



The situation in developed countries is complex:

- people are living longer and average age has increased;
- there has been a significant increase in obesity cases and metabolic syndromes starting from an early age in the latest generations;
- there is growing pressure from institutions to launch initiatives to prevent illnesses caused by unhealthy eating.

Food companies are called upon to produce food and nutritional models that are designed to improve people's health.

**COMMITMENT 1**  
**DAILY WELL-BEING**

*Contribute to people's health and well-being every day through our products by transforming high-quality ingredients into safe, wholesome products that meet both basic and specific nutritional requirements and offer people everyday solutions that aspire to the Mediterranean diet.*

**2008 ACTIONS AND RESULTS**

- Range of products designed with specific nutritional qualities extended: on a global level, around 400 products (more than 30% of total products) carry nutritional or health claims.
- Process to bring products of acquired brands in line with Barilla corporate guidelines: more than 99% of products sold worldwide do not contain artificial colorants and none of our products contain hydrogenated oils or fats and GMOs.
- A detailed project carried out to reformulate the nutritional content of the Saccottini product range (breakfast pastries filled with chocolate cream, pastry cream and apricot jam) by reducing the saturated fat content.
- Joined the Gaining Health project promoted by the Italian Department of Health as part of the AIIPA (Italian Association of Food Manufacturing Industries) project to limit the salt content of bread.
- Supported seven projects run by public authorities in the last three years aimed at food education for school children.

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Execute a plan to improve continuously our products' nutritional profile in line with recent international guidelines. More specifically, reformulate 80 existing products to: reduce the content of salt, sugar and saturated fats and increase wholewheat cereals and fibers.
- Create natural, wholesome products using safe, high quality ingredients. In particular eliminate the use of artificial colorants and hydrogenated fats and oils from all products.

**COMMITMENT 2**

**PRODUCT FOR SPECIFIC DIETARY NEEDS**

*Contribute to people's well-being by offering products that meet specific dietary needs.*

**2008 ACTIONS AND RESULTS**

- Improved the product range for specific dietary needs with particular focus on fibre content, different types of pulses and wholewheat cereals, Omega-3 (49 new products in the last 3 years, including 8 in 2008).
- Alixir range developed, providing benefits disclosed in health claim labels: controls cholesterol, improves intestinal function, fights free radicals and boosts immune systems.
- Strengthened collaboration with universities and nutritional research centres around the world, with particular focus on the metabolic effects of Barilla products.
- Invested Euro 4.6 million worldwide over the last 3 years and conducted more than 60 new experimental studies and broadened nutritional analyses.
- Actively contributed to the direction and execution of European research programs on nutrition and food safety, such as "Healthgain" and "Food for Life".

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Launch 60 new products worldwide that satisfy specific nutritional needs. This will focus on products with specific nutritional claims, health products and wholewheat based products (containing more than 25%) and fruit and vegetable based products (containing more than 20%).



Consumers look to companies, especially food companies, to guarantee the quality and safety of the products sold and the economic, social and environmental sustainability of the supply chain in which they operate, which are becoming increasingly more complex due to the global nature of markets.

**COMMITMENT 1**  
**SUPPLIER PARTNERSHIP**

*Encourage partnerships, or at least close cooperation, with suppliers in strategic networks.*

**2008 ACTIONS AND RESULTS**

- A high quality variety of durum wheat (Aureo) was selected using traditional methods and will reduce wheat imports.
- Wheat and tomato "Barilla Integrated supply chain model" has been expanded further: 30% of durum wheat purchased in Italy is sourced from supply chains thanks to agreements with the Emilia Romagna Region and the SIGRAD Consortium in the Puglia, Marche and Tuscany regions; the corresponding amounts in Greece and Turkey are 20% and 10% respectively. Agreement with the Interprovincial Association of Fruit and Vegetable Producers (AINPO) for the supply of tomatoes in the provinces of Parma and Piacenza (Italy).
- Palm Oil and Cocoa derivatives supply chains present problems for both environmental and social sustainability.
- Palm oil supply chain: 80% of our palm oil requirements is satisfied by members of the RSPO (Roundtable for Sustainable Palm Oil); 70% of this total is guaranteed from oil produced in Malaysia and Papua New Guinea as these countries offer greater assurance in terms of compliance with environmental regulations.
- Cocoa supply chain: 80% of cocoa based product requirements is guaranteed by members of the ICCO (International Cocoa Organization), an organisation that establishes and controls production standards, and the WCF (World Cocoa Foundation), an organisation that promotes economic-social development projects in the field of manufacturing. 50% of the transformation facilities in Africa used by our cocoa suppliers were checked and found to comply with the Barilla Code of Conduct (based on SA8000 standards).

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Extend controls over the key agricultural raw materials supply chains including the availability and quality of arable soil, water requirements, fertilisers and the impact on climate change.
- Readdress the genetic improvement programs and develop cultivation practices, quality and food safety objectives, with environmental improvement targets, such as soil fertility defence, eutrophication, water consumption and carbon dioxide emissions reduction.
- Increase by 20% the amount of durum wheat procured under cultivation contracts.
- Extend the model to forecast durum wheat crops (DELPHI) to the Mediterranean basin.

**COMMITMENT 2**

**STANDARDS**

*Continuously improve the safety and quality of supplies and finalise sustainability standards to form the basis of all supplier relationships.*

**2008 ACTIONS AND RESULTS**

- Systematic use of Barilla instruments to guarantee supply quality and safety: "Technical Specifications" and "Supply Quality Specifications".
- Supplier selection, qualification and evaluation criteria adoption: Barilla "Process of Supplier Qualification and Evaluation", BRC (British Retail Consortium) and IFS (International Food Standard), which are among the most internationally widespread systems.
- More extension use of specific wheat "Cultivation and Storage Rules".

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Measure the environmental impact of the key supply chains in terms of Carbon Footprint, Water Footprint and Ecological Footprint.
- Define environmental impacts standards and commence improvement projects in conjunction with suppliers throughout all stages of the supply chain.
- Satisfy 100% of palm oil demand using suppliers that are a member of RSPO and that mainly originate from Malaysia or Papua New Guinea.
- Purchase cocoa from suppliers who are members of ICCO and the WCF that have processing facilities in Africa that conform with the Code of Conduct and have been checked and received a positive outcome.



We live in difficult times:

- atmospheric emissions produced by human activity are causing climate change;
  - the exhaustion of non-renewable natural resources, including fossil fuels, is expected;
  - agricultural crops grown to feed humans and animals and to energy use, are competing for increasingly limited resources such as arable soil and water;
  - human demand for fresh water has more than doubled in the last century.
- It is essential that companies adopt sustainable practices, in particular to secure the survival of their own businesses.

**COMMITMENT 1**  
**REDUCING OUR ECOLOGICAL FOOTPRINT**

*The Ecological Footprint will be reduced through two priority commitments: cut greenhouse gas emissions (GHG) generated in the industry in line with the Kyoto Protocol targets and minimise other environmental impacts along the supply chain, with particular attention to packaging materials in terms of reduction and recycling.*

**2008 ACTIONS AND RESULTS**

- Ecological Footprint of pasta with only durum wheat semolina, produced in Italy, measured using LCA (Life Cycle Analysis): wheat cultivation and cooking of pasta are the most significant in terms of CO<sub>2</sub> eq emissions (approximately 500gr/CO<sub>2</sub> eq per half kg packet); the impact of packaging and transport is limited (less than 5% each).
- Ecological Footprint of a half kg packet of pasta with only semolina was measured: 6.2 global m<sup>2</sup>.
- Environmental Management System ISO 14001: 57% of our factories has a system certified by an independent third party body (73% of total production).
- A specific LCA Tool was developed and implemented to measure the environmental impact of packaging design and development in order to make them as sustainable as possible.
- Non eco-compatible components progressively eliminated and greater use of mono-material, easier to recycle packaging.

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Develop and apply the Ecological Footprint calculation to all Barilla products, fixing global targets.
- Reduce the Carbon Footprint of Barilla products by 15% (compared to 2008 values).
- Reduce the direct and indirect Energy Global Warming Potential (GWP) by 30% (compared to 2008 values).
- Increase the percentage of recyclable packaging on the market to 95% of total packaging (compared to 2008 values).

**COMMITMENT 2**

**ENERGY EFFICIENCY**

*Develop products and processes as energetically efficient as possible along the whole supply chain, reducing, where opportunity arises, the dependence on fossil fuels such as oil and coal.*

**2008 ACTIONS AND RESULTS**

- Energy Saving Project: an energy saving project was implemented in all of the Italian bakeries that reduced electrical energy consumption by 9% and thermal energy consumption by 3% over a two year period.
- Use of fossil fuels in Filipstad facility in Sweden (Wasa) was progressively reduced: -65% consumption per unit of product and an even greater fall in the factory's CO<sub>2</sub> eq emissions (GWP).
- Cogeneration: operative at the Pedrignano plant from the end of 2008 (with the first benefits in terms of CO<sub>2</sub> eq reduction), and construction commenced on a trigeneration equipment at the Caserta factory.
- Energy consumption in 2008 amounted to 4,7 Mil GJ (Electrical Energy + Thermal Energy): energy consumption remained constant against a 4% increase in production in the three years from 2006-2008, allowing a 5% fall in energy consumption per ton of finished product, while total CO<sub>2</sub> eq emissions (GWP) only increased by 2%.

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Reduce the total energy consumption per finished product by 10% (compared to 2008 values).

**COMMITMENT 3**

**MANAGEMENT OF WATER RESOURCES**

*Rationalise the use of water supplies used in the supply chain.*

**2008 ACTIONS AND RESULTS**

- Measured Water Footprint of pasta with only durum wheat semolina, produced in Italy: 1,400 litres per kg of product.
- A global structured plan to rationalise use of water resources was developed.
- Water consumption of factories amounted to 3 million m<sup>3</sup> in 2008.
- 17% fall in water consumption of Barilla factories throughout the world (2006-2008).
- 30% fall in water consumption of Barilla's Italian manufacturing facilities.

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Develop and apply the Water Footprint calculation to Barilla products, fixing targets.
- Reduce the water consumption of finished products by 30% (compared to 2008 values).



As a result of globalization, companies are operating in a multicultural environment and their values need to be adapted accordingly.

**COMMITMENT 1**  
**CARE FOR AND DEVELOPMENT OF INDIVIDUALS**

*Promote employees' integration and their skills and competencies, by developing national and international programs that find the best ways to advance their welfare and ensure their health and safety.*

**2008 ACTIONS AND RESULTS**

- Barilla People consist of 9,500 individuals (the 6,500 Lieken employees have not been counted as this company is not currently included in the report).
- The new Barilla Leadership Model that defines the distinctive corporate conduct of Barilla People was adopted.
- Internship, representing a 6 month training program, is main route of entry to the company. 47% of internees employed full time.
- Training activities carried out at all levels. 32% of managers and 42% of middle management in Italy attended a training program. Barilla America was awarded the Corporate University Best in Class.
- Expenditure on training activities in Italy amounted to Euro 1.7 million.
- Expansion plan to cover all employees with Supplementary Health Fund commenced. The cost of this benefit amounted to 4% of overall employee costs.
- 25% of managers in Italy are female and 4% of employees have a part time contract.
- Dialogue and comparison with trade unions is demonstrated by the fact that only 40 disputes were raised out of a total 4,715 employees in Italy.
- The Barilla Environment and Safety Management System Integrated Model was implemented in accordance with BS-OHSAS 18001 and ISO 14001.
- 4 production facilities certified by DNV in accordance with British Standard 18001.
- More than 70 Health and Safety Audits performed in Italy and overseas.
- Accidents fell by 17%, Gravity Index remained stable.
- 67% of managers in Italy are covered by the supplementary pension plan (Alifond).
- 39% of total employees in Italy are trade union members.

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Increase the current investment in People Care by 20%.
- Increase the number of training days, from the current average of 2 to 5 per employee.
- Reduce the number of days absence due to accidents at work by 50% (the long-term target is nil critical accidents).

**COMMITMENT 2**

**INDIVIDUAL AND WIDESPREAD RESPONSIBILITY**

*Promote and strengthen a culture of individual responsibility in which individuals take charge of their own role.*

**2008 ACTIONS AND RESULTS**

- Corporate reorganisation based on three operational areas: Business Units, Market Units and Process Units.
- Intervention of the Supervisory Board was required for only 3 breaches of the Code of Ethics and 2 cases of conflict of interest.

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Extend the concept of widespread responsibility through training on the Code of Ethics and corporate responsibility.



In a fast-moving, complex world:

- people live in a climate of great insecurity;
  - consumers are overwhelmed by a wave of products, advertising and messages;
  - contradictory information makes consumers wary of companies' products and advertising.
- Foods manufacturers must reconcile the legitimate aim to sustain growth with a dutiful and proactive respect for the rules of healthy eating, adopting a form of communication that is unequivocal and promotes a healthy lifestyle.

**COMMITMENT 1**  
**SAFETY AND QUALITY**

*Promote healthier and greater quality foods, providing the consumer with information about the safety of raw materials used and the manufacturing systems adopted.*

**2008 ACTIONS AND RESULTS**

- 96% of the 47,500 raw material batches analysed conformed to Barilla standards.
- Good Manufacturing Practices adopted in each of 25 factories and 9 mills across 10 countries (179 production lines); compliance with more than 600 hygiene-sanitary operating regulations guaranteed and risk analysis and critical control points updated continuously to avoid contamination.
- 12 people involved in 450 days training on the Food Safety in the supply chain project.
- 87,400 finished products batches analysed before being sent to the market: 92% fully compliant; 8% with minor imperfections in the appearance that did not meet Barilla's high standards of excellence.
- Consumer contact: 38% through promotional activities, 16% through product queries, 8% through nutritional queries and 38% due to customer complaints.
- Good Distribution Practices adopted in the 125 countries in which Barilla manages product distribution.
- Euro 28 million invested in prevention and control relating to our product quality and safety.

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Expand the Barilla control standards for raw materials and finished products to the Harry's France and Harry's Russia factories and proceed towards full integration. Develop plans that guarantee a 10% annual increase in conformance rates.

**COMMITMENT 2**

**COMMUNICATION**

*Communicate fully and transparently, being careful to avoid encouraging excess or inappropriate use of our products compared to basic dietary needs dictated by healthy eating principles, especially where advertising is directed at children.*

**2008 ACTIONS AND RESULTS**

- Barilla sells more than 1,000 products under 12 brands that cover all eating occasions.
- A detailed nutritional table is provided on more than 85% of its products; 41% of these provide recommended portion sizes; 25% provide advice on healthy living or balance diets and 84% give recommendations on product preparation or its consumption.
- The Italian Competition Commission commenced procedures to ascertain whether advertising messages on Alixir product packaging were misleading. These were rectified following findings published by the Ministry of Health.
- The Group's 8 brands can be accessed via the www.barillagroup.com website. 6 of these websites provide detailed nutritional tables, 7 provide suggestions on how to lead a healthy lifestyle or information on balanced diets, 3 recommend maximum portion sizes and 5 provide instructions on how to prepare the product.

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Significantly improve the completeness and quality of nutritional information provided on packaging and on the Barilla and individual brand websites, ensuring for all products on a worldwide scale that:
  - they are accompanied by a detailed nutritional label;
  - they contain recommendations for a balanced diet and healthy lifestyle;
  - there are suggestions regarding consumption (in particular, ideal portion sizes and ideas on how to combine products).



International companies are required by the numerous communities in which they operate to assume the role of active partners, and therefore be jointly responsible for the community's general welfare.

**COMMITMENT 1**  
**DEVELOPMENT**

*Participate in the development processes of all communities in which the company operates, either by direct intervention or through dialogue and cooperation with institutions.*

**2008 ACTIONS AND RESULTS**

- Barilla employs 7,450 people who work directly in the production facilities, mills and distribution network; 750 are involved indirectly in production; the sales force in Italy consists of 225 employees and 399 indirect sales agents; 1,375 people work indirectly for Barilla in logistics.
- Barilla owns 25 production plants and 9 wheat grinding mills across 10 countries. It also has 8 logistics facilities in Italy.
- 359 tons of our products were donated to support organisations or initiatives. Donations to Feeding America (USA) and Banco Alimentare (Italy) amounted to 334 and 1,414 tons respectively.
- Activities that create social value and promote aggregation and solidarity in the community are sponsored.
- Annual donation of infrastructures or medical-sanitary equipment by one of the Group's production sites.
- Contributions made towards construction of the Parma Children's Hospital (Euro 8 million over five years).
- Important scientific contribution made towards safeguarding the environment through support for new rules regarding the location of landfills throughout the entire province of Mantova.

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Implement a long-term project that supports development of the communities in which Barilla operates, both in Italy and abroad. Dedicate suitable resources to this project, working closely with the stakeholders to meet the priorities identified by them, and be a key player in the development of the communities in which the factories are located.

**COMMITMENT 2**

**EDUCATION**

*Encourage and support educational efforts to promote a responsible lifestyle among young people and adults (health, exercise, nutrition, protecting the environment) and to contribute to the health of the communities in which the company operates.*

**2008 ACTIONS AND RESULTS**

- The Giocampus (founded in 2002) activities were consolidated and expanded. This project was developed in collaboration with the University Sports Centre and the University of Parma in order to promote physical exercise, food education and healthy lifestyles amongst young people. 15,000 children and 150 professionals have participated in the initiative over the last 7 years.
- A survey was carried out during Giocampus from which it emerged that 22% of children do not eat breakfast 5 days a week. Educational activities were designed to help adopt healthy eating habits.
- The project "Barilla 1...2...3...Vial", in its second edition in Bari, provided 15 hours of physical exercise to each of the 8,600 primary school pupils. This was carried out in collaboration with local and national authorities and the sports world. In addition to the teachers, 20 physical education consultants and 9 dieticians from ANDID (Dieticians Association) Puglia were involved.
- "Barilla 1...2...3...Vial" in Parma has involved 7,000 children between 6 and 11 years of age and 680 teachers assisted by 70 experts to provide a total of 60 hours of physical education per child.
- Anthropometric measurements and other data were gathered as part of "Barilla 1...2...3...Vial". Data published in the Scandinavian Journal of Medicine & Science in Sport showed significant improvements in a number of the parameters.

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Ensure that the Giocampus project is recognized as an excellent educational project model and make it available to local and national enterprises and any other socially active parties.



Companies have:

- in the past failed their stakeholders (financial scandals, bankruptcy fraud, environmental disasters, accidents at work);
- as a result bred mistrust among civil society.

Companies must now take up the challenge they have been putting off for a long time, for which they need the support of their stakeholders.

**COMMITMENT 1**  
**RELATIONS WITH STAKEHOLDERS**

*Involve stakeholders as far as possible in company practices, by establishing a dialectical relationship that produces maximum value both for them and for Barilla.*

**2008 ACTIONS AND RESULTS**

- A map of Barilla's stakeholders was prepared with the assistance of all areas of management and departments across the organisation: 116 separate categories were identified that were classified based on the type of relationship with the company.
- Two stakeholder forums were held: the aim of the first forum was to define Barilla's area of responsibility; the second forum established the challenges and commitments for each of these areas of responsibility.
- The actions undertaken as a result of the forums were reported.
- Discussions were held with packaging and raw materials suppliers, consumers, institutions and members of the scientific community.

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Consolidate practices that allow the effective involvement of all stakeholders in the processes to which they pertain. For this purpose at least two panels relating to the reporting process should be organized each year alongside other meetings relating to facts, projects, activities, which bearing direct or indirect consequences for one or more stakeholder categories require their prior intervention to secure their valuable participation in the process.
- Subsequent to each meeting, demonstrate the way in which each contribution was tackled and any resulting actions.

**COMMITMENT 2**

**INNOVATIVE APPROACH TO REPORTING**

*Put in place a permanent, innovative reporting model that ensures full and transparent communication of information to our stakeholders.*

**2008 ACTIONS AND RESULTS**

- Using the reporting process as a tool to change the way business is conducted is one of the most innovative elements that has been introduced. Consequently, this process has involved the entire company.
- Three teams were organised: the Steering Committee, consisting of the CEO and the directors of all corporate areas involved, a second committee made up of the managers of each corporate area (the Operating Group) and a third comprising the Director of Communications and External Relations, the project leader and the staff of FONDACA.
- 450 Key Performance Indicators (KPI) were identified with the help of each corporate department.
- 27 representatives of 5 stakeholder categories participated in the first stakeholder Forum: consumers, the scientific community, associations, suppliers and employees. The second Barilla Forum involved 35 stakeholders across 9 categories comprising trade unions, distribution, media, trade associations and the local community.
- A total of 64 recommendations were collated.
- The challenges and commitments identified were published in the report "Challenges, commitments, actions for a sustainable growth".
- GRI (Global Reporting Initiative) guidelines were adopted as the reporting reference in the preparation of our first Sustainability Report.

**OBJECTIVES TO BE ACHIEVED BY 2014**

- Adopt a single reporting model for the whole Barilla Group (including the foreign subsidiaries) that makes reference to the same KPIs and that systematically involves all stakeholders and encompasses the largest number possible of constructive comments.

# Our sustainability model and objectives

The key elements of our 2008 Sustainability Report are summarised in this chart. It provides an "at a glance" understanding of the fundamental topics covered in our sustainability model and the objectives that our company is committed to achieving over the next five years. Our Report, based on a sustainability model consisting of 7 challenges and 15 commitments, involved the participation of our entire organisation and prior consultations with our stakeholders. Each

business area contributed directly to the process, identifying long-term objectives that must be followed in order to honour the commitments and the relevant performance indicators required to monitor results achieved to date and those still outstanding. This Report will be instrumental to our corporate renewal process and our approach to business. The complete version of the 2008 Sustainability Report is also available on our website [www.barillagroup.com](http://www.barillagroup.com).

