



SUSTAINABILITY POLICY 2030

March - 2018

live
happily

'The role of the industrial company in the modern society is primary and essential, but the sole profit isn't enough to justify its actions, which have to be fully integrated with the respect for the human being, the community and the environment'.

Ernesto Illy - 1976
Chairman, Associazione Europea dell'Industria di Marca
(European Brand Association)

Premise

illycaffè has always focused its strategy on creating a sustainable business model that could merge economic, social and environmental goals. For illy, the guiding principle in doing business is value creation at all levels of the supply chain, constantly striving for improvement: the corporate social responsibility model illy has been developing for years includes environmental management systems, energy efficiency, research, innovation, shared responsibility, traceable raw materials and support to local communities - all of this based on a long term vision.

illy's value chain is based on three fundamental principles: selecting and working with the best Arabica producers in the world, those capable of satisfying illy's requirements; through illy's University of Coffee, sharing with them the knowledge of the best agronomical practices to obtain high quality production, while respecting and protecting the environment; recognising the highest quality through a premium price nurturing continuous improvement and sustainable production.

Scope, objectives and methodological approach

The Sustainability Policy has the scope to provide a representation of illycaffè sustainability values, objectives, commitments and governance. It is applied, in harmony with the current legal regulations, in all countries and territories where illycaffè operates. It permeates the company culture, relying on the principles clearly defined in the Code of Ethical Conduct and in the other company policies. The approach used by illycaffè to draft its Sustainability Policy 2030 is the following:

- Relevance analysis of the **17 Sustainable Development Goals (SDGs)** in relation to the coffee value chain;
- Identification of **9 macro-objectives and related commitments, stated as targets** in the Sustainability Policy 2030
- Creation of a **Sustainability Action Plan 2017-21**, consistent with the company multi-year Strategic Plan, aimed to promote the achievement of the medium terms goals, while outlining measurable actions which will be subject to internal annual monitoring through specific indicators.

Mission, Vision & Values

MISSION

To delight lovers of goodness and beauty all over the world with the best coffee nature can provide, enhanced with technology and beauty.

VISION

To be the world reference for coffee culture and excellence. To be an innovating company, aiming to create and offer the finest products throughout the world's best destinations, while demonstrating its character as the leader in the premium coffee segment.

VALUES

1. **ETHICS. Long-term value creation** through sustainability, transparency and fulfillment of people's own potential
2. **EXCELLENCE. Love for goodness & beauty.** We want to bring happiness & wellbeing to our clients, creating extraordinary experience & products which are beautiful and beautifully manufactured, working fast and efficiently to satisfy their needs and desires.

illycaffè is a stakeholder company, whose stakeholders' hierarchy can be represented through an **inverted pyramid**: first are consumers and clients - who are the company's partner to serve the customers; then the talents - collaborating with the company with passion and professionalism - and the suppliers, who guarantee an excellent product; then all the communities with whom illycaffè has a relationship; finally the shareholders, who serve the company. For each of these stakeholder illy pursues economic sustainability, creating shared value; social sustainability, nurturing people's personal growth; environmental sustainability, respecting and protecting our Planet.



SUSTAINABILITY COMMITMENTS 2030

Illycaffè - a leader in the coffee sustainable quality production and a sponsor of Human & Environmental respectful lifestyles - is committing to pursue and achieve Sustainability in these three areas within 2030:

COMMITMENT	OBJECTIVE
Responsible Supply Chain & Sustainable Agriculture	<ul style="list-style-type: none"> • Constantly improving knowledge & analysis of the impacts throughout the value chain, guaranteeing the highest possible traceability. • Contributing to the value chain sustainable development through research, knowledge transfer and field projects. • Promoting integrated agriculture to preserve and improve coffee sustainable quality worldwide.
Happiness, & Quality of Life	<ul style="list-style-type: none"> • Fostering and disseminating sustainability principles & culture, together with its intrinsic link with human happiness. • Actively participating to the international debate on happiness, wellbeing and quality of life improvement. • Promoting global sustainability partnership.
Circular Economy & Innovation	<ul style="list-style-type: none"> • Designing products & systems consistent with the sustainability and circular economy principles. • Improve energy efficiency & wise resource consumption, always applying the best practices and innovative solutions. • Promoting respect for the environment as the fundamental principle for innovation and sustainability throughout the whole value chain.

Sustainability Governance

Sustainability is an integral part of illycaffè Governance. In 2017 the company has reinforced this principle, nominating a **Sustainability Committee**, composed by 3 Board Members, 2 of which non-executive and independent. The Sustainability Committee is responsible of supervising all sustainability issues and policies, while supporting the Board of Directors with preliminary functions - both propositional and advisory - and all evaluations and decisions concerning sustainability. The **Corporate Reputation & Sustainability Director** refers to the Committee regarding all sustainability matters, presenting global scenario, initiatives, tools, systems and policies developed by illycaffè in the field of responsible management; she also coordinates the relations with the company stakeholders and an **internal cross-functional working group** with the task to propose the Sustainability Strategy and the related Action Plan, as an integral part of the Company multi-year Strategic Plan.