



AMEROPA

ROMANIA

SUSTAINABILITY

REPORT 2019

In 2020, once we have overcome the nefarious effects of GEO 114/2018, we intend to be back on track with our Path to Excellence 2025 for Azomures as well as our five-year plans for Ameropa Grains and Chimpex. At the beginning of 2020, William Dujardin took over as our Group CEO. He is committed to sustainability and I have no doubt that he will intensify and professionalize our sustainability efforts.

On the way to
feed the world sustainably

Andreas Zivy

CEO of Ameropa Group



2019 was both very challenging and very successful for our business in Romania. The introduction of the Government Emergency Ordinance 114/2018 caused Romanian gas prices to be twice as high as the rest of Europe, although Romania is one of the few EU countries which is self-sufficient in gas. 70% of our production cost comes from natural gas used as the main raw material to produce nitrogen fertilizers. This gas price situation put Azomures, the largest chemical fertiliser producer in Romania and part of the Ameropa Group, in an unfavourable competitive situation compared with the rest of the fertilizer producers in Europe. At the time of writing this 2019 report, Ordinance 114/2018 is still not revoked and Azomures is still battling with high gas prices. As a consequence, we might have to postpone some of our sustainability initiatives which are part of our Path to Excellence 2025 which aims at reducing the consumption per tonne of produced fertilizer by 10% for gas, 12% for electricity, 20% for fresh water and 15% for condensates.

On the other hand, our Ameropa Grains input distribution and grains origination business and our Chimpex port operation delivered excellent results as they served Romanian farmers by providing them with efficient access to world markets.

As far as health and safety are concerned, Ameropa Romania, and especially Azomures, fared better than the benchmark Fertilizer Europe average but did not achieve the goals set. We have therefore started additional measures to ensure we meet our targets so as to show a continuous improvement.

Among the key areas of our sustainability policy, we have been successful in our efforts to become an employer of choice. Thanks to a multitude of measures, our staff turnover rate continues to decrease, and our retention rate accordingly increases, despite the significant brain drain and labour shortage Romania is experiencing.

Another key area for us is our contribution to sustainable agriculture in Romania. Thanks to our investments and programmes, we were again able to make an important contribution to higher efficiency, better agricultural practices and cleaner operations in those areas and with those customers and suppliers we are working with. As a member of the EU, Romania's grain industry has a higher sustainability and better ports which help Romania to compete on the international grain markets with the Black Sea heavy-weights of Russia and Ukraine.

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Introduction

About this report

Since 2015, we have been collecting all relevant data in order to publish it. The Ameropa Sustainability Report covers all our activities in Romania and their respective performances. It serves to inform our stakeholders of our social, economic and ecological impact. It also serves to help our management to review the current status and reflect on what improvements are possible and necessary in the future.

Topics overview

Each year, we use a structured process to select the report’s content and confirm its validity. We engaged with our businesses, individuals and other stakeholders to understand specific concerns about our business and its impact on health, safety, environment and society. This report lists the topics that were a priority to Ameropa Romania in 2019 and that will be in the future.



**In the report, information refers to all Romanian entities of the group. The entity name is mentioned when the specific action belongs only to it.
For more general information we kindly ask you to consult our 2018 report and to visit our Company website: www.ameropa.com*

Our values

Entrepreneurship

We challenge ourselves to be entrepreneurs. We cultivate an open and rewarding environment where people are empowered to take decisions and build their own future. We provide highly professional services that differentiate us and contribute to the succes of our partners and customers.

Integrity

We honor our contracts and commitments at all times. We are proud of being a reliable partner with a long-term outlook. We respect and carefully balance the economic, ecological, social and ethical needs of our stakeholder inside and outside of the company.

Family

We are a family-owned business that values personal relationships and generational continuity. We respect traditions while being open to new ideas. We encourage our employees to think creatively, have fun on the job and use their talents to make a difference.



About Ameropa

Founded in 1948, Ameropa is a Swiss, privately owned international agri-business. We produce, originate and market fertilisers and grains and are part of the agricultural supply chain whose mission is to feed the world. Our headquarters are in Binningen, Switzerland, near the city of Basel. We have regional offices in five continents and invest globally in assets supporting our business activities. Ameropa presently operates in 31 countries around the world with offices, subsidiaries or assets.

5 continents 31 countries



About Ameropa Romania



Azomures în Târgu-Mureș is the largest Romanian chemical fertiliser production site with an annual capacity of 1.8 million metric tonnes of nitrogenous fertilisers. Products range from (calcium) ammonium nitrate and urea to complex NPK and NPK fertilizer and melamine. The output is sold in bulk or bagged for the domestic, regional and export markets shipped via road, rail or sea.



Chimpex în Constanța is one of the leading and most dynamic port operators in Constanța and the main port operator for grains as well as for solid chemical products in bulk and packaging. It operates 10 berths and has a storage capacity of some 600,000 metric tonnes. Intake possibilities are via sea, rail or road. The maritime traffic (export, import, transit) for 2019 was 4.95 million tonnes.



Ameropa Grains, also based in Constanța, is one of the largest collectors and exporters of grains and oilseeds as well as one of the largest distributors of fertilizers, seeds and plant protection chemicals for agriculture in Romania. It sells over 280,000 tonnes of fertilizer yearly and over 3.6 million tonnes of grain. It operates a network of grains and fertilizer storage centres across Romania and their field agents provide commercial and technical assistance to the farmers. As of 2018, the Company started to align its services and products to the new world, in terms of providing alternative ecological services and products to farmers. In 2018 two new branded products were launched along with a new one in 2019. All three products were well accepted by the market and targeted volumes were exceeded.

Azomures, Ameropa Grains and Chimplex form an integrated, modern and efficient production and supply chain system starting at the farm gate and reaching overseas export markets. Due to their activities, size, investments and market share, they contribute greatly to the success and the competitiveness of Romanian agriculture, including its logistics infrastructure.

Sustainable agriculture

Read Foundation

AMEROPA is keen to contribute to the development of more sustainable agriculture in Romania. Chimpex, Ameropa Grains and Azomures are sponsors of the READ Foundation, an independent association established in 2013, with the purpose to support research and scientific development in agriculture, the preservation of natural resources, environmental protection and the development of rural communities thereby closely cooperating with public authorities, farmers' and producers' associations, agronomic universities and other NGO's.

Furthermore, Ameropa Grains and Azomures are members of Platform AGRIM launched by the READ Foundation and USAMV Cluj, as a Forum for dialogue, cooperation and consultancy for the best agricultural practices and management of farms, with an exhaustive database of all inputs and machinery suppliers active in Romania and organizing training and specialized work-shops for farmers, distributors, producers and students.



Ameropa Grains and Azomures are cooperating with USAMV Cluj and READ Foundation to provide training, specialized courses and scientific consultancy to their employees and customers focused on the main objectives of sustainable agriculture development considering economic, social and ecological issues.

Global Fertilizer Day

In 2040 the number of people on earth will reach 9 billion. Therefore food consumption will further rise, while land availability is decreasing for reasons of urbanisation, climate change and soil erosion. Fertilization plays a major role in ensuring adequate food production; however, it is also a source of climate affecting gas emissions.

For the first time, on 13th October 2019, Azomures organized the European 'Global Fertilizer Day', which is an annual event to discuss these challenges, with activities in Târgu Mureș with representatives from the fertilizer industry, media and farmers.

The event was preceded by an online awareness campaign in collaboration with the Fertilizer Europe Association and the target was to highlight the important aspects of producing and applying fertilizers. Azomures promotes a more sustainable application of fertilizers by applying the "4R" principles: right rate, right dose, right time and right place.

GROW
WITH US



Health, safety and environmental management systems

The Key Performance Indicators (KPI's) covered in this report demonstrate the progress of the sustainability activities of Ameropa Romania in 2019 and also gives a preview of planned actions for the coming years.

For occupational and process safety, as well as health and environmental protection, we rely on comprehensive preventive measures and expect the cooperation of all employees and contractors. Our global HSE concepts are to protect our employees, contractors and neighbours as well as to prevent property and environmental damage.

We are developing mandatory Ameropa Romania standards for health, safety and environmental protection.

Our health management helps to promote and maintain the health and wellbeing of our employees. 2019 was once again supported by numerous health promotion activities and measures.

We promote dialogue across our different businesses to strengthen awareness among our HSE professionals.



Health and safety

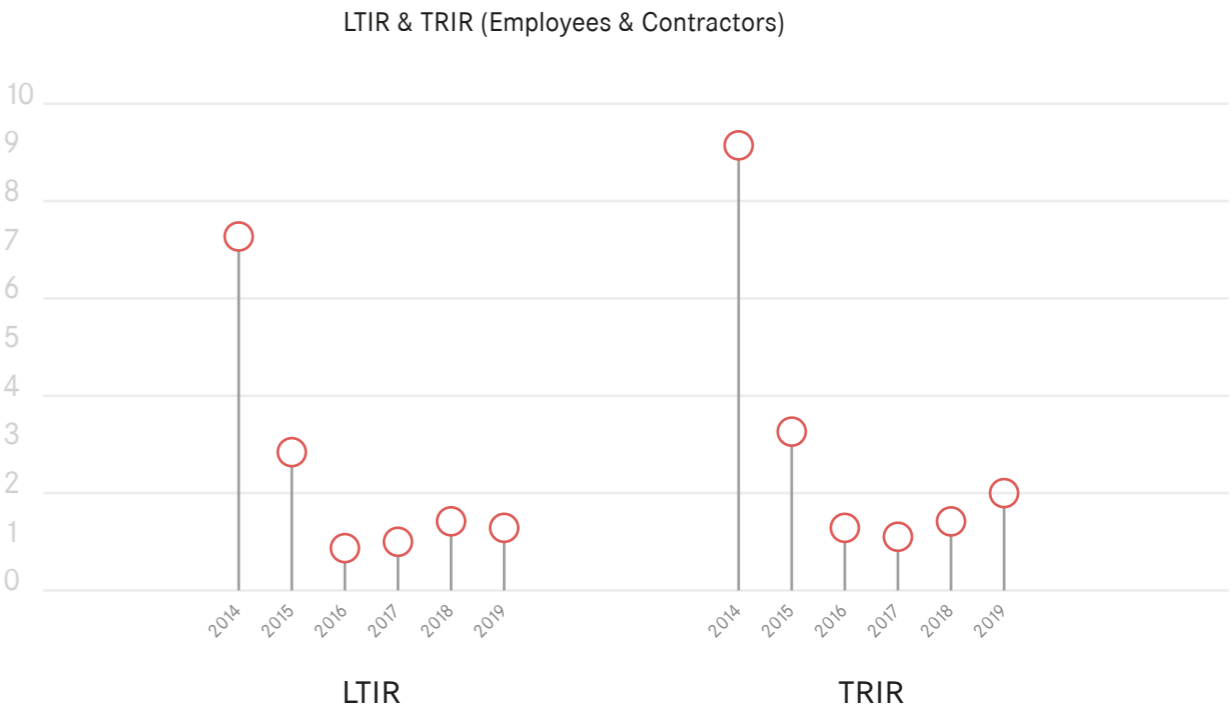
Zero accidents is our main safety objective, with regard to our own workforce as well as contractors. We are extremely sad to report that a fatal accident occurred in 2019 to one of the contractors at the Chimpex port facility. The accident was recorded as a work accident by the employer of the contractor. Following this tragic event, Chimpex took all possible measures to eliminate any future risks of this nature. We continuously strive to improve workplace conditions, work instructions and procedures in order to eliminate any hazards. Our contractors are treated the same way as our employees and are included in all our safety programmes and activities.

In 2019 we did not reach our Lost Time Injury Rate (LTIR) and Total Recordable Injury Rate (TRIR) targets. However considering the higher workload at our businesses, as well as the big turnaround of our Azomures site, we are still below the Fertilizers Europe LTIR which is our standard benchmark.

Most of the incidents in our entities happen with contractors. Thoughtful and well-targeted actions such as clear contractual instruction and requirements, increased supervision, adjusted introduction training and job-related trainings have been implemented to improve the situation.

During spring 2019, the workstation of the Inspectorate for Emergency Situations, intended for the community in the western part of Târgu Mureş, became operational on the Azomures site. Due to this project, the Inspectorate of Emergency Situations is able to reduce the response time for emergencies at Azomures.

Lost time injury rate and Total recordable injury rate Ameropa Romania



Health and safety highlights

Safety Targets	Programs in place	Status
Workplace Health assessment	Periodic health assessment and monitoring the rate of illness and incidents	Ongoing
Reporting of non-conformities and unsafe situations	Continuous awareness creation and reporting and on time closing of non-conformities	Achieved
Proposals and Suggestions Programme	Encourage and inspire people to come up with new ideas	Achieved
Position Azomures and Chimpex as the Employer of Choice	<div><div>• Company presentation</div><div>• Practice and Internship programme</div><div>• Participation to contests organized by institutions in Constanța</div></div>	Ongoing
Create a culture of appreciation and rewarding	<div><div>• Reward Recommendation programme</div><div>• Your Idea matters for Us programme</div></div>	Achieved
Improve safety behaviour of contractor companies	<div><div>• Monthly safety meeting</div><div>• Detailed job-risk analysis</div><div>• Set minimum HSE requirements</div></div>	Ongoing
Safety academy training	<div><div>• Rescue from elevated platforms</div><div>• Safe accessibility to and from barges</div></div>	Achieved
New safety induction video for Chimpex	Improve safety induction for new employees and contractors	Achieved
Installing of automatic Defibrillators at Chimpex	Increasing the speed of life saving intervention	Achieved
HSE management gap analysis	Improvement of the HSE management system	Ongoing
Create higher efficiency in waste collection and disposal	Increase people’s awareness concerning separated waste collection.	Ongoing
New lock-out-tag-out system in Azomureș urea plant	LOTO-system for isolating energy	Achieved
Azomureș HSE-Questionnaire and guideline	To check the health & safety perception of the organization	Achieved
HSE-workshop for managers	Increase the safety awareness and improve systems	Ongoing

Environmental management system

We are ever conscious of the need to reduce the environmental impact of our businesses by improving the technological processes and our supply chain to ensure that our operations generate less emissions and that the environmental footprint of our products is minimized. As shown hereafter, we have taken a wide range of specific measures aimed at higher efficiencies in our operational activities. We have also carried out a thorough inspection and maintenance programme of our facilities. The 2019 turnaround at Azomures was used to make some of our processes more environmentally friendly. Overall, our environmental footprint has decreased year on year.

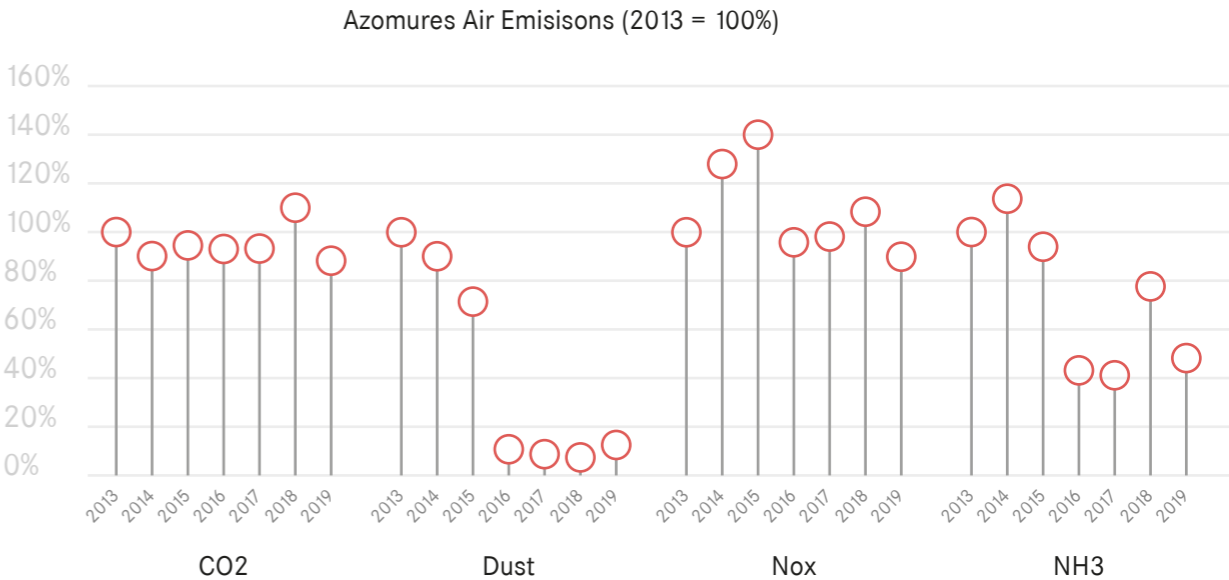


Environmental highlights 2019

The quantity of carbon dioxide, nitrogen oxides and ammonia from Azomures is following a decreasing trend as shown in the graph below and our emissions remain considerably below the limits of our environmental permit.

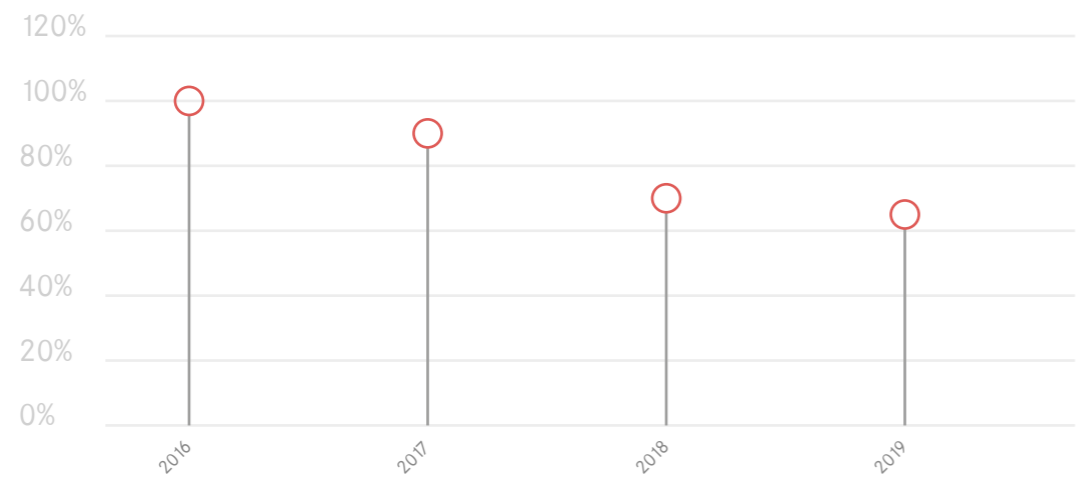
The recent Green Deal approved by the European Commission states as a goal the reduction of greenhouse gas emissions by 55 % in 2030 compared to 1990. Azomures has decreased its greenhouse gases emissions by 50 % since 1990 and will reach a further 5% reduction in the coming years. It will be therefore within the goals of the Green Deal.

The total Nitrogen released into the Mureș river from the wastewater treatment plant of our Azomures site was reduced by 40% compared with 2015.



Chimpex has reduced its fuel consumption since 2016 by 35% despite the increasing utilization of the equipment due to higher volumes. The main contributor to this reduction was the programme to renew the machine park with more economical and environmentally friendly machines.

Chimpex Diesel Consumption 2016-2019



Energy efficiency projects Azomureş

In 2019 we have made four energy assessments with external companies and have executed a comprehensive plan to determine how much and where energy is consumed.

Based on the findings we have identified 6 sustainability projects targeted at reducing our energy consumption. These projects will be implemented in 2020 and in parallel we will perform a complex energetic audit for all Azomures plants.

In the Path to Excellence towards 2025 we are targeting to reduce the use of natural gas by 10%, similarly reduce electricity by 12%, improve recovery of condensates by 15% and reduce freshwater usage by 20%. After the turnaround earlier we realized a reduction of almost 4% in the specific consumption of natural gas per tonne of ammonia, but unfortunately the gas prices offset the financial benefit from this reduction.



In October 2019, we started to establish an energy hunting organization with volunteers. We worked on the premise that a team can accomplish much more than a single person can accomplish alone. The Energy Team will help to plan, implement, benchmark, monitor and evaluate the organizational energy management programme. The Team’s duties also include delivering training, communicating results and providing recognition. The ultimate goal is to cultivate a culture of energy efficiency in our organization.

Self-assessments and audits

Self-assessments are at the heart of our way to identify risks in our processes and at our sites. Each business performs self-assessments through “walks & talks” by a mixed group of people from different departments, including management, who check if their systems are covering the requirements of the HSE Ameropa Romania standards.

On a regular basis, authorities visit our operations to perform assessments. All self-assessments and audits are recorded and in the case of non-conformities, actions are identified and implemented.

Certifications

In 2019, our entities have again carried out continuous efforts to maintain existing entity-specific systems for managing quality, safety, environmental and food processes such as ISO certification, GMP, Product Stewardship, HACCP among others.

A special attention must be given to our Ameropa Grains entity that managed to achieve ISO 9001, ISO 14001, OSHAS 18001, ISO 27001, ISCC certificates in 2019.

Operational excellence

Azomures continued to strengthen its operational excellence. As a foundation to sustainable production a large number of actions (160) were completed including revision of all Standard Operating Procedures and preparing checklists for plant start-ups/shutdowns and emergencies. Operators were trained and their knowledge on procedures was tested. Quality and safety requirements of contractors were strengthened through new requirements for contractors’ quality plans.

People and organizational culture

Employer of choice

We invest in our employees on a continuous basis, to increase their satisfaction, engagement and employee retention, to strengthen employee loyalty, and to create an open communication between workers and management. An open work atmosphere will automatically result in higher levels of work satisfaction, efficiency and safety.

We want to be an employer of choice. We want our employees to stay with us and we want to attract new talent and to offer them a career.

A good and balanced training programme allows us to strengthen the skills that each employee needs to develop and improve. Our training programmes bring all employees to a higher level, so they all have similar skills and knowledge. This creates independent employees able to work interdependently.

In 2019, Ameropa launched the first edition of a new, internal global magazine, 'Bridges', for all employees across the Group. The idea of the magazine came as a result of employee feedback and the desire to share information and to connect people. For ecological reasons, the magazine is circulated primarily in an electronic, web-based format, although a limited number of printed copies are made available to colleagues who do not have ready access to a computer.



Ongoing and new programs (for employer of choice)

In 2019 we mainly focused on consolidating our existing, long term programmes but also implemented new programmes in line with our approach to the continuous development of our organizational culture.

Attract new talent

- Employer of Choice is a Chimrex Programme giving a company presentation at schools and universities, as well as participation at university contests and job fairs
- Fresh Graduates Programme - Partnership with Universities and vocational High Schools to recruit graduates
- Azomureş Industrial Practice Programme for students receiving training at the site
- Ameropa Grains Silo Trainee Programme for vocational High Schools
- Chimrex Internship Programmes developed in partnership with high schools and universities

Retain

- Medium and long-term career planning to maintain a good rate of retention of the team
- Development an organizational culture inspired by Ameropa being a family business on a global level (eg Employee of the Month/ Seniority Programme)
- Professional training, team building, individual coaching and mentoring and professional excellence programmes
- In 2019 a private health insurance and transport compensation was added as a benefit package for all Azomures employees

Grow high potential

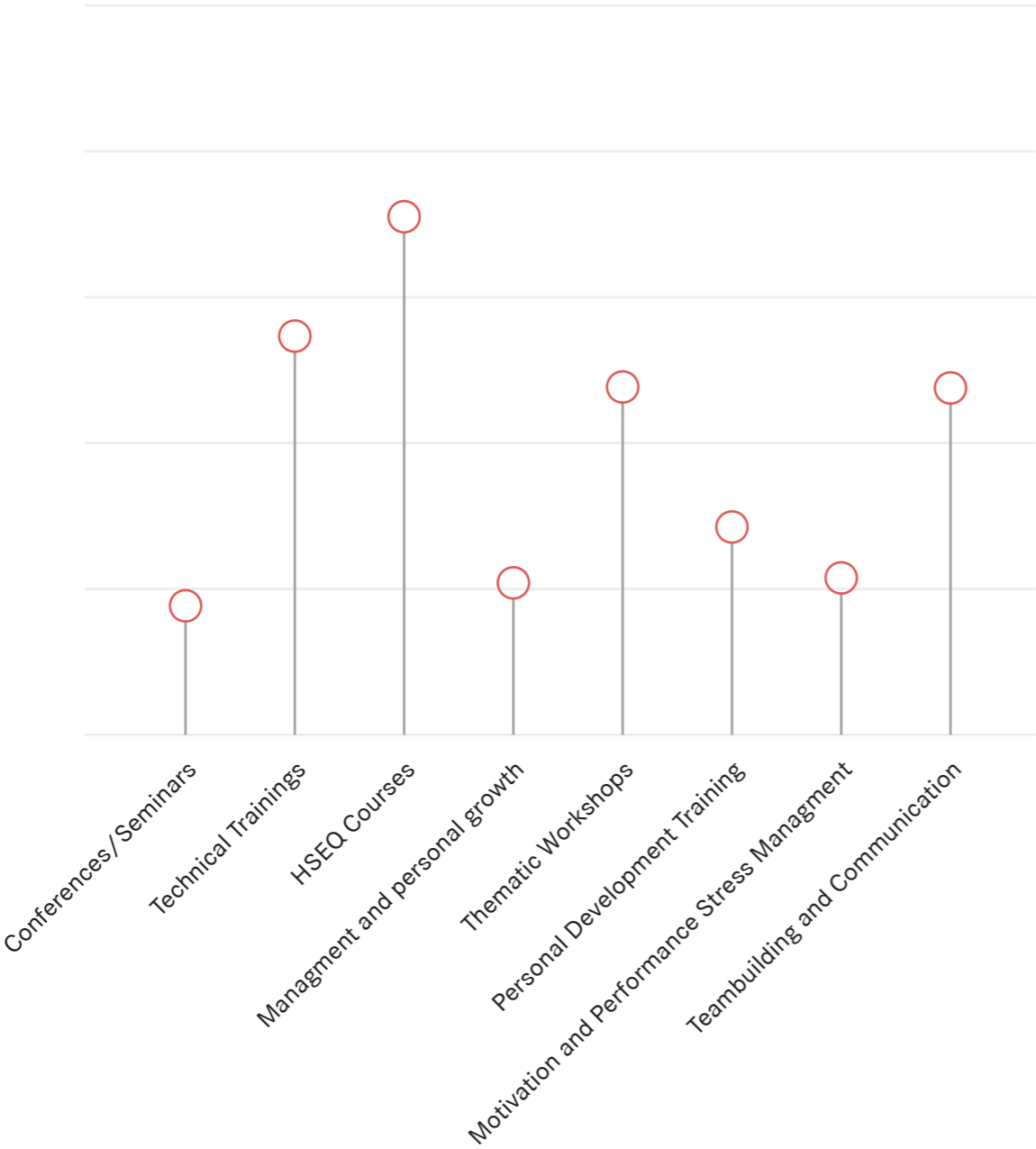
- Individual coaching of young engineers by former plant managers: Self-knowledge, personal development
- Annual Meeting designed for consolidation of the management team and their potential successors
- Life Quality Improvement Programme (Stress Management, Motivation and Performance)
- Development of the skills and competences of young people with leadership potential
- Developing specialists for chemicals, agricultural products and logistics through specific training programmes

Trainings

Our Romanian businesses practice continuous education, linked with an appropriate succession plan and a clear career path.

Ameropa AG rolled out an e-learning programme concerning the Group's Code of Conduct at the beginning of 2019.

Ameropa Romania number of trainees 2019



Our social engagement in the communities

Throughout 2019, we extended our activities to support events that focus on the development of the local community in Târgu Mureş and Constanta, as well as national level events. Their support is translated in developing and sustaining some specific programmes for the community, in collaboration with associations or directly with causes.

A special attention was given to Azomures who won the 3rd prize at the Corporate Social Responsibility (CSR) Romanian Awards in the category “Supporting the Community” for the project “Book Donations in Rural Areas”.

The volunteers from Azomures planted more than 250 trees in Azomures and at our wastewater treatment plant. In the same way, in 2019 a team of volunteers joined the campaign “Let’s do it Romania” along with locals and collected substantial quantities of waste from green areas.



Social engagement highlights

Azomureş

- New Emergency Medical Point at Azomures to serve Azomures and the people located in the western area of the city
- Opening of a multidisciplinary laboratory at the University of UMFST providing opportunities for electromechanical and thermodynamic engineering activities
- Agricultural Vocational School support for future farmers, in Raci
- Support of the international festival and summer academy for young musicians from all over the world in Sighisoara
- Supporting the 3rd edition of Balul Palatului for fundraising for four important causes
- Planting more than 250 trees at our wastewater treatment plant and collecting substantial quantities of waste from green areas
- In partnership with Curtea Veche Association, facilitating children's education by the provision of books
- Donation by Azomures and employees for local community people with health problems and financial difficulties
- UMFST Bike Days and Mureş Half Marathon to promote the benefits of sport
- Employees Participation at the ASCTOID CROSS to support the fight against children's diabetes

Ameropa Grains

- Investing in the Children's Heart Association helping those with very serious problems
- Supporting an association (with other partners) to reduce the mortality of babies
- Support of the Newborn Intensive Care and Premature Section of the Constanța Hospital via the Give Wings Constanța Association
- Support the MAME Association (Mothers' Association) with medical equipment

- Construction of Sensory Gardens, a Music for Autism project for children suffering from autism or other types of psycho-physical disorders
- Providing a Day Centre in Buzău with toys and sanitary materials
- Financial support for cancer treatments
- Bikers for Humanity Association to support the rehabilitation and maintenance of an orphanage

Ameropa Grains Chimpeș

- Save Lives – Blood Donation Campaign In partnership with the National Institute of Blood Donation

Chimpeș

- The gift box programme for children of the disadvantaged families from Valea Dacilor, Siminoc, Valu lui Traian and Constanța
- Thermal insulation of the orphanages of PRR Foundation in Murfatlar by volunteers
- Computer training courses and graduation certificates for children from disadvantaged families of Murfatlar and Valu lui Traian
- Donations to New Europe College in order to support a fellowship and conference programme
- Organization of summer and winter camps and monthly English classes for the children of the employees

Our future vision and approach



When we started to report on our sustainability efforts in 2016, we formulated three realistic goals for the following years: Zero accidents, Reduce CO2 emissions, Promote the safe and sustainable use of fertilizers in Romania.

As this report shows, we have made great progress in all three domains. We are proud of the work achieved so far, but at the same time we feel the urgency to do much more. The first and foremost new initiative is the Path to Excellence 2025 for Azomures. It specifies how to achieve a reduction of 20% in fresh water consumption, 12% in electricity consumption, 10% in gas consumption and 15% in condensates consumption, with the corresponding reduction of emissions, by 2025

A renewed effort will be made to create a continuous and strong awareness about health and safety among the staff of Ameropa Romania. Strong common values and a good communication culture are part of this effort and will help to achieve the desired goal. This all ties in with our efforts of being an employer of choice and of being well understood and well accepted in our communities.

The third focus is on the promotion of safe and sustainable fertilization, which we are pursuing with our own programmes as well as through our cooperation with the READ Foundation.

The table below gives an idea of the specific actions we plan across Ameropa Romania in 2020 in pursuit of our sustainability efforts. There are many more and we are pleased to see that sustainability has made its way into the minds and into the actions of our management and our staff on a daily basis.

Entity	Action	Program
Ameropa Grains	Implement a behaviour based QHSE training at silo locations	Monthly QHSE training and drills
Ameropa Grains	Improve safety awareness, procedures and compliance by promoting the "Proposals and Suggestion" Programme	One proposal per silo location per months one proposal implemented per quarter
All	On time closing of non-conformities	Monitoring closing time of non-conformities
Ameropa Grains	Analyse and solve the recommendation from ISMS Systems (ISO 9001; ISO 14001, OHSAS 18001) and Information Security System (ISO 27001)	Zero Major non-conformities
Chimpex	Contribute to the education process in Constanța community on long term 2020-2024	Internship Programme, Safety workshop/ trainings for teachers of the Ovidius University and Safety competition project for Constanța Universities
Chimpex	Increase soft competencies for middle management by the end of 2020	Leadership development
All	Improve safety responsibility and accountability for middle management	Imbed HSE KPI's into appraisal system
Chimpex	Ongoing reduction of emissions to the air	Renew car fleet by cars with lower emissions
Azomureș	Increase safety by isolating energy from equipment by installing LOTO-system	Implement LOTO in ammonium nitrate plants
Azomureș	Implement Health and Wellbeing campaign to increase the health awareness of our people	Health campaigns run by the Medical Department
Azomureș	Implement an Environmental alert	Communicate all negative impacts of uncontrolled discharges
Azomureș	Reduce environmental impact by increased awareness	Run workshops with the aim to reduce environmental impact
Azomureș	Implement sustainability projects	Path to Excellence 2025 to reduce energy consumption, increase mechanical integrity, tackle ageing problems
Azomures Ameropa Grains Chimpex	Implement an HSE software system	Develop and install a software system to report and track several HSE processes (incidents, MOC, risk assessments, training, environmental, audits)

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