

CHAPTER 1

“The *good* of our way of doing business has always been to look forward to the future. For the *good* of the planet and the generations of tomorrow.”



Loris Pedon
Chief Executive Officer

OUR PATH

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1.1 The Pedon Company

About Us



We are an **Italian family business**, a global player in food solutions based on grains, legumes and seeds.

Vision

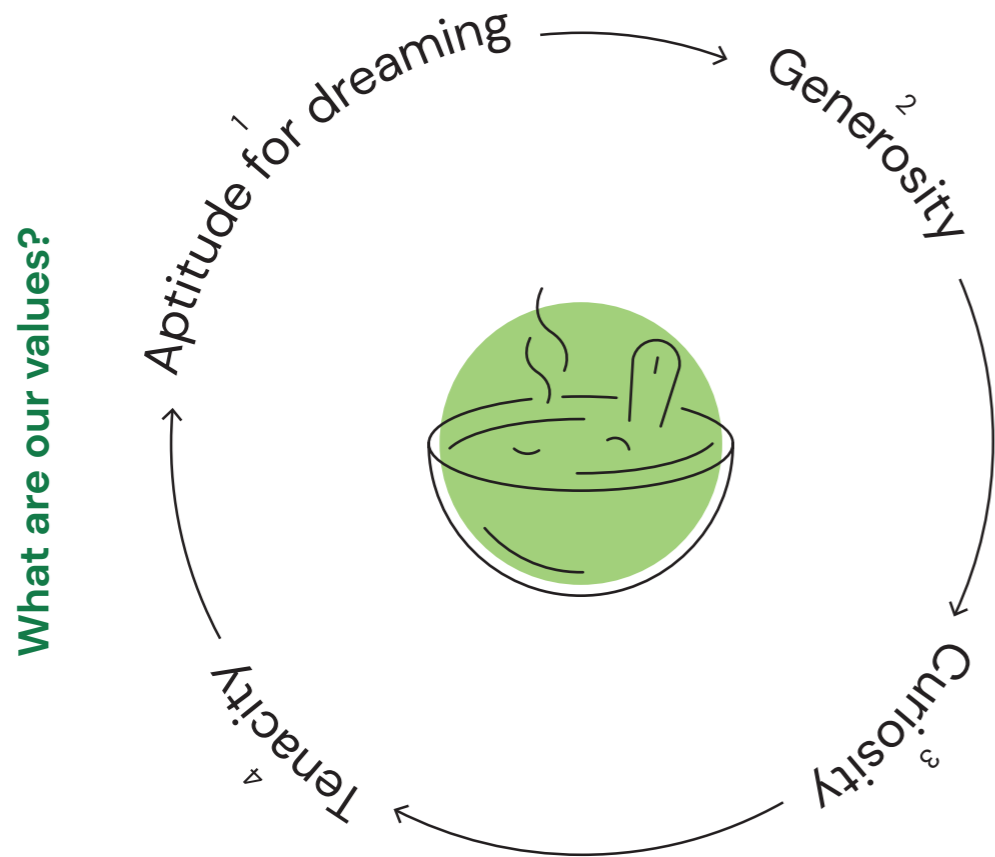


To contribute to **feeding 10 billion people** without the need for another planet.

Mission



Offering **innovative**, tasty, easy-to-use legume- and grain-based **solutions** that help people adopt a balanced diet and sustainable habits.



1. We are dreamers, spontaneous and brave. Setting goals above the apparent limits of the possible is the way we know for achieving ambitious outcomes.

2. We are convinced that our role goes far beyond the pursuit of profit alone. That's why **we aspire to healthy, sustainable growth** involving all of society.

3. We are drawn to anything new and believe that only by sharing ideas we create value for the future.

4. We are aware that nothing acquires value like what is done with persistence. That's why every day we put at stake our talents and **our desire to always move forward.**

The Pillars of the Pedon World

1. Knowledge



Our creations start with a deep understanding and careful selection of raw materials at the source.

2. Innovation



We study global consumption trends to create solutions that make legumes, grains and seeds easy to consume at any time of the day.

3. Sustainability



For us, "doing business" means caring about sustainability in all its environmental, social and economic dimensions.

Our Raw Materials

LEGUMES



FIBRE & PROTEIN



FAT, SODIUM & GLUTEN

Legumes are among the most sustainable and nutritious vegetables on the face of the Earth because they require little water and are nitrogen-fixing, enriching the soil with essential nutrients.



CRANBERRY BEANS



CANNELLINI BEANS



CHICKPEAS



LENTILS

GRAINS



FIBRE, VITAMINS & ANTIOXIDANTS

Fundamental staples of the Mediterranean diet, grains are a major source of dietary fibre and contain vitamins and minerals.



BARLEY



SPELT



CORN



RICE

SEEDS



MINERALS, FIBRE & VITAMINS

As the raw materials tasked by nature with the reproduction of species, seeds are a concentrate of well-being and nutrients. As well as being highly filling, they are rich in minerals and fibre



SUNFLOWER SEEDS



PUMPKIN SEEDS



FLAXSEEDS



CHIA SEEDS

1.1

The Pedon Company

Our Story

The story of Pedon is one of innovation within tradition, with the goal of simplifying the use of legumes, grains and seeds to encourage their consumption and enhance their flavour.

1984

Pedon is founded: the three brothers Sergio, Remo, and Franco Pedon deliver their first order of legumes.



DALLA BUONA TERRA



1985

Dalla Buona Terra, the company's first branded legumes, sold in bar-coded packs – an insightful move that unlocked the doors of major supermarket chains.

LATE 1990S



Direct field sourcing: relationships with farmers to create a global supply chain.

1999



Lenticchia Pedina: marked Pedon's first branded lentil – and the first to support a humanitarian project. Still today, Pedina backs ethical campaigns in Italy and around the world in support of children and families.

2000



Grains and legumes ready in a few minutes, a revolution for the market that opens the doors of Pedon to the world.

2010

I Pronti transformed grains and legumes into tasty ready meals, thanks to the innovative doypack.



2015



Pedon debuted in the United States with pulse pasta, opening a new sales office in Miami for the US market.

2020



Legume snacks: legumes are taking over new eating moments, becoming tasty snacks and handy toppings.

2024



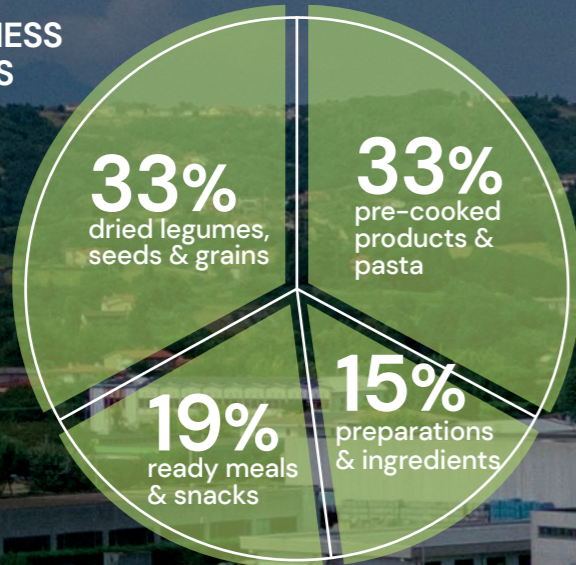
Soups combined legumes and grains into a complete, balanced meal in a delicious new range of ready-to-eat soups.

1.1

The Pedon Company

PEDON IN NUMBERS

BUSINESS AREAS



REVENUE €

95 million



267
employees



90 million
items produced
per year

30 million
kg produced
per year

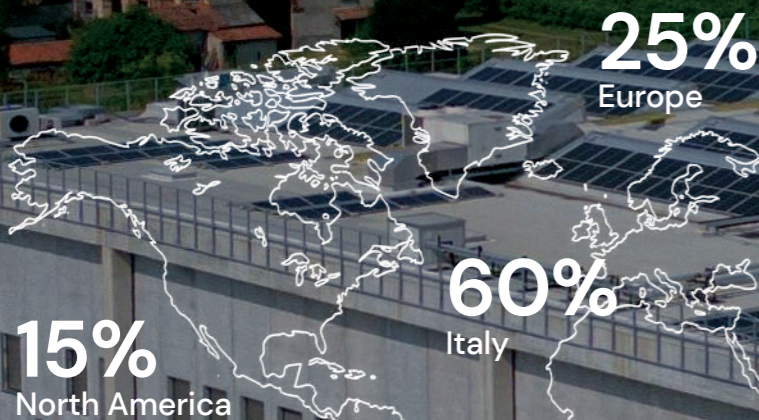
2,000
different products
handled per year



30,000
m² covered facilities

20,000
m² of external
warehouse premises

26
production lines

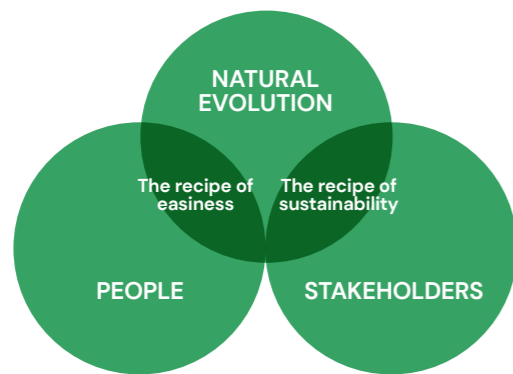


1.2

Pedon's Commitment to Sustainable Development

The Company's Attitude of Natural Evolution

Pedon is an **Italian family business** driven by a long-held belief in **healthy and sustainable growth** and in the role we can play in furthering the welfare of society – a role that goes far beyond the mere pursuit of profit. "Natural Evolution" is the guiding principle that has long inspired the company's natural inclination for the continuous improvement of its know-how and way doing things, **underpinned by due respect for people, health and the environment.** Pedon was founded in the 1980s as a trader and distributor of legumes, grains and seeds sourced from grower countries. The turn of the millennium brought major innovation to the company, with the launch of the first easy-to-cook lines of products, making legumes and grains faster and easier to prepare.



A New Challenge in a New Market with a New Positioning

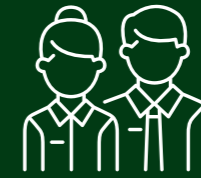
Pedon today is a pioneer in the **ready meals** market. Its **natural plant-based meals** can be **enjoyed anywhere, anytime:** easy to use, genuine in recipe, delicious to eat. It is a proposition that speaks to millions of consumers who lead a busy life but still want a wholesome lifestyle and so seek out products that make life easy while guaranteeing genuine quality and flavoursome taste, balancing a fast-paced life with moments to savour. This "Natural Evolution" is expanding the company's core business from raw materials (legumes, grains and seeds) to the creation of tasty ready-meal.

Hence the new concept positioning us – **"The recipe of easiness". A concept that charts new ground for the brand in the eyes of consumers,** as the Pedon way becomes that of pioneering new products that can appeal in a major way to people looking to make their lives easier, even in the kitchen. While this "recipe" is the Pedon way of serving consumers, there is also a Pedon way of playing a significant role as a company.

It is what Pedon calls **"The recipe of sustainability"**.

NATURAL EVOLUTION

From the individual to society, to the entire planet.



THE RECIPE OF EASINESS

THE RECIPE OF SUSTAINABILITY



SOCIAL SUSTAINABILITY

Respecting people and their health, and making it easier for everyone to have access to healthy and balanced food.



ENVIRONMENTAL SUSTAINABILITY

Respect for the environment, through the protection of natural resources and efforts to scale back our environmental footprint.



ECONOMIC SUSTAINABILITY

Growth that improves quality of life for everyone while respecting the environment.



Creation of ready meals



Promotion of biodiversity



Tasty recipes



Minimal impact on water



Easy to prepare and store



Low emissions

1.3 Materiality

Material topics represent the organisation's most significant impacts on the economy, environment and people. Material topics encompass all the issues that shape the decisions, actions and performance of the company and its stakeholders.

Materiality is a strategic concept that guides companies in their sustainability reporting by placing the focus on matters that significantly impact their ability to create value over time, both for the company and for key stakeholders.

Pedon has instituted a process of **engagement and dialogue with internal and external stakeholders** on sustainability issues of relevance for its strategy. The process led to the company's first **impact materiality assessment**, conducted according to the Impact Materiality concept developed by the Global Reporting Initiative (GRI).

In identifying the material topics for its business, Pedon has aligned itself with the international guidelines of the Sustainability Accounting Standards Board (SASB FRAMEWORK) for the Food Retailers & Distributors sector.

Benchmark Analysis

To fully understand Pedon's world and the topics addressed in this report, it was essential to expand the perspective of observation to include a comparative analysis of the industry in the materiality study. The benchmark analysis provides deeper insight into Pedon's positioning on key sustainability topics and on specific aspects of its core business.

THE BENCHMARKING ANALYSIS LOOKED AT THE STATE-OF-THE-ART OF NON-FINANCIAL REPORTING IN THE SECTOR OF REFERENCE, HELPING TO PROVIDE A CLEARER PICTURE OF THE DIRECTION THE INDUSTRY IS MOVING IN WITH RESPECT TO ESG ACTIVITIES AND REPORTING. IT GIVES US AN:

Understanding of the industry's priorities in terms of **reporting**.

Understanding of the approach our main national and international **competitors** are taking to non-financial reporting.

Understanding of how Pedon **is positioned** with respect to its competitors.

Conducted in preparation for the materiality assessment, the benchmarking study highlighted relevant aspects in the food retail and distribution sector, with a focus on the markets for legumes, grains, pasta, ready meals and nuts.

In general, the industry was found to show a **high level of awareness of environmental, social and governance expectations** and of its own impacts. In addition, there was a strong propensity to adopt sustainable operational practices such as **ESG reporting**, innovation in **packaging**, **traceability** of the supply chain, and gradual improvements in **energy efficiency**, as well as system and product **certifications**.



1.3

Materiality

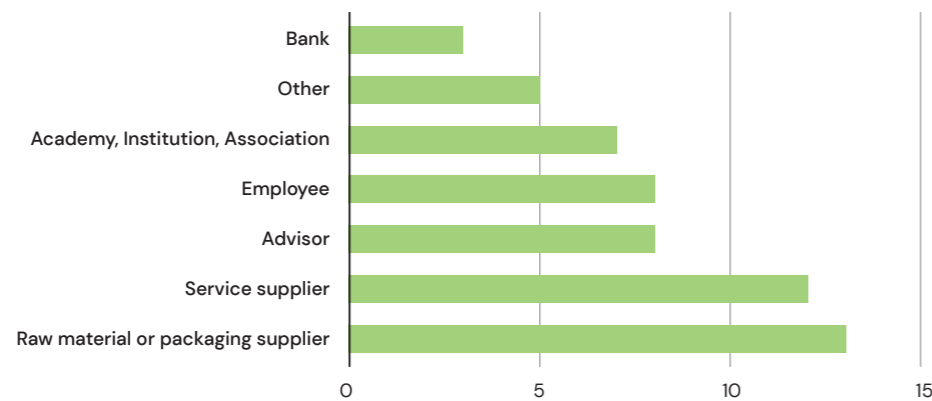
Stakeholders Engagement

Stakeholders engagement is a systematic process of reaching out and listening to stakeholders.

It is a process that Pedon has embraced to take into account the interests of those who hold a stake in our business in policy-making and strategic decision-making concerning our sustainable development.

The engagement process was started up with the distribution of an on-line questionnaire in anonymous form, to gain a better understanding of the expectations of our internal and external stakeholders in relation to business priorities and material topics – or impact areas – identified in advance.

Type of stakeholders engaged



The core activity of the questionnaire asked respondents to rank the material topics identified by internal stakeholders according to their perception of the significance and relevance of the topics for Pedon and to assess how comprehensive the list of material topics was.

The outcomes of the questionnaire paved the way for a second stage of engagement, involving direct **interviews with six**

representatives of sustainability-related topics, selected from six external entities which share with Pedon values, future prospects and relationships of trust.

This second stage engaged a range of stakeholders – banking institutions, retailers, logistics and packaging service providers and energy management agencies – in a dialogue on material topics and the actual or potential, positive and negative impacts generated by Pedon.

The **stakeholders engagement** process was fundamental in drawing together a diverse range of perspectives and suggestions for understanding the materiality of our impacts, to improve the comprehensive depth of reporting and the robustness of the strategic system.



1.3

Materiality

Material Topics

Outlined below are the material topics identified by Pedon within each of the **areas of sustainability**.



ENVIRONMENT

PROCUREMENT OF RAW MATERIALS

Adoption of **responsible** and **ethical** purchasing policies, involving the screening and ongoing monitoring of suppliers for their ESG performance. Establishment of long-term partnerships. Promotion of **the stability and integrity of the entire supply chain**.

ENERGY MANAGEMENT

Focus on company policies for the monitoring and management of energy consumption, development of **energy efficiency initiatives**, and the monitoring of infrastructure resilience in terms of facility management and energy consumption, also with a view to **reducing greenhouse gas emissions**.

PACKAGING LIFE CYCLE AND WASTE MANAGEMENT

Promotion of the principles of circularity in relation to product development, the use of environmentally-friendly packaging, **efficient use of materials** and their minimisation.

PRODUCT INNOVATION – HEALTH AND NUTRITION

Promotion of responsible and healthy lifestyles by providing consumption opportunities that make it easier for people to adopt good behaviours for their own health and the health of the environment.



SOCIAL

WORK PRACTICES

Human resource management and talent development programmes through **training** and **up-skilling** to help further personal advancement. Enabling a **work-life balance** through a company welfare system that matches the needs of employees.

WORKERS' HEALTH AND SAFETY

Commitment to promoting a "safety first" mindset by monitoring and preventing potential risks for both company workers and external contractors.

FOOD SAFETY

Focus on the **reliability of products and services** to prevent and manage any situations that may potentially jeopardise consumer safety, product/service **quality** and **conformity** or business continuity.

LABELLING AND MARKETING

Focus on the **clarity** and **transparency** of labelling, product information and marketing communications.



GOVERNANCE

DIGITAL TRANSFORMATION

Furthering digital innovation to improve the **efficiency of operations and services offered** by digitising and optimising **facility management and monitoring** the integration of **new energy efficiency and sustainable development opportunities**. Cyber security management.

PROTECTION OF LEGALITY AND ANTI-CORRUPTION

Ethical conduct of business, showing loyalty and fairness, and in **full compliance with laws and regulations**. Creation of adequate internal control systems and the spread a corporate culture based on **integrity, professional ethics** and honesty to build relationships of trust with stakeholders. Delivery of **anti-corruption** training to employees, promoting the values of transparency and accountability. Protection of **human rights**.