

1° EDITION

IMPACT REPORT 2024

Introduction: the decision to become a Benefit Corporation

The decision to transform the historic family business into a Benefit Corporation (a legal status regulated by Law 28/12/2015 no. 208, paragraphs 376-384) was inspired by a significant event in September 2022. It was when Molino Pasini S.P.A.'s board member participated in the inaugural "Day of Sustainable Kindness", promoted by Pasticceria Filippi. A long-standing client and a distinguished entity in the realm of sustainable enterprises herald this event.

On that occasion, a genuine interest was sparked through engagement with the B Corp community and its principles of corporate social responsibility. This interest found fertile ground in the corporate culture of Molino Pasini, a company deeply rooted in the Italian milling tradition yet always looking towards the future.

This initial impulse led to the determination to develop a framework for incorporating sustainability into the business model, convinced that a contemporary business must contribute not only to economic value generation but also to the well-being of individuals, environmental conservation, and the flourishing of the local area.

In May 2023, the company started a task to analyse and redefine its impacts, immediately engaging internal staff with a focus on inclusion and engagement.

A multi-departmental work group known as the "B Team" was formed, consisting of eight people from key business areas (purchasing, administration, quality, marketing, warehouse), the chief miller, and a board member. Elena Felis, an internal representative, was put in charge of coordinating Team B and, upon completion of the program, became the **Impact Manager**.

Right from the start, it was evident that the objective was not just to "improve" but to adopt a different approach by integrating sustainability into the business strategy and organisational culture. The shift to a Benefit Corporation, formalised with a notary in September 2024, has become a public and legal document that establishes the firm's commitment to achieve, in addition to profit, **several goals of shared benefit**, and reinforces the decision to evolve in a responsible, transparent, and sustainable way within the society and the region it engages with. Molino Pasini stands alongside over 4500 Italian businesses that support a distinct approach to doing business, geared towards the common good and effective at securing competitive benefits by blending economic objectives with social and environmental aims for the short, medium, and long run.

Benefit Corporations are distinguished primarily by two aspects:

- They pledge to **measure, monitor, and report** their positive effects on individuals, communities, and the environment with the same depth and precision applied to financial reporting. These details are encapsulated in a document, the Impact Report, which must be prepared each year and appended to the budget, thereby enhancing the description of economic performance with details of activities carried out in the past year and future commitments.
- By incorporating their dedication and accountability to stakeholders into the social object of their Statute, **balancing the interests of the associates with the interests of the community**, thus safeguarding the mission and stability of the company for the future.

This document thus represents the first edition of the Impact Report, which Molino Pasini will now commit to drafting annually. Within it, stakeholders can learn about the commitments the company undertakes, the impacts generated, and the story of how a business, through its operations, can genuinely contribute to making the economic system sustainable, capable of ensuring future generations the same opportunities we have today.

In addition to the company's voluntary evaluation, the Impact Report should include the outcome of the impact measurement of business operations using an independent third-party tool. The decision for Molino Pasini to adopt the B Impact Assessment, an online tool developed by B Lab and the assessment used to issue the B Corp® label, was finalised. To move towards this certification, the BIA has been evaluated as the most appropriate instrument to meet this further legal requirement.

The specific purposes of the common benefit

After a comprehensive and participatory effort, four common benefit objectives have been identified and are now incorporated into the company's statutes, each aimed at creating positive impacts for particular groups of stakeholders:

- **Regarding WORKERS, the company commits to** promoting a safe and serene working environment that values personal growth and professional qualification of the workers through training activities and involvement in the processes and business strategy to enhance well-being and share the company's core values.
- **Regarding CUSTOMERS and SUPPLIERS, Molino Pasini seeks to** share values and objectives with customers and suppliers to foster together a new development model focused on collaboration, quality, ecological respect, and the wellness of individuals, advocating for good practices in a proper nutrition culture inspired by health and well-being.
- **Regarding the COMMUNITY, there is a reaffirmed commitment to** engage in promoting the principles of sustainability in environmental, social, and economic aspects, contributing to the safeguarding of the territory, community, and individuals, and generating opportunities for collaboration and innovation with local authorities and entities.
- **Regarding the ENVIRONMENT, Molino Pasini is dedicated to** aiming for a reduction of the business impact on the environment while encouraging an ethos of environmental care along the supply chain.

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Like ESG criteria, which place social, environmental, and economic factors on equal footing, the B Team and Molino Pasini's proprietors believe it is vital to operate across all three 'triple bottom line' dimensions to promote balanced growth and shared prosperity.

The design of our impacts and future goals

From the corporate restructuring (16 September 2024) to the end of the year, Molino Pasini started preliminary activities in preparation for the operational rollout of objectives beginning in 2025. Specifically:

- A framework of indicators (KPIs) has been established for annually measuring and monitoring sustainability performance.
- The main goals for 2025 have been established for each common benefit purpose.
- An internal awareness campaign on the meaning and role of the Benefit Corporation has been launched.

Given the recent establishment of the BC, this initial impact report outlines the objectives the new Benefit Corporation sets for its first year of operation, which it intends to make public as a declaration of intent. The goals are associated with performance metrics and categorised by aims for mutual benefit.

1. Foster a secure and calm workplace that emphasises personal development and the professional skills of workers through educational initiatives and participation in business processes and strategies to improve overall well-being and disseminate foundational company values.

In the milling world, quality is not solely determined by selecting the finest grains or by using technologically advanced facilities. Instead, it is deeply rooted in expertise, technical sensitivity, and the experience amassed over time. Specialised labour has always been the heartbeat of the milling process, the real difference between ordinary flour and a product that embodies excellence throughout the food transformation process. Molino Pasini acknowledges this human capital as a crucial strategic asset, consistent with its foremost goal of common benefit: to promote a safe, calm, and supportive workplace that fosters the personal and professional development of every team member. The technical know-how, transmitted and honed over the ages, enables the company to create bespoke flours that meet the requirements of the food industry and the expectations of the most exacting professionals in baking, pastry, and catering. The dedication to employees manifests in the intent to establish continuous educational opportunities, involve employees in decision-making processes, and support personal development trajectories. Molino Pasini is dedicated to nurturing in-house talent and perpetuating the culture of milling as a shared legacy. Thus, the quality of the end product directly reflects the quality of the work, forming a virtuous circle where people are the key ingredient in every superior flour. It marks the beginning of a journey that starts with awareness of internal well-being, fosters meeting opportunities, encourages growth through performance evaluation to define dedicated training programmes, and provides genuine support for workers' income through welfare tools.

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	ACTIONS 2025	OBJECTIVES 2025	INDICATORS
EMPLOYEES	Activation of a welfare plan for employees and contract workers	Contribute to the economic well-being of every worker's household	Amount awarded in fixed + variable bonus
	Assessing Employee Satisfaction	Assess the level of employee satisfaction and set a percentage for improvement	% of satisfied workers
	Assessment of performance starting from some departments	Provide feedback on the work performed and implement solutions to enhance professional development.	n. of assessments carried out/department
	Turnover calculation and results monitoring	Decrease in the employee turnover rate as a sign of well-being and enhancement of company culture	-5% turnover

2. Sharing values and goals with clients and suppliers to jointly foster a new development model centred on cooperation, quality, respect for the ecosystem and its members, while promoting best practices for a correct food culture inspired by wellness and health.

The quality of a food product does not lie solely in the tastiness of the result: it stems from a coherent supply chain that involves relationships, shared expertise, and shared values. For Molino Pasini, sharing an advanced vision of business practice that integrates excellence, collaboration, and responsibility with clients and suppliers is a strategic and cultural choice. This conviction gives rise to the company's second objective of common benefit: **to help create a new model of development** in which respect for ecosystems and individuals is a key component of success. For a while, Molino Pasini has been committed **to training opportunities for its professional customers**. Masterclasses, technical assistance, and guided tours are, therefore, not only moments for practical learning about the best use of flour, but also opportunities to promote a healthy dietary culture inspired by wellness, nutritional balance, and the enhancement of artisanal products.

From 2024 onwards, these gatherings have also begun to encompass topics of corporate social and environmental responsibility, aiming to enhance awareness and shared accountability across the entire value chain. Simultaneously, Molino Pasini strives to strengthen its conversations with suppliers, from smaller, locally based ones to large companies and multinational corporations, who, in turn, must inevitably start to bear the burden and consequences of climate and social impacts on their business results.

In a world where ESG topics are becoming increasingly pivotal, there must be, at the beginning of the supply chain, a clear understanding of the impacts generated **and a collective commitment to tackle environmental and social issues**. Building collaborations and positive contaminations among various players leads to the creation of innovative, sustainable, and resilient solutions, reinforcing the entire agri-food sector. For this reason, charting its supply chain and educating its stakeholders is a duty that Molino Pasini undertakes with earnestness, and an obligation to demonstrate, with deeds, that sustainability is a choice of prevention and a promise of success over time.

	ACTIONS 2025	OBJECTIVES 2025	INDICATORS
CLIENTS AND SUPPLIERS	Assessing Customer Satisfaction	Assess the level of customer satisfaction and set a percentage for improvement	% of satisfied customers
	Free technical training offer (Masterclass, side-by-side coaching, visits)	Supporting our clients' success and promoting awareness on ESG topics	List of pro bono training events
	Drafting and dissemination of the Code of Conduct and policies Environmental, Social, and Governance (ESG)	Educate the supply chain and ensure adherence to Molino Pasini's policies.	Qualitative data
	ESG data detection along the supply chain	Activate selection criteria that also consider social and environmental parameters	% of suppliers achieving a rating considered sufficient

3. Committing to the sharing of principles of environmental, social, and economic sustainability by contributing to the protection of the land, community, and people, and creating opportunities for collaboration and innovation with local bodies and entities.

For Molino Pasini, being an enterprise rooted in a territory entails the obligation to support its preservation and growth actively. The third common benefit goal – **engaging in the dissemination of environmental, social, and economic sustainability principles to benefit the land, community, and individuals** – becomes a concrete commitment that, in this early phase of becoming a Benefit Company, primarily manifests as **financial support and direct aid to local realities**.

Indeed, the company plans to earmark resources in a structured and transparent way to support social, cultural, environmental, and charitable projects advanced by entities, associations, and organisations in the area.

These are **proximity actions** that bolster social cohesion and valorise local culture, providing opportunities for growth and inclusion for even the most vulnerable parts of the population. Each endorsed project will be selected in line with the company's values and the positive influence it aims to have in the medium to long term, and will align with the preferences of employees residing in the region, whose preferences and requirements are reflected in the company-supported activities. Apart from financial support, the company is committed to developing trustful and collaborative relations with local actors, encouraging open dialogue and the detection of common projects. In this context, the company's role extends beyond being a mere donor: **it acts as an active partner in social innovation**, sharing ideas, resources, and visions to tackle the challenges of the modern era together.

	ACTIONS 2025	OBJECTIVES 2025	INDICATORS
COMMUNITY	Assessing Customer Satisfaction	Assess the level of customer satisfaction and set a percentage for improvement	% of satisfied customers
	Free technical training offer (Masterclass, side-by-side coaching, visits)	Supporting our clients' success and promoting awareness on ESG topics	List of pro bono training events

4. Strive to decrease the company's impact on the environment by advocating for an environmental protection culture along the entire supply chain.

Environmental sustainability must be more than just a declared principle: it requires data, metrics, and concrete objectives. With its fourth aim of common benefit, Molino Pasini commits to **pursuing a significant reduction in its own environmental impact and to promoting, throughout the supply chain, a culture of protecting natural resources and shared responsibility.**

Aware that any credible transformation starts with knowledge, the first step in this journey is to create a structured system to measure and monitor the main environmental vectors: consumption of electrical and thermal energy, use of fuels for logistics, indirect emissions, waste, and potential process inefficiencies. This system, now in the design phase, will lay the groundwork for **a systemic approach to environmental sustainability, capable of precisely identifying critical areas and setting** measurable action priorities. Following this analytical work, Molino Pasini will be positioned to devise **effective and impactful strategies**, focused on consumption reduction, transport optimisation, plant efficiency enhancement, and, over the medium term, the implementation of innovative solutions for producing and storing energy from renewable sources.

Simultaneously, the company plans to **promote a culture of environmental sustainability throughout the supply chain, engaging openly with customers and suppliers to build** mutual understanding. The objective is to trigger a collective change involving all stakeholders in reducing the ecological footprint of the milling sector, turning environmental commitment into a shared and competitive value capable of addressing the challenges faced by European countries, particularly over the past year. When abundant rainfall alternating with periods of extreme heat and drought has negatively impacted regional production (ref. Management Report 2024)

	ACTIONS 2025	OBJECTIVES 2025	INDICATORS
ENVIRONMENT	Monitoring of energy consumption	Raising awareness of the business's energy requirements	Energy consumption in MWh
	Fuel consumption monitoring for logistics	Possessing data to develop a transport efficiency strategy	Litres of fuel (potentially converted to MWh)
	Assessment and tracking of self-produced and self-used energy	Evaluation of the solar power system's efficiency	Quantity of energy in MWh
	Evaluate the potential for implementing technological solutions and/or undertaking investments.	Streamlining processes and machinery to attain a reduction in consumption	Qualitative data

The Independent Assessment Standard

As mandated by Law no. 208 of 28 December 2015, which regulates Benefit Corporations in Italy, companies adopting this legal framework are required to assess their impact not only through internal tools but also **by using an external, independent, and recognised evaluation standard**, which allows for an objective, comparable, and transparent measurement of their social and environmental performances.

Aligned with this principle of transparency and responsibility, **Molino Pasini has opted for the B Impact Assessment (BIA)**, a measurement system created by **B Lab**. This international non-profit organisation drives the B Corp movement. The BIA is a **free online tool** that any for-profit business worldwide can use to gauge performance in five critical areas: governance, **Workers, Community, Environment and Clients**.

Besides offering a thorough analysis of the company's impact, the B Impact Assessment enables comparison of the achieved results with those of similar firms across sectors, sizes, geographic locations, or business models. This enables Molino Pasini to **assess its positioning** and identify opportunities for improvement, drawing on the best practices of comparable organisations.

Selecting this instrument is no coincidence: the **BIA is the essential starting point for obtaining B Corp certification**, one of the most esteemed international certifications in the ESG arena. Since **obtaining B Corp certification** represents a strategic goal for Molino Pasini in the medium term, the adoption of this standard serves a dual purpose: on one hand, to ensure **authority and credibility to the sustainability journey undertaken**; on the other, **to structure a process of continuous improvement**, which supports the company in its evolution as a responsible, innovative, and impact-oriented enterprise.

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As a result of completing the 2024 questionnaire, Molino Pasini has obtained a total score of 44 points.

Conclusions

2024 has been a year of commencement and strategic consideration for Molino Pasini. Becoming a Benefit Corporation marks a pivotal moment in the company's history, aligning with a modern, visionary approach to business. The goal is now to solidify and actualise these commitments by incorporating sustainability into every facet of daily activities. The 2024 Impact Report marks the start of this path and forecasts future advancements within a transparent framework of accountability and ongoing improvement.

I, Dr Prini Simonetta, pursuant to Article 31, paragraph 2-quinquies of Law 340/2000, certify that this document is consistent with the original stored at the company.

