



WHISTLEBLOWING GUIDELINES

UPDATED BY A RESOLUTION OF THE BOARD OF DIRECTORS ON APRIL 29TH 2020

In case of any discrepancy between Italian version and English version of the present document, the Italian version shall prevail

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1. PURPOSE

The purpose of these Guidelines is to set up information channels to protect the integrity of illycaffè, in compliance with the provisions of Art. 6, paragraph 2 bis of Legislative Decree No. 231/01, that are suitable for guaranteeing the receipt, analysis and processing of reports relating to:

- unlawful conduct, relevant under Legislative Decree 231/01, based on precise and concordant facts, i.e.
- violations of the Code of Ethics and the Organisational, Management and Control Model (hereinafter the "Model") of illycaffè S.p.A. (hereinafter also referred to as the "Company").

2. FIELD OF APPLICATION

2.1 Who can make a report?

These Guidelines are addressed to the persons indicated in Article 5 of Legislative Decree 231/01, paragraph 1, letter a):

- A. "Senior management figures"
 - persons who hold positions of representation, administration or management of the Company;
 - persons who exercise, even de facto, management and control of the same
- B. "Employees"
 - Persons working under the management or supervision of any of the persons referred to in letter A).

In addition to the persons indicated above, reports are also accepted from the Company's business partners, suppliers, consultants, collaborators and other third parties, in order to ensure the widest dissemination of the culture of ethics and transparency.

2.2 Against which persons?

Reports may concern facts and conduct relating to any employee, any member of any corporate body (Board of Directors, Board of Statutory Auditors), the Supervisory Body and the Company's Auditing Company, as well as third parties (customers, suppliers, consultants, collaborators, etc.) in relation to illycaffè.

2.3 Objective field of application

Pursuant to the Decree and this procedure, the subject of reports can be:

- a) unlawful conduct, relevant under Legislative Decree 231/01 and based on precise and concordant facts; i.e.
- b) violations of illycaffè's Code of Ethics and Model.

In any case, for the purposes of accepting and examining the report, since there is no requirement for the whistle-blower to know exactly what constitutes the crimes referred to in the Decree, for example, the following are to be considered relevant for the purposes of the report:

- the facts that may be considered by the whistle-blower as constituting crimes, wrongdoings or, more generally, irregularities;
- conduct detrimental to the interest of the Company;
- actions that could damage illycaffè's assets or image;
- actions likely to cause damage to the health or safety of employees or damage to the environment.

Facts pertaining to the private sphere of the reported person will not be taken into consideration, as they are unrelated to the purpose of the report.

3. REFERENCES TO RULES AND REGULATIONS AND DEFINITIONS

References to rules and regulations:

- Model 231 of illycaffè
- Code of Ethics of illycaffè
- Legislative Decree 231/01
- Law No. 179 of 30 November 2017 on *“Provisions for protecting the authors of reports of crimes or irregularities they become aware of as an employee in the public or private sector”* (published in issue No. 291 of the Official Journal of 14 December 2017 and entered into force on 29 December 2017).

Definitions:

- The term "Whistle-blowing" refers to the channels set up by illycaffè to allow for reporting wrongdoings or violations relevant to Decree 231 of the rules contained in the Company's Model and Code of Ethics, and the related management process.

4. OPERATING PRINCIPLES

In implementation of Law No. 179/2017, illycaffè has introduced within its own Model various methods of reporting wrongdoings and violations of its Model and Code for the benefit of its own personnel, so as to allow them to take advantage of an alternative channel to the ordinary hierarchical reporting.

The personnel of illycaffè are required to use these reporting channels fairly and in good faith. Behaviours aimed at exploiting this instrument by making reports in bad faith or based on untrue facts will not be tolerated.

Anyone who becomes aware of the contents of a report by reason of his/her duties shall be bound by the utmost confidentiality.

It is absolutely forbidden to reveal facts or information that are the subject of a report unless expressly authorised by the SB, which is responsible for managing the report in accordance with the provisions of these Guidelines.

5. DESCRIPTION OF TASKS

5.1 The content of the report

All reports must contain precise and concordant factual elements in order to allow the due and appropriate checks and verifications to be carried out to confirm the validity of the facts reported.

To be taken into account for this purpose, the report must contain the following elements:

- details of the whistle-blower, specifying the position and function performed within illycaffè (if any);
- a clear and complete description of the facts being reported;
- the circumstances of time and, if known, the place where the reported facts were committed;
- personal details, if known, or other elements that make it possible to identify the person who carried out the acts reported (for example, the title or the field in which the job is carried out);
- name of any other persons who may report on the facts being reported;
- any documents that may confirm the facts reported;

- any other information that may provide useful feedback on the existence of the facts reported.

5.2 Addressee of reports

The reports covered by these Guidelines are addressed **to the Supervisory Body** (hereinafter also referred to as "SB"), as this board is composed of at least two persons from outside illycaffè with the necessary expertise to correctly manage the report.

The members of the Supervisory Body are subject to the obligation of confidentiality and an express prohibition to disclose the facts and information that are the subject of the report, without prejudice to the possibility of involving other Company bodies or third parties for the sole purpose of verifying the grounds of the report.

5.3 Anonymous reports

The SB will also take into consideration any anonymous reports, only if they are adequately detailed and made with a wealth of details, and therefore able to bring to light facts and situations in relation to specific contexts.

5.4 Information channels and addressees of reports

In order to keep the identity of the whistle-blower secret during handling of the report, illycaffè has set up the following "dedicated channels", including:

- A) an electronic one consisting of the following electronic mailbox dedicated to the Supervisory Body:

organismo.vigilanza@illy.com

- B) one for printed letters, including anonymous ones, found at the address of the headquarters with the following postal address:

illycaffè S.p.A. Via Flavia 110, 34147 Trieste

In the latter case, the letter is not opened by the person who receives it but is delivered directly to the SB, without any record of its receipt being made.

- C) an additional one, consisting of the physical box set up on Company premises (factory entrance hall), reserved to the Supervisory Body.

Any reports concerning members of the Supervisory Body should be addressed to illycaffè's Head of HR, Organisation, Process, IT & Privacy.

If the Supervisory Body receives a report concerning the Board itself or any of its members, it must forward it to illycaffè's Head of HR, Organisation, Process, IT & Privacy, and refrain from any further handling of the report.

5.5 Management of reports

Once the Supervisory Body (or, where applicable, illycaffè's Head of HR, Organisation, Process, IT & Privacy) has received the report, it records it in the "Register of SB Reports" set up for this purpose and kept by the Board itself, and screens the report for admissibility, by verifying whether the requirements of paragraph 5.1 of these Guidelines are met.

If the SB considers that the report does not meet these requirements, it files the report, informs the whistle-blower and makes a note of this in the "*Register of SB reports*".

If the Board considers the report to be excessively vague, it may contact the whistle-blower to request further elements useful for the investigation.

The SB then dismisses the case if no further elements are provided or if elements considered insufficient are provided.

If, on the other hand, the Supervisory Body deems it necessary to pursue the matter, it will proceed with an in-depth investigation of the facts that are the subject of the same in order to ascertain whether they are well-founded.

The Supervisory Body shall act in such a way as to protect the whistle-blower from any form of reprisal, discrimination or penalisation and in all cases shall keep confidential the identity of the whistle-blower and the events described, except for legal obligations and protection of the rights of the Company or of persons interested and/or involved.

The SB may avail itself of independent external consultants for its investigations. The obligations of confidentiality regarding the identity of the whistle-blower and the facts described, indicated in these Guidelines, are extended to all of them, and are also referred to in the appointment made for this purpose.

In any case, the Board provides feedback to the whistle-blower on the work carried out, in order to reassure him/her that the report has been taken into consideration and is being assessed.

The reports received by the Supervisory Body are collected and stored in a particular file, only members of the Board have access to.

Disciplinary proceedings will be taken by the Supervisory Body against anyone found responsible for the facts reported as a result of the investigations carried out. The procedure of refutation and imposition of sanctions will follow an ordinary course as foreseen in the document "Disciplinary System", referred to in paragraph 8 of the General Part of the Model (see point 5.8 below).

In the same way, disciplinary proceedings will be brought against those who violate the measure that protects the person who reported a wrongdoing, and those who made a report with malicious intent or gross negligence that proved to be baseless.

Any reports relating to members of the Supervisory Body are handled in the same way by illycaffè's Head of HR, Organisation, Process, IT & Privacy, to whom all the obligations and duties referred to the SB for all other types of reports are extended in this case.

At any rate, the Head of HR, Organisation, Process, IT & Privacy imposes any sanctioning procedure against the Supervisory Body provided for by the Disciplinary System referred to.

5.6 Protection for the whistle-blower

The Company acts in such a way as to protect the whistle-blower from any form of direct or indirect reprisal, discrimination or penalisation (i.e. transfers, demotions, mobbing, etc.), and in all cases shall keep the whistle-blower's identity confidential, where required, except for legal obligations and protection of the rights of the Company or of concerned and/or involved persons.

Any employee who believes that he/she has suffered discrimination because he/she made a report must give detailed information to the Human Resources department and inform the SB.

In particular, in the management of reports, in order to guarantee the confidentiality and protection of the whistle-blower, the SB shall separate the information identifying the whistle-blower (i.e. identification data) from the content of the report, and assign a code to the report. In this way, the report will be handled in a "pseudonymised" manner, except for the possibility of decoding it and tracing it back to the whistle-blower when deemed necessary for the developments of the investigation and with

the consent of the whistle-blower, or at the request of the competent authorities by law. On the other hand, the information on the report received will be transmitted in full to the persons who have to conduct the investigations.

The obligation to maintain the utmost confidentiality on the identity of the whistle-blower applies to all those who, for whatever reason, become aware of it or are involved in the process of ascertaining the report.

5.7 Protection for the reported person

The Company also provides for protection tools for the person reported, pending verification of their possible liability, in order to prevent the whistle-blowing system from being used by whistle-blowers in bad faith. The whistle-blower could, in fact, abuse the reporting tool, for example in the case of:

- A whistle-blower who falsely reports a fact solely for the purpose of harming the reported person;
- A whistle-blower who has participated in irregular conduct together with others who makes the report in the hopes of obtaining a sort of "immunity" from disciplinary action in future;
- A whistle-blower who wants to use the reported issue as a possible instrument of exchange to obtain a reduction, or exclusion, of a previous disciplinary sanction or to obtain benefits from the Company, such as, for example, bonuses or promotions.

Without prejudice to the criminal and civil liability of the whistle-blower, in the event of slanderous or defamatory reports, reports that are manifestly false, opportunistic and/or made for the sole purpose of damaging the person reported, as well as any other case of intentional abuse or exploitation of these Guidelines, shall be subject to disciplinary sanctions in accordance with the provisions of point 5.8 below.

In order to avoid possible abuse, in no case is it envisaged that disciplinary sanctions are imposed on the reported person on the basis of what is stated by the whistle-blower, without objective evidence and without investigating the facts reported.

In no case shall the feedback to the whistle-blower include an indication of any disciplinary action taken against the reported person.

5.8 The sanction system

Commission of the following constitute grounds for imposition of the sanctions provided for by the *Disciplinary System of illycaffè*, as per paragraph 8 of the General Part of the Model:

- violation of the protection measures of the whistle-blower with reference to the right to confidentiality;
- retaliatory or discriminatory behaviour, whether direct or indirect¹, by anyone (members of any corporate body, senior managers and subordinates) against the whistle-blower for reasons related, directly or indirectly, to the report;
- behaviours of those who with malice or gross negligence make reports that prove to be unfounded;
- Reported persons who are considered responsible for the acts reported.

6. CONTROL AND REVISION FREQUENCY

These Guidelines are subject to revision and updating at the proposal of the SB or in the event of regulatory changes.

7. ANNEXES AND FORMS

- Register of SB reports

¹ Retaliations that the whistle-blower may face may consist, for example, of:

- Dismissal;
- Demotion;
- Unjustified transfer;
- Mobbing;
- Harassment at the workplace;
- Any other type of behaviour that results in intolerable working conditions.