



CODE OF ETHICS

live
happilly

1. INTRODUCTION

The function of an industrial enterprise is fundamental and undeniable, but its economic purpose alone cannot make its actions legitimate. It must be integrated with respect for people, the community and the environment.

Ernesto Illy – 1976

This document, the Code of Ethics (hereafter referred to as the Code), is the expression of the ethical responsibilities and the consequent commitment in the management and activity of the company. It is shared with all those who work with the company, be they managers, collaborators or employees of illycaffè.

illycaffè's strategies have always been aimed at a sustainable and transparent business model, integrating economic goals with social and environmental ones. illycaffè believes that the guiding principle for business is creating shared value for all those involved in the entire production chain, through a process of constant improvement. Over the course of many years, the company has developed a programme that includes systems of environmental management, the optimization of energy use, research and innovation, shared responsibility, traceability of the raw materials, and support for local communities - all based on a long-term vision.

illycaffè believes it is fundamental to pay its collaborators fairly, offer its clients fair and transparent sale conditions, and make sure its suppliers can make a fair profit.

illycaffè encourages and promotes the adoption of this code of ethics by its controlled companies.

1.1 illycaffè's mission and vision

illycaffè's mission is to delight people all over the world who love all that is beautiful and well made, by offering the best possible coffee nature can provide, enhanced through technology and art.

This means completely satisfying our customers through excellent products and services, creating the conditions for the greatest personal and professional fulfilment of its collaborators, and creating value for its shareholders, while always maintaining complete economic and social correctness.

illycaffè aims to be a reference point for coffee culture and excellence in the world, an innovative company that offers the best products and places of consumption, and through this, becomes the leader in the premium coffee sector.

illycaffè pays particular attention to the human aspect: it promotes the development and professionalism of its staff, who are an indispensable factor in the success of the company. In

particular, it ensures maximum respect of the regulations regarding health and safety in the workplace and the protection of privacy.

1.2 illycaffè's values

Ethics: understood at the creation of long-term value through sustainability, transparency and personal development.

Excellence: meaning the love of that which is beautiful and well made.

1.3 Cooperative approach to stakeholders.

illycaffè aims to maintain and develop its relationship of trust with its stakeholders: the categories of individuals, groups or organisations whose contribution is necessary to fulfil the company's mission, or who have a stake in pursuing it.

The hierarchy of illycaffè stakeholders is represented by an inverted pyramid. Our consumers are at the very top, followed by our clients, who are our partners in serving the consumers. Then there are the company's collaborators with their professionalism and passion. Next come our suppliers, who ensure the excellence of our products, then there are the communities the company has a relationship with, and finally, there are the shareholders, who are at the service of the company.

For each of these stakeholders, illycaffè pursues economic sustainability through the creation of shared value: social value, through personal growth, and environmental value, through respect for the planet.



1.4 The value of ethics

illycaffè believes that respect for ethical conduct and transparency in business is essential for the pursuit and achievement of its goals.

The company's commitment to these beliefs is reflected in its adoption of a number of specific principles of conduct that must be maintained in relationships with the Public Administration, the market, and with third parties. illycaffè promotes the creation of an environment with a strong sense of ethical integrity, in the belief that this makes a vital contribution to the effectiveness of the company's policies and control systems.

Since the Code of Ethics clarifies the specific duties of illycaffè towards stakeholders (fiduciary duties), all those who work with illycaffè are strongly encouraged to follow the Code and to consider it a benchmark against which to judge the reputation of the company.

The Code of Ethics is therefore made up of:

- general principles for the relationships with stakeholders, which give an abstract definition of the reference values for the activities of illycaffè,
- the criteria of conduct for each class of stakeholders, offering specific guidelines and regulations to which illycaffè collaborators should comply in order to respect the general principles and to prevent any risk of unethical conduct.
- implementation mechanisms, describing the control system for compliance with the Code of Ethics.

1.5 Validity of the Code and its application.

illycaffè has adopted this Code of Ethics. It outlines all the fundamental principles that inspire the company's activities and guide the conduct of its collaborators and all third parties. These principles ensure the efficient functioning, the reliability, and the trustworthiness of the company. In particular, and by way of example:

- the members of the Board of Directors maintain the principles and values set out in the Code when outlining the company's goals
- the managers implement the principles and values set out in the Code, assuming reasonability towards all those inside and outside the company, reinforcing the trust, cohesion and spirit of the group;
- the actions and conduct of employees and collaborators comply with the principles, values, goals and commitments set out in the Code.

The Code has a global value, both in Italy and abroad, with any modifications that might be necessary or suitable to meet the different conditions in which illycaffè operates in other countries.

This Code is aimed at the corporate bodies and their members, collaborators, temporary collaborators, consultants, agents, intermediaries and any other party that may act on behalf of illycaffè, hereafter known as “Recipients of the Code of Ethics”

illycaffè requires all third parties which whom it collaborates, both in Italy and internationally, to act according to the principles outlined in the Code. These Third parties will duly be informed about the Code.

2. GENERAL PRINCIPLES

2.1 Impartiality

In all decisions that affect relationships with its stakeholders (the choice of customers to serve, the management of staff or the organization of work, the selection and management of suppliers, relationships with shareholders, relationships with communities and the institutions that represent them), illycaffè prohibits any discrimination based on age, gender, sexual orientation, state of health, ethnicity, nationality, political opinions or religious beliefs.

2.2 Honesty

Collaborators with illycaffè are required to diligently follow all applicable laws, the Code of Ethics and internal regulations when performing their professional activity. Under no circumstances can the pursuit of illycaffè's interests justify dishonest conduct.

2.3 Transparency

In relationships with all its Stakeholders and in the reporting of its activities, illycaffè guarantees truthful, clear and complete information. Likewise, all those who contribute to the pursuit of illycaffè's mission are required to adopt behaviour that respects the principle of transparency, in compliance with the obligations of confidentiality required by law and company regulations.

2.4 Conflict of interests

Bearing in mind the terms set out in paragraph 3.5.2, employees must always avoid situations in their professional activities where the subjects involved in the transactions present, or may even appear to present, a conflict of interests. This refers both to cases in which an employee pursues an interest different to the company's mission and the balancing of the interests of stakeholders, or personally benefits from business opportunities through the company, and to cases in which the representatives of clients, suppliers or public institutions act contrary to the duties expected of them.

2.5 Confidentiality

Bearing in mind the terms set out in paragraph 3.5.3, illycaffè ensures the confidentiality of all information in its possession and prohibits attempts to access confidential data, except when expressly authorised and in compliance with relevant legislation. Furthermore, collaborators with illycaffè are required to maintain strict confidentiality about any information related to company activities they may be party to in performing their duties, and not to use confidential information for purposes not connected with conducting their duties, for example for the purpose of insider trading.

2.6 The value of human resources

illycaffè's collaborators are an essential and indispensable part of the company's success. For this reason, illycaffè protects and promotes the value of human resources in order to improve and increase the value and competitiveness of the skills possessed by each collaborator. illycaffè is committed to promoting the abilities, potential and personal interests of its collaborators so that they find fulfilment in the achievement of company objectives.

2.7 Integrity and dignity of the person

illycaffè guarantees the physical and moral integrity of its collaborators, ensuring working conditions that respect individual dignity and providing a safe and healthy workplace.

illycaffè employees are offered equal job opportunities based on their professional skills and performance, without any discrimination, and the company fully respects the rights of the individual.

2.8 Fairness of authority

In agreeing and managing contractual relationships that imply a hierarchical relationship - especially with collaborators - illycaffè undertakes to ensure that authority is exercised with fairness and correctness, prohibiting any abuse. In particular, illycaffè guarantees that those in positions of authority never exercise power in a way that is detrimental to the dignity and autonomy of the collaborator, and that the choices of the organization of work safeguard the value of individual collaborators.

2.9 Management

illycaffè is committed to managing the company in accordance with criteria of economy and efficiency, providing solutions and services with a high quality to cost ratio, and above all ensuring complete customer satisfaction.

2.10 Quality of services and products

All of illycaffè's work is guided by a commitment to total and sustainable quality through research, development and commercialization. In order to pursue these aims, and with the primary objective of satisfying customers - and if necessary protecting them - illycaffè will always listen to suggestions that may promote an improvement in the quality of its products and services.

2.11 Responsibility towards society

In all its activities, illycaffè is constantly guided by the three principles of economic, social and environmental sustainability. This has always been at the heart of illycaffè's activities, through a structured program of corporate social responsibility that supports cultural and social initiatives. This not only respects, but also promotes the local communities where the company operates.

2.12 Environmental protection

The environment is a shared and essential resource that illycaffè is determined to respect and safeguard, with attention to the rights of future generations. In undertaking its business activities and economic initiatives, illycaffè's objectives always include reducing the impact on the environment and the landscape, and the prevention of risks to people and the ecosystem. This is done not only in compliance with relevant legislation, but also taking into account developments in scientific research and the best practices available.

3. PRINCIPLES OF CONDUCT

3.1 Management of administrative and accounting procedures

When preparing financial statements and any other type of required accounting documentation, illycaffè respects the relevant laws and regulations, applying the most advanced accounting practices and principles.

illycaffè's accounting documents and financial statements accurately represent the management situation (economic, asset and financial situation) and respect the criteria of clarity, truthfulness and correctness. The administrative/accounting systems make it possible to adequately reconstruct each operative procedure and faithfully represent transactions made by the company. This also enables the identification of the motivations for the transaction and the different levels of responsibility.

illycaffè applies all the instruments necessary to direct, manage and verify operational activities, with the aim of ensuring compliance with internal regulations and procedures, protecting company assets, efficiently managing activities and providing truthful and complete accounting

and financial data. To this end, illycaffè has set out a system of internal controls, aimed at managing, guiding and verifying the operations of the company.

In particular, the internal controls:

- evaluate the suitability of company processes in terms of effectiveness, consistency, coherency, efficiency and economy;
- verify that conduct complies with the regulations, as well as with company directives and guidelines;
- guarantee the reliability and correctness of accounting records and the safeguarding of company assets.

Each Recipient of the Code of Ethics, within the terms of the functions and tasks they have been assigned, is responsible for the definition and correct functioning of the control system.

3.2 Monetary and financial transactions

Before establishing relationships or entering into contracts with suppliers and business partners, illycaffè determines the moral integrity and reputation of the counterpart, and is committed to complying with all national and international laws and regulations intended to prevent money laundering.

3.3 Relationships with customers

illycaffè is committed to avoiding any arbitrary discrimination against its customers and to guarantee suitable quality standards for the services / products offered.

illycaffè's conduct towards customers is based on openness, respect and courtesy, in order to promote a collaborative relationship and a high degree of professionalism, as well as transparent, simple and clear communication about the products and services provided, in order to avoid misleading or improper practices.

3.4 Relationships with collaborators

3.4.1 Selection of staff

The identification and selection of staff is undertaken based on criteria of objectivity, competence and professionalism, guaranteeing equal opportunities, and avoiding any favouritism, with the sole objective of ensuring that the company has the best resources available on the labour market.

3.4.2 Management of staff and staff development

illycaffè applies an integrated system for the management and development of human resources, which offers all its employees equal opportunities for professional development, based exclusively on criteria of merit. As part of the company's program, it promotes the development of each person's skills and abilities, preparing and updating suitable training programs.

3.4.3 Security and health

illycaffè is committed to promoting and consolidating a culture of safety, developing the awareness of risks, promoting responsible behaviour by all employees, and ensuring working conditions that respect individual dignity in workplaces that are safe and healthy.

Furthermore illycaffè takes preventative actions in order to ensure the health and safety of workers, as well as the interests of other stakeholders, and to this end complies with the terms of D.Lgs. 81/08 (and subsequent amendments, integrations and implementations) in regard to accident prevention, hygiene and health in the workplace.

3.4.4 Protection of privacy

illycaffè complies with all legal requirements regarding the confidentiality of personal data. In regard to this legislation and to the processing of the personal data of collaborators, illycaffè informs each collaborator about the nature of the personal data processed by the company, about the processing methods, and about the areas in which it may be communicated. illycaffè adopts all appropriate measures to ensure confidentiality.

3.4.5 Integrity and protection of the person

illycaffè is committed to protecting the moral integrity of collaborators by guaranteeing their right to working conditions that respect the dignity of the person. As such, illycaffè is committed to protecting workers from any acts of psychological violence and opposes any attitudes or behaviour that discriminate or cause harm against other people, their beliefs or orientations.

3.5 Duties of collaborators

3.5.1 Diligence and good faith

All collaborators must act with integrity and in good faith, respecting the contractual obligations they have agreed to and ensuring they fulfil the duties expected of them.

They must also understand and observe the terms of the Code of Ethics, and their conduct should be based on respect, cooperation and mutual collaboration.

illycaffè provides the Code of Ethics to collaborators so that they can sign a specific declaration stating that they understand the Code and agreeing not to engage in any behaviour that would be in violation of the principles contained in it.

3.5.2 Conflict of interest

All collaborators must undertake their work in the exclusive interests of illycaffè, avoiding any situations where a conflict of interest could arise. They must not take personal advantage of any business opportunities they may become aware of in the course of performing their duties.

By way of example, these situations could include (but are not limited to):

- collaborators accepting donations of money, gifts, or favours of any kind from people, companies or bodies that have business relationships or are in negotiations with illycaffè;
- collaborators using their position in the company or information acquired through their work in order to favour their personal interests;
- concluding, developing or initiating negotiations and/or contracts, in the name and/or on behalf of illycaffè, with counterparts who are family members or partners of the collaborator, or with companies or legal bodies that are owned by the collaborator or in which they have an interest.

Should any such conflict arise, all collaborators are required to inform the company.

3.5.3 Confidentiality

All collaborators are required to observe the strictest confidentiality regarding information, documents, research, initiatives, projects, contracts, or business plans they may become aware of through their duties. This applies in particular to any information that may compromise the image or the interests of customers or the company. All information, in particular that which comes from the context of customer activities, must be considered confidential and must not be disclosed to third parties, nor used to obtain direct or indirect personal benefits.

3.5.4 Safeguarding of company assets

All collaborators must work diligently to protect company assets, acting responsibly and following the operating procedures set in place to regulate their use. In particular, each collaborator must:

- use the assets entrusted to them with care and moderation;
- avoid any inappropriate use of company assets which may cause damage or impair their efficiency, or act in any way against the company's interests.

Regarding information technology, all collaborators are required to:

- scrupulously follow the company security policies so as not to compromise the functioning and protection of computer systems;
- never send threatening or insulting emails, nor make inappropriate comments that could offend other people and/or damage the company's image;
- never visit websites with indecent or offensive content.

3.5.5 Protection of intellectual property

illycaffè is committed to the correct use, for any purpose and in any form, of trademarks, distinguishing signs and all creative works of intellectual property, including computer programs and databases, in order to protect the property and moral rights of the author.

Any behaviour that contravenes the following principles is forbidden:

- improper use of trademarks, distinguishing marks or patents belonging to others where national or international regulations regarding registration have been observed;
- improper reproduction or dissemination of the intellectual property of others in any form, without the correct written contractual agreements with the relevant owners of the property agreeing the terms of their use, or any use of intellectual property that is in violation of the terms and conditions set out in such agreements.

3.6 Relationships with suppliers, partners and external collaborators

The selection of suppliers - including financial partners and consultants - and the determination of the conditions of purchase must be based on objective and impartial assessments, considering the quality, price and guarantees provided.

The signing of a contract with a supplier must always be based on extremely clear relationships. It is forbidden to provide services or to recognize any kind of remuneration towards contractual partners that are not adequately justified in terms of the relationship and agreements established with the partners themselves.

It is furthermore forbidden to recognize remuneration towards external collaborators which cannot be appropriately justified in terms of the type of task to be carried out and the relevant local practices.

The collaboration agreements with partners and the tasks assigned to external collaborators must be set out in writing with precise indications of the economic conditions.

3.7 Relationships with all other parties

3.7.1 Information handling

All information will be handled by illycaffè with complete respect for the confidentiality and privacy of those concerned. To this end, specific policies and procedures to ensure the protection of information are applied and constantly updated. In particular, illycaffè requires all third parties involved in the handling of information to sign confidentiality agreements.

3.7.2 External communications

illycaffè's communication with its stakeholders is based on respect for the right to information; it is absolutely forbidden to spread false or biased news or comments.

All communication activities must respect the laws, rules, and practices of professional conduct and must be implemented with clarity, transparency and promptness, safeguarding, among other things, any sensitive information or industrial secrets.

3.8 Relationships with shareholders

3.8.1 Corporate governance

As well as the principles and values already set out, illycaffè's conduct is inspired by the criteria of maximum transparency. As such, it provides shareholders with appropriate, timely and complete information about all relevant aspects of company management.

illycaffè applies a system of corporate governance that complies with all legal requirements. This system is aimed at:

- transparency;
- controlling business risks;
- maximising value for shareholders.

3.9 Relationships with the Public Administration

illycaffè's relationships with the Public Administration, public officials or subjects in charge of a public service must be conducted in strict observance of the relevant laws and regulations, and must not in any way compromise the integrity or reputation of the company.

Assuming commitments and the management of relationships, of any kind, with the Public Administration, public officials or subjects in charge of a public service, may only be conducted by company employees who are authorised for these duties. In terms of relationships, including those of a non-commercial nature, established between illycaffè and the Public Administration,

public officials or persons in charge of a public service, the Recipients of the Code of Ethics must not:

- offer, also through a third party, money or other benefits, which may also consist in work or commercial opportunities, to any official involved, to the official's family members or to any other subjects in any way connected to the official;
- unlawfully seek or establish personal relationships of favour, influence, or interference, which may be capable of directly or indirectly influencing the outcome of the relationship.

It is strictly forbidden for Recipients of the Code of Ethics to obtain unjust profit to the detriment of the Public Administration.

As such, Recipients of the Code of Ethics must not under any circumstance:

- improperly obtain for illycaffè any contributions, financing, subsidized loans or other similar funds that are in any way provided, issued or granted by the Public Administration, through the use or presentation of false or untruthful documents or through the omission of any required information;
- use contributions, grants or financing issued to illycaffè for purposes other than those for which they are provided;
- improperly obtain any other type of profit (licenses, authorizations, relief from payments including social security contributions, tax benefits or non-payment of social security contributions, etc.) either for themselves, for illycaffè, or for third parties, to the detriment of the Public Administration, through trickery or deception (for example: providing false documents or certifying things that are not true).

3.10 Gifts

Regulations prohibit the receiving, promising or giving of any money, gifts, presents or any other kind of advantages in relation to any activity carried out within illycaffè. This applies to and from customers, suppliers, public administration officials, and with any other third parties who intends to take advantage for themselves and/or for illycaffè.

The only exceptions are gifts and presents that, according to objective criteria, do not exceed normal courtesy and commercial practice.

The methods for accepting and donating gifts, presents or other advantages must always comply with company directives.

3.11 Sponsorships

Sponsorships, charitable contributions or other forms of donation must relate to social issues, for example initiatives to promote solidarity, or art and culture. In evaluating which initiatives to support, illycaffè naturally verifies that there are no potential conflicts of interest.

4. SUPERVISORY PROGRAM AND MODALITY OF IMPLEMENTATION

4.1 Supervisory Body

The Supervisory Body (SB) has been set up to perform the following functions, which the SB may also undertake through the assistance of independent experts:

- supervise the observance, implementation and suitability of the Code of Ethics and promote initiatives to spread the knowledge and understanding of the Code;
- undertake investigations into any reports of potential or actual violations of the Code and communicate the results of the investigations to the Chairman of the Board of Directors (or the Executive Committee) and to the General Managers or to any other relevant competent bodies, so that sanctions can be taken if necessary;
- subsequent to the supervision and investigative activities referred to above, propose the adoption of any necessary or appropriate steps for the updating or modification of the Code of Ethics to the Chairman of the Board of Directors and/or the Executive Committee and/or the Board of Directors, including the Chairman;
- verify the compliance with the generally accepted principles and standards of best practice for the criteria and techniques used for the processing of accounting data and related information, as well as the effectiveness of the related administrative processes and control systems;
- constantly ensure that information flows between the Corporate Bodies in the agreed way;
- develop and monitor the implementation of the supervisory program in all areas of company activity;
- request targeted checks in the case of any reports of problems or the commission of offenses related to preventative activities;
- collaborate in the preparation and integration of internal regulations related to risk prevention and the continuous improvement of the ethical approach of the company;
- report to the relevant parties in regard to adopting disciplinary measures against anyone responsible for the violation of company procedures or the principles set out in company policies.

All company employees, in accordance with their position in the company's hierarchical organisational structure, must actively cooperate in ensuring that illycaffè functions correctly. They must guarantee and facilitate all forms of internal controls of company management required by law and by the Organizational Model. Any behaviour that could materially prevent, or in any way hinder, the performance of the control or audit activity of the corporate management by the Board of Auditors, the Chief Auditor or the Supervisory Body, is strictly forbidden, such as concealing documents or the use of any other fraudulent practices.

4.2 Communication and training

This Code is presented to all internal and external parties involved in the company's mission by means of specific communication activities.

In order to ensure the correct understanding of this Code by all employees, the human resources department will work to promote the knowledge of the principles and ethical guidelines.

4.3 Reporting

The Recipients of this Code must report any violation of the Code at any time to the Supervisory Body. The Supervisory Body will promptly assess the report, also by contacting the person who reported it, the person responsible for the alleged violation and any other parties that may potentially be involved.

The Supervisory Body will ensure the confidentiality of the identity of the person making the report, without prejudice to any legal obligations.

4.4 Sanctions

illycaffè will take appropriate disciplinary measures, in relation to the gravity of the violation in question, independent of any legal proceedings by the judicial authorities. In particular, any violation of the Code of Ethics by employees and/or managers will result in the application of disciplinary measures, proportionate to the severity, repeated nature or the degree of fault of the violation, in compliance with the provisions contained in the relevant employment contracts.

The terms of the Code also apply to temporary collaborators who are required to respect the terms set out in it. Any violations of the Code will be punished with disciplinary measures taken against them by their respective employers, who are required to apply such measures by their specific contractual commitment with illycaffè.

In regard to Directors and Auditors, any violation of the terms of the Code may result in the adoption by the Board of Directors and Board of Statutory Auditors respectively of disciplinary measures that are proportionate to the severity, repeated nature or the degree of fault of the violation. Such disciplinary measures may include dismissal for just cause, to be proposed at the Shareholders' Meeting. In the latter case, illycaffè is entitled to any damages resulting from the violation.

With regard to suppliers, collaborators and external consultants, any violation of the terms of the Code of Ethics will be sanctioned with the termination of their contracts, without prejudice to illycaffè's right to request compensation for damages that occurred as a consequence of such violations.