

Casillo
GROUP

CASILLO NEXT
GEN FOOD

2023
SUSTAINABILITY
REPORT

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Letter from the Chairman

2-22

Dear Stakeholder,

We are delighted to present our 11th Sustainability Report. Together with economic sustainability, environmental and social sustainability nowadays seem to be obvious objectives, considering how they have come to permeate our culture. This was not the case at the beginning of our journey, when the conviction prevailed that environmental and social sustainability was incompatible with economic sustainability and, therefore, that its improvement should be exclusively the result of pertaining public policies.

Our satisfaction derives from having given tangible proof that not only it is possible to be economically sustainable, improving our environmental and social impact, but that the pursuit of ESG social and environmental sustainability objectives is in itself a factor for the improvement of economic sustainability.

Aware of this, our socially responsible approach to business operations led us to transform our group's main company, the current Casillo S.p.A., into a Benefit Company, completing in 2023 the process started in 2021. This is a very significant step, as it gives structured and formal relevance to our company's non-economic-financial objectives.

In addition to being part of our genetic code, research, development and innovation are a fundamental lever for achieving environmental and social objectives, alongside economic ones. The choice of the innovative plant of the subsidiary Casillo Next Gen Food as the cover image for the 2023 report is a testament to the validity and ambition of our commitment.

The Next Gen Food project is a pillar of our ESG strategy, as it allows us, from a circular economy perspective, to enhance all the previously not fully exploited and enhanced wheat grain components. The intense research and development activity, also culminating in significant scientific publications, has resulted in the definition and implementation of further production process phases thanks to which, in a fully integrated manner, we are able to produce high nutritional value food ingredients as well as that to extract wheat germ oil, a source of valuable vegetable fats, not previously used to improve human nutrition.

Among other research projects, the SIMBA Project is certainly worth mentioning: carried out in partnership with the Department of Translational Biomedicine and Neuroscience of the University of Bari, it consists in the creation of a prototype of nutraceutical flour, which has proven to be effective in reducing Metabolic Syndrome symptoms.

Our commitment to improving our carbon footprint by increasing the share of self-production of energy from renewable sources is equally assiduous. The year 2023 was very important, as will the years to

come, as we have doubled our production of electricity from renewable sources, thanks to the investments carried out: a new photovoltaic plant at the Ortona (CH) site and upgrading of the existing plants in Corato (BA) and Modica Pozzallo (RG). We currently have eight plants for the production of electricity from renewable sources, of which seven photovoltaic and one hydroelectric. These plants allow us to reduce our consumption of electricity from fossil sources, contributing in a tangible way to the reduction of climate-altering emissions, which is the key point of the climate issue affecting our planet, as is well known.

In order to simultaneously achieve environmental and social objectives, and do so from a compensatory perspective, together with the Municipality of Corato, the subsidiary Casillo S.p.A. Società Benefit has "adopted" the Cecibizzo Forest (extending to about 150 hectares), located in the heart of the Apulian Murgia area and which had experienced many years in a state of total neglect and abandonment, to the point of jeopardising its preservation. Through a public and private partnership and in accordance with an agreement between the company and the institutions, a common path was set in motion to protect and enhance the forest's natural heritage, to allow the community to enjoy it.

During 2023, our ESG strategy benefited from a significant boost to initiatives to formalise and monitor processes: reference is made to the establishment of the ESG Committee and the appointment of the Impact Manager. All this was carried out within an evolution framework also at regulatory level, resulting from the enforcement of the EU Green Deal, which will gradually make mandatory initiatives and activities that we promptly put in place on a voluntary basis.

Finally, we must not fail to thank and show our gratitude to our Group's women and men. Without rhetoric, also in the context of an increasingly demanding everyday life, I can assure that our aspiration to a view of the company that it is socially responsible and operates as a driver for of development and cultural growth is real. In a context of profound change, the challenges we will have to face will be complex, but we can certainly say that we have won the fight relating to the cultural change underlying ESG objectives!

Enjoy reading!

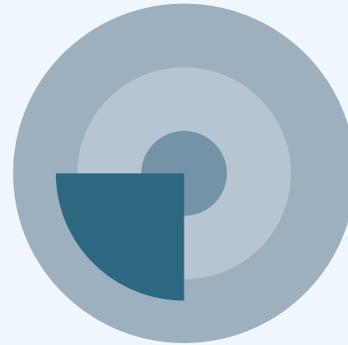




Vincenzo Casillo

Standard Ethics Rating (SER)

Standard Ethics is a “Self-Regulated Sustainability Rating Agency” that issues non-financial sustainability ratings. The Standard Ethics® brand has been known since 2004 in the world of “sustainable finance” and ESG (Environmental, Social and Governance) studies to promote principles, sustainability and governance standards from the European Union, the OECD and the United Nations.



Graph Standard Ethics Rating assessment chart



The ratings are based on a scale comprising 9 letter grades. Any rating equal to or higher than "EE-" indicates good compliance.

The final evaluations on the level of compliance of companies and nations with the sustainability principles are expressed with nine rating classes (from EEE to F) where “EEE” represents a perfect sustainability model. “EE-” or higher level indicates a “compliance” opinion. Each individual rating class can have a positive or negative Outlook.

The STANDARD ETHICS RATING (SER) is an opinion about the distance between an entity (or an issue) and the international sustainability guidelines. It is issued at the request of the customer through a direct and regulated bilateral relationship; the algorithm is aligned with the indications and guidelines of the

European Union, the OECD and the United Nations on sustainability and sustainability governance; the issue is incompatible with the provision of other services other than ESG ratings or assessments. By applying this methodology, the Standard Ethics approach can be defined ethically neutral.

For 2023, Standard Ethics assigned the Casillo Group an EE [Strong] rating, an improvement on the previous EE- [Adequate] rating assigned in 2022. The assessment achieved places the Casillo Group in first place in the Food & Beverage sector in Italy.



Press Release 

Impact and financial materiality

3-1 3-2 3-3

Materiality analysis is one of the characteristic and fundamental activities of sustainability reporting. In the new [European Sustainability Reporting Standards \("ESRS"\)](#) prepared by EFRAG, whose first set of documents ("sector agnostic") was adopted by the European Commission with Delegated Act of 31 July 2023 and whose use will be mandatory for the Group starting from the 2025 financial year, [the performance of the materiality analysis is necessary to enable the company to identify the impacts, risks and opportunities considered significant and, therefore, subject to reporting.](#)

In the reporting approach outlined by the CSRD, companies report on sustainability on the basis of the "Double Materiality" principle, which requires the materiality analysis to be carried out by applying a double approach by reason of the two aspects of the materiality concept covered by the ESRS: **impact materiality**, and **financial materiality**, which are interrelated.

[Adopting a two-year anticipatory approach](#), the Casillo Group carried out the first **Sustainability Due Diligence** exercise (page 36) in relation to the sustainability reporting for



the year 2023, with the **related Double Materiality Analysis**, shown below.



Initial activities common to the two analyses

The indications contained in the specific guide recently published by EFRAG were followed in carrying out the Double Materiality Analysis: [EFRAG IG 1. Materiality assessment implementation guidance.](#)

The steps common to the two materiality analyses were as follows:

- 1) Updating of the understanding of the organisation context;
- 2) Identification of relevant topics (material sustainability matters);
- 3) Validation of relevant topics through stakeholder engagement.

For phases 1 and 2, the working group (composed of representatives of the Central Finance & Process Department and the external Value ATP consultants) preliminarily held some meetings in order to update the understanding

of the context and the identification of sustainability topics potentially relevant to the Group. Therefore, a benchmarking activity was carried out on a sample of comparable businesses, composed of companies belonging to the same sector and by award-winning foreign companies in the food sector considered best practices at the industry level, in order to define the relevant sustainability topics.

To identify the topics potentially relevant to the Casillo Group, the indications of the GRI 3 standard were followed. In addition, the following were consulted:

- the **GRI 13: Agriculture Aquaculture and Fishing Sectors 2022** sector standard, in force since 1 January 2024;
- the list of topics and sub-topics included in the AR 16 *Sustainabi-*

lity matters to be included in the materiality assessment of the ESRS 1 standard.

At the end of phases 1 and 2, a total of 16 potentially relevant topics were identified. In view of the importance of **stakeholder engagement** in the continuous due diligence process for the purposes of materiality assessments, the topics identified were subjected to a relevance validation analysis (phase 3) by sending a specific survey to the two main stakeholder groups (those potentially impacted by the company activities, the "affected stakeholders", and the users of the sustainability report).



Stakeholder Engagement

The Group engaged a total of 152 external stakeholders (B2B customers, end consumers, employees and collaborators, business partners, suppliers, banks and other lenders, communities, institutions, universities, press and media) through a survey, submitted in anonymous form in the period from January to March 2023, with questions referring to the 16 topics identified, with a cor-

responding request for a relevance assessment (using a Likert scale from 1 to 5) and a generic impact assessment of the main topics. The redemption rate was just over 17%. The survey was also issued in English to allow international stakeholders to provide suitable answers, preferring inclusivity and dialogue between the parties.

The following material sustainability matters of the Casillo Group were identified by the completion of the first three phases of the analysis, to which the reference SDGs (UN 2030 Agenda) were linked, identified by consulting the [SDG Compass document guidelines](#). The guide for business action on the SDGs.



Table List of material topics and linking with SDGs

Number	Material topic	SDGs
1	Governance, impact and risk management	      
2	Strategy and Business model	 
3	Anti-corruption, unfair competition and legality	 
4	Inclusive, resilient and sustainable communities	      
5	Product safety and traceability	  
6	Well-being and consumer protection	  
7	Sustainability of the supply chain	     
8	Diversity and development of human capital	  
9	Health and safety in the workplace	 
10	Human rights	  
11	Creation of shared value	   
12	Energy, Emissions and Carbon Footprint	   
13	Circular economy	     
14	Sustainable packaging and waste management	 

Impact Materiality Analysis

The notion of Impact Materiality pertains to the "inside-out" analysis perspective, which envisages the examination of the ESG impacts generated by the business activity towards the outside (environment and people). In fact, according to ESRS 1, a sustainability issue is material from the point of view of impact when it pertains to the material actual or potential, positive or negative impacts of the company on people or on the environment in the short-term, medium and long-term time horizons.

The impacts include those caused or provoked by the Group and those that are directly related to company operations, products or services through commercial relationships. The upstream and downstream value chain is also considered in the impact analysis.

In continuity with what was done in the previous year, the Impact Materiality analysis was carried out according to the indications included in the GRI 3 standard. In addition, the guidelines included in the recent EFRAG IG 1. *Materiality assessment implementation guidance* document were consulted. The procedural steps were as follows:

- **I.1** Initial identification of the current or potential impacts related to each material topic, following specific analysis by the working group. At the end of this analysis, the most specific ESG impacts deriving from the company activity were identified;
- **I.2** Screening of the list included in AR 16 of the ESRS 1 standard: *Sustainability matters to be included in the materiality assessment*, in order to identify any additional impacts in addition to those identified following the analysis referred to in point I.1;
- **I.3** Analysis of each of the 26 *Likely material topics* described in the GRI 13 sector standard with related potential impacts;
- **I.4** Materiality assessment for the impacts identified by the analyses referred to in points I.1 and I.2;
- **I.5** Materiality assessment for the impacts referring to each of the 26 *Likely material topics* described in the GRI 13 sector standard referred to in point I.3;

- **I.6** Prioritisation of the most significant impacts to be reported.

With reference to negative impacts, the assessment of the **severity** of each current or potential impact was carried out considering the three characteristics envisaged by ESRS 1 and the aforementioned Implementation guidance: scale, scope and irremediable character of the impact with gradation of impact from 1 to 5 (where 5 expresses the maximum degree of impact). In the case of potential impact, **likelihood** was also assessed, with increasing degrees: low, medium, high. In the presence of a low degree of likelihood the severity assessment was reduced by 33%, while in the presence of medium or high probability the severity assessment was confirmed.

The assessment of positive impacts was carried out considering the scale and scope of each impact, with impact scale from 1 to 5, where 5 expresses the highest degree of impact.

Material impacts were considered those that, as a result of the assessment process described above, exceeded the score threshold of 2. Upon completion of the impact materiality analysis, the reference time span (short, medium or long period) and positioning within the value chain were considered.

The outcome of the impact materiality assessment is reported below.

Table Impact Materiality Assessment

Impact #	Topic (sustainability matter)	No. topic	Description of impact on people and/or the environment	Type of impact (actual or potential; negative or positive; short/medium/long term only for potential)			Impact assessment (scale 1-5)	Positioning within the value chain	Main topic controls and management/Ref. Paragraph	Stakeholder and ESG impact
				Potential	⊖	medium				
1	Product safety and traceability	5	Potential impact on people deriving from any shortcomings in systems for the traceability of raw materials and, as a result, of finished products with a potential risk of food safety for customers and end consumers.	Potential	⊖	medium	4.33	The impact refers to the entire value chain of the Casillo Group	par. 4.2; par. 6.1	S (people)
2	Energy, Emissions and Carbon Footprint	12	Emissions of greenhouse gases deriving from company activities. In particular, the milling industry is notoriously energy-intensive, with a consequent environmental impact. Logistics and product distribution contribute to emissions.	Actual	⊖	n/a	4.33	The impact refers to the entire value chain of the Casillo Group	Decarbonisation plan; par. 3.2	E (environment)
3	Sustainability of the supply chain	7	Responsible management of procurement processes along the entire supply chain of the organisation, through the implementation of a policy for the ESG assessment of suppliers. Impacts on the supply chain and on the social and environmental sustainability of products.	Actual	⊕	n/a	4.00	The impact refers to the supply chain	Suppliers Code of Conduct, Supply Chain Assessment and Management Policy (par. 6.1)	S (people); E (environment)
4	Health and safety in the workplace	9	Insufficient or inadequate monitoring and prevention of accidents in the workplace can cause injuries to people.	Potential	⊖	short/medium	4.00	Employees, non-employee workers	Occupational health and safety management system and related control protocols (par. 5.2)	S (people)
5	Energy, Emissions and Carbon Footprint	12	Positive impacts from energy efficiency and self-production actions, with reduction in consumption and cost optimisation.	Actual	⊕	n/a	4.00	The impact refers to the entire value chain of the Casillo Group	par. 3.1	E (environment)
6	Circular economy	13	Positive impacts on the environment deriving from corporate circular economy projects (Casillo Next Gen Food, Agritech project), aimed at minimising the waste of raw materials, water and natural resources. Efficient use of resources and proper waste management.	Actual	⊕	n/a	4.00	The impact refers to the entire value chain of the Casillo Group	par. 4.1	E (environment)
7	Energy, Emissions and Carbon Footprint	12	Impacts on the environment deriving from delays in the implementation of the actions envisaged in the decarbonisation plan, or from inefficient management of energy resources.	Actual	⊖	n/a	3.67	The impact refers to the entire value chain of the Casillo Group	par. 3.2	E (environment)
8	Diversity and development of human capital	8	Company training activities (compulsory and not) and initiatives aimed at developing human capital (technical and transversal skills) allow the professional and personal growth of workers, with the related improvement of work performance.	Actual	⊕	n/a	3.50	Employees	par. 5.3	S (people)
9	Governance, impact and risk	1	Potential non-compliance with: ethical standards, compliance and respect for diversity. Inadequacy of the policies for assessing the impacts, the risks to which the Group's activities are subject and management remuneration. Potential non-compliance with national and international principles and guidelines of social and environmental responsibility.	Potential	⊖	medium	3.00	The impact refers to the entire value chain of the Casillo Group	par. 2.1; par. 2.4; par. 2.5; par. 2.6	G (governance); S (people); E (environment)

Impact #	Topic (sustainability matter)	No. topic	Description of impact on people and/or the environment	Type of impact (current or potential; negative or positive; short/medium/long term only for potential)			Impact assessment (scale 1-5)	Positioning within the value chain	Main topic controls and management/Ref. Paragraph	Stakeholder and ESG impact
				Actual	+	Short/medium				
10	Strategy and business model	2	Positive impacts on people and the environment deriving from sustainable company strategies and related management policies. Positive effects deriving from the integration of ESG strategy and business model with impacts on the creation of shared value for stakeholders.	Actual	+	n/a	3.00	The impact refers to the entire value chain of the Casillo Group	par. 1.2; par. 1.4; par. 2.2	G (governance); E (environment); S (people)
11	Well-being and consumer protection	6	The company's commitment to the production of high quality products generates positive impacts on the well-being of people (customers and consumers).	Actual	+	n/a	3.00	Downstream value chain (customers and consumers) of the Casillo Group	par. 6.2	S (people)
12	Diversity and development of human capital	8	Impact on people (workers) from any inadequacy of policies of inclusion, non-discrimination, diversity management and equal pay.	Potential	-	short/medium	3.00	Employees, non-employee workers	par. 5.1	S (people)
13	Sustainable packaging and waste management	14	Non-responsible risk management of waste generated by company activities. Impacts on the environment from potential inadequacy of disposal and recovery processes and systems.	Potential	-	medium	3.00	The impact refers to the Casillo Group's downstream value chain	par. 3.3	E (environment)
14	Circular economy	13	Negative impacts on the environment deriving from the withdrawal and consumption of water for production activities.	Actual	-	n/a	3.00	Upstream and downstream value chain	par. 3.4	E (environment)
15	Inclusive, resilient and sustainable communities	4	Positive impacts on local communities from initiatives for the enhancement of local areas, which promote economic growth and social development, also through training activities, sponsorships and collaborations with local associations and organisations.	Actual	+	n/a	2.50	Local communities	par. 5.4; par. 5.5	S (people)
16	Human rights	10	Potential risk of non-compliance with human rights by some types of suppliers involved in the supply chain: lack or inadequacy of law enforcement actions.	Potential	-	short	2.34	The impact refers exclusively to the supply chain and to certain types of foreign suppliers	par. 2.7	S (people)
17	Sustainability of the supply chain	7	Negative impact on the environment from the second-level supply chain due to the intensive agricultural practices of some raw materials suppliers, with impacts in terms of soil degradation, high water consumption and heavy use of inputs (machinery, fertilisers and plant protection products).	Actual	-	n/a	2.33	The impact refers to the Casillo Group's upstream value chain (2nd and 3rd level supply chain)	Suppliers Code of Conduct, Supply Chain Assessment and Management Policy (par. 6.1)	E (environment)

With regard to the policies for the management of material topics, see paragraph 2.6 (page 39) of Chapter 2. On the other hand, with regard to the actions taken to manage the material topics and related impacts, in addition to what is reported in paragraph 2.2, the specific disclosures are organised by topic and are contained in the various chapters of this report.

Analysis of Financial Materiality

The notion of Financial Materiality envisages an "outside-in" analytical perspective, i.e. the analysis of risks and opportunities (or benefits) for the company deriving from external ESG factors. In the definition given by ESRS 1, a sustainability issue is financially material if it causes or can cause significant financial effects on the company, i.e. when it generates or can generate risks or opportunities that have a material influence (or it is likely for them to have a material influence) on the undertaking's development, financial position, financial performance, cash flows, access to finance or cost of capital over the short-medium or long-term. Financial materiality in sustainability reporting is an extension of the concept of materiality used in the process of determining the information to be included in the financial statements.

In the performance of the Financial Materiality analysis, conducted with reference to the indications included in the aforementioned *EFRAG IG 1. Materiality assessment implementation guidance*, the following process was carried out:

- **F.1** Analysis of any financial risks/opportunities generated by or related to the material impacts identified;
- **F.2** Identification of additional financial risks/opportunities for the Casillo Group connected to each material topic;
- **F.3** Determination of the financial materiality threshold through discussion with the FC Administration and Control and discussion with the Independent Auditors;
- **F.4** Assessment of magnitude, likelihood of occurrence financial/equity aspect concerned and reference time frame for each risk and opportunity identified;
- **F.5** Prioritisation of risks and opportunities to be reported.

In the materiality assessment, a preliminary **assessment was made of the extent or magnitude** of each financial risk or opportunity using a scale from 1 to 5, where 5 expresses the highest degree of financial risk or opportunity for the Group. Therefore, the **likelihood of occurrence** of the risk/opportunity (if not already existing or current) was assessed, using the valuation levels typically used in the financial statements estimates referring to potential liabilities or assets: probable, possible and remote¹. In the case of assessment of the probable occurrence of the risk/opportunity, the magnitude was confirmed; on the other hand, in the case of estimate of possible or remote occurrence, the magnitude was reduced, respectively by 25% or 50%, in order to numerically reflect the lower degree of realisation assumed.

In addition, the financial statement items (balance sheet, income statement, cash flows) were identified, as well as any repercussions in terms of development, access to loans or cost of capital associated with each risk/opportunity analysed. Lastly, the reference time frame (short, medium or long term) related to each risk/opportunity was considered.

Material risks/opportunities were considered those that, following the assessment process described above, equalled or exceeded the score threshold of 2.

¹ In relation to the degree of realisation and occurrence, future events with impacts on the financial statements can be classified as probable, possible or remote. An event is probable when its occurrence is deemed more likely than the opposite: more than a 50% chance that the event will occur. An event is possible when it depends on a circumstance that may or may not occur: a lower than probable degree of occurrence. Therefore, these are events characterised by a reduced probability of occurrence. An event is remote when it has very little chance of occurring; that is, it can only happen in exceptional situations.

The outcome of the financial materiality assessment is reported below.

Table Financial Materiality Assessment

Risk / Opportunity	Topic	No. topic	Risk/opportunity description	Financial risk	Financial opportunity	Financial aspect concerned	Time frame (short, medium, long)	Degree of occurrence (probable, possible or remote)	Final financial materiality assessment
1	Circular economy	13	The significant R&D and innovation investments made by the Group in 2023 (as well as in previous years) will allow the achievement of significant economic benefits, at the same time as significant positive impacts in terms of circular economy, better use of resources and development of the territory and local communities.		✓	Improved EBITDA and cash flow	short	Probable	4.00
2	Creation of shared value	11	Attainment of "Green" loans at better conditions by virtue of specific ESG objectives linked to environmental and social targets and actions.		✓	Cash Flow, access to credit, banking interest	short, medium, long	Actual	4.00
3	Sustainability of the supply chain	7	The ongoing climate changes could determine a reduced availability of raw materials in the future, with a consequent increase in supply prices.	✓		Costs for the purchase of raw materials, EBITDA, cash flow	medium, long	Possible	3.00
4	Sustainability of the supply chain	7	The new supply chain qualification procedures from an ESG perspective (new suppliers policy) may entail the need to change/differentiate suppliers, with a potential increase in procurement costs.	✓		Costs for the purchase of raw materials, EBITDA, cash flow	medium	Probable	3.00
5	Energy, Emissions and Carbon Footprint	12	The Group is working on the definition of a plan to reduce climate-altering emissions, which may involve costs related to the process and to reduction objectives that will be set.	✓		Costs for services, medium-term cash flows, capex	medium, long	Probable	3.00
6	Creation of shared value	11	The Group expects economic benefits from the investments made and envisaged in the business plan for the digitalisation of processes and activities, also from an ESG perspective, deriving from the efficiency of management processes.		✓	Improved EBITDA and cash flow	medium	Probable	3.00
7	Energy, Emissions and Carbon Footprint	12	The increased exposure to the volatility of the energy market determines a greater price risk, with a consequent impact on economic and financial management. In addition, the current level of energy prices entails higher costs hedging/price fixing through financial instruments.	✓		Bank costs, cash flows	short	Actual	2.00

THE CASILLO GROUP FOR SUSTAINABILITY

Stakeholders

All

1.1 Casillo Group

2-1

2-2

2-6

Business activities and operating segments

Casillo Partecipazioni is a company limited by shares (società per azioni) with a private capital structure, the holding company of the Group ("Casillo Group"), world leader in the purchase, transformation and marketing of wheat. Given its global importance, the Group can be considered a market maker for wheat and related flours.

The registered office and headquarters of Casillo Partecipazioni S.p.A. and the Group are located in Italy, in Via Sant'Elia Z.I., Corato (BA).

The activities carried out by the Group can be grouped into **four business macro-areas**, in turn divided into *business units*:

Business Areas



Industrial

The Casillo Group is the global leader in the processing and sale of durum and soft wheat flours. The Group is characterised by a high distributed production capacity with several milling plants (12 cereal milling plants in operation) in Italy, as well as storage warehouses, silos and port facilities. In addition, this business area is responsible for the packaging and marketing of wheat flours using systems located at the Corato headquarters.



Trading

The Casillo Group is the global leader in durum wheat trading and a major international player in agricultural commodities trading. High levels of efficiency and an excellent reputation on the international procurement markets ensure that the Group can purchase all the types of cereals produced, as well as agricultural commodities, in the various regions of the world. The availability of silos, port facilities and storage warehouses allow the Group to manage significant quantities of commodities.



Investing

Acquisition and enhancement of corporate investments.



Real estate

Real estate development activities, Property & Asset Management.

Industrial and **Trading** are the main operating segments of the Group, essentially attributable during the year 2023, respectively, to the subsidiaries *Molino Casillo S.p.A. Società Benefit* (which in turn controls the transformation activities carried out by *Sinergie Molitorie S.c. a r.l.*) and *Casillo Commodities Italia S.p.A.* The storage activities for both these business areas are handled by the subsidiary *Silos Granari di Sicilia S.r.l.*

It should be noted that the **merger by incorporation of Casillo Commodities Italia S.p.A. into Molino Casillo S.p.A.** Società Benefit took effect in **January 2024** (deed of merger dated 21 December 2023, latest registration on the Register of Companies on 3 January 2024), the grounds for which were essentially corporate reorganisation and increased administrative and

financial efficiency. At the time of the merger, *Molino Casillo S.p.A. Società Benefit* changed its name to **Casillo S.p.A. Società Benefit**, which is currently the main subsidiary of the Parent Company *Casillo Partecipazioni S.p.A. Società Benefit*. Casillo S.p.A. Società Benefit carries out both the trading and procurement of cereals and activities relating to the Industrial/Milling area, aimed at the milling and sale of flours.

As part of its Trading and Industrial/Milling activities, the Group operates at national and international level (see paragraph 6.1 and paragraph 6.2); activities in real estate and Investing business areas, on the other hand, were carried out within Italy in 2023.

Operating sites

The Casillo Group's activities are spread across various facilities all over Italy.



Puglia
Corato
Bari
Cerignola
Gravina
Altamura

- 5 milling plants
- 4 storage warehouses
- commercial platform
- trading company
- flour packaging and marketing plant
- port terminal (Bari)



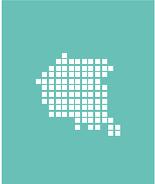
Lombardia
Rovato

- milling plant



Abruzzo
Ortona

- milling plant
- storage warehouse



Friuli Venezia Giulia
Monfalcone

- milling plant
- storage warehouse
- port terminal



Campania
Salerno

- milling plant
- storage warehouse



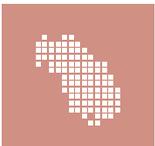
Toscana
Lucca

- storage warehouse



Emilia-Romagna
Parma

- milling plant



Marche
Santa Maria Nuova (AN)

- milling plant
- storage warehouse



Sicilia
Catania
Pozzallo
Modica

- milling plant
- 2 storage warehouses
- port terminal

Group structure and reporting scope

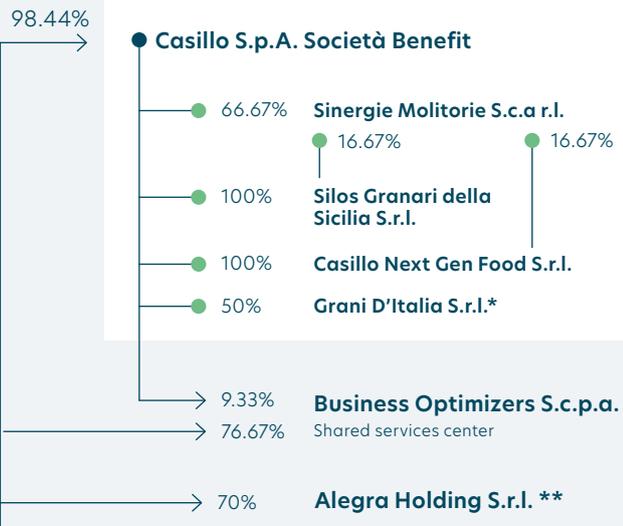
The Casillo Group companies included in the reporting scope for the purposes of the consolidated financial statements and the sustainability report are indicated in the following chart. For further information on the consolidated companies and consolidation method, please refer to the "Scope of consolidation" paragraph in the 2023 consolidated financial statements.

Group structure and reporting scope

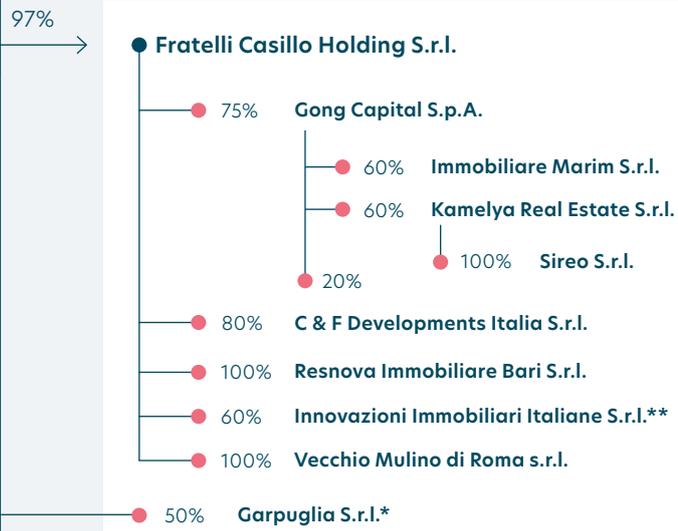
- Main companies
- Real estate companies
- Other companies



Trading/Milling industries



Real estate



Investing



* Company not consolidated line by line; not considered for sustainability reporting purposes.
 ** Company not considered for sustainability reporting purposes.

1.2 Vision, mission and values

Material topic no. 2

Impact no. 10

2-23

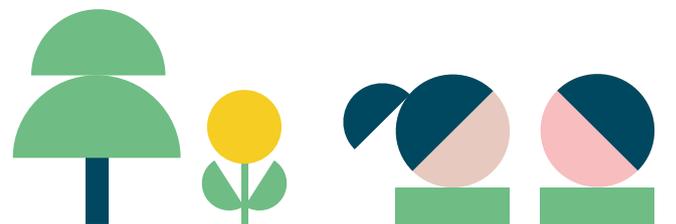


Casillo has always operated in respect of its founding principles, which identify product quality and safety and customer satisfaction as the main drivers of business growth.

These values, supported by a business approach focused on correctness, consistency, tradition, innovation and the relationship between man and the environment, embody the Group's strategic direction that, by outlining the periodic objectives and targets, is constantly and firmly committed to implementing a sustainable strategy, in line with the sustainable development goals (SDGs) stated in the UN's 2030 Agenda.

Vision

The purpose of the Casillo Group is to satisfy demand for **products of the future**, through **innovation** and **expertise** matured over the course of its history. The passion for continuous innovation and commitment to the **sustainable development goals** are the lines of development that inspire and drive the business activities.



Values

- **Correctness**
- **Consistency**
- **Tradition**
- **Innovation**
- **Central importance of people**
- **Respect for the environment**



Mission

The Group's mission is based on fundamental aspects such as **raw materials selection**, **production process safety** and guaranteed **traceability** of the **end products** which, in association with the importance assigned to the **local area**, show how the Group intends to engage all its stakeholders, also in a series of social initiatives to promote relations between company and community.

Research and **innovation** are the inescapable drivers to understanding and satisfying **customer needs**, optimising industrial process **resources** and **eliminating waste**, yet also adopting a sustainable approach with **respect for the environment** in which it operates.

1.3 Timeline

2-1

2-6

The fundamental steps of the Group's growth path are indicated below.

1958

Vincenzo Casillo starts the milling business in Corato

1979

Construction of Semolificio A. Moramarco S.p.A.

Transformation from milling plant into an industrial group

1998

Establishment of Casillo Partecipazioni S.r.l., holding company of the Group

2016-2019

New plant acquisitions

New renewable energy initiatives

2020

In line with the Business Plan, a corporate rationalisation process with the implementation of business combinations

2021

Transformation of Casillo Partecipazioni into a company limited by shares, with an increase in the share capital to € 12,000,000

Share capital of Molino Casillo S.p.A. increases to € 100,000,000

Merger of Molini Tandoi S.r.l. into Molino Casillo S.p.A.

Incorporation of Casillo Next Gen Food S.r.l., dedicated to the production and marketing of innovative food products

2022

The Agrifood Hub (page 68) and Agritech (page 67) projects enter the execution phase

Starting from financial year 2022, Casillo exercised the right to voluntarily adopt the International Accounting Standards ("IFRS") for the preparation of the consolidated and separate financial statements of the Parent Company and the two main subsidiaries (Molino Casillo S.p.A. and Casillo Commodities Italia S.p.A.)

2023

Launch of the Casillo Next Gen Food plant, the innovative circular economy R&D project (page 64)

Real Estate Business Plan

IT Strategic Plan

Closure of the SiMBA project, with significant results for patient health (page 63)

2024 (preview)

Merger by incorporation of Casillo Commodities Italia S.p.A. into Molino Casillo S.p.A. Società Benefit, which changed its name to Casillo S.p.A. Società Benefit

Completion of the production plants of Casillo Next Gen Food

Establishment of the ESG Committee and appointment of the Impact Manager of Casillo S.p.A. Società Benefit

1.4 Sustainable business model and value creation

Material topic no. 2

Impact no. 10

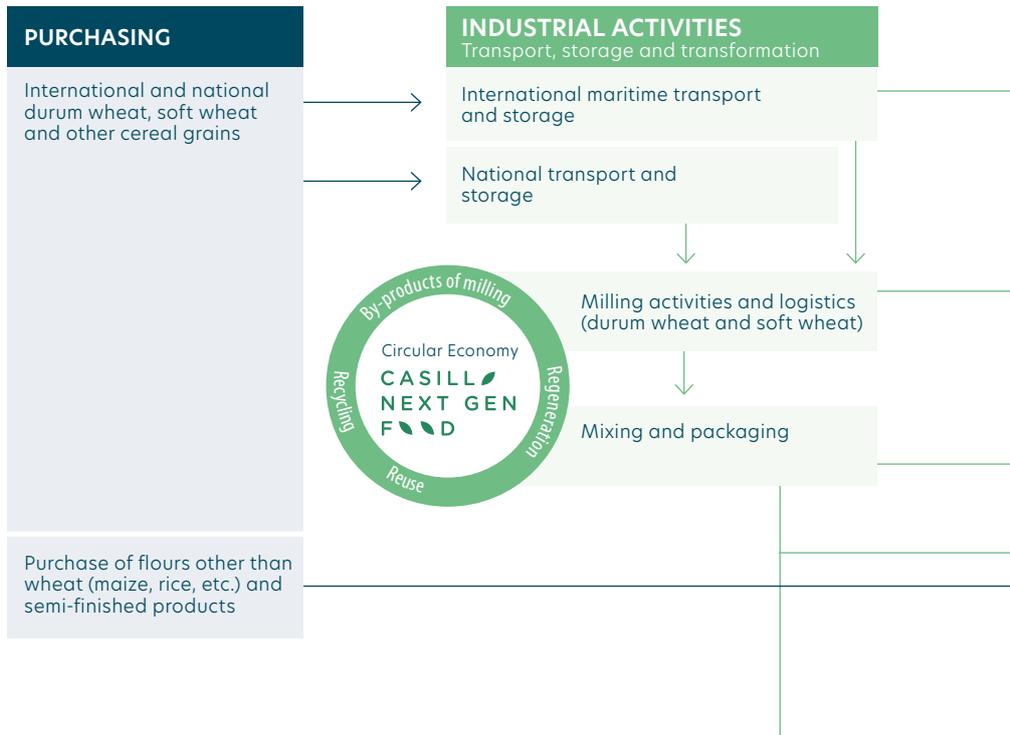
2-6

Input

- Financial capital
- Productive capital
- Quality of human resources
- Industrial and commercial know-how, Information & Innovation Technology
- Research & Development, innovative drive and continuous improvement
- International reputation and brand awareness
- Sound and dynamic governance
- Sustainability strategy
- Business ethics and values

Sustainable model and creation of shared value

Vision, mission and business values [page 18](#)



REAL ESTATE AND INVESTING

Project identification, due diligence and economic and financial analysis

Process for the creation of shared value

External context

Water resources management



Climate change

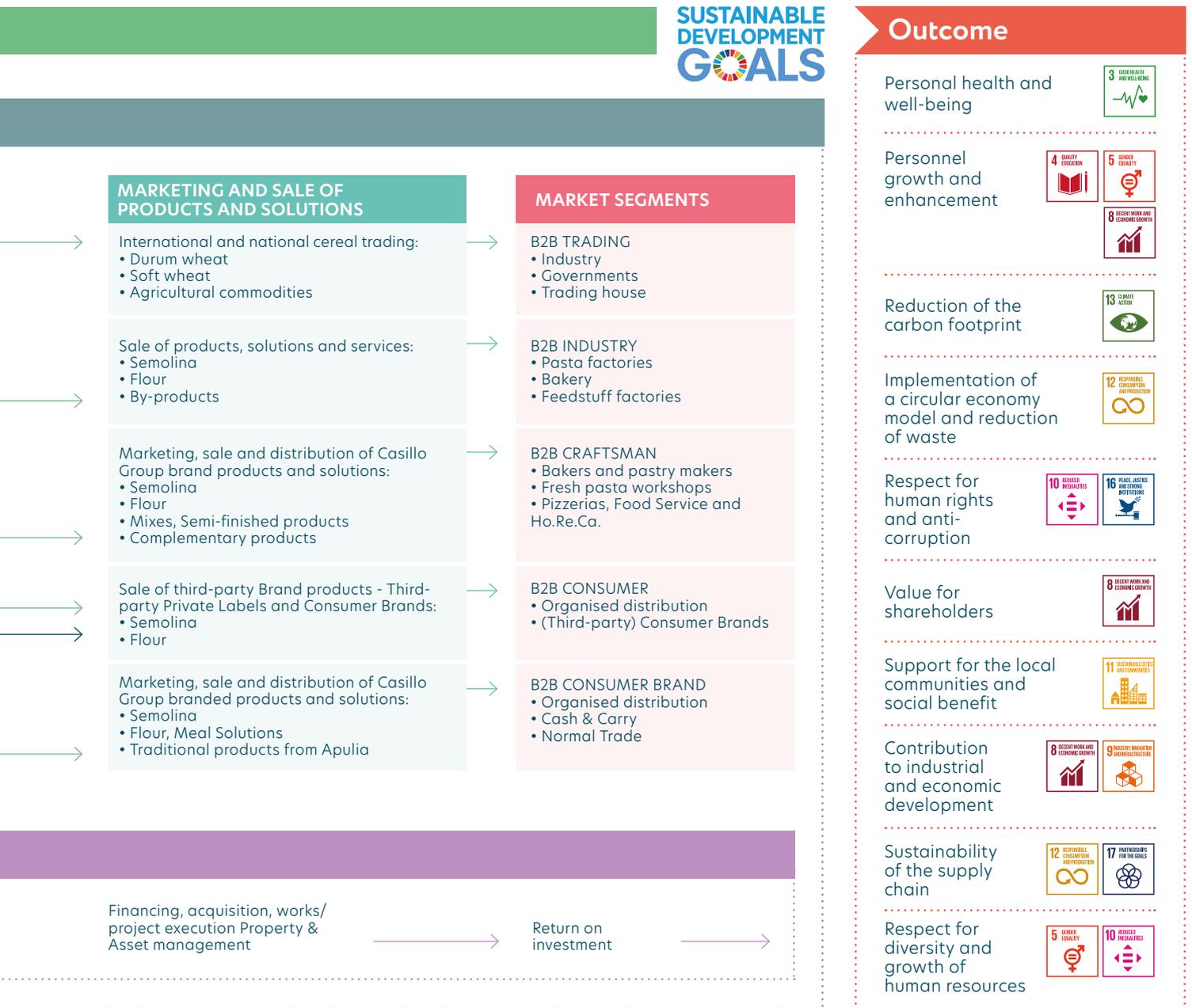


International conflicts



The Casillo Group's approach to Sustainable Development is based on a business model that integrates input, activities and business processes, and outcome in terms of impact on stakeholders, in line with the SDGs pursued by the Group and reported in the various chapters of this Report.

The Group business strategies, described in paragraph 2.2 (page 30), are centred on a circular economy model. The following chart illustrates the Business Model and Shared Value Creation Process.



Process for the creation of shared value

External context

Customer/consumer focus on product quality and safety



Land consumption



Social inequalities



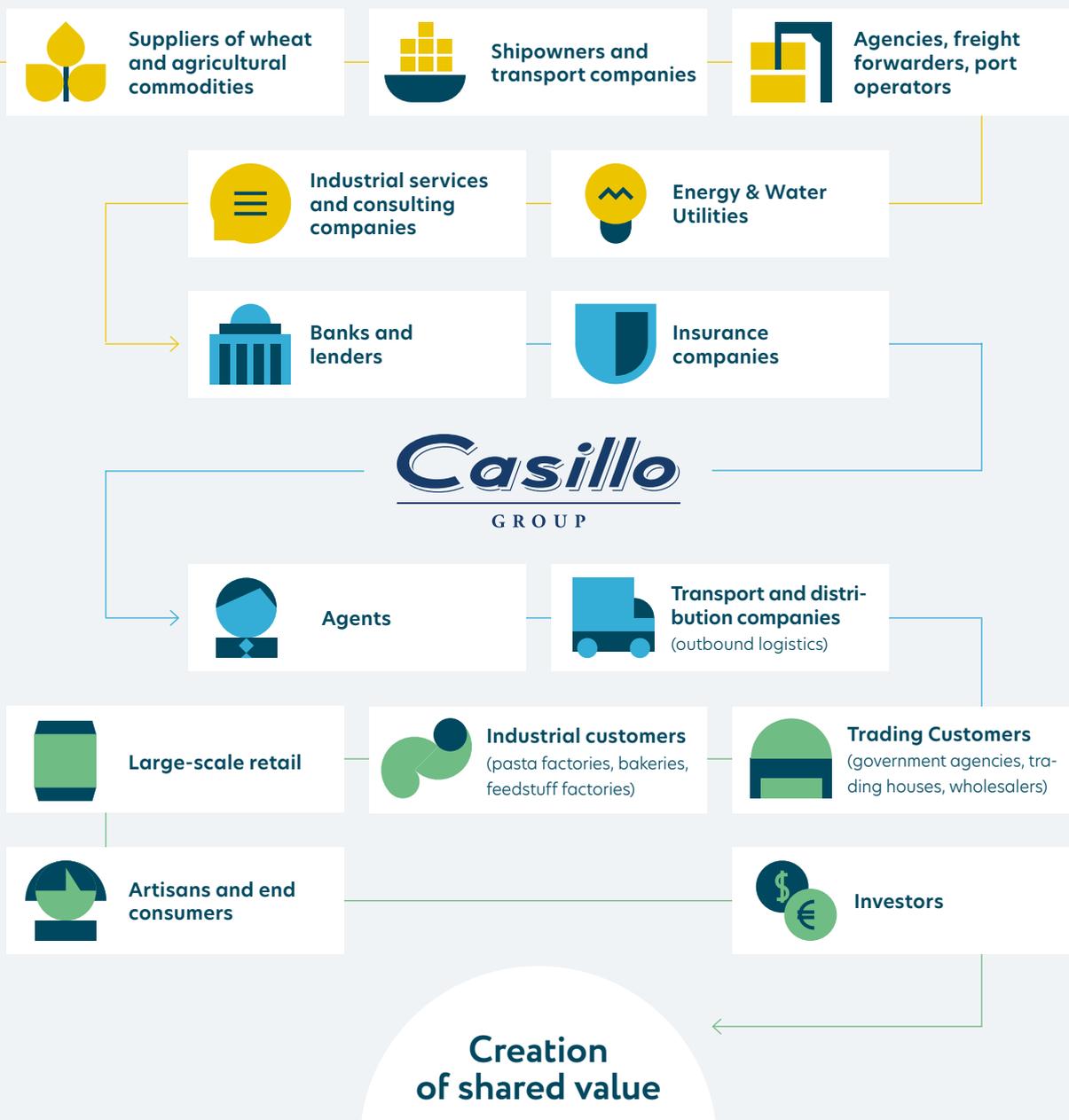
1.5 Value chain

2-6

The disclosure on the *value chain* plays an important role in the new sustainability reporting outlined by EU Directive 2022/2464 (“CSRD”), which introduces the obligation of sustainability reporting for large companies starting from financial year 2025. For this reason, by implementing a proactive approach, the Group considers it useful to anticipate some elements of this disclosure, describing the main players involved in the value chain.

The chart below complements the information contained in the representation of the Business Model and the Shared Value Creation Process referred to in the previous paragraph.

Key players in the value chain



CHAPTER 2

GOVERNANCE AND STRATEGY

Stakeholders

Shareholders, lenders, employees, business partners, community

Key numbers and significant initiatives

Sustainability pathway

Establishment of the ESG Committee with investigative, advisory and propositional functions vis-à-vis the Board of Directors for sustainability issues and corporate social responsibility

Appointment of the Impact Manager for the obligations of Casillo S.p.A. as a **Società Benefit**

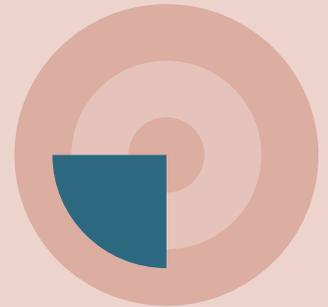
Implementation of the **sustainability due diligence process**

Strategic Plan

Update of the Strategic Plan reaffirming the core position of the 'food industry' segment (Industrial/Milling area plus Next Gen Food)

Policy

New **Whistleblowing Policy**



2.1 Corporate governance

Material topic no. 1

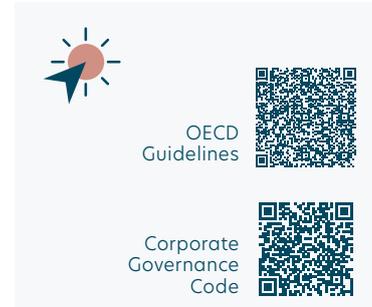
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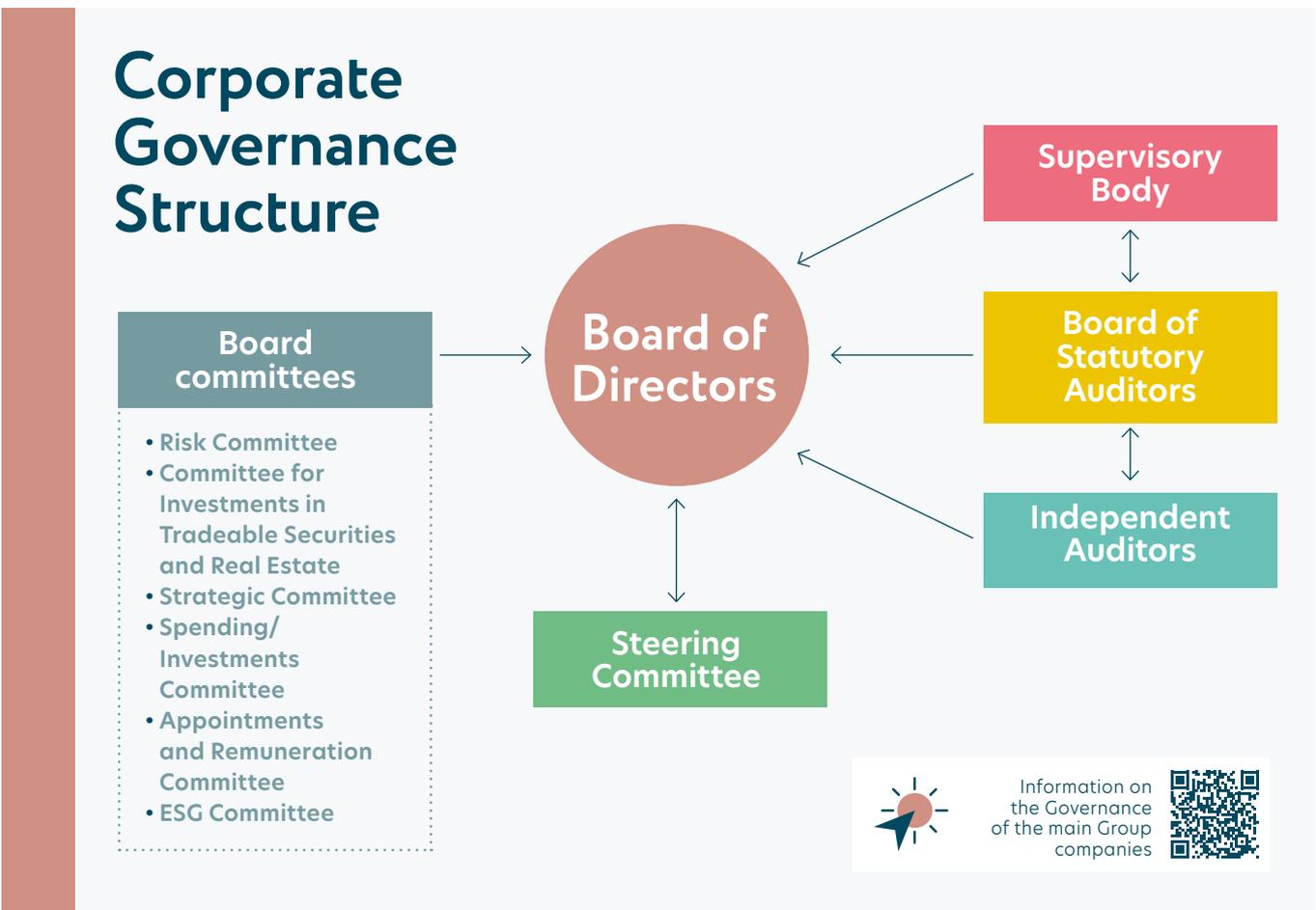
The Casillo Group firmly believes in a business management model based on sustainable development and the creation of shared value. These aspects are rooted in its corporate governance processes: the Group considers **good governance** an indispensable factor for the **creation of long-term value** while **respecting people and the environment**.

In strengthening corporate governance systems, the Group is inspired by national and international best practices, carefully considering the indications set out in documents such as the OECD Guidelines for Multinational Enterprises and the Corporate Governance Code.



The Governance Bodies

The corporate governance model envisages the allocation of direction, management and administrative powers to the Board of Directors, which relies on other board committees for the management of specific action areas, whilst the external supervisory control functions are assigned to the Board of Statutory Auditors, Supervisory Body and Independent Auditors, which interact with the Internal Control System.



Board of Directors

The Board of Directors (“BoD”) is the executive body appointed by the Shareholders' Meeting, which is entrusted with the functions provided for by the Italian Civil Code. The BoD represents the company's most important management and administrative body and is vested with the broadest powers for the ordinary and extraordinary management of the company. The BoD ensures the conduct of business activities and plays a key role in the corporate governance system, with responsibility for approving organisational strategies (including approval of the **Strategic Plan**), developing a management policy and defining guidelines on the risk management and internal control system, while identifying a level of risk compatible with the strategic objectives.

The selection of directors primarily takes into account managerial and technical-professional skills and experience in relation to the complex and varied business activities, at the same time considering independence requirements with the appointment of at least one inde-

pendent director. All members of the Board of Directors have accrued extensive and in-depth experience with reference to the sectors of activity, procurement and production locations, products and markets served.

The BoD also monitors management of the various **aspects and facets of sustainability**. It supervises the process of analysis and management of sustainability impacts and analysis of financial risks and opportunities deriving from sustainability issues, liaising with the ESG Committee, and approves the annual sustainability report, validating the related **Materiality Analysis** (page 8).



Table

Members of the BoD

Members	Date of appointment	Expiry date	Office held	Date of birth
Pasquale Casillo	29/06/2022	Approval of the financial statements as at 31/12/2024	Chair of the Board of Directors	05/06/1969
Cataldo Piccarreta	29/06/2022	Approval of the financial statements as at 31/12/2024	Chief Executive Officer	26/09/1961
Francesco Casillo	29/06/2022	Approval of the financial statements as at 31/12/2024	Director	27/04/1966
Beniamino Casillo	29/06/2022	Approval of the financial statements as at 31/12/2024	Director	29/01/1968
Paolo Guzzetti	29/06/2022	Approval of the financial statements as at 31/12/2024	Independent Director	17/02/1969

Board committees

The Board of Directors of the Casillo Group has set up a number of highly specialised committees, with investigative, advisory and proposal-making functions, dedicated to topics particularly important to corporate governance.

It should be noted that a new, key committee was established during the 2023 financial year: the **ESG Committee**, whose functions are described in the following table. In addition, on 28 March 2024, the Risk Committee Regulations were updated.

Risk Committee

(update 28/03/2024)

Functions

Responsible for ensuring risk control and management and the safeguarding of business value. The Committee is responsible for supporting the assessments and decisions of the Board of Directors relating to the internal control and risk management system and the approval of periodic financial and non-financial reports. The Risk Committee informs the BoD, Board of Statutory Auditors and the Supervisory Body on activities carried out.

Composition

The Committee is composed of no fewer than three directors, with the number set by the Board of Directors at the time of appointment. At least one of the members shall be a non-executive and independent director and hold the position of Chair of the Committee. The number of members must be less than the majority of the members of the Board of Directors. At least one member of the Committee must have adequate knowledge and experience in accounting and financial matters or risk management, as assessed by the Board of Directors at the time of appointment. The Chair of the Board of Statutory Auditors or another Statutory Auditor designated by the Chair of the Board participates in the meetings of the Committee.

Committee for Investments in Tradeable Securities and Real Estate

Functions

Ensures the control and management of investments in tradeable securities and real estate for the Group. This Committee works with the Spending/Investments Committee in a specific highly-specialised area dedicated to financial and real estate investments.

Composition

The Committee is made up of the following officers:

- Chair of the BoD of the Parent Company;
- Chief Executive Officers of Casillo S.p.A.;
- Executive Director of Casillo Partecipazioni S.p.A.;
- Head of the Central Finance & Process Department.

Spending/Investments Committee

Functions

Monitors and controls cost performance at Group level and application of the current Spending Regulation/Procedure.

Examines and validates the Group budget.

Composition

The Committee is made up of the following officers:

- Independent Director of the Board of Directors (Committee Chair);
- Chief Executive Officer (Deputy Committee Chair);
- Executive Director;
- Head of the Central Finance & Process Department;
- Head of Central Legal & HR & Corporate Communication Department (Committee Secretary).

Appointments and Remuneration Committee

Functions

Established with the aim of guiding the management and development of human resources according to managerial and relationship transparency criteria.

Submits proposals or expresses opinions to the BoD on remuneration policy (including remuneration for executives and key personnel), as well as on the correct identification and setting of performance targets for personnel.

Composition

The Committee is composed of no fewer than three directors, with the number set by the Board of Directors at the time of appointment. At least one of the members shall be a non-executive and independent director and hold the position of Chair of the Committee. The number of members must be less than the majority of the members of the Board of Directors.

At least one member of the Committee must have adequate knowledge and experience in financial matters and remuneration policies.

The Head of the Central Legal & HR & Corporate Communication Department performs the role of Secretary and assists the Committee and its Chair in the appointed activities.

Strategic Committee

Functions

Examines strategic investment proposals for submission to the BoD and monitors action plans in the company's Strategic Plan.

Composition

The Committee is made up of the following officers:

- Chair of the BoD of the Parent Company;
- Executive Director of the Parent Company;
- Chief Executive Officer of Casillo S.p.A.;
- Director of Casillo S.p.A.;
- Head of the Central Finance & Process Department;
- Head of the Central Legal & HR & Corporate Communication Department.

ESG Committee

(established by the Board of Directors decision of 11/01/2024)

Functions

It performs investigative, advisory and propositional functions towards the BoD in relation to **sustainability issues** and **corporate social responsibility**, for aspects such as:

- definition of the sustainability strategy;
- sustainability guidelines and macro-objectives;
- ESG courses of action, metrics and targets;
- sustainability due diligence;
- process of drafting the annual sustainability report;
- supervising the activities of the Impact Manager of Casillo S.p.A.;
- ESG finance.

Composition

The Committee is made up of the following officers:

- Francesco Casillo (Chair of Casillo S.p.A.);
- Pasquale Casillo (Chair of Casillo Partecipazioni S.p.A.);
- Michele Romano (Central Director of Finance & Process);
- Gabriella Galantino (Head of HR at Casillo Partecipazioni S.p.A.);
- Marta Laforgia (Quality Manager at Casillo S.p.A.).

ESG Committee and Sustainability Department

The vital importance of sustainability issues for the Casillo Group is demonstrated by the creation of a new board committee, the **ESG Committee**, with specific responsibilities for *corporate social responsibility (CSR)*. The ESG Committee became operational in 2024.

In 2023, the reporting on ESG performance and impacts, as well as the coordination of CSR activities, were undertaken by the Organisation Department, which, through the **Sustainability** structure, operated in accordance with directives from the BoD and the Central Finance & Process Committee. In 2023, the Sustainability Function coordinated with the central functions and the main area contacts, monitoring the enforcement of the sustainability

strategy and compliance with the BoD directives on ESG issues.

With the establishment of the ESG Committee, the Sustainability Function will continue to carry out its activities as a sort of 'operational arm' of the aforementioned Committee, to which it will report.

The establishment of three specific corporate bodies responsible for sustainability issues - ESG Committee, Sustainability Function and Società Benefit Impact Manager - will allow the Group to better manage the various facets of ESG issues and the growing commitments and responsibilities towards the objectives of sustainable development and the creation of shared value.

Steering Committee

Committee set up by the Board of Directors of Casillo Partecipazioni S.p.A., which has responsibility for contributing to the Group strategy and the preparation of the Group Strategic Plan and Budget, and related implementing plans. Provides support to the Board of Directors in governance decisions for achieving forecast economic and financial results and in operating performance analysis, proposing corrective actions, solutions and initiatives. Members include the managers of the central departments of the Parent Company and it is chaired by the Executive Director.

Board of Statutory Auditors

The Board of Statutory Auditors monitors compliance with law and the Articles of Association, the principles of sound administration and the adequacy of the organisational, administrative and accounting structure adopted by the Parent Company, as well as its actual operations. This activity also involves supervision of the internal control system. The independence requirements of the Board of Statutory Auditors are expressly envisaged by law.

57

Average age



Table

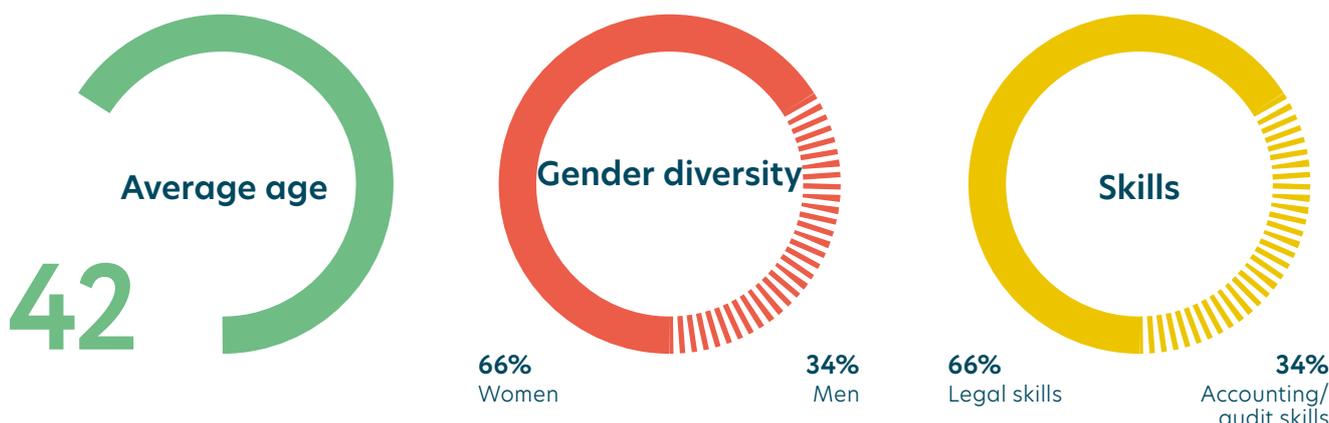
Standing Members of the Board of Statutory Auditors

Members	Date of appointment	Expiry date	Office held	Date of birth
Daniele Terenzi	29/06/2023	Approval of the financial statements as at 31/12/2025	Chair of the Board of Statutory Auditors	23/11/1976
Riccardo Martiradonna	29/06/2023	Approval of the financial statements as at 31/12/2025	Standing Auditor	14/06/1956
Umberto Cattaneo	29/06/2023	Approval of the financial statements as at 31/12/2025	Standing Auditor	25/08/1966

Supervisory Body

The Supervisory Body (SB) is responsible for supervising the adequacy of the *Organisation and Management Model pursuant to Italian Legislative Decree 231/2001* approved by the Company, constantly monitoring: (a) compliance by all its recipients; (b) its actual effectiveness in preventing the commission of offences; (c) im-

plementation of its provisions; (d) its updating, if a need for amendments is found in relation to changes in the organisational structure or in applicable regulations. The SB of Casillo Partecipazioni S.p.A. is composed entirely of independent external members.



Table

Members of the Supervisory Body

Members	Date of appointment	Expiry date	Office held	Date of birth
Rosanna Vitone	12/05/2022	12/05/2025	Chair of the Supervisory Body	30/05/1984
Vito Lisi	12/05/2022	12/05/2025	Member	12/09/1978
Donata Astrid Di Gregorio	28/03/2024	12/05/2025	Member	18/10/1980

It should be noted that each of the main subsidiaries of the Group has established an Organisation Model pursuant to Italian Legislative Decree 231/2001, appointing a specific SB.

Independent Auditors

Audits of the separate and consolidated financial statements of Casillo Partecipazioni S.p.A., and for sustainability report assurance on the contents of this document, have been assigned to the independent auditors EY S.p.A.

Table

Members of the Independent Auditors

Independent Auditors	Date of appointment/assignment	Expiry date	Activity carried out
EY S.p.A. (Assurance)	26/06/2023	Approval of the financial statements as at 31/12/2025	Statutory audit of the financial statements of Casillo Partecipazioni S.p.A. and the consolidated financial statements of the Group
EY S.p.A. (Climate Change and Sustainability Services)	18/04/2024	Annual assignment	Group sustainability report assurance

Appointment of Impact Manager

On 11/01/2024, the BoD of the Parent Company appointed Mr Sebastiano Miscioscia (Group CFO) as **Impact Manager** for the obligations of Casillo S.p.A. as a **Società Benefit**.

The figure of the Impact Manager is envisaged by art. 380 of Italian Law no. 208. The Impact Manager is the person entrusted with the functions and tasks aimed at pursuing the purposes of common benefit established by the Casillo S.p.A. Società Benefit, in addition to more specifically relating to the company's profits and savings, so that it can operate in a responsible, sustainable and transparent manner towards its stakeholders

(people, communities, local areas and the environment, bodies and associations, etc.).

The Impact Manager verifies the balance, in company management, between the interests of the shareholders, the pursuit of purposes of common benefit and the interests of the identified stakeholders.

The first **Impact Report** of the former Molino Casillo S.p.A. Società Benefit (now Casillo S.p.A. Società Benefit) is published on the company's website.



Molino Casillo
website - Casillo
Impact Report 2023

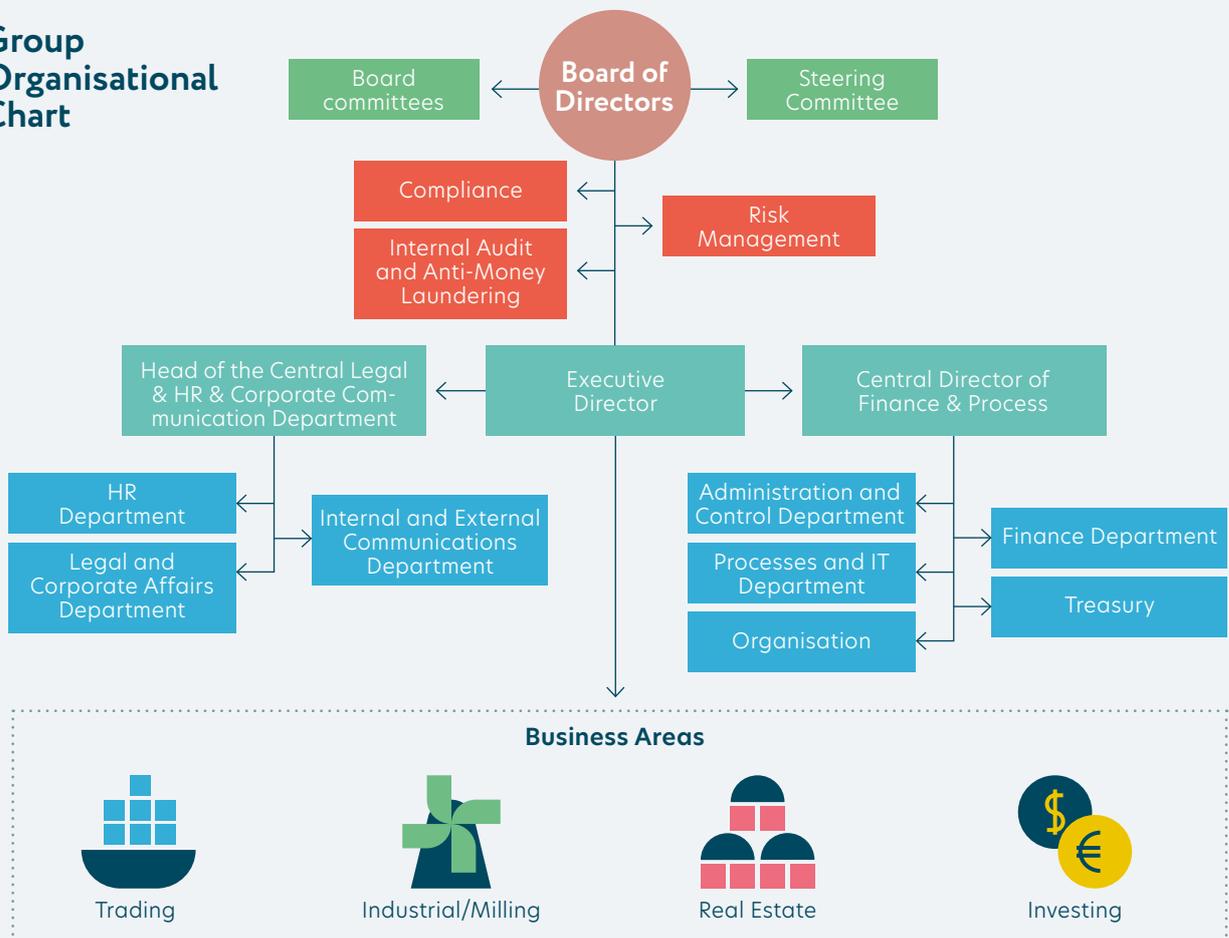


Casillo Group Organisational Chart

The Group's organisational chart envisages a structure of organisational units aggregated by comparable activities, overseen by a department manager. The matrix-type organisational design includes departments that provide staff services (central departments), market-oriented business units and departments that handle operations.

The organisational structure envisages the presence of two central divisions: the Central Legal & HR & Corporate Communication Department and the Central Finance & Process Department, which coordinate with the Executive Director. The two central departments coordinate and supervise the activities and objectives of all dependent organisational functions.

Group Organisational Chart



2.2 Sustainability Strategy

Material topic no. 2

Impact no. 10

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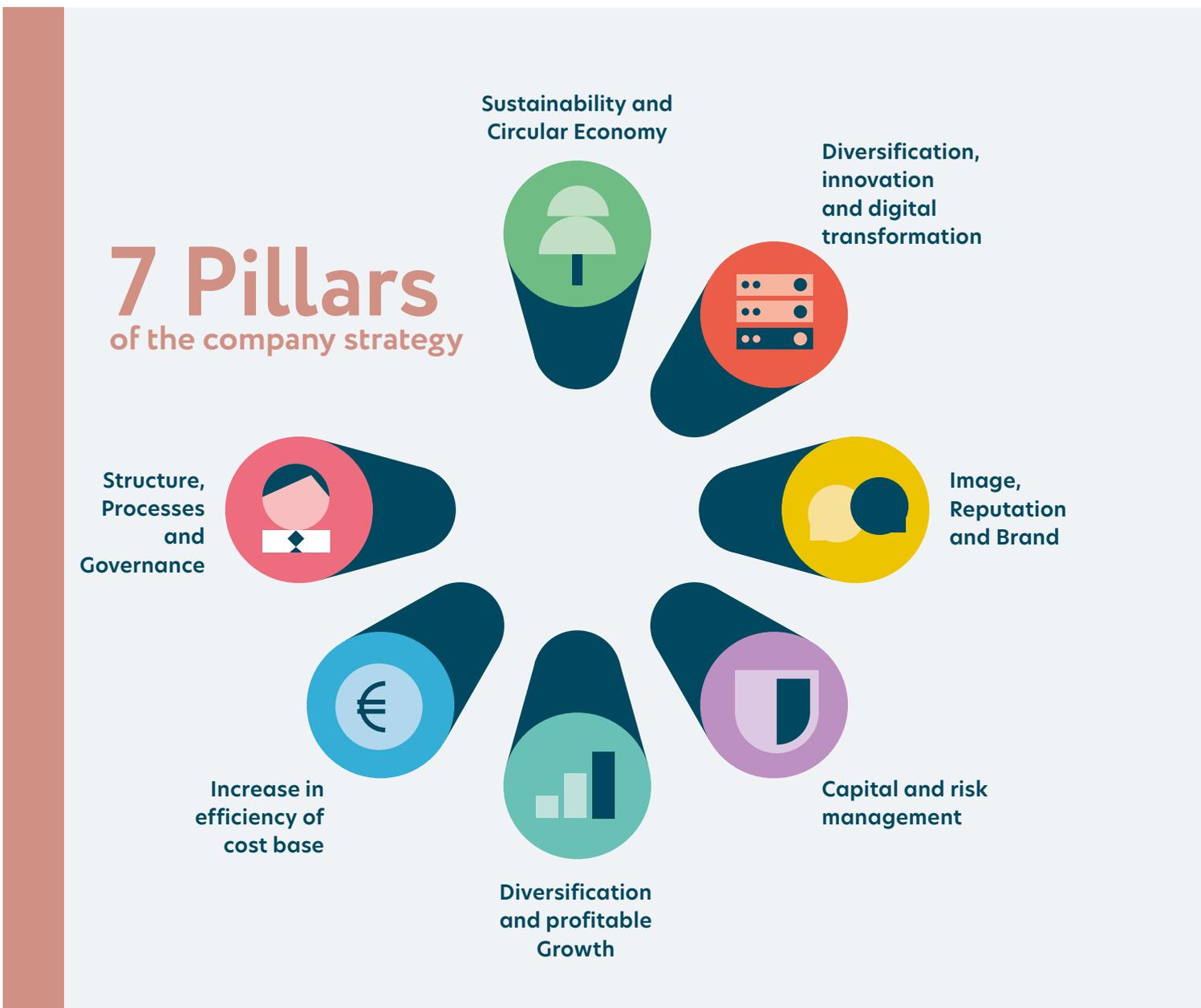


The Strategic Plan is the Group’s main policy document. Through its Strategic Plan, Casillo aims to pursue **growth** and the **creation of sustainable value**, increasing margins and the remuneration of capital, and, at the same time, controlling the related risks.

The aim of the Plan is to lay the foundations and action guidelines for the **sustainable development of the Group**, considering economic aspects on the one hand and those of an environmental and social nature on the other. For the Group, **sustainability** is the **business paradigm** as well as the **values compass**.

In 2023, the Group updated the Strategic Plan, with the support of a leading consulting company. The document, the economic and financial Business Plan of the Casillo Group for the period 2023-2025, was finalised at the beginning of 2024.

The **Strategic Plan** is structured into **7 strategic pillars**, as described in the following chart .



The new Plan contains important updates compared to the previous version: the 'basic' characteristics of the new Plan now encompass the renewed and increased **strategic value** of the Food Industry segment.

The Casillo Group, through Casillo S.p.A. Società Benefit, the main subsidiary of Casillo Partecipazioni S.p.A., created from the merger by incorporation of Casillo Commodities Italia S.p.A. into Molino Casillo S.p.A. Società Benefit (which subsequently changed its name to Casillo S.p.A. Società Benefit) has expressed a desire to set its **food industry-vocation closer to the heart of its business model**, which has been the Group's hallmark since its foundation. In this sense, the major and strategic investments should be interpreted, first of all in terms of research, development and innovation of products and production processes, with related technological investments, which characterise the Casillo Next Gen Food project for the **circular economy** enhancement of by-products from milling activities, which are described in detail in paragraph 4.1 (page 63).

In this sense, the new Plan provides for the establishment of the Next Gen Food BU, in addition to the existing business areas (Industrial, Trading and Real Estate), with operations scheduled to start in 2024.

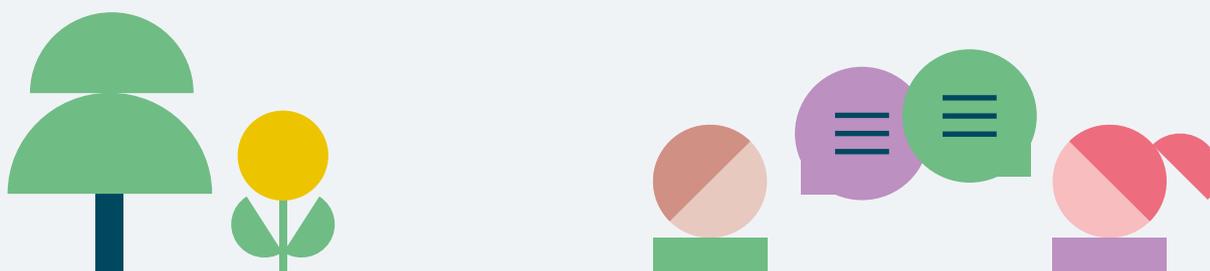
The renewed central role of the 'food industry' segment (Industrial/Milling area plus Next Gen Food) can also be seen from the increased percentage weight of this component in the group's comprehensive income statement. In the company plans, the weight of this component in 2025 is estimated at over 40%, with a rebalancing of the Trading component (which should reach 30%). Over

the years of the Plan, it is expected that the weight of revenues will be increasingly oriented towards the Milling and Casillo Next Gen Food area, driven by product innovations.

The central position of the 'food industry' component in the company plans goes hand in hand, in turn, with the specific choice to **intervene with a view to promoting a circular economy**, giving priority to all the Group's **sustainable development** interventions, as also evidenced by the choice to incorporate Casillo Commodities Italia S.p.A. into Molino Casillo S.p.A. Società Benefit, thus extending the purposes of common benefit also to the activity previously carried out by the company historically involved in the trading and procurement of agricultural commodities. The company created by the merger (deed of merger of 21 December 2023), Casillo S.p.A., has maintained its status as a Società Benefit, demonstrating the absolute importance of the **Sustainability and Circular Economy Pillar** in the Group strategy.

As further evidence of the strategic importance assumed by the 'food industry' component in the company plans, it should be noted that a leading international advisor was recently appointed to define the new commercial strategy of the products, with a related Life Cycle Assessment (LCA) analysis aimed at assessing the environmental impacts along the entire life cycle, the positioning of the brand and the organisational structure of the sales departments.

With regard to the **Real Estate** segment, the updating of the Business Plan envisages the making of real estate investments in the years 2025/2026, by which time all the projects will reasonably have concluded.



Preview 2024 - Group Sustainability Plan

The Corporate Sustainability Reporting Directive - Directive (EU) 2022/2464 ("CSRD") - and the new European Sustainability Reporting Principles "ESRS" prepared by EFRAG give special relevance to the sustainability strategy. With the entry into force of the CSRD (2025 for large groups of companies such as Casillo), the disclosure of specific information is required concerning:

- a description of the sustainability model and strategy (and how they interact in addressing significant impacts, risks and opportunities);
- the resilience of the model and strategy in relation to risks related to sustainability issues;
- opportunities for the group related to sustainability issues;
- business plans, including enforcement actions

- and related financial and investment plans;
- the way in which the model and strategy take into account the interests of stakeholders and the impact on sustainability issues;
- the methods for implementing the sustainability strategy;
- ESG targets and measurement metrics.

In order to be able to provide adequate disclosure in this regard, and generally improve the report on the Group's sustainability strategy, a work team has been set up which, with the help of an external advisor, will be responsible for preparing the **Strategic Plan of the Casillo Group**, for subsequent approval by the Company Management.

Reputational rating

In 2023, also to meet one of the objectives of the 2022-2025 Strategic Plan, '**Image, Reputation and Brand**', the Group launched a process of measuring its *corporate reputation*, using the **RepTrak®** model of the **Reputation Institute**.

The **RepTrak® model measures the Company's reputation according to 7 metrics** that influence the choices of stakeholders:

- 1) Products and Services;
- 2) Innovation;
- 3) Workplace;
- 4) Governance;
- 5) Social responsibility (Citizenship);
- 6) Leadership;
- 7) Performance.

The measurement has a duration of one year, starting from July 2023 until June 2024, using a reference benchmark and a specific group of stakeholders: Informed General Public.

In May 2024, the Casillo Group, only after the initial assessment, was included in the Top 100 of the Italian **Reputation Institute** ranking out of 250 companies analysed and assessed with turnover exceeding €750 million, confirming the path taken by the Group in the enhancement of its own ideals: product safety and quality, a focus on the environment, the development of local communities.

The Group supports the Sustainable Development Goals or **SDGs** of the **UN's 2030 Agenda** through programmes and initiatives to gradually reduce environmental impact and encourage the responsible use of resources.

The Casillo Group pays particular attention to climate change-related impacts that have repercussions on its businesses, and to the impacts of its own company production processes on the environment and on communities.

2.3 Stakeholder engagement

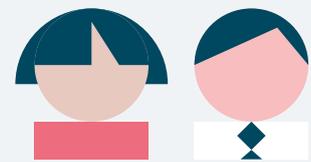


2-29

The Casillo Group considers it central to engage all significant stakeholders in multiple different initiatives through which to identify and understand relevant topics from their perspective, with the goal of reporting more effectively on the outcomes of its business strategy.

In this regard, the Group recognises the **principle of inclusiveness** as a focal point in its relationship with stakeholders or interested parties by paying attention, through listening and dialogue, to their needs and expectations, as well as reporting periodically on the results and impacts of its business activities.

Stakeholder map



Many different engagement methods are used. The stakeholder engagement and dialogue process has evolved over time. The main initiatives are presented below:

Table Methods of dialogue with stakeholders

Stakeholder category	Activity				
	Inform	Listen	Consult	Involve	Collaborate
Customers and end consumers	<ul style="list-style-type: none"> • Website • Social Media • Commercial documentation • Sustainability report 	<ul style="list-style-type: none"> • Customer care • Pre- and post-sales assistance • Market analysis 	<ul style="list-style-type: none"> • Management of digital channels • Research centre • Surveys • Follow-up audits received 	<ul style="list-style-type: none"> • Direct contacts • International meetings • Workshops • Report and complaint management • Customer satisfaction surveys 	<ul style="list-style-type: none"> • Specific interviews
Suppliers	<ul style="list-style-type: none"> • Website • Sustainability report • Code of Ethics 	<ul style="list-style-type: none"> • Feedback on quality • Supplier audit • Meetings, conference calls 	<ul style="list-style-type: none"> • Specific meetings • Surveys 	<ul style="list-style-type: none"> • Periodic technical controls • Direct contacts • Focus groups and issue-specific workshops • Suppliers monitoring programme Social Accountability 8000 	<ul style="list-style-type: none"> • Supplier verification and support programmes • Partnerships
Employees	<ul style="list-style-type: none"> • Periodic newsletter • Reserved channel under the 231 Model • Website • Sustainability report • SharePoint Casillo • INAZ portal 	<ul style="list-style-type: none"> • Meetings with trade union representatives 	<ul style="list-style-type: none"> • Monitoring of the company environment • Surveys 	<ul style="list-style-type: none"> • Team Building activities • Training projects • Health surveillance and workplace safety monitoring 	<ul style="list-style-type: none"> • Safety improvement programmes • Whistleblowing System
Shareholders	<ul style="list-style-type: none"> • Consolidated financial statements and report on operations • Sustainability report • Financial data and quarterly reporting 	<ul style="list-style-type: none"> • Conference calls • Specific meetings • National and international events 		<ul style="list-style-type: none"> • Shareholders' Meetings, Board of Directors meetings, steering committee and board committee meetings • Presentation of the Sustainability Report • Meetings with the Board of Statutory Auditors, SB and Independent Auditor 	

Stakeholder category	Activity				
	Inform	Listen	Consult	Involve	Collaborate
Environment	<ul style="list-style-type: none"> • AIA - Integrated Environmental Authorisation • Certification of the environmental management system • Website • Sustainability report 	<ul style="list-style-type: none"> • Public conventions 	<ul style="list-style-type: none"> • Specific environmental meetings 	<ul style="list-style-type: none"> • Promotion and dissemination activities carried out by customers in favour of the environment 	<ul style="list-style-type: none"> • Participation in industry work groups
Banks and lenders	<ul style="list-style-type: none"> • Consolidated financial statements and report on operations • Financial data and quarterly reporting • Sustainability report 	<ul style="list-style-type: none"> • Conference calls and meetings • National and international events 	<ul style="list-style-type: none"> • Surveys 	<ul style="list-style-type: none"> • Specific meetings 	<ul style="list-style-type: none"> • Investment projects
Universities and research institutes	<ul style="list-style-type: none"> • Website • Sustainability report 	<ul style="list-style-type: none"> • Conferences and events 	<ul style="list-style-type: none"> • Surveys • Public meetings 	<ul style="list-style-type: none"> • Specific workshops 	<ul style="list-style-type: none"> • Projects in collaboration with universities and training schools in Italy and abroad • Participation in projects, calls for tenders or research • Partnerships
Associations, local communities, national and local public institutions, media and influencers	<ul style="list-style-type: none"> • Website • Casillo Foundation website • Social Media • Sustainability report 	<ul style="list-style-type: none"> • Conventions and organisation of events 	<ul style="list-style-type: none"> • Local event support and participation • Surveys • Public meetings 	<ul style="list-style-type: none"> • Relations with institutions in the local area • Projects and initiatives for the local community • Workshops • Active participation in institutional work groups on sustainability • Specific meetings 	<ul style="list-style-type: none"> • Participation in theme-based institutional work groups • Participation in projects, calls for tenders or research

2.4 Sustainability Due Diligence

Material topic no. 1

Impact no. 9

2-12

2-13

2-22

2-24

3-3

During 2023, the Casillo Group implemented an initial **due diligence process** on **sustainability**.

Sustainability due diligence is the process through which companies identify, prevent, mitigate and explain how to handle actual and potential negative impacts on the environment and on people, related to their activities. This process is described in the [United Nations Guiding Principles on Business and Human Rights](#) and in the [OECD Guidelines for Multinational Enterprises](#). In the European approach to sustainability reporting outlined in the [Corporate Sustainability Reporting Directive \(CSRD\)](#) and in the [ESRS European reporting standards](#), one of the main **outputs** of sustainability due diligence is the **materiality analysis**, with the identification of impacts, risks and opportunities assessed as significant.

In the approach adopted by the Casillo Group, sustainability due diligence is understood as an ongoing activity, which aims to respond to changes that may impact company strategy, products and services, operating and procurement contexts, and possibly the business model. In particular, the analysis is updated annually by the Sustainability Structure, with the support of all the other company functions involved, and is reviewed and validated by the ESG Committee.

The approach to sustainability due diligence testifies to the commitment to sustainable development issues by the governance bodies of the Casillo Group.

At the end of the sustainability due diligence carried out for the year 2023, the material impacts for people and the environment, as well as the risks and oppor-

tunities (or benefits) of an economic/financial nature for the Company, deriving from the most significant sustainability issues were identified: the analyses in question are documented in the paragraph **Impact and financial materiality** ([page 8](#)). The management methods and disclosure on individual impacts, risks and opportunities are reported in the various paragraphs of this report.

It should be noted that, where the identification and description of significant impacts is reported in the paragraph Impact and financial materiality, the report on the methods of management of the same is contained in the various chapters of this Report. In order to facilitate disclosure on impacts and to be able to map the information, the paragraphs of the report that contain report relating to a significant impact are marked with a specific infographic, as illustrated in the methodological note.



Guiding Principles
on Business and
Human Rights



Corporate
Sustainability
Reporting Directive



2.5 Integrated business risk management



- Material topic no. 1
- Impact no. 9
- 2-12
- 2-13
- 2-24
- 2-25
- 2-26

Aware of its role in economic, social and environmental terms, and the related implications of responsibility for the impact of its operations on stakeholders and consequently the need to identify, analyse, monitor and manage business risks, the Group has established a well-structured internal control system that sees the active involvement of Governance.

The **Internal Control System (ICS)** is a fundamental element in the complex governance system of the Casillo Group, in that it ensures that the company's activities are in line with the business strategies and objectives, are consistent with company policies and compliant

with cogent and voluntary requirements and also apply the criteria of sound and prudent management. The Group's Internal Control System adopts a modern structure, in that it was designed to be an **integrated business risk management tool, a risk-based system that incorporates risk analysis and management processes.**

Over the years the Casillo Group has established specific risk control functions² and has a set of documents that govern company activities. The structure of the Internal Control System is as follows:

<div style="background-color: #8e44ad; color: white; padding: 5px; text-align: center; font-weight: bold;">Internal Audit, Risk Management and AML</div> <p>Collaborates in defining and implementing the RAF (Risk Appetite Framework) and risk governance policies</p> <p>Provides support to the Board of Directors and Management in correctly identifying and managing risks</p> <p>Controls and monitors the exposure to each type of risk</p> <p>Controls operating performance and the development of risks</p> <p>Assesses the organisational structure and components of the internal control system, indicating potential improvements</p> <p>Formulates recommendations to the corporate bodies based on the results of its controls</p> <p>Monitors anti-money laundering (AML) aspects</p> <p>Provides support to the governance bodies, including assurance of the adequacy of the company's internal control system</p>	<div style="background-color: #27ae60; color: white; padding: 5px; text-align: center; font-weight: bold;">Quality, Environment and Sustainability</div> <p>Guarantees the correct implementation of all central activities concerning food safety management, Group quality standards and environmental protection</p> <p>Monitors the Group quality KPIs</p> <p>Manages document-related obligations to the competent authorities</p>	<div style="background-color: #e74c3c; color: white; padding: 5px; text-align: center; font-weight: bold;">Security</div> <p>Develops and implements strategies, policies and operating plans to prevent and combat any fraudulent and/or unintentional assault that could damage tangible, intangible, organisational, human and reputational resources of the Group.</p> <p>Promotes the culture of safeguarding corporate assets through <i>security awareness</i> campaigns</p> <p>Prepares and shares policies and procedures for the implementation of an integrated security process</p>
<div style="background-color: #3498db; color: white; padding: 5px; text-align: center; font-weight: bold;">Compliance Officer</div> <p>Supervises compliance risk management</p> <p>Verifies that internal procedures are suitable for preventing such risk</p> <p>Provides support to Management in establishing operating practices aligned with sector regulations</p> <p>Defines the compliance risk assessment methods</p> <p>Provides assurance to the governance bodies on the compliance of business activities conducted</p>	<div style="background-color: #2ecc71; color: white; padding: 5px; text-align: center; font-weight: bold;">Safety</div> <p>Workplace safety function that coordinates the activities of the Protection and Prevention Service Managers (RSPPs) for the Group production sites</p>	<div style="background-color: #c0392b; color: white; padding: 5px; text-align: center; font-weight: bold;">DPO</div> <p>Data Protection Officer, a role introduced by the GDPR for the protection of personal data.</p>

² All the ICS functions cited have been outsourced to guarantee impartiality, whilst the **Quality, Environment and Sustainability** function is insourced. In particular, from 01/07/2023, the **Internal Audit, Risk Management and AML** function has been entrusted to Deloitte Business Solution S.r.l. S.B.

The components of the Casillo Internal Control System interact with the Risk Committee - which, as indicated in paragraph 2.1, monitors Group risks - and with the Board of Directors, to which most of them report. In addition, the Board of Statutory Auditors and the Supervisory Body (of the Parent Company and those established by subsidiaries) contribute to raising awareness of Governance in relation to risk management.

Risk Appetite Framework (RAF)

With regard to this important **risk management** tool - aimed at identifying a reference framework for the management of aspects such as risk appetite, tolerance thresholds, risk exposure limits and the related risk governance policies in relation to trading in the various categories of commodities - the Group, through the subsidiary Casillo S.p.A. Società Benefit, launched an internal project in 2023 that aims to define the RAF

model and ensure its subsequent entry into force. The project is expected to be completed in 2024, with the introduction of a **management model**, which provides for the support and supervision of operations through a specific tool for monitoring consistency between the risk profile assumed by the Company and the Risk Appetite.

The risks to which the Group is exposed are external, linked to the macroeconomic scenario of reference, and internal, relating to operating activities and the sectors of operation of companies in the Group scope. An overview of the main risk categories is provided below.

ESG (Environmental, Social and Governance) risks

ESG risks refer specifically to those concerning environmental, social, HR management, anti-corruption, human rights and governance impacts.

Given the nature of the company's activities, the following topics are of considerable importance:

- workplace safety with related health surveillance;
- food safety;
- risks associated with events that could have an effect on the environment or on the health of the population.

ESG risks are monitored by all control functions of the ICS (particularly the Quality, Environment and Sustain-

nability, RSPP/Safety, Compliance, DPO functions), as well as by the Risk Committee, Steering Committee, ESG Committee, Board of Statutory Auditors, 231/01 Protocols and the Supervisory Body.

ESG risk assessment also takes into account the results of assessments carried out by the independent rating agency Standard Ethics as part of its sustainability assessment for release of the Standard Ethics Rating ([page 7](#)).

Strategic, compliance and operational risks

Strategic risks

These relate to management decisions on business growth, company profitability, the diversification pursued by the Group, or which derive from inadequate implementation of business plans and strategies, as well as poor reaction to changes in the external environment. Included in the scope of responsibility of the entire Board of Directors, Steering Committee and Board Committees, these risks are monitored as part of the strategic sustainability plan to shed light on the procedures whereby they are pursued and the consistency of operations with respect to strategies.

Compliance risks

These refer to cases of failure to comply with laws or regulations. They are managed by the Compliance Department and by the Central Legal & HR & Corporate Communication Department, which interact with the Board of Statutory Auditors and the Supervisory Body.

Operational risks

The constant commitment to improving process efficiency and to safeguarding employees accompanies the Group's growth, continuously mindful in every phase of production and operations, and likewise the safety and ongoing training of personnel. The most important operational risks include those associated with processes to safeguard product quality, guarantee the traceability of raw materials and guarantee the quality of transformation and storage processes. Operational risks also include those relating to information systems, cybersecurity and the protection of data against external cyber attacks.

For a description of financial risks - liquidity risk, credit risk and market risk (exchange rates, prices and interest rates) - please refer to the Report on Operations in the 2023 Consolidated Financial Statements.

2.6 ESG policy for responsible business conduct



Material topic no. 1

Impact no. 9

2-18 2-19 2-20 2-23 2-24 2-25 2-26 2-27 205-2 205-3

The Casillo Group has implemented various policies aimed at regulating the multiple aspects of company management. The main aspects of **company policies for sustainability issues** are summarised below.

Green Procurement Policy

This **policy** is aimed at **minimising the impacts of Group companies and their suppliers on the environment**. The *Green Procurement Policy* represents an important step in response to the commitment to environmental issues and the SDGs of the 2030 Agenda.

- The Group's Green Procurement Policy is a structured document governing aspects such as:
- relations with suppliers and business partners, raising awareness of food safety issues; sampling and testing plans for specific risks (allergen management, management of products deriving from organic farming, cross-contamination management, etc.);
 - supplier monitoring programme, following the implementation of the Social Accountability 8000

- management system, based on a "core" and "non-core" classification that verifies compliance with standards on **human rights** and workers' rights, as well as identifying risk situations;
- requirements demanded of raw materials suppliers in relation to food and environmental safety;
 - requirements demanded of service providers, including environmental aspects (waste disposal, emissions);
 - product safety and traceability;
 - environmental policy and related impacts (renewable sources and energy efficiency, GHG emissions, water needs and waste);
 - innovation and best practices.

Policy for the prevention of corruption and other offences

Policy for the prevention of corruption and other offences

The Casillo Group has implemented a specific **Group Anti-Corruption Policy to prevent corruption and other offences**, a set of rules of conduct that the Group asks its employees and partners to comply with in governing their work. In addition to the Anti-Corruption Policy, important controls to combat corruption include action by the Appointments and Remuneration Committee, the work of the internal control functions (namely the Compliance, Risk Management and Internal Audit/Anti-Money Laundering Departments), and the supervisory activities of the SB and Board of Statutory Auditors.

Casillo interacts constantly with multiple parties and for this reason it was considered necessary to adopt a detailed system of rules and controls to prevent corruption and other offences, with the aim of preventing their commission. The individual company managers must carry out their activities in full compliance with all applicable national laws, the Organisation Models pursuant to Italian Legislative Decree 231/01 adopted by the Group companies and the respective **Codes of Ethics**.

The Policy applies to all Group companies and has been disclosed to all directors, executives, members of the control bodies and employees of the Group companies,

as well as to their advisors and suppliers. The document was last updated as at 10 November 2021.

In addition to issues more closely related to active and passive anti-corruption, the Policy also governs other offences and criminal conduct, i.e. conduct designed to: abuse others' trust, contrary to the principle of good faith; circumvent legal and regulatory provisions; and cause harm to others and undue personal benefit.

The Group encourages all employees to report any violations of the Anti-Corruption Policy. The anonymous reporting channels activated include the specific one identified in the **Whistleblowing policy** (page 84).

Lastly, note that no cases of corruption were confirmed in 2023, nor cases of failure to comply with laws and regulations.

Group remuneration policy

In order to improve its competitiveness also through participation tools related to company results, in 2023 the Group formalised a process for corporate organisation by outlining, also for compliance purposes, the general principles and guidelines to be observed in their management. It also identified the main responsibilities of the organisational structures involved, to adopt and implement a staff remuneration policy, as well as to attract, motivate and retain resources with the professional qualities required to profitably pursue the Group's objectives.

From time to time the Group undertakes to identify non-financial objectives linked to environmental and social sustainability, agreeing to communicate them to the recipients of **the MBO Plan**.

The presence of an **Appointments and Remuneration Committee**, established by resolution of the Board of Directors of the Parent Company and composed of three directors, ensures compliance with and implementation of the principles contained in the policy relating to aspects such as career advancement, merit-based pay rises, results-related incentives and bonuses, annual variable incentive system (MBO - *Management by Objectives*).

The Policy applies to all companies falling within the scope of the Casillo Group as previously defined. All Casillo Group employees are required to comply with this Policy.

Social media policy

The use of social media is a feature of our times. The spread of devices that can connect every user to an immense network of other users becomes a way of sharing personal aspects of our lives. For this reason, through a specific **Policy** dedicated to the correct use of social media, updated as at 23 November 2021, the Casillo Group invites its employees and partners - at every level and grade - to be watchful of the many risks on the web that can have repercussions on the company's business.



Social media policy



Gift Management Procedure

The **gift management** procedure forms part of the principles governed by the organisation models pursuant to Italian Legislative Decree 231/2001 adopted by individual Group companies, and is an integral part of the related Protocols. It strictly defines the procedure for receipt and offering of gifts and other benefits, from and to third parties.

Whistleblowing Policy

The Casillo Group, in compliance with Italian Legislative Decree 24/2023 on the anonymous reporting of offences by employees and agents, activated a specific procedure in 2023, which may be viewed at the following [link](#). For further details, please refer to paragraph 5.2 (page 84).

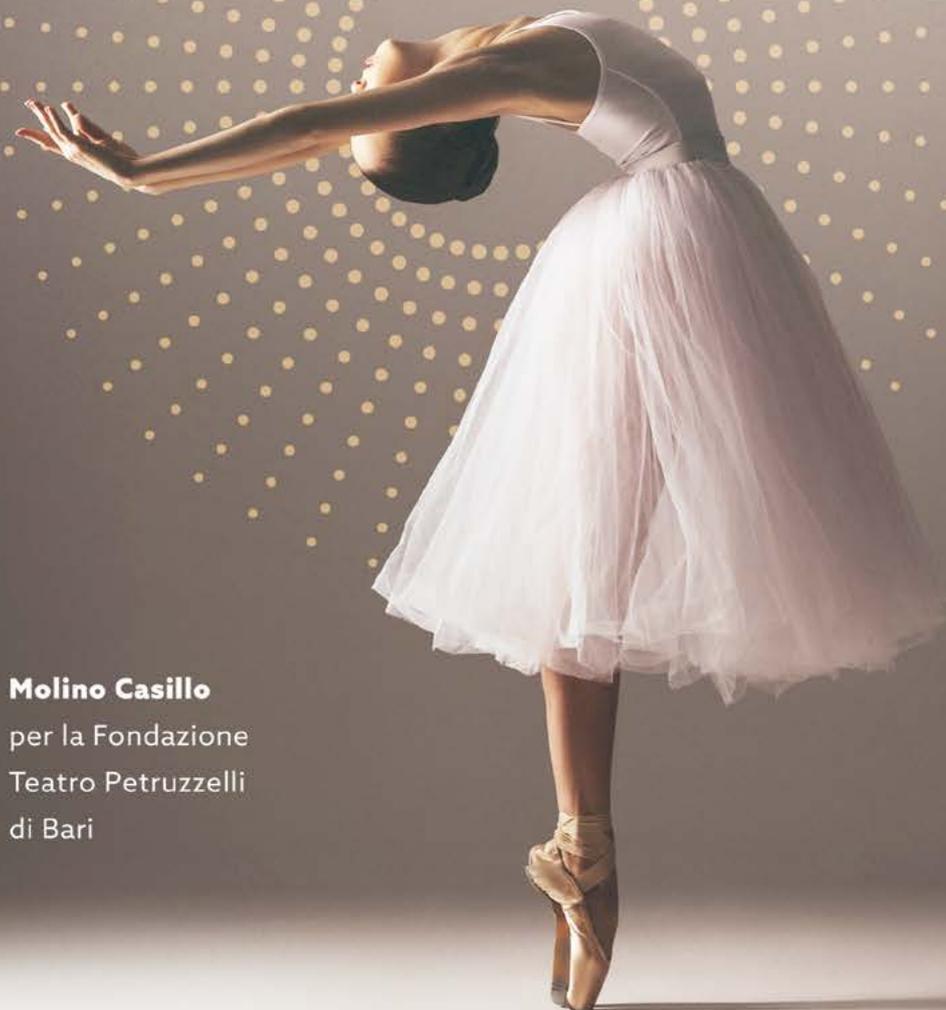


Casillo Group
Whistleblowing
Policy





CHI SEMINA
BELLEZZA
RACCOGLIE
FUTURO



Molino Casillo
per la Fondazione
Teatro Petruzzelli
di Bari

2.7 Business ethics and respect for human rights



Material topic no. 10

Impact no. 16

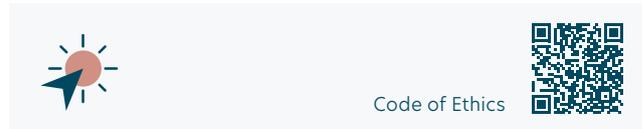
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2-23

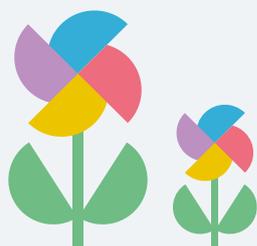
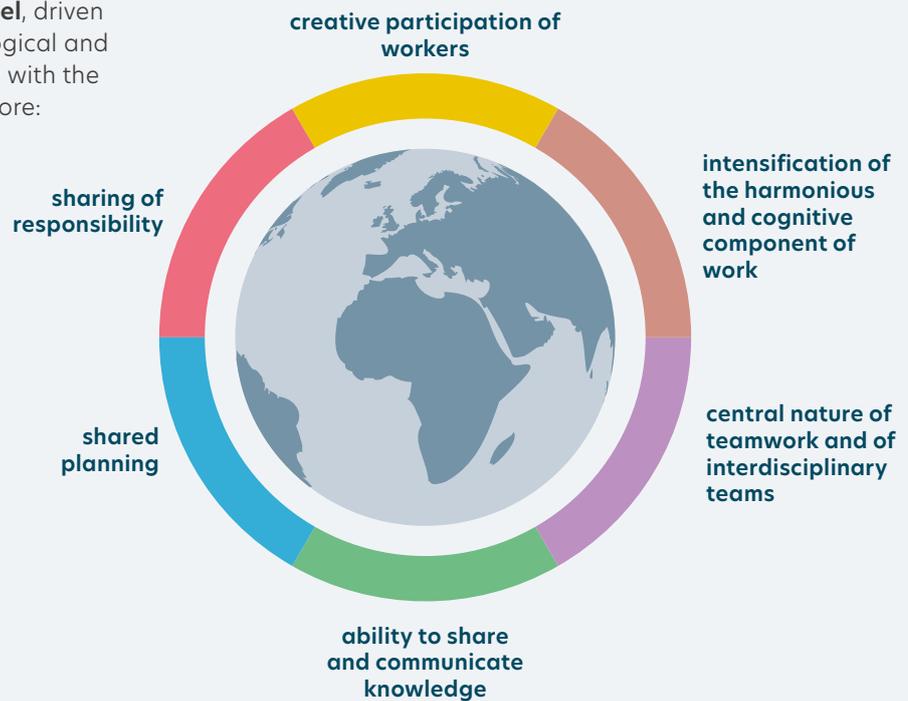
The Group considers "Ethics" as the set of rules and moral principles towards oneself and towards others. The transition from individual actions to a broader organisational and business sphere cannot ignore issues of corporate social responsibility and awareness.

Given the importance of respecting ethical values, the **Group's Code of Conduct** describes the appropriate conduct that must inspire the actions of Group personnel, along with the principles contained in the **Code of Ethics**. The primary objective of the Code of Conduct is

to share and disseminate the values in which the Group recognises itself, ensuring that everyone remembers that not only their personal interests, rights and duties are at stake, but also those of others.



The Group draws inspiration from the **Global Industry model**, driven by the values of a sociological and anthropological business with the following aspects at its core:



Among the most important aspects highlighted in the Code of Conduct are the promotion of a human and professional work style, made up of fair conduct, a balance between respect for individuals and the interests of the Group, sharing and respect for human rights and the values and principles of reference.

In defining its values, the Casillo Group is inspired by the UN's **Universal Declaration of Human Rights**, the **International Labour Conventions** and **Recommendations** issued by the ILO (International Labour Organi-

zation), the **Earth Charter** prepared by the ECI Council and the **principles of the UN Global Compact**.

The Group Code of Conduct applies alongside the Codes of Ethics of the main Group companies, which have established an Organisation Model pursuant to Italian Legislative Decree 231/01.

Lastly, it should be noted that there were no episodes or incidents caused by non-respect or violation of human rights, or social discrimination.

CHAPTER 3

ENVIRONMENTAL SUSTAINABILITY

Stakeholders

Environment, national and local institutions, local communities, environmental associations, universities and research institutions

Key numbers and significant initiatives

Energy from renewable sources

+105% **doubling of production** compared to 2022 (+9,703 MWh of electricity produced, +105.5% compared to 2022)

Investments and entry into operation of photovoltaic plants

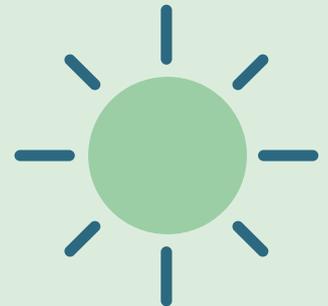
for the production of electricity and the reduction of climate-altering emissions: new photovoltaic plant in Ortona (CH), upgrading of the plants in Modica (RG) and Corato (BA)

Water consumption

-2.5% **reduction in water consumption** compared to 2022

Protection of the territory

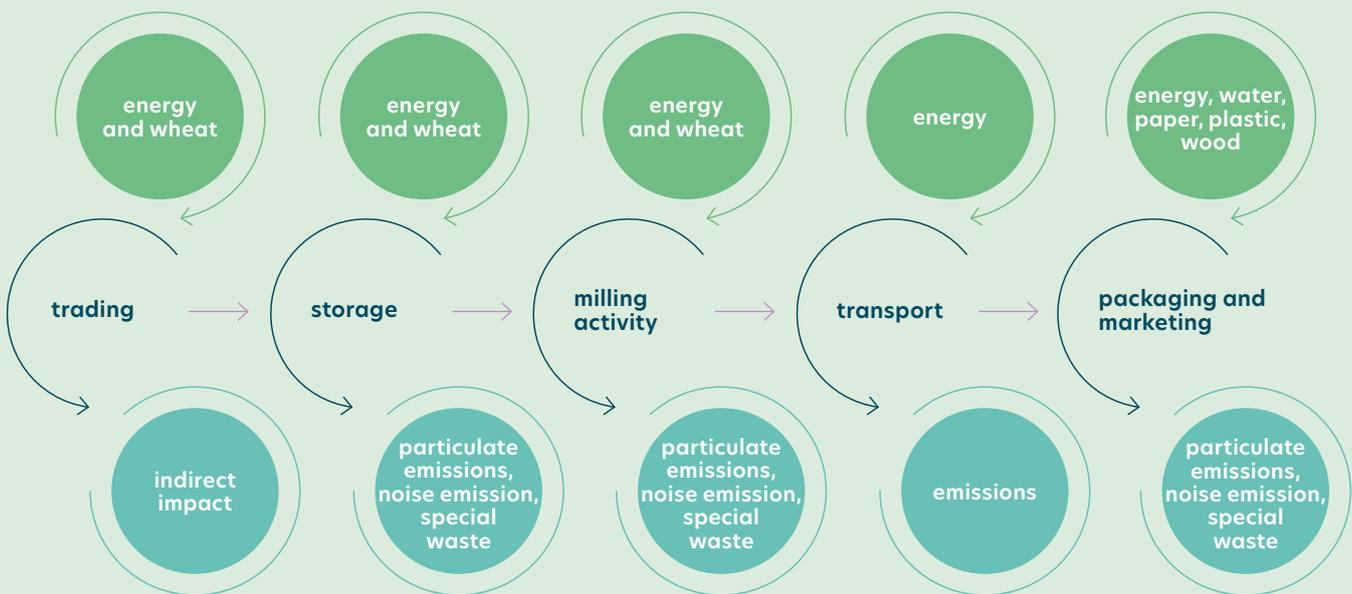
Project to **safeguard the natural heritage: adoption of the Cecibizzo Forest** and start of forestry works for the maintenance and enhancement of the wood



Aware of the role that companies assume on the environment through the impacts generated by their activities, the Casillo Group plans and implements a series of interventions aimed at the progressive reduction of environmental impacts and the rational use of resources, for the benefit of current and future generations. In particular, the Group implements:

- actions to **reduce energy consumption**;
- activities for **monitoring emissions** (including noise) originating from production processes, guaranteeing full compliance with legal provisions;
- activities of **continuous monitoring of waste production data**, promoting separated waste collection and giving preference to recycling.

The Group's environmental impact can be summarised as follows:



3.1 Energy consumption and efficiency



Material topic no. 12

Impact no. 5

302-1

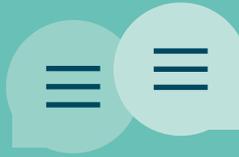
302-4

Global warming and climate change are increasingly becoming environmental issues that manifest themselves in tangible and worrying events, in some cases with extremely harmful consequences for people and territories, and which require private companies to also take concrete action.

In addition to operating in compliance with national regulations and the regions in which it operates, the Casillo Group has concretely take action with interventions intended to:



prefer the use of **energy from renewable sources** with low environmental impact



report on environmental topics **in a clear and transparent manner**



raise awareness in the communities on environmental topics

Among the activities carried out by the Group, the milling industry is the most energy-intensive and, therefore, requires particular attention both in the consumption monitoring phase and in the planning, identification and implementation of **energy efficiency** actions and reduction of consumption of energy from fossil sources, constantly increasing **self-production and the use of energy from renewable sources**.

Moving on to analyse consumption, the **total energy consumption** (electricity and natural gas) in gigajoules was **435,047 GJ** in 2023 (430,968 GJ in 2022). The slight increase recorded (+0.9%) is consistent with the performance in production and, in terms of environmental im-

pacts, benefits from the doubling of energy production from renewable sources, as described below.

Energy consumption essentially refers to electricity: in fact, natural gas consumption represents just 0.3% of total consumption and energy consumption for the company fleet is absolutely irrelevant.

Below is the performance in electricity consumption and data on energy savings from renewable energy production in 2023, compared with the results of previous years.

Graph Electricity consumed (MWh)



Total energy consumption is substantially in line with the 2022 figure, recording a slight increase of 0.8% in 2023, mainly attributable to the combined effect of the increase in consumption for the milling sites of Sorbolo and Monfalcone and of the reduction for the production plants in Salerno and Ortona.

The values for natural gas consumption are much lower than for electricity. In fact, the final figure in 2023 was 1,398.6 GJ in total, equal to 388.5 MWh (665 GJ, i.e. 184.7 MWh in 2022). The increase in consumption com-

pared to 2022 is due to the entry into operation of the Casillo Next Gen Food plant in 2023.

On the other hand, with regard to the energy produced through plants that use **renewable sources** (photovoltaic and hydroelectric), which contribute to the reduction of energy from fossil sources, with clear impacts in terms of reduction of climate-altering emissions, a comparative chart relating to the green energy produced by the Group is provided below.

Graph Energy produced from renewable sources (MWh)



With regard to data on the **energy produced from renewable sources**, in 2023 there was a **doubling of production** compared to 2022 (+105.5%), deriving from the entry into operation in January 2023 of the **new photovoltaic plant in Ortona (CH)** and the **upgrading of the photovoltaic plants in Modica (RG) and Corato (BA)**, respectively in April and June of the same year. These extensions **increased the capacity of the Modica plant by 1 MWp and 4.8 MWp for the Corato plant**.

The production of electricity from renewable sources is the total energy produced in the year 2023 by the current **8 renewable energy plants**, of which 7 photovoltaic and 1 hydroelectric.

In compliance with regulatory provisions for businesses that are strong energy consumers, all Casillo Group production sites have **Energy Management Systems (EMS)** to pursue energy optimisation objectives with the aid of a continuous monitoring system for consumption.

In December 2023, on a cluster of production sites representative of the energy consumption of the electric company Sinergie Molitorie S.c.a r.l., the **mandatory energy diagnoses (diagnosi energetiche obbligatorie - DEO)** were carried out by a certificate third party, in line with the provisions of Italian Legislative Decree 102/2014. The purpose of an energy diagnosis is to

assess the possibilities of intervention, so as to reduce consumption, self-produce renewable energy, optimise the building-plant system management methods (energy supply contracts, management methods, etc.) and achieve a reduction in energy costs and environmental impact.

The topic of energy efficiency is central for the industrial investments of the Casillo Group and has been integrated within a wider strategic programme of technological innovation projects, targeted at reaching the objectives set out in the country's *Industry 4.0 Programme*.

The Casillo Group has worked for:



applying the **technological standards and efficiency solutions** consolidated in previous years at the main plants to peripheral plants;



executing **constant improvement actions** targeted at maintaining and enhancing performances, achieved through the **plant revamping plan** implemented from 2012.

These initiatives delivered significant benefits for the Group's energy budget, enabling it to record not only an **improvement in energy performances** but also a **reduction in CO₂ emissions**.

Investments in renewable energy sources

During 2023, the construction works of the photovoltaic plant in Ortona and the works to upgrade the photovoltaic plants of Corato and Modica, all owned by the subsidiary Sinergie Molitorie S.c.a r.l., were completed.

Linked for self-consumption to the respective production facilities of Sinergie Molitorie S.c.a r.l., the new photovoltaic electric power makes it possible to achieve the following objectives:

- limiting the cost of electricity used in the production process;
- increasing the Group's energy independence quota;
- maximising environmental benefits through the use of clean, renewable energy produced directly on site.

In particular, following the upgrading of the Corato plant - together with the revamping with a new technology already carried out in 2022 - about **one third of the total energy needs of the Corato headquarters are met by renewable electricity**.

During 2023, all authorisations, permissions and deeds of consent, however called, were obtained for the construction of the new photovoltaic plants to be connected to the sites and milling plants of Sorbolo (PR) and Santa Maria Nuova (AN). The construction works will start immediately after the approval of the new *Transition Plan 5.0*, the government programme

that aims to actively support Italian companies in the transition to a more sustainable economy, promoting innovation, competitiveness and value creation in the European and global context.

During 2023, the design and development of **new photovoltaic assets** to be built in the Municipality of Corato began:

- the plant called *Maglioferro*, to be connected to the former connection point of the C5 milling site;
- the plant called *Polvere di Rose*, to be connected to the new production site of Casillo Next Gen Food for self-consumption;
- the plant called *Garpuglia*, for the sharing of energy according to the very recent widespread self-consumption scheme.

During 2023, most of the installation works of the **ETECO F3 energy conditioners** at the Group's milling sites were started and completed. The energy efficiency intervention is part of the Power Quality works and aims to achieve savings by **reducing network losses** due to low power quality.

2024 Preview

In June 2024, work was completed on the *Garpuglia* photovoltaic plant, whose connection to the national electricity grid is expected shortly. Construction work was also started on the *Maglioferro* and *Polvere di Rose* plants and of the related cable ducts for connection to the industrial plants they serve.

3.2 Emissions and carbon footprint



Material topic no. 12

Impact no. 2, 7

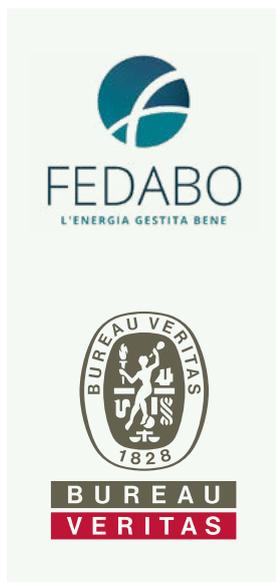
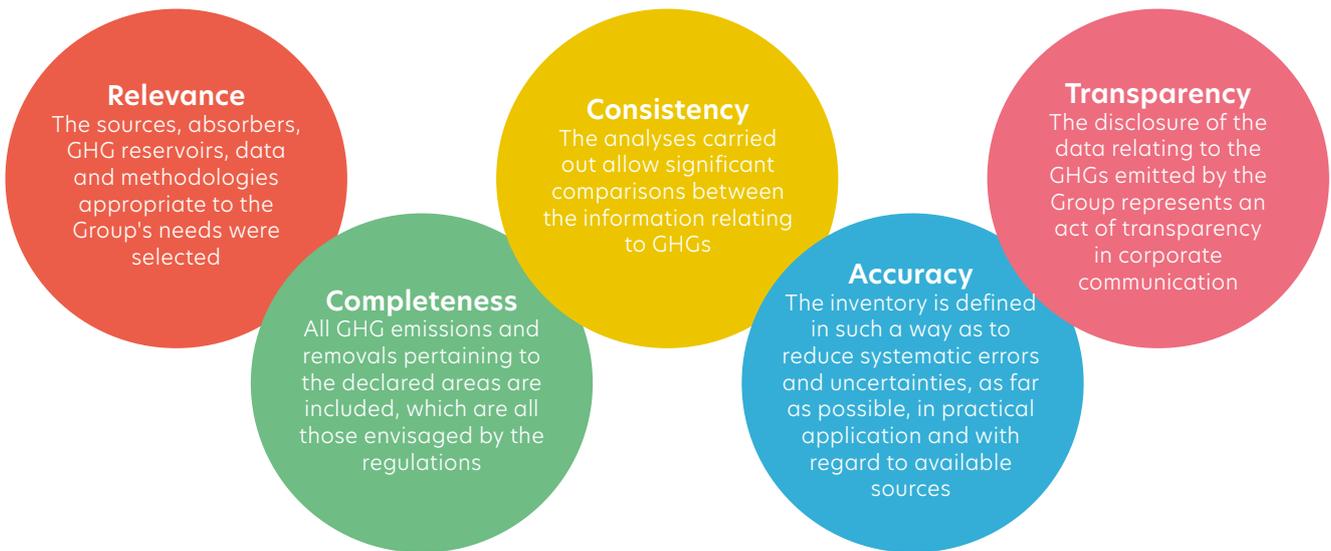
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The calculation of the Casillo Group's carbon footprint was carried out by an external party, applying the international standard ISO 14064-1:2018 scheme. Greenhouse gases (GHG) emissions are expressed in terms of CO₂ equivalent, which is the unit of measurement that expresses the impact on global warming of an amount of GHG compared to the same amount of carbon dioxide. The calculation is based on the following drafting principles:



For the definition of all internal operating procedures dedicated to the process of monitoring and calculating CO₂ emissions generated by direct and indirect sources, the Casillo Group has set up a dedicated working group.

Also for 2023, Fedabo S.p.A. SB prepared the annual update of the GHG inventory.

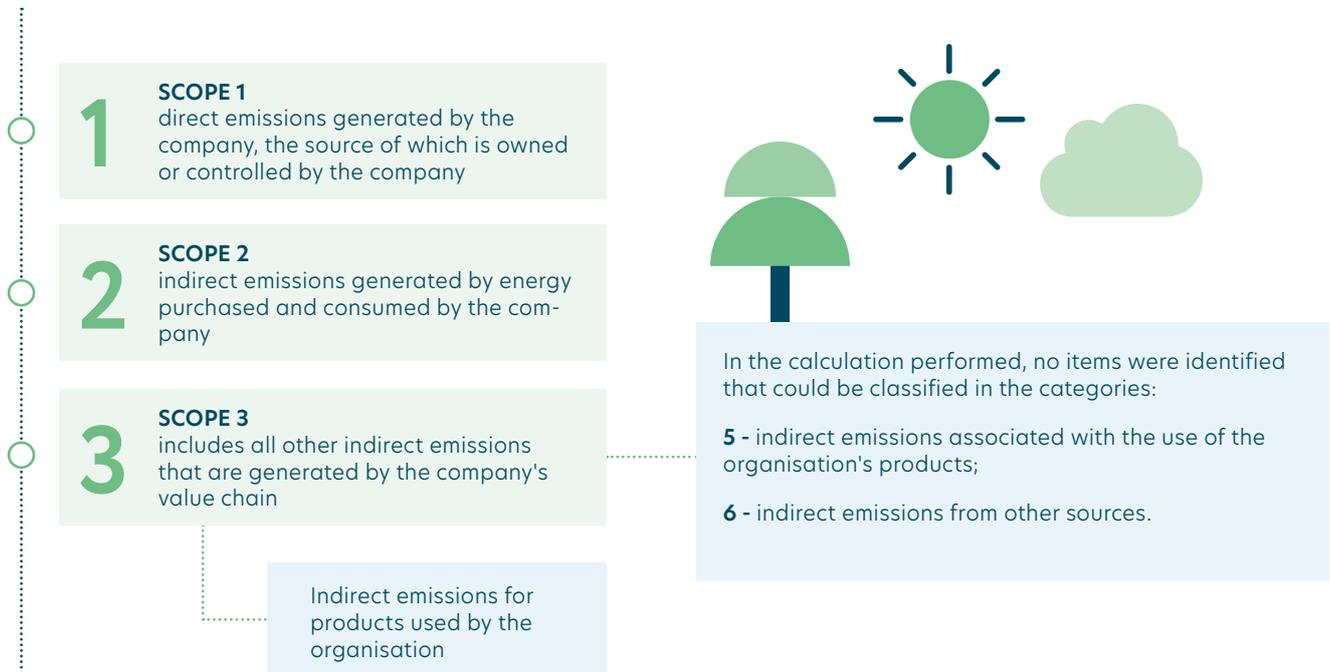
The carbon footprint was then subjected to a **validation check by Bureau Veritas**, an accredited third-party body compliant with the ISO 14064-1:2018 international standard, which expressed an opinion without qualification at the end of the audit performed.

The Group has established and documented its operating boundaries, providing for:

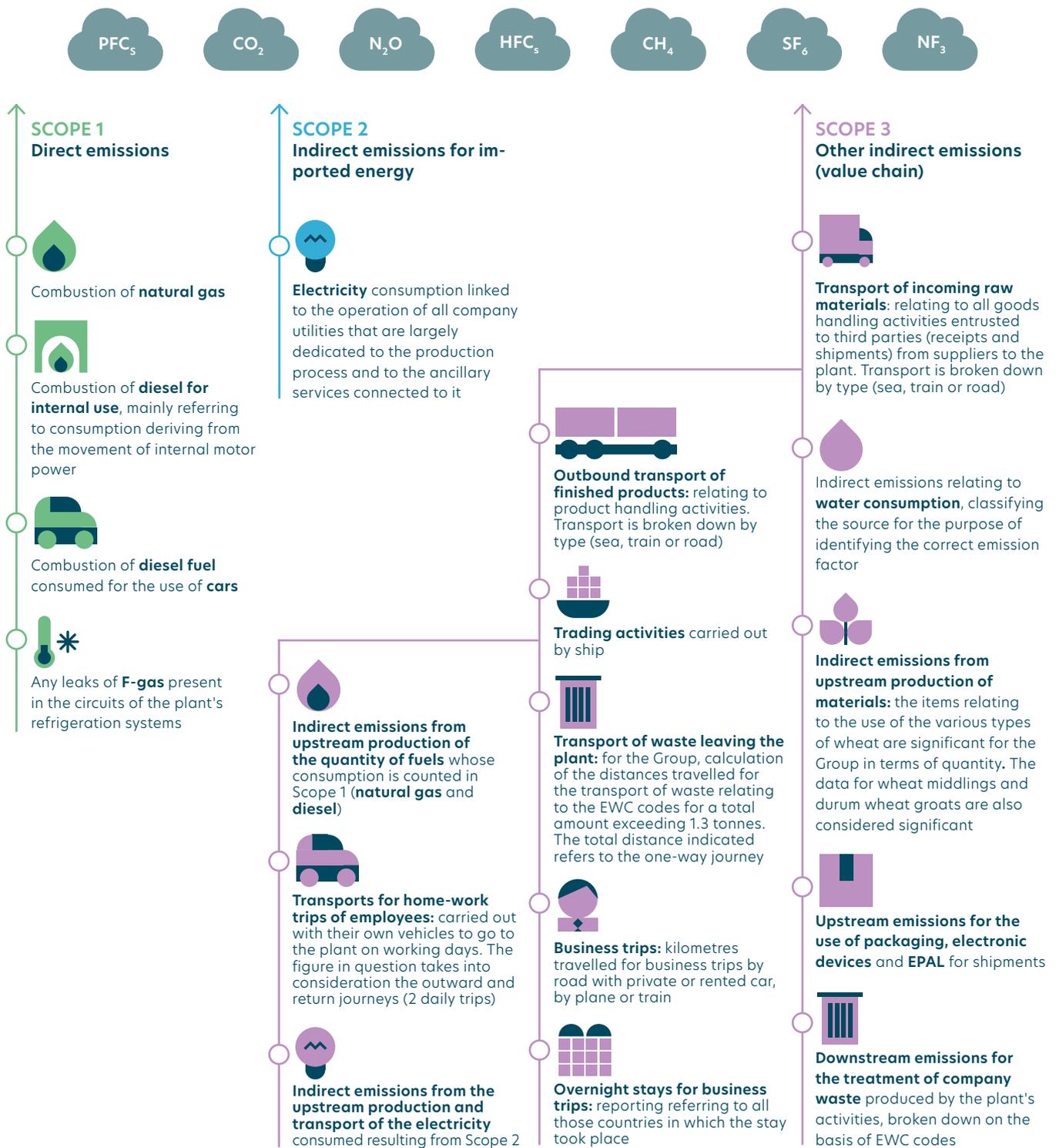
- the identification of the **GHG emissions associated with its activity**;
- the division of **emissions** into the categories **defined by the UNI EN ISO 14064-1 standard**;
- the **inclusion** in the quantification of **"other indirect emissions"** (Scope 3) representative of the activities carried out, in order to **carry out a complete and detailed analysis** of the company situation.

The emission categories considered according to the GHG Protocol are as follows:

GHG emission source categories reported:



Graph Categories of activities and GHG emission sources subject to screening



Organisation →

Organisation →

Upstream/downstream activities of the value chain →

Whole life cycle →

Methodology for the analysis of indirect emissions

For Scope 2 and 3 emissions, which represent the most relevant for the Group's climate impacts, the criteria were selected to analyse all the potential sources of **indirect emissions**, through the development and application of a **model of significance**, in order to select the activities whose emissions can be permanently considered within the study. An assessment scale was assigned to each criterion, as shown below:

- **Emission magnitude (1-5)**, analyses the quantity of emissions in relation to the specific source, compared to other indirect emission sources. To determine the value, reference is made to the data present in the organisation and in the GHG inventory and to information obtainable from the literature, or a precautionary qualitative assessment is carried out;
- **Level of influence (1-3)**, measures the possibility and capacity for the organisation to monitor and imple-

ment plans to reduce the indirect emissions considered, with progression from level 1 (no influence) to level 3 (high influence or area of strategic interest);

- **Access to data (1-3)**: indicates the ability of the company to collect and monitor the data relating to the indirect emission source, with progression from level 1 (data not available) to level 3 (data available and easily monitored).

The table below provides a summary of the results of the significance assessment that emerged for the year 2023. The values that exceed the cut-off threshold are highlighted in different shades, depending on the relevance assumed by the individual items. It is assumed that they are all significant net of category 5.

Table Significance analysis

Cat.	Indirect emissions item	Magnitude of the issue [1-5]	Level of influence [1-3]	Access to data [1-3]	Total
2	Electricity consumption - location based	3	2	3	18
	Freight transport - road	3	2	3	18
	Freight transport - train	1	1	3	3
	Freight transport - ships	2	1	3	6
	Transport of goods - trading	4	1	3	12
3	Business trips + overnight stays	1	2	2	4
	Waste transport	1	1	3	3
	Employee Home-Work Trips	1	2	2	4
	Upstream of direct emission sources (natural gas and diesel)	1	1	3	3
	Upstream of electricity production	2	2	3	12
	Water consumption	1	2	3	6
	Upstream Raw material - no Wheat	3	2	3	18
4	Upstream Raw material - Wheat	5	2	3	30
	Upstream Packaging materials	3	2	3	18
	Waste management and disposal	1	2	3	6
5	Indirect emissions associated with the use of the organisation's products	2	1	1	2

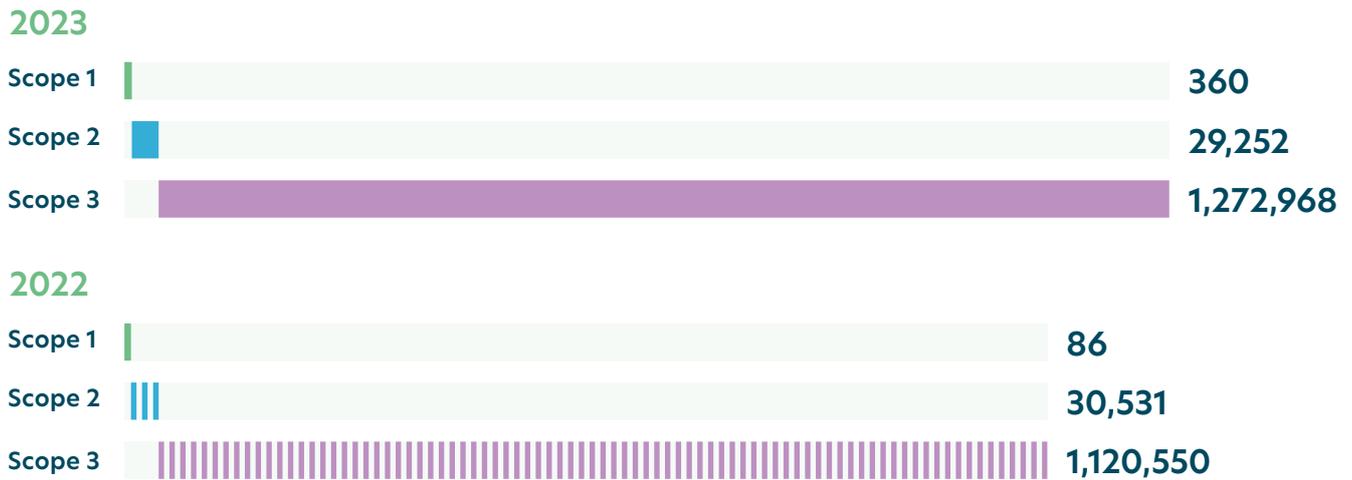
Results

In order to better monitor climate-altering emissions, especially those from indirect sources, and thus be able to refine the strategies and objectives for their reductions, **the complete Scope 3 was considered** also for 2023 (including raw materials, packaging, ship voyages, employee travel and commuting, other materials and services purchased by the IT area, etc.),

with additional detail on indirect emissions for products used by the Company.

The following graph shows the complete calculation of Scope 1, 2, 3 emissions for the year 2023, compared with the 2022 financial year (the first full year of calculation, inclusive of indirect Scope 3 emissions).

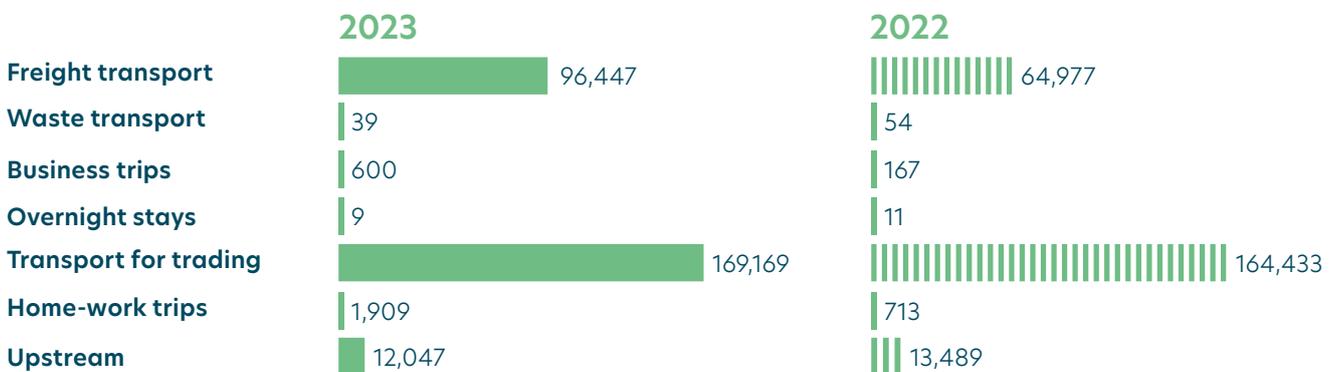
Graph Casillo Group GHG emissions for the year 2023 and 2022 (tCO₂eq)³



The total emissions relating to the **year 2023** for the Group amounted to **1,302,579.9 tCO₂eq.** (1,151,166.8 tCO₂eq. in 2022) divided by categories of emission sources. The emission intensity in 2023 was equal to 0.7051 tCO₂eq./t (0.8030 tCO₂eq./t in 2022) per tonne sold (flours and agricultural commodities sold), which shows a reduction of 12% compared to the previous year.

Thanks to the extension of the scope of investigation, which occurred in 2022, it will be possible in the coming years to better identify the areas for improvement that the Group intends to pursue.

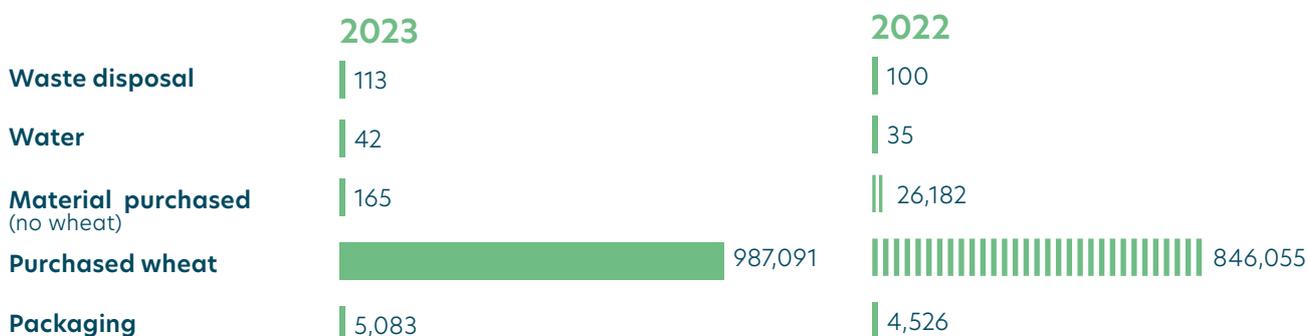
Graph Details of Scope 3 emission sources (data in tCO₂eq.)



³Location Based approach for Scope 2 emissions (equal to 29,252 tCO₂eq.) The total Scope 2 emissions based on the Market Based approach is 35,498 tCO₂eq.

Starting already from 2022, the Group began monitoring **emissions falling** under **categories 3.1 Purchased goods and services** and **3.5 Waste** of the GHG Protocol, which represent the actual indirect emissions linked to products. The details of the aforementioned items are provided below, showing the predominant contribution deriving from the cereal supply chain.

Graph Details of Scope 3 emission contributions, categories 3.1 and 3.5 (data in tCO₂eq.)



Finally, it should be noted that in 2023 **biogenic emissions** (emissions that are part of the natural levels of CO₂ present in the atmosphere since pre-industrial times), which are not included in the count reported in the previous tables and graphs, were reported separately and amount to **698.5 tCO₂eq.**

Of the total GHG emissions reported for the year 2023, it should be noted that 1,301,881.3 tCO₂eq. relate to fossil emissions + land use.

In the following table, it is possible to analyse the breakdown of “biogenic” and “fossil + land use” emissions for the various categories.

Table Breakdown of “biogenic” and “fossil + land use” emissions by category

Category	tCO ₂ eq	Weight	tCO ₂ eq (fossil + land use)	Weight	tCO ₂ eq (biogenic)	Weight
1 Direct emissions	359.7	0.0%	359.7	0.0%	0.0	0.0%
2 Indirect emissions for imported energy	29,252.0	2.2%	29,209.8	2.2%	42.2	6.0%
3 Indirect emissions from transport	280,475.4	21.5%	280,302.5	21.5%	172.9	24.8%
4 Indirect emissions for products used	992,492.8	76.2%	992,009.4	76.2%	483.4	69.2%
5 Indirect emissions associated with the use of products	0.0	0.0%	0.0	0.0%	0.0	0.0%
6 Indirect emissions from other sources	0.0	0.0%	0.0	0.0%	0.0	0.0%
Grand total including biogenic	1,302,579.9	100%	1,301,881.3	100.00%	698.5	100.00%

3.3 Waste management



Material topic no. 14

Impact no. 13

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The Casillo Group carefully monitors waste management, with a focus on special waste, i.e. that resulting from the various industrial processes. The organisation is fully committed to guaranteeing compliant waste disposal, separating and recycling waste wherever possible.

Already for some time, the Group has adopted the Environmental Management System (EMS) compliant with ISO 14001 certification, through which it monitors its environmental performance, including in relation to waste production.

The waste produced by the Group comes mainly from the production process, the maintenance of systems/plants and scrap from the packaging processes.

The impacts relating to the organisation's activities essentially relate to production activities, which currently do not present significant risks. On the other hand, at the potential level, the impacts relate to the parties involved in the disposal of waste, for which the company monitors through the appropriate authorisations provided by them.

The Group provides on the packaging of its products, as required by law, all the information necessary for the proper disposal of waste by consumer customers.

However, it is important to distinguish between production waste and that generated by the offices (paper, plastic, wet and dry residual waste), which are similar to municipal waste duly disposed of through the collection channels provided and separated according to instructions of the local authority where the site is located.

The focus on waste management has allowed the Group to achieve **high separated waste targets**, considering that **almost all of the waste generated by the Group is non-hazardous**. Waste is temporarily deposited, with particular reference to production sites, in compliance with the environmental legislation, using specific containers differentiated by waste type so as to optimise the quality of separate waste collection and avoid dispersal in the environment.

For waste from the various Casillo Group sites, disposal is carried out by third parties, in accordance with legal obligations.



Table Waste management by third parties

Parties involved based on type	2023	2022	2021
Intermediary	8	7	10
Recipient	58	54	71
Transport operator	35	23	42

The following tables provide a distinction between the waste produced by the Group on the basis of its recovery or disposal. In general, there was a 12.2% increase in waste produced in 2023 compared to 2022.

Table Analysis of waste produced by composition (amounts in t.)

Waste composition (EWC)	2023			2022			2021		
	Waste for recycling R	Waste for disposal D	Total waste produced	Waste for recycling R	Waste for disposal D	Total waste produced	Waste for recycling R	Waste for disposal D	Total waste produced
Hazardous*	3.97	3.77	7.74	4.73	4.10	8.83	3.387	0.80	4.18
Non-hazardous	1,104.63	129.28	1,233.91	993.05	104.66	1,097.71	1,044.96	172.49	1,217.45
Total	1,108.60	133.05	1,241.65	997.78	108.76	1,106.54	1,048.347	173.29	1,221.63

Table Waste produced for recycling (amounts in t.)

	2023			2022			2021		
	On site	At an external site	Total	On site	At an external site	Total	On site	At an external site	Total
Hazardous waste*									
R3	0	0.00	0	0	0	0	0	0	0
R12	0	0.003	0.003	0	0	0	0	0	0
R13	0	3.96	3.96	0	4.73	4.73	0	3.43	3.43
Total hazardous waste*	0	3.97	3.97	0	4.73	4.73	0	3.43	3.43
Non-hazardous waste									
R3	0	123.50	123.50	0	221.74	221.74	0	125.96	125.96
R4	0	0.20	0.20	0	0	0	0	0.98	0.98
R5	0	7.95	7.95	0	0.58	0.58	0	23.75	23.75
R12	0	12.50	12.50	0	24.27	24.27	0	11.36	11.36
R13	0	960.48	960.48	0	746.46	746.46	0	903.22	903.22
Total non-hazardous waste	0	1,104.63	1,104.63	0	993.05	993.05	0	1,065.27	1,065.27

Please note that waste for disposal is delivered to landfills by authorised third parties.

Table Waste produced for disposal (amounts in t.)

		2023			2022			
		On site	At an external site	Total [t]	On site	At an external site	Total	
Hazardous waste*	OTHER D	0	0	0	0	0	0	
	Landfill	D1	0	0	0	0	0	0
		D5	0	0	0	0	0	0
		D8	0	0	0	0	0	0
		D10	0	0	0	0	0	0
	INCINERATION (without energy recovery)	D11	0	0	0	0	0	0
		D15	0	3.77	3.77	0	4.10	4.10
		OTHER D	0	0	0	0	0	0
	Total	0	3.77	3.77	0	4.10	4.10	
Non-hazardous waste	OTHER D	0	0	0	0	0	0	
	Landfill	D1	0	0	0	0	0	0
		D5	0	0	0	0	0	0
		D8	0	96.04	96.04	0	0	0
	INCINERATION (without energy recovery)	D10	0	0	0	0	82.72	82.72
		D11	0	0	0	0	0	0
		D15	0	33.24	33.24	0	21.94	21.94
		Total	0	129.28	129.28	0	104.66	104.66

The following table shows that almost all of the waste produced by the Group is non-hazardous, as described by the reference EWC codes.

Table Waste produced based on the reference EWC code (amounts in t.)

		2023			2022			2021		
		Waste not for disposal	Waste for disposal	Waste produced	Waste not for disposal	Waste for disposal	Waste produced	Waste not for disposal	Waste for disposal	Waste produced
Waste composition (EWC)	Description	R	D	TOT (t)	R	D	TOT (t)	R	D	TOT (t)
EWC 02.03.04	Food production waste that cannot be used for consumption or transformation	410.95	27.14	438.09 35.28%	481.44	9.18	490.62 44.44%	308.48	0	308.48 25.25%
EWC 15.01.01	Paper and cardboard packaging	264.78	0	264.78 21.32%	148.10	0	148.10 13.38%	143.91	0	143.91 11.78%
EWC 17.04.05	Iron and steel. Impacts generated by production activities	175.22	0	175.22 14.11%	126.98	1	127.98 11.56%	290.40	0	290.40 23.77%
Other non-hazardous	Essentially packaging in non-recyclable plastic, wood and mixed, non-differentiable, from packaging activities.	253.68	102.14	355.82 28.66%	236.50	94.40	330.90 29.87%	302.17	172.50	474.67 8.85%
Hazardous*	Mainly waste from plant maintenance. Impacts generated by production activities	3.97	3.77	7.74 0.63%	4.76	4.19	8.94 0.80%	3.39	0.79	4.18 0.34%
Total		1,108.60	133.05	1,241.65 100%	997.78	108.76	1,106.54 100%	1,048.35	173.29	1,221.64 100%

With regard to waste related to the Group's activities, some management and disposal methods are specified:

- a) **food waste deriving from the production phase** - the processing residues of vegetable origin deriving from the phase of pre-cleaning and cleaning of the wheat, in their fractions not used for the production of by-products, are disposed of with EWC 02.03.04 "Waste that cannot be used for consumption or transformation" by transferring them to authorised plants through carriers duly registered in the National Register of Environmental Operators;
- b) **processes used to collect and monitor waste-related data** - data relating to waste production and disposal are systematically recorded in the waste loading/unloading registers also through IT systems that allow for rapid consultation and extrapolation;
- c) **use of a key for the methods of recovery/disposal** of the various types of waste generated R and D based on the relative codes:
 - The classification of waste recovery activities is currently based on the list of operations R of Annex C to Part IV of Italian Legislative Decree 152/06;
 - The classification of waste treatment-disposal activities is currently based on the list of operations D of Annex B to Part IV of Italian Legislative Decree 152/06.

Paper bags

All **paper bags used** to package Molino Casillo products were selected from **suppliers and paper mills that use paper compliant with the FSC (Forest Stewardship Council)**, a certification that **paper and cardboard are sourced responsibly**.

Secondary packaging change processes are under way, in order to:

- completely eliminate plastic inserts in paper packs and make them 100% recyclable;
- replace plastic packs for the 500 g format using only paper;
- reducing plastic for secondary packaging (e.g. platform wrapping film) and consequent reduction of the carbon footprint.



3.4 Use of water resources

Material topic no. 13

Impact no. 14

303-1

303-2

303-3



The Casillo Group uses water resources essentially for the production activities in the milling segment and, to a lesser extent, for sanitary use in the offices and workplaces, fire protection and garden watering.

Graph Water resources withdrawn in 2023



The Casillo Group mostly uses mains water, i.e. drawn from the integrated water system in the local areas of operation. The percentage of water withdrawn from other sources (wells) is considered immaterial. The supply of water for production in 2023 amounted to **149,155** cubic metres (152,966 cubic metres in 2022), a **decrease of 2.5%** compared to the previous year's figure.

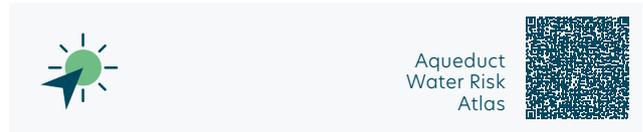
The water situation in 2023 in Italy was affected by low

rainfall in the summer months and very high temperatures, effectively reducing the availability of water resources in the reserves for all types of use and, therefore also for industrial use, for a good part of the year. The table below shows the level of water risk in relation to the different Italian regions in which the Group operates, with a comparison between 2023 and the previous year.

Table Levels of water risk with geographical breakdown based on the cubic meters of water used by the Group

Water withdrawal region	2023		2022		2021	
	m3 tot.	Level of water risk	m3 tot.	Level of water risk	m3 tot.	Level of water risk
Apulia	72,955	High (3-4)/Very high (4-5)	68,964	Medium (1-2)	68,001	High (3-4)/Medium-high (2-3)
Lombardy	17,519	Medium-low (1-2)/Medium-high (2-3)	21,865	High (3-4)	15,715	Medium-high (2-3)
Friuli-Venezia Giulia	5,519	Medium-high (2-3)	6,476	High (3-4)	5,370	Low (0-1)
Emilia-Romagna	5,687	High (3-4)/Very high (4-5)	6,699	High (3-4)	7,667	Low (0-1)
Tuscany	611	High (3-4)/Very high (4-5)	679	Medium (1-2)	1,424	Low-medium (1-2)
Marche	8,767	High (3-4)	9,021	Medium (1-2)	9,311	High (3-4)
Abruzzo	10,603	Medium-high (2-3)	10,936	Medium (1-2)	12,792	Medium-high (2-3)
Campania	12,972	High (3-4)/Very high (4-5)	17,873	Low (0-1)	18,075	High (3-4)
Sicily	14,522	High (3-4)	10,453	Low (0-1)	6,578	High (3-4)
Total	149,155		152,966		144,933	

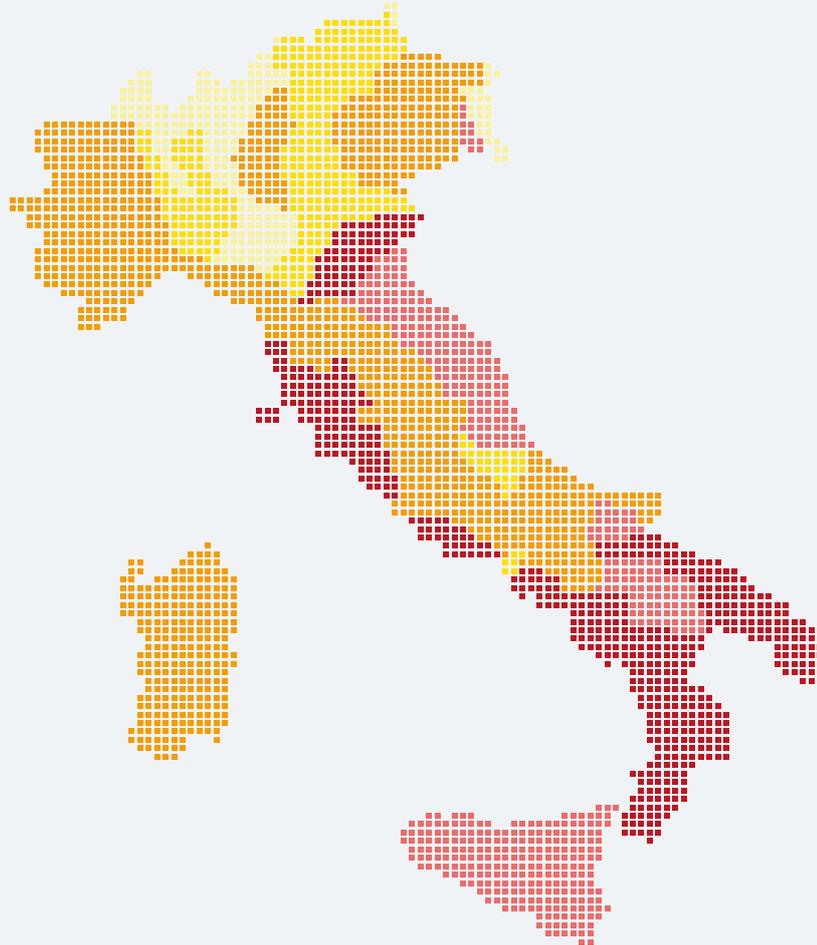
The water stress status can be inferred from the Aqueduct Water Risk Atlas of the *World Resources Institute*, indicated by the GRI Standards among the reliable tools for the assessment of water stress areas.



Map water stress

Level of risk

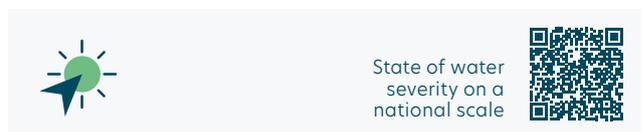
- Very high (4-5)
- High (3-4)
- Medium - high (2-3)
- Medium (1-2)
- Low (0-1)



Furthermore, the water severity status by region is taken into consideration on the basis of the data collected by the **Permanent District Observatories for water uses**, which constitute a measure of the Water Management Plan. Pursuant to the Water Framework Directive 2000/60/EC, these are a useful tool to support the integrated management of water, as they provide guidelines for the regulation of withdrawals and uses and possible offsets, particularly during events of drought and/or water scarcity.

Specifically, the water severity scenarios identified in 2023 in the regions in which the Group operates are different and varied. In the case of the northern regions (Lombardy, Friuli-Venezia Giulia, Emilia-Romagna and Tuscany), these are characterised by a normal scenario, i.e. a non-critical scenario, where the water crisis indicators values (flows/levels/volumes/accumulations) are such as to provide the ability to meet the water needs

of the natural and man-made system, in the periods of time and in the areas considered. Whereas, in the case of the central regions (Abruzzo and Marche) and of the southern regions (Apulia and Campania), there is a low water severity scenario: in this case, the water demand is still satisfied, but the indicators show a deteriorating trend, climate forecasts show further absence of precipitation and/or temperatures exceeding the ordinary values for the following period. Sicily, on the other hand, shows a high water severity scenario: all preventive measures have been taken but a critical state that is not reasonably foreseeable prevails, where water resources are not sufficient to avoid damage, even irreversible, to the system.



Table

Water severity scenarios 2023
(Source: ISPRA)

Water withdrawal region	Water severity scenarios
Apulia	Low severity
Lombardy	Normal
Friuli-Venezia Giulia	Normal
Emilia-Romagna	Normal
Tuscany	Normal
Marche	Low severity
Abruzzo	Low severity
Campania	Low severity
Sicily	High severity

The Casillo Group's wastewater is primarily from restrooms and changing rooms, and similar to domestic wastewater. As such, it is regularly routed to authorised collection tanks and then flows into the integrated water systems managed by the various water service providers.

The quality parameters of the wastewater are well within the limits envisaged in current national and regional regulations. All the production sites and workplaces adopt the standards envisaged for wastewater.

Safeguarding of the Cecibizzo Forest

The Cecibizzo Forest (about 150 hectares in size) located in the heart of the Apulian Murgia (in the area of Corato) has been in a state of total neglect and abandonment for many years. Through a **public-private partnership** and following an agreement between the company and the institutions, a common path was set in motion so that the objective of **protecting the natural heritage** and allowing the community to enjoy it could be achieved.

The **Cecibizzo Forest has been "adopted" by Casillo S.p.A. Benefit Company and the Municipality of Corato**, and **forestry work** has begun for the maintenance and enhancement of local natural resources. Private action, combined with the commitment of public actors, allows for mutually reinforcing and organised work on forest management and related bureaucratic tasks.

The enhancement of natural resources is part of the company's ecological and environmental sustainability objectives. In addition, the Cecibizzo Forest was nominated under **Parks for the Climate**, the new energy efficiency programme proposed by the Ministry for the Environment and Energy Security, receiving funding to secure the forest site.

The ministerial initiative is in keeping with the aim of the partnership between the company, the Municipality of Corato and the Alta Murgia National Park to **make the forest usable by the community**, including through its inclusion in the network of national park forests.

This initiative was discussed at a conference, held in the conference room of the Casillo plants. The meeting was organised in collaboration between the company and the *Department of Soil, Plant and Food Sciences* (Di.S.S.P.A.) at the University of Bari and was also aimed at promoting and publicly disclosing forms of partnership between public and private entities that would lead to important results in terms of enhancing the value and enjoyment of environmental assets.



Link for in-depth analyses



CHAPTER 4

RESEARCH, DEVELOPMENT AND INNOVATION

Key numbers and significant initiatives

Innovation and circular economy

Completion of the innovative Casillo Next Gen Food plant, for the enhancement of the by-products of the milling activity with a view to the **circular economy**. **Casillo Next Gen Food is the only company in the world to integrate wheat germ oil extraction into milling processes**

Conclusion of the SiMBA project

with the creation of a prototype of nutraceutical flour and clinical experimentation on about 300 patients. The results of the clinical trial have highlighted the effectiveness of flour in reducing the symptoms of Metabolic Syndrome, in addition to other health benefits

Agrifood Hub Project

start of work for the construction of an *Innovation Hub* at the site of the former Mulini e pastifici Basile factories

Contribution to scientific research

7 new scientific publications in international journals in 2023

IT development plan

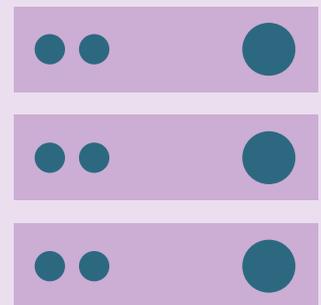
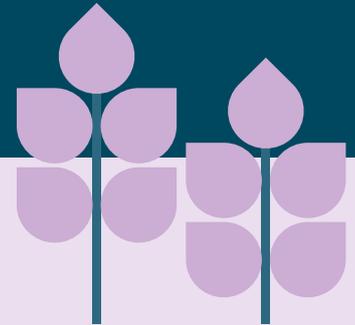
and launch of the process of **digitalisation** of business flows, with the introduction of **artificial intelligence systems**

Industrial automation

extension of the system with **NIR probes** for both the MC1 and MC4 plants, at the Corato site

Stakeholders

National and international institutions, universities and research institutions, shareholders, suppliers, lenders, business partners and customers



The **research and development** of new products and production processes, together with the drive towards constant **technological innovation**, are a hallmark of Casillo's modus operandi, as strategic elements of the corporate vision and mission, transmitted to all employees of the Group. The business model is heavily geared towards *continuous improvement* and the interconnection between research, development, technological innovation and sustainability.

Numerous and well-structured projects are implemented, often lasting several years, with the involvement of specialised and highly skilled personnel, also considering the important role of collaboration with universities and external research bodies.

The R&D and Innovation projects of the year, coordinated by the Group's "Technological Innovation" Function, are described below.



4.1 Research and Development

Material topic no. 13

Impact no. 6

203-1

203-2



SiMBA Project

The SiMBA (**M**etabolic **S**yndrome **B**lockchain, **A**grifood) project was created in 2019 with the opening objective of enhancing the by-products deriving from milling, then evolved into the creation of an important food product prototype for the treatment of a high risk clinical condition highly prevalent among the population. The project ended in December 2023.

The project is part of the "FCS HORIZON 2020" NOP Business and Competitiveness Tender (Project no. F/200044/02/X45 - CUP B6812000180005 COR: 2550107) and focuses on the production of a **flour with nutraceutical properties to alleviate the symptoms of Metabolic Syndrome**. The term Metabolic Syndrome or MetS (also known as Insulin Resistance Syndrome, X Syndrome or Reaven Syndrome) does not identify a single pathology but rather a set of risk factors linked to conditions that increase the possibility of developing brain and cardiovascular diseases and diabetes, affecting about 40% of the world population (based on a study by M.G. Saklayen, 2018).

According to the principles of nutraceuticals, "a food can be considered functional if its beneficial influence on one or more functions of the body is sufficiently demonstrated, as well as adequate nutritional effects, so as to be significant for a state of well-being and health or for the reduction of the risk of disease" (Diplock *et al.*, British Journal of Nutrition, 1999).

The flour, the key element of the project, was obtained from a mixture of semolina and other ingredients acquired from the processes of selection, extraction and separation of nutraceutical compounds, starting from some milling fractions consisting of bran and wheat germ. The **nutraceutical ingredients** consist of wheat germ oil, de-oiled wheat germ and wheat fibre.

The nutraceutical flour obtained was used to produce a dried pasta prototype, tested "in vivo" (administration to people) on a population of roughly 300 patients of the Policlinico di Bari, suffering from Metabolic Syndrome and on a sub-group of patients suffering from serious psychological disorders (schizophrenia and bipolar disorder) being treated with anti-psychotic drugs, who have a higher risk of developing MetS than the general population.



The origins of the raw materials and their quality have been traced using blockchain technology and virtual coach technology, also used to obtain information on the palatability and sensorial quality of the product.

The results of the experimentation of the consumption of pasta obtained from the nutraceutical flour of the SiMBA project were significant and highlighted, among other things:

- 1) the effectiveness of the flour in reducing the symptoms of MetS compared to an ordinary pasta in a double-blind trial lasting three months;
- 2) the clear and significant improvement in the lipid profile, with particular reference to the plasmatic levels of total and HDL cholesterol;
- 3) benefits in the population of patients with MetS from psychotropic drugs (periaortic fat thickness).

The results of the clinical trial have led to the objective awareness that the consumption of foods produced with this nutraceutical flour can have significant and **multiple positive effects on health**.

Casillo Next Gen Food

The Casillo Next Gen Food Project has a common matrix with the SiMBA Project, i.e. the idea of enhancing the by-products deriving from milling by extracting their precious ingredients, while differentiating them to focus on industrial development, applying a **circular economy model**. In this sense, the by-products (normally intended for use in animal husbandry) acquire a new value in terms of reuse and recycling, making it possible to reduce waste.

The subsidiary that deals with this innovative production model is **Casillo Next Gen Food S.r.l.**, established in 2021, which also operates through its own brand *ChaNGE Ingredients*.



Wheat germ, the precious by-product of the milling industry



ChaNGE
ingredients



CASILLO NEXT GEN FOOD

It is the *food tech* company of Casillo S.p.A. Società Benefit that researches, develops and produces food ingredients with high added value starting from fractions of wheat germ and bran, by-products of durum wheat milling.



Opportunity

Germ and wheat bran (by-products of the milling industry) are well known for their nutrients (soluble fibre, arabinoxylans, high quality proteins, antioxidants, vitamin E, polyunsaturated fatty acids), however, they have technological limitations that have prevented their adoption on an industrial scale linked to the **alteration of fats** (exponential increase in acidity over short periods of time).

Solution

Casillo Next Gen Food has developed an **industrial process** to select fractions rich in durum wheat germ, limit the alteration of fats in these fractions, extract fats in the shortest possible time and not affect the bioavailability of proteins and fibres in order to obtain ingredients rich in stable proteins and fibres and related to further processing.

Industrialisation

- Pilot plant in 2022.
- Start of construction of the plant in 2022.
- Completion of plant construction in 2023.
- Creation and training of a team 12 staff specialised in management, as well as an ad-hoc production manager.
- Start of production in 2024.

Casillo Next Gen Food has developed an **industrial process** to select fractions rich in durum wheat germ, limit the alteration of fats in these fractions, extract fats in the shortest possible time and not affect the bioavailability of proteins and fibres in order to obtain ingredients rich in stable proteins and fibres and related to further processing.

Casillo Next Gen Food is the only company in the world to integrate wheat germ oil extraction into milling processes.

The **new plant**, unique of its kind, is **directly connected to the five milling plants at the Corato site** and allows the production of wheat germ oil directly from the milling process, within just 60 minutes of the grinding of the grain. This timing makes it possible to **maximise the quality of oil and nutrients**, such as protein and fibre, offering unparalleled Made in Italy quality and total control of the production chain.



The wheat germ oil produced is distinguished by its nutritional, technological and sensory properties. It is naturally rich in polyunsaturated fatty acids, vitamin E, plant sterols and other antioxidants. **De-oiled flours** are obtained from the extraction of wheat germ oil, products with high potential for use and benefits. These can actually be used to strengthen traditional flours and semolinas, giving rise to more nutritionally balanced and higher-performing flours made entirely from wheat. The food revolution starts by imagining a future in which traditional foods such as pasta and bread can have more protein, fibre, vitamins and antioxidants, whilst remaining tasty.

In addition, wheat germ oil can be used for:

- the production of high quality and light oil for seasoning and frying (smoke temperature of 230°C and high sterol content);
- bakery and bakery products as an alternative to common vegetable oils, giving products nutrition and health claims (polyunsaturated fatty acids, Vitamin E);
- palm oil-free margarines and spreads;
- cosmetics (wheat germ oil is well-known in cosmetics as an emollient and natural antioxidant, mainly used in hair and skin care applications);
- creating new products and bringing completely innovative products to the market, such as vegetable drinks and food supplements.

The **process** and the **products** obtained are the subject of **an industrial patent application**, filed in June 2022, owned by Casillo Next Gen Food S.r.l., for which the research report was received from the EPO (European Patent Office). A response from the Italian Patent Office is expected by the end of the first quarter of 2025.

In addition, in 2023 an *application* was made for a PCT (Patent Cooperation Treaty) international patent and a favourable opinion was recently received. The response is expected by the end of 2024: in the event of a positive opinion on granting a patent, the Company will be able to apply in all other countries (Europe, USA, etc.).

Confirming its commitment to sustainability, the Company is subjecting its products to *LCA (life-cycle assessment)*: a structured and standardised method at international level that makes it possible to quantify the potential impacts on the environment and human health associated with a good or service, starting from the respective consumption of resources and emissions.



Automation 4.0

The process that characterises Casillo Next Gen Food is a closed cycle, controlling the input of raw material that is received from the mills remotely. The data are communicated digitally in *real time* and the plants from which to procure products and their scope can be chosen at any time.

A logistics *dashboard* was also created to make all operators aware of the production status.

The production process is managed by a PLC and SCADA automation system that allow the start-up and shutdown of the plant, the regulation of the main process metrics and the logistical interconnection with the storage of oil and flour and de-oiled products by means of sensors and the appropriate operations. All machines have a remote and on-board control system consisting of an HMI (Human Machine Interface) that makes the control and operations of the machine simple and intuitive.

Open innovation and academic research

The Casillo Next Gen Food project represents an important case of **open innovation** for the Group, and for the entire milling sector. The idea started as a research project at the beginning of 2021 and has for two years involved, through effective collaboration, Italian universities and research centres.

The continuous dialogue with universities and research centres has made it possible to collaboratively solve basic research problems, laying the foundations for industrial development and engineering. The results of these collaborations led to **7 scientific publications** in 2023, with other papers being published in 2024.

In addition, the Casillo Group, believing in and strongly supporting **scientific research** and technology transfer to business, has committed to subsidising an **industrial research doctorate** carried out by the University of Molise, partly funded by the NRRP (National Recovery and Resilience Plan) in point "C1. Sustainable agriculture and circular economy". The doctorate, which began in 2022, has a duration of three years. It involves one year of work at Casillo Next Gen Food on *dry fractionation* and fermentation technologies, as well as the isolation/concentration/enrichment of biomolecules. The PhD student is currently carrying out research activities at the University of Copenhagen.

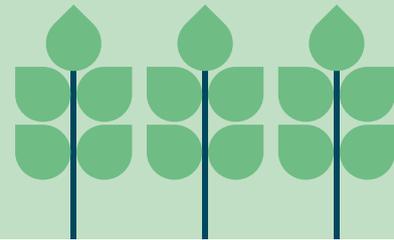
According to a study by *Boston Consulting Group*, taken up by "Milano Finanza" in an article written by Salvatore Licciardello, "whole and fortified cereals, based on the same cost, would add 20% more food to human consumption, promoting biodiversity and reducing deforestation". The opportunity offered by the enhancement of the by-products of the Casillo Next Gen Food project has a significant positive impact on **human health** due to the clear results obtained and on the **environment** due to the **reduction of food waste**, incorporated in the principles underpinning the 2030 Agenda of the United Nations and, in particular, in the following objectives:



End hunger, achieve food security, improve nutrition and promote sustainable agriculture.



Ensure sustainable consumption and production patterns.



Agritech

The Agritech Project aims to establish a **National Research Centre for Agriculture Technologies** as part of the NRRP. The national research centres provide the Hub & Spoke form, where the Hub (implementing party) coordinates the activities of the 9 various Spokes (executing parties), reports on the activities and acts as the point of contact of the Ministry of Education, Universities and Research ("MIUR"). The University of Naples Federico II is the Hub and proposing party, while **the Casillo Group participates in 2 spokes:**

S8: Circular economy

New models of circular economy in agriculture through waste valorisation and recycling.

S9: Food traceability

New technologies and methodologies for traceability, quality, safety, measurements and certifications to enhance the value and protect the typical traits in agri-food chains.

The research institutes involved are: Federico II University of Naples, University of Bari, CNR - National Research Centre, University of Tuscia, University of Siena, Alma Mater Studiorum of Bologna, University of Padua, University of Milan and University of Turin.

riPARTI

This project is part of the 2020 European Strategy for **smart, inclusive and sustainable growth**. The project aims to relaunch the role that research plays in innovation and the development of the socioeconomic and industrial fabric, consistent with the Puglia Region's *Smart Specialisation Strategy*. To this end, the development of specific skills for innovative research is of fundamental importance.

Agrifood Hub: “Ecosystems of Innovation in Southern Italy”

The **Agrifood Hub** project aims to restore a historic building in the city of Corato, home to the former Basile mills and pasta factories, giving it new life and making it an **Innovation Hub**, as a research and training and conference centre, and teaching classrooms with all the necessary facilities for optimal use of the centre.

The project includes **knowledge-intensive activities** that will be hosted in the upgraded infrastructure, pursuing the innovation objectives identified by the NRRP

2021-2027, which will **benefit the local business system** through the transfer and sharing of knowledge and technologies.

The initiative was co-financed with NRRP resources as part of the “**Ecosystems of Innovation in Southern Italy**”. Casillo S.p.A. Società Benefit is a partner of the ATS established with the following parties:

Proposer



Partners



**UNIVERSITÀ
DEGLI STUDI DI BARI
ALDO MORO**



**UNIVERSITÀ
DEL SALENTO**



**Istituto Superiore
Oriani - Tandoi**



**Comune
di Corato**

During 2023, building renovation works began: demolition and preparation of the walls, fixtures and furnishings of the construction site with offices, changing rooms and assembly of two cranes, construction of the foundations for the assembly of the new structures.



4.2 Digitalisation and Innovation

Material topic no. 5

Impact no. 1

203-1

203-2



The Casillo Group's Information and Innovation Technology area handles delivery and operation activities, broken down into the following macro-areas:

IT Infrastructures

network, digital security, server, cloud and individual devices (PCs, peripheral devices, tablets, smartphones, etc.)

Industrial Automation

software component of factories: PLC and SCADA platforms

Information Systems and Processes

management software and analysis of business processes

IT Infrastructures

Cyber Security

Digital security represents a fundamental pillar for safeguarding the company's information and a necessary requirement, given the centrality of information digitalisation across every area of the company and the risks that could currently arise from hacker attacks.

Among the investments of the Casillo Group there is a project in partnership with highly specialised external

parties with a view to **cyberattack prevention** for a 24/7 monitoring.

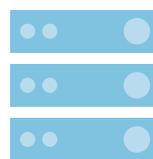
A cyber security management process was already launched in 2022 in a more structured manner, with highly qualified external support.

This process, aimed at improving IT structures, envisages the presence of two operating centres:



SOC (Security Operation Centre)

Structure where all information on the company's IT security status is centralised, which constantly monitors what happens in terms of data traffic.



NOC (Network Operation Centre)

A unit consisting of people, processes and technologies that, through internal management of the company, oversees networks and infrastructures. The main purpose is to **monitor the correct functioning** of the company's **physical and virtual network devices and servers**.

In addition, the Group has planned to **ensure cyber risk**, for the purposes of compliance of the systems and observance of regulations. These actions are part of the three-year plan relating to the restructuring of the cyber security function, now fundamental for innovative and complex business organisations.

The Group plans to carry out specific *vulnerability assessment* projects in 2024.

Antivirus

In terms of cybersecurity, the antivirus programme was also replaced through the inclusion of the new **MDR** (Managed Detection & Response) platform, which uses technology and skills to monitor IT resources, so as to quickly detect and respond effectively to threats in terms of IT security, making it possible to have various levels of protection in order to counteract the multiple vectors of possible attacks.

Industrial automation

NIR probes

The NIR (Near-Infrared) probes installed on-line on the milling process are used to monitor and streamline the production of grains and flours: their purpose is to optimise production metrics in real time and guarantee the consistency and compliance of the end products.

In fact, these sensors provide detailed information on the chemical breakdown of the cereals and flours during the entire process: from the receipt of goods to the loading of vehicles, through the production phases of cleaning and grinding, allowing accurate control of the quality and commodity properties of the product, albeit characterised by different grain sizes.

Specifically, the NIRs installed in line along the production process, with a fixed frequency, emit light beams in the range of the NIR spectrum towards the grains or flours in transit in the production process. This radiation is partially absorbed by the molecules present in the samples, producing a unique reflection spectrum.

The spectral data collected by the sensors are used to develop predictive models calibrated on the basis of a *calibration-set* of cereals or flours capable of robustly and reliably mapping all possible reference productions. Thanks to these mathematical calibration models, the NIR spectrum is correlated with the product properties of interest, such as moisture, ash, protein and gluten.

The above is carried out by a specific framework, adequately designed and implemented which, being placed downstream between these field systems, makes it possible to integrate them with the plant automation systems (PLC/SCADA), via communication protocol OPC-UA.

The data collection in progress, thanks to NIR Probes, lays the foundations for the future development of Machine Learning techniques with which it will be possible to compare the quality of the finished product and to predict the result already in the initial phases (goods receipt and/or cleaning) by collecting the data continuously generated by the probes and correlating them with the plant set-ups and the final product obtained.

In 2023, the project concerned:

- significant improvement, in terms of precision and reliability of the predictive result, for all metrics of interest;
- the validation of this tool by the Quality Function;
- the adoption of this system for both the MC1 and MC4 plants, both in Corato, with forthcoming extension to the remaining plants of the Group;
- the hiring of new human resources with the aim of further strengthening know-how.

Plant revamping

With a view to continuous regeneration and technological upgrading of production plants, the following projects were carried out in 2023:

- revamping of the 2nd soft wheat line of Monfalcone, aimed at increasing production capacity;
- inspection of the *Alpine* micronisation plant built at Casillo Next Gen Food;
- design of the revamping of the cleaning section of the Sorbolo plant;
- revamping of the bulk cargo section, of the mixing plant and of the sifters of the Sorbolo plant.

Information systems and processes

Food traceability and safety system

The subsidiary Casillo S.p.A. Società Benefit, operating in full compliance with the regulatory framework based on Regulation (EC) No. 178 of 2002, which establishes common procedures in the field of food safety, laying down general provisions concerning the traceability of food and feed and introducing the Rapid Alert System

(RASFF), but above all establishing the general principles and requirements of food legislation, the most important of which is the principle of **risk analysis**, has implemented an internal traceability system entirely based on the SAP **ERP platform**.

All production plants in the milling segment adopted that system to guarantee traceability from the raw

materials to the finished product. Bearing witness to the validity of this platform, a number of quality **audits** performed by customers gave positive results. Currently, in just a few minutes, we can trace a production batch.

MES System

Also in 2023, the Casillo Group carried out the project on the adoption of the MES system integrated with the SAP ERP system on all milling and packaging plants.

MES, the acronym of Manufacturing Execution System, is a computer system for controlling the whole production department, which enables the continuous improvement of processes with the main objective of enhancing quality and the efficiency of productivity.

CRM System

The need to adopt a system to support marketing and sales activities prompted the Group to explore the world of CRM (Customer Relationship Management) tools. In particular, May 2022 saw the conclusion of

the project that led to the go-live of the CRM Customer Experience platform of SAP (SAP CX), created in partnership with EY and Derga Italia.

In 2023, the CRM Service project started in 2022 was followed up. The project focused on the management of complaints from customers of the subsidiary Casillo S.p.A. Società Benefit, with an opening approach to *retail* customers, to be subsequently extended to *industrial* customers.

2024 Preview

Launch of SAP 4 Hana, a cloud ERP with industry best practices and continuous innovation, with implementation expected to be completed in October 2024.

Business Intelligence, Digitalisation, Artificial Intelligence

In 2023, business intelligence activities were increased, carried out by the Innovation & Information Area to support other company areas, as planned in 2022. Through BI, reports and dashboards are created to support the following areas:



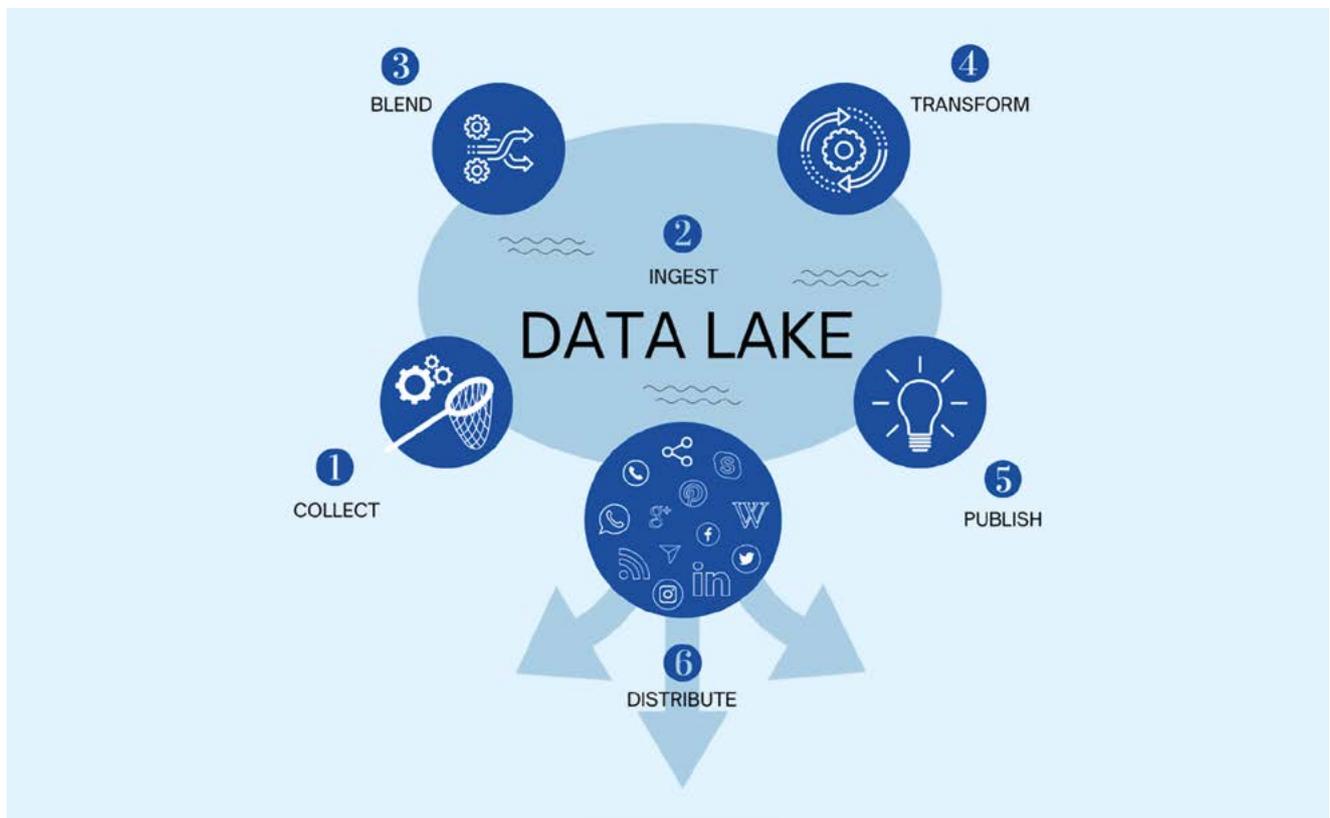
The new **IT Development Plan** envisages the implementation of **the process of digitalisation of business flows**, which is a true cultural revolution at company level, as it allows the Group, and its highly complex structure, to resist change by tackling and anticipating increasingly relevant issues.

The digitalisation process is based on systems such as *DocsMarshal*, *BOT*, and *RPA* which, together with the use of structured data, pave the way for the introduction of **artificial intelligence (AI)** in the Company. These processes make it possible to:

- **optimise flows and processes**, through continuous improvement, reduce human errors and increase process efficiency, as well as integrate systems within a single platform;

- **optimise the exchange of information**, digital transformation makes it possible to channel and stabilise data in dedicated digital platforms, automate the processes previously entrusted to human resources by delegating certain tasks to the machines, integrate the processes by providing a continuous exchange of information inside and outside the company;
- **optimise time and resources**, with the associated improvement in productivity.

Furthermore, digitised processes improve the reliability of data by building a **data lake** into which data to support business activities converge, which become inputs for processes that consider AI (Artificial Intelligence) and Machine Learning.



2024 Preview

In 2024, a **paperless** system is expected to be implemented on processes that currently involve the use of paper documents, Excel sheets, exchange of e-mails and telephone calls.

The positive impacts that the Group should obtain from this process relate to both ecological results - i.e. the reduction of paper used for printing documents and memory savings in *data centres*

powered by electricity - but also technological, because they allow the Group to take a further step forward in terms of integrated and digitalised document management.

These processes, which will gradually come on stream, will implement the **digitalisation programme**.

CHAPTER 5

SOCIAL RESPONSIBILITY

Stakeholders

Employees

Key numbers and significant initiatives

Concrete action towards gender equality

+5% total number of **female workers**, compared to 2022

Growth of our human resources

6 internships converted into an employment contract

Investment in training and development

3,052 hours of non-compulsory professional training provided in 2023 through multiple corporate courses

Casillo Next Gen Food Academy

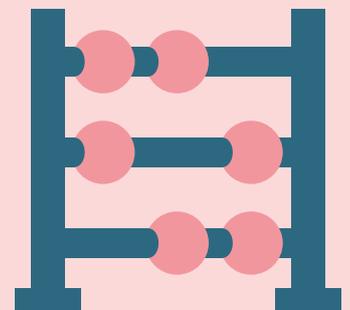
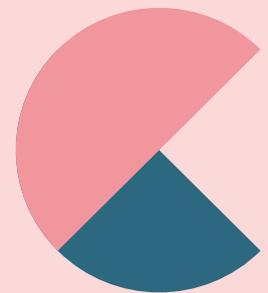
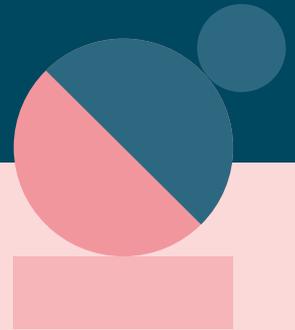
aimed at the selection, training and placement of personnel, with chemical skills, to be installed in the innovative plant for the extraction of oil from durum wheat germ

Training in Sustainability

Training planning activities fully dedicated to Sustainability underway also in 2024

Company welfare

Activation of various corporate welfare projects and promotion of psycho-physical well-being



5.1 Human resources

Material topic no. 8

Impact no. 12



At the heart of the success of the Casillo Group is the constant contribution of its people, as true key players in the creation of value. Through various initiatives, normal practice and dedicated policies, the Group is committed to ensuring a **healthy and inclusive** work environment, where everyone's unique characteristics are valued and where **diversity becomes a valuable resource for both personal and professional growth**. The Group's organisational model is geared towards the future and internationalisation and evolves in consideration of the changes in progress in the labour sector, with new needs and changes of perspective.

Composition and characteristics of the staff

2-7

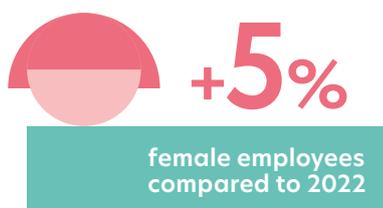
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202-2

401-1

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At the end of 2023, the Casillo Group had **432 employees** in Italy, of which **81 women** (+5% compared to the 2022 figure).

The modernisation and evolution of production processes towards ecological transition guide the Group in reskilling the existing company population with a view to new technologies, digitalisation of processes, critical thinking and environmental sustainability.

Table	Professional qualification	2023			2022			2021		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
No. employees broken down by gender and qualification	Executives	15	1	16	15	1	16	13	1	14
	Middle managers	29	3	32	29	3	32	26	2	28
	White-collar workers	119	75	194	127	70	197	129	65	194
	Blue-collar workers	188	2	190	187	3	190	184	1	185
	Total	351	81	432	358	77	435	352	69	421

Table	Professional qualification	2023			2022			2021		
		<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
No. of employees broken down by age bracket and qualification	Executives	0%	1%	3%	0%	1%	2%	0%	36%	64%
	Middle managers	0%	6%	1%	0%	6%	1%	0%	79%	21%
	White-collar workers	6%	30%	9%	7%	31%	8%	17%	68%	15%
	Blue-collar workers	4%	21%	19%	4%	21%	18%	6%	52%	42%
	Total	10%	58%	32%	11%	59%	29%	10%	61%	29%

The following table shows the average age of Casillo Group employees broken down by gender and qualification, showing for 2023 a result in line with the data of the previous year.

44 years

Average age



Table

Average age of staff

Professional qualification	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	54	47	54	55	46	54	45	56	55
Middle managers	43	36	41	42	36	40	36	42	40
White-collar workers	47	47	47	47	40	47	62	47	47
Blue-collar workers	45	48	45	45	47	45	47	46	46
Total	46	37	44	45	37	44	37	46	44

The Group's operations concern the entire Italian territory. In particular, the number of employees residing in the Apulia region, where the headquarters is located, is equal to 307 units, while 125 staff reside in other Italian regions, as can also be seen in the following chart.

Regional distribution of residence of employees as at 31/12/2023



24 Lombardia

	Men	Women
2023	20	4
2022	14	4
2021	10	4

21 Sicilia

	Men	Women
2023	19	2
2022	19	2
2021	0	0

11 Friuli Venezia Giulia

	Men	Women
2023	7	4
2022	14	4
2021	13	2

14 Abruzzo

	Men	Women
2023	11	3
2022	20	3
2021	20	2

307 Puglia

	Men	Women
2023	247	60
2022	248	58
2021	245	50

55 Other

	Men	Women
2023	47	8
2022	50	7
2021	64	11

Senior manager of the Casillo Group

The senior managers within the Group carry out functions of coordination and supervision of resources and company activities, following the guidelines of governance and implementing the actions envisaged in the strategic plan. Below is the information on Senior managers hired by the local community (Apulia region).



89% 2023: 8 senior managers out of 9 hired in the Apulia region

86% 2022: 7 senior managers out of 8 hired in the Apulia region

100% 2021: 8 senior managers out of 8 hired in the Apulia region

As at 31 December 2023, 399 staff were hired under permanent contracts, or **92.4%** of the company population. In addition, the percentage of employees hired with full-time contracts shows a very positive figure, equal to **96.1%** of the company population, as shown in the following tables. There are no seasonal workers among the human resources of the Casillo Group.

Graph Number of employees broken down by gender and contract type (permanent or fixed-term)

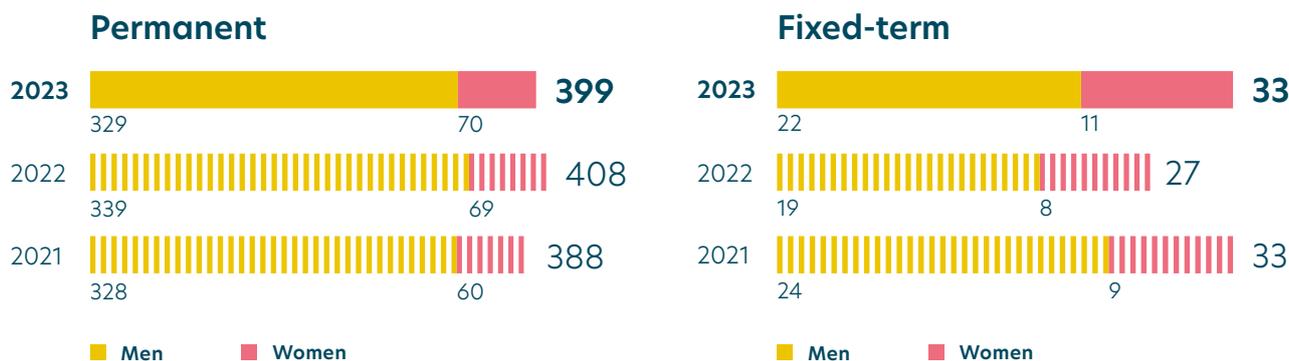
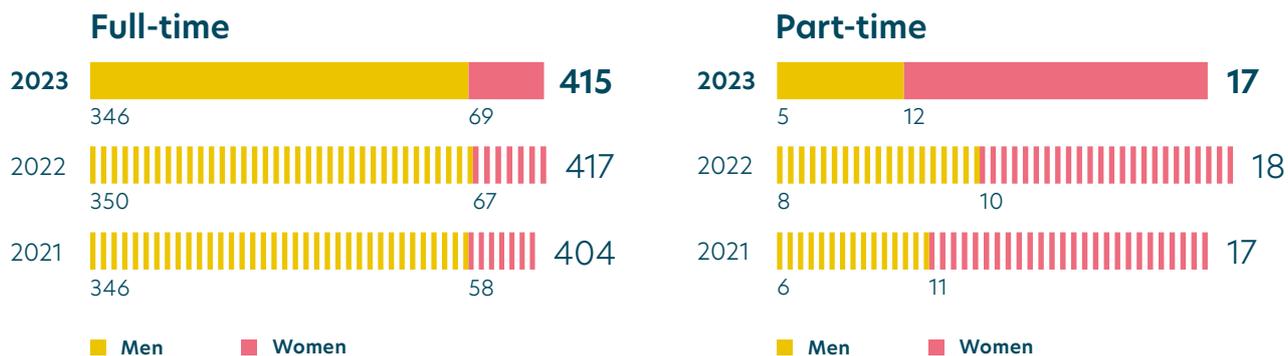


Table Breakdown by region of fixed-term/permanent workers

No. of people	2023							2022						
	Puglia	Campania	Abruzzo	Lombardia	Friuli Venezia G.	Other	Total	Puglia	Campania	Abruzzo	Lombardia	Friuli Venezia G.	Other	Total
Permanent	295	13	14	18	9	50	399	290	13	22	17	15	51	408
Women	56	2	3	2	3	4	70	51	2	2	4	3	7	69
Men	239	11	11	16	6	46	329	239	11	20	13	12	44	339
Fixed-term	12	3	-	6	2	10	33	16	1	1	1	2	6	27
Women	4	1	-	2	1	3	11	7	-	1	-	-	-	8
Men	8	2	-	4	1	7	22	9	1	-	1	2	6	19
Grand total	307	16	14	24	11	60	432	306	14	23	18	17	57	435
Women	60	3	3	4	4	7	81	58	2	3	4	3	7	77
Men	247	13	11	20	7	53	351	248	12	20	14	14	50	358

Graph Number of employees broken down by gender and contract type (full-time - part-time)**Table** Breakdown by region of workers with Full-time - Part-time contracts

No. of people	2023							2022						
	Puglia	Campania	Abruzzo	Lombardia	Friuli Venezia G.	Other	Total	Puglia	Campania	Abruzzo	Lombardia	Friuli Venezia G.	Other	Total
Full-time	291	16	14	24	11	59	415	290	14	23	18	17	55	417
Women	48	3	3	4	4	7	69	48	2	3	4	3	7	67
Men	243	13	11	20	7	52	346	242	12	20	14	14	48	350
Part-time	16	-	-	-	-	1	17	16	-	-	-	-	2	18
Women	12	-	-	-	-	-	12	10	-	-	-	-	-	10
Men	4	-	-	-	-	1	5	6	-	-	-	-	2	8
Grand total	307	16	14	24	11	60	432	306	14	23	18	17	57	435
Women	57	3	3	4	4	7	81	58	2	3	4	3	7	77
Men	241	13	11	20	7	53	351	248	12	20	14	14	50	358

In 2023, the Human Resources Function was involved in the implementation of important projects in the field of research and selection, training and corporate welfare. In addition, many staff taken on in previous years for a period of training and coaching were made permanent in 2023.

The following tables provide information on incoming and outgoing turnover.

Tables Details of staff turnover (incoming and outgoing) by geographical area (no. of people)

No. of people	Employees that joined the Casillo Group in 2023					Employees that joined the Casillo Group in 2022					Employees that joined the Casillo Group in 2021				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	8	11	4	23	5.32	16	28	13	57	13.53	12	26	15	53	13.58
Women	9	2	0	11	2.55	7	6	0	13	3.1	7	4	0	11	2.82
Total	17	13	4	34	7.87	23	34	13	70	16.64	19	30	15	64	16.4

No. of people	Employees that left the Casillo Group in 2023					Employees that left the Casillo Group in 2022					Employees that left the Casillo Group in 2021				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	6	13	9	28	6.48	5	23	18	46	10.92	5	15	9	29	7.43
Women	3	4	0	7	1.62	0	3	0	3	0.71	1	3	0	4	1.03
Total	9	17	9	35	8.10	5	26	18	49	11.64	6	18	9	33	8.46

Table Details of staff turnover (incoming and outgoing) by geographical area (no. of people)

No. of people	2023						2022						2021					
	Puglia	Emilia-Romagna	Lombardia	Sicilia	Abruzzo	Other	Puglia	Campania	Lombardia	Friuli Venezia G.	Abruzzo	Other	Puglia	Campania	Lombardia	Friuli Venezia G.	Abruzzo	Other
New hires (in the year)	15	4	6	4	0	10	40	4	4	6	3	13	48	2	4	4	2	4
Staff who left (in the year)	10	2	1	1	1	25	29	4	4	4	2	6	16	0	2	3	0	12

Casillo’s employment relationships are all regulated by the National Collective Labour Agreement. In particular, the Food Industry National Collective Labour Agreement and the Commerce National Collective Labour Agreement, residually from the Construction Industry National Collective Labour Agreement, the Port National Collective Labour Agreement and the Agriculture National Collective Labour Agreement. For executives,

the National Collective Labour Agreement for Industry Managers is mainly applied.

For the minimum number of weeks of notice, generally communicated to employees and their representatives before significant operational changes, there is no internal policy that regulates this aspect: therefore, reference is made to the provisions of the National Collective Labour Agreement.

Internships

In 2023 the Group reconfirmed its willingness to activate curricular and extracurricular internships aimed at the inclusion in the company of young graduates and recent graduates to be trained in the field.

In particular, 12 extracurricular/curricular internships were initiated at the Corato sites and in the peripheral offices, for the quality, logistics, commercial and production areas. As regards the internships in place in 2023, 6 were converted into employment contracts, in the activation functions.

12
internships

on the Corato sites and in the peripheral offices: quality, logistics, sales and production areas.

of which
6 internships
converted into employment contracts in the activation functions; others in progress in 2023.

Casillo Next Gen Food Academy

In the field of research and selection, in 2023 an important **“Casillo Next Gen Food Academy”** project was implemented, aimed at the selection, training and placement of staff, with chemical and mechanical skills, to be installed in the innovative plant for the extraction of oil from durum wheat germ. The selection and assessment of the staff to be installed in the operation of the plant was carried out by assessing not only the chemical and/or mechanical skills of the candidates, but also by focusing on the soft skills that emerged during the selection and training process (communication and relational skills, problem-solving skills, time and stress management, as well as flexibility and willingness to

learn). The professional and free training course has enabled selected newly qualified people/recent graduates to acquire knowledge of basic concepts on the processes of extraction, refining and separation of oil from the raw material as well as safety at work. The 80 hours of training were structured into both theory-based in a face-to-face setting, and passive on-the-job coaching with experts in the field of milling, maintenance and quality. All the staff selected are currently employed at the plant and are engaged in continuous learning on the role of managers.

Together with the project for the recruitment of staff to be launched at the Casillo Next Gen Food plant, in 2023 numerous **research and selection** activities continued in the various mills located in Italy. New graduates or those who have had short stints also in internships in logistics, quality and management activities were hired. For the staff hired, on-the-job **training courses** were carried out alongside expert personnel, essential for learning the procedures and processes related to the job performed.

In addition, in order to meet the requests for personnel from managers operating in the field of renewable energy, in the electrical and construction field, the Group not only provided support to partners operating in Recruitment Solutions, but attended specific **recruiting days** in the area. In May, at the Polytechnic University of Bari, the Casillo Group attended the **“Giovani e Futuro”** event, meeting students in the final year of their degree and new graduates in the areas of engineering and architecture for a moment of dialogue and discussion on work issues.

Non-employee workers

2-8

During the 2023 financial year, Casillo welcomed **6 non-employee workers** to its production facilities, whose duties were controlled by the Group itself. These are substantially **outsourced workers** through authorised agencies, employed with the qualification of blue-collar workers in production activities.

Table No. non-employee workers

Qualification	31/12/2023			31/12/2022		
	Men	Women	Total	Men	Women	Total
White-collar workers	0	0	0	2	1	3
Blue-collar workers	6	0	6	10	1	11
Total	6	0	6	12	2	14

Table No non-employees (part-/full-time)

Employment	31/12/2023	31/12/2022
	No. non-employee workers	No. non-employee workers
Part-time	0	0
Full-time	6	14
Total	6	14

Diversity and gender equality

2-21 405-1 405-2 406-1

The Casillo Group is concretely committed to promoting equality within interpersonal relationships in the company and to minimise the risk of discrimination regarding gender, age or personal and ideological beliefs, in order to guarantee its human resources a peaceful environment within a harmonious and stimulating working environment.

Right from the personnel recruitment phase, **gender equality** assumes central importance, as does the convinced recognition of ensuring **effective equal opportunities for professional development** for Group female workers. The careful and constant awareness-raising on the issue and, above all, concrete actions support the inclusion of women within the company context.

In 2023, there was **an increase in the female population (+5%)**, particularly in logistics and quality tasks, confirming the Group's willingness to recruit staff with skills in line with the role, regardless of gender.

There were no episodes of discrimination in 2023.

In order to enhance its communication transparency in an important issue for the Group, such as gender equality, and to act on the necessary suggestions for improvement, the Group has calculated the **GPG index (gender pay gap)**. In this regard, details of the average remuneration of female and male workers are provided below. In general, the GPG index obtained for some categories, such as middle managers, executives and blue-collar workers, is better than the last European figure (gap of 12.7%), while the pay gap for white-collar employees and top management needs to be improved.



The gender pay gap situation in the EU



Table Gender pay gap**

Qualification	GPG index*
Top management	100%
Executive	-4.76
Middle manager	4.46%
White-collar worker	25.62%
Blue-collar worker	12.67%

In addition, for 2023 the Casillo Group has decided to offer additional data aimed at confirming its transparency in dialogue with its stakeholders, relating to the ratio between the total annual remuneration of the highest paid individual and the total annual median remuneration of all Group employees (excluding the highest paid individual), a ratio of 10.15.

* (GPG Index = [(Average total remuneration of men - Average total remuneration of women) / Average total remuneration of men x100%]. The ratio expresses the percentage difference of the remuneration by category of a man with respect to a woman.

** The GPG was calculated based on the gross annual salary and not on the total annual remuneration.

5.2 Health, safety and welfare

Material topic no. 9

Impact no. 4



Occupational health and safety management system

403-1

Considering the nature of the company's activities, health and safety in the workplace represents a significant area within internal risk assessment processes and is constantly monitored. In this regard, the Group has long adopted all the initiatives necessary to safeguard workplace health, as prescribed by the applicable laws. As is well-known, the Italian legislation on safety (Italian Legislative Decree 81/2008 "Consolidated Law on the protection of health and safety in the workplace") is some of the most stringent in Europe and requires businesses to perform an analytical assessment of risks to worker health and safety. This is joined by the specific attention devoted to these important topics by the company management, also witnessed by the actions and investments aimed at boosting workplace safety procedures, with the relative health surveillance.

The Casillo Group has always pursued the objective of worker health, understood as a state of complete mental and physical well-being and of fostering a working life within a healthy and stimulating environment.

The Group's commitment is witnessed by the certification of the **Occupational Health and Safety Management System** according to the **ISO 45001:2018** international standard for the facilities of Sinergie Molitorie S.c.a.r.l. (representing the subsidiary with the largest number of workers and labourers at risk), with the extension of the certification to the Sorbolo-Enzano (PR) facility as well.

In order to reinforce the aforementioned commitment to worker well-being, the management system pursuant to the **SA 8000:2014** standard (Social Accountability) was maintained for Molino Casillo S.p.A.

The voluntary certification standards that regard the Group companies with the primary presence of workers contributed to boosting the culture and awareness of the company population on the matter, as well as better monitoring of occupational health and safety risks.

Risk assessment

403-2

Risk assessment is a process which aims to identify risks for worker health and safety deriving from dangers present in the workplace.

It consists of a careful and systematic analysis of all aspects of working life, intended to establish:

- what may provoke injuries or damages;
- if it is possible to eliminate hazards identified;
- if it is not possible, to indicate which preventive and protective measures are or should be enacted to limit and/or control risks.

With reference to Italian Legislative Decree no. 81 of 9 April 2008, the Employers of every single Casillo Group company supported by the respective Prevention and Protection Service Manager (RSPP) and the Company Doctor (MC), proceed with the performance of the various risk identification phases and, subsequently, the completion of the final document, as required by law.

Therefore, "risk assessment" is a complex activity that requires, for each area or workplace considered, a series of phases that call for:

- the identification of the sources of risk present in the work cycle;
- the identification of the ensuing potential risks of exposure in relation to the performance of work, as concerns risks for safety as well as for health;
- the estimation of the extent of risks of exposure connected with the situations identified that are of interest for prevention purposes.

The risk analysis and assessment is contained in the Risk Assessment Document (DVR). The individual operating units of each Group Company have their own DVR, as adopted by the Employers in agreement with the respective RSPPs and MCs, after consultation with the Workers' Safety Representatives (RLSs).

Through the Workers' Safety Representatives, the DVRs are available to workers to ensure their awareness of the situations that may impact their safety or be harmful to their health.

This allows for, amongst other things, the direct participation of workers so they can become active parties in

reporting any additional hazards and dangerous situations present in the workplace, so as to be able to better analyse working processes and properly evaluate their risks and, therefore, determine the corrective actions

and improvements necessary for health and safety in the workplace.

The DVRs are updated periodically.

Occupational health services

403-3

Occupational health services are provided through a structured system of company doctors, appointed to this end by the Employers of the individual Casillo Group companies. The company doctors are required to meet the obligations pursuant to art. 25 of Italian Legislative Decree 81/2008; they, with full organisational and scheduling autonomy and compatible with company requirements, are required to:

- collaborate with the employers of the Group companies and with the prevention and protection service in the assessment of risks, also for the planning, when necessary, of health surveillance, the preparation of the implementation of measures to protect health and the mental and physical integrity of workers, worker training and communication, insofar as they are responsible, and the organisation of the first aid service, considering the specific types of work and exposures and the unique work organisation procedures;
- collaborate in the implementation and promotion of voluntary health programmes, according to the principles

of social responsibility;

- plan and carry out health surveillance;
- provide information to workers on the health surveillance to which they are subject and, in the case of exposure to agents with long-term effects, on the need to undergo health assessments;
- visit the work environments at least once per year, or with a different frequency determined on the basis of the risk assessment;
- participate in the planning of control over worker exposure, for risk assessments and health surveillance.

Worker access to medical services is guaranteed in a number of ways: via the mobile infirmary present on site or at the healthcare facilities used by the company doctors. The services are provided during working hours. All workers of the individual Casillo Group companies are subject to health surveillance protocols in compliance with the respective DVRs.

Worker participation and consultation

403-4

Within the scope of the main Group companies, if the obligation or need arises as a result of significant events, periodic risk prevention and protection meetings are held pursuant to Article 35 of Italian Legislative Decree No. 81/2008 as amended, intended to facilitate worker participation and consultation within the scope of the development, implementation and assessment of the system for managing workplace health and safety, and in order to provide access and communicate relevant information on health and safety in the workplace.

The executives, the manager of the Prevention and Protection Service, the company doctors and the workers' safety representatives participate in these meetings. In application of the **UNI EN ISO 45001:2018 standard**, the Group also promotes the consultation of workers' committees, including those not formally established and not holding managerial roles or trade union positions, in order to share with them good practices, choice of clothing and PPE, and operating procedures.

Training on occupational health and safety

403-5

The training of workers on occupational health and safety is one of the cornerstones around which the Group's commitment revolves, regardless of the mandatory nature of the mandatory regulations. The monitoring of training needs, aimed at the formulation of training plans, takes place through a database containing the personal data of all workers, their respective duties ("safety duties") with the resulting risks, therefore, the history of certificates from these achieved from time to time with the relative schedules. Therefore, all workers, including hires, are constantly

trained or updated, in compliance with the provisions of Articles 36 and 37 of Italian Legislative Decree 81/08 as amended and the State-Regions Agreements. To workers who carry out, as part of their duties, activities that require the use of particular work equipment (e.g. self-propelled trolleys, aerial platforms etc.) or particular operations (e.g. work at height, confined environments or suspected pollution, electrical work etc.), specific qualifying training is provided, the monitoring of the validity course of which is managed with the same methods and systems described above.

Industrial relations

With a view to enhancing the link with its resources located in the various production plants, trade union relations are increasingly strengthened, aimed at favouring the full regularity of work organisation, safety and improvement of the quality of the same.

Starting from a relationship model based on the exchange and sharing of company needs and the problems of the reference contexts, the Group and the trade unions continued to develop and consolidate, in the various production sites, the most suitable organisational solutions to improve the company competitiveness, the consolidation of employment and the continuous training of personnel. These meetings saw the participation not only of local trade unions, but also of those located in different and heterogeneous territorial

realities. Starting from the specific needs of the various mills, through the involvement of the reference Managers, **second-level agreements** were signed with solutions to meet the needs and problems that arose at the various production sites.

The trade union meetings, in addition to updating and executing the negotiation of previous and new agreements, represent **moments of exchange and dialogue between the parties**, aimed at strengthening the company culture, as well as investigating the climate, analysing and proposing useful corrective measures and necessary for resources, as well as for the organisation in general.

Work-related injuries and occupational illnesses

401-3 403-9 403-10

During 2023, while pursuing the “zero accidents” policy, confirmed in most production units, there was a slight increase in accidents (7 in 2023 compared to 6 in 2022), of which 3 while travelling, involving 6 men and 1 woman. However, there was a significant reduction in the accident severity rate.

However, the Group continues to devote the maximum commitment and attention to this issue, focusing on an aspect considered fundamental, such as prevention, through the intensification of information and training processes.

Table Work-related injuries and occupational illnesses

Casillo Group Personnel	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
No. of deaths as a result of workplace accidents	0	0	0	0	0	0	0	0	0
No. of workplace accidents (excluding minor accidents)	6	1	7	4	2	6	4	0	4
of which while travelling	3	0	3	1	0	1	0	0	0
accidents in transit occurring while the employee was carrying out work-related activities or during a transfer organised by the company	0	0	0	0	0	0	0	0	0
Total number of days lost due to injury (calendar days, from the day after the incident)	86	7	93	129	47	176	167	0	167
No. of cases of occupational illness	0	0	0	0	0	0	0	0	0
No. of days of absence (excluding holidays, study/maternity/paternity leave)	2,098	414	2,512	3,649	473	4,122	2,419	193	2,612
No. of workplace accidents with serious consequences (excluding fatalities)	0	0	0	0	0	0	0	0	0
No. of ordinary hours worked			706,939			734,513			736,154
No. of overtime hours worked			31,341			33,879			36,889
Main types of workplace accidents	During the maintenance of machines and equipment								

Table	Frequency and severity rates	2023	2022	2021
Trend in accident frequency and severity rates	Accident frequency rate (no. accidents x 1,000,000 ÷ no. hours worked)	5.42	7.81	5.17
	Accident severity rate (no. of days lost due to accident per thousand hours worked)	0.04	0.23	0.22

With regard to the disclosure on parental leave (governed by Italian legislation), in 2023, **4 female workers** and **2 male workers** took parental leave. Of these, 3 women returned to work, while the men who took leave all returned. In the same year, there were a total of 4 employees who returned to work at the end of parental leave and who were still employed by the organisation 12 months after returning to work, of which 2 women and 2 men.

Company welfare

401-2 403-6

The Group pays utmost attention to the creation of a welcoming and people-oriented working environment, constantly striving to enhance and develop the professional skills of each person based on the recognition of merits and in compliance with the principle of equal opportunities. **Fairness in interpersonal relationships is a value**, designed to guarantee all those who interact with the Group conditions that respect personal dignity and the absence of discrimination or conditioning. In addition to these principles, contained in the **Code of Ethics**, special attention is paid to the **well-being of employees** and the **protection of diversity**.

Welfare

The Group's attention to employees and families is demonstrated by the various activities introduced by the human resources function during 2023. *Corporate Benefits Agreements* and *Scholarships* are some initiatives aimed at offering support and a sense of belonging not just for employees but also to their families.

In 2023, the **Company Welfare plan** called for by the Management was replicated - now in its fourth edition - and structured in the form of shopping and fuel

vouchers, which can be spent during the year 2024, accessible on the platform by all employees.

Access to the platform of company agreements reserved for employees was renewed, which allows access to a wide range of products and services through simple authentication that enables users to browse the site to choose products that interest them (fashion, technology and leisure time).



Scholarships

Thanks to the Vincenzo Casillo Foundation, 22 scholarships were provided to the most deserving children of employees, who in 2023 distinguished themselves by obtaining a secondary school or high school diploma.

The award ceremony was an opportunity to organise a meeting and discussion between students, families and the company in the Group's conference room.



The Cassetta delle Idee (Ideas Box)

Project launched by the Human Resources Function through which the company aims to reward staff who, through their creativity, wish to improve and innovate, and have "produced ideas and projects" on any organisational, process or work aspect. The 18 ideas received in the first edition were carefully analysed, bringing out insights on various topics (e.g. sustainability, welfare, work organisation, engagement, etc.);



Related links

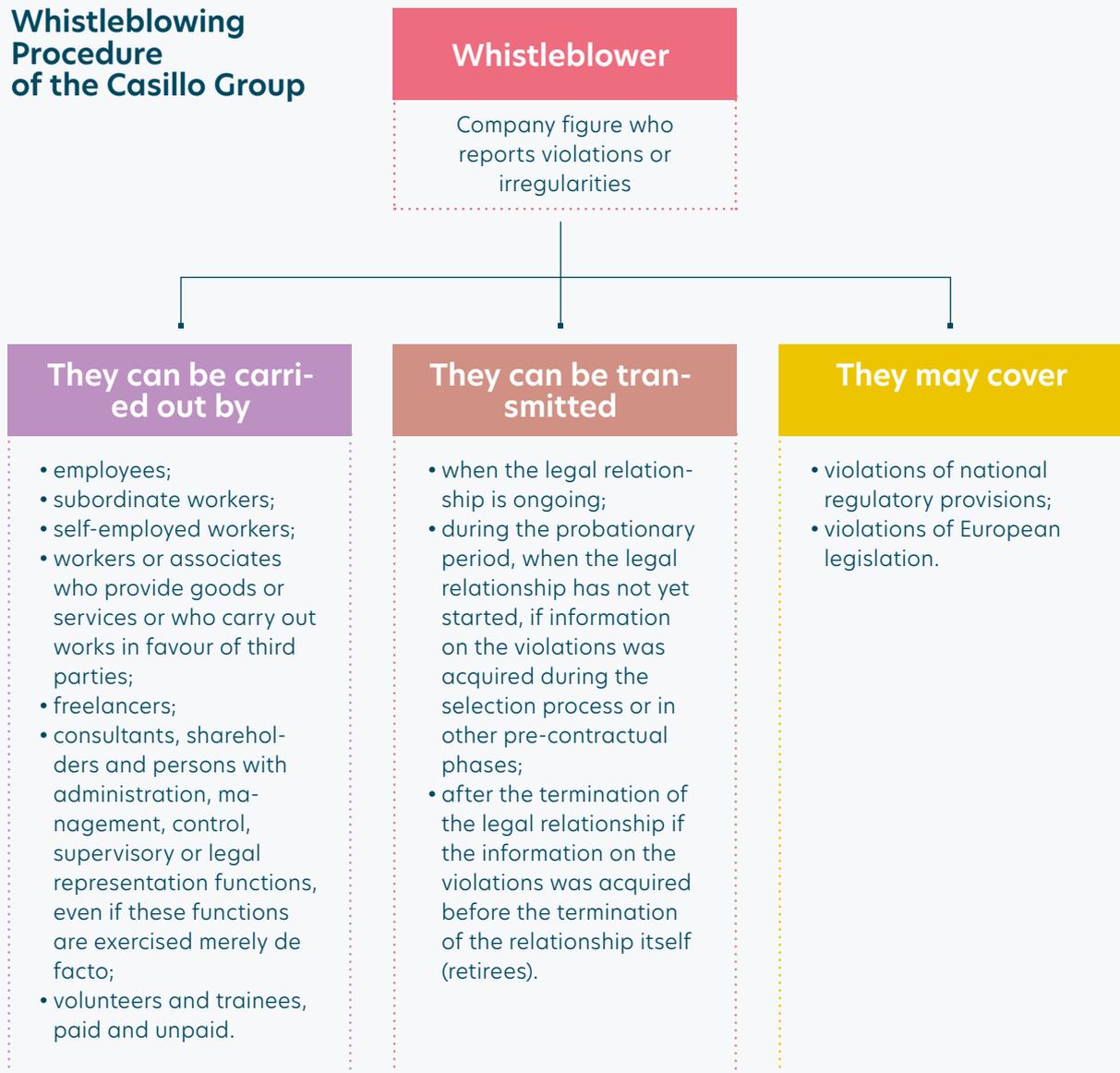


Whistleblowing

2-16 2-26

The Casillo Group, in compliance with Italian Legislative Decree 24/2023 on whistleblowing, i.e. the reporting of offences of which an employee, associate or professional has become aware due to the employment relationship, prepared a specific company policy in 2023 in order to structure an adequate and effective Whistleblowing system.

Whistleblowing Procedure of the Casillo Group



The Group has put in place an internal analogue written reporting method, where the elements pertaining to the report must be inserted in two closed envelopes, containing:

- the first, the identifying data of the whistleblower and a copy of an identity document;
- the second, the subject of the report and any attached documentation.

The Reporting Manager is the Supervisory Body, which is a third party entity with respect to the Group.

The Whistleblowing Policy is publicly available on the [company website](#).



5.3 Training and growth of human capital



Material topic no. 8

Impact no. 8

2023 saw the Human Resources Function of the Casillo Group engaged in activities that not only met the new company business needs (newcos and new profiles to be sought), but were also aimed at enhancing the professionalism of employees both in terms of technical knowledge and soft skills.

Personnel training and growth

404-1 404-2

Also in 2023, the Group's training offer was developed on a number of training categories. The **on-line mode** remained an essential tool for reaching all employees, augmented by face-to-face meetings.

2023 was characterized by a greater focus and customization of training. The training offer was based on the collection of specific training needs by managers and resource coordinators.

One of the most important topics concerned the organization of **webinars** dedicated to attaining in-depth knowledge of the corporate functions, the commercial strategies and the new businesses of the Group. This is a way to enhance **the communication and public speaking skills** of the staff involved as speakers and to spread knowledge of the various company areas.

Sustainability training plan

In the second half of 2023, an extensive **training planning programme fully dedicated to Sustainability** commenced, which will end in 2024, involving a total of 1,280 hours of training.

The plan focuses on three material topics:



Food integrity, compliance and sustainability



Sustainable development and intermodal logistics



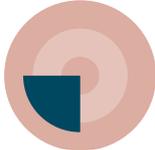
Traceability and B2B - B2C communication

The three training areas examine both the legislative and regulatory aspects of sustainability, as well as the operational dynamics and practical application in the company context.

In general, the training involved company functions on technical and transversal issues. By way of example, the following courses are provided:

Environmental Training and Food Defence	Training course on Sustainability issues that will extend throughout 2024	ITIL® Foundation v4 (ITILFV4)
International Trade & Export Management in collaboration with Intesa Sanpaolo Formazione	Ingredients and Pastry Processes	Management of contractors (legal aspects)
Refresher course on the new version 9 of the BRC certification, aimed at quality control personnel at all sites	"Come leggere la bolletta doganale" (How to read the customs bill) addressed to employees in the administrative area	"Svalutazione del credito" (Loan write-down) in collaboration with ACMI Associazione Credit Management Italia
Customs and Customs techniques	Third edition of "Tecnologia Molitoria" ("Milling Technology") aimed at mill operators for both theory-based and practical training	Food Defence for the staff operating in the quality and environment function

Not only were the technical/specific skills fundamental in the roles of management, quality, logistics and automation enhanced, but also soft skills such as, for example, **emotional intelligence** to foster a mental attitude in staff with an inclination for the **dynamism** of their work, a proactive approach and the effectiveness of the activities carried out. To this end, training courses were held (also in progress in 2024) called **"How to reach objectives"** and **"Critical thinking"**.



Achieve goals

The **"Achieving objectives"** course, held on-line, involved 20 managers operating in all sectors, with the objectives of:

- developing awareness of one's role in relation to managing relations with colleagues and the team;
- fostering leadership that enables those working in your team to express their potential;
- enabling the participation of managers operating in the various mills.



Critical Thinking

The **"Critical Thinking"** course involved around 40 employees for a duration of 24 hours held by an expert coach from the sports world.

The course was structured as group work aimed at recognising one's areas of improvement and strength, fundamental for working more effectively in the team to which they belong.

Together with the courses held by external teachers, the Human Resources Function is constantly committed to creating courses for individual functions on internal software programs, such as Qlikview, Inaz, Scada, SAP, etc. The courses were delivered by those responsible for software management, involving a total of **100 hours of training** and 6 in-house professionals.

The number of hours of training by type of course carried out in 2023 is shown below.

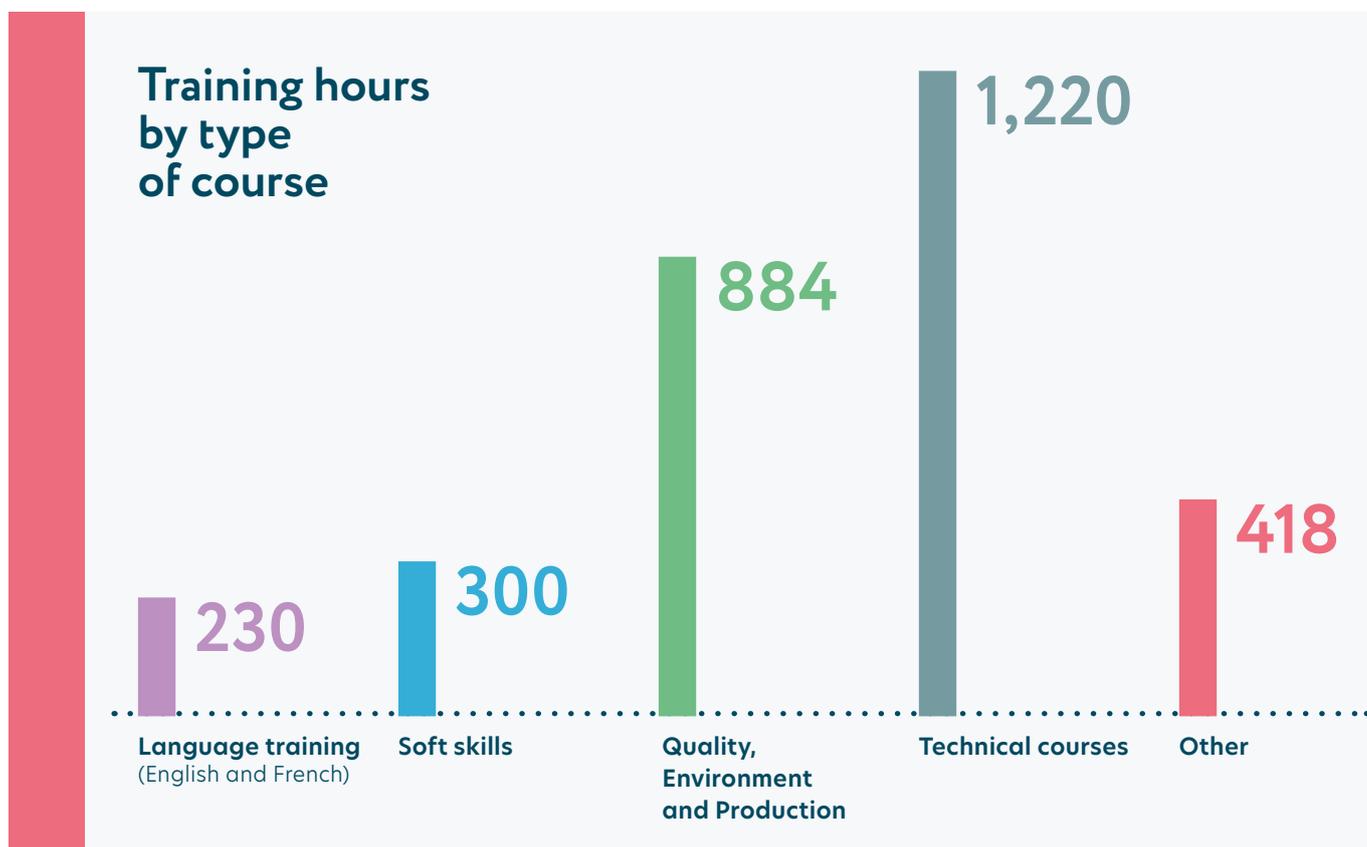
Table Hours of training provided in 2023

Hours of voluntary training provided	2023			2022			2021		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	10	22	32	68	316	384	81	366	447
Middle managers	8	274	282	199	636	835	149	932	1,081
White-collar workers	1,038	1,481	2,518	2,200	2,446	4,646	1,707	3,318	5,025
Blue-collar workers	20	200	220	0	499	499	0	359	359
Total	1,076	1,977	3,052	2,467	3,897	6,364	1,937	4,975	6,912

Table Average hours of non-compulsory training provided in 2023

Average hours of training	2023			2022			2021		
	Total hours	Participants	Average	Total hours	Participants	Average	Total hours	Participants	Average
Women	1,076	71	15.15	2,467	65	37.95	1,937	58	33.39
Men	1,977	151	13.09	3,897	157	24.87	4,975	150	33.16
Total	3,052	222	13.75	6,364	222	28.66	6,912	208	33.24

The number of hours of training by type of course carried out in 2023 is shown below.



Training for the younger generation

Induction of new employees

The Human Resources Function has made provision for increasingly structured induction plans in the company for all new employees, organising a calendar of meetings defined in terms of hours and content, with the managers of each area. In fact, the initial training of new employees is a fundamental lever for integration into the Group's dynamics and for effective and rapid inclusion in the function to which they belong.

University curricular traineeships

750 hours
of curricular internship for university students of the Polytechnic of Bari

During 2023, in response to requests for agreements and curricular internships formulated by students and institutions, the Human Resources function initiated training projects with high schools (industrial technical institutes) and universities in the areas of technical training and engineering.

Approximately **750 hours of curricular internship** were provided for university students of the Polytechnic of Bari and work experience courses were commenced with high schools in the area (e.g. Corato, Ruvo, Barletta and Bari) with **over 80 students**, who had the opportunity to explore issues related to their studies.

Training for local schools

With a view to integration between schools and the world of employment, marketing and sales topics were focused on with students from technical and/or business schools, in consultation with the teachers, while laboratory and quality topics were addressed with students from chemical and biotechnology schools. All students hosted by the Group had the opportunity to see the production process live through a guided tour of the packaging plants and mills located in Corato.

5.4 Social commitment to communities

Material topic no. 4

Impact no. 15

413-1



Initiatives with a social purpose and support for local communities are monitored and promoted by the **Vincenzo Casillo Foundation**, fully funded by the Casillo Group.

In 2023, the Casillo Group allocated financial resources of € 400,000 for the Foundation's activities.

For information on the numerous social initiatives carried out in 2023 by the Casillo Group through the Vincenzo Casillo Foundation, please refer to the Foundation's 2023 Social Report.



5.5 Creation of shared value and tax contribution

2-6

201-1

207-2



In order to provide an indication of the Group's economic contribution to stakeholders, value added represents the measure of the increase in value deriving from the use of resources which, as a result of the realisation of the technical-production cycle, have been transformed into "wealth generated". This wealth rewards the company stakeholders who, in various ways, have provided raw materials, labour, services, investments, public utility and other tangible and intangible company production factors. The following table shows the "Consolidated Added Value" of the Casillo Group,

calculated according to the method proposed by the standard of the Reports and Sustainability Group (GBS), which entails two distinct statements:

- the value added calculation table;
- the value added allocation table.

In 2023, the value added produced amounted to € 106 million (€ 95 million in the previous year). Its breakdown is shown in the following table, with the amounts in thousands of Euro.

Table Value added calculation table (GBS) 2023-2022

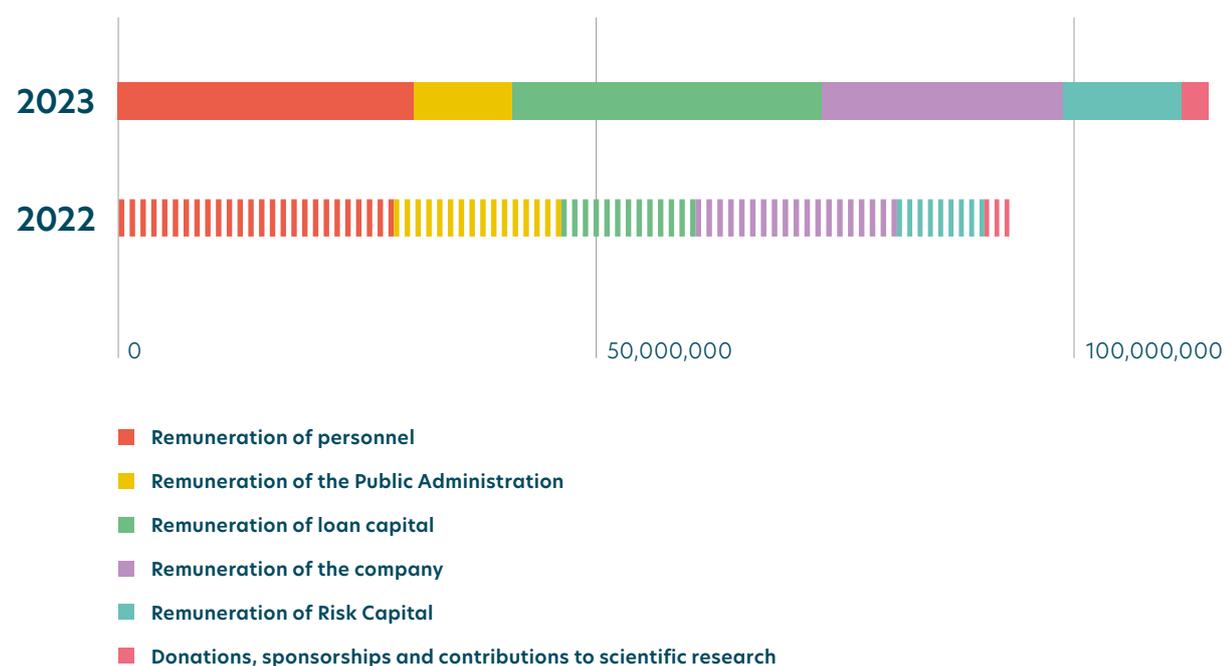
(amounts in thousands of euro)

Value Added	2023	2022
A) Value of production	1,714,628	2,259,982
Revenues from sales and services	1,696,005	2,246,055
Change in inventories of finished products and goods	8,372	6,090
Own work capitalised	384	873
Other revenue and income	9,868	6,963
B) Intermediate costs of production	1,613,119	2,171,809
For raw materials, consumables and goods for resale	1,358,594	1,798,603
Costs for services	193,069	267,630
Leases and rentals	2,632	1,650
Provisions for risks	0	36
Other operating expenses and other allocations	5,993	6,207
Changes in inventories of raw materials, consumables and goods for resale	43,778	94,754
Write-down of receivables included in current assets	9,053	2,930
C) Gross value added from ordinary operations (C=A-B)	101,509	88,172
Exchange rate gains and losses	(3,453)	7,434
Value added from ordinary operations net of foreign exchange gains & losses	98,057	95,606
Balance from complementary operations	4,682	2,018
Total income from equity investments	5	3
Total other financial income	4,677	2,015
Value adjustments to financial assets and liabilities	3,017	(2,054)
Total revaluations	3,653	321
Total write-downs	635	2,375
Balance of non-recurring items	(97)	(889)
Non-recurring income	8	0
Non-recurring expenses	105	889
TOTAL GROSS VALUE ADDED	105,659	94,681

Table Value added allocation table (GBS) 2023-2022

(amounts in thousands of euro)

Value Added	2023	2022	Change %
Remuneration of personnel	27,619	29,054	(4.90%)
Wages and salaries	18,964	19,400	(2.20%)
Social security costs	4,254	4,831	(11.90%)
Employee severance indemnity	1,126	1,310	(14.00%)
Pension costs and similar liabilities	11	10	12.50%
Other costs	587	978	(40.10%)
Remuneration of personnel other than employees	2,676	2,525	6.00%
Remuneration of the Public Administration	9,711	17,475	(44.40%)
Income taxes for the year	6,908	6,652	3.80%
Direct taxes relating to previous years	1,314	9,295	(85.90%)
Operating grants	(19)	(5)	311.10%
Current indirect taxes and relating to previous years	1,508	1,532	(1.60%)
Remuneration of loan capital	30,325	14,422	110.30%
Interest expense	33,224	13,336	149.10%
Differential from derivative instruments	(2,899)	1,086	(367.10%)
Remuneration of the company	23,613	22,916	3.00%
Amortisation/depreciation of fixed assets	23,613	22,916	3.00%
Remuneration of Risk Capital	11,655	9,722	19.90%
Profit (loss) for the year attributable to minority interests	1,784	1,740	2.50%
Profit (loss) for the year attributable to the Group	9,871	7,981	23.70%
Donations, sponsorships and contributions to scientific research	2,737	1,093	150.20%
Donations, sponsorships and contributions to scientific research	2,737	1,093	150.20%
TOTAL GROSS VALUE ADDED	105,659	94,681	11.60%

Graph Distribution of the total gross value added

Tax Social Responsibility

Intended as the adoption by enterprises of tax approaches focused on the principles of ethics and legality, Tax Social Responsibility covers an increasingly important role in the context of national and international policies, as well as representing an effective lever for raising the quality of the services provided by the State and by local Entities. In this sense, the Casillo Group tax approach is characterised by the implementation of corporate policies able to guarantee full compliance with the regulations relating to corporate taxation.

The company's organisational structure includes the Administration and Control Department which manages and supervises the corporate activities and processes aimed at:

- the preparation of documents of an accounting, social security and tax nature, presenting them for the approval of the pertinent corporate bodies, where necessary;
- the preparation, subscription and transmission (also through authorised intermediaries) of the tax returns required by the tax regulations.

The audit activities of the Internal Control System referred to in Chapter 2, together with the control exercised by the Board of Statutory Auditors, the Supervisory Body and the Independent auditors represent valid procedures for the correct management of corporate transactions and of the tax and social security obligations. Specifically, the organisational model pursuant to Italian Legislative Decree 231/01 of Casillo Partecipazioni S.p.A. dedicates a section to the management and control of the risks connected to tax fraud, as well as the prevention of tax offences, with control mechanisms designed to mitigate the types of risk associated to sensitive areas or processes considered to be at risk.

The periodical tax review activity by the Independent Audit Company, in the context of the audit of the financial statements and relative audit of direct and indirect taxation, represents a further procedure to ensure compliance with the highest standards in terms of ethics and legality.



Associations

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A list is provided below of the associations of which the Casillo Group is a member as at 31 December 2023.

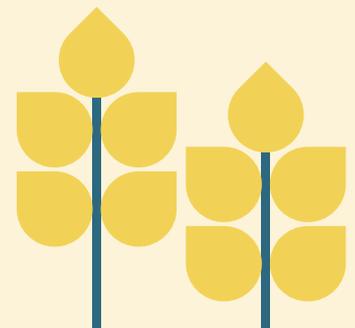
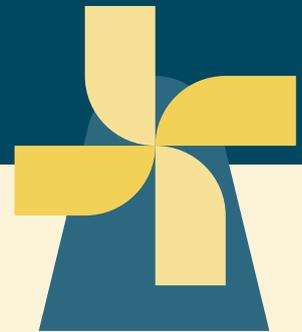
- **ACMI**
Associazione Credit Manager Italia (Credit Manager Association Italy)
- **AICEL**
Associazione Italiana Commercio Elettronico (Italian E-Commerce Association)
- **AITI**
Associazione Italiana Tesorieri (Italian Treasurers Association)
- **ALIS**
Associazione Logistica dell'Intermodalità Sostenibile (Sustainable Intermodal Logistics Association)
- **ANACER**
Associazione Nazionale Cerealisti (Italian Association of Cereal Grain Traders)
- **ANCE**
Associazione Nazionale Costruttori Edili (National Association of Building Constructors)
- **ANTIM**
Associazione Nazionale Tecnici Industria Molitoria (Association of Italian Milling Industry Technicians)
- **Assiterminal**
Associazione Italiana Terminalisti Portuali (Italian Association of Port Terminal Operators)
- **ASSITOL**
Associazione Italiana dell'Industria Olearia (Italian Oil Industry Association)
- **ASSOBIO**
Associazione nazionale delle imprese di produzione, trasformazione e distribuzione di prodotti biologici e naturali (National association of companies producing, processing and distributing organic and natural products)
- **Associazione Granaria di Milano (Wheat Growers' Association of Milan)**
- **Associazione Granaria Emiliana (Wheat Growers' Association of Emilia)**
- **Associazione Imprenditori Coratini (Entrepreneurs' Association of Corato)**
- **Associazione Meridionale Cerealisti (Southern Association of Cereal Grain Traders)**
- **Associazione Passione Pizza (Pizza-Passionate Association)**
- **Assocontroller**
Associazione Italiana dei controller liberi professionisti e dipendenti aziendali (Italian Association of freelance controllers and company employees)
- **Assoholding**
Associazione delle Holding di partecipazione (Association of holding companies)
- **Assologistica**
Associazione Italiana delle Imprese di Logistica, Magazzini Generali, Terminal Operators Portuali, Interportuali ed Aeroportuali (Italian Association of Logistics Companies, General Warehouses, Port, Interport and Airport Terminal Operators)
- **Autorità Portuale del Mare di Sicilia (Port Authority of the Sea of Sicily)**
- **Italian-Iranian CCI**
Italian-Iranian Chamber of Commerce and Industry
- **CGIL (Confederazione Generale Italiana del Lavoro - Italian General Confederation of Labour) FLAI (Federazione Lavoratori Agro Industria - Italian Federation of Agroindustrial Workers)**
- **Confindimprese (Associazione delle imprese del commercio moderno - Association of modern trade companies)**
- **Confindustria (General Confederation of Italian Industry) Albania**
- **Confindustria Assafrica & Mediterraneo (General Confederation of Italian Industry - Business relations between Italy and African, Mediterranean and Middle East companies)**
- **Confindustria (General Confederation of Italian Industry) Bari and Bat**
- **Confindustria (General Confederation of Italian Industry) Foggia**
- **Consortium for the Reclamation of the Capitanata**
- **Elettricità Futura**
Italian electrical companies
- **ITS Academy AgriPuglia Foundation**
Apulia Agrifood Academy Higher Technological Institute
- **GAFTA**
Grain and Feed Trade Association
- **GS1 Italy**
- **IBC**
Associazione Industrie Beni di Consumo (Consumer Goods Companies' Association)
- **Italian Food Tradition**
Consortium company for the promotion of Italian food excellence
- **Italmopa**
Associazione Industriali Mugnai and Pasta (Milling and Pasta Industry Association Italy)
- **Kyoto Club**
- **Movimento Turismo del Vino Puglia (Apulia Wine Tourism Movement)**
- **O.T.C.R.**
Observatory Transport Compliance Rating
- **Previline**
Healthcare Fund for companies
- **Quadrifor**
Bilateral institute for the development of training of executives in the tertiary sector
- **SIGEP**
Salone Internazionale della Gelateria, Pasticceria, Panificazione Artigianale e Caffè (International Expo for the Ice Cream, Pastry, Artisan Bakery and Coffee sectors)
- **SISGS**
Società Italiana per lo Studio delle Sostanze Grasse (Italian Society for the Study of Fatty Substances)
- **The International Propeller Clubs**
Cultural association that promotes meetings and relationships between people who gravitate in sea, land and air transport
- **Unione Italiana Food**

CHAPTER 6

SUPPLY CHAIN AND RESPONSIBLE MANUFACTURING

Stakeholders

Suppliers, customers, business partners



Key numbers and significant initiatives

Supply chain

88% of procurement for the **milling segment** is from **local suppliers** (Italy), while 11% of purchases come from European suppliers

+7% **qualified suppliers** compared to the previous year

Product quality and safety

no.100,913

food safety analyses on raw materials and goods carried out in 2023: **+32% compared to 2022**

BRC Global Standard

Update of **suppliers qualification** procedure for risk analysis according to the **BRC Global Standard**

no.75 **external audits** in 2023 by entities responsible for quality control and by customers of milling plants

New products and premiums

New flours with **wheat germ** and expansion of the **Linea Origine** range

Food & Travel Awards 2023 - award for the best **raw materials of the year**

Food Match - the Semole d'Autore line won the **2023 Best Food Product** award

6.1 Sustainability of the supply chain

Material topic no. 5, 7

Impact no. 1, 3, 17



Supply chain

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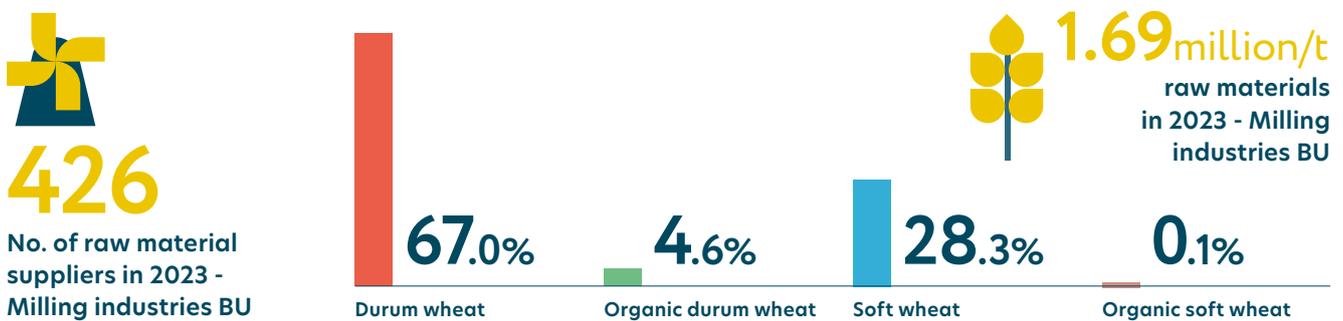
The supply chain is a key element of the entire value chain of the Casillo Group, especially as regards the Industrial and Trading divisions. The procedures in place for the selection, assessment and management of relations with suppliers, also according to sustainability and ethical criteria, are fundamental to ensure the safety and quality of the products sold.

Purchases from suppliers consist mainly of **raw materials, goods and services**, and other minor costs (lettings, rentals, leases, etc.). In particular, purchasing costs of raw materials and goods represent 84% of the overall production cost, while costs for services repre-

sent 12% of the total cost of production. It derives from this that the main categories of suppliers consist of: trading companies, national and international agricultural cooperatives and producers, wholesalers, sea freight companies, shipowners and sea transport companies, brokers and energy supply companies. Relations with the main group suppliers are normally stable, long-lasting and contractually regulated.

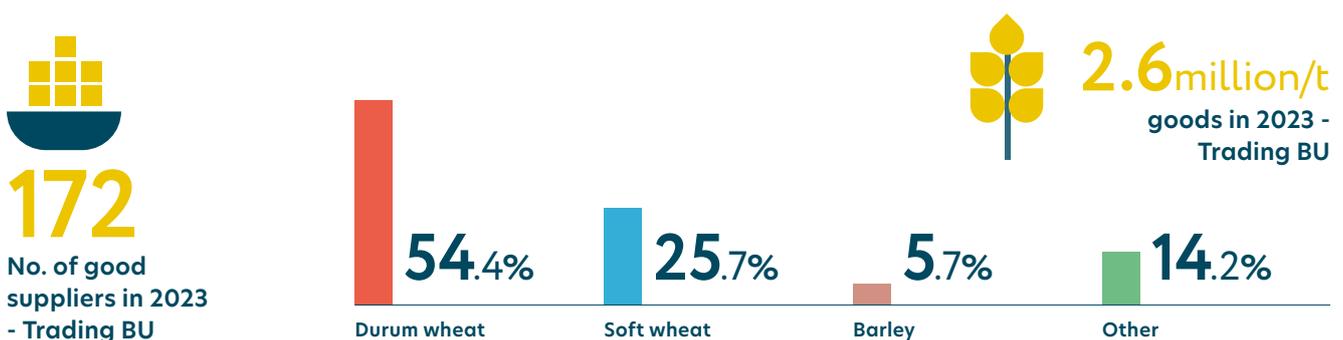
Purchases of **raw materials** used for **milling activities** amount to over €616 million in 2023, for an overall volume of 1.69 million tons. The percentage breakdown of purchasing volumes is given below.

Graph Raw material purchase quantity for milling activities

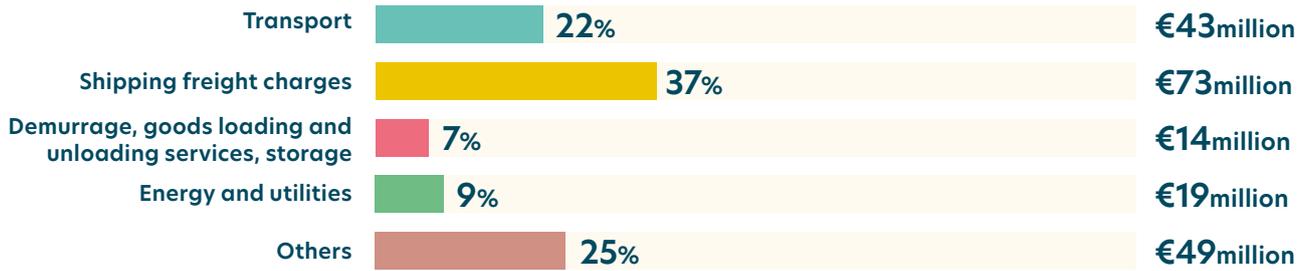


As regards purchases of **agricultural commodities** in the **Trading** segment, they amounted to approximately €772 million in 2023, for a total volume of approximately 2.6 million tonnes. The percentage breakdown of purchasing volumes of goods for agricultural commodities trading is given below.

Graph Raw material purchase quantity for agricultural commodities trading



Graph Services cost analysis



The analysis of raw material purchases value of the Milling Industries, broken down by geographical area (supplier's location), by Group operating sites (in Italy) is represented in the following graph:

Graph Geographical breakdown of supplies 2023 - Milling industries

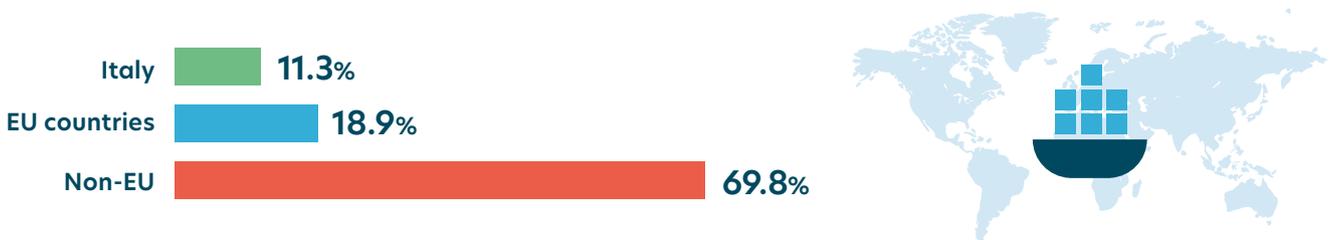


It should be noted that overall about **88% of procurement** for the **milling segment** is from **local suppliers** (Italy)⁴, while 11% of purchases come from European suppliers and 1% comes from non-EU suppliers.

On the other hand, the geographical breakdown (supplier's location) of purchases by goods value of the Trading division is necessarily more varied, with

purchases from non-European suppliers prevailing (**69.8%** in 2023, compared to 28.8% in 2022), mainly from countries such as Mexico, Canada and Turkey. This is followed by purchases from European suppliers (**18.9%** in 2023, compared to 65.8% in 2022), in particular from countries such as France and Greece.

Graph Geographical breakdown of 2023 supplies of goods - Trading



⁴ Local suppliers means those located in Italy.

Food safety and sustainability of supplies

All purchases are subject to a **rigorous food safety assessment**.

In addition, with regard to suppliers, according to the provisions of the HACCP protocols ("Hazard Analysis and Control of Critical Points"), the procedures in place provide for:



Analytical controls

Tests are carried out on products to verify their compliance with food safety standards.

The controls are carried out through the following activities (non-exhaustive list):

- qualification of raw materials suppliers with regard to food safety;
- information and awareness-raising of suppliers on transportation regarding food safety;
- raw material and finished product sampling plans that establish the analysis methods and frequencies for the various types of risk.

Food safety is guaranteed for all purchases. In addition to these activities, the Casillo Group carries out further checks and controls to ensure the maximum food safety of its products.

Lastly, consistently with the policies and controls adopted, following the implementation of the **Social Accountability 8000** management system, the Group defined a **supplier monitoring programme**, classifying suppliers as "core" and "supercore". The programme verifies the commitment to ensure compliance with the human rights and worker rights standard and to identify any risk situations.

The assessment of raw material suppliers is aimed at constantly ensuring that potential risks of food safety are correctly managed.

The supplier qualification activity (pertaining to the subsidiary Casillo S.p.A. Società Benefit) is carried out according to the risk analysis, as required by the **BRC standard**. In addition, the Group has started to define a **code of conduct for its suppliers** in order to assess the supply chain according to environmental and social sustainability criteria, including respect for human rights.

A risk analysis is carried out for each category of raw material, assessing:

- hazard of contamination by allergens;
- hazard of contamination by foreign bodies;
- hazard of microbiologic contamination;



Documentary checks

Suppliers documentation (such as certificates and production records) is examined to ensure product quality and traceability.

- hazard of chemical contamination;
- hazard of fraud or counterfeit/contamination between varieties and species;
- non-compliance to legal parameters.

Moreover, each supplier is assigned a "Quantity risk" which increases on the basis of the quantity supplied: the greater the quantity supplied, the greater the risk. The overall risk determines the qualification procedures:

- assessment of the possession of valid GFSI certifications or alternatively audit at the supplier's premises, in the event of high risk;
- questionnaire and document verification, which includes request for minimum documentation or commencement of business notice or other equivalent documentation, HACCP Manual and traceability test, in the case of medium risk.

The assessment is reviewed annually with regard to the risk analysis and every three years with regard to qualification, provided that no significant non-conformities emerge that require an advance of the verification times or if, following the risk analysis, conditions are defined for which the risk is high.

Each year, the mapping of suppliers is updated with the relative quantities delivered in the previous calendar year on all plants; all data and documents are shared and available online for consultation by the functions concerned.

According to the new method implemented as at 31 December 2023, the Group **qualified approximately 52% of suppliers**, a figure referring to suppliers of Italian wheat. The **number of qualified suppliers increased by 6.6%** compared to the previous year. The following table shows the improvement data recorded, especially with regard to the total number of qualified soft wheat suppliers.

Table Monitoring of suppliers

Suppliers	2023			2022		
	Total to be qualified	No. Qualified YTD	Suppliers subject to YTD qualification (%)	Total to be qualified	No. Qualified YTD	Suppliers subject to YTD qualification (%)
Italian soft wheat	80	42	53%	111	37	33%
Italian durum wheat	170	88	52%	181	85	45%

A qualification procedure and precise process is carried out on the suppliers of the wheat supply chain and/or sustainable with customer-specific requirements. For these suppliers, specific contractual requirements are established (requested by the customer), subject to verification through audits or documentary checks.

The qualification activity will also be extended to foreign wheat suppliers. It should be noted that most of the foreign wheat is purchased from Casillo Commodities

Italia S.p.A., a company of the Casillo Group, which is **GTP** certified with regard to good hygiene practices for the cereal trade. This certification concerns the collection, storage, trade and transport activities.

The goods acquired are sampled by the appropriate external "**Food Safety Lab**" (accredited according to standard ISO/IEC 17025), which undertakes to conduct all due analyses, i.e.



With regard to **food safety analyses**, details of the controls carried out in 2023 are provided below.

Table Food safety analyses on raw materials and food products carried out in 2023

Types of analyses	Durum wheat	Soft wheat	Flours	Semolina	Secondary products	Semi-processed	Sub-products	Total
Allergens	605	204	259	1,791	2	0	2	2,863
Chemical-physical	134	39	161	1,759	1	95	1	2,190
Phytopharmaceuticals	1,366	344	465	1,530	9	14	227	3,955
Product	10,843	393	298	42,793	1,469	4,825	5,813	66,434
Metals	239	189	529	597	8	56	455	2,073
Mycotoxins	1,283	733	1,159	3,204	31	25	1,163	7,598
Microbiological	435	865	1,582	1,881	43	481	423	5,710
PCR analysis	910	205	374	1,244	4	10	108	2,855
Radioactivity	37	42	0	0	0	0	0	79
Other	2,401	590	1,169	2,920	21	18	37	7,156
Grand total	18,253	3,604	5,996	57,719	1,588	5,524	8,229	100,913

In 2023, food safety analyses carried out on raw materials and food products recorded a significant **increase of 31.9%** compared to 2022, reflecting the growing commitment pursued by the Group towards the issue of food safety and raw materials.

6.2 Responsible manufacturing

Material topic no. 6

Impact no. 11



Products, services and markets

2-6

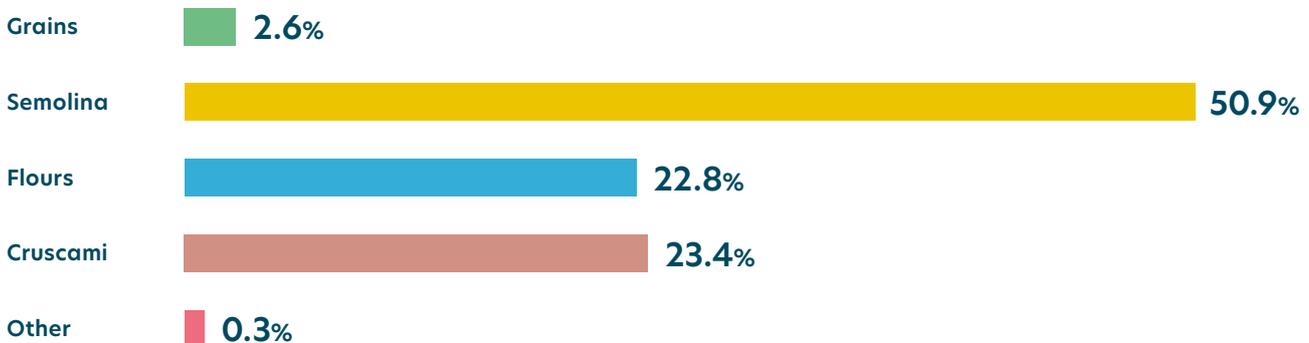
2023 Group sales are essentially attributable to three main activity sectors in which the Casillo Group operates: Industrial, Trading and Real Estate. Sales value may be broken down as follows:

Table Revenue Analysis (€)

Business sectors	2023		2022		Change	Change %
Milling industries	765,344,490	45.3%	932,128,499	41.7%	-166,784,009	-17.9%
Trading	894,886,269	52.9%	1,298,056,060	58.1%	-403,169,791	-31.1%
Real Estate	15,648,840	0.9%	6,221,506	0.3%	9,427,334	151.5%
Other	14,816,500	0.9%	-1,088,983	0.0%	29,576,577	-1460.6%
Total revenues from contracts with customers	1,690,696,099	100%	2,235,317,082	100%	-544,620,983	-24.4%

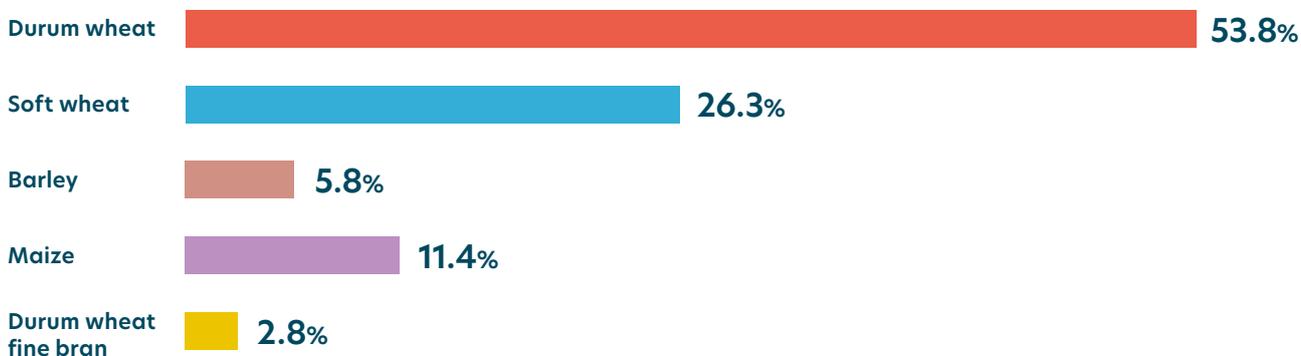
The overall quantity sold by the **milling** sector in 2023 amounted to approximately 1.68 millions tons, in line with the 2023 result. The value of sales in 2023, on the other hand, was equal to €765 million: the decline in turnover is essentially attributable to the downward trend in the flour products sale prices. Opposite is the product macro-category analysis of quantities sold in 2023:

Graph Breakdown of sales quantity year 2023 - Milling Industries



Sales of agricultural commodities of the **Trading** division totalled €895 million in 2023 (a 31% decrease compared to 2022). On the other hand, the quantities sold were approximately 2.6 million tonnes (-10% compared to 2022). The change in value was essentially affected by the decline in the sale prices of wheat and other agricultural goods in 2023. The breakdown of Trading sales quantity is shown in the chart at the side:

Graph Breakdown of sales quantity year 2023 - Trading



Sales value of flours deriving from the **milling activity** relate for almost all customers (pasta and animal feed factories, the baking industry, ho.re.ca. sector, end customers⁵, etc.) based in Italy, as can be seen from the following graph.

Graph Sales geographical breakdown 2023 - Milling industries



The analysis of served markets, in relation to sales value of **agricultural commodities** and **food products** in the context of the trading activity, is essentially international, as reported in the following graph, and relates to large B2B customers and government agencies (mainly in Northern Africa) dealing with food provisions.

Graph Sales geographical breakdown 2023 - Trading



⁵ The Casillo Group has also been present, since 2015, in the main large-scale retail trade businesses.

Product quality and safety

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In line with the company's vision and values, Casillo's approach is focused on the **quality** and **safety** of the **products** offered, in order to achieve full **customer satisfaction**. Whether they are international agencies or large business operators, or end consumers and individuals, the Group's customers are very attentive to quality and safety, and expect Casillo to offer products with high quality standards, sometimes customised on the basis of its end use.

The **numerous product and process certifications** obtained by the Group represent attestations of quality and safety that are now essential for the market, especially to meet the needs of customers and consumers, who are increasingly attentive to the purchase of safe, traceable products of certified origin.

The Casillo Group, with **strategic direction based on economic, social and environmental sustainability**, shares this commitment with business partners and customers, as also demonstrated by the **certification of sustainability "ISCC plus"** (International Sustainability & Carbon Certification), which allows the Group to monitor and demonstrate the sustainability of its products through the control of sustainability and traceability rules for the entire system.

The Casillo Group has also defined, implemented and applied an **internal audit system** in order to verify the effectiveness of the Quality System. The internal audit plan involves audits on all the Casillo Group's production plants in relation to the HACCP food safety plan, Quality Management system, facility hygiene standards, product control, production process control and environmental emissions. Compliance is demonstrated through objective evidence gathered from document analyses, checks in the field and interviews with the personnel concerned.

In addition to internal procedures, the **Group receives periodic external audits**, of qualification or surveillance, of second party (customers) and third party (certification bodies). Also in 2023, several domestic and foreign customers carried out second-party audits.

All audits ended with **confirmation of the company's**

qualification. In some cases, some minor non-conformities and observations or suggestions for improvement emerged, which were subject to corrective actions, revisions of activities and documents.

During 2023, **75 audits (-12.8% compared to 2022)** were carried out by bodies responsible for quality control and by customers, including:



no. 43 audits by certification bodies for milling plants



no. 32 audits by customers

The quality management system envisages the use of indicators to monitor customer satisfaction. The data collected refer to disputes on the product with respect to the number of deliveries made. Product non-conformities reported by customers are managed in a timely fashion by the appropriate Quality function. None of the reports received in 2023 had an impact on product legality. The main reason for the complaint concerned the product and/or rheological characteristics of the flour.

The Group's orientation towards innovation, qualitative product progress, and careful pre-sales and after-sales service ensure, together with the various certifications achieved by the Casillo Group, a production of a high standard of quality capable of satisfying the needs of the varied customer landscape.

Table Product and quality/system certifications

Company	Product certifications								System/quality certifications				
	Organic products	HALAL	BRC - Food Safety	ISO 22005	KOSHER	GTP	GMP+	ISCC PLUS	ISO 9001	ISO 14001	ISO 14064-1	ISO 45001	SA 8000
Casillo Partecipazioni S.p.A.											●		
Business Optimizers S.c.p.a.											●		
Casillo Commodities Italia S.p.A.	●					●					●		
Molino Casillo S.p.A. Corato	●	●		●	●		●	●	●		●		●
Silos Granari della Sicilia S.r.l.							●		●		●		
Sinergie Molitorie S.c.a.r.l. Corato	●	●	●		●		●	●		●	●	●	
Plant Corato - Contrada Forchetta	●	●	●		●					●	●	●	
Plant Modica	●		●				●			●	●		
Plant Ortona	●	●	●		●		●	●		●	●		
Plant Salerno			●		●		●			●	●		
Plant Sorbolo		●	●		●			●		●	●	●	
Plant Rovato			●							●	●		
Plant Ancona	●		●							●	●		
Plant Monfalcone	●	●	●		●		●	●		●	●		

Group certifications



Organic production. The organic logo of the European Union identifies the organic origin of foods and drinks. It indicates that food manufacturers (and the farmers from whom they purchase the ingredients) comply with the rigorous rules applicable in the EU for organic foods and drinks.



BRC Global Standard for Food Safety. A food safety standard recognised by the Global Food Safety Initiative (GFSI) to ensure that branded products are produced according to well-defined quality standards.



ISO 22005:2008 - Traceability in the agri-food supply chains. The ISO 22005 standard is the international reference document for the certification of feed and food chain traceability systems. It transposes the Italian standards UNI 10939:01, relating to "Traceability system in the agri-food supply chains" and UNI 11020:02, relating to "Traceability system in agri-food companies" and it applies to the entire food industry, including animal feed productions.



ISO 14001:2015. An international standard with voluntary adoption, applicable to any type of public or private Organisation, which specifies the requirements of an environmental management system.



KOSHER. The Kosher certification indicates that a food has been produced in compliance with the dietary rules prescribed by the Bible for consumers of the Jewish religion. Kosher certified products are also suitable for Islamic consumers, vegetarians and those suffering from intolerances.



SA 8000. The SA 8000 standard pertains to Social Accountability with regard to workers' conditions (human rights, persons' development, empowerment, training and professional growth, workers' health and safety, anti-discrimination, minor and youth labour) and its requirements extend to the entire chain of suppliers and sub-suppliers.



GMP+ International. Certification for the guarantee of food safety in all components of the feed chain. GMP+ requirements require the correct use of additives and products for veterinary medicine. In addition, they require the control of levels of undesirable substances and products such as heavy metals, pesticides and aflatoxins, as well as prevention measures for salmonella contamination.



HALAL. Halāl (حلال, halāl, halaal) is an Arabic word that means "lawful". In the West, it is mainly referred to food prepared in an acceptable manner for Islamic law.



ISO 9001:2015. It is the internationally recognised reference standard for the quality management of any organisation which intends to simultaneously carry out corporate processes, improve effectiveness and efficiency in manufacturing the product and in performing the service, to obtain and increase customer satisfaction.



ISO 45001: 2018. It specifies the requirements for an occupational health and safety management system (OH&S) and makes it possible to assess, prevent and reduce risks related to the health and safety of work activities, favouring the protection of workers with regard to risks and dangers.



GTP (Good Trading Practices) Code developed by Cocereal (the main European cereal association) with the aim of establishing precise rules for the management of storage, transport, analysis and sampling activities according to the HACCP principles. The GTP certification was implemented at Casillo Commodities Italia S.p.A. (now Casillo S.p.A. S.B.), the company that deals with trading of raw materials within the Group.



UN EN ISO 14064-1:2018. The certification specifies the principles and requirements, at organisational level, for the quantification and reporting of greenhouse gas emissions (GHG) and their removal.



ISCC Plus. The ISCC PLUS scheme makes it possible to demonstrate, through a management system, the traceability and sustainability of raw materials, intermediate products and end products of the food and feed production chains. The standard has sustainability and traceability as its basic requirements, with particular regard to sustainable management of cultivation, verification of the chain of custody and traceability and monitoring of volumes produced and processing yields.



The certifications obtained are proof of the daily commitment to quality, safety and sustainability. In addition, Casillo has **FSC certification** for the packaging of its products (flours).

Please note that in 2023 there were no incidents of non-compliance, in relation to impacts on the health and safety of products, notified by pertinent authorities, on products sold in bulk.

Product information and labelling

417-1 417-2

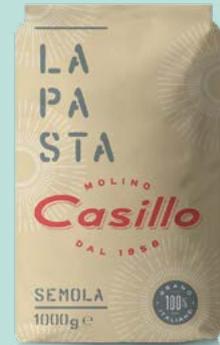
Products aimed at consumers

With regard to information and labelling, the reference regulations consist of EU Regulation 1169/2011 which is applied, as indicated in article 1, to operators in the food sector at all stages of the food chain and for all food products aimed at the end consumer, including those supplied to communities. The regulations define the principles, requirements and responsibilities governing the information on food and has the purpose to guarantee a high level of consumer protection in relation

to information on food.

The products distributed and sold on the market by the Casillo Group are provided with labelling that complies with the above mentioned regulations.

During 2023 there were no incidents of non-compliance with regard to the provisions of the reference regulations.



Products sold in bulk

In the case of products sold in bulk, i.e. flours transported and delivered in tank-containers, reference regulations are of a vertical nature, such as, for example, Italian Presidential Decree no. 187 of 9 February 2001, which requires the placement of a seal with the indication of the milling company, as well as information relating to the company name and location of the

plant, the type of flour and the milling date. In this case the information on the food contained are reported in a technical specification shared and agreed with the customer.

During 2023 there were no incidents of non-compliance with regard to the provisions of the reference regulations.



Organic products

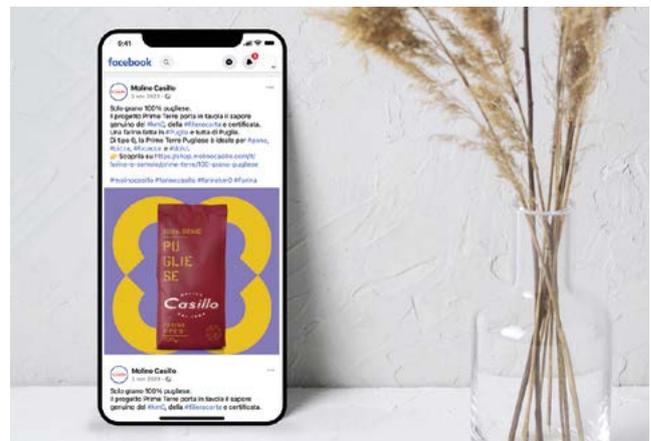
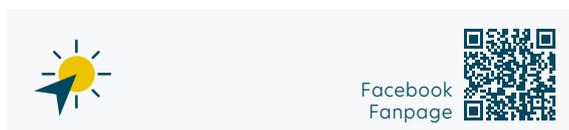
In the case of organic products, the reference regulations consist of Regulation EU 848/18 as subsequently amended and supplemented, which indicate the conditions to be met in case of labelling, such as, for example: size of the Community logo, the code number of the control body, the code number of the subject responsible for most recent production or preparation, the site of cultivation of the agricul-

tural raw materials. Furthermore, the regulations require drafts of the labels including references to the organic production method to be submitted to the certification body for the necessary prior approval.

With reference to the labelling of these products, there were no cases of non-compliance in 2023.



Molino Casillo communicates projects, initiatives and results related to sustainability to its stakeholders also through social profiles.



6.3 Product innovation and communication

417-3 418-1



The constant commitment to researching and providing high quality, safe and innovative products that can meet the needs of all types of customers is a distinctive characteristics of the Casillo Group.

The Group is an international food company that, while diversifying its activities over the years, has never forgotten its roots, while always considering the innovati-

ve challenges of the future. The numerous Research and Development activities, as reported in chapter 4 (page 63), are proof of the incessant study and application of cutting-edge methods aimed at maximum safety and quality, and of the introduction to the market of innovative and original products.

New products: expansion of the Origine line range

During 2023, a new product was added to the professional **Linea Origine** catalogue of Molino Casillo: **Spolverissimo**, the first semolina pizza dusting flour with wheat germ, aimed at professionals who want make dough-stretching easier without sacrificing the whea germ's organoleptic properties.





Shop online
Molino Casillo



TOTAL: the wheat germ in Molino Casillo flour

In 2023, the flour line was strengthened with the Molino Casillo wheat germ, whose extraction process allows the entire germ to be retained unaltered within the flour over time until to the end of its shelf life.

The wheat germ extracting process makes it possible to enhance not only all its nutritional characteristics, but also its technological (rheological) characteristics. The result is a highly performing flour in the various sectors of use, such as for bread, pizza, bakery products, etc. The most precious wheat element is added to the Casillo

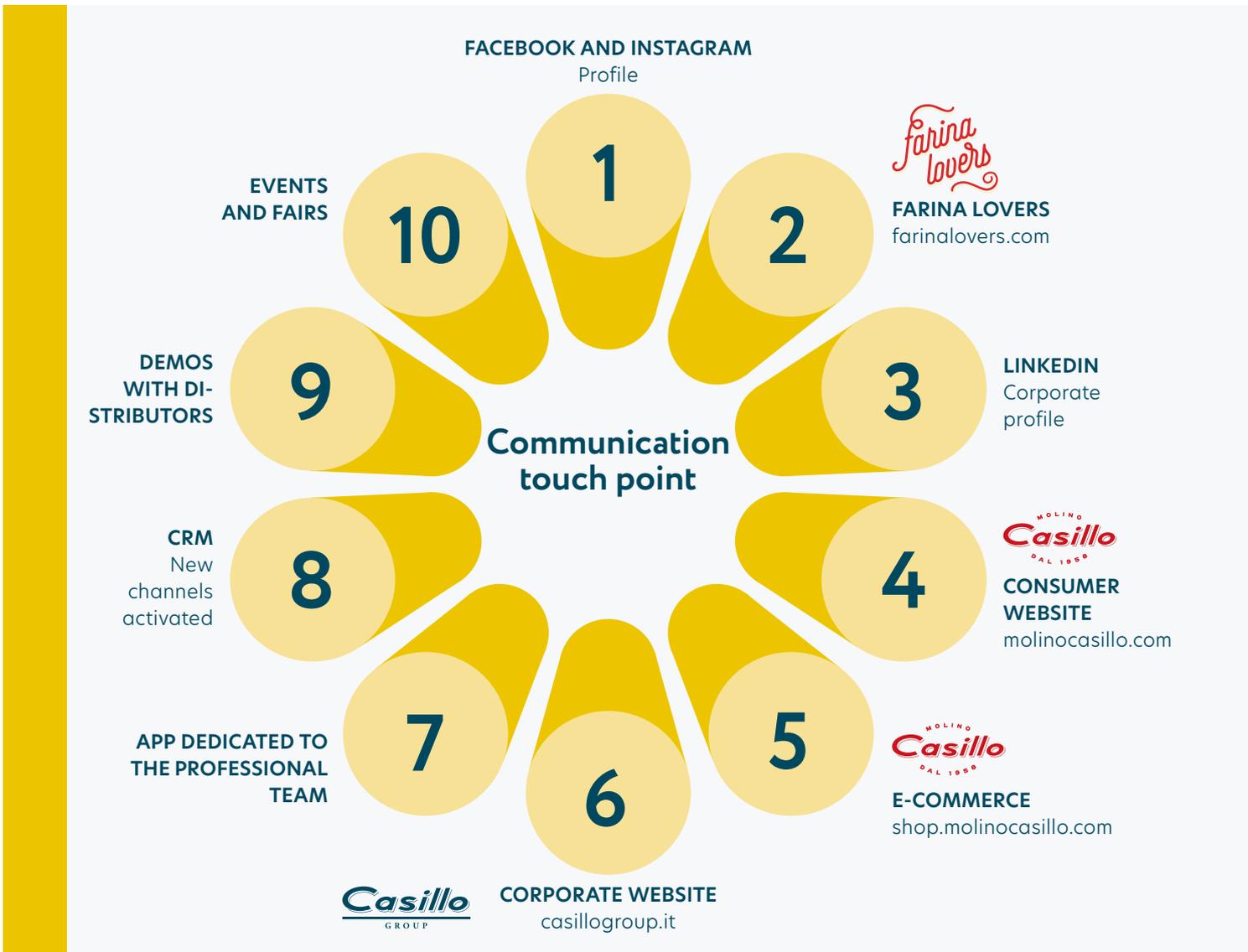


flour, to enhance them and improve their quality characteristics, rediscovering the authentic flour aroma and the unmistakable baked goods flavour.

Communication

Through a considerable **brand identity** course based on an integrated and structured communication programme with a strong digital approach, the Group has set itself the goal of fully entering the world of brands, both for the **retail** sector and for the **artisan** sector of professionals.

The Casillo Group has identified and mapped **10 communication touch points**.



Molino Casillo has always fostered dialogue and the involvement of its stakeholders. It communicates its commitment to sustainability issues through social profiles and digital channels, which allow direct and constant exchange with customers and enthusiasts.

Facebook Consumer Channel
 Facebook Professional Channel
 Instagram account
 Youtube channel
 LinkedIn Profile
 TikTok account
 Farina Lovers Website

Co-marketing activities with stores

Development of co-marketing activities with professional customers to achieve shared objectives such as: loyalty and strengthening of the bond with the brand.

National trade and consumer press campaign

Investments on specialist food consumer and professional magazines, for brand channelling with dedicated ADV and advertising/editorial campaigns.

Point of sale setting up with pop materials

Molino Casillo has always supported its partner customers in a concrete and innovative way: projects are studied to give customers the best visibility with dedicated sets and materials.



Farina Lovers is the Molino Casillo project designed and aimed at end customers. A community that brings together all cooking enthusiasts, food influencers, gourmards and the curious. A space for virtual as well as physical sharing, exchange and inspiration, for collaborative events and discovery of new trends on flours. Farina Lovers is an exclusive and unique platform on the market that connects the brand with the food creators universe through ongoing dialogue with the social media world and with the development of a proprietary technology for the constant improvement of brand positioning.

Promotion, engagement, assisted sales and after-sales activities, on the professional and consumer channels

Development of initiatives to create a positive mood around the brand, increase loyalty and reward customers, strengthen ongoing relations, incentivise the purchasing of Special Lines and expand the customer portfolio.

Molino Casillo with WAYTV

The WAYTV information service offered to the travellers on the *Ferrotramviaria Bari-Barletta* and the *Appulo-Lucana* lines, through a news bulletin, accompanied by advertisements which describe the Molino Casillo products.

CRM Marketing activities

Molino Casillo uses a CRM system to manage its relationship with customers over time and build Brand loyalty. Through the CRM system, information, promotional and product marketing campaigns are developed, exploiting contacts and encouraging conversions.

Customer engagement activities, customer lead generation, social activities and communities

Molino Casillo develops geo-located lead generation activities designed for individual distributors; develops social activities; creates and manages communities so as to expand the professional and retail customers network.

Please note that during 2023 there were no cases of non-compliance relating to marketing communications, and there were no cases of breach of customers' privacy and loss of customers' data.

Linate and Bari airport spaces

As part of its marketing and corporate communication actions, the Group has invested in the purchase of advertising space (e.g. on large screens) in the busiest areas of the **Milan Linate** and **Bari Palese** airports, such as the boarding area, through which thousands of national and international passengers transit.



2023 Events

Fairs in Italy and foreign

21 - 25 January

Molino Casillo Present at Sigep - Rimini



Molino Casillo was attended the **SIGEP Fair** with its Professional **Super Premium: Linea Origine** flours, with a rich programme of masterclasses that involved various specialists. The B2B event dedicated to the world of artisans is a reference point for Foodservice and provides a complete overview of all the news on the market.



13 - 15 February

Molino Casillo at the SIPRHO Salon Des Plages

Molino Casillo in France, at the **SIPRHO Salon Des Plages** with premium and super-premium wheat germ flours.

12 - 13 April

Parizza Fair, Paris



Molino Casillo at **Parizza** in Paris, the international Italian pizza fair where the products of the Molino Casillo Professional line dedicated to the pizza world were promoted.

8 - 11 May

Tuttofood, Milan

Molino Casillo at the 2023 **Tuttofood** with Taste & Talks, with exceptional guests such as Martina Colombari, Billy Costacurta, Iader Fabbri and Daniele Massaro, for interviews and conferences on the topics of health, white art and functional nutrition.

7 - 11 October

Anuga

Molino Casillo in Cologne in Germany, with wheat germ flours and the Specialists team for the pizzeria sector.

Fairs in collaboration with Italian and foreign distributors

6 - 8 February

Malaga H&T Salòn de Innovaciòn en Hosteleria Fair

Molino Casillo in Spain for the **H&T Salòn de Innovaciòn en Hosteleria** in Malaga, with the Specialists team and the super-premium flours with wheat germ and high quality semolina ranges.

28 - 30 March

Las Vegas Pizza Expo

Molino Casillo at the International **Pizza Expo 2023** in Las Vegas, USA, with Specialists and the commercial partner *Rega USA*.

17 - 20 April

Salòn Gourmet Fair in Madrid

Molino Casillo at the **Salòn Gourmet** in Madrid with the Commercial Partner *Comercial CBG*, with the *Origine line*, the super-premium flour with wheat germ and the entire Molino Casillo range for professionals.

22 - 24 May

Tutto Pizza Fair - Naples



Molino Casillo was a guest of "Campano Perrella Distribuzione" at the international **Tuttopizza** fair in Naples, a fair entirely dedicated to pizza and aimed at all Ho.re.Ca professionals specialised in this field. Numerous Specialists from the pizzeria channel followed one another at the Molino Casillo stand, such as the brand ambassador, Alessandro Lo Stocco, and Raffaele Bonetta, distributor technician.

23 - 25 May

Salòn Gastronòmico de Canarias

Molino Casillo in Tenerife for the eighth edition of **Salòn Gastronòmico de Canarias**.

25 - 27 June

Summer Fancy Food



Molino Casillo attends the largest North American food & beverage event.



Molino Casillo live in
New York



11 - 14 September

Fine Food Australia

Molino Casillo at **Fine Food Australia** with High Quality M, L and Unica Vacuum flours and the specialists.

4 - 8 November

Agro.Ge.Pa.Ciok

Molino Casillo at **Agro.Ge.Pa.Ciok** in Lecce, with numerous collaborations, from the Pizza Agrogepaciok competition, to the Panettone and Gran Lievitati master-classes.

Other events

La Città della Pizza



An opportunity for great sharing and discussion, that of the Italian competition organised by "La Città della Pizza". The competition involved numerous master pizza makers from all over Italy, who promoted the values and high quality of Molino Casillo wheat flour for pizza.



La Città della Pizza

Molino Casillo Official Supplier of Casa Sanremo

At **Casa Sanremo** with the Origine line with wheat germ, the super-premium range designed for white art masters. In Casa Sanremo taste forum, many artisans have brought all the excellence of Molino Casillo wheat germ flours with their professionalism and their pizzas.

Villaggio Coldiretti

Molino Casillo at **Villaggio Coldiretti** to promote *Made in Italy* and Italian agriculture, supporting greater fairness in production chain relations. A way to support young farmers, who are committed every day to raising awareness of the biodiversity and sustainability of our agriculture.

Molino Casillo main sponsor of the Locus Festival

Molino Casillo was the main sponsor of the **Locus Festival**, a festival attentive to change, which blends languages and calibrates contaminations to achieve a perfect balance between popularity and sophistication, sounds and visions, genres and gender.

Molino Casillo Sponsor of "Race For The Cure"

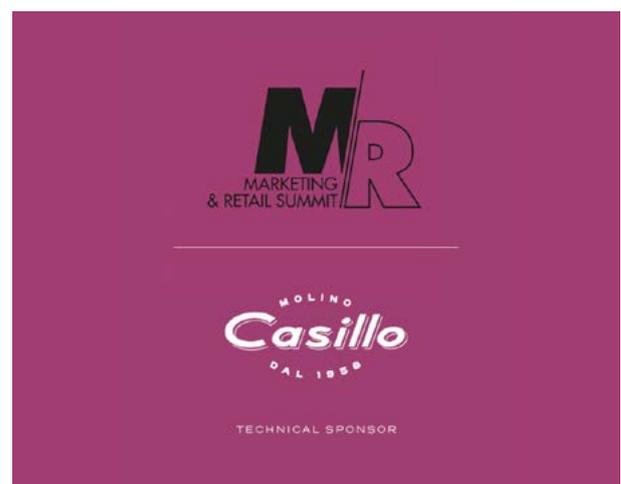
Molino Casillo sponsor of the **Race for the cure**, the largest event for the fight against breast cancer in Italy and in the world. Three days of free events and initiatives dedicated to health, sport and solidarity in which people came into contact with the world of Molino Casillo products.

Molino Casillo Gold Sponsor of the Food Summit



Molino Casillo Gold Sponsor of the "Food Summit" meetings organised by the *Food Italia* magazine, for the exclusive food sector event reserved for Industry and Distribution top management, with a specific focus on the Italian territory.

Molino Casillo sponsor of the Marketing & Retail Summit 2023: What is the future for southern Italy?



The 2023 **Marketing & Retail Summit** was held at Villa Romanazzi Carducci, where the Chairman and CEO Pasquale Casillo intervened, talking about "**Sud 5.0**". The major players in food retail and large-scale distribution in Italy took part in the summit organised by *Mark Up*.

Partnerships

Identità Golose

Molino Casillo and **Identità Golose**, alongside the great cookery, patisserie, pizzeria and bread-making professionals. This partnership is an opportunity to develop innovative ideas within a constantly evolving international sector. There are many projects in which the sector culture and teaching are

central. Quality, **innovation** and constant attention to **sustainability** issues, together with **experience, research and attention to detail**: these are the values that Casillo shares with Identità Golose, a prestigious reference point for signature cuisine in the world.



Sponsorship

AC Milan

The partnership between **AC Milan** and Molino Casillo consolidates a common feeling between the two **Italian outstanding entities** and promotes the values of a healthy and balanced diet, necessary for those seeking well-being in the delicate balance between sport and diet. On 4 November 2023, the Molino Casillo *Galà della pizza* was held at the San Siro Stadium, a pizza celebration with AC Milan and Identità Golose.

The new Molino Casillo-branded bakery, AC Milan's partner since 2023, was the ideal stage to celebrate the world of pizza with some of the most important master pizza makers on the world scene such as Alessandro Lo Stocco, Francesco Martucci, Raffaele Bonetta and Ciro Salvo, as well as to introduce the new collaboration with Identità Golose.





In-depth analysis of
Food Service Web



SSC Bari

Molino Casillo alongside SCC Bari also for the 2023/2024 season, when it was the **Principal Jersey Sponsor**, the only sponsor on the jersey front.

The Molino Casillo brand, in addition to being the first sponsor on the team's shirt, is also present around the pitch, on advertising LEDs and is the protagonist of many initiatives on and off the pitch. An important **branding activity** was developed with Bari Calcio within the Hospitality Premium area. Furthermore, a branded bakery was built and managed by Molino Casillo. This initiative makes it possible to churn out and taste many products made with flours, as well as to create and strengthen the relationship with consumers by making them live a real Food Experience.

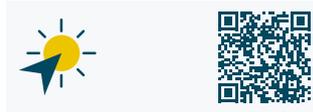


Our ambassadors



Ciro Salvo - Professional

Ciro Salvo, of the well-known 50 Kalò pizzeria, joins the Molino Casillo pizza team. With the social media column "Ovunque impasta. Ciro Salvo, il culto della pizza" which celebrates pizza, the pizza maker art and its cradle: Naples.



Nunzia Caputo - Consumer

From the historic centre of Bari, Nunzia, a food creator famous for her traditional orecchiette, reconfirms her loyalty to Molino Casillo products not only for pasta, but also for baked goods.

Alessandro Servidio - Consumer

Alessandro Servidio, Testimonial Consumer, with the *SpaziALE* social media column, has achieved numerous successes marked by significant insights and has been involved in various online and offline activities, such as the final of "La Città della Pizza".



News

ONE TEAM Sales and Marketing Area Training

ONE TEAM. Working together to grow together. Molino Casillo, at the Identità Milano Hub, for the first **training session** aimed at sellers, managers and distributors. Many topics were addressed, from marketing to the market and its developments; from experiential offer models to modern communication systems.

Awards

Food & Travel Awards 2023

Double success for Molino Casillo at the **Food & Travel Italia 2023 Awards**, held on 3 October in Paestum. Molino Casillo flours won the **2023 Best Food Product** award for the second consecutive year. The award was obtained on the basis of the preferences of experts and readers of the magazine.

Food and Travel Italia is the Italian edition of the most important international magazine that deals with food and wine, beverage, gourmet travel and high-profile tourism. The awards obtained certify what has been achieved in the last two years in the development of excellent flours, first of all **Origine**, and in the promotion of the quality of raw materials, carried out also thanks to high-profile professional figures.

Best Food Product 2023

At the Food Match, a ceremony held in Milan, the *Semole d'Autore* line won an award crowning our semolina the **2023 Best Food Product**. Organised by Food magazine, the event saw Molino Casillo win in the *Preparations & Basic Ingredients* category.

The *Semole d'Autore* line is one of the Molino Casillo flour and semolina lines aimed at consumers, but which claims characteristics close to those of professional products. For their production we use durum wheat carefully selected by our experts and the re-milled semolina comes from a 100% *Made in Italy* production chain. It was created to offer transversal products, ideal for providing taste, aroma, texture and fragrance to various gastronomic preparations: from bread to pizza, to pasta and desserts.

The **2023 Best Food Product** award for the *Semole d'Autore* confirms the excellence of the path taken by Molino Casillo, whose goal is to meet the needs of an increasingly informed, curious and aware consumer, offering high quality flour and semolina, respectful of tradition and sustainability principles.



ANNEXES

Note on the reporting process

2-2

2-3

2-5

The **2023 Sustainability Report** is a document containing the sustainability disclosures of the corporate group headed by Casillo Partecipazioni S.p.A. (hereinafter also referred to as the "Casillo Group" or the "Group") for the financial year ended as at 31 December 2023, according to the approach of reporting significant corporate performance and impacts in the three sustainability areas: Environmental, Social and Governance (ESG) issues.

The 2023 Sustainability Report of the Casillo Group was prepared in compliance with the GRI Standards (January 2023 Consolidated Set), with the option of in accordance reporting. In addition to the Universal Standards and Topic Standards, the Group has also applied the *GRI 13: 2022 Agriculture, aquaculture and fishing sectors* industry standard, in force for the reports published since 1 January 2024, in order to determine the most likely material topics, and related significant impacts, for its sustainability reporting in accordance with the GRI Standards.

The GRI Standards are a modular system of interconnected standards with a multi-stakeholder approach. Developed by the Global Sustainability Standards Board ("GSSB"), the operating entity of the Global Reporting Initiative ("GRI"), the GRI standards represent the most widespread and applied ESG reporting documents.

In addition, this document reports on the contribution of the Casillo Group with reference to the 17 Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda.

The references to the GRI Standards disclosures subject to reporting and the SDGs are indicated with special infographics positioned at the start of each paragraph. The list of GRI disclosures in the report (and any omissions) constitutes the GRI Content Index annex to the Sustainability Report.

The 2023 Sustainability Report was prepared on a voluntary basis as currently neither the Parent Company Casillo Partecipazioni S.p.A. nor its subsidiaries have an obligation to prepare ESG reports. The decision to continue to prepare sustainability disclosures on a

voluntary basis is the natural consequence of the high corporate commitment on sustainability issues and testifies to the corporate approach of transparency in communication with stakeholders. This document is the 11th sustainability report prepared by the Group since 2013.

In consideration of the fact that the Casillo Group is included in the category of large groups, with the relative obligation, starting from the financial year 2025 (to be reported in 2026), for the parent company Casillo Partecipazioni S.p.A. to include sustainability disclosures in the Report on operations accompanying the consolidated financial statements according to the provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (known as "CSRD" or "Corporate Sustainability Reporting Directive"), through this report the Company places itself on the sustainability reporting path outlined by the CSRD.

In particular, in advance to requirements, the Casillo Group has incorporated in this Sustainability Report two very important aspects envisaged by the CSRD and the related new European Sustainability Reporting Standards ("ESRS") prepared by the EFRAG (Technical Advisory Group of the European Commission):

- the implementation of an initial due diligence process on sustainability;
- the Double Materiality assessment.

The interoperability between GRI Standards and ESRS will allow the Group to transition more easily to the new sustainability reporting system envisaged by the CSRD and the ESRS starting from the 2025 financial year.

The reporting scope is illustrated in paragraph 1.1 (page 15). The issues dealt within the document are those that, following the materiality analysis (page 8), have been considered relevant as they are able to reflect the significant impacts on people and the environment deriving from the Group's activities and to influence the decisions made by the stakeholders.

Both the topics and the material impacts, resulting from the materiality analysis, are identified with speci-



Interoperability
between GRI
Standards and ESRS



fic infographics in the paragraphs of the Sustainability Report, in order to facilitate their identification and understanding in relation to the topic in question.

For performance reporting with reference to the 17 SDGs, the guidelines contained in the Sustainable Development Goals Disclosure (SDGD) Recommendations document, the international SDGs reference framework, were consulted.

So as to offer data comparability over time and assess Group business performance, the information for the year under review is compared with that of the previous year, except where this is not possible. Absolute limited use was made of estimates which, if used, were based on the best available methods and are appropriately indicated.

On 28 June 2024, at the Shareholders' Meeting called to approve the 2023 Group Consolidated Financial Statements, the Shareholders' Meeting of the Parent Company Casillo Partecipazioni S.p.A. acknowledged the preparation of the 2023 Sustainability Report, authorising its publication.

The sustainability disclosure in this Report was subject to a limited assurance engagement by the independent auditor EY S.p.A., in accordance with the criteria indicated in principle ISAE 3000 Revised. The analysis

of the material topics according to the double materiality method was not subject to limited examination by EY S.p.A., which considered the Impact Materiality analysis carried out according to the GRI Standards for the purposes of the audit and on whose basis the contents of the document and the related GRI indicators have been defined.

The Sustainability Report is prepared annually.

The following ESG references enhance the methodological section of the report:

- *GRI Content Index*, with details of the contents reported in accordance with the GRI Sustainability Reporting Standards and related disclosure omissions. The GRI Content Index is attached as an annex;
- *Linking the SDGs and the GRI Standards*, May 2022 version, which associates the GRI Content Index with the SDGs;
- *AccountAbility 1000 - Stakeholder Engagement Standard*, the process standard for stakeholder engagement.

Team

The *2023 Sustainability Report* is a document prepared by the Management of Casillo Partecipazioni S.p.A. which, for its preparation, made use of qualified professionals from both inside and outside the Group.

The internal coordination was supervised by the Organisation Function (Michele Romano and Antonella Colaluce). As the report is interdisciplinary, necessarily involving all the corporate functions, the *2023 Sustainability Report* is the result of teamwork that saw the active participation of the Group's human resources.

The methodological coordination and content management was assigned to [Value a.t.p.](mailto:info@valueatp.com) (info@valueatp.com).

The editing and graphic layout were carried out by Interno15 Srl (info@interno15.it).

Translation of the text into English was arranged by Welocalize Italy S.r.l. (info@welocalize.com).

Comments and opinions on the report can be sent via e-mail to: sustainability@casillogroup.it

Global Reporting Initiative Content Index

Statement of use: Casillo Group has submitted a report in accordance with the GRI Standards for the period from 1 January to 31 December 2023

GRI 1 used: GRI 1 - Foundation 2021

Applicable GRI Sector Standard: GRI 13: 2022 Agriculture, aquaculture, and fishing

Universal Standards

GRI standard	Disclosure	Location (Reference paragraph)	Omissions			GRI sector standard Ref. No.	Page No.
			Requirement(s) omitted	Reason	Explanation		
GRI 2 - General Disclosures - 2021 version	2-1	Organisational details	Casillo Group; Timeline				15-17; 19
	2-2	Entities included in the organisation's sustainability reporting	Note on the reporting process; Casillo Group				113-114; 15-17
	2-3	Reporting period, frequency and point of contact	Note on the reporting process				113-114
	2-4	Restatements of information	The 2023 Sustainability Report does not include any revisions of information made in previous periods.				
	2-5	External assurance	Methodology note; Annexes: Sustainability Assurance				113-114; 123-125
	2-6	Activities, value chain and other business relations	Casillo Group; Timeline; Sustainable business model and value creation; Value chain; Creation of shared value and tax contribution; Sustainability of the supply chain; Responsible manufacturing				15-17; 19; 20-21; 22; 89-92; 94-97; 98-103
	2-7	Employees	Human resources				74-79
	2-8	Non-employee workers	Human resources				74-79
	2-9	Governance structure and composition	Corporate Governance				24-29
	2-10	Appointment and selection of the highest governance body	Corporate Governance				24-29
	2-11	Chair of the highest governance body	Corporate Governance The Chairman of the Board of Directors of Casillo Partecipazioni, Pasquale Casillo, is not an employee/senior manager in any of the companies of the Casillo Group				24-29
	2-12	Role of the highest governing body in impact management control	Corporate Governance; Sustainability Due Diligence; Integrated Business Risk Management				24-29; 36; 37-38
	2-13	Delegation of responsibility for the management of impacts	Corporate Governance; Sustainability Due Diligence; Integrated Business Risk Management				24-29; 36; 37-38
	2-14	Role of the highest governance body in sustainability reporting	Corporate Governance				24-29
	2-15	Conflicts of interest	Corporate Governance: Casillo Group approved the Organisational Model pursuant to Italian Legislative Decree 231/01 which provides, on the one hand, specific guidelines for the management of conflicts of interest (general part of the Organisational Model), and on the other, a procedure aimed at the management of conflicts of interests (special part of the Organisational Model). The Company distributed internally to the relative stakeholders the contents of Organisational Model on the topic. The Articles of Association also govern the behaviour required of directors in situations in which conflicts of interest may arise.				24-29

GRI standard	Disclosure	Location (Reference paragraph)	Omissions			GRI sector standard Ref. No.	Page No.
			Requirement(s) omitted	Reason	Explanation		
GRI 2 - General Disclosures - 2021 version	2-16	Communication of critical issues	Corporate governance; Health, safety and welfare				24-29; 80-84
	2-17	Collective knowledge of the highest governance body	The company management includes people with high and proven experience in the business sector. The management of sustainability issues is carried out both through the support of the ESG Committee and the Sustainability Function, which ensure the contribution of more than adequate professionalism and experience with regard to sustainable development, and through external consultants with extensive experience in the field of sustainable development.				
	2-18	Performance assessment of the highest governance body	Corporate Governance; ESG policy for responsible business conduct				24-29; 39-41
	2-19	Rules regarding remuneration	Corporate Governance; ESG policy for responsible business conduct				24-29; 39-41
	2-20	Remuneration determination procedure	Corporate Governance; ESG policy for responsible business conduct				24-29; 39-41
	2-21	Total annual remuneration report	Human resources				74-79
	2-22	Declaration on the sustainable development strategy	Letter to stakeholders; Sustainability strategy; Sustainability Due Diligence; Corporate ethics and respect for human rights				4-5; 30-32; 36; 42
	2-23	Commitment in terms of policies	Vision, mission and values; ESG policy for responsible business conduct; Corporate ethics and respect for human rights				18; 39-41; 42
	2-24	Integration of commitments in terms of policies	Sustainability Due Diligence; Integrated Business Risk Management; ESG Policy for Responsible Business Conduct				36; 37-38; 39-41
	2-25	Processes to remedy negative impacts	Integrated Business Risk Management; ESG Policy for Responsible Business Conduct				37-38; 39-41
	2-26	Mechanisms to request clarifications and raise concerns	Integrated Business Risk Management; ESG Policy for Responsible Business Conduct; Health, Safety and Welfare				37-38; 39-41; 80-84
	2-27	Compliance with laws and regulations	ESG policy for responsible business conduct				39-41
	2-28	Membership of associations	Creation of shared value and tax contribution				89-92
	2-29	Approach to stakeholder engagement	Stakeholder engagement				33-35
2-30	Collective agreements	Human resources				74-79	
GRI 3 - Material topics - 2021 version	3-1	Process for determining material topics	Impact and financial materiality				8-14
	3-2	List of material topics	Impact and financial materiality				8-14

Topic Specific Standards

GRI standard	Disclosure	Location (Reference paragraph)	Omissions			GRI sector standard Ref. No.	Page No.
			Require- ment(s) omitted	Reason	Explanation		
<i>Material Topic: Governance, impact and risk management</i>							
GRI 3 - Material topics - 2021 version	3-3	Management of material topics	Impact and financial materiality; Sustainability Due Diligence			13.26.1	8-14; 36
	205-1	Transactions assessed to determine the corruption-related risks	The risk of corruption is expressly analysed as part of the specific Policy for the prevention of corruption and other offences, described in paragraph 2.6.			13.26.2	
	205-2	Communication and training on anti-corruption regulations and procedures	ESG policy for responsible business conduct			13.26.3	39-41
	205-3	Confirmed incidents of corruption and measures taken	ESG policy for responsible business conduct			13.26.4	39-41
	405-1	Diversity of governance bodies and employees	Corporate Governance				24-29
<i>Material Topic: Strategy and business model</i>							
GRI 3 - Material topics - 2021 version	3-3	Management of material topics	Impact and financial materiality; Sustainability Due Diligence				8-14; 36
	206-1	Legal actions relating to anti-competitive behaviour, trust activities and monopoly practices	In 2023 there were no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices				
<i>Material Topic: Inclusive, resilient and sustainable communities</i>							
GRI 3 - Material topics - 2021 version	3-3	Management of material topics	Impact and financial materiality; Sustainability Due Diligence			13.12.1; 13.22.1	8-14; 36
	201-1	Direct economic value generated and distributed	Creation of shared value and tax contribution			13.22.2	89-92
	413-1	Operations with local community involvement, impact assessments and development programmes	Social commitment to communities			13.12.2	88
	413-2	Transactions with significant actual and potential impacts on local communities	As can be seen from the numerous activities annually carried out by Casillo, also through the Vincenzo Casillo ETS Foundation, local communities support and development are objectives of primary importance. The Group has always worked to limit the risk of generating current or potential negative impacts on the community.			13.12.3	

GRI stan- dard	Disclosure	Location (Reference paragraph)	Omissions			GRI sector standard Ref. No.	Page No.
			Require- ment(s) omitted	Reason	Explanation		
<i>Material Topic: Product safety and traceability</i>							
GRI 3 - Material topics - 2021 version	3-3	Management of mate- rial topics	Impact and financial materiality; Sustainabili- ty Due Diligence			13.23.1	8-14; 36
	203-1	Investments in infra- structure and suppor- ted services	Digitalisation and Inno- vation				69-72
	203-2	Significant indirect economic impacts	Digitalisation and Inno- vation				69-72
	204-1	Proportion of expendi- ture made in favour of local suppliers	Sustainability of the supply chain				94-97
	308-1	New suppliers scree- ned using environmen- tal criteria	Sustainability of the supply chain				94-97
	414-1	New suppliers se- lected using social criteria	Sustainability of the supply chain				94-97
<i>Material Topic: Well-being and consumer protection</i>							
GRI 3 - Material topics - 2021 version	3-3	Management of mate- rial topics	Impact and financial materiality; Sustainabili- ty Due Diligence			13.9.1; 13.10.1	8-14; 36
	416-1	Assessment of health and safety impacts of product and service categories	Responsible manufactu- ring			13.10.2	98-103
	416-2	Incidents of non-com- pliance concerning health and safety impacts of products and services	Responsible manufactu- ring			13.10.3	98-103
	417-1	Requirements relating to labelling and infor- mation on products and services	Responsible manufactu- ring				98-103
	417-2	Incidents of non-com- pliance concerning labelling and information on pro- ducts and services	Responsible manufactu- ring				98-103
	417-3	Episodes of non-com- pliance concerning marketing communi- cations	Product innovation and communication				104-111
	418-1	Well-founded com- plaints regarding violations of customer privacy and loss of their data	Product innovation and communication				104-111
	<i>Material Topic: Sustainability of the supply chain</i>						
GRI 3 - Material topics - 2021 version	3-3	Management of mate- rial topics	Impact and financial materiality; Sustainabili- ty Due Diligence			13.5.1; 13.6.1	8-14; 36
	204-1	Proportion of expendi- ture made in favour of local suppliers	Sustainability of the supply chain				94-97
	308-1	New suppliers scree- ned using environmen- tal criteria	Sustainability of the supply chain				94-97

GRI stan- dard	Disclosure	Location (Reference paragraph)	Omissions			GRI sector standard Ref. No.	Page No.
			Require- ment(s) omitted	Reason	Explanation		
GRI 3 - Material topics - 2021 version	414-1	New suppliers se- lected using social criteria	Sustainability of the supply chain				94-97
<i>Material topic: Diversity and development of human capital</i>							
GRI 3 - Material topics - 2021 version	3-3	Management of mate- rial topics	Impact and financial materiality; Sustainabili- ty Due Diligence			13.20.1	8-14; 36
	202-2	Percentage of senior management hired from the local com- munity	Human resources				74-79
	401-1	Hiring of new em- ployees and employee turnover	Human resources			13.20.1	74-79
	402-1	Minimum notice periods regarding operational changes	Human resources. Due to changes deriving from extraordinary tran- sactions (e.g. mergers), the notice is determined by regulations; however, for site management changes the minimum notice period is provi- ded by the employment contract or, in its absen- ce, by the agreements between the parties.				74-79
	404-1	Average number of training hours per year per employee	Training and growth of human capital				85-88
	404-2	Programmes for upda- ting employee skills and assistance in transition	Training and growth of human capital				85-88
	405-1	Diversity of gover- nance bodies and employees	Human resources				74-79
	405-2	Ratio between basic salary and remu- neration of women compared to men	Human resources				74-79
	406-1	Incidents of discrimi- nation and corrective measures adopted	Human resources. Please note that in 2023 there were no incidents linked to discriminatory practices.				74-79
<i>Material topic: Health and safety in the workplace</i>							
GRI 3 - Material topics - 2021 version	3-3	Management of mate- rial topics	Impact and financial materiality; Sustainabili- ty Due Diligence			13.19.1	8-14; 36
	401-2	Benefits for full-ti- me employees that are not available to fixed-term or part-time employees	Health, safety and welfare				80-84
	401-3	Parental leave	Health, safety and welfare				80-84
	403-1	Occupational health and safety manage- ment system	Health, safety and welfare			13.19.2	80-84
	403-2	Identification of hazard, risk asses- sment and investiga- tions of accidents	Health, safety and welfare			13.19.3	80-84
	403-3	Professional health services	Health, safety and welfare			13.19.4	80-84

GRI standard	Disclosure	Location (Reference paragraph)	Omissions			GRI sector standard Ref. No.	Page No.	
			Require- ment(s) omitted	Reason	Explanation			
GRI 3 - Material topics - 2021 version	403-4	Participation and consultation of workers on occupational health and safety programmes and related communication	Health, safety and welfare			13.19.5	80-84	
	403-5	Training of workers on the topic of occupational health and safety	Health, safety and welfare			13.19.6	80-84	
	403-6	Promotion of workers' health	Health, safety and welfare			13.19.7	80-84	
	403-7	Prevention and mitigation of occupational health and safety impacts directly related to business relationships		13.19.8	Not available/incomplete information	For the most part, the information pertaining to this disclosure is provided in paragraph 5.2. The Group reserves the right to complete the disclosure in the next report.	13.19.8	
	403-8	Workers covered by an occupational health and safety management system		13.19.9	Not available/incomplete information	For the most part, the information pertaining to this disclosure is provided in paragraph 5.2. The Group reserves the right to complete the disclosure in the next report.	13.19.9	
	403-9	Workplace accidents	Health, safety and welfare			13.19.10	80-84	
	403-10	Occupational illness	Health, safety and welfare			13.19.11	80-84	
	<i>Material topic: Human rights</i>							
	GRI 3 - Material topics - 2021 version	3-3	Management of material topics	Impact and financial materiality; Sustainability Due Diligence				8-14; 36
		408-1	Activities and suppliers that present a significant risk of incidents of child labour	The activities of the Casillo Group are not subject to a high risk of child labour.				
409-1		Activities and suppliers that present a significant risk of incidents of forced or compulsory labour	The activities of the Casillo Group are not subject to a high risk of forced and compulsory labour.					
<i>Material Topic: Energy, Emissions and Carbon Footprint</i>								
GRI 3 - Material topics - 2021 version	3-3	Management of material topics	Impact and financial materiality; Sustainability Due Diligence			13.1.1	8-14; 36	
	201-2	Financial implications and other risks and opportunities resulting from climate change	Impact and financial materiality; Sustainability Due Diligence			13.2.1; 13.2.2	8-14; 36	
	302-1	Energy consumption within the organisation	Consumption and energy efficiency				45-47	
	302-4	Reduction of energy consumption	Consumption and energy efficiency				45-47	
	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	Emissions and carbon footprint			13.1.2	48-53	
	305-2	Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2)	Emissions and carbon footprint			13.1.3	48-53	
	305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Emissions and carbon footprint			13.1.4	48-53	
	305-4	GHG emissions intensity	Emissions and carbon footprint			13.1.5	48-53	

GRI standard	Disclosure	Location (Reference paragraph)	Omissions			GRI sector standard Ref. No.	Page No.	
			Require- ment(s) omitted	Reason	Explanation			
GRI 3 - Material topics - 2021 version	305-5	Reduction of greenhouse gas (GHG) emissions	13.1.6	Not available/incomplete information	There is currently no process in place for the complete calculation of GHG emission reductions. Casillo undertakes to investigate this issue in depth in order to evaluate the possibility of providing the relative disclosures over the next few years.	13.1.6		
	305-6	Emissions of ozone-depleting substances (ODS)	13.1.7	Not available/incomplete information	There is currently no process in place to assess the emissions of ozone-depleting substances (ODS). Casillo undertakes to investigate this issue in depth in order to evaluate the possibility of providing the relative disclosures over the next few years.	13.1.7		
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other relevant air emissions	13.1.8	Not available/incomplete information	There is currently no process in place for the assessment of nitrogen oxides (NOX), sulfur oxides (SOX) and other significant emissions. Casillo undertakes to investigate this issue in depth in order to evaluate the possibility of providing the relative disclosures over the next few years.	13.1.8		
<i>Material topic: Circular economy</i>								
GRI 3 - Material topics - 2021 version	3-3	Management of material topics			Impact and financial materiality; Sustainability Due Diligence	13.7.1	8-14; 36	
	203-1	Investments in infrastructure and supported services			Research and Development	13.22.3	63-68	
	203-2	Significant indirect economic impacts			Research and Development	13.22.4	63-68	
	303-1	Interactions with water as a shared resource			Use of water resources	13.7.2	58-60	
	303-2	Management of the impacts related to water discharge			Use of water resources	13.7.3	58-60	
	303-3	Water extraction			Use of water resources	13.7.4	58-60	
	303-4	Water discharge		13.7.5	Not available/incomplete information	There is currently no process in place for the calculation of water discharges. Casillo undertakes to investigate this issue in depth in order to evaluate the possibility of providing the relative disclosures over the next few years.	13.7.5	
	303-5	Water consumption		13.7.6	Not available/incomplete information	There is currently no process in place for the calculation of water consumption. Casillo undertakes to investigate this issue in depth in order to evaluate the possibility of providing the relative disclosures over the next few years.	13.7.6	

GRI standard	Disclosure	Location (Reference paragraph)	Omissions			GRI sector standard Ref. No.	Page No.
			Require- ment(s) omitted	Reason	Explanation		
<i>Material Topic: Sustainable packaging and waste management</i>							
GRI 3 - Material topics - 2021 version	3-3	Management of material topics				13.8.1	8-14; 36
	306-1	Generation of waste and significant waste-related impacts				13.8.2	54-57
	306-2	Management of significant waste-related impacts				13.8.3	54-57
	306-3	Generated waste				13.8.4	54-57
	306-4	Waste not sent to landfill				13.8.5	54-57
	306-5	Waste sent to landfill				13.8.6	54-57

Topics in the applicable GRI Sector Standards determined as not material

GRI 13: Agriculture, aquaculture and fishing sectors 2022

Topic	Explanation
13.3 Biodiversity	The issue of biodiversity is not directly linked to the Group's activities. This issue mainly concerns the value chain, but not at first tier supplier level, as Casillo purchases cereals and agricultural raw materials mainly from international wholesalers.
13.4 Conversion of the natural ecosystem	Not applicable
13.11 Animal health and welfare	Not applicable
13.13 Rights on land and resources	Not applicable
13.14 Rights of indigenous peoples	Not applicable
13.16 Forced or compulsory labour	Not applicable
13.17 Child labour	Not applicable
13.18 Freedom of association and collective bargaining	Not applicable
13.21 Subsistence income and salary	Not applicable
13.24 Public policy	Issue assessed as not material following the stakeholder engagement procedure. No material impacts related to this issue were identified. The impact analysis is formalised in the paragraph "Impact and financial materiality".
13.25 Anti-competitive behaviour	Issue assessed as not material following the stakeholder engagement procedure. No material impacts related to this issue were identified. The impact analysis is formalised in the paragraph "Impact and financial materiality".



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Independent auditors' report on the Sustainability Report 2023

(Translation from the original Italian text)

To the Board of Directors of
Casillo Partecipazioni S.p.A.

We have been appointed to perform a limited assurance engagement on the data and information included in the "Sustainability Report 2023" (hereinafter also "Sustainability Report") of Casillo Partecipazioni S.p.A. (hereinafter also "the Group") for the year ended on December 31, 2023.

Responsibilities of the Directors for the Sustainability Report

The Directors of Casillo Partecipazioni S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Note on the reporting process" and "GRI Content Index" of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining Group's commitments regarding the sustainability performance as well as for the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards, with reference to the selection of GRI Standards indicated in sections "Note on the reporting process" and "GRI

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Content Index" of the Sustainability Report. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Report is free from material misstatements.

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with the Company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidence considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the criteria applied to understand how actual and potential impacts are identified, assessed and prioritized, and to the internal validation of process findings.
2. comparison of the economic and financial data and information included in the Sustainability Report with those included in the Group's consolidated financial statement;
3. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report.

In particular, we have conducted interviews and discussions with the management of Casillo Partecipazioni S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

Furthermore, for significant information, considering the Group's activities and characteristics:

- a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
- b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation data.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Casillo Partecipazioni S.p.A. for the year ended on December 31, 2023 has not been prepared, in all material aspects, in accordance with the requirements of the GRI



Standards, as described in the paragraph “Note on the reporting process” and “GRI Content Index” of the Sustainability Report.

Bari, July 18, 2024

EY S.p.A.

Signed by: Flavio Renato Deveglio, Auditor

This report has been translated into the English language solely for the convenience of international readers

Casillo
GROUP

www.casillogroup.com