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GRANAROLO

SUSTAINABILITY
REPORT

2024

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REPORT

2024



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LETTER FROM THE CHAIR:

facing unprecedented challenges and scenarios,
but committed to sustainability.

GRI 2-22

Dear Shareholders,

The occasion of the approval of our Group's financial statements also allows us to report, in accordance with the economic and financial data presented, the state of health and performance of the company and its subsidiaries. We also report our interpretation of the reference context, which guides the increasingly rapid and flexible completion of our business project, it being a social, geographical and industrial phenomenon that distinguishes us from our many competitors.

The sustainability report, drawn up following the GRI Standards but with an eye also on the new ESRS, narrates the strategic positioning of the largest Italian dairy chain, starting from a quick review of the large macro-economies. Grappling with major changes dictated by many exogenous and endogenous factors, the dairy chain needs to find the right balance between the ecological transition from field to table, significant digitalisation in all areas, new skills and the daily challenge of consolidating market shares and margins.

This is taking place while everything around us seems to be becoming extreme: from the climate to wars, from the spread of new diseases to demographic trends and even up to shifting international political balances.

Today we cannot predict how the United States' aggressive policy will affect tariffs on the one hand and NATO on the other. In this context, many of the following considerations could be disavowed by events in the near future. The climate of concern and uncertainty is already discouraging for the economy and investment.

In Italy, 2024 **was the worst year for thermal and rainfall anomalies**. They affected the populations of different regions and cities and caused damage to agriculture, estimated by the Politecnico di Milano at €9 billion. Oil, durum wheat, wheat, fodder and wine were all affected by them.

There are 59 ongoing wars in the world, and 1.6 million deaths between 2010 and 2023 have been calculated. Throughout the world, including Europe, huge public resources are being allocated to military spending.

Covid has changed the way we live, travel and produce, and we are used to thinking that similar epidemics may be just around the corner.

The world population in 2050 will reach 10 billion. In 1950 there were 2.5 billion of us. Italy, on the other hand, will have six million fewer inhabitants, but already today we are experiencing the paradox of a lack of workers to keep businesses going while the number of people living in poverty is increasing.

The US elections have produced an earthquake of unimaginable dimensions in the international order and in the balance of world democracies. As we write, new tariffs that will hit us, too have just arrived.

New technologies, in particular the progressive spread of artificial intelligence, will drastically change the labour market and its rules in a short time.

In this context, it is up to us to move quickly to mitigate the negative consequences and seize opportunities where possible.

The macroeconomic scenario

Even if in the presence of the many adverse situations that have occurred in recent years, **the global economy in 2024 has shown good resilience**. Some areas of the world are experiencing increasing difficulties, but in some of the major economies the scenario is still marked by stable labour market conditions and falling inflation. The latter has come close to the objectives of the central banks, which are



The medium- and long-term goal is to build a **sustainable and resilient** agri-food system.

responsible for the questionable anti-inflationary policies based on increasing interest rates.

The main central banks finally started to ease monetary conditions in the second half of 2024. In June, September and October, the European Central Bank reduced benchmark rates by 25 basis points (in March 2024, the interest rate for companies was 4.9 times higher than in the previous two years), while the Federal Reserve cut rates on federal funds in September and November by 50 and 25 basis points respectively.

Despite the obvious difficulties in predicting the consequences, on international markets, of the changed geo-political conditions determined by the new government of the USA, further reductions in the cost of money are expected in the coming months, which in terms of timing and magnitude will be driven by evolving economic indicators, particularly those related to inflation. **The most recent forecasts of the European Commission show a stable global GDP trend in 2024 and a marginal acceleration in 2025** (+3.2% and +3.3% respectively), characterised by still heterogeneous performance between countries and regions. In Europe, there is a decrease in domestic consumption due to a low spending capacity of households, while the soundness and, in some cases, excellent performance of agro-food exports continues.

As we know, problems are not lacking for Europe and Italy, not least the consequences of the new tariffs. After France (19%) and Germany (15%), the United States is the third destination country for dairy exports, of which Parmigiano Reggiano and Grana Padano account for 80%. For Italian companies particularly exposed to overseas exports, this attack on trade will hurt, just as the growth in the cost of raw materials, money and energy is certainly hurting all processing.

The Italian agro-food chain is a strategic asset for our country with a turnover of €250 billion, of which over 60% is from exports and can seize new opportunities, especially abroad. However, today, 72% of dairy companies have less than €10 million in turnover. It is necessary to support business combinations and finance the updating of industrial plants and logistics structures, driven by digitalisation and oriented towards a new sustainability. This latter issue is at the core of a new debate also within the European Community, where it is necessary to find the right balance between ecological conversion and the need to produce quality food for a world population that will reach 10 billion by 2050.

The current debate in Europe on security and military spending, and – especially for us – on the future of the CAP, is fuelling strong concern and dampens the expectations of many of us of a strong and supportive Europe as a bulwark of civilisation and real democracy.

What is needed is a scientific and documented approach that allows us to overcome banal ideological oppositions. However, the real challenge will be to make this commitment of companies the real deciding factor in purchasing choices, first by the distribution chain and then by the consumer.

We are a tangible example of the pragmatism with which the entire supply chain is committed to a programme to reduce emissions, while also supporting the increase in production of livestock farms through the adoption of intensive but sustainable farming and livestock techniques, thus improving production yields and reducing waste in the countryside and in the plants.

In this context, the production, technological, management and social innovations necessary to promote new production and consumption models that are increasingly sustainable on the environmental and social front, in the field, on the farm, in transformation and in distribution, play a fundamental role. Granarolo is facing this acceleration by putting forward an unprecedented plan that is strongly oriented towards digitalisation and the introduction of artificial intelligence in every process, starting with forecasting capabilities. This step is functional to the measurement of new indicators, greater control and, where possible, boosting efficiency, in a fully sustainable manner that is necessary for a group that processes 9 million quintals of milk in 15 plants in Italy and 8 abroad.

The corporate structure of our company has changed significantly with the entry of Patrimonio Rilancio - National Strategic Fund (NSF) and ENPAIA into the shareholding structure of Granarolo S.p.A. Granlatte retained its leadership of the Group with a solid majority. The capital increase is aimed at an important investment plan of over €300 million whose objectives have been defined in the 2025-2028 business plan.

The cornerstones of the plan are: energy independence, Industry 5.0, new functional products, increased shelf life due to process innovations, streamlining and production yields to improve our competitiveness on the market and bring together advanced models of quality agriculture.

The plan, in many ways already started or partially completed, requires a strategic review in light of the changed market conditions, starting from a raw material, **milk**, whose **price** has **risen to levels never seen in Italy or anywhere else in the world**.

In addition to the important contribution of liquidity, the new ownership structure also enhances the Group's performance with regard to governance and control procedures, consistent with a Group with ambitions to reach €2 billion in turnover, taking it to first place in the national dairy panorama.

International scenario

At the end of 2024, world trade growth slowed down, although the good performance of US imports, perhaps in response to increased uncertainty about future trade policies, prompted many distributors to increase inventories and to stockpile goods not yet burdened by the new tariffs. Highly evident was the surge of Parmigiano Reggiano, which remained a key factor in world trade trends. Global headline inflation rose, mainly due to rising energy prices, but underlying inflation continued to decline gradually.

The **rise in energy prices** was mainly fuelled by factors on the supply side and once again Europe, and Italy in particular, found themselves unprepared. **Food prices increased by 5.9%**, due to price rises in corn, cocoa, coffee and, lately, milk, which hit levels never reached before. Business in the **US** remains robust, although the outlook for inflation has become more uncertain. In the United States, growth remains high, driven by increased household consumption, which is in turn fuelled by increased employment and wages, as well as by gains in stock markets. The effect of President Trump's policy is: a decline in the dollar, resurgence of inflation, reduction in welfare policy and a revival of the arms economy. In other **advanced countries, however, growth remains weak**. In **China**, domestic demand is held back by deteriorating consumer confidence and the crisis in the real estate sector. Business in the **UK** remains weak against a backdrop of persistent inflation. The unemployment rate remains low, despite signs of a gradual slowdown in the labour market. Business in **Europe** is expected to strengthen over the medium term. However, the economic outlook is marked by a **high degree of uncertainty**.

The International Monetary Fund forecasts **stable global growth, just over 3%, in both 2025 and 2026**. Growth risks remain on the downside, mainly due to geopolitical tensions and the persistent difficulties of the Chinese economy. High global debt could also negatively affect productive activity if it generates volatility or financial instability. If the upcoming tariffs are met by retaliatory measures, global GDP growth would be reduced by 1.5 percentage points. For the US economy, the impact would exceed 2 points. For the Eurozone, the consequences would perhaps be smaller, with more significant effects for Germany and Italy, given the importance of their trade with the United States. Historical experience shows that trade wars damage growth, including in the countries that start them.

In a context already marked by geopolitical and trade tensions, this strategy could spiral out of control, generating effects far beyond those desired, aggravating existing disagreements and opening up new rifts. Negotiating solutions based on cooperation are a preferable alternative and are necessary to avoid a spiral of conflicts that could threaten global stability.

Europe

The Eurozone economy is struggling to regain momentum. After the stagnation that began at the end of 2022, GDP grew at a moderate pace in the first quarters of 2024, then stopped again at the end of the year. Domestic demand lacks strength. The war in Ukraine and the cut in gas supplies have weighed and still weigh heavily. The savings rate has reached high levels, supported by rising real yields and the desire of households to replenish wealth eroded by the inflationary shock. The succession of crises has also probably increased consumer prudence. Expectations of a consumption-driven, employment-supported recovery have been repeatedly disappointed. Since the end of 2023, the Eurosystem's growth forecasts have been revised downwards, as have the expectations of private operators. On the basis of the most recent data, **the recovery may take even longer**.

Investments in production are also slowing down, due to worsening growth prospects and the still restrictive scope of financial conditions. In the absence of a solid recovery in domestic demand, the Eurozone economy has found some support in foreign demand. The contribution of net exports, totalling half a point, was largely determined by the stagnation of imports, compared to a slightly positive change in foreign sales. The manufacturing sector is suffering the most, as it continues to lose market share to Chinese manufacturers. This trend, which has been under way for years, is accentuated in the automotive sector, which is one of the pillars of European industry. Looking ahead, the difficulties of the automotive industry – exacerbated by Europe's questionable, radically pro-electric choices not appreciated by the market – could also have serious consequences for other sectors. These developments highlight the impacts of **excessive dependence on foreign demand**. In a context of tense trade relations, the European economy's openness to international trade and close integration with global production chains make it particularly exposed to global market fluctuations and vulnerable to new protectionist pressures. **Europe needs a new development model that enhances the single market and reduces dependence on external factors.** Those who argue that the downsizing of Europe's role and boosting of greater individual state autonomy constitutes an enticing path for individual countries risk further marginalising the most important economic democracy in the West, where, more than ever, democracy is a concrete reality and not just rhetorical concept. It is necessary to invest better and to give priority to projects and reforms that can raise productivity, the low growth of which is the main factor weakening the European economy. At the top of the list are the innovative sectors, which are the drivers of productivity, in particular those related to the double transition – environmental and digital – which also play a crucial role for European strategic autonomy, as in the case of energy. The resources needed are considerable and require both public and private contributions. Interventions must include joint actions at European level in order to achieve economies of scale and avoid the overlapping that would result from fragmented interventions at national level. Resources should be accompanied by a decisive change of approach in favour of simplification which, if not implemented, will end up crushing private initiative.

The necessary ingredient is what Fabio Panetta, Governor of the Bank of Italy, defined in a recent speech as a "**European Pact for Productivity**": it is not a question of creating a fiscal union, nor of introducing a European finance minister or systematic transfers between countries, but of launching a common spending programme – focused on objectives and limited in time and amount – to finance essential investments for all European citizens.

Italy

In recent quarters, **Italian economic growth** has weakened, due also to the difficult international context and the effects of the monetary tightening. What were missing above all were the input of investments and exports – the two components that had most supported the vigorous recovery after the pandemic. Investments in capital goods were particularly penalised by manufacturing sector difficulties, which were common to the entire Eurozone. Foreign sales are being hit by the weak European economy, especially Germany, which absorbs 12% of our exports. In this situation, on the other hand, the agro-food industry recorded export values in a significant counter-trend. The main driver of growth has been household consumption, supported by the strength of the labour market. In 2024 as a whole, **GDP increased by 0.5%** (about 2 tenths more, even though we are far from recovering compared to other European countries); but then **growth stopped in the second half of the year**. The uncertainty arising from US trade policies is affecting international trade, investment and growth. European positions must be affirmed through dialogue and negotiation, avoiding conflicts that could generate new disputes and new rifts. The **Competitiveness Compass** – the European Commission's programme for the legislature – identifies three objectives: **innovation, decarbonisation and strategic autonomy**. To achieve them and to build an economy capable of growing and competing, important resources will be needed, together with a less ideological approach. This also applies to the proposed new agricultural policy (the new CAP), which must see farmers no longer as objects and/or beneficiaries, but as key players, in a new relationship based on a system that provides for shared resources and commitments.

Italy consumption

The spreading of wars and conflicts, the unknown factor Trump and the slowdown in European growth generate inevitable impacts on Italy and on the minds of our compatriots as they face 2025. When asked by the Coop Research Office in collaboration with Nomisma to describe their outlook on the year to come in one word, 40% of the sample chose the term "concern". There are also those who opted for "curiosity" (28%) and go as far as "trust" (23%) and even optimism (22%), but it is true that in the top five

of the indications there was also "insecurity" (25%) and "anxiety" (21%). The survey portrays a divided and conflicted country in which those who express somewhat positive expectations for the new year barely amount to 52%, only slightly outnumbering those who instead look at the next 12 months bleakly. It reveals a social climate that is certainly gloomier than previous statements of even just a year ago. Besides, the slowdown in Europe and in Italy is a fact with which even the managers interviewed are dealing; assuming a further slowdown in the country for the next 12 months, GDP growth will be just above zero. A growing number of Italians say their top spending priority is bills and utilities, or obligatory expenses. The number of people who expect to spend more on utilities is 26% higher than the figure for those who hope to pay less. The balance is equally positive for physical health expenses (24%) and domestic food consumption (21%). All other sectors remain negative, with large purchases (home and car) postponed for another year, and smartphone purchases also declining. Overall, the spending growth forecast for Italian households in 2025 stops at +0.7% (compared to an ISTAT forecast of +1.2%). Well-being and "casalinghitudine" (happy being at home) reign supreme also in food trends; more people are planning to cook and eat dinner at home, with domestic meals increasing. Eating out instead remains the prerogative of the most affluent (upper class eating out rises by 13 points, while in the lower class it regresses by 35 points and the middle class also shows signs of fatigue, standing at -14). In line with this trend, 71% will prefer dishes involving longer preparation at the expense of buying ready meals, while the preferred food will be healthy (66%), simple (53%) and traditional (51%). In fact, in the growth of food consumption intentions, healthier diets with a higher content of vegetables (31%), fruit (28%) and fish (23%) prevail (at least in intentions), while cold cuts (33%), sweets (29%), red meat (29%) and alcoholic beverages (24%) appear to be declining. Dairy products are stable. In the savings strategies indicated by families, purchasing store brands (29% will increase their purchases) and shopping at discount stores (24% will do so more) persist. Families are our market, our products are on everyday tables and obviously we aim to intercept the new behaviours of domestic consumption also in terms of supply. **However, the difficulties of families persist in the face of wage stagnation.** Given this scenario, we are pleased to have maintained and in some cases increased our market shares at the expense of competition.

Globally, dairy consumption is expected to increase, while in Europe milk production is declining due to two phenomena: the need to fall within the environmental parameters for Northern Europe and the abandonment of livestock farming due to the lack of generational turnover. In Italy, production is supported by excellent raw material prices and is increasing slightly, but many observers believe that in the future the availability of milk will make the difference. Our Group, which has a short supply chain and is characterised by cooperative and non-confrontational relationships between the various players, must continue its growth path. In this way we can ensure increasing volumes of milk that will be properly priced as long as we can maintain a high share of added value. This we can achieve by improving our ability to plan products, production and markets, also with the use of increasingly advanced forecasting models.

Internationalisation

Granarolo's results abroad are encouraging. We expect further growth in 2025. The **Granarolo Group currently gets 40% of its turnover from abroad**, reaching the objectives of the plan some time in advance.

Contributing to the growth of overall exports (82% of Italian dairy exports go to Europe and 18% to non-EU countries) was the increase of foreign sales of Italian cheeses, which snatched +10.9% in Europe and +10.7% worldwide in volume, confirming an expansionary trend that has been going on for years. Fresh cheeses, grated cheeses and the two PDOs Grana Padano and Parmigiano Reggiano are confirmed as the driving force behind the volume, registering growth of +12.6%, +10.3% and +8.6% respectively. For **Granarolo, the foreign dairy market is worth 695 million euro.**

Even in finalising the investment plan, the board is certainly focusing on the growth of turnover and, consequently, on the Italian milk supply chain. Focus is placed particularly on the recovery of margins in the agro-food sector, which traditionally operates on values that are often inadequate to ensure the necessary serenity for businesses.

It is important to point out that the results of the Group's financial statements for the year 2024 fulfil the budget forecasts, with improvements in some items, confirming good control capacity, and above all, an uncommon ability to react to continuous changes and market pressures.

Granarolo today: 2024 results and challenges

The following is a snapshot of the Group as at 31 December 2024:

- approximately 500 dairy farmers in 11 regions in Italy milk their cows every day and, through the largest Italian cooperative system, supply their milk to Granarolo. We process 900 thousand tonnes of milk per year; of these, 867 thousand in 2024 are sourced by the Granlatte supply chain.
- 15 plants in eight Italian regions (5 in Emilia Romagna, 2 in Lombardy, 1 in Piedmont, 1 in Friuli, 1 in Sardinia, 1 in Tuscany, 2 in Puglia, 1 in Calabria and 1 in Lazio). This is because we are convinced that the quality of regional products is intrinsically linked with their origin.
- 2 plants in France, 1 in Germany, 3 in Brazil, 1 in New Zealand, 1 in USA.

We ended 2024 with a turnover of €1,720 billion, an EBITDA of €82.0¹ million, debt of €190¹ million and a final result of €9.7¹ million.

EBITDA and net profit, including the effects of IFRS 16 application to operating leases, were €99.5 million and €9.7 million respectively, representing respective increases of €5.5 million and €0.5 million compared to 2023.

The most significant result of 2024 was **the grounding, through a digital platform and support plans for farmers, of the sustainability project of Granlatte**, our milk supply chain. This is reflected in chapter 3 of this Sustainability Report, which is dedicating more and more space to the sustainable achievements of the agro-livestock chain because that is where our greatest effort is concentrated and where the most obvious environmental impact is generated.

In this way we will be able to report the great effort started for a sustainable transition of the supply chain, environmentally and economically sustainable, in a very short time. The challenge? We have a long view of 2030: **we would like to achieve a 30% decrease of greenhouse gases per kg of milk produced**.

We are focusing on three fronts: reducing CO₂ at the farm, moving away from plastic and reducing waste.

1. Certified animal welfare and reduction of the farm's environmental impact

Achieve higher and higher levels of animal welfare in the farms also by trying to reduce the environmental impact: farmer shareholders will increasingly be an active part of the change. All the Group's farms, certified Classyfarm and Bonlatte (voluntary certification on animal welfare, additional to the ministerial one), have further raised their scores and thresholds required by Granarolo during 2024.

Years ago at the industrial level we focused on cogeneration, thinking about environmental sustainability, whereas

today we are working on biomethane with our farmers. At the agricultural and livestock level, it is essential for our farmer shareholders to take a new direction. **Quickly replacing Russian gas with agricultural biomethane is the goal of our supply chain** by exploiting agricultural and agro-industrial by-products. The "**Biomethane supply chain**" project, developed and presented with the Confederation of Beet Growers (CGBI), envisages the construction of 10 plants for the consortium over 3 years located in: Emilia Romagna, Lombardy, Friuli and Puglia which, fed with animal waste and scraps from industrial processing, **will produce 30 million cubic metres of methane per year at full capacity**, i.e. the equivalent of what is needed in terms of thermal energy in the Italian plants of Granarolo, as well as 500,000 tonnes of natural fertiliser (digestate) per year, avoiding the emission of 60,000 tonnes of CO₂ eq.

2. Reducing plastics

The sustainability of packaging represents a path of continuous improvement in environmental performance for the Group, specific to each type of material and product, saving the environment more than 3,000 tonnes of CO₂ by 4 years. The strategy, which will continue over the next few years, is based on **reducing the weight of primary and secondary packaging, using recyclable and recycled plastics in combination with alternative materials to plastics** (a concrete example is the transition of 85 million pots of Yomo yoghurt to paper).

3. Waste reduction

In parallel, to reduce waste, Granarolo is working on **increasing the shelf life of products**, particularly for refrigerated products such as milk, recovering the packaging of milk returned from the market, and lastly, reducing returns and passing them on to people in need through platforms, so that nothing is wasted. A cross-functional task force led by the Quality Department is achieving the goal of **halving platform and market returns**. This is reflected in chapter 7. Also during 2024, Granarolo raised consumer awareness by working with Too Good To Go to insert on over 48.2 million packs pictograms that encourage making use of the product with a minimum shelf life instead of throwing it away. The European Community has decided to go in the same direction. The same awareness campaign on 85.5 million bottles/cartons of milk is planned for 2025.

The new-found sensitivity of consumers with regard to the environment and sustainability represents another challenge for the production sector that we have decided to embrace. We target consumers who are increasingly attentive to nutritional and environmental aspects, highlighting the excellence of our products: quality that honours our farmers, controls at every stage of processing from the farm to the point of sale, a geo-referenced and sustainable supply chain that can be visited, certified animal welfare on farms and packaging that is consistent with all these aspects.

Supply chain and market are fundamental assets of our nature as a company. **We are working on a Farm of the Future and a Factory of the Future where artificial intelligence will also allow us to cope with the new risks** we have mentioned. The true protagonists of this epochal change will be the young people who are supporting us, the new generations of farmers, our workers and maintainers who are working on their own training growth, the colleagues in marketing, quality and research and development. Transversal to all that will be our commitment to **design a productive tomorrow in the name of sustainability, on the farm and in the factory, whether it is alternative energies (consortium biomethane and photovoltaics, for example), predictive maintenance or artificial intelligence put at the service of order management to reduce returns**.

Regarding the way in which we effectively represent our work, we have chosen to keep our eyes on the GRI **Standards for this Sustainability Report, but we have begun to work in parallel on the new Community Directive**, the CSRD, and on the new general indicators, which then largely take up the GRIs and we are preparing for a transition that we hope to anticipate by one year with respect to what is required by the legislation. **We are working on a new platform capable of expanding the reporting scope, we have defined the double materiality matrix and are going to address scope 3, relating to the supply chain.**

Despite challenging economic conditions, we look with serenity to the near future, certain that we can fulfil the mandate we have undertaken for ourselves and for our consumers.

Chairman
Gianpiero Calzolari

LETTER FROM THE GENERAL MANAGER:

2024 comments and medium-term outlook.

GRI 2-22

The last five years have been characterised by a strong discontinuity that companies, families and stakeholders have had to face. The pandemic, climate change and the consequent floods, the wars in the Middle East and Ukraine, the macroeconomic scenario, the markets for raw materials and energy, inflation and the consequent consumption of households have generated a situation of great uncertainty and fear for the future.

We see that milk, including that of our supply chain farmer shareholders, is becoming more difficult to produce and more expensive. A radical and necessary change in the farms, also meeting the demands of a consumer who is increasingly attentive to sustainability, and a climate change in the face of which we must equip ourselves, favour the largest breeders in an intergenerational perspective, but they themselves must be supported. Our challenge is to continue generating income with a significant price of milk like the one seen in 2024 and the early months of 2025. Moreover, the milk shortage seen last year also changes relationships within the market. The large-scale distribution channel tends to prefer a secure supply, with quality products supplied by a strategic partner that has a supply chain, rather than aiming for a lower price only in the short term. Granarolo offers these certainties: 500 farms able to meet needs, even in difficult times of the year, in terms of production, proximity to the market, intelligent and customer-oriented collaboration and a clear focus on cost reduction where necessary.

Fresh milk continues to lose share in the shopping cart, confirming a radical change in eating habits that has been underway for several years and Granarolo's correct choice to focus on a milk with similar nutritional characteristics, but at 10 days. In terms of milk, however, we have two new developments. The first concerns a **reversal of the trend in "as is" milk consumption that comes from the United States** (*How milk got its mojo back <https://on.ft.com/42WQYut>*). Over the last two years, attitudes to **milk have changed. It is no longer demonised, but is considered part of a healthy and balanced diet, a source of calcium, vitamins and useful in the fight against obesity and diabetes**. These are the themes that give us hope. The second new development concerns our performance in the domestic and international market, where the Group is gaining considerable market shares across all product categories, including fresh milk. The exception is the yoghurt market, where the relaunch will start from the business plan.

Per capita Italian consumption of dairy products is expected to remain substantially stable during 2025, but Ismea predicts that **lifestyle changes and the needs of an increasingly "elderly" population increase the demand for "fortified" foods (including dairy products)**, with supplements of vitamins and minerals, and **"functional"** foods. We have equipped ourselves to meet this need with the Granarolo Benessere line, which is growing significantly on the market. Given our size, competing in the core categories is essential. That said, niches help us increase and enhance our offer and penetrate commodity markets with offers of higher value, in Italy and abroad.

Exports of Italian dairy products continued to increase in 2024, supported by still high prices, and we benefited from this trend, as can be seen in the Financial Statements, focusing on the countries in which we are most present (France, the United States) and on new target countries (Germany). As the chairman already mentioned in his letter, there is serious concern over American tariffs, despite the consolation of having a fresh dairy plant in Connecticut.

In this context, our Group wants to carry out the projects included in **2026-2029 plan**, which will lead us towards a more sustainable and resilient future in the face of a scenario that is increasingly difficult to predict.



New functional products,
increased shelf-life
thanks to process
innovations, energy
independence, Industry 5.0.

New functional products, increased shelf-life thanks to process innovations, energy independence, Industry 5.0. For Granarolo, 2025 will be full of investments and innovations.

If you want to be present with a brand on the shelves, today it is necessary to have a precise and defined innovation strategy, in line with what is defined by the European Commission in terms of sustainability and that has a multi-year scope and continuous improvement.

Looking at the **products** we are focusing attention on the functional and in particular on the **sugar-free** or low in added sugars. Important proposals will arrive in 2025 for yoghurt. As far as **cheeses** are concerned, we have expanded our portfolio by focusing in particular on mature cheeses, mozzarella and burrata. We started to produce burrata in our plant in **Gioia del Colle** a few months ago. The Members of Parliament Fitto and Lollobrigida honoured us with their presence on the occasion of the inauguration in May 2025. We have invested over €20 million in this industrial plant, converting the site from a milk production to a dairy production with high added value.

We are then moving into the field of professional **ingredients**, where innovation focuses on the technological performance of the product, cooking times, assembly, and the percentage of fats and proteins. *Out of Home* represents an area of interest for the Group and we think that its consumption will grow in the next ten years. This is not only in the Italian market, but also in foreign territories. In some countries, such as France and the United States, food service represents the most important part of consumption, even reaching 70% of the total.

I mentioned earlier that we have changed the concept of fresh **milk**, proposing a milk with a minimum shelf life of 10 days, so it is an element making a strong breakthrough. We believe the market will follow us, as the numbers confirm. The level of service and the reduction of waste throughout the supply chain are important factors. From 2024, the concrete goal is to increase shelf life by 10-15%. We would like to get there before 2030 with zero impact on returns. Returns are reduced every year, as you will see by reading the Financial Statements.

On the energy front, we are building 10 consortium biomethane plants from supply chain biomass, through the partnership with the Confederation of Beet Growers. **As regards our 15 Italian plants, we became energy-intensive during 2024 and this projects us into another dimension of responsibility, also in terms of the energy mix we use, so much so that we already have GO certificates.** Within the 2026-2029 plan, we have included photovoltaics at the Pasturago plant in Vernate (it will be 15 thousand square metres) and we are also working on the installation of panels in Bologna. We will produce more energy than we consume.

Among the strategic projects, one of the most important is undoubtedly the push for the digitalisation of all business processes.





This change will affect all company, production and staff areas. The goal is to improve our overall performance in the end-to-end process, from when the milk enters, along the production chain where it is transformed, to the consumer's refrigerator. We are talking about organoleptic quality, shelf life, level of service, production efficiency, simplification of administrative processes, and integration upstream of our farms.

We opened a **trading company in China** in 2024. In this way we respond to the market without dealing with shipping transport times. Italian agri-food products are in high demand and are growing in double figures. The potential is not only the Italian PDOs, but our genius, able to intercept innovations and propose them in terms of taste.

We are convinced that the 2026-2029 plan and the transition of the Granlatte supply chain will allow us to achieve our goal of **reducing greenhouse gas emissions per kg of milk produced by 30%** by 2030.

Our Group will continue to push on innovation, new technologies, internationalisation, and at every stage sustainability is already today an aspect of the project approach, but the great challenge will be to be able to respond to what the new European Directive asks of us, identifying new targets and also being able to report in a timely manner the indicators of our supply chain (and not only the milk-based one) starting from the 2027 budget.

General Manager
Filippo Marchi

LETTER FROM THE CHAIR OF GRANLATTE:

GRI 2-22

2024 was a year deeply marked by the effects of climate change, which in Italy heavily influenced two areas relevant to our cooperative: our shareholders have not been able to achieve the usual self-production of fodder in the north due to repeated rains in the spring months, while in the south the drought not only zeroed out fodder crops, but has also had a heavy impact on livestock management. Very high temperatures also had a general impact on production, reducing it in the summer months to levels well below historical averages.

The adverse climatic effects left their mark on crops throughout Europe where overall milk production has been stagnant, with some significant declines in the Netherlands and in some German Lands where the need for correction under the nitrates directive also led to a significant reduction in dairy farms.

The need for farmers to buy more fodder on the market, together with the costs incurred for sowing and self-production, led to a general increase in production costs at the farm, which, combined with the standstill of the quantities produced and a stable market demand for dairy products, led to a significant increase in the price of milk at the farm.

In this difficult context, the Granlatte cooperative managed to keep its commitment to support its ambitious plan for a €300 million investment in the subsidiary Granarolo S.p.A. by 2027, to which it delivered 8.9 million quintals of milk in 2024. This quantity has allowed Granarolo to increase the supply from the cooperative chain to 97%, the highest figure in the history of our Group. It also testifies to a growing capacity for common planning and compliance with objectives that reinforces the effectiveness of our corporate model.

The strength of the Granlatte-Granarolo Group is this: associated farmers who have cooperated over time to develop, through the industrial subsidiary, a processing and marketing activity that allows them to keep the value produced in their hands and translate it into a better remuneration for the milk provided. It is an example of economic democracy and production and management efficiency of which we are proud.

Throughout Europe, in this period marked by dramatic events of historical scope (the pandemic, wars, turbulence of strategic raw material markets), cooperatives are demonstrating strong resilience in the face of unprecedented and concomitant challenges; despite the adversities, they have not only managed to grow but have consolidated their presence on the market and protected farmer and breeder shareholders, generally family-run businesses, from effects that alone could have overwhelmed them.

The essential role of agro-food cooperatives in guaranteeing EU food security, social cohesion, attention to sustainability and competitiveness of a sector that is the top exporter at EU level has been explicitly recognised by the Strategic Dialogue on European Agriculture and, more recently, by the vision for European Agro-food presented by the new Commissioner Christophe Hansen. The latter project devoted a very appreciable chapter also on the strategic importance of increasingly sustainable livestock farming.

Unfortunately, a still uncertain future awaits us. While we really hope it will be less plagued by wars, it still presents us with a horizon of trade wars of which there was no need, since they inevitably lead to a contraction of world trade, which is recessionary by definition. The policies of barriers and tariffs have never had winners and have always provoked a hardening of relations between peoples and the growth of nationalisms that have never led to anything good.



The CMO would be of help to allow an effective ecological transition of our supply chains and could provide useful tools to promote the adoption of good innovative practices, as well as being able to be usefully combined with the agri-climate-environmental measures of the RDPs and the eco-schemes of the CAP useful to support farmers in the transition phase.

Therefore, more cooperation between farmers and breeders will be needed to face complicated times, as well as closer relationships between the actors of the entire agro-food chain at national and European level so as to be able to resist, compete and better orientate themselves in turbulent times.

Granlatte, aware of the scale of the challenge and the growing importance of being part of the wider European agro-food cooperation system, worked hard in 2024 to strengthen its relations both with the European institutions and with other cooperatives in the sector, aiming to share its efforts towards greater sustainability, learn from the good practices of others and highlight positive and critical results for the institutions and society as a whole.

In this spirit, in 2024 we participated as speakers in these important European-level initiatives to present our commitment to sustainability and exchange experiences:

- Seminar on Sustainability held in Brussels on the initiative of DG Agri together with the Civil Dialogue Groups on the CAP, Strategic Plans and Climate and Environment
- European webinar "*Strategies for the primary dairy sector to meet decarbonisation targets*" of the large dairy cooperatives of Cogeca organised by Spanish Cooperation with the presence of the major industry entities from Finland, Denmark, Holland, France and Spain.
- Keynote speech at the European Congress of Precision Zootechnics (ECPLF 2024), held in Bologna.
- *Food Revolution International Conference*, held in Parma.

Granlatte's cooperative nature makes it an intergenerational enterprise and that is precisely why, as a responsible company and Italy's leading dairy group, **we must be at the forefront of tackling the climate crisis and fostering the ecological transition** in a socially and economically sustainable way. It is a commitment that cannot be withdrawn or watered down. We owe it to our future generation of members, but we believe that it is important to focus on sustainability also as a strategic lever of competitiveness, to distinguish ourselves in relationships with customers, lenders, the territories in which we operate and society as a whole.

This commitment also allows us to consolidate the reputation of our brand, built over almost 70 years, and is also fundamental for the consolidation and efficiency of the associated farms, which with ongoing digitalisation will be able to access many indicators useful also for daily management and relief from the bulk of overwhelming and unsustainable bureaucratic obligations.





Granlatte has been following the sustainability path since 2021 by choosing to apply the *Dairy Sustainability Framework*, an international standard that will allow us to exchange views with other operators in the sector. The path is divided into several phases:

- creation of a **Technical-Scientific Committee** made up of the Universities of Brescia, Bologna and Milan, verification of greenhouse gas emissions of a representative sample of Granlatte farms and extension of the result to all Granlatte farms. **The research study examined the productivity, management performance and agronomic practices adopted by companies also in relation to geographical location, evaluating in parallel the possible use of renewable energy sources and the management and treatment of wastewater.** The analysis led to the determination, in 2021, of a carbon footprint of the supply chain. With the aim of reducing this figure by 30%, various actions have been taken to improve the impacts of each production phase, from fodder production to reducing enteric fermentation, effluent management, the defence of biodiversity, animal welfare, the use of water and alternative energies. The digital platform singled out, xFarm Technologies, will collect all the qualitative, environmental and social data aimed at constant monitoring of sustainability indicators. In 2024, the uploading of data on the first group of 80 farms began and in 2025 there will be a significant increase, also thanks to collaboration with industry bodies with a view to interoperability of data on shareholder farms.
- In 2023, **EPD certification on conventional and organic raw milk** was achieved. This represents a great result for the cooperative. There are many Granarolo and Yomo products that have obtained EPD certification over the last 20 years, but **in Italy it is the first EPD certification ever on raw milk.** The Environmental Product Declaration (EPD) is defined by the International Organisation for Standardisation (ISO) 14025 as a Type III declaration that “quantifies environmental information about a product's life cycle to enable comparability.”
- Animal Welfare: **100% of the Granlatte supply chain is Classyfarm and Bonlatte certified.** In Granlatte the farms are all free stabling. Classyfarm is the ministerial certification and Bonlatte is the proprietary certification, defined with an Innovation Operational Group funded by the Emilia-Romagna Region and EU funds, which includes a significant number of additional indicators compared to Classyfarm and provides the farmer with a series of indications to improve. All data is entered into the digital platform of the cooperative. At the end of 2024, the Italian government approved the CSQNBA national quality protocol for animal welfare, which in turn provides for a series of indicators, 21 of which are blockers, to be measured to obtain the certification of individual farms. The CSQNBA system is similar to the Bonlatte protocol but provides for some specific procedures, so Granlatte has already started working with shareholders to comply and certify with the new standard. Bonlatte will still be maintained because it guarantees a more complete set of indicators and, above all, we intend to maintain the technical assistance part for breeders.
- implementation of the **x-Farm integrated platform** for the management of all the management and sustainability data of the member farms of the cooperative is the decisive step for a continuous monitoring and effective reporting of the results of the chain in terms of sustainability; all the data described above will be uploaded to the platform for a wide spectrum of indicators identified with the scientific, consulting and technological partners, and also taking into account the contents of the European Directive on Corporate Social Responsibility (CSRD).
In 2024, detailed work on the indicators was completed, migration from the pre-existing software was started and for a first group of 80 shareholders, the uploading of the forms on animal welfare, ration and traceability, milk contributions, quality analysis, farm (fields, campaign notebook, machinery, farms, warehouses, silos) began.

On the circular economy front, Granlatte has launched the **Biomethane Supply Chain Project** which involves the construction of 10 consortium plants in 3 years located in different Italian regions. They will produce 30 million cubic metres of methane per year – the equivalent of the thermal energy requirements for the Granarolo plants in Italy, and 500,000 tonnes of natural fertilizer (digestate) per year, thus preventing the emission of 60,000 tonnes of CO₂ eq. To date, **3 consortium plants have been authorised**: Gran Metano Bergamo, Gran Metano Cremona, Gran Metano Brescia 1 and **5 other consortium companies have been formalised**: Gran Metano Crema, Gran Metano Varese, Gran Metano Como Lecco, Gran Metano Mantova and Gran Metano Brescia 2. To these are added the **2 plants already operating in the farms of two Granlatte shareholders**.

In terms of **biodiversity**, which is essential for the balance of the ecosystem, we are greatly satisfied with the **Granlatte-Conapi project for the protection of pollinators, winner of the European Bee Award**, awarded to us at the European Parliament in Brussels in December. This is really important recognition for the project developed together with **Conapi**, the largest European cooperative of beekeepers; **it provides for the signing of a specification of good agricultural practices for the protection of pollinating insects and the placement of hives on farms**. Currently on Granlatte farms there are **270 hives scattered in different Italian regions, for a total of 14,000,000 bees**. This gives farmers the opportunity to apply for funding under Ecoschema 5 of the CAP 2023-2027.

In **January 2024 Granarolo became the first company with the "Approved by Conapi bees" seal**, also present on the packaging of Granarolo Organic Milk.

Thanks to the *European Bee Award 2024* victory, Granlatte was selected as a speaker at the good practices session of the European Conference "*Farming for pollinators: unlocking economic and ecological gains*" organised by the Institute for European Environmental Policies (IEEP) in April 2025.

Finally, among the initiatives aimed at a sustainable transition, there is the positive experience of the **two-year training course designed for young farmer-shareholders of Granlatte, aged between 25 and 40**, which will end in 2025 after an intense programme of classes with high levels of attendance. The course, which aims to provide concrete tools to make farms grow while fostering measured sustainability, governing technical and economic efficiency and promoting the sharing and capitalisation of knowledge, experiences and solutions, has seen an important and continuous commitment from young participants and will end with an experience-gaining mission abroad to take a look at the sustainability projects of another large European dairy cooperative. Young farmers are the future of the cooperative and investing in them is not only a must, but also allows us to count on new strengths, prepared for the challenges we face together.

The efforts described above to implement the Granlatte Sustainability Project have led to the cooperative taking on important design, organisation, data management and digital platform preparation tasks, with positive results. It was appreciated by shareholders also because individual farmers would not have been able to face the complexity of such a project, which also results in a reduction in bureaucratic burdens. However, the implementation and maintenance of the system is very demanding and farmers must be supported in this phase of great changes for their companies, also in view of the new CSRD Directive.

The transition to sustainable food systems entails such costs that private resources, in which companies like ours are investing, will still have to be accompanied by supportive public policies, fulfilling a key role considering that food security and a healthy ecosystem are public assets.

In recent months, at Cogeca (European Agricultural Cooperatives) and at the Commission services and even in the Civil Dialogue Groups of DG Agri EU to which we have had access, we have expressed concern about the excessive burden of CSRD legislation, led by an exorbitant number of often redundant indicators, but above all by the unsustainability of the amount of data required upstream of the supply chain, to be collected in unrealistically short times from predominantly family-run farms.

This is why we **welcomed the presentation of the Omnibus Regulation** by the Commission in February 2025. It is a common sense proposal that takes note of the disproportionate workload that would be borne by combined farms, precisely those that are recognised as playing a fundamental role in promoting an improvement in the conditions of farmers in the supply chain.

With the swift approval of the simplification introduced, **however, we confirm our commitment to**

achieving the objectives of the Granlatte Sustainability Project and we will continue on this path with determination.

Some recent proposals by Commissioner Hansen on production chains, aimed at strengthening CAP support to Common Market Organisations (CMOs) go in our desired direction of public support oriented towards innovation and sustainability, and embolden us to **insist on the request for the activation of a milk CMO to support the Action Plans for Sustainability and investments in digitalisation, certification and control systems**. As the new vision on European agriculture also indicates, the CMO, thanks to the flexibility and adaptability of its Production Plans, could be usefully combined with the agro-climate-environmental measures of the RDPs (animal welfare, organic, agro-energy, biodiversity) and the eco-schemes of the CAP (animal welfare, drug reduction, organic) that can support farmers in the transition phase.

A **study initiated in 2024 by CRPA on behalf of the Alliance of Italian Cooperatives**, yielded its first results, presented in Milan last November. In addition to reporting the experience of the European countries that have already activated the CAP, highlighted how **a milk CMO could be effective in supporting the digitalisation of farms for the ecological transition of the supply chains and sustainability reporting and to provide useful tools for monitoring the social pillar of the CAP**. The study is continuing with in-depth research at farms on the contents of possible Production Plans, to then arrive at a concrete technical proposal to be put forward to the interlocutors of the agricultural and institutional world. It may be a great opportunity for the sector to boost innovation and work together in a renewed sustainable supply chain logic.

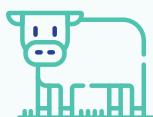
Chair of Granlatte
Simona Caselli

Environmental sustainability

three projects for a more



future



Animal welfare in the farm and reduction of environmental impact

We intend to **raise** animal welfare **certification standards** on farms, also reducing the environmental impact generated

CARBON FOOTPRINT

Conventional Raw Milk
1.47 kg of CO₂ eq/l (EPD)

Organic Raw Milk
1.03 kg of CO₂ eq/l (EPD)

-30,000 tonnes of CO₂ eq/year



Reducing plastics

We want to reduce plastics and increase the use of **recycled plastics**



Anti-waste plan.

We aim to **reduce food waste** by promoting a circular economy

PACKAGING

✓ -5,600 tonnes of CO₂ eq (2018-2024)

🎯 -1,000 tonnes of CO₂ eq (2025-2026)

PROJECT 50% RETURNS

✓ -19,000 tonnes of CO₂ eq (2022-2024)

🎯 -12,000 tonnes of CO₂ eq (2025-2026)

2030 Plan Objective



By 2030
reduce greenhouse gas emissions
by 30% per kg of milk
produced by the supply chain

Goal 12:



Ensure sustainable consumption and production patterns

Goal 13:



Promoting actions at all levels to combat climate change

Goal 17:



Strengthen the means of implementation and renew the global partnership for sustainable development

Project 1

Increased animal welfare and reduced environmental impact of the farm

Animal welfare on the farm is the daily commitment of the dairy farmers in the Italian Granarolo-Granlatte supply chain. **We guarantee the health and respect of animals** and have decided to raise the standards of animal welfare certification. From this commitment, **two main sub-objectives arise**:

 To further improve animal welfare in the already certified Granarolo-Granlatte dairy farms, reducing the environmental impact of the farm

 To manage the use of veterinary medicines with a view to reducing them and improving therapeutic effectiveness



OUR COMMITMENT

2024 ACTIONS

- The **Technical-Scientific Committee** comprising three universities, the University of Brescia, the University of Milan and the University of Bologna, after having taken a first picture of the real **environmental impact of the supply chain**, measured at 80 farms, continues its measurement and guidance activities to reduce the impact. The x-Farm platform is helping us measure by creating calculation algorithms that are more useful for reporting, by planning possible interventions to arrive at reductions over time.
- Granlatte took part in the **Dairy Sustainability Framework** activities – an international dialogue platform for dairy companies working together to find sustainable solutions.
- The **Granarolo Sustainable Transition** has been carried, developed on four main pillars:
 - > animal welfare and rational use of cattle medicines;
 - > animal nutrition – because working on nutrition can lead to a reduced environmental impact;
 - > reduction of the environmental impact of milk production;
 - > optimisation of agronomic practices for CO₂ capture.
- The beginning of 2023 saw the start of the "**Biomethane supply chain" project developed and presented with the Confederation of Beet Growers** (CGBI), which will see the construction of **10 consortium plants in 3 years** located in Emilia Romagna, Lombardy, Friuli and Puglia. They will produce **30 million cubic metres of methane per year** – the equivalent of the thermal energy requirements for the Granarolo plants in Italy, and 500,000 tonnes of natural fertilizer (digestate) per year, thus **preventing the emission of 60,000 tonnes of CO₂ eq.** (the annual amount generated for street lighting in a city of 867,060 inhabitants like Turin). At the end of 2024, **3 consortium plants were authorised**: Gran Metano Bergamo, Gran Metano Cremona, Gran Metano Brescia 1 and **5 other consortium companies have been formalised**: Gran Metano Crema, Gran Metano Varese, Gran Metano Como Lecco, Gran Metano Mantova and Gran Metano Brescia 2. To these are added the **2 plants already operating in the farms of two Granlatte shareholders**.



INSTITUTIONS INVOLVED



FARMERS



VETERINARIANS



POSITIVE IMPACTS

Close cooperation with farmers and veterinarians on the one hand and with the Technical-Scientific Committee on the other **improves animal welfare conditions and reduces the environmental impact of the farm, resulting in an improvement in udder health** (fewer somatic cells) and psycho-physical conditions of the animal, an excellent level of milk quality and **a product that respects nature and the health of all consumers.**



SDGs ON WHICH GRANAROLO FOCUSES



Eradicating hunger, achieving food safety, improving nutrition and promoting sustainable agriculture. Granarolo works to increase levels of sustainable agriculture and the introduction on the market of premium quality essential products, protecting both small and large livestock farms in Italy, Tanzania and Mozambique.

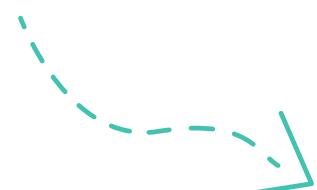


Ensure sustainable consumption and production patterns. Granarolo works hard to support the growth of producers, ensure the welfare of farm animals and preserve natural resources.



Promoting actions at all levels to combat climate change.

Granarolo, in the light of the new initiatives implemented on the front of the "Sustainable Transition" project, is committed to contributing to the Sustainable Development Goal on combating climate change.



Project 2

Reducing plastics

We care about nature and the future of our planet and work daily to introduce new production and consumption patterns that are sustainable in the medium and long term. We intend to **reduce plastics by limiting greenhouse gas emissions** linked to the entire product life cycle.



Reduce plastics and introduce alternative materials



Reduce emissions: -2,500 tonnes of CO₂ eq. for the period 2022-2026



OUR COMMITMENT

2021-2030 ACTIONS

- Reduction in the weight of primary and secondary packaging
- Use of recyclable and recycled plastic
- Trial of alternative materials to plastic

2024 ACTIONS

The final figure for 2024 is **249 tonnes of CO₂ eq** saved, for a grand total of **2,371 tonnes of CO₂ eq** in the 2022-2026 period, in addition to **3,248 tonnes of CO₂ eq** in the 2018-2022 period. Therefore, 5,619 tonnes of CO₂ eq. were saved between 2018 and 2024.



INSTITUTIONS INVOLVED



CONSUMERS



RETAILERS



POSITIVE IMPACTS

Thanks to these initiatives we can have a positive impact on the environment and the community, contributing to the achievement of one of the international sustainability goals: to gradually move away from the use of plastics, introducing innovative and sustainable materials.

Together, our commitments will enable us to achieve an overall saving **in terms of greenhouse gas emissions** (CO₂ eq) of **2,500 tonnes of CO₂ eq in the 2022-2026 period**.



SDGs ON WHICH GRANAROLO FOCUSES

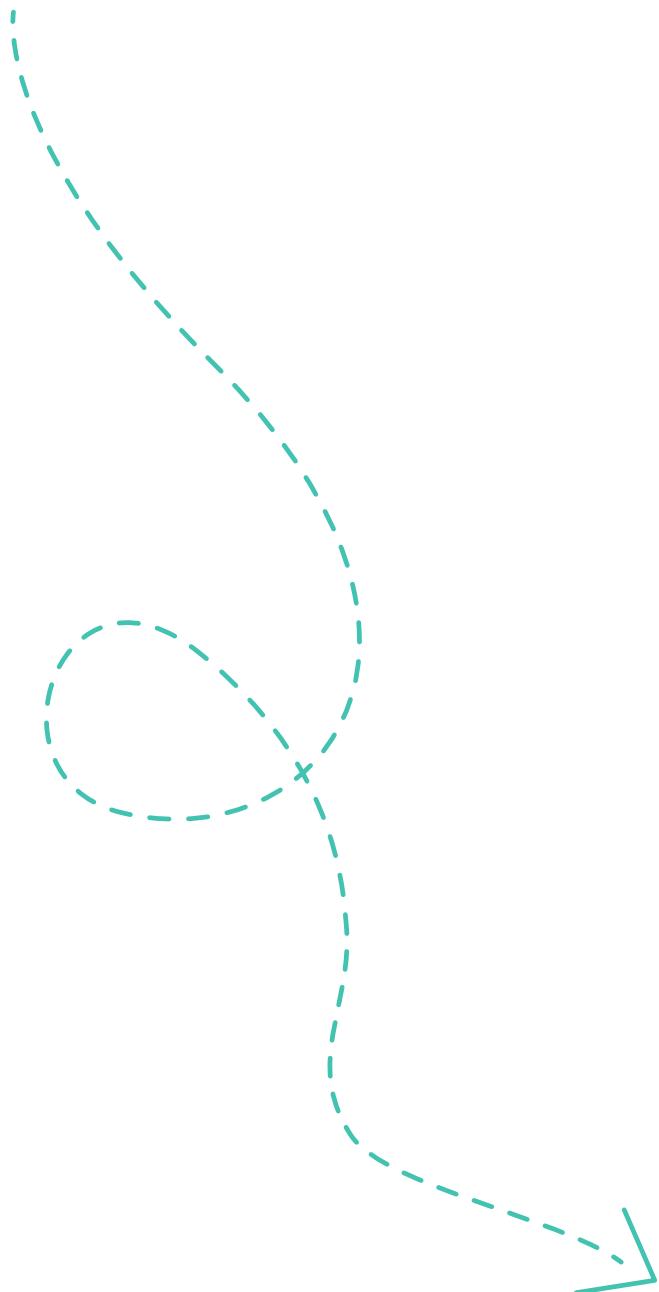


Ensure sustainable consumption and production patterns.

Granarolo aims to promote innovative and more responsible production and consumption systems, reducing the impact on the environment and raising community awareness of the benefits of the circular economy.



Promoting actions at all levels to combat climate change. Granarolo has taken actions that, by reducing and/or replacing packaging materials, have a positive impact on reducing greenhouse gas emissions and contribute to combating climate change.



Project 3

An anti-waste plan

We want our Italian milk to be increasingly sustainable, with a **low environmental impact and to play a leading role in a healthy and nutritious diet**. To ensure this, we intend to reduce food waste to a minimum, through **an anti-waste plan on milk and dairy products** that also directly involves all consumers, through education on sensible and sustainable consumption.



Reducing waste



10% less returns
from the Italian market

Milk and dairy products are a major contributor to food waste. They can account for 4 to 8% of the category's sales. At present, in the best case scenario, the product withdrawn from points of sale, while respecting the cold chain, and although being intact, can be recovered as a by-product for use in animal feed.

A **longer shelf life of milk and dairy products ensures a reduction in food waste**, which is made possible by a better quality of milk at source and along the cold chain. Granarolo has initiated a progressive shelf life extension in 2020 starting with mozzarella. **In 2022, a 10-day shelf life for fridge milk was introduced, significantly reducing market returns and helping reduce household waste.**



OUR COMMITMENT

The anti-waste strategy is characterised by the synergy of several elements:

- **extension in product shelf life**
- **campaign for more sustainable management of products in the home**
- **campaign on new uses for expiring products**
- **campaign for proper disposal**

2023 ACTIONS

- A further 10% reduction in platform and market returns
- “Milk” innovation focused on medium and long shelf life products
- Extension of shelf life of dairy products sold in Italy and abroad
- 1917 q (18.5% of total) of short-dated products sold in Granarolo factory shops
- Too good to go campaign on 98 million packs to raise consumer awareness of the possibility of consuming the product beyond its expiry date for products with a minimum shelf life
- Strengthening of the solidarity hub for the Metropolitan City of Bologna with a structural donation to the Social Fund for the community called *Dare per Fare*, which led to 198,000 meals/year donated to the most vulnerable people
- 16,518 tonnes less of CO₂ equivalent resulting from the decrease in platform and market returns between March 2022 and March 2023

2024 ACTIONS

- Extension of shelf life of other fresh or ESL products
- Returns project: 816 tonnes less product returned than in 2023 leading to 1,471 tonnes of CO₂ eq. saved
- Too good to go campaign on 48.2 million packs to raise consumer awareness of the possibility of consuming the product beyond its expiry date for products with a minimum shelf life



INSTITUTIONS INVOLVED



INSTITUTIONS



CUSTOMERS



CONSUMERS



POSITIVE IMPACTS

Trying to extend the shelf life benefits the whole life cycle of the product, reducing food waste and enhancing all the previous processing steps that brought the product into the refrigerators of consumers.

A longer residual life than at present allows families who consume Granarolo products on a daily basis to shop efficiently, with only one visit to the supermarket per week, and to benefit from the qualities of the product for longer, while minimising waste by disposing of the material correctly.



SDGs ON WHICH GRANAROLO FOCUSES



Ensure sustainable consumption and production patterns.

Granarolo is committed to reducing food waste, with circular resource management, making each stage of our value chain efficient whilst raising consumer awareness.



Strengthen the means of implementation and renew the global partnership for sustainable development

To successfully achieve the goals set for 2030, Granarolo has initiated inclusive partnerships that create synergies to achieve integrated sustainability in the community.

A photograph showing the lower half of a woman in blue jeans and a child in a red jacket walking through a barn aisle. The floor is covered in straw.

THE PATH TO Sustainability

GRI 2-2, 2-3



Among the many "challenges" for Granarolo, that of integrating sustainability into the business model remains. In fact, the culture of sustainability plays an important role in the company's decisions and, over time, has produced greater synergy with the Group's strategy.

In this context, Granarolo has progressively aligned its non-financial reports with the main international reference standards, each year establishing clear and defined objectives, measuring and monitoring its progress, and clearly defining its challenges for the future.

In the 2024 Sustainability Report, in the eleventh year of its non-financial reports, the Group confirmed the adoption of the "**GRI Standards**", issued in 2016 by the Global Reporting Initiative and updated in 2021 with reference to the Universal Standards (GRI 1, 2, 3), through the "GRI - with reference" option.

The frame of reference for the drafting of the 2024 Sustainability Report is the period between 1 January and 31 December (annual frequency) both for Granarolo S.p.A. and its subsidiaries. The information refers to the activities carried out in the 15 production plants located in Italy, in addition to a number of key details on activities carried out abroad.

In order to draft this Sustainability Report, under the coordination of the Communication, External Relations and CSR Department, an internal process was carried out in accordance with the Standards to involve the various company departments that supplied the necessary data and information, which were subsequently checked as part of an internal audit process.

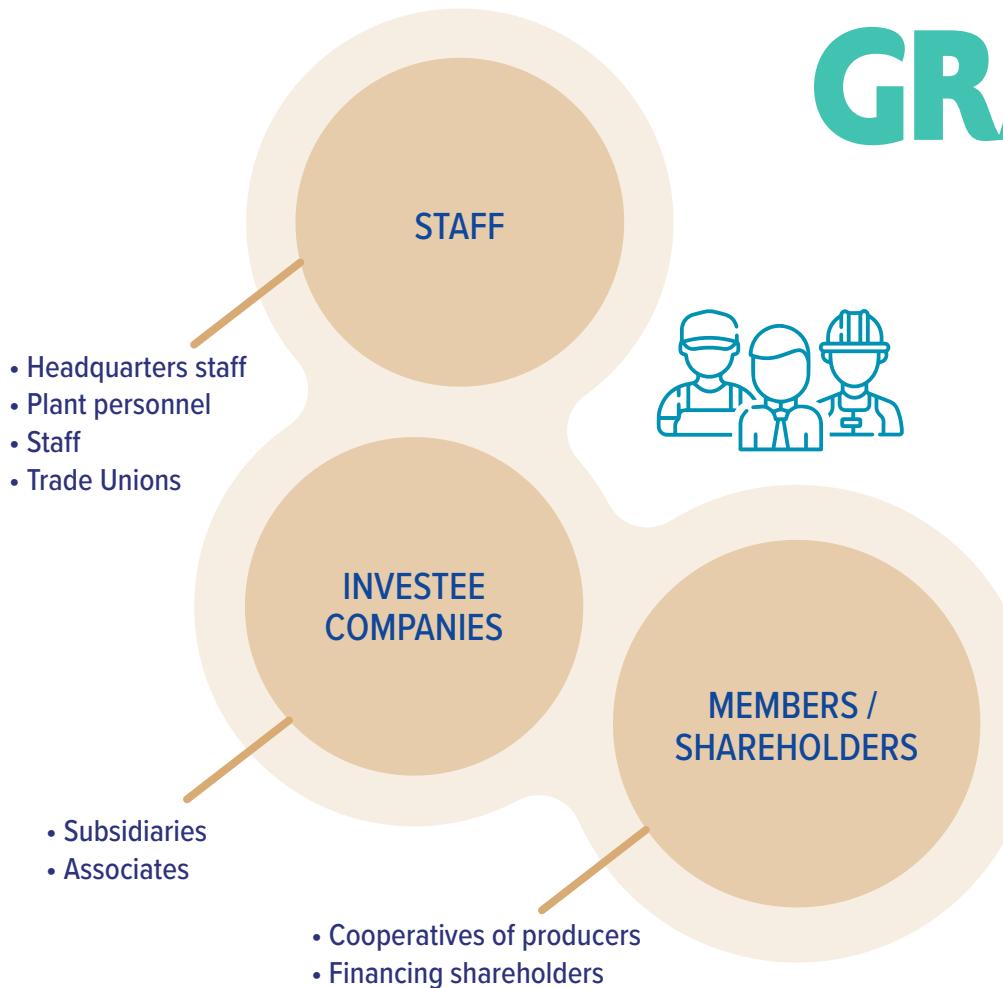
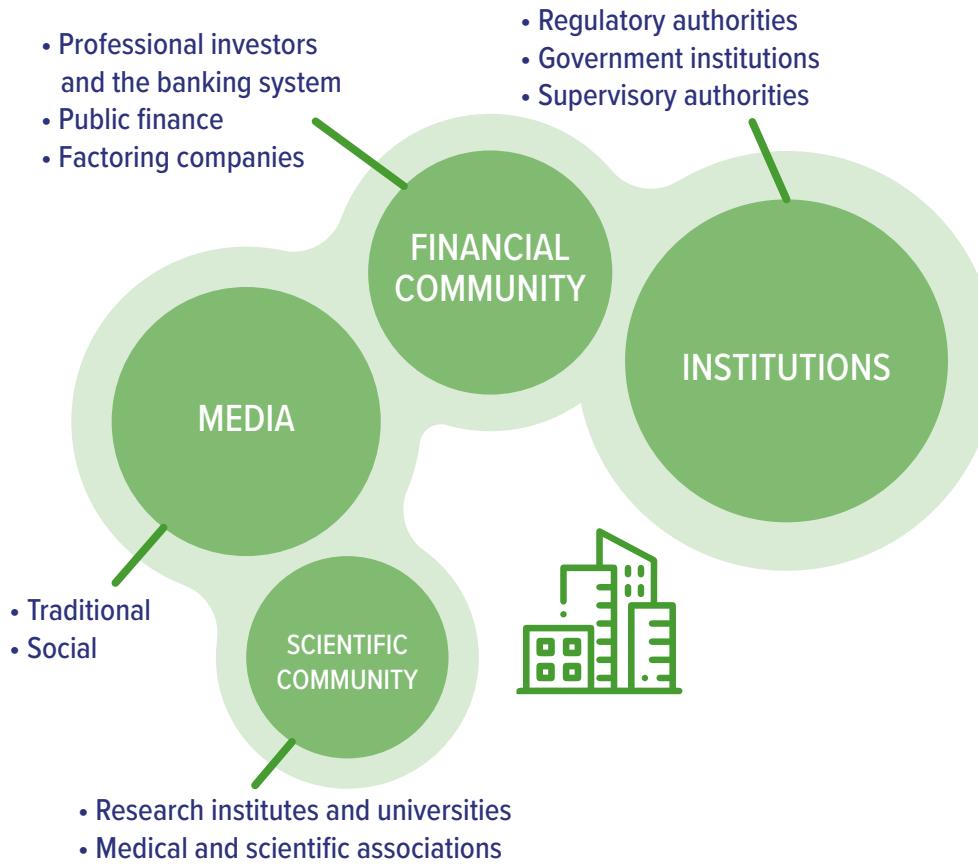
The report is not required to undergo external assurance.

RELATIONS WITH STAKEHOLDERS

GRI 2-29

The Granarolo Group considers the needs and expectations of its stakeholders when formulating its strategies and carrying out its activities.

Stakeholder identification, mapping and listening activities took place in line with the instructions of the AA1000 International Standard—*Stakeholder Engagement Standard*, which methodologically supports stakeholder engagement to ensure it is carried out in accordance with relevant and strategic issues for the company.



g ANAROLO GROUP



The Group defines specific engagement actions to understand the position of the various stakeholder categories, and also promotes more inclusive initiatives, also thanks to certain listening channels.

For employees

In 2024, senior management organised several meetings to share the new 2024-2027 plan: in-person and online company meetings, with the participation of several countries, in which managers and executives were involved, thus encouraging cascading communication.

As situations have changed, all employees - both office workers and production staff, in Italy and around the world - have been provided real-time important messages and updates through *Workplace by Facebook*, which can also be downloaded on mobile phones regardless of whether a company device is available or not. On 30 April 2024, all the employees of the Castrovilliari plant proudly celebrated Workers' Day, in the presence of the President of the Italian Republic Sergio Mattarella and the Italian Minister of Labour and Social Policies Marina Elvira Calderone.

The use of video calls on *Workplace* was further enhanced, as were the translations on the platform, in order to provide prompt communications. Many cross-functional working groups also continued to work during 2024 to solve problems arising from the sudden changes of scenario.





With the farmer shareholders

In addition to the meetings held with the shareholders, in 2024 Senior Management of the Group also met the Granlatte Cooperative affiliates to update them on the developments of decisions taken related to inflation, market trends, particularly in relation to milk, and the implementation of the 2024-2027 strategic plan.

Finally, a group of affiliates was involved in the implementation of the Granlatte Strategic Plan; new environmental monitoring systems were introduced at the farms also thanks to their contributions (refer to chapter 3). The use of the weekly newsletter sent via smartphone to the entire shareholder base is effective. Training activities for young people continue with the Next Generation Granlatte project. This is the second and final year. On 30 April 2024, all the Calabrian members of the Assolac cooperative celebrated Workers' Day, held in Castrovilli in the presence of the President of the Italian Republic Sergio Mattarella and the Italian Minister of Labour and Social Policies Marina Elvira Calderone.

With consumers

In 2024 Granarolo continued to strengthen the communication channels that consumers and customers can use to contact the Group companies with the objective of speeding up and simplifying interaction. More specifically, communications take place through a call centre, a website - which offers the opportunity to send emails containing generic reports or reports on product defects - and social media (Facebook, YouTube, Instagram and LinkedIn, which has been enhanced), which are increasingly the vectors of initial contacts.

At an international level, contacts are made through our presence in the countries of reference and social media, which were strengthened during the year.

The Group's attention focused on the domestic community and neighbouring territories. During 2024, Granarolo focused on providing concrete support in terms of economic aspects and basic necessities working synergistically with institutions and non-profit social organisations (onlus) (chapter 8). More flooding in the province of Bologna further reinforced this commitment. There were several occasions of participation in public events. In particular, Granarolo participated in the Bologna leg of the CSR Show, the national CSR Show and the Sustainable Development Festival organised by ASViS. A number of important work groups have been set up to pursue sustainability goals: with the University of Milan to work on the animal welfare indicators; with the University of Bologna to reduce the environmental impact at farms by intervening on cattle feeding; with the University of Brescia to reduce the environmental impact on farms; and with the University of Bologna and Catanzaro as academic partners for the development of baby food and milk types with special dairy formulations, with probiotics and microRNA for the elderly and lactose intolerant persons, and with the Italian Ministry of Economic Development for the development of new food products that may help reduce and prevent obesity through appetite control.





With the community

As every year, the Group met with the relevant financial community in spring 2024 to present its financial statements. It was an opportunity for discussion and an update on the Group's new development plans with major banks.

Permacrisis

Wars, inflation and climate change: Granarolo Group's commitment to its stakeholders

The perception of instability dominates, and it has a strong impact on the entire industrial system, including the agri-food industry, which has been called upon to deal with an exceptional economic situation in the last three years. **The effects of the pandemic, the war, the consequent lack of raw materials, price volatility and inflationary tensions have in fact converged with problems related to climate change.**

2024 was marked by 134 cases of flooding from heavy rains, 62 cases of wind damage, 46 river floods that caused damage, 34 events with prolonged drought damage, 30 cases of hail damage, 19 cases of landslides caused by heavy rains, 9 cases of damage to infrastructure, 8 from storm surges, 2 involving historical heritage and 1 case of record temperatures. The greatest increase was due to damage from prolonged drought (+54.5% compared to 2023), river flooding (+24%) and flooding due to intense rains (+12%), with Italy split between too little and too much water. Northern Italy was the most affected with 198 extreme weather events, followed by Southern Italy with 92 and Central Italy with 61. At regional level, this year Emilia-Romagna with 52 events is the region most greatly affected by the climate crisis, followed by Lombardy (49), Sicily (43), Veneto (41) and Piedmont (22). Among the provinces, Bologna stands out in first place with 17 extreme weather events.

So the references that for decades have guided the market have been lost and at the same time there has been an instinctive and understandable disorientation. Christine Lagarde, President of the European Central Bank spoke of permacrisis. States and businesses like Granarolo require effective support and guidance measures which prevent us from simply returning to our old methods. The vast resources committed by the government and the European Union must be channelled towards a productive paradigm shift, characterised by greater safety for workers, management of climate change, whether linked to the lack of water or sudden floods, support for communities hit by poverty, innovation and the ability to take advantage of the opportunities offered by the Green Economy.

In this scenario, Granarolo introduced many measures to protect its stakeholders in 2024 as well.

STAKEHOLDERS BENEFICIARIES	MEASURES
EMPLOYEES	<p>I. CLIMATE CHANGE The digital transition and work-life balance measures with positive effects on the climate were strongly accelerated.</p> <p>II. FLOOD Bologna was hit by a serious flood and in a few days the mm of rain that usually fall in a year poured to the ground. There were hundreds of landslides in the hilly area and some employees and some members suffered damage, some to a large extent. It was decided to support them.</p>
NEIGHBOURING COMMUNITIES	<p>I. PANDEMIC For the Sant'Orsola Hospital An amount of €150,000 (2021-2024) was earmarked for the Sant'Orsola Hospital of Bologna to support research activities related to the Covid-19 emergency. The results will be presented in 2025.</p> <p>II. INFLATION AND ECONOMIC CRISIS OF THE FAMILIES OF THE METROPOLITAN CITY OF BOLOGNA In 2024, the consolidation of the structural donation to the Dare per Fare Community Fund, the hub that Granarolo helped to start. About 131.15 tonnes of milk and dairy products were distributed, equal to about 262,311 meals equivalent (1 meal corresponds to a mix of 500 g of food according to the estimate of the Fédération Européenne des Banques Alimentaires) compared to about 99 tonnes (equal to 197,900 meals) distributed in 2023. More precisely, 112,124 litres of milk/drinks (fresh, UHT, plant-based) and 19,031 kg of desserts, yoghurt and cheese were distributed.</p> <p>III. FLOODING Bologna was hit by a serious flood and in a few days the amount of rain that usually falls in a year poured to the ground. There were hundreds of landslides in the hilly area. It was decided to provide basic foodstuffs to the Civil Protection of Emilia-Romagna and to the associations.</p>
DISTANT COMMUNITIES	<p>WAR IN UKRAINE Employees operating in the war zones have worked with long-standing customers, most of whom are cooperatives, to create situations compatible with the delivery of food for the Ukrainian population most affected by the advance of Russian troops.</p>
MILK PRODUCERS	<p>FLOODING Some shareholders suffered damage during the flood of October 2024. A support and solidarity operation has been launched by members and employees.</p>

DOUBLE MATERIALITY ANALYSIS

GRI 2-29, 3-1, 3-2

The materiality analysis is the process by which the relevant ESG issues ("material") underlying sustainability reporting are identified. With the entry into force of the *Corporate Sustainability Reporting Directive (CSRD)*² and the related Standards for Reporting (ESRS Standards prepared by EFRAG)³, this process has evolved, requiring companies to assess sustainability issues according to the so-called "double materiality": on the one hand, companies must identify the current and potential positive and negative impacts that they may have on the environment and society, including possible repercussions on human rights (so-called "*impact materiality*"); on the other hand, they must identify the risks and opportunities for their organisation deriving from sustainability issues, considering the financial effects that can be determined (so-called "*financial materiality*").

The Granlatte-Granarolo Group, anticipating the timing of the new obligations deriving from the CSRD, carried out an initial "double materiality" exercise in the first months of 2024 as a start to the progressive fulfilment of regulatory requirements.

The activities developed for the determination of double materiality are described separately below. The process was carried out at every stage under the supervision of Granarolo's Communication, External Relations and Sustainability Office, which was responsible for verifying the consistency of the analyses and the results that emerged.



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4
8
7

Impact materiality

The impact materiality analysis conducted by the Group consisted of several work phases:

- identification of possible impacts, positive and negative,
- listening to company Functions and stakeholders in order to assess the identified impacts,
- determination of sustainability issues from the point of view of the materiality of the impact.

IDENTIFICATION OF POSSIBLE IMPACTS TO BE ASSESSED

In order to identify the possible impacts, positive and negative, to be evaluated, the Group, in line with the indications of the CSRD and the EFRAG Standards, took as reference the list of "sustainability issues" covered by the thematic ESRs (as indicated by the standard "ESRs 1 - General requirements"). This made it possible to determine an "impact tree", consistent with the structure in terms of themes, sub-themes and sub-sub-themes developed by EFRAG within the framework of the new ESRs standards.

LISTENING TO CORPORATE FUNCTIONS AND STAKEHOLDERS

The impacts thus defined, verified and validated by the Communication, External Relations and Sustainability and Risk Management Functions, were submitted to the evaluation of management and a panel of stakeholders. In particular, the assessment of "*impact materiality*" was developed through:

- interviews with **12 Granarolo managers**, to whom a subset of impacts consistent with role and responsibility was submitted for evaluation. The assessment was expressed through the support of a special tool and using the parameters indicated by the ESRs, i.e. probability and severity (given by: magnitude, scope and irreversibility, the latter only for negative impacts). Links with possible human rights violations were also assessed, and appropriate corrections were applied, in line with the requirements of the Standard;
- qualitative interviews with the **Chair and General Manager of Granlatte** in order to assess the main impacts generated by the Cooperative and the supply chain in relation to the issues identified by EFRAG;
- focus groups involving **17 Granlatte farmer shareholders and 14 Granarolo employees**, who were asked to evaluate the main impacts in line with their role in the Group. The evaluation was expressed using the parameters of probability and impact effect (in line with the indications of the Implementation Guidance on Double Materiality⁴ with respect to stakeholder engagement),
- guided interviews with **5 suppliers and 2 customers** (representative of large-scale distribution and Ho.Re.Ca.) who were subjected to some impacts consistent with their role and who expressed the assessment using probability and effect.

IDENTIFICATION OF IMPACT-RELEVANT ESG ISSUES

Following the engagement activity, the results were aggregated in order to identify the relevance of sustainability issues from an impact point of view. The contributions of the different stakeholders were aggregated according to a weighted average; the weight of each impact was then elaborated by means of a weighted average between the evaluations of the management and those of the stakeholders. This led to determining the relevant issues before the "*impact materiality*" or the issues containing the impacts, positive and negative, actual and potential, which exceeded the relevance threshold of 2.5 on a scale from 1 to 5.

⁴ Source: EFRAG – Implementation guidance on double materiality

Financial materiality

The Group also conducted the evaluation of "*financial materiality*" to identify ESG risks and opportunities. To this end, the activities carried out have actively involved Granarolo's Governance, Risk Management and Compliance Office.

Also in this case, we proceeded in successive steps; in particular:

- identification of ERM risks* in line with ESRs sustainability issues,
- listening to the financial community,
- identification and evaluation of opportunities for the Group,
- determination of sustainability issues from the point of view of financial materiality.

IDENTIFICATION OF RISKS FROM THE ERM* ACCORDING TO ESRs THEMES

For the first financial materiality exercise, the risks of the Enterprise Risk Management (ERM) system related to ESG events were related to the themes, sub-themes and sub-sub-themes defined by EFRAG in the ESRs Standards and partly reformulated. Subsequently, the valuation of a materiality score of each risk was introduced, according to the assessments already carried out in the ERM field for the Granarolo risk assessment process (according to the parameters of probability of occurrence and potential magnitude).

LISTENING TO THE FINANCIAL COMMUNITY

With the aim of including the expectations of the financial community, a **meeting was held with 3 leading credit institutions** in order to assess the main ESG risks for the Group; the assessments were expressed with reference to the probability of the risks occurring and the potential magnitude of the possible related financial effects.

IDENTIFICATION AND EVALUATION OF OPPORTUNITIES

Based on the evidence of the new Strategic Plan, an "*opportunity assessment*" process was carried out with the support of the Communication, External Relations and Sustainability Department, which identified the opportunities attributable to sustainability issues, based on an analysis of the targets and the related initiatives planned by the Group.

AGGREGATION OF RISK AND OPPORTUNITY ASSESSMENTS

In order to obtain a financial relevance score associated with the themes, the assessments on risks and opportunities were aggregated: with reference to the mapping of ESG risks, the *most significant risk* for each theme was selected, on a prudential basis, also weighted with the outcome of the evaluation expressed by the financial community; with reference to the opportunities identified, the average of the opportunities underlying each theme was calculated.

The *financial materiality score* attributed to the themes represents the summary of the various analysis contributions.

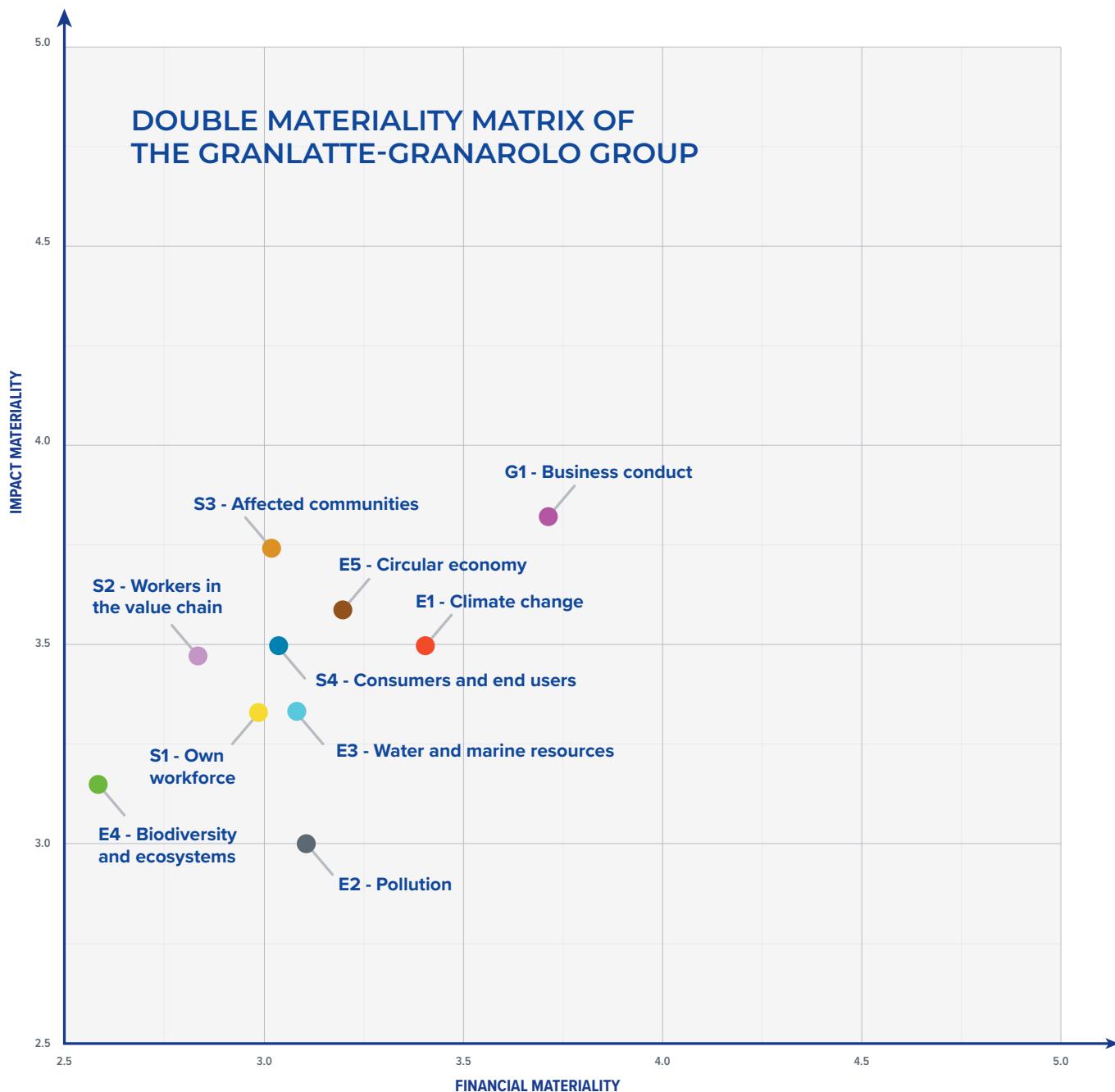
"Double materiality"

The results of the *impact and financial materiality* determined the ranking of the topics relevant to the Group.

The outcome of "dual relevance" was finally discussed and validated in a moment of discussion with the President, the General Manager and the Director of Human Resources, Organisation and IT of Granarolo.

Below are the results of the dual relevance process, according to two complementary views: the dual relevance matrix and the "tornado" graph.

*ERM, an acronym for Enterprise Risk Management, is a systematic approach to managing risks that an organisation can face.



"TORNADO" REPRESENTATION OF THE DOUBLE MATERIALITY OF THE GRANLATTE-GRANAROLO GROUP

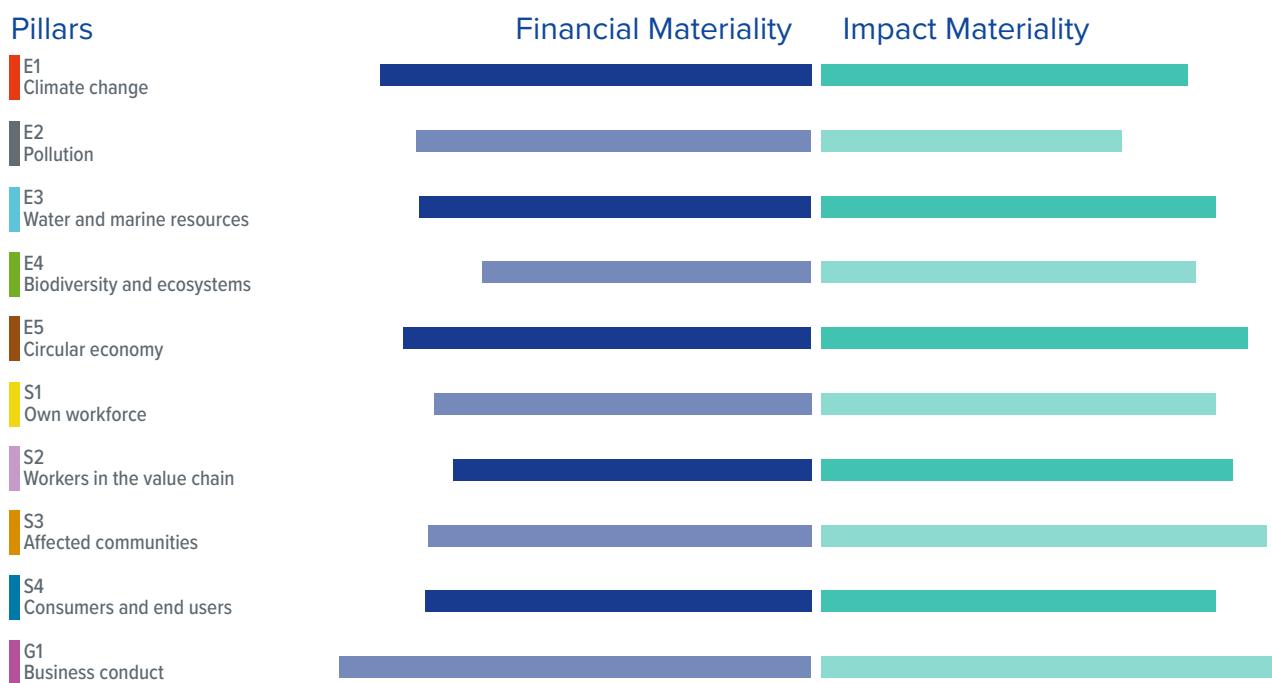


Table of the main impacts, risks and opportunities detected during the "double materiality assessment"

THEME	RELEVANT IMPACTS	RELEVANT RISKS AND OPPORTUNITIES
Climate change	Influence on climate change deriving from the use of energy from sources not yet renewable (-)	<p>Risks: Risk of accidental events (e.g. fire), natural disasters (e.g. earthquake) and climate change (e.g. drought), resulting in material damage to assets (direct) and loss or damage from business interruption (indirect).</p> <p>Opportunities: Reduction of energy costs at the farm deriving from the production of renewable energy from biomethane plants and photovoltaic plants.</p>
Pollution	Release of contaminants and/or toxins into water beyond legal limits (-)	<p>Risks: Risk of non-compliance with environmental regulations resulting in significant sanctions or reputational damage.</p>
Water and marine resources	Water withdrawal for the purposes of the production process with an impact on the water footprint (-)	<p>Risks: Risk of non-compliance with environmental regulations resulting in significant sanctions or reputational damage.</p> <p>Opportunities: Reduction of costs associated with the use of water resources in plants thanks to innovations in production processes that make their management more efficient.</p>
Biodiversity and ecosystems	Effects on ecosystem services deriving from the agronomic choices of the supply chain (farmer shareholders and ingredient suppliers) (-)	<p>Risks: Risk of shortage of the main raw material (milk) or of specific categories of milk (e.g. organic milk, etc.), also due to climate change, leading to interruptions or delays in production.</p>
Circular economy	Contribution to the transition towards a circular model (+)	<p>Risks: Risk of non-compliance with environmental regulations resulting in significant sanctions or reputational damage.</p> <p>Opportunities: Improved brand reputation thanks to initiatives to reduce plastics and increase the use of recycled plastic.</p>
Own labour force	Infringement of employee privacy due to incidents of data loss/theft (-) Employment stability (and consequent economic security) for workers (+)	<p>Risks: Risk of accidents in the workplace as a result of inadequate definition/communication of safety plans or their inconsistent application resulting in significant financial loss or reputational damage.</p> <p>Opportunities: Introduction of a weekly smart working day as a retention element to help balance personal and professional life and to attract the new generations.</p>
Workers in the value chain	Infringement of the privacy of workers in the value chain due to incidents of data loss/theft (-)	<p>Risks: Risk of being attacked/discredited by public opinion, resulting in significant financial loss or damage to reputation/brand</p> <p>Opportunities: Improvement of access to credit also thanks to the introduction of a supplier monitoring platform functional to guarantee adequate working conditions (including environmental monitoring).</p>
Affected communities	Dissemination of a culture of healthy and correct nutrition and promotion of initiatives aimed at better nutrition, including in developing countries (+)	<p>Risks: Risk of environmental pollution related to the disposal of waste and water resulting from the industrial activity/spillage or polluting emissions resulting in significant financial loss or reputational damage.</p>
Consumers and end users	Guarantee of the truthfulness and correctness of the information provided to the consumer (+)	<p>Risks: Risk of being attacked/discredited by public opinion, resulting in significant financial loss or damage to reputation/brand</p> <p>Opportunities: Improvement of economic performance thanks to functional product innovation to reach new categories of consumers.</p>
Business conduct	Dissemination of values of fairness and ethics among employees and towards the market (+)	<p>Risks: Risk of an increase in the price of the main raw materials with a consequent decrease in margins.</p> <p>Opportunities: Improvement of brand reputation due to high certification standards also in farms</p>

GRANAROLO AND THE SDGs

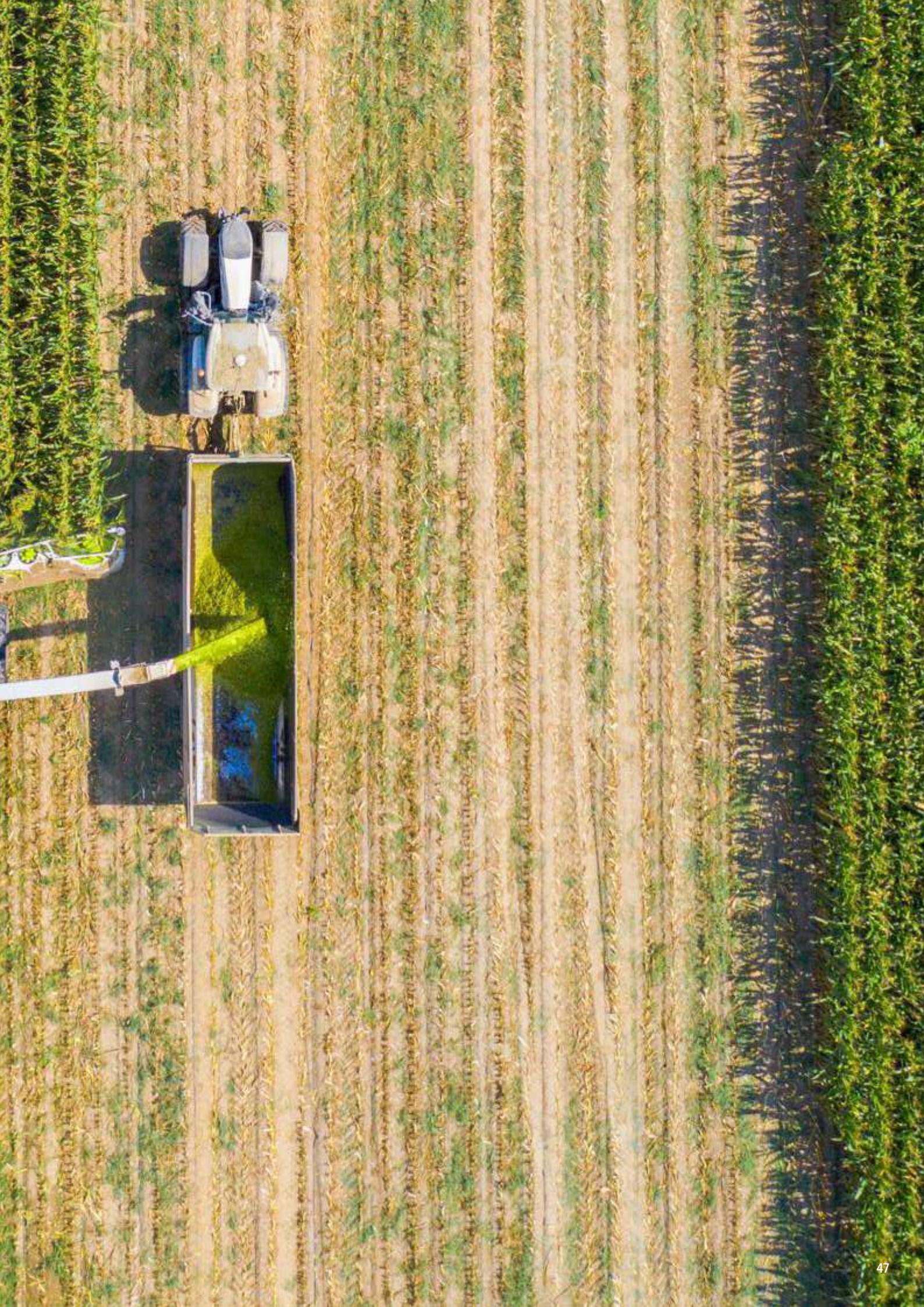
On 25 September 2015, during the "Sustainable Development Summit" between the leaders of the governments of the 193 UN member countries, a document containing a programme for sustainable development was drawn up. This document, "Transforming our world. The 2030 Agenda for sustainable development", established the global Sustainable Development Goals to be achieved by 2030.

The Sustainable Development Goals represent 17 global objectives, broken down into more than 160 specific targets, in an integrated vision of development, and are aimed not only at the authorities but also a wide range of players, including companies, representing a real call to action to everyone in relevant areas like combating hunger and poverty, producing clean energy, protecting and preserving water resources, raising awareness of responsible and informed consumption, and promoting access to healthcare and education.

As far as the food sector is concerned, there are a number of important specific objectives like food safety, the improvement of nutrition, promoting sustainable agriculture and applying sustainable production models, which represent fundamentally important commitments for the companies in this sector.

At the start of 2019 Granarolo reviewed the process of assessing and studying the contribution that the Group can make to achieving the sustainable development goals. The alignment between the *Sustainable Development Goals* and Granarolo's activities was carried out according to the SDG Compass, developed by UN Global Compact, GRI and *World Business Council for Sustainable Development*. The SDGs identified in this way were associated with material aspects for Granarolo and with innovative development and social-environmental projects carried out by the Group.





GRANAROLO'S CONTRIBUTION TO THE SDGS

SDGS & TOPICS



Guaranteeing economic sustainability by strengthening competitiveness

Solidity of assets and generation of value

Relation with the supply chain



Guaranteeing the integrity of company behaviour

Correct conduct and compliance



Promoting a sustainable supply chain model

Cooperative supply chain

Animal welfare



Protecting and developing employees

Employee growth and engagement

Occupational health, safety and well-being



Guaranteeing food safety

Food safety



Promoting health and well-being for all

Consumer-centred

Well-being and nutrition



Improving environmental sustainability from the farm to disposal

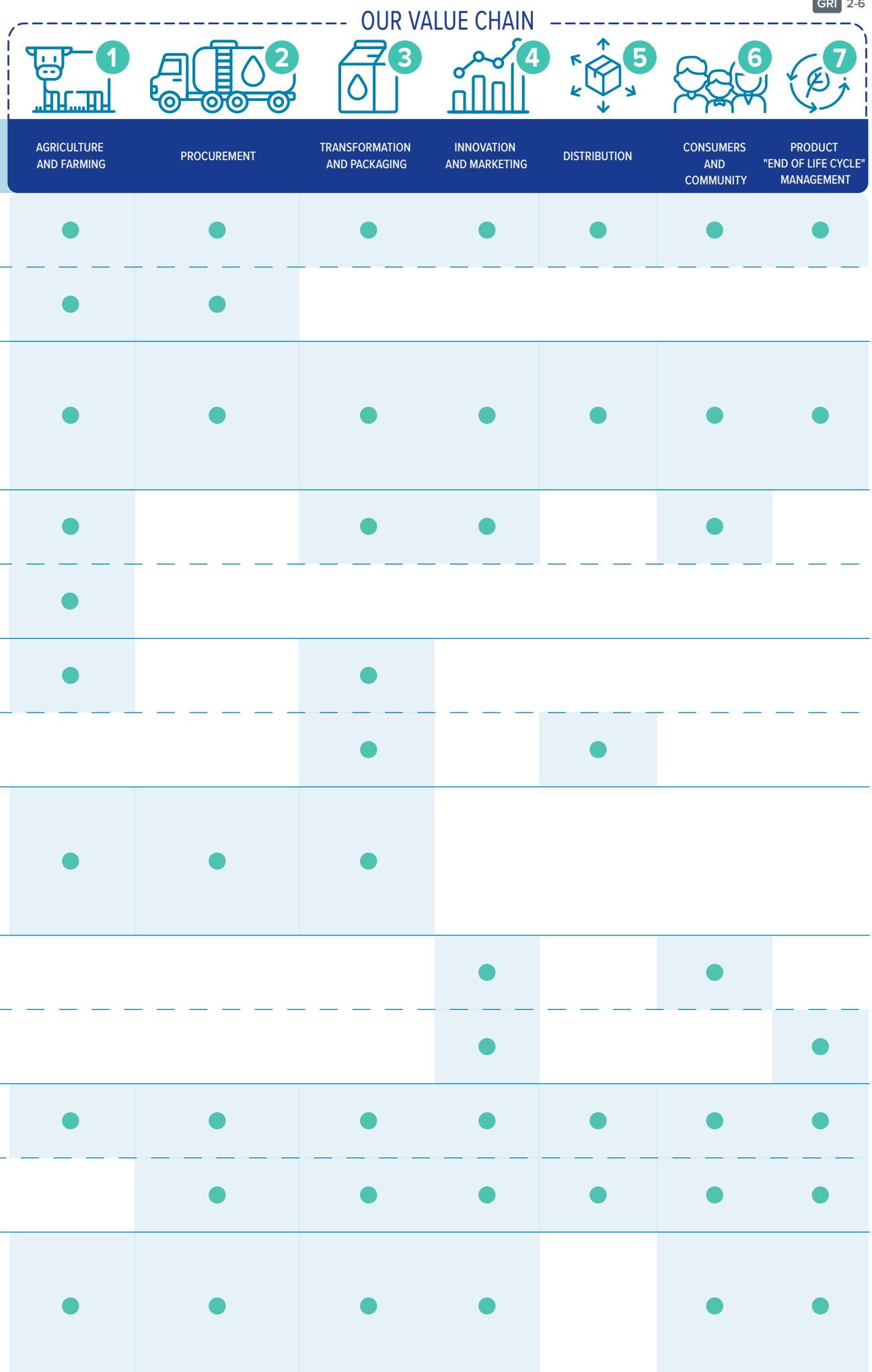
Managing the impact along the value chain

Fighting food wastage



Being active citizens at local and global level

Relationship with communities



5 GOALS FOR SUSTAINABILITY

BY 2027



34,000 tons less CO₂
equivalent for Granarolo
by 2027*



10% use of renewable energy
by 2027**



30% use of recycled plastic
by 2027



**Certification of gender
equality in the workplace**
by 2025



5% recovery of water
used by 2027

*Scope: Logistics, Operations and Packaging; to be considered part of the 30% reduction target per kg of milk produced by the supply chain, which also includes Granlatte's business;

**Through the decommissioning of cogenerators

1 AGRICULTURE AND FARMING

Granlatte has 475 dairy farmers in 11 Italian regions and about 81,000 animals producing.

SUSTAINABILITY PLAN GOALS UNTIL 2027:

- Reduction of fertiliser use.
- Reduction of farms' environmental impact.
- Animal welfare (all farm buildings are certified by Classyfarm and Bonlatte).
- Rational medicine use.

Ongoing digitalisation is key.

2024 RESULTS:

- 100% of farms are animal-welfare certified
- 699,891 analyses carried out on incoming raw materials.



2 PROCUREMENT

Milk collection + Ingredient supply

Granarolo processes 8,967,480 tonnes of milk per year, 8,666,392 of which are from the supply chain.

Granlatte's 99 tankers cover 7.3 million km every year; 95% of them are Euro 5 and Euro 6 vehicles.

2 are biomethane.

SUSTAINABILITY PLAN GOALS UNTIL 2027:

- Supplying the supply chain milk collection tankers with biomethane.
- Sourcing local products wherever possible
- Mapping suppliers according to ESG criteria

2024 RESULTS:

- 97% of milk is from the supply chain



3 TRANSFORMATION AND PACKAGING

Granarolo's 2,532 employees promote sustainability at all levels with a constant focus on sustainable innovation throughout the product life cycle.

SUSTAINABILITY PLAN GOALS UNTIL 2027:

- Milk and other products are processed in the 15 Italian and 8 foreign plants, guaranteeing food safety and efficient and sustainable management (based on the detailed objectives of cogeneration, water reduction and waste reduction). For example, more than 60% of the electricity used in owned plants and those of suppliers is from cogeneration plants.
- Packaging: CO₂ emissions reduced year by year (-3,248 t of CO₂ in the period 2018-2021; -2,500 t of CO₂ in the period 2021-2026)

2024 RESULTS:

- 87% FSC paper and 13% plant-based plastic
- 85 million pots converted into paper to date
-355,909 kg of plastic in one year.



4 INNOVATION AND MARKETING

Granarolo is committed to promoting healthy nutrition, including through products with reduced fat, salt and sugar content. It also strives to meet consumers' express needs through functional products.

It aims to reduce food wastage.

SUSTAINABILITY PLAN GOALS UNTIL 2027:

- Products with low fat, salt and sugar content now account for 81% of total volumes (1.2% of those exported), up by 15%.
- Enriched or functional products account for 1% of total volumes in Italy and 2.8% of those exported, up by 15%.
- The extension of shelf life, with organoleptic properties maintained thanks to a focus on the excellence of milk from farms and innovative processing technologies, allows reduction of waste.

2024 RESULTS:

- 20% of revenue from innovation
- 2024 launches: High Protein products, traditional Apulian cheeses (burrata), Yomo Kefir, expansion of the plant-based Unconventional range.



5 DISTRIBUTION

Granarolo is committed to optimising logistics with the aim of reducing waste and environmental impact

SUSTAINABILITY PLAN GOALS UNTIL 2027:

- Innovation of management systems and processes that allows identification of the best configuration and location of warehouses, parametrising it to changes in consumption in Italian regions with a consequent decrease in kms covered (CO₂ details to follow).
- Efficiency in warehouse storage and picking systems, resulting in a higher level of automation.
- Use of energy-efficient transport.
- -300 tonnes of CO₂ eq planned for 2025

2024 RESULTS:

- -240 tonnes/year of CO₂ eq in 2024.



6 CONSUMERS AND COMMUNITY

Granarolo keeps its consumers informed and helps them make conscious purchases, focusing on products with reduced environmental impact.

It supports communities, both near and far.

SUSTAINABILITY PLAN GOALS UNTIL 2027:

- Granarolo uses its products, education and online spaces to inform its consumers about nutritional properties, types of ingredients and packaging and disposal methods.
- It has created and manages a Donated Human Milk Bank that works in synergy with the hospitals of Bologna, Ferrara and Parma.
- It supports the Africa Milk Project in Tanzania and AfricHand Project in Mozambique.

2024 RESULTS:

Allattami (BO)

- 4 hospitals that receive breast milk
- 42,143 feeding bottles collected
- 371 donor mums involved

AfricHand Project (Mozambique)

- 3 farmer cooperatives involved
- 2,460 litres of milk distributed to schools
- 313 "model mums" involved in training



PRODUCT END-OF-LIFE MANAGEMENT

Granarolo is attentive to recyclability in its packaging choices, uses recycled materials, works in synergy with institutions and consortia with the same objectives and supports consumers in the disposal of packaging materials.

It aims to reduce food wastage.

SUSTAINABILITY PLAN GOALS UNTIL 2027:

- Granarolo provides product and online information related to waste reduction (anti-waste recipes) and packaging disposal.
- Expansion of physical outlets that promote anti-waste
- Systematic donations to local charities, including unsold goods.

2024 RESULTS:

- Physical outlets: 16.2% of all products sold (by volume) are short dated
- 1,416,311 meal equivalents donated



Note: The icons drawn in the seven boxes of the value chain are those shown in the Farm to Fork Strategy of the Green Deal.



Ensuring sustainable food production



Guaranteeing food safety



Stimulating sustainable food processing practices



Promoting sustainable food consumption and facilitating the transition to healthy and sustainable diets



Reducing food losses and waste

1

COMPANY PROFILE AND CONDUCT

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS





1

COMPANY PROFILE AND CONDUCT

OBJECTIVES

SCOPES	2024 OBJECTIVES	PROGRESS	NEW 2025 OBJECTIVES
TRANSPARENCY OF COMPANY STRUCTURE AND GOVERNANCE SYSTEM	Start of activities with the new Board of Statutory Auditors renewed in all its members	Full renewal of Board of Statutory Auditors	Appointment of the new Board of Directors, the new Remuneration Committee, the new Control and Risk Committee and the new SB
SHARED RISK ANALYSIS AND MONITORING SYSTEM	Adoption of a new assurance map as a management tool	New assurance map defined	Updating of risk mapping Identification of the new insurance broker
PROTECTION OF LEGALITY AND PREVENTION OF CORRUPTION			

The Granarolo Group represents the most important Italian milk supply chain, involving approximately 500 Italian farmers united in cooperative form, and has 99 vehicles to collect raw materials from the farms and 522 vehicles to distribute the finished product, serving more than 50,000 points of sale every day and therefore reaching 20 million Italian families with its products.

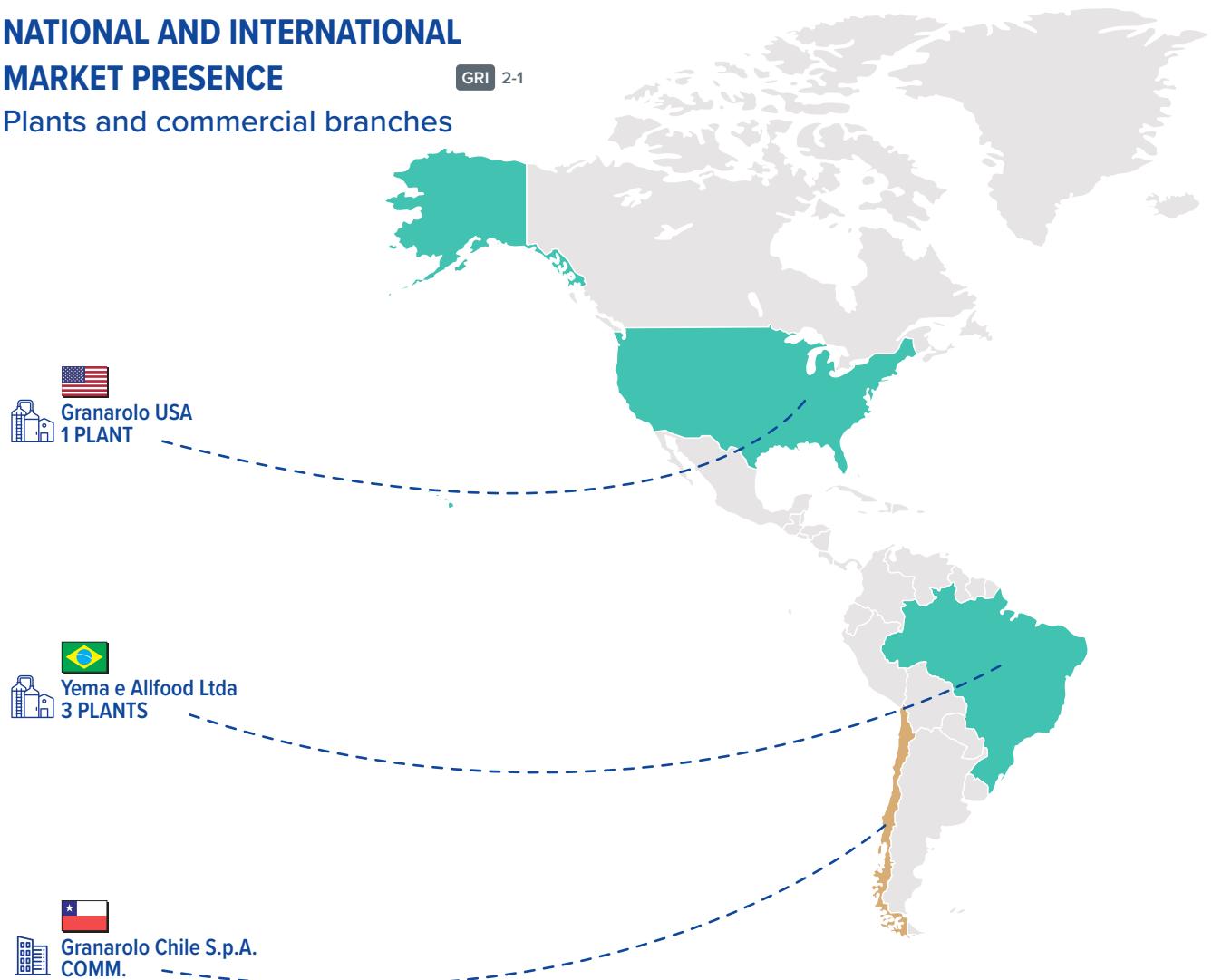
In 2025, Granarolo has 15 plants located in Italy. Please note that in March 2024, the lease of the business unit relating to the production and marketing of the Maremma Milk Consortium, a historic Tuscan cooperative for the collection and production of milk with a strong commercial presence in Tuscany and the Tyrrhenian area and a turnover of approximately €24 million.

In addition, Granarolo has continued to grow at an international level, with a direct presence on the market thanks to its own distribution and production facilities: 8 are in total the production sites of which 2 in France, 1 in Germany, 3 in Brazil, 1 in New Zealand and 1 in the USA. The Group's products are present not only in Italy but also on the European and international markets.

NATIONAL AND INTERNATIONAL MARKET PRESENCE

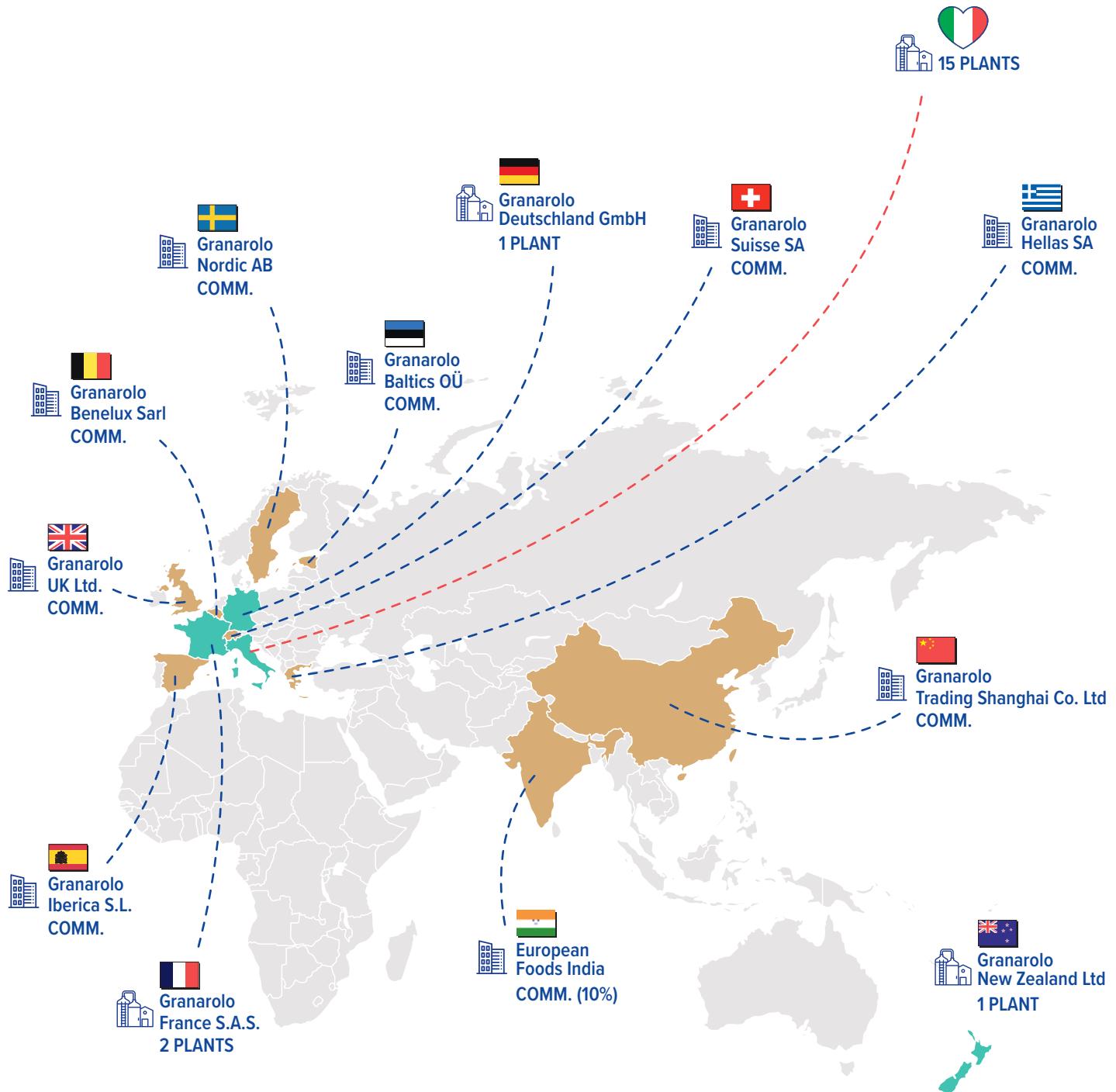
Plants and commercial branches

GRI 2-1

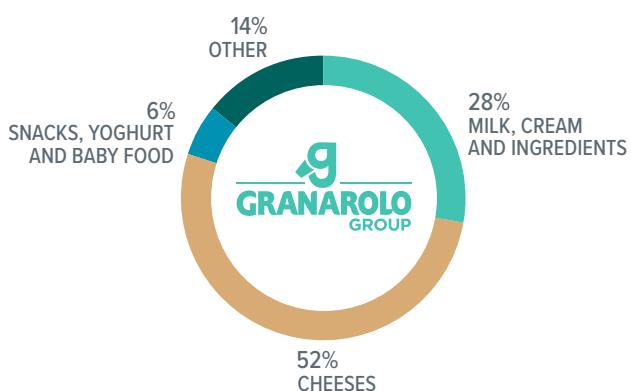


Over its 68-year history Granarolo has managed to develop a strong presence on the market and an excellent market position thanks to its recognisable brands and high-quality products, in Italy and abroad. The absolutely unique characteristics of the Granarolo milk supply chain remain a precious asset for continuing to attract customers and consumers.

Today, the Granarolo Group is the most important producer of milk in Italy, developing product lines around this staple food which reflect its main business areas.



THE GRANAROLO GROUP'S MAIN BUSINESS AREAS



1.1 History



1970s

The new Consortium continues to grow: it absorbs new cooperatives from the region and acquires a private company - Sanbon - which is later transformed into a yoghurt plant.

1980s

The acquisitions continue throughout the country: from Modena (Dilat) to Foggia (Daunia Natura), from Anzio (Sogecla) to Novara (Latte Verbano) and through to Versilia (Centrale Latte di Camaiore).

1990s

The Consortium establishes a joint stock company under Italian law (**Granarolo S.p.A.**), fully controlled by Granlatte, to which it transfers all its industrial and commercial assets.

from 2000

The acquisition campaign continues: Centrale del Latte di Milano, Calabrialatte S.p.A. (50% stake), in 2006 the companies of the former **Yomo Group**.



2000-2003

LEADER ON THE ITALIAN MARKET

Leader of the high quality fresh milk market in Italy with a 24.3% market share.



1957
The Bologna Consortium of Milk Producers (Cbpl) is established, soon to be known to all as "la **Granarolo**".



1972
La **Granarolo** (belonging to Legacoop) and Felsinea Latte (belonging to Concooperative) merge to create a larger company: Cerpl, the first unified consortium created in Italy.



2000
**FROM REGIONAL
TO NATIONAL MODEL**

Granarolo becomes a national player in the fresh milk sector.





2004-2011 NEW PRODUCTION SEGMENTS

Acquires a 10% share of the yoghurt market and a 9% share of the fresh cheese market.



2011-2012

Establishment of Granarolo Iberica S.L.

Acquisition of Lat Bri, Italy's third largest fresh cheese player.

Acquisition of Casearia Podda: Granarolo enters the hard cheese market for the first time.



2012-2016 LEADING ITALIAN AGRI-FOOD COMPANY

The Granarolo 2016 project begins.

2013

- Merger of Latticini Italia into Granarolo
- Establishment of Granarolo International
- Acquisition of CIPF CODIPAL: 2nd player in the French market for Italian dairy products.
- Transfer of Csl
- Capital increase of Granarolo International
- Establishment of Centrale del Gusto
- Amalattea Partnership
- Establishment of Granarolo UK Ltd.



2014 LEADING ITALIAN AGRI-FOOD COMPANY. ITALIAN MILK CULTURE AROUND THE WORLD

Pinzani 1969 founded; •

Amalattea Italia founded; •

Gennari Italia founded; •

Granarolo China founded. •



2015

INTERNATIONALISATION DIVERSIFICATION OF PRODUCTS AND MARKETS INNOVATION

- Granarolo Chile founded
- Gennari Italia founded
- Acquisition of Pastificio Granarolo, European Foods Ltd. (New Zealand), Yema Distribuidora de Alimentos Ltda (Brazil), an Estonian distributor which becomes Granarolo Baltics OÜ
- Sale of minority shares in Zeroquattro Logistica





2016

- Acquisition of Conbio, Matric Italgross AB - Sweden, Comarsa SA - Switzerland, Fattorie Giacobazzi, European Foods India, Pandea Dietetica S.r.l., San Lucio S.r.l.
- Pinzani S.r.l. merges with Granarolo S.p.A.
- Granarolo USA founded
- Shareholding in European Foods Ltd. increased



2018

- Issuing of 30% share capital increase in the French subsidiary to raise €15 million for the development of Italian dairy products on the local market and in neighbouring countries
- Granarolo acquires 100% of Midland Food Group
- Gruppo Italiano Vini acquires an 11% stake in Granarolo subsidiary Comarsa SA
- Granarolo launches Agrofood BIC, a multi-company accelerator



2019



- First BNL/Granarolo €30 million sustainable linked loan connected with specific sustainability indexes.
- Milan Polytechnic, in collaboration with Granarolo and other businesses, develops a new forward-looking degree course, the Food Engineering Master's Degree.
- Granarolo acquires a majority stake in Venchiaredo S.p.A., one of Italy's leading producers of stracchino cheese.
- Granarolo acquires Käserei Denklingen GmbH (DE)
- For the first time the farmers of the supply chain are the protagonists of an advertising campaign.
- Granarolo becomes the first Italian company in its sector to launch a bottle made from 25% R-PET



2022

Granarolo acquires 51% of the innovative start-up •
White&Seeds.

Granarolo acquires 60% of Cuomo S.r.l. •



2024

Italian President Mattarella celebrates Labour Day at the •
Castruvillari plant
The Latte Maremma business unit acquired •
Participation in the G7 Agriculture •
Gender Equality Certification •
Award: The European Bee Award •



2023

STRATEGIC PLAN 2024-2027

- Entry into the shareholding of the National Strategic Fund and ENPAIA.
- Investments of €300 million
- Simona Caselli appointed Granlatte Chair



1.2 System of values

The Mission, Vision, Values and Code of Ethics express the founding elements of Granarolo's identity and represent the map that guides the everyday behaviour of all those who work for the Group. Elements that express our ethics and shape our virtuous behaviour, representing a guarantee for all stakeholders.

VISION



"Producing Italian well-being and pleasure with the best milk. Successfully anticipating global challenges for a sustainable society and economy, while promoting the national economic system through the Group's growth."

MISSION



"We are Italy's largest cooperative-based dairy group, offering the best milk and dairy products that nature and technological progress can provide. We respond to people's needs and tastes, caring for their health and quality of life. With good, wholesome, safe, environmentally friendly products, we promote healthy nutrition, positive lifestyles and more conscious food choices. We work alongside shareholders and producers to improve their skills, techniques and efficiency and to maximise the excellent characteristics of their milk; we increase their ability to stay on the Italian and foreign markets by investing in innovation, technology and research. We believe in the people who work with us and are committed and involved in constantly exploring new horizons of development. Sense of responsibility, dialogue and courage are the guiding principles of our work. We contribute to the social progress and well-being of the communities in which we operate and protect the environment and the territory. We foster dialogue and cooperation between economic and social players by building stable relationships based on ethics, trust, transparency, respect for rules and consistent behaviour."



Values

The values were revised during 2020, focusing on simplification, useful to communicating more effectively, also with foreign subsidiaries.

The work was coordinated by the Human Resources Department and involved representatives of almost all corporate functions; it was approved by the Board of Directors on 27 May 2020 and consequently integrated into the Group's Code of Ethics.



Simplification

We simplify complexity to maximise the Group's performance and growth. We seek efficiency, also through specialisation and an easy approach to relationships.



One step ahead

We are pioneers with an eye firmly on the future. We promote innovation and sustainability actions to create value and wellbeing for all our shareholders, employees, consumers and the environment.



Excellence

We pursue excellence and quality in processes, performance and products through client orientation, team involvement and by enhancing the skills and the merits of our people: in doing so, we strengthen the value of our brand and protect the reputation of the Group.



Responsibility

We live through the company as if it were our own and never lose sight of our goals; we work swiftly and boldly towards achieving our targets. We are driven by passion and dedication and we take responsibility for courageous decisions, mindful of their impact on the entire organisation.



1.2.1 Code of Ethics

For the Granarolo Group, the **Code of Ethics** represents the pact that the company makes with its human resources and main external stakeholders.

The Group launched its first project for a Code of Ethics in June 2002; between 2014 and 2015 the document underwent its first review and, more recently, additional work was carried out in October 2019 (approved by the Board of Directors in November 2019) with the objective of updating its content to the evolution and growth of recent years and turning it into an instrument capable of supporting the choices that the Group people, in Italy and abroad, make every day in their work activities, particularly with the goal of reducing risks and promoting economically, socially and environmentally sustainable actions.

Consistent with the democratic nature of the Group, work was carried out through a participatory process with the creation of an inter-functional working group. Today the Code of Ethics is for all intents and purposes a governance tool, used for the active and informed management of ethical questions in the working environment.

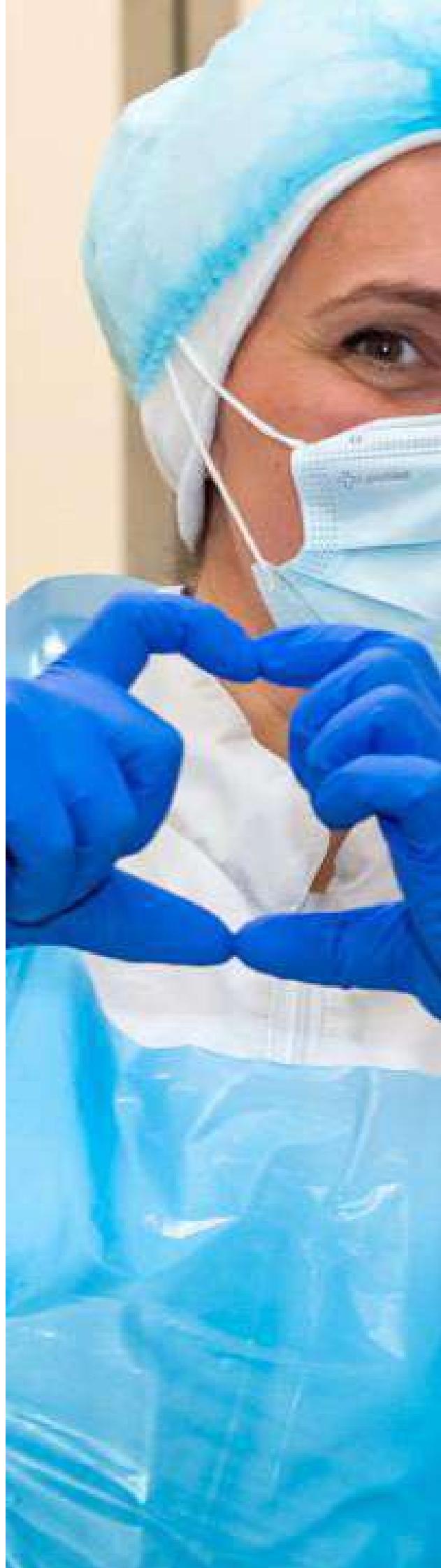
In order to make the Code of Ethics an active tool capable of encouraging positive behaviour, a mini series of videos was released, in various instalments also during the training events of 2019-2020, in order to represent the most common ethical dilemmas, directly involving company employees as actors. The project was shared with Impronta Etica, a non-profit organisation for the promotion and development of corporate social responsibility which Granarolo has supported for some time.

Furthermore, in the final months of 2019 and early 2020, **mandatory training on the new Granarolo Code of Ethics** was provided to all Group employees in Italy, operations staff and otherwise (1,204 people involved in face-to-face training), with the exception of the employees of the Sestu and Coriano plants for whom the training was postponed until the end of the pandemic. The paper version of the new Code of Ethics was distributed during the training course. In 2020-2021, training was also provided in all of the Group's foreign companies, via online video courses held in the local language. The current version of the Code of Ethics was approved by the Granarolo Board of Directors with the resolution of 3 August 2021. A refresher training course on the Code of Ethics was held at the Sestu and Gioia del Colle plants between the end of 2024 and the beginning of 2025.

To guarantee the efficacy of the Code employees can file reports with the Ethics Committee, set up on 20 October 2016.

The main duties of the **Ethics Committee**, made up of three members, two external and one internal (the Ethics Officer), are:

- to supervise training and communication activities on the Code,
- to examine the reports it receives by hearing from the relevant parties, supplementing the Ethics Officer's investigation,
- to decide the sanctions to be applied on the basis of the Ethics Officer's investigation and the concept of restorative justice,
- to propose updates and changes to the Code of Ethics to the Board of Directors.





Composition of the Ethics Committee



One member appointed by the Board of Directors



Two external members selected on the basis of a recognised moral standing, combined with a good knowledge of the functioning mechanisms of bodies and organisations.



The Ethics Committee is chaired by an external member, selected on the basis of a recognised moral standing, combined with a good knowledge of the functioning mechanisms of bodies and organisations. S/he represents the interests of stakeholders, ensuring the fair and transparent application of the Code. S/he may coincide with one of the two external members.

Luciano Sita is the Chairman of the Ethics Committee and represents the interests of the stakeholders, guaranteeing the fair and transparent application of the Code. The other two members are: Pierluigi Morara (external) and Myriam Finocchiaro (internal). The Ethics Committee meets on average twice a year, unless there is an urgent need for the Chairman to convene it immediately, at the request of the Ethics Officer.

In 2024, the Ethics Committee met 2 times and did not receive any report. Through interviews with 10 employees of the Central Laboratory, the Ethics Committee also verified the impartiality of the lab's work in 2024 and prepared a report.



FOR MORE DETAILS

The Code of Ethics of the Granarolo Group is available on the company website at
www.granarologroup.com/about-us/corporate-governance



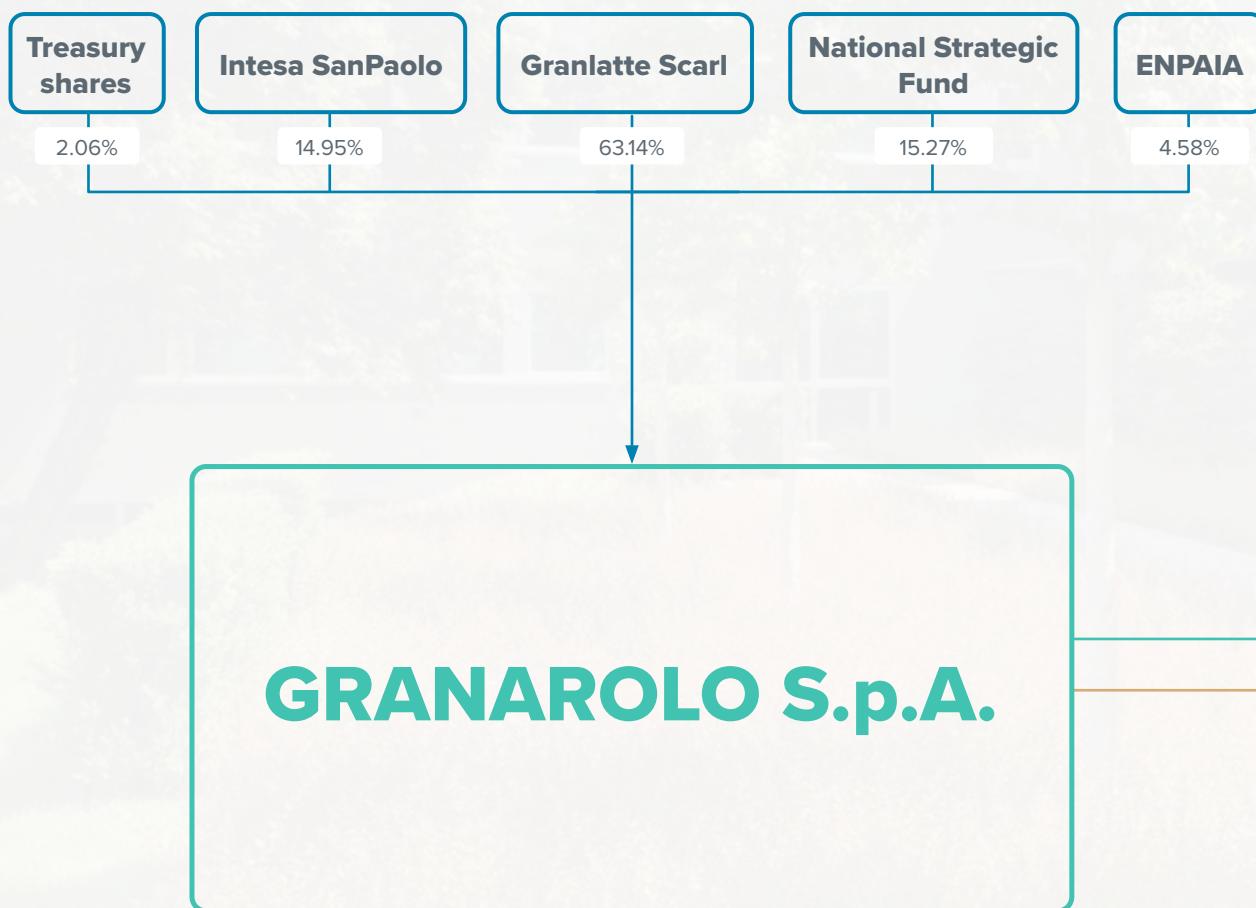
1.3 Company structure and governance system

GRI 2-1, 2-9

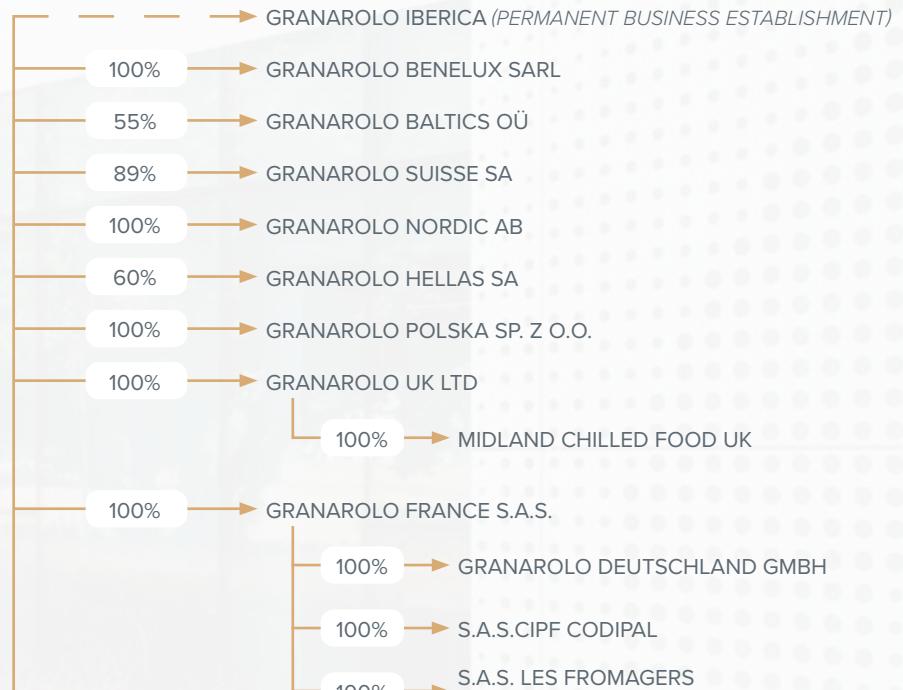
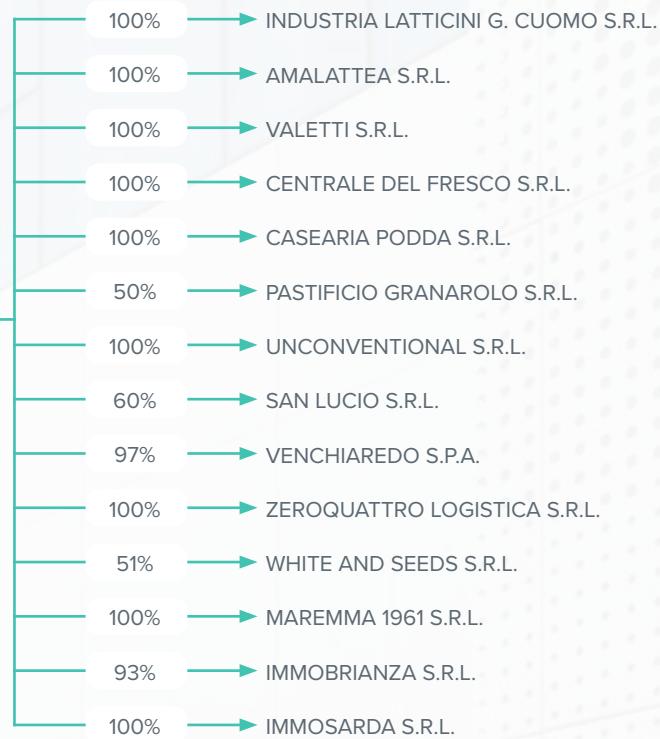
The Granarolo Group is controlled by its parent company Granlatte Soc. Coop. Agricola, together with which it constitutes the **largest Italian milk supply chain** with the direct participation of farmers associated in a cooperative. Granlatte and its associated collection cooperatives offer the milk produced by approximately 500 Italian dairy farmers firstly to Granarolo S.p.A.

Granarolo S.p.A. is the industrial and commercial parent company, operating through its direct production plants. It also markets, in Italy and abroad, the products produced in the plants of its subsidiaries, managing and coordinating the commercial, management and financial policies of said companies. The regulatory and economic conditions for carrying out this role are identified in an "intercompany" regulation, approved by the decision-making bodies of each Group company.

Granarolo Group company structure for 2024



Update: March 2025



It should be noted that during 2023 a capital increase of €160 million was made, with the simultaneous entry into the shareholdership of Granarolo S.p.A. of Patrimonio Rilancio - **National Strategic Fund (NSF)**, managed by **Cassa Depositi e Prestiti (CDP)** and **ENPAIA, the National Mutual Fund for Agricultural Workers and Employees**.

The National Strategic Fund (NSF) is the section of Patrimonio Rilancio set up to invest in profitable companies with good growth prospects and to support their medium-long term development plans through co-investment with market investors, pursuant to the provisions of Title III of MEF decree No. 26 of 3 February 2021. **The Granarolo transaction is the NSF's first investment.**

The shareholding structure of Granarolo thus expanded to include, in addition to the current shareholders Granlatte and Intesa Sanpaolo, Patrimonio Rilancio - National Strategic Fund and ENPAIA. Cooperlat left and treasury shares were acquired. Granlatte retains its leadership of the Group with a solid majority and will also contribute to the capital increase.

The capital strengthening transaction is part of the implementation of the Granarolo Group's strategic plan, which includes both significant organic growth objectives and extraordinary operations aimed at strengthening the group's competitive position in Italy and abroad.

Governance

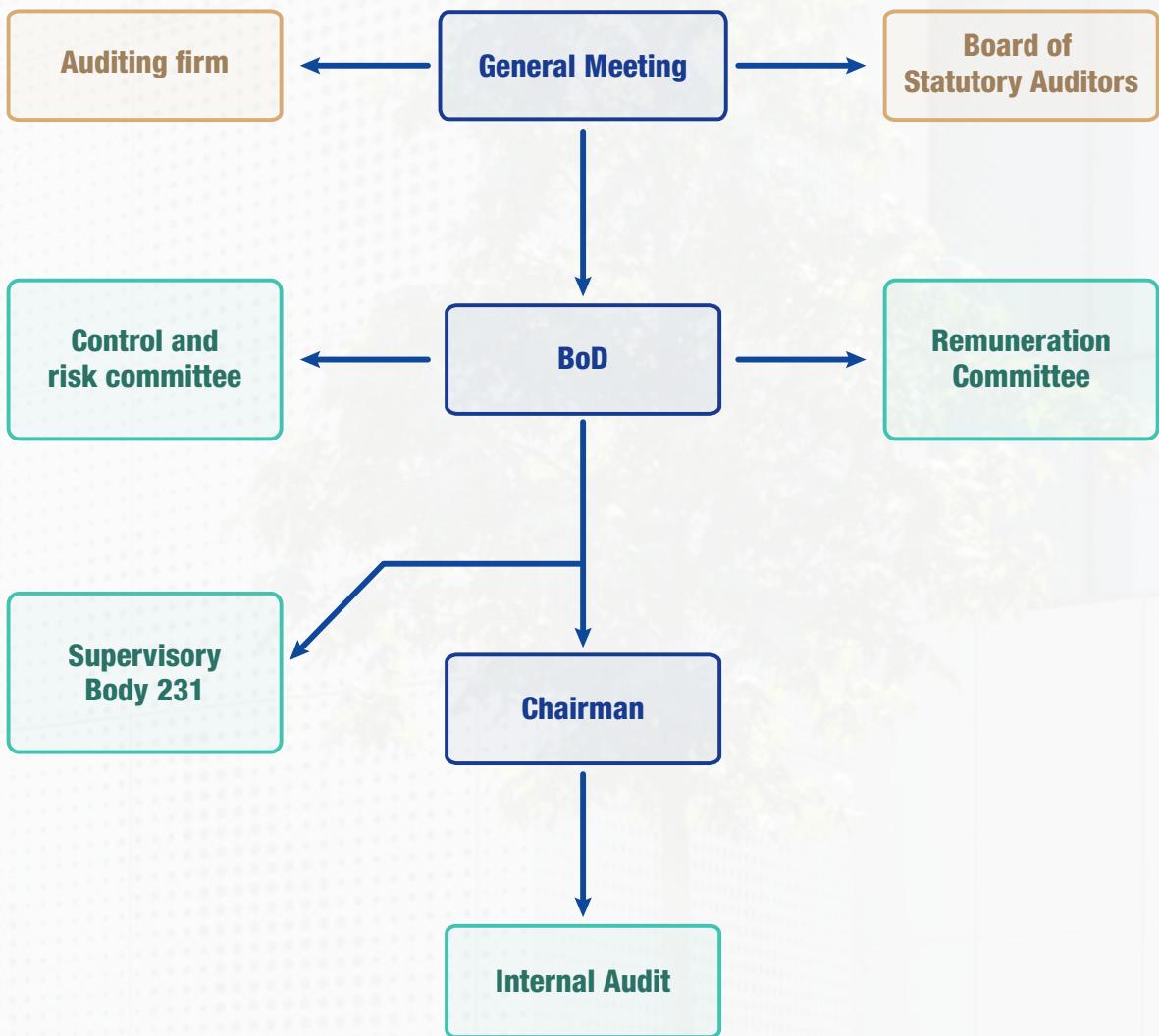
The Granarolo Group firmly believes that an efficient corporate governance structure contributes to increasing the competitiveness of the company and the sustainability of its development. The principles of corporate governance shape the structuring of functions and responsibilities, constitute an appropriate control system and guarantee the adoption of informed management choices and the effectiveness of monitoring and business risk management activities. In short, they ensure the greater production of income and value for all stakeholders.

The corporate governance structure adopted by Granarolo S.p.A. is inspired by the recommendations and standards contained in the code of conduct of listed companies, to which the company has decided to voluntarily adhere in order to ensure greater levels of transparency and efficiency in its own company governance.

Granarolo S.p.A. adopts the "traditional system" of administration and control, its main entities being the Board of Directors, the Board of Statutory Auditors, and the Shareholders' Meeting. The legal auditing of the company is performed by auditing firm KPMG S.p.A.



Governance of Granarolo S.p.A. GRI 2-9



The Board of Directors of Granarolo S.p.A. is made up of 13 members, of which 2 are executive (the Chair and Vice Chairman) and 11 non-executive, in office under a three-year mandate, until the date of the shareholders' meeting held to approve the 2024 financial statements.

GRI 405-1

COMPOSITION OF THE BOARD OF DIRECTORS OF GRANAROLO S.P.A. UNTIL 14 APRIL 2025

ROLE	NAME	AGE
Chairman	Gianpiero Calzolari	69
Vice Chairman	Danio Federici	62
	Guglielmo Belletti	65
	Adonis Bettoni	57
	Massimiliano Boschini	51
	Simona Caselli	63
	Michele Di Marziantonio	63
Directors	Giuseppe Dotti	74
	Massimo Fiorio	57
	Giovanni Giambi	62
	Sergio Retini	70
	Gino Nardozzi Tonielli	72
	Vito Francesco Villari	63

In compliance with the company Articles of Association, the Board of Directors is vested with full powers for the ordinary and extraordinary management of the company. The Board meets at least once every quarter: in 2024 there were 7 meetings.

To ensure the effective and efficient management of the company, the Board has given the Chairman powers of ordinary management, without expense limitations, to be exercised relative to the annual budget approved by the Board of Directors and in application thereof. However, during the approval of the budget, the Board reserves the right to indicate which operations included in the budget - and not only those of an extraordinary nature - must be subjected to the examination and specific approval of the Board for implementing decisions during the financial year.

The shareholders' meeting held on 14 April 2025 appointed a new Board of Directors, which will remain in office until the shareholders' meeting to approve the financial statements for the year 2027.
Below is the composition of the new Board of Directors:

COMPOSITION OF THE BOARD OF DIRECTORS OF GRANAROLO S.P.A. FROM 14 APRIL 2025

ROLE	NAME	AGE
Chairman	Gianpiero Calzolari	69
Vice Chairman	Danio Federici	62
Vice Chairman	Simona Caselli	63
	Franco Aceto	61
	Guglielmo Belletti	65
	Massimiliano Boschini	51
	Paolo Brivio	62
	Roberto Chizzoni	61
	Stanislao Giuseppe Fabbrino	56
Directors		
	Federica Favrin	51
	Massimo Fiorio	57
	Giovanni Giambi	62
	Sergio Retini	70
	Gino Nardozzi Tonielli	72
	Vito Francesco Villari	63

Advisory Boards

The Board has established two internal Boards with consultation and proposal functions which perform a preliminary role, consisting of the formulation of proposals, recommendations and opinions, in order to help the Board adopt its decisions with a better understanding of the situation.

Control and Risk Committee

This is made up of three non-executive directors: Giovanni Giambi in the role of Chairman, and in possession of suitable experience in accounting and financial matters, Adonis Bettoni and Gino Nardozzi Tonielli. The Committee remains in office for 3 years 2022-2024.

The Risk Control Committee was established with the task of supporting, with preliminary, consulting and propositional functions, the assessments and decisions of the Board of Directors concerning the Internal Control and Risk Management System, and routine financial reports. The Committee also supervises the activities of the Internal Audit department, which it may ask to carry out inspections on specific operational areas.

Remuneration Committee

This is made up of three non-executive directors: Giovanni Giambi in the role of Chairman, and in possession of suitable experience in accounting matters, Adonis Bettoni and Gino Nardozzi Tonielli. The Committee remains in office for 3 years 2022-2024.

The Committee is tasked with formulating proposals to the Board of Directors on the remuneration of Directors and key executives, as indicated in the Corporate Governance Code.

Board of Statutory Auditors

The meeting on 14 April 2024 renewed the Board of Statutory Auditors, appointing three statutory auditors and two alternate auditors with a term of three financial years, until the meeting to approve the financial statements for the year ending 31 December 2026.

COMPOSITION OF THE BOARD OF STATUTORY AUDITORS OF GRANAROLO S.P.A. FROM 14 APRIL 2025

ROLE	NAME
Chairman	Filippo Annibaldi
Statutory auditors	Piero Landi Elisabetta Pallotti
Alternate auditors	Lorenzo Pastorello Romano Conti

This board oversees compliance with current laws and the Articles of Association, compliance with the principles of correct administration and, in particular, the suitability of the organisational, administrative and accounting structure adopted by the company and its proper functioning. All auditors are legal auditors listed in the dedicated register.



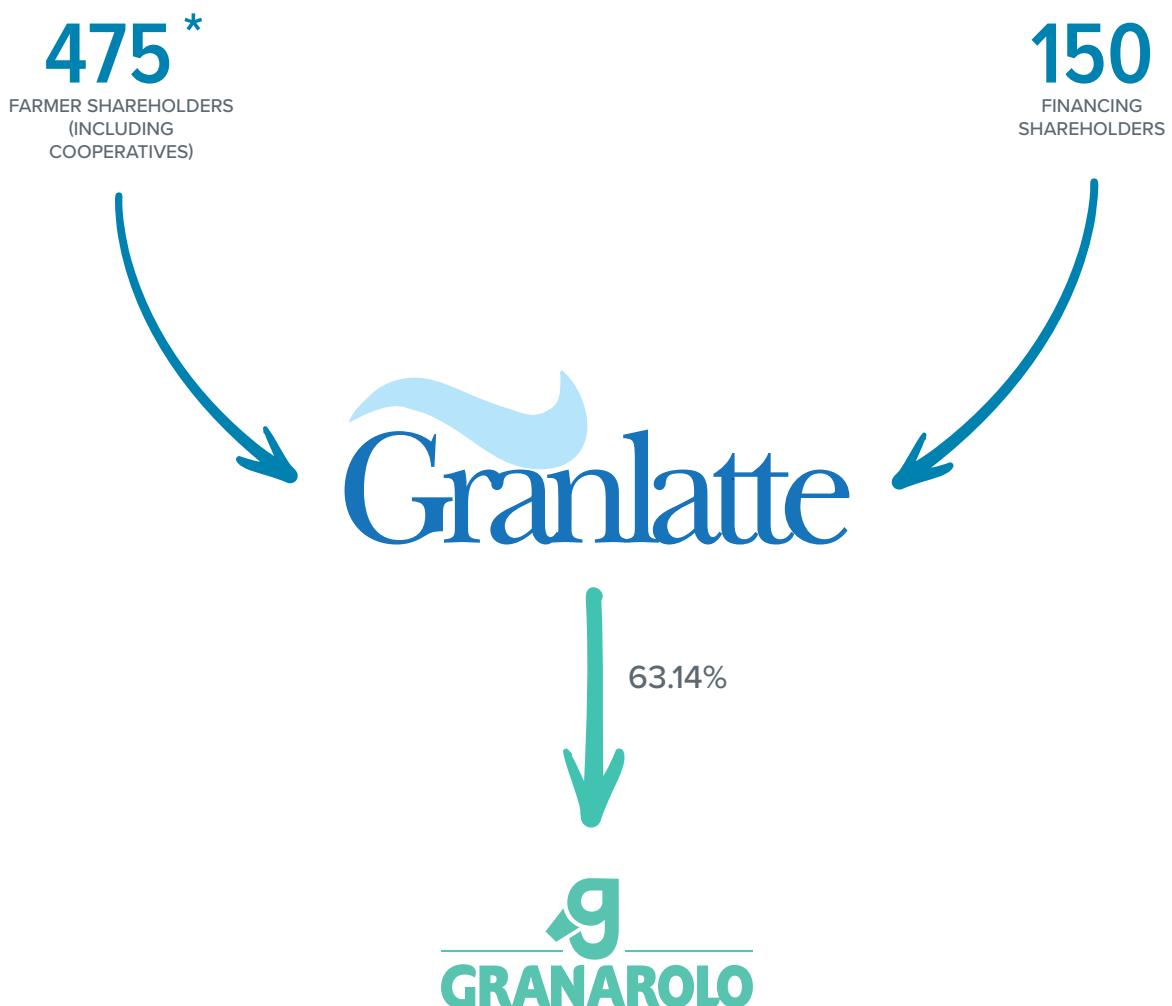
ZOOM

The cooperative essence of the Granarolo supply chain

The dream of a milk chain of excellence was born 68 years ago, with the establishment of the Cooperative that would become Granlatte, the largest aggregation of milk producers in Italy. It is precisely this business, through a process of growth and acquisitions, that has given rise to the Granarolo Group and is at the basis of the quality that distinguishes it. Granlatte works to promote and develop the aggregation of farms operating in Italy and to improve the quality and sustainability of their production, through organisational structures capable of managing activities efficiently and effectively.

The farmer shareholders deliver their milk to Granlatte, which collects the raw material and delivers it to Granarolo S.p.A. which, directly in its own plants or through its subsidiaries, processes and markets milk and dairy products throughout Italy and abroad. The strength of this dynamic entrepreneurial group lies in its control of the entire production chain, which allows it to implement, together with its farmer shareholders, a targeted programme, strongly oriented towards quality.

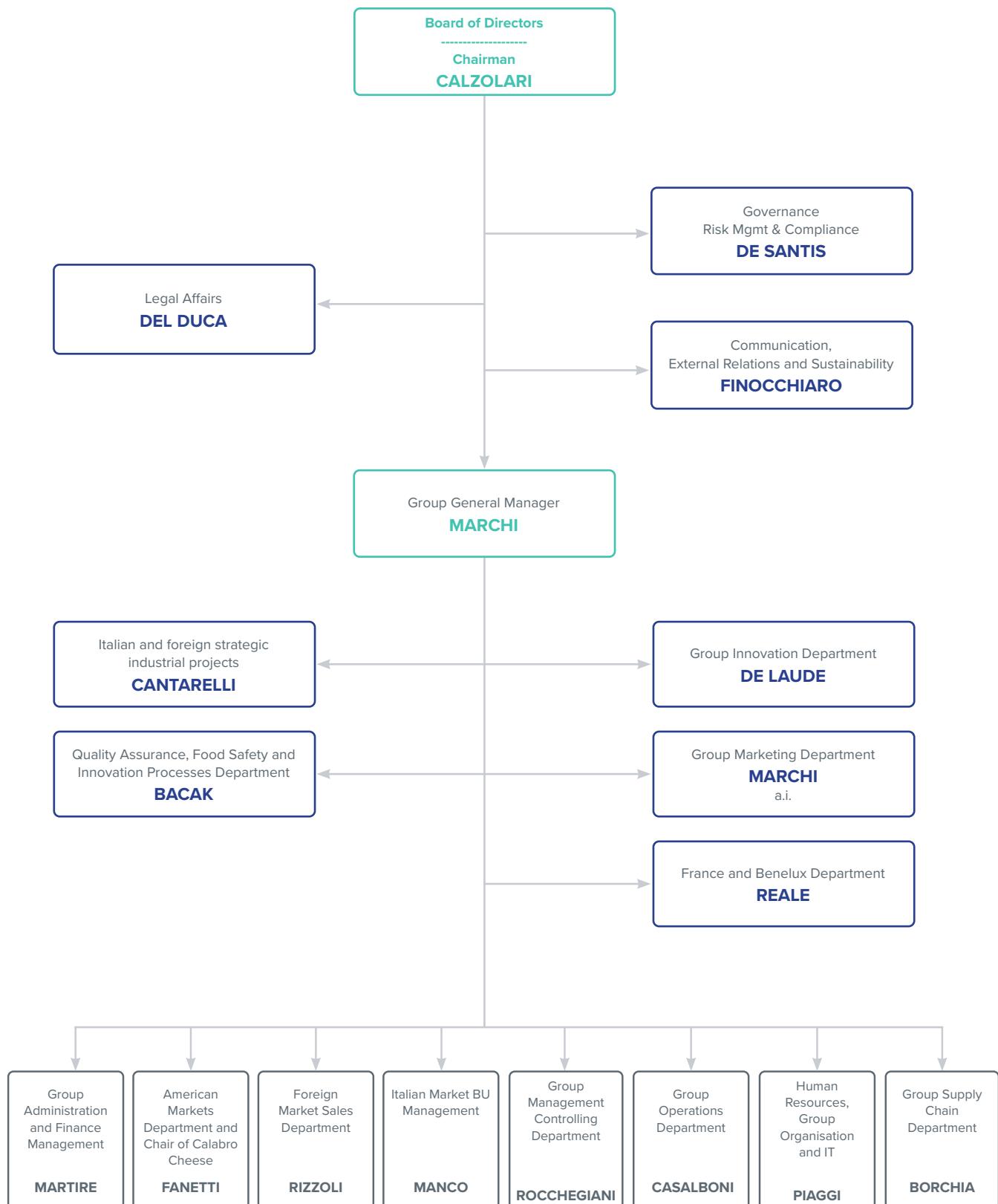
Granlatte Granarolo Group Supply Chain



* farmer shareholders that contributed milk in 2024

1.3.1 Organisational structure

Granarolo organisation chart on 31/12/2024 is as follows.



1.4 Shared risk analysis and monitoring system

The proper functioning and solidity of the business is guaranteed by a system of internal controls managed both independently by the individual operating departments and centrally. In particular, the control system at Granarolo is structured into three levels:

- "*Line*" (or "*first level*") *controls*: these are the controls carried out directly by the managers of the operational areas (Directors/Function Managers/Heads of organisational structures), who are responsible for the management and implementation of control measures in order to ensure the correct conduct of operations;
- "*second level*" *controls*: these are the controls carried out by functions independent from the operational ones in charge of monitoring the management of typical risks and compliance with the rules of company operations (GRC, Management Control, Safety and Environment Manager, Quality and Food Safety Manager, DPO) aimed at monitoring and managing specific risks (sector regulations);
- "*third level*" *controls*: these are the controls carried out by the independent Internal Audit function, which globally verifies the structure and functioning of internal controls by the Supervisory Body, which verifies compliance pursuant to Italian Legislative Decree 231/2001 and compliance bodies, which verify certified systems.

The Internal Audit department reports hierarchically to the Chairman of the Board of Directors and functionally to the Control and Risk Committee which monitors its independence, efficacy and efficiency. The Committee can ask it to perform inspections on specific operating areas. The Internal Audit department's activities are carried out in accordance with international professional internal auditing standards.

Granarolo's audit activities are taking a risk-based approach and are carried out on the basis of a risk assessment aimed at identifying and assessing the risks that may threaten the achievement of objectives. This risk assessment is updated annually. The annual audits scheduled in the audit plan concern the operational objectives. Critical elements encountered during the course of audits are shared with the management with which a plan of action is defined to eliminate said issues. The Internal Audit function monitors and controls the correct and prompt implementation of the action plan through follow-up operations. The company management, the Control and Risk Committee and the Board of Statutory Auditors are informed of the outcome of the activities carried out and the progress of the action plans.

Granarolo adopts an integrated risk management process aimed at identifying, assessing, managing and monitoring the main events that may threaten the achievement of strategic objectives.

MATERIAL ASPECT OF REFERENCE - 2024	MACRO RISK CATEGORY	RISK	DESCRIPTION OF RISK	MAIN CONTROLS
G1 Business conduct – Animal welfare	Reputation / brand	Damage to reputation / brand	Risk of being attacked/discredited by public opinion and disinformation/misinformation, resulting in significant financial loss or damage to reputation/brand	<ul style="list-style-type: none"> • Animal welfare certification • Training for farmer shareholders and employees • Monitoring, protocols and communication procedures with stakeholder involvement • Certification systems • Code of Ethics
S4 Consumers and end users	Consumers	Ability to innovate / satisfy the needs of consumers	Risk of inadequate perception of current and future consumer needs and spending power resulting in reduced market share or inability to generate incremental market share.	<ul style="list-style-type: none"> • Monitoring of the evolution of food consumption trends in Italy and the world • Policies of diversification in terms of product offers, quality/price and commercial positioning • Multi-company accelerator for innovation.
S4 Consumers and end users	Production	Inadequate responsiveness to customer demand	Risk of inadequate response to customer demand due to inadequate definition of production plans resulting in lower sales or increased costs for unsold goods.	<ul style="list-style-type: none"> • Continuous analysis and monitoring (sold and unsold goods)
S4 Consumers and end users	Consumers	Ability to innovate / satisfy the needs of consumers	Risk of inadequate perception of current and future consumer needs and spending power resulting in reduced market share or inability to generate incremental market share.	<ul style="list-style-type: none"> • Monitoring of the evolution of food consumption trends in Italy and the world • Policies of diversification in terms of product offers, quality/price and commercial positioning • Multi-company accelerator for innovation.
S4 Consumers and end users	Production	Inadequate responsiveness to customer demand	Risk of inadequate response to customer demand due to inadequate definition of production plans resulting in lower sales or increased costs for unsold goods.	<ul style="list-style-type: none"> • Continuous analysis and monitoring (sold and unsold goods)
G1 Business conduct	Compliance and safety of products	Unfavourable regulatory changes relating to food safety	Risk of unfavourable food safety regulatory changes resulting in costs for procedural/operational adjustments.	<ul style="list-style-type: none"> • OMC 231 • Management systems • Periodic training plans

MATERIAL ASPECT OF REFERENCE - 2024	MACRO RISK CATEGORY	RISK	DESCRIPTION OF RISK	MAIN CONTROLS
G1 Business conduct	Compliance and safety of products	Non-compliance with food safety regulations and product labelling regulations	Risk of non-compliance with food safety and product labelling regulations resulting in sanctions and/or significant financial loss or reputational damage.	<ul style="list-style-type: none"> OMC 231 Quality management systems (procedure "Verification and approval of labels")
G1 Business conduct	Cyber security	Cyber risk	Risk of accidental events or cyber-attacks, also following the adoption of new technologies (e.g. AI), leading to a blockage/malfunctioning of the computer system.	<ul style="list-style-type: none"> Perimeter defence system Network access control (NAC) and Endpoint Protection systems Email protection systems Local admin security Systems to protect workstations (encryption) and networks (segmentation) Systems to guarantee business continuity Systems to protect access to data and applications (Multifactor authentication) Insurance cover
S1 Own workforce S4 Consumers and end users	Cyber security	Data breach	Risk of accidental events or cyber-attacks, also following the adoption of new technologies (e.g. AI), leading to a data breach.	<ul style="list-style-type: none"> Policy for governing the risk of non-compliance with personal data protection regulations and relative procedures IT solution for the classification and protection of documents and emails (Azure information protection)
E1 Climate change E2 Pollution E3 Water and marine resources E4 Biodiversity and ecosystems E5 Circular economy and use of resources	Environment	Unfavourable regulatory changes relating to the Environment	Risk of unfavourable environmental regulatory changes resulting in costs for significant procedural/operational adjustments.	<ul style="list-style-type: none"> OMC 231 Management systems Periodic training plans
E1 Climate change E2 Pollution E3 Water and marine resources E4 Biodiversity and ecosystems E5 Circular economy and use of resources	Environment	Non-compliance with Environment regulations	Risk of non-compliance with environmental regulations resulting in significant sanctions or reputational damage.	<ul style="list-style-type: none"> Certification of production sites in accordance with the UNI EN ISO 14001 standard For production sites acquired as part of extraordinary operations, the objective is to certify them according to the UNI EN ISO 14001 standard within 12 months of the date of acquisition. OMC 231 Continuous analysis and monitoring (review)

MATERIAL ASPECT OF REFERENCE - 2024	MACRO RISK CATEGORY	RISK	DESCRIPTION OF RISK	MAIN CONTROLS
G1 Business conduct	Fraud	External theft and fraud	Risk of theft/ embezzlement by external parties to the detriment of the company, with consequent financial loss and/or reputational damage.	<ul style="list-style-type: none"> • Insurance cover • Access control/anti-theft systems
G1 Business conduct	Fraud	Internal theft and fraud	Risk of theft/ embezzlement by employees to the detriment of the company, with consequent financial loss and/or reputational damage.	<ul style="list-style-type: none"> • Code of Ethics • Internal control system (e.g. system controls)
G1 Business conduct	Governance	Ineffective implementation of governance systems	Risk that inadequate definition/communication/application of governance systems leads to managerial decisions and conducts detrimental to the company in the short or long term.	<ul style="list-style-type: none"> • Internal Committees (Control and Risk Committee and Remuneration Committee) • Updates of the Articles of Association • System of delegated powers and powers of attorney
S1 Own workforce	Health & Safety	Non-compliance with Health & Safety regulations	Risk of non-compliance with Health & Safety regulations resulting in significant sanctions or reputational damage.	<ul style="list-style-type: none"> • Certification of production sites in accordance with the UNI EN ISO 14001 standard • For production sites acquired as part of extraordinary operations, the objective is to certify them according to the UNI EN ISO 14001 standard within 12 months of the date of acquisition. • OMC 231 • Continuous analysis and monitoring (review)
G1 Business conduct				
S1 Own workforce	Health & Safety	Unfavourable regulatory changes relating to occupational health and safety	Risk of unfavourable Health & Safety regulatory changes resulting in costs for significant procedural/ operational adjustments.	<ul style="list-style-type: none"> • OMC 231 • Management systems • Periodic training plans
G1 Business conduct				
G1 Business conduct	Legal & Compliance	Corruption	Risk of corporate officers agreeing with a public official to perform an act contrary to his/her office in return for money or other consideration, resulting in sanctions and/or significant financial loss or reputational damage.	<ul style="list-style-type: none"> • Code of Ethics • OMC 231
G1 Business conduct	Legal & Compliance	Non-compliance with regulatory provisions	Risk of non-compliance with laws, regulations or provisions of the authorities or self-regulatory rules resulting in judicial or administrative sanctions (financial or criminal) and/or significant financial loss or reputational damage.	<ul style="list-style-type: none"> • Code of Ethics • OMC 231 • Management systems • Periodic training plans

MATERIAL ASPECT OF REFERENCE - 2024	MACRO RISK CATEGORY	RISK	DESCRIPTION OF RISK	MAIN CONTROLS
G1 Business conduct	Legal & Compliance	Non-compliance with regulatory provisions	Risk of non-compliance with laws, regulations or provisions of the authorities or self-regulatory rules resulting in judicial or administrative sanctions (financial or criminal) and/or significant financial loss or reputational damage.	<ul style="list-style-type: none"> • Code of Ethics • OMC 231 • Management systems • Periodic training plans
S1 Own workforce	Human capital	Difficulty identifying and developing expertise	Risk connected with the difficulty of identifying and developing the necessary expertise to achieve the goals in the strategic plan.	<ul style="list-style-type: none"> • Evaluation system (G-perform) • Training plans
S1 Own workforce	Human capital	Difficulty attracting talent and retaining key roles	Risk connected with the difficulty of attracting / retaining the necessary talent /key roles to achieve the goals in the strategic plan	<ul style="list-style-type: none"> • Bonus system • Welfare policies (Well-G) • Training plans
S1 Own workforce	Human capital	Failure to identify successors in case of loss of key people	Risk related to the failure to identify successors in case of loss of key people to achieve the objectives set out in the strategic plan.	<ul style="list-style-type: none"> • Bonus system • Welfare policies • Training plans • Succession plans for key roles
E4 Biodiversity and ecosystems	Procurement	Shortage of main raw material (milk)	Risk of shortage of the main raw material (milk) or of specific categories of milk (e.g. organic milk, etc.), also due to climate change, leading to interruptions or delays in production.	<ul style="list-style-type: none"> • Fixing of quantities on a periodic (annual) basis through contracts with suppliers
E1 Climate change	Environment	Climate change, accidental events and natural disasters	Risk of accidental events (e.g. fire), natural disasters (e.g. earthquake) and climate change (e.g. drought), resulting in material damage to assets (direct) and loss or damage from business interruption (indirect).	<ul style="list-style-type: none"> • Monitoring systems (control room) • Insurance cover • Fire-fighting systems
E1 Climate change E2 Pollution E3 Water and marine resources E4 Biodiversity and ecosystems E5 Circular economy and use of resources	Environment	Unfavourable regulatory changes relating to the Environment	Risk of unfavourable environmental regulatory changes resulting in costs for significant procedural/ operational adjustments.	<ul style="list-style-type: none"> • OMC 231 • Management systems • Periodic training plans

MATERIAL ASPECT OF REFERENCE - 2024	MACRO RISK CATEGORY	RISK	DESCRIPTION OF RISK	MAIN CONTROLS
E2 Pollution	Environment	Environmental pollution / spills / pollutant emissions	Risk of environmental pollution related to the disposal of waste and water resulting from industrial activity, spillage or polluting emissions with consequent significant financial loss or reputational damage.	<ul style="list-style-type: none"> Certification of production sites in accordance with the UNI EN ISO 14001 standard For production sites acquired as part of extraordinary operations, the objective is to certify them according to the UNI EN ISO 14001 standard within 12 months of the date of acquisition. OMC 231 Continuous analysis and monitoring (review)
E1 Climate change E2 Pollution E3 Water and marine resources E4 Biodiversity and ecosystems E5 Circular economy and use of resources	Environment	Non-compliance with Environment regulations	Risk of non-compliance with environmental regulations resulting in significant sanctions or reputational damage.	<ul style="list-style-type: none"> Certification of production sites in accordance with the UNI EN ISO 14001 standard For production sites acquired as part of extraordinary operations, the objective is to certify them according to the UNI EN ISO 14001 standard within 12 months of the date of acquisition. OMC 231 Continuous analysis and monitoring (review)
E1 Climate change	Procurement	Default of strategic suppliers	Risk of interruption or discontinuity of supply, also due to climate change, of a strategic supplier of direct materials (excluding raw milk) resulting in interruption or delay in production.	<ul style="list-style-type: none"> Supplier register management Vendor management system
E5 Resource use and circular economy G1 Business conduct – Management of relations with suppliers	Procurement	Fluctuation in the price of the main raw materials	Risk of an increase in the price of the main raw materials with a consequent decrease in margins.	<ul style="list-style-type: none"> Periodic price-fixing through contracts with suppliers (quarterly / half-yearly)
S4 Consumers and end users	Customers	Customer concentration	Risk of concentration of wholesale customers following M&A operations with consequent increase in their bargaining power (in terms of Bonus/Promotion/Discount).	<ul style="list-style-type: none"> Analysis and continuous monitoring of the large-scale distribution market and customers both through specialist Group resources and research institutes Proprietary sales channels
S4 Consumers and end users	Customers	Customer trade credit	Risk of non-performance of obligations undertaken by customers resulting in losses and/or exposure to potential losses.	<ul style="list-style-type: none"> Analysis of customer reliability, also through external sources Customers with turnover below a minimum threshold requested to pay on delivery Programme of credit securitisation and transfer without recourse in Italy and abroad Insurance cover

MATERIAL ASPECT OF REFERENCE - 2024	MACRO RISK CATEGORY	RISK	DESCRIPTION OF RISK	MAIN CONTROLS
S4 Consumers and end users	Compliance and safety of products	Compliance and safety of marketed products	Risk of defect/contamination of products placed on the market (following the discovery of substances, active ingredients, bacteria, etc., even if never ascertained) resulting in significant financial loss or reputational damage	<ul style="list-style-type: none"> • Quality management system • Contaminant and residue surveillance plan • Insurance cover • OMC 231
G1 Business conduct – Management of relations with suppliers	Distribution (sales and deliveries)	Distribution inefficiency	Risk of distribution inefficiency resulting in increased distribution costs and/or decreased sales due to failed delivery and/or non-compliant deliveries.	<ul style="list-style-type: none"> • Continuous analysis and monitoring (service level - process KPIs)
S3 Affected communities S4 Consumers and end users	Reputation / brand	Damage to reputation / brand	Risk of being attacked/discredited by public opinion and disinformation/misinformation, resulting in significant financial loss or damage to reputation/brand	<ul style="list-style-type: none"> • Animal welfare certification • Training for farmer shareholders and employees • Monitoring, protocols and communication procedures with stakeholder involvement • Certification systems • Code of Ethics
S1 Own workforce – Health and safety	Global epidemic events	Global epidemic events	Risk of epidemic events on a global basis resulting in reduced sales and/or costs for significant procedural/operational adjustments.	<ul style="list-style-type: none"> • Monitoring of potentially risky epidemic developments at international level • Implementation of procedures and adoption of PPE at national and international level • Crisis Management Committee to implement specific measures in accordance with the requests of the competent authorities • Activation of Contingency Plan
S1 Own workforce – Health and safety	Health & Safety	Accidents in the workplace	Risk of accidents in the workplace as a result of inadequate definition/communication of safety plans or their inconsistent application resulting in significant financial loss or reputational damage.	<ul style="list-style-type: none"> • Certification of production sites in accordance with the UNI EN ISO 45001 standard • For production sites acquired as part of extraordinary operations, the objective is to certify them according to the UNI EN ISO 45001 standard within 6 months of the date of acquisition. • Insurance cover • OMC 231 • Periodic safety training plans • Continuous analysis and monitoring (review)

MATERIAL ASPECT OF REFERENCE - 2024	MACRO RISK CATEGORY	RISK	DESCRIPTION OF RISK	MAIN CONTROLS
S1 Own workforce – Health and safety	Health & Safety	Non-compliance with Health & Safety regulations	Risk of non-compliance with Health & Safety regulations resulting in significant sanctions or reputational damage.	<ul style="list-style-type: none"> Certification of production sites in accordance with the UNI EN ISO 14001 standard For production sites acquired as part of extraordinary operations, the objective is to certify them according to the UNI EN ISO 14001 standard within 12 months of the date of acquisition. OMC 231 Continuous analysis and monitoring (review)
S1 Own workforce – Health and safety	Health & Safety	Unfavourable regulatory changes relating to occupational health and safety	Risk of unfavourable Health & Safety regulatory changes resulting in costs for significant procedural/operational adjustments.	<ul style="list-style-type: none"> OMC 231 Management systems Periodic training plans
S4 Consumers and end users G1 Business conduct	Compliance and safety of products	Unfavourable regulatory changes relating to food safety	Risk of unfavourable food safety regulatory changes resulting in costs for procedural/operational adjustments.	<ul style="list-style-type: none"> OMC 231 Management systems Periodic training plans
S4 Consumers and end users	Compliance and safety of products	Compliance and safety of marketed products	Risk of defect/contamination of products placed on the market (following the discovery of substances, active ingredients, bacteria, etc., even if never ascertained) resulting in significant financial loss or reputational damage	<ul style="list-style-type: none"> Quality management system Contaminant and residue surveillance plan Insurance cover OMC 231
S4 Consumers and end users	Compliance and safety of products	Non-compliance with food safety regulations and product labelling regulations	Risk of non-compliance with food safety and product labelling regulations resulting in sanctions and/or significant financial loss or reputational damage.	<ul style="list-style-type: none"> OMC 231 Quality management systems (procedure "Verification and approval of labels")
E5 Resource use and circular economy G1 Business conduct – Management of relations with suppliers	Procurement	Fluctuation in the price of the main raw materials	Risk of an increase in the price of the main raw materials with a consequent decrease in margins.	<ul style="list-style-type: none"> Periodic price-fixing through contracts with suppliers (quarterly / half-yearly)
G1 Business conduct	Competition	Concentration of competitors	Risk of concentration of leading dairy companies (milk/yoghurt/fresh cheese) with consequent increase of their market power (in terms of market shares).	<ul style="list-style-type: none"> Analysis and constant monitoring of the market and competitors in countries of interest both through specialist Group resources and research institutes and providers of information analysis services

MATERIAL ASPECT OF REFERENCE - 2024	MACRO RISK CATEGORY	RISK	DESCRIPTION OF RISK	MAIN CONTROLS
S4 Consumers and end users	Consumers	Ability to innovate / satisfy the needs of consumers	Risk of inadequate perception of current and future consumer needs and spending power resulting in reduced market share or inability to generate incremental market share.	<ul style="list-style-type: none"> Monitoring of the evolution of food consumption trends in Italy and the world Policies of diversification in terms of product offers, quality/price and commercial positioning Multi-company accelerator for innovation
S3 Affected communities S4 Consumers and end users	Reputation / brand	Damage to reputation / brand	Risk of being attacked/discredited by public opinion and disinformation/misinformation, resulting in significant financial loss or damage to reputation/brand	<ul style="list-style-type: none"> Animal welfare certification Training for farmer shareholders and employees Monitoring, protocols and communication procedures with stakeholder involvement Certification systems Code of Ethics

1.5 Protection of legality and prevention of corruption

In line with the indications of Italian Legislative Decree 231/2001, the Group companies have adopted the "Organisation, management and control model" (OMC) aimed at preventing the offences envisaged by the regulations. The Group's commitment, including against corruption offences, is based on the adoption and effective implementation of the OMC, which limits the risk of the offence being committed in its active and passive forms through a structured system of procedures and dedicated control activities.

The Group has also adopted a Code of Ethics that identifies the guidelines for all those who work in its name and on its behalf in the management of relations with the main corporate stakeholders.

The appointment of corporate bodies, integrated together in accordance with the provisions of the Self-Regulatory Code, makes it possible to satisfy the expectations of all stakeholders (from employees to consumers, customers and the communities in which Granarolo operates) in the best possible way.

The OMC of Granarolo S.p.A. was approved by the Board of Directors on 29 March 2005 and updated in terms of its formulation and compliance with current regulations with subsequent resolutions on 16 November 2010, 14 July 2011, 25 January 2013, 29 November 2013, 14 March 2016, 22 March 2017, 21 March 2018, 3 December 2021 and 7 February 2023. On 8 April 2022 the Board of Directors renewed the company's Supervisory Body for the 2022-2024 period, through until the shareholders' meeting for the approval of the financial statements for the year ending 31 December 2024, and appointed:

- Pierluigi Morara, as an external member in the role of Chairman;
- Giuseppe Carnesecchi, as an external member;
- Francesca De Santis, as internal Governance Risk and Compliance Supervisor.

The activities of the Supervisory Committee concern the controls outlined in the audit plan defined annually by the Supervisory Committee on compliance with the organisational model pursuant to Legislative Decree 231/2001 and the examination of information flows sent periodically by qualified corporate functions.

In 2024, the Supervisory Body held 6 meetings.

Some subsidiaries of Granarolo S.p.A. (Venchiaredo and Zero4 Logistica) also approved their own Organisation and Control Model for the purpose of preventing crime, in compliance with Italian Legislative Decree no. 231/2001, and appointed their own Supervisory Bodies.





In compliance with the provisions of Italian Legislative Decree no. 24/2023 on whistleblowing in 2023:

- a platform has been implemented to manage reports that guarantees the confidentiality of the reporting identity, as well as the content of the report and the documentation related to it, through the use of encryption tools. The platform can be used by all devices (PC, Table, Smartphone) and is available both on the website and on the company intranet;
- the "whistleblowing" procedure has been prepared, which provides information on the channel, procedures and requirements for making internal and external reports. The procedure has been published both on the company's Internet and Intranet page, on the platform access page;
- the management of the internal reporting channel has been entrusted to the General Manager. The director assesses on a case-by-case basis whether to involve other business functions, in order to respond to reports.

Some subsidiaries of Granarolo S.p.A. (Venchiaredo and Zero4 Logistica) implemented their own platform, in compliance with Italian Legislative Decree no. 24/2023 and appointed their respective managers for the management of the internal channel.

Finally, with particular regard to the efforts made in the fight against corruption, it is worth noting that in 2024 no cases of corruption were reported in any of the Group companies.



ZOOM

To consult the Organisation, Management and Control Models and the components of the Supervisory Bodies of the Granarolo Group companies that have adopted their own OMC please refer to the company website at
<https://www.granarologroup.com/about-us/corporate-governance>

To access the whistleblowing platform of the Granarolo Group companies required to adopt the legislation, please refer to the company website section
www.gruppogranarolo.it/whistleblowing

GRANAROLO TODAY AND TOMORROW: SUSTAINABLE GROWTH, FARMER SHAREHOLDERS, EMPLOYEES





2

GUARANTEEING SUSTAINABILITY BY STRENGTHENING COMPETITIVENESS







GUARANTEEING ECONOMIC SUSTAINABILITY
BY STRENGTHENING COMPETITIVENESS

OBJECTIVES

SCOPES	2024 OBJECTIVES	PROGRESS	NEW 2025 OBJECTIVES
ACQUISITION OF ASSETS AND STRATEGIC PARTNERSHIPS	In October departure of the new dairy of Gioia del Colle with a focus on fresh Apulian cheeses	The new dairy of Gioia del Colle started operations in the fall (fresh Apulian cheeses such as burrata and stracciatella)	Inauguration in the presence of national and supra-national institutions
	Rental of the Latte Maremma business unit	Granarolo management activities started at Latte Maremma	Simplification of the company structure
	United States + Canada: 60 million turnover target	United States + Canada target achieved	United States + Canada: 50 million turnover target
	Phase 2 of the saturation increase path on primary and secondary transport	Completion of phase 2 of the path to increase saturation on primary and secondary transport	Continuous improvement of logistics aimed at greater efficiency
INTERNATIONALISATION AND GREATER PENETRATION IN EXPANDING INTERNATIONAL MARKETS	40% of turnover abroad	40% of turnover abroad reached	Growth in Germany and the US, despite the tariffs. Greater focus in the US on local production
	China: new distribution platform	Start-up of the distribution platform in China managed through the creation of the new company	
PROCESS AND PRODUCT INNOVATION (TRANSFORMATION SIDE)	Oh My Yomo! Range Extension	Target achieved	Launch of Yomo Kefir
	Range extension for the High Protein line (also focus on Granarolo Next with 0 added sugars and 0 lactose)	The High Protein line was consolidated, especially on dairy products	
	Production of burrata and stracciatella in the new dairy at Gioia del Colle	Significant burrata growth	Growth of all hard cheeses, pasta filata and specialities
	Launch of 100% vegetable Fish Nuggets and Unconventional Falafel	Launch completed	
BRAND AWARENESS AND REPUTATION MONITORING TO PROTECT QUALITY, MADE IN ITALY AND TYPICAL CHARACTERISTICS	Continuation of Innovation Center works	Slowdown of the Innovation Center creation project	
	Granarolo Benessere TV and digital campaign with several-times champion Gregorio Paltrinieri as testimonial	Granarolo Benessere TV and digital campaign with Gregorio Paltrinieri as testimonial	Granarolo Benessere Accadì TV campaign and Yomo TV, radio and digital campaign
	New Oh My Yomo! campaign	Important Oh My Yomo! campaign	Yomo TV and digital campaign
	12 trade fairs in 2024 in Italy and abroad	12 trade fairs in 2024 in Italy and abroad	10 trade fairs in 2025 in Italy and abroad
MONITORING OF SUPPLY CHAIN TO ENSURE COMPLIANCE WITH ESG PARAMETERS	Supplier platform start-up for ESG KPIs	Process initiated for the acquisition of shareholder ESG KPIs	Launch of a new supplier monitoring platform with ESG mapping

The socio-economic events that were already known such as Brexit, the US-China trade war, the sanctions against Iran, were added to first by the consequences of the pandemic, then by the inflation of raw materials, which began as early as the end of 2021 and tested all the energy-intensive and agri-food chains, the two wars in Ukraine and the Gaza Strip that risk having great impacts on many other nations.

The value of Italian agri-food exports has held up, but the future and the winds of war are cause for concern. As such, given the constant domestic stagnation, many companies, such as Granarolo, have decided to also focus on foreign markets for their products, the 2024 results are in line with those of the previous year and the 2024-2027 strategic plan presented to shareholders provides prospects for greater efficiency and growth. However, 2025 promises to be a challenging year.

Cheese and dairy products are among the biggest exports, they are growing in terms of consumption, with significant growth also outside Europe.



2.1 Milk and cheese sector: trends for the year

2024 was **the hottest year ever**, the first "calendar year" to officially surpass +1.5°C since the pre-industrial era. Data from six different climate monitoring organisations confirm that the 12 months we have left behind have ushered **in a new era of climate crisis**, with records set for surface and ocean temperatures and emissions once hard to imagine. Extreme phenomena have occurred everywhere in the world, from North America to Asia, from Brazil to Europe. The media have reported on fires, floods, storms: but the **damage of the climate affects more precisely the countries that have polluted and pollute less**. Not only that: those who have historically contributed the most to emissions have been reluctant to accept historical responsibilities, as demonstrated by the thwarted start of **the fund for loss and damage**, for compensation for loss and damage, created at COP27, the UN climate conference in Sharm el Sheik, to compensate for the devastation.

Agriculture and farming have suffered in every part of the world.

After a 2023 of marked deflation, the prices of the main production inputs in 2024 slowed down and, in many cases, reversed the downward trend.

In particular, the price increases of natural gas and electricity stand out, respectively +40% and +30% compared to 2023. The market, no longer able to rely on imports of Russian gas, remains balanced mainly thanks to imports of US LNG, which, due to transport and regasification costs, is more expensive than the gas that arrived via pipeline. The resumption of demand in a geopolitical context that raises uncertainty about supply levels remains the main bullish factor. In fact, gas demand in the EU is supported by seasonality, by lower-than-average wind energy production, and also by the stimulus to industrial production provided by the ECB's less restrictive monetary policies.

On the feed side, the price rises that characterised corn stand out, especially in the second half of the year. The US Department of Agriculture shows, in fact, a global market deficit, where supply does not keep up with demand, with 2024-2025 inventories at their lowest since 2014. Price rises also characterised common wheat, which has been in deficit for two consecutive campaigns.

All the raw materials mentioned remain at price levels well above the "pre-crisis" period (2019-2020), including soybeans, a market that underwent a partial rebuilding of inventories.

COST OF RAW MATERIALS

2024 VS 2023	
Gas (TTF)	+40%
Energy (PUN)	+30%
Maize (MATIF)	+6%
Wheat (MATIF)	+6%
Soy (CME)	-10%

COST OF RAW MATERIALS

2024 VS 2019

Gas (TTF)	+137%
Energy (PUN)	+114%
Maize (MATIF)	+19%
Wheat (MATIF)	+19%
Soy (CME)	+24%

Milk production growth in the EU shows first of all a structural slowdown attributable mainly to sustainability issues and increasingly strict EU environmental policies that involve a gradual reduction in the number of animals, progressively less offset by the increase in yields.

Markets show a high degree of complexity and remain exposed to volatility deriving from the climate, the uncertain macroeconomic context, speculative phenomena, trade policies and geopolitical crises.

Globally, during 2024, cow milk production has increased by +1% compared to 2023.

WORLD MILK PRODUCTION

(000' t)	2017	2018	2019	2020	2021	2022	2023	2024	Δ % 24 vs 23
Milk production	611,142	627,250	632,580	642,466	655,920	658,320	666,600	673,290	1.00%
• of which Cow Milk	509,009	519,719	524,409	532,245	544,070	544,150	549,770	554,240	0.81%
• of which Other types of Milk	102,133	107,531	108,171	110,221	111,850	114,170	116,830	119,050	1.90%

Updated as at 21/12/2024 Source: USDA.



In Europe, Germany remains the largest milk producer, with a share of over 22%, followed by France, the Netherlands and Italy.

Details are as follows:

UE27 2024 MILK PRODUCTION

COUNTRY	000' t	%
Germany	29,590	22.05%
France	21,787	16.24%
The Netherlands	12,527	9.34%
Italy	12,035	8.97%
Poland	12,370	9.22%
Ireland	8,405	6.26%
Spain	7,406	5.52%
Denmark	5,225	3.89%
Belgium	4,258	3.17%
Other	20,563	15.33%
TOTAL	134,166	

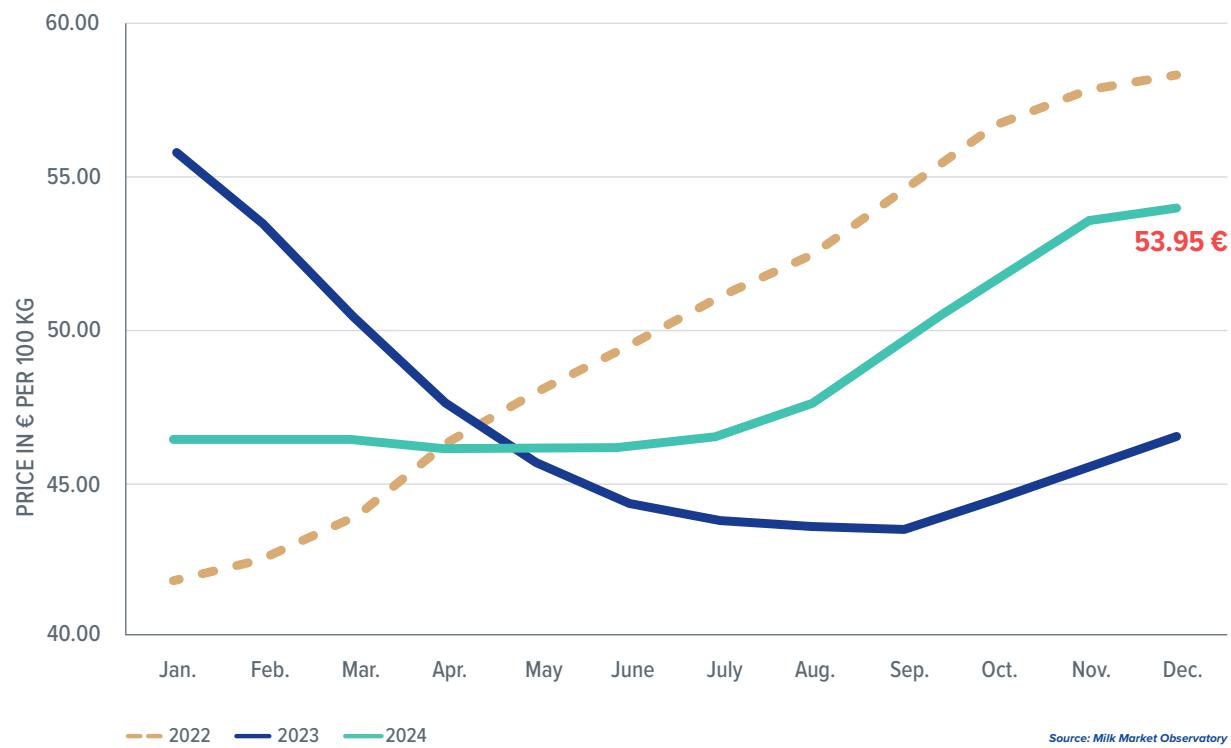
Sources: Fas Usda, Gtis, Clal, Eurostat, Agea

During 2024, milk production in Italy recorded an overall increase of about +1.67%



As is well known, the average price of European milk in 2024 was higher, starting from May, than that of 2023.

EU27 - WEIGHTED AVERAGE PRICE OF MILK AT THE FARM (EXCLUDING VAT, INCLUDING QUALITY)



In 2024, the average quantity of milk from farms is more than 0.5% higher than in 2023 and the average spot milk is almost 9% higher than the average recorded in 2023.

The trend in world consumption and production of cheese remained positive in 2024. The increase in production amounted to around 222 thousand tons (+1%) while consumption increased by +1.1% compared to the previous year.

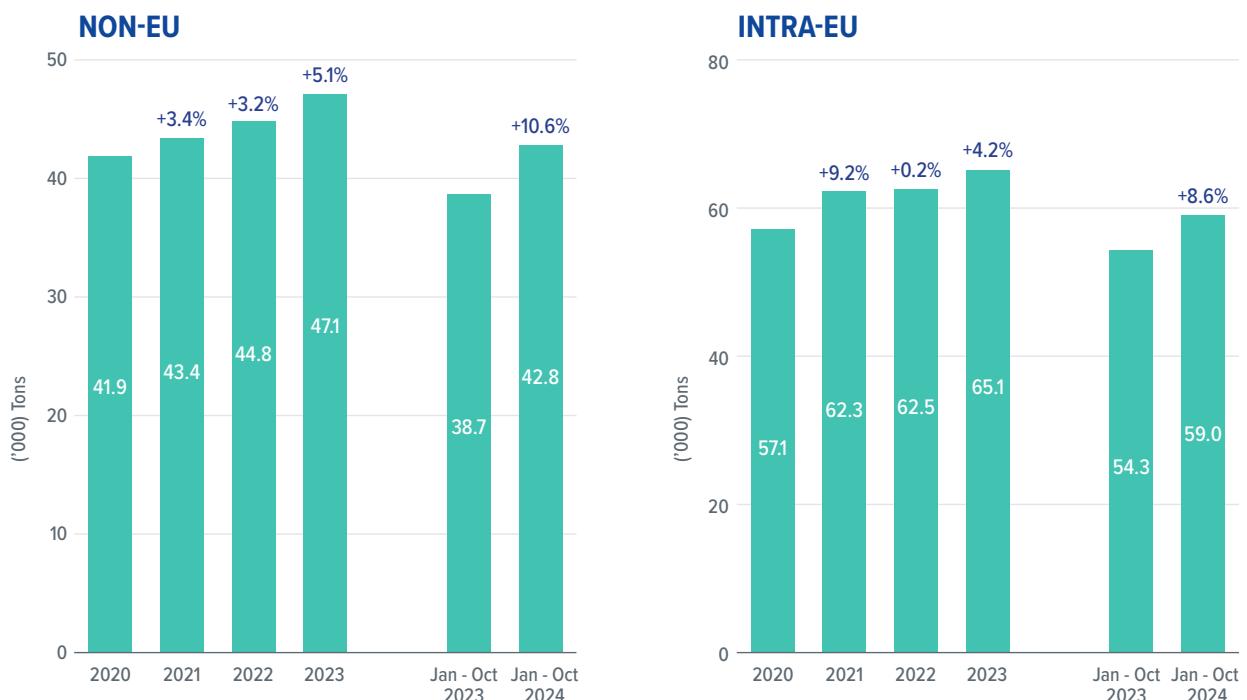
In Italy, the main PDO cheeses recorded the following production trends in 2024 compared to 2023: Parmigiano Reggiano recorded an increase of +1.6%, Grana Padano +3.3%.

During 2024, the price of Parmigiano Reggiano and the price of Grana Padano were on average about +9% higher than in 2023.

Exports of the main cheeses increased by +11.2% compared to the previous year.

In particular, exports of Grana Padano and Parmigiano Reggiano (PDO) increased by +10.6% to the non-EU world and increased by +8.6% in Europe compared to 2023.

ITALY - EXPORTS of Grana Padano PDO and Parmigiano Reggiano PDO



CLAL processing of ISTAT data

The European Commission believes that the milk market is reaching a "turning point" with production that, in the medium term, could begin to fall by about 0.2% per year. In recent years there have also been economic factors that have contributed to the slowdown in milk production growth. Affecting all the price increases were volatility of production inputs (energy and feed in the first place), and also unfavourable weather events that have negatively impacted pastures and feed materials and the spread of the "bluetongue" virus in the EU. The result is that there is less and less milk available for processing, and it was mainly butter that suffered most as it is less remunerative than cheese.

2.2 Main results in 2024

Consolidated turnover in 2024 stood at €1,720 million, an increase of €103 million (+6.4%) compared to the previous year.

The change in **revenue** on a like-for-like basis (adjusted for exchange rates) of +5.2% was due mainly to the growth achieved on foreign markets, primarily as a result of the increase in volumes.

The Group's EBITDA stood at €99.5 million, or 5.8% of revenue; EBITDA calculated without the impacts of IFRS 16 applied to operating leases stood at **€82.0 million**, or 4.8% of revenue, an increase of €5 million (+6.5%) compared to 2023.

Earnings before interest and taxes (EBIT) stood at €32.7 million, equal to 1.9% of sales revenue; EBIT calculated without the impacts of IFRS 16 stood at **€31.4 million, equal to 1.8%** of sales revenue.

Net profit for the financial year was €9.7 million.

The Net Financial Position stood at €238.5 million; the Net Financial Position without the impacts of IFRS 16 applied to operating leases stood at **€190 million**, an increase of €60 million compared to 31 December 2023, mainly reflecting the impact of investments made during the year.

RECLASSIFIED INCOME STATEMENT OF THE GRANAROLO GROUP

The consolidated income statement reclassified by destination is presented below, showing the figures for the main KPIs without the application of IFRS 16 for operating leases.

GRANAROLO GROUP RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)

VALUE	31/12/2024	%	31/12/2023	%	DELTA 2024 VS 2023
Sales revenue	1,719,890	100.0%	1,616,829	100.0%	6.4%
Materials	(1,197,109)	(69.6%)	(1,100,689)	(68.1%)	8.8%
Material Profit	522,781	30.4%	516,140	31.9%	1.3%
Direct costs of production	(180,101)	(10.5%)	(183,354)	(11.3%)	(1.8%)
Contribution Margin	342,681	19.9%	332,785	20.6%	3.0%
Sales, marketing and commercial costs	(176,152)	(10.2%)	(170,603)	(10.6%)	3.3%
Other structural costs	(76,995)	(4.5%)	(75,827)	(4.7%)	1.5%
Other income and expenses	9,927	0.6%	7,621	0.5%	30.3%
EBITDA	99,460	5.8%	93,977	5.8%	5.8%
EBITDA without IFRS 16 effect	82,003	4.8%	76,967	4.8%	6.5%
Amortisation of brands	(2,612)	(0.2%)	(2,646)	(0.2%)	(1.3%)
Amortisation of other intangible assets	(10,493)	(0.6%)	(9,790)	(0.6%)	7.2%
Depreciation of tangible assets	(48,793)	(2.8%)	(46,982)	(2.9%)	3.9%
Impairment	(606)	(0.0%)	(49)	(0.0%)	n.s.
Extraordinary income / (charges)	(4,272)	(0.2%)	(2,228)	(0.1%)	91.7%
EBIT	32,684	1.9%	32,283	2.0%	1.2%
EBIT without IFRS 16 effect	31,390	1.8%	29,902	1.8%	5.0%
Financial income / (charges)	(22,168)	(1.3%)	(23,876)	(1.5%)	(7.2%)
Net foreign exchange gains/(losses)	(977)	(0.1%)	(598)	(0.0%)	63.4%
Costs for discounting employee benefits	(267)	(0.0%)	(448)	(0.0%)	(40.5%)
Income / (charges) on shares	12	0.0%	0	0.0%	n.s.
Earnings before taxes	9,284	0.5%	7,360	0.5%	26.1%
Income taxes	413	0.0%	1,809	0.1%	(77.2%)
Net profit for the year	9,698	0.6%	9,169	0.6%	5.8%
Net profit for the year without the IFRS 16 effect	9,729	0.6%	8,007	0.5%	21.5%

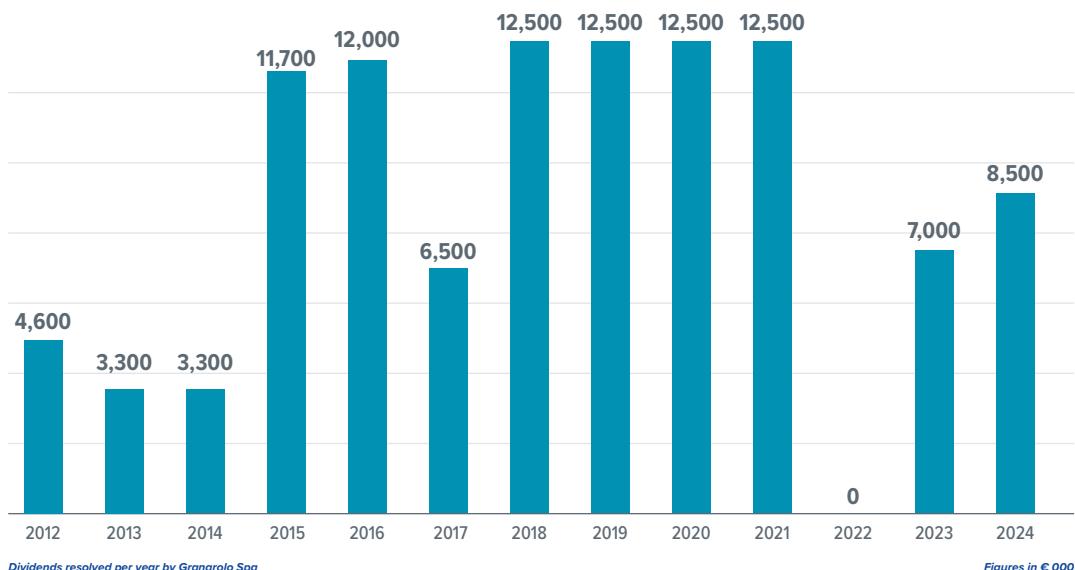
EBITDA and EBIT are not identified as unambiguous accounting measures, either as part of the Italian Accounting Standards or as part of the IFRS adopted by the European Union. Therefore, their calculation may not be unique and the valuation criteria adopted by the Group may not necessarily be the same as those adopted by other Groups and therefore, its value may not be comparable therewith.

A reclassified statement of financial position is presented below, showing total net invested capital and the corresponding sources of financing: from capital contributions (equity) and financial debt. For the main KPIs, we show the figures without the application of IFRS 16 for operating leases.

GRANAROLO GROUP RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)			
VALUE	31/12/2024	31/12/2023	CHANGE
Trademarks with an indefinite useful life	59,625	59,625	0
Trademarks with a definite useful life	14,998	17,636	(2,638)
Goodwill	111,429	111,406	22
Right of use of tangible assets	74,770	76,704	(1,934)
Intangible assets	37,534	34,815	2,719
Tangible assets	457,307	406,130	51,177
Investments in subsidiaries and other companies	3,058	3,027	31
Other non-current assets	13,096	9,252	3,844
Total assets	771,816	718,595	53,221
Inventory	176,447	185,009	(8,562)
Commercial credit	163,465	122,781	40,684
Commercial debt	(525,648)	(480,900)	(44,748)
Commercial net working capital	(185,735)	(173,110)	(12,625)
Debts towards personnel and social security institutes	(20,745)	(20,189)	(556)
Other assets	31,207	23,010	8,197
Other liabilities	(21,084)	(19,307)	(1,777)
Tax debts and credits and deferred taxes	52,184	37,131	15,053
Total other Assets and Liabilities	41,562	20,646	20,917
Severance pay	(11,742)	(12,857)	1,115
Provisions for risks and charges	(17,183)	(15,250)	(1,934)
Total funds	(28,926)	(28,107)	(819)
Net invested capital	598,717	538,024	60,693
Assets and liabilities held for sale	930	930	-
Total net invested capital	599,648	538,954	60,693
Equity	361,154	360,586	568
M/L-term financial debt	314,096	355,996	(41,900)
Short-term financial debt	289,236	192,824	96,412
Financial assets and liquid funds	(364,838)	(370,452)	5,615
Net financial position	238,494	178,368	60,126
Net financial position without IFRS 16 effect	(189,762)	(129,529)	(60,234)
Equity and net debt	599,648	538,954	60,693

In April 2024, the Shareholders' Meeting approved the distribution of a dividend of €8.5 million.

TREND OF DIVIDENDS FOR THE PERIOD 2011-2024



Generated and distributed economic value

GRI 201-1

Income from typical operations (sale of products and services) and from accessory operations (shares and other financial activities) represent the economic value generated by the company, which is mostly distributed among the stakeholders with which the Group has various types of relations in its everyday activities.

This wealth is used to pay stakeholders who have had economically relevant relations with the company and have contributed resources such as work, investments, loans, public utility services, socially useful programmes, etc., contributing to generate Granarolo's economic wealth.

The economic value left over is withheld by the company system itself, by setting aside the resources necessary to develop the organisation (reserves and amortisation). Growth takes place by self-financing. These calculations show to what extent the Group stakeholders are involved in the positive distribution of the produced value.



Granarolo performed calculations of the generated and distributed value according to the setting established by the GRI Standard. It defines the dimensions of the distributed economic value: operating costs, remuneration and benefits, payments of capital to suppliers, payments to public administration and investments in communities. The data on the generated and distributed economic value is derived from the financial statements for the business year.

GRI 201-1

GENERATED AND DISTRIBUTED ECONOMIC VALUE (IN MILLIONS OF EUROS)

	2023	2024	ELEMENTS CONSIDERED IN THE ITEM
Directly generated economic value	1,640.8	1,742.4	
Revenues	1,640.81	1,742.43	Net sales plus revenue from financial investments and the sale of assets
Distributed economic value	1,578.2	1,673.7	
Operating costs	1,389.05	1,483.73	This includes, among other things, payments to suppliers, royalties, payment facilitations, etc.
Remuneration and benefits	141.98	144.16	Monetary payments for employees (including corresponding expenses, provided vehicles, and healthcare, but not including expenses for training and similar activities)
Payment to capital suppliers	42.17	40.60	All payments to the organisation's capital suppliers
Payments to Public Administration	3.32	3.47	Gross taxes
Investments in the communities	1.64	1.72	Voluntary contributions and investments in community funds (including donations, financing to political parties,...)
Retained economic value	62.7	68.7	



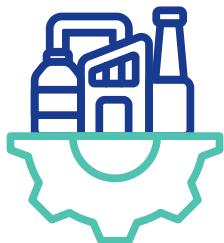
The challenges of the 2026-2029 strategic plan

A €160 million capital increase investment agreement was signed in March 2023, with the simultaneous entry into the shareholdership of Granarolo S.p.A. of Patrimonio Rilancio - National Strategic Fund (NSF), managed by Cassa Depositi e Prestiti (CDP) and ENPAIA, the National Mutual Fund for Agricultural Workers and Employees.

The capital strengthening transaction is part of the implementation of the Granarolo **Group's strategic plan**, which includes both significant organic growth objectives and extraordinary operations aimed at strengthening the group's competitive position in Italy and abroad.

This is an extraordinary capitalisation investment. The objectives that the Company intends to achieve through the implementation of the new plan are:

1. consolidate and increase its presence on the national market through digital transformation and innovation of the product chain,
2. to strengthen its position at international level,
3. innovate to anticipate new product solutions in a constantly evolving market.



FACTORY OF THE FUTURE:
PRODUCT, PROCESS AND
PACKAGING INNOVATION
INCLUDING THROUGH
DIGITALISATION/ARTIFICIAL
INTELLIGENCE

OBJECTIVES:

- OPTIMISED COMPETITIVENESS AND ENHANCEMENT OF SUPPLY CHAIN MILK
- IMPROVEMENT OF PERCEIVED QUALITY MEASURED ALSO ON NEW NEEDS
- FASTER DELIVERY AND FEWER RETURNS
- FORESIGHT OF PACKAGING REGULATIONS

In September 2023, the Board of Directors of Granlatte Società Cooperativa Agricola a r.l. appointed Simona Caselli as Chair of Granlatte. Simona Caselli works with General Manager Isaia Puddu, who has recently launched a sustainable transition of the supply chain, in synergy with the Department of Veterinary Medicine of the University of Milan, the Department of Veterinary Medical Sciences of the University of Bologna and the degree course in Sustainable Agricultural Systems at the University of Brescia. During 2024, Simona Caselli facilitated the presence of Granlatte and Granarolo in Europe by contributing significantly to the ongoing debate on the sustainability plans of the agro-livestock supply chains.

2.3 Internationalisation

In line with the growth of the Italian agri-food sector in the world, now worth over €50 billion, international development and growth represent an opportunity for the Group. The countries of reference are both the European countries, managed through the Group's branches, and those outside Europe, managed directly by local subsidiaries and by agreements with exclusive distributors.

Granarolo's results abroad for 2024 are encouraging, considering the pandemic and the war. The Granarolo Group currently **accounts for 40% of its turnover from abroad (33% from Europe and 7% from the rest of the world), up by 12.8%**. Contributing to the growth of overall exports (80% of Italian dairy exports go to Europe and 20% to non-EU countries) was the growth of foreign sales of Italian cheeses, confirming an expansionary trend that has been going on for years. For Granarolo, the foreign dairy market is worth €684 million (€582 million in 2022).

The most interesting markets are represented below, highlighting the data relating to exports of dairy products of Italy and the results of the Group.

France

Italian exports of dairy products to France, the biggest market for Italian products, were worth €930 million from January to October 2024, recording a 5.3% growth compared to the same period in 2023 (Source: CLAL YTD Oct '24).

In terms of sell-out (Hyper + Super channel), the total cheese segment is worth €5,848 billion in sales (+0.8% compared to 2023) and within it, Italian products sold off-the-shelf account for 8%, with a value of €647 million (+3.5% compared to 2023).

Among Mediterranean cheeses, the fresh cheese segment is worth €583 million at sell-out (+2.5% vs 2023) while the Italian hard cheese segment is worth €180 million at sell-out (+4% vs 2023).

In France, looking at the 2024 total and focusing on the Mediterranean cheese market, the Granarolo Group with its Casa Azzurra brand is the third largest player in the market with a value share of 13.2% (+0.8 pts vs 2023), following the Lactalis Group and its Galbani brand with 14.8% value share (-1.0 pts vs 2023). The market is overseen by Private Labels with 50.3% value share (up +1.3 points vs 2023).

If we focus on the month of December, Casa Azzurra became the number one brand in terms of value of total Italian cheeses, with a value share of 15.9%, surpassing Galbani at 14.9%.

In the off-the-shelf mozzarella sector, Private Labels recorded a market share of 51.9%, up +2.4% compared to 2023, and with a volume share of 58.9%, up +1.7% compared to 2023. In 2024, the Granarolo Group is the second biggest brand with Casa Azzurra, with a market share of 11.2%, up +0.3 pts compared to 2023, and with a market share of 10.3%, down by -0.7 pts compared to 2023. The Lactalis Group retained its leadership position (excluding PL) with a market share of 25.9%, down (-2 pts compared to 2023), and with a market share of 23.4%, down by -2.2 pts compared to 2023.

Looking at the various market segments as well, the Granarolo Group in France also establishes itself as:

- 1st-ranking brand player in both volume and value terms for buffalo mozzarella (with a volume share of 17.6% and a value share of 18.3%), ricotta (with a volume share of 18.7% and a value share of 19.1%), burrata (16.5% volume and 17.4% value) and hard cheeses (with a volume share of 18.5% and a value share of 21.3%).
- 2nd-ranking brand player by volume in the mascarpone segment (volume share of 9.8% and value share of 12.2%) and cow mozzarella (volume share of 11.9% and value share of 11.4%).

Source: Nielsen Retail HSM Actual 2024

United kingdom

Italian exports of cheese and dairy products to the United Kingdom reached €311 million in the first 10 months of 2024, up by 3.7% compared to 2023. Fresh cheeses recorded €124 million, up 2.7%, while hard cheeses are worth €178 million, up 5.6% compared to the first 10 months of 2023.

In terms of volumes, the Granarolo Group represent 12.7% of Italian exports of dairy products to the UK. The Group is also an important player in the private label sector as a producer of fresh and hard Italian cheese for some retail chains.

Sources: Data CLAL / ISTAT YTD October 2024 total cheeses and dairy products, milk and cream, butter, baby milk.

Other European markets

Italian exports of dairy products to the European market (excluding France and the UK) totalled 340,948 tonnes in the first 10 months of 2024 (+10.6% vs. previous year) with a value of €2.5 billion (+8.2% vs. previous year).

In terms of its share of exports of Italian dairy products, the Group has achieved significant positions in the main countries in which it operates with the direct support of its subsidiaries: 27.7% volume share in the Baltic countries, 11.5% volume share in Sweden, 7.0% volume share in Greece, 6.5% volume share in Greece and 4.0% volume share in Poland.

Sources: Data CLAL / ISTAT YTD October 2024 total cheeses and dairy products, milk and cream, butter, baby milk

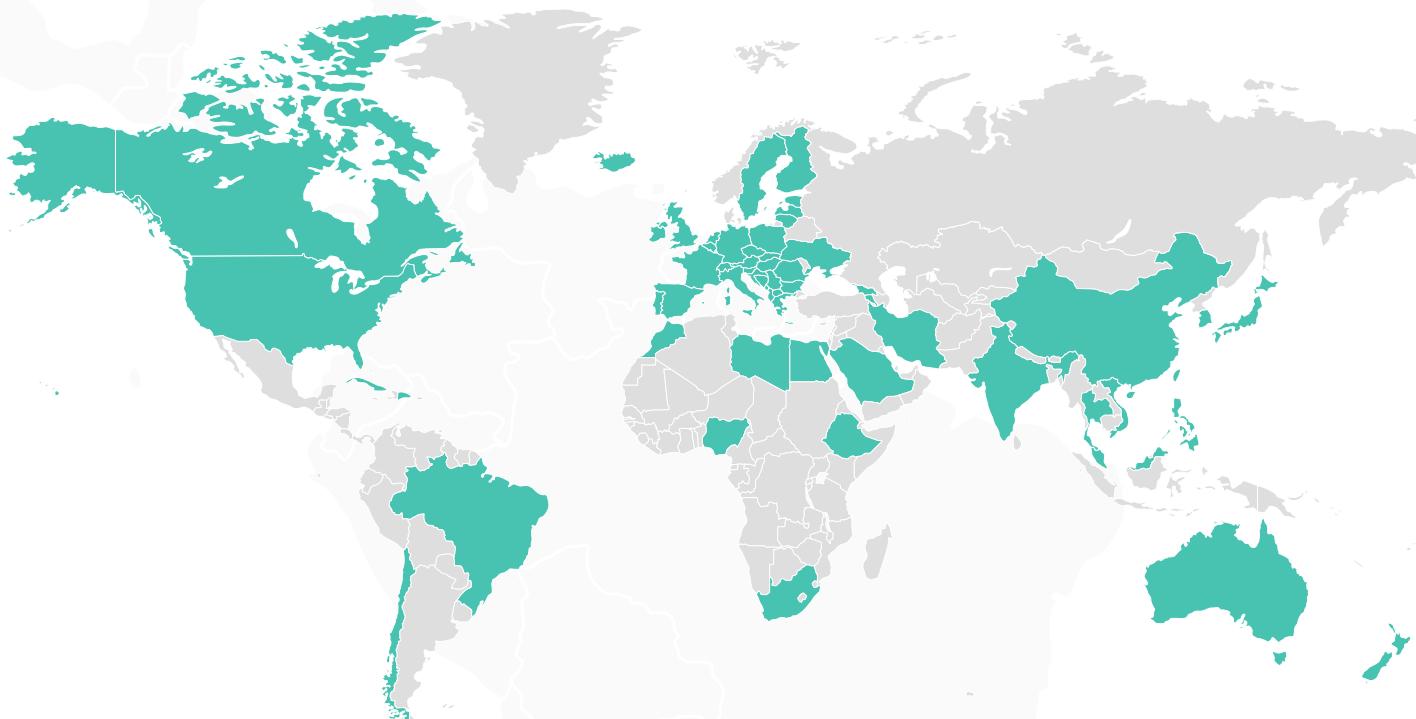
Overseas markets

Italian exports of dairy products to Overseas markets reached a total volume of 114,120 tonnes in the first 10 months of 2024 and a value of €972 million, with a growing trend versus the previous year of +12.2%.

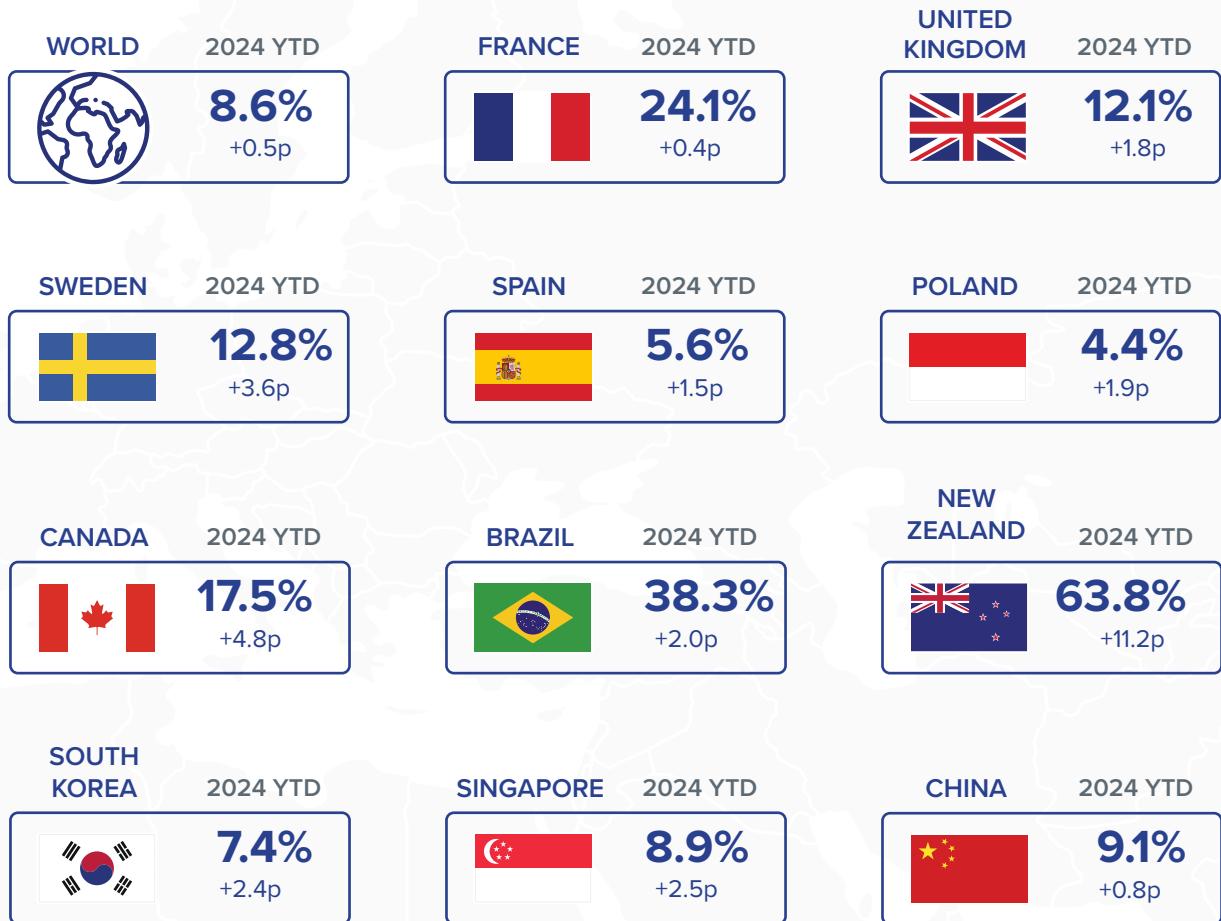
In terms of its share of exports of Italian dairy products, the Group has achieved significant positions in the main countries in which it operates. Holding one of the most important competitive positions in terms of exports, the Group has a volume share of 19% in Canada, 6.7% in South Corea, 22.7% in Saudi Arabia, 9.2% in China and 21% in Brazil.

Sources: Data CLAL / ISTAT YTD October 2024 total cheeses and dairy products, milk and cream, butter, baby milk and internal data

COUNTRIES WHERE THE GROUP IS PRESENT WITH ITS PRODUCTS



GRANAROLO 2024 SHARES OF ITALIAN DAIRY EXPORTS VS. MAIN COUNTRIES - VOLUME DATA



Source: Clal; sell-in data for milk, cream, cheese, butter, baby milk - Annual volume data (last updated Dec. 2024)

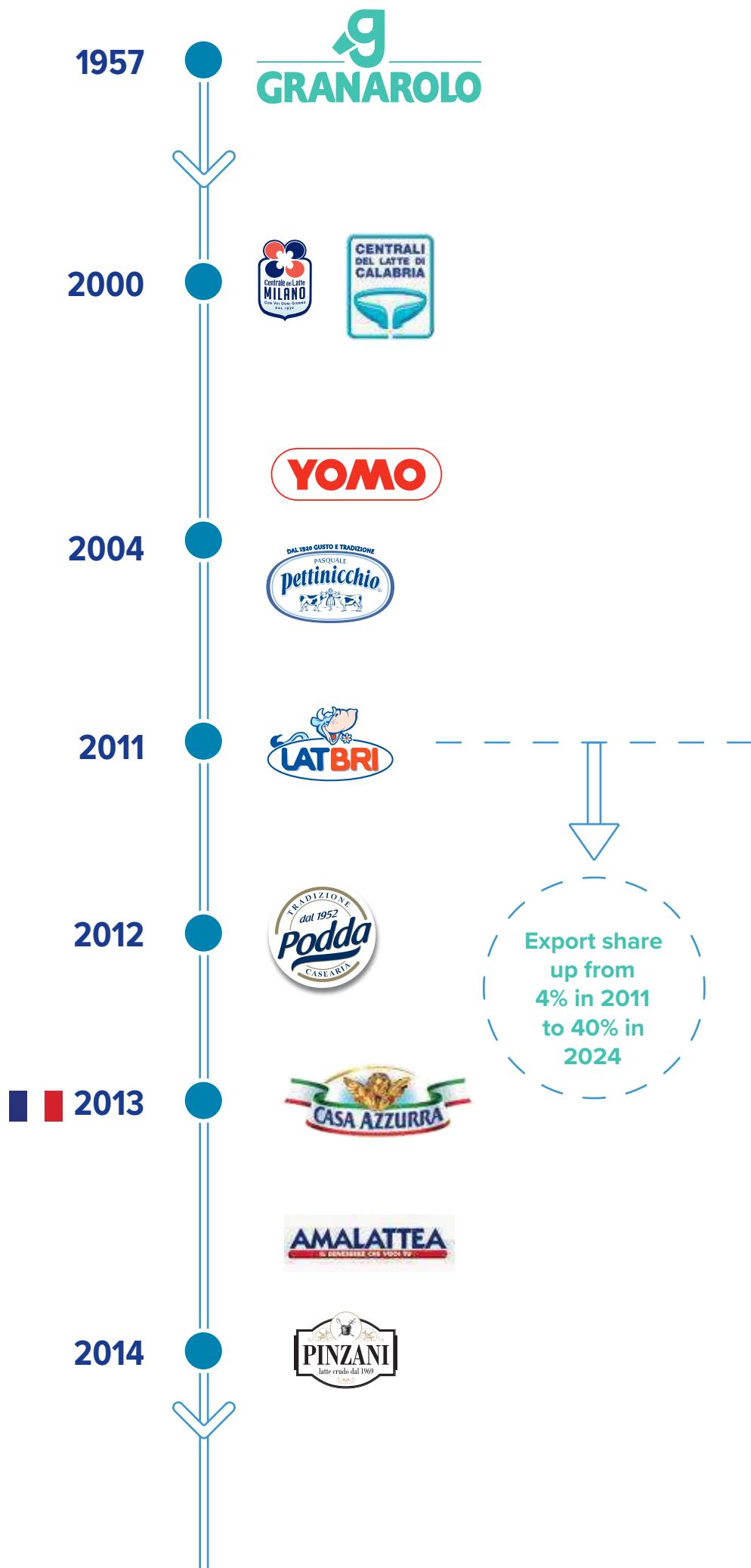
2.4 Acquisition of assets and strategic partnerships

GRI 2-6

The company's strategic positioning has been achieved by its consolidation on the global markets, both through solid organic growth and, where necessary, partnerships with other Italian operators, and will continue to be so in the future.

Its growth through M&A has enabled it to consolidate a team with very strong and diverse management and business capabilities, which will form the foundation for success of the future plan.

THE M&A PROCESS OF THE GRANAROLO GROUP





Establishment of the company Granarolo Polska S.p.z.o.o.

On 26 February 2024, the company Granarolo Polska S.p.z.o. was established. The 100%-owned company is based in Warsaw to oversee and develop the markets of Eastern Europe. Commercial operations of the company are expected to start in early 2025.

Establishment of the company Maremma 1961 S.r.l.

On 8 March 2024, Granarolo S.p.A. established the company Maremma 1961 S.r.l. The 100% owned company signed a lease for the business unit relating to the production and marketing of milk of the Latte Maremma Producers Consortium, a historic Tuscan cooperative with a strong commercial presence in the territory.

The activity relating to the collection and supply of milk will remain the responsibility of the Consortium of Latte Maremma Producers soc.agr.coop. which will supply milk to Maremma 1961 and which will ensure, always under the Latte Maremma brand, the same territoriality and quality of products.

The plant in the province of Grosseto joins the Granarolo plant of Tuscan PDO pecorino cheese in the region with the Pinzani brand. The objective is to develop the dairy sector in Tuscany by better protecting the 26 member companies of the cooperative that produce 16,000 tons of milk/year, ensuring employment protection and maximum operation of the Grosseto plant.

Fusion Mulino Formaggi S.r.l.

On 12 September 2024, by deed of Federico Rossi, Notary in Bologna, the company Mulino Formaggi S.r.l. was merged by incorporation by the sole shareholder Granarolo SpA with legal effect from 1 October 2024 and with accounting and tax effects of the merger starting from 1 January 2025.

Establishment of the company Granarolo Trading Shanghai

On 10 December 2024, the company Granarolo Trading Shanghai (100% owned) was established with headquarters in Shanghai to oversee and develop the Asian markets. Commercial operations of the company are expected to start from 1Q 2025.

Purchase of 100% of the company Immosarda S.r.l.

On 17 January 2025, Granarolo S.p.A. exercised the call option, acquiring 100% of the shares of the company Immosarda S.r.l., a real estate company that owns the Cagliari production site, currently leased to Casearia Podda S.r.l.

The company, which adopts Italian accounting standards, will be consolidated starting from March 2025.





ZOOM

Sustainable Finance

Between late 2019 and early 2020, Granarolo has agreed with **BNL Gruppo BNP Paribas** on a sustainable linked loan of €30 million, the first in the food & beverage sector. In particular, the Bank supports Granarolo's development and implementation of several industrial activities aimed at further reducing, over five years, the consumption and weight of plastic from packaging, further facilitating the recycling and reuse of this material and - through investment in research and innovation - experimenting with alternative materials and forms of production having a lower environmental impact.

With many initiatives already underway and requiring strong investments, Granarolo also wants to continue to promote a quality food offer that supports the growth of producers, while preserving natural resources. Based on these premises, at the beginning of 2022 Granarolo structured a **further sustainable finance transaction with Banca Intesa** for €60 million for a duration of 6 years, tying the pricing of this loan from 2023 onwards to the achievement of two objectives: the **ecological transition of the supply chain** with a consequent reduction in CO₂ emissions equivalent per kg of milk produced and a **step away from the use of virgin and non-recyclable plastics**.

2.5 Process and product innovation with a focus on sustainability

GRI 2-6

Process and product innovation and focus, supply chain and processing, foreign and domestic markets are the building blocks of an overall sustainable growth project. .

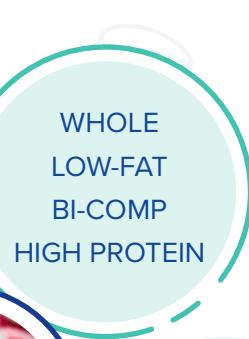
GRANAROLO PRODUCTION



MILK



FRESH DAIRY



WHOLE
LOW-FAT
BI-COMP
HIGH PROTEIN



YOGHURT
AND DESSERT



SCAMORZA
CACIOTTE
GOAT SPECIALITIES
SHEEP
SPECIALITIES



SPECIALITY
CHEESES



CREAM
BUTTER
MASCARPONE
RICOTTA



PROFESSIONAL



PARMIGIANO
REGGIANO
GORGONZOLA
PECORINO ROMANO
PECORINO TOSCANO
PECORINO SARDO
CACIOCAVALLO
ASIAGO



PDO
CHEESES



PASTA



NON-DAIRY



SNACKS

The year 2024 was also characterised by intense research and development of new processes and new products. Many new trends emerged over the months: sustainability, Italian style and proximity became highly valued, and tradition, health and well-being became more closely linked to the idea of healthy lifestyles and protein foods.

Innovation is one of the Granarolo Group's strategic priorities in Italy, as evidenced by the important positioning achieved to date:



1st CONTRIBUTOR
to growth of the **DAIRY MARKET**

1st PLAYER
in the **STANDARD MILK** market

1st PLAYER
in the **ORGANIC MILK** market

1st PLAYER
brand in the market of
HIGH PROTEIN CHEESES

1st PLAYER brand in the market of
**ITALIAN HARD CHEESES
IN FRANCE**



2nd PLAYER
brand in the **FRESH CHEESE** market

2nd PLAYER brand in the **ITALIAN FRESH
CHEESE MARKET IN
FRANCE**



3rd PLAYER
In the **WHOLE YOGHURT** market

Innovation also concerns the optimisation of production processes, with constant support also for foreign industrial sites and the development of new product distribution models, capable of intercepting the new purchasing habits of families also in light of the impact of the pandemic.

Innovation continues to be one of the fundamental levers for the growth of the company. The development of new products is a response to the careful analysis of consumer needs, which increasingly focus on functional foods linked to well-being and the study of the various contexts in which these products will be sold. Therefore, in 2024 the entire company was focused on identifying new targets, new markets or new consumption opportunities to enhance the excellence of the supply chain raw material.

The activity aimed at reducing the environmental impact of packaging was also increasingly effective, with particular attention to the reduction of plastic content, the use of recyclable plastics, the replacement of plastic material with environmentally friendly material.

2024 proved to be an important year on the innovation front. As regards **cheeses**, in April **Burrata protein** was launched, making it possible to expand the portfolio of functional products with a flagship typical of the Apulian tradition redesigned as a completely out of the box recipe, with 20g of protein per serving.

The Gioia del Colle plant has become the cradle of the new **Perla** cheese brand.

Initially dedicated exclusively to milk production between October and November 2024, the first **burrata**, the first **fior di latte**, the first **nodini**, **ricotta** and **Perla stracciatella** Made in Puglia took shape.

In September 2024, **the recipe for erborinato al tartufo** made at the Casalino site was also revised. The researchers worked on the recipe to improve its quality and taste, to satisfy consumers and to expand the marketing of the product. The **Gorgonzola dolce PDO** with 120-day shelf life also arrived on shelves.



In the course of 2024, important recognition was achieved. **Granarolo took home 10 medals at the 36th edition of the World Cheese Awards**, one of the most important international events dedicated to cheese. Promoted by England's Guild of Fine Food magazine, the event was held in Norway, where producers, retailers, **buyers and food critics from all over the world came together to judge 4,786 cheeses from 47 countries**.



WE ARE PROUD TO ANNOUNCE THAT:

10

GRANAROLO CHEESES

have won the
World Cheese Awards 2024

out of more than 4,000 cheeses from 40 countries.



SILVER MEDAL

**MOZZARELLA FIORDILATTE
PETTINICCHIO**

in the category of COWS' MILK MOZZARELLA

PERLA BURRATA

in the category of COWS' MILK BURRATA

SOFT PECORINO TOSCANO PDO

in the PDO PECORINO category

SPICY GORGONZOLA PDO

in the category of GORGONZOLA PDO

TRUFFLE BLUE CHEESE

in the category of SOFT COWS' MILK
CHEESE WITH ADDITIVES



BRONZE MEDAL

IL SAGGIO

in the category of SEMI-HARD GOATS' MILK
CHEESE

LA PRIMA

in the category of SEMI-HARD GOATS' MILK
CHEESE

TENERINA

in the category of SEMI-HARD GOATS' MILK
CHEESE

STRACCHINO

in the category of COWS' MILK CHEESE
(FRESH)

PERLA MOZZARELLA

in the category of COWS' MILK MOZZARELLA

For the world of **milk and ingredients**, the year 2024 was devoted to studying new technologies and small changes aimed at consolidating the solidity of products, their quality and laying the foundations for future steps forward.

In May 2024, the recipe for **béchamel** was modified, with a different flour used to obtain a better product yield. With a view to cost optimisation projects, buttermilk was replaced in the **cream** product, exploiting internal resources that have allowed significant economic savings and guaranteeing the 100% Italian origin of the product. **Organic UHT milk** was placed on the market. In the last months of the year, the project concerning a new product, **Expert Milk**, was finalised. It will enter the large-scale distribution market in the early months of 2025. This type of milk has been developed with the aim of ensuring optimal whipping, ideal for preparing a cappuccino in a state-of-the-art way right at home.

In the world of plants, the spring wind brought a new season of taste and innovation. The **Unconventional** brand introduced three products that rewrite the rules of plant-based nutrition: **falafels**, **plant-based seafood bites** and **plant-based ribs**.

Silken tofu, Mediterranean tofu cubes, strips and mini burgers also arrived in spring 2025. These proposals cross Italian borders, thanks to their ability to combine flavour, quality and sustainability.

For **plant-based drinks**, where Granarolo has been able to conquer an important market niche, small changes (the oil used in the **rice plant-based drink** and the aroma in the **soy plant-based drink**) were introduced.

Yomo, a leading **yoghurt** brand, enriched its **OH MY YOMO** range with **three new proposals** designed to surprise and satisfy the most curious palates. These are original combinations that combine tradition and creativity: the delicate strudel flavour enriched with crunchy biscuits, **the exotic mango yoghurt** embellished with **crunchy chocolate-coated rings** and the enveloping **coconut yoghurt** complemented by a **cocoa crumble**. Three variants that reinterpret the concept of yoghurt, transforming it into a sweet indulgence and an unprecedented experience. The expansion of the Oh My Yomo line was accompanied by the





introduction of two new flavours in the **YOMO range: peach and raspberry and pomegranate**, designed to offer a fresher and fruitier taste experience.

Spring 2025 saw the appearance of the new **Yomo Kefir** line (delactosed) and the **low-fat, whole white Yomo yoghurt**, with no added sugars.

A line of **Granarolo Benessere High Protein** desserts has found favour among our consumers due to its high protein content (20g of protein per pot) with little fat and no added sugar.

2024 ended with an important innovation regarding the **Amalattea** brand **goat yoghurt** product: work was done to create a yoghurt obtained from solid curd, unlike most industrial yoghurts, which use shattered curd. This gives the product a more intense flavour.

The **Granarolo-Paltrinieri** partnership therefore aims once again to intercept a consumer target more attentive to physical well-being and to represent values such as healthy nutrition and sportsmanship, setting a positive example in particular for the new generations.

There were many sporting events in which Granarolo participated during 2024:

- Run Rome - The Marathon – 15-17 March 2024
- StraBologna – 10-12 May 2024
- Rimini Wellness – 30 May-2 June 2024
- Marathon of the Dolomites – 4-7 July 2024
- Giro dell'Emilia – 5 October 2024

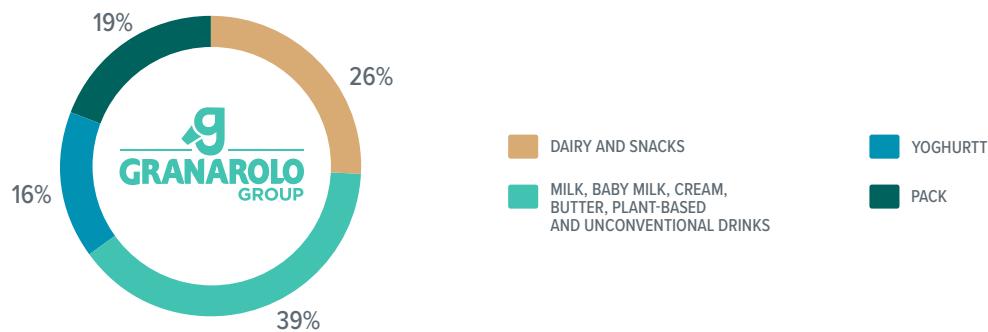
Packaging Research projects have become increasingly important with the aim of fully meeting the requirements of **Environmental Sustainability** in terms of:

1. reduced consumption of plastic materials
2. use of recyclable and recycled packaging
3. use of recyclable material

No less important were the projects related to the **eco-design** of packaging, which is dealt with in detail in the specific section of chapter 7. Close collaboration with **recycling centres and converters** was also started for the use of R-PET, derived from the same milk bottles, aiming at an increasingly circular economy.

The following is a breakdown of R&D time on the various activities.

R&D PROJECTS CONCLUDED IN 2024



We have been working for two years on the efficiency of the production plants in a completely new way. The challenge: to promote a path of digital transformation in an economic context conditioned by inflationary effects with negative repercussions on business costs.

During 2024, a further step towards the Factory of the Future was taken.

The most significant work sites are:

- At the Pasturago plant in Vernate – the renewal of all milk lines (in progress).
- At the Pasturago plant in Vernate – the renewal of all the yoghurt lines (in progress).
- At the Pasturago plant in Vernate – the creation of a new vertical development logistics hub (in progress).
- At the Gioia del Colle plant – the creation of a dairy (first phase completed).

2.6 Brand awareness and reputation monitoring

As in previous years, the Granarolo Group's work in 2024 was underpinned by an understanding that the competitive challenge requires strong commitment in various areas.

Aware of the fall in consumption of certain products (especially of fresh milk also as a consequence of the pandemic), the growth strategy adopted by the Group seeks to take advantage of emerging opportunities.

In particular, Granarolo has chosen to consider its **supply chain** as its main asset.

Granarolo's main customers in Italy are represented by the Large-scale distribution, Normal Trade and Food Service channels. The large-scale distribution accounts for about 70% of Granarolo's turnover on its own. In order to better understand the data contained in this paragraph, it should be noted that research institutes are only able to monitor sales recorded by modern distribution. All information on market sizes and trends refers to the Iper+Super+Superette channel, in the year ending 2024 (Source: Circana). Therefore, sales of the other channels (Normal Trade, HO.RE.CA. and Discount) are not monitored.

When reading the data on market trends, it should be taken into account that the variations could also derive from a shift in consumption between channels and not only from a real change in consumption.

Fresh milk

In 2024, the amount of milk produced by the fresh milk market (excluding the lactose-free segment) was 326,936 tonnes, a 4.8% reduction compared with 2023; the market was worth €583,806 million, down -5.2% on the previous year (p.y.).



The "Alta Qualità" fresh milk segment developed volumes of 92,149 tonnes (-4.5% vs. p.y.) for a value of €164.1 million (-5.0% vs. p.y.); the "semi-skimmed" fresh milk segment also recorded a decrease in volume with 72,408 tonnes (-9.0% vs. p.y.) for a value of €128.9 million (-9.3% vs. p.y.).

The "long life" is the main segment of the market; it developed 119,471 tonnes for a value of €194.3 million and recorded a negative trend in terms of both volume (-2.5% vs. p.y.) and value (-2.6% vs. p.y.).

The "organic" segment, which is worth 23,387 tonnes and €46.8 million, recorded a downward trend in terms of volume (-4.0% vs. p.y.) and in terms of value (-5.4% vs. p.y.).

Sources: Circana I+S+LSP –AT 2024

UHT milk

In 2024, the "UHT" milk market recorded 931,026 tonnes, slightly down by -2.7% compared to 2023 volumes; in terms of value, it recorded €1,215 million with an downward trend of -6.1% compared to the previous year.

The first segment of the market remains standard "semi-skimmed" milk, 543,099 tonnes for a value of €594.2 million; values compared to the previous year: up -4.1% in terms of volume, down -8.7% in terms of value. The "high digestibility" segment grew in 2024, but remained the second segment of the market, developing 229,940 tonnes (+3.2% vs. p.y.) for €384.5 million (-0.1% vs. p.y.).

The third segment is the standard "whole" milk: 110,071 tonnes (-3.1% vs. p.y.) for €146.2 million (-6.4% vs. p.y.).

Sources: Circana I+S+LSP –AT 2024

Yoghurt

In 2024, the yoghurt market totalled volumes of 383,655 tonnes, on an upward trend compared with the previous year. (+5.7%). In terms of market value it was worth €1,794 million, up +4.9% compared to the same period in 2023.

"Whole" yoghurt is confirmed as the first segment of the market, developing 124,454 t (+1.9% vs. p.y.) and €449,098 million (+1.1% vs. p.y.).

The segment of "santè bere" is the second segment of the market, developing 58,361 tonnes and €231.13 million, up in value by +7.7% vs. p.y. and in terms of volumes, +13.4% vs. p.y., driven by the growth of Kefir Bere which recorded a strongly positive trend of +32.6% vs. p.y. in volume and 31.6% vs. p.y. in value.

The segment of "santè al cucchiaio" is the third in the market, developing 49,072 tonnes and €240.8 million, with value up by +7.9% vs. p.y. and, unlike 2023, returned to growth in volume of 8.8%.

The market for pure "Greek" yoghurt, excluding high protein products, recorded significant growth in volume of 47,513 tonnes per year (+21.7% vs. p.y.) and in value with an increase of +18.1% vs. p.y., reaching €350.5 million.

The "high protein" yoghurt segment, on the other hand, recorded a decrease in volume of -1.5% vs. p.y. and in value of -10.4% vs. p.y.

The "low-fat" yoghurt segment recorded 44,641 tonnes and €150.6 million over the period considered, with a decline in volume (-1.8% vs. p.y.) and value (-2.8% vs. p.y.)

The "two-component yoghurt" segment recorded an increase in volumes compared to the previous year (+4.4% vs p.a., at 21,178 t), an increase in terms of value (+3.3% vs p.a., at €130.6 million).

The "children's" yoghurt segment is stable, with a slight increase in volume (+1% vs. p.y.), developing 8,914 tonnes and a slight decrease in value (-0.2% vs. p.y.), reaching €63.8 million.

The "Drink" and "Anti-cholesterol" segments contracted in volume and value, registering respectively 7,540 tonnes (-15.4%) and €22.2 million (-17% vs. p.y.) and 6,617 tonnes (-1.8%) and €47.4 million (-3.1%).

The "plant-based" yoghurt segment grew again, developing 7,889 tonnes (+3.7%) and €52.3 million (+4.8%).

Finally, the "goat" yoghurt segment recorded growth in volume and value, developing 547 tonnes (+36.1%) and €4.78 million (+28.8%).

Sources: Circana Iper + Super + LSP – AT 2024





Fresh cheeses

The performance of four categories of this sector is shown below:

- Mozzarella: increase by volume (115,795 tonnes, +1.6% vs. p.y.) and decrease by value (€1,147 million, -0.7% vs. p.y.);
- Crescenza: increase by volume (22,080 tonnes, +0.6% vs. p.y.) and decrease by value (€255 million, -2.1% vs. p.y.);
- Ricotta: increase by volume (20,963 tonnes, +2.7% vs. p.y.) and increase by value (€123 million, +1.4% vs. p.y.);
- Mascarpone: down both in volumes (9,603 tonnes, +0.4% vs. p.y.) and value (€82 million, -2.3% vs. p.y.).

Sources: Circana Infoscan Iper + Super + LSP – AT 2024

Vegetable products

In 2024, the Plant-Based Drinks market recorded a value of €254 million, up 2.3% compared to 2023, developing 111,637 tonnes (+5.2% vs. p.y.). The market for "vegetable alternatives to yoghurt" is worth €52 million and recorded growth of 4.8%, while by volume the market is at 7,889 tonnes and registered an increase of 3.7%.

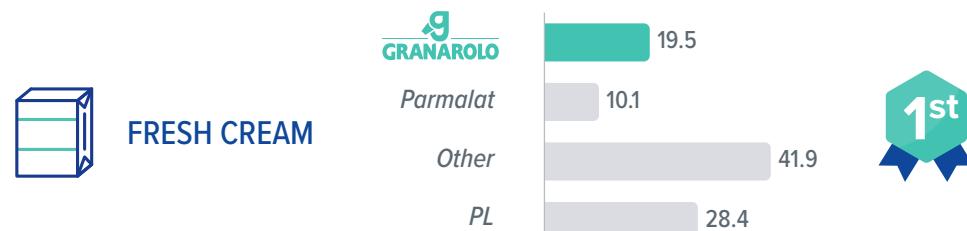
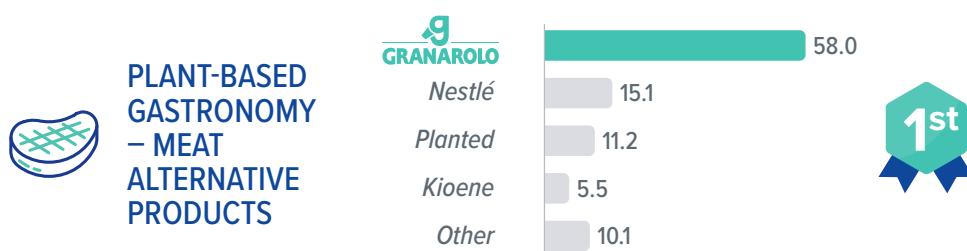
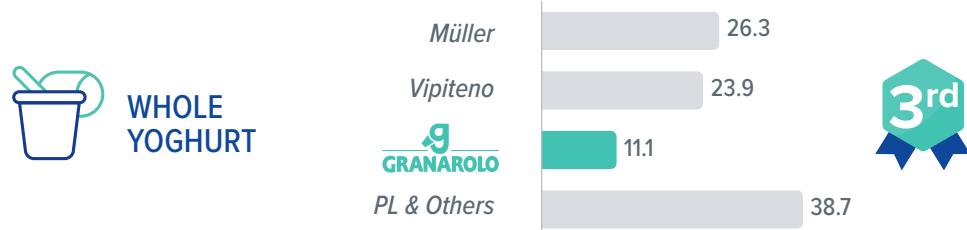
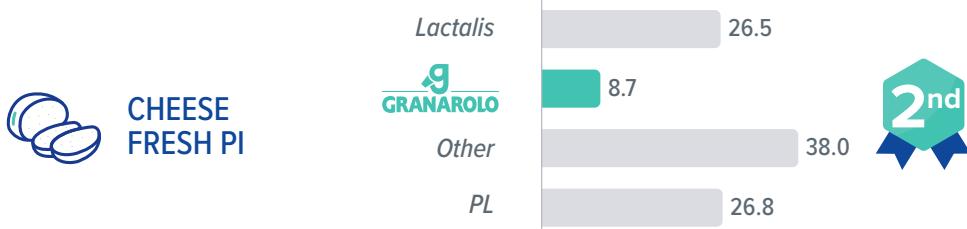
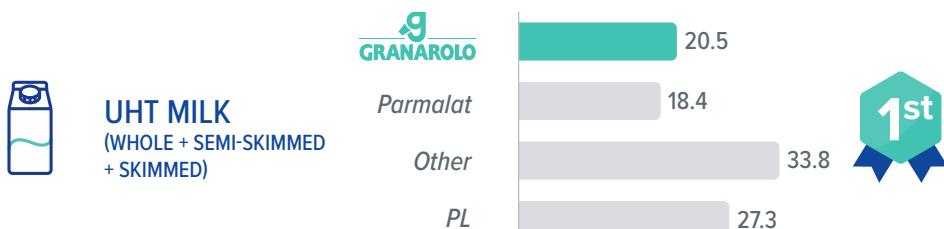
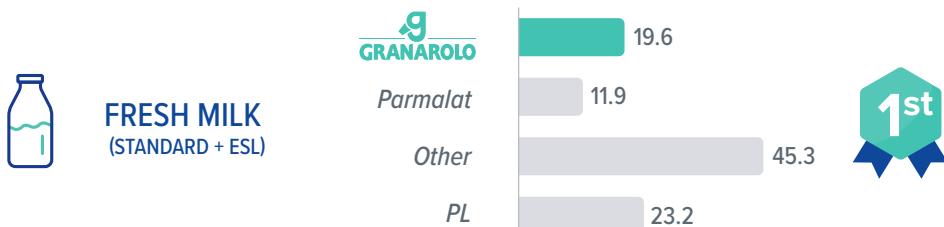
Sources: Circana I+S+LSP – AT 2024

Salty snacks

In 2024, the salty snacks market in large-scale distribution recorded a growth trend of +1.1% in volume and a growth of +2.1% in value with a turnover of €880.6 million. The market is mainly driven by the Potato category +0.7% (category leader with 51.0 points compared to the total of salty snacks) and Extruded +0.4%. The other categories are also growing, albeit on a smaller scale: Tortillas +5.7%, Popcorn +2.8% and Cocktail Snacks +0.9% vs. p.y.

Sources: IRI Infoscan Iper + Super + LSP – AT 2024

ITALY 2024 MARKET SHARES - BY VALUE

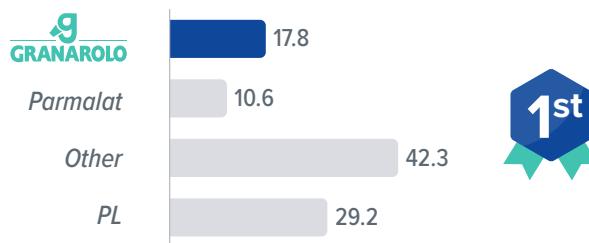


Source: CIRCANA I+S+LSp (Total year 2024)

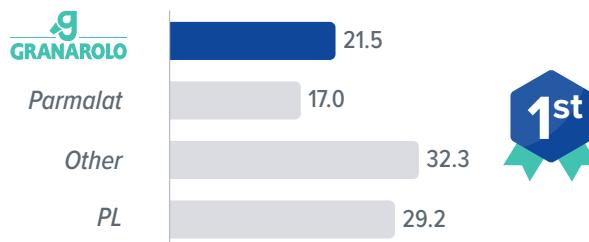
ITALY 2024 MARKET SHARES - BY VOLUME



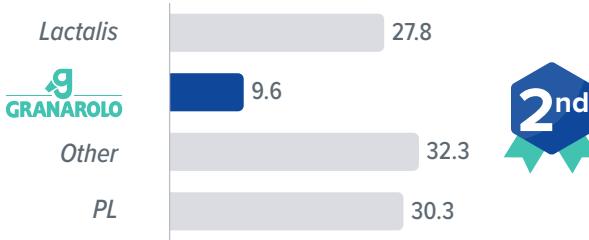
FRESH MILK (STANDARD + ESL)



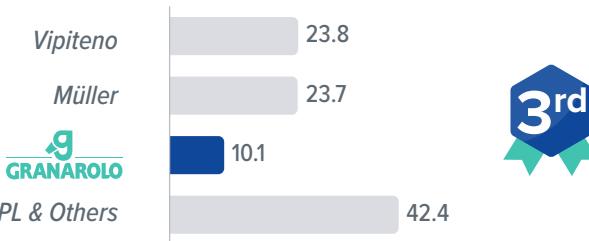
UHT MILK (WHOLE + SEMI-SKIMMED + SKIMMED)



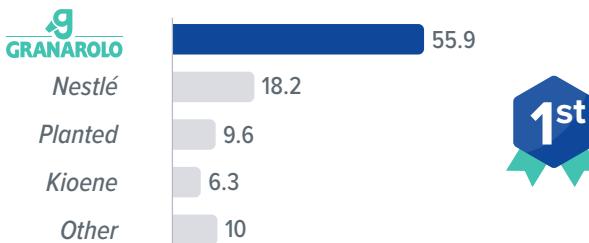
CHEESE FRESH PI



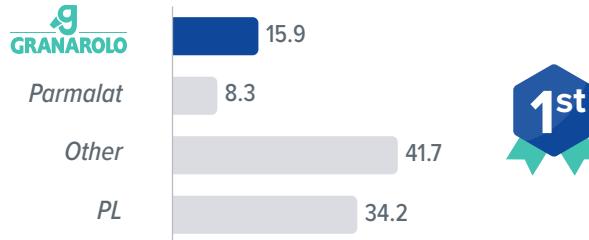
WHOLE YOGHURT



PLANT-BASED GASTRONOMY – MEAT ALTERNATIVE PRODUCTS



FRESH CREAM



Source: CIRCANA I+S+LSp (Total year 2024)

MARKET SHARE IN THE MAIN EUROPEAN COUNTRIES - ITALIAN CHEESES

GRI 2-6



Granarolo confirmed its position as the Italian market leader and one of the top Italian fresh cheese brands in many European countries



Casa Azzurra's development and consolidation of its leading position in the Italian fresh and hard cheese segment continues

Belgium and Luxembourg



CATEGORY	RANKING
Fresh cheeses	2 nd

Sweden



CATEGORY	RANKING
Hard cheeses	1 st

France

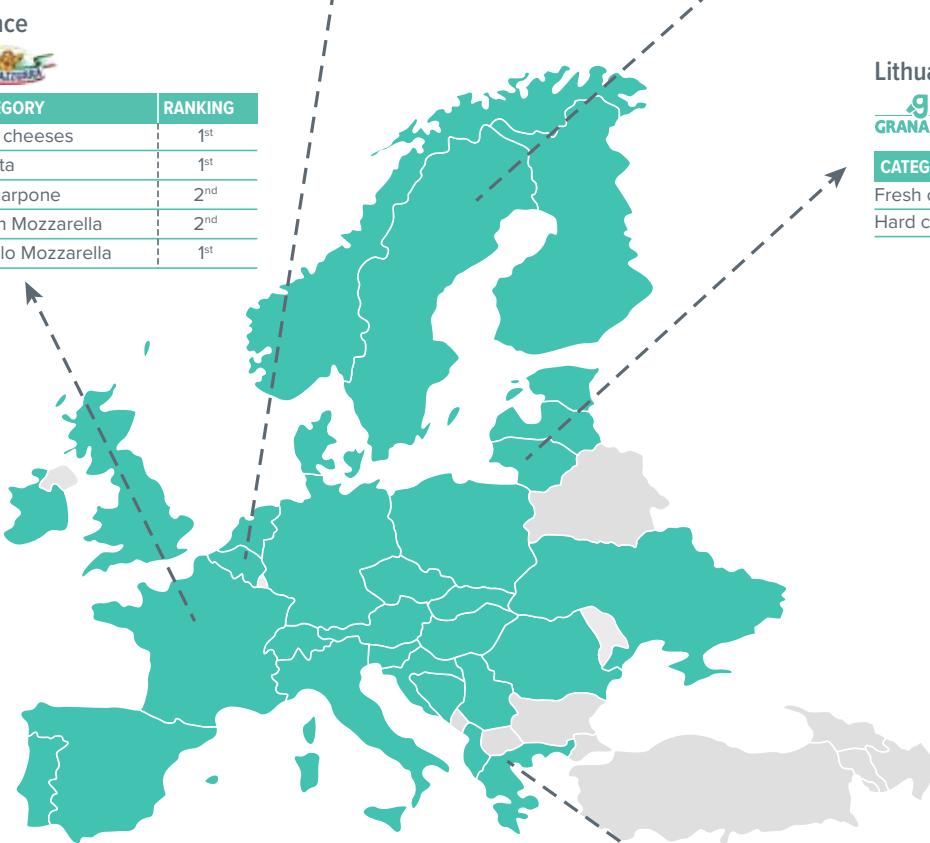


CATEGORY	RANKING
Hard cheeses	1 st
Ricotta	1 st
Mascarpone	2 nd
Italian Mozzarella	2 nd
Buffalo Mozzarella	1 st

Lithuania / Estonia / Latvia



CATEGORY	RANKING
Fresh cheeses	1 st
Hard cheeses	2 nd



Greece



CATEGORY	RANKING
Fresh cheeses	2 nd
Hard cheeses	3 rd

Note: Group's competitive positioning in the segments reported, excluding PL

2.7 Protecting the supply chain with a focus on sustainability

GRI 2-6

The Group's focus on the supply chain stems from its need to optimise the coordination of its many business activities towards specific product categories, with the aim of achieving the necessary levels of efficiency to continue competing even in more commodity markets.

At **supply chain** level, the agreement and the joint planning of farmer shareholder production activities have allowed for the constant growth and optimisation of the project-product supply chain, despite this difficult year. Despite the downturn in the Italian milk market, the Group can therefore absorb all of the (growing) volumes planned by Granlatte's shareholders. This is also true for Organic milk, for which the Granlatte - Granarolo supply chain is the most important in the country.

Granarolo has also decided to emphasise the value of controlling the supply chain more than in the past also in its proposition to the end consumer, for example by certifying the animal welfare at all its farms. The values of the supply chain and the traceability of each step are in fact increasingly important to those who buy a bottle of milk.

GRI 204-1

VALUE SHARED TO SUPPLIERS BY GEOGRAPHICAL AREA (THOUSANDS OF EUROS)

	2023	2024
Northern Italy	462,216	486,790
Central Italy	32,097	42,969
Southern Italy	93,276	105,231
Abroad	118,553	133,851
Total spending	706,144	768,843

VALUE SHARED TO SUPPLIERS BY GEOGRAPHICAL AREA (THOUSANDS OF EUROS)

	2023	2024
Italy	586,440	634,745
EU	119,194	132,908
World	509	1,189
Total spending	706,145	768,843

COSTS FOR PURCHASES (THOUSANDS OF EUROS)

TYPE OF ACCOUNT	2023	2024
Goods	1,128	1,183
Services	247	239
Use of third party assets	7.2	8.6
Grand total	1,383	1,430

Note: the data relating to the value provided to suppliers and those relating to the use of third-party assets in 2023 has been revised with respect to what is reported in the 2023 financial statements. The change is attributable to the extension of monitoring to France.

3

PROMOTING A SUSTAINABLE SUPPLY CHAIN MODEL







3

PROMOTING A SUSTAINABLE
SUPPLY CHAIN MODEL

OBJECTIVES

SCOPES	2024 OBJECTIVES	PROGRESS	NEW 2025 OBJECTIVES
PROMOTING THE MILK PROVIDED BY COOPERATORS	<p>Maintain and/or increase the % of supply chain milk</p> <p>Launch of the new GranFarm platform that will integrate quality, animal welfare, agronomic and livestock KPIs and environmental and social KPIs related to the new CSRD for all the farms in the supply chain</p> <p>Constant support for the supply chain price consistent with economic developments</p>	<p>The quantities of milk collected from the supply chain increased, amounting to 8,666,392 quintals of milk given to Granarolo + 301,088 quintals marketed to third parties</p> <p>Platform accessible to all members of the supply chain and training courses on the platform</p> <p>Average price paid by Granlatte €63/hl including VAT</p>	<p>Increase volumes of supply chain milk</p> <p>Activation of the dashboards of the platforms relating to milk production and quality</p> <p>Activation of partnerships for collecting data to measure sustainability</p> <p>Constant support in terms of price to the supply chain consistent with economic developments</p>
NEW ENTREPRENEURIAL SKILLS FOR THE SUPPLY CHAIN	Continuation of Next Generation Granlatte training	Continuation of lessons in hybrid mode to the great satisfaction of Granlatte young people	<p>End of the Next Generation Granlatte training programme scheduled for October 2025</p> <p>Journey aimed at getting to know a large European cooperative more closely</p>
PROMOTION OF ANIMAL WELFARE	<p>Evaluation of new indicators in the Bonlatte checklist for continuous improvement</p> <p>Continuation of the “environmental sentinel bees” project with Conapi and CCPB certification</p>	<p>Completed Bonlatte KPI assessment</p> <p>Audit on the project and activation of 11 farms (14,000,000 bees)</p>	<p>Adaptation to the new SQNBA ministerial certification relating to animal welfare</p> <p>Continuation of the “environmental sentinel bees” project with Conapi and CCPB certification</p>

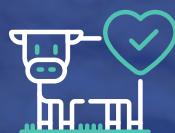
A UNIQUE SUPPLY CHAIN IN ITALY

Granlatte

Farms



Control and
traceability of
feed suppliers



Animal welfare
**470 certified
farms**



Proximity of raw
material



Technical and
veterinary
assistance
67 visits



Systematic farm
audits
710 visits



Supply chain
certification
38 farms visited



Georeferencing of
farms



Biogas
production



Incentives to
producers on the
basis of quality of
the milk supplied



Analyses of
members' milk
**427,981
analyses**



Incoming raw material:
quality controls and
monitoring scheme
for contaminants and
residues
699,891 analyses



Plants and distribution



Advanced research on functional products in collaboration with universities, hospitals, international research centres and pharmaceutical companies



Environmental friendliness:
-> Traceability environmental impact analysis of the entire product life cycle
-> Ecopackaging



Finished products: quality control and monitoring scheme for contaminants and residues
2,000,000 analyses



Product and process innovation also for sustainability



Protection and development of human capital



Self-production of energy in plants



Projects for local communities and international cooperation



Nutrition education



Green logistics and cold chain control

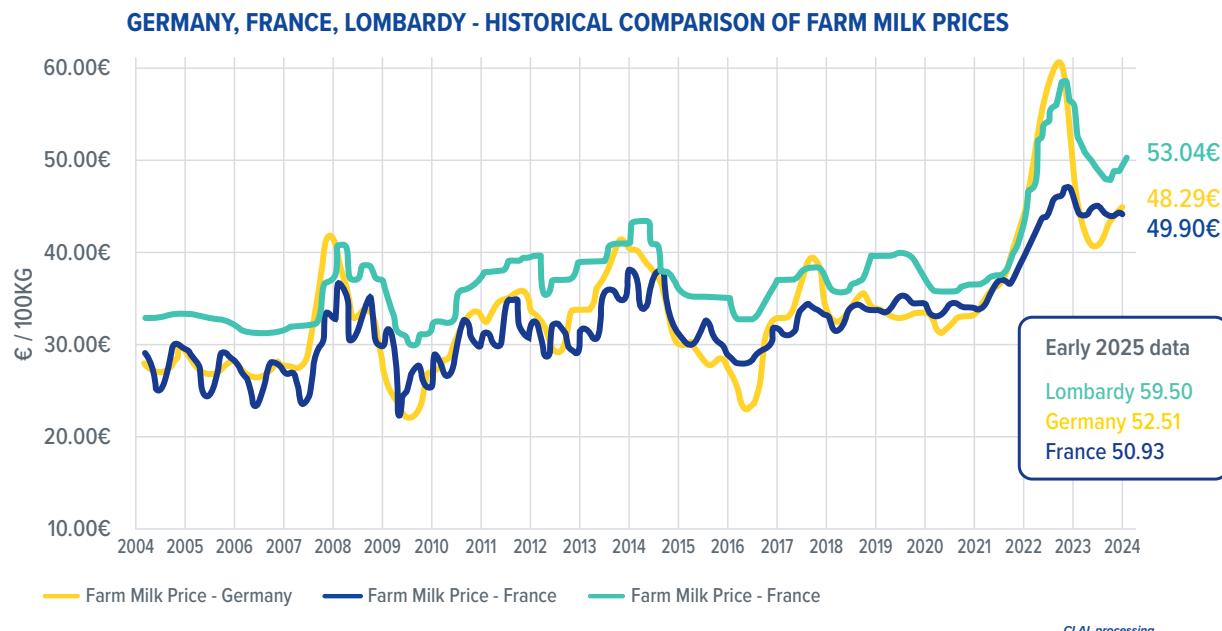


Control at outlets to protect consumers



Periodic tests on consumers

Protecting the Italian milk supply chain - which processes over 9 million quintals of milk - is a priority for the country. Italian dairy farmers are working in increasingly difficult conditions compared to their European colleagues. On average, the milk produced in Italy costs more to the farmer due to the morphology of the land, the difficulty of procuring raw materials and feed and the cost of energy. Following the end of the European "milk quotas" system in March 2015, in Italy those who invested in quality and typical characteristics competed on an uneven playing field with certified European milk that arrived on the Italian market at much lower prices. However, for a few months now, Italian milk has managed to have an advantage over French milk, guaranteeing a small competitive advantage even to Italian dairy farmers, that becomes smaller if the feed cost rises due to inflation that affects raw materials such as soy and corn, electricity and methane.



In this scenario, **Granarolo plays a fundamental role in protecting the Italian milk supply chain** and the country's livestock farming sector, so as to defend Italian PDO products. Granarolo's supply chain model represents an **integrated production system** in which the Group directly controls all phases, from production of the raw material to distribution of the finished product to points of sale.

On the one hand, overseeing the entire supply chain makes it possible to optimise the promotion of Italian producers and Italian milk (and this is happening in these first months of 2025 with the price of milk hovering around 59.7 cents/litre and this happened also in the first weeks of 2023, with the price of milk at the farm at 60 cents/litre and throughout 2022 when Granarolo was the first to decide to recognise a remuneration of the price at the farm of 48 cents/litre) by increasing the prices at the beginning of 2022 by around 7 cents per litre, a period in which companies were experiencing the onset of inflation, thus protecting local areas and the country's food and agricultural heritage. On the other hand, it allows the company to achieve high quality standards and guarantee consumers a product that is collected, processed and distributed while minimising the environmental impact of the entire cycle. Moreover, the quantities of milk collected in 2024 increased in terms of volume by 11%.

With worldwide demand for milk and cheese products expected to increase in the coming years, having a guaranteed milk supply chain will be strategically significant. All the major European groups know this and are working on ensuring guaranteed supplies.

Granarolo's Italian supply chain is **made up of 475 farmers** brought together in the Granlatte Cooperative, also through 2 contributing cooperatives who are also members of the Cooperative. The Group is therefore heavily committed to promoting the milk produced by its farmers/shareholders.

THE GRANLATTE - GRANAROLO PRODUCTION CHAIN IN 2024



The direct contributors of Granlatte are joined by 2 shareholder cooperatives that contribute to Granlatte:

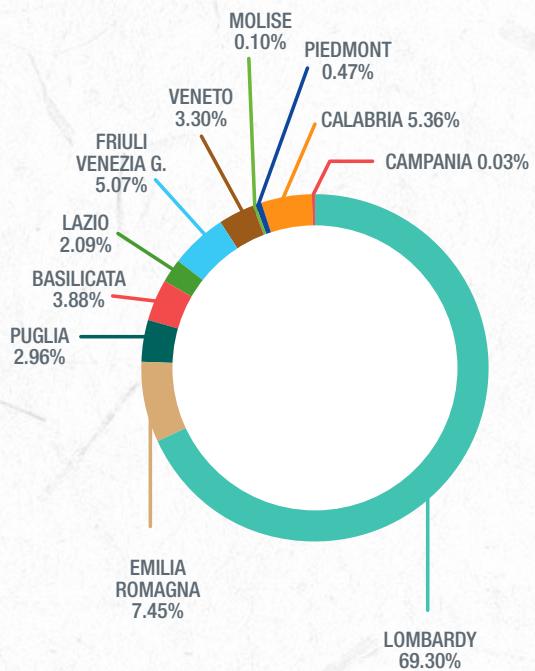
- **Assolac** 47 farms in Calabria
- **Marmo Platano Latte** in Basilicata
7 farms

2024 DATA	SHAREHOLDERS	COOP.
BASILICATA	22	1 (7 shareholders)
CAMPANIA	4	
EMILIA-ROMAGNA	51	
FRIULI VENEZIA G.	35	
LAZIO	18	
LOMBARDY	196	
MOLISE	4	
PIEDMONT	1	
PUGLIA	69	
VENETO	21	
CALABRIA		1 (47 shareholders)
Total	421	2 (54 shareholders)

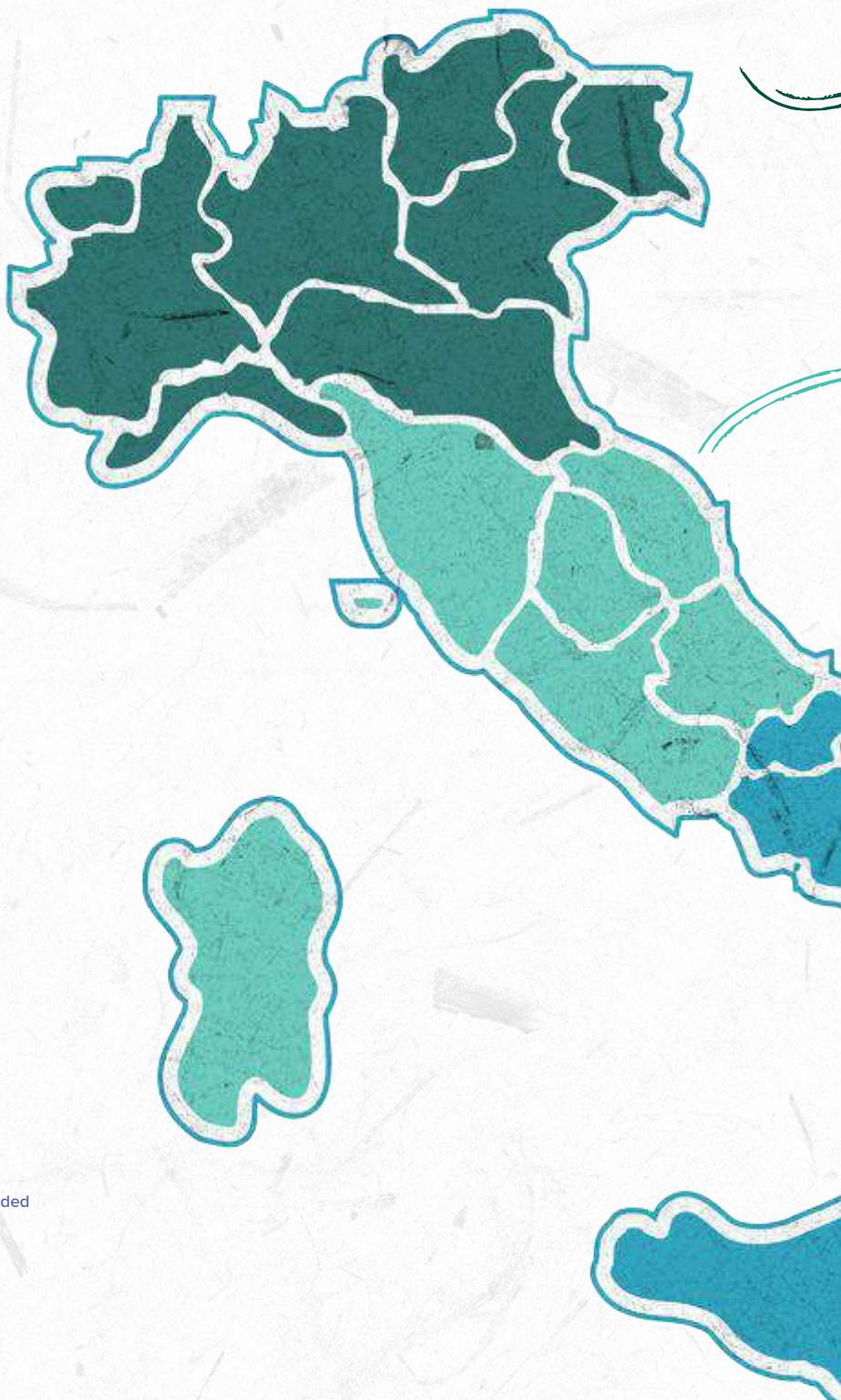
Granlatte's shareholders are spread out all over the country, just like the Group's plants, of which there are 15 in Italy (figure updated in March 2024), making the **principle of proximity a reality**: on average, the distance between the farms and the plants is about one hour.

From this point of view, the Granarolo model is very different from that of its European competitors who generate much larger turnover in just one or two plants. According to the Granarolo concept of quality, milk must be packaged and consumed near the farms that produce it in order to guarantee its freshness. This is why our plant facilities are regional - so we can bring the producer closer to the consumer and make the supply chain as short as possible.

CONTRIBUTED MILK BY SHAREHOLDERS BY REGION IN 2024



The contributors of the Granlatte shareholder cooperatives are included



NORTH

2023

66% SHAREHOLDER FARMERS OUT OF TOTAL

85% contributed milk
7,532,837 HL

2024

71% SHAREHOLDER FARMERS OUT OF TOTAL

85% contributed milk
7,814,044 HL

CENTRAL

2023

5% SHAREHOLDER FARMERS OUT OF TOTAL

2% contributed milk
209,644 HL

2024

5% SHAREHOLDER FARMERS OUT OF TOTAL

2% contributed milk
190,484 HL

SOUTH

2023

29% SHAREHOLDER FARMERS OUT OF TOTAL

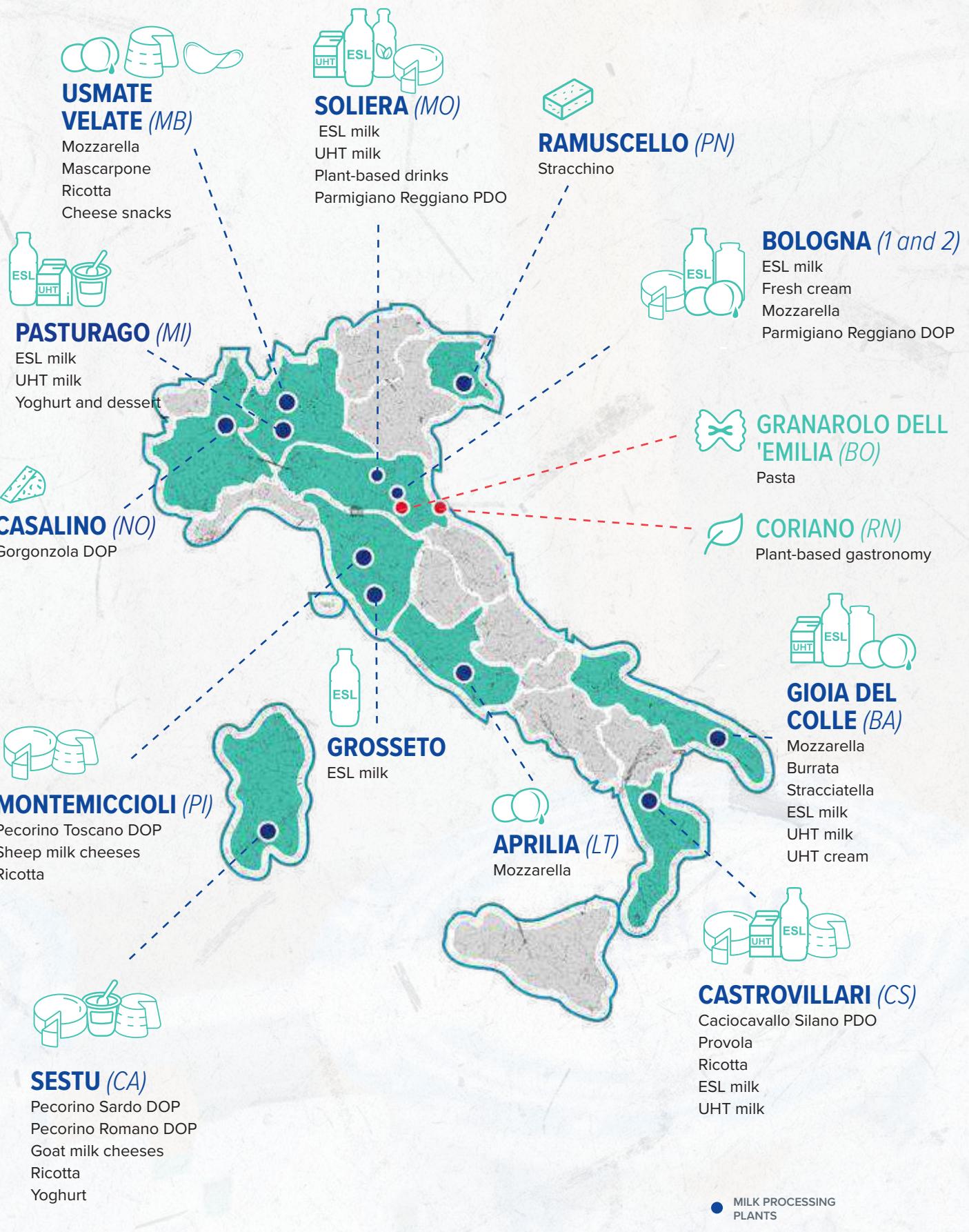
13% contributed milk
1,125,416 HL

2024

24% SHAREHOLDER FARMERS OUT OF TOTAL

13% contributed milk
1,153,417 HL

PLANTS AND PRODUCTION IN ITALY



Update May 2025

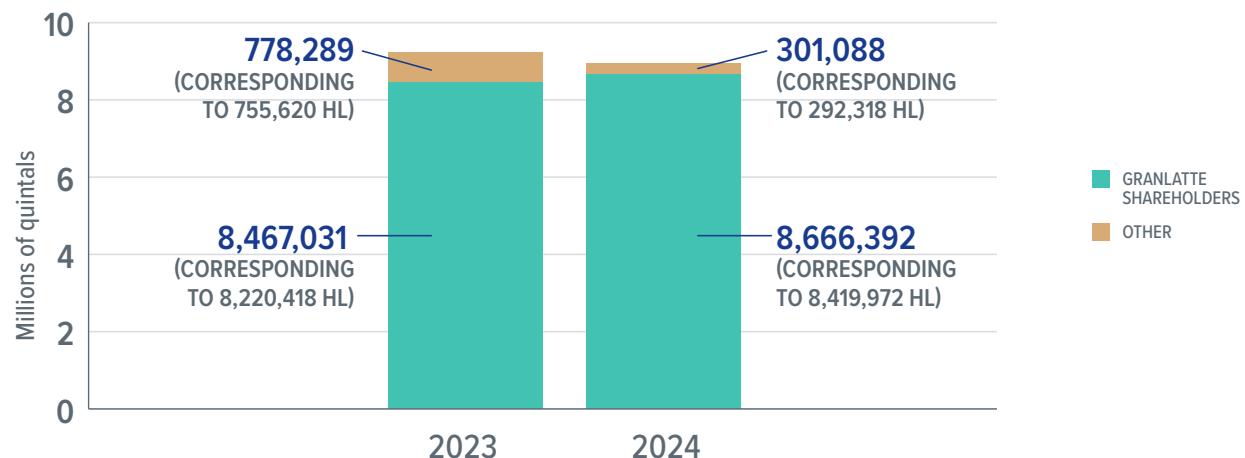


3.1 Promoting the milk provided by cooperators

The roots of the Granlatte - Granarolo supply chain go back to 1957 with the foundation of the Bologna Consortium of Milk Producers, established with the purpose of producing, transforming and marketing milk. In over 70 years the changes both inside and outside the company have been very significant but the supply chain that Granarolo and its farmer shareholders are a part of continues to promote a company model that is democratic, fair and inter-generational, using these values as the foundations on which to build competitiveness and development. In fact, Granarolo supports its shareholders throughout their growth, without leaving anyone behind.

The milk supplied by Granlatte's farmer shareholders represented 97% of the total amount of milk purchased by Granarolo in 2024.

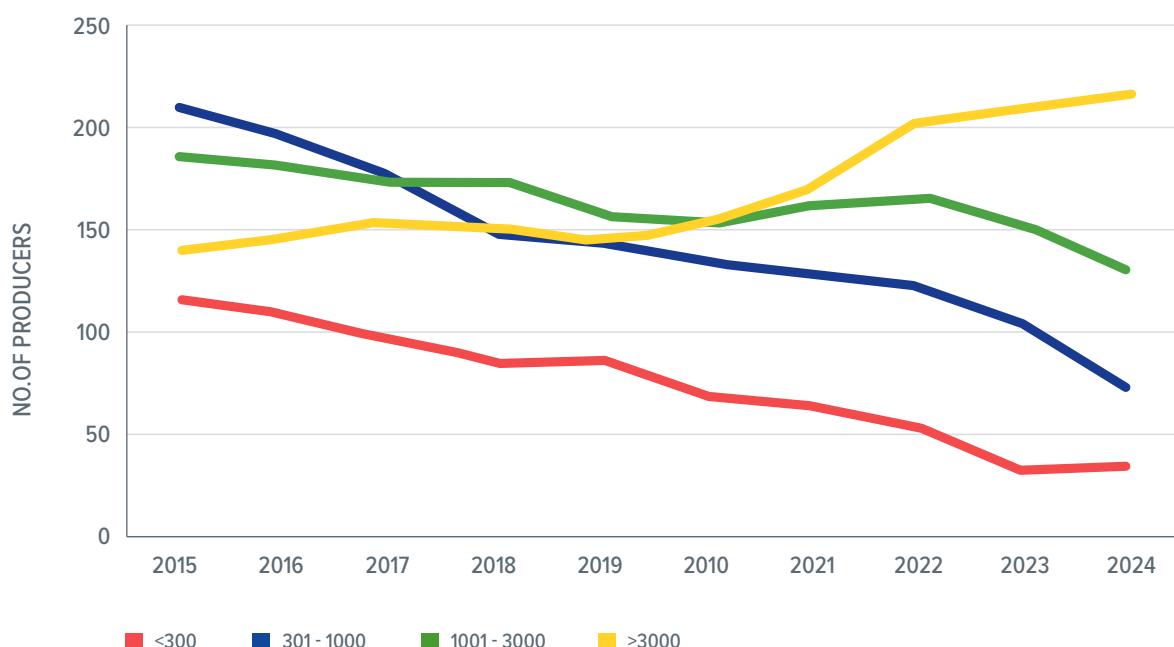
ORIGIN OF MILK RAW (QUINTALS)



97% of the raw material is provided by 349 shareholder producers (88% of the milk with 219 farms) due to the transformation of the shareholder base of the Cooperative, with the increase in the proportion of medium- and large-sized producers.

Also in 2024, the distribution of shareholder contributions by daily production range confirmed the decrease in the number of shareholders contributing smaller daily volumes of milk and the constant increase, over time, of higher-volume contributors.

BREAKDOWN OF PRODUCERS BY DAILY CONTRIBUTION (L)



It is together with the Granlatte Cooperative shareholders that Granarolo has developed and pursued its **process of promoting the excellent quality of the raw material**, also thanks to an incentive system - introduced in 1982 - which provides producers with variable remuneration on the basis of quality parameters (protein content, percentage of fat, somatic cells, bacteria content) and bonus mechanisms that reward individual choices.

In addition to the "Alta Qualità" supply chain, **all ESL and UHT Granarolo milk is 100% Italian**.

In 2024, Granlatte awarded its shareholders, in total, quality bonuses for Alta Qualità, food-grade and organic milk, equal to €16,647,586, with an average incidence of €1.84/hl (€14,392,287 with an incidence of €1.62/hl in 2023).

QUALITY AWARDS FOR PRODUCERS IN 2024

TYPE	BONUS WEIGHTINGS
Alta Qualità Milk	€1.97/hl
Normal food-grade milk	€1.76/hl
Organic Milk	€1.82/hl

3.2 New entrepreneurial skills for the supply chain

The Granlatte - Granarolo Group has always worked alongside its farmer shareholders to improve their expertise and techniques and maximise the excellence of their milk, as well as to enhance their ability to compete on the Italian and international market, investing in innovation, technology and research. Farmers, for their part, are required to deal with a complex and ever-evolving scenario in which monitoring the "health" of one's company and identifying actions to guarantee continuity and growth have become essential.

In order to support farmers facing the difficult challenges of the agroindustrial market, for years the Group has used various instruments to invest in the future and "build" it together with them. This context also includes the recent considerations on the role of the Cooperative of the future, able to identify challenges and redefine the objectives related to raw milk, together with the S.p.A. business.

In a profoundly changing agricultural context, owing to the decrease in the overall number of farms and the growth and modernisation - both managerial and technical - of those remaining, and with food demand rapidly changing, the **innovation, functionality and sustainability of agricultural and food products** will be increasingly necessary.

Producers will therefore need new tools (financial and risk management) and organisational models to strengthen their competitiveness. Technological development and digitalisation (a platform is being introduced for a return of the effort undertaken) can help make production models more efficient and more able to respond to climate change and encourage generational turnover in companies. And while, on the one hand, farmers will develop additional skills and non-production activities in response to major social changes and public demands connected with the maintenance of rural areas, ecotourism, sustainability, bioenergy and biodiversity, on the other hand food companies will increasingly have to meet the needs of attentive and fickle consumers.

A complex challenge that Granlatte and Granarolo must take up and address with their "**supply chain essence" from the stable to the table.**

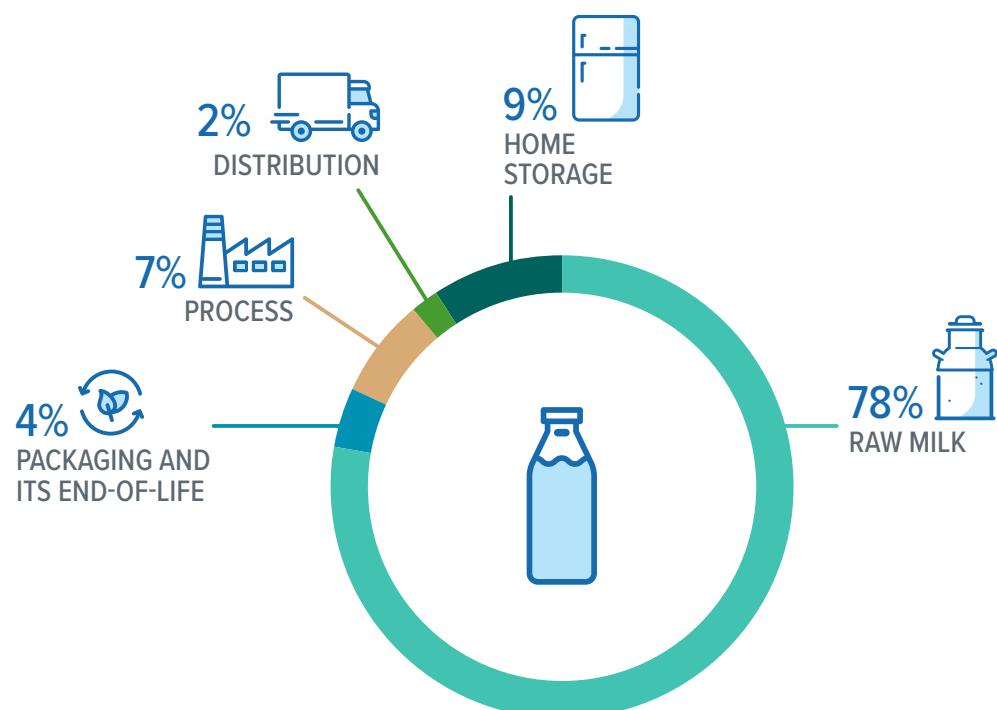
Based on these premises, in 2017 Granlatte began an important process with its farmer shareholders aimed at developing the **Granlatte Strategic Plan for 2018-2028**, a participatory plan that intends to offer farmers up-to-date training, opportunities for further growth and the comprehensive sustainability of their farms so they can contribute to the sustainable growth of the Group.

Once again, the focus is on promoting the model represented by Italy's largest milk supply chain. Starting from 2018, this entailed a major change of pace on the agricultural front with the important **involvement of second generations** and a **commitment to change and growth on the part of the historic group of shareholders** that have made the Granlatte - Granarolo supply chain the market leader and a distinctive presence in the dairy world.



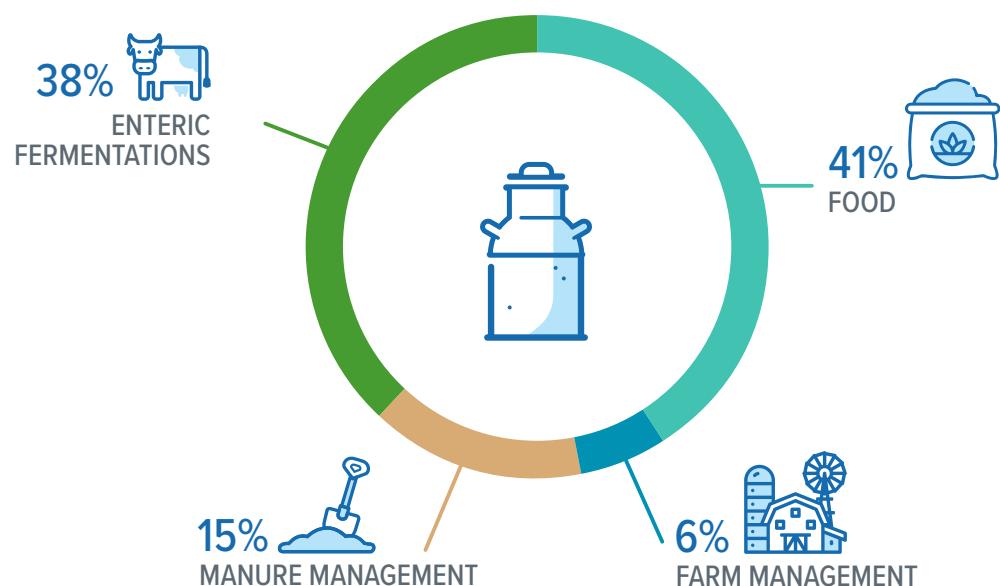


SUPPLY CHAIN IMPACT PER 1 LITRE OF MILK



Source: www.environdec.com - Granarolo Milk

IMPACT OF RAW MILK AT THE FARM



Source: www.environdec.com - Granarolo Milk



ZOOM

Granlatte 2018-2028 Strategic Plan

1

In order to work synergistically with the S.p.A. business and contribute to the Group development, Granlatte Strategic Plan for 2018-2028 sets out the guidelines to make the Cooperative a cutting-edge business, capable of generating shared value. To this end, it identifies the strategic areas that must engage Shareholders and the Cooperative towards change. But above all, the Strategic Plan indicates a new way of "being in a cooperative", in which the Shareholders are increasingly aware entrepreneurs and directors capable of governing an international Group which operates in a large and complex market, by working on aspects such as:

- Intergenerationality
- Mutuality
- Reciprocity between the shareholder and the cooperative without external intermediaries
- Transparency and equal treatment

The effectiveness demonstrated by the **participatory approach** that has always characterised the relationship with shareholders was the working method that led to the definition of Granlatte's Strategic Plan. The construction of the Strategic Plan has continuously involved not only the Board members but also the managers in activities of in-depth analysis of the different issues identified as relevant for the future growth of the supply chain and the Group. In addition, it involved a large sample of shareholders (150 businesses) who discussed and refined the topics proposed during meetings held throughout the country, which demonstrates the importance of these opportunities for discussion.

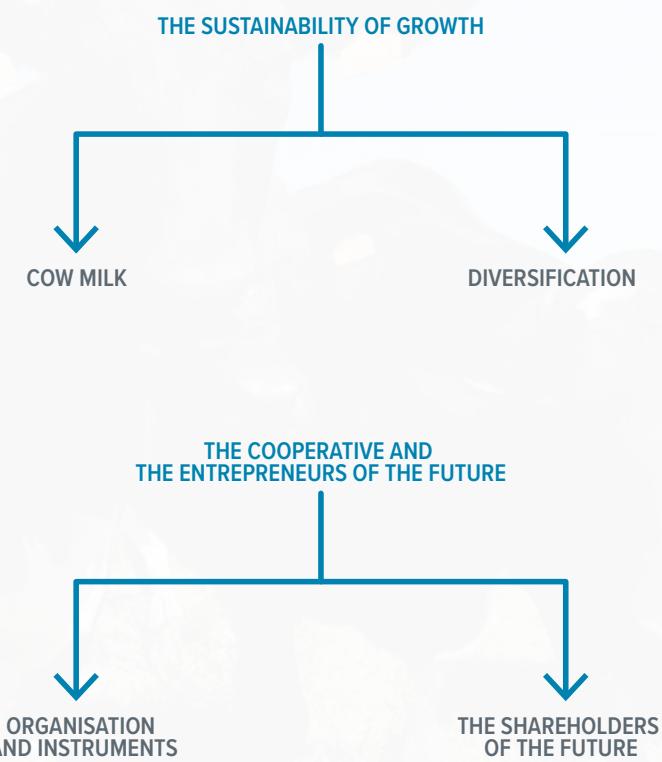
From a time perspective, the project to build the Strategic Plan ran from October 2017 to February 2018 and was approved by the shareholders' meeting on 27 April 2019.

The 2018-2028 Strategic Plan is therefore a challenging, shared project, aimed at making the relationship between the owners and the S.p.A. business richer and more dynamic. In particular, the Plan identifies two strategic macro-areas:

- the first one refers to the sustainability of **business growth** of the farmer shareholders and, through them, of the Cooperative;
- the second identifies the **future characteristics** that the Cooperative and its shareholders will have to assume in order to cope with change.

These macro-areas, in turn, are broken down into **specific objectives** which represent the fundamental elements on which to act in order to increase competitiveness and look to the future of the Granlatte-Granarolo supply chain.

2





From an operational standpoint, implementation of the plan started already in the second half of 2018:

- work has been carried out on animal welfare training, with challenging targets for farmers and linking the results of animal welfare audits to the quantity and quality of milk produced (with particular reference to somatic cell count);
- it was decided not to confirm the few shareholders (5) who did not meet the objectives required by the Group because they did not achieve the pass score for animal welfare;
- invoices and bulletins were made available to the shareholders on the Agrishare portal, resulting in significant paper savings.

During 2019:

- animal welfare scores were checked with visits aimed at continuous improvement;
- meetings were held in Bologna and Bari with all the veterinarians of the member companies aimed at rationalising the use of antibiotics. The meetings also produced extensive documentation that was made available to veterinarians on a ministerial platform also for the acquisition of CME credits;
- a Granlatte Granarolo Milk Charter on the use of medicines was shared and signed by veterinarians, as shown below.

During 2020:

- animal welfare scores were checked with visits aimed at continuous improvement, as every year, adding new indicators geared towards greater environmental sustainability;
- veterinarians who did not participate in the work during 2019 were trained on topics related to animal welfare and nutrition functional to animal welfare and environmental sustainability by acquiring CME credits made available on the ministerial platform.

During 2021:

- the work of the Technical Scientific Committee composed of the Universities of Brescia, Bologna and Milan has begun to measure the sustainability of the farms belonging to the Granlatte supply chain.

During 2022:

- in order to meet the greenhouse gas emission reduction targets proposed in the 2030 Agenda, Granlatte has embarked on an ambitious project aimed at supporting the Group's ecological transition. The project aims to evaluate the Carbon Footprint of the farm milk production through the *Life Cycle Assessment (LCA)* method. The carbon footprint was assessed on a representative sample of Group companies. The analysis of the sample led to the determination of a farm carbon footprint equal to 1.46 kg CO₂ eq/l of FPCM.

During 2023:

- the assessment of the carbon footprint of milk production on a representative sample of Group companies WAS completed and led to the following CO₂ eq values. 1.50 kg per litre of conventional milk and 1.03 per litre of organic milk.

During 2024:

- To optimise the work related to the measurement of sustainability, a **new platform has been integrated into Granlatte with the aim of collecting the primary data from the farms of the Granlatte shareholders on an ongoing basis and being able to provide the farmer with real-time output in terms of management, environmental and economic sustainability.** The platform will allow farmers to predictively manage and track information related to herds, crop plans for cattle feed production and milk production, as well as to calculate the sustainability impact of their company.
- Granlatte and Granarolo won "**The European Bee Award 2024**". Established by ELO - European Landowners' Organization and CEMA - European Agricultural Machinery Industry Association, the award aims to give recognition to innovative projects to protect bees or other pollinators by helping to preserve biodiversity. The "Granarolo and Conapi together for biodiversity and bee health" project was launched in 2023 and involved the design and implementation of a charter of structural actions for the protection of bees and pollinators on the Group's farms. This included the placement of hives by Conapi in some of the shareholder farms of the Granlatte-Granarolo chain, also with a view to monitoring the local territory, protecting biodiversity, animal welfare, the environment and our future.
- Granlatte attended the annual meeting of the *Dairy Sustainability Framework* held in Paris in October 2024. DSF is an international platform that monitors and reports on the environmental, social and economic progress of the dairy sector. During the annual meeting the projects for environmental improvement and ecological transition of the supply chain were shared.
- During the year, a project WAS launched to formalise a **soya bean purchasing group** for farmer shareholders following the new European regulation that prohibits the import and export of soya beans and other products that contribute to deforestation. The purchasing group will ensure more efficient cost management for farmers and will contribute to achieving environmental sustainability targets.
- The project for the construction of 10 Biomethane plants proceeds: in 2024, **3 consortium plants were authorised in the provinces of Bergamo, Cremona and Brescia.** Each plant will produce about 350 cubic metres/hour of methane, for a total of 3,000,000 cubic metres per year per plant. **By 2025, 5 consortium plants have been formalised** for the provinces of Crema, Varese, Como Lecco, Mantua and a further plant in the province of Brescia.
- During 2024, the **Next Generation Granlatte** project grew further. This two-year training programme started in 2023 for the sons and daughters of the farmer shareholders. The training course includes structured courses with teachers inside and outside the company who will be able to provide tools for the economic, environmental and social management of the field and the farm.
- During 2024, the **carbon footprint of milk production on a representative sample of Group companies** was assessed and led to the following **CO₂ eq values. 1.47 kg per litre of conventional milk and 1.07 per litre of organic milk.**

3.3 Promotion of quality and animal welfare

In addition to the continuously improved quality of milk over the last forty years, the significantly increased level of animal welfare over the last ten years, the evaluation of production protocols regarding the controlled supply chain and traceability as well as those envisaged for PDOs, Granlatte has launched a sustainability assessment process along the entire supply chain that includes environmental impact in addition to the issues already mentioned.

Technical assistance and milk quality

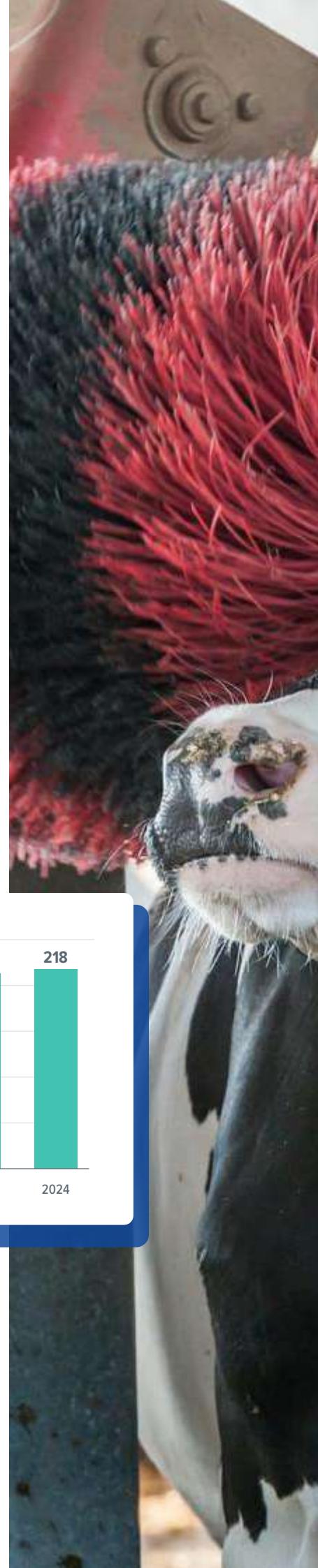
For many years the Group - through the Granlatte Cooperative - has provided several services to support farmer shareholders. Of these, its **technical assistance** is extremely valuable as it helps to improve the quality of the milk provided by shareholders, particularly as regards reducing the somatic cell count. In fact, if properly managed, this parameter makes it possible to achieve significant improvements in the profitability of farms as it has been proven that animals with a lower somatic cell count have fewer health and management problems, produce more and are more fertile.

For this activity, there are 10 technical experts in Italy (veterinarians or animal production scientists) who, analysing the results of the tests carried out on the milk produced by the farmers, promptly intervene to give them useful advice on how to improve the quality of their milk. This service, highly appreciated by shareholders, has made it possible to achieve significant improvements in the quality of all the milk collected by the Cooperative. The results obtained are very satisfactory, so much so that we are convinced that we can reach an average of somatic cells of less than 200,000 per ml.

SOMATIC CELLS TREND (THOUSANDS PER 100 ML)



The average data of the **somatic cell parameter of all Granlatte farms are always well below those analysed by the Istituto Zooprofilattico of Brescia** with a significant difference in the summer months.





Animal welfare

The European Community, public opinion, consumer associations and Granlatte itself have been paying closer attention to the issue of "animal welfare" for some time.

In 2008 Granlatte obtained the first animal welfare certification for farms that produce milk by organic methods. Later on, this certification was extended to all farms and this resulted in attainment of animal welfare certification for all farms in the supply chain in 2018 by the CSQA, under the CRenBA protocol.

This evaluation system then evolved into Classyfarm, which is a project promoted and funded by the Italian Ministry of Health (carried out by the Istituto Zooprofilattico Sperimentale of Lombardy and Emilia-Romagna) that will allow access to the grants of the Community Agricultural Policy. Under this new system, the farms of the Granlatte shareholders were also evaluated in 2022.

Since 2020, all farms in the Granlatte chain have been assessed for animal welfare through a new "**Bonlatte**" checklist created in collaboration with the University of Milan and CRPA of Reggio Emilia, which is more in line with the different production systems present in the territories where the shareholders operate.

The assessment analyses various aspects of farm management:

- **staff training and company management** with particular focus on hygiene and cleanliness in the various areas;
- **livestock farming structures and equipment** used on the farm to ensure maximum animal comfort;
- measurement of the **direct impact of these aspects on the animals** through an assessment of the state of nutrition of the cows, their cleanliness, any skin lesions, the healthiness of their udders and overall health conditions at the farm in general.

The **systematic** assessment of animal welfare at the farms of the Granlatte shareholders aimed to provide a snapshot of the level of well-being throughout the supply chain and, subsequently, to provide farmers with suitable indications on how to improve their conditions, on the understanding that animals kept in good farm conditions are healthier and produce more, improving the quality and safety of the milk they produce.

In this way, in addition to improving the performance of the farm, we also cater to the expectations of consumers, who are increasingly demanding in terms of sustainable and ethically produced food.

In 2024, at the end of the assessments carried out based on the Bonlatte protocol, the CSQA issued an animal welfare certification with specific instructions to the farmer shareholders aimed at implementing a continuous improvement of animal welfare at the farm.

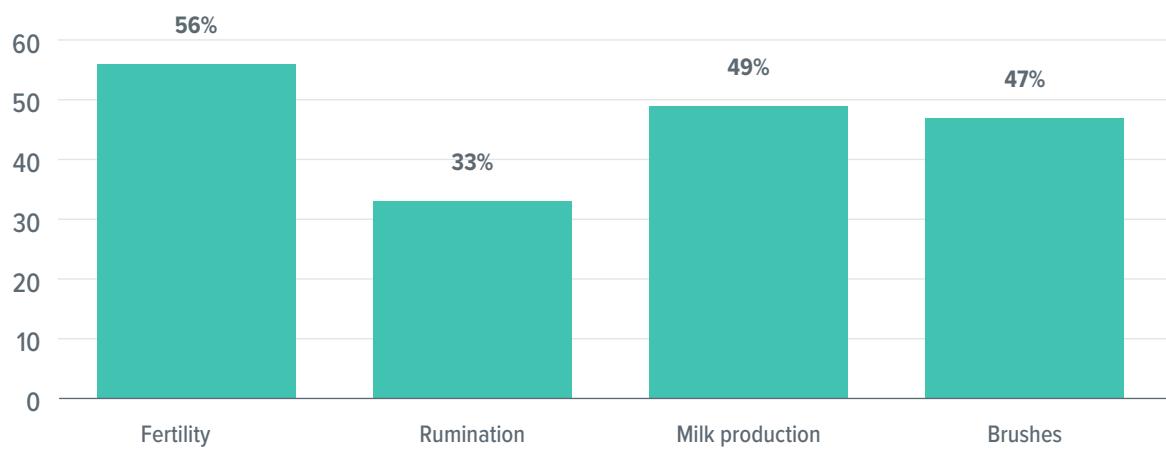
Below are the data of the animals in the supply chain as recorded by the certification and broken down by type:

DIMENSIONS OF THE SUPPLY CHAIN

	FARMS	COWS	HEIFERS	CALVES	TOTAL
2024	464	90,183	55,019	22,151	170,353
2023	504	88,682	54,154	24,519	167,355

To improve animal welfare, farmers are equipping themselves with sensors capable of monitoring various parameters such as fertility and rumination. Many farms are also adopting other animal welfare solutions such as brushes.

% OF FARMS WITH SENSORS/ENRICHMENTS

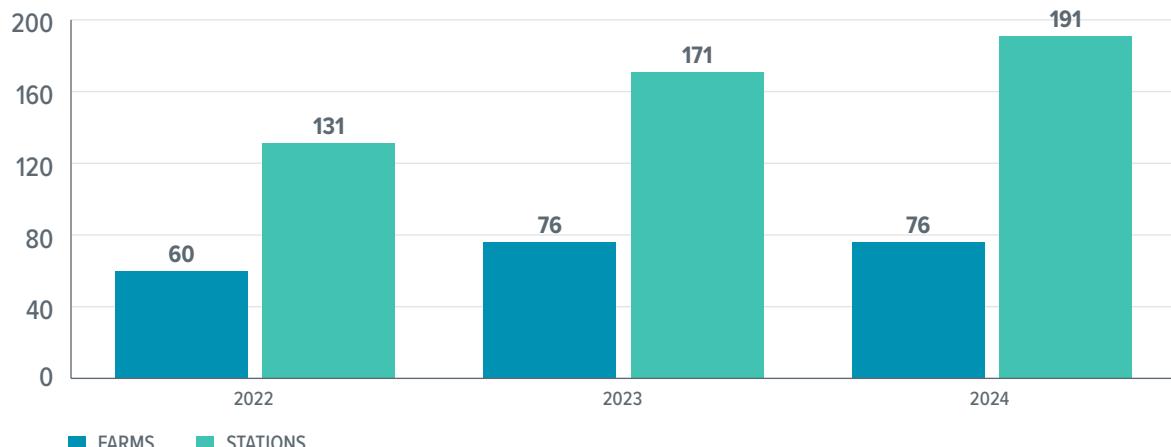


Given the different types of farm, the Bonlatte protocol requires that the spaces available to the animals must always be such as to avoid overcrowding and therefore the farmer must be able to guarantee a cubicle for each animal or at least 6 m² or better still 8 m² of bedding per cow.

Given the climate that in recent years has very hot and humid summers, many farms (**55%**) in 2024 have equipped themselves with **cooling** systems (40% in 2021) that allow them to relieve cattle stress from heat and therefore maintain good results both from a productive and reproductive point of view.

Also in the corporate base of Granlatte, **robotic milking systems are spreading to guarantee greater animal welfare** and, at the end of 2024, **191 stations were mapped in 76 farms** (101 in 2021).

COMPANIES AND STATIONS WITH ROBOTIC MILKING SYSTEMS



It has been assessed how the level of animal welfare affects the somatic cell content of the milk produced and the farm productivity.

ASSESSMENT	SOMATIC CELLS (.000/ML)	PRODUCTION ANIMAL/YEAR	F FARMS
Sufficient	240	64.31	73
Good	225	80.82	182
Excellent	207	90.31	162

As a result, there has been an improvement in animal welfare ratings.

	2024	2023	2022
ASSESSMENT	% FARMS	% FARMS	% FARMS
Sufficient	17.5	4.4	10.1
Good	43.6	62.3	64.8
Excellent	38.08	33.3	25.2

With regard to the use of medicines in treating mastitis, thanks to technical assistance by veterinarians, there has been a significant reduction in their use.

For the next few years the goal is to keep working on the continuous improvement of animal welfare levels on individual farms, with particular reference to those currently in the sufficiency range and with the aim of taking them all up to at least the next level.

The work carried out made it possible to achieve the important objective of improving the entire shareholder base of the Cooperative: the Granlatte - Granarolo Group is able to boast the **first large Italian supply chain with animal welfare certification and today strongly committed to reducing the use of medicines**.

And many people are engaged in the fields and farms. A total of 1,703 people work full-time on shareholders' farms (**1,740 in 2023 and 1,719 in 2021**). In most farms (71%) there are up to a maximum of 4 workers while in the remaining ones, which are the largest, there are more employees.

Traceability, Controlled Supply Chain and PDO

For several years Granlatte has possessed specific product certifications together with its farmers, and in particular:

- the certification of the **Controlled Supply Chain** on **Alta Qualità and Organic** milk, according to the standard defined by DTP (Technical Production Regulations) no. 035 of the CSQA;
- the **Animal Welfare** certification of all the farms according to the **Granlatte** standard certified by the **CSQSA** with the **DTP no.142**;
- organic production certification for 21 farms;
- the registration and acknowledgement of 18 farms for the production of milk suitable for Grana Padano PDO;
- the registration and acknowledgement of 6 farms for the production of milk suitable for Squacquerone di Romagna PDO;
- the registration and acknowledgement of 13 farms for the production of milk suitable for Gorgonzola PDO cheese;

Compliance with the various standards and the corresponding certificates are checked and issued by KIWA-CERMET of Bologna for Squacquerone di Romagna PDO, AND by CSQA for all the remainder.

During 2024, auditing for traceability was carried out at **111 farms** producing **Alta Qualità** and **Organic milk** and 174 farms producing certified standard milk.

CONTROLLED SUPPLY CHAIN CERTIFICATION ON ALTA QUALITÀ AND ORGANIC MILK	
COOPERATIVE	CERTIFIED COMPANIES
Granlatte	173
Assolac	40
TOTAL	213

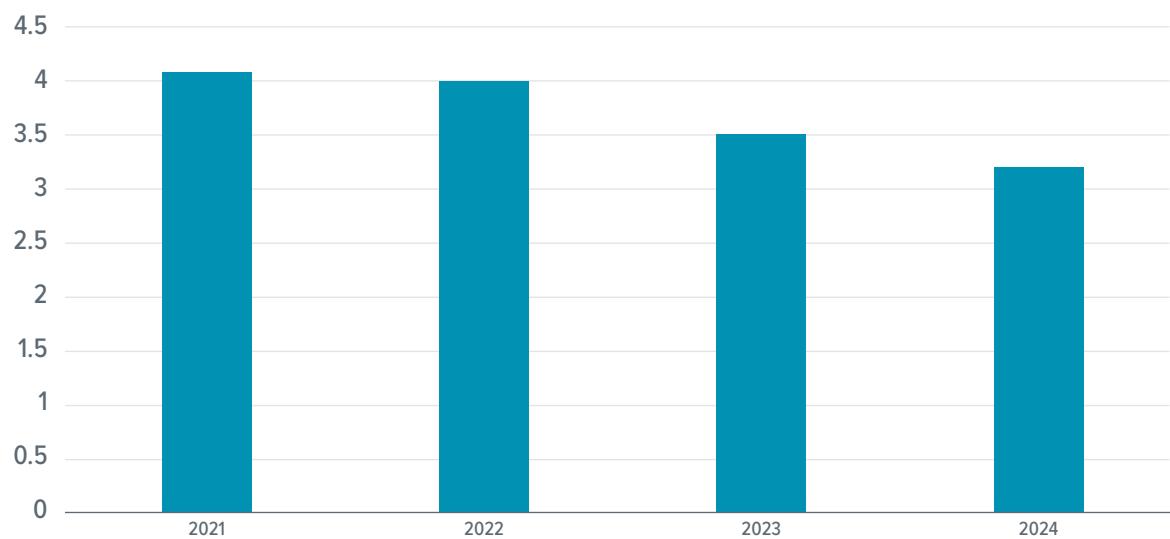
TRACEABILITY CERTIFICATION IN COMPLIANCE WITH UNI EN ISO 22005:08 STANDARD AND ANIMAL WELFARE CERTIFICATION IN COMPLIANCE WITH GRANLATTE STANDARD, CERTIFIED BY CSQA WITH DTP No.142

COOPERATIVE	CERTIFIED COMPANIES
Granlatte	423
Assolac	47
TOTAL	470

Rational medicine use

During 2022, Granlatte activated the positions of all shareholders in the Classyfarm platform in order to be able to view the assessments of animal welfare and medicine use. Each farmer will then be able to view medicine consumption by their own company, broken down by the molecule used, with the aim of a further reduction of medicines. The results obtained in 2023 and 2024 indicate that there was an initial reduction in the use of the drug among farmers in the Granlatte member base

DDD (DEFINED DAILY DOSE) DRUG CONSUMPTION



In 2019, Granlatte launched its "Milk Charter", and presented it to corporate veterinarians during two dedicated conferences. The Charter was subsequently shared with all farmers.





The Granlatte Granarolo Group Milk Charter signed by the veterinarians of the supply chain

The Granlatte - Granarolo Group is the largest Italian milk supply chain with the direct participation of producers associated in a cooperative. In fact, it groups together around 500 milk-producing farmers in 11 Italian regions who pursue the goals of animal welfare and environmental sustainability in their work while operating in very different areas.

The Granlatte - Granarolo Group has always been committed to guaranteeing the production of quality dairy products with complete respect for the environmental, economic and social sustainability of its suppliers, the welfare of the animals on its farms and the food safety of its products. With this in mind, consumers are demanding that more attention be paid to the rise in antibiotic resistance and the Granlatte - Granarolo Group supply chain has responded by asking for a greater commitment from its farmers and veterinarians.

The possible actions must necessarily be shared with the entire primary supply chain, and therefore with farmers, consultants and veterinarians who, in turn, must adjust their procedures and operating protocols to ensure a substantial reduction in the use of antibiotics on the farm without impacting on the state of health or welfare of cattle.

On this basis, the Group believes that **the key measures to take on its farms to further guarantee the healthiness of its products** are the following:

1. Ensure a good level of animal welfare, suitably measured and certified.
2. Keep the level of somatic cells in mass-produced milk below 200,000 cells/ml at all times.
3. Do not administer milk containing antibiotics or antibiotic residues to calves unless it is part of a treatment prescribed by the company vet.
4. Monitor the epidemiological situation regarding udder infections via standardised diagnostic procedures described in the attachment to this document. These assessments must be made at least twice a year (November-April and May-October).
5. Verify sensitivity/resistance to the main pathogens identified as indicated in point 4 by measuring the minimum inhibitory concentration (MIC) using the procedure described in the appendix to this document in synergy with IZS. These assessments must be made at least twice a year (November-April and May-October).
6. Apply protocols for treating mastitis that are based on points 4 and 5, that involve the use of active ingredients that are not listed among those deemed "critical" (CIA) or in category 3 and 4 of AMEG, and which only regard cattle with a good possibility of recovering in the opinion of the company vet.
7. In general, do not apply preventive antibiotic treatments either locally or systemically. The local or systemic administration of antibiotic treatments in the event of existing diseases (e.g. metritis, respiratory illnesses) must be prescribed by the company vet and based on laboratory studies and relative assessments of sensitivity/resistance, as outlined in point 5.
8. In the case of udder infections caused by contagious bacteria (*S.aureus* and *Str.agalactiae*) evaluate applying an eradication protocol like the one proposed in the attachment.
9. In the absence of udder infections caused by contagious bacteria or when the eradication plan is complete, apply a dry cow therapy protocol as proposed in the attachment.
10. Do not use products that are not explicitly authorised by the health authorities for the treatment of udder diseases and, in any case, which are not backed up by strong scientific documentary evidence of their efficacy and lack of negative effects on animals or milk residues.



Environmental impact of farms and joining the Dairy Sustainability Framework

GRI 2-28

Granlatte joined the **Dairy Sustainability Framework** in 2021. This is an international platform involving associations and some of the most important milk and dairy product manufacturers in the world which have come together to find solutions and share their actions across the dairy sector to accelerate activities against climate change, starting with a reduction in greenhouse gas production (primarily methane). In this regard, research is under way to identify and develop methodologies, tools and paths in all dairy production systems and regions across the globe. The Group has decided to join the *Dairy Sustainability Framework* because it wants to identify new paths for environmental improvement to make knowledge and models available to the farms in the supply chain and share information, also discussing the matter at an international level.

In order to meet the greenhouse gas emission reduction targets proposed in the 2030 Agenda, Granlatte has embarked on an ambitious project aimed at supporting the Group's ecological transition.

The project aims to evaluate the **Carbon Footprint of the farm milk production through the Life Cycle Assessment (LCA) method**. The carbon footprint was first assessed on a representative sample of Group companies, then the carbon footprint of the entire cooperative was estimated using appropriate models. Advanced modelling techniques, evidence available in the literature and the opinion of expert researchers in the sector will then allow us to explore the most promising business management scenarios for the progressive reduction of the cooperative's carbon footprint up to the target levels defined in the 2030 agenda. In these scenarios, strategies for food management, animal welfare and waste water management technologies will be tested in particular.

The project is managed by a **Scientific Technical Committee coordinated by the Agrofood Research Hub of the University of Brescia with the involvement of the University of Milan and the University of Bologna**.

The first project phase was completed in 2022. During this phase, an exploratory analysis of all the milk providers nationwide was carried out to better characterise and identify the production and management performance as well as the agronomic practices adopted by the companies. Based on the results of this analysis, a sample of companies representative of all the milk providing companies was identified by geographical location, company size, milk productivity, breed, type of agronomic management, use of renewable energy sources and waste water management and treatment. The identified sample was subjected to a more specific investigation through a special questionnaire prepared by Agrofood Research Hub of the University of Brescia in order to apply the LCA method for the **determination of the Carbon Footprint of 1 litre of milk at the processing plant**.

For each individual livestock farm, the **consumption of fuels and energy, food purchased on the market, the inputs used for the production of crops for animal feed or for the generation of energy through anaerobic digester** that have allowed the production of milk, meat, energy and plant products sold **were quantified** on an annual basis. The **enteric gas emissions produced by cattle**, considering the specific age, production level and food rations, **and the emissions of methane and nitrous oxide generated by livestock waste were quantified according to the IPCC method (2019)**. The data were characterised using the "Global Warming Potential100" method (IPCC, 2021) for the quantification of greenhouse gas emissions expressed as kg of CO₂eq per litre of milk, after bio-physical allocation between milk and meat production (IDF, 2015).

The analysis of the sample led to the determination **of a farm carbon footprint equal to 1.47 kg CO₂ eq/l of conventional milk and 1.07 kg CO₂eq / l of organic milk**. This result is in line with the most recent similar scientific studies carried out at a national and European level. The variability of individual companies' footprint results confirms how different management strategies concerning animal welfare, feed management, adopted technologies and agronomic management have an important impact on both business efficiency and environmental performance.

The work carried out in this first phase of the project led to the **voluntary environmental certification EPD (Environmental Product Declaration) of raw milk at the farm**. The results obtained will also be the

basis for the second phase of the project, in which we will **estimate the carbon footprint of the entire cooperative** and, through the joint work of the Technical Scientific Committee, **identify the management scenarios that allow the reduction of this footprint, thereby supporting the ecological transition of the milk producers.**



Conventional milk

Stable carbon footprint
equal to **1.47 kg CO₂ eq/l**



Organic milk

Stable carbon footprint
equal to **1.07 kg CO₂ eq/l**



CONVALIDA DAP

(Dichiarazione Ambientale di Prodotto)
EPD (Environmental Product Declaration) Validation
n. 83386

Si attesta che la dichiarazione ambientale di prodotto effettuata da
We validate that the Environmental Product Declaration operated by

Granlatte Società Cooperativa Agricola a r.l.
Via Cadriano, 36 - 40127 BOLOGNA (BO)

per i seguenti prodotti
for the following products

Latte crudo vaccino convenzionale

è conforme ai riferimenti normativi
is in conformity with the prescriptive references

**EPD International (2021) General Programme
Instructions for the International EPD® System,
version 4.0**

PCR Dairy products, 2021:08, Version 1.0

La presente convalida è soggetta al rispetto del regolamento CSQA.
This validation will satisfy the requirements established by CSQA.

Prima emissione:
First issue:
Emissione corrente:
Current issue:
Scadenza:
Expiry Date:

02/02/2024

02/02/2024

02/02/2029

L'Amministratore Delegato
The Chief Executive Officer
Dr. Pietro Bonato

CSQA Certificazioni S.r.l.
Via S. Gaetano, 74 – 36016 Thiene (VI)



Accredia
Certificazione
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Qualità e Sicurezza
Ambientale

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CONVALIDA DAP

(Dichiarazione Ambientale di Prodotto)
EPD (Environmental Product Declaration) Validation
n. 83284

Si attesta che la dichiarazione ambientale di prodotto effettuata da
We validate that the Environmental Product Declaration operated by

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Latte crudo vaccino biologico

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ZOOM

Biomethane

The first biomethane plant of the Granlatte-Granarolo supply chain was inaugurated at the end of 2022, it is from the Pieve Ecoenergia farm in Cingia de' Botti (CR) and is one of the first plants in Italy to be integrated into livestock farming. It will produce 320 cubic metres per hour of biomethane, 2,700,000 cubic metres per year which will allow a saving of 6,350 tons of CO₂ eq. emissions per year.

The biomethane is put directly into the gas network, allowing the farm to reduce the impact of its entire production activity as much as possible. There is a close symbiosis between the animals and the bacteria produced because the anaerobic digestion plant is actually the farm's manure pit. Vegetable by-products, for example tomato processing waste, corn cob kernels and leaves, normally included in the crop plan are added to the slurry from the farm. In addition to the biomethane that is put into the gas network, the plant also produces digestate, a high-quality organic fertiliser that actually replaces the chemical fertilisers used on the farm.

In 2023, the second biomethane plant was inaugurated at the Palazzetto di Grumello Cremonese farm, larger than the previous one, with a production capacity of 630 cubic metres/h and consequently 5,000,000 cubic metres/year with a further saving of 1,760 CO₂ eq.

These biomethane plants in the supply chain are a stimulus for introducing additional agroecology projects. In particular, with "**Biomethane supply chain**", a project developed and presented with the Confederation of Beet Growers – CGBI, it was possible to build **10 consortium plants** located in Emilia Romagna, Lombardy, Friuli and Puglia. They will produce **30 million cubic metres of methane per year** – the equivalent of the thermal energy requirements for the Granarolo plants in Italy – and 500,000 tons of natural fertilizer (digestate) per year, thus **preventing the emission of 60,000 tons of CO₂ eq.** (the annual amount generated for street lighting in a city of 867,060 inhabitants like Turin).

In 2024, 3 consortium plants were authorised in the provinces of **Bergamo, Cremona and Brescia**. Each plant will produce about 350 cubic metres/hour of methane, for a total of 3,000,000 cubic metres per year per plant. **By 2025, 5 consortium plants have been formalised** for the provinces of Crema, Varese, Como Lecco, Mantua and a further plant in the province of Brescia.





ZOOM

Biodiversity

The Group has started a virtuous collaboration with Conapi – National Beekeepers Consortium, the largest cooperative of beekeepers in Europe, which aims to promote an environment that protects the health of bees and pollinators.

The unique and distinctive "*Approved By Conapi Bees*" collaboration project provides for concrete actions such as the planting of nectariferous plants and the placement of hives at some of the farms of the farmer shareholders, also with a view to **protecting biodiversity and monitoring the territory**: in this particularly dramatic historical moment of strong climate change, bees are in fact real "environmental sentinels".

The specific regulations prepared for the Granlatte-Granarolo Group is structured in two stages:

1. potentially all the farms of the Granlatte cooperative can join the first stage, which provides for the following actions:

- leave buffer strips cultivated with nectariferous plants around the forage fields;*
- provide limited areas in pastures where early mowing is not carried out, letting them flower to feed bees and pollinators and mowing only shortly before the appearance of seeds;*
- install or undertake to maintain border hedges, or alternatively implement green spaces, with nectariferous species;*
- avoid or limit the use of active ingredients harmful to bees and pollinators.*

2. The second stage may concern farms selected by Conapi, which have already implemented the actions indicated in the first stage. In these farms, the actions include:

- Installation of hives by Conapi beekeepers.*

Currently there are 75 farmer shareholder farms in the Group's supply chain that have signed up to the project. 270 hives were placed in 11 of these farms by Conapi beekeepers, which are home to over 14 million bees.

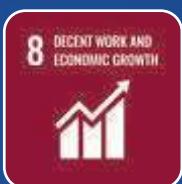
The "*Approved by Conapi Bees*" seal has also been placed on the packaging of Granarolo Organic Milk, since all the farmer shareholders who produce this type of milk have joined the collaboration project.

The value of this innovative collaboration has also been recognised at European level. In 2024, the project won *The European Bee Award*.

Established by ELO - European Landowners' Organization and CEMA – European Agricultural Machinery Industry Association, and the award ceremony was held at the European Parliament in Brussels.

4

PROTECTING AND DEVELOPING EMPLOYEES







4

PROTECTING AND DEVELOPING
EMPLOYEES

OBJECTIVES

SCOPES	2024 OBJECTIVES	PROGRESS	NEW 2025 OBJECTIVES
JOB PROTECTION	Continuation of the generational relay	Generational relay objective achieved	Continuation of the generational relay
	Internal people first: internal promotions for any open positions within the company	Internal People First has facilitated the internal careers of many colleagues with greater involvement of people	Internal people first: internal promotions for any open positions within the company
	Completion of the G-people tool for abroad	Launch of the G-people tool abroad	
DEVELOPMENT OF HUMAN RESOURCES AND PROMOTING TALENT	Continuation of Scuola dei Casari Yoghurt school	Scuola dei Casari Yoghurt school is consolidated	Continuation of Scuola dei Casari and cheese tasters school Course on the use of mozzarella in pizza Scuola dello yoghurt
	Next Generation Granlatte continuation	Next Generation Granlatte annual training	Last year of Next Generation Granlatte training
	Training of internal and young staff to increase production skills and expertise continues	Training of internal and young staff to increase production skills and expertise	Initiation of training on production activities with newly hired employees
	Training course 12-18 months for Group talents for BBS	Start of the course with Bologna Business School	Training course on AI for management support functions and People Development Program
	Training enabling people involved in the projects of the industrial plan to work in functional cross teams	Training aimed at redefining the industrial plan year by year	Recalibration of the business plan with the support of trained talents
		Uni/Pdr 125:2022 gender certification	
OCCUPATIONAL HEALTH AND SAFETY	Extension of the project for the year and closure of near miss accidents within 45 days from the opening date	Goal reached at 34%	Target revised to 50%
	ISO 45001 certification for the Venchiaredo plant and ISO 45001 and 14001 for the Sestu site	ISO 45001 certification for the Venchiaredo plant	45001-14001 certification maintenance for Granarolo SpA and Venchiaredo and ISO 45001 and 14001 planning for Sestu by 2027
WELFARE POLICIES AND CHANNELS ENCOURAGING EMPLOYEE ENGAGEMENT	Implementation of the actions related to the victory of the #Riparto call to facilitate working mothers of children aged 0-3	Launch of the actions related to the victory of the #Riparto call to facilitate working mothers of children aged 0-3	Continuation of the actions related to the victory of the #Riparto call to facilitate working mothers of children aged 0-3
	Continuation of conversion of the car fleet	Continuation of conversion of the car fleet	Continuation of conversion of the car fleet

The Group, constantly committed to maintaining a competitive position on the market, also in 2024 continued in its strategy of pursuing the objective of rationalising industrial processes, through the enhancement of efficiency and the raising of the technical-professional level of the employees involved in the production process, as well as organising work by optimising and consequently reducing related costs.

The company continued to invest in the development and refresher training of staff through a Training Plan shared with all functions.

Also in 2024, the Company continued the policy, already underway for some time, of fruitful and constant discussion with the Social Partners, in order to create an increasingly pleasant and collaborative environment.

In November 2024 Granarolo S.p.A. has obtained the UNI/PdR 125:2022 gender equality certification for all its sites in Italy. This is evidence of our commitment to creating a company culture that is inclusive and attentive to people and their needs. Since its foundation, Granarolo has promoted initiatives for gender equality in the fields of selection and hiring, career management, salary increases, welfare and conciliation policies, awareness-raising and communication projects to promote an inclusive corporate culture free from stereotyping and prejudice.

The introduction of the gender equality management system, in accordance with the UNI/PdR 125:2022 reference practice, provides for the measurement, reporting and evaluation of a set of indicators distributed over certain areas: selection and hiring, career management, gender pay equity, parenting and care protection, work-life balance, prevention of any form of physical, verbal or digital abuse (harassment) in the workplace. The aim is to cover any existing areas not yet included and to produce sustainable and projected change over time.

The business plan includes the centrality of human capital as an enabling factor and, therefore, the Human Resources strategy is aimed at ensuring that the Group has the right people, with the right skills and in the right place to ensure the success of the



plan. Therefore, the consolidation of the following actions related to the human capital strategy, defined as part of the new business plan, continues:

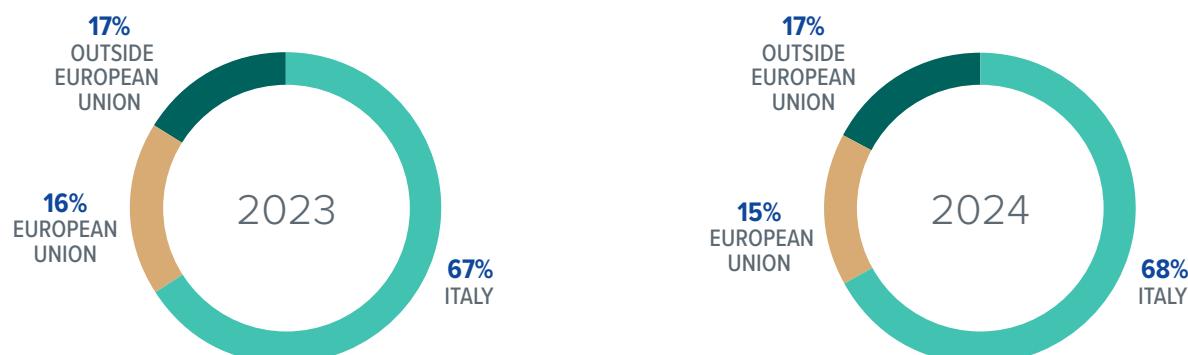
- performance management process and system for all Group office workers;
- use of a welfare platform;
- constant search to give internal resources the possibility of promotion when a position is opened and an increase of women in the top management positions;
- creation and development of new training courses, both in technical and specialist areas and for leadership development, in order to ensure a successful career;
- review of Recruiting, Onboarding and Learning processes;
- introduction of people management through talent mapping.

4.1 Protecting jobs

The workforce at the Granarolo Group as at 31 December 2024 amounted to 2,532, an increase of 42 compared to the previous year. In 2024, in fact, there was an entry into the Italian perimeter of Maremma 1961 S.r.l. and a greater number of personnel in the non-European perimeter.

NUMBER OF EMPLOYEES BY GEOGRAPHICAL AREA	31/12/2023	31/12/2024
Italy	1,682	1,710
• Of which men	1,234	1,262
• Of which women	448	448
European Union	392	391
• Of which men	259	255
• Of which women	133	136
Outside European Union	416	431
• Of which men	287	299
• Of which women	128	132
• Of which not specified	1	-
GROUP TOTAL	2,490	2,532

THE GRANAROLO GROUP - DISTRIBUTION BY GEOGRAPHICAL AREA



NUMBER OF EMPLOYEES BY CONTRACT TYPE AND GENDER	2023	2024
TOTAL EMPLOYEES - GROUP	2,490	2,532
Employees on permanent contracts	2,465	2,501
• Of which men	1,768	1,804
• Of which women	696	697
• Of which not specified	1	-
Employees on fixed-term contracts	25	30
• Of which men	12	12
• Of which women	13	18
Employees working variable hours	-	1
• Of which women	-	1
TOTAL EMPLOYEES - ITALY	1,682	1,710
Employees on permanent contracts	1,663	1,686
• Of which men	1,225	1,251
• Of which women	438	435
Employees on fixed-term contracts	19	24
• Of which men	9	11
• Of which women	10	13
TOTAL NUMBER - EU	392	391
Employees on permanent contracts	388	390
• Of which men	257	255
• Of which women	131	135
Employees on fixed-term contracts	4	0
• Of which men	2	0
• Of which women	2	0
Employees working variable hours	-	1
• Of which men	-	0
• Of which women	-	1
TOTAL EMPLOYEES - OUTSIDE EU	416	431
Employees on permanent contracts	414	425
• Of which men	286	298
• Of which women	127	127
• Of which not specified	1	-
Employees on fixed-term contracts	2	6
• Of which men	1	1
• Of which women	1	5

NUMBER OF EMPLOYEES BY WORKING HOURS AND GENDER		2023	2024
TOTAL EMPLOYEES - GROUP		2,490	2,532
Full-time employees		2,386	2,435
• Of which men		1,763	1,809
• Of which women		622	626
• Of which not specified		1	-
Part-time employees		104	97
• Of which men		17	15
• Of which women		87	82
TOTAL EMPLOYEES - ITALY		1,682	1,710
Full-time employees		1,603	1,632
• Of which men		1,224	1,253
• Of which women		379	379
Part-time employees		79	78
• Of which men		10	9
• Of which women		69	69
TOTAL NUMBER - EU		392	391
Full-time employees		370	374
• Of which men		254	257
• Of which women		116	117
Part-time employees		22	17
• Of which men		5	4
• Of which women		17	13
TOTAL EMPLOYEES - OUTSIDE EU		416	431
Full-time employees		413	429
• Of which men		285	299
• Of which women		127	130
• Of which not specified		1	-
Part-time employees		3	2
• Of which men		2	2
• Of which women		1	0

NUMBER OF EMPLOYEES BY CATEGORY AND GENDER		
	31/12/2023	31/12/2024
GROUP TOTAL	2,490	100%
Executives	60	100%
• Of which men	46	77%
• Of which women	14	23%
Managers	172	100%
• Of which men	120	70%
• Of which women	52	30%
Office workers	834	100%
• Of which men	469	56%
• Of which women	365	44%
Plant workers	1,424	100%
• Of which men	1,145	80%
• Of which women	278	19%
• Of which gender not specified	1	1%
	0	0%

The ESRS introduce the concept of senior management, with respect to which it is required to give evidence of gender distribution. Granarolo, in line with the provisions of the standard, uses its own definition for which senior management consists of employees with the qualification of manager. With reference to 2024, members of senior management were 24% female and 76% male.

The distribution of Group employees by age group is shown below, always in line with the requirements of the ESRS.

ESRS S1-9

EMPLOYEES BY AGE GROUP		
	31/12/2023	31/12/2024
GROUP TOTAL	2,490	100%
Under 30 years of age	224	8%
Between 30 and 50 years of age	1,215	50%
Over 50 years of age	1,051	42%
TOTAL ITALY	1,682	100%
Under 30 years of age	82	5%
Between 30 and 50 years of age	801	48%
Over 50 years of age	799	47%

EMPLOYEES BY AGE GROUP	31/12/2023	31/12/2024
TOTAL EU	392	100%
Under 30 years of age	43	11%
Between 30 and 50 years of age	195	50%
Over 50 years of age	154	39%
TOTAL NON-EU	416	100%
Under 30 years of age	99	24%
Between 30 and 50 years of age	219	53%
Over 50 years of age	98	23%

GRI 401-1 ESRS S1-6

EMPLOYEES WHO HAVE LEFT THE ORGANISATION (NO.)	2023	2024
GROUP TOTAL	417	343
Italy	166	161
European Union	133	37
Outside European Union	118	145

TURNOVER RATE (%)	2023	2024
GROUP TOTAL	17%	14%
Italy	10%	9%
European Union	34%	18%
Outside European Union	28%	34%

Organisation and industrial relations

GRI 2-30 ESRS S1-10

The National Collective Labour Agreement for the sector covers all employees in Italy. In relation to transfers of headquarters, the CCNL (National Collective Labour Agreement) requires that these be communicated promptly and in writing. For other types of organisational changes, such as mergers, sales of business units, etc., the law states that management procedures must be launched at trade union level to define timeframes and methods of communication. In compliance with the principle of constructive and timely dialogue with employees and with a commitment to reducing social impacts, in any case of company reorganisation and restructuring, workers and their representatives are informed in advance, with timescales that vary from country to country in full compliance with local legislation, current collective agreements and trade union agreements.

In terms of Industrial Relations, 2024 saw the effective application of the agreement to renew the second-level contract of October 2023 for the entire Granarolo Group, with positive impacts on the workers

involved, especially in terms of welfare. Benefits included the recognition of further permits aimed at improving the work-life balance, to enhance maternity and paternity provision and to facilitate parents in the management of under-18 children.

Thanks to good relations with trade unions at all levels, numerous and periodic trade union meetings are held during the year at local area levels that have made it possible to renew or sign agreements at the Group's sites, aimed at improving the organisation and flexibility of work, so as to be able to respond more effectively to market demands and better meet production needs.

The usual National Coordination meetings were also held, with the participation of all the key trade unions, both national and local, as well as the delegates of the Group's employees, who were given full information on the company's performance, both from an economic-financial and productive point of view. The December meeting also presented an update of the Group's Business Plan, which confirms the company's wish to grow and establish itself more and more as a market leader, thanks to the significant total investments in the period 2024-2028 of over €300 million.

ESRS S1-11

With reference to social protection instruments to protect workers against events such as illness, unemployment, injuries and acquired disabilities, parental leave and retirement, 100% of employees in Italy and the European Union are covered.

ESRS S1-15

With regard to leave for family reasons and to enhance the balance between work and private life, in Italy in 2024 16% of those entitled, identified as the total company population, used it when the specific conditions occurred.

4.2 Development of human resources

Activities and training paths

The initiatives for the development of human resources in the Granarolo Group are guided by the HR strategy, which is based on four fundamental pillars: improving people's work experience, attracting and retaining key talents and resources, enhancing skills to allow everyone to express their potential and ensuring an efficient organisation.

In line with this strategy and inspired by the guiding principle "Granarolo people first", the Group invests in professional growth through paths aimed at identifying and developing talent. The objective is to maximise internal potential, encourage growth, improve efficiency and maintain a competitive advantage by developing its human resources, always respecting gender equality.

The promotion of internal growth, even in strategic roles, reflects the recognition of the value of the skills already present in the company. This approach ensures a smooth and effective transition into new roles resulting from organisational developments, supported by training programmes focused on technical, specialist and managerial skills.

Consistent with these guiding principles, in the development of the SuccessFactors Recruiting platform implemented in 2024, particular attention was paid to internal applications, providing for a dedicated section. This process allows employees to have full visibility of open positions and promotes the development of current company personnel.

In 2024 the Granarolo Group held training activities for a total of 20,758.25 hours for a total of 4,518 participants.

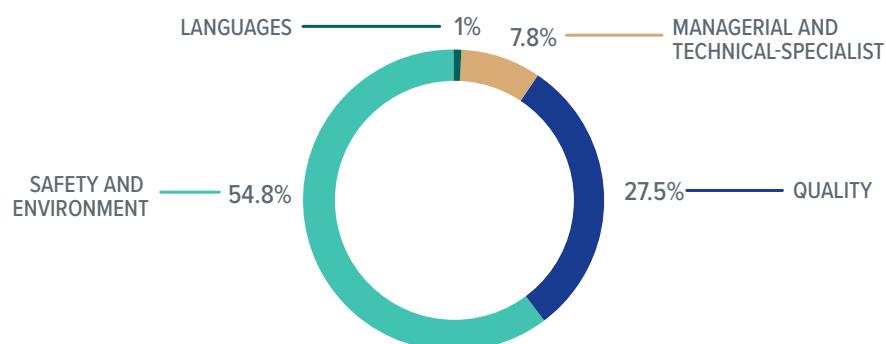
HOURS OF TRAINING - 2022-2023 GRANAROLO GROUP TRENDS

TOTAL HOURS OF TRAINING BY GENDER	2023	2024
Men	10,095	16,207
Women	5,495	4,550
GROUP TOTAL	15,524	20,757
TOTAL HOURS OF TRAINING BY ROLE	2023	2024
Executives	524	217.5
Managers	340	1,416.5
Office workers	5,542	6,471
Plant workers	9,118	12,653
GROUP TOTAL	15,524	20,757

AVERAGE HOURS OF TRAINING - 2023-2024 GRANAROLO GROUP TRENDS

AVERAGE HOURS OF TRAINING BY GENDER	2023	2024
Men	6	9
Women	8	6
AVERAGE HOURS OF TRAINING BY ROLE	2023	2024
Executives	9	3.5
Managers	2	8
Office workers	7	8
Plant workers	6	9
GROUP TOTAL	6	8

More specifically, as a percentage of the total hours provided, the training activities were broken down as follows:



The subjects covered confirm the Group's focus on strengthening the managerial and technical/specialist skills and monitoring the quality of products, workplace safety and environmental protection.

Below are some specific interventions on the various topics and in relation to the different professional families.

Several training initiatives have been addressed to the *Normal Trade and Food Service* area, a channel that is changing significantly with the emergence of new business logic, new interlocutors and new dedicated products. For this reason, Granarolo has launched a training project aimed at reskilling and upskilling our team dedicated to this channel, to be ready to face these new challenges.

Below are the key points of the project:

- Boost to the channel: a change in channel logics, with a training approach aimed at rapid and continuous adaptation.
- Team Development: identify and bring out the talents, planning development paths for a future of shared successes.
- Reskilling: knowing how to interpret the present and invest in the future, anticipating opportunities and risks in order to propose new strategies with determination
- Upskilling: consolidating the fundamentals of labour law, which is an essential basis for the coordinators of the Tentata Vendita teams.
- Product training: sessions on new products, to ensure that the team is always up-to-date and ready to meet customer needs and add value to our range.

In the Corporate area, a training course for colleagues responsible for teams was carried out.

This approach enhances already existing talents and invests in the growth and development of people who know the company and its values in depth: *Internal People First!*

The course is designed to help new managers to:

- Enhance the skills and performance of their team, guiding each member towards the achievement of ambitious objectives in a collaborative and positive way.
- Develop communication and priority management skills, acquiring tools to respond to challenges effectively and tenaciously.
- Promote pro-activity and resilience: fundamental characteristics to face daily challenges with determination and motivate the team towards success.

In addition, with the aim of improving the efficiency and effectiveness of the different teams, the GTD® (*Getting Things Done*) course was carried out, based on the method devised by David Allen to manage activities and projects with efficiency and mental clarity. Granarolo was among the first Italian companies to experiment with this method that imparts skills that help people improve concentration and productivity.

When used in a constant and shared way, this methodology creates a "way of working" that allows teams to achieve better results. The GTD system is based on five principles that allow participants to clear their minds by eliminating the task of remembering things to do, and leaving them free to focus





on their execution, thus removing all unnecessary inputs and making time management more efficient.

In the Manufacturing area, a training course was held for production heads, specifically shift managers, department managers and maintenance managers of the Bologna, Soliera, Usmate and Coriano offices, with a programme full of topics crucial for operational success and the quality of work.

The main topics covered were:

- Mobilise energy for greater operational effectiveness: motivate, listen and evaluate to make your team grow, also positively managing stressful situations.
- Assumption of responsibility: induce employees to take initiatives and propose solutions, rather than wait for decisions from others.
- Willingness to change: promote continuous improvement by overcoming prejudices and routines.
- Stimulating creativity: face new challenges and solve existing problems with an innovative approach.
- Cross-functional collaboration: build an environment of trust and synergy by overcoming the idea of working only for your "own" area.
- Authoritative leadership: develop awareness of your role and recognise the importance of your leadership.
- Management of collaborators: define measurable tasks and objectives, communicate clearly and support teams in times of difficulty.
- Constructive feedback: conduct interviews to assess performance and progress while promoting learning and improvement.
- Delegation and empowerment: foster the growth of co-workers through delegation, giving them confidence and protecting them from the fear of making mistakes.
- Building a winning team: convey not only objectives, but also visions and values, creating a positive and motivating work environment.
- Effective time management: distinguish between what is important and what is urgent, planning activities for clear objectives.

In the field of specialist training, the Advanced Training course on Dairy Technology, started in 2023 and supervised by the CREAZA University Consortium, aimed at specialised workers (blue collars) and Department Managers, ended with a Masterclass in 2024.

The programme was structured according to the principle of "production according to quality", linking the required product specifications at the end of shelf life with the management of specific operations. Particular attention was paid to the interaction between the various production process phases and the chemical-physical, microbiological, hygienic and structural aspects of the product, as well as the processing results. The Masterclass gave an opportunity to take a closer look at the production methods for fresh cheeses, always aiming at excellence encompassing both tradition and innovation.

4.3 Skills assessment and development process

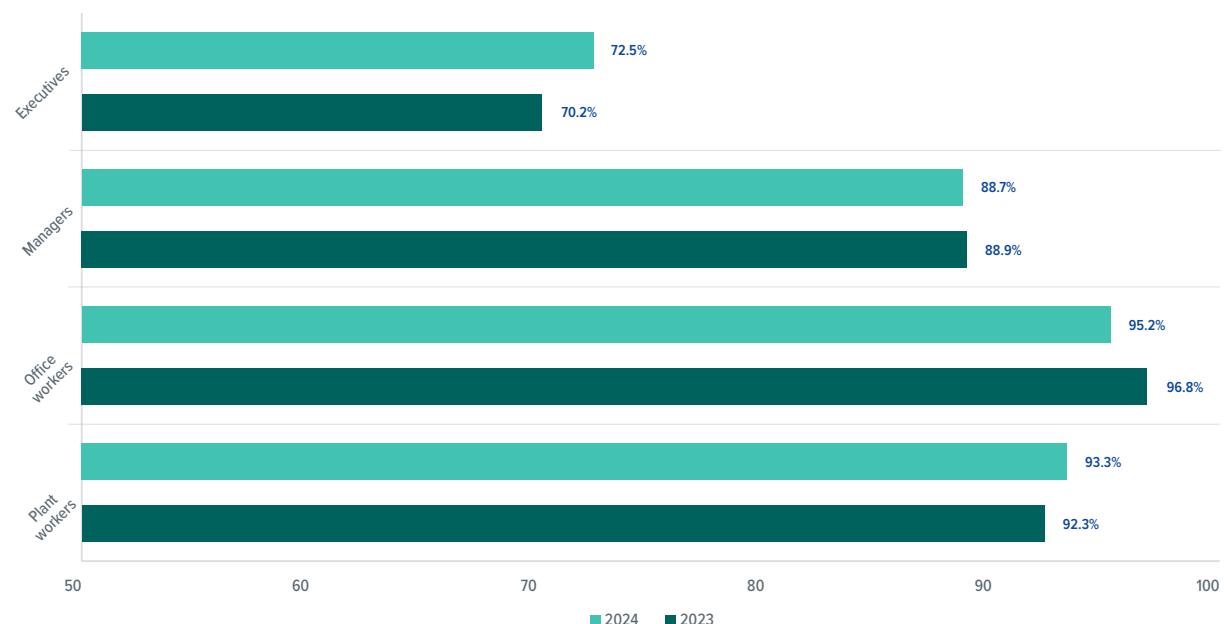
GRI 404-3 ESRS S1-13

Consistent with the Granarolo Group's HR strategy, the 2024 edition of the Performance Management process (G-Perform) was created. It involved over 600 participants, is based on the Values of the Group and aims to develop people through performance evaluation. Employees involved in the process during 2024 were 46% female and 54% male.

G-People is a module of the HR platform focused on the management of personal data and the organisational structure, which has been gradually implemented within the companies of the Group and has been made available to individual employees. This implementation was completed in 2023 with the opportunity given to managers to see all the organisational and classification aspects related to their collaborators. As confirmation of the Group's commitment to promoting the internal growth of even the most junior professionals, to mention, finally, the inclusion in the company of 67% of extracurricular interns, once the internship course is over.

RATIO OF AVERAGE MALE TO FEMALE SALARIES

GRI 405-2



The graph illustrates the ratio of male to female salaries by classification over the two-year period 2022-2023 (calculated as "male salary:100 = female salary:X") and records a substantial alignment for the blue collar, office worker and middle management categories.

ESRS S1-16

In line with the approach to the CSRD, the data relating to the gender pay gap is also calculated according to the ESRS methodology. This defines the indicator as the difference between the average gross hourly pay of male and female employees compared as a percentage to the average gross hourly pay of male employees. For 2024, the aggregate indicator for the different role levels was 1%.

4.4 Health and safety of workers

As outlined in the Policy published in March 2023, the Granarolo Group is committed to reducing safety risks and guaranteeing the well-being of all its employees.

The commitment to reducing safety risks and guaranteeing the well-being of all employees is formalised in the Multi-site Policy, which gave further proof of its adequacy and alignment with the Group's production requirements, even for 2023. The Group Policy is also promptly shared with and applied to newly-acquired subsidiaries. During the management review, the Group and plant performance indicators were once again analysed in 2024 to assess the degree to which the activities in the improvement plans had been completed and to establish (and if necessary reiterate) and approve the improvement targets.

The Group's objectives are defined for the relevant functions and levels and take account of significant occupational safety aspects, corresponding compliance obligations and the results of risk assessments. The improvement targets are established in such a way as to be consistent with company policy, can be measured with specific performance indicators, and are periodically monitored and communicated to relevant internal and external stakeholders.

4.4.1 Occupational health and safety management system

GRI 403-1, 403-8

Granarolo S.p.A. has been adopting, for several years, a management system for the health and safety of workers certified according to the UNI ISO 45001 standard in the following plants: Bologna (BO), Castelfranco Emilia (MO), Castrovillari (CS), Gioia del Colle (BA), Pasturago (MI), Soliera (MO), Volterra (PI), Usmate (MI) and Casalino (NO), which entered the scope of certification at the end of 2023.

The Group's subsidiaries are not obliged to possess certification according to the above standards but they must in any case apply the health and safety management system.

80% of employees work in UNI ISO 45001:2023 certified plants.

All sites are subject to internal audits by the site RSPPs (Health and Safety Managers), who are trained and authorised to carry out part I audits in accordance with current voluntary legislation, or by the Environment and Safety Department, which involve examinations of legislative compliance and management system requirement compliance. The audits include an inspection of work spaces, also performed remotely. The results of the audits are managed as events within the management system and involve the analysis of the causes and the definition of actions to solve the problems. Audits are also performed at the sites on external businesses and aspects or critical processes relating to safety.

The audits performed by external bodies include both second-party audits (customers) and third-party audits (certification bodies).

4.4.2 Hazard identification, risk assessment, and incident investigation - Granarolo Italia

GRI 403-2

All Granarolo (Granarolo S.p.A. And Italian subsidiaries) sites carry out risk assessments in compliance with the law and the procedures of the management system.

The risk assessment process consists of the following phases:

- identifying the potential danger represented by the structures, equipment and activities of the company, by the organisational context, also analysing factors not directly connected with its activities with the aim of excluding their presence;
- identifying and assessing the risks of every specific working activity carried out in the company and “transversal” activities, including organisational risks (psychosocial risks) that can cause stress (occupational stress) and other forms of harm to health and safety stemming from the potential dangers identified;
- identifying the prevention and protection measures necessary to eliminate or minimise the risks;
- defining prevention and protection measures with regard to fire prevention and fire fighting, first aid and the evacuation of workers in the event of serious and imminent danger;
- implementation of all necessary procedures, according to an appropriate timetable and financial plan, to fulfil the obligations outlined in specific provisions of Leg. Decree no. 81/08 as amended for the improvement of workplace health and safety;
- drafting the “Risk Assessment” document whose contents are defined by law;
- defining improvement plans.

The **Risk Assessment Document** is drafted by the RSPP (Health and Safety Manager), a figure with the necessary skills and expertise to manage the types of risks present in the workplace and connected with the working activities, who fulfils the duties outlined in art. 33 of Leg. Decree 81/08 and coordinates the Prevention and Protection Service (PPS).

To correctly identify all of the risks to which a worker may be exposed and evaluate their potential effects, it is necessary to have an in-depth understanding of the overall organisation of the company and the production and operating processes at the site. This phase is implemented through an analysis of the working context which contains information on key aspects regarding the site's integration in the urban context, the company's organisational and risk prevention structure, the plans and the description of the production cycle. In particular, it consists of identifying the workplaces and work stations in order to form an overall picture of the production site in terms of its physical location, position and size.

The following are considered when **identifying risks**:





- the source of the risk;
- the elements that could potentially endanger operators, i.e. the equipment, materials, substances, structural aspects of the workplace and anything else that is potentially a source of danger for operators;
- operating conditions.

It is important to take account of operating conditions in the risk identification phase in order to also pinpoint risks that are not directly connected with the sources of danger present but which may emerge due to the malfunctioning of systems/equipment, unforeseen actions, operator errors or subjective modifications of company operating practices.

From the analysis of the processes and characteristics of the workplaces associated with each role, it is possible to identify the relative risks to the health & safety of workers, as detailed below:

- safety risks which could cause harm, such as an injury;
- health risks which could cause harm, such as the onset of an occupational disease.

All risks must be considered when drafting the Risk Assessment Document. The **health and safety of workers** is considered at **risk** when a worker is exposed, during their work activities, to the effects of one or more risks associated with a process/processing phase and its relative operation. With the support of the Prevention and Protection Service and the Company Doctor, and involving other company departments if necessary, the Employer surveys - for every activity - the potential risk deriving from the exposure to the danger by filling in the sheets identifying the risks for each position.

The **assigned risk indexes** take account of the prevention and protection measures present and applied. As a result, the identified risk corresponds to the level of residual risk. The risk assessments are made in normal operating conditions and, where applicable, in anomalous conditions.

The risk assessment process is supported and supplemented with the following information:

- the history of injuries, indexed according to role and risk;
- the findings of specific technical risk assessment reports, analytical reports and instrumental measurements, the drafting of which is entrusted to expert technical consultants by the Employer.

In relation to the indications that emerge from the risk assessment and other specific analyses, the company identifies measures to guarantee the long-term maintenance, improvement or adjustment of worker health and safety levels. The application of the safety management system and risk assessment process enables Granarolo to take a **preventive approach to safety** that seeks to reduce the probability of employees and non-employees being exposed to factors that may cause injury or professional disease.

The reporting of potential risks or risky situations in the workplace by workers takes place via a management system which enables the supervisor to register the sheets on near misses that take place at their plant. This information is

registered by the supervisor or Health & Safety Manager without recording the details of the person filing the report.

In order to **improve the awareness of workers** as regards near misses, these events are discussed at meetings of the Workers' Safety Representatives and during HSE Committee meetings. On these occasions, with the support of the Health & Safety Manager and the personnel involved, the causes of the near miss are analysed and any eventual preventive actions which make it possible to reduce the level of risk to which workers are exposed are shared in order to prevent the event from recurring.

All accidents (injuries and near misses) involving employees, external workers and visitors are recorded, inserting all of the necessary information, such as the cause, how the accident happened and the actions taken to deal with the event. The Health & Safety Manager has the task of investigating the incident and does this in various ways, interviewing witnesses, analysing the circumstances, the injured party, suppliers and materials, equipment, technical documentation and photographic evidence, and consulting external specialists.

4.4.3 Occupational health services

GRI 403-3

In Granarolo S.p.A and its Italian subsidiaries, **health surveillance** is regulated by a specific Granarolo Management System procedure which is shared with all plants.

In accordance with the law, a fully-qualified **Company Doctor** is appointed for every site and is tasked with collaborating with the Prevention and Protection Service for risk assessment purposes, carrying out health surveillance activities and performing all other tasks established by law.

Moreover, for both in Granarolo S.p.A and its Italian subsidiaries, a **Medical Coordinator** is appointed and has the role of guaranteeing the coordination of the company doctors operating in the various production units.

The doctors contribute:

- to the risk assessment process (also for the purposes of planning health surveillance);
- to preparing the groundwork for the implementation of health protection measures;
- to worker information and training activities, for the part within their remit, and the organisation of the first aid service and the definition of the contents of first aid kits.

At individual sites doctors are provided with information on the nature of the risks present, existing roles, working methods, the planning and implementation of preventive and protective measures, a description of the systems and production processes, measures adopted by the supervisory bodies, the names of workers and their related health risks on the basis of their roles and duties.

Using the information provided to them, the company doctor establishes the plant's health protocol in accordance with the Group's health protocol in Italy, conferring with the medical coordinator if necessary.

At the start of their tenure and then at least once a year, the company doctor carries out an inspection of the company's departments, during which they may be accompanied by the Health & Safety Manager and Workers' Safety Representative.

In the cases foreseen by the legislation in force, medical check-ups are performed in clinics and/or rooms specially set up for this purpose.

Workers undergo periodic medical check-ups, as per the health protocol defined for their role. Workers may request an unscheduled check-up at any time, whether this be connected with professional risks or their state of health, which may potentially deteriorate as a result of their working activities.

At the end of the health surveillance the company doctor expresses their opinion on the worker's suitability for their position and, if prescriptions are issued or the worker is deemed to be unfit for their role, this information is communicated to supervisors so they can adopt the necessary measures to respect the indications in the fitness assessments as quickly as possible.

If the worker is deemed unfit for their role, where possible the Plant Manager assigns them to equivalent roles. If this isn't possible they are assigned more junior roles, guaranteeing the same contractual conditions as their original position.

Data confidentiality is guaranteed by the creation of paper-based/digital health records which are stored in the agreed place and ensure professional secrecy

4.4.4 Worker engagement and health and safety communications - Granarolo S.p.A and Italian subsidiaries

GRI 403-4

One or more Workers' Safety Representatives (WSR) have been appointed for every site, depending on its size, among the trade union representatives.

The consultation of workers, also via their representatives, takes place on different suitably organised occasions, such as the annual meeting pursuant to art. 35 of Leg. 81/08, the periodic meetings between the WSR (at least twice a year), and the monthly meetings between the Environment and Safety department and the Health & Safety Managers of all sites.

During 2024, some initiatives were launched, such as:

- periodic meetings with the Granarolo Group's HSOs to share strategies, opportunities for improvement and actions to manage any critical issues (6 meetings were held in 2024);
- periodic meetings between the Environmental Safety Department and the Employers and Plant Managers (Employer's delegates) to share strategies, opportunities for improvement and actions to manage any critical issues (9 meetings);
- meetings with the Safety and Environment Department of all the supervisors of the Granarolo Group;
- 8-hour training course for Employers and Delegated Managers with a specific focus on the safety of machines and systems;
- 16-hour training course for RSPPs and Technical Management with a specific focus on the safety of machines and systems;
- a project to verify the state of equipment, machines and systems of some plants (Usmate Velate, Casalino, Gioia del Colle and Venchiaredo); the project will continue in 2025 on the other plants of the Group;
- a project for the identification of an accident prevention shoe model with a heel-toe coefficient for the risk of slipping (given the high number of injuries caused by this). The two pilot plants are Venchiaredo and Usmate. Once validated, the model will then be applied in all plants.

4.4.5 Worker training on occupational health and safety - Granarolo S.p.A and Italian subsidiaries

GRI 403-5

Training and information activities are targeted at all workers according to role and may take place during, before or when starting their employment relationship with the company. They are particularly aimed at:

- new hires;
- workers assigned to new roles or new machines, equipment, PPE and hazardous substances;
- external personnel that work on a continuous basis for Granarolo;
- supervisors and directors.

The evaluation of training requirements, beginning with risk assessment, and the required skills outlined in the job position profile, is carried out by the Health & Safety Manager in collaboration with the supervisors, CD and WSR.

The **training plan** is put together at the conclusion of the training requirement assessment.

According to their previous experiences in specific health, safety and environment issues, new hires are trained on the concepts of risk, damage, prevention and protection, on various regulations (ISO 14001, ISO 45001...) and on internal health, safety and environment emergency plans/procedures. In particular, general and specific training is provided according to the State-Regions Agreement of 21 December 2011.

In the event of transfers or changes of role, the introduction of new equipment, new technologies, new substances or hazardous preparations, the specific part of the training connected exclusively with the changes or the newly-introduced content must be repeated.

The training is also provided for workers in specific roles such as first aid officers, fire prevention officers,

workers responsible for the use of some work tools (forklift truck drivers, for example) and workers responsible for the use of category III PPE, or specific safety roles, such as WSR, supervisor, safety manager. The training is carried out in accordance with current regulations. For all courses checks are carried out to verify that participants have fully understood the concepts and, for safety issues, also that the training activities have been effective. Tests are carried out at the end of the course, in accordance with the regulations in force and using methods chosen by the trainer on the basis of the adopted training approach.

For workers that operate on an ongoing basis in the plant as **contractors**, further to information activities training is also provided on specific health, safety and environment issues, including emergency management; the information is shared through coordination activities between the client and the contractors and is contained in the Consolidated Interference Risk Assessment Document.

In 2024 approximately **9,850 training hours dedicated to workplace safety** were provided in the Granarolo plants in order to train employees to identify and reduce the risks connected with the company's activities.

4.4.6 Occupational injuries and diseases - Granarolo S.p.A and subsidiaries

GRI 403-9, 403-10 ESRS S1-14

The safety performance indicators are defined annually, in compliance with the UNI 7249 standard, and concern the number of injuries (excluding those while travelling), the Severity Index, and the Frequency Index. The injury data aggregation criterion is linked with the date of the event, and takes into consideration a period of time (Δt) that can be either monthly or annual.

$$\text{SEVERITY INDEX} = \left(\frac{\text{Days of temporary inability caused by injuries in } \Delta t}{\text{Hours worked in } \Delta t} \right) \times 10^3$$

Hours worked: considering scheduled work hours and overtime.

Actual days of temporary incapacity: calendar days starting from the first day of absence (not including the day of the event). These include uninsured days, holidays, days of compensatory rest and any other interruption in company work activities.

$$\text{FREQUENCY INDEX} = \left(\frac{\text{Number of injuries in } \Delta t}{\text{Hours worked in } \Delta t} \right) \times 10^6$$

The overall indicator (Delta) is calculated by comparing annual objectives, defined in the Group review, with indicators calculated in the time period to be monitored.

The CSR Tool makes it possible to write up monthly reports on safety, containing a comparison of the value of the performance indicators in the period of interest with the objectives established for the Granarolo plants and the subsidiary companies (including international companies). Both the concise and complete versions of the report are sent to the company departments involved and include the Heinrich pyramids with an indication of the injuries according to duration and the number of near misses (with or without medication) in the period. The events (injuries and near misses) are analysed by individual plant, in reference to their characteristics (average duration, days lost, body part, type of lesion, how it happened, causes, role). Moreover, the CSR Tool makes it possible to record injuries and near misses to third-party workers that work for the company, i.e. employees of external companies and agency workers, the trends for which are described separately further ahead in the paragraph.

Granarolo S.p.A. worker data

GRI 403-9 ESRS SI-14

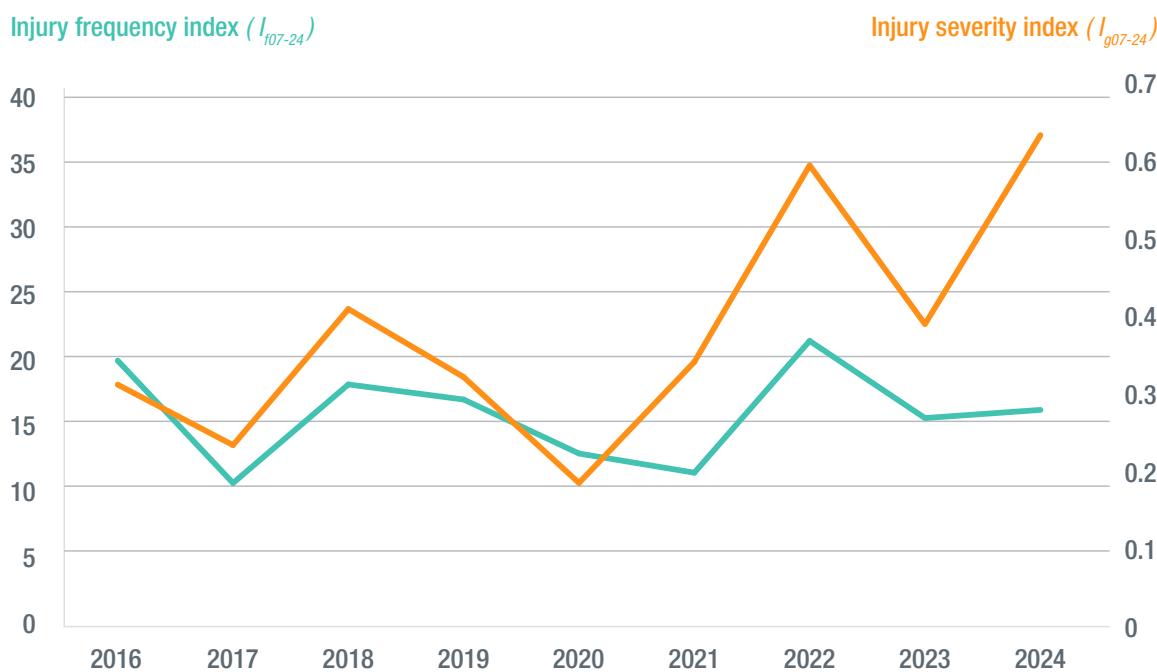
For 2024, the safety report took account of 9 production plants (Bologna, Castrovilliari, Castelfranco, Gioia del Colle, Pasturago, Soliera, Usmate, Volterra) and the distribution points (attempted sales and retail). The statistics on administrative activities include the Bologna and Pasturago offices and activities related to the commercial sector (travelling personnel).

The number of injuries suffered by employees in 2024 decreased compared to 2023 (dropping from 33 to 28). On the other hand, the number of days lost increased in 2024 (rising from 954 to 1214) as some injuries in 2023 extended also into 2024. The injuries that involved the most days lost were those in the Usmate plant (322 days), Soliera (102 days) and the Retail plants (213 days).

In 2024, around 1,650,621 hours were worked in the production departments and around 489,343 hours in administrative activities (offices). No deaths resulting from occupational injuries were recorded in 2024.

Below is the trend of accident indices for Granarolo S.p.A.

FREQUENCY AND SEVERITY INDEX FOR INJURIES AT GRANAROLO S.P.A. (YEARS 2007-2024)



Both indexes include injuries to administrative staff and improved on the previous year and the INAIL indices for the Food Industry sector, according to which the severity index is equal to 2.28 and the frequency index 26.01.

A detailed analysis of the 27 injuries to production workers shows that crushing (19%), impact and material handling (11%) and slipping (7%) were the main sources of injury.

Injury-related events are mainly linked to underestimation of risk (26%), non-compliant environments (22%) and carelessness (15%).

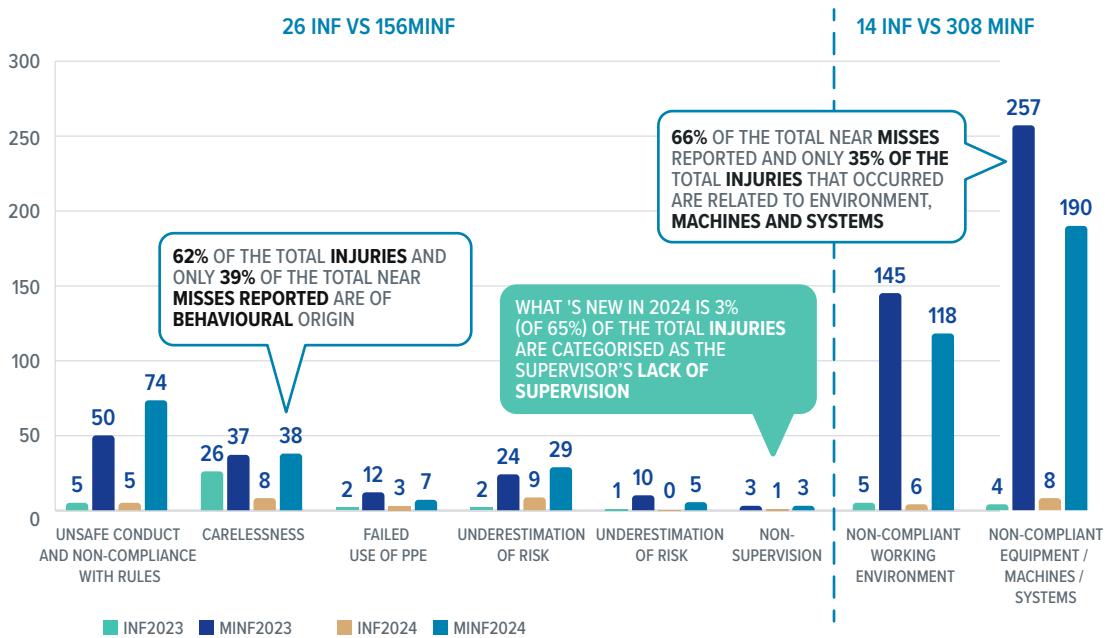


ZOOM

Near Misses – Analysis of the total for the Group in Italy

The Injuries and Near Misses recorded are analysed and correlated annually. In particular, during 2024 the following figures were recorded:

- 62% of injuries were attributable to unsafe conduct and only 35% of injuries were attributable to work environments, machines and systems What is new in 2024 is the identification of a further triggering cause of injuries that is equal to 3% of the total sum: lack of attention by the supervisor.
- for reports on near misses, the data is in progress, since in 2023 only 25% of the reports concerned incorrect conduct, whereas in 2024 we had 39% of the near misses attributable to incorrect conduct, with a drop (66%) in near misses due to inadequate equipment.





In the period from 2023 to 2024, 6 reports of occupational diseases were filed for Granarolo S.p.A.; of these, 3 are being processed by the competent authorities and 3 have been rejected. The main cause of the cases reported was poor posture and biomechanical overload (67% of cases). Information on the occupational diseases recognised in the 2023-2024 two-year period is provided below.

GRI 403-10 ESRS S1-14

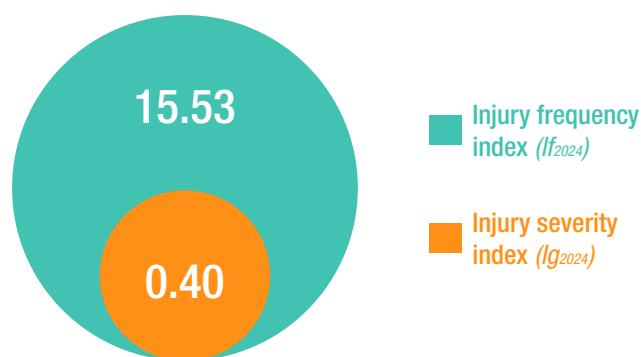
RECOGNISED OCCUPATIONAL DISEASES FOR 2023-2024		
GENDER	2023	2024
Men	0	0
Women	0	0

Trends in subsidiaries in Italy and abroad

With regard to the Italian subsidiaries, the scope of injury statistics in 2024 includes Casearia Podda, Latticini Cuomo, Centrale del Fresco, Unconventional, Pastificio Granarolo, Valetti, Venchiaredo and Zeroquattro Logistica. For the year 2024, 12 injuries were recorded. The number of hours worked in the subsidiaries came to about 640,549 while the number of days lost to injury came to 288⁵, up compared with the 284 recorded in 2023. The average duration of injuries was 38 days.

The severity index for the Italian subsidiaries in 2024 was equal to 0.38 ($Ig_{2023} = 0.45$) whereas the frequency index was equal to 19.13 ($If_{2023} = 17.83$).

FREQUENCY AND SEVERITY INDEX FOR INJURIES IN SUBSIDIARIES (2024)



The 12 injuries occurred due to the handling of material (42%) and contact with sharp parts (17%). The cause of the injuries was carelessness (40%). The body parts affected were the wrists-hands-fingers, backs and chests.

In the subsidiaries in Italy there was 1 injury to an external worker, and 4 to agency workers.

In the period from 2023 to 2024, 9 reports of occupational diseases were filed, 4 of which were accepted by INAIL.





The foreign subsidiaries recorded a total of 17 injuries for the year 2024, versus 15 recorded in 2023.

External worker data

There were 19 injuries affecting external workers of the Group, 10 of whom were agency workers and 9 employees of external contractors. The main causes recorded were slipping (21%) and crushing (11%), climbing stairs (11%), contact with sharp parts (11%), and maintenance work (11%). The main cause of injury was carelessness (26%) and non-conformant equipment (26%). The affected body parts were the wrists-hands-fingers (37%) and shoulders/arms (21%).

Once again in 2024, no deaths resulting from workplace injuries were recorded among external workers. As regards occupational disease, no data is currently available for external or agency workers.

4.5 Corporate welfare

Performance Bonus and conversion into Welfare

Starting from 2024, an increase in the conversion threshold of the Performance Bonus up to 60% and up to 100% as provided for in the supplementary agreement signed in 2023 came into force for the employees of Granarolo S.p.A. The conversion into welfare of the Performance Bonus, introduced in May 2021, increases the worker's purchasing power since the amounts converted are excluded from the taxable amount for fiscal and social security purposes, and is encouraged by the company thanks to an additional contribution of up to 15% of the converted value. The employee participation rate in Granarolo S.p.A, which in 2023 was 14%, rose to 20%.

Also in the Casearia Poddà subsidiary, the percentage of employees who joined the conversion of the Performance Bonus into welfare rose from 16.7% in 2023 to 31% in 2024.

Agreement portal

The Corporate Benefit agreement portal of the Granarolo Group remained available and integrated into the Zwelfare platform in 2024. The portal allows employees to benefit from many advantages in an exclusive way, having access to agreements, discounts and offers on a wide range of products and services from the most prestigious brands and leading companies. Each month, new agreements, offers and discounts are added to the portal.

#Riparto call for proposals

During 2024, all the administrative procedures were completed for the "#Riparto" call for proposals – Corporate welfare paths to facilitate the return to work of mothers, to facilitate birth and work-life balance. The measure, by the Department for Family Policies of the Presidency of the Italian Council of Ministers, promotes the implementation of corporate welfare projects with the aim of supporting the return to work of working mothers and promoting the harmonisation of working and family care times. All the measures envisaged in the project will start in 2025.

Hourly flexibility

In 2024, the possibility of requesting a part-time period of two years was maintained (first introduced in 2021), maintaining 100% of the social security contributions paid by the company. The possibility remains for employees (both in the office and in the production area) to request a 30-minute lunch break, thus reducing working hours by half an hour, for those who have children under 12 years of age.





Great Job!

In 2024, the Great Job! award was held for the fifth year in a row. It provides for an award for members of cross-functional teams involved in projects that have most contributed to making the Granarolo Group take a further step forward towards excellence. The novelty was the introduction for participants of a team building experience to increase engagement and increase their sense of belonging and motivation, creating a more positive work environment.



Time Saving Services at the Bologna site

The time-saving service of the Bologna headquarters remained active throughout 2024 through the agreement with Orto di Barbieri, a local company that delivers local fruit and vegetables, which allows employees to shop online with a 15% discount and direct delivery to the plant.



Factory shops

In the factory shops of Bologna, Milan, Gioia Del Colle, Castelfranco Emilia, where Granarolo Group and other products are sold, workers can buy at discounted prices of 15%. This gives an immediate economic benefit to employees, as well as contributing to the reduction of food waste. Also in the online shopping portal, Group employees are given a 20% discount.



Workplace and digital notice boards

The Meta platform for communication and collaboration between colleagues, which has become the official channel of communication and sharing of the company culture: in 2024 it has a total of 880 active accounts. This year was also characterised by a greater involvement of foreign colleagues with the aim of increasing the sense of belonging and spreading the culture of the Granarolo Group. During the year, we evaluated alternative internal communication platforms to be introduced during 2025, which may have characteristics similar to Workplace, but which guarantee greater involvement and greater dissemination of the company culture.

There is a total of 9 active digital notice boards, located in 8 Group plants: Bologna (2), Pasturago, Usmate, Soliera, Gioia del Colle, Castrovilliari, Rimini (Unconventional) and Casalino. The notice boards share content on company results, production and quality index trends, initiatives, corporate culture, the launch of new products and safety with staff. The content on the Workplace communication platform is shared on the company notice boards, so information is also promptly available in the plants.





ZOOM

Gender certification

In November 2024, Granarolo S.p.A. obtained the UNI/PdR 125:2022 gender equality certification for all its sites in Italy, reaching an important milestone in the field of inclusion and equal opportunities. This is indeed evidence of our commitment to creating a company culture that is inclusive and attentive to people and their needs. Since its foundation, Granarolo has promoted initiatives for gender equality in the fields of selection and hiring, career management, salary increases, welfare and conciliation policies, awareness-raising and communication projects to promote an inclusive corporate culture free from stereotyping and prejudice. The certification is therefore the result of a structured process that involved the entire organisation, aiming to reduce the gender gap in terms of opportunities for growth, pay equity, work-life balance and company culture. It is also a starting point for our continuous commitment to an increasingly inclusive and sustainable company culture, aimed at ensuring a respectful, fair and capable work environment to promote the well-being and growth of all our employees.

The introduction of the gender equality management system, in accordance with the UNI/PdR 125:2022 reference practice, provides for the measurement, reporting and evaluation of a set of indicators distributed over certain areas: selection and hiring, career management, gender pay equity, parenting and care protection, work-life balance, prevention of any form of physical, verbal or digital abuse (harassment) in the workplace. The aim is to cover any existing areas not yet included and to produce sustainable and projected change over time. Obtaining gender equality certification is one of the five strategic sustainability objectives of the 2024-2028 Business Plan.



OUR GUARANTEE: HEALTH, WELL-BEING AND FLAVOUR FOR ALL



19
ANAROLO
GROUP





GUARANTEEING FOOD SAFETY







OBJECTIVES

GUARANTEEING
FOOD SAFETY

SCOPES	2024 OBJECTIVES	PROGRESS	NEW 2025 OBJECTIVES
TRACEABILITY OF RAW MATERIALS AND FINISHED PRODUCTS	Continuation of the Total Quality Fifty Returns project	-816 tonnes of returns equal to -1461 tonnes of CO ₂ eq (2024 vs 2023)	Continuation of the Total Quality Fifty Returns project through forecasting analysis of demand, internal customer service, logistics optimisation on the Pasturago site, and the upgrading of ESL milk shelf life from 15 to 25 days.
	Reporting on health alerts	Periodic reporting of alerts started	
CONTROLS ON RAW MATERIALS	Continuation of strict supervisory plans and controls on raw materials	Supervisory plan: 243,964 checks (members and non-members) + 455,824 other analyses performed	Continuation of strict supervisory plans and controls on raw materials

Quality and sustainable products, traceability, food safety, healthy diets and balanced lifestyles are key topics in the culture of the Granarolo Group which believes that, in addition to institutions and individuals, companies must also contribute to striking a balance between the availability and the consumption of resources, through skills and technologies, but also through consumer awareness and information.

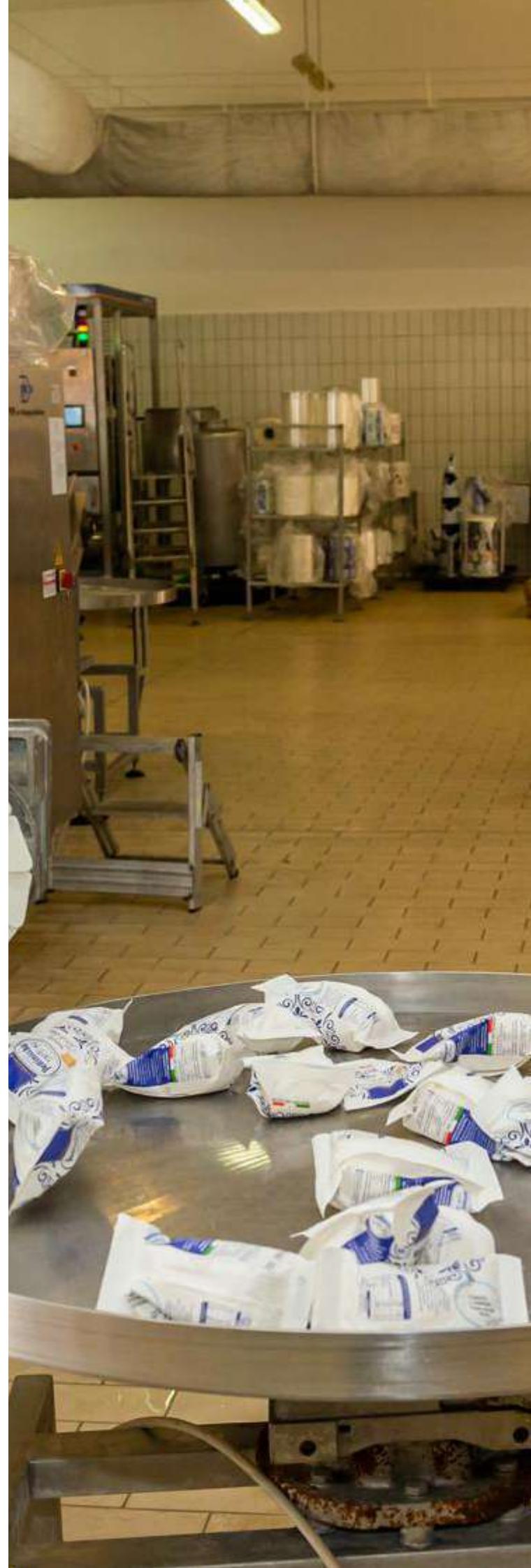
Every year the Granarolo Group invests resources and energy to strengthen its management system and guarantee food safety. In recent years, a significant part of this commitment has been focused on integrating this highly attentive approach in the companies that have joined the Group.

To promote and keep alive attention on the culture of food safety, the Granarolo Group has adopted the approach "The Global Food Safety Initiative" (GFSI) which pays particular attention to the role of the leader, communication, education, measurement, teamwork and personal responsibility.

Furthermore, the food safety guarantee system involves complete supervision, from the supply chain to internal processes, and through to distribution and logistics. In fact, the Group works on this guarantee in its own plants and involves its suppliers, also with the support of consultants and external national and international bodies. These certify compliance with the voluntary schemes and standards of the various countries in accordance with the food quality and safety management system that Granarolo has adopted.

Examples of this are the BRCGS, IFS, the supply chain, the organic and the Halal certifications for some of the products (milk, mozzarella, mascarpone, cream, Groksì, baby milk), KOSHER and VEGAN for some Unconventional products.

The Group continued the process of adopting the FSSC 22000 model - an international standard for the certification of food safety management systems - in its plants in 2024. It also remained committed to the direct training of plant workers on hygiene and product safety.



5.1. Traceability of raw materials and finished products



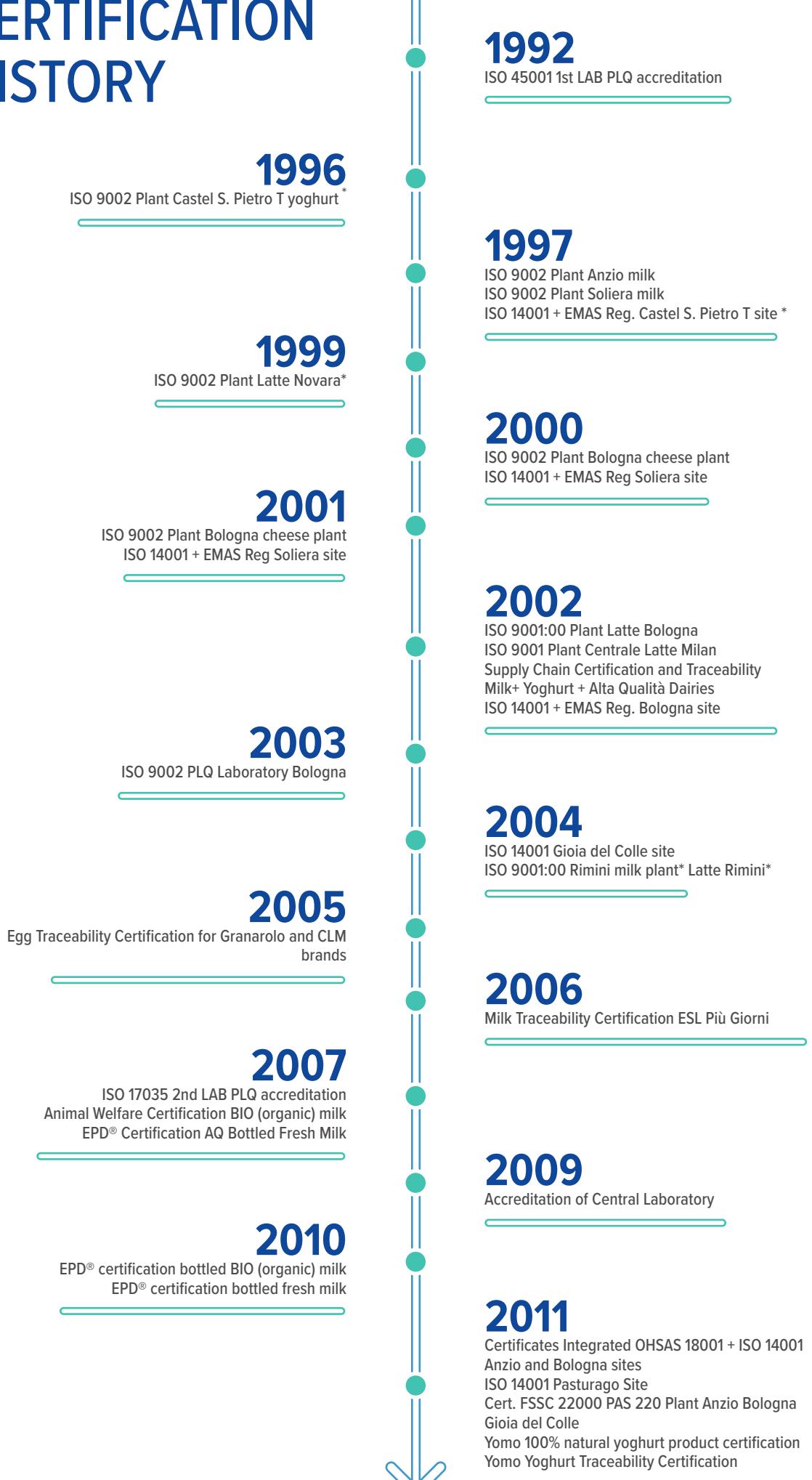
Granarolo aims to continuously improve its finished products through the **quality control of raw materials, ingredients and packaging materials**, carried out through the search for advanced analytical methods, the application of self-inspection plans focused on the quality of incoming milk (total bacterial content, inhibitors and aflatoxins), a prompt risk analysis that takes into account the potential sources of environmental contamination associated with the territories from which the raw materials or other ingredients come.

As far as aflatoxin AFM1 and inhibitor monitoring is concerned, the plants carry out checks on incoming material, according to the self-inspection plan. In fact, in addition to focusing attention on product analyses, the Granarolo Group goes back along the supply chain to assess factors which can influence product quality at the outset. Additionally, as it monitors the entire supply chain, the raw material control systems are more stringent and efficient.

As in every year, in 2024 the Granarolo Group maintained a qualification programme for its suppliers based on their criticality and on the relative risk analysis for food safety, using pre-qualification questionnaires and audits, evaluating performances through the statistical analysis of complaints and analytical checks following the definition of specific shared techniques regarding chemical, microbiological and sensory parameters. A strict **Surveillance Plan** was adopted with regard to both raw materials and the production process, and resulted in **243,964 controls** during the year.

These figures, and the implemented activities, reinforce the awareness that, for Granarolo, quality is a fundamental company asset, to be kept under constant surveillance, as well as the subject of ongoing improvement.

CERTIFICATION HISTORY



2012

BRC Plant Certification Bologna
BRC Plant Certification USMATE
Certification Chain and traceability Babyfood products
Cert. FSSC 22000 PAS 220 Plant Soliera
EPD® Certification BIO PS ESL MILK in Bottle
Certificates. Integrated OHSAS 18001 + ISO 14001 Soliera
Pasturago sites

2014

FSSC 22000:2010 Certification Castrovilliari
BRC Certification Casearia Podda

2016

FSSC 22000:2010 Amalattea
certification Expansion of 22005 and DTP 035
Certification Plant Usmate
Conversion to Granarolo model and confirmation of BRC
and IFS Certifications Pastificio Granarolo

2018

BRC Pasturago
DTP 122 Animal Welfare Certification
HALAL Usmate

2020

BRC Gioia del Colle and Castelfranco Emilia
Change from OHSAS 18001 to ISO 45001 for all sites
already certified

2022

BRC + IFS plant Coriano
Unconventional, Plant Novara and Aprilia
ISO 45001:2018 certification for Granarolo Retail

2024

BRC + IFS new Gioia del Colle dairy
BRC + IFS new hard cheeses department in Soliera

2013

Multisite certifications
ISO 9001,
FSSC 22000,
OHSAS 18001, ISO14001
EPD® certified system

2015

GMO-FREE Product Certification for 100% vegetable-based
products
[DTP 30 from CSQA.](#)

2017

“Yoghurt free of thickeners, flavourings, colouring and
preservatives” certification.
“GMO-free Soy/Corn” certification, expanded product range and
new Copacker.
22005 and DTP 035 certification:
expanded product range (Usmate Bio organic ricotta)
ISO 9001 and FSSC 22000 certification Pandea
Conversion to Granarolo model and BRC + IFS + ISO 9001
confirmation Gennari ham factory Lesignano
Conversion to Granarolo model and BRC + IFS confirmation
Pandea

2019

BRC + IFS Soliera
HALAL Soliera
LFREE Soliera and Gioia del colle

2021

BRC + IFS Mulino Formaggi

2023

ISO 45001:2018 certification for the Casalino (NO) plant
Certifications (BRCGS and IFS) on Volterra reactivated

CERTIFICATIONS

	ISO 9001	FSSC 22000	BRCGS	IFS	UNI EN ISO 22005	DTP 035	DTP 142	PDO	ORGANIC	HALAL	KOSHER	VEGAN
BOLOGNA		✓	✓	✓	✓	✓	✓		✓			
CASTROVILLARI		✓	✓		✓	✓	✓	✓				
CASTELFRANCO		✓	✓		✓	✓	✓	✓	✓	✓		
UNCONVENTIONAL			✓	✓					✓		✓	✓
GIOIA DEL COLLE	✓	✓ MILK ✓ DAIRY		✓ MILK ✓ DAIRY	✓	✓	✓					
CUOMO			✓	✓	✓							
MARIO COSTA	✓	✓	✓	✓	✓	✓	✓	✓				
MIDLAND			✓									
MULINO FORMAGGI	✓		✓	✓	✓	✓	✓	✓	✓	✓		
PASTIFICIO			✓	✓						✓		
PASTURAGO	✓	✓			✓	✓	✓			✓		
PODDA			✓						✓			
S. COLOMBE					✓							
S. OMER			✓	✓								
SCHÖNAU KÄSEREI					✓							
SOLIERA	✓	✓ UHT MILK AND DRINKS ✓ NEW HARD DEPARTMENT	✓ UHT MILK AND DRINKS ✓ NEW HARD DEPARTMENT		✓	✓	✓		✓	✓	✓	
USMATE	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	
VOLTERRA												
VENCHIAREDO					✓	✓	✓	✓				
HEADQUARTERS*	✓	✓	✓	✓	✓	✓	✓	✓				

*The HEADQUARTERS is not certified but undergoes Headquarters audits preparatory to the audits at the production sites.



5.2 Controls on raw materials

Granarolo carefully selects its suppliers taking into account quality and food safety requirements as well as compliance with contractual and supply/delivery requirements. The adequacy of the procurement requirements is formalised in the technical specifications communicated to the suppliers before the supply and is verified by means of audits and kept under control with continuous and effective monitoring.

ANALYSES CARRIED OUT IN THE THREE-YEAR PERIOD				
INDICATOR	2022	2023	2024	TYPE OF ANALYSIS
Controls performed according to the Residue and Contaminants Surveillance Plan	295,645	243,683	243,964	Analysis of plant protection products, heavy metals, PCBs, dioxins, cortisone drugs, inhibitors, aflatoxins of the Italian and foreign masses by Central Laboratory, Reception Laboratories and External Laboratories
Other analyses performed on the raw material	502,558	484,406	455,824	Fat, protein, cell, CBT, lactose, dry residue, urea, cryoscopy analysis of the Italian and foreign masses by Central Laboratory and External Laboratories
Analysis of ingredients	159	118	103	Analysis of standard, baby, plant ingredients by External Laboratories
Analysis of finished products	622	474	581	Analysis of standard, baby, plant Finished Products by External Laboratories

The ingredient analysis plan is structured on a three-year basis and the number of samples analysed is not the same every year. The same applies to analyses for the verification of the nutritional table contents, which are repeated every 2 or 3 years depending on the type of product.





PROMOTING HEALTH AND WELL-BEING FOR ALL







PROMOTING
HEALTH AND WELL-BEING FOR ALL

OBJECTIVES

SCOPES	2024 OBJECTIVES	PROGRESS	NEW 2025 OBJECTIVES
PRODUCTS WITH NUTRITIONAL CHARACTERISTICS TARGETED AT SPECIFIC SEGMENTS	<p>Expansion of the entire High Protein range</p> <p>Yomo Next launch with specific formula for more complete feeding</p>	<p>Expansion of the entire High Protein range</p> <p>Yomo Next launch completed</p>	<p>Yomo range relaunch (Yomo Kefir and whole and low-fat white Yomo with no added sugars)</p>
CORRECT QUALITY/PRICE RATIO			<p>Adjustments to sales prices resulting from increased costs of production aspects to ensure availability especially in summer</p>
LISTENING TO CONSUMERS	<p>Further promotion on the LinkedIn channel</p>	<p>LinkedIn: 136,300 followers Facebook: 333,315 followers Instagram: 43,000 followers</p>	<p>Further promotion on the LinkedIn channel</p>

Research and innovation activities aimed at the development of new products begin with a careful **analysis of consumer needs** and take account of the **specific needs of segments of the population** and, increasingly, the unique characteristics of the **various contexts** in which the products are sold.

For years, Granarolo has maintained stable scientific partnerships with universities, research centres, pharmaceutical companies and hospitals, both in Italy and abroad, with the aim of **developing functional products** that can contribute to the well-being of multiple people with very different needs, bringing an Italian approach to food innovation to fruition.

In addition, the Granarolo Group is positioned among the leading companies on the European market for three reasons:

- thanks to its supply chain it can ensure the continuity of milk supplies and **control every production stage**, not just the transformation process;
- compared to other competitors, it can intervene at the farm with regard to the nutrition of cows. This enables it to **create products that are truly diverse** and tailored to specific needs;
- working with the scientific community to define functional foods, it can **respond to the growing needs** of ever-changing populations.

That is why, when drafting its Business Plan, Granarolo performed a detailed analysis of how consumption is evolving, identifying **new action areas consistent with the new needs that have emerged**.

Spending habits are changing and consumption is becoming more active. **More attentive and informed purchasing habits**, assisted by online information tools and the desire not to be identified as a passive consumer, are increasingly influencing what people decide to put in their trolleys. There is a renewed focus not only on healthiness but also on **combating food wastage**. According to data collected by the FIPE (Italian Food and Entertainment Federation), Italians are increasingly sensitive to the problem. The number of people that freeze food (91%), consume food a few days past its best before date (62%) and take leftover food home from restaurants (18.8%) is growing.

Healthy eating has become a new food trend among **Italians, who are increasingly attentive to the origin, seasonality and quality of products they purchase and consume**. 71.8% of consumers regularly find out about the origin and quality of the products they purchase while 89.1% believe that restaurants and shops are also more attentive to offering customers healthy alternatives.

This trend has been further reinforced by the pandemic that struck the country at the start of 2020, which has raised even greater awareness of the way our diets can also impact on our health (for example, some foods, like yoghurt, can strengthen our immune systems).

The eGrocery is now a method of purchase chosen permanently by a growing number of Italian families. 2020 saw a real breakthrough (online sales by large-scale retailers grew by 134% compared to 2019) and **also in 2024 a growth trend was confirmed, also for products aimed at health (e.g. high protein)**.





6.1 Products with nutritional characteristics targeted at specific segments

Sustainability and healthiness, the desire for new flavours and better knowledge of products, avoiding waste and shopping online: all these factors affect the purchasing choices of consumers. With this in mind, at Granarolo it was necessary to revolutionise the timeframes and methods of R&D, which has undergone strong acceleration and now works on three fronts: targets, trends and new channels not only for the Italian market but also for the foreign markets, which often have different consumption methods and tastes to those of Italy. Innovation has therefore become a trademark as well as a necessity to deal with the continuous changes in the market that sometimes impose shorter product shelf lives on companies than in the past. In this sense, many products with reduced fat, salt and sugar content, or functional products enriched with vitamins and minerals, and proposed in innovative packaging or via new channels, have been developed.

Products with reduced fat content and less sugar and salt represent 81% of Granarolo's total volumes in Italy and 1.2% of the volumes exported from Italy to the rest of the world (mainly low-fat fresh cheese and semi-skimmed or skimmed UHT milk).

In detail, Granarolo has developed:



ALLERGEN-FREE PRODUCTS OR PRODUCTS RELATED TO THE WELLNESS LINE



Granarolo Benessere is the sub-brand that brings together the Group's functional products dedicated to specific needs since 2021, such as: **Accadì Alta Digeribilità (<0.1%)**, one of the first Italian experiences of lactose-free products born in 1976, produced in Italy with the use of only Italian milk; **Oggi Puoi**, the range of cheeses made with 30% less salt and 50% less fat than the average of similar products on the market, which revolutionised the light cheese segment; the new **high protein content** line, with mozzarella, stracchino and ricotta; **Kefir**, both with the fermented milk line, a source of protein and lactose-free, and with the very latest kefir stracchino and kefir in double tray. Specifically, these are:

LACTOSE-FREE PRODUCTS

First launched in 1976, the lactose-free line was one of Italy's first ranges of lactose-free products and has evolved over the years through the use of advanced production technologies, which make it possible to guarantee finished products with a lactose residue of less than 0.1%, and with the goal of making the range complete, enriching it with all the main derivatives, produced in Italy using



only Italian milk: milk, also organic, cream, gluten-free béchamel, mozzarella, ricotta, mascarpone, stracchino and low-fat butter.

SUGAR-FREE PRODUCTS

An example of this are sugar-free UHT plant-based drinks, which are good on their own and in recipes, or new white Yomo yoghurts.

HIGH PROTEIN PRODUCTS

The new range of high protein cheeses **Granarolo Benessere**

High Protein was created with the aim of meeting a growing trend. In recent years, *protein* products are increasingly found in the shopping carts of Italians – consumers not only sports fans – choose protein products to vary their diet, especially for breakfast and main meals. The proteins are native to milk, therefore are not added specifically. Using a specific technology, developed by Granarolo, allows their natural increase up to a content higher than the relative finished products normally present on the market. The line consists of:

- **Mozzarella Granarolo Benessere High Protein** (20g of protein per 100g of product), in 100g bag format, is the first mozzarella with *protein* focus in Italy, made with 100% Italian milk, lactose-free and 70% less fat than the average of the mozzarella market;
- **Stracchino Granarolo Benessere High Protein** (27g of protein per 160g of product), in 160g format, is the first *protein* product in Italy in the stracchino sector, made with 100% Italian milk, lactose-free and 50% less fat than the average of the stracchino market.
- **Ricotta Granarolo Benessere High Protein** (21g of protein per 250g of product), in the 250g format, is lactose-free and has 60% less fat than the average of the ricotta market.
- Milk, desserts, snacks, both fresh and ambient bars, creams and milkshakes have recently been launched.

SALT-FREE PRODUCTS

Granarolo has developed a distinctive and unique range of cheeses - stracchino, ricotta, mozzarella, mozzarella balls - which has revolutionised the market, produced with 100% Italian milk, 30% less salt and 50% less fat, born from a desire to promote correct lifestyles through a healthy and balanced diet and to meet the need for lighter and healthier products.



PRODUCTS WITH UNIQUE NUTRITIONAL CHARACTERISTICS



GLUTEN-FREE AND LACTOSE-FREE CHEESE SNACKS

A versatile product that combines tradition and innovation. It is a 100% cheese snack, rich in calcium and phosphorus. It is preservative-free, naturally lactose-free, gluten-free and a source of protein. Microbial rennet makes it suitable for a vegetarian diet.

GUSTO DI UNA VOLTA MILK AND CHEESE

It is a milk with the taste and flavour of the past thanks to the value of the fat, which is not standardised and remains that of fresh milk. Recently the milk was joined by mozzarella and stracchino.

400 CHEESE

Tradition and innovation meet in the typical aged cheese, symbol of the supply chain, made with more than 400 litres of Italian milk from the farms of the farmer shareholders, without any preservatives and with microbial rennet, not of animal origin and therefore also suitable for a vegetarian diet.



ORGANIC PRODUCTS

Organic dairy products (ricotta, stracchino, mozzarella) made from 100% Italian milk from the quality dairy farms of the supply chain, the largest in Italy for organic milk, controlled and certified at all stages of production, with special focus on the welfare of the farm animals. The complete range is distinctive and includes milk, fresh cheese like mozzarella, ricotta, and also eggs. With an eye on sustainability, the milk packaging is made entirely from renewable sources.



VEGETABLE PRODUCTS

To meet increasingly discerning needs, a complete *dairy free* line of 100% vegetable products has been created: drinks, alternatives to yoghurt, some vegetable-based gastronomic products, with different nutritional characteristics also for different moments of consumption. The distinguishing character of the range of drinks is the quality of the raw material, with soy, rice, oats, hazelnuts, almonds, coconut and rice, soya with protein and soy "barista" GMO-free, with only natural flavours, lactose-free and gluten-free, made with great attention to sensory characteristics, the real strength of the range, for those who want to follow a balanced diet. The plant-based gastronomy consists in particular of burgers. **The Unconventional brand**, the alternative meat line, 100% plant-based and created in Italy by Italian researchers, won the important Abillion award for several consecutive years

(www.awards.abillion.com/best-vegan-burger) as the best vegan hamburger in the EMEA market. The line has been enhanced with new fresh products. The latest are the mini vegetable burgers, silken tofu and vegetable strips.



PRODUCTS FOR CHILDREN

Developed together with the paediatricians of Sant' Orsola Hospital, the food line specifically designed for 1-3 year olds is made with Alta Qualità Italian milk from the farms on the supply chain, further controlled to ensure the high safety standards prescribed for children's food. Granarolo children's food contributes to ensuring the balanced nutrition of children as part of a varied diet at a time of rapid growth. In particular, the growth milk contains Alta Qualità fresh milk (54%); a lipidic mixture of essential fatty acids necessary for the regular growth and correct development of the child; protein content adapted to the needs of children of this age group; vitamins and minerals, including: Calcium and vitamin D, necessary for the growth and healthiness of children's bones, as part of a balanced diet; dietary fibres (galactooligosaccharides). To meet the needs of the 4-10 age group, an innovative line of Yomo yoghurt was developed in attractive squeezable packaging with an anti-suffocation cap, which can be kept out of the refrigerator up to 4 hours.



PROBIOTICS

The range of Granarolo probiotics, available in different variants distinctive for their authentic and natural fruit flavours, helps to reduce tiredness and guarantee the proper functioning of the immune system. It is on the market under the Yomo Rinforzo brand. The particularity of this product concerns the presence in each package of 10 billion LGG® ferments that, in addition to vitamins B6 and D, help the proper functioning of the immune system.



HALAL PRODUCTS

Overseas, Granarolo is present with its most distinctive cheeses, above all, and remains closely focused on product and service innovation. Granarolo has obtained Halal certification for most of the Mozzarella, Mascarpone, Scamorza and Cheese Snack products made in its Usmate Velate (MB) plant, and in 2018-2019 these were joined by the UHT Milk, Cream, Mascarpone, Growth Milk and Vegetable Drinks made in the Soliera (MO) plant. This has obviously forced the company to focus closer attention on its choice of ingredients, as some are absolutely forbidden. This certification has facilitated Granarolo's access of large and fast-growing Islamic markets like Indonesia, Malaysia and Singapore where it is practically mandatory. Halal certification is also very important for attracting consumers who, though not necessarily



Muslim, regard it as a guarantee of the authenticity of the product given its extremely tight restrictions. Granarolo's certifying body is the WHA - *World Halal Authority*, synonymous with reliability and guaranteed quality in all Islamic countries.

KOSHER PRODUCTS

The entire Unconventional line is certified as kosher, in accordance with the laws of the Torah, which the Jewish people have faithfully followed for over 3,000 years and with which rabbis require strict observance, even today.

6.2 Listening to consumers

Listening to the network, now an integral part of the Group's activities, is an essential tool to investigate and understand people's needs, requirements and behaviour; it goes beyond the mere purchasing process. From this careful observation, the consumer loyalty process has evidently evolved over the years: values are increasingly central to consumer choices, which tend to reward companies that are concretely committed to significant causes and brand authenticity.

The premise on which Granarolo began working in 2019, as backed up by the feedback of the network, was the degree to which a company's reputation is shaped by the way it works and produces things. Differentiation by target audience and sharing of macro-topics consistent with corporate projects and objectives through all online and off-line channels has allowed excellent brand spread and greater awareness of institutional values and projects in end users. More attention was paid to the evolution of the various social networks and the social trends of the moment, with the aim of focusing resources on those of greatest interest to the target audience.

At the beginning of the year, Granarolo launched the campaign for Wellness, using the face of Gregorio Paltrinieri, world champion swimmer and Olympic champion. The Italian athlete was confirmed as a testimonial during 2023-2024-2025 for the Granarolo Benessere brand, representing the values of the Group. The latter has always been attentive to healthy eating and physical well-being through the promotion of sports initiatives for children of all ages born in the communities in which it operates.

The advertising campaign, which has as its payoff "**Take pleasure in feeling good**", was explained through a rich digital, TV and Out of Home plan and launched the Granarolo Benessere range, with particular focus on the Accadi and High Protein ranges, dedicated precisely to those consumers who are attentive to a healthy lifestyle.

More than 3,000 TV airings have been made from the end of February to the beginning of March 2024 and **particular importance has been given this year to the digital part**, where the campaign has been sponsored online on Google, YouTube, Spotify and on all the main social channels (Instagram and Facebook), with frequent collaborations with Gregorio himself online and offline. Excellent results have been recorded in terms of brand awareness and social community engagement. The 'on the field' activities and numerous sporting events have also stimulated an online sharing of UCG content, which is important in terms of brand reputation. At the beginning of the year, a registration system aimed at end consumers was activated to keep them updated on the Group's news. To date a total of 6,200 people are registered.

New products were also launched for Yomo in 2024, supported by the television communication campaign "It's good, it's Yomo" in June. Among the touchpoints used, considerable importance was given to the digital part: in continuation with what was done last year, the Yomo pages on Instagram (@yomo_italia) and Facebook (@yomo.it) were populated thanks to an enhanced publishing plan.

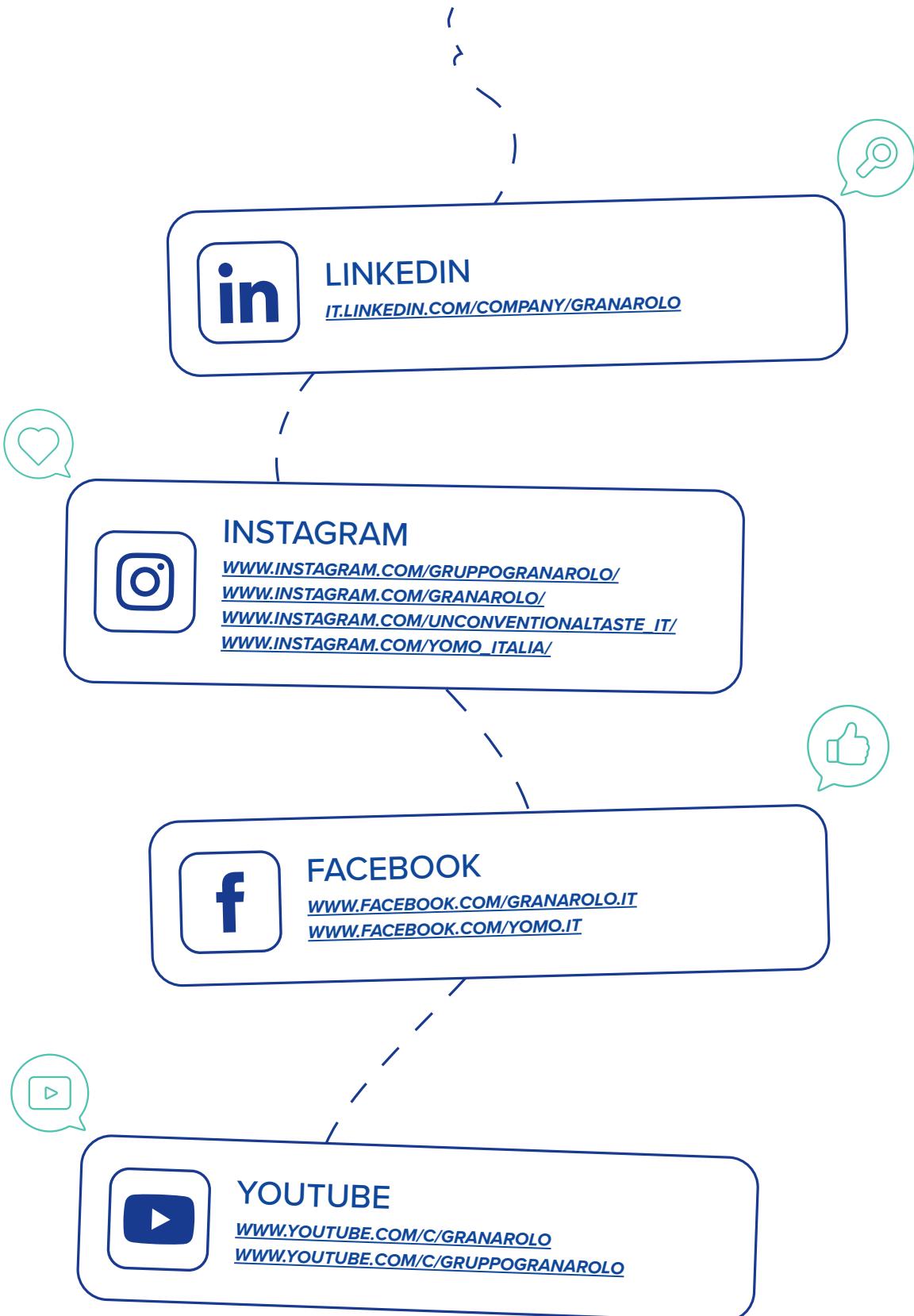
The Granarolo Group's online presence was channelled depending on the target audience. In fact, digital communication aimed at institutional targets has been differentiated from that aimed at end consumers.

On the Granarolo Group institutional websites - national and international - an integration drive has been implemented, with the addition of new languages and new web pages dedicated to the Group's latest acquisitions, the latest institutional events, and projects for the community and for the education of the youngest, in addition to the ordinary updating of the already existing sections.

Also with regard to corporate activities, huge work has been done on the two institutional social channels, which has led to an increase in their respective followers and overall engagement: Instagram @gruppogranarolo and Linkedin @Granarolo S.p.A.

These are the main social channels of the group:

Granarolo on *social networks*



LinkedIn - @granarolo spa

There was enormous growth for the third year in a row on this channel in terms of the number of followers acquired: as at 31/12/2024, about 130,000 followers were registered, thus maintaining an increase of 10%.

An affiliation with the LinkedIn pages of foreign countries (Granarolo Suisse, Granarolo Brasil, Granarolo Nordic...) and Granarolo Group brands (Unconventional Taste) has value on the main "Granarolo S.p.A" page, which effectively communicates the international panorama of Granarolo.

Work continued on refining and perfecting the editorial plan, which covered macro-topics such as sustainability, product launches and innovation in packaging, advertising campaigns, solidarity and social projects, educational projects, training projects for Granarolo employees and internal meetings, institutional activities. The posts that performed best were those in video format and interviews with authoritative newspapers. Greater visibility (almost 1 million impressions in the last 365 days, internally organic) and engagement rates for the brand has led to an increase in sharing, comments and reactions under the posts.

Granarolo Group 2024 LinkedIn Followers: 130k

Granarolo Facebook and Instagram – @granarolo

The Granarolo 'consumer' Facebook page suffered a slight downturn in terms of the number of followers, driven by a natural process of refining the fan base, which is now composed of a more participatory and active community that shares the Group's values.

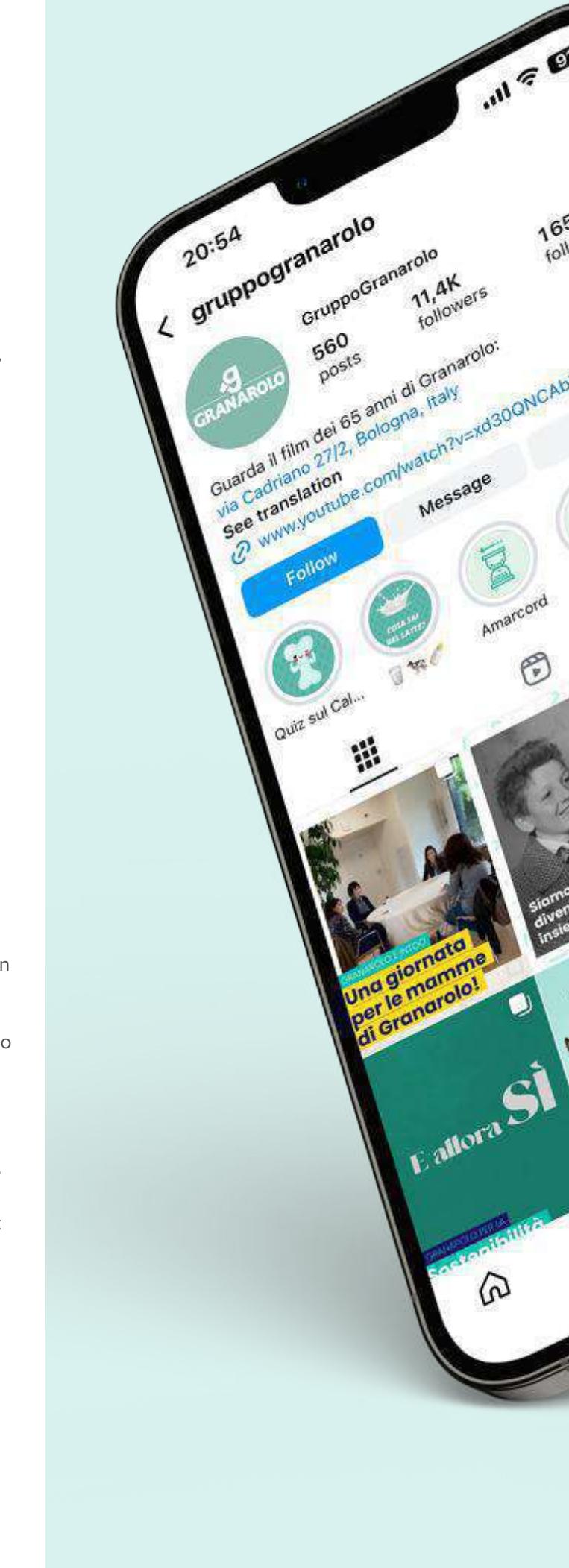
In fact, the volume of interaction on posts increased by 90% (2024 vs 2023 comparison), the number of clicks on links increased by 100%, and profile visits increased by 70%. The fan base is still mainly made up of women (80%) aged between 35 and 64. Gregorio Paltrinieri and his video content on both Meta platforms have been greatly appreciated. The video recipes and content created in collaboration with chef Gennaro Esposito have also performed well.

The number of followers of the Instagram page has been constantly increasing over the years. There has been an optimisation of the target also for this social network, which is increasingly involved and active on the page: a 100% increase in interactions with the content posted and clicks on the links are an excellent result of the sponsorship activities carried out throughout the year.

The fan base now has almost 42,000 followers, 70% of whom are women in the 25-54 age group.

Granarolo 2024 Facebook fan base: 334k

Granarolo 2024 Instagram followers: 42k





YouTube - @gruppogranarolo and @granarolo

The institutional YouTube page has maintained excellent views and interactions between brand and users. During 2024, some key videos were launched that received organic and paid views: they included the video created to obtain the Gender Equality certification and "Una stalla per due - Una compelling storia di biodiversità" (A stable for two - A compelling story of biodiversity), which tells of a unique and distinctive collaboration project between the Granarolo Group - Granlatte and Conapi – Mielizia.

The commercial for the Oh My Yomo campaign was relaunched and sponsored on the YouTube @granarolo page, gaining almost 4 million views of the entire video (20 seconds).

Instagram Corporate channel - @gruppogranarolo

Communication on this channel was increased with a greater number of posts, and especially with diversification of the type of content published: greater importance was given to reels, stories and video content with 'people' that brought positive feedback in terms of the amount of time spent on our social media pages.

The *real time* effect for Instagram activities is very important, which has led to greater credibility and a greater "humanisation" of the profile. The calls to action (CTA) (such as surveys, links to the reference web page) through the Instagram stories tool have garnered great enthusiasm from followers and greater interest in learning more about the topics, as shown by a 100% increase in interaction with content and an increase in the 'saving' of posts, especially those with a recipe theme. Spontaneous visits to the Instagram profile have also increased.

Followers of the Instagram channel @GruppoGranarolo number more than 11,000 and have increased slightly during the last year. The topics covered are consistent with the line of institutional communication also followed on LinkedIn .

Granarolo Group 2024 Instagram followers: 11.4 k

OUR COMMITMENT: FOCUS ON THE COMMUNITY AND THE PLANET





7

IMPROVING ENVIRONMENTAL SUSTAINABILITY FROM THE FARM TO DISPOSAL







IMPROVING ENVIRONMENTAL SUSTAINABILITY
FROM THE FARM TO DISPOSAL

OBJECTIVES

SCOPES	2024 OBJECTIVES	PROGRESS	NEW 2025 OBJECTIVES
USE OF FARMING AND ZOOTECHNICAL TECHNIQUES WITH LOW ENVIRONMENTAL IMPACT	Initiation of monitoring on the first 80 pilot farms	Monitoring at full capacity on the first 80 pilot farms	Identification of first intervention actions
REDUCTION OF THE ENVIRONMENTAL IMPACT OF THE TRANSFORMATION PROCESS	Continuation of the High Sustainability Group activities (-8,500 tonnes CO ₂ eq/2024) New air-condensed chillers in Pasturago and Usmate -900 tonnes of CO ₂ eq/year	-34,334 tonnes of CO ₂ eq/2024 with a large contribution from Operations New air-condensed chillers in Pasturago and Usmate -900 tonnes of CO ₂ eq/year	Group High Sustainability target -35,000 tonnes of CO ₂ eq/2025 Introduction of renewable energy (photovoltaic) in the plants of Sestu (CA) and Casalino (NO)
REDUCING THE ENVIRONMENTAL IMPACT OF PACKAGING	Confirmation of the 2026 Target: -2,500 tonnes of CO ₂ eq. for the period 2022-2026	-249 tonnes of CO ₂ eq from packaging design European pre-directive R-PET (25-50%) introduced	Confirmation of the 2026 Target: -2,500 tonnes of CO ₂ eq. for the period 2022-2026
REDUCING THE ENVIRONMENTAL IMPACT OF LOGISTICS	Reduction of CO ₂ eq. of logistics (use of electric trucks)	-214 tonnes of CO ₂ eq from logistics	-300 t CO ₂ eq of logistics (use of electric trucks) + start-up of activities with strategic partners
FIGHTING FOOD WASTAGE	Further development of miniesl Continuation of the Less Returns project Continuation of the campaign on TMC More than 1,800 quintals of short-dated products sold in factory shops New anti-waste shop in Ferrara	Miniesl takes shares in the fresh milk market -816 tonnes of product equal to 1,471 tonnes of CO ₂ eq 48.2 million packages for the "To Good To Go" awareness campaign 1,525 quintals of short-dated products sold inside factory shops Postponement of the new opening	Further development of miniesl from 15 to 25 days of shelf life Continuation of the Less Returns project Continuation of the campaign on TMC on over 80 million packages More than 1,500 quintals of short-dated products sold in factory shops New anti-waste shop in Ferrara in October 2025

The path towards greater sustainability for food producing companies is now being mapped out to a greater extent at European level by the **Green New Deal**. A "taxonomy" has also been established at European level which sets out the criteria for defining a sustainable economic activity.

In particular, in defining the new three-year strategic plan, Granarolo has taken as a reference the **Farm to Fork** strategy, a cornerstone of the European Green Deal.

The Farm to Fork strategy sets ambitious targets that contribute to the reduction of water, air and soil pollution, in line with the EU's Green Deal's "zero pollution" target. This is achieved, for example, by pushing energy efficiency and limiting waste through a circular approach throughout the supply chain, reducing energy and raw material consumption.

Granarolo is fully aware of the fact that reporting has to be annual and the indicators, which are very specific, have to include, for example, water consumption, energy supply, materials used for packaging, waste production and disposal, the raw material supply network and much more. The environmental indicators are almost all related to CO₂ equivalent, i.e. the corresponding amount of CO₂ produced or saved. **Granarolo has divided the supply chain into seven stages, as represented in the previous chapters, and identified all the projects that can have positive impacts on sustainability.**

The stage offering the greatest scope for improvement is upstream in the chain, which includes **agriculture and livestock farming**. It is an improvement that is not easy to achieve because it requires a major process of involvement, investment and training: the approximately 475 farmer shareholders are now willing to make a major ecological transition, but it also requires new technologies, sensors and other relevant initiatives. Granarolo transition is based on four pillars, as mentioned in chapter 3 of this document, all connected with a reduction in environmental impact:

1. Animal welfare and rational use of cattle medicines
2. Animal nutrition – because working on nutrition can lead to a reduced environmental impact
3. Reduction of the environmental impact of milk production
4. Optimisation of agronomic practices for CO₂ capture

Further down the supply chain, alongside the established and increased savings in energy, water and waste, **the amount of plastic used in packaging is being reduced and the shelf life of products is being increased**, with the aim of minimising waste.

In pursuing these goals, Granarolo:

- promptly implements all environmental regulations;
- adopts an ISO 14001:15 certified management system to improve its environmental performance;
- carries out LCA (Life Cycle Assessment) studies also for the development of Type III Environmental Declarations as a decision-making tool for new products and actions;
- identifies new projects capable of bringing about a significant change of pace in the direction of achieving the two medium- and long-term objectives mentioned above;
- communicates its strategies to stakeholders;
- works with key customers to make its supply chain more sustainable.

For these reasons, after the experience it acquired over the years with the application of the Environmental Management System and the Occupational Health and Safety Management System, in January 2018 the Granarolo Group adopted a **quality, health, safety and environment policy**: aware of the influence that its actions may have on the entire community, also through the adoption of the Policy, the Granarolo Group is determined to pursue the principle of the sustainability of its business in order to contain risks and guarantee consistent development while respecting the environment and all stakeholders.

Granarolo has been measuring the impact of its production with **EPD** certification for years, identifying areas for improvement. In 2020, for the core part of Granarolo, the **High Sustainability project** was also launched, which involves over 10 corporate departments of the S.p.A. under the coordination of the Health, Safety and Environment Department and which envisages the identification of concrete and measurable actions that can lead to the

achievement of the **medium and long-term environmental objective** that the company has set itself:

- **a saving of 30% of greenhouse gases per kg of milk produced by 2030.**

On the breeding side, agricultural techniques are being identified to save water and reduce the use of chemical fertilisers, also with a view to lowering the environmental impact and further increasing animal welfare for which all the farms have been certified, going beyond the standards required by the certifications currently in use (see chapter 3). On larger farms, the focus is also on cogeneration plants that produce biomethane from cow manure, which is used for the farm's own needs and to fuel the tankers that transport the milk.

On the industrial side, during 2021, about 40 efficiency enhancement projects were brought to the attention of the General Management, aimed at reducing the contribution to the greenhouse effect, with a saving of 8,046 tonnes of CO₂ eq. In 2022, the obtained saving was 12,420 tonnes of CO₂ eq, in 2023 7,879 tonnes of CO₂ eq and **in 2024 it was 52,034 tonnes CO₂ eq.**

The saving was for Operations of about 2,400 tonnes of CO₂ from efficiency projects + about 30,000 tonnes of CO₂ from the purchase of electricity from renewable sources (through the purchase of Guarantees of Origin); with regard to market returns, the saving of over 19,000 tonnes of CO₂ eq is attributable to the reduction in return volumes, deriving on the one hand from the longer shelf life of some products and, on the other, from the reduction in the production of fresh milk.

HIGH SUSTAINABILITY PROJECT				
PROJECT AREA	t CO ₂ eq SAVED AS AT 31/12/2021	t CO ₂ eq SAVED AS AT 31/12/2022	t CO ₂ eq SAVED AS AT 31/12/2023	t CO ₂ eq SAVED AS AT 31/12/2024
Packaging	1,471	1,045	1,077	249
Logistics	551	0	300	214
Operations	6,024	2	334.8	32,400
IT	0.10	0	0	0
Market returns	0	11,373	6,167	1,471
TOTAL	8,046	12,420	7,879	34,334



7.1 Product life cycle

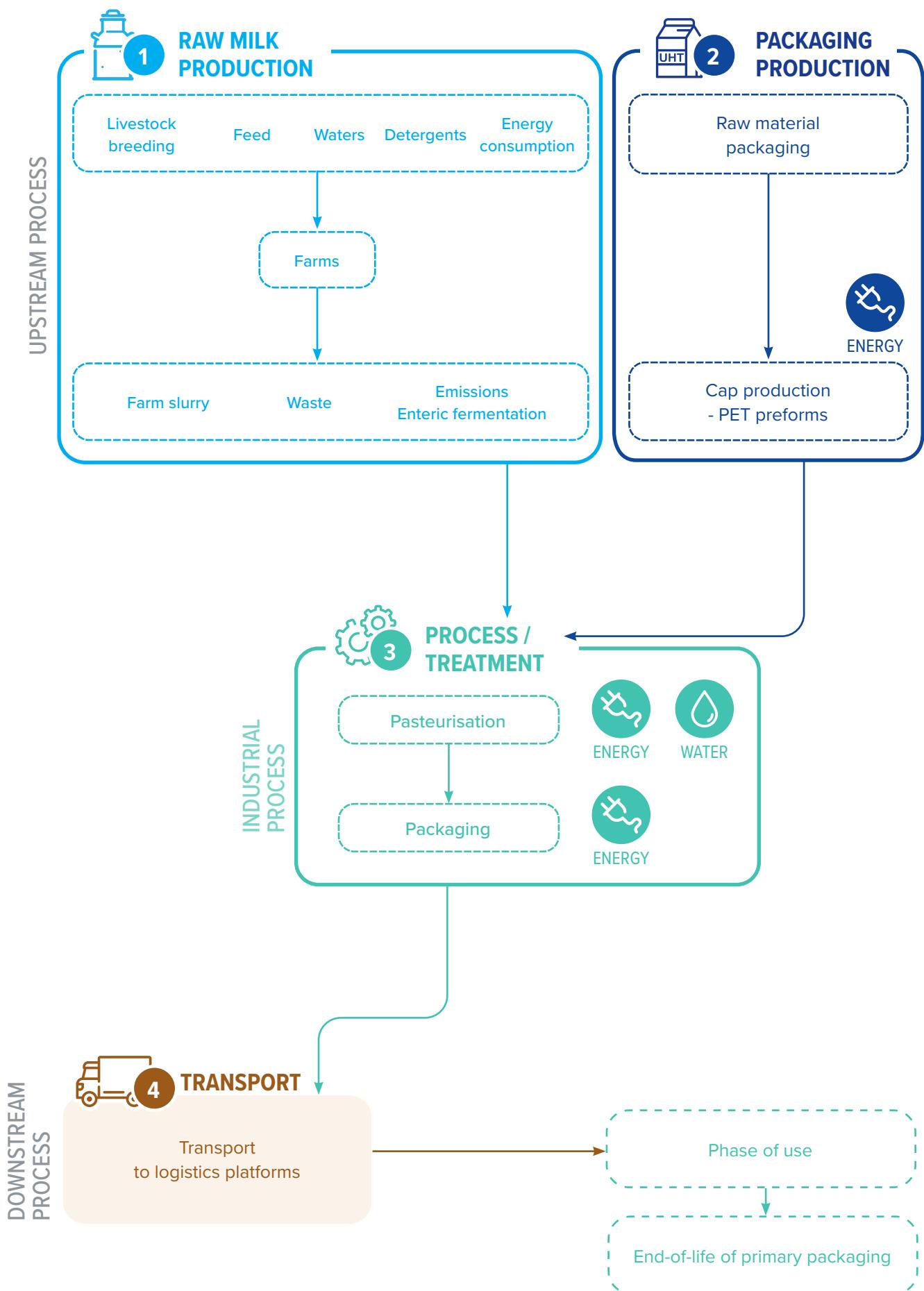
For several years now Granarolo has adopted a strict scientific approach aimed at developing a careful analysis of the environmental performance of its products over their entire life cycle and clearly identifying improvements that can reduce the environmental impacts of the products. Therefore, based on the Life Cycle Assessment (LCA) method, and in compliance with the ISO 14040 and 14044 standards, **it assesses its environmental impact beginning with the production of raw materials** (milk, semi-finished fruit products, soy/rice based preparations, etc.) **before moving onto processing** (e.g. pasteurising milk), **packaging, transport and distribution**, and right through to the use phase (e.g. with storage instructions) and the **end of life of the product**.

Granarolo has set itself the objective of transparently communicating the environmental performance of its most representative products (e.g. milk, yoghurt, dairy products, etc.) both to "industry professionals" and consumers and main customers: in fact, the EPD® are Type III Environmental Declarations (Environmental Declarations - Principles and Procedures - ISO 14025) based on the LCA method (product life cycle analysis). The main objective of these declarations is to provide stakeholders with relevant, verified and comparable information concerning the environmental impact of a product or service. Granarolo EPDs can be found at www.environdec.com and at www.granarologroup.com.

The LCA studies and results published on the EPD® represent one of the elements that Granarolo has used to identify priority areas on which to act to reduce the impact of its products. The actions it has implemented involve the main elements of the supply chain:

- **The farms**, through the creation of guidelines for farmers with the aim of promoting correct farm management in order to contribute to reducing greenhouse gas emissions, extending virtuous practices to as many farms as possible that deliver raw material to production plants. To this end, funding is also being sought to implement best practices in small and medium-sized farms.
- **The plant facilities**, through the installation of cogeneration and heat recovery plants at the Bologna, Pasturago, Soliera, Gioia Del Colle, Usmate Velate, Castrovillari and Venchiaredo plants, which allow better exploitation of primary resources and significantly reduce the impact of the process on the environment, and by promoting energy efficiency and water saving projects, aimed, where possible, at recovering and reusing water.
- **Interventions on the packaging**, by reducing, where possible, the weight of the main materials used to package its products and researching more sustainable solutions (e.g. R-PET, biopacks, etc.), always pushing towards the use of packaging made from a single material, as it is easier to recycle.

LIFE CYCLE ANALYSIS APPLIED TO THE MILK SUPPLY CHAIN: SYSTEM BOUNDARIES



In 2024 Granarolo maintained the “EPD Process Certification” it was awarded in 2014 (assessed and validated by a third party) which certifies that the entire process of preparing, auditing and publishing environmental product declarations was carried out in compliance with the requirements of the International EPD® System (www.environdec.com). This systemic approach makes it possible to simplify and accelerate the path to updating existing EPD® analyses and publishing new ones in relation to new products.

At 31 December 2024, 16 EPDs have been published for a total of 124 Granarolo products (equal to 17% of production volumes).

In 2024, work was done to continue the activities related to the “EPD Process”, renewed at the end of the year, in order to maintain the EPDs published so far. The aim was to perfect those connected with products on the Organic and Alta Qualità lines and to forego the declarations associated with niche products, whose environmental impacts are difficult to communicate.

The indicators presented in the EPD® also include **environmental footprints** expressed in terms of Carbon Footprint, Ecological Footprint and Virtual Water Consumption.

By way of example, the impacts calculated per 1 kg of Granarolo Alta Qualità stracchino and per 1 kg of YOMO coffee yoghurt, packed in a paper pot, are shown below.





**ENVIRONMENTAL IMPACT INDICATORS -
ALTA QUALITÀ STRACCHINO EPD® IN 170G S-P-00823 PACKS**



IMPACT INDICATORS	Global warming potential, TOTAL GWP, kg of CO ₂ eq	Use of water resources, m ³
Raw materials	7.2E+00	2.6E-01
Packaging	2.3E-01	9.6E-04
Auxiliary materials	8.7E-02	4.7E-03
Incoming RM transport	1.3E-01	4.3E-05
Process	4.5E-01	1.1E-02
Distribution	2.1E-01	7.9E-05
Home storage	6.1E-01	1.6E-03
End of life of packs and rejects	8.1E-02	1.1E-04
TOTAL	9.0E+00	2.8E-01

ENVIRONMENTAL IMPACT INDICATORS -
YOMO GUSTI GOLOSI YOGHURT (COFFEE) EPD® IN 2X125G S-P-01223 PACKS

		
IMPACT INDICATORS	Global warming potential, TOTAL GWP, kg of CO₂ eq	Use of water resources, m³
 Raw materials	2.1E+00	5.5E+01
 Packaging	2.1E-01	7.2E+00
 Auxiliary materials	2.0E-02	6.5E-01
 Process	3.5E-01	1.1E+00
 Distribution	1.1E-01	6.1E-02
 Home storage	1.3E+00	3.5E+00
 End-of-life packaging	1.7E-02	1.0E-02
TOTAL	4.1E+00	6.8E+01

Granarolo EPD Certified Products

THIRD PARTY
EPD CERTIFYING
BODY



WHOLE WHITE YOMO
YOGHURT



YOGHURT YOMO WHOLE
FRUIT FLAVOUR



WHOLE YOMO YOGHURT
WITH WARM AND DELICIOUS
FLAVOURS



ORGANIC
WHOLE MILK



PARTIALLY SKIMMED ORGANIC
MILK



GRANAROLO MOZZARELLA
MADE WITH ALTA QUALITÀ
FRESH MILK



STRACCHINO GRANAROLO
MADE WITH ALTA QUALITÀ
FRESH MILK



ORGANIC MILK ACCADI LACTOSE
FREE 1% FAT



YOGHURT YOMO
FOOD SERVICE



EPD®
THE INTERNATIONAL EPD® SYSTEM

PRIMA NATURA ORGANIC
FOOD SERVICE YOGHURT



EPD®
THE INTERNATIONAL EPD® SYSTEM

RICOTTA AND GRANAROLO
RICOTTA



EPD®
THE INTERNATIONAL EPD® SYSTEM

MASCARPONE CREAMY
GRANAROLO



EPD®
THE INTERNATIONAL EPD® SYSTEM

ORGANIC GRANAROLO
MOZZARELLA



EPD®
THE INTERNATIONAL EPD® SYSTEM

RICOTTA GRANAROLO
ORGANIC



EPD®
THE INTERNATIONAL EPD® SYSTEM

GRANAROLO EGG PASTA



EPD®
THE INTERNATIONAL EPD® SYSTEM

DURUM WHEAT SEMOLINA
PASTA
GRANAROLO

All the declarations
represented above can
be downloaded from
www.environdec.com



7.2 Reducing environmental impact on fields and farms

Analyses on the life cycle of Granarolo products show how the raw material production phase represents one of the most relevant elements in terms of environmental impact; for example, for milk products, the farming phase accounts for between 50%-60% and 80% (as in the case of Alta Qualità milk) of the impact in terms of carbon footprint.

Reducing the impact of the supply chain is therefore a priority action area for improving the environmental sustainability of Granarolo products. The Granlatte Strategic Plan, drawn up with 150 farmers representing different areas and types of farms, identified priorities and **guidelines**. The first farms involved were those that produce organic and Alta Qualità milk. In 2020 a **specific training course for younger farmers was launched with the aim of providing them with an overview of the main innovations for reducing the environmental impact of the agricultural farming sector**. One example of the topics examined is the use of GPS (also using subcontractors) for fertilising and distributing herbicides, which makes it possible to reduce the amount of CO₂ released by doing fewer lengths of the fields and decreasing the amount of plant protection products used. Specific training extended to all farmers on animal welfare and cattle feeding related to environmental factors followed in late 2020 and early 2021. During 2021, in synergy with the Technical Scientific Committee formed by the Universities of Brescia, Milan and Bologna, researchers identified the indicators linked to agriculture, animal feed, use of medicines in the farm, production and longevity of the herd, which can provide farmers with the opportunity to increase welfare in the farm, reducing the use of chemical fertilisers, the use of medicines and the environmental impact, while increasing production. The increase in the price of milk paid to farmers in 2023 and in 2024, partly as a result of this request for ecological transition, partly as a result of the increase in inflation at the beginning of 2022, **has renewed the commitment of the supply chain, while also attracting new farmers from outside the supply chain. And in 2023 a two-year training scheme, Next Generation Granlatte, started, aimed at also providing management tools. It will end in December 2025.**

Since 2011, Granarolo has also relied on an environmental risk assessment of the places in which its raw milk is produced. All the farms that provide milk to Granarolo have been mapped by a geo-satellite system to assess possible sources of environmental risk deriving from the presence of polluting sources (such as incinerators, thermoelectric power stations, motorways, industrial plants, etc.), which may influence the quality of the milk. The project, established in collaboration with the University of Bologna, is still the only one of this kind in Italy.

Further details concerning the commitment and impact of the farms can be found in chapter 3.

7.3 Reducing the environmental impact of the transformation process

In 2024, the certification in accordance with the **ISO 14001 and ISO 45001 standards** was extended to the Venchiaredo S.p.A. plant, already certified under the 14001 scheme in previous years. The plant has also seen completion of the process according to the 45001 scheme (health and safety of workers). For more information see the "Health and safety of workers - Occupational health and safety management system" section of this Report.

With respect to the **main environmental impact indicators associated with its production processes**, the following paragraphs report the data relating to the Granarolo S.p.A. plants and the production sites of the Granarolo Group's subsidiaries **in Italy** for which it was possible to obtain data relating to the entire year. As for the foreign plants in various continents, information was collected on **electricity consumption, water withdrawals and discharges, and waste production**. With the sole exception of energy consumption, the overseas offices are excluded from the scope as the information represents an insignificant percentage of the Group's overall consumption; in fact, these offices are mainly used for commercial activities.

The consumption data for the Italian plants and some summary data for the overseas plants in France,

Brazil, the USA and New Zealand are shown below. Energy consumption also covers subsidiaries in Estonia, Greece, Sweden and the UK.

7.3.1 Energy

In 2010 Granarolo launched a process in the field of energy efficiency with the primary objective of reducing its energy consumption per unit of product. This sustainability process was based on three efficiency strategies:

- **onsite production of about 70% of the electricity required by the production plants** deriving from self-owned and supplier cogeneration plants;
- **the supply from renewable energy sources (through the purchase of Guarantees of Origin) of the remaining 30% of the electricity required by the plants**, according to the Granarolo Group's strategy, since its main companies became electri vorous in 2024; **this strategy resulted in a CO₂ saving equivalent of about 30,000 t**;
- the analysis of the consumption of energy vectors in its production facilities.

Four significant energy vectors were identified, used across all production plants and on production lines of different sizes and types: electric energy, thermal energy (steam and hot water), cooling energy, compressed air.

The internal and external analyses of the plants' energy consumption showed that a significant contribution came from the utilities production plants, i.e. the plants with which Granarolo internally produces the energy vectors necessary for the operation of its production lines. In 2023, the lean manufacturing process was consolidated with the adoption and development of the "Cost Deployment" pillar at the various company levels. The emission reduction projects associated with the "High Sustainability" project were organised and reported in accordance with this principle.

In 2024, energy emission reduction projects are linked to six main areas:

- **Cogeneration**: a new 1 MW machine that started operating in June 2023 at the Pasturago di Vernate plant ran at full capacity in 2024; this is the completion of the process started with the installation of the first machine several years ago.
- **Heat recovery**: there was an increase in the use of thermal energy from the cogeneration plant of the Pasturago plant in Vernate to be used in milk pasteurisation plants; the plant began operating in the third quarter of 2024.
- **Compressed air plants**: the revamping process of the Group's main compressed air plants was completed with an overall increase in efficiency in compressed air production thanks to new machines that will come into operation in 2023 and 2024, in parallel with a programme to reduce leaks in air distribution lines.
- **Thermal plants**: the process of revamping the Group's main thermal plants has been completed, with an overall increase in steam production efficiency, thanks to the installation of new generation boilers that came into operation in 2024.
- **Refrigeration plants**: the process of revamping the Group's main refrigeration plants has been completed, with an overall increase in efficiency in the production of cold and glycol water, thanks to the installation of high-efficiency chillers that came into operation in 2024.
- **Development of renewable energy plants**: photovoltaic systems have been ordered for some plants, to be completed by the end of 2025.

The Group continues to evaluate and analyse new efficiency enhancement measures according to the "continuous improvement" method, re-evaluating the current situation and activities through **lean 6 sigma** tools, such as the **run to target**, an organisational and data collection model that allows **the analysis of losses and the improvement of inefficiencies in production lines**. The use of *lean 6 sigma* methodologies⁶ allows for an increase in efficiency of the transformation processes, focusing on the identification of losses and waste with respect to the value generated throughout the production processes and putting the factory and the people who work there at the centre of this philosophy. The use of the method allows the monitoring of current projects and the identification of actions following the PDCA (Plan, Do, Check, Act) logic.

⁶ Structured approach to process improvement, which aims to increase efficiency, reduce costs and improve customer satisfaction. It is the result of the fusion between lean (elimination of waste and optimisation of workflows) and six sigma (which aims to reduce variability in processes through the use of data and statistical analyses).

In addition, Granarolo has recently established the new Operational Technology Department, reporting hierarchically to Operations. The aim is to develop and implement the interconnection and digitalisation of field processes so as to have more information in real time and to directly collect data from the machine PLC, providing solid values that guide the efficiency action plan, thus reducing reaction times.



GRI 302-1

ENERGY CONSUMPTION (GJ) - THREE-YEAR PERIOD 2022-2023-2024				
ENERGY CONSUMPTION BY SOURCE	UOM	2022	2023	2024
Natural Gas	GJ	658,359	727,141	734,593
Fuel oil	GJ	13,602	12,321	8,972
LPG	GJ	0	1,881	2,195
LNG	GJ	0	16,643	13,952
Diesel	GJ	29,602*	112	3,240
Total fuel from non-renewable sources	GJ	675,464	758,098	762,951
Electricity from the grid	GJ	158,991**	183,069	176,553
Electricity from photovoltaic plants***	GJ	570	590	494
Electricity from supplier cogeneration plants	GJ	331,787	340,555	356,273
Electricity from owned cogeneration plants	GJ	16,178	18,580	16,570
Total electricity consumption	GJ	507,526	542,794	549,889
Thermal energy consumption from supplier cogeneration plants	GJ	249,555	228,082	235,954
Thermal energy consumption from owned cogeneration plants	GJ	19,198	22,345	19,936
Total thermal energy consumption	GJ	268,753	250,427	255,890
TOTAL	GJ	1,451,743	1,551,319	1,568,730

*The scope of the data, with reference to consumption for the car fleets, also includes the Valletti plant

**The scope of the data also includes the Valletti, Zeroquattro Logistica plants and company stores (for the latter only for 2023).

*** Photovoltaic system present in Castelfranco and Unconventional.

The slight increase in energy consumption despite the efficiency measures is due, with production volumes being equal, to the strategic replacement of fresh milk with ESL milk (extended shelf life) milk, to give better service to the consumer without altering the organoleptic qualities of the product. This has led to an increase in consumption per volume of equivalent product, since ESL milk needs a higher treatment temperature (more steam consumption and therefore methane) than fresh milk and consequently more cold to bring the product back to packaging temperature (more consumption of refrigeration units and therefore electricity).

During 2024, there was a lower consumption of fuel oil for the operation of the thermal plant at the plant in Sardinia. This was offset by greater consumption of diesel, due to lack of supply by the main supplier. It is planned to replace the current fuel oil-fired boilers with new generation boilers powered with a mixture of methane and hydrogen by the end of 2025, thus improving both the efficiency of steam production and the quality of emissions into the atmosphere.

As part of the approach to the CSRD, Granarolo has decided, with reference to 2024 energy consumption, to present the data also in accordance with the requirements of the ESRS E1-5.

ESRS E1-5

ENERGY CONSUMPTION (MWh)		
ENERGY CONSUMPTION BY SOURCE	UOM	2024
Fuel consumption from crude oil or oil products	MWh	11,279.9
Natural gas fuel consumption	MWh	203,767.1
Consumption of electricity, heat, steam or cooling from fossil sources	MWh	170,025.4
Total energy consumption from fossil sources	MWh	385,072.4
Total energy consumption from nuclear sources	MWh	190.7
Total consumption of electricity purchased from renewable sources (covered by GO)	MWh	42,530.0
Total consumption of self-produced renewable energy without the use of fuels	MWh	451.7
Total consumption of energy from renewable sources	MWh	42,981.7
Total energy consumption	MWh	428,244.8



7.3.2 Emissions

With the implementation of the computer tool for collecting and processing plant environmental data (Granarolo CSR tool), the organisation has enhanced its ability to measure and report its impacts, also in terms of CO₂ eq. emissions.

As regards CO₂ eq. emissions associated with Granarolo processes/activities, the following main elements are monitored, as indicated in the GHG Protocol:

- Scope 1: direct emissions deriving from sources owned or controlled by the company;
- Scope 2: emissions linked with energy sources acquired for self-consumption by the organisation.

GRI 305-1

DIRECT GHG EMISSIONS (Scope 1) (tonnes of CO ₂ eq.) - THREE-YEAR PERIOD 2022-2023-2024				
TREND – ITALIAN PLANTS	UOM	2022	2023	2024
Emissions from methane	tonnes of CO ₂ eq	33,748	37,274	37,656
Emissions from fuel oil	tonnes of CO ₂ eq	1,043	944	687
Emissions from LPG	tonnes of CO ₂ eq	0	123	144
Emissions from LNG	tonnes of CO ₂ eq	0	400	335
Emissions from diesel	tonnes of CO ₂ eq	2,197	8	239
Monitored Fgas	tonnes of CO ₂ eq	2,869	3,722	3,396
Transport (company vehicles)	tonnes of CO ₂ eq	1,243	75	2,145
Emissions from owned cogenerator	tonnes of CO ₂ eq	1,779	2,043	1,822
Emissions from photovoltaic plants	tonnes of CO ₂ eq	13	13	11
TOTAL	tonnes of CO₂ eq	42,892	44,602	46,435

GRI 305-2

GHG EMISSIONS – SCOPE 2 (TONNES OF CO ₂ EQ.) – THREE-YEAR PERIOD 2022-2023-2024				
TREND – ITALIAN PLANTS	UOM	2022	2023	2024
Scope 2 "Location-Based"	tonnes of CO ₂ eq	79,528	82,413	84,861
Scope 2 "Market-Based"	tonnes of CO ₂ eq	81,986	86,621	58,854*

*Guarantees of Origin saved 29,693 tCO₂

GRI 305-3

GHG EMISSIONS – SCOPE 3 (TONNES OF CO ₂ EQ.) – THREE-YEAR PERIOD 2022-2023-2024				
TREND – ITALIAN PLANTS	UOM	2022	2023	2024
6 – Business travel	tonnes of CO₂ eq	-	-	252.2
Of which by plane	tonnes of CO ₂ eq	-	-	237.7
Of which by train	tonnes of CO ₂ eq	-	-	14.5
Of which by car	tonnes of CO ₂ eq	-	-	0.03
9 - Downstream transport	tonnes of CO₂ eq	-	-	1,313

The data relating to category 6 refers to business trips made by the staff of Granarolo S.p.A., Unconventional srl, Casearia Podda srl and Zeroquattro Logistica srl.

The data relating to category 9 - Downstream transport refers to the transport operations carried out by the main logistics provider on national and European territory

Still with a view to adapting to the CSRD, for 2024 Granarolo reports the emissions of pollutants into the air relating to the Bologna, Gioia del Colle, Pasturago, Soliera and Usmate plants, which monitor pollutants as part of the EPRTR declaration. As regards carbon monoxide, volatile organic compounds, nitrogen oxides (NOx) and sulphur oxides (SOx), none of the plants exceeded the prescribed limits.

7.3.3 Water

Due to the nature of the products, the production process requires the use of large amounts of water, which is why water consumption is a material issue in the matrix. With the increasing importance of the water resource in relation to the impacts of climate change, the organisation continues to investigate and promote opportunities for water recycling and reuse within the production chain. This document gives an overview of the water used in the plants; interventions in the field and on the farms are subject to analysis, which will be highlighted in the next reports.

The use of water in production lines is constantly monitored, with particular attention to the cooling of the systems and to the use in technical services, washing and sanitising of the environments, given their particular impact in dairy plants.

The main water saving measures carried out at the Group plants are:

- the introduction of single product sanitisers for washing lines and systems which do not require a second rinse and which allow for significant savings in water volumes;
- the installation, in various Group plants, of specific meters for measuring consumption in the various process phases in order to identify priority action areas;
- the preparation of periodic monitoring plans relating to the water balance, aimed at identifying anomalies, leaks or malfunctions in plants and meters;
- assessments of possible reuse of purified water for permitted uses in other process steps (e.g. in evaporation towers).

In a context of increasing water stress, and with particular reference to the problems of the overuse and pollution of aquifers in Italy, Granarolo intends to quantify and communicate this type of environmental impact and to optimise its production processes.

WATER CONSUMPTION (m ³) – THREE-YEAR PERIOD 2022-2023-2024					
TREND – ITALIAN PLANTS	UOM	2022	2023	2024	
Total water consumption	m ³	1,055,385	994,390	1,092,469	

WATER WITHDRAWALS (m ³) – THREE-YEAR PERIOD 2022-2023-2024					
TREND – ITALIAN PLANTS	UOM	2022	2023	2024	
From wells	m ³	4,487,986	4,750,225	4,854,567	
From aqueducts	m ³	653,464	716,981	798,444	
TOTAL	m³	5,141,450	5,467,206	5,653,011	

All water withdrawal data refer to areas classified as "medium-high" water stress risk (values between 2.6 and 3.7, WWF Water Risk Filter, Overall Basin Risk).

During 2024, water withdrawals increased by 3% in absolute value compared to 2023 due to an increase in the percentage of notoriously hydro-demanding dairy products.

WATER DISCHARGES (m ³) THREE-YEAR PERIOD 2022-2023-2024					
TREND – ITALIAN PLANTS	UOM	2022	2023	2024	
Water discharges by quality and destination	m³	4,086,155	4,472,816	4,560,542	
Discharge water receptor: Public sewers	m ³	50%	48%	47%	
Discharge water receptor: Surface water bodies	%	43%	46%	47%	
Discharge water receptor: Soil	%	7%	6%	6%	

For some plants, for which it is not possible to reach the public sewer system and a body of surface water is not available, the only receptor is the ground (Gioia del Colle); so the legal limits are certainly more restrictive than those for other receptors like public sewers and bodies of surface water.

RECYCLED AND REUSED WATER (m ³) THREE-YEAR PERIOD 2022-2023-2024					
TREND – ITALIAN PLANTS	UOM	2022	2023	2024	
Recycled and reused water	m ³	110,278	158,586	124,594	
Recycled and reused water vs. total water withdrawn (%)	%	2.14%	2.9%	2.2%	

In 2024, the waste water recovery system at the Bologna plant further reduced the volumes of recovered water (-43% compared to 2023) and is therefore in the process of evaluating whether to carry out extraordinary maintenance to bring the recovery values back to the years of peak performance (this will allow the BAT index provided for by the dairy sector to be maintained); on the other hand, good performance was recorded in the Gioia del Colle and Soliera plants (20,000 m³ and 72,000 m³ respectively).

In addition, during 2024, 6,913 m³ of water was stored for use by the fire-fighting systems of the Group's Italian plants⁷.

In parallel with what has been done regarding air pollutants, for 2024 Granarolo reports the emissions into water of pollutants relating to the Bologna, Gioia del Colle, Pasturago, Soliera and Usmate plants, which monitor pollutants under the EPRTR declaration. As regards nitrogen, phosphorus, chlorides, organic carbon, chromium, cadmium, nickel, copper, zinc, lead COD, DCM, chloroform and aluminium, none of the plants exceeded the prescribed limits.

7.3.4 Materials

The following are the main packaging materials used in the Group's plants.

GRI 301-1

MATERIALS USED (tonnes) - THREE-YEAR PERIOD 2022-2023-2024					
TREND – ITALIAN PLANTS	UOM	2022	2023	2024	
Aluminium	tonnes	182	171	180	
Paper	tonnes	45,912	29,810	30,196	
Plastic	tonnes	12,870	12,407	28,484	
• of which renewable materials	tonnes	9,213	11,546	8,200	
• of which non-renewable materials	tonnes	49,750	30,842	50,660	
TOTAL	tonnes	58,964	42,388	117,720	

The increase in plastic used is attributable, as better described in paragraph 7.4, to several factors such as the increase in production volumes of some products, the launch of a new range of dairy products connected to the opening of a new plant, and the restoration of the conventional cap updated to the tethered version (cap anchored to the package).



7.3.5 Waste

The activities aimed at reducing waste production, through prevention, reduction, recycling and reuse, as well as the correct disposal of hazardous substances, are important drivers for the achievement of the targets of SDG number 12 of the United Nations "Sustainable consumption and production".

On this topic, we have continued our commitment to sorting waste at the Granarolo plants, increasing the proportion of waste (mainly paper, plastic and wood) sent for recycling. The activity in question also takes the form of the definition and signing of specific contracts with companies specialised in recovering these materials.

Significant efforts have been made in recent years to make workers in the plants aware of the need for proper separate collection of waste. In this sense, initiatives are taken to involve employees on the subject of waste and, more generally, on environmental issues, with the aim of creating an ever-increasing environmental awareness that is then critical and proactive.

The results of this involvement are made evident by the positioning of the issue of environmental sustainability among the top priorities for the our stakeholders and by the increasing number of initiatives and projects that focus on reducing the impact of processes or products.

GRI 306-3, 306-4, 306-5

WASTE PRODUCED, DISPOSED OF AND RECOVERED (tonnes) – THREE-YEAR PERIOD 2022-2023-2024				
TREND – ITALIAN PLANTS	UOM	2022	2023	2024
Hazardous waste for recycling	tonnes	23	31	105
Hazardous waste for disposal	tonnes	7	38	49
Total hazardous waste produced	tonnes	30	69	154
Non-hazardous waste for recycling (including sludge)	tonnes	28,221	21,746	18,780
Non-hazardous waste for disposal (including sludge)	tonnes	686	822	43
Total non-hazardous waste produced	tonnes	28,907	22,568	18,824
TOTAL WASTE PRODUCED	tonnes	28,936	22,637	18,978

In absolute value, for all plants, there is -16% waste in 2024 compared to 2023, substantially generated by a marked reduction in sludge volumes thanks to efficient purification processes (installation of presses and centrifuges that allow the production of less liquid and therefore drier sludge).

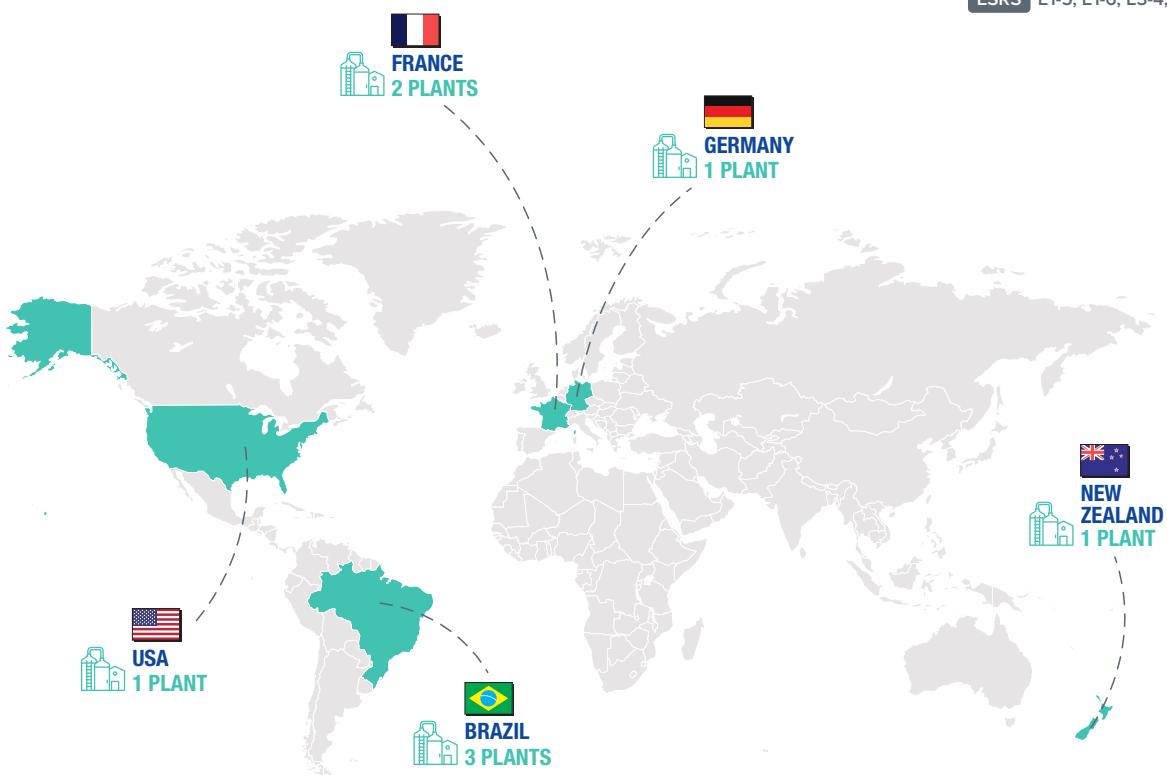
On the other hand, the increase in the proportion of hazardous waste is due to the disposal of obsolete plant to make way for upgrades. While these operations have generated waste, they have also allowed significant energy savings, the effect of which will be appreciated over the next two years (new generation boilers and evaporation towers).

To date, 99.5% of waste is recovered in third party destination plants.

MAIN CONSUMPTION GLOBAL PRODUCTION PLANTS IN 2024

GRI 302-1, 305-1, 305-2, 303-3, 303-4, 306-3

ESRS E1-5, E1-6, E3-4, E5-5



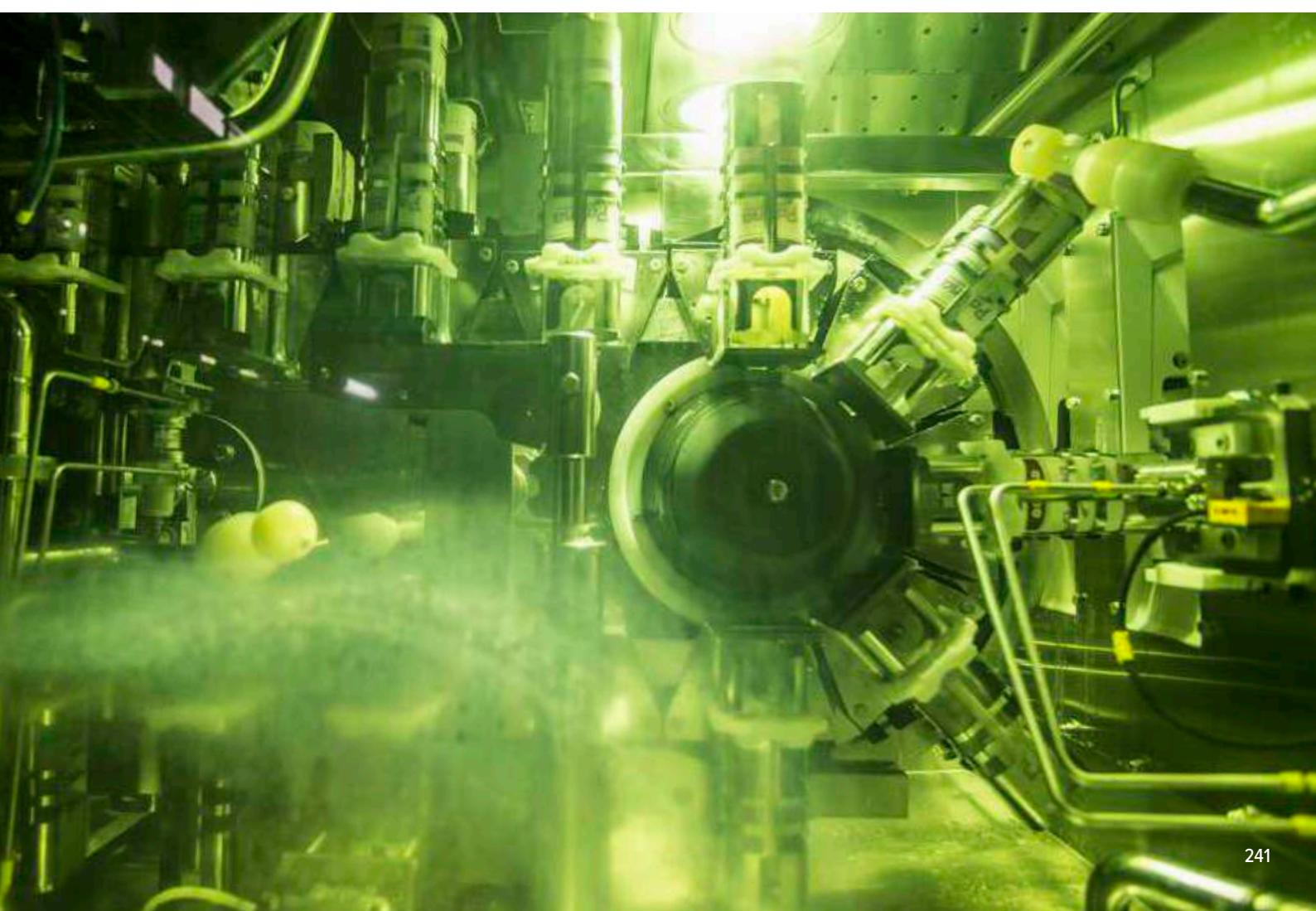
31,425 MWh
Energy consumption

9,543 tonnes
of CO₂ eq
(Scope 1+2)

218,841 m³
Water withdrawal

285,320 m³
Water discharges

4,634 t
Waste



7.4 Reducing the environmental impact of packaging

Packaging is defined according to Article 218 of Italian Legislative Decree dated 3 April 2006 as the product, composed of materials of any nature, used to contain and protect certain goods, from raw materials to finished products, to allow their handling and delivery from the producer to the consumer or user, and to ensure their presentation. In the current context, it is becoming increasingly important for the legislator and for the consumer who chooses sustainability.

In line with company values and the objectives set in terms of reducing the environmental impact of packaging, Granarolo continues to work on several areas:

1. **the reduction of the amount of plastic material used in primary, secondary and tertiary packaging**, by reducing the thickness and/or weight of the materials and, where possible, replacing the polylaminate with monomaterials. The result is an evident contribution to the reduction of waste and a lower overall environmental impact.
2. **the adoption of recyclable and recycled materials**: Granarolo implemented the use of **recycled material in 2024 on several types of packaging**, from flexible to rigid. In particular, the use of R-PET on all types of PET bottles (clear, white and multi-layer) was extended in proportions ranging from 25 to 50%, anticipating the obligation of the SUP Directive implemented in Italy with Italian Legislative Decree 196 of 8 November 2021. We have also worked to introduce up to 50% of PCR (Post Consumer Recycled) in different secondary and tertiary packaging.
3. The possibility of **introducing alternative materials to plastic**, such as paper and/or cardboard, biodegradable and/or compostable materials, in order to reduce the use of materials derived from fossil sources, preferring more eco-sustainable materials.

There are many innovation projects based on the EEC Directives on the development of ecodesign while respecting the possibility of recycling.

In 2024, many changes in rigid and flexible packaging contributed to the reduction of plastic material and therefore to the consequent reduction of CO₂ equivalent, and others will follow during 2025.

Key to meeting these ambitious targets is the support of both consumers, who are increasingly sensitive to the priorities of social and environmental well-being, and the retailers that place their faith in Granarolo and also rely on the brand to choose the most sustainable packaging.



1. REDUCE THE WEIGHT OF PRIMARY, SECONDARY AND TERTIARY PACKAGING 2024

was an unusual year that saw an increase in the amount of plastic used in the Group, as a result of:

- Increased production volumes of the families:
 - > Mascarpone
 - > Fresh cheeses
 - > Mozzarella
 - > Mature cheeses
 - > Groksì Snacks
- Establishment of the new Dairy in Gioia del Colle, with the consequent start of a new range of dairy products and new packaging with on-top volumes.
- Improvement of the caps of Granarolo milk bottles. Following an experimental period on the market where an innovative cap with a reduced profile was tested, it was considered necessary to maintain the conventional model, updated to the tethered version, in order to ensure a higher level of service to consumers, who are fond of the iconic shape of the Granarolo bottle.

The return to the conventional cap, in its tethered version, resulted in an increase in the use of plastic in the range of bottles + caps, equal to 37 tonnes, corresponding to an increase of 104 tonnes of CO₂.

To compensate for this increased use of plastic, the Granarolo Group decided to start using post-consumer recycled PET (R-PET) on bottles prior to 01/01/2025, the date indicated in the specific regulatory framework.

This operation made it possible to achieve an annual saving of 146 tonnes of CO₂ released into the environment, corresponding to a **net saving of CO₂ equivalent of 42 tonnes**.

Below are the projects developed during 2023, finalised and recorded in 2024, that allowed a reduction in the material weight of 67,100 kg, equivalent to **195 tonnes of CO₂ equivalent**.

2024 FINAL BALANCE OF PACKAGING REDUCTION MEASURES STARTED IN 2023		
MEASURE	KG OF MATERIAL SAVED	t CO ₂ eq SAVED
Weight reduction HDPE bottle for yoghurt for drinking Rinforzo, from 7.5 to 6.5 g.	34,100	93
Weight reduction of Yoghurt Jar in PS, from 5.3 g to 5.0 g.	33,000	102
TOTAL	67,100	195

The final report on the projects developed and started in 2024 recorded a material weight reduction of **7,870 kg of plastic and cardboard, with important results in terms of CO₂ saved amounting to 12 tonnes of CO₂ equivalent**.

2024 FINAL BALANCE OF PACKAGING REDUCTION MEASURES		
MEASURE	KG OF MATERIAL SAVED	t CO ₂ eq SAVED
Reduction of plastic in tertiary packaging	3,370	8
Reduction of cardboard interlayer sizes in milk pallets.	4,500	3
TOTAL	7,870	12

PROJECTS STARTED IN 2024 WITH IMPLEMENTATION IN 2025

MEASURE

Bicomp pot weight reduction
(11.5 g to 10.5 g)

Yomo 125 g pot weight reduction
(5.0 g to 4.8 g)

Reduction of the size of the mozzarella big packet

Reduction in the amount of secondary packaging due to internal reuse

Optimisation of secondary packaging

Introduction of R-PS (Chemical Recycled Polystyrene) in yoghurt pots



2. USE OF RECYCLABLE AND RECYCLED PLASTIC

In 2022, an experiment on the use of Matte R-PET was undertaken with a leading company in the sector. The post-consumer recovery involved all types of clear and coloured bottles. Specifically, **a dedicated R-PET Food Grade production system has been implemented with the recycler, starting from the collection of white milk bottles, an absolute novelty since white PET has always been a non-recyclable material.**

This experimental activity continued in 2023/2024 and, following the design strategy of the European Directive, which encourages the use of recyclable and recycled materials, it was seen how the **opaque R-PET obtained can be used in the white bottles for UHT and ESL milk and in the bi-comp yoghurt pot.** In particular, in 2024 the use of recycled material within packaging materials was increased.

The study of new materials is always carried out according to logics of maximum recyclability at the end of life.

3. EXPERIMENTING WITH ALTERNATIVE MATERIALS TO PLASTIC

In the yoghurt category, in which the paper made its debut three years ago, the commitment to sustainability continues. We have completed the shift of Yomo X 2 and Yomo X 4 products to the new paper pot made with recyclable packaging. The pot and cluster paper is PEFC certified (Programme for the Endorsement of Forest Certification), meaning that the raw material comes from sustainably managed forests and controlled sources. In the context of Granarolo's sustainability plan, the development of this new packaging represents a further commitment to eco-design.

In 2024, this innovation saved 367,895 kg of plastic material and 772,616 kg of CO₂ equivalent.

THE RESULTS OF REPLACING THE WHOLE YOMO YOGHURT POT

For each pot



For each pack



* Comparison made with respect to the plastic pot previously used.

** Comparison made on the basis of the total GWP indicator and referring to the primary packaging (the product is not included). The data relating to the plastic pot comes from EPD® S-P-01812

OVERALL BENEFITS OF MEASURES: PROGRESS TOWARDS 2022-2025 TARGETS

Below is some information on the possible overall savings of greenhouse gas emissions (CO₂ eq) thanks to the measures to reduce packaging mass and use recycled plastic.

MEASURE	FINAL DATA 2018-2021	FINAL DATA 2022- 2024	OBJECTIVE 2022-2026
Overall benefits of measures	3,248	1,045 +1,077 +249=2,371	2,500

Data in tonnes of CO₂ equivalent

In the period 2018-2021, thanks to the interventions on packaging,

3,248 tonnes of CO₂ equivalent were not released into the atmosphere, 85.7% of the target that Granarolo had set itself, not foreseeing the pandemic period.

Considering the interventions planned and foreseen for the **period 2022-2026**, which aim to introduce innovative and sustainable materials, it is foreseeable that we will achieve a further overall greenhouse gas emission saving of **2,500 tonnes of CO₂ equivalent**.

7.5 Reducing the environmental impact related to logistics

Granarolo is an omnichannel company and distributes through both traditional and digital channels, dealing with business and consumer customers, and reaching any type of food customers: large-scale distribution, Normal Trade (including Food Service and Horeca) and recently also final consumers.

Digital channels are covered through the B2B portal, myzero4.it and a B2C website, launched during the first lockdown in 2020, named spacciogranarolo.it.

Granarolo has a complex logistics network consisting of ambient (non-refrigerated) and fresh platforms (storage warehouses). The logistics network is completed with **transit points**, the basis for last mile distribution.

The platforms are dedicated to the finished product stock and distribution to large-scale distribution, while the transit points are dedicated to serving Normal Trade and B2B and B2C channels.

Primary transport connects factories with the other nodes in the network, i.e. platforms and transit points; secondary transport is reserved for deliveries to customers, from plants, platforms or transit points.

In 2024, the milk collection of the Granlatte Cooperative affected the social base of the contributing shareholders, located in 11 Italian regions. There were 99 vehicles used, two of which are powered by methane while the others have a Euro 5 and Euro 6 diesel power supply.

Two carriers are carrying out a pilot project, powering the vehicles with HVO, a fuel of non-fossil origin, obtained from renewable sources.

Granarolo has a vision of **continuous improvement of its supply chain** through various levers, such as:

1. innovation in demand planning systems;
2. collaborative processes with major Italian retailers, in order to streamline individual point-of-sale replenishment processes (CRM);
3. innovation of management systems and processes that allows us to identify the best configuration and location of warehouses, focusing on changes in consumption in Italian regions;
4. efficiency in storage and picking systems in warehouses;
5. use of energy-efficient transport.

All these levers contribute to simplifying and speeding up the transport of products so that the overall lead

time is reduced, with economic benefits, enhanced sustainability and a safeguarded quality of Granarolo products.

Innovation in supply chain management systems and processes is based on the study of the physical flow of products, from the point of generation, the factories, to the point of destination, which may be a centralised warehouse of a retailer chain, a CE.DI., or a point of sale.

The lines of development of Granarolo's supply chain distribution network can be summarised in the following principles:

- plant end-of-line warehouses, for products that can be delivered directly to customers using dedicated means;
- storage warehouses or platforms strategically located for reduced transfer from production sites (shuttling) and barycentric for consumption and deliveries to retailers' distribution centres;
- warehouse automation for high volume product categories;
- higher picking efficiency;
- optimisation of the number of transit points, through dedicated platform preparations;
- saturation of means of transport;
- optimisation of the stock managed in the platforms, through advanced management methods for each product category.

Granarolo's goal for 2024, in continuity with 2023, was to reduce the ratio of tonnes transported to tonnes sold in order to improve the operational efficiency of its distribution. In order to achieve this sustainability objective, it was necessary to work on the network according to the principles outlined above, i.e. optimising the location of nodes, specialising platforms by product category, and reducing shuttling, i.e. transport between the factory and the platform, rationalising the network by creating synergy in facilities (transit points) by finding partners with whom to share cold storage, handling, transport, etc.

In addition, in 2024, projects were carried out concerning:

- reduction of storage points with the transformation of the Rome and Nola Platforms into Transit Points;
- rationalisation of the Transit Points, closure of the Ferrara TP;
- use of an electric balance on a daily route with a reduction of CO₂ emitted;
- use of rubber-iron intermodal transport on the Bari-Modena route with reduction of CO₂ emitted;
- continuation of projects in synergy with customers to increase the saturation of the delivery vehicles, reduce the frequency of transport and the associated CO₂ emissions.

For 2025, further projects are also planned concerning:

- reduction in weekly provisioning of transit points;
- use of an electric tractor for the last mile in the province of Bologna;
- greater use of rubber-iron intermodal transport, extension to the Modena-Calabria and Modena-Puglia sections.

The changes studied concern both the configuration of the logistics network and the storage capacity at the factories. It was deemed necessary to plan to increase the storage of ambient products as much as possible at the factories, eliminating steps which, in terms of sustainability, had a significant impact. The project launched at the beginning of 2020 has led to a redesign of the network and an upgrade of warehouses inside the factories, as well as a review of distribution policies to encourage orders passed directly from factories to customers.

For ambient products, it was decided to concentrate all existing platforms into one central platform that will serve Italy as a whole and will be located in Emilia-Romagna. In this regard, Granarolo started to consolidate the stock in two main warehouses, eliminating the three existing peripheral warehouses.

For fresh products destined for large-scale distribution, a central platform is to be built and will serve all Italian and foreign customers, while two other platforms will be dedicated to Normal Trade, positioned to guarantee a level of service within 24 hours to all Italian customers.

The new configuration of the network meant that even **in 2024** there was a **reduction of about 214 tonnes of CO₂ eq.**

In 2025, Granarolo will continue with the aim of reducing the environmental impacts related to logistics and expects to increase the reduction of CO₂ eq. by a further 300 tonnes/year.

COMPANY VEHICLES (TRUCKS AND COMPANY CARS)

DIET	NUMBER OF VEHICLES
Methane	2
Diesel	780
Petrol	0
Hybrid	0
LPG	0
Electrical	2

7.6 Fighting food wastage

Granarolo has always been attentive to issues of sustainability and the fight against food waste, which it pursues on the one hand with initiatives to extend product shelf life, redefine the demand planning logistics and create fresh food outlets where it is possible to buy short-dated products at advantageous prices, and on the other hand with external partnerships with those involved in recovering products and helping fragile people.



On the shelf life extension front, much has been done in particular since the end of the pandemic, which has made interventions in this regard more urgent in the face of a reduction in consumer passages at the point of sale and since internationalisation began to be important in terms of volumes for the Group. In Italy, as far as milk return is concerned, a particular step forward has been made since autumn 2022 with the introduction of Granarolo refrigerated milk with 10-day shelf life that has reduced the returns of milk from the fridge by more than 50% on a semi-annual basis, also offering the consumer a great service given by the reduction of domestic waste. The plastic bottles used by Granarolo for this milk contain less plastic and have a cap that remains attached to the packaging (Granarolo anticipated the European directive).

In March 2022, an important project was started within Granarolo, called Total Quality, Fifty Returns aimed at reducing returns by 50% in two years. When we talk about returns, we refer to all the products that have not been sold or that have never left the platform or have been returned from the market.

The work was inspired by a cultural change, and involved many departments: Management Control, Purchasing, Programming, Transformation, Logistics and Sales correlating data.

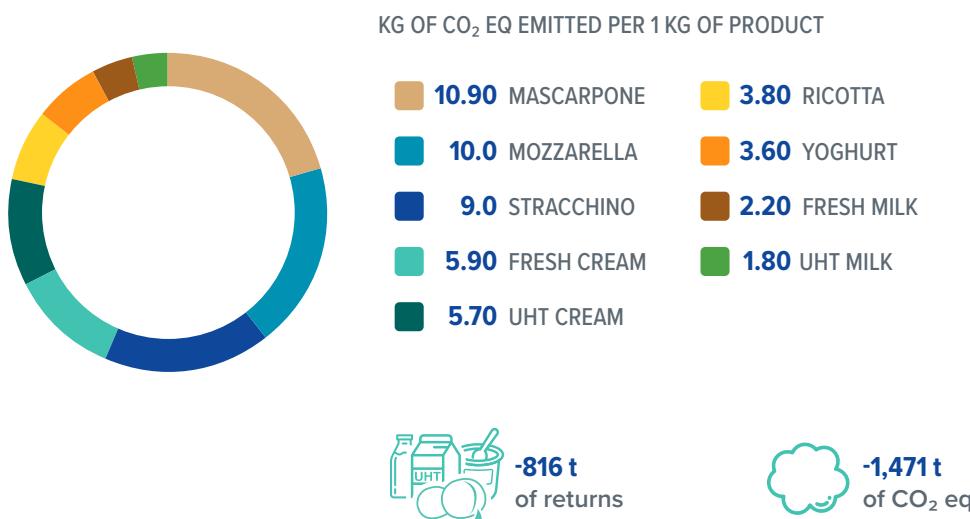
The numbers were initially logged with the intention of setting KPIs by function and, subsequently, a shared dashboard was created, identifying three project managers (Quality, Environment and Governance Departments).

The average return in 2022 amounted to 3%, in 2023 to 2.5% and in 2024 to 2.3%. In particular, the decrease was recorded on fresh and very fresh products (milk, cream, mozzarella, stracchino, yoghurt).

This amounts to -816 tonnes of product, year on year.

The estimate of CO₂ saved was made on the basis of the EPD by product category and amounts to -1,471 tonnes of CO₂ eq. in 2024. **The total contribution of the project from 2022 to date has been -19,011 tonnes of CO₂ eq.**

PROJECT FIFTY RETURNS - THE NUMBERS



Data source: EPD Certificates - Source of data for equivalences www.santannapisa.it

On the platform product recovery front, the first fresh product points of sale opened in 2015. They are factory shops with "last minute" offers, at the Granarolo plants of Gioia del Colle and Bologna; in 2017 this shop project expanded with the opening of a point of sale with an anti-waste slant also in Modena and was transferred to Castelfranco Emilia in 2019. In 2021, the downtown Bologna shop was opened. To date, the points of sale are free-service "fresh product outlets" where private consumers, operators in the Ho.Re. Ca. sector, farmer shareholders and Granarolo Group employees can take advantage of **special prices on a vast assortment of products** from the Granarolo portfolio (milk, yoghurt, fresh and mature cheese, including PDO products, cold cuts, packaged egg and semolina pastas, and much more from the Granarolo, Yomo, Pettinicchio, Podda, Amalattea, Pinzani, Croce di Magara, Gennari and Pastificio Granarolo brands), as well as a selection of other cold cuts, baked products (bread, pizza, piadina and cakes), ready meals, salads, drinks and fruit juices, with availability varying according to the season. The new anti-waste points of sale opened in 2021 will feature, next to the self-service area, a dedicated cutting counter area. Inside the retail points consumers can therefore find fresh items, convenience and all the latest products from Granarolo and other important brands, as well as a corner dedicated to the Ho.Re.Ca. channel with specific products and formats for professionals in the catering industry (Granarolo Expert line). Many companies have an agreement with the factory outlets and offer their employees and workers the opportunity to take advantage of an additional 10% discount on top of the promotions/discounts on offer in the retail point.

The points of sale were designed to drive sustainability, reduce the food wastage connected with short-dated products, and offer consumers discounts on the retail price. In this way Granarolo works on social sustainability and improves its environmental impact by reducing the waste normally associated with the food industry. It also makes energy savings by using next-generation refrigerated counters with low environmental impact.

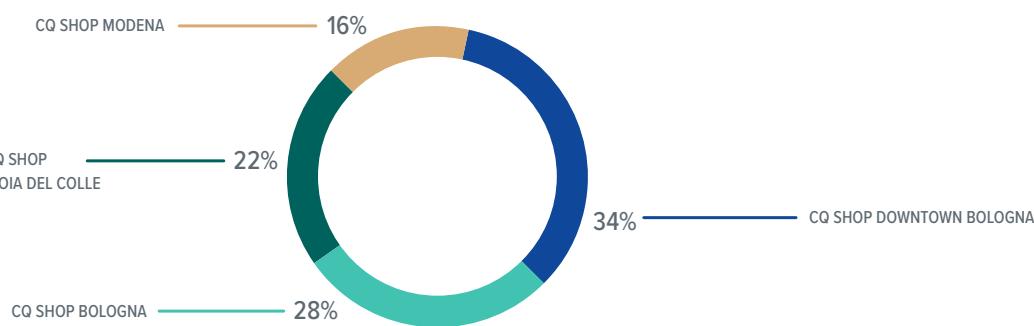
FACTORY OUTLETS AND SHOPS – 2024 TRENDS

Net turnover: €2,298,302 (-17.3% vs 2023)

The total volumes of products sold by the factory shops in 2023: 9,437.0 quintals (-9.0% vs. 2023), of which total volumes of **short-dated products sold: 1,525 quintals (equal to 16.2% of total)**. Last minute sales amounted to €523,695 (22.8% of total).

As at 31.12.2021, 162 farms are affiliated with the factory shop and therefore benefit from purchase discounts.

FACTORY OUTLETS AND SHOPS - 2024 VOLUMES – PERCENTAGES BY SHOP



By recovering its unsold goods, Granarolo is also able to make direct systematic donations of food products to local associations which distribute them to people in need or use them to make meals for the people they assist. The donated products are still intact, nutritional and safe, but have been withdrawn from sale as they no longer comply with the relevant quality and service standards. In the specific case of Granarolo, these are mainly products like yoghurt, milk and cream, fresh and hard cheese, butter, gastronomic products and vegetable products. Granarolo works with 10 associations on an ongoing basis on various territories.

SYSTEMATIC RECIPIENTS OF DONATIONS	QUANTITY (TONNES)
A.S.VO Association	132.90
Banco Alimentare della Lombardia "Danilo Fossati" - NPO	158.14
Croce Rossa italiana - Cagliari	6.29
Cucine Popolari	80.89
Ekonvoi Odv - NPO	45.84
Emporio Bologna Pane e Solidarietà	10.73
Fondazione Banco Alimentare Em. Romagna	184.30
Opera Pia Pane Quotidiano (NPO)	76.80
Portobello (a.s.v.m.)	33.92
GRAND TOTAL	729.8

In 2024, as in previous years, the usual associations supported by Granarolo were joined by many non-profit organisations and associations faced with the poverty emergency exacerbated by the war. There are 27 organisations to which Granarolo donated goods in 2024, for another 197 tonnes.

OCCASIONAL RECIPIENTS OF DONATIONS	QUANTITY (TONNES)
Empori Solidali Bologna, Cucine Popolari, Fondazione Sant'Orsola, Banco Alimentare, Croce Rossa Italiana Crotone, Comune di Granarolo, Cooperativa La Baracca, Coop. Sociale Società Dolce, Caritas Ambrosiana Usmate Velate, CEFA Onlus, Sacra Famiglia Bologna, Emporio Solidale Portobello di Modena, Caritas Polonia, Caritas Fossolo, Caritas Bentivoglio, Caritas di Quarto Inferiore, Comune di Vernate, Comune di Milano - Piano Anticaldo, Iniziativa Solidale Carrello Sospeso – Ag. Locale Sviluppo Pilastro, Progetto Dispensa Solidale – Camst, Parrocchia Zocca, Unicef, Protezione Civile, Antoniano, Padre Marella Bologna, Appennino per l'Ucraina	197

There are over 1,154,000 meals equivalent donated in a year (1 meal equivalent corresponds to a mix of 500 g of food according to the estimate of the Fédération Européenne des Banques Alimentaires).

An ongoing donation to the "**Dare per Fare**" community social fund, which acts as a hub for about a hundred non-profit organisations and food banks in the Metropolitan City of Bologna, was also started in 2022.

Due to the growing need, systematic donation will continue in the next few years. The donated products correspond to 171,756 meals/year in 2022, 198,000 meals/year in 2023 and **262,311 meals/year in 2024**: also thanks to the coordination of Volabo, Volunteer Services Centre, 13,180 people living in the metropolitan area, 4,574 are minors (35%). In addition to food, Granarolo has donated a refrigerated van to the project in order to resolve any critical issues in the distribution of fresh products. Therefore **1,416,311 total equivalent meals were donated in 2024**.



BEING ACTIVE CITIZENS AT LOCAL AND GLOBAL LEVEL







BEING ACTIVE CITIZENS
AT A LOCAL AND GLOBAL LEVEL

OBJECTIVES

SCOPES	2024 OBJECTIVES	PROGRESS	NEW 2025 OBJECTIVES
APPRECIATION OF THE GROUP'S TERRITORIAL ROOTS	Continuation of activities with hub of the Metropolitan City of Bologna	262,311 meals/year donated to the most vulnerable people	Continuation of activities with hub of the Metropolitan City of Bologna
	Participation also in 2024 in Dominate the Water to promote respect for the Sea	Active involvement in the Dominate the Water project with renewed commitment to the Pact for the Sea	Opening of the dairy in the Dozza prison in Bologna
	Continuation of the Allattami project	42,143 feeding bottles collected, 5,057 litres of milk collected, 371 donor mothers, 40,694 feeding bottles used by healthcare facilities in the Emilia-Romagna region	Continuation of the Allattami project
COMMITMENT TO FOOD INNOVATION AT A NATIONAL AND INTERNATIONAL LEVEL	Growth in visits to Group plants	8,609 participants in educational activities (4,104 participants in face-to-face guided tours)	Growth in visits to Group plants
	Active participation at the Start-up Day in Bologna	Active participation at the Start-up Day in Bologna Agrofood BIC - financing of the innovative start-up Biova and launch of the collaboration with Eatable Adventures	Agrofood BIC - financing of a new start-up
FOCUS ON WATER INNOVATION	Participation in the ER regional IN-ER network to promote start-ups and investments	Participation in the ER regional IN-ER network to promote start-ups and investments	Participation in the ER regional IN-ER network to promote start-ups and investments
	Focus on Water Innovation (water saving and detection of foreign bodies and microplastics) in synergy with Innovation Hub of Piacenza	Event on the Water Pledge with the involvement of over 15 companies and 3 innovative start-ups in synergy with the Innovation Hub of Piacenza	Focus on Water Innovation (water saving and detection of foreign bodies and microplastics)

We are currently living a historical period characterised by **complex processes of change** that impose rapid transformations in thought and action. The **technological revolution**, driven by digital innovation, has enabled new business models and new markets that were unthinkable until recently, thanks to free access to information and knowledge also among the younger generations. Meanwhile, there are social and economic inequalities, the collapse of democracy in some areas, and relentless climate change that cannot be ignored (Granarolo farmers measure it daily). The Covid-19 pandemic, the war in Ukraine and the war in Gaza are further factors of uncertainty in an already rapidly evolving system. We sometimes hear the acronym **VUCA (Volatility, Uncertainty, Complexity, Ambiguity)** used to identify the historical period we are experiencing, a period where **volatility, uncertainty, complexity and ambiguity push people to reimagine ways of living and acting in the world, skills to be acquired, relationships to be built and objectives to be achieved**. One thing remains constant: **to create a positive and valuable impact, communities of people and relationships must be the first reference point, and nowadays this is truer than ever**. With institutional and non-institutional partners, with clients and with the communities in which we are most present, or sometimes with those further afield, **also in this difficult year Granarolo has worked to improve people's quality of life**.

For Granarolo, being a responsible citizen means **sharing operational and educational expertise** because the idea of citizenship has an ethical rather than a political significance and implies that we are "citizens of the world" with a **responsibility and duty to play an active role** in the creation of a fairer and more equitable world through the implementation of **concrete, measurable and sustainable projects**.

The Group is committed to several areas:

1. **food education**, which helps to develop and enhance the talent of young people in Italy by facilitating their entry into the working world, and takes the form of support for initiatives that promote healthy and active lifestyles, both physically and intellectually, and an anti-wastage policy, and which is a way to ensure emancipation from poverty in countries like Africa.
2. **food innovation**, which brings together the many experiences achieved, even going beyond the logic of business. Now that the logic of sustainable food innovation has been further accelerated, working with young people in the fields, on the farm and in the production plants is intended to trigger a radical change, inspired by the logic of sustainability and the fight against climate change, in the knowledge that it can generate a positive impact given the size of the supply chain.

These two long-standing areas of commitment were augmented by:

3. the **fight against the food emergency linked to health, generated by the pandemic, war and natural disasters** such as the recent earthquake that hit Turkey and Syria in early 2023 or the great flood of May 2023 and of May and September 2024. Granarolo has worked hard in every context by dealing with all stakeholders and activating positive and supportive forces.

8.1 Appreciation of the Group's territorial roots

The Granarolo Group's commitment and proximity to the areas in which it operates, with its own farmers and plants, is indicative of its desire to create growing **social inclusion**. For this reason, for some years now the Group has been committed to reviewing its social policy and, based on an analysis of the initiatives carried out in various regions, rebalancing its distribution of resources in order to include a growing number of local communities. In 2024, 63% of its resources went to its original territories and 37% to the rest of Italy.

Some initiatives were carried out in 2024, underlining the Group's strong roots in its reference communities, with some distinctive focus areas for the Group:

1. **Education and conscious consumption;**
2. **Culture, social issues and sport.**

8.1.1 Education and conscious consumption

GRI 2-28, 203-1

THE EDUCATIONAL PROJECTS OF GRANAROLO

Also in 2024, Granarolo supported students of all school levels, renewing its educational offer, which over the years has been enriched by becoming increasingly inclusive. Since its foundation in 1957, the Group's vocation has always been to welcome schoolchildren, groups of visitors and institutional delegations within the main production plants, through the promotion of guided tours. There have been thousands of visitors of all ages, especially from the schools (crèche, nursery, primary and secondary right through to university and post-grad students). They have been welcomed over the years, free of charge, on educational tours dedicated to knowledge of the agricultural and livestock supply chain and the production process, on guided visits to the farms of farmer-shareholders followed by plant and/or laboratory courses built on specific interests, also in other languages.

Activities to support schools are also characterised by numerous educational projects for the new generations, focusing on knowledge of the milk supply chain, the dissemination of correct food diets and the promotion of responsible consumption, in the awareness that knowing how a large company in the dairy sector operates is an opportunity for everyone. After the 3 years of forced suspension due to the pandemic, 2024 saw the resumption of regular guided in-person tours, totally free of charge, with the possibility of entering some of the main Granarolo plants: Bologna, Soliera (MO), Gioia del Colle (BA), Aprilia (LT) and, starting from this year, also the Castrovilliari (CS) plant.

The online educational offer continued throughout the year, also free of charge, with courses and activities to be carried out with schools in virtual mode. This method began during the health emergency, a period that showed the importance of new technologies in coping with the time of crisis. The courses offered have once again demonstrated their strong social values and increasing inclusiveness, allowing even very geographically distant schools and students, who would not have had the physical and economic opportunity to organise visits in person, to benefit from the educational package.

Proposals included 4 online training paths, with the possibility of keeping them present in the classes of the institutes of the territory of Bologna and Province:

- **The Milk Show:** virtual workshop on the magic of milk and dairy products;
- **Granarolo at 360°:** virtual tour of the milk-packing plant at Granarolo's headquarters in Bologna;
- **Missione Cibo:** an educational project on healthy eating and responsible consumption for primary schools;
- **Da così a cosà:** ideas for creative recycling of Granarolo packaging.

In total, 8,609 participants were involved in 2024, with 7,340 of them from schools of every kind and level, and 974 taking part in online mode, for a total of 247 meetings (22 online), an increase of over 152% compared to 2023.

There was great success for attendance from elementary schools, with 2,684 students, and from high schools with 2,657 students. An excellent result also for crèches, which made their début last year in the educational offer, with 618 girls and boys attending.

A significant result was achieved with regard to the guided tours, which registered 4,104 visitors – almost as many as the pre-pandemic numbers – broken down as follows:

- schools - 3,225
- University/Master/Training courses - 398
- Institutional, foreign and academic delegations - 217
- Associations and groups - 264

The most visited plant was Bologna with 3,680 participants, followed by Gioia del Colle with 336 and Castrovilliari, which launched guided tours only this year, with 108.

2024 saw a great return by national and international institutional delegations visiting production plants, with academic entities such as the Politecnico di Milano and Alma Mater - University of Bologna, the

Bologna Business School and ESCP (the oldest business school in the world), the Iowa State University and the University of Pennsylvania from the United States. Also present were institutional bodies from foreign countries such as Colombia, Brazil, Japan, Korea and Thailand, to name just a few. Particularly significant were the cooperation-related visits, with a delegation from the Mondragon Corporation, a historic federation of workers' cooperatives based in the Basque Country in Spain, and one from the Manchester Co-operative Councils' Innovation Network in the United Kingdom.

SCHOOLS	GUIDED TOURS	THE MILK SHOW	MISSIONE CIBO	360° GRANAROLO	DA COSÌ A COSÀ	TOTAL
Crèche	70	548			-	618
Nursery school		371				371
Elementary school	1,013	1,007	59	305	300	2,684
Middle school	272	482		256		1,010
High school	1,870	118		669		2,657
Summer centres		70				70
University/Master's/ Training courses	398					398
Institutional and foreign delegations	217					217
Associations and groups	264	320				584
Total	4,104	2,916	59	1,230	300	8,609

Schoolchildren's visits resumed to the 7 educational farms of Granlatte's farmer shareholders, farms or farm holiday centres, defined in accordance with Italian Legislative Decree 228 of 18 May 2001, managed by farmers who, in addition to traditional activities, seek to involve the local area, hosting and carrying out educational and information activities, giving priority to schools of all levels and types, with the aim of rediscovering the "cultural" value of agriculture and the rural world and to create a network of relations between producers and young consumers aimed at raising awareness of agricultural production and the territory. In the context of the unique and distinctive collaboration between the Granlatte-Granarolo supply chain and Conapi - National Beekeepers Consortium, together for biodiversity and bee health, a new open day was held in May at the Farneto shareholder farm in Monterenzio (BO) to promote the project created by Granarolo and Conapi. The event marked the planting of nectariferous plants and the creation of buffer areas and conditions suitable for the life of bees on farms.

THE MEDICAL-SCIENTIFIC AND INFORMATIVE SECTION

Further educational support for students and teachers has been offered by the *educational* section of the institutional website, which also aims to provide useful information to private citizens, thanks to the integration of medical-scientific communication. Launched in 2024 it has presented research, insights and academic studies on the dairy world, including internationally. These have been identified thanks to the advice and support of *Nutrition Foundation of Italy*, a non-profit association that promotes scientific research and the dissemination of knowledge in the nutritional field, also in synergy with Italian and foreign universities. In the online space "Not everyone knows that", always present in the educational section of the institutional website gruppogranarolo.it, you can find easy-to-read informative texts and contents on the beneficial effects of the consumption of milk and its derivatives in our daily diet, as well as practical advice on how to read a label or how to make a responsible and conscious purchase. An important contribution to this section was also given in 2024 by Francesca Giopp, nutritionist and teacher at the Alma International School of Cuisine in Colorno (PR). In the "La forma del latte" space, on the other hand, Michele Grassi, a cheese critic and expert who has been involved in research on dairy technology and the design and implementation of new processing techniques for years, has offered some insights on the world of cheeses, their classification, how they are produced and how to combine them during meals.

8.1.2 Culture, social issues and sport

GRI 2-28

Granarolo's commitment in terms of sustainability is also in the social field, with particular attention to the communities and territories in which it operates and where it supports cultural entities, social and educational initiatives, sports events, which occupy a significant number of citizens and stimulate innovation, generating a positive social impact.

In the cultural field, in 2024 Granarolo was also among the supporters of the Villa Smeraldi Institution – Museum of Peasant Farming Culture of San Marino di Bentivoglio (BO), one of the first and most important Italian collections of testimonies of work and peasant life in the countryside of the Bolognese plain until the mid-20th century, viewed from a socio-economic and anthropological perspective. It also houses a section on the history of the Group and dairy farming and, since December, has housed a new milk and cheese teaching classroom, created together with Granarolo, to welcome visiting students and students.

Support was confirmed for the Testoni Theatre in Bologna, which is also active internationally and offers shows and workshops for the very young, 0-11 years old, in all Italian regions. Backing was also offered to the Fondazione Musica Insieme, which enables its wide-ranging audience - often elderly and with limited access to travel - to attend classical music concerts involving well-known performers from Italy and abroad. In addition, for the first time the Senzaspine Orchestra School of Music was supported. This is a symphonic ensemble begun in Bologna in 2013 that has stood out over the years for an approach that unites quality, inclusiveness and dissemination, through the provision of 6 scholarships for low family-income students, to reduce the cost of the school's annual fee, and 4 merit scholarships reserved for the best students.

For 2024 Granarolo was also among the supporters of the 16th edition of the Franciscan Festival, an event whose 100-plus appointments encourages deep reflection on the wounds and pain present in the world today, taking inspiration from the historical, spiritual and revolutionary figure of Saint Francis and his universal message. The event offers educational workshops on the creative recycling of empty packaging of Granarolo products. The Group also confirmed its collaboration with the Food & Science Festival – Cultivating knowledge, the event dedicated to scientific dissemination. Held in Mantua and now in its eighth edition, it addresses and explores in a creative and accessible way the issues related to the science of food production and consumption. During the 3 days of the Festival, Granarolo organised the two workshops "The Milk Show – Games and workshops on the magic of milk", and "Sapore di latte – Sensory journey between milk and cheeses", with over 170 attendees, while Simona Caselli, chairperson of Granlatte, participated in a meeting dedicated to the dairy supply chain.

In sports, the Group was once again the main sponsor of the Giro dell'Emilia Granarolo, a bicycle race for professionals from all over the world. Now in its 107th edition, it attracts a large audience of cycling fans. This collaboration began 40 years ago and has seen World Champion Tadej Pogačar triumph on the hill of San Luca.

Granarolo has returned to supporting Bologna FC 1909 for the 2023-24 season as Top Partner of the first team, which has reached a historic qualification in the Champions League. It is also Main Partner of the Youth Sector, guaranteeing visibility to the company's brand on the team jerseys of all the boys of the Youth Sector and Football School categories and at the stadium in the first team's games.

The Group is one of the partners that supported "*Dominate The Water*", a circuit of open water swimming events designed by the Olympic and world champion Gregorio Paltrinieri, testimonial of Granarolo Benessere. It touched down in various Italian seaside resorts, combining sporting events, passion, enhancement and protection of the Italian seas and beaches, in line with the signing by Granarolo of the Pact with the Sea promoted for 2024 by the University of Gastronomic Sciences of Pollenzo. Other sports events also supported by Granarolo, for the benefit of the reference communities, were the Bologna edition of the Race for the Cure, the world's largest event for the fight against breast cancer, the Rome Marathon, the Strabolagna and the Maratona dles Dolomites.

During 2024, it was decided to offer support to the community of San Patrignano, a drug addiction therapeutic recovery community founded in 1978 by Vincenzo Muccioli. The collaboration led to the promotion of the collection of 5X1000 on Granarolo milk cartons also during 2024 in favour of the

community. During the first months of 2024, the Community decided to reward the company.

At institutional level, **on the occasion of Workers' Day on 1 May 2024, the Group had the honour of hosting the President of the Italian Republic Sergio Mattarella and the Minister of Labour and Social Policies Marina Elvira Calderone at its plant in Castrovilliari**. In attendance at this milk production hub in Southern Italy were all the highest institutions and companies of the agri-food system in the district of Cosenza and representatives of the Group's supply chain: farmer shareholders Granlatte and Assolac, workers and production and distribution workers.

Granarolo was also among the more than 100 Italian companies featured in the exhibition "*Identitalia, The Iconic Italian Brands*", an initiative created to celebrate the 140th anniversary of the Italian Patent and Trademark Office and dedicated to some of the most important historical brands such as Granarolo and Yomo, which have made and are making the history of Italy. The exhibition takes place at Palazzo Piacentini in Rome, home of the Ministry of Business and Made in Italy.

In June 2024, Granarolo was one of the protagonists of the **Festa a Vico** event, organised by **Gennaro Esposito** to celebrate Italian catering and pastry, with the **presence of more than 200 chefs and pastry chefs along the streets of Vico Equense and drawing 12,000 visitors**. Everyone's tastebuds were treated to Parmigiano Reggiano, Gorgonzola, Pecorino Toscano, cheeses tasted at the Cena delle Stelle and on the street, and in the sandwiches enjoyed by visitors. Its being a gourmet & solidarity marathon made the event special.

The collaboration continued with ASViS, the Italian Alliance for Sustainable Development, which led the company to pledge its support for the fourth year for the Sustainable Development Festival which was held during May 2024. The objective of the Festival and Granarolo was declared: to help spread the culture of sustainability and to achieve a cultural and political change that allows Italy to implement the United Nations 2030 Agenda and meet the 17 Sustainable Development Goals (SDGs). Granarolo represented the 12th Goal of the UN Sustainable Development Agenda. At the same time, it took part in the CSR Fair, in synergy with Impronta Etica, to discuss the urgency of a new communication of commitment, based on impact and free of greenwashing. In 2024, Chairman Gianpiero Calzolari actively participated in the EDA *European Dairy Association*, the annual convention of dairy companies, hosted in Rome. On this occasion, the Minister of Agriculture Francesco Lollobrigida and the Representative of the European Parliament Herbert Dorfmann stressed the importance of





incentives to support the sustainable agricultural world and the need to defend a market that promotes product quality.

Lastly, at the G7 of Agriculture in Syracuse, in September 2024, the Group decided to attend, having accepted the invitation to represent the largest Italian supply chain. Present at the institutional initiative were the Ministries of Agriculture of France, Germany, the United Kingdom, the United States, Canada and Japan, all countries where Granarolo is present with its products and has planned investments aimed at growth.

During the 10 days of the event, the Group was present with its food truck on the Ortigia waterfront, distributing some of its flagship products free of charge, in demonstration of its continuous commitment to innovation and sustainability.

8.2 Commitment to food innovation at national and international level

Food innovation is an opportunity for Granarolo to share its experiences and the strategies it has adopted in its various markets, and drive real change. The goal is to work in communities, in Italy and abroad, developing measurable and scalable services or products and generating income that can be reinvested with the aim of **strengthening the impact of sustainable innovation and acting as the spearhead of a responsible shared culture**.

8.2.1 The Agrofood BIC (Business Innovation Center) project

In line with its strategic plan, Granarolo aims to be an innovative player in the agri-food sector, also in synergy with other partners.

It has therefore contributed to the creation of a start-up accelerator (AgroFood BIC S.r.l.) which brings together the expertise of various industry business leaders, working together with them to take advantage and promote outstanding business opportunities. Founded in November 2018, Agrofood BIC S.r.l. aims to act as a hub for the acceleration of promising start-ups in the food&beverage and agro-industrial sectors (therefore the entire food supply chain, "From Farm to Fork", including related businesses such as packaging, biomedical and IT companies).

Agrofood BIC S.r.l. is a joint venture between **Granarolo S.p.A., Gellify S.r.l., Camst Soc. Coop. A r.l., Conserve Italia Soc. Coop. Agricola, Cuniola Società Agricola A r.l. (IMA Group), Eurovo S.r.l.**

It operates in the following areas:



**NUTRITION
AND HEALTH**



**FOOD PROCESSING,
QUALITY AND SAFETY**



**NEW PACKAGING
SOLUTIONS**



**SMART AND
HITECH FARMING
AND LIVESTOCK**



**SUSTAINABILITY AND
CIRCULAR ECONOMY**



**PERSONALISED
EXPERIENCES
& PRODUCTS**

Agrofood BIC **now supports three start-ups (one operating in the field of sensors in animal husbandry, another studying plant RNA and the third focused on the recovery of processing waste - joined in 2023 in the development of their business project**, combining acceleration services - helping them to solve the organisational, operational and strategic difficulties typical of newly established companies - with the specific skills and tools needed to grow their business idea in the food market, overcoming any entrance barriers. A fourth start-up will be funded in the first half of 2025.

Agrofood BIC and its shareholders **provide start-ups with farms, plants, pilot plants, R&D assistance and access to a network of partners in the food supply chain** which will significantly enhance the chances of success of new entrepreneurs.

Three parties collaborate with the new Business Innovation Centre: the University of Bologna, Enea (the National Agency for New Technologies, Energy and Sustainable Economic Development) and ART-ER, the research and innovation company of the Emilia-Romagna Region.

The Board of Directors of Agrofood BIC **may consider the possible entry of new shareholders** provided that they operate in sectors not in direct competition with the founding partners.

Through a **Technical-Scientific Committee, Agrofood BIC selects the most innovative initiatives** from the applications it receives and the start-ups on the market, prioritising the **most feasible and interesting opportunities for development**.

Each high potential initiative is associated with a mentor selected from among the partners of the BIC and an **open innovation project** to be carried out with the coordination of the mentor and the support of other actors in the network and supply chain.

The start-ups can take advantage of the services and facilities made available by Agrofood BIC and the network: **pilot plants, laboratories, dedicated workspaces and equipment**, as well as the **availability of experts in the main business organisation areas** (finance, operations, marketing, R&D, business strategy,...).

High potential start-ups are eligible for significant investments by shareholders and/or investor partners.

With this mix of elements, **Agrofood BIC aims to reduce the distance between start-up innovations and their final market**, combining elements that are now common in innovation support initiatives (loans, business management expertise, workspaces) with components that are too often inaccessible to start-ups due to investments or the complexity of the individual activities required (plants, networks of reliable suppliers and distributors, authoritativeness with regard to market players, ultra-specialist skills in R&D, quality control and product certification).

At the beginning of 2023 Agrofood BIC hosted a delegation of 9 start-ups from Israel, accompanied by the Ministry of Foreign Affairs and operating in the sectors of interest of the accelerator. Assessments are currently underway on the possibility of activating investments in solutions to address drought in the countryside – the result of climate change – and sustainable livestock farming inspired by animal welfare and a measurement of nutrition functional to needs and environmental impact. The ongoing war slowed down the initiatives.

At the end of 2024, Agrofood BIC announced its partnership with Eatable Adventures, aimed at intercepting new start-ups in the food industry.

Details of specific areas of work can be found at www.agrofoodbic.it



8.2.2 Allattami, the donated human milk bank

In Bologna there is an example of collaboration between a health institution and a private company, unique in all Europe: it is "**Allattami**" - the **Donated Human Milk Bank of Bologna, the non-profit project promoted in 2012 on the initiative of Granarolo and the IRCCS Sant'Orsola Hospital of Bologna**, with the participation of Cucciolo, the Bologna-based association of parents of premature babies, to collect breast milk for the many babies who are born prematurely. Weighing between 500 and 1,500 grams, they struggle every day against a thousand difficulties, infections and serious complications that can compromise their chances of living.

The science is conclusive: human milk increases the chances of survival of these babies and aids their growth and development. It provides precious nutrients in the most assimilable form, strengthens the immune system and promotes the development of the central nervous system. However, the mothers are often subject to great physical and psychological stress and do not always have enough milk. To meet this community need, the Donated Human Milk Bank of Bologna was created, which selects donor mothers, collects their milk directly from their homes, stores it safely and supplies it to city hospitals. Retired employees and unemployed young people were also involved in the project, helping to collect milk and distribute it, after pasteurisation, to healthcare facilities.

This project was started with the IRCCS Sant'Orsola Hospital and extended to the Maggiore Hospital in Bologna, then over the years it has crossed provincial borders: in 2013 the Ferrara hospital was included in the project and in 2016 the Parma Hospital thanks to an agreement with the Italian Red Cross of Imola. This model has become a benchmark of efficient public-private cooperation, and is also frequently mentioned in many media reports.

Since the start of the project, 42,143 feeding bottles, equivalent to 5,057 litres of breast milk, have been collected by Allattami, and 371 donor mothers have been involved. 40,694 feeding bottles are in use by healthcare facilities in the Emilia area, namely: 15,077 for the Neonatal Intensive Care Unit and 13,307 for the Neonatal Medicine Unit of the IRCCS Sant'Orsola Hospital, 8,282 for the Maggiore Hospital of Bologna, 1,187 for the General Hospital of Ferrara, 2,841 for the Hospital of Parma.

After over 12 years from its inception, "Allattami" has also achieved important clinical results: significant reductions have been found in the incidence rate of some serious pathologies that usually occur in premature babies. One example is necrotizing enterocolitis, whose incidence in the decade of pre-Allattami, compared to that of project operation, has practically halved from 14% to 7.2%.

In March, on the occasion of a conference dedicated to breast milk, the Quadriportico Ex Presidio Roncati in Bologna hosted a restaging of the photographic exhibition "Allattami - There is only one mother. But sometimes you need more – 10 years of the Donated Human Milk Bank in Bologna", marking the tenth anniversary of the project, with photos taken by Paolo Righi that tell the story and the path of this supply chain of the common good. We see the faces of some girls and boys who have benefited from precious mother's milk, one for each year of the project, with portraits as they were and as they are today, each one flanked by the people who make the virtuous galaxy of Allattami live every day: doctors, nurses, laboratory analysts, volunteers and, of course, the donor mothers.





ZOOM



42,143

number of
bottles collected



5,057

litres of breast milk
collected



371

donor mums
involved

40,694

feeding bottles used by healthcare facilities in the Emilia-Romagna region

15,077

feeding bottles used by
Neonatal Intensive Care
of IRCCS Sant' Orsola
Hospital of Bologna

13,307

feeding bottles used by
IRCCS Sant' Orsola Hospital in
Bologna

8,282

feeding bottles used by
the Maggiore Hospital
in Bologna

1,187

feeding bottles used by
the Ferrara General
Hospital

2,841

feeding bottles used by
the Parma Hospital

Data as at 31/12/24



8.2.3 In the name of research against Covid-19

Granarolo worked in 2020-2022 to renew its collaboration with the Sant'Orsola Hospital guaranteeing financial support to start specific research to defeat the virus. Specifically, it was decided to fund the Sant'Orsola Foundation's "**Più forti insieme**" (**Stronger Together**) project with €150,000 to carry out a research project on the neonatal response to infections such as the Coronavirus and to reduce infections in the Neonatal Intensive Care Unit. The research, entrusted to a young researcher, aims to shed light on the peculiarities of the neonatal immune response to infections, also in relation to the functional elements present in mother's milk, and to build and validate a virtuous path within the Neonatal Intensive Care and Neonatal Medicine wards, leading to a reduction in hospital infections. The Covid-19 pandemic has in fact brought the issue of infection prevention and treatment back to everyone's attention, highlighting how hospitals play a fundamental role both as a treatment centre and, unfortunately, as a nucleus for the spreading of infection, with a particularly delicate point in the neonatal area. In the Coronavirus emergency, however, infants showed a higher degree of protection than expected. This particular epidemiological scenario was considered worthy of in-depth research aimed at identifying **effective environmental, organisational and nutritional factors capable of reducing the incidence of hospital infections in the neonatal period** and, possibly, **highlighting the reasons for the different susceptibility of children to certain viral infections such as Covid-19**. The research has slowed down and will be presented in 2025.

8.2.4 Promoting supply chains in developing countries

In light of the impact of climate change in developing countries and to prevent the possible outbreak of new pandemics in the near future, we must launch a debate on the goals of Italian cooperation and the sums of money set aside for the next few years. We must set ourselves goals that are more closely tailored to supporting the priorities of the UN 2030 Agenda and investments in projects to promote access, particularly among poorer populations, to the fundamental cornerstones of universal human rights, i.e. those connected with the dignity of human lives, and to facilitate the peaceful and safe coexistence of all human beings.

After two decades of synergistic work together and shared values, Granarolo joined CEFA onlus, the Bolognese NGO founded by Senator Bersani, as a partner. Over the years, the collaboration has seen the implementation of important development projects in countries ranging from Tanzania to Mozambique, as well as initiatives on the Italian territories that have involved farmers and Granarolo employees of all functions.

Africa Milk Project is an international cooperation project for self-development promoted by CEFA NPO, in collaboration with the Granarolo Group. Launched more than 20 years ago, the goal of the project was to develop a micro milk supply chain around the Njombe Milk Factory (a social dairy located in one of the poorest districts of Tanzania), a small but self-sufficient agricultural and livestock-farming system capable of producing milk and distributing it to families and schools, while simultaneously guaranteeing food and work.

Today, the **Milk Factory in Njombe receives raw materials from 800 local farmers, provides work to 800 people, and supplies free milk to 26,000 children with the aim of educating families on milk consumption**. Granarolo has supported the development of the Njombe dairy since the outset by means of financial



contributions, training for farmers - also with courses at its own plants - and other forms of support.

The Group has been strongly committed to developing this project since 2009, involving its own consumers - in accordance with the principles of cooperation for self-development - and creating the africamilkproject.org website and Facebook page. In 2015 a New.Co. directly controlled by the local authorities and Tanzanian farmers was set up to meet the goal of the project: self-development and independent management. With the "Africa Milk Project: love your land, fight poverty, drink your milk", CEFA - il seme della solidarietà, Granarolo, the Italian Ministry for Foreign Affairs and the Tanzanian Njombe Livestock Association of farmers won the Best Practice award in the category: "Sustainable development of small rural communities in marginal areas" at Expo 2015. Today, the Njombe dairy is completely managed by the local Njolifa cooperative.

There were few cases of Covid-19 in Tanzania during 2020-2022 and the dairy continued production.

In 2024 the dairy regularly produced milk and yoghurt for the local community of Njombe and cheeses for the Dar Es Salaam communities.

In 2016 the **AfricHand Project** was launched, an initiative to create a dairy in Beira, Mozambique. On the initiative of the CEFA NPO and Granarolo, institutions and local authorities rallied around the project and investments were made to train families and farmers.

The project received an important contribution from the Ministry of Foreign Affairs in 2017 which made it possible to develop a milk supply chain with the aim of defeating widespread malnutrition. With the issue of food safety in mind, in 2018 farmers were provided with training and mentoring in order to improve the quality of their raw milk. The regions concerned were Gaza and Sofala.

In April 2019, the region of Sofala was struck by a terrible cyclone; Beira, the city that hosts the project, was also hit hard. The decision was therefore taken to **support an important fund-raising campaign** with the project "Adotta una mamma" (Adopt a Mother). Granarolo supported the campaign economically and also promoted it on its cartons of long-life milk.

During 2020, support was directed to local populations mainly to prevent the spread of the pandemic, which, unlike in Tanzania, has now reached Mozambique.

Nevertheless, in February 2022, following meetings with the three milk production cooperatives, it was decided to proceed with the construction of a new plant for milk processing in the city of Beira, and it was inaugurated in September 2022, in the presence of Granarolo and many local authorities.

In this context, CEFA has always remained at the side of farmers and tried to continue its activities, in



particular, in 2024, the following activities were carried out:

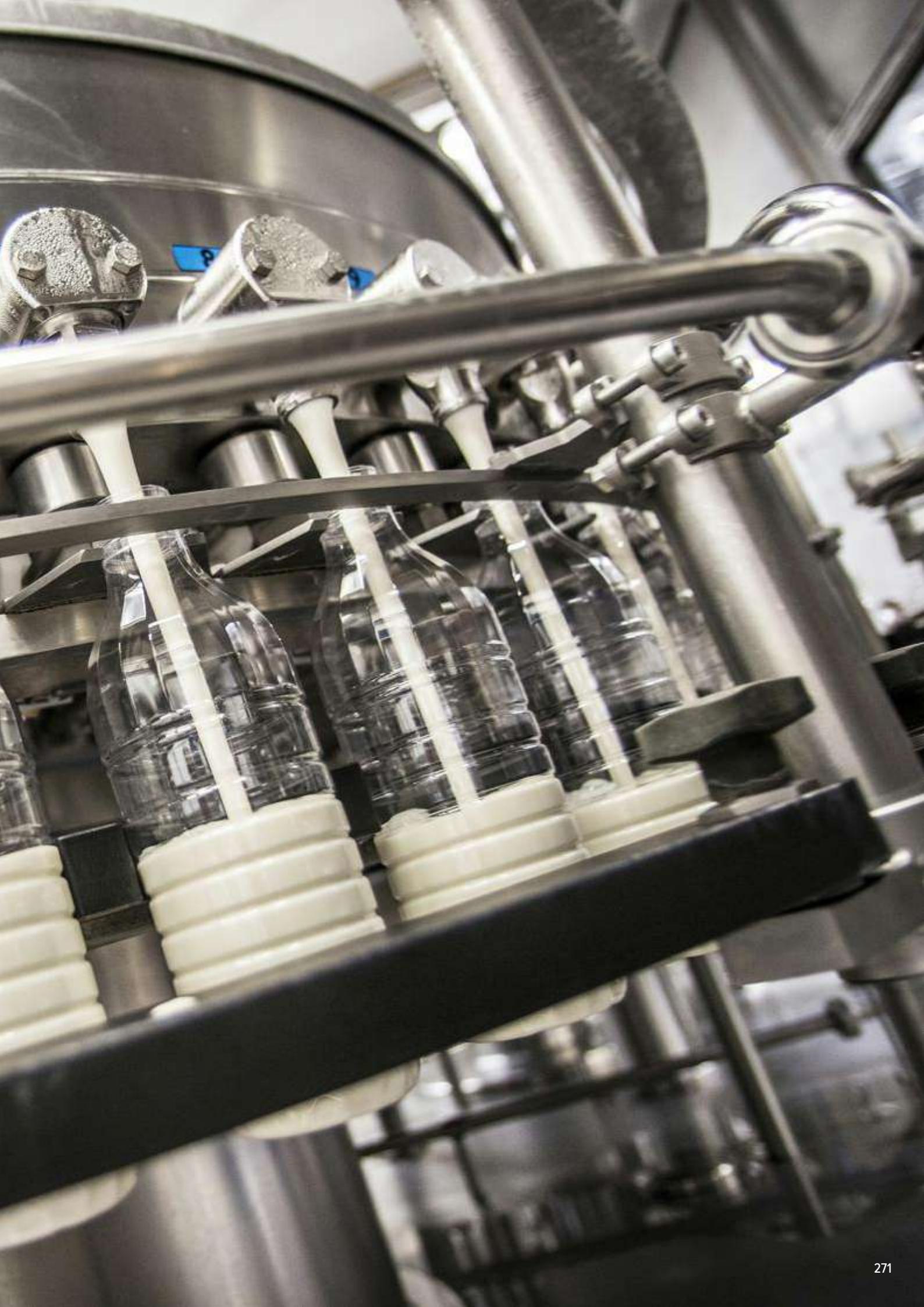
1. Training of 200 farmers on good animal husbandry practices, farm management and improvement of the bovine registration system. In partnership with the Provincial Directorate of Zootechnics (DPP), training meetings were organised with the aim of improving the technical and management skills of farmers.
2. Strengthening of the three breeders cooperatives through a capacity building process. In partnership with COOPERMONDO and AMPCM (Mozambican Association for the Promotion of Modern Cooperativism) meetings were organised to improve the management and decision-making skills of cooperatives through the development of a path based on the awareness of modern cooperative thinking.
3. Selection of fodder crops and provision of mechanical fodder equipment to the three cooperatives. Through the work of the technicians, the families of the farmers were made aware of the importance of including fodder crops in their fields in order to improve the health of the cattle. Small equipment was delivered to the cooperatives to facilitate the processing of fodder.
4. Following the inauguration of the Beira plant in September 2022, in the presence of Granarolo and many local authorities, **the production of milk and yoghurt began in 2023**.
5. Following Granarolo's visit, it was decided to proceed with the **distribution of 2,460 litres of milk or yoghurt to 291 girls and boys of the Manuel Cambezo Primary School** in the province of Sofala in Mozambique, served in reusable glasses, to avoid pollution due to the use of milk in plastic bags. 20 distributions were made during the year. The distribution of fruit yoghurt was very positive. Many of these boys and girls had never drunk pasteurised milk or did not know what yoghurt was. The aim is also to **combat childhood malnutrition** by encouraging milk consumption. To this end, a study was carried out on 100% of the children involved, which verified the nutritional value of milk consumption for their growth. All anthropometric data collected (weight, height, brachial perimeter) is available. There were two missions by Granarolo experts during 2024.
6. This activity was accompanied by nutrition training.



9

GRI CONTENT INDEX





GRI CONTENT INDEX

Declaration of use	The Granarolo Group has reported the information mentioned in this GRI content index for the period 1 January- 31 December 2024 with reference to the GRI Standards	
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	2-3 Reporting period, frequency and contact point	Page no. 30
	2-6 Activities, value chain and other business relationships	Pagine n. 49, 50, 109-111, 114, 126, 127
	2-7 Employees	Pages no. 166-167
	2-9 Governance structure and composition	Pages no. 70-73
	2-22 Statement on the strategy of sustainable development	Pages no. 4-21
	2-26 Mechanisms for seeking advice and raising concerns	Page no. 89
	2-28 Membership associations	Pages no. 156-157, 257-259
	2-29 Approach to stakeholder engagement	Pages no. 32-34, 40-41
GRI 3: Material Topics 2021	2-30 Collective bargaining agreements	The National Collective Labour Agreement for the sector covers all employees in Italy.
	3-1 Process to determine material topics	Pages no. 40-45
	3-2 List of material topics	Pages no. 44-45
GRI 201: Economic Performance 2016	3-3 Management of material topics	Pages no. 40-45
	201-1 Direct economic value generated and distributed	Pages no. 104-105
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Page no. 127
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Page no. 89
GRI 301: Materials	301-1 Materials used by weight or volume	Page no. 239
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Pages no. 234, 241
GRI 303: Water and discharges 2018	303-3 Water withdrawal	Pages no. 237-238, 241
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GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Page no. 171
	404-3 Percentage of employees who receive a periodic performance and professional development evaluation	Page no. 174
	405-1 Diversity of governance bodies and employees	Pages no. 74, 168
GRI 405: Diversity and equal opportunity	405-2 Ratio of basic salary and remuneration of women to men	Page no. 174
FP6: Sector-specific disclosure	FP6 Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars	Pages no. 207-208
FP11: Sector-specific disclosure	FP11 Animals raised and/or processed by housing type housing	Page no. 150

With a view to making reporting compliant with the CSRD and the European Sustainability Reporting Standards (ESRS), some first quantitative indicators have also been implemented, appropriately referred to in the text.



10 May 2025 - Inauguration of the new Perla plant

On May 10, 2025, the new Perla dairy plant in Gioia del Colle (BA) was inaugurated.

Many important institutions took part in the cutting of the ribbon: the Minister of Agriculture, Food Sovereignty and Forestry **Francesco Lollobrigida**, the Executive Vice President of the European Commission **Raffaele Fitto**, the Undersecretary of State of the Ministry of Health **Marcello Gemmato**, the President of the Puglia Region **Michele Emiliano**, and the Mayor of Gioia del Colle **Giovanni Mastrangelo**.

In addition to the Chairperson of Granarolo **Gianpiero Calzolari**, the General Manager of Granarolo **Filippo Marchi**, the Chairperson of Granlatte **Simona Caselli**, the General Manager of Granlatte **Isaia Puddu** and all the members of the respective Boards of Directors, the shareholders of the South and the staff of the Gioia del Colle plant were present.

The plant, measuring over 55,000 square metres and equipped with a 1.5 MWh cogeneration plant, has been operational since 1962.

Having received an important **€25 million** investment in 2023, the plant has been converted to produce, in addition to milk, also Apulian dairy specialities such as **burrata, stracciatella, mozzarella and ricotta** for the national and international market.

The Perla dairy at full capacity produces **60,000 tons of supply chain milk**, for 10,000 tonnes of finished product, **and is expected to double its employee numbers** by 2027.

CASEIFICIO PERLA

GIOIA DEL COLLE (BA)





Sustainability Report 2024

Editorial Staff

This Sustainability Report was written by the Communication department of Granarolo S.p.A. with the involvement of numerous people both for data collection and the descriptions and comments/notes.

The reporting process was overseen for Granarolo by: Chairperson, General Manager, Communication, External Relations and Sustainability Manager, Innovation Manager, Quality Assurance Manager, Food Safety and Innovation Processes Manager, Safety and Environment Manager, Human Resources Manager, Organisation and IT, Budget and Management Control Manager, Italian Market Manager, Foreign Markets Sales Manager, American Markets Manager, Administration and Finance Manager, Operations Manager, Governance - Risk Management and Compliance Manager, Supply Chain Manager. For Granlatte from: Chairman of Granlatte and General Manager of Granlatte.

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We can also improve the Sustainability Report thanks to the contributions of our readers, who can request further information or send suggestions to crs@granarolo.it

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