



SUSTAINABILITY REPORT 2024

*For an Integrated and
Circular Company*



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Letter from

the President

Only those who sink their roots into the land know how to be its guardian. It is from this awareness that the deepest meaning of our work is born: like a tree that draws nourishment from the earth and returns oxygen to it, so too does a reality like ours have the duty to return value, every day, to the context in which it operates.

The “buffalo excellence supply chain for sustainability” which connects the eleven companies belonging to the Garofalo family, was created precisely with the aim of giving back to the community the vital energy that our father’s generation knew how to draw first from working the fields and then from caring for animals, passing down to the second and third generations an important legacy made up of indissoluble values: respect for the environment and animals, the well-being of our collaborators, and the protection of the territory and the community that hosts us.

With this first network sustainability report, we have chosen to transparently share what we have built and the commitments that lie ahead regarding our impacts on people and the environment, so that our entire network is able to generate more economic, social, and environmental value than it consumes to operate. Because only by starting from who we are can we continue to evolve, remaining faithful to what matters.



WHO WE ARE

Fattorie Garofalo is a network of companies specialized in buffalo dairy products, with an integrated and circular supply chain that combines tradition, innovation, and sustainability. For over sixty years, we have brought to Italian and international tables the quality and authentic value of PDO Buffalo Mozzarella.

GUARDIANS OF A MILLENNARY CULTURE

Buffalo farming is part of our identity: we have in-depth knowledge of the animals' needs and transform their milk with mastery, respecting nature and the Campania tradition.

MASTERS OF THE SUPPLY CHAIN

We grow forage, raise buffaloes, process the milk, and deliver the products to the consumer: everything is under our direct control. The integrated supply chain is our strength and the guarantee of absolute traceability and quality.

INNOVATION DRIVEN IN THE TERRITORY

We have grown by investing in technology, sustainability, and research, without ever losing our connection to our origins. Every evolution starts here, from the fields and farms, with our eyes set on the future.

PASSION, EVERY DAY

We take care in every stage of the work, from milk collection to the refrigerated shelf. Our promise is simple: to guarantee quality, animal welfare, and food safety in every single step of our supply chain.





OUR HISTORY

Since 1962, Fattorie Garofalo has been at the forefront of constant evolution: from a family business to a world leader in the buffalo dairy sector, following a path built on knowledge of the land, the pursuit of quality, and the determination to always look ahead.



1962–1990

Purchase of the first agricultural land and conversion of farms from cattle to buffalo. The first production plant and the first dairy dedicated to buffalo mozzarella are established.



1991–2003

The "La Garofalo" dairy plant in Capua is inaugurated, the Garofalo farm in Sant'Aniello is acquired, and the new corporate identity takes shape: Fattorie Garofalo is officially born.



2004–2013

We expand dairy production and acquire the Fattoria Reale di Torcino farm, converted into a buffalo farm. The supply chain consolidates, maintaining a strong connection with the territory.



2014–2019

Development of the retail network in Italy. We acquire Arianuova farm, dedicated to organic farming, and Fattoria Apulia, formerly part of the Amadori Group.



2020–2024

The commercial network is strengthened with two new stores at Milano Malpensa Airport and Roma Termini Train Station, and a new retail format within Maximall Pompeii. H.F.G adopts the legal status of a Benefit Corporation.



2025

The network aims to achieve 100% energy self-sufficiency and publish its first Sustainability Report: two milestones that reflect our commitment to a more conscious future.



OUR NUMBERS

THE REGENERATIVE AMBITION

Giving the network a shared direction, valuing what unites it – deep roots, daily commitment, and a long-term vision – was the starting point for building the Regenerative Ambition. Through a process of listening and strategic definition, we have established a common trajectory that today is expressed in a manifesto and an action plan with concrete objectives and shared tools.

We preserve the land and the buffalo tradition so that today's excellence evolves into tomorrow's ones.

The Garofalo Network, through buffalo farming and the production and marketing of high-quality buffalo products, protects and enhances the cultural and ecological heritage of the territory in which it operates, acting as a positive force for change towards collective well-being.



**€140 MILLION
IN TURNOVER**



**2
INDUSTRIAL
PLANTS**



**7
AGRICULTURAL AND
LIVESTOCK FARMS**



**650
EMPLOYEES**



**EXPORTS TO OVER
40 COUNTRIES**



**38 MILLION LITRES
OF MILK PROCESSED
PER YEAR**



**7 MILLION KWH
PRODUCED FROM GREEN
ENERGY PER YEAR**



**12.500
BUFFALOS
RAISED**



**10 MILLION KG
OF PRODUCTS PLACED
ON THE MARKET
EVERY YEAR**



AN INTEGRATED AND CIRCULAR SUPPLY CHAIN

Just as it happens in nature, in our supply chain each element has a fundamental role that supports the others in balance. Integration allows us to control every stage, creating consistent connections between agriculture, farming, processing, and sales. Circularity ensures that nothing goes to waste, transforming by-products into value and closing production cycles so that what we produce today also improves what will come tomorrow.

A close-up photograph of a dark-colored cow's face. A person's hand is visible on the right side, gently petting the cow's nose. The cow's eyes are closed, and it appears to be in a relaxed state. The background is a clear blue sky.

ETHICAL GOVERNANCE

The company is committed to taking on a role of ethical leadership in the dairy sector and within the entire national system, applying and promoting best practices inspired by a culture of sustainability across the value chain, particularly through relationships with its suppliers.

ETHICAL GOVERNANCE

SECTOR CHALLENGES

The food sector today finds itself at the centre of a delicate balance: on the one hand, the need to meet growing global demand, and on the other, the urgency to rethink production models in environmental and social terms.

We are aware that addressing the major challenges of food sustainability is a complex and articulated journey, which is why we have chosen to start by identifying the main urgencies that define it. The growth of the global population and the evolution of consumption habits require increasingly efficient and responsible food production, capable of drastically reducing its environmental footprint by limiting greenhouse gas emissions, water consumptions and biodiversity loss. Adding to these dynamics is climate variability – in a present marked by increasingly sudden and significant weather changes – that requires resilient production strategies, as well as a growing demand for transparency from consumers and stakeholders along the entire supply chain.

The network that unites us

In recent years, Fattorie Garofalo has undertaken an important path to strengthen its governance, basing collaboration between companies in the supply chain on a network contract: a tool that not only reinforces operational synergies but also introduces shared commitments in terms of sustainability, innovation and social responsibility. In this way, Fattorie Garofalo position itself as an integrated ecosystem, evolving toward a shared identity capable of addressing major environmental, economic, and social transitions in a coordinated manner. The result of this vision is the definition of a shared regenerative ambition, materialized in an action plan with measurable objectives, common tools, and transversal impact clauses.

At the same time, this approach is also been formalized legally with the transformation of Holding Famiglia Garofalo into a Benefit Corporation: the first entity in the network to include in its bylaws the goal of generating value for the community and the environment.

ETHICAL GOVERNANCE

GOALS 2025

The objectives we have set for 2025 outline a concrete path to strengthen our ethical governance and make the entire organization increasingly solid and coherent. We are committed to formalizing our regenerative vocation by extending the legal status of Benefit Corporation to "Società Agricola Garofalo" and "Casaro del Re", marking a further step toward governance increasingly oriented to positive impact. This commitment will also be reinforced by extending the 231 Model, already adopted by four companies, to all eleven companies in the network.

Finally, the plan calls for maintaining the Smeta II Pillar ethical certification, progressively extending it to other operating units, as confirmation of our ongoing attention to fair and responsible working conditions for our people.



2 NEW BENEFIT
CORPORATION
BY 2025

231 MODEL EXTENDED
TO ALL 11 COMPANIES
IN THE NETWORK

FODDER CULTIVATION

Fattorie Garofalo is committed to preserving the ecological heritage of its territories by adopting processes that serve as examples of innovation for minimizing the use of natural resources, in line with European climate neutrality and ecological transition goals.



FODDER CULTIVATION

SECTOR CHALLENGES

Farming today is no longer just a production matter. The biggest challenge is doing it sustainably: protecting the soil, preserving water resources, reducing the use of pesticides and chemical fertilizers, and adopting practices capable of mitigating and addressing the effects of climate change. Meeting these challenges requires an integrated and forward-looking approach that combines agricultural efficiency with ecological regeneration, in the awareness that soil health and biodiversity are the foundation of long-term productive yield.



Roots in the future

Our supply chain is undergoing a major transformation in what is considered the first link in our value chain: agricultural production. And what is changing is not the values, which remain tied to the land and the cycle of the seasons, but the production tools and management methods, which are becoming increasingly precise, conscious, and digital. In 2025, a precision agriculture project involving all the network's farms will take full shape, launched in collaboration with xFarm. This initiative introduces a digital tool that allows advanced monitoring and management of every cultivation phase. Thanks to sensors, agrometeorological stations, and digital dashboards, sowing, irrigation, and fertilization can be adjusted according to actual soil and weather conditions, optimizing resources and reducing environmental impact.

Alongside this intervention, we are also launching a broader Agriculture 4.0 program, using intelligent machinery capable of adapting to soil conditions and integrating data from the network. This transformation is not just technological but also skills-based: the xFarm project has provided training opportunities for farm managers and agro-zootechnical staff, in collaboration with the IT department, guiding the entire network toward increasingly efficient, advanced, and informed agricultural management.

FODDER CULTIVATION

GOALS 2025

Over the next year, we aim to review and update our farming practices to contribute to soil health by introducing innovative technologies and tools. Among these, adopting agrometeorological stations will allow more precise monitoring of climatic and agronomic conditions, involving all 7 farms in the network, each introducing innovative practices in its own operational context.



5 FARMS INVOLVED
IN INSTALLING
AGROMETEOROLOGICAL
STATIONS

F FARMS AND MILK PRODUCTION

Fattorie Garofalo is committed to preserving the ecological heritage of its territories, adopting processes that serve as examples of innovation for minimizing the use of natural resources, in line with European climate neutrality and ecological transition goals.

FARMS AND MILK PRODUCTION

SECTOR CHALLENGES

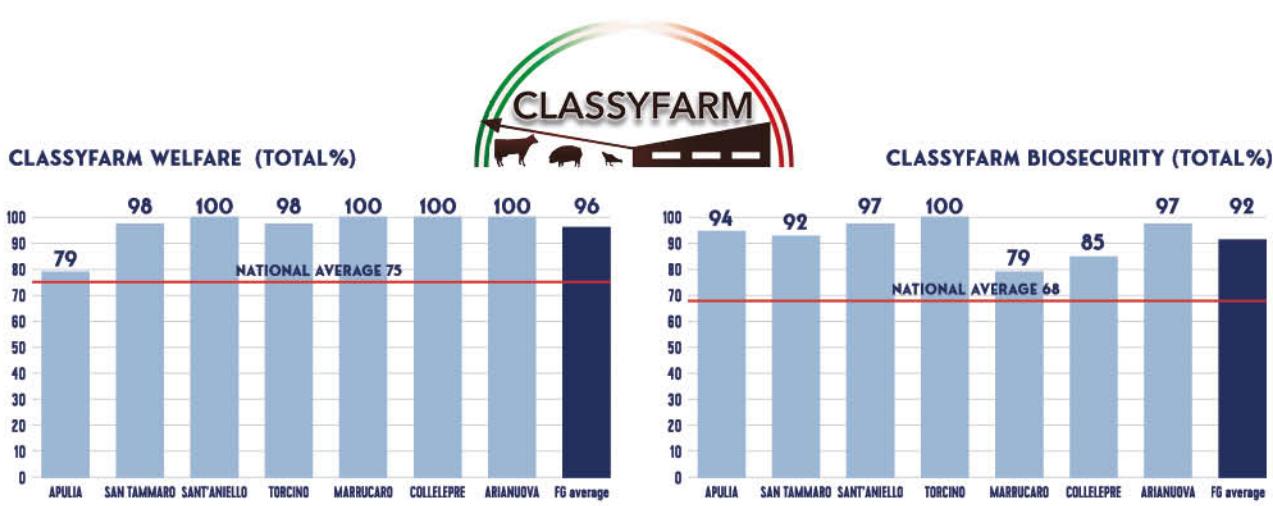
Sustainable farming today faces structural and deeply interconnected challenges. On one hand, animal welfare requires adequate living conditions, constant monitoring, and rigorous protocols; on the other, reducing emissions linked to livestock farming is an unavoidable climate goal. Adding to these needs is the management of waste and effluents, a critical issue that demands effective and innovative solutions to avoid negative impacts on natural resources.

It all starts with care

Animal welfare is for us a fundamental value, which is why all our internal livestock farms have long applied, among the first in the buffalo farming sector, when it was still experimental, the European ClassyFarm protocol, certified by the Italian Ministry of Health, which objectively evaluates two key aspects of farms: animal welfare and biosecurity.

Today, every internal farm in the network is classified in the green category, the highest level of the protocol, with the results exceeding national averages, confirming the rigor and transparency of our approach. But the consistency of our supply chain goes further: thanks to contractual clauses, the protocol is already applied to external milk suppliers, who account for about 45-50% of total volume. The network's goal is to extend ClassyFarm certification to 100% of external suppliers by 2025, ensuring uniform quality across the entire supply chain.

Every barn is mapped, every animal monitored, and every flow tracked: this is not just about rules, but about a shared culture that starts with animal care to deliver a product that combines responsibility and excellence



FARMS AND MILK PRODUCTION

GOALS 2025

Given these challenges and achievements, it is priority to complete the analysis of our supply chain, paying particular attention to the sustainability practices and criteria adopted by our partners, with the goal of collecting useful data to guide shared improvement actions throughout the supply chain. We will continue to invest in animal welfare as a distinctive element of our production model through constant monitoring of standards and the adoption of improvement measures.



OVER 12.500
BUFFALOS
BREEDED



100% OF INTERNAL
FARMS IN "GREEN" CATEGORY



7 INTERNAL
LIVESTOCK FARMS
INVOLVED



COMPLIANT WITH
CLASSYFARM STANDARDS
(ANIMAL WELFARE)

PROCESSING

Fattorie Garofalo is committed to preserving the ecological heritage of its territories, adopting processes that serve as examples of innovation for minimizing the use of natural resources, in line with European climate neutrality and ecological transition goals.

PROCESSING

SECTOR CHALLENGES

Turning milk into dairy products requires constant commitment to improving process efficiency, both in energy and water terms: reducing production waste, optimizing water and packaging use, and introducing increasingly circular management systems are fundamental challenges for a sustainable dairy industry. Added to this is the real need to adopt innovative solutions that combines the imperative of quality and food safety with respect for the environment.

A place that unites

A clear idea guides the future of processing in our network: to bring together under one roof productive quality, sustainable innovation, and connection with the territory. It is with this in mind that we launched the new industrial plan project, with the building recently acquired. In the coming years, it will house not only the entire production unit, currently distributed across two plants, but also the headquarters offices.

It will be designed according to high environmental sustainability standards and green building criteria, while also being an open and inclusive space aimed at strengthening the sense of belonging among those who work in the network and bringing people closer to the company. Common areas, available to both employees and the community, will give tangible form to a vision that combines internal cohesion with openness to the outside world.

Because innovation is not measured only in technologies but also in the ability to create places that generate positive impact.



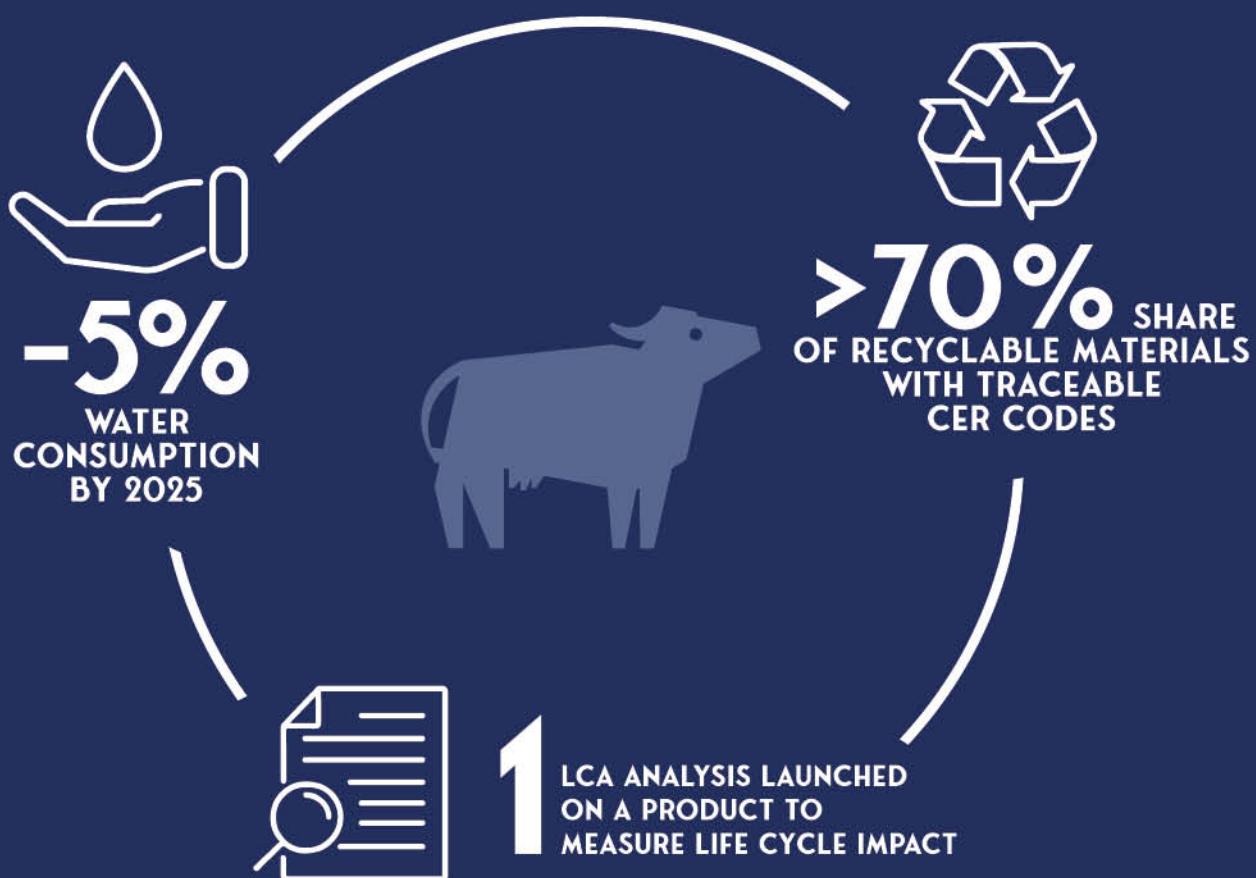
PROCESSING

GOALS 2025

To make the transformation of our buffalo dairy products increasingly sustainable, it is essential to act on every stage of the production process, from resource consumption to waste management. In 2025, we will focus on precisely measuring water consumption (m³ water consumed/kg milk processed) and analysing plant energy use to identify the main areas for efficiency improvements, aiming to reduce water use by 5% compared to current levels. We will also assess the economic impact of replacing non-recyclable packaging materials with recyclable, preferably monomaterial, solutions, aiming to exceed 70% of packaging with traceable CER codes.

We will start an LCA (Life Cycle Assessment) analysis on at least one product to quantify environmental impacts over its entire life cycle and guide future choices towards an increasingly circular approach.

Completing the plan are goals to promote waste separation in all work environments and to constantly monitor waste generation in our plants, with the aim of reducing the overall impact.





LA TUA ROSETTA



LA TUA ROSETTA



PARMIGIANA



€ 7.90

PICCANTE



€ 7.90

DI PARMA



€ 7.90

RUTIELLI AL FORNO



€ 8.90

SALSICCIA E FRIARIELLI



€ 8.90

CON MOZZARELLA AFFUMICATA

E FRIARIELLI

DI MILAZZANO



€ 8.90

TRADIZIONE

CON MOZZARELLA E POMODORI

E MILAZZANO



DELLA NONNA

CON MOZZARELLA AFFUMICATA E PARMIGIANO E MILAZZANO

BUFFY CREAM



€ 3.90

CON RICOTTA DI BUFALA



€ 3.90

1 PERA E CIOCCOLATO



€ 3.90

2 ALL'AMARENA



€ 3.90

3 MELA E CANNELLA



SALES

Fattorie Garofalo is committed to being consistent in its relationship with customers by creating products of excellence, symbols of the strong cultural identity of its territory, and promoting a consumption model in line with corporate values and today's challenges.

SALES

SECTOR CHALLENGES

Sales, the final step in our supply chain, is also one of the most strategic, as it represents the meeting point between product, territory and consumer. The main sustainability challenges of this stage concern the need to reduce food waste along the distribution chain, adopt lower-impact packaging solutions, and promote greater consumer awareness of what it means to make a responsible purchasing choice. In this context, staff training, communication transparency, and waste management in stores also play a key role.

*From Campania
with value*



Every day, in our stores located across Campania and in strategic hubs such as airports and major Italian train stations, a simple yet powerful story unfolds: that of a product born from a supply chain deeply rooted in the PDO buffalo production area, which succeeds in carrying its identity wherever it is sold.

About 90% of the products on our store shelves come from Campanian companies, and half of retail revenue is generated in Campania itself. In this way, the retail network becomes an authentic stronghold of Made in Italy, capable of concretely supporting the local economy and enhancing the territory from which it originates.

Behind every label are conscious choices: over 60% of the products we sell bear PDO or CGDO labels, with Buffalo Mozzarella as the common thread. Alongside these figures, we are working on initiatives that speak of care and inclusion: in some areas, collaborations are being launched with associations promoting the employment of people with disabilities or from vulnerable backgrounds. These are still evolving projects, but they are beginning to set a clear direction: that of a retail network increasingly committed to creating opportunities for inclusion, encounter and growth.

SALES

GOALS 2025

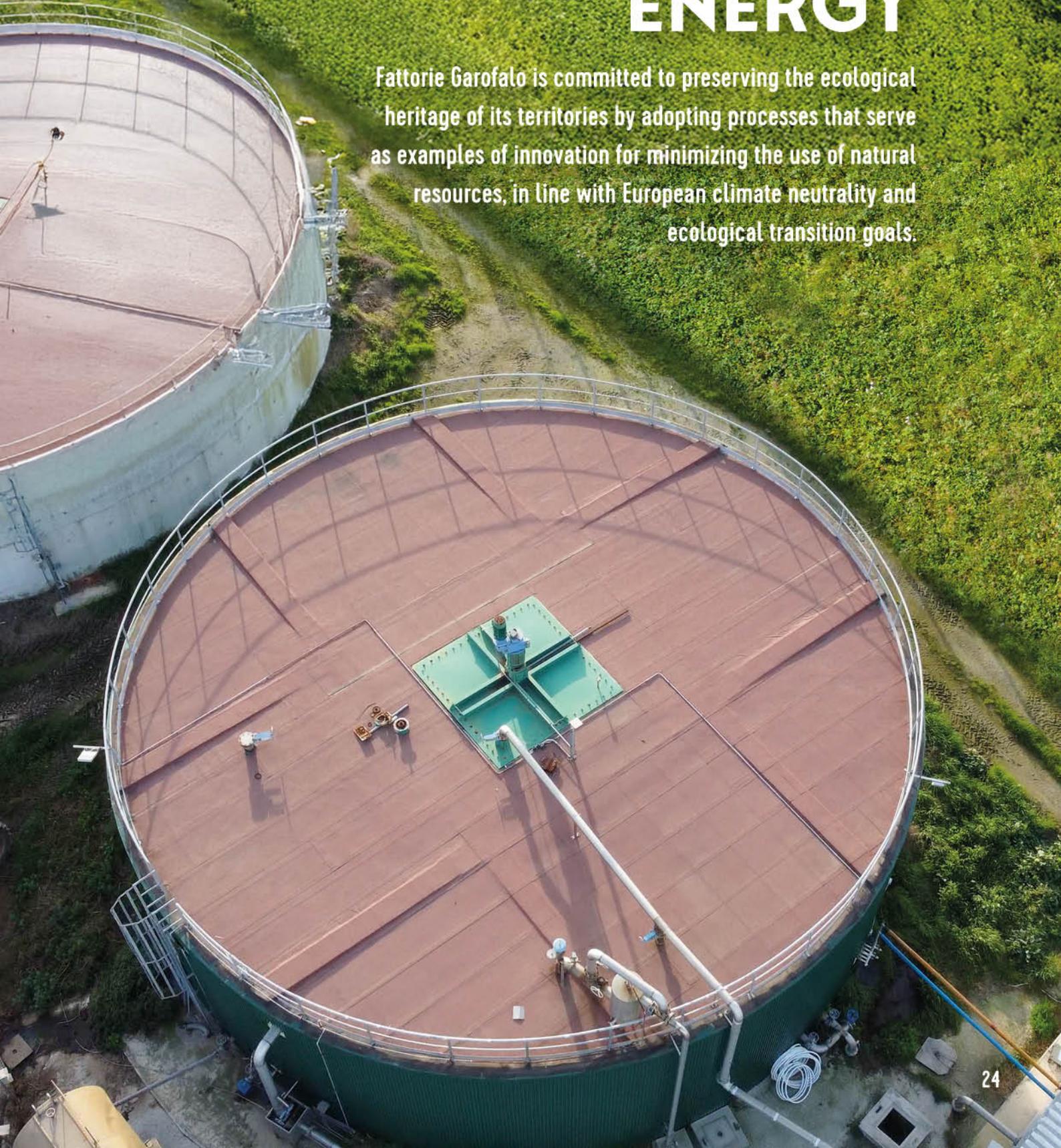
To strengthen our relationship with customers and ensure our products are always in line with the expectations, we will carefully monitor customer satisfaction through analysis and feedback collection channels, aiming to detect new needs and set improvement targets, in a perspective of continuous evolution. This process will be based on the BRC questionnaire and aims to increase the number of customers who positively evaluate the company's performance and our product.

We will also promote waste separation in all sales-related work environments, defining a baseline and monitoring progress over time. In addition, we will monitor waste generation in stores, aiming to increase separation rates and make every phase of our distribution model increasingly consistent with sustainability principles.



RENEWABLE ENERGY

Fattorie Garofalo is committed to preserving the ecological heritage of its territories by adopting processes that serve as examples of innovation for minimizing the use of natural resources, in line with European climate neutrality and ecological transition goals.



RENEWABLE ENERGY

SECTOR CHALLENGES

The energy transition is one of the most complex and urgent challenges facing the agri-food sector today. Dependence on non-renewable sources, energy cost instability, and the need to adopt increasingly innovative technologies require a structural rethink of sourcing and consumption models. Additionally, those who work closely with the land have a responsibility to contribute to climate neutrality through concrete and measurable choices.

The energy that drives change

Today, the “Buffalo excellence supply chain for sustainability” network can count on six photovoltaic plants and two biogas plants already in operation, with two more to be added by 2025 and an expansion planned for 2026, bringing the network closer to complete energy self-sufficiency from renewable sources.

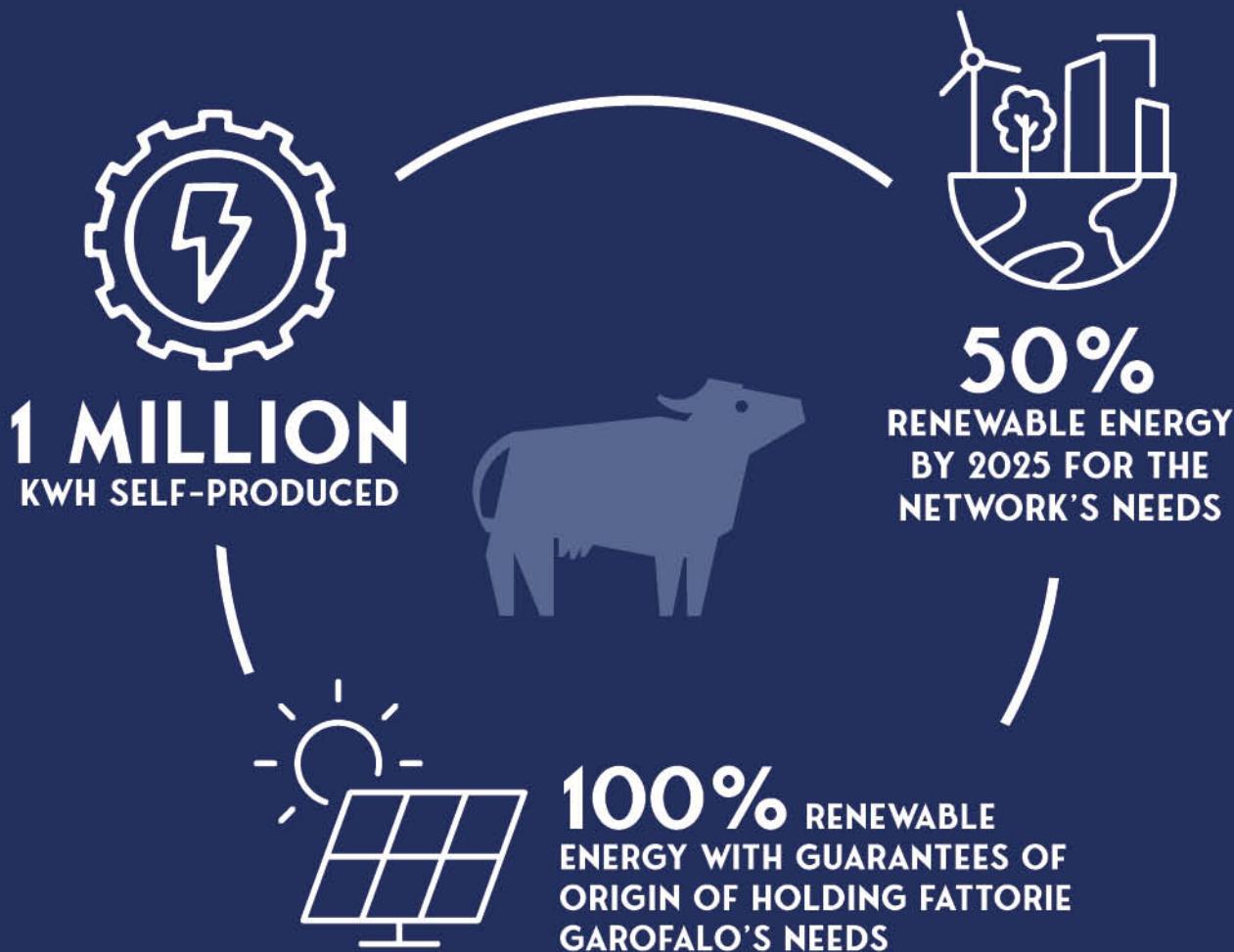
In 2024, over 35% of energy needs are met by renewables sources, between self-consumption and certified purchases via Guarantees of Origin (GO). Specifically, Casaro del Re has reached over 35% clean energy sourcing, while Fattorie Garofalo has achieved over 40% of its need covered by sustainable energy.

Our goal is clear: raise this percentage to 50% by the end of 2025, in line with a vision that places energy independence at the centre as a strategic lever, not only environmental but also economic, ensuring operational continuity even in an unstable scenario and turning sustainability into a real competitive advantage.

RENEWABLE ENERGY

GOALS 2025

We intend to consolidate our commitment to energy sustainability through three main pillars: producing energy from renewable sources, optimizing internal consumption, and investing in low-impact technological solutions. In particular, we aim to reach 50% of certified renewable energy (with guarantees of origin) for the energy needs of retail stores, thereby helping reduce our carbon footprint. Measuring emissions will be a key step in 2025, leading us to calculate the Carbon Footprint of Società Agricola Garofalo, Casaro del Re and Fattorie Garofalo, then identify reduction actions and targets and formalize respective science-based decarbonization plans for priority climate impact areas.





PEOPLE

Fattorie Garofalo is committed to promoting a collaborative work environment that contributes to the collective well-being and growth of its people, investing in training and sharing the vision of creating positive impact through their work.

PEOPLE

SECTOR CHALLENGE

People are the core of our company. Working in a fast-evolving sector like agri-food means facing increasingly complex challenges: attracting and retaining talent in a competitive job market, ensuring safe and stimulating work environments, promoting continuous training in new technologies, and fostering a widespread sense of belonging. On top of this the need to build a strong corporate culture of uniting and engaging, valuing differences and promoting participation.

Growing together with our territory

The growth of Fattorie Garofalo begins, above all, with people. From workers along the supply chain to new generations entering the job market, the company invests in training, talent, development and strengthening ties with the territory. In 2025, three of us employees took part in the NATIVA campus "Regenerative Mindset" course, completing over 20 hours on ESG topics.

This was accompanied by various internal meetings and workshops involving the entire first line of the supply chain, with the goal of engaging people in co-creating the common regenerative ambition and defining a plan to improve sustainability performance. The entire team benefited from training hours aimed at expanding both technical and transversal skills.

Our training commitment also extended beyond company borders: some company representatives acted as lectures and speakers at events organized by local schools and universities, including the University of Vanvitelli, creating a direct bridge to younger generations. Students involved in internships had the opportunity to become part of our technical team, generating jobs and tangible opportunities for the territory.

Lastly, we are working to start collaborations with local associations, such as the social cooperative Fuori di Zucca, to promote the employment inclusion of people with disabilities or in vulnerable situations. Even though still at an early stage, this initiative shows our will to increase our positive impact on the territory we belong to and generate value for the community.



PEOPLE

GOALS 2025

In 2025, we will embark on a path to enhance internal resources, promoting a structured training plan built around three main areas: sustainability culture, professional development, and personal growth (around 800 total training hours are planned). Courses will cover key company topics, such as sustainability education, the Code of Ethics, the Network Contract, and forward-looking content, including preparation for Industry 4.0 transition and development of transversal, linguistic and relational skills.

At the same time, individual growth pathways will be activated, with a specific focus on collective interest topics such as financial education, IT courses or cheese tasting. To ensure a work environment increasingly aligned with people's needs, the company will conduct an internal employee satisfaction survey to gather suggestions and adapt policies more inclusively. We will also explore potential collaborations with local associations specialized in employment inclusion for people facing barriers to work, making our commitment to inclusion even more concrete.

Finally, as a direct application of renewed attention to social and environmental impact, we will encourage waste separation in all work environments, launching a system to measure generated and recycled waste, allowing us to define a baseline and monitor progress over time. The goal is to spread a culture in which responsibility for one's actions matters, starting with simple ones like correctly sorting one's waste.



CONCLUSIONS

This report represents, more than a destination, the conscious beginning of a broader journey. We have outlined the steps taken so far, shared what we are building, and presented the directions we aim to follow. The road ahead is long, but we look to the future with confidence because we believe in the value of our work, in the principles that guide us and in the strength of a network that places collaboration, respect, and responsibility at its core.

Our commitment to sustainability is based on a systemic vision, where every link in the supply chain contributes to a shared goal: generating positive and lasting impact. From introducing precision agriculture to self-producing renewable energy, from valuing human capital to promoting an ethical and transparent governance model, every action is part of a broader strategy aimed at environmental, social and economic regeneration.

The results achieved are already tangible indicators of our transformation. But it is the forward-looking vision, fueled by the Regenerative Ambition, that gives us direction: to be a supply chain that generates shared value, in a fair transparent and lasting way.

For this reason, we will continue to invest in sustainable technologies, training, and strategic alliances towards a business model capable of inspiring the entire agri-food sector.

The greatest challenge today is not only to evolve but to do so while remaining faithful to our identity: with deep roots, a broad vision and daily commitment.





www.fattoriegarofalo.it