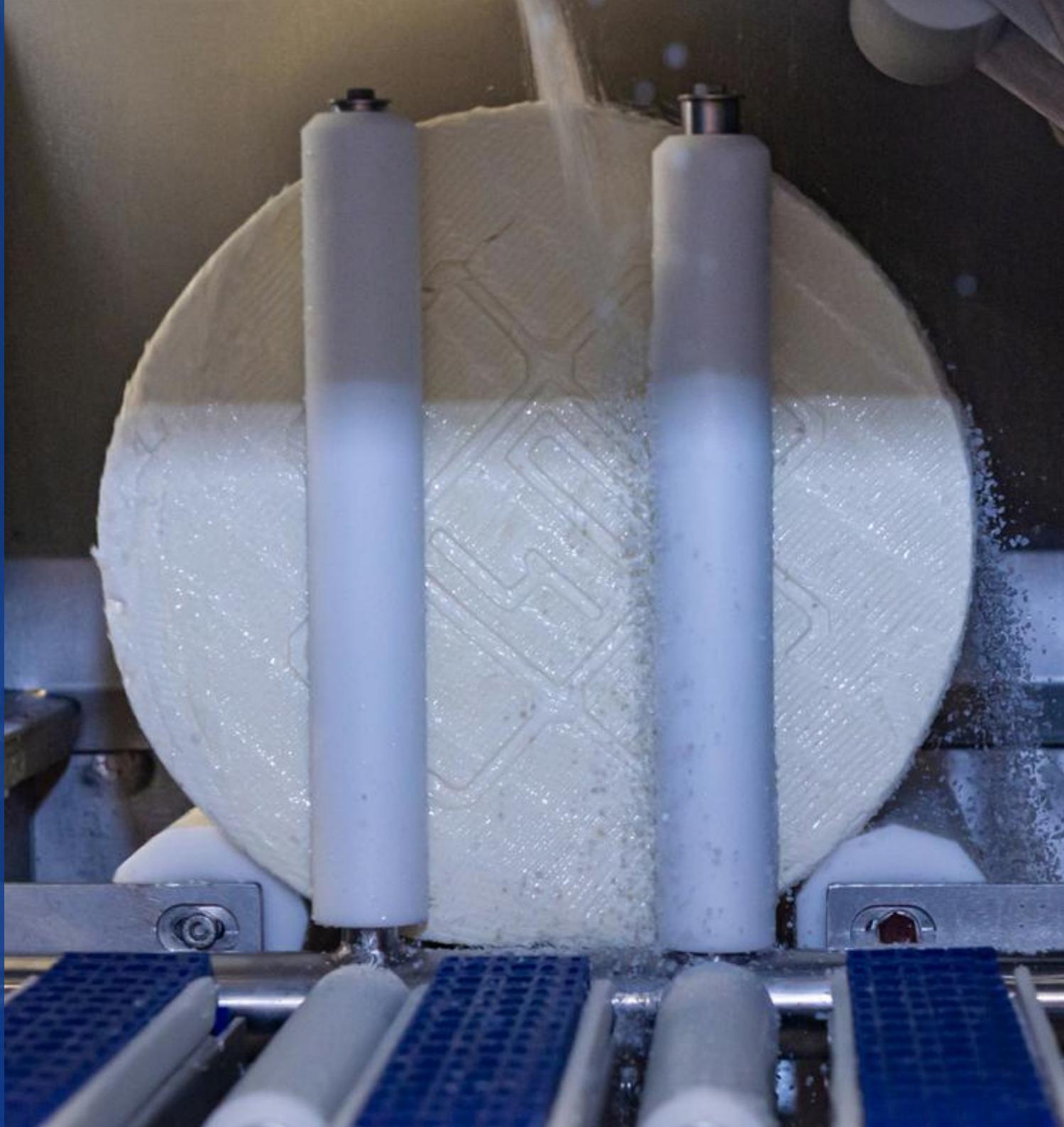




THE GRANAROLO GROUP'S CONTRIBUTION TO THE SDGs

Summary of the
Sustainability Report 2024



LETTER TO STAKEHOLDERS

Dear Shareholders,

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.

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.

New technologies, in particular the progressive spread of artificial intelligence, will drastically change the labour market in a short space of time. In this context, it is up to us to move quickly to mitigate the negative consequences and seize opportunities where possible.

The Italian agro-food supply chain represents a strategic asset for our country with a turnover of €250 billion, of which over 60% is 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 debate within the European Community, where it is necessary to find the balance between ecological conversion and

the need to produce quality food for a growing world.

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 whose objectives have been defined in the new 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 before 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. 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

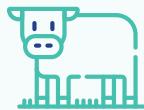
Gianpiero Calzolari



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

Sustainability environmental three projects for a more

SU
SUSTA
INN
ABLE 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

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), the 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 WHICH WE DRAW INSPIRATION FROM



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

SDGS WHICH WE DRAW INSPIRATION FROM:



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.

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. There are therefore 5,619 tonnes of CO₂ eq. saved between 2018 and 2024.

INSTITUTIONS INVOLVED



CONSUMERS

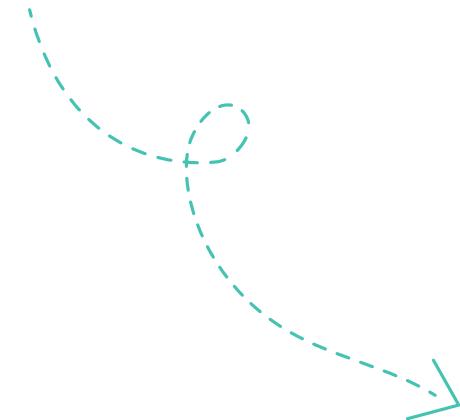


RETAILERS

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.**



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 WHICH WE DRAW INSPIRATION FROM:



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.



DOUBLE MATERIALITY ANALYSIS

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)*¹ and the related Standards for Reporting (ESRS Standards prepared by EFRAG)² this process has evolved, requiring companies to assess sustainability issues according to 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.

¹*Directive (EU) 2022/2464 (CSRD)*

²*Sustainability Reporting Principles (ESRS)*

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 made using the parameters of probability and impact effect (in line with the indications of the Implementation Guidance on Double Materiality³³ 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.

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;

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- 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.





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.

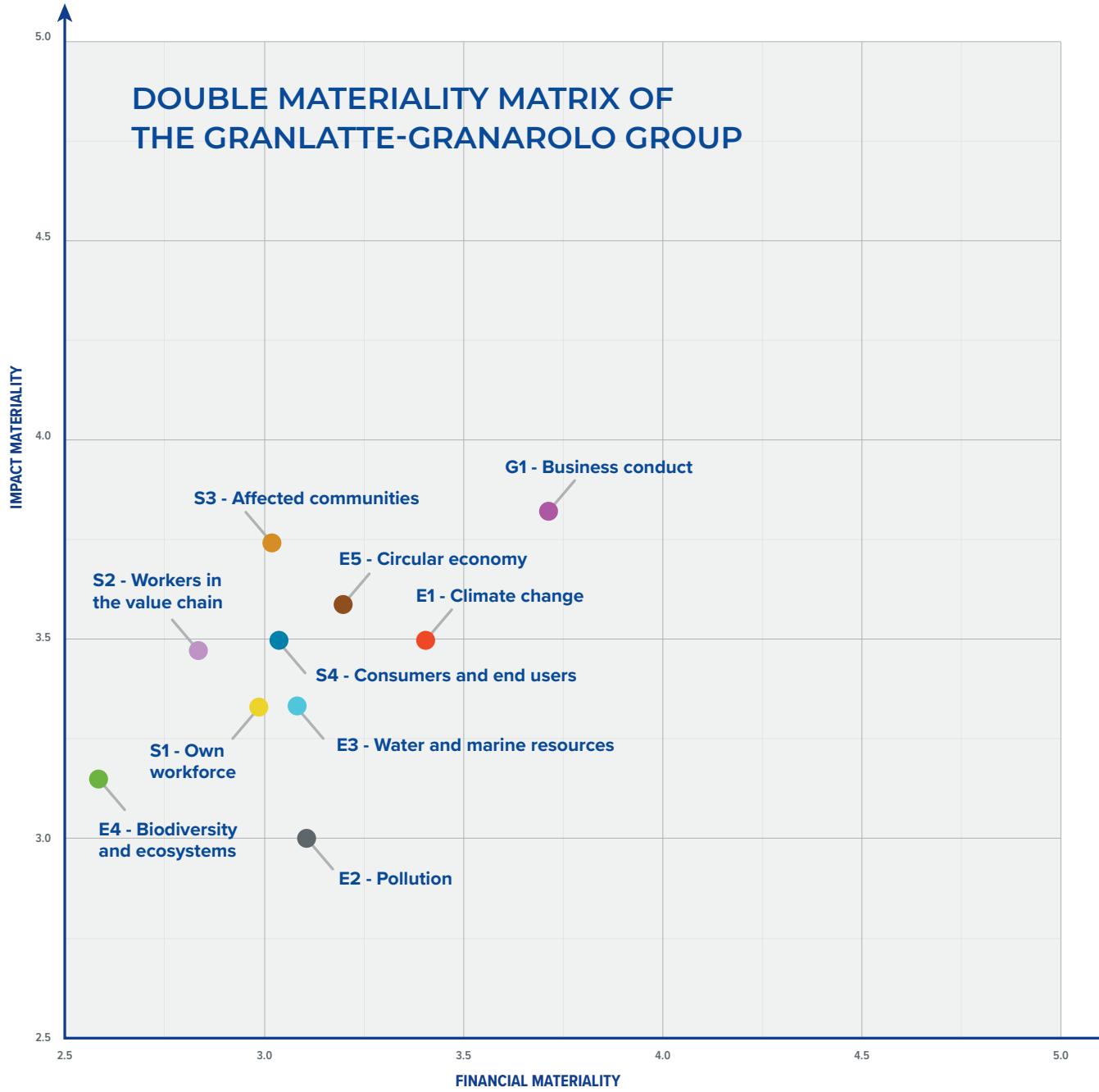
The *financial materiality* score attributed to the themes represents the summary of the various analysis contributions.

"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

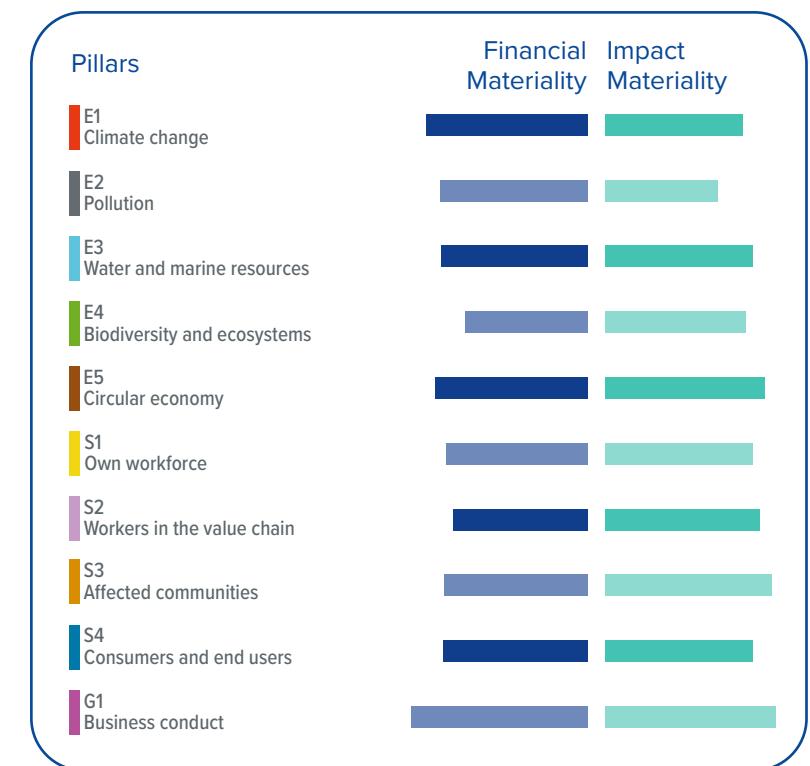


TABLE OF THE MAIN IMPACTS, RISKS AND OPPORTUNITIES DETECTED DURING THE "DOUBLE MATERIALITY ASSESSMENT"

THEME	RELEVANT IMPACTS	RELEVANT RISKS AND OPPORTUNITIES
Climate change	Influence on climate change deriving from the use of energy from sources not yet renewable (-)	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). Opportunities: Reduction of energy costs at the farm deriving from the production of renewable energy from biomethane plants and photovoltaic plants.
Pollution	Release of contaminants and/or toxins into water beyond legal limits (-)	Risks: Risk of non-compliance with environmental regulations resulting in significant sanctions or reputational damage.
Water and marine resources	Water withdrawal for the purposes of the production process with an impact on the water footprint (-)	Risks: Risk of non-compliance with environmental regulations resulting in significant sanctions or reputational damage. 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.
Biodiversity and ecosystems	Effects on ecosystem services deriving from the agronomic choices of the supply chain (farmer shareholders and ingredient suppliers) (-)	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.
Circular economy	Contribution to the transition towards a circular model (+)	Risks: Risk of non-compliance with environmental regulations resulting in significant sanctions or reputational damage. Opportunities: Improved brand reputation thanks to initiatives to reduce plastics and increase the use of recycled plastic.
Own labour force	Infringement of employee privacy due to incidents of data loss/theft (-) Employment stability (and consequent economic security) for workers (+)	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. 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.
Workers in the value chain	Infringement of the privacy of workers in the value chain due to incidents of data loss/theft (-)	Risks: Risk of being attacked/discredited by public opinion, resulting in significant financial loss or damage to reputation/brand 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).
Affected communities	Dissemination of a culture of healthy and correct nutrition and promotion of initiatives aimed at better nutrition, including in developing countries (+)	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.
Consumers and end users	Guarantee of the truthfulness and correctness of the information provided to the consumer (+)	Risks: Risk of being attacked/discredited by public opinion, resulting in significant financial loss or damage to reputation/brand Opportunities: Improvement of economic performance thanks to functional product innovation to reach new categories of consumers.
Business conduct	Dissemination of values of fairness and ethics among employees and towards the market (+)	Risks: Risk of an increase in the price of the main raw materials with a consequent decrease in margins. Opportunities: Improvement of brand reputation due to high certification standards also in farms



GRANAROLO GROUP OVERVIEW



80

countries all over the world
in which we are present



2,532

employees
(1,537 in 2009)



15

plants
in 9 Italian regions



522

vehicles distributing
products to 50,000
Italian points of sale



1,720

Millions of € turnover
in 2024



40

million consumers
20,000 families who get
their income from the work
of all of us



8

plants abroad
(2 in France, 1 in Germany,
1 in the USA, 3 in Brazil,
1 in New Zealand)



9,000,000

quintals of milk processed
every year, of which approx.
8,670,000 in the supply chain



99

trucks collecting milk
from the farms



475

farmers in
11 Italian regions



SUSTAINABLE DEVELOPMENT **GOALS**

2 ZERO
HUNGER



3 GOOD HEALTH
AND WELL-BEING



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE ACTION



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



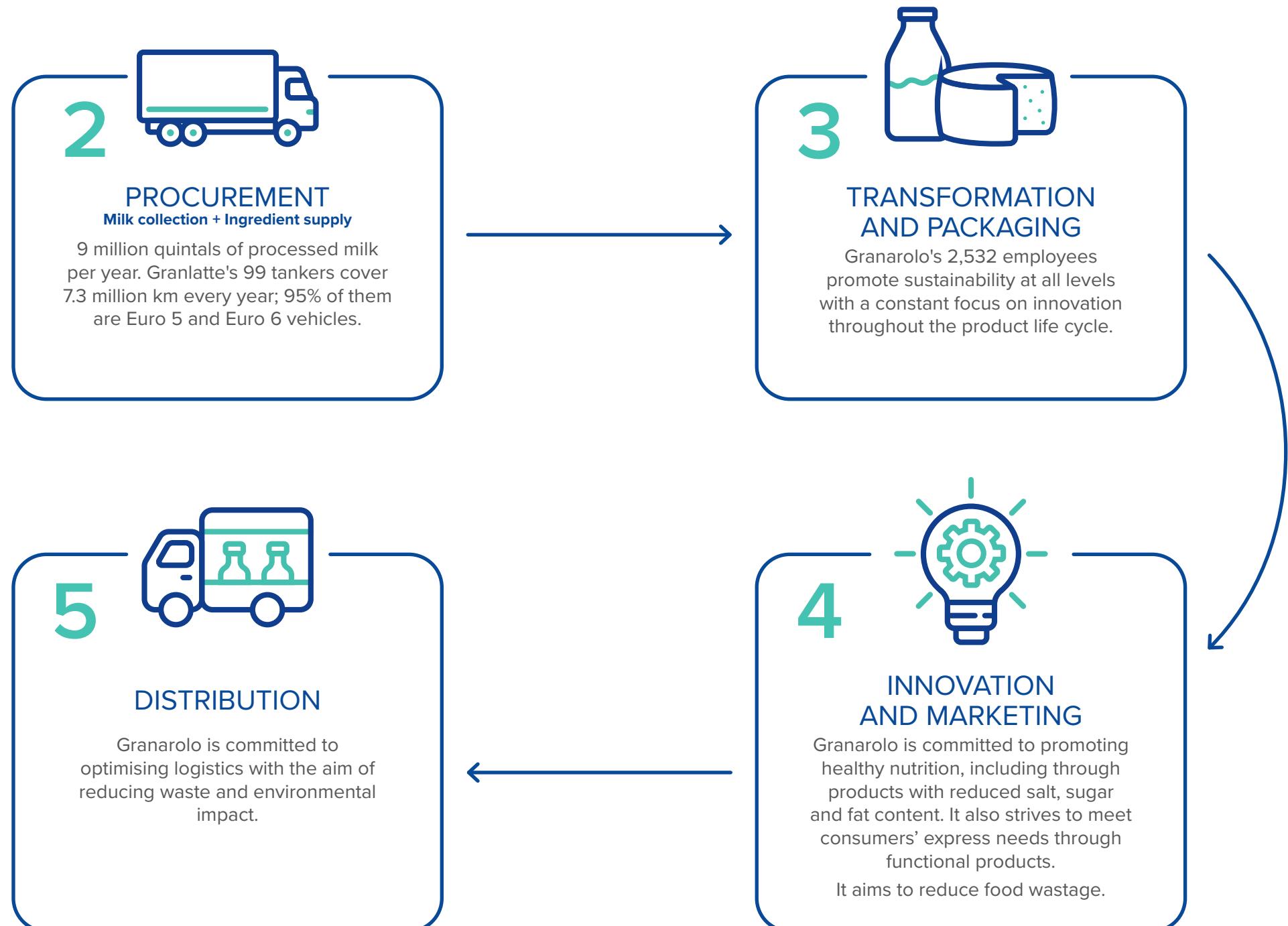
GRANAROLO'S CONTRIBUTION TO THE SDGS



SDGS & TOPICS		AGRICULTURE AND FARMING	PROCUREMENT	TRANSFORMATION AND PACKAGING	INNOVATION AND MARKETING	DISTRIBUTION	CONSUMERS AND COMMUNITY	PRODUCT "END OF LIFE CYCLE" MANAGEMENT
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	●	●	●	●		●	●

OBJECTIVES INVOLVING THE WHOLE CHAIN





COMPANY PROFILE AND CONDUCT



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			

GUARANTEEING ECONOMIC SUSTAINABILITY BY STRENGTHENING COMPETITIVENESS



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

PROMOTING A SUSTAINABLE SUPPLY CHAIN MODEL



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>Increase the quantities of milk collected from the supply chain equal to 8,666,392 q of milk given to Granarolo + 301,088 hl marketed to third parties</p> <p>Platform accessible to all members of the supply chain and training courses on the platform</p> <p>Accessibility of the platform also to veterinarians for animal welfare KPIs</p> <p>Average price paid by Granlatte €63/hl including VAT</p>	<p>Increase volumes of supply chain milk</p> <p>Activation of platform dashboards for milk production and quality</p> <p>Activation of functional partnerships for the collection of 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	End of the Next Generation Granlatte training programme scheduled for October 2025 Journey aimed at getting to know a large European cooperative more closely
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>

PROTECTING AND DEVELOPING EMPLOYEES



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

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

Reporting on health alerts

-816 tonnes of returns equal to -1461 tonnes of CO₂ eq (2024 vs 2023)

Periodic reporting of alerts started

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.

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



PROMOTING HEALTH AND WELL-BEING FOR ALL



SCOPES	2024 OBJECTIVES	PROGRESS	NEW 2025 OBJECTIVES
PRODUCTS WITH NUTRITIONAL CHARACTERISTICS TARGETED AT SPECIFIC SEGMENTS	Expansion of the entire High Protein range Yomo Next launch with specific formula for more complete feeding	Expansion of the entire High Protein range Yomo Next launch completed	Yomo range relaunch (Yomo Kefir and whole and low-fat white Yomo with no added sugars)
CORRECT QUALITY/PRICE RATIO			Adjustments to sales prices resulting from increased costs of production aspects to ensure availability especially in summer
LISTENING TO CONSUMERS	Further promotion on the LinkedIn channel	LinkedIn: 136,300 followers Facebook: 333,315 followers Instagram: 43,000 followers	Further promotion on the LinkedIn channel

IMPROVING ENVIRONMENTAL SUSTAINABILITY FROM THE FARM TO DISPOSAL



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 of 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

BEING ACTIVE CITIZENS AT LOCAL AND GLOBAL LEVEL



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
COMMITMENT TO FOOD INNOVATION AT A NATIONAL AND INTERNATIONAL LEVEL	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
	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
INNOVATION AND SUSTAINABILITY IN THE FOOD INDUSTRY	Active participation at the Start-up Day in Bologna	Active participation at the Start-up Day in Bologna	Agrofood BIC - financing of a new start-up
	Participation in the ER regional IN-ER network to promote start-ups and investments	Agrofood BIC - financing of the innovative start-up Biova and launch of the collaboration with Eatable Adventures	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	Participation in the ER regional IN-ER network to promote start-ups and investments 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)



 ZOOM

1ST MAY 2024 - WORKERS' DAY.

It was a great honour to be able to host the President of the Italian Republic Sergio Mattarella and the Minister of Labour and Social Policies Marina Elvira Calderone at the Granarolo Plant in Castrovilliari, a milk production hub in Southern Italy.

The Granarolo Group supply chain was present: farmer shareholders Granlatte and Assolac, as well as production and distribution workers. With us were all the top institutions and companies of the agri-food system of the district of Cosenza.



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.



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