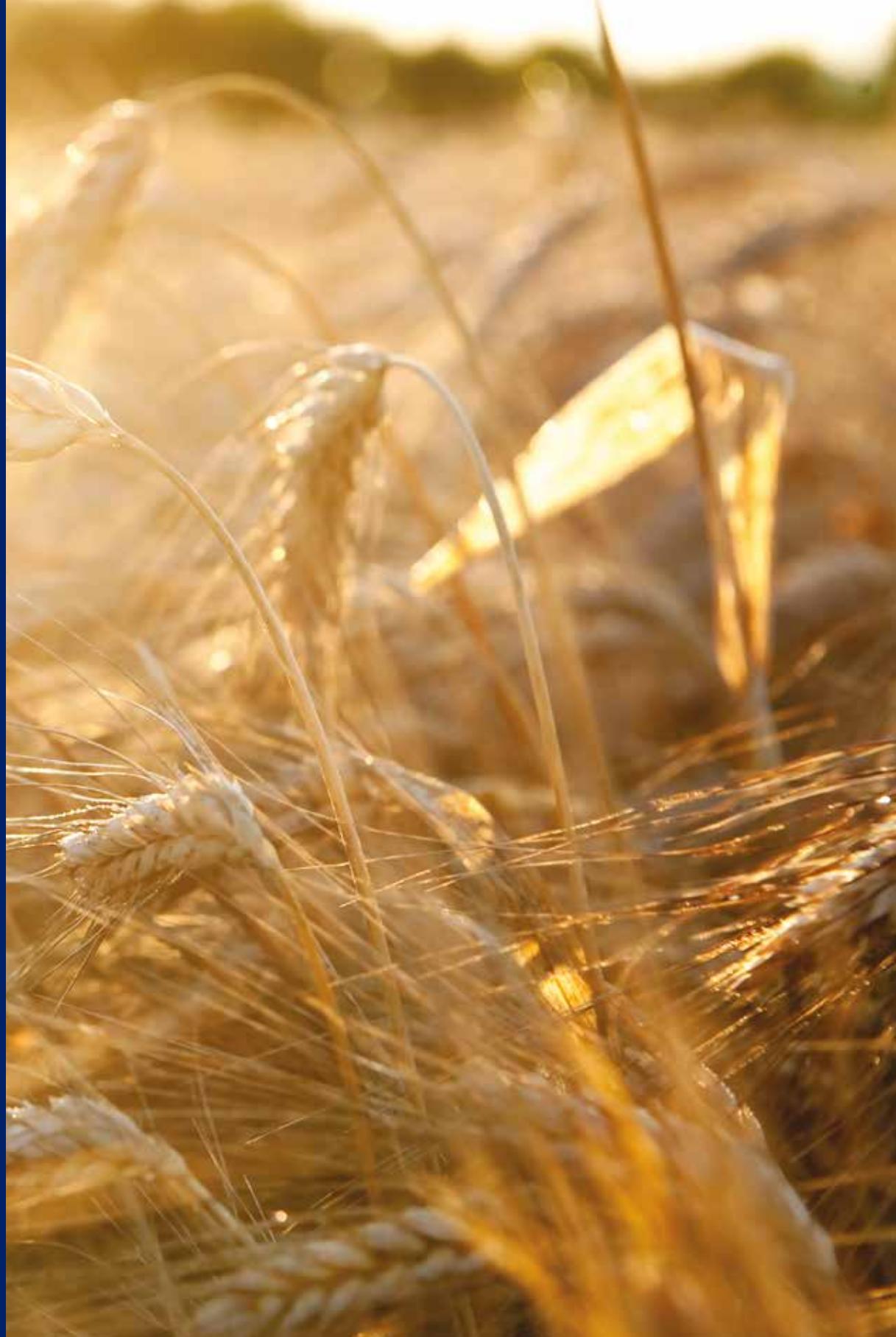


GOOD FOR YOU GOOD FOR THE PLANET

2018 REPORT



Barilla
The Italian Food Company. Since 1877.



"We bring to the world,
JOYFUL, WHOLESOME and
HONEST FOOD, inspired by
the **ITALIAN LIFESTYLE** and
the **MEDITERRANEAN DIET**"



To find out more, browse the interactive
version at www.barillagroup.com

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The Italian Food Company. Since 1877.

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A NEW CULTURAL LEADERSHIP

GUIDO, LUCA AND PAOLO BARILLA

Chairman and Vice-Chairmen

Over the past few years, Barilla has established a major presence in certain countries and an extremely promising one in others, and is laying the foundations for solid future development.

The company has achieved good growth in market shares, sales volumes and value.

The results we have achieved over the years, however, are not ends in themselves. They are simply figures that tell us whether or not we are heading in the right direction. They are the compass we look at along the way, to help us make more responsible investments, in line with our commitment to making a significant contribution to people and planet wellbeing.

However, we need to look beyond results and acquire a deeper understanding of what leadership means in our profession. Because to lead a market, it is not enough to have the biggest market share or the most competitive organization, or to be the best supplier for customers: **being a leader means having something more, and making a difference in your industry.**

So as well as our products, it is about implementing a strategy of cultural leadership. Major brands have a duty to promote a line of thought that guides the needs, habits and lives of everyone.

Our future prompts us to improve what we do, all the time, because only we know our business and only we know how to develop our skills in step with what we discern in the outside world. **We need to understand how the world of nutrition is evolving, because it is full of information, not to mention the joy of eating.** That is why, by doing our job to the highest standards, we bring joyful and wholesome food to everyone.

We really do feel indebted in this respect to the company and everyone who puts their trust in us. And we have the means to achieve this goal: our history, our know-how and the willingness to invest.

This Sustainability Report explains the foundations of our mission, highlights their importance and sets out our strategic choices. It is an all-embracing project of cooperation and responsibility that involves us all.

L. Barilla

Luca Barilla

Pao. Barilla



OUR NORTH POLE

Interview with
CLAUDIO COLZANI
Chief Executive Officer

2017 SAW A SOLID UPTURN IN THE ITALIAN AND EUROPEAN ECONOMIES. IN THE UNITED STATES, HOWEVER, THERE WAS A DOWNTURN IN THE INDUSTRIAL FOOD SECTOR, DUE MAINLY TO THE FACT THAT CONSUMERS' TASTES ARE SHIFTING TOWARDS FRESHER AND MORE NATURAL PRODUCTS.

WHAT WERE THE IMPLICATIONS FOR BARILLA?

For Barilla it was a year of solid results, with growth of 3% in volumes and turnover. Growth was reported in all the Group's geographical areas, with Italy showing a particularly marked improvement in performance. Our growth in Europe continued.

Despite the negative trends for the industry as a whole, Barilla stepped up its presence on the American market and launched a major drive for growth in Asia, Africa and Australia.

In terms of our product categories, sauces maintained their extremely

strong performance, prompting us to make investments in the Rubbiano plant (Parma), to ensure adequate production capacity. Bakery products achieved excellent results in Italy and France, while we are still working on stepping up the presence of the Wasa brand in the Nordic countries.

And lastly, pasta increased its share of our business, mainly on the strength of new premium products developed around the concept of wellbeing.

IN TERMS OF YOUR PRODUCTS, WHAT IS DRIVING BARILLA'S GROWTH?

Growth in recent years has been driven by products with a more targeted nutritional profile, such as gluten-free, wholegrain and no-added-sugar products. That is why we are redesigning our portfolio. In particular, we are working on the gastronomic and nutritional aspects of the pasta category, raising the worldwide profile of our pesto and establishing Wasa as a global brand.



SO WHAT NEEDS TO BE IMPROVED IN ORDER TO KEEP GROWING?

Our hallmark has always been the high quality of our products in terms of how tasty, healthy and sustainable they are. Our biggest challenge now is to keep meeting the increasingly specific needs of people, by means of significant, distinctive benefits. We want to invest and communicate even more effectively the values of gastronomy, wellbeing, and a clean and sustainable way of doing business.

Secondly, we want to step up our commercial presence on new emerging channels (e.g. e-commerce and clubs) and be a leader and innovator in our categories.

WHAT DIFFERENTIATES YOU ON THE MARKET?

In order to achieve first-class performance, we believe we need to let product quality guide us in everything we do. What's more, we never lose sight of our north pole: our mission Good for You, Good for the Planet. This is the only direction we follow, to develop our business responsibly across all our markets.

And lastly, the inclusion of diversity

is still a vital resource for enriching our way of doing business and ensuring a better competitiveness.

GOOD FOR YOU, GOOD FOR THE PLANET: IS THIS A SUSTAINABILITY PROJECT OR THE SPIRIT OF A NEW STRATEGY?

As I have already mentioned, it is our north pole. In other words, a set of values and principles that enable us to grow and promote sustainable development. It is Barilla's response to a complex global scenario, whose challenges for the world of food and nutrition are clearly highlighted by our Foundation.

It represents the Group's contribution to the 2030 Global Agenda, the Sustainable Development Goals and the United Nations Global Compact. But it is also the only way in which we want to forge relations with all our stakeholders along every supply chain in which we are involved. It is our responsibility to raise the profile of this identity through our brands and express its values to everyone.

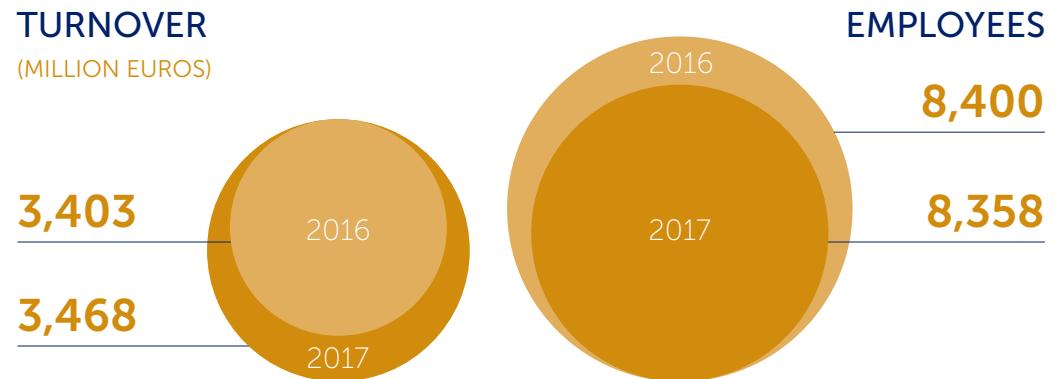


A close-up photograph of a golden wheat ear, showing its intricate structure and long awns. The background is a clear blue sky, and the field extends to a line of green trees in the distance.

BARILLA GROUP

OUR FIGURES

Barilla is an Italian family Company, operating in the food sector. Founded in Parma in [1877](#), it is now an international Group, which is not stock-market-listed.



GEOGRAPHICAL AREAS

TURNOVER



"Basically, we are pasta makers and bakers. This is the work that our family has been doing for four generations, with the support of outstanding partners. It is the only job we know how to do and we try to improve every day."

Guido Barilla



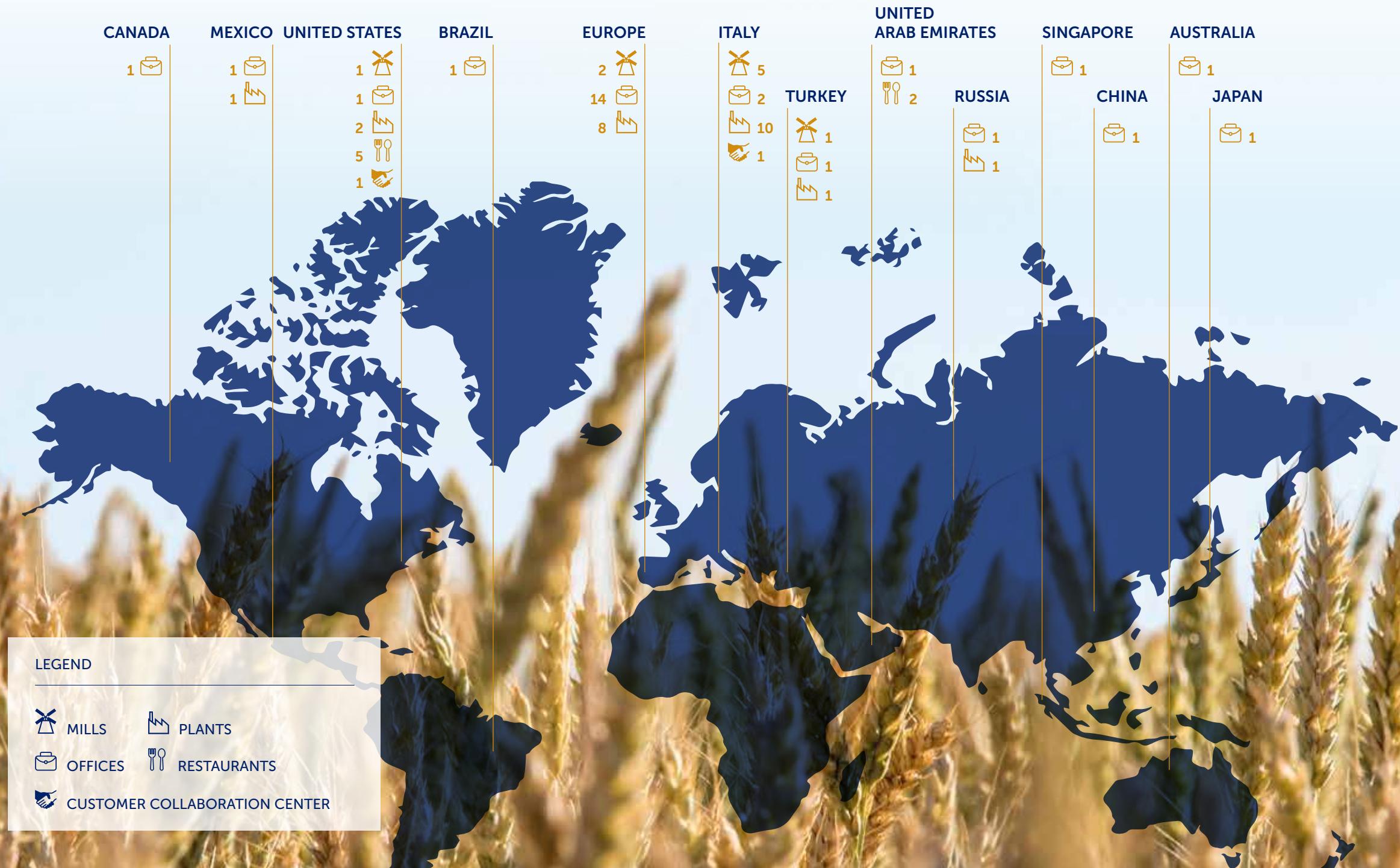
OUR BRANDS

Barilla is the leader on the pasta market in Italy and worldwide and it covers the ready sauces segment, with over 40 different recipes. It also offers almost 180 bakery products, encompassing breakfast to between-meal snacks.



BARILLA WORLDWIDE

We have 28 production sites, 14 in Italy and 14 abroad, which produce over 1,800,000 tonnes of food products every year, which we export to over 100 Countries.



**GOOD FOR YOU
GOOD FOR THE PLANET**



GLOBAL GOALS

The scenario we operate in on a daily basis is highly complex and characterized by production, distribution and consumption models that are not always sustainable. In order to reverse this trend, the United Nations have introduced the Sustainable Development Goals, part of the 2030 Agenda, designed to contribute to global development by promoting human, animal and environmental welfare.

With specific reference to the food industry, a few data points are enough to illustrate the diverse nature of the challenges involved.

First, access to food remains a worrying aspect. 815 million people (one in ten) are undernourished, while 2.1 billion (three in ten) consume considerably more food than they need.

Secondly, natural resources are being consumed too rapidly.

Every year we consume the resources of 1.5 Planets. This means that, if we do not change lifestyle immediately, we will need the resources of 3 planets by 2050.

Furthermore, there is an increasing talk of global warming, a large part of which derives from emissions attributable to agriculture.

Lastly, 1/3 of global production of edible food goes to waste each year because of unsuitable production, storage and distribution processes. That is four times the quantity needed to feed undernourished people.



THE BCFN FOUNDATION

The Barilla Center for Food and Nutrition (BCFN) is an independent, multidisciplinary think-tank that analyses financial, scientific, social and environmental factors connected with food. Its research and dissemination activities represent a concrete commitment to promoting the transition to more sustainable food systems, in line with the United Nations Global Agenda.

The Double Pyramid model developed by the Foundation demonstrates how our dietary choices also impact on the environment, and clearly shows how balanced nutritional choices

benefit human health and the Planet simultaneously.

FOOD LIES AT THE ROOT OF A HEALTHY PLANET AND A HEALTHY POPULATION

As well as being disseminated to international stakeholders, the BCFN's research findings inspire the everyday decisions of Barilla's managers, and guide them towards more sustainable business choices.

BCFN FORUM

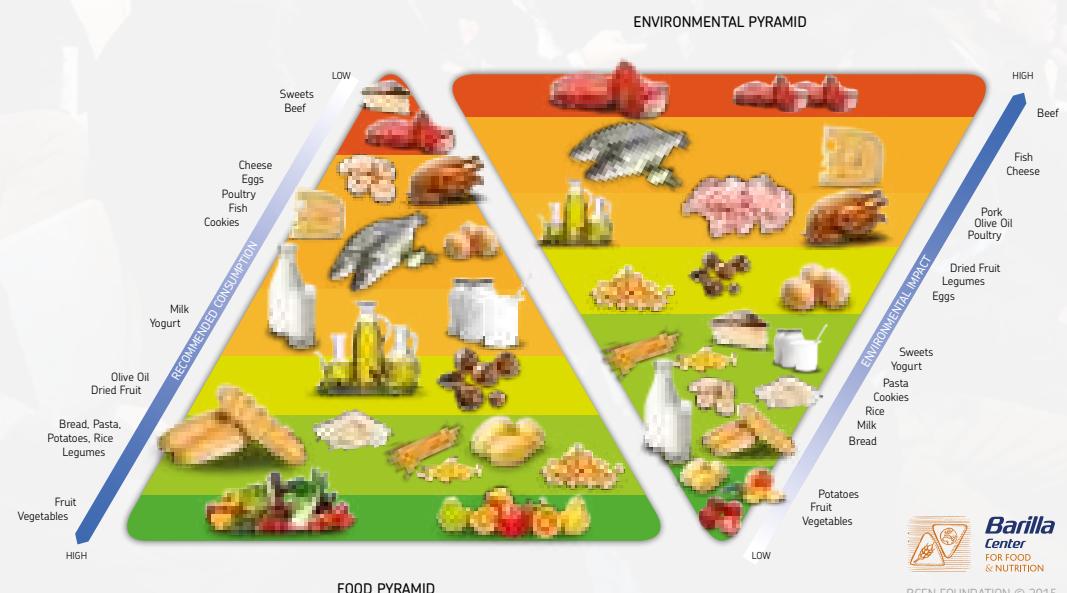
The International Forum on Food and Nutrition plays a key role in the Foundation's Agenda. The 2017 meeting was another major occasion at which politicians, the scientific community, the private sector and civil society came together to share knowledge and exchange views on the most pressing environmental, health and socio-economic challenges set by the current food system. It provoked thoughts on global challenges and prompted participants to find practical, effective solutions.

This year's Forum provided another opportunity for presenting research projects and giving awards to the best contributions. In particular:

- **BCFN YES**, a competition for young researchers from all over the world who have developed projects for improving the balance between environmental and social sustainability.
- **FOOD SUSTAINABILITY MEDIA AWARD**, an international competition launched together with the Thomson Reuters Foundation, designed to offer awards for excellence in journalism, as a means of raising awareness of the issue of food sustainability.
- **FOOD SUSTAINABILITY INDEX**, deriving from a partnership with the Economist Intelligence Unit with the aim of promoting knowledge on food sustainability, with a focus on specific issues relating to agriculture, nutrition and food waste.
- **FOOD AND MIGRATION**, an analysis conducted in conjunction with MacroGeo, a research company, concerning the geopolitical impact of food and migration within the Euro-Mediterranean area.



THE DOUBLE PYRAMID



MISSION AND STRATEGY

Our mission **Good for You, Good for the Planet** is simple: all our products and brands must bring the world **food** that is **good, healthy and sourced from responsible supply chains**, inspired by the **Italian lifestyle** and the **Mediterranean Diet**. This is our distinguishing feature and what quality is for us.

This commitment finds expression in **three benefits** for people:

- 1 • Good food** means gastronomy, flavor, culinary experience, pleasure and conviviality.
- 2 • Healthy food** means selected raw materials, clean, safe recipes, and balanced nutritional profiles to support correct lifestyles.
- 3 • Food sourced from responsible supply chains** means purchasing ingredients and processing them in a way that is sustainable, transparent and respectful of people, animals and the environment.

It is a mission we intend to pursue **from field to fork**, and which has an immediate impact on people, in terms of the initial enjoyment of taste, the energy over the following hours and the many years of **wellbeing**. But as well as being founded on the wellbeing of people, it is founded on the wellbeing of the environment and communities in which we live.

In the years to come, we will continue to reinforce our presence and distinctive nature in our four core markets, namely Italy, the United States, France and Germany. At the same time, we will continue the geographical expansion we have already started, especially in Russia.

In pursuit of our mission, we intend to invest in four dimensions:

- 1 • Increasing the value of our brands**, in other words, their distinctive nature and the emotional bond they form with people.
- 2 • Providing products of superior quality**, including from a nutritional point of view.
- 3 • Enhancing the sustainability and transparency** of our supply chains, from field to fork.
- 4 • Incentivizing an entrepreneurial spirit** among Barilla People.

AND WHAT ABOUT CATEGORIES?

For pasta and sauces, we will focus on improving the entire premium segment and the quality of iconic products. We will put sustained effort into making Wasa a brand that is known worldwide for its sustainability and naturalness. And lastly, we will continue to build on the value of local brands of bakery products in Italy and France, by offering a range that is increasingly geared towards the wellbeing of consumers.

Our **marketing activities**, moreover, will place even more emphasis on our know-how and the taste and quality of our products, and will help disseminate reliable information about healthy lifestyles.

To sum it all up, we believe there is a perfect convergence between business priorities on the one hand and sustainability on the other, enabling us to achieve economic goals, while making a tangible contribution to meeting the global challenge set by the United Nations, not only concerning food and nutrition.

OUR SUPPLY CHAIN





BARILLA PASTA

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For us, **PASTA** means **TASTE**, **SUSTAINABILITY** and a **HEALTHY LIFESTYLE**. That is why we are committed to offering products that bring pleasure to the table, give consumers a daily injection of energy and help safeguard their wellbeing for many years. And we want to do so with full **RESPECT FOR PEOPLE, NATURAL RESOURCES** and **ANIMALS**.

”

BARILLA PASTA



1 RAW MATERIALS

LOCAL ORIGINS AND AN EXCELLENT BLEND

Barilla selects the best varieties of wheat from all over the world to ensure an excellent product quality. Barilla prefers local purchasing, namely in the country where wheat is processed to make pasta. On average, in 2017, 90% of durum wheat has been purchased locally.

CULTIVATION CONTRACTS

Multy-year agreements are signed before sowing which require compliance with specific guidelines concerning the quality of cultivation, shared with producers' associations. In Italy Barilla stipulates cultivation agreements for 57% of durum wheat purchased and involve over 5,000 farmers.

SUSTAINABLE DURUM WHEAT PROJECT

In 2017 over 2,000 Italian farmers working for Barilla produced 240,000 tonnes of durum wheat in a more sustainable way. Thanks to the application of the Barilla

2 RESEARCH AND DEVELOPMENT

EXCLUSIVE VARIETIES OF DURUM WHEAT

8 varieties of durum wheat have been exclusively developed by Barilla in the course of over 20 years, to yield a unique product and higher quality.

CARE FOR NUTRITION

In line with its Nutrition Research Principles, Barilla is conducting studies in conjunction with many international universities to assess the impact of pasta consumption on weight, glycemic response and risk factors for diabetes and cardio-vascular diseases.

PRODUCTS GEARED TOWARDS WELLBEING

In 2017, Barilla launched 10 new products aimed at improving the nutritional balance of people.

3 PRODUCTION

MILLS AND PLANTS

Barilla makes pasta in 9 plants, spread across 6 countries and semolina in 7 proprietary mills. In Parma, Barilla has built the world's largest pasta production plant. Barilla does not purchase the standard production lines available on the market, opting instead to have them built to its own unique technical specifications.

1 exclusive dehulling system in the milling process, designed to treat wheat gently right from the start of processing.

1 international patent for the production of high-quality pasta, rich in natural fibers from durum wheat bran.

CARE FOR THE ENVIRONMENT

For every tonne of pasta made in its pasta production facilities since 2010, Barilla has reduced water consumption by 31% and greenhouse gas emissions by 24%.

4 LOGISTICS AND SALES

SUSTAINABLE TRANSPORT

1 new rail link was opened in 2015 for transporting wheat to Parma: on average, this means 1,100 tonnes less of greenhouse gas and 3,300 fewer trucks on European roads each year.

1 new fleet of vehicles running on liquefied natural gas was launched in 2017 for the transport of goods by road.

PARTNERSHIPS FOR ALL

VIVI SMART: 1 Barilla alliance with Coop and Danone aimed at improving the lifestyle and eating habits of Italian families.

TOGETHER AGAINST WASTE: 1 international partnership with Carrefour aimed at reducing food waste.

5 COMMUNICATION

PRODUCT ENVIRONMENTAL DECLARATIONS

6 verified public documents relating to Barilla pastas, providing transparent, comparable information about the environmental impact of products: www.environdec.com

GUARDATUSTESSO

1 new digital platform, illustrating the entire production chain for pasta and sauces, from the selection of raw materials to the table.

PACKAGING

Our paperboard packaging is 100% recyclable and made with virgin fiber from responsibly managed forests.

6 CONSUMPTION

UNIQUE DESIGN

To ensure the best organoleptic properties and perfect *al dente* cooking.

PRODUCTS TO MEET EVERY NEED

A vast range of products to satisfy the different tastes: in Italy, the Group has an average of over 40 different products stocked by major stores for the Barilla brand alone.



RECIPES FOR HEALTHY LIVING

Interview with
CHIARA CANEDOLI
Barilla Marketing

IN WHAT WAY IS PASTA GOOD FOR PEOPLE AND FOR THE PLANET?

Pasta, like cereals, is an essential ingredient of the Mediterranean Diet.

It is a very simple food which, when served in the right proportions and with the right condiment, is an excellent source of nutritional wellbeing.

Because of its protein structure, when cooked *al dente*, pasta has a low glycemic index. The glycemic index indicates the quality of carbohydrates on a scale of 0 to 100, and distinguishes between those that are digested quickly (high index) and those that are digested slowly (low index).

Low-index foods are metabolized more slowly and stop you feeling hungry for longer. As demonstrated by the Double Pyramid model developed by the Barilla Center for Food and Nutrition, the environmental impact of the foods at the

base of the Mediterranean Diet pyramid is lower than that of the foods at the top of it. That is why you really can say pasta is good for people and their environment.

SO BARILLA DOES NOT JUST WANT TO PROMOTE PRODUCTS BUT ALSO A HEALTHY LIFESTYLE TOO, RIGHT?

Exactly. Our benchmark is the Mediterranean Diet, which UNESCO classified as intangible heritage of humanity in 2010. It is a dietary model, of course, but more importantly it is a lifestyle in which diet plays a major role, alongside regular physical activity and a convivial approach to meals. Scientific research has shown the benefits of it, which in the long term include reduction in the risk of cardiovascular disease, protection against diabetes and obesity and contribution to a longer, healthier life.

That is why Barilla believes it is important to offer not just products, but fully fledged *recipes for healthy living*, involving information and dietary choices that contribute to the wellbeing of everyone.



WHAT ARE THE STRENGTHS OF BARILLA PASTA?

First of all the taste. We see culinary value as one of the key benefits of our products, which we promote through our marketing activities. Depending on the product, **our pasta has from good to excellent protein values**, whether extruded through teflon or bronze dies, with consequently strong organoleptic qualities.

At the same time, we want to be transparent in the way we do things, from field to fork, and give people a clearer insight into the work of our supply chains and partners. Lastly, we are confident that we have an excellent product for promoting a healthy, sustainable lifestyle, inspired by the Mediterranean and Italian culture, while also acting with full environmental integrity.

THE NEW BETTER FOR YOU PRODUCTS. WHAT DO THEY MEAN FOR THE MARKET?

Numerous market research studies point to growing consumer interest in products that contribute to wellbeing and facilitate informed dietary choices. That is why Barilla is sharpening its focus on the development of its **better for you** portfolio, which is a

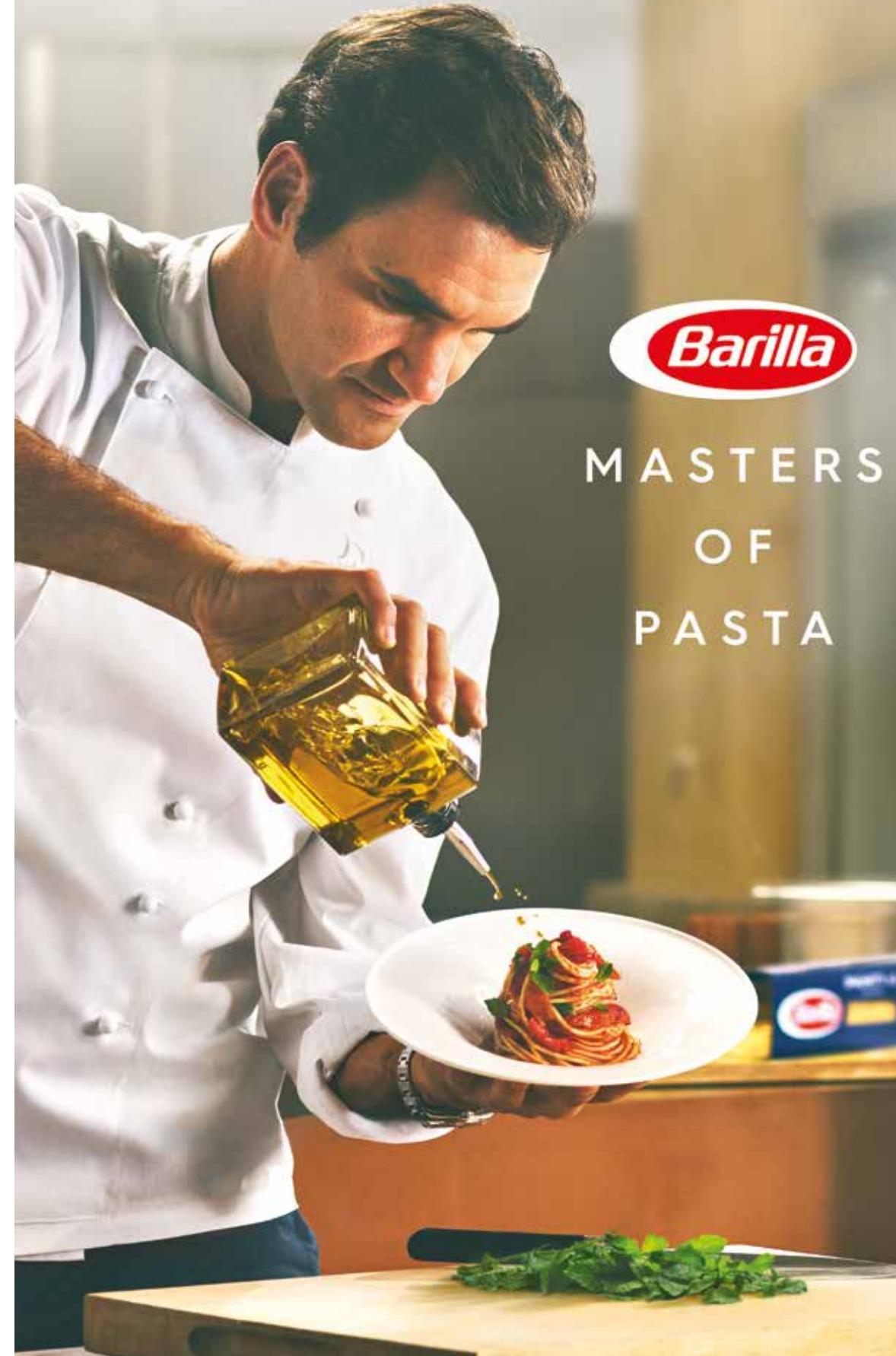
range of wholegrain products, made of cereals or legumes, gluten-free, that provide nutritionally balanced, easy-to-prepare meal options for everyone. Products of this type have enjoyed considerable growth, where Barilla leads the segment with a solid market share that has risen by 8 percentage points over the past 10 years (data from Nielsen Markettrack).

INCREASING CONSUMER INTEREST

WITH REGARD TO WHEAT, THE MAIN INGREDIENT OF PASTA, WHAT ARE THE DISTINCTIVE QUALITIES OF BARILLA?

There are basically three: firstly, the exclusivity of our wheat varieties. We have developed eight of these, in partnership with Produttori Sementi di Bologna, as a result of processes lasting up to ten years. The varieties were created according to criteria of environmental and economic sustainability, and represent an investment in higher finished-product quality.

Secondly, the cultivation contracts we define with associations of producers, such as cooperatives and consortia, now have a length of three years and are **specifically formulated to encourage sustainable local production**. They are wheat quality agreements, which Barilla uses to support farmers. For the three-year period 2017-2019, Barilla signed contracts with approximately 5,000



farms for the purchase of 900,000 tonnes of Italian wheat from over 50 associations of producers. Farmers are offered an economic incentive linked with quality parameters. As a result, they are paid approximately 10-15% more than the average market price and achieve up to 25% more profit than farmers engaged on standard contracts at ordinary market conditions.

Lastly, the sustainable cultivation of durum wheat. Since 2009, Barilla has been implementing a project for the promotion of sustainable wheat cultivation techniques, in partnership with a number of universities. We have developed specific manuals and guidelines for more sustainable production of durum wheat, and digital decision-making support systems, which are made available free of charge to farmers. The results have been excellent in terms of increasing yields, reducing environmental impact and production costs, and increasing income for farmers. Almost 240,000 tonnes of durum wheat were produced by means of these more sustainable methods in 2017.

EXCELLENT RESULTS ON THE PRODUCTION SIDE, IN TERMS OF REDUCED EMISSIONS AND PRODUCTION COSTS

GUARDATUSTESSO: A WINNING IDEA FOR SAUCES, NOW EXTENDED TO PASTA?

Launched in Italy in 2014 to help people find out more about Barilla sauces, [Guardatustesso](#) got a makeover 2017 and now contains new content dedicated to pasta. "Discover, live, ask" are the three new sections created to host in-depth content and provide a range of digital experiences that give consumers a better understanding of Barilla's passion for quality.

This means that anyone can get a first-hand view of the entire pasta supply chain and take a virtual tour of a production plant or a wheat field, so as to find out all there is to know about the quality and origin of the durum wheat we use. And you can even use the portal to book a real-life visit to one of the Barilla plants. The aim is to demonstrate our ongoing commitment to producing top-quality pasta at all times. This is a brand storytelling that touches upon numerous aspects of production, from field to fork. It spans the cultivation and selection of raw ingredients, the professionalism of the people working in the supply chain, and production processes incorporating the highest standards of food safety and occupational safety. It also concerns the increasing consideration given to environmental impact, resulting in a reduction in energy consumption, carbon dioxide emissions and water consumption.





BARILLA SAUCES

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BARILLA SAUCES are not just products, but also recipes for enriching pasta. They have been developed with goodness in mind in terms of **TASTE, SAFETY** and **SUSTAINABILITY**, to offer people a gastronomic pleasure, which contributes to their wellbeing while respecting the Planet.

”

BARILLA SAUCES



1 RAW MATERIALS

THE QUALITY OF RAW MATERIALS

Barilla selects the best raw materials all over the world for the quality of its products. **100% of our suppliers of raw materials** and packaging are selected for quality and food safety.

TOMATO

Barilla purchases approximately **63,000 tonnes** of tomato every year. **84%** of the **Italian tomato** used by Barilla is certified according to the **Global G.A.P. sustainable agriculture standard**.

1 study was conducted in partnership with UC Davis University of California, aimed at measuring improvements in water consumption and CO₂ emissions during cultivation and processing over the past 10 years, and developing further plans for improvement.

BASIL

Over **3,000 tonnes** per year: **100% from selected producers**. To make our Pesto alla Genovese, seasonal basil is harvested at dawn and then processed few hours later and a few kilometers away in the Rubbiano plant Parma.

MEAT

100% traceable meat.

Barilla requires suppliers to guarantee **Animal Welfare** standards, and includes specific clauses in the purchasing contracts. **1 Guideline on Animal Welfare** has been developed, which covers **100% of purchases of pork and beef**.

2 RESEARCH AND DEVELOPMENT

CARE FOR WELLBEING

In line with its **Nutritional Guidelines**, Barilla pays the utmost attention to the nutritional profile of its products and continually improves its recipes. In 2017 we revised the **salt and/or sugar content** of 12 sauces.

QUALITY CONTROLS

More than **126,000 controls** were carried out in 2017, including **10,000 on raw materials** entering the plant, **114,000 on processes and products**, **over 2,000 on packaging**, plus **200 audits on suppliers**.

TECHNOLOGIES

Thanks to its **Manufacturing Execution System (MES)**, Barilla electronically controls every stage of the production process of its sauces.

3 PRODUCTION

RUBBIANO

Two thirds of Barilla's sauces and over **98%** of its pestos are produced at the Rubbiano plant, near Parma. Thanks to substantial investments, over the next 8 months it will become the **largest sauce production facility in Europe**.

NATURAL RESOURCES

Barilla has reduced its **water consumption by 15%** and **CO₂ emissions by 49%** for every tonne of sauces and pestos since 2013.

WASTE AND PACKAGING

92% of the waste generated by our plants is **sent to recycling** and **100% of the jars and caps we use are recyclable**.

4 LOGISTICS AND SALES

PRODUCT TRANSPORT

6,300 tests are carried out every year by Barilla to check the **level of hygiene and cleanliness** of loads departing from the production sites of Rubbiano and Casalasco, and the **same number on shipments** entering the first destination facility.

GUARDATUSTESSO

In 2017, **3 new tractor units running on liquefied natural gas** were added to our vehicle fleet, reducing nitrogen oxide emissions by **70%** and particulate emissions by **99%**.

5 COMMUNICATION

PRODUCT ENVIRONMENTAL DECLARATION

4 Environmental Declarations relating to Barilla sauces and pestos: these verified, public documents illustrate the environmental performance of our products and are available on www.environdec.com

GUARDATUSTESSO

1 new digital communication platform, illustrating the entire supply chain for pasta and sauces, from the selection of raw materials to the table.

6 CONSUMPTION

CARE FOR EVERYONE'S NEEDS

2017 saw the launch of our **100% vegetable sauces**, with no ingredients of animal origin and no lactose, to meet the changing needs of consumers.

Barilla embraces the needs of different cultures and religious faiths as far as possible. As such, many of our sauces have been awarded **Kosher** and **Halal** certifications.



OUR INGREDIENTS: FEW AND GOOD

Interview with
ELENA TABELLINI
Barilla Global Marketing

SAUCES AND PESTOS THAT ARE GOOD FROM FIELD TO FORK: WHAT DOES THIS MEAN?

The history of Barilla's sauces and pestos is based on attention for good products, passion for our know-how and respect for nature.

Selecting the **best raw materials** is our starting point for creating good products, **not just in terms of their quality, but their sustainability too**.

The **rights of the people involved** and the **impact of our activities on the Planet** and on **animal welfare** are key parameters in the selection of our ingredients.

For us, the concept of good industry starts with the use of just a few ingredients and controlled production processes, in order to make a good product, in terms of taste, nutrition and safety.

HUMAN RIGHTS, IMPACT ON THE PLANET, AND ANIMAL WELFARE

HOW ARE THE RECIPES FOR BARILLA SAUCES AND PESTOS DEVELOPED?

The recipes for Barilla sauces and pestos are developed on the basis of careful research into the needs and lifestyles of people. Together with our chefs and colleagues of the research and development department, we prepare sauces and pestos in the same way we would do at home, with a few authentic ingredients, paying the utmost attention to the nutritional balance of the finished product. To produce these recipes on a large scale in our production plants, it is highly strategic to select suppliers of high-quality, sustainably cultivated raw materials. This also enables us to produce sauces without the addition of preservatives, colorings or other additives, while ensuring high standards of tasty and good food, every day. We pay constant attention to the nutritional balance of our products, and even reformulate existing recipes to keep improving them continuously. In 2017, for example, we revised the salt and/or sugar content of 12 sauces, which consumers will find on the shelves as of the beginning of 2018.



Barilla's offering is also built around people with specific needs. That is how we developed our **100% vegetable sauces**, which are rich in flavor, nutritionally balanced, free from ingredients of animal origin and suitable for people with lactose intolerance. We also embrace the needs of different **cultures and religious faiths**. That is why several of our sauces have been awarded with the Kosher and Halal certification.

THE ORIGIN OF THE RAW MATERIALS PLAYS A VITAL ROLE IN ENSURING THE QUALITY OF A PRODUCT. WHAT KIND OF RELATIONSHIP DO YOU HAVE WITH YOUR SUPPLIERS?

Our approach to quality starts with the careful selection of our suppliers and the raw materials we use, so as to bring people top quality and food safety, guaranteed. We know our suppliers well. So we know, for example, exactly where our tomatoes and basil come from and how they are grown. Furthermore, we visit them periodically, including in the pre-harvest season. In 2017 alone we conducted **126,000 controls** and **200 audits**. We make sure that **standards of animal welfare are guaranteed**, by including specific requirements in our contracts. We also have a regular schedule of audits in place, to verify compliance. In 2014 we launched a major project with our meat suppliers, aimed at developing new Guidelines on

animal welfare, which cover all our purchases of pork and beef. This partnership culminated in the signing of a joint document, which covers 100% of our supplies of pork and beef, equating to 80% of all the meat used in our sauces. 2018 will see the completion of an implementation plan for all our animal welfare practices.

HOW CAN A PRODUCT BE GOOD FOR THE PLANET TOO?

We pay extremely close attention to the use of natural resources in our production processes. By deploying a range of improvement measures, we have managed to **reduce water consumption by approximately 15%** and **CO₂ emissions by 49%** for each tonne of sauce produced at Rubbiano since 2013. This is also attributable to energy saving projects and the purchase of electricity covered by Guarantees of Origin, (GO), which certify that it derives from a renewable source. Our packaging is also important: **100% of the jars and caps we use are recyclable**. With regard to the cultivation of tomatoes, we have completed a study in the United States, in partnership with UC Davis University of California, aimed at measuring reductions in water consumption and greenhouse gas emissions in the field over the past ten years, and the results are really encouraging.



WASA PRODUCTS



“

Wasa is about to embark on a journey to become an **ICONIC SWEDISH BRAND ON A WORLDWIDE SCALE.** This will enable consumers all over the world to enjoy crispbread for all occasions and the healthy snacks they want. So it is a real example of **GOOD FOR YOU, GOOD FOR THE PLANET.**

”

WASA PRODUCTS



1 RAW MATERIALS

LOCAL ORIGIN

Barilla is committed to purchasing 100% of its rye and rye flour in the same countries in which the processing plants are located, namely **Germany** and **Sweden**. If the rye from these countries is not suitable for quality production due to adverse weather events, Barilla purchases it in neighboring countries to ensure the best blend.

In 2017 Barilla purchased 100% in Germany and 99% in Sweden.

100% OF PRODUCTS ARE PALM OIL-FREE

2 RESEARCH AND DEVELOPMENT

PRODUCTS GEARED TOWARDS WELLBEING

Of all the cereals, rye is the richest source of **dietary fiber**. A diet rich in rye can make a major contribution to achieving the recommended daily intake of wholegrain cereals, and rye is known to improve intestinal health.

Wasa's rye-based products are:

- 90% products with low sugar content.
- 100% products with high fiber content.
- 65% products made of wholegrain cereals.

THE "RYE POWER" PROJECT

Rye is a valuable cereal containing many fibers and minerals. Barilla is conducting **intensive research** to show its nutritional and health benefits, called *Rye Power*.

3 PRODUCTION

This involves:

1 platform for innovation and research concerning the benefits of rye: *Nordic Rye Forum*.

2 key partnerships: the Swedish University of Agricultural Science in Uppsala and the Chalmers University of Technology in Gothenburg.

INGREDIENTS LIST

We revised 100% of our recipes for filled snacks in 2017, to reduce the ingredients and improve the recipes. As a result, we replaced 100% of our processed cheese.

4 LOGISTICS AND SALES

TWO PRODUCTION PLANTS

Most of Wasa's production takes place in two plants: **Filipstad** in Sweden and **Celle** in Germany.

RENEWABLE ENERGY

The electricity used to power our production processes is purchased from suppliers who certify that it originates from a **renewable source**, by means of *Guarantee of Origin (GO) certification*.

CARE FOR THE PLANET

Since 2010, Barilla has reduced CO₂ emissions by 82% and water consumption by 15% per tonne of Wasa product at the Filipstad and Celle plants.

5 COMMUNICATION

RAIL TRANSPORT

70%

of products transported from Sweden to Norway and between Germany and Sweden travel **by rail**, thus reducing CO₂ emissions by 1,612 tonnes compared to the use of 100% road transport.

GLOBAL SALES

In addition to Sweden, the other Nordic countries are the main markets for Wasa products: Wasa is sold in over 50 countries, from Scandinavia to America.

NEW BRAND VALUES

Love of nature, active lifestyle, the family friendliness and progressiveness.

OUR BREAD

1 new communication campaign based on the new brand values, with a strong emphasis on the message *Good for You, Good for the Planet*.

6 CONSUMPTION

PRODUCTS FOR SPECIFIC NEEDS

We launched several new products in 2017:

- 2 organic products: one made with rye and one with wheat.
- 1 heritage grains product made with spelt and chia.
- 2 new gluten-free products.
- Our first vegan snack filled with hummus. With 100% vegetable proteins and 40% less fat than cheese snacks.

A NATURAL GLOBAL JOURNEY

Interview with
THERESA MURCIA
Barilla Global Marketing

HOW WOULD YOU DESCRIBE THE PERSONALITY OF THE WASA BRAND?

Wasa is a relatively new brand for Barilla. Wasa has been [the world's largest producer of crispbread](#) since 1919, and sells its products in over 50 countries, from Sweden to America. Wasa joined the Barilla Group in 1999 together with numerous other brands of bakery products, such as Mulino Bianco, Harrys and Pavesi. In addition to Sweden, the most important markets for the Wasa brand are now the other Nordic countries and Germany, followed by the Netherlands, France and the United States.

Our Swedish roots are deep and are reflected in our values and in the DNA of our products. They inform the way we think, at a global level, and shine through in everything we do. They are also fully aligned with our company's mission: Good for You, Good for the Planet, which is another stand-out feature of the Wasa brand.

SWEDISH ROOTS, GLOBAL MARKETS

WHAT IS YOUR AMBITION AND WHY?

Wasa is on track to become an iconic, worldwide [Swedish food brand](#) that is distributed everywhere to bring consumers a wide variety of crispbreads and health-oriented snacks. Through Wasa, we are confident that we can give people food that is good for them and good for the environment. Wasa is emblematic of our company's values. That is why it has the power to promote not only products, but a [healthy, sustainable lifestyle](#).

GIVE CONSUMERS WHAT THEY WANT

WHAT ARE THE VALUES YOU WANT TO EMPHASISE?

Our brand values are profoundly Swedish, but we believe they can be attractive at a global level. They are: [love of nature, active lifestyle, the family friendliness and progressiveness](#). We are building a brand that loves our Planet and respects its richness. We also want to promote a positive lifestyle for the wellbeing of people, based on a healthy diet and active living.



And lastly, we are gradually building the future of the brand with new sustainability initiatives.

HOW DO YOU CONTRIBUTE TO PEOPLE WELLBEING?

Our products contain a few simple ingredients and have an excellent flavor without being too sweet. They contain wholegrain cereals and fibers, as well as being a source of minerals and vitamins. We are conducting several studies to gain a deeper insight into their nutritional properties, so that we can raise awareness of these through our communications.

These functional properties give consumers a healthier option and a feeling of purity and wellness.

WHICH PRODUCTS, IN PARTICULAR, HIGHLIGHT THIS COMMITMENT?

We launched several new products in 2017 with a distinctly Good for You, Good for the Planet character. Two of these products are completely organic: one made with rye and one with wheat. We launched our first crisp-breads with heritage grains, made with wholegrain spelt and chia, which are a good source of iron and proteins.

WE HAVE SIMPLIFIED OUR RECIPES AND INGREDIENTS LISTS

We launched two new gluten-free products. And we reformulated the recipes for our filled snacks in 2018, to improve their nutritional profile, while at the same time designing new packaging and a new communication strategy. All this was done with a new hero product: the innovative **hummus-filled snack**, which is our first vegan snack made with chick-peas. Our aim was to simplify the recipes and ingredient lists for our snacks, and make them a benchmark choice for their delicious taste and healthy content.

WHAT CAN YOU TELL US ABOUT WASA IN RELATION TO SUSTAINABLE PRODUCTION?

Wasa's bakeries are located mainly in Filipstad in Sweden and in Celle in Germany. We are continuously improving our production process to make it more and more sustainable.

Our greenhouse gas emissions are decreasing thanks to more efficient use of energy and an increase in our use of electricity from renewable sources, whose origin is certified by *Guarantee of Origin (GO) certification*.



HOW HAVE YOU STARTED
COMMUNICATING THESE VALUES
TO PEOPLE?

We developed a new brand campaign in 2017 around the concept *Our Bread*, based on Wasa values and with a strong emphasis on the message Good for You, Good for the Planet.

Our television advertising communicates our four brand values and their connection with our products, using visual metaphors.

The digital platform for Our Bread is a campaign on YouTube consisting of eight short

**OUR
COMMUNICATION
STYLE IS
CHANGING**

Life Stories, about the adventures of people who embrace sustainable lifestyles with a strong connection to nature and Wasa products.

Both the television advertising and the digital campaign have been very well appreciated. The *Life Stories* have been met with particular acclaim, especially amongst a younger community.

Our communication style is clearly changing. We are working on positioning our brand in a more sustainable way and we have the commitment to giving people healthier options.



OUR PATH

GOOD FOR YOU

GASTRONOMY, NUTRITION AND WELLBEING

By 2030, Barilla will be promoting the best products and nutritional models, inspired by the Mediterranean Diet, to enhance people's wellbeing through leisure experiences.

| AREA | GOAL | 2017 |
|------------------------|--|------|
| SELECTED RAW MATERIALS | By 2030, 100% of raw materials suppliers to be certified to an international food safety standard recognized by the <i>Global Food Safety Initiative</i> (GFSI). | 80% |

| | | |
|---------------|--|-------|
| SAFE PRODUCTS | By 2020, 100% of product volumes to be aligned with the most advanced quality and food safety standards. | 99.4% |
| | By 2020, 100% of Barilla plants to be certified to the international food safety standard FSCC 22000. | 96.4% |

| | | |
|-------------------------------|--|------|
| IMPROVED NUTRITIONAL PROFILES | By 2020, 90% of the total volume of products to be in line with Barilla Nutritional Guidelines. | 86% |
| | By 2030, ensure that 85% of bakery products sold in single portions contain no more than 150 Kcal. | 70% |
| | By 2030, ensure that <i>better for you</i> products, such as wholegrain, high-fiber and high-protein items, account for at least 30% of Barilla total volumes. | 8.4% |

| | | |
|-----------------------|---|--|
| RESPONSIBLE MARKETING | We undertake to ensure that all our marketing and communication activities comply with the Barilla Responsible Marketing Principles so as to: | Barilla Responsible Marketing Principles published on the Group website. |
| | 1) Promote food as a positive daily habit. | |
| | 2) Pay particular attention to children as a sensitive target. | |
| | 3) Promote and support healthy lifestyles. | |
| | 4) Make responsible use of people's digital data. | |

Barilla has set itself measurable goals for sustainable development, which it extends year after year, to ensure continuous improvement in its response to the needs of individuals and the Planet wellbeing. Follow our path.

GOOD FOR THE PLANET

RESPONSIBILITY, TRANSPARENCY AND TRACEABILITY

By 2030, Barilla will improve the sustainability of its products, by responsibly managing all processes, from field to fork, and ensuring traceability and transparency.

| AREA | GOAL | 2017 |
|-------------------------|--|------|
| SUSTAINABLE AGRICULTURE | By 2020 responsibly purchase of 100% strategic raw materials, in line with the Barilla Code of Sustainable Agriculture. Of which: | 40% |

| | | |
|-------------------------------|---------------|-----|
| SUSTAINABLE PRODUCTION | Durum Wheat | 35% |
| | Semolina | 65% |
| RECYCLABILITY AND WASTE | Tomato | 84% |
| | Cocoa | 12% |
| TRACEABILITY AND TRANSPARENCY | Sunflower oil | 43% |
| | Flour | 39% |

| | | |
|-------------------------------|--|------|
| RECYCLABILITY AND WASTE | By 2020, reduce CO ₂ emissions per tonne of product by 30% compared with 2010. | -29% |
| | By 2020, reduce water consumption per tonne of product by 30% compared with 2010. | -23% |
| TRACEABILITY AND TRANSPARENCY | By 2020, ensure that 100% of packaging is responsibly purchased, in line with the Barilla Global Packaging policy. | 99% |
| | By 2020, achieve the target of zero waste to landfill at our plants. | <10% |

| | | |
|--|--|--|
| ANIMAL AND SOCIAL WELFARE | By 2030, ensure that 100% of supply chains of strategic raw materials are transparent. | 80% |
| | By 2030, at least 90% of product volumes traced by single sales unit. | 20% |
| Business Benchmark on Farm Animal Welfare: level 3 | By 2020, purchase 100% of eggs and meat with high levels of animal welfare and reach level 2 of the Business Benchmark on Farm Animal Welfare (BBFAW). | Business Benchmark on Farm Animal Welfare: level 3 |
| | By 2020, at least 10,000 farmers involved in the Barilla Sustainable Agriculture Program. | over 5,000 |

NOTES

BARILLA G. E R. FRATELLI
SINGLE-MEMBER JOINT STOCK COMPANY
UNDER THE DIRECTION AND COORDINATION
OF BARILLA INIZIATIVE S.R.L.

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