



## DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

**This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.**

## DISCLOSURE QUESTIONNAIRE

Company Name: **illycaffè**  
 Date Submitted: **01/18/2021**

| Industries & Products                                                                                                             | Yes | No |
|-----------------------------------------------------------------------------------------------------------------------------------|-----|----|
| Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply. |     |    |
| Animal Products or Services                                                                                                       |     | √  |
| Biodiversity Impacts                                                                                                              |     | √  |
| Chemicals                                                                                                                         |     | √  |
| Company Explanation Of Disclosure Item Flags                                                                                      |     | √  |
| Disclosure Alcohol                                                                                                                |     | √  |
| Disclosure Firearms Weapons                                                                                                       |     | √  |
| Disclosure Mining                                                                                                                 |     | √  |
| Disclosure Pornography                                                                                                            |     | √  |
| Disclosure Tobacco                                                                                                                |     | √  |
| Energy and Emissions Intensive Industries                                                                                         |     | √  |
| Fossil fuels                                                                                                                      |     | √  |
| Gambling                                                                                                                          |     | √  |
| Genetically Modified Organisms                                                                                                    |     | √  |
| Illegal Products or Subject to Phase Out                                                                                          |     | √  |
| Industries at Risk of Human Rights Violations                                                                                     |     | √  |
| Monoculture Agriculture                                                                                                           |     | √  |
| Nuclear Power or Hazardous Materials                                                                                              |     | √  |
| Payday, Short Term, or High Interest Lending                                                                                      |     | √  |
| Water Intensive Industries                                                                                                        |     | √  |
| Tax Advisory Services                                                                                                             |     | √  |

| Supply Chain Disclosures                                                                                    | Yes | No |
|-------------------------------------------------------------------------------------------------------------|-----|----|
| Please indicate if any of the following statements are true regarding your company's significant suppliers. |     |    |
| Business in Conflict Zones                                                                                  |     | √  |
| Child or Forced Labor                                                                                       | √   |    |
| Negative Environmental Impact                                                                               |     | √  |
| Negative Social Impact                                                                                      |     | √  |
| Other                                                                                                       |     | √  |

| Outcomes & Penalties                                                                                                                                                                                                  | True | False |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------|
| Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply. |      |       |
| Anti-Competitive Behavior                                                                                                                                                                                             |      | √     |
| Breaches of Confidential Information                                                                                                                                                                                  |      | √     |
| Bribery, Fraud, or Corruption                                                                                                                                                                                         |      | √     |
| Company Explanation Of Disclosure Item Flags                                                                                                                                                                          |      | √     |
| Company has filed for bankruptcy                                                                                                                                                                                      |      | √     |
| Consumer Protection                                                                                                                                                                                                   |      | √     |
| Financial Reporting, Taxes, Investments, or Loans                                                                                                                                                                     |      | √     |
| Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)                                                                                                                                                                 |      | √     |
| Labor Issues                                                                                                                                                                                                          |      | √     |
| Large Scale Land Conversion, Acquisition, or Relocation                                                                                                                                                               |      | √     |
| Litigation or Arbitration                                                                                                                                                                                             |      | √     |
| On-Site Fatality                                                                                                                                                                                                      |      | √     |
| Penalties Assessed For Environmental Issues                                                                                                                                                                           |      | √     |
| Political Contributions or International Affairs                                                                                                                                                                      |      | √     |
| Recalls                                                                                                                                                                                                               |      | √     |
| Significant Layoffs                                                                                                                                                                                                   |      | √     |
| Violation of Indigenous Peoples Rights                                                                                                                                                                                |      | √     |
| Other                                                                                                                                                                                                                 |      | √     |

| Practices                                                                                                                                                                                                          | True | False |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------|
| Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No." |      |       |
| Animal Testing                                                                                                                                                                                                     |      | √     |
| Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)                                                                                                                                                   |      | √     |
| Company Explanation Of Disclosure Item Flags                                                                                                                                                                       |      | √     |
| Company prohibits freedom of association/collective bargaining                                                                                                                                                     |      | √     |
| Company workers are prisoners                                                                                                                                                                                      |      | √     |
| Conduct Business in Conflict Zones                                                                                                                                                                                 |      | √     |
| Confirmation of Right to Work                                                                                                                                                                                      |      | √     |
| Does not transparently report corporate financials to government                                                                                                                                                   |      | √     |
| Employs Individuals on Zero-Hour Contracts                                                                                                                                                                         |      | √     |
| Facilities located in sensitive ecosystems                                                                                                                                                                         |      | √     |
| ID Cards Withheld or Penalties for Resignation                                                                                                                                                                     |      | √     |
| No formal Registration Under Domestic Regulations                                                                                                                                                                  |      | √     |
| No signed employment contracts for all workers                                                                                                                                                                     |      | √     |
| Overtime For Hourly Workers Is Compulsory                                                                                                                                                                          |      | √     |
| Payslips not provided to show wage calculation and deductions                                                                                                                                                      |      | √     |
| Sale of Data                                                                                                                                                                                                       |      | √     |
| Tax Reduction Through Corporate Shells                                                                                                                                                                             |      | √     |
| Workers cannot leave site during non-working hours                                                                                                                                                                 |      | √     |
| Workers not Provided Clean Drinking Water or Toilets                                                                                                                                                               |      | √     |
| Workers paid below minimum wage                                                                                                                                                                                    |      | √     |
| Workers Under Bond                                                                                                                                                                                                 |      | √     |
| Other                                                                                                                                                                                                              |      | √     |



## B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY: **illycaffè** UPDATED AS OF: **01/18/2021**

|                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>DISCLOSURE QUESTIONNAIRE CATEGORY</b>                                              | Suppliers at risk of forced labor / human right violations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>ISSUE DATE</b>                                                                     | 2016 - 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>TOPIC</b>                                                                          | Allegations of business ties to cooperatives linked to forced labor violations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>SUMMARY OF ISSUE</b>                                                               | In 2016, a report from non-profit organization DanWatch alleged that Brazilian coffee suppliers for a number of multinational companies, including Illycaffè, had been tied to forced labor conditions, either through the purchase of coffee produced by forced labor or through business ties with cooperatives that have links to such producers. The report resulted in complaint by the Articulation of Rural Employees of the State of Minas Gerais (ADERE - MG) and Conectas Human Rights, which was reviewed by the National Contact Point for the OECD Guidelines for Multinational Enterprises in Brazil (NCP). Illycaffè worked with the NGOs involved and in 2020 their official report concluded that the company did not have direct ties to producers using forced labor.                                                                                                                                                                                                                                     |
| <b>SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)</b> | In 2019 illycaffè purchased 44% of its worldwide coffee purchases from Minas Gerais, both in terms of volumes and €. <p>Of this 44% only 15% has been purchased mainly from Cooxupé and partially from Cocarive (the two cooperatives that were the subject of the NGO investigation). In general terms, this 15% corresponds only to 6.6% of the world 2019 volumes and values.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>IMPACT ON STAKEHOLDERS</b>                                                         | There were no ties to between Illycaffè and coffee producers that have allegedly used forced labor. Illycaffè has business ties with a cooperative in the region, who in turn was found to have purchased coffee from producers utilizing forced labor (separate from its relationship with Illycaffè)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>IMPLEMENTED MGT PRACTICES</b>                                                      | <p>illycaffè has 100% visibility in its coffee supply chain up to the producer level. It imposes minimum performance requirements for its suppliers regarding human rights and harvesting processes monitored throughout the Sustainable Procurement Process (SPP) (link to Value Report/Sustainability page: <a href="http://valuereport.illy.com/index.php?lang=en">http://valuereport.illy.com/index.php?lang=en</a>).</p> <p>As far as it concerns human rights, illycaffè has set a series of minimum performance requirements: producers need to be compliant with national legislation on each right and adhere to ILO conventions for child labor and forced labour, no case of violations is accepted.</p> <p>In addition to that, illycaffè engages its suppliers by organizing specific training to engage them and to share best practices and improvement actions. Minimum performance requirements also apply to the coffee harvesting process: the SPP assesses the sustainability of the entire process.</p> |
| <b>RELATED INCIDENTS (YES/NO)</b>                                                     | No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |