



Environmental Sustainability Policy

illycaffè S.p.A.

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Roles and responsibilities	
Policy responsables (global level)	Chief Total Quality & Sustainability Officer Chief Supply Chain Officer
Policy application responsables (local level)	General Managers

1. Foreword

Since its founding in 1933, illycaffè has oriented its strategies toward a sustainable business model aimed at creating shared value for all stakeholders, integrating economic and financial objectives with social and environmental considerations.

illycaffè promotes proactive stakeholder engagement, involving those who can influence or be influenced by the activities within its value chain. The Group's long-term sustainable growth also reflects the evolving nature of its relationships with stakeholders and the attention illycaffè pays to their expectations and needs. This engagement, grounded in open dialogue and transparency, enables the development of relationships that foster mutual benefit and the creation of shared value.

In 2019, illycaffè strengthened its commitment as a stakeholder company by adopting the status of a Benefit Corporation, explicitly including in its corporate purpose the commitment to operate in a responsible, sustainable, inclusive, and transparent manner. This commitment is pursued through specific common benefit objectives, focused on creating economic value for stakeholders, enhancing well-being in coffee-growing regions by nurturing a virtuous cycle between producers and consumers, and promoting regenerative agricultural practices aimed at preserving biodiversity and restoring ecosystems.

2. Objective

The illycaffè S.p.A. Group recognizes the environment and natural resources as indispensable factors for sustainable economic development and is committed to integrating them as strategic elements in the planning and development of its activities. In this context, the Group is committed to identifying, preventing and remedying any negative impacts or risks caused or contributed to by the environment along its value chain; it is also committed to identifying and assessing the dependencies of its business model on ecosystem services.

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3. Scope of application

This document applies to all illycaffè S.p.A. Group companies and extends to its entire value chain. It is the responsibility of the global contact persons to give guidance to the General Managers of the individual Group companies with respect to the dissemination and application of the Policy.

4. Corporate commitment

4.1. Mitigation and adaptation to climate change

The illycaffè Group commits to:

- Encourage actions aimed at climate change mitigation and adaptation, consistent with limiting global warming to 1.5 °C in line with the Paris Agreement and the European Union's goal of achieving climate neutrality by 2050.
- Monitor and progressively reduce GHG emissions along its value chain through two targets defined in accordance with Science Based Targets initiative (SBTi) criteria: a near-term target to 2033 and a Net Zero target to 2050 on Scope 1, 2 and 3. For more details on the targets, please refer to the dedicated website Target dashboard - Science Based Targets Initiative.
- Transparently communicate its achievements and targets in the area of GHG emissions reduction, including through membership in initiatives such as Carbon Disclosure Project (CDP).
- Monitor and progressively reduce its energy consumption by setting energy efficiency targets. In particular, the Parent Company illycaffè S.p.A. is committed to achieving continuous improvement in its energy performance in accordance with ISO 50001.
- Procure from renewable electricity sources through the purchase of Guarantee of Origin certificates with the goal of covering 100% of electricity consumption by 2033.
- Gradually abandon the use of fossil and non-renewable resources in favor of renewable, recyclable or recycled materials whenever possible.
- Include environmental sustainability criteria in the selection and evaluation of its supplier base.
- Design products and packaging with reduced environmental impact during production, use and disposal.
- Promote information, awareness and education of its internal and external stakeholders around issues related to climate change mitigation and adaptation and avoid funding climate-denial initiatives or lobbying against climate regulations.

4.2. Air pollution

The illycaffè Group commits to:

- Monitor and reduce air pollution from its coffee roasting and selling activities. Pollutants relevant to this type of activity have been identified as: dust, Total Organic Compounds (TOCs), carbon dioxide (CO₂) and nitrogen oxides (NO_x).
- Pursue continuous improvement of its environmental performance with a focus on air quality through the adoption of innovative technologies and the promotion of sustainable practices throughout the value chain.
- Implement advanced filtration systems to capture and reduce dust emissions during the coffee roasting process.
- Monitor and reduce COT emissions through optimization of production processes and adoption of abatement technologies.
- Take measures to reduce carbon dioxide emissions in line with the Group's climate neutrality goals.
- Implement NO_x reduction technologies, such as selective catalytic reduction (SCR) systems, to minimize environmental impact.
- Periodically monitor emissions to ensure compliance with regulatory limits and promptly identify any anomalies.
- Carry out regular plant maintenance and upgrades to ensure the efficiency of emission abatement systems.
- Promote employee training and awareness of emission reduction practices and the importance of air quality.
- Work closely with suppliers to ensure that raw materials and processes upstream in the value chain also meet the Group's air quality standards.

4.3. Water

The illycaffè Group commits to:

- Preserve water and optimize water management during coffee production and processing stages with special attention to regions with low water availability, reducing consumption through appropriate technologies and increasing the wastewater recovery rate in plantations.
- Prevent and reduce the pollutant load of wastewater in plantations through appropriate treatment according to the available resources on site.
- Promote rainwater recovery in plantations through the construction of ad hoc ponds or basins.
- Spread regenerative agricultural practices aimed at conserving water in the soil to prevent its loss and evaporation.

- Efficiently manage the use of water resources in its operations, minimizing its withdrawal, particularly in areas of high-water stress, and optimizing its consumption.
- Monitor the water footprint of suppliers of goods and services along supply chains operating in water-intensive industries.

4.4. Biodiversity

The illycaffè Group commits to:

- Preserve, monitor and promote biodiversity in coffee-growing countries from which it sources through regenerative agriculture practices that increase and protect the biodiversity of flora, fauna and microorganisms in the soil.
- Identify methodologies for monitoring and measuring biodiversity in coffee-growing countries.
- Stimulate the differentiation of crop species to increase biodiversity with the aim of securing alternative sources of income for farmers and caffeic communities.

4.5. Circular economy

The illycaffè Group commits to:

- Integrate eco-design principles into product design with the aim of minimizing environmental impact throughout their life cycle.
- Develop and adopt specific indicators to measure the circularity of products.
- Use materials that are easily recyclable and can be reintegrated into production processes, reducing dependence on virgin resources.
- Promote the recycling of coffee capsules and pods through dedicated collection and recycling programs, in collaboration with partners and suppliers.
- Adopt packaging solutions that use recyclable materials and reduce the use of unnecessary materials.
- Implement waste management practices aimed at reducing the amount of waste generated in the Group's production facilities.
- Activate supply chains for the valorization of production waste to transform it into resources useful for other production processes or the community.
- Provide clear and transparent information on the environmental characteristics of products to enable consumers to make informed choices.
- Raise consumer awareness about the proper handling of end-of-life products, promoting their recycling.

5. Governance

The Board of Directors of illycaffè plays a key role in ensuring that the Group's commitment to sustainable development models is constant and widespread throughout the value chain and integrated into its strategic plan and business model, also because of the common benefit purposes pursued as a Benefit Corporation.

In particular, the governance system adopted by the company provides for the Board of Directors to be supported by a Sustainability Committee, which performs investigative, propositional and advisory functions in favor of the Board of Directors on sustainability issues, meaning policies, processes, technologies and any other initiative aimed at strengthening the pursuit of the corporate purpose, as well as the company's commitment to sustainable development along the entire value chain, from bean to cup.

6. Reporting concerns or violations

In compliance with the Whistleblowing Decree (Legislative Decree No. 23/2024), illycaffè encourages anyone who detects or suspects violations of this Policy to report it through the appropriate channels to ensure the confidentiality of the identity of the whistleblower and the security of the information.

For more information on this matter, please refer to the Whistleblowing Guidelines made available at <https://www.illy.com/en-ww/illy-mission-values>.

7. Regulatory and documentary references

illycaffè bases its actions on conventions, regulations and standards at the national and international level, as well as on relevant corporate documents.

The main regulatory and corporate references from which this Policy is inspired include:

- L. 349/1986
- Legislative Decree 152/2006
- Agenda 2030 for Sustainable Development
- United Nations Global Compact
- Rio Declaration on Environment and Development
- European Green Deal
- Paris Agreement on Climate Change
- EU Biodiversity Strategy 2030
- ISO 14001
- Code of Ethics
- Organization and Management Model pursuant to Legislative Decree No. 231 of June 8, 2001 ("Model 231")

This Environmental Sustainability Policy was approved by the Board of Directors of illycaffè S.p.A. 25/07/2025 and made available at <https://www.illy.com/en-ww/illy-mission-values>.

Version	01
Date	25/07/2025
Drafted by	Total Quality & Sustainability; Supply Chain
Verified by	Chief Executive Officer
Approved by	Board of Directors
Significant changes	-
Reason for changes	-