

Pavo Sustainability Roadmap

Report on ESG principles 2023



**Pavo
Planet
Program**



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Benefits

As we grow our business in a sustainable way, it will not only benefit the planet but will also benefit people and our business. Ecosystems are preserved for future generations. Therefore, we have a responsibility and if our business wants to have a future, we need a healthy ecosystem.

The Planet

When we, as a business, act more sustainably we will **influence the planet positively** which is necessary to further our business.

The People

With our roadmap we are **engaging stakeholders** and sharing values with them. Together, we **create awareness** around this highly relevant topic, to create a big impact and **increase the knowledge** around this hot topic.

The Business

To be perceived as a brand that is not damaging our planet and is seen to be stepping up to the responsibilities we have as a business, will **strengthen our brand**. We all share one planet and if we take care of it this will be perceived as positive. When we use our resources wisely it is possible to **reduce costs** and **increase revenue**.

Challenges

As you are aiming for growth as an organisation you will always face challenges on the way. We have to look at these challenges as opportunities to learn and improve.

As we are keeping horses for leisure purposes, we have to be aware of the influence they are having on our planet. This is especially true in terms of the feed that's produced for horses and consumed by them. When we produce horse feed we make a massive impact to our environment. The cultivation and harvesting of the raw materials we buy causes **CO2 emissions**. During production **energy and water consumption** need to be monitored as these are limited resources on our planet. Also, the **packaging** of our products has an impact on the environment which we should see as a challenge, keeping this impact as small as possible. At the end with our products, we are creating **waste**.

Next to that, we also have a responsibility that goes beyond our products and is related to **society**. Just being interested in sustainability is not enough anymore. We have to monitor stakeholders in our society and the **animal health and welfare** society closely in order to **influence and create initiatives together**.

Also, our government is looking into risk **management** and **the role and responsibility** of the industry. They are aiming for a real change and want to kill **greenwashing** in industries and businesses.

Our commitment to our environment

Pavo is here for anyone who keeps a horse, loves them and wants to give them the best. In every phase. For life. But the resources on our planet are limited. Thus, as Pavo, we have to use the resources of our earth wisely and should aspire to give something back to the earth. Therefore, Pavo has committed itself and has developed a sustainable roadmap, delivering commitment to our social and environmental responsibilities. As we grow our business, we seek to do this sustainably over the long term starting with small steps that will lead to a big impact.

Sustainability in our business

We aim to create a more sustainable and better future. To make a difference in people’s and horse’s lives and our planet by doing business the right way. By becoming better ourselves, we can help build a stronger, more sustainable future for us all. We truly believe that small things matter for life.

	Pavo. For life.	Through sustainable- rose-colored glasses
Believe	Nutrition and care make an essential contribution to a horse’s health.	Taking sustainable steps that matter, contributing to a healthier and happier environment.
Vision	Every horse healthy, every horse owner happy. For a lifetime.	A healthy and happy environment, making healthy horses and happy horse owners.
Mission	By developing, producing and selling outstanding horse feed and providing expert feed advice.	Doing small things that make a big difference.
Values	Driven Outstanding Committed	To reach our goals Sustainable initiatives, that matter To do better

Small things
matter. For life.

Aart Freriks

90%*
rate sustainability
as an important

*
Greatest
competitors
St. Hippolyt
(8; 40%),
Krafft
(5; 25%)

97%*
would be happy with
a CO2 reduction

90%**
find environment
protection important

56%*
consider
sustainability
in their daily
work

66%**
separate most of their
waste for recycling



> 80%*
score Pavo:
35% sustainable
(external POV)

> 65%*
score Pavo:
60% sustainable
(internal POV)

31%**
avoided
buying
overpackaged
products

22%**
bought
environmental
labeled
products

* internal survey Pavo employee

** of consumers in the EU (Source: Sustainable consumption (europa.eu))

The approach: ESG

Pavo strives for a happier earth and to create a plan for us to contribute, we have chosen the ESG approach. ESG stands for Environmental, Social and Governance. Different criteria from these three pillars are used to determine how sustainable a company is. These criteria also help companies to assess all non-financial risks and opportunities in the day-to-day activities and become more transparent.



Environment on Pavo's Roadmap

When it comes to ESG, the horse feed industry has the **greatest impact** on the environment. The biggest impacts are in the areas of raw material cultivation and harvesting, transport and production and, of course, product packaging.

To lower our impact on the climate and the environment, we want to **reduce the carbon footprint** of our products and **improve our packaging** for more sustainable options.

To set our **baseline**, we want to calculate the carbon emissions of our products with table values and identify the raw materials, that have the biggest influence on our footprint to see **how we can improve** it. Furthermore, we will investigate what options we have to improve our packaging in terms of sustainability, without compromising quality or safety for the product. By extending our service level agreements, we not only want to **make our stakeholders aware** of sustainability, but also collect more data to be able to determine our footprint more precisely.

Goal	Reduce CO2 emissions by 10% by 2025 (compared to 2023)
Actions 2023-'25	<ul style="list-style-type: none"> - Extension of Service Level Agreements - Reduce CO2 footprint per produced ton of feed by 5% by 2024 - More sustainable packaging - Reduce CO2 footprint per produced ton of feed by 10% by 2025 - Monitor: Energy, Water, Waste, Logistics
KPIs	<ul style="list-style-type: none"> - CO2 footprint of all our products that we have sold - % of decreasing overall material use - % of increasing refillable packages
SDG Impact	<div> <div> 8 DECENT WORK AND ECONOMIC GROWTH  </div> <div> 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  </div> <div> 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  </div> </div>
Business Impact	Benefits: Strengthen the brand, Increase revenue, Savings Investments: Euros (short term), capacity

Social on Pavo's Roadmap

We see our influence on the social media part of ESG especially in **raising awareness** among all our stakeholders. Together we can take responsibility, learn from each other, and make business more sustainable.

We want to **involve** everyone at Pavo on our way to more sustainability. Because everyone can contribute, no matter how big the step. Also, small things matter.

With an annual employee survey, we want to check our progress and get **new input** from our own team. We also want to **engage** regularly **with our stakeholders** to see how we can support and learn from each other to become more sustainable together.

We want to expand our internet presence regarding sustainability and **communicate and educate more**, in order to also involve and motivate our end users to make their horse keeping more sustainable as well.

Goal	Incentives to become more sustainable (with all primary stakeholders)
Actions 2023-'25	<ul style="list-style-type: none"> - Raise awareness amongst Pavo employees + annual questionnaire - Raising awareness amongst end users - Increase engagement - Monitor: animal welfare, Zero LTI culture
KPIs	- % of employees participated in training
SDG Impact	<div> <div> 3 GOOD HEALTH AND WELL-BEING  </div> <div> 4 QUALITY EDUCATION  </div> <div> 15 LIFE ON LAND  </div> </div>
Business Impact	<ul style="list-style-type: none"> - Strengthen the brand - Increase revenue - Savings (employee satisfaction, talent acquisition) - Raise awareness & add value to end user

Governance on Pavo's Roadmap

Governance is also an important issue, even if it seems smaller than the other two areas. It plays the most important role in **risk management** and **tackling greenwashing** in the industry.

We want to **grow our business** through sustainability and credible **reporting**, while we stay in contact with ForFarmers.

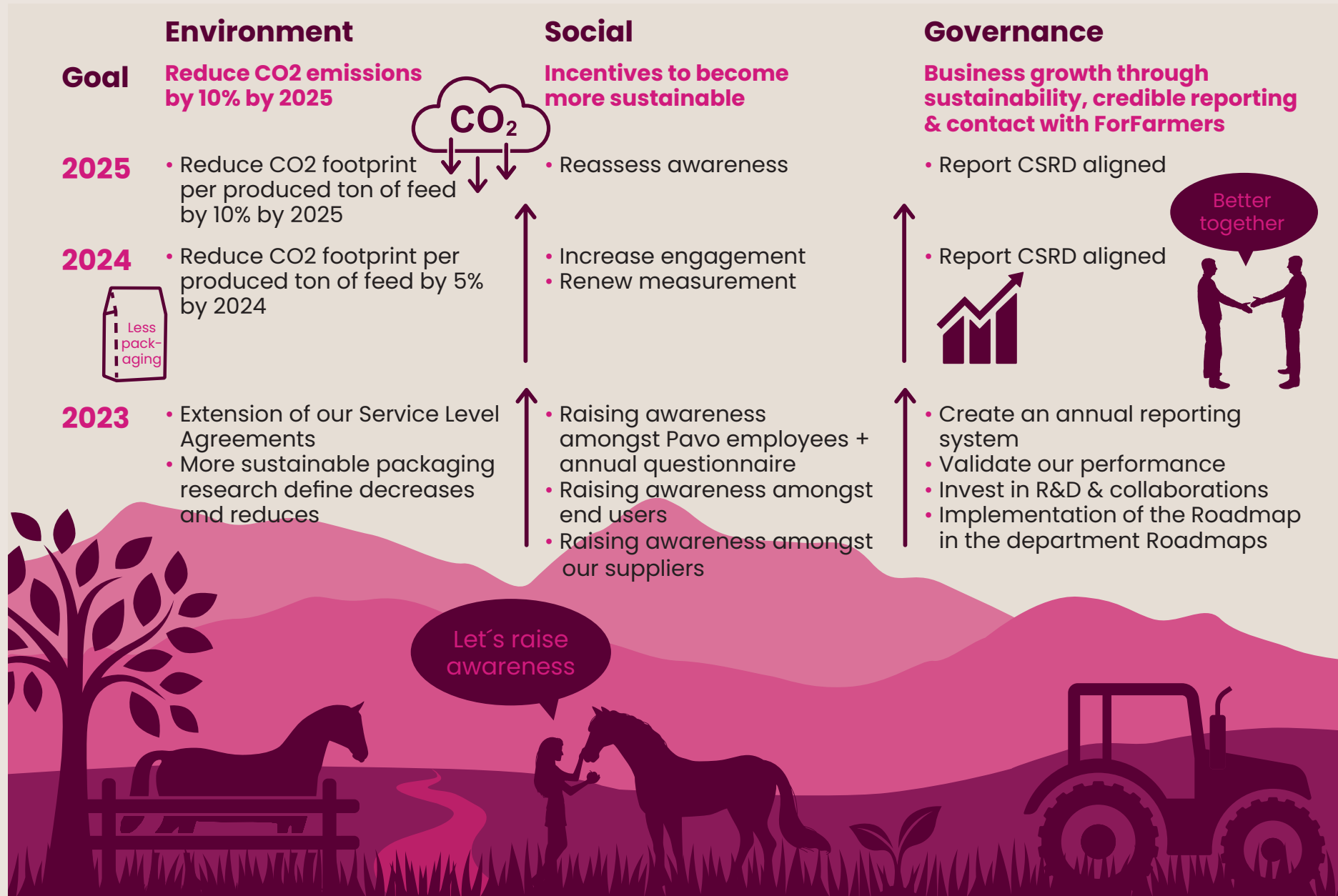
We want to create an annual reporting system which is aligned with the new CSRD-requirements. Furthermore, we want to research what certificates are available and assess our data yearly to **validate our performance** and be transparent.

Through **collaborating** with universities and other institutions and supporting them in their research, we aim to stay connected and up-to-date with the latest scientific developments in sustainability and horse keeping.

Goal	Business growth through sustainability, credible reporting & contact with ForFarmers
Actions 2023-'25	<ul style="list-style-type: none"> - Create an annual reporting system and report CSRD aligned - Validate our performance - Invest in R&D and collaborations - Implementation of the roadmap in the department Roadmaps
KPIs	
SDG Impact	<div> <div> 8 DECENT WORK AND ECONOMIC GROWTH  </div> <div> 17 PARTNERSHIPS FOR THE GOALS  </div> </div>
Business Impact	<ul style="list-style-type: none"> - Strengthen the brand - Increase revenue - Reduce costs - Increase awareness - Contribute to biodiversity through R&D

Goal	Reduce CO2 emissions by 10% by 2025 (compared to 2023)	Incentives to become more sustainable (with all primary stakeholders)	Business growth through sustainability, credible reporting & contact with ForFarmers
Actions 2023–'25	<ul style="list-style-type: none"> - Extension of Service Level Agreements - Reduce CO2 footprint per produced ton of feed by 5% by 2024 - More sustainable packaging - Reduce CO2 footprint per produced ton of feed by 10% by 2025 - Monitor: Energy, Water, Waste, Logistics 	<ul style="list-style-type: none"> - Raise awareness amongst Pavo employees + annual questionnaire - Raising awareness amongst end users - Increase engagement - Monitor: animal welfare, Zero LTI culture 	<ul style="list-style-type: none"> - Create an annual reporting system and report CSRD aligned - Validate our performance - Invest in R&D and collaborations - Implementation of the roadmap in the department Roadmaps
KPIs	<ul style="list-style-type: none"> - CO2 footprint of all our products that we have sold - % of decreasing overall material use - % of increasing refillable packages 	- % of employees participated in training	
SDG Impact	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div>	<div>3 GOOD HEALTH AND WELL-BEING</div> <div>4 QUALITY EDUCATION</div> <div>15 LIFE ON LAND</div>	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>17 PARTNERSHIPS FOR THE GOALS</div>
Business Impact	<p>Benefits: Strengthen the brand, Increase revenue, Savings</p> <p>Investments: Euros (short term), capacity</p>	<ul style="list-style-type: none"> - Strengthen the brand - Increase revenue - Savings (employee satisfaction, talent acquisition) - Raise awareness & add value to end user 	<ul style="list-style-type: none"> - Strengthen the brand - Increase revenue - Reduce costs - Increase awareness - Contribute to biodiversity through R&D
Stakeholder	<ul style="list-style-type: none"> - Suppliers - Wilco & Libra-Team - ForFamers - Pavo management team - Pavo product management - Pavo Sustainability team - Pavo Communication team - Harry de Goede (energy, water, waste) - Koen Heikens (Logistics) 	<ul style="list-style-type: none"> - Hilde Vlemmix (Green Office) - International Business Partners - Agency - ForFamers - All endusers - Pavo Sustainability team - Pavo Communication team - Pavo ecommerce (Viviene & Gijs, comparison tool) 	<ul style="list-style-type: none"> - Pavo Management team - ForFamers - ForFarmers reporting (Jan Louissen & Andy Gillard) - Pavo Sustainability team - Pavo Communication team - End users - KNHS - Van Hall Larenstein - All Pavo departments

The program



Pavo Planet Program – Our Communication Approach

Pavo Planet Program is our communication platform, aiming to bring across knowledge on sustainability internally and externally.

The visualization of the program will show the sustainability Roadmap of Pavo with the ESG approach. With the Pavo Planet Program we want to **inspire and motivate** people and also to be a **leading example** and **influence the social media opinion** in the equine world.



Enjoy green grazing
Choose eco-friendly grazing methods

This is part of



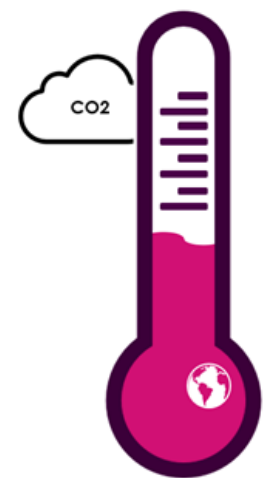
Give your pasture more biodiversity



Refill & save plastic



Our Commitments



Climate change is one of the most serious and complex challenges faced by the world; research shows that climate change poses the greatest threat to the environment.

Reduce CO2 footprint per produced product per tn of feed by 5% compared to 2023.

xx% of total energy in our plants and offices will be from clean sources.

Monitor logistics (Unit: per ton of feed).



Sustainable sourcing of raw materials greatly influences our economic, environmental and social impact. That's why our suppliers' behaviour directly affects our sustainability performance.

Setting the baseline of Raw materials to reduce the CO2 footprint per produced product per tn of feed.

Baseline: Extension of the Service Level Agreements.

Invest in R&D and collaborations.



Reduce the waste we produce and support end users to do the same.

More sustainable packaging.

Monitor waste (Unit: per ton of feed).

Monitor water.



Making a positive socio-economic impact everywhere we operate is a goal inherent in our actions.

Raise awareness and increase engagement amongst Pavo employees, end users and all-in our production chain

Giving back – together.

Zero LTI Culture.



As a company, we consistently improve the composition of our products, improving the well-being of horses. Directly and indirectly.

Animal welfare through nutrition.

Animal welfare through related issues.