

Sustainability Report

2022

MADE IN ITALY

DreamfarmTM

www.dream-farm.it

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0.1 Letter to stakeholder

We are an *innovative Italian startup* founded in 2021 in Parma, in the centre of the Food Valley. We have joined forces because we believe that the food of the future must inspire positive change: *we combine the pleasure of good food with a lower environmental impact. We start with healthy, natural and 100% plant-based ingredients.*

Our goal is to offer the best plant-based alternatives to cheese, which are:

- *truly healthy*, with few natural ingredients and excellent nutritional characteristics: low saturated fat, zero cholesterol and more fibre. The difference is the quality of the ingredients and our unique and proprietary processing method.
- *inherently sustainable*, both in terms of the food and its packaging. We firmly believe that plants contain all the answers to provide us with the top-quality food we need, with no impact on animal welfare and with lower CO2 emissions and land use.
- *incredibly good*, because an Italian startup naturally combines good taste with an excellent nutritional profile .

Over the next few years, at our Dreamfarm we are committed to turning this dream into reality because the market and future generations are looking for a transparent promise that can be kept. We view business in terms of the positive and negative impacts we will be able to generate.

We believe that a balanced diet can also contribute to improving the health of the planet and biodiversity on a daily basis, one meal at a time. And behind a balanced meal there is considerable care for people, raw materials and processes.

With this first sustainability report, we are aiming to provide an overview of the current state of our business and to lay the groundwork to ensure that balanced and sustainable evolution is both a strategic guide and a daily choice: an impetus that comes from deep within, because we believe in it. Committing to this and upcoming sustainability reports will help us chart a transparent course that measures its impact not only on members, but on the community.

We are beginning to daydream.

Methodological note

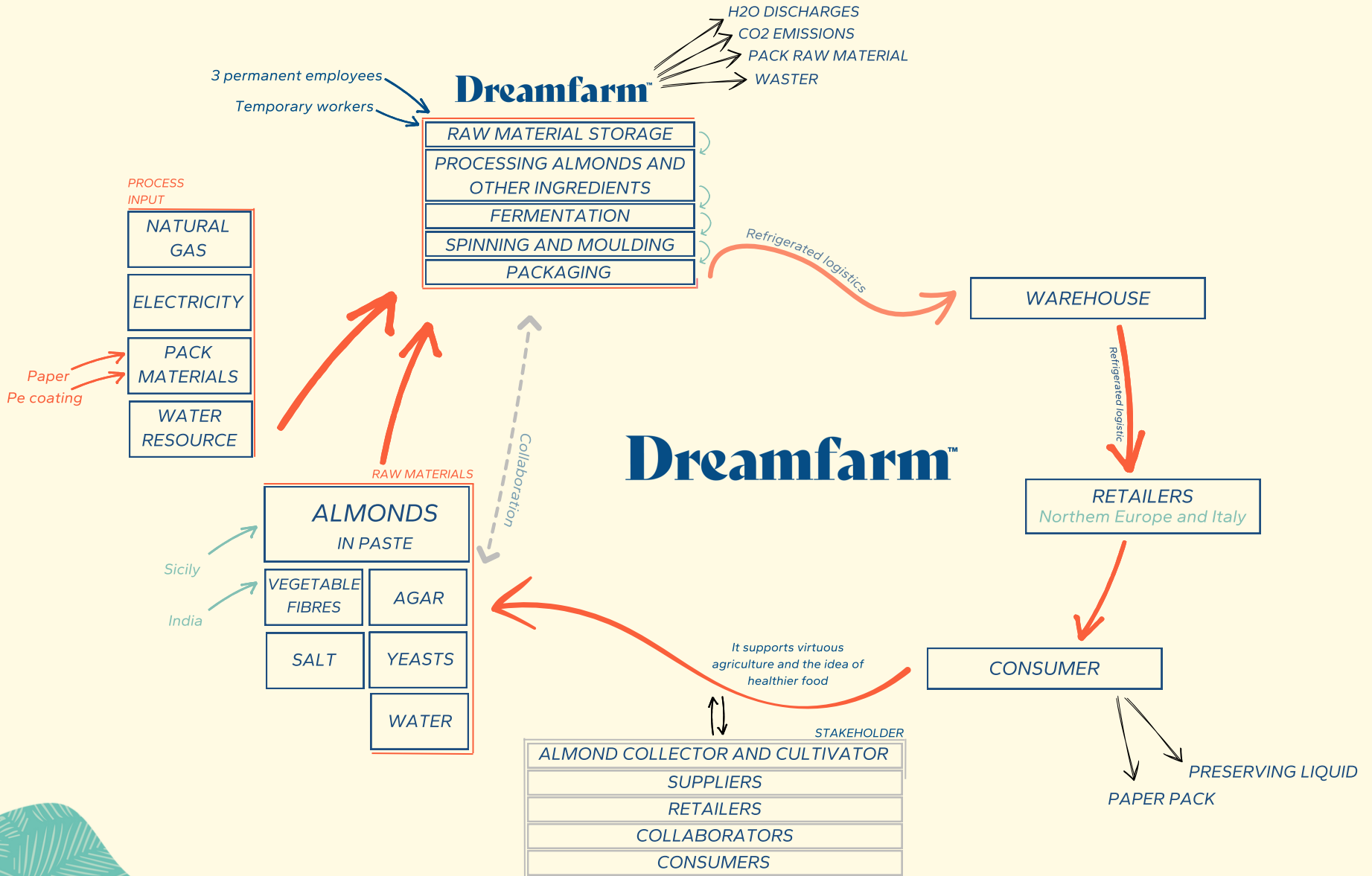
This sustainability report has been prepared in accordance with the 2021 GRI Standards of the Global Reporting Initiative (GRI), in the “with reference” format. The information and figures refer to the company Dreamfarm Società Benefit S.r.l., based in Sala Baganza (PR) for the period 1 January 2022 - 31 December 2022, unless otherwise indicated. The document, which is drawn up on an annual basis, constitutes the first edition of the company's Sustainability Report.

The document is divided into 5 distinct parts: an introduction describing the company and its activities, as well as its approach to sustainability management, and 4 chapters devoted to the 4 material topics (see page 12), exploring: vision, related impacts, management approach, actions already taken, goals for the future, and monitored indicators.

Since the company will start actual production in 2023, we have only included figures that make sense in light of the current sustainability performance indices. All figures relating to, for example, consumption (of energy, water and other resources), are only representative of the company when production is actually up and running. However, we have already defined the indicators we intend to measure and the survey methodology.

With a view to transparency and accountability towards all stakeholders, this report was prepared in collaboration with the sustainable development consultants of Caju' S.r.l. with the help of Terra Institute, a centre of expertise in sustainable development recognised by the UN.

0.2 Our system, sustainability governance and impacts



0.3 The company

Company presentation

Dreamfarm S.r.l. Società Benefit was founded in 2021 in Parma, an area recognised for the production of cheese from cow's milk, with the lofty goal of bringing plant-based foods to the European market that can transform the power of plants.

As represented in the design of our current company system, we have chosen to begin our journey from a raw material, a prized ingredient that has always characterised the Mediterranean area: the almond. In time, we wish to create foods that will initially compare with classic and iconic Italian cheeses, but will in fact open the door to new product categories.

We are a highly innovative and creative company that wishes to invest energy in increasing the range of products that do not use milk or animal proteins.

We are driven by the pursuit of balance between healthy nutrition, refined taste and sustainability, not limited to environmental sustainability.

2023 will be a key year as we aim to officially enter the market, generating economic value, as well as social and environmental value. In the past two years, thanks to the support of investors from the food industry, we have devoted ourselves to founding our Dreamfarm, to the precise recipes behind our products, and to the search for the right raw material.

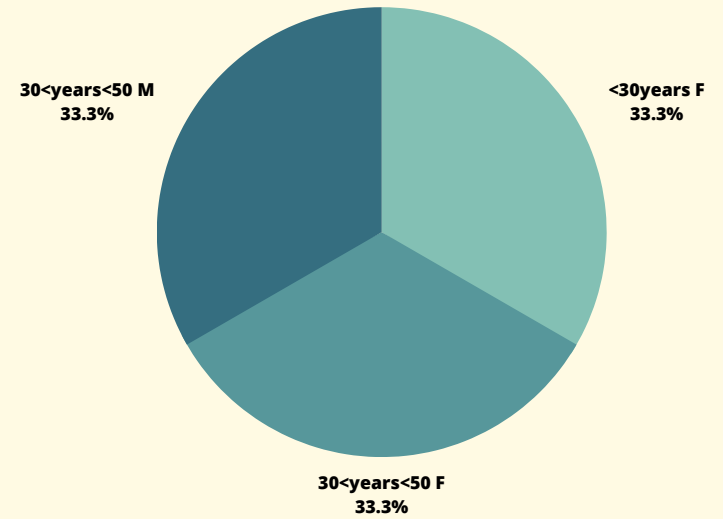
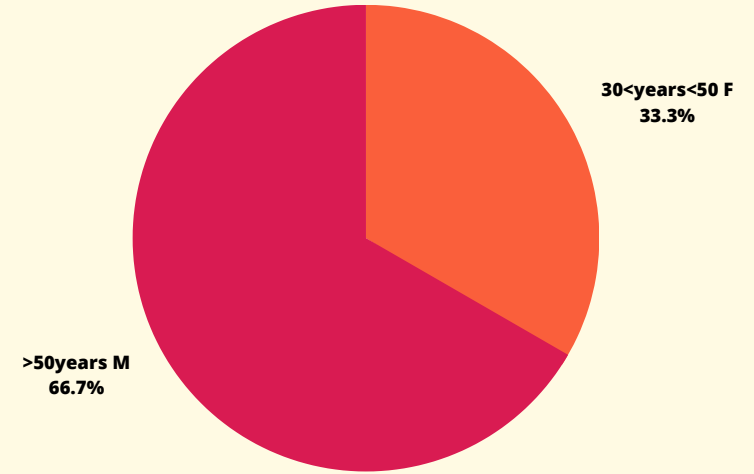
We are the only animals you will find at the Dreamfarm

We are a close-knit team of innovators who are making this farm's dream – to focus on plants – come true. We are supported by a three-person board of directors elected by the members.

0.3 The company

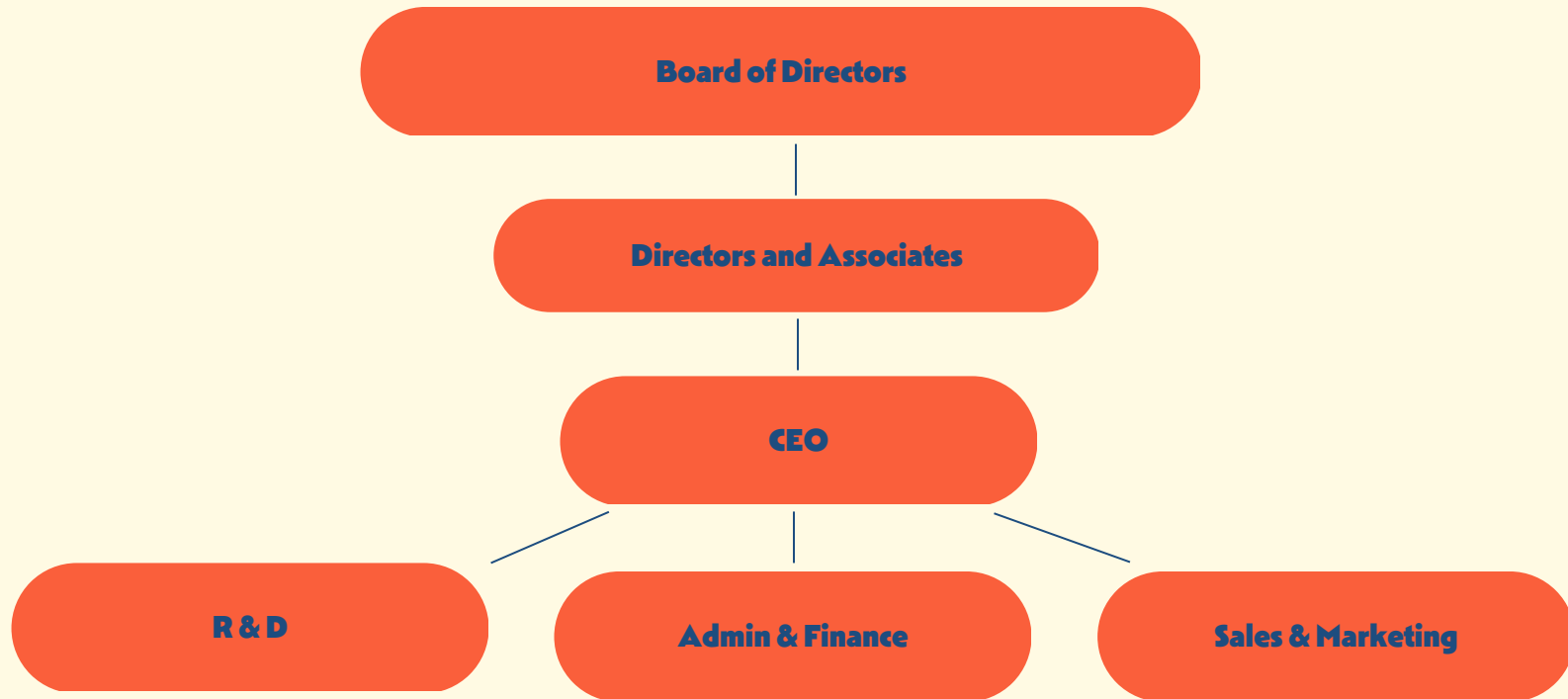
Diversity in governing bodies (Board of Directors)	F	M
<30years	0	0
30<years<50	1	0
>50years	0	2

Diversity among employees	F	M
<30years	1	0
30<years<50	1	1
>50years	0	0



Gender and age distribution among employees and among members of governing bodies as at 31/12/2022

0.3 The company



Company structure as at 31/12/2022

0.4 Sustainability management

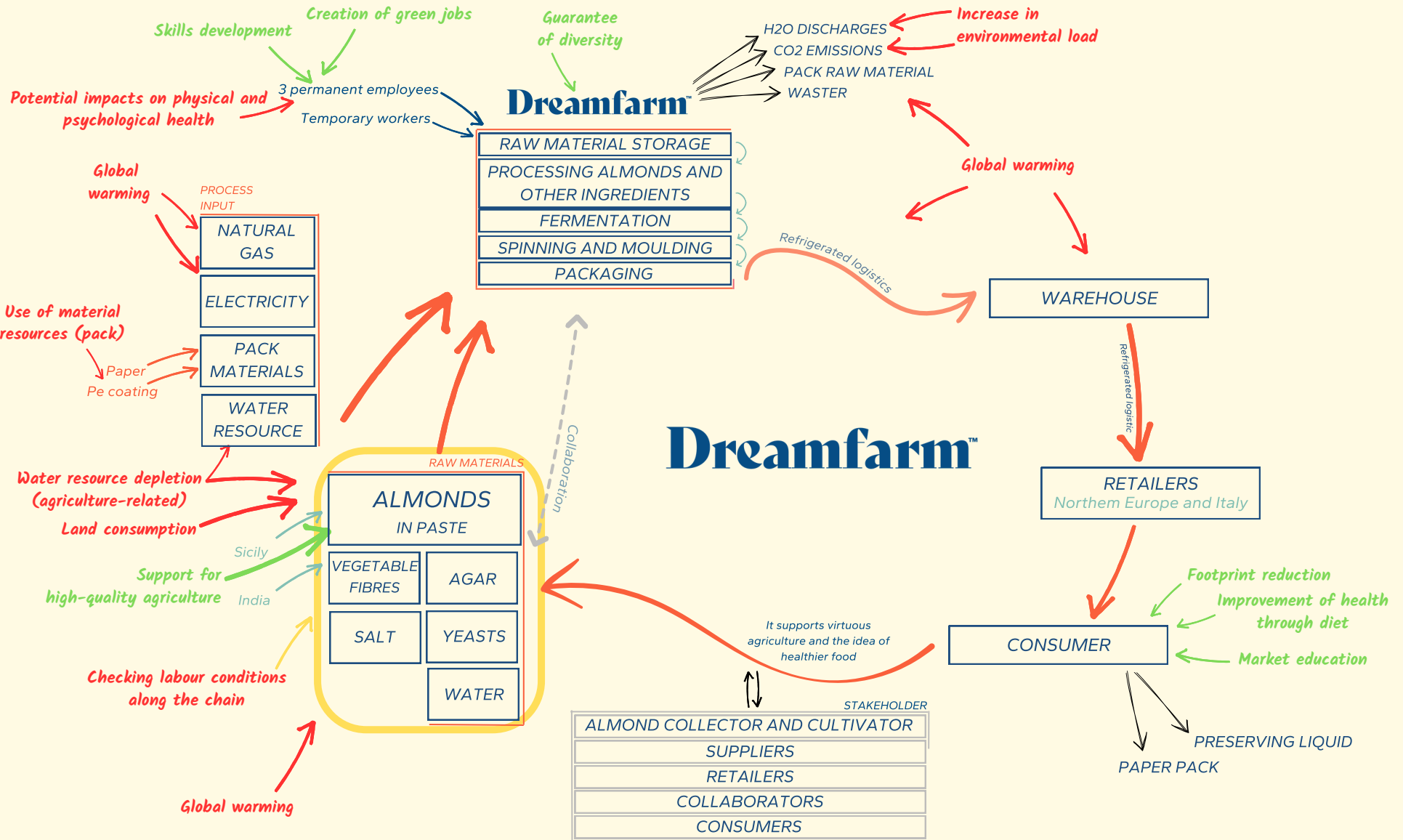
We decided to formalise our commitment to sustainable development by establishing ourselves in the legal form of “Società Benefit”

This legal form encourages and motivates us to maintain a high level of attention to social and environmental issues that also have an impact on profit results in the medium term. It is therefore a conscious and very deliberate choice that can both guide and motivate us: the monitoring and reporting system actually guides our strategic choices which, in turn, translate into day-to-day activities that are consistent with our commitments. Starting from here, directly involving the Board of Directors, we then began to reflect on what our negative and positive impacts could be throughout our value creation chain.

This process allowed us to define the materiality scope: i.e. to understand which topics could encompass our priority impacts and around which we could build a development strategy and a monitoring system to guarantee the promise that is intrinsic to being a Società Benefit, namely generating a positive impact on people and the environment. The Board of Directors, together with employees, is directly involved in managing the impacts identified through monthly monitoring, which will be formalised through the indicators established and presented later in this sustainability report.

This is our first sustainability report: we believe it is correct to start with an impact analysis, conscious that in a second stage we will expand this analysis by assessing its severity, checking if there are impacts that were not perceived in the first stage of the project and extending the base of external stakeholders with whom we can interface. This will be the fundamental process behind our continuous improvement.

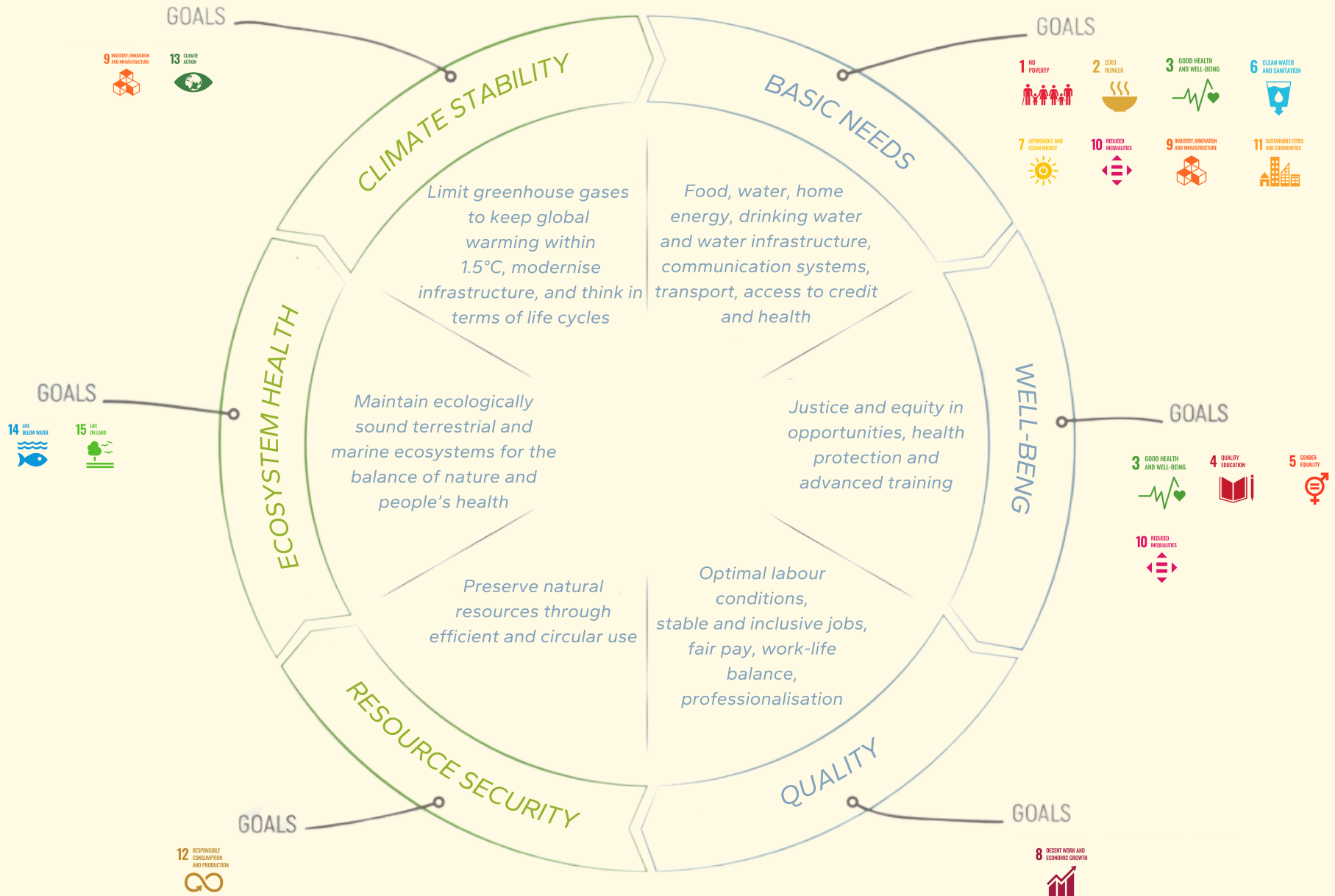
In the illustration below, we have included the impacts that emerged.







To define the impacts, we started with a picture of our current system, involving all employees who currently work on an ongoing basis with the company. We have assigned to each part of the system the impacts we believe it generates, whether positive or negative. In order to identify them, we started from this illustration of the concept of impact, which groups together 6 different categories and relates them to the United Nations Development Goals (SDGs)

The in-depth study of our system and the consequent emergence of material topics was developed during a crucial team-building meeting; an opportunity to take the time to develop a shared awareness of what sustainability can really mean for our business, to outline its goals and boundaries, and to assume the resulting responsibilities.

*In a second step, we grouped the impacts into **4 material topics**, i.e. those relevant topics that will drive our company's sustainability strategy.*



MATERIAL TOPICS	RELATED IMPACTS	SDG' SOURCE OF INSPIRATION FOR OUR DEVELOPMENT PATH AND RELATED TARGETS
<p>WORK CULTURE</p>	<ul style="list-style-type: none"> • Skills development • Creation of green jobs • Guarantee of diversity • Potential impacts on psychological and physical health 	<p>4.4 4.7 5.5 8.8 8.5</p> 
<p>HIGH-QUALITY RAW MATERIAL</p>	<ul style="list-style-type: none"> • Support for high-quality agriculture • Water resource depletion (agriculture-related) • Use of material resources (packs) • Checking labour conditions along the chain • Land consumption 	<p>2.4 8.4 8.7 12.2</p> 
<p>CLIMATE STRATEGY AND WASTE</p>	<ul style="list-style-type: none"> • Global warming • Increased environmental load related to waste production and water discharges • Water resource depletion (related to consumption in production processes) 	<p>9.4 12.5 12.3 13.2</p> 
<p>RESPONSIBLE CONSUMPTION</p>	<ul style="list-style-type: none"> • Market education • Reduction of consumers' environmental footprint • Improvement of health through nutrition linked to the provision of a healthy, plant-based alternative 	<p>12.8</p> 

Finally, in keeping with our Articles of Association, we developed each theme by defining its vision and management approach. In view of the fact that it is still not fully operational from a production standpoint, we have collected all the data available at the time and have defined future goals and related indicators to monitor progress.

The reporting guidelines of the Global Reporting Initiative (GRI) provided an important basis methodological basis in the development of each individual step.

In the course of this process, our role has also increased through the sustainability goals we have adopted. This is how we intend to continue to manage sustainability at Dreamfarm: by integrating it with our daily tasks and allowing it to guide us in making decisions, both strategic, e.g. by selecting raw materials, and operational, e.g. by constantly monitoring the business and organising team meetings

Throughout this process of identifying and assessing impacts and subsequent strategic development, we have enlisted the support of one of our key stakeholders who has supported the company's development since its inception, in turn assisted in this specific activity by a UN-recognised centre of expertise in sustainable development.



1. Work culture

1.1 Vision

We want to develop human resources and promote a *culture that is inclusive in every respect*: in terms of culture, generation and gender, creating a stimulating work environment with real opportunities for professional growth, which develops skills and enhances the talents of individuals and the team. We want to create job opportunities related to sustainability development. We want each team member to have the necessary resources to cope and manage stressful, high-pressure situations.

1.2 Topic-related impacts

↑ *Skills development* - linked to training courses promoted within the company.

↑ *Creation of green jobs* - linked to the creation of jobs in the plant-based food sector, which is included in European policies as a sustainability factor in the Farm to Fork strategy.

↑ *Guarantee of diversity* - linked to the composition of the workforce and the focus on the topic in selection processes.

↓ *Damage to psychological and physical health* - related to potentially dangerous situations in the production areas and to work overload due to the management of a fledgling company

1.3 How we handle the topic - the policies we have adopted

- Regular talks with the startup founders for discussion, experience gathering, encouragement and advice.
- Regular staff meetings devoted to checking the state of stress and the level of well-being.
- Regular staff meetings dedicated to checking the suitability and usability of PPE and detecting possible critical issues within the plant that have not been considered before.

1.4 What we have already done

We are just a few steps away from the official start of our business, but we have taken our first steps in this area:

- For the person responsible for marketing, we initiated an on-the-job training programme aimed at enhancing current skills and the acquisition of new skills;
- A 24-hour course on fermentation was conducted for one employee;
- A 16-hour course on nutrition was conducted for one employee;
- We initiated a recruitment process to bring new people into the company and, together, to build a vision of food that is good for the ecosystem and good for health

1.5 The goals we are setting for the next three years

<p>1. OPERATIONAL GOAL</p> <p><i>Ensure that the development needs identified for employees are met through appropriate training courses</i></p>	<p>ACTIONS PLANNED FOR 2023</p> <ul style="list-style-type: none"> • <i>Implement a skill development plan for each employee</i> • <i>Ensure that all safety training is provided</i>
<p>HOW WE MEASURE IT</p> <p><i>Average annual training hours per employee</i></p>	<p>WHERE WE ARE NOW - 2022</p> <p><i>40 hours/employee</i></p>
<p>2. OPERATIONAL GOAL</p> <p><i>Ensure that all permanent employees have an annual development interview</i></p>	<p>ACTIONS PLANNED FOR 2023</p> <ul style="list-style-type: none"> • <i>Develop the interview system (content, timing, recording goals)</i> • <i>Achieve an interview rate of 100%</i>
<p>HOW WE MEASURE IT</p> <p><i>Percentage of employees who receive a periodic evaluation of their performance and professional development</i></p>	<p>WHERE WE ARE NOW - 2022</p> <p><i>66%</i></p>

1.5 The goals we are setting for the next three years

3. OPERATIONAL GOAL ACTIONS PLANNED FOR 2023

Constantly monitor stress levels and responsiveness

- *Set up "How do you feel" sessions once a month, define rules of engagement, monitor the validity of the process, collect the insights that emerge and address them, draw up a code of conduct to instil a culture of safety at work*

HOW WE MEASURE IT WHERE WE ARE NOW - 2022

Promoting workers' health

We are still in the planning stage; there is nothing to measure yet, but we will do so in the next report

We also intend to monitor the following indicators for this topic:

INDICATOR	WHERE WE ARE NOW - 2022
<p><i>Accidents (frequency and severity rate)</i></p>	<p><i>We are still in the planning stage; there is nothing to measure yet, but we will do so in the next report</i></p>
<p><i>Diversity in governing bodies and among employees</i></p>	<p><i>See graphs page 6</i></p>

2. High-quality raw material

2.1 Vision

We want to *research and implement virtuous solutions for the sustainable and responsible use of resources: use of sustainable and recyclable materials for packaging, enhancing local raw materials by minimising transport and promoting sustainable farming practices that respect the ecosystem. We want to track and monitor the supply chain of our main ingredient.*

2.2 Topic-related impacts

- ↑ *Support for high-quality agriculture* - linked to the search for an almond cultivation that is as organic as possible and, in any case, from agriculture that guarantees good land management, a link with the tradition and skills of the land, and careful use of water, avoiding as far as possible the use of synthetic fertilisers and pesticides
- ↓ *Water resource depletion* - related to water demand for almond cultivation
- ↓ *Use of tangible resources* - related to the purchase and use of paper and PE coating required for the manufacture of the pack
- ↓ *Potential negative working conditions along the chain* - related to the agricultural sector, which requires that special attention be paid to workers' rights in the fields
- ↓ *Soil consumption* - related to the land dedicated to agriculture, which is needed to produce the raw material we use

2.3 How we handle the topic - the policies we have adopted

- *Definition of guidelines for packaging development that prioritize recycled raw material (where possible in view of food contact) and from sources that are certified in terms of sustainability commitments*

2.4 What we have already done

- *We chose to produce a food pack, minimising the use of plastic to facilitate total recyclability and avoid confusing end consumers. All our packaging is disposed of in paper recycling.*
- *In-depth interviews with potential suppliers of agricultural raw material*

2.5 The goals we are setting for the next three years

1. OPERATIONAL GOAL

Minimise waste and maximise packaging recyclability.

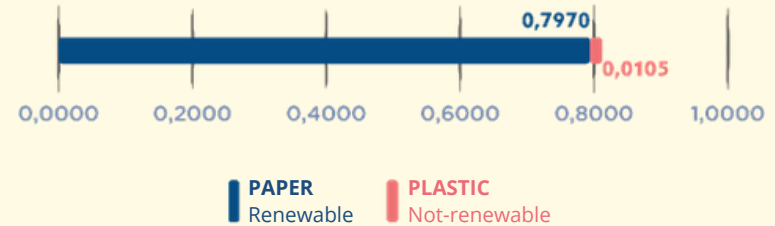
ACTIONS PLANNED FOR 2023

Maintain the quality and sustainability standards of the materials used even once mass production has begun

HOW WE MEASURE IT

Materials used by weight (in tonnes) for the pack

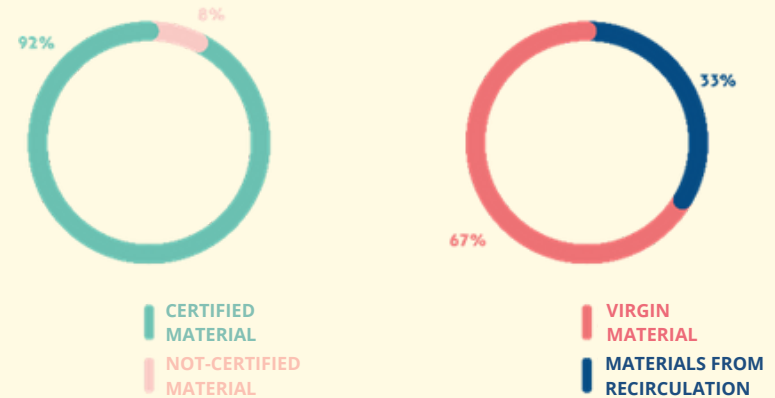
WHERE WE ARE NOW - 2022



Intensity of materials used by weight and volume for the pack

The proportion of pack weight to finished product (without considering the preserving liquid) is 15%

Materials used from recycling and/or for which certification exists



1. OPERATIONAL GOAL

To ensure that 100% of our supplies of raw material (almonds) come from sustainable sources (including organic)

ACTIONS PLANNED FOR 2023

SCOPE: Sustainable agriculture protocol

- *Visiting almond suppliers*
- *Profiling of suppliers from the standpoint of agricultural practices and social guarantee policies (workers' rights, remuneration, waste management...)*
- *Mapping stakeholders with whom to build knowledge on sustainability and cultivation*

SCOPE: Supplier evaluation

- *Visiting almond suppliers*
- *Profiling of suppliers from the standpoint of agricultural practices and social guarantee policies*
- *Mapping stakeholders with whom to build knowledge on sustainability and cultivation*

SCOPE: Diversification

- *Mapping of potential alternative supplies in line with Dreamfarm values*

HOW WE MEASURE IT

Volumes purchased (in kg) and source

WHERE WE ARE NOW - 2022



ALMONDS
FROM SICILY

VEGETABLE FIBRES
FROM INDIA

AGAR

Suppliers that have been assessed using environmental criteria

44%



3. Climate strategy and waste

3.1 Vision

We want to *minimise resource wastage both in the production process and in the finished product*. We want to explore the possibility of minimising non-renewable energy sources through a contract with our supplier.

3.2 Topic-related impacts

↓ *Global warming* - related to the use of energy and natural gas for the operation of production, agriculture and transport

↓ *Increased environmental load* - related to waste production and water discharges

↓ *Water resource depletion* - related to consumption in production processes

3.3 How we handle the topic and what we have already done

We have not yet taken any action in this area. This topic is still under construction as it is closely dependent on industrialised production, which has not yet started. The challenge in 2023 will be to build monitoring systems to support management decisions aimed at minimising consumption and waste production, as set out in the goals.

3.4 The goals we are setting for the next three years

1. OPERATIONAL GOAL

Minimise the production of waste, whether from production or unsold products

ACTIONS PLANNED FOR 2023

SCOPE: Management of unsold goods

- *Creating a back-up channel in relation to the retailer (possibly even without profit)*

SCOPE: Waste

- *Build a monitoring system for waste accounting and classification*

HOW WE MEASURE IT

% unsold to retailer

Waste volumes (production-related) by type and disposal method

WHERE WE ARE NOW - 2022

We are still in the planning stage; there is nothing to measure yet, but we will do so in the next report

We are still in the planning stage; there is nothing to measure yet, but we will do so in the next report

2. OPERATIONAL GOAL

Increase the share of electricity from renewables and reduce overall energy consumption

ACTIONS PLANNED FOR 2023

SCOPE: Monitoring system

- Build a monitoring system for energy consumption (electricity and natural gas)*

SCOPE: Renewable electricity

- Estimation of energy costs and consumption, with an assessment of the possibility of switching to renewable energy*
- Explore other electricity supply options*

HOW WE MEASURE IT

*Electricity consumed within the organisation
(including energy mix)*

*Primary energy (excluding electricity) consumed
within the organisation*

Energy intensity (consumption/finished product)

WHERE WE ARE NOW - 2022

We are still in the planning stage; there is nothing to measure yet, but we will do so in the next report

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We are still in the planning stage; there is nothing to measure yet, but we will do so in the next report

3. OPERATIONAL GOAL

Minimising water resource consumption

ACTIONS PLANNED FOR 2023

Minimising water resource consumption

HOW WE MEASURE IT

Promoting workers' health

WHERE WE ARE NOW - 2022

We are still in the planning stage; there is nothing to measure yet, but we will do so in the next report

4. Responsible consumption

4.1 Vision

We want to promote a healthy and sustainable diet by introducing new solutions that help *improve eating habits through innovative solutions that do not involve the use of dairy products or animal proteins*. We want to spread a culture of sustainability among consumers

4.2 Topic-related impacts

↑ *Market education* - linked to the activities of dissemination and label information

↑ *Reduction of consumers' environmental footprint* - linked to the offer of a product with a footprint lower than alternatives of animal origin

↑ *Improvement of health through nutrition* - linked to the offer of a plant-based, healthy alternative with an excellent nutritional profile (Nutriscore A)

4.3 How we handle the topic and what we have already done

- We identified the nutritional values of the first food product we will offer on the market through the Nutriscore system, achieving the highest score (A - balanced). The Nutriscore system is a food labelling system that calculates the food's nutritional contribution using a scientifically validated formula.

4.4 The goals we are setting for the next three years

1. OPERATIONAL GOAL

Spread the culture of sustainability in food through all the company's institutional interactions

ACTIONS PLANNED FOR 2023

SCOPE: digital communication

- Creation of an Instagram profile
- Finalisation of the website

SCOPE: non-digital communication

- Participation in trade fairs

HOW WE MEASURE IT

% of media tools used by the company and initiatives (e.g. trade fairs) that refer to sustainability

DOVE SIAMO ADESSO - 2022

We are still in the planning stage; there is nothing to measure yet, but we will do so in the next report

2. OPERATIONAL GOAL

Reduce the consumer footprint through our product

AZIONI PREVISTE PER IL 2023

Minimise resource consumption. For now, we rely on standard calculations, which indicate that cow's milk production emits 3.15 kg of CO2 per kg of product, while nut production emits 0.43 kg of CO2 per kg of product In the future, we will build a monitoring system for the actual accounting of greenhouse gases, water use in processes and agriculture, and land use related to the specifications of our products*

HOW WE MEASURE IT

Environmental footprint (GHGs, water, land use)

WHERE WE ARE NOW - 2022

We are still in the planning stage; there is nothing to measure yet, but we will do so in the next report

*Source: Our World in Data

Sustainability Report
2022

Dreamfarm S.r.l. Società Benefit

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