ROCA AGRI RDF

Holding de Agricultură

Risks and opportunities related to

CLIMATE CHANGES

REPORT 2023 | ROCA AGRI RDF

Contents

1 About this report

Between October 2022 – March 2023, the Holding ROCA Agri RDF conducted a first review of the climate risks and related impacts for its activity.

This review mainly relies on the activities carried out in the financial year 2022 by the holding companies: Adidana SRL, RDF Agricultură SRL, RDF SA.

This report pursues the disclosure requirements published by **Task Force on Climate-Related Financial Disclosures (TCFD).**

The main objectives of the analysis are:

- To reduce the negative impact of climate risks
- To prepare appropriate response measures
- To explore potential climate-related opportunities
- To communicate the analysis results to provide transparency for investors, shareholders, and other stakeholders

The report does not contain a separate chapter dedicated to the area of **Metrics and Targets** because the organization is currently in the process of developing its sustainability strategy, which will include climate-related indicators and targets.

Additionally, the calculation process for the carbon footprint of scopes 1 and 2, following the Greenhouse Gas Protocol methodology, is still pending. The outcomes of these initiatives will generate metrics and targets that will also be incorporated into the disclosure context of the Task Force on Climate-related Financial Disclosures (TCFD).

The terms mentioned herein are short-term (until the end of 2025), medium-term (until the end of 2030) and long-term (until the end of 2035).

2 Governance

While defining the sustainability strategy at the holding level of ROCA Agri RDF, the results of the climate-related risk review will be taken into consideration, along with the findings from the carbon footprint calculations.

This initial review within the company will lead to the integration of climate risks into strategic practices at each holding company, actively analyzing them to shape development directions, targets, and actions.

Within this context, climate risks are being integrated into the general risk management process, and the companies are in the process of finalizing a specific procedure for this purpose.

According to the new procedure, climate risks will be regularly assessed as a separate category.

Each risk will be individually evaluated, and response methods will be updated based on the operational situation and financial context at the time of assessment.

The process of identifying and analyzing climate risks involves the participation of senior management and department managers, engaging the highest structures of the organizations.

Once the new procedure is completed and implemented, the role of a Climate Risk Officer will be established.

Climate Risk O f cer

The main role of the new function will be to manage the climate risks, coordinate the risk identification and analysis activities, assess them and align climate risks management within the company with the strategic directions within the holding.

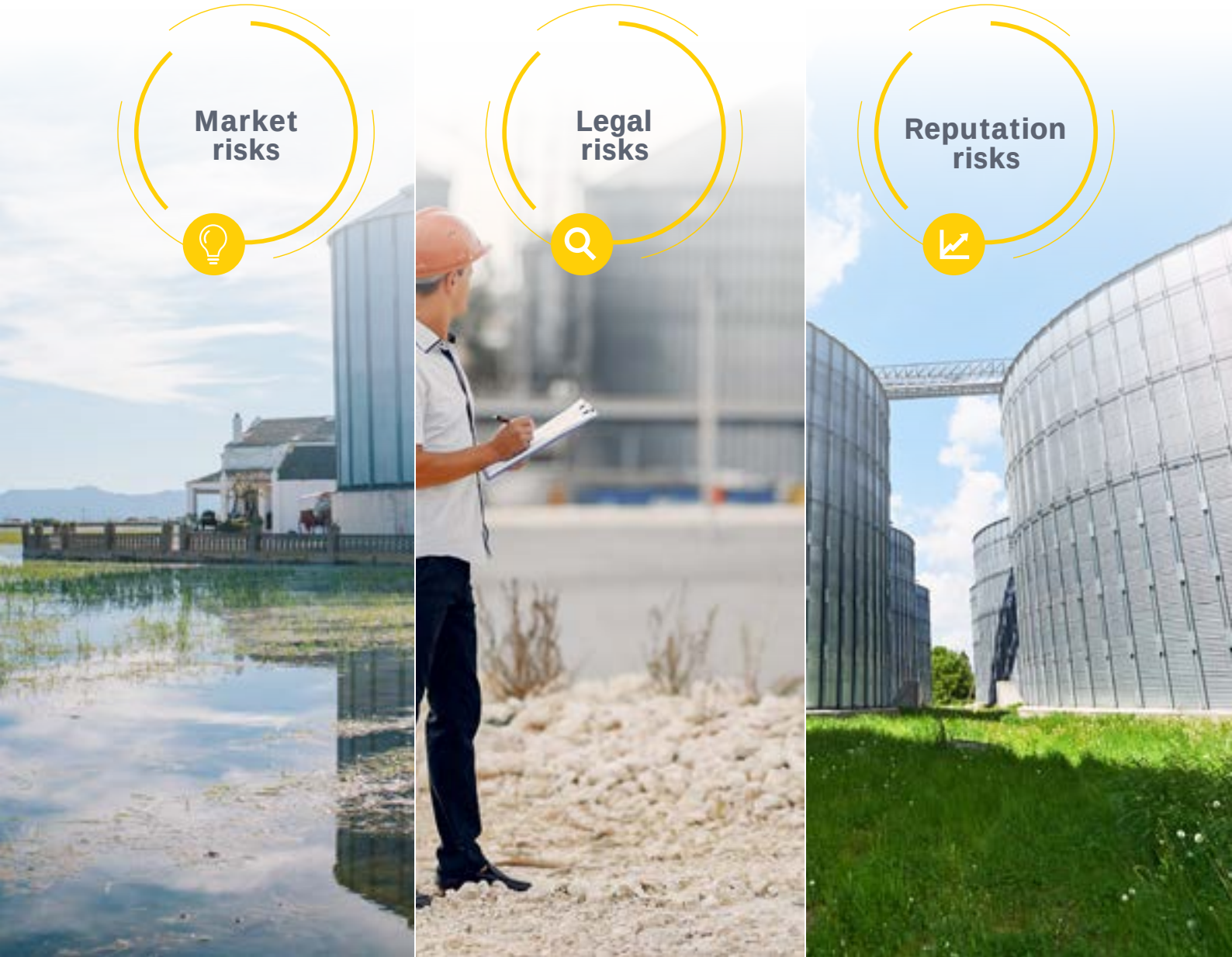
3 Strategy

The first step in implementing the climate risk analysis initiative was to identify the relevant **physical and transitional opportunities** and risks for each company.

Thus, based on the specific nature of the companies' activities, we identified those acute physical risks (extreme phenomena) and chronic physical risks (changes in climate patterns) that have the potential to significantly influence the operations of the companies within the holding.

At the same time, we identified the applicable transition risks for the companies' activities, taking into account legislative changes, market modifications, and other socio-economic development prerequisites.

Therefore, the transition risks relevant for the **companies within the ROCA Agri RDF Holding** are divided into market risks, legal risks, reputation risks.



To accomplish this detailed analysis, representatives from senior leadership and within the management structure collaborated to follow a series of steps in order to comply with the TCFD recommendations, as outlined below:

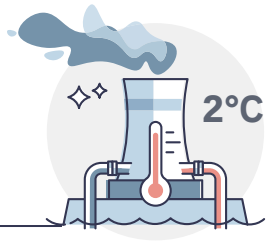
1. Identify **physical climate risks and opportunities relevant** to the company, based on an assessment of chronic and acute risks identified at the country level;

2. Identify **transition climate risks and opportunities relevant** to the company, considering the economic, operational, and legal context in which the company operates;

3. Rank risks and opportunities in the short, medium and long term;

4. **Analyse risks** and opportunities from each category to prioritise and rank them in **risk grades**;

5. **Quantitative analysis of physical risks in terms of evolution over time**, to determine the company's resilience, considering difference climate-related scenarios, including a 2°C or lower scenario;



6. Quantitative analysis of certain transition risks in terms of evolution of the company's costs for the risks related to the activities with the highest impact on the **carbon footprint of the company**, considering different climate-related scenarios, including a 2°C or lower scenario;

7. Developing methods to address climate risks, based on the outcomes of qualitative and quantitative analyses;

Risk analysis was performed using specialized platforms that depict the patterns of evolution for various parameters, based on climate scenarios. Climate scenarios are future representations of greenhouse gas emissions, used to assess the potential impact of human-induced climate change.

3.1 Impacts of physical climate risks

To analyse the evolution of physical climate risks over time, international platforms specialising in climate projections have been used according to scenarios.

The physical risks were assessed in terms of short, medium, and long-term evolution according to the climate scenarios.

Following the analysis, these risks were classified into risk grades and timeframes based on the largest deviations of parameters, considering the patterns of evolution and their potential impact on the companies within the holding.

The analyses were conducted for the counties of **Constanța, Dolj, and Arad,** where the headquarters and major operational sites of the holding's companies are located.

These areas have been considered, as they have the most intense activity and contain the largest number of assets of the holding companies.

The following speciality platforms have been used:

- **Climate Impact Explorer, developed by Climate Analytics, based on the international climate impact science modelling initiatives, with scenarios developed by the Network for Greening the Financial System - NGFS:**

Current Policies: Only the policies currently implemented are retained; global warming of 3°C+ by 2100 and associated high climate impacts.

Net-Zero 2050: Implementation of strict climate policies and innovation; limiting global warming to 1.5°C through achieving net-zero CO2 emissions around the year 2050

- **Climate Change Knowledge Portal, developed by the World Bank, for modelling climate parameters according to the socio-economic and political scenarios, with scenarios developed by the Intergovernmental Panel on Climate Change (IPCC)**

SSP3-7.0: Rapid population and consumption growth, with a focus on increased energy consumption and intensive use of fossil fuels; CO2 emissions double by the year 2100; average global warming of 3.5°C by 2100.

SSP1-1.9: focus on decarbonisation and energy efficiency; effective implementation of the Paris Treaty; CO2 emissions are reduced to zero net around 2050; limit global warming on average by 1.2°C in 2100

Rising temperatures

Impact

1

As temperatures rise, facilities can experience overheating, leading to increased energy consumption for cooling spaces. Additionally, temperature fluctuations can affect crop yields depending on the specific species. However, crop yields are influenced by multiple variables, and temperature variations need to be interpreted within a multifactorial context.

One potential positive impact could be milder winters, reducing the number of cold days and delaying winter frost. This can lower heating requirements for administrative spaces and improve crop yields by extending the vegetation period.

The average annual temperatures in the analyzed counties do not show a significant increase compared to the reference level, indicating a low level of associated risk. Therefore, the temperature patterns within the two analyzed climate scenarios are not considered to have a notable impact on the activities of the companies.

Type	Delivery deadline	Risk level
chronic	long	low

Intensification of heat wave periods

Impact

2

The intensification of heatwaves can have a direct financial impact on companies through the loss of crops or reduced yields, impacts on employee health and decreased productivity, and increased energy consumption for cooling spaces. Additionally, the sales of agricultural input products may be weather-dependent.

At the national level, there is a significant increase in the percentage of the population exposed to heatwaves in the Current Policies scenario.

Furthermore, in the SSP3-7.0 scenario, there are significant increases in the number of days with temperatures exceeding 35°C in the long term, especially in the county of Constanța. Although the SSP1-1.9 scenario predicts a decrease in this parameter, the significant increases from the previous scenario in all analyzed counties classify this risk as high, particularly due to its direct impact on employee health and the economic performance of companies.

Type	Delivery deadline	Risk level
acute	long	high

Change in the rainfall patterns

3

Impact

The significant increase in precipitation levels can lead to intensified flooding and geomorphological risks, destabilizing the soil. These situations can potentially damage company properties or crops.
Precipitation levels are one of the factors that directly influence crop yields. Excessive rainfall can lead to the development of bacteria, fungi, and mold in the soil, as well as the leaching or dilution of nutrients.
Significant decrease in precipitation levels can result in crop drying, prolonged germination periods, and delays in reaching maturity. Additionally, it can reduce aquifer volumes, potentially leading to water supply restrictions and increased prices for this service. Such a situation can raise operational costs.
By analyzing the patterns of precipitation evolution in the counties of interest, differences have been observed between the projections associated with the SSP3-7.0 scenario and the SSP1-1.9 scenario. The former indicates a lower annual precipitation amount, even leading to a slight decrease in long-term precipitation levels compared to the reference year.
The risk can be classified as low, as the climatic parameter changes are small compared to the reference value, and potential negative impacts are multifactorial.

Type	Delivery deadline	Risk level
chronic	average	low

Changes in the atmospheric humidity

4

Impact

Significant increases in atmospheric humidity can result in monetary losses by altering raw materials (e.g., soybeans), commercialized agricultural inputs, and stored grains. At the same time, humidity is one of the factors that directly influence crop yields. Excessive humidity can cause leaf and root diseases, while low humidity can lead to slow drying of the growing environment and plant stress.

Among the analyzed counties, the largest increase is observed in the long term, specifically in Arad county, under the SSP1-1.9 scenario. The risk can be classified as low because the percentage deviations are small compared to the reference value, reducing the risk of materializing potential negative impacts on the companies' activities.

Type	Delivery deadline	Risk level
chronic	long	low

Intensification of drought events

5

Impact

An increase in drought periods can impact the national economy by altering the dynamics of raw materials, particularly in the agricultural sector, which can have a cascading effect throughout the national economic ecosystem. This can lead to negative effects in the supply chain of all companies within the holding.

Simultaneously, drought represents one of the most significant climate risks for crops that lack irrigation systems. Reduced water availability in the soil causes significant decreases in crop productivity.

The highest values for this parameter are reached in the short term under the SSP3-7.0 scenario in Dolj county. The agricultural land exploitation activity in Arad county is exposed to significant negative impacts with the increase of this parameter.

Considering the interconnectedness in the supply chain of the companies within the holding, this can have a cascading effect. Due to the magnitude of negative impacts on the companies' activities, this risk is classified as high, although according to the Net-Zero scenario, the maximum number of consecutive drought days can be reduced in all three analyzed counties compared to the reference year.

Type	Delivery deadline	Risk level
acute	average	high

Intensification of flooding

6

Impact

Floods are the most significant acute climate phenomena that can affect the national territory. Besides direct material damages to the company, these events can also cause disruptions in the supply chain.

At the national level, both in the Net-Zero scenario and the Current Policies scenario, a progressive increase in floods and the resulting damages from these extreme events is anticipated. According to the Flood Risk Management Plans developed by the Basin Water Administrations, the areas where the companies operate are not directly classified as high-risk flood zones.

Furthermore, the exposure to flood risk depends on the local (micro) geomorphological and infrastructural characteristics. For each company, this risk has been classified as low after an individual analysis of existing flood plans, existing protective infrastructure, distances, and elevation levels of the sites in relation to the nearest water basin at risk, historical flood occurrences, and measures taken.

Type	Delivery deadline	Risk level
acute	long	low

Intensification of hail events

7

Impact

Hail can have a negative impact on company assets such as crops, buildings, or storage spaces.

Globally, there is a trend of increasing hail phenomena intensity, according to specialized studies. However, it is not possible to model the evolution of this phenomenon at a small scale (national or county level). Therefore, according to the European Environment Agency, projections based on climate scenarios are not available.

In Romania, hail occurs most frequently in the northwestern part of the country and least frequently in the southeastern region. Additionally, the occurrence of hail is strongly influenced by human intervention regulated by Law 173/2008.

Type	Delivery deadline	Risk level
acute		

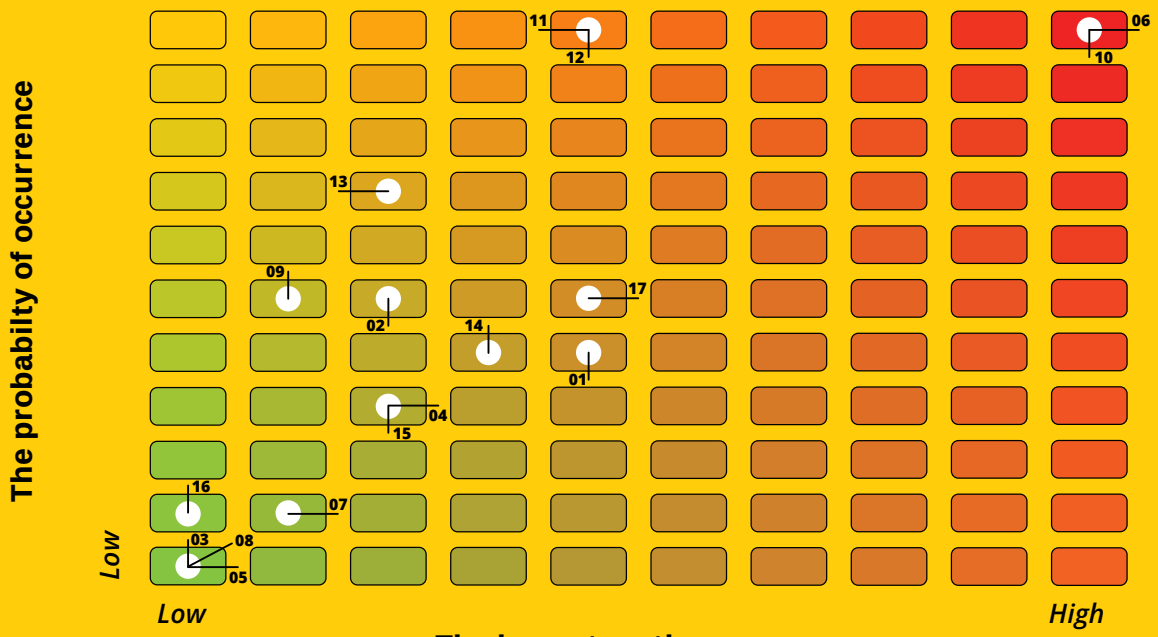
3.2 Impacts of transition climate risks

During the analysis of transition climate risks, we identified seventeen risks that were assigned risk grades based on their potential impact on the company and the probability of occurrence.

These risks are categorized into timeframes based on the anticipated timing for their occurrence.

After identifying the transition climate risks and defining the related impacts, they were ranked according to the scope of impact on the company and likelihood of occurrence of the risk.

Hierarchy of transition climate risks



1. Higher demand for sustainable products among final consumers **- market risk**
2. Higher fuel prices **- market risk**
3. Higher prices for heating agents (methane gas) **- market risk**
4. Higher insurance prices **- market risk**
5. Higher prices for electricity **- market risk**
6. Higher prices / shortage of raw materials used in agricultural inputs **- market risk**
7. Higher soya prices **- market risk**
8. Higher prices and quantity restrictions for water supply **- market risk**
9. Extended reporting for greenhouse gas emissions **- legal risk**
10. Limit the use of certain types of agricultural inputs **- legal risk**
11. Extended crop rotation - **legal risk**
12. Extension of non-productive areas for the agricultural land **- legal risk**
13. Increased recycling targets for packaged goods **- legal risk**
14. Impose a limit for the GGHG resulting from the distribution of fuel fossils **- legal risk**
15. Increase carbon taxation of imported goods **- legal risk**
16. Intensify greenwashing complaints and other non-sustainable practices **- reputation risk**
17. Increase investors' interest in the companies' sustainability performance **- reputation risk**

To quantify the financial impacts of transition climate risks, the most significant consumption categories that contribute to the carbon footprint within the scope of Application 1 at the holding level have been selected:

- Diesel consumption (for all three companies)
- Electricity consumption (for Adidana and RDF SA)

The calculation assumptions for these costs were based on the consumption levels recorded for each company in the year 2022.

Additionally, global trends in soybean price increases have been analyzed as the volatility risk of this commodity is of interest for the new full-fat soy processing activity **implemented by RDF SA in 2022.**

The calculation assumptions for this analysis were based on price trends according to **NGFS databases,** reported in relation to the average price per ton in Romania in 2022.

For this financial analysis, GCAM 5.3 database prepared by Network for Greening the Financial System (NGFS) was used, specific for Romania, considering 2022 as baseline year.

The scenarios used to analyse the development of costs are:

NZ
(NET ZERO)

representing heavier policies that would help reaching the global target of limiting

global warming by 2050 to **1.5°C**

NDC
(NATIONALLY DETERMINED CONTRIBUTION)

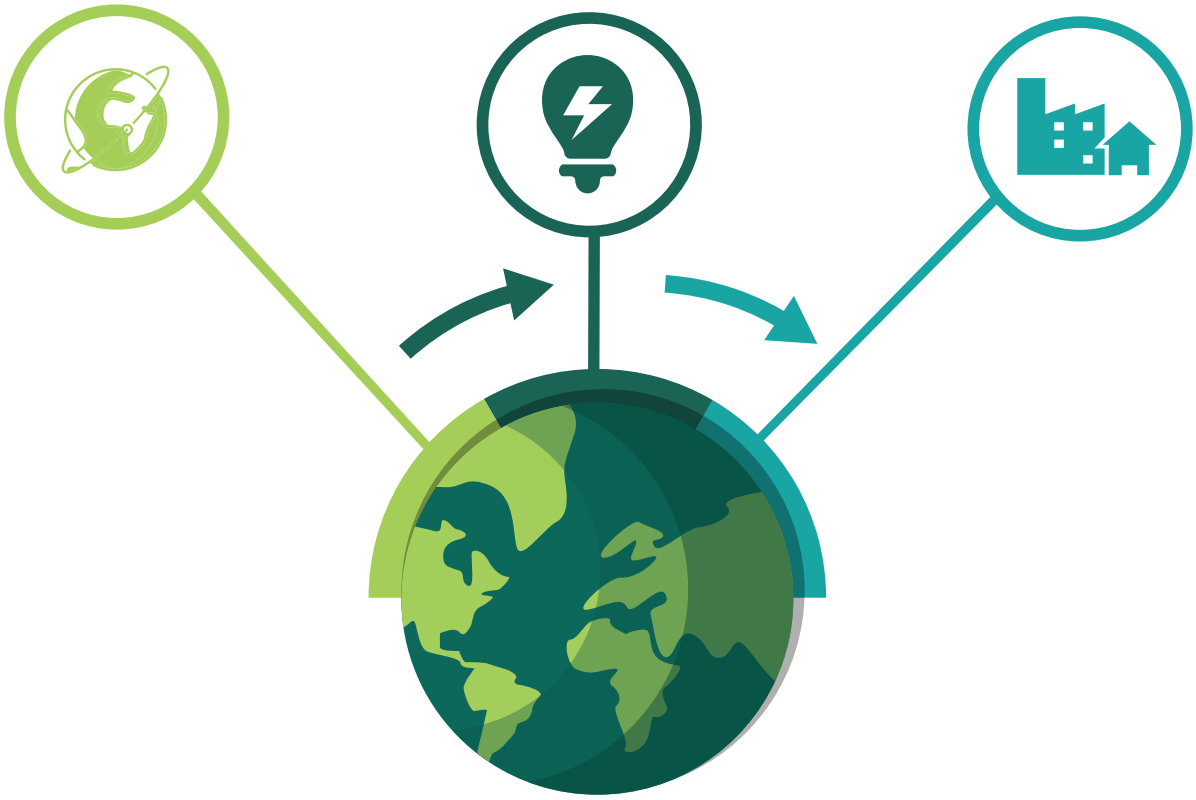
resulting from commitments already announced at national level on climate policies, which are projected to limit

global warming by 2050 to **2.65°C**

CP
(CURRENT POLICIES)

which reflect the sole maintenance of applicable policies and regulations currently at national level, which are projected by 2100 to result in a

in a global warming above **3°C**



1 Higher demand for sustainable products among final consumers

Transition context

rising interest of population in sustainable products, particularly food-related

Impact

With stakeholders' preferences shifting towards sustainable products and services, companies that do not align with this market trend risk reducing their competitiveness, leading to a decline in economic performance.

Risk category	Delivery deadline	Risk level
market	long	average

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2 Higher fuel prices

Risk category	Delivery deadline	Risk level
market	short	average

3 Higher prices for heating agents (methane gas)[1]

Risk category	Delivery deadline	Risk level
market	short	low

4 Higher prices for electricity

Risk category	Delivery deadline	Risk level
market	short	low

Transition context

- international initiatives to support reducing climate impact
- legislative packages and policies to limit the fossil fuel consumption; e.g.: the new carbon certificates trade scheme (EU-ETS II) applicable to the fuel distributors with linear reduction targets, 'Fit for 55' package containing measures to reduce methane gas
- the geopolitical situation in Europe which caused problems in the fuel supply chain

Impact

The increase in prices for utilities and fuel leads to higher direct operational costs for companies and price increases in the supply chain. Although these additional costs can be internalized and included in the final product price, it can result in reduced competitiveness, especially compared to non-EU products.

Maintaining the current composition of fleets and equipment poses a risk of increased direct costs, but this increase is limited (up to a maximum of 4% compared to the 2022 reference year in the medium term under the most ambitious price growth scenario). Therefore, investing in the renewal of own fleets and equipment with vehicles that have lower pollution levels/fuel consumption is not justified at this time. Such an investment is not feasible in the short and medium term and does not significantly contribute (financially) to mitigating the negative impact of fuel price increases on companies.
According to the same scenario, the costs of electricity supply for the holding will not increase by more than 15% in the long term compared to the 2022 reference year.
These cost increases translate into relatively small absolute monetary values compared to the total operational expenses at the holding level.

[1]Applicable to the company RDF SA, particularly for the cereal drying process

5 Higher insurance prices

Transition context

- global increase in the costs of damages caused by the extreme weather phenomena and implicitly of the amounts paid by the insurance companies
- tendency to update the extreme events component

Impact

Rising insurance prices for buildings, fleet, machinery, land, crops and other assets determine increased operating costs for companies.

Risk category	Delivery deadline	Risk level
market	long	average

6 Higher prices / shortage of raw materials used in agricultural inputs

Transition context

- higher prices across the world for certain raw materials used in production of agricultural fertilisers, in the context of limiting certain substances through policies for the reduction of environment and climate impact, such as: Common Agricultural Policy, the UE Strategy in the field of chemical substances
- the geopolitical situation in Europe which caused problems in the fuel supply chain

Impact

Nitrogen fertilisers' (e.g., ammonium nitrate) prices are expected to rise together with termination of transports from Russia and the increase in the prices of the other agricultural inputs. This may bring adverse effects in the supply chain of the holding companies and rising raw materials costs.

Risk category	Delivery deadline	Risk level
market	average	high

7 Higher soya price[2]

Transition context

- predict increase in demand for non-GM soya to address the sustainability requirements defined at the level of market
- favouring organic feed through regulations supporting organic farming

Impact

A potential increase in the price of soybean can lead to higher prices of the finished product, which may result in reduced customer interest and a shift towards other types of animal feed. Additionally, this can lead to increased costs for raw materials for RDF SA.
With the implementation of more ambitious regulatory measures globally to reduce climate impact, a price increase of over 50% for the raw material is anticipated compared to the reference year of 2022, at the level of Romania.

Risk category	Delivery deadline	Risk level
market	short	low

[2]Mainly applicable to the company RDF SA for the processing of the full fat soya product

8 Higher prices and quantity restrictions for water supply

Transition context

- Recording patterns of increased water stress
- National trend of land aridification
- Implementation of water supply measures with restricted schedules at the national level

Impact

The increase in water supply prices leads to higher operational costs. Restricting the quantities of water for consumption from the centralized network and from private wells may, in extreme cases, require reorganization of activities.

Risk category	Delivery deadline	Risk level
market	long	low

9 Extended reporting for greenhouse gas emissions

Transition context

The need to report emissions from Scope 3 activities, based on the size of the company, with a phased implementation between 2024 and 2028, in accordance with Directive (EU) 2022/2464.

Impact

Expanded reporting for greenhouse gas emissions involves allocating resources for collecting and managing data from stakeholders within the value chains of companies.

Risk category	Delivery deadline	Risk level
legal	average	average

10 Limit the use of certain types of agricultural inputs

Transition context

Supporting organic agriculture and reducing the use of chemical substances, in line with EU strategies such as Farm to Fork, which proposes the reduction and limitation of conventional pesticides, the adoption of alternative pest management methods, and the promotion of organic production.

Impact

Limiting the use of certain types of agricultural inputs and implementing certain obligations to manage farms can lead to operational changes for the agricultural land use.

Risk category	Delivery deadline	Risk level
legal	long	high

11 Extended crop rotation

Transition context

- Common Agricultural Policy 2023-2027 (CAP 23-27) states the obligation to implement crop rotation for farms of at least 10 hectares
- National Strategic Plan for PAC 2023-2027 was approved by EC in December 2022

Impact

While most of the national actors already implement crop rotation, extension of this practice to European level beginning with 2023 can result in a change of the client demand from the seed trading activity.

Risk category	Delivery deadline	Risk level
legal	average	average

12 Extension of non-productive areas for the agricultural land[3]

Transition context

- to assist biodiversity, PAC 23-27 sets forth the obligation for arable land holders to allocate at least 3% of the arable land which should be dedicated to biodiversity and non-productive elements, for the farms at least 10 hectares

Impact

Once the non-productive areas are established (at least 3% from the arable land should be dedicated to biodiversity and non-productive elements), resources should be allocated to plan the implementation of this obligation and adjust yield and used crops.

Risk category	Delivery deadline	Risk level
legal	average	average

13 Enhanced targets for packaging placed on the market

Transition context

- with a view to supporting transition to a circular economy that contributes to reducing global warming, EU Directive on packaging (94/62/EC), transposed in Romania into the Law 249/2015 sets forth linear growth targets by 2030

Impact

As operators that place packaged products on the national market, companies shall have to allocate more resources to reach higher recycling targets beginning with 2030: 75% global (compared to 60%), 55% plastic (compared to 22.5%), 85% metal (compared to 60%)

Risk category	Delivery deadline	Risk level
legal	long	average

[3]Applicable mainly to RDF Agricultură in the Agricultural land use, but it can also have an impact on the lines of business for marketing seeds and other agricultural inputs

14 Impose a limit for the greenhouse gas emissions resulting from the distribution of fuel fossils[4]

Transition context

- the new EU greenhouse gas emissions trading scheme (EU-ETS2, applicable beginning with 2025) includes fuel supply and distribution, including a threshold and linear reduction factors to control emission reduction for distributors

Impact

With the inclusion of this business segment in the new carbon emissions trading scheme, the actors involved in the distribution and trading of fuels (Adidana) will need to allocate resources to align with the current regulations and update their operations to meet the emissions cap and linear reduction factors for greenhouse gases.

Risk category	Delivery deadline	Risk level
legal	average	average

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15 Increase carbon taxation of imported goods

Transition context

- the need to reduce global climate impact (including for the countries with less ambitious climate policies) and encourage the production companies (both EU and non-EU) to reduce emissions
- the need to reflect the carbon/greenhouse gas content in the final price of the products
- implement the Carbon Border Adjustment Mechanism (CBAM), which will place an additional tax on products from non-EU countries

Impact

If the raw material is imported from outside the EU, this can lead to an increase in the purchase price. Although these costs can be internalized and included in the final product price, it can lead to a decrease in competitiveness.

Risk category	Delivery deadline	Risk level
legal	long	average

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16 Intensify greenwashing complaints and other non-sustainable practices

Transition context

- increase education of the general population on sustainability issues
- increase scepticism of final consumers for products or services presented as sustainable
- increase greenwashing court cases at international level
- increase the number of non-governmental organisations that aim to draw attention on the non-sustainable practices and greenwashing cases

Impact

The increase in reports of greenwashing and other unsustainable practices leads to greater scrutiny from stakeholders regarding the credibility of sustainability claims. If companies fail to align with the trend of transparently and objectively communicating their sustainability performance, they risk damaging their reputation and competitiveness.

Risk category	Delivery deadline	Risk level
reputation	long	low

[4]Applicable the company Adidana for the diesel trading activity

17 Increase investors' interest in the companies' sustainability performance

Transition context

- continuous development of sustainable investment funds
- increase environmental, social and governance profiles (ESG) for the listed companies
- develop various systems and platforms for measuring and scoring ESG performance

Impact

With the increasing interest of investors in sustainability performance, listed companies are in direct competition to develop their environmental, social, and governance (ESG) performance. Those companies that do not align with this trend may suffer financial losses due to a decline in investor interest.

Risk category	Delivery deadline	Risk level
reputation	average	average

4 Risk management

No.	Address methods
01	Initiating the project for installing photovoltaic panels with a capacity of 400 kWp at the RDF SA Șofronea site and 400 kWp at the RDF SA Ineu site.
02	Exploring the option of expanding the photovoltaic panel network in the future.
03	Developing a sustainability strategy that will contribute to enhancing the sustainability level of Roca Agri RDF companies.
04	Calculating emissions from Scope 1 and Scope 2 sources according to the GHG Protocol.
05	Preparing sustainability reporting and increasing focus on sustainability communication initiatives.
06	Maintaining accurate records of origin certificates for fertilizers to ensure traceability.
07	Maintaining accurate traceability records for products within the cereal and processing business lines.
08	Investigating the possibility of using fertilizers with lower climate impact in the land exploitation business line (e.g., reducing urea quantities by using urea with inhibitors or increasing the use of nitrate-based fertilizers, which emit over 60% fewer ammonia emissions). Reducing fertilizer quantities through variable rate fertilization maps.
09	Exploring opportunities for long-term fleet renewal with vehicles that have reduced pollution and fuel consumption.
10	Continuously optimizing the operations and loading procedures of the cereal dryer used at RDF SA to ensure maximum efficiency and optimal methane gas consumption.
11	Maintain up-to-date records regarding the insurance market and available offers for crop insurance during acute/extreme weather events.
12	Continue investigating alternative vendor options and monitoring raw material prices to develop a comprehensive acquisition plan.
13	Establish framework agreements to secure long-term advantageous prices for soybeans, utilizing financial practices such as hedging for soybean raw materials.
14	Explore the possibility of including criteria for land acquisitions that prioritize sites with low drought risk or natural characteristics that require minimal maintenance in the long-term land acquisition strategy.
15	Assess the feasibility of implementing a groundwater abstraction system to reduce reliance on the network water for leaf processing at the Cateasca storage facility (applicable to Adidana).
16	Prepare data repositories for comprehensive Scope 3 reporting or participate in international repository initiatives.
17	Develop cover crops that contribute to expanding crop rotation practices.
18	Continue monitoring the market and vendor portfolio to identify and engage with environmentally compliant vendors offering the most feasible solutions.
19	Allocate resources to ensure compliance with the new emission trading scheme, including specific reporting activities and alignment with EU-ETS2 (applicable to Adidana).
20	Continue disclosing structured environmental, social, and governance performance information.
21	Engage a third-party to verify the sustainability report.

Following the quantitative analysis of climate risks, new potential response methods have been identified, as well as ongoing actions that are currently being implemented.

These initiatives aim to address both physical and transitional risks identified within the holding in a holistic manner.

5 Conclusions

Following the completion of the initial climate risk analysis, **ROCA Agri RDF Holding** has taken its first steps in integrating these risks into its own management system.

By internalising these risks, the holding shows a degree of maturity in terms of sustainability that will enable a more informed strategic planning, better risk management, increase investor confidence and formulate improved answers to the disclosure requirements in the sustainability area.

At the governance level, the holding has involved its highest-level structures in the process of identifying, analyzing, and evaluating climate risks and opportunities. It has also developed a procedure to ensure the recurrence of this practice.

The holding's **strategic approach** in terms of climate risks and opportunities starts from identifying them and analysing their potential and actual impacts.

The management of climate risks and opportunities is based on quantitative analyses that take into account climate scenarios, which form the basis for formulating addressing methods.

The measures for addressing climate risks are formulated to holistically cover the negative impacts and emphasize the practices that have already been implemented to support this direction.

Among the identified responses, investing in the photovoltaic panel network brings cost savings in operational expenses while also contributing to achieving the global Net Zero climate scenario of limiting global warming to 1.5°C by 2100.

Meeting this scenario results in reducing the negative effects of physical risks, such as the intensification of heatwaves. The holding will continue to support this scenario by expanding the photovoltaic panel network.

ROCA Agri RDF Holding will increase its level of maturity in the field of sustainability through the development of metrics and objectives resulting from the sustainability strategy and carbon footprint calculation. By doing so, the holding will simultaneously enhance its maturity in implementing the TCFD reporting framework, while integrating climate risk management into its recurring practices.

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