

Business & Human Rights Resource Centre Survey

Questions For companies operating or investing in Ukraine

Nature of involvement

1. How long has your company or subsidiary been operating or investing in Ukraine? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?

illycaffè has been operating in Ukraine since 2002. The company is located in Trieste (Italy), in Ukraine it sells coffee products and coffee machines to a local distributor who distributes them in the country. No company office or workers in the territory, no investment in the territory.

Assessing risks

2. How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?

a. What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?

illycaffè brings concrete support to alleviate the pain of the population involved in the conflict supporting the Francesca Rava Foundation, which immediately took action to bring help to pediatric and general hospitals in Ukraine.

Mitigating risks and tracking effectiveness

3. What measures is your company or subsidiary taking to ensure that your business relationships, products, services, operations, or other actions do not contribute to Russian military activities or occupation in Ukraine (including Crimea and occupied parts of Donetsk and Luhansk Oblasts)?

The company suspended the delivery of coffee to the Russian distributor (who distributes coffee products and coffee machines in Russian territories).

4. Is your company or subsidiary planning to scale-down or suspend your operations in Ukraine? If so, what are the immediate and longer-term steps that your company has taken or is prepared to take to mitigate the negative impacts of this decision on affected communities and your workers?

We never officially suspended our sales in Ukraine, although we do not expect orders to fulfill, given the circumstances

We are anyway sending coffee to population for free. For the time being we haven't taken any specific action, other than staying in close contact with them. For the records, we have c.ca 105K€ worth outstanding receivables we are currently not chasing the distributor with

5. What steps is your company or subsidiary taking to ensure that your risk prevention and/or mitigation measures do not negatively impact Ukrainian civilians?

We are sending coffee for free instead of selling coffee. No negative impact on civilians.

Exercising leverage

6. Is your company or subsidiary taking any other actions to promote respect for humanitarian law, human rights, democracy, and peace in Ukraine

No other activities besides those already mentioned.

For companies operating or investing in Russia

Nature of involvement

1. How long has your company or subsidiary been operating or investing in Russia? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?

The company has been selling in Russia since 1994. The company HQ is in Trieste (Italy), in Russia illycaffè sells coffee products and coffee machines to a local distributor who distributes them in the Country. No company office or workers in the territory. Russia was supposed to be one of the priority markets in terms of investment to deploy. As soon as the company suspended sales in that geography, it suspended all A&P or Trade investments as well.

Assessing risks

2. How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?

a. What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?

No measures in Russia.

3. As the situation in Ukraine unfolds, is your company or subsidiary planning to cease operations in or divest from Russia? If so:

a. What have been the key considerations informing this decision and did you consult with your workers and/or other affected stakeholders as part of your decision-making process?

No workers/investment in Russian, only distribution activity.

b. What are the immediate and longer-term steps that your company has taken or is prepared to take to mitigate any negative impacts of your exit on affected communities and your workers, including addressing any loss of income?

No workers/investment in Russian, only distribution activity. Loss of income to be compensated with sales in other countries.

4. If your company or subsidiary chooses to continue operating in Russia, what human rights due diligence has been undertaken and how are you planning to mitigate harm in Ukraine?

Company suspended sales in Russia.

5. What kind of due diligence measures does your company use to ensure that it does not have any business relationships with sanctioned Russian individuals and entities? Beyond sanctions compliance, how does your company ensure that it does not have any business relationships with individuals or entities with a track record of rights violating conduct?

illycaffè verified the company profile of the local distributor to check if there is any sanctioned individual / entity in the ownership. Our Distributor has no individuals, nor legal entities involved with sanctions.

Exercising leverage

6. How does your company intend to use your leverage to protect the rights of your workers and communities affected by your operations in Russia, including freedoms of association and expression?

Company suspended sales in Russia. No other business relationships in the country.

7. Is your company providing any support to Russian activists who are taking action against the war and in support of democracy and peace in Ukraine

No, illycaffè is not providing any support to Russian activists at the moment.