



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



BARILLA S.p.A. AND THE UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS

JUNE 2014

The Global Compact (GC): Barilla Group renews its commitment to the ten principles of the GC

I am pleased to confirm that Barilla Group reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals.

In this annual Communication on Progress, which reports on the 01/2013 – 12/2013 period, we describe our actions to integrate the Global Compact into our way to do business. We are also committed to sharing this information with our stakeholders using our primary channels of communication.

In addition to this communication, we have described our commitment for a sustainable business in the new 2014 Reports: “Good for You, Good for the Planet – Summary”, “Good for You, Good for the Planet – Annual Results” and “Good for You, Good for the Planet – Performance Indicators”. Further details are also present in the dedicated website: www.goodforyougoodfortheplanet.org. We periodically share our strategy with our stakeholders in specific meetings and in the Annual Meeting of our Stakeholders’ Panel.

Yours sincerely,

Mr. Paolo Barilla

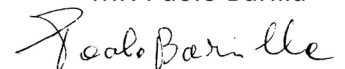
A handwritten signature in black ink that reads "Paolo Barilla". The signature is written in a cursive style with a large initial 'P'.

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Introduction

The United Nations Global Compact, the world's largest voluntary corporate citizenship initiative, foresees the adoption of ten principles which promote long term sustainability through socially and environmentally responsible actions at a political, social, civil and business level. With the goal of promoting a sustainable economy, the Global Compact requires its participants to embrace, support and enact, within their sphere of influence, a set of core values related to social inclusion by protecting human rights and ensuring high work standards, safeguarding the environment and combating corruption.

Barilla Group (Barilla or Company), founded in Parma in 1877, is today among the top Italian food groups, a world leader in the pasta market, a European leader in ready-made sauces, an Italian leader in bakery products and a Scandinavian leader in crisp breads. Barilla undertakes its operations in the respect of its clients, suppliers, the environment and the local communities, convinced that a sustainable business creates value for the company, both in the short and long term horizons it operates within. Such conviction has led, in 2011, to the participation to the Global Compact. The Company follows the principles of the GC which are aligned with its sustainable development values.

The following document indicates Barilla's commitment, policies, strategies and activities undertaken in support of the ten principles of the UN Global Compact for the period covering 01/01/2013 – 31/12/2013.

The GC Principles

The set of core values that the UN Global Compact asks companies to commit to are divided into four areas related to human rights, labour standards, the environment, and anti-corruption and require companies to:

Human Rights

- **Principle I:** Support and respect the protection of internationally proclaimed human rights;
- **Principle II:** Make sure that they are not complicit in human rights abuses.

Labour

- **Principle III:** Uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle IV:** Eliminate all forms of forced and compulsory labour;
- **Principle V:** Support the effective abolition of child labour;
- **Principle VI:** Eliminate discrimination in respect of employment and occupation.

Environment

- **Principle VII:** Support a precautionary approach to environmental challenges;
- **Principle VIII:** Undertake initiatives to promote greater environmental responsibility;
- **Principle IX:** Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

- **Principle X:** Work against corruption in all its forms, including extortion and bribery.

Implementing the Ten Principles into Strategies & Operations

Criterion 1: The COP describes mainstreaming into corporate functions and business units.

Criterion 2: The COP describes value chain implementation.

Governance

In order to follow its sustainability related goals and to integrate them within its business operations, Barilla has implemented a sustainability governance structure. The company's organizational model therefore assigns responsibility for the management of sustainability issues to **Corporate Top Management** (i.e. to the Shareholders and the Group Leadership Team) which includes top



managers such as Directors and Regional Managers. The Top Management of the company is in charge of approving and reviewing objectives and strategic projects necessary to achieve such objectives, as well as of regularly assessing key indicators of progress. Proposing objectives and projects, as well as monitoring and controlling sustainability indicators, are tasks assigned to the **“Good for You, Good for the Planet” Steering Committee**. The Steering Committee, coordinated by the **Sustainability Unit**, is a standing group which includes all corporate functions of the Company. The Sustainability Unit works within the **Communication and External**

Relations Department. The Steering Committee is comprised of the Human Resources, Internal Audit, Manufacturing, Market Unit Europe, Sales, Marketing, Research, Development and Quality, Supply Chain, Sustainability, Internal Communication, Legal, IT, Finance and Risk Management, Region AAA, Region America, Region Europe and HSEE functions of the Group. This transversal representation ensures the commitment of the entire Group guaranteeing a common line in terms of sustainability commitments and strategies.

About the corporate strategy the Barilla Group has an ambitious aspiration: to double its business by 2020, while continuously reducing its footprint on the planet and promoting wholesome and joyful food habits. To this end, it has chosen five strategies to ensure success. One of these is **ONLY ONE WAY OF DOING BUSINESS: GOOD FOR YOU, GOOD FOR THE PLANET**

- Care for the present and future wellbeing of people, the planet and the company in everything Barilla does, from field to consumption.
- Encourage open, transparent and caring partnerships with the communities in which Barilla operates.

What the world calls “sustainability” for Barilla is a unique and distinctive way of doing business: Good for You, Good for the Planet.

This is the only way in which each person in the Group works and of which is an ambassador.

This is a strong identity that expresses the company’s contribution to the sustainable development of the community and the planet, and is an expression of its scrupulous attention to the quality of the products and processes that are an everyday part of the work of Barilla.

Barilla has also developed a sustainability management system that ensures a constant exchange and dialogue between the Company and its stakeholders in order to guarantee transversality, integration and maximum sharing at all levels of the organization. Furthermore, this system is supported by a monitoring plan composed of a series of areas of interest and related KPIs that monitor and measure sustainability performances.

Value Chain

The Group is committed to the respect of, adherence to and promotion of the principles of the Global Compact and of a sustainable development along its value chain. The Supply Chain function of the Group, part of the Steering Committee, has the role of presiding over all activities related to a sound management of the value chain.

The Code of Ethics of the Group, addressed to all Barilla stakeholders and binding for each and every employee, external collaborator, consultant, supplier and consumer, requires the respect of a series of guiding principles regarding ethical behaviour and good governance:

- Honesty and transparency in its activities and affairs;
- Social responsibility aimed at the respect of human rights;
- The development of its human resources;
- The respect of all internationally recognized employee rights;
- Environmental preservation;
- Compliance with enforced laws, codes and regulations.

Barilla suppliers are required to always act in a manner consistent with the general principles of the Code of Ethics, in order to pursue an ethically responsible manufacturing model.

It is in fact a key objective of the Group that of developing and strengthening alliances with key suppliers of strategic raw materials and packaging to ensure the quality and safety of supplies, the quality and safety of food production and the respect for environmental, animal and human rights throughout the supply chain.

In order to guarantee the sound management and the adherence to the sustainable development principles that form the backbone of the Barilla operating model the Group has implemented a series of mechanisms that demonstrate the respect of such principles:

- Monitoring mechanisms of:
 - Activities with high risk of forced or compulsory labour and measures adopted to contribute to their abolition;

- Activities identified as entailing significant risk of child labor and measures adopted to contribute to its elimination;
 - Number of supply chains for the most important agricultural raw materials that have been controlled;
 - Percentage of suppliers subscribers of the International Cocoa Organization and World Cocoa Foundation;
 - Percentage of palm oil requirements met with suppliers who subscribe RSPO;
 - Number of important supply chains for which the relevant environmental impact was measured.
- Assurance mechanisms:
 - Audit on critical supply chains;
 - Percentage of main suppliers and contractors audited with regard to human rights and the relevant measures adopted;
 - Percentage of cocoa purchased from SA 8000 audited suppliers;
 - Percentage of gadgets and promotional material purchased from SA 8000 audited suppliers.

The indicators listed are continuously monitored and reported by the Company. For details on these indicators please see the sections below.

The monitoring and assurance activities performed by Barilla guarantee the respect of the principles of sustainable development and sound governance within the supply chain. The Company is however also active supporting its suppliers and business partners with the awareness that such support is essential in ensuring a sound development. The activities implemented range from:

- **Strategic disclosure:** the Group annually publishes on its corporate website a series of information regarding all the social and environmental responsibility initiatives carried out throughout the reporting year.
- **Support of suppliers:** the Group is active in the promotion of sustainable agronomic practices in order to support its suppliers in the implementation of agricultural practices that aim at mitigating environmental impacts and improving farmers’ economic conditions. Such practices, discussed in depth in the “Environment” section of this Report, include a research project with HORTA and the Barilla Decalogue for the Sustainable Cultivation of Durum Wheat.
- **Local procurement:** Local sourcing is an important aspect of the Company’s relationship with its suppliers given the fact that it aids local development in the area of operations and reduces the environmental impact of procurement from more distant areas.

Indicator	2012	2013
	88%	87%
Percentage of locally grown durum wheat, that is in pasta manufacturing countries	Data per individual country: - Italy: 81% ; - Greece: 96% ; - Turkey: 90% ; - Mexico: 100% ; - North America: 100% (79% USA; 21% Canada).	Data per individual country: - Italy: 80% ; - Greece: 100% ; - Turkey: 85% ; - Mexico: 100% ; - North America: 100% ; (79% USA; 21% Canada).

Percentage of locally purchased rye, that is in the manufacturing countries	90%	100%
Percentage of locally purchased tomatoes, that is in the manufacturing countries	100% Data per individual country: - Italy: 100% ; - North America: 100% (100% USA).	100% Data per individual country: - Italy: 100% ; - North America: 100% (100% USA).
Percentage of locally purchased sugar, that is in the Manufacturing country	78% - Italy: 70% ; - France: 90% ; - Germany: 100% ; - Sweden: 0% .	85% - Italy: 80% ; - France: 90% ; - Germany: 100% ; - Sweden: 0% .

- **Partnerships and initiatives to raise awareness:** one of the key objectives of Barilla's Good for You, Good for the Planet strategy is that of increasing circulation of and training in the Company's sustainable management model throughout the supply chain in order to augment the involvement of farmers, public administration and business associations leading to a more sustainable development. This objective is implemented through the various initiatives in support of suppliers and by utilizing a larger number of certified suppliers (members of International Cocoa Organization, Roundtable of Sustainable Palm Oil members, etc.).

Human Rights

Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights.

Criterion 4: The COP describes effective management systems to integrate the human rights principles.

Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration.

Principle I: Support and respect the protection of internationally proclaimed human rights.

Principle II: Make sure that they are not complicit in human rights abuses.

Assessment, policy and goals

Barilla is a Group that has been managed by the same family for four generations. This explains its strong identity which has been always based on a human and professional “style” characterized by fairness, integrity and the ability to strike a balance between the respect for its people, the communities it operates in and its basic Company interests.

Barilla considers compliance with national and international law as essential in performing all of its activities. Therefore, Barilla commits itself to adjust its conduct so as to prevent crimes and to conform to existing legislation and to generally accepted practices. Moreover, the Company takes decisions and inspires its operations to potential regulatory and legislative evolutions.

Barilla believes that the following international frameworks are fundamental in the definition of its values and it reaffirms its commitment to operate in respect of the principles enunciated in these:

- The United Nations Universal Declaration of Human Rights;
- The Fundamental Conventions and Recommendations of the ILO (International Labour Organization);
- The Earth Charter published by the Earth Council;
- The United Nations Global Compact principles.

The Company’s Code of Ethics declares the adherence to the international guidelines listed above and requires, as a consequence, the respect of human rights. The Code is addressed to each and every Barilla stakeholder without exception and to all those who, directly or indirectly or on a permanent or temporary basis, enter into relationships or transactions with Barilla and work toward the Company’s objectives. The Code is binding for all Barilla employees, external collaborators, consultants, suppliers and consumers and all shall explicitly accept and respect this Code. Furthermore, suppliers are required to always act in a manner consistent with the general principles of the Code of Ethics, in order to pursue an ethically responsible manufacturing model.

Implementation and Outcomes

The Sustainability Unit and Human Resources Department, with responsibilities in the areas related to the definition of the sustainability governance and the update of the Code of Ethics respectively, guide and supervise, among others, the respect of human rights within the Company. The Company has also established a watch structure, the Supervisory Board, to which it has delegated the task of

overseeing the correct implementation of the Code of Ethics and of reporting, to the corporate departments designated, the violations of the Code committed by employees or external collaborators and suggesting the necessary and adequate measures to be taken in response to such violations. As an alternative option, all interested parties can report, in writing and anonymously, all violations or suspected violations of the Code of Ethics to the body with oversight authority over the implementation of the Code. Verification of compliance with the Code of Ethics is incorporated into the internal control mechanism existing.

Barilla is committed to promoting and enforcing the respect of human rights within its entire supply chain and to this end it has included, among its objectives, clauses on the protection of environmental and human rights within supply contracts, in accordance with the provisions of the UN Global Compact. Furthermore, from 2012 the Company is requesting new suppliers and co-packers, present in areas deemed risky from a point of view of social and environmental rights, to join the Global Compact initiative before establishing any form of collaboration with them.

In 2013 Barilla has no incidents to report.

As stated in the “Value chain” section of this Report, suppliers have undertaken to abide by the Code of Ethics which sets the principles for the control of their conduct: Barilla suppliers have signed the general purchase conditions, and more specifically, labour procurement shall entail a series of certifications attesting to the legitimacy of the contracts used. In order to monitor its suppliers Barilla has continued its Social and Environmental audit programs. In particular, Barilla acquires cocoa and gadgets and promotional material from SA 8000 audited suppliers. Moreover, Barilla increased its audits on critical supply chains.

Barilla has undertaken a series of actions and considers a set of indicators necessary to monitor the respect of human rights. Such actions are summarized below:

Indicator	2012	2013
% of main suppliers and contractors that are audited with regard to human rights and the relevant measures adopted	100% of Barilla suppliers signed the general purchase conditions, whereby they have undertaken to abide by the Company's Code of Ethics. Specifically, labour procurement shall entail a series of certifications attesting to the legitimacy of the contracts used.	100% of Barilla suppliers have signed the general purchase conditions, whereby they have undertaken to abide by the "Company's Code of Ethics". Specifically, labor procurement shall entail a series of certifications attesting to the legitimacy of the contracts used.
Audits on critical supply chains	3 audits in 2012.	7 audits in 2013.
Percentage of cocoa purchased from SA 8000 audited suppliers	80%	100%
Percentage of gadgets and promotional material purchased from SA 8000 audited suppliers	100%	100%

Labour

Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour

Criterion 7: The COP describes effective management systems to integrate the labour principles

Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration

Principle III: Uphold the freedom of association and the effective recognition of the right to collective bargaining.

Assessment, policy and goals

Barilla's Code of Ethics sets out the guidelines that the Company is committed to follow in matters of employee rights and labour protection. The Company guarantees its employees' freedom of association and recognizes the right to collective bargaining.

Implementation and Outcomes

The Company's sustainability organizational model has been designed in order to ensure a constant exchange between the Company and its stakeholders. Barilla is therefore committed to develop and maintain relationships with all of its stakeholders on social responsibility themes guaranteeing a structured dialogue with them. Among the tools implemented by the Company in order to create value it is worthwhile to mention also the correct management of the relationships with trade-union associations.

As stated above, within the introductory section of this document, the management of all sustainability related aspects, including a correct dialogue with all social parts, is the responsibility of the Company's Top Management while the proposal of goals and projects, as well as the monitoring and control of sustainability indicators, is assigned to the "Good for You, Good for the Planet" Steering Committee coordinated by the Sustainability Unit. Furthermore, it is the responsibility of the Supervisory Board to monitor the correct implementation of the Code and to signal potential violations, to the corporate departments designated to impose sanctions, proposing also the necessary and adequate measures to be taken in response to such violations.

Barilla has established appropriate channels of communication that can be used by affected parties to communicate remarks about the implementation of the Code and report violations of its rules of conduct. As an alternative option, all interested parties can report, in writing and anonymously, all violations or suspected violations of the Code of Ethics to the body with oversight authority over the implementation of the Code.

The sustainability management system of the Barilla Group has been developed in order to oversee all sustainability issues relevant for the Company. The system foresees a series of areas, objectives/goals and KPIs that enclose all the main sustainability topics that Barilla must monitor. Among the themes that are considered within the management system and regularly discussed with trade unions, some of which are measured through related performance indicators, are those regarding industrial relations and collective bargaining:

- Ethical and fair management of plant closings;

- Sustainable and ethical management of negotiations on bonuses and of quality and safety management;
- Monitoring of trade union objections;
- Efficiency in shift management;
- Headquarter monitoring of local decisions in matters of trade union relations.

Principle IV: Eliminate all forms of forced and compulsory labour;

Principle V: Support the effective abolition of child labour.

Assessment, policy and goals

As set out within the Code of Ethics, the Company considers, within its business activities and the development of business strategies, the Fundamental Conventions and Recommendations of the ILO and the principles proposed by the United Nations Global Compact. The Group therefore commits to never take advantage, not even indirectly, of either forced/obligatory labour or of child labour.

Implementation and Outcomes

The production activities of Barilla mainly take place in countries governed by rigid regulations in matters of labour protection, that impose, in case of failure to comply, tough sanctions. In addition, the Company values, enshrined in its Code of Ethics, provide that Barilla will guarantee the highest standards of labour protection. The corporate activities that may expose the Company to risks of forced and/or child labour can be identified within its supply chain and purchasing activities.

In order to manage such risks, Barilla has joined in 2011 Sedex (Suppliers Ethical Data Exchange), a non-profit organization, founded in 2004 to guide the environmental and ethical performance of the supply chain at a global level. Sedex has set up a web platform to enable suppliers to share information with customers on four pillars: labour standards, health and safety, environment and business integrity. Furthermore, starting in 2012 the Group requires all its suppliers located in high risk or low regulation countries to join the project and the platform in order to share their self-assessments and audit procedures on the four target areas mentioned.

Palm Oil

Palm oil is characterized by environmental impacts due to deforestation in many parts of Malaysia and Indonesia, where it is produced, resulting in a loss of biodiversity. In addition to this, palm oil is also controversial because of social issues given that its production requires many workers, some still minors, whose land is sometimes confiscated. For this reason, Barilla has agreed to buy palm oil only from suppliers who adhere to the Roundtable on Sustainable Palm Oil (RSPO), a global association which, since 2004, requires its members to comply with certain standards of accountability. By 2015, 100% of the palm oil used by Barilla will be RSPO certified.

However this is not sufficient to stop deforestation, leading Barilla to set up with its suppliers a goal of “Zero Deforestation” by 2015. The Company has also chosen, along with its suppliers, not to buy palm oil from producers who are responsible for forest fires and deforestation, while guaranteeing complete traceability.

Cocoa

Cocoa is another raw material associated with social problems and forced labour. For this reason, 100% of Barilla's suppliers are members of the World Cocoa Foundation (WCF) and all the processing sites of Barilla's main supplier of cocoa in Africa are certified by social auditing (SA 8000).

Barilla has developed a series of activities regarding the promotion of high labour protection standards, as indicated in the boxes above. The Company has also identified a series of KPIs that allow monitoring and tracking the achievement of such labour protection standards, as indicated in the table below:

Indicator	2012	2013
Activities identified as entailing significant risk of child labour and measures adopted to contribute to its elimination	Cocoa and palm oil supply chain. Measures designed to prevent exploitation of child labour: all Barilla suppliers have signed the general purchase conditions, whereby they have undertaken to abide by the Company's Code of Ethics. Use of certified suppliers.	Cocoa and palm oil supply chain. Measures designed to prevent exploitation of child labour: all Barilla suppliers have signed the general purchase conditions, whereby they have undertaken to abide by the Company's Code of Ethics. Use of certified suppliers.
Activities with high risk of forced or compulsory labour and measures adopted to contribute to their abolition	Cocoa and palm oil supply chain. Measures designed to prevent exploitation of child labour: all Barilla suppliers have signed the general purchase conditions, whereby they have undertaken to abide by the Company's Code of Ethics. Use of certified suppliers.	Cocoa and palm oil supply chain. Measures designed to prevent exploitation of child labour: all Barilla suppliers have signed the general purchase conditions, whereby they have undertaken to abide by the Company's Code of Ethics. Use of certified suppliers.

Principle VI: Eliminate discrimination in respect of employment and occupation.

Assessment, policy and goals

As set out within its Code of Ethics, Barilla avoids all forms of discrimination against its employees, whether based on age, gender, sexual orientation, health status, race, nationality, political ideas or religious beliefs. Barilla recognizes cultural and skills diversity as an essential value for the firm and intends to attract and develop employees with leadership potentiality, passion for food products and intellectual curiosity.

The Company strongly repudiates any form of discrimination in the areas of recruitment, human resource management and in all decisions related with its stakeholders.

Barilla is firmly committed to prevent any form of mobbing or work exploitation, whether direct or indirect and to adopt only criteria of merit, work performance and professionalism in all decisions concerning employees' career development.

Implementation and Outcomes

The Barilla Group has been acquiring in the last period a multinational feel, reflecting in its value identity the heterogeneity of the cultures of the countries in which it is present.

The sustainability management system of the Barilla Group has been developed in order to oversee all sustainability issues relevant for the Company. The system foresees a series of areas, objectives/goals and KPIs that enclose all the main sustainability topics that Barilla must monitor. Among the areas that are considered within the management system are those regarding diversity management, which are monitored and measured through performance indicators.

Indicator	2012	2013
Number of employees per type, contract and territory	8,163 People: 4,183 in Italy, 1,445 in France; 407 in Russia; 498 in Sweden; 428 in the United States; 323 in Germany; 330 in Turkey; 125 in Mexico; 205 in Greece; 74 in Norway; 44 in Poland; 17 in Benelux; 17 in Switzerland; 14 in Brazil; 9 in Australia; 8 in Austria; 6 in Japan; 4 in Slovenia; 1 in Hungary; 7 in Canada; 1 in Croatia, 8 in Spain; 2 in Romania, 7 in Singapore.	8,106 people: 4,134 in Italy, 1,431 in France, 392 in Russia, 524 in Sweden, 495 in the USA, 329 in Germany, 268 in Turkey, 132 in Mexico, 209 in Greece, 51 in Norway, 18 in Poland, 14 in Benelux, 15 in Switzerland, 39 in Brazil, 10 in Australia, 3 in Austria, 6 in Japan, 4 in Slovenia, 6 in Canada, 1 in Croatia, 8 in Spain, 7 in China, 10 in Singapore.
% of employees involved in training activities, including plants out of total employees	79%	95%
Number of employees covered by an annual performance management system	1,600 People worldwide (100% managerial population). Italy: 820 People, 55% white collar.	1,643
Type and spreading of innovative contracts: job sharing, telework, part-time, etc.	4.9%	4.2%
% of internships transformed into fixed-term /permanent employment contracts	6.7% in Italy and 8% in France, 25% Sweden and Norway.	18.2% in Italy.

% of women broken down by occupational level	Italy: Executives: 12.4 Managers: 32.6 White collar workers: 37.8 Sales force: 12.0 Blue collar Workers 22 Total: 25.3 .	Italy: Executives: 13.9 ; Managers: 35.7 ; Employees: 39.9 ; Sales force: 20.5 ; Workers: 23.5 ; Total: 28.2 .
Turnover rate by age and gender	2.7% men and 2.4% women. Age from 21 to 30 5.2% ; from 31 to 40: 2.3% ; from 41 to 50: 0.9% ; from 51 to 60: 3.6% ; over 60: 45.3% .	1.5% men and 2.6% women. Age from 21 to 30: 3.3% ; from 31 to 40: 2% ; from 41 to 50: 0.5% ; from 51 to 60: 2% ; over 60: 24.3% .
Cost of people care activities as a percentage of labour cost	3.8% in Italy; 1.35% in Sweden; 0.26% in USA ; 1% in Germany; 4.4% in France; 5.65% in Greece.	3.9% in Italy; 0.16% in USA ; 1.35 % in Sweden; 1% in Germany; 4.3% in Western Europe; 5.65% in Greece.

Barilla acts within the areas of human resource recruitment, management and development on principles of equity, fairness and non-discrimination. In this year Barilla has reported no abuses. To underline the importance of this topic, in 2013 a Diversity & Inclusion Board was formed: it consists in a working group composed of Barilla employees and external experts. The initiative includes a participation in the Corporate Equality Index, by the U.S.-based Human Rights Campaign to measure and rate large companies on their policies and practices pertinent to lesbian, gay, bisexual and transgendered (LGBT) employees.

Global Diversity & Inclusion Board

Barilla Group pledges to build on its corporate long-term commitment to diversity, inclusion and equality, in order to establish a more active, global leadership position on its social responsibility. Equality, inclusion and diversity and have long been grounded in Barilla's culture, values and code of conduct and are a key driver for growth model and way of doing business. These values are also reflected in Barilla's anti-discrimination policies and the benefits provided to all employees, regardless of age, belief, disability, gender, race, religion, or sexual orientation, in a path towards a multicultural workforce.

The Global Diversity & Inclusion Board has a broad mandate to:

- help Barilla become a model corporate citizen on diversity and inclusion;
- assess current internal policies and initiatives;
- make recommendations on improvements;
- implement new initiatives and monitor and measure progress.

The Diversity & Inclusion Board's mission is to:

- set challenging goals that will help to become a more inclusive workplace;
- create a more diverse, committed and engaged workforce;
- enhance an open culture that embraces and celebrates differences;

- promote and support diversity programs in the communities where Barilla operates.

The Board will be comprised of:

- an Advisory Board of independent external experts who will provide vision, advice, outside perspective and guidance on equality and inclusion;
- an Operating Committee, which will consist of employees who will make recommendations on targets, initiatives and enhancements to deepen equality and inclusion in the Company, as well as to monitor our progress.

Some of the main activities implemented during the reporting period, in the respect of its employees, are indicated below:

Health and Safety

In line with the general Company goal of being socially responsible Barilla has also set an objective of reaching high workplace safety standards, reducing by 50% the days of absence due to accidents, reducing by 40% the total number of accidents and monitoring the safety indices of the external companies that work within the Barilla premises. Indeed, In 2013 there were 154 accidents, 41% less than in 2010. The plants in Ames (USA), Thiva (Greece) and Rubbiano (Italy) did not report any injuries in the course of the year.

This result was achieved thanks to the Safety Management Systems (OHSAS 18001) and technical investments in improvement projects. The safety of Barilla People is fundamental, and for this reason, training paths, operational guidelines and specific auditing activities have been developed for a total investment of 11.4 million Euro: more than 52,000 hours of training on issues of health, safety and fire prevention was provided in 2013. Finally, over the course of the year, 112 audits were carried out to verify the correct application of prevention tools developed to improve workplace safety, fire prevention, and to reduce environmental impact.

People Care Initiatives

- Greece: Health plan; Company's borrowings to employees for urgencies; Christmas party for employees' children; scholarships; pension plan; Ticket Restaurant; monthly offers of Company's products; transport services.
- Germany: "Family day", participation to the Wasalauf marathon (sponsored by Wasa), canteen; Cologne: sports incentives (agreements with gyms, in-house activities), water and ready-to-eat lunch, free fresh fruit one week a year, involvement in corporate management.
- USA: Sports education, charitable initiatives (United Way, American Cancer Society).
- Sweden: Stockholm: Subsidized bank borrowings, Birth vouchers for the sales area, fresh fruit and coffee/tea/sparkling water every day, product samples, lunch with pasta, training campaign, free access to the gym, scholarships available to all employees and to the sales force, Christmas and Summer parties, pension plan, massages, health check-up, laundry service in the office; Flipstad: Ski activities, in-house gym and special fares for swimming pool and tennis clubs, free coffee and tea, training campaign, annual "Family day", Christmas dinner, pension plan, massages (for employees who need them, to avoid sick leave), 15% discount in shops.
- Norway: Training campaign, free tea and coffee, free snacks, lunch with pasta.

The sì.mediterraneo Project

The initiative was developed in the course of 2011, first at the Parma headquarters, and then extended across Italy and in the USA in 2012, but it was only in 2013 that the project was transformed into a global commitment of the Group, to take in Barilla's plants in Europe, Asia, Brazil and Canada. To date, the project has reached 6,000 employees and it is planned to disseminate and consolidate it further over the course of 2014. The aims of the project are two:

- To increase awareness of the benefits of the Mediterranean Diet and the relationship between food choices and environmental impact, as demonstrated by the Double Pyramid model;
- Improve the eating habits of Barilla employees through nutritional education, prompting them to become ambassadors of the Mediterranean model.

The results on employees' food choices have been impressive: in the Parma canteens alone there has been a doubling in the consumption of whole grain pasta, plus a 40% increase in the consumption of whole grain bread. Consumption of fruit and vegetables has improved, while there has been an increase in the consumption of white meat.

Barilla Smart Working

Barilla Smart Working is a project to promote diversity, a balanced, sustainable lifestyle and a work culture based on the results. Smart Working means that Barilla employees have greater autonomy on when, where, and how to work, determining and adjusting their working procedures according to both personal and Company needs. 300 people were involved in different regions in this program (USA (23), Singapore (12), Italy (239), Switzerland (13), France (40), Germany (16)).

Environment

Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship

Criterion 10: The COP describes effective management systems to integrate the environmental principles

Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship

Principle VII: Support a precautionary approach to environmental challenges;

Principle VIII: Undertake initiatives to promote greater environmental responsibility;

Principle IX: Encourage the development and diffusion of environmentally friendly technologies.

Assessment, policy and goals

At the centre of Barilla's way of doing business is the commitment of operating to reduce the environmental impact of its products by improving cultivation processes, production and distribution and by informing and educating people to consume responsibly. Barilla is committed to developing products and processes that are as energy efficient as possible along the entire supply chain. This way of acting has been translated by Barilla in a dedicated strategy "Good for You, Good for the Planet", a strong policy that expresses the Company's "Only One Way of Doing Business", contributing to the sustainable development of the communities and the planet. The reference model for the Group is the Double Food Environmental Pyramid, developed by the Barilla Center for Food and Nutrition Foundation in 2009. Starting from the Mediterranean Diet Pyramid, the BCFN has analysed the environmental impact of each food. To determine the environmental impact, the "life cycle" of each food was studied i.e., the main steps of the product's life: from cultivation of the raw materials to consumption. In this way the environmental pyramid was created. Impact on the planet was analysed in terms of the greenhouse gas emissions generated by each product, consumption of water resources, and the surface area of the territory occupied to regenerate the resources used. In short what is good for people is also what has a lower impact on our environment.

Barilla commits to adopt, in every activity, the criterion of caution or the *precautionary approach*, a principle according to which, in case of doubt related to a product or production procedures' safety towards the environment or human health, the burden of proof regarding the harmlessness of the above mentioned product or procedure lies solely with the manufacturer. The Company also commits to implement a preventive approach towards environment and biodiversity.

Even though Barilla operates in a low environmental impact industry, it has equipped its plants with sophisticated waste water treatment systems and has installed heat recycling systems and now recycles the heat produced by the steam used during pasta drying process. These actions are supported by ecological education: ecology has become a tool for cost reduction, but can be a strategic element to contribute to a positive Company image, too. This is due to the fact that such actions show Barilla as a social "protagonist" that takes on its responsibilities in such a critical and important field as environmental protection.

Barilla further seeks to promote initiatives designed to foster greater environmental responsibility and to encourage the promotion of environmentally friendly technologies. From the selection of raw materials to the distribution of finished products, Barilla actively contributes in respecting the principle of *dietary sovereignty*. This principle, set in the Universal Declaration of Human Rights, states that people have the right to make their own choices in the fields of food production and

distribution, in the respect of the criteria of environmental and cultural sustainable development, in order to guarantee everyone's right to an adequate and healthy diet, in the belief that the concept of ethical and social responsibility shall include all those communities in which the Group operates in.

"Good for You, Good for the Planet" Steering Committee is a standing group which includes all corporate functions, coordinated by the Sustainability Unit, which operates within the Communication and External Relations Department, and it is in charge of Proposing objectives and projects, as well as monitoring and controlling sustainability indicators.

Barilla is committed to operating in the respect of environment and people's health, conscious of its social and ethical responsibilities towards communities it operates with or from which it draws resources. Barilla has also established a watch structure, the Supervisory Board, to which it has delegated the task of overseeing the correct implementation of the Code of Ethics and of reporting and furthermore all interested parties can report, in writing and anonymously, all violations or suspected violations of the Code of Ethics regarding environmental impacts.

Barilla gives a clear and precise meaning to its way of act: double the business by 2020, while continuously reducing its footprint on the Planet and promoting wholesome and joyful food habits. For this, Barilla offers clear implementation procedures:

- Be the #1 choice of brand and product for people;
- Win in the marketplace;
- Drive continuous improvement;
- Only one way of doing business: "Good for You, Good for the Planet";
- Proudly be Barilla People.

This is translated in Goals for 2020:

- **Good for You:** by 2020 Barilla will have brought the joy of eating its products and wellbeing to more than 1 billion people around the world;
- **Good for the Planet:** by 2020 Barilla will only be offering products at the bottom of the environmental pyramid, acting responsibly throughout strategic supply chains;
- **Good for Communities:** by 2020 Barilla will spread its way of doing business "Good for You, Good for the Planet" to millions of people around the world through information, education and community activities, thereby improving social conditions and responsible choices.

Implementation and Outcomes

In 2013 the fifth edition of the Barilla Panel took place consisting in a day of work involving all the categories of the Group's stakeholders (suppliers, trade associations, the scientific community, customers, non-governmental organizations, the media, institutions and business partners) in order to gain an assessment of Barilla's impact, giving the opportunity for debate and dialogue and understanding communities needs. Barilla summarized some critical sustainability issues through a description of the theme and the Group's commitment: the main topics pointed out were social issues and supply chain impact on environment, especially on mitigation of supplier impact and deforestation (linked to packaging, too).

The Group's commitment in minimizing the environmental impact of its products is displayed in its implementation of activities and projects that aim at reducing the impact in all areas of both the value chain and the supply chain. Barilla has adopted the Environmental Product Declaration (EPD): a

public document, developed in accordance to the EPD International System, that summarizes the environmental performance of a product, calculated throughout its life cycle, valuating ecological, carbon and water footprint. Some of the main activities implemented by Barilla are listed in the table below:

Main sustainability projects throughout the supply chain				
<p>Raw materials:</p> <ul style="list-style-type: none"> - Barilla Sustainable Farming; - Assessing the environmental impact of the main raw materials; - Objective Palm Oil: Zero Deforestation. - Sustainability projects: Animal Welfare, Cocoa. 	<p>Sustainable packaging:</p> <ul style="list-style-type: none"> - New packaging materials; - Cardboard selected in accordance with the best standards (FSC, PEFC, SFI). 	<p>Plants:</p> <ul style="list-style-type: none"> - Energy conservation and co-generation; - RECS (Renewable Energy Certificate System); - Energy supply sources with Certificates of Origin; - Reduction in water consumption; - ISO 14001. - Waste from production 	<p>Transports and Distribution:</p> <ul style="list-style-type: none"> - Projects to reduce the environmental impact of logistics. 	<p>People:</p> <ul style="list-style-type: none"> - Double Pyramid and Sustainable Diets; - LCA Studies and Environmental Product Declaration (EPD); - Environmental Labelling.

Life Cycle of the Barilla Products

Every product consumed daily is the result of a long production process that determines its characteristics and specificities and Barilla devotes much attention to the entire product life cycle: from the procurement of raw materials to the promotion of healthy lifestyles through packaging, advertising, publications and projects.

In order to measure the ecological footprint of its products throughout their life cycle, from farm to fork, Barilla has developed a system based on the Life Cycle Assessment (LCA) methodology, which, in 2013, involved about 80% of the Group's global production. The Life Cycle Assessment has been and continues to be an important environmental management tool for Barilla. Thanks to the LCA, many areas for improvement throughout the supply chain, from the cultivation of raw materials to collaboration with retailers, have been found. For example, the critical impact on the environment of different crops has emerged.

In 2010, the first among private companies, Barilla developed a system for calculating the environmental impact of products according to the LCA methodology on the basis of the Environmental Product Declaration (EPD) Model: the only model that envisages a public inquiry into Product Category Rules (PCR). The system developed by Barilla leads to the publication of study results as EPDs. This system has been certified by an independent third party, Bureau Veritas. In 2013, 36 EPDs have been published.

Raw Materials: Durum Wheat and Integrated Supply Chains

Since 2010 a team of Barilla professionals has been involved in a study that aims at assessing, in the main areas of cultivation of durum wheat in Italy, the cultivation systems believed to be most sustainable. The initial goal of the study was therefore to assess the environmental and economic impact of the most sustainable systems for cultivating durum wheat. Between 2011 and 2012 the project was extended to 13 Italian farms. The result of this work was collected in the Barilla Decalogue for the Sustainable Cultivation of Durum Wheat, which suggests in 10 simple rules how to make wheat growing more efficient. In particular, traditional rotation techniques, often sacrificed to the application of intensive practices that mean an excessive use of resources with the risk of reducing soil fertility, have been reconsidered and has shown that crop rotation, i.e. the rotation of several species of plants on the same plots of land, plays a vital role in improving sustainability in the growing phase of raw materials. Correct rotation cycles result in more efficient production. Ancient wisdom was flanked by innovative IT systems which help the farmer, day after day, to optimize growing techniques, making interventions more efficient according to climatic conditions and the demands of cultivation. The objective of this project is to identify sustainable agricultural systems, ensuring a high level of quality and safety. This study was performed by Barilla in collaboration with HORTA Srl, a spinoff of the Università Cattolica of Piacenza, which developed a tool to support decision-making called Granoduro.net. The site can be accessed via the Web and linked to a meteorological network present at all the main production sites. This forecasting instrument is connected to a weather network that extends to cover the main production areas and supports farmers in optimizing agricultural practices. Between 2012 and 2013, in Italy the project involved more than 100 farmers for a total of 10,000 tons of durum wheat.

Barilla's commitment to the future is to further disseminate these practices making the durum wheat supply chain even more sustainable. The goal is to encourage, over the next few years, the use of these durum wheat growing techniques at an ever greater number of farms, and to use them also for other raw materials (i.e. soft wheat and rye) by means of specific growing contracts in Italy and abroad. In the course of 2013, the activity was also launched in other countries where the Group is present, such as in North America, in France, in Turkey, in Greece, in Sweden and in Germany, for different types of cultivation.

Some of the advantages of the experiments carried out in the 2013 campaign include:

- reduction in CO₂eq emissions: up to -30%*;
- reduction in production costs: - 30%;
- increase in production yield: + 20%.

Risk Assessment

Barilla has developed a risk assessment model, through which it has identified the critical supply chains in terms of food safety, worker safety, environmental impacts and animal welfare. The "Sustainable Farming" program and the "Earth 2016" program, focusing on other strategic raw materials, are the two main projects for a sustainable supply chain. The aim of the initiative is to develop models for each raw material supply chain and generate innovative projects and solutions.

Energy Efficiency and CO₂ Emissions

The impact of greenhouse gas emissions is, for a Company such as Barilla, less significant compared to raw material cultivation or consumption, especially for products requiring home cooking.

Nevertheless, Barilla monitors and seeks to continuously improve the activity of its plants and their environmental impact.

In 2013 the CO₂ equivalent emissions, i.e. the amount of greenhouse gases, were reduced by 15% in absolute value terms compared to 2010, despite an increase of around 4% in production. This therefore generated a decoupling between production and CO₂eq emissions. Per unit of finished product, meanwhile, the emissions were reduced by around 19% compared to 2010.

Regarding energy efficiency increases, Parma and Foggia plants are powered by a cogeneration plant that produces, at the same time, electricity and thermal energy. Furthermore, the Caserta pasta plant uses a trigeneration system which, as well as generating electricity and thermal power, also produces refrigerated water. From the point of view of renewable energy, the production plants at Filipstad (Sweden) and Celle (Germany) use hydroelectric sources. In 2012, through an agreement with the Compagnia Valdostana Acque, a producer of hydroelectricity, Barilla has covered all its electricity demands for the production of Mulino Bianco, Gran Cereale and Pan di Stelle with certificates GO-RECS, that attest the production from renewable sources.

Water Resources

Barilla, since 2008, has begun assessing the water footprint of its products basing its study on life cycle analysis and the calculation protocol developed by the Water Footprint Network.

The water footprint of a product is the total volume of freshwater consumed to produce it and coincides with the Virtual Water concept. Virtual Water is a kind of alternative water resource, which allows preservation of local water resources. Trade between countries causes a transfer of virtual water flows from country to country.

In 2013, Barilla's plants consumed approximately 2.3 million cubic meters of water, saving 343,000 cubic meters of water with respect to 2010, with a reduction of 13%. With this latter amount of water, more than 30,000 people could take a shower for a year. In addition to the savings, some projects to reuse water resources have been developed, in particular at the plants in Cremona (Italy), Foggia (Italy), Ames (USA) and Avon (USA).

Waste

One of the most relevant environmental impacts deriving from a company's operations concerns waste disposal. Barilla therefore pays a great deal of attention to the development of packaging and the type of raw materials from which it is produced (paper, cardboard and flexible film) in order to aid separate waste collection and recycling without affecting the ability of the packages to preserve and protect the products. Furthermore, Barilla's plants also pay attention to waste management, with the aim of decreasing the total amount produced and increasing the percentage of recovery or recycling. In 2013, there was an average 16 kilograms of waste per ton of product; of which approximately 92% went towards recovery/recycling operations.

The percentage of recyclable Barilla packs has increased from 85% in 2008 to 98% in 2013; of these 42% are made from recycled materials.

Among the activities undertaken by Barilla in this area the Group has included symbols on its packs that suggest how to properly separate packaging, in order to transform waste packs into resources and improve the wellbeing of local communities at a global level.

Other projects and activities implemented by Barilla, that see the Company actively involved in ensuring a low environmental impact, include maintaining a constant dialogue and good relations with retailers by promoting a model of responsible management designed to minimize environmental impact and waste, reducing the ecological footprint and complying with the Barilla Code of Ethics. As stated previously and throughout the current Report, the Code of Ethics is a mandatory contract for third parties, including suppliers and relevant business partners, and express the Company's commitment towards environment. Due to its strategy and industry characteristics, Barilla participates to specific conventions and other workgroups, such as FAO – SAFA (sustainability Assessment of Food and Agriculture systems), Global Compact Network Italy, Project “Simbiosi industriale” – ASTER.

The table below summarizes some of the main indicators, based on standardized performance metrics, used by the Company to monitor the goal of reducing the ecological footprint along Barilla's value chain.

Indicator	2012	2013
GWP (Global Warming Potential) reduction in emission of CO₂ equivalent (%)¹	CO ₂ equivalent emissions decreased by approximately 25% in absolute value compared with 2008, despite a production increase of approximately 2% . On the other hand, the ratio of CO ₂ equivalent (GWP) emissions to finished products decreased by 27% compared with 2008.	CO ₂ equivalent emissions decreased by approximately 15% in absolute value compared with 2010, despite a production increase of approximately 4% . On the other hand, the ratio of CO ₂ equivalent (GWP) emissions to finished products decreased by 19% compared with 2008.
Energy consumption per unit of finished product ²	3.13 GJ/t	3.04 GJ/t.
Total Energy Consumption (Electricity + Thermal Power) (millions of GJ)	4.7 million GJ, 42% electricity contribution, 1.9 million GJ; 58% thermal power contribution, 2.7 million GJ.	4.7 million GJ, 42% electricity contribution, 1.9 million GJ; 58% thermal power contribution, 2.7 million GJ.
Total water consumption in million m³	2.4	2.3
% reduction in total consumption of water compared with 2008	23%	25%
Water consumption per ton of finished product (m³/t)	1.6	1.49

¹ Greenhouse gas emissions were calculated bearing in mind the plant's consumption of electricity and thermal power. The conversion factors used for the electricity were calculated considering the specific energy mix of the supplier; where this was not available, a national energy mix was used updated to 2012. For natural gas the Lower Heating Value was used since Barilla has no condensation boilers.

² The indicator represents the Group's total energy consumption calculated in GJ per ton of product. For the conversion of methane (from Sm³ to GJ) the lower heating value was used since Barilla does not use condensation boilers and therefore cannot recover the heat from the water vapour. The indicator was also recalculated for 2011 using the lower heating value instead of the higher.

% reduction in water consumption per finished product compared to 2008	25%	40%
Water withdrawal distribution	Approximately 59% of the water used by the manufacturing plants was withdrawn from owned wells or other underground sources, the remaining part from public water systems.	61% from wells; 39% from public water systems.
Total water discharge broken down by quality and destination	Around 700,000 m³ in public sewerage (about 82%), the rest in underground and surface water.	65,933 m³ underground water (7%); 201,605 m³ surface water (22%); 645,606 m³ public sewerage (71%).
Total weight of waste per ton of product (kg/t)	14 (kg/t) 87% recovery/recycling (average).	16,3 (kg/t) 92% recovery/recycling (average).
Packs broken down by raw material used	About 2 billion packs made of paper and cardboard; more than 30,000 tons of flexible film.	About 2 billion packs made of paper and cardboard; more than 30,000 t of flexible film.
% of recyclable packaging issued onto the market	96%	98%
% of packaging made from recycled material	41%	42%
Main raw materials utilized by Barilla	Durum wheat: 1 mln t ; Wheat: 350,000 t ; Rye: 50,000 t ; Sugar: 48,000 t ; Vegetable fat: 44,000 t ; Tomatoes: approx. 39,000 t ; Eggs: approx. 23,000 t ; Cocoa: approx. 9,000 t ; Dairy products: 8,000 t ; Animal fat: approx. 7,000 t .	Durum wheat: 1 mln t ; Wheat: 430,000 t ; Rye: 57,000 t ; Sugar: 51,000 t ; Vegetable fat: 51,000 t ; Tomatoes: approx. 44,000 t ; Eggs: approx. 24,000 t ; Cocoa: approx. 10,300 t ; Dairy products: 8,500 t ; Animal fat: approx. 6,500 t .
% of plants fitted with wastewater purification plants	55%	55%
Number of sanctions for non-compliance with environmental laws and regulations	0	2 sanctions (Parma and Castiglione).
Environmental, Safety and Fire Prevention investments (million €)	Environment: 0.7 ; Fire prevention 3 ; Safety: 7.6 .	Environment: 0.9 ; Fire prevention 2.8 ; Safety: 11.4 .

Environmental expenses by type (million €)³	Treatment expenses: 3 million Euro, on Prevention expenses: 0.22 million Euro.	Treatment expenses: 3.3 million Euro, on Prevention expenses: 1 million Euro.
% plants certified ISO14001	73% of Production Units, 74% of production.	86% of Production Units, 83% of production.
Number of important supply chains for which the relevant environmental impact was measured	The environmental impact database for the various raw materials now contains 220 items.	The raw material database now contains 315 items which include an annual update on the main supply chains considered.
Number of plants which have tied production bonuses to sustainability indices	Indicator not available	Ascoli; Caserta; Novara; Pedrignano; Rubbiano.
GHG Intensity Ratio per unit of finished product (ton CO₂eq/ton product)	0.23	0.22

³ Prevention expenses include: external environmental management expenses; certification audits; costs linked to authorization practices. Treatment expenses include: waste management, treating atmosphere emissions and water quality.

Anti-corruption

Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption

Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle

Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

Principle X: Work against corruption in all its forms, including extortion and bribery.

Assessment, policy and goals

The Barilla Group considers corruption as an unacceptable obstacle to the efficiency of business and to fair competition. In this regard, Barilla is fully aware that integrity and ethical values are essential elements of the control mechanism of its organization and that these ideals have a big impact in terms of planning, management and everyday operation of business.

The Code of Ethics of Barilla transforms these values in commitments and renders explicit the duty of the Company to implement all the measures necessary to prevent and avoid corruption and bribery.

The Code in fact specifies that any form of payment, aimed at obtaining favourable direct or indirect treatment for the Company is prohibited. It is further required that employees refrain from all forms of gifts, which exceed or could be construed as exceeding normal commercial practices or courtesy received by third parties. This rule, to which the Code states that there shall be no exceptions, shall apply both to the cases in which the employee is pursuing its own advantage and/or company interests.

Implementation and Outcomes

Barilla has adopted a Model of organization, management and control in accordance with the provisions of Italian Legislative Decree 231/2001. The Model includes specific procedures and controls aimed at preventing offences envisaged by the above Decree which could be committed by Directors, Auditors, managers, employees, or all those who have contractual, financial or business relationships with Barilla. In October 2012 the Board of Directors approved a new version of the Model, designed to adjust to the most recent regulatory and organizational developments.

The Model consists of a General Section, describing liabilities, offences and the relevant penalties and behaviours that exempt from liability. It is also composed of ten Special Sections which list the areas potentially at risk with respect to offences, establish rules of conduct for those working in these areas and describe the relevant monitoring procedures.

The Code of Ethics is an integral part of the Model and refers to the “Universal Declaration of Human Rights”, the International Labour Recommendations and Conventions issued by the International Labour Organization, the “Earth Charter” and the principles of the Global Compact of the United Nations. The Model and the Code of Ethics therefore require the Company to be committed in preventing any event or situation of corruption and bribery. Referring to the specific areas of the Model which deal with anti-corruption the following can be stated.

Public Institutions

The relationship with Public Institutions is one of the key factors for running a business and must be carried out in the most transparent manner possible in the respect of the roles and obligations of the Company. In fact, relations with Local, National, European and International Public Institutions have to be maintained only by the Departments and employees specifically delegated to do so. All relations with Local, National, European and International Public Institutions are exclusively limited to communications intended to explain Barilla's activities, to respond to informal requests or accounting audits (queries, questions) and generally to explain the Company's position regarding relevant issues.

It is absolutely forbidden to:

- Consider or propose employment and/or business opportunities that could personally benefit employees of the Public Institutions;
- Offer or in any way provide gifts or any other form of benefits or gratuities;
- Solicit or obtain confidential information.

Moreover, it is forbidden for Company Personnel, outside contractors, consultants working for the Group's companies and third parties to:

- Falsify and/or in any way alter reports in order to obtain undue advantage or any other benefit for the Company or the Group;
- Falsify and/or in any way alter documents in order to obtain support or approval for a project that does not meet the standards of applicable laws and regulations;
- Utilize public funds for purposes other than those for which they were obtained and earmarked.

Gifts, presents and other forms of favours

The Code of Ethics further states that Company personnel shall never accept, not even on special occasions, gifts or other benefits, related to their professional activities, unless they are of modest value. It is therefore underlined that any Barilla employee receiving, either directly or indirectly, requests or offers of gifts or benefits must always be authorized by the designated manager or by its superior, if a subordinate, and shall give notice to the Supervisory Board. Furthermore, the personnel shall never request or accept gifts or other benefits for themselves or others, from their subordinates or any member of their subordinates' families. Subordinates shall never offer gifts or other benefits to their superiors, their superior's relatives or cohabitants, save for the exception of gifts of a modest amount. In any case, the Company's personnel shall refrain from practices prohibited by law, commercial practices or by the Code of Ethics adopted by the companies or entities with which they have business relationships.

Moreover, Barilla asks its suppliers to comply with the principles set out in the Company Code of Ethics. Specifically, labour procurement shall entail a series of certifications attesting to the legitimacy of the contracts used.

The Model of organization further foresees the appointment of a Supervisory Board, composed of the heads of the Group Legal and Corporate Affairs and Group Internal Audit, and of an external member, who is a university lecturer and self-employed professional, which assesses the Model adequacy and effectiveness and oversees its implementation. The Supervisory Board reports to the Board of Directors every six months and receives notices and suggestions from employees.

The Company has therefore developed a strict system of monitoring and management of wrongful behaviour, such as corruption. It has spread a set of rules to be followed by all company members to

ensure the non-occurrence of such illicit events. The activities related to anti-corruption are supervised by the Chief Human Resources Officer.

In confirmation of the activities undertaken to combat corruption it should be noted that in the last three year period there have been no incidents of corruption within the Company.

The Organizational, Management and Control Model also governs relations with business partners. In fact, if a law-breaking action is committed by collaborators, suppliers or third parties, the Supervisory Board, in relation to the magnitude of the violation, is entitled to: formally require the responsible to comply with the provisions laid down by law and by contract or to terminate the relationship.

Taking Action in Support of Broader UN Goals and Issues

Criterion 15: The COP describes core business contributions to UN goals and issues

Criterion 16: The COP describes strategic social investments and philanthropy

Criterion 17: The COP describes advocacy and public policy engagement

Criterion 18: The COP describes partnerships and collective action

Assessment, policy and goals

Barilla has identified critical areas where sustainability is concerned, selected on values, vision and mission, history and culture that make the Company distinctive. A first selection was based on assessments, comparisons and dialogue with in-company experts and authoritative groups of stakeholders. The final selection involved the Company's senior management. Due to this evaluation and its results, Barilla came to the decision that the UN Global Compact principles are essential key points in the definition of its culture and values. Barilla Group is committed to the development of a sustainable business and a strong identity that expresses the Company's contribution to the sustainable development of the communities in which it operates in and the planet. Barilla's sustainability strategy is also an expression of its attention to the quality of the products and processes that are an everyday part of the work of the Company.

Following the Commitment Letter signed by the Vice President in the 2011, Barilla was officially welcomed to the UN Global Compact: the company believes that its inclusion constitutes a valuable opportunity to share its experience in the field of sustainable business with other companies, institutions and civil society worldwide. Meanwhile, it is convinced that this can create a long term business advantage in partnering with strategic suppliers and in meeting people's needs in the countries of operation.

Barilla supports the ten principles of the UN Global Compact and monitors the activities of the working group in the drafting of Sustainable Agriculture Principles. Furthermore, Barilla has defined strategic goals on supply chain, in particular it aims to develop and implement Sustainable Farming and to achieve "Zero Deforestation". Among the more operative goals set, Barilla aims at reaching 100% of palm oil procured from RSPO-certified sustainable productions by the year 2015 and at promoting farming practices that are more respectful of the wellbeing of animals. The sustainability approach is also treated through a dedicated model called "The Double Pyramid" (see the "*Implementation and Outcomes*" paragraph of this section - "*Taking Action in Support of Broader UN Goals and Issues*").

The Group is constantly committed in guaranteeing its consumers the highest level of food quality and safety throughout the production chain also thanks to the stringent international standards adopted which allow the Company to pursue continuous improvement in quality.

Barilla also undertakes extensive social investments and philanthropic contributions as part of its "Good for You, Good for the Planet" strategy. The Group is committed to promoting access to food for people in need by collaborating with local authorities involved in the management and distribution of products, promoting the social inclusion of people in need through food or money donations and intervening in areas damaged by natural disasters. Barilla collaborates with many Italian and overseas voluntary organisations that provide products to alleviate food shortages, however it is company policy to not publicize this aid because solidarity should be considered as a responsibility rather than be used as a marketing device.

In partnership with local authorities, Barilla has set up several educational projects in various communities, aimed at promoting healthy lifestyles: health and education are in fact a part of

Barilla's contribution to UN Goals/Issues. This is achieved through the promotion of a healthy lifestyle, offering correct nutritional information, favouring food education and awareness of food's environmental impact to people. Nutritional issues are at the centre of the Group's development strategy whose aim is to double business by 2020 by promoting healthy and joyful eating habits. Moreover, as stated in the Code of Ethics the Company has a responsibility to guarantee the required conditions for its products in order to contribute to a nutritionally balanced diet. Nutritional aspects are followed by a dedicated unit within the Group and periodic meetings with the corporate top management are held, supported by a Nutrition Advisory Board, expert stakeholders with whom there is a constant dialog. Barilla's commitment towards nutrition is also promoted through a multichannel communication offering information on ideal consumption amounts and recommendations for preparation.

Implementation and Outcomes

Since 2009 the Barilla Center for Food and Nutrition Foundation (BCFN) analyses the economic, nutritional, environmental, and social factors in their cause-effect relationship with food and the resources of the planet. In particular, the most widely diffused study of the Foundation, the Double Pyramid, states that the foods that should be consumed more frequently are also those with a lower environmental impact. In short what is good for people is also what has a lower impact on the environment.

The Double Pyramid model was adopted as a reference point for the Barilla Group's way of doing business. Barilla has analysed its products and positioned some of them on this Double Pyramid aiming to provide correct information on food consumption in order that consumers can include Barilla's products as part of a healthy diet. From an environmental point of view, the Group is also committed to lower the environmental impact of its products and improving their life-cycle. Nowadays around 80% of Barilla's products are at the bottom of the food pyramid and 90% are in the lower layers of the environmental pyramid.

Barilla Center for Food and Nutrition and The Milan Protocol

In the course of 2013, the BCFN Foundation developed the Milan Protocol, a document on food and nutrition that represents a commitment to act for sustainable change and establishes principles for global action with the goal of making the global food system sustainable. The protocol was launched on November 27th 2013, on the occasion of the Fifth International BCFN Forum in Milan, and is addressed to national governments, international organizations and civil society, so that everybody can become promoters of an effort of improvement. The final version of the Protocol will be presented during the Sixth International BCFN Forum in December 2014. For further information: www.milanprotocol.com.

Barilla believes that the promotion of the "Good for You, Good for the Planet", the Double Pyramid model and the recommendations of the Mediterranean Diet is important to contribute to the wellbeing of consumers and the environment in which they live in, promoting these initiatives through websites, products and various other activities. Over 1,440 products, equal to 93% of the total, have health or nutrition information on the pack, 85% of the product websites provide detailed instructions for better consumption and 53% of the websites presenting Barilla products provide suggestions for a healthy lifestyle. Furthermore, Barilla is bringing the joy of eating and wellbeing to consumers, even those who are intolerant to gluten, thanks to its line of Gluten Free Pasta and

products. Barilla is working to distribute its products and promote a healthy lifestyle throughout the retail world , i.e. “Oggi pasta con?” project, catering and the Food Service channel.

Another important UN Goal/Issue is food security: Barilla guarantees the quality of its products through an efficient Quality Management System, the respect for International Standards and Quality Control: in 2013 57,000 lots of raw materials were analysed, with a conformity index equal to around 98% as well as 130,000 lots of finished products with a compliance of all parameters analyzed equal to 96%.

In 2013, Barilla’s Sustainable Farming project was given a prize at the first European CSR award promoted by Sodalitas Foundation in Italy, CSR Europe and the European Commission: Barilla was the only large Italian company to receive the award.

In order to promote social inclusion and overcome the lack of access to primary services that are essential for people, such as food or education, Barilla supports different initiative in Europe, Asia and in the USA. In 2013 Barilla has:

- Collaborated with Banco Alimentare Foundation, a cooperation that has begun in 2012, in order to amplify the efforts of this non-profit Italian Food Bank, and participated to Siticibo Project, aimed at making the most of the surplus left over from catering, in Italy;
- Donated several tons (90) of crisp bread as humanitarian aid in Sweden;
- Made a financial donation to support 2013 Philippines earthquake victims in Asia and food donations in Australia;
- Donated over 20,000 meals to Feeding America for charitable purposes in the USA and to the Caterina’s Club Association.

In order to promote proper food and physical education for children aged between 5 and 16, Barilla designed the “Giocampus” project.

Giocampus Project

This is a public-private alliance between the Municipality of Parma, the University of Parma, the Regional CONI Committee, the Regional Schools Office, CUS Parma and Barilla. The project is split into three phases: Giocampus School, Snow and Summer.

- Giocampus School: in 2013, this involved 7,345 children (329 classes of 27 elementary schools from Parma) in nutritional and physical education including theoretical lectures and motor experiences;
- Giocampus Snow: consists of a week of winter sports that aims to educate young people to stick to a proper diet and physical activity while having fun in the snow. In 2013 285 boys were involved;
- Giocampus Summer: a summer campus consisting of motor activities, games and hands-on workshops for the little ones. The participants are offered daily physical education plus a daily menu that is varied and balanced. In the summer of 2013 there were 3,400 participants.

Furthermore, a special attention is also given to students with disabilities, involved in all of the activities, so that they can also be a part of this project.

Barilla Advocacy and engagement on public policy related to UN goals/issues is pursued through the participation to Global Compact initiatives:

- UN Global Compact: Communication on Progress issue and UNGC Annual Survey;
- UN Global Compact – Sustainable Agriculture Business Principles (SABPs) – Core Advisory Group: “White Paper” and meetings;
- Global Compact Network Italy: working group and meeting with the General Secretary.

Moreover, Barilla has constant relations with the directorates general of the European Commission and with major industrial organizations and associations across Europe. Barilla takes part in the working group on "Safety and Health" and "Sustainability" of the Consumer Goods Forum and is a member of ILSI Europe. The Company develops projects, in some cases in collaboration with industry peers, that have positive impacts on local communities but also can help global challenges. CL.A.N. Cluster Agrifood Nazionale, Rete dell'Alta Tecnologia dell'Emilia Romagna, European Platform on Diet, Physical Activity and Health, Italian Chemistry Society – SCI and International Society for Mycotoxicology – ISM are just few names of National and International initiatives that Barilla takes part to.

The table below summarizes some of the main indicators used by the Company to monitor the UN Global Compact Goals and Issues:

Indicator	2012	2013
Development and impact of investments in infrastructure and services provided mainly for "public utility" through commercial commitments, donations of products/ services, pro bono activities	554,000 of Euros, of which 280,000 went to finance the construction of new rest rooms in Parma with 213 thousand to finance a private car park for public use in Cremona.	1,498,000 Euros for cycling paths, parkings tunnels, public parks and flower beds.
Impacts on communities of projects for dialogue, cooperation and partnership (type, number, dedicated resources, effects), including donations	Cash donations: 390,000 Euros.	Cash donations: 211,479 Euros.
Donated product volumes	Product donations: 1,231 tons.	Product donations: 1,797 tons.
Number of products reformulated to improve their nutritional profile	33	41
Products that have benefited from a significant reduction in salt	16	7
Products that have benefited from elimination of additives	4	5
Percentage of products in its portfolio that contain no artificial colorings and no hydrogenated fats or oils	No Barilla product utilizes fat, hydrogenated oil or artificial colorings.	No Barilla product utilizes fat, hydrogenated oil or artificial colorings.
Number of new whole grain products launched	10	12
Products that have benefited from a	12	34

significant reduction of total and/or saturated fat		
Products for celiacs	Indicator not available	13
Number of developing education programs on healthy eating lifestyles for Barilla employees	Project: si.mediterraneo . Italian coverage: Headquarter; 4 plants. USA coverage: 1 office; 2 plants.	Progetto: si.mediterraneo approx. 6,000 involved employees.
Percentage of products that show consumption instructions (ideal or maximum quantity to be consumed), on the pack and the Internet site	68	60 For the comparison between the two financial years, consider that the Group is in the process of complying with the new regulations on labelling, with different requirements than in the past.
Examples of communication campaigns	Continued on line campaigns on: www.mulinobianco.it with support webinars to mothers for their children nutrition; New digital campaign “ Plus ” in the USA to encourage balanced food consumption and supply nutritional advice.	Continued on line campaigns on: www.mulinobianco.it
Percentage of products in line with nutrition indications required in 2020 targets	82%	85%

Corporate Sustainability Governance and Leadership

Criterion 19: The COP describes CEO commitment and leadership

Criterion 20: The COP describes Board adoption and oversight

Criterion 21: The COP describes stakeholder engagement

Assessment, policy and goals

The management of Barilla has defined a framework of goals and oversees the implementation of the corporate sustainability strategy, called “Good for You, Good for the Planet”, that, as stated previously, aims at growing the Barilla business, promoting healthy and joyful food habits and reducing its impact on the environment.

The CEO, Claudio Colzani, stated: *“We want to double our business, not doing so at any cost, but reducing our environmental footprint, and bringing joy and nutritionally correct food into People’s eating habits. Within eight years, we want to build another Barilla the same size as the one that has been built up over the last 135 years.”*

In order to ensure the soundness of its sustainability strategy, Barilla undertakes the following steps:

- Involves its stakeholders in defining the key elements of its sustainability policy;
- Identifies its stakeholders in relation to criteria of representativeness and relevance in order to establish a communication channel based on the enhancement of their suggestions. This aids in improving the design of programs and initiatives making the stakeholders partners in the achievement of objectives that the company could not achieve alone.



Moreover, the Sustainability Unit annually organizes the “Stakeholder Panel Meeting”, an opportunity to debate and discuss the “Good for You, Good for the Planet” strategy undertaken by the Group, and to disseminate information regarding projects and activities with the aim of understanding and appreciating the needs of the local communities where Barilla operates. As of 2014, the panel will not only have an Italian edition, but it will also be organized at an European level.

Implementation and Outcomes

Barilla's organizational model assigns responsibility for the management of sustainability issues to Corporate Top

Management, in charge of approving and reviewing objectives and strategic projects necessary to achieve such objectives, as well as of regularly assessing key indicators of progress. Proposing objectives and projects, as well as monitoring and controlling sustainability indicators are tasks assigned to the "Good for You, Good for the Planet" Steering Committee, a standing group which includes all corporate functions and is coordinated by the Sustainability Unit. Furthermore, the Steering Committee coordinates and leads the activities of the Operating Groups, set up to manage specific topics of the way of doing business "Good for You, Good for the Planet."

The Chairman, the Vice-chairmen, the Chief Executive Officer and the senior management provide the strategic direction, monitor initiatives and check the results. An interfunctional group of managers implements the activities, proposes indicators for assessing sustainability-related projects and gathers and manages information. The Sustainability Unit coordinates the whole management and reporting process. The Sustainability Unit is also responsible for the internal and external communication on sustainability issues and for the relationship with civil society organizations (NPOs).

Furthermore, Barilla is involved in the activities of the Sustainable Agriculture Initiative, a global initiative of the food industry to promote sustainable agriculture and help development of industry standards.

Regarding the Stakeholder panel, previously described, the major topics that have been discussed in the 2013 edition are the following.

- Social impact, collaboration with stakeholders and communities;
- International projects;
- Goals for 2020;
- Critical sustainability issues (i.e. palm oil and animal welfare);
- Integrated supply chains;
- Consumer information at the point of sale and on products;
- Youth education and access to food (i.e. the educational project "Giocampus" in Parma);
- The importance of diversity and inclusion;
- The importance of the role of the company as an educator regarding healthy and environmental friendly eating education.



Annex I: G4 Guidelines – GC Advanced level

The table below shows the correspondence between G4.1 elements and GC Advanced level criteria.

GRI 4	GC Advanced Criteria	
Profile:		
G4.1 - G4.2	19	CEO Commitment and Leadership
G4.3-G4.13, G4-17		High Standards of Transparency and Disclosure*
G4.33		External COP Assessment*
G4.34 - G4.55	1	Mainstreaming into Corporate Functions and Business Units
	20	Board Adoption and Oversight
G4.24- G4.27	21	Stakeholder Engagement
Disclosure on Management Approach (DMA) for:		
Economic	15-18	UN Goals**
Environment	9, 10	Environment**
Labor Practices and Decent Work	6, 7	Labour**
Human Rights	3, 4	Human Rights**
Society	12, 13	Anti-Corruption**
Performance Indicators for:		
Environment	11	Environment
Labor Practices and Decent Work	8	Labour
Human Rights	5	Human rights
Society	14	Anti-Corruption

* This is required of GC Advanced COPs in addition to the GC Advanced Criteria

** Annex Criteria are not provided because Barilla does not operate in high risk or conflict-affected area.

Annex II: Criteria checklist

Implementing the Ten Principles into Strategies & Operations

- *Criterion 1: The COP describes mainstreaming into corporate functions and business units*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company's sustainability commitments and objectives
 - Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy
 - Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary
 - Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs
 - Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts
 - Other established or emerging best practices

- *Criterion 2: The COP describes value chain implementation*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts
 - Communicate policies and expectations to suppliers and other relevant business partners
 - Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence
 - Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners
 - Other established or emerging best practices

Robust Human Rights Management Policies & Procedures

- *Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (e.g., the Universal Declaration of Human Rights, Guiding Principles on Human Rights) (BRE1 + ARE1)
 - Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company (BRE 1 + BRE5 + ARE 1 + ARE 5)
 - Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services (BRE 1)

- Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties (BRE 1 + BRE 5 + ARE 1 + ARE 5)
- Other established or emerging best practices

- *Criterion 4: The COP describes effective management systems to integrate the human rights principles*

- Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
- Process to ensure that internationally recognized human rights are respected
- On-going due diligence process that includes an assessment of actual and potential human rights impacts (BRE 2 + BRE 3 + ARE 2 + ARE 3)
- Internal awareness-raising and training on human rights for management and employees
- Operational-level grievance mechanisms for those potentially impacted by the company's activities (BRE 4 + ARE 4)
- Allocation of responsibilities and accountability for addressing human rights impacts
- Internal decision-making, budget and oversight for effective responses to human rights impacts
- Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to (BRE 3+ BRE 4 + ARE3 + ARE 4)
- Process and programs in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action (BRE 6 + ARE 6)
- Other established or emerging best practices

- *Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration*

- Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
- System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain (BRE3 + ARE3)
- Monitoring drawn from internal and external feedback, including affected stakeholders
- Leadership review of monitoring and improvement results
- Process to deal with incidents the company has caused or contributed to for internal and external stakeholders (BRE 4 + ARE 4)
- Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue (BRE4 + ARE4)
- Outcomes of integration of the human rights principles

Robust Labour Management Policies & Procedures

- *Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour*

- Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff

- Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies
 - Reflection on the relevance of the labour principles for the company
 - Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide , and engage in dialogue with representative organization of the workers (international, sectoral, national).
 - Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners
 - Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation
 - Participation and leadership in wider efforts by employers' organizations (international and national levels) to jointly address challenges related to labour standards in the countries of operation, possibly in a tripartite approach (business – trade union – government).
 - Structural engagement with a global union, possibly via a Global Framework Agreement
 - Other established or emerging best practices
- *Criterion 7: The COP describes effective management systems to integrate the labour principles*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Risk and impact assessments in the area of labour
 - Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards
 - Allocation of responsibilities and accountability within the organization
 - Internal awareness-raising and training on the labour principles for management and employees
 - Active engagement with suppliers to address labour-related challenges
 - Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organization of workers
 - Other established or emerging best practices
 - *Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - System to track and measure performance based on standardized performance metrics
 - Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future
 - Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards
 - Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices
 - Outcomes of integration of the Labour principles
 - Other established or emerging best practices

Robust Environmental Management Policies & Procedures

- *Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)
 - Reflection on the relevance of environmental stewardship for the company
 - Written company policy on environmental stewardship
 - Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners
 - Specific commitments and goals for specified years
 - Other established or emerging best practices

- *Criterion 10: The COP describes effective management systems to integrate the environmental principles*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Environmental risk and impact assessments
 - Assessments of lifecycle impact of products, ensuring environmentally sound management policies
 - Allocation of responsibilities and accountability within the organization
 - Internal awareness-raising and training on environmental stewardship for management and employees
 - Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts
 - Other established or emerging best practices

- *Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - System to track and measure performance based on standardized performance metrics
 - Leadership review of monitoring and improvement results
 - Process to deal with incidents
 - Audits or other steps to monitor and improve the environmental performance of companies in the supply chain
 - Outcomes of integration of the environmental principles
 - Other established or emerging best practices

Robust Anti-Corruption Management Policies & Procedures

- *Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption*

- Any relevant policies, procedures, and activities that the company plans to undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Publicly stated formal policy of zero-tolerance of corruption (D1)
 - Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes(B2)
 - Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)
 - Detailed policies for high-risk areas of corruption (D4)
 - Policy on anti-corruption regarding business partners (D5)
 - Other established or emerging best practices
- *Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Support by the organization’s leadership for anti-corruption (B4)
 - Carrying out risk assessment of potential areas of corruption (D3)
 - Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees (B5 + D8)
 - Internal checks and balances to ensure consistency with the anti-corruption commitment (B6)
 - Actions taken to encourage business partners to implement anti-corruption commitments (D6)
 - Management responsibility and accountability for implementation of the anti-corruption commitment or policy (D7)
 - Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9)
 - Internal accounting and auditing procedures related to anticorruption (D10)
 - Other established or emerging best practices
- *Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Leadership review of monitoring and improvement results (D12)
 - Process to deal with incidents (D13)
 - Public legal cases regarding corruption (D14)
 - Use of independent external assurance of anti-corruption programmes (D15)
 - Outcomes of integration of the anti-corruption principle
 - Other established or emerging best practices

Taking Action in Support of Broader UN Goals and Issues

- *Criterion 15: The COP describes core business contributions to UN goals and issues*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Align core business strategy with one or more relevant UN goals/issues

- Develop relevant products and services or design business models that contribute to UN goals/issues
- Adopt and modify operating procedures to maximize contribution to UN goals/issues
- Other established or emerging best practices
- *Criterion 16: The COP describes strategic social investments and philanthropy*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy
 - Coordinate efforts with other organizations and initiatives to amplify—and not negate or unnecessarily duplicate—the efforts of other contributors
 - Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups
 - Other established or emerging best practices
- *Criterion 17: The COP describes advocacy and public policy engagement*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Publicly advocate the importance of action in relation to one or more UN goals/issues
 - Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues
 - Other established or emerging best practices
- *Criterion 18: The COP describes partnerships and collective action*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy
 - Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company’s positive impact on its value chain
 - Other established or emerging best practices

Corporate Sustainability Governance and Leadership

- *Criterion 19: The COP describes CEO commitment and leadership*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact
 - CEO promotes initiatives to enhance sustainability of the company’s sector and leads development of industry standards

- CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation
 - Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team
 - Other established or emerging best practices
- *Criterion 20: The COP describes Board adoption and oversight*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance
 - Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.
 - Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)
 - Other established or emerging best practices
- *Criterion 21: The COP describes stakeholder engagement*
 - Any relevant policies, procedures, and activities that the company **plans to** undertake to fulfill this criterion, including goals, timelines, metrics, and responsible staff
 - Publicly recognize responsibility for the company's impacts on internal and external stakeholders
 - Define sustainability strategies, goals and policies in consultation with key stakeholders
 - Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance
 - Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'
 - Other established or emerging best practices