
GOOD *for* YOU GOOD *for the* PLANET

GOOD FOR YOU, GOOD FOR THE PLANET - 2017 REPORT



www.barillagroup.com



2017 REPORT

Barilla
The Italian Food Company. Since 1877.

GOOD *for* YOU GOOD *for the* PLANET

2017 REPORT - EXECUTIVE SUMMARY



In the **Global RepTrak® 100 ranking**, led by the independent organization *Reputation Institute*, Barilla ranks 23rd overall and 2nd in the food and beverage sector.



Find out more in the "Good for You, Good for the Planet" digital report on: www.barillagroup.com



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A SHARED PATH

GUIDO, LUCA AND PAOLO BARILLA

CHAIRMAN AND VICE-CHAIRMEN

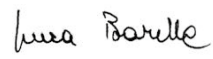
It is commonly acknowledged that the topics linked to environmental impacts, economies, and peoples' health and nutrition are closely interlinked: in this respect there are great expectations of positive results, but the large amount of work to do cannot be dealt with by the individual supply chain players, if they are not part of an overall project.

Thanks to the contribution of all its people, Barilla is committed to its responsibilities and collaboration with Governmental and non-Governmental organizations with the purpose of promoting and then working on a shared path.

Recent experiences show that to overcome the *impasse* we are in, where progress is hardly noticed, we must disseminate a new culture capable of changing the current lifestyle and imposing new products and processes that are useful to safeguard the Planet and the future of our children.

This Sustainability Report is important because it shows the progress made and stimulates to walk along the same path with determination.


Guido Barilla, Chairman


Luca Barilla, Vice-Chairman


Paolo Barilla, Vice-Chairman



DESIGN BARILLA'S DISTINCTIVENESS FOR THE NEXT YEARS

INTERVIEW TO
CLAUDIO COLZANI
CHIEF EXECUTIVE OFFICER

2016 WAS A COMPLEX YEAR FOR THE GLOBAL ECONOMY: WEAK, VOLATILE AND UNCERTAIN MARKETS WERE CHARACTERIZED ALSO BY A SIGNIFICANT FOOD DEFLATION. HOW WAS THE YEAR FOR YOU, IN BARILLA?

Despite this tough situation, Barilla recorded another year of growth in 2016. In our "meal solutions" category we grew ahead of the markets and a special mention goes to our sauces business with a strong top-line performance.

Whilst replacing palm oil in our complete portfolio, indeed, we suffered in the "bakery business" in Italy, even if we reinforced our presence in France. We continued our geographic expansion in developing economies: Brazil, Middle East and Russia. And, furthermore, we entered in Kingdom of Saudi Arabia.

We continued to grow our presence in all strategic channels: brick-and-mortar, on line, food service, clubs and restaurants.

**+2% VOLUMES
COMPARED TO 2015**

Regarding restaurants, last year we opened our first Barilla Restaurant outside the USA, offering the inhabitants and visitors of Dubai the very best in authentic Italian food.

CONSEQUENTLY, ARE YOU GOING TO FOLLOW THIS ROUTE ALSO IN THE YEARS TO COME?

Definitely yes. The strategy is not changing in 2017. We are **driving value and premiumization of our categories through personalization, wellbeing and convenience.**

“Ruthless execution” is our commitment in each store that hosts us, with a strong attention for quality and food safety all along our value chains.

We are setting an unprecedented investment plan to update our industrial assets and support our growth ambitions.

We are carrying on our “**Diversity and Inclusion**” path and “**Good for You, Good for the Planet**” journey: the strong tangible components that will make our company even more distinctive in the future.

**TANGIBLE
COMPONENTS
OF DISTINCTIVENESS**



“GOOD FOR YOU, GOOD FOR THE PLANET”: YOUR PURPOSE IN DOING BUSINESS. WHAT DOES THIS CONCRETELY MEAN FOR YOU?

I strongly believe we have the opportunity to design the future of our company around “Good for You, Good for the Planet”: raising the values of our core categories, making sustainable our geographical expansion and personalizing solutions for our customers and shoppers.

We have the responsibility to do it in a unique way: respecting people, animals and the environment and, of course, leveraging diversities.

I always say that Barilla has **three strategic pillars**: its products, the consumers and its employees. To strategize our distinctiveness for the next years, we have to embed “Good for You, Good for the Planet” in all of them: producing the best products ever, serving consumers flawlessly and developing the best talents on the market.

BARILLA WANTS TO BE EVEN MORE THAN A BUSINESS LEADER. THE GROUP WANTS TO BE A “PURPOSE DRIVEN” COMPANY. HOW DO YOU TRANSLATE IT INTO REALITY EVERY DAY?

Basically in two ways: first of all **making tangible good choices in all its markets**, along all its value chains and for all its stakeholders. And, secondly, translating them into a **perceived value** for consumers, shoppers and all the business partners.

In 2016 this has been clearer than ever: **we replaced the palm oil ingredient in every product of our Italian bakery portfolio**. We believe this was the right thing to do, completely aligned with our “Good for You, Good for the Planet” strategy. Our priority, in fact, is always to offer consumers products that are everyday “better” for their wellbeing.

Through the palm oil replacement, we have significantly reduced the saturated fat of our bakery range and, in few months, provided people with a healthier and more sustainable choice.



DO YOU THINK STAKEHOLDERS AND CONSUMERS ARE RECOGNIZING YOUR EFFORTS?

We are aware to be part of a broader commitment set by the United Nations in 2015. We have the responsibility to promote and make progress towards a **Global Agenda and its 17 Sustainable Development Goals**.

We believe we can do that only through open collaborations with many other actors: we consider ourselves a company “open to stakeholders” and we are keen to receive suggestions and set many collaborations to improve our paths.

WE ARE PART
OF A GLOBAL
AGENDA

Also in 2016 the *Human Rights Council* has awarded Barilla America, for the third time in a row, with a score of 100% in the “**Corporate Equality Index**”. According to the **Business Benchmark on Farm Animal Welfare**, moreover, Barilla confirms to be the highest ranking Italian company. In Italy the **Procurement Awards 2016** provided us a special mention for the “Sustainable Agriculture” project on durum wheat. We believe these accolades are the mirror of our commitments, reached only through a robust engagement of all our partners and we thank all of them for that.

Finally we are committed in working to guarantee **transparency** of our efforts and **traceability** of value chains for all the consumers and shoppers more and better.

Next years will be challenging for all of us: we want to design our distinctiveness only working, hand in hand, with everyone has the will to support us on our journey.





BARILLA GROUP

We were born in Parma in 1877, **140 years ago**, when Pietro Barilla opened a small bread and pasta shop. That moment marked the beginning of a journey of quality and passion that has identified Barilla over the years, leading us to the development of **iconic brands in the food sector**.

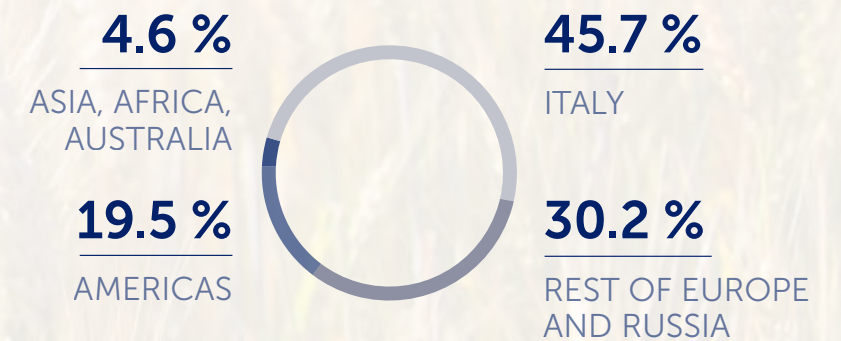
TURNOVER

(MLN EURO)

<u>3,254</u>	<u>3,383</u>	<u>3,413</u>
2014	2015	2016

GEOGRAPHICAL AREAS

TURNOVER



EMPLOYEES

<u>8,290</u>	<u>8,295</u>	<u>8,420</u>
2014	2015	2016

OUR BRANDS

Barilla is leader in the pasta market in Italy and the rest of the world. It controls the segment of ready sauces with over **40 different recipes**. It also offers almost **180 bakery products** covering different consumption moments from breakfast to snacks.



PASTA, SAUCES
AND MEAL SOLUTIONS

54.3 %

OF TURNOVER

WORLD LEADER
IN PASTA*

EUROPEAN LEADER
IN SAUCES**



YEMINA

VESTA



BAKERY
PRODUCTS

45.1 %

OF TURNOVER

BAKERY PRODUCTS
LEADER IN ITALY *

SOFT BREAD
LEADER IN FRANCE*

CRISP BREAD
LEADER IN SCANDINAVIAN
COUNTRIES AND CENTRAL EUROPE*



OTHER
BRANDS

0.6 %

OF TURNOVER

BARILLA RESTAURANTS:
6 NEW OPENINGS PLANNED IN 2017

ACADEMIA
BARILLA



Cucina Barilla.it

*VOLUME MARKET SHARES (VOLUMES SOLD BY THE COMPANY/TOTAL VOLUMES SOLD IN THE MARKET)

**VALUE MARKET SHARES (COMPANY TURNOVER/TOTAL MARKET TURNOVER)

BARILLA IN THE WORLD

We have **28 production sites**, 14 in Italy and 14 abroad, which produce every year more than **1,800,000 tons of food products** that are exported to more than **100 countries** worldwide.



LEGEND

- MILLS
- PRODUCTION SITES
- OFFICES
- RESTAURANTS
- CUSTOMER COLLABORATION CENTERS

Barilla

8TH ANNUAL STAKE

BARILLA AND THE GLOBAL AGENDA



In September 2015, the 193 member states of the **United Nations** defined and signed the **Agenda 2030 for Sustainable Development**: an action plan including 17 macro-goals, known as SDGs, and 169 targets to be reached within the next fifteen years. This has the purpose of eradicating poverty in all its forms and combating inequality at a global level, as well as providing a global response to climate change.

Many of the challenges for the International Community are closely linked to the current food models, characterised by **production, distribution and consumption systems that are not always sustainable**.





ENSURING FOOD SECURITY TO A GROWING POPULATION

According to the [United Nations'](#) forecasts, the world population has reached 7.3 billion people, of whom 795 million suffer from hunger, whereas 2.1 billion are obese or overweight. The number of people in need of food is bound to grow in the coming years with the world population reaching 9.7 billion by 2050, with most demographic growth taking place in Africa, Asia, America and Oceania.

DRASTICALLY REDUCING THE CONSUMPTION OF LAND AND NATURAL RESOURCES

The [UNEP](#) – the [United Nations Environment Programme](#) – calculates that we are currently consuming the natural resources of 1.6 planets to support our lifestyle and, if no radical change occurs, we will need 3 planets by 2050.

REDUCING GLOBAL WARMING

Because of man and the emission into the atmosphere of excessive amounts of polluting gases, most of which generated by agriculture, the Earth's temperature is rising: at this rate, by 2100, the *International Panel on Climate Change* expects temperatures to increase between 3.7 and 4.8° C compared to pre-industrial levels. In this scenario during the [Paris Climate Change Conference \(COP21\)](#) in December 2015, 195 countries adopted the first-ever universal agreement to limit global warming to well below 2° C compared to pre-industrial levels.

REDUCING WASTE ALONG SUPPLY CHAINS

Today about **1.3 billion tons of edible food, accounting for 1/3 of global production**, are wasted because of production, storage and distribution processes that are unsuitable or because of unsustainable consumption habits. This amount is 4 times bigger than the food required to feed people suffering from hunger.

THE BCFN FOUNDATION



THE BARILLA CENTER FOR FOOD AND NUTRITION FOUNDATION, BCFN, IS AN INDEPENDENT AND MULTIDISCIPLINARY THINK TANK THAT ANALYSES FINANCIAL, SCIENTIFIC, SOCIAL AND ENVIRONMENTAL FACTORS CONNECTED TO FOOD.

THE BCFN RESEARCH PROJECTS ARE SPREAD AMONG INSTITUTIONS AND THE CIVIL SOCIETY. FURTHERMORE **THEY INSPIRE THE WAY OF DOING BUSINESS OF THE BARILLA PEOPLE.**

The coexistence of hunger and obesity, food waste, hyper-exploitation of natural resources, but also climate change and the increase of migration phenomena are some of the global topics that BCFN studies and analyses.

Through its dissemination programmes, BCFN promotes information to provide people all the necessary tools to make informed choices on their diet and linking the nutritional value of food to its environmental impact.

New generations play a key role in the Foundation's activity: they are the addressees of **BCFN YES! (Young Earth Solutions)**, which for years has been rewarding the best research projects in the agri-food sector with a sustainable approach. The finalists of the contest in recent years have set up the **Alumni BCFN** international network, which sees them directly involved in the Foundation's projects and their dissemination worldwide.



7TH INTERNATIONAL FORUM ON FOOD AND NUTRITION

“EAT LESS, EAT BETTER, FOOD FOR ALL”

Guido Barilla

On 1 December 2016, the BCFN 7th International Forum was held in Milan. The event has recorded over the years about 160,000 participants and more than 500 speakers from the academic, political, industrial and no-profit world.

That was the occasion to report on the results of important collaboration projects:

FOOD SUSTAINABILITY INDEX – developed by the *Economist Intelligence Unit* with BCFN, it is a tool aimed at highlighting global policies and best practices on the main goals of sustainable development on food, climate change, cities, responsible production and consumption, health, gender equality, education and infrastructures.

FOOD SUSTAINABILITY MEDIA AWARD – international award launched in collaboration with the *Thomson Reuters Foundation*, aimed at giving visibility to stories and contributions linked to the topic of food sustainability in the world of journalism.

RIGHT TO FOOD MAP – platform developed in collaboration with the *Milan Center for Food Law and Policy* and the *University Politecnico di Milano*, which gathers and favours the dissemination of information on the most significant topics regarding food and nutrition.



OUR PURPOSE



**“GIVE PEOPLE FOOD
YOU WOULD GIVE TO YOUR
OWN CHILDREN”**

Pietro Barilla

WE WANT TO BE PEOPLE'S
PREFERRED CHOICE **PROMOTING
WHOLESOME AND JOYFUL
FOOD HABITS INSPIRED BY THE
MEDITERRANEAN LIFESTYLE.**

Because food for Barilla is not just food: it is the pleasure you feel, the energy inside you, it is being well for many years to come, it is respect for us and for the Planet we live on.

With our know-how, with simple and authentic gestures we talk about our only way of doing business: Good for You, Good for the Planet.

We are convinced that a company can only have a long term presence if it is committed to caring for people and the environment every day.

“Good for You, Good for the Planet” is Barilla's approach to give its contribution to the Agenda 2030 of the United Nations and the **17 Sustainable Development Goals.**

THE DOUBLE PYRAMID



DEVELOPED IN 2009 BY THE BCFN FOUNDATION, THE DOUBLE PYRAMID SHOWS US THAT OUR FOOD CHOICES PLAY A KEY ROLE FOR OUR WELLBEING AND FOR THE ENVIRONMENT.

In the food pyramid food is located based on the recommended consumption frequency, established according to the correct nutritional balance defined by the **Mediterranean Diet**.

At the base of the pyramid there are foods of vegetable origin, rich in nutrients and protective substances, such as vegetables, pulses, fresh and dried fruit, and cereals, half of which whole grain.

At the top of the pyramid there are instead foods with a growing energy density that should be consumed less frequently, including fish, white meat and dairy products, and finally, the products, such as sweets and red meat, for which a more moderate consumption is recommended.

The production and consumption of food however does not only affect the wellbeing of people, but also the quality of the environment surrounding us.

For this reason, in the **environmental pyramid**, foods are classified based on their ecological footprint, defined in terms of use of water, CO₂ emissions and consumption of natural resources.

The model indeed shows that the foods with low environmental impact are the same for which a more frequent consumption is recommended, whereas foods with a higher environmental impact are the ones that should be consumed with moderation.





- 1 NO POVERTY
- 2 ZERO HUNGER
- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 14 LIFE BELOW WATER
- 15 LIFE ON LAND
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
- 17 PARTNERSHIPS FOR THE GOALS

GOOD *for* YOU

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:

-  TO PROMOTE EVERYONE'S HEALTH AND WELLBEING AT ALL AGES
-  TO ENSURE THE DEVELOPMENT OF SUSTAINABLE PRODUCTION AND CONSUMPTION MODELS

FOR BARILLA MEANS:

- To improve the **nutritional profile** of existing products and to launch new products that are in line with the **Double Pyramid model**.
- To promote **informed dietary choices**, inviting people to adopt balanced lifestyles and a sustainable diet in line with the **Mediterranean Model**.



CONTRIBUTING TO THE WELLBEING OF PEOPLE

INTERVIEW TO
VICTORIA SPADARO GRANT
CHIEF RESEARCH, DEVELOPMENT & QUALITY OFFICER

HOW WOULD YOU DESCRIBE BARILLA'S COMMITMENT TO THE WELLBEING OF PEOPLE?

Every day we are committed to bringing wellbeing in people's lives through the development of good and safe products, using quality ingredients and thus offering flavours that draw inspiration from the balanced **Mediterranean Diet**. This dietary model is characterized by high content in fruit, vegetables, pulses, whole grain cereals, fish, dry fruit and low animal fat content. But even more, it is **a lifestyle characterised by correct eating habits, combined with a regular physical activity and a convivial consumption of food.**

Scientific research has confirmed the benefits of the Mediterranean Diet on the health of people. If strictly followed, it indeed reduces the risk of cardiovascular diseases, it protects from diabetes and obesity, and it can contribute to a longer and healthier life. This is why we, the Barilla People, have chosen it as a virtuous reference point to develop our products.

PASTA IS ONE OF THE KEY ELEMENTS OF THE MEDITERRANEAN DIET. BUT WHY SHOULD WE STILL LOVE IT TODAY?

Pasta is one of the pillars of the Mediterranean Diet, but what many people don't know is that, due to its natural qualities, pasta can be a **daily choice for one's wellbeing**. This is so because pasta is naturally low in sodium and fat, as long as you do not exaggerate with salt for cooking or dressing. And, unlike what many people think, pasta doesn't make you fat. It's the other way round. The type of starch contained in pasta is turned into sugar by our body more slowly compared to other foods, therefore pasta makes us feel full for longer.

Constantly promoting these topics is a priority for us. This is the reason why in the United States we have been running the **"Passion for Pasta"** campaign for two years, with the purpose of providing consumers and stakeholders correct and transparent information with the support of scientific organisations and international experts.

BARILLA'S OFFERING HOWEVER IS NOT ENTIRELY LOCATED AT THE BASE OF THE MEDITERRANEAN DIET PYRAMID, IS THAT RIGHT?

Right. However, Barilla offers products of daily use in all its portfolio, constantly focusing on the nutritional balance and seeking excellence in taste.

In particular, since 2009 the **"Better Nutrition"** project has been implemented to develop new proposals and reformulate existing products. For this purpose, we are following a series of **nutritional guidelines**, i.e. indicative values on the content in **sodium, fat,**





calories and sugar for every type of product. These guidelines have been defined thanks to the collaboration with the **Nutrition Advisory Board**, i.e. a group of scientists that belong to internationally known organisations, which support Barilla in its improvement process.

SINCE 2010 WE HAVE REFORMULATED MORE THAN **360 PRODUCTS** TO IMPROVE THEIR NUTRITIONAL PROFILE

WHICH IS ONE OF THE MOST SIGNIFICANT PROJECTS IN THIS SECTOR?

As part of the programme for reformulating existing recipes, since 2013 we have been focusing on the reduction of fat. So, in 2016 we replaced the **palm oil used in our recipes with sunflower oil** to improve the nutritional profile of our bakery products.

WE REMOVED **4,350 TONS** OF SATURATED FAT

In one year, we managed to remove 4,350 tons of saturated fat from more than 150 recipes.

SÌ.MEDITERRANEO: WHAT IS IT ABOUT?

Through the "sì.mediterraneo" project, developed in collaboration with the **Department of Clinical and Experimental Medicine of the Federico II University of Naples** and the contribution of the **Barilla Nutrition Advisory Board**, we promote correct eating habits in order to favour the knowledge and adoption of the Mediterranean Diet Model.

Initially developed as a project dedicated to the education and involvement of Barilla People, today we are working to make it part of the Group's offer as it is always committed not only to guaranteeing quality products, but also to promoting a healthy and sustainable lifestyle.

MORE THAN **7,300 COLLEAGUES** HAVE BEEN INVOLVED IN THE "SÌ.MEDITERRANEO" PROJECT

CONSIDERING THE CURRENT CONTEXT, WHAT ARE THE NEW OPPORTUNITIES FOR BARILLA IN THE COMING YEARS?

First of all, offering people "simple" food: enhancing the **origin of the raw materials**, the **naturalness of the recipes** and the **simplicity of the ingredient list**. Furthermore, designing products and packaging that satisfy the new needs of wellbeing of consumers who have increasingly more urgent obesity problems. And, finally, continuing working on **food quality and safety** aspects: a priority in our sector.





GOOD *for the* PLANET

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:



TO ENSURE ACCESS TO EFFICIENT, RELIABLE, SUSTAINABLE AND MODERN ENERGY SYSTEMS



TO ENSURE SUSTAINABLE PRODUCTION AND CONSUMPTION MODELS



TO PROMOTE ACTIONS, AT ALL LEVELS, TO COMBAT CLIMATE CHANGE



TO PROTECT, RESTORE AND FAVOUR A SUSTAINABLE USE OF ECOSYSTEMS

FOR BARILLA MEANS:

- To improve the **efficiency of production processes** reducing greenhouse gas emissions and water consumption.
- To develop projects promoting **more efficient and sustainable farming practices** for all the main strategic supply chains of the Group.



REDUCING THE IMPACT ON THE ENVIRONMENT

INTERVIEW TO
ANTONIO COPERCINI
CHIEF SUPPLY CHAIN OFFICER

HOW CAN YOU DO BUSINESS WITH THE AMBITION OF BEING ALSO “GOOD” FOR THE PLANET?

To manage our impact on the Planet in an effective way, we think it is fundamental to consider the entire value chain: from suppliers to customers. This is why we talk about “**integrated supply chain**” at Barilla, i.e. **purchasing, production, logistics and distribution** must be analysed and managed as a whole, with the aim of working synergistically and optimising our actions.

As a consequence, we analyse our products from field to table. The **life cycle analysis** has shown that the most significant impact on the environment occurs during the **cultivation of the raw materials in the fields** and, for pasta based dishes, **during cooking**.

INTEGRATED SUPPLY CHAIN

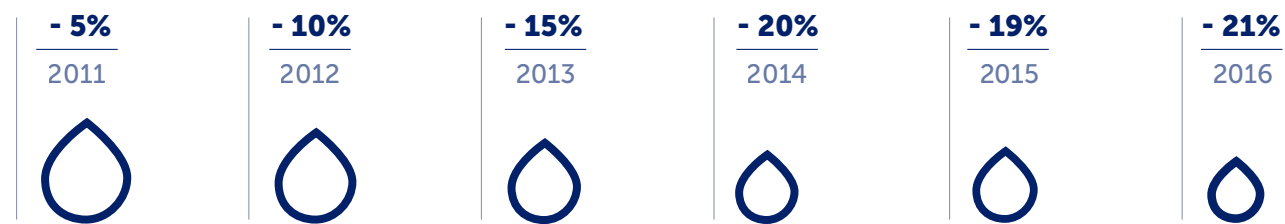


For years we have thus committed to playing an active role along the supply chains of the main ingredients. In particular, we are developing projects to promote **more sustainable agricultural practices, including in terms of efficiency**, for people, the Planet and the community in collaboration with suppliers and academic partners worldwide.

In addition to this, we **rigorously control production in our plants, reducing - year after year - greenhouse gas emissions and process waste**. Finally, we carefully manage our **logistic processes** to render transport increasingly more sustainable.

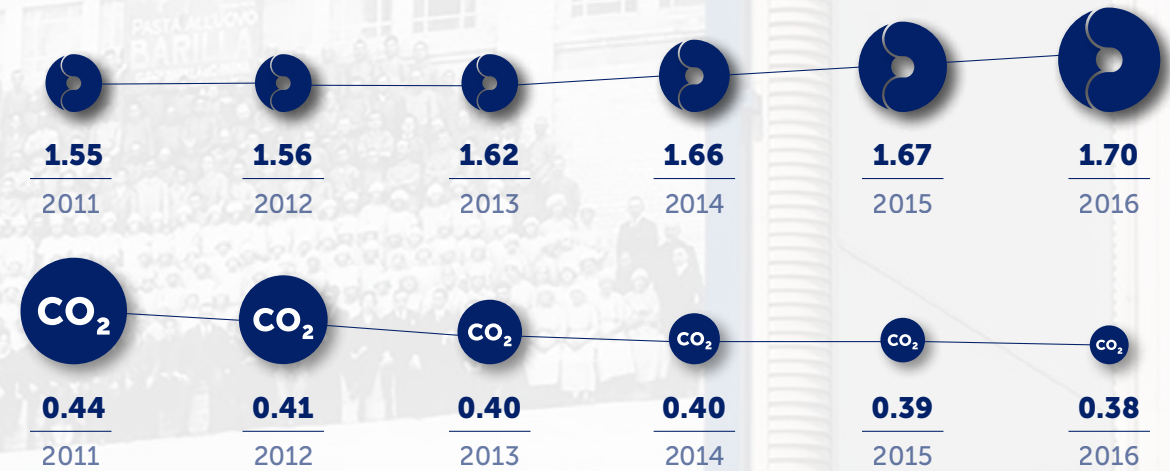
WATER CONSUMPTION REDUCTION

PER TON OF FINISHED PRODUCT COMPARED TO 2010



CO₂ EMITTED BY PLANTS

IN RELATION TO PRODUCT VOLUMES (Million tons of products/Million tons of CO₂)



RENEWABLE ENERGY: WHAT IS YOUR POSITION?

The environmental performance of our production plants is achieved by using cogeneration plants, energy saving projects and the selection of energy suppliers using renewable sources.

The production plants of Celle in Germany and Filipstad in Sweden use electric power purchased from providers who can certify the origin from hydroelectric sources. For the brands Mulino Bianco, Grancereale, Pandistelle and Barilla sauces, we use GO certification (Guarantee of Origin) to confirm the origin from renewable sources of the power used for production.

ABOUT 40% OF THE
ELECTRIC POWER
USED BY BARILLA
COMES FROM
RENEWABLE SOURCES

WHAT DOES “SUSTAINABLE AGRICULTURE” MEAN FOR BARILLA AND WHAT ARE THE SUPPLY CHAINS INVOLVED?

To answer this question we have put in place a “Sustainable Agriculture Code”. Through the Code we have defined the principles that guide the choice of more sustainable cultivation systems, i.e. more efficient, capable of leading to high quality and safer agricultural produce, protecting and improving the environment, and the financial and social conditions of farmers.

The “Sustainable Agriculture” projects today account for **80% of the volumes of raw materials purchased by the Group**. That means all the strategic supply chains: durum wheat and semolina, common wheat and flour, rye and rye flour, tomato, vegetable oils and eggs.





In particular, the Code is based on five principles: 1) pursuing the efficiency and competitiveness of production system; 2) integrity and respect of Barilla's Code of Ethics; 3) quest for quality and food safety of the raw materials; 4) reduction of the environmental impact of cultivation and 5) listening to partners and working with them for continuous improvement.

ANIMAL WELFARE: WHAT DOES THIS MEAN FOR BARILLA?

In Barilla we use about 24,000 tons of eggs every year, coming from almost 2 million hens. And we use more than 2,500 tons of meat.

For this reason, we deemed important to define the **Guidelines on Animal Welfare** to ensure that any animal involved in our supply chains is respected and can enjoy primary freedoms. This means freedom from hunger and thirst; from pain, injury and disease; from fear and distress; freedom to have a suitable physical environment and, finally, to express normal species-specific behaviour. We have specifically defined our approach for eggs, meat and fish.

Barilla believes that keeping hens in cages is a harmful practice for their wellbeing, and therefore it has decided to progressively abandon it along the supply chain and to use exclusively **eggs from cage-free hens by 2020**.

2016:
78% EGGS FROM
CAGE-FREE HENS

The suppliers of meat for the production of sauces and stuffed pasta signed our Guidelines in 2015. Today **100% of the pork and beef supplies for sauces and stuffed pasta produced in Italy**, i.e. 80% of the meat used by Barilla, complies with the guidelines. Furthermore, the Group does not use products made from farmed fish, but only tuna. All our tuna suppliers are *Marine Stewardship Council (MSC)* certified.

Our commitment to animal welfare has been recognised by the *European Good Farm Animal Welfare Awards*, organised by *Compassion in World Farming*. In 2011 and 2012 Barilla was given the *Good Egg Awards* with the brands Pavesi, Mulino Bianco and Le Emiliane for its egg procurement policy in Europe. **In 2016 also the Harrys brand was given the award thanks to the commitment to use exclusively eggs from cage-free hens.** Finally, Barilla published a global position statement **“No tests on animals”**, i.e. the Group has committed not to test its products or the raw materials used on animals and not to fund, commission, co-author or support in any other way animal testing.

WHAT ARE THE CHARACTERISTICS OF THE “SUSTAINABLE DURUM WHEAT” PROJECT?

As mentioned before, our priority is identifying more efficient cultivation systems in all the countries where we do purchasing to reduce our environmental impact and to improve the revenue of farmers. This applies to many raw materials and, in particular, to durum wheat. Since 2009 in Italy we have been developing a collaboration project with HORTA, a spin-off of the *University Cattolica of Piacenza*, to analyse different agricultural practices and identify the most sustainable ones. These have been translated into rules in the **“Barilla Decalogue for Sustainable Durum Wheat Cultivation”**. Furthermore, we have put **“Granoduro.net”** at the farmers’ disposal, i.e. a support system for technical decisions linked to a meteorological network providing advice on how to

**190,000
TONS
OF DURUM
WHEAT
AND ABOUT
1,500 FARMS
INVOLVED
IN 2016**





plan and optimize cultivation practices. The project proved that greenhouse gas emissions and production costs can be reduced by **up to 30%** and **production yields increased by 20%** with improved revenue for the farmers.

In 2016 we reached 190,000 tons cultivated in Italy in this way for a total of about 1,500 farms involved. This is why we obtained a special mention at *"The Procurement Awards 2016"*. **In 2017 we aim at reaching at least 250,000 tons of sustainable durum wheat, which accounts for 35% of our total requirement.**

WILL THE FUTURE OF BARILLA BE BASED ON THE SUSTAINABILITY AND TRACEABILITY OF ITS SUPPLY CHAINS?

It certainly will. Our objective is challenging and clear: **by 2020 we are committed to purchasing 100% of our strategic raw materials in a responsible way** and offering people only products at the base of the environmental pyramid because for Barilla what is good for us, must be good for the Community and the Planet too.



GOOD *for the* COMMUNITIES

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS:

- 

TO END ANY FORM OF POVERTY IN THE WORLD
- 

TO END HUNGER, ACHIEVE FOOD SECURITY, IMPROVE NUTRITION AND PROMOTE SUSTAINABLE AGRICULTURE
- 

TO PROMOTE EVERYONE'S HEALTH AND WELLBEING AT ALL AGES
- 

TO OFFER QUALITY, FAIR AND INCLUSIVE EDUCATION, AS WELL AS LEARNING OPPORTUNITIES FOR ALL
- 

TO PROMOTE A LONG LASTING, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL

FOR BARILLA MEANS:

- To favour **food security and safety**, and to help the populations hit by natural disasters or socio-economic crises.
- To promote the **development of farmers of the Barilla supply chain** by improving the competitiveness of local agriculture.
- To educate new generations to healthy **lifestyles**, balanced **eating habits** and **responsible food consumption**.



PROMOTING THE INCLUSION OF ALL

INTERVIEW TO
LUCA VIRGINIO

CHIEF COMMUNICATION AND EXTERNAL RELATIONS OFFICER

WHAT DOES “COMMUNITY” MEAN FOR BARILLA?

We think a business is not just an economic entity, but rather a moral community with roots in its local area. For this reason, when we talk about “community”, we refer especially to all the countries where we are present with branches or production sites. These are places where our presence is significant both for the satellite activities we generate, and even more for their social impact.

Our strategy is favouring transparent and long-lasting relations of collaboration at a local level, but with a global scope, i.e. we are committed to disseminating the “values of food”, which are essential to help people live better, and adapting these values to our reference geographies.

HOW DO YOU THINK YOU CAN IMPROVE THE LIVES OF COMMUNITIES THROUGH FOOD?

Today, 2.1 billion obese or overweight people coexist with 795 million people who suffer from hunger more and more often in the same countries. This paradox is unacceptable for the entire supply chain

and even more for us who believe we can feed everyone by adopting sustainable lifestyles and reducing waste.

Overeating and using food badly can cause serious health problems in people; this is why Barilla has been active for years in promoting **educational programmes for the young**, so that they learn about the importance of what they eat and how they live.

On the other hand, food security is a problem affecting a growing number of people both in continuing difficulty, and in emergencies. Barilla is thus committed to **favouring social inclusion** and food security for people in need, and we take immediate action to help **people hit by natural disasters**.

WHAT ARE THE EDUCATIONAL PROGRAMMES FOR THE YOUNG PROMOTED BY BARILLA?

Of undoubted interest is **Giocampus**, a project meant for kids and teenagers from 5 to 14 years of age, who live in Parma. It combines education on healthy eating and physical activity, and it raises awareness on the environmental impact of food choices.

**15,126 KIDS
INVOLVED
IN 2016**

It is a public-private educational alliance between many institutions and companies that has involved more than 35,000 kids since 2009. The studies carried out by the scientific committee of the project have shown that the percentage of overweight kids has diminished, the number of kids who eat fruit for breakfast and the number of kids who walk to school have increased.





But also overseas projects have been designed to promote the education of younger people to healthy lifestyles and correct eating habits thanks to the collaboration with the American organisations *Girl Scouts* and *Common Threads*.

WITH COMMON
THREADS WE HAVE
INVOLVED MORE
THAN **70,250** ADULTS
AND KIDS

WHAT ABOUT PEOPLE WHO HAVE NO REGULAR ACCESS TO FOOD?

We have historical ties with charities that help us in managing our production surplus. **Feeding America** in the United States, **Banco Alimentare** in Italy, **Australian Food Bank** in Australia, **Banque Alimentaire** and **Les Restos du Coeur** in France are examples. And the activity of Bruno Serato is worth mentioning: every day the Italian-American chef gives a free dish of pasta to hundreds of kids in need through the **Caterina's Club Foundation** and we support his activity.

IN 2016 ALONE,
BARILLA DONATED
MORE THAN **4,000**
TONS OF PRODUCTS

WHAT HAPPENS DURING EMERGENCY SITUATIONS?

Barilla wants to be at the forefront to help. In Italy, for example, the collaboration with the Italian Civil Protection has been active for years. We have taken action during natural disasters giving products and setting up field kitchens. It was first in 2014 that we really took a step forward by setting up a **Mobile Emergency Unit** and a group of more than 100 Barilla volunteers specially trained for emergency situations: the **Barilla Angels**. The Mobile Unit is made up of a kitchen

truck that provides up to 500 hot meals per hour; a kitchen truck for coeliacs; a tensile structure with benches and tables and a refrigerated truck to store food. In 2016, following the devastating earthquake in Central Italy, the Mobile Unit and the Barilla Angels were active providing meals and donating food to rescue camps.

2016: THE BARILLA MOBILE UNIT INTERVENES IN EARTHQUAKE HIT AREAS OF CENTRAL ITALY

“DIVERSITY AND INCLUSION”: IS IT A STRATEGY FOR GROWTH?

Inclusion of diversity is an integral part of our identity and it certainly represents a competitive advantage. This is true both for our “internal community” of Barilla People, and for our external relations to have a deeper understanding of society. We are convinced that an inclusive company

BARILLA HAS REACHED THE 100% SCORE IN THE CORPORATE EQUALITY INDEX



makes more appropriate decisions since it better understands consumers, communities and customers. In particular, Barilla wants to support all its staff, offer equal opportunities, respect trading partners and buyers, and embrace the differences between people acknowledging the richness that differences bring to our lives and to the company. Thanks to our commitment, for the third year in a row, we are proud to have obtained a score of 100% in the 2016 “Corporate Equality Index”, a comparison system on business activities dedicated to lesbian, gay, bisexual and transgender employees. We also strengthened training sessions on “Diversity and Inclusion” dedicated to Barilla People and extended the Smart Working project up to the 40% of working hours.



GOOD *for* YOU

CONTRIBUTING TO THE WELLBEING OF PEOPLE

By 2020 Barilla will improve people's lives by promoting consumer choices in line with the food pyramid.

QUALITY AND NUTRITION

› Raise the global volume of products in line with Barilla's Nutritional Guidelines from 70% to 90%.

86% of product volume sold.



› 100% of Barilla's product volume aligned with the most up-to-date standards for quality and food safety, as confirmed by external certification bodies.

99.4% of Barilla's product volume.



› Be the first brand and product for people in relation to taste and nutritional profile.

Barilla Brand, first choice for:
- Taste index 118 vs market average 100.
- Nutritional profile index 114 vs market average 100.

© Brand Health Check, Millward Brown



INFORMATION

› Spread information on the "si.mediterraneo" project to promote right food habits to all Barilla employees across the world.

Over 7,300 Barilla People involved.



› Extend the "si.mediterraneo" project through distribution and e-commerce channels.

Dissemination projects are in progress through catering and food service channels.



› Offer people scientifically relevant information on food and nutrition through brand activities.

76% of products shows consumption instructions, suggestions on consumption quantities and indications for a balanced diet.



GOOD *for the* PLANET

REDUCING THE IMPACT ON THE PLANET

By 2020 Barilla will offer people only products at the bottom of the environmental pyramid.

ENVIRONMENT

› Reduce CO₂ emissions and water consumption in the production process by 30% per ton of finished product compared to 2010 values.

Since 2010 Barilla has reduced CO₂ emissions by 28% and water consumption by 21% per ton of finished product.



› 100% of Barilla's products are in the lower part of the pyramid.

94% of Barilla products.



SUPPLY CHAIN

› Develop Sustainable Cultivation projects for all agricultural supply chains.

Projects for all strategic supply chains have been defined.



› 100% of strategic raw materials purchased responsibly.

19% of strategic raw materials.



GOOD *for the* COMMUNITIES

ENCOURAGING THE INCLUSION OF ALL

By 2020 Barilla will promote the inclusion of people through programs for access to food, educational projects and the promotion of diversity.

SOCIAL INCLUSION

› Increase the number of farms involved in projects that improve the competitiveness of local agriculture.

1,500 farms.



› Promote the social inclusion of people in need through food donations, social projects and support in the event of emergencies.

Nearly 4,000 tons of products donated in the world.



EDUCATION

› Promote educational projects for young people on issues related to food and nutrition.

In Italy the Giocampus project has been carried on, involving 15,126 children.



BARILLA PEOPLE

› 95% of employees reporting having the flexibility they need to manage work and personal life.

77% of employees.

Source: 2015 internal survey



› Achieve equality between women and men in leadership positions.

34.6% of women in leadership positions.



OUR FUTURE

To learn much more about our commitment, please visit our interactive report on: www.barillagroup.com



In progress goal



Reached goal

BARILLA G. E R. FRATELLI

SOCIETÀ PER AZIONI WITH SINGLE
SHAREHOLDER SUBJECT TO THE MANAGEMENT
AND COORDINATION OF BARILLA INIZIATIVE S.R.L.

Registered Office:

Via Mantova 166 - 43122 Parma
Share Capital Euro 180.639.990,00=i.v.
Tax payer's code and registration with
the Business Registry of Parma 01654010345
R.E.A. (Administrative and Economic Register)
of Parma n. 169.146
VAT NO. 01654010345

Tel. +39 0521 2621
Fax +39 0521 262083
e-mail goodforyougoodfortheplanet@barilla.com
www.gruppoarilla.it
www.barillagroup.com

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