission certification has already started and, additionally, we implemented measures to increase the efficiency of digestion and metabolic functions in cattle, leading to **lower methane emissions**;
- Our minimum tillage agricultural practices contribute to **carbon sequestration** into the soil, therefore reducing the carbon footprint of our crops;
- **On the RES production**, in 2023 we completed the necessary documentation for 3 additional rooftop PV production projects (2,218 kW installed capacity), to be located at DN AGRAR Apold, DN AGRAR Cut, and Lacto Agrar farms. The projects were submitted to the financing authorities, in January 2024. The output of these electricity production facilities will be used for own consumption.



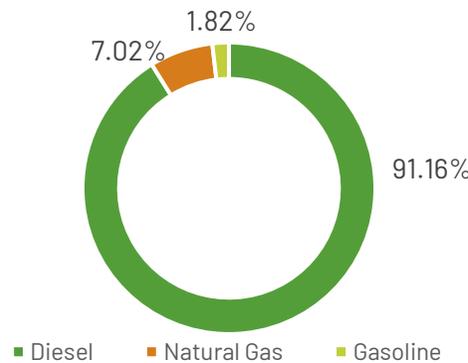
Energy & Emissions



Energy Consumption, 2023



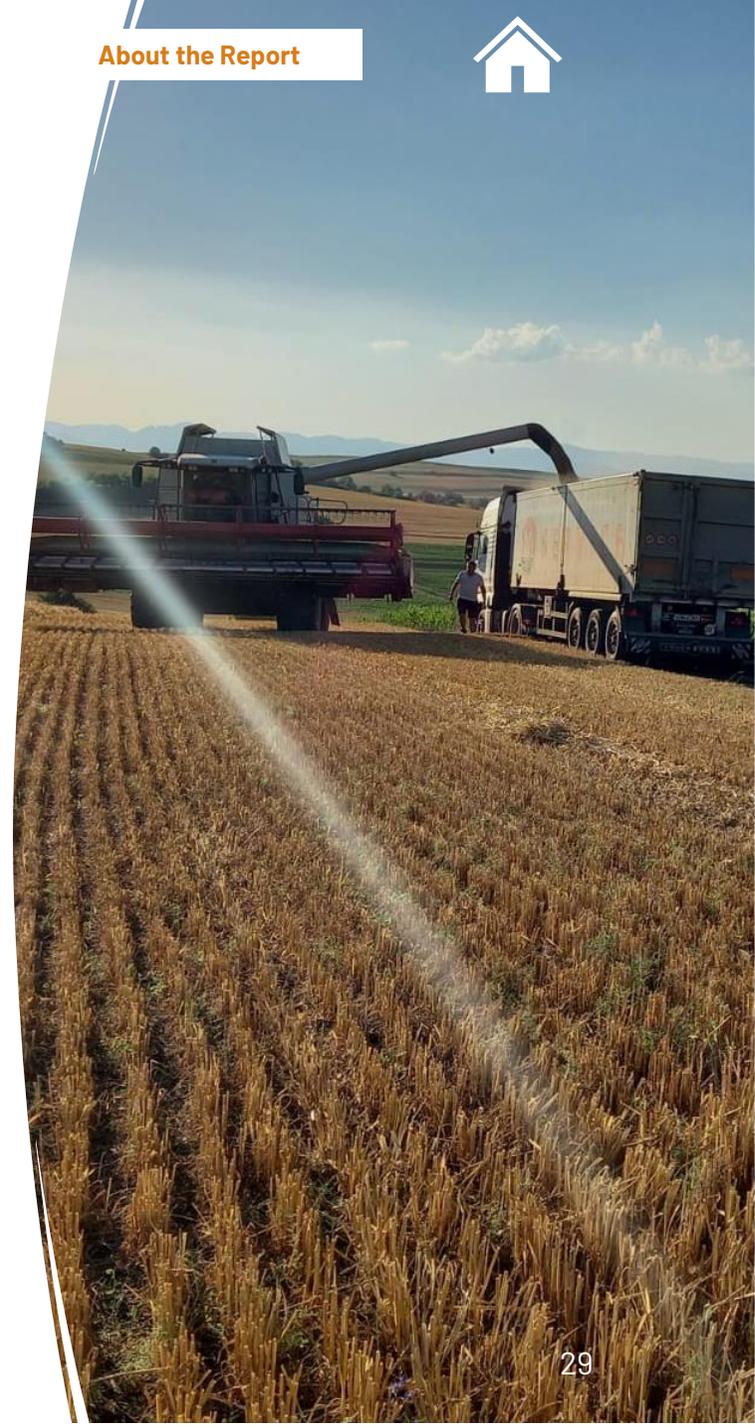
Fuels Consumption, 2023



2023 Results

- Improved monitoring of fuel consumption;
- New manure transportation system;
- LED & movement sensors installed for lighting efficiency, full impact to be seen in 2024 and 2025;
- 14% reduction in energy intensity* compared to 2022;
- 16% reduction in fuels consumption intensity*;
- Three renewable energy production projects for own consumption elaborated and submitted;
- Crop monitoring targeting low emissions crops certification, starting with 2024.

*energy and fuels consumption intensity is calculated as total toe/1000 liters of sold milk





Manage Climate Related Risks

Approach

In our field of activity, **managing climate-related risks** is crucial for ensuring long-term sustainability and operational resilience.

This involves adopting comprehensive risk assessment and response strategies that include diversifying crop varieties and livestock breeds to enhance resistance to climate extremes.

The **main risks associated with climate change** that may impact operational stability and productivity are:

- Extreme weather events;
- Water scarcity;
- Temperature variability;
- Pest and disease outbreaks;
- Soil degradation;
- Supply chain disruptions.

Actions

Minimum tillage and no-tillage technologies.

By minimizing soil disturbance, we preserve its structure and organic matter, which helps retain moisture and nutrients essential for crop growth. This approach not only reduces erosion, but also sequesters carbon into the soil, contributing to climate change mitigation.

Secondly, we have integrated the **use of cover crops** during both summer and winter seasons. Cover crops not only act as a protective blanket for the soil, reducing moisture loss through evaporation, but they also enhance soil fertility by fixing nitrogen and suppressing weed growth. By maintaining soil moisture levels, we are better equipped to withstand the impacts of climate variability, such as droughts or excessive rainfall.

Our prevention activities are backed by the **monitoring our crops via satellite**, so we are able to assess vegetation development and any problems that may appear in the fields.



2023 Results

- Reduced soil disturbance;
- Increased carbon sequestration;
- Improved soil humidity and pedological drought resilience;
- Improved crop monitoring system via satellite.



Soil Health and Biodiversity

Approach

Our management approach on soil health and biodiversity conservation focuses on precision agriculture, organic fertilizers and regenerative soil practices (crop rotation). We employ drones for localized pest detection and treatments, utilize satellite monitoring for crop health, and implement adapted crop plans, including cover crops, to maintain soil moisture and fertility.

By using minimum or no tillage agricultural works, as well as organic fertilizer produced from the manure generated on our farms, we ensure a minimum use of chemical fertilizers.

To conserve biodiversity, we maintain uncultivated surfaces by yearly cleaning works, we prohibit the burning of vegetal waste and spills in water bodies.

Within our land boundaries lie **two Natura 2000 sites, with a maximum overlap of 50 ha for each site**. These sites are **Podișul Secașelor and Piemontul Munților Metaliferi**. Conservation efforts primarily focus on preserving pastures, to prevent land conversion. We do not conduct operations in these specific areas, and we only work land that is solely dedicated to agricultural purposes. Moreover, there is an extension of the habitat for the *Aquila Clanga* (Screaming eagle) in Gârbova Village area and voluntary protective measures may be implemented in pastures.

Actions

In 2023, we have continued to invest in **precision agriculture for chemical fertilizers reduction** and, in addition to the usage of drones, we implemented **new equipment that reduces redundant application of treatments** by recognizing the area where such treatments were already applied, for example overlaying plot limits.

In 2023, **soil analyses were updated for all farms**, providing a more accurate visibility on the nutrient requirements for crop planning. The results showed clear improvements in the areas where organic fertilization with manure was applied.

Our operations do not impact the Natura 2000 sites and we are not engaged in the conversion of natural areas or deforestation practices.

2023 Results



- Precision agriculture - reduction of redundant treatments application;
- Improved crop monitoring via satellite;
- Updated soil tests with results showing optimum soil conditions.



Waste Management

Approach

Our waste management approach is mainly centered on enhancing manure management to reduce emissions and chemical fertilizers and develop additional revenue streams.

Our **manure management infrastructure** includes 8 lagoons, 9 smaller collecting basins and 2 collecting channels, amounting to a total collecting capacity of 163 thousand cubic meters.

Increasing lagoon storage capacity and constructing concrete platforms, helps us to minimize the risk of contamination and overflow, safeguarding local ecosystems and water sources.

By **using animal waste in our fields** soil quality is enhanced and the need for chemical fertilizers is reduced.

The **new compost factory** will start operations in Q3 2024 and it will become an additional business line to our existing activities.

Similarly, our plans to build a **biogas production facility** will allow us to convert organic waste into renewable energy (bio-LNG), reducing greenhouse gas emissions (mainly methane) by 90%, as shown by industry studies.

The **main categories of waste** generated by DN AGRAR are:

- Manure from farms;
- Mixed waste from farms and administrative activities;
- Paper and plastics (mainly from packages of phytosanitary products);
- Other waste, such as oils, iron, etc.;
- Animal waste (tissues).

Waste is either used at farm level or eliminated with the assistance of specialized contractors for waste treatment and recycling.

Actions

In 2023, **we extended our manure storage capacity** by adding 2 more lagoons, with a total capacity of over 50,000 cubic meters, in Apold and Lacto Agrar farms.

Additionally, we built a 3,500 square meters concrete platform in Lacto Agrar farm, increasing the storage capacity for solid waste.

Progress was also made in the compost factory, with the **finalization of the construction of the composting building, where the composting unit will be positioned.**

2023 Results



- Additional manure collection and storage lagoons (+60%);
- Additional concrete platform (app. tripled surface);
- Finalization of the building works for the compost factory;
- Increase in manure generation, in line with the increase in number of animals;
- 105.4 thousand tons of waste generated in 2023, for all operations and companies of the Group*.

*starting this year we included all companies of the Group in waste reporting. 32
In 2022 we reported for companies needing an environmental permit



Waste Management

The Compost Factory

In 2023, we completed the first 3 phases of this project, including the construction of the composting building, where we will place the composting unit.

The next stage is the installation of the equipment, the composting machine, the packaging line and the necessary auxiliary equipment.

The composting unit will be delivered from the supplier's headquarters in Japan in July 2024, and it will arrive at the Apold farm in August 2024.

After the equipment is installed, we estimate to start the operations at the compost factory in Q3 2024.

The composting factory's capacity will range between 20,000 and 25,000 tons annually, with a daily compost production of between 60 and 70 tons.

The project is part of DN AGRAR's strategy to diversify its activities and represents an important element in our sustainability efforts.

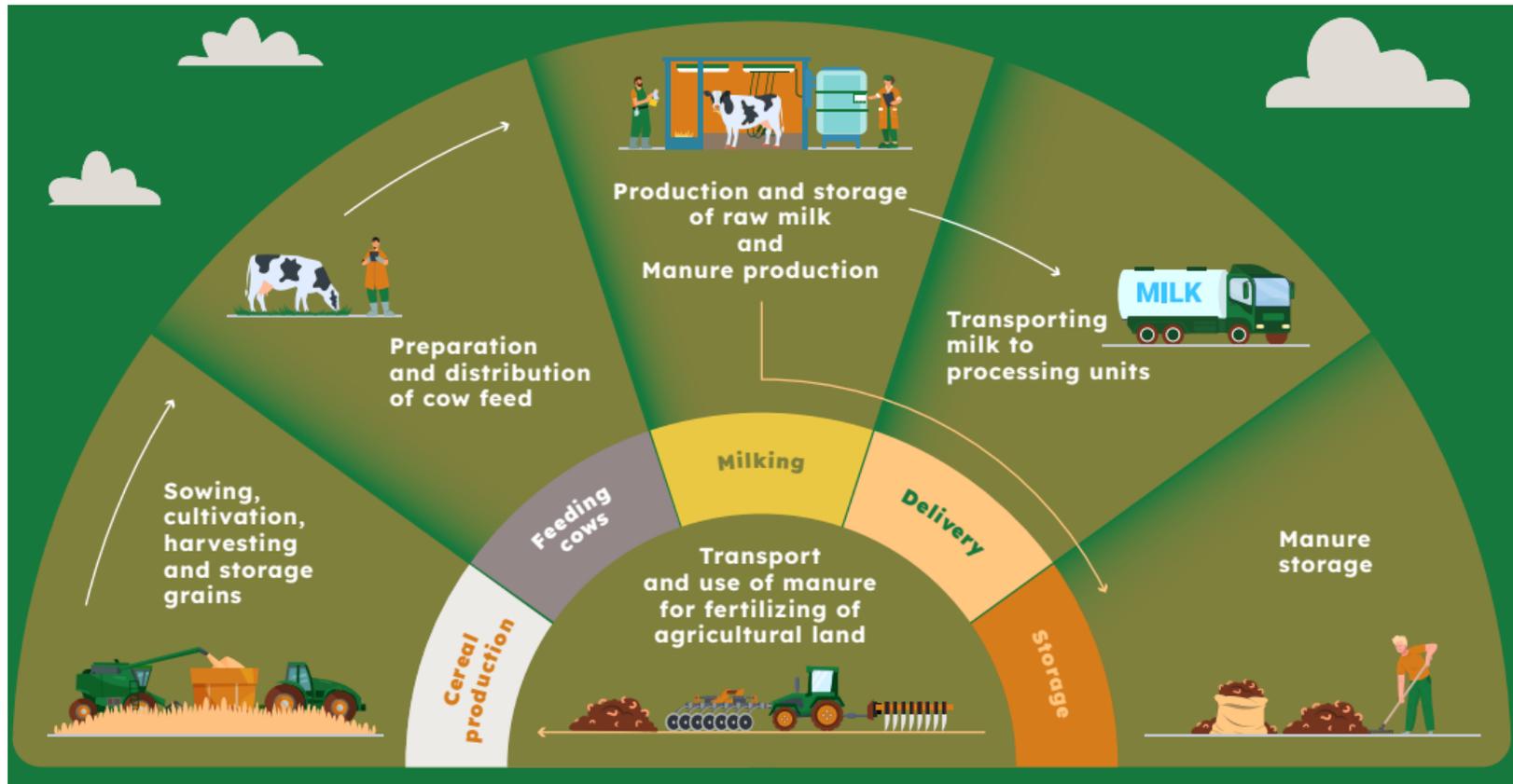


Illustrative picture of the composting equipment



Circular Agriculture

- The zootechnical activity carried out in our farms is based on the principles of **circular agriculture**, which is why we focus on the reuse of animal waste.
- Starting from 2022, we made significant investments to support us in the management of waste and the reduction of our impact.
- The compost factory and the biogas facility will allow us to further reduce greenhouse gas emissions generated by liquid and semi-liquid waste from manure.





Water Management

Approach

In agriculture, water is used mainly for irrigation and phytosanitary treatments. Considering geographical and legal limitations (related to land ownership), as well as significant costs, we do not use irrigation for our crops.

To reduce water use in agricultural production, we have invested in low water use equipment for phytosanitary treatments application.

In zootechnical farms, water is used for animal drinking, cleaning, cooling, and is therefore directly impacted by the evolution of the number of cows.

Water consumption in 2023 increased by 30% (up to 413.2 megaliters), correlated with the increase of the number of animals, as well as the installation of new udder cleaning equipment and adjustments to the water distribution system for cows.

Our sources of water are third party (public network) – 42% and underground water – 58%.



99% of the consumed water is used in our farms for our animals and a very small part for administrative or other purposes.





Employer Profile

In 2023, our team had a similar size to the previous year, reaching a total number of 275 employees (headcount) at the end of the year, mostly located in Alba County (71%).

All our work contracts are permanent, and 99% of our employees work full time.

All our employees are covered by a collective bargaining agreement and freedom of association is guaranteed by national legislation. Reorganization processes respect the legal provisions in terms of notifications and legal steps.

Our company only administrates payments to state pension schemes on behalf of its employees, in the percentages foreseen by the legislation.

In 2023, we conducted **the performance evaluation** for our employees working in management and administration, at Group level. Following this process, we identified specific needs and measures to address them:

- We implemented the **hybrid working system**, adapted to the requirements of each role;
- **Regular team events** (teambuilding, etc.);

Operational employees are evaluated at farm level, by their respective managers, with the purpose to continuously improve working conditions and individual skills.

In 2023, 52 persons (36 men and 16 women) left out companies, and 62 were hired (51 men and 11 women). Most of the new employees are aged between 30 and 50 years old. Our turnover rate is 18% (based on the YE 2023 number of employees).

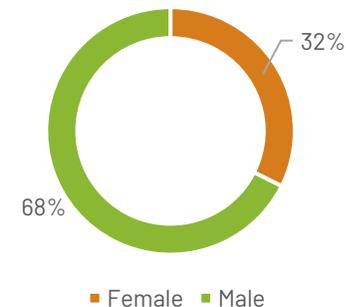
This year, a total number of 14 women and 19 men were entitled to parental leave, and as it is common for both parents to work in our Group, both parents are eligible for this type of leave.

A total number of 12 employees (11 women and 1 man) benefited from parental leave in the reporting period.

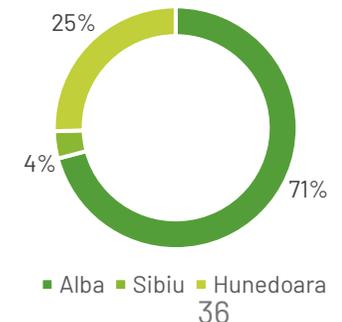
In 2023 our activities were supported by 29 daily workers (7 women and 22 men), a reduction compared with the number of daily workers we had in 2022. During the year, some of the daily workers joined our permanent team.

Employees, by gender

32%
women, above
national and local
averages*



Employees, by location



*INS most recent data, 2022



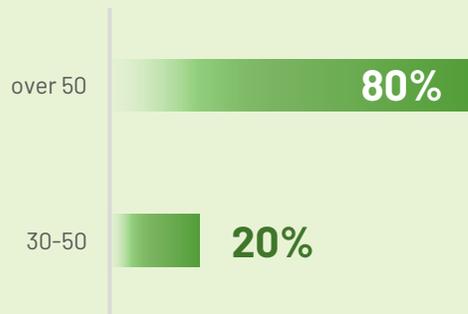
Employee Diversity



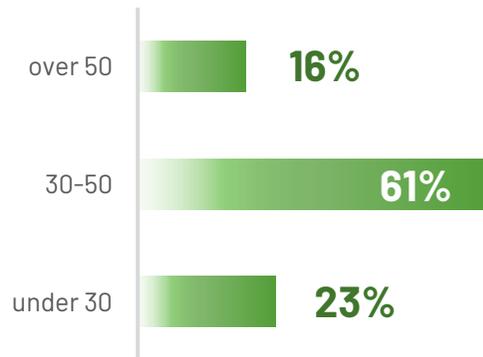
Management & Consultancy



Board of Directors



Employees



Employees, by type of activity



Operations





Diversity Policy

DN AGRAR is committed to providing a **safe workplace** where all individuals, regardless of their position, gender, ethnicity, beliefs or abilities, are treated with fairness, consideration and dignity.

Through our dedicated policies and everyday actions, we promote a culture of respect, inclusion and open communication, whilst focusing on:

- Encouraging a **diverse workforce and fostering an inclusive culture;**
- Ensuring that **each individual has equal opportunities for growth**, advancement and success within the organization, based on merit and abilities;
- **Zero tolerance for discrimination and harassment;**
- Encouraging **professional behavior and conduct**, including punctuality, adherence to company policies, and treating colleagues, clients, and stakeholders with respect;
- Supporting a **healthy balance between professional and personal life**, for promoting and sustaining employee well-being.

0

discrimination
incidents



In 2023, there were no reports of incidents of discrimination, and we are firmly against any such behaviors from our management teams or coworkers.



Health and Safety

Both management and employees share the responsibility to adhere and enforce safety guidelines, report hazards and actively participate in maintaining a secure workplace. The management is specifically responsible for ensuring all the financial, material and educational resources for workplace safety.

The health and safety activity complies with the relevant legislation (Law 319/2006) and involves conducting risk assessments, elaborating prevention and protection strategies, formulating HSE instructions across all sites, and providing regular training sessions for our staff.

In order to formalize our **ZERO ACCIDENTS principle**, in 2023 we drafted a **Health and Safety Policy**, applicable to all the companies in our Group. In our activity, there are several risks that need to be addressed, such as potential exposure to biological agents or chemicals, machinery and equipment accidents, slips, trips and falls, injuries from animals, etc.

With this policy we reiterate our commitment to:

- Provide adequate resources, equipment and training for all employees;
- Investigate all incidents, work accidents and occupational illnesses and take the necessary corrective and preventive measures;
- Comply with occupational safety and health legislation;
- Transparently report occupational safety and health performance to all relevant interested parties;
- Regularly conduct the identification, assessment and mitigation of workplace hazards to ensure a safe working environment;
- The inclusion of the management and employees in a continuous dialogue towards constantly improving safety and health in the workplace.

0

fatalities and severe
work-related incidents



In 2023, there were no fatalities as a result of a work-related injury for our employees nor any high consequence work related injuries.



Training and Development



DN AGRAR is committed to providing training & development opportunities to enhance the skills and knowledge of all workers.

Training programs may include orientation, on-the-job training, workshops and external courses.

In 2023, our **professional development** efforts concentrated on enhancing the skills related to animal care and agricultural practices among our staff. Additionally, we aimed to boost the digital competencies of the team, to facilitate the successful execution of our projects.

- Participation to the **Buiatrics European Congress in Berlin**, providing a valuable platform for exchanging knowledge and the latest advancements in the field.
- **International training focused on advanced robotic technology**, to support the success of the robots' installations projects on our farm.
- Participation to **Conference on the impact and management of pesticides (Eger, Hungary)**, bringing to light the latest research and regulatory developments concerning pesticide use, providing our team with valuable insights into safer and more sustainable agricultural practices.
- **Participation to the AGRITECHNICA fair in Hanover**, Germany, where agricultural machinery was showcased. This visit was particularly beneficial as it exposed our team to the latest advancements in agricultural technology and cutting-edge equipment designed to increase efficiency and productivity in agricultural operations.
- Participation in **MarCom Advanced Digital Skills training program** - use of online apps and social media for marketing and promotion, 1 person.



- **Digital Accelerator** is an initiative aiming to provide digital competence upskill for our team, and 9 colleagues benefited from Microsoft Office (Excel) and IT programming courses.



Community Involvement

We aim to continue to support the development of local communities as part of our social responsibility. Either in health or education, we will always be a trustful partner for local authorities, NGO's or other initiative groups sharing our values.

Supporter of Maria Beatrice Association in Alba Iulia

The Maria Beatrice Association, was founded by the parents of Maria Beatrice, a girl diagnosed with cerebral palsy after a premature birth and aims to support families dealing with similar challenges. After experiencing considerable financial strain from seeking treatment abroad, they established a recovery center in Romania in 2012 to aid more children. This center, known nationally for its results in child neuromotor recovery, treats over 700 children annually, addressing a wide range of conditions resulting from premature births and accidents.

The association continues to expand its efforts, including building a dedicated Medical Campus for premature babies and associated affections. When finalized, the center will be able to serve over 2,000 children yearly, with long term treatments.

DN AGRAR is an active partner of Maria Beatrice Association since 2017, supporting the association's activities with approx. RON 2.5 million in total.

+60%

of DN AGRAR contribution compared to 2022, amounting to over 700,000 RON in 2023





Q&A with Maria Beatrice Association and Jan de Boer, CEO of DN AGRAR



*Iulia and Sebastian Onac,
Maria Beatrice's parents,
the founders of*



Q. How did the partnership with DN AGRAR support the initiatives and general mission of the Maria Beatrice Association?

A. DN AGRAR is the longest and most consistent partner of the Maria Beatrice Association, since our beginnings.

Since 2017, DN AGRAR's support has allowed the association to expand its Center, doubling the number of children receiving therapy to 700 annually.

This partnership has not only provided financial backing but also supported our credibility, helping us to attract additional partners for the First Medical Campus in Romania dedicated to premature children, aiming to support 2000 children annually.

Q. Can you describe the current progress and plans for the Maria Beatrice Medical Campus, especially in terms of its facilities and scope of services?

A. The Body for Diagnosis and Therapy is complete! More than 80% of the Accommodation is completed!

5,000 sqm of Prevention and Diagnosis, Therapy and Monitoring, Education, Research and Innovation, Accommodation for the family of the child undergoing therapy.

3000 sqm for Outdoor Animal Assisted Therapy, play therapy with puppies and ponies that help improve children's mobility, motor coordination and cognitive abilities.

A total of 8000 sqm, in a multifunctional Medical Campus intended for the Family around the child, as emotional support, often neglected in Romania.

The ongoing investments, of over 5,000,000 euros, are made from the funds obtained by the Maria Beatrice Association exclusively from donations and sponsorships, with the support of over 42,000 people and 300 companies.

We have the motivation, the expertise, an almost completed building and thousands of children waiting for us.

Q. What are the main challenges facing the Maria Beatrice Association in providing care and support to children in need of neurological recovery and how do you plan to address these challenges?

A. One major challenge is the inadequate funding from the National Health Insurance House (CNAS), which does not cover long-term therapy for young children, thus, the association must seek support from local authorities, NGOs, and sponsors to bridge this gap.

We are on a long road for financial sustainability, but as a first step, we plan to incorporate adult medical recovery services compatible with CNAS standards, ensuring continuous funding for child therapies.

But the biggest challenge, immediately after the completion of the Medical Campus, is to take governmental steps to adapt the legislation in Romania so that for the small dependent child, with long-term needs, the financial package of the CNAS becomes more attractive and adapted to their needs.



Q&A with Maria Beatrice Association and Jan de Boer, CEO of DN AGRAR

Q. What are the most important lessons you have learned from the families that come to the Center?

A. We believe that the fundamental lesson is that of our example, and I will explain myself here.

16 years ago, an entire community mobilized out of the desire to help our little girl Maria Beatrice, born prematurely and having conditions associated with prematurity, to receive the best treatments outside the country because there were no possibilities in Romania.

Now we are building in Romania the first Medical Campus dedicated to the Premature Child for 2,000 children a year and we are humbly giving back to the community that has invested in us in such an altruistic way. No one, not even us, thought 16 years ago how far things would evolve.

For Maria Beatrice the intervention was late, now she is 16 years old, she does not walk or speak, but through her and with our support, thousands of prematurely born children will do this.

The Campus we are building now is as we wished we had for our little girl, in her first months of life.



Jan de Boer, CEO
of DN AGRAR

Q: When DN AGRAR start to support Maria Beatrice Association and why?

A: As a father, I think there is no better cause than to help children and families in difficulty.

Starting from 2017, DN AGRAR is an important partner in the projects of Maria Beatrice Association and, with our contribution, the Association managed to expand its activities and projects.

We see a team of dedicated, hard-working professionals, bringing hope and joy to so many families and that's why we will continue to be a reliable partner for Maria Beatrice in this beautiful journey they have started, in building a hospital for children needing therapy and their families.

During these years, we supported the association's activities with over 2,5 million RON, but we hope that our example will be followed by other companies, so the association continues to grow and more children to benefit from these very needed therapeutical services!

Q: Is DN AGRAR also involved in other CSR (Corporate Social Responsibility) programs. What other projects do you support?

A: Another direction in which we are involved is to help train a new generation of young and professional farmers, who will ensure the exchange of generations on the farms, by offering the possibility of internships within the companies of the DN AGRAR Group.

We are also part of a program initiated two years ago with the AgriEDU CEX, on the basis of Romanian-Netherlands bilateral cooperation, and our role will be to carry out visits to high schools and universities in Romania, to promote agricultural education.

In July 2023, we joined another project, financed by the EEA Grants, on the transfer of digital technologies from IT to agriculture. The first on-site visit with students focused on agricultural machinery and technological processes that take place on the farm.

We are happy to be part of these initiatives and consider that our contribution to developing the next generation of farmers is most valuable in a country with such high agricultural potential.



Involvement in Education

- In July 2023, we joined the **MAIoT project (Modernizing agricultural practice using Internet of Things)**, EEA Grants, ANPCDEFP 20-COP-0019 ESAYEP). This initiative aims to enhance efficiency and reduce environmental impact through the transfer of digital technologies from IT to agriculture. The project includes on-site visits for practical research and the development of joint projects with academic and economic partners like Lucian Blaga University, the Sibiu IT Cluster and South-East University of Norway, to foster knowledge transfer and skill enhancement in the agricultural sector.
- The study visit that took place at DN AGRAR focused on machinery and technological processes that take place on the farm - both at the level of grain harvesting and checking grain moisture levels, feeding and milking cattle or automatic cleaning of the barn with the help of collaborative robots and IoT devices.
- Cooperation with **AgriEDU CEX Association** to support and get directly involved in the education system. As part of the cooperation, visits and trainings with high schools and universities in Romania, in the field of agricultural education, are to be developed.
- **Internship programs** offer more than just practical experience in agriculture and zootechnics. Interns benefit from hands-on training in cutting-edge agri-business techniques, allowing them to enhance their understanding of agricultural practices and discover specific methodologies tailored to this field.





Customer Health and Safety

At our company, we hold ourselves to the highest standards of product responsibility, ensuring every drop of milk produced meets industry quality and safety standards.

We follow the **HACCP (Hazard Analysis and Critical Control Point)** principles for food safety in all our farms, and we have implemented a Food Safety Management System in LactoAgrar and Apold farms (since 2020).

The implementation of a Food Management System in Cut farm will be finalized in 2024.

The quality system contains procedures for:

- Hygiene;
- Pest control;
- Traceability;
- Temperature monitoring;
- Waste management;
- Self control programs;
- Milking conditions;
- Treatment of potentially unsafe product;
- Preventive and corrective measures, etc.

0

food safety
incidents



In 2023, there weren't any incidents of non-compliance concerning the health and safety impacts of products and services.





Customer Health and Safety

The monitoring of our quality system includes internal audits, followed by improvement measures and training. Additionally, our farms are controlled by relevant authorities, for all the aspects of our activity. Following these controls our farms were evaluated as low risk.

Quality & risk management remains our top objective in relation to product & customer safety.

In addition to the robots already implemented, in 2023 we installed **after-milking disinfection robots** in Cut and LactoAgrar farms. The performed tests showed a decrease in the number of somatic cells and germs, as well as the frequency of mastitis in cows.

Our **protocols for managing animals under treatment** ensure the proper hygiene of the entire herd and the respect of milk quality parameters.

We carry out **milk quality tests** at farm level, before delivery and specific tests for aflatoxin in maize. Aflatoxin is a toxin produced by fungi, that may contaminate animal feed. A potential contamination represents a concern for both animal health and public safety, requiring strict regulatory limits on aflatoxin levels in milk, for safe consumption.

Milk transportation is carried out using special refrigerated tanks, the milk being directly loaded from the milking installation into the transport tanks, without any additional steps. **Temperature sensors** are installed on every transportation tank. This reduces contamination risks, ensures proper temperature control and freshness and allows us to carry out the necessary quality assurance tests.



Materiality

For this Report, the results of impact & materiality identification process carried out in September 2023 were used, similar to the 2022 Sustainability Report, published in December 2023.

Additionally, **in the beginning of 2024, an internal workshop with Board members and senior management took place**, reviewing the impact and materiality aspects and preparing the current reporting exercise. The material topics were maintained, the management deciding to report on all topics submitted to the stakeholder consultation.

Overall, the **materiality definition** process included desk research, internal workshops and stakeholder consultation, to better understand the most important and impactful topics to be treated by this report. Additional references, such as SAAB materiality finder for agriculture sector and MSCI Materiality Map were used for the identification of impact topics.

Also, we used the GRI Reporting Standard 2021 and GRI sector standard for Agriculture, Aquaculture and Fishing Sectors 2022 as reference in our initial impact analysis.

A new stakeholder consultation will take place in 2024, for the next reporting exercise.

Our materiality definition process



List of 2023 material topics, relevant for internal and external stakeholders

- E**
 - Animal Welfare
 - Environmental Impact
 - Circular Economy
- S**
 - Consumer Safety
 - Community Investment
 - Working conditions, diversity and professional development
- G**
 - Supply Chain Sustainability
 - Economic Performance



About the Report

The Group of companies DN AGRAR **publishes its second Sustainability Report**, on a voluntary basis, proving its commitment to improve its sustainability performance.

The report covers our economic, environmental, and social impact, as well as corporate governance aspects, as drivers of our sustainability progress.

The report is elaborated in line with the **GRI (Global Reporting Initiative) Sustainability Reporting Standards, 2021 Core edition**, as well as the additional **Sector Standard for Agriculture, Aquaculture and Fishing 2022**.

All the information provided in this Report covers the period **1.01.2023-31.12.2023**. In case additional, more recent information is presented, it is specified as such in the Report.

The reporting frequency is annual, and the provided data is consolidated at the Group level.

All questions about our impact, sustainability strategy as well as this report should be addressed to **Peter de Boer, IR Manager**, using the following contact details: **peter.deboer@dn-agrar.eu**.





GRI Index

DN AGRAR GROUP SA has reported in accordance with the GRI Standards for the period 1st of January 2023- 31st of December 2023.

GRI standard	Disclosure Number	Disclosure	Page
General Disclosures	2-1	Organizational details	5
General Disclosures	2-2	Entities included in the organization's sustainability reporting	5
General Disclosures	2-3	Reporting period, frequency and contact point	48
General Disclosures	2-4	Restatements of information	
General Disclosures	2-5	External assurance	
Activities and workers	2-6	Activities, value chain and other business relationships	6-10
Activities and workers	2-7	Employees	37, 38
Activities and workers	2-8	Workers who are not employees	37
Governance	2-9	Governance structure and composition	18
Governance	2-10	Nomination and selection of the highest governance body	18
Governance	2-11	Chair of the highest governance body	18
Governance	2-12	Role of the highest governance body in overseeing the management of impacts	18
Governance	2-13	Delegation of responsibility for managing impacts	18
Governance	2-14	Role of the highest governance body in sustainability reporting	18



GRI Index

GRI standard	Standard name	Disclosure number	Page
Governance	2-15	Conflicts of interest	
Governance	2-16	Communication of critical concerns	21
Governance	2-17	Collective knowledge of the highest governance body	18
Governance	2-18	Evaluation of the performance of the highest governance body	
Governance	2-19	Remuneration policies	19
Governance	2-20	Process to determine remuneration	19
Governance	2-21	Annual total compensation ratio	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	3
Strategy, policies and practices	2-23	Policy commitments	
Strategy, policies and practices	2-24	Embedding policy commitments	
Strategy, policies and practices	2-25	Processes to remediate negative impacts	20-21
Strategy, policies and practices	2-26	Mechanisms for seeking advice and raising concerns	
Strategy, policies and practices	2-27	Compliance with laws and regulations	
Strategy, policies and practices	2-28	Membership associations	23



GRI Index

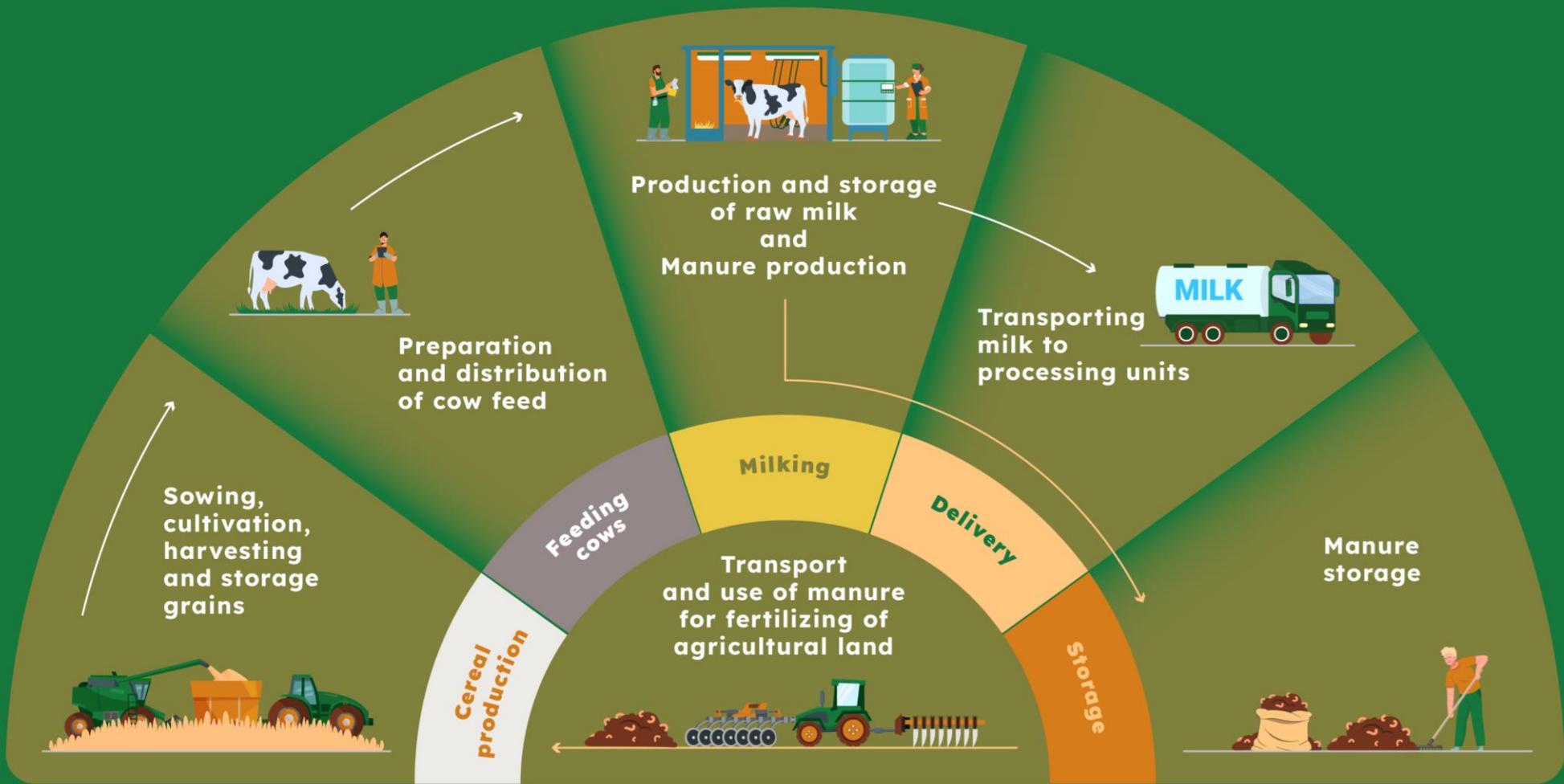
GRI standard	Standard name	Disclosure number	Page
Stakeholder engagement	2-29	Approach to stakeholder engagement	20,23
Stakeholder engagement	2-30	Collective bargaining agreements	35
Economic Performance 2016	201-1	Direct economic value generated and distributed	4,17
Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	16
Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	35
Market Presence 2016	202-2	Proportion of senior management hired from the local community	12
Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	21
Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	21
Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	21
Energy 2016	302-1	Energy consumption within the organization	28-29
Energy 2016	302-4	Reduction of energy consumption	28-29
Water and Effluents 2018	303-1	Interactions with water as a shared resource	34
Water and Effluents 2018	303-3	Water withdrawal	34
Water and Effluents 2018	303-5	Water consumption	34
Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	31
Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	31
Waste 2020	306-1	Waste generation and significant waste-related impacts	32-33
Waste 2020	306-2	Management of significant waste related impacts	32-33
Waste 2020	306-3	Waste generated	32-33



GRI Index

GRI standard	Standard name	Disclosure number	Page
Employment 2016	401-1	New employee hires and employee turnover	35
Employment 2016	401-3	Parental leave	35
Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	35
Occupational Health and Safety 2018	403-9	Work-related injuries	38
Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	38
Training and Education 2017	404-2	Programs for upgrading employee skills and transition assistance programs	39
Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employee	36
Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	37
Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	40-42
Public Policy 2016	415-1	Political contributions	21
Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	44-45

GRI standard	Standard name	Disclosure number	Page
Sector Standard GRI 13	Agriculture, Aquaculture and Fishing Sectors 2022	Reporting on climate adaptation and resilience	30
Sector Standard GRI 13	Agriculture, Aquaculture and Fishing Sectors 2022	Reporting on natural ecosystem conversion	31
Sector Standard GRI 13	Agriculture, Aquaculture and Fishing Sectors 2022	Soil health	31
Sector Standard GRI 13	Agriculture, Aquaculture and Fishing Sectors 2022	Pesticides use	31
Sector Standard GRI 13	Agriculture, Aquaculture and Fishing Sectors 2022	Food security	44-45
Sector Standard GRI 13	Agriculture, Aquaculture and Fishing Sectors 2022	Animal health and welfare	27
Sector Standard GRI 13	Agriculture, Aquaculture and Fishing Sectors 2022	Supply chain traceability	22



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