



# 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**



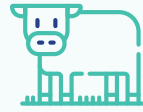
The medium- and long-term goal is to build a **sustainable and resilient agri-food system.**

# Sustainability environmental

three projects  
for a more

SU  
STA  
INA  
BLE

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 CO<sub>2</sub> eq/l (EPD)**

✓ Organic Raw Milk  
**1.03 kg of CO<sub>2</sub> eq/l (EPD)**

🎯 **-30,000 tonnes of CO<sub>2</sub> eq/year**



Reducing plastics

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

#### PACKAGING

✓ **-5,600 tonnes of CO<sub>2</sub> eq (2018-2024)**

🎯 **-1,000 tonnes of CO<sub>2</sub> eq (2025-2026)**



Anti-waste plan.

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

#### PROJECT 50% RETURNS

✓ **-19,000 tonnes of CO<sub>2</sub> eq (2022-2024)**

🎯 **-12,000 tonnes of CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> eq** saved, for a grand total of **2,371 tonnes of CO<sub>2</sub> eq** in the 2022-2026 period, in addition to **3,248 tonnes of CO<sub>2</sub> eq** in the 2018-2022 period. There are therefore 5,619 tonnes of CO<sub>2</sub> 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** (CO<sub>2</sub> eq) of **2,500 tonnes of CO<sub>2</sub> eq in the 2022-2026 period**.

#### SDGS WHICH WE DRAW INSPIRATION FROM:

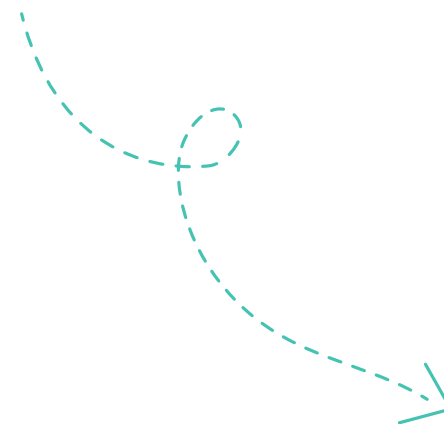


##### Ensure sustainable consumption and production patterns.

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.



# 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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)<sup>1</sup> and the related Standards for Reporting (ESRS Standards prepared by EFRAG)<sup>2</sup> 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.

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<sup>1</sup> Directive (EU) 2022/2464 (CSRD)

<sup>2</sup> 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 irremediability, 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 Materiality<sup>3</sup> 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.







## 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.

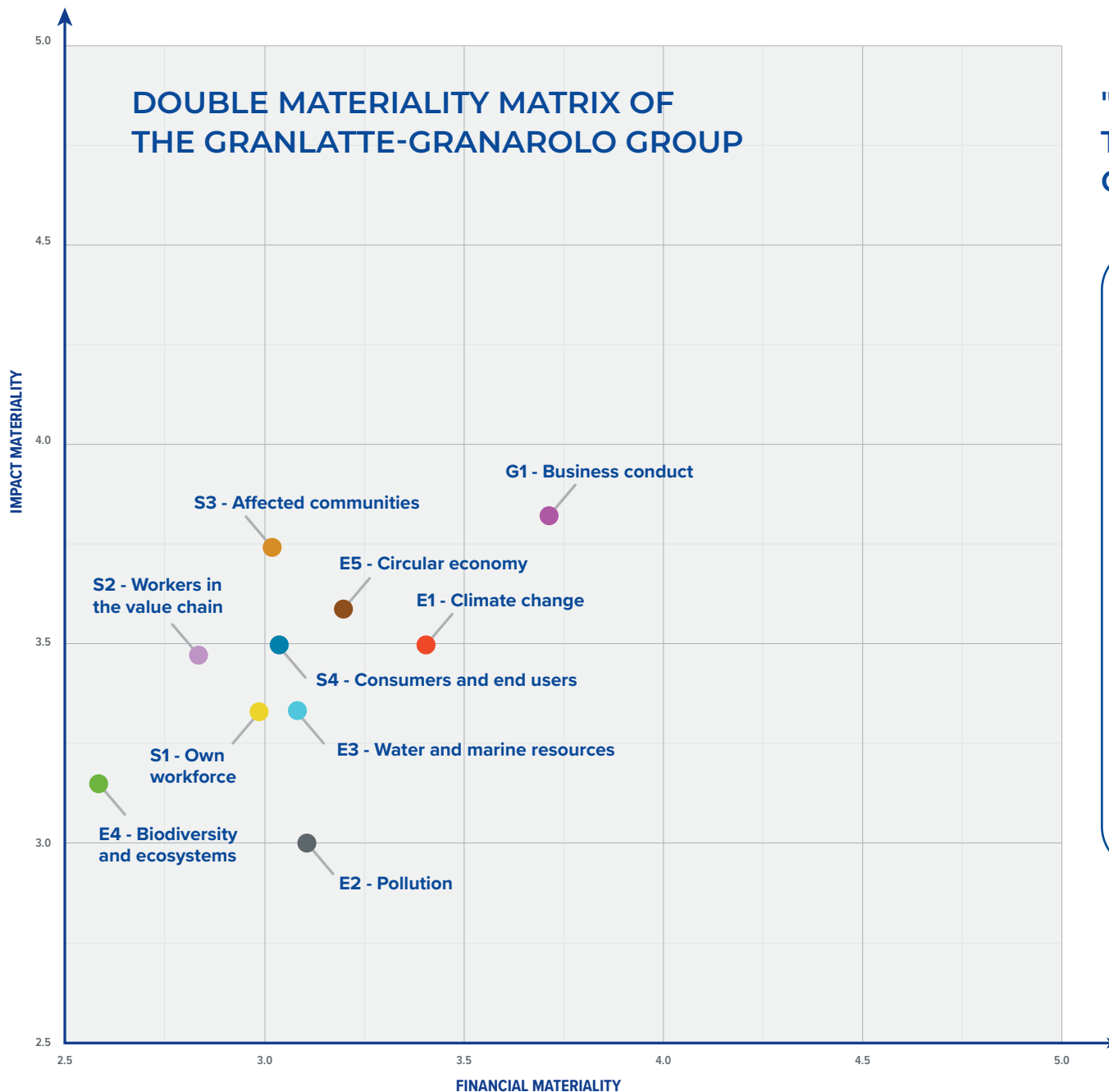
The *financial materiality score* attributed to the themes represents the summary of the various analysis contributions.

## "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

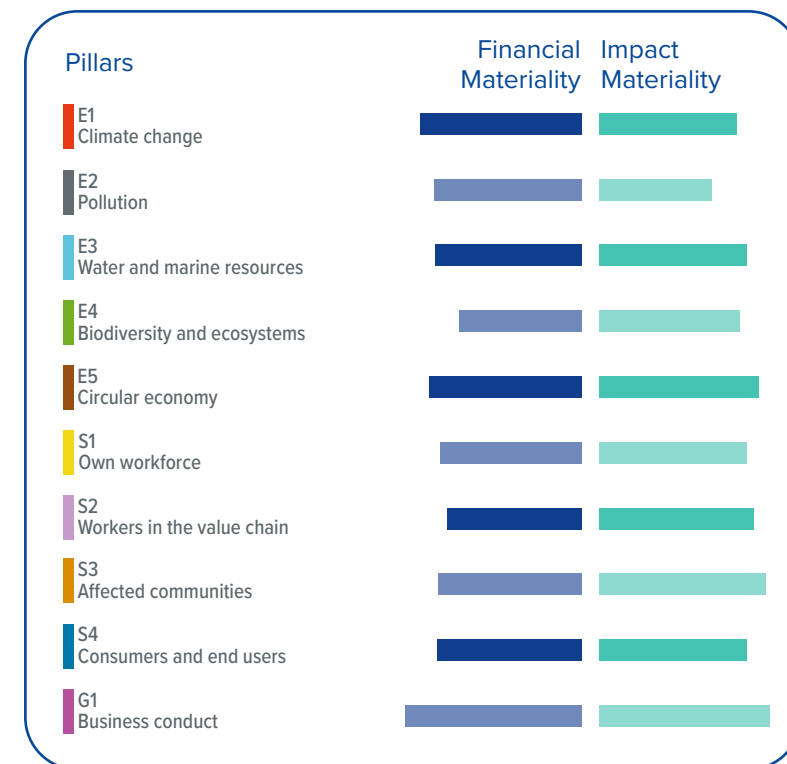


TABLE OF THE MAIN IMPACTS, RISKS AND OPPORTUNITIES DETECTED DURING THE "DOUBLE MATERIALITY ASSESSMENT"

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



**40**

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



**2,532**

employees  
(1,537 in 2009)



**8**

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



**15**

plants  
in 9 Italian regions



**9,000,000**

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



**522**

vehicles distributing  
products to 50,000  
Italian points of sale



**99**

trucks collecting milk  
from the farms



**1,720**

Millions of € turnover  
in 2024



**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





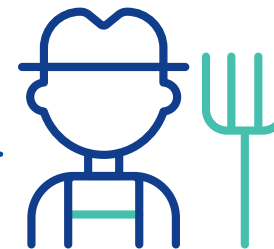
## GRANAROLO'S CONTRIBUTION TO THE SDGs

SDGS & TOPICS			OUR VALUE CHAIN						
			1 AGRICULTURE AND FARMING	2 PROCUREMENT	3 TRANSFORMATION AND PACKAGING	4 INNOVATION AND MARKETING	5 DISTRIBUTION	6 CONSUMERS AND COMMUNITY	7 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

1



### AGRICULTURE AND FARMING

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

7



### PRODUCT END-OF-LIFE CYCLE 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.

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.

2

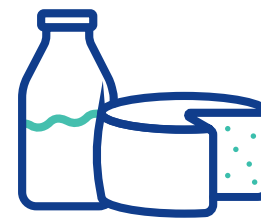


## PROCUREMENT

**Milk collection + Ingredient supply**

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

3



## TRANSFORMATION AND PACKAGING

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

4



## INNOVATION AND MARKETING

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

5



## DISTRIBUTION

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



## COMPANY PROFILE AND CONDUCT



### SCOPES



### 2024 OBJECTIVES



### PROGRESS



### NEW 2025 OBJECTIVES

<b>TRANSPARENCY OF COMPANY STRUCTURE AND GOVERNANCE SYSTEM</b>	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
<b>SHARED RISK ANALYSIS AND MONITORING SYSTEM</b>	Adoption of a new assurance map as a management tool	New assurance map defined	Updating of risk mapping  Identification of the new insurance broker
<b>PROTECTION OF LEGALITY AND PREVENTION OF CORRUPTION</b>			

## GUARANTEEING ECONOMIC SUSTAINABILITY BY STRENGTHENING COMPETITIVENESS



### SCOPES



### 2024 OBJECTIVES



### PROGRESS



### NEW 2025 OBJECTIVES

<b>ACQUISITION OF ASSETS AND STRATEGIC PARTNERSHIPS</b>	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
<b>INTERNATIONALISATION AND GREATER PENETRATION IN EXPANDING INTERNATIONAL MARKETS</b>	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	
<b>PROCESS AND PRODUCT INNOVATION (TRANSFORMATION SIDE)</b>	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	Growth of all hard cheeses, pasta filata and specialities
	Production of burrata and stracciatella in the new dairy at Gioia del Colle	Significant burrata growth	
	Launch of 100% vegetable Fish Nuggets and Unconventional Falafel	Launch completed	
<b>BRAND AWARENESS AND REPUTATION MONITORING TO PROTECT QUALITY, MADE IN ITALY AND TYPICAL CHARACTERISTICS</b>	Continuation of Innovation Center works	Slowdown of the Innovation Center creation project	Granarolo Benessere Accadi TV campaign and Yomo TV, radio and digital campaign
	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	
	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
<b>MONITORING OF SUPPLY CHAIN TO ENSURE COMPLIANCE WITH ESG PARAMETERS</b>	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

<b>PROMOTING THE MILK PROVIDED BY COOPERATORS</b>	Maintain and/or increase the % of supply chain milk	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	Increase volumes of supply chain milk
	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	Platform accessible to all members of the supply chain and training courses on the platform Accessibility of the platform also to veterinarians for animal welfare KPIs	Activation of platform dashboards for milk production and quality  Activation of functional partnerships for the collection of data to measure sustainability
	Constant support for the supply chain price consistent with economic developments	Average price paid by Granlatte €63/hl including VAT	Constant support in terms of price to the supply chain consistent with economic developments
<b>NEW ENTREPRENEURIAL SKILLS FOR THE SUPPLY CHAIN</b>	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
<b>PROMOTION OF ANIMAL WELFARE</b>	Evaluation of new indicators in the Bonlatte checklist for continuous improvement	Completed Bonlatte KPI assessment	Adaptation to the new SQNBA ministerial certification relating to animal welfare.
	Continuation of the “environmental sentinel bees” project with Conapi and CCPB certification	Audit on the project and activation of 11 farms (14,000,000 bees)	Continuation of the “environmental sentinel bees” project with Conapi and CCPB certification






## PROTECTING AND DEVELOPING EMPLOYEES



SCOPES	 <b>2024 OBJECTIVES</b>	 <b>PROGRESS</b>	 <b>NEW 2025 OBJECTIVES</b>
<b>JOB PROTECTION</b>	<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>
<b>DEVELOPMENT OF HUMAN RESOURCES AND PROMOTING TALENT</b>	<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 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>
<b>OCCUPATIONAL HEALTH AND SAFETY</b>	<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>
<b>WELFARE POLICIES AND CHANNELS ENCOURAGING EMPLOYEE ENGAGEMENT</b>	<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	 <b>2024 OBJECTIVES</b>	 <b>PROGRESS</b>	 <b>NEW 2025 OBJECTIVES</b>
<b>TRACEABILITY OF RAW MATERIALS AND FINISHED PRODUCTS</b>	<p>Continuation of the Total Quality Fifty Returns project</p> <p>Reporting on health alerts</p>	<p>-816 tonnes of returns equal to -1461 tonnes of CO<sub>2</sub> eq (2024 vs 2023)</p> <p>Periodic reporting of alerts started</p>	<p>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.</p>
<b>CONTROLS ON RAW MATERIALS</b>	<p>Continuation of strict supervisory plans and controls on raw materials</p>	<p>Supervisory plan: 243,964 checks (members and non-members) + 455,824 other analyses performed</p>	<p>Continuation of strict supervisory plans and controls on raw materials</p>

## PROMOTING HEALTH AND WELL-BEING FOR ALL



### SCOPES



### 2024 OBJECTIVES



### PROGRESS



### NEW 2025 OBJECTIVES

<b>PRODUCTS WITH NUTRITIONAL CHARACTERISTICS TARGETED AT SPECIFIC SEGMENTS</b>	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)
<b>CORRECT QUALITY/ PRICE RATIO</b>			Adjustments to sales prices resulting from increased costs of production aspects to ensure availability especially in summer
<b>LISTENING TO CONSUMERS</b>	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	 <b>2024 OBJECTIVES</b>	 <b>PROGRESS</b>	 <b>NEW 2025 OBJECTIVES</b>
<b>USE OF FARMING AND ZOOTECHNICAL TECHNIQUES WITH LOW ENVIRONMENTAL IMPACT</b>	Initiation of monitoring on the first 80 pilot farms	Monitoring at full capacity on the first 80 pilot farms	Identification of first intervention actions
<b>REDUCTION OF THE ENVIRONMENTAL IMPACT OF THE TRANSFORMATION PROCESS</b>	<p>Continuation of the High Sustainability Group activities (-8,500 tonnes of CO<sub>2</sub> eq/2024)</p> <p>New air-condensed chillers in Pasturago and Usmate -900 tonnes of CO<sub>2</sub> eq/year</p>	<p>-34,334 tonnes of CO<sub>2</sub> eq/2024 with a large contribution from Operations</p> <p>New air-condensed chillers in Pasturago and Usmate -900 tonnes of CO<sub>2</sub> eq/year</p>	<p>Group High Sustainability target -35,000 tonnes of CO<sub>2</sub> eq/2025</p> <p>Introduction of renewable energy (photovoltaic) in the plants of Sestu (CA) and Casalino (NO)</p>
<b>REDUCING THE ENVIRONMENTAL IMPACT OF PACKAGING</b>	Confirmation of the 2026 Target: -2,500 tonnes of CO <sub>2</sub> eq for the period 2022-2026	<p>-249 tonnes of CO<sub>2</sub> eq from packaging design</p> <p>European pre-directive R-PET (25-50%) introduced</p>	Confirmation of the 2026 Target: -2,500 tonnes of CO <sub>2</sub> eq for the period 2022-2026
<b>REDUCING THE ENVIRONMENTAL IMPACT OF LOGISTICS</b>	Reduction of CO <sub>2</sub> eq. of logistics (use of electric trucks)	-214 tonnes of CO <sub>2</sub> eq from logistics	-300 t CO <sub>2</sub> eq of logistics (use of electric trucks) + start-up of activities with strategic partners
<b>FIGHTING FOOD WASTAGE</b>	<p>Further development of miniesl</p> <p>Continuation of the Less Returns project</p> <p>Continuation of the campaign on TMC</p> <p>More than 1,800 quintals of short-dated products sold in factory shops</p> <p>New anti-waste shop in Ferrara</p>	<p>Miniesl takes shares in the fresh milk market</p> <p>-816 tonnes of product equal to 1,471 tonnes of CO<sub>2</sub> eq</p> <p>48.2 million packages for the "To Good To Go" awareness campaign</p> <p>1,525 quintals of short-dated products sold inside factory shops</p> <p>Postponement of the new opening</p>	<p>Further development of miniesl from 15 to 25 days of shelf life</p> <p>Continuation of the Less Returns project</p> <p>Continuation of the campaign on TMC on over 80 million packages</p> <p>More than 1,500 quintals of short-dated products sold in factory shops</p> <p>New anti-waste shop in Ferrara in October 2025</p>



## 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	
	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	Opening of the dairy in the Dozza prison in Bologna
	Growth in visits to Group plants	8,609 participants in educational activities (4,104 participants in face-to-face guided tours)	Continuation of the Allattami project
COMMITMENT TO FOOD INNOVATION AT A NATIONAL AND INTERNATIONAL LEVEL	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
	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)





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 Castrovillari, 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.





ZOOM

## 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, straciatella, 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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