



# **M.P. Baneasa Moara S.A. Sustainability Policy**

**Version 1  
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## CEO Message on Sustainability

At M.P. Baneasa Moara S.A. („Baneasa Moara”), we believe that producing high-quality food should never come at the expense of the planet or future generations. As leaders in milling and food production, we recognize our responsibility to integrate sustainability into every aspect of our operations — from the grains we source to the partners we collaborate with, and the way we work every day.

For us, sustainability is more than a trend; it's a mindset. It means using responsibly sourced raw materials, optimizing energy and water consumption, and ensuring that our products are safe, nutritious, and built on principles of quality and responsibility. It also means working with suppliers who share our values and striving to reduce our environmental footprint across the entire value chain.

We are proud of the progress we've made — but we know there is more to do. That's why we've established a comprehensive sustainability policy with the following goals: reducing waste, lowering emissions, promoting circular practices, and fostering ethical labor standards throughout our supply chain.

Our people are at the heart of this journey. We're building a culture where sustainability is part of everyday decision-making — from our production lines to our logistics teams. Together, we are committed to shaping not just quality products, but a better, more responsible future.

We invite our employees, customers, and partners to join us on this journey.

Sincerely,

**Mihai Pagnejer**

**Chairman of the board**



## 1. Purpose of the Sustainability policy

The purpose of the present is to articulate M.P. Băneasa Moara S.A. commitment to responsible environmental practices and the continuous improvement of sustainable business operations.

The milling and food production activities can have direct or indirect impacts on the environment, society and the wider economic system. We propose to minimize these impacts by complying with all environmental and social regulations applicable on the territory of Romania, complying with ethical governance principles and aligning our practices with internationally recognized ESG principles.

As part of our sustainability path, this policy provides a clear framework for integrating environmental considerations into our daily operations, strategic planning, and decision-making processes. Our objectives include minimizing environmental impact, ensuring food safety and quality, upholding human and labour rights, promoting ethical governance, and creating long-term value for all stakeholders. This policy serves as a guiding framework to embed Environmental, Social, and Governance (ESG) principles into our corporate strategy.

Our approach is aligned with international sustainability standards, and by adopting this policy, we affirm our dedication to conducting business in a transparent, accountable, and responsible manner.

Through this policy, we aim to proactively manage environmental and social risks, promote the responsible and efficient use of natural and human resources, prevent all forms of pollution and harm, and foster a culture of transparency, accountability, and continuous improvement in governance. This integrated approach supports our long-term commitment to sustainable development and responsible corporate citizenship.

This policy applies to all areas of our business and supports our contribution to global environmental goals.

## 2. Scope and Applicability

This Sustainability Policy applies to all operations, locations, and business units of **Băneasa Moara**. It is mandatory for all employees, contractors, and temporary staff, regardless of role or seniority. Every individual is expected to understand and fulfil their responsibilities under this policy and actively contribute to our sustainability objectives.

The policy addresses the principles of Environmental, Social, and Governance (ESG). It encompasses environmental stewardship, including energy efficiency, emissions reduction, responsible resource use, waste minimization, and pollution prevention. It also covers social responsibility, such as fair labour practices, diversity and inclusion, occupational health and safety, and respect for human rights. Governance and ethics are integral to this policy, ensuring anti-corruption measures, data privacy, legal compliance, and transparent decision-making.

This policy applies to all activities, products, and services that may have a direct or indirect environmental or social impact. It includes procurement of grains and raw materials, manufacturing and milling processes, logistics and distribution, facilities management, and product development and packaging. It also extends to our supply chain and contractor relationships, where we expect suppliers and service providers to adhere to comparable environmental and social standards.



The principles of this policy are followed and applied in the company's activities and in its decision-making processes. Compliance is mandatory and will be monitored through regular reviews, audits, and updates. The principles of this policy are embedded into existing management systems and supported by documented procedures, employee training programs, and reporting mechanisms to ensure effective implementation.

Beyond internal application, this policy provides a framework for engaging with external stakeholders—including customers, suppliers, regulators, and community partners—to promote responsible practices throughout the value chain.

Our goal is to foster collaboration that drives sustainability across the food industry and contributes to global environmental objectives.

### **3. Our commitment to Sustainable Development**

At Băneasa Moara, we are dedicated to embedding sustainability and responsible business practices into every aspect of our operations. Guided by internationally recognized sustainability framework, our goal is to create long-term value for all stakeholders, uphold human rights, protect environment, and ensure ethical conduct and strong governance.

We recognize that our decisions impact the communities where we operate, the well-being of our employees and partners, and the health of the planet. Therefore, we commit to:

- **Environmental Responsibility:** reducing our environmental footprint through efficient resource use, minimizing emissions and waste, and supporting initiatives that protect biodiversity and address climate change
- **Human and Labor Rights:** Respecting international human rights standards, ensuring safe and inclusive workplaces, promoting diversity and equal opportunities, and preventing discrimination, forced labour, and child labour across our operations and supply chain
- **Ethics and Governance:** Conducting business with integrity, transparency and full applicable laws. We maintain zero tolerance for corruption, bribery, and anti-competitive practices. Sustainability is embedded in our governance structure through clear targets, performance monitoring, and transparent reporting.
- **Responsible Procurement:** Partnering with suppliers who share our values and adhere to responsible environmental and social practices.

We believe sustainability is a shared responsibility. Through continuous improvement, collaboration, and alignment with global standards such as those assessed by ESG regulations, we aim to contribute to a more sustainable and equitable future. To achieve this, we have defined targeted actions and measurable objectives across three key pillars: Environmental stewardship, Labor and Human rights, and Ethics. Each pillar includes specific goals supported by timelines, accountable stakeholders, and performance indicators. Our approach integrates risk management, regulatory compliance, and proactive initiatives that enhance our positive impact.

Through this structured plan, Băneasa Moara aims to integrate sustainability into our activity, demonstrating our concern for responsible and ethical conduct in business.

#### **3.1. Environmental Stewardship**

Băneasa Moara is committed to protecting the environment and minimizing our environmental impact across all operations. We recognize our responsibility to operate sustainably and contribute to global efforts to mitigate climate change, preserve natural resources, and foster a circular economy.



This policy outlines our approach to managing environmental risks and opportunities in alignment with ISO 14001 Environmental Management Systems..

We strive to reduce greenhouse gas (GHG) emissions and enhance energy efficiency throughout our production facilities and logistics network. Our commitment extends to minimizing waste generation while maximizing recycling and reuse, promoting a circular approach to resource use.

We actively work to prevent environmental pollution from our milling and packaging activities and advocate for the use of sustainable, renewable, and recycled materials in our processes and supply chain, reinforcing our dedication to environmental responsibility.

Our key focus areas, actions, and targets for the Environmental pillar are as follows:

#### **a. Energy Consumption and GHG Emissions**

##### **✓ GHG Inventories:**

- Conduct Scope 1 and 2 GHG inventories annually
- Begin Scope 3 data collection and estimation by Q1 2026
- KPI: 100% completion of Scope 1 & 2 inventory; 50% supplier response rate for Scope 3 survey

##### **✓ Carbon Footprint Tracking:**

- Recalculate full carbon footprint each year using GHG Protocol
- KPI: Year-over-year GHG emissions reduction of 1%
- Achieve 5% reduction in embodied carbon (baseline: 2024 average) by end of 2030

##### **✓ Energy Efficiency and Consumption Reduction:**

- Perform preventive maintenance on existing photovoltaic panels at least once every 6 months
- KPI: Reduce electricity consumption by 5% by end of 2030
- Replacement of traditional lighting with LED systems, saving up to 50% of lighting consumption.
- Implementation of smart lighting systems and electric dryers with sensors to reduce energy consumption.  
Modernization of over 50% of industrial motors with next-generation, low-consumption models by the end of 2030

#### **b. Waste Management**

- 5% modernization of water recycling systems for treatment before discharge
- Perform preventive maintenance on water recycling systems at least once every six months
- Train 100% of staff on waste management best practices annually
- Installation of sensor-based and dual flush systems to reduce water consumption

#### **c. Circular Economy:**

- At present, through our technological process and the equipment we operate, we have a reuse rate of 100%. Thus, from the processing of wheat, through the technological process, results in 75% flours — the main product — and 25% bran — a by-product. This by-product is fully commercialized for both animal and human consumption.

#### **d. Pollution and Dust Control:**



- Installation of dust removal systems during grain unloading and dust absorption systems during flour and bran loading, in compliance with environmental standards.
- Perform preventive maintenance on dust control equipment at least once every six months
- Use low-emission technologies and materials.
- Comply with all local and international environmental regulations.

#### **e. Water Stewardship**

- Begin monthly water usage tracking and reporting by Q1 2026
- KPI: Reporting monthly water usage data by Q1 2026
- Modernization of water recycling systems for treatment before discharge.
- Installation of sensor-based and dual-flush systems to reduce water consumption.

### **3.2. Labor and Human Rights**

- ✓ **Promoting Workplace Safety and Well-Being:**
  - We provide a safe, healthy, and supportive working environment with a strong focus on occupational health and safety.
  - Our culture of continuous improvement is rooted in a clear vision of zero workplace accidents, supported by structured safety practices and high-risk awareness.
- ✓ **Supporting Employee Health and Work-Life Balance**
  - We strive to reduce sick leave through proactive health initiatives and by encouraging a balanced, sustainable approach to work and personal life.
- ✓ **Championing Diversity and Professional Development:**
  - We cultivate an inclusive workplace that values diversity, ensures equal opportunities, and invests in the professional growth of all employees.
  - Conduct unconscious bias training for 100% of hiring managers annually.
  - Implement Individual Development Plans (IDPs) for key employees by 2030.
  - Target 40% gender balance in management roles by 2030.
- ✓ **Uphold and promote human rights throughout company operations and the supply chain.**
  - Zero tolerance for incidents of child or forced labour
  - We maintain the Policies adopted in this regard and ensure their full compliance.
- ✓ **Create and maintain a safe and healthy workplace.**
  - Maintain an incident rate (IR) of <1.0 per 100 employees annually.
  - Provide annual health & safety training to 100% of employees.

### **3.3. Governance and Business Ethics**

At Băneasa Moara our sustainability efforts are rooted in strong governance. We are committed to ethical conduct, transparency, and continuous improvement in how we manage environmental, social, and governance issues across the business. We strive to foster a culture of integrity and responsibility at all levels of the organization. This includes ensuring that all employees understand and adhere to our ethical standards, namely:



- ✓ **Foster a training of ethical behaviour and accountability across the organization.**
  - Ensure 100% of employees receive Code of Conduct training annually.
  - Maintain whistleblower mechanism with a target of 7 days response time to reported concerns.
- ✓ **Anti-Corruption and Fair Business Practices**
  - Prevent corruption, bribery, and unethical behaviour in all business dealings.
  - Train 100% of employees in high-risk functions (e.g., sales, procurement) on anti-bribery policy annually.
  - Investigate and resolve, according to internal procedure, 100% of reported corruption cases within 90 days (if applicable)
- ✓ **Data Protection and Confidentiality**
  - Ensure compliance with data privacy regulations and protect confidential information.
  - Zero confirmed data breaches annually.
  - 100% of employees trained on data privacy and cybersecurity awareness.
  - Annual review and update of the Data Protection Policy

### 3.4. Sustainable Procurement

We believe that responsible sourcing is essential to sustainable design and ethical business. Our procurement strategy will integrate ESG principles throughout the value chain to ensure our suppliers share our values and standards.

- ✓ **Supplier Engagement**
  - Starting Q1 2026, we will negotiate to include mandatory sustainability clauses, covering areas such as carbon reduction, human rights, and fair labour practices.
- ✓ **Supplier Assessment and Development**
  - Update existing supplier questionnaire by including ESG related questions
  - By Q2 2026, we will assess 50% of key suppliers against sustainability performance criteria
  - We will support supplier improvement through at least one annual sustainability training sessions **or webinars**, beginning **Q2 2026**.
- ✓ **Sustainable Materials and Emissions Reduction**
  - To reduce the environmental impact of our supply chain, we target a 10% reduction in transport-related emissions from our 2024 baseline, to be achieved by end of 2030.

## 4. Compliance and Monitoring

We are committed to fully complying with all applicable environmental regulations in Romania. To uphold this commitment, we will regularly monitor and evaluate our processes to assess ESG performance and ensure strict adherence to our policies. If any gaps or areas for improvement are identified, we will promptly review and enhance our processes to maintain the highest environmental standards.

## 5. Monitoring

Our sustainability practices are systematically monitored through:





- Key Performance Indicators (KPIs) for each ESG domain (e.g., GHG emissions, workplace incidents, training hours per employee, ethical compliance cases).
- Internal audits and assessments, conducted annually, to verify adherence to this policy and identify areas for improvement.
- Third-party audits and certifications where applicable (e.g., ISO 14001)
- Incident and grievance tracking mechanisms that allow for anonymous reporting and resolution of ethical, social, and environmental concerns.

## 6. Reporting

At Băneasa Moara, transparent and accurate sustainability reporting is essential to our commitment to accountability, stakeholder trust, and continuous improvement. We aim to regularly monitor, evaluate, and communicate our performance against sustainability objectives.

We will establish clear processes for collecting, managing, and validating sustainability data across environmental, social, and governance (ESG) domains.

Each key performance indicator (KPI) will have an internal owner responsible for data accuracy and timely reporting. Thus we propose:

- Assign accountability for each sustainability metric to relevant departments.
- Monitor progress quarterly to identify trends and support informed decision-making.

To embed sustainability into operational and strategic planning, we will ensure that performance data is regularly reviewed by leadership.

We will communicate our sustainability efforts to stakeholders, including clients, partners, suppliers, and the wider public. Thus, we will:

- disclose **KPIs and performance metrics** on our website, including data on emissions, material use, training completion
- We will also respond to sustainability assessments conducted by customers and suppliers by providing the data they request
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## 7. Continuous Improvement

Sustainability is a dynamic and evolving field. We are dedicated to:

- **Setting clear, measurable goals** and targets to improve our sustainability outcomes year over year.
- **Encouraging innovation and employee engagement** by promoting ideas, feedback, and initiatives that enhance ESG performance.
- **Benchmarking our practices** against industry leaders and integrating best practices as they evolve.

By embedding these practices into our operations, we ensure that our sustainability commitments are not static declarations, but active, measurable, and continually evolving priorities.

## 8. Review and Updates





This policy will be reviewed once every two years to ensure its continued relevance and effectiveness. Revisions will be made as needed, particularly in response to significant regulatory updates, advancements in technology, stakeholder input, or other material changes requiring an update

## **9. Conclusions**

The Sustainability Policy is a fundamental component of Băneasa Moara corporate responsibility and long-term sustainability vision. By integrating this policy into operations, governance, and external engagements, the company aims to mitigate environmental impact and contribute to a sustainable future.

Compliance with this policy is mandatory for all employees, partners, and stakeholders associated with Băneasa Moara. Through coordinated actions and innovative practices, we aim to contribute positively to the global effort to create a sustainable future for all.