



FERRERO

Ferrero Group Human Rights Progress Report

What's inside

At Ferrero, we have taken conscious steps forward in our human rights journey by enhancing transparency and refining our approach, as showcased in this Ferrero Group's Human Rights Progress Report. We continue to embed our core values into our practices, prioritising the human rights needs of everyone within our operations and our supply chain. Through collaboration with external partners and a commitment to international standards, we aim to achieve our commitments and contribute to driving positive changes.

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"We are proud to introduce our Human Rights Progress Report, which reflects our acknowledgement of the challenges we face in the realm of human rights and our earnest efforts to address them. This report highlights the progress we have made and outlines our ongoing commitment. We believe that respect for human rights and employee welfare is foundational to our family business and is intricately woven into our Core Values.

We embrace the unique attributes of each individual, fostering a culture of creativity and inclusion. Our commitment ensures equal opportunities for growth while prioritising a safe and healthy work environment. Together, we strive to create a workplace where everyone feels valued and respected, inspiring our industry to champion these essential principles.

As we continue our journey, we remain committed to exploring new ways to meet the evolving needs of our consumers while upholding the highest standards of respect for people and the planet."

Filomena Vozzola,
Chief People and Organisation Officer



"In today's world, marked by geopolitical instability, challenges in commodity supply chains and the pressing climate crisis, the importance of human rights has been put into the global spotlight. These complex and interconnected issues underscore the necessity of safeguarding human rights as a cornerstone of sustainable business practices. Now more than ever, companies must demonstrate leadership in navigating these challenges to ensure that economic pursuits do not come at the expense of human dignity and welfare.

At Ferrero, we are dedicated to ensuring that respect for human rights is at the forefront of our procurement practices. Our goal is to cultivate a people-centred, inclusive and sustainable value chain that prioritises the wellbeing of all individuals involved. By implementing a due diligence-based approach, we aim to create positive impacts not just for our business, but for the communities we work with. Collaboration and partnership are essential, and we expect our value chain partners to uphold human rights together with us.

We invite our stakeholders to read our Human Rights Progress Report to gain deeper insights into the strides we are making in this area. We welcome your engagement and collaboration as we continue to respect and promote human rights. Together, we can build a future where business success goes hand in hand with social responsibility, ensuring a positive legacy for generations to come."

Isabel Hochgesand,
Chief Procurement Officer

Introduction: Our commitment to Human Rights

Since starting as a family business in the 1940s, Ferrero has always prioritised people. We embed respect for human rights and the protection of human dignity into our core values, which are reflected in our human rights approach today.

We believe upholding human rights across our value chain is essential for sustainable business operations and community value creation. We are resolute in our mission to eradicate all forms of modern slavery, including human trafficking, forced, compulsory and prison labour, as well as child labour.

We acknowledge that human rights issues are wide-ranging and intricate, necessitating a multi-faceted approach. Consequently, through a human rights saliency assessment, we have identified key areas where we focus our efforts across the value chain. We are dedicated to upholding and advancing human rights while preventing and reducing any negative impacts from our operations through a due diligence-based approach. We acknowledge the need to go beyond basic compliance and actively seek opportunities to create new solutions for complex challenges, particularly in areas like child labour prevention, working conditions, and diversity, equity and inclusion.

Our commitment, reflected within our [Human Rights Policy Statement](#), goes beyond adhering to laws, as it reinforces our commitment to the UN Guiding Principles on Business and Human Rights (UNGP), the International Bill of Human Rights, and the International Labour Organization (ILO) Fundamental Labour Conventions. Below, we describe the process and key factors considered when drafting our public commitment towards human rights.

Policy development

The preparation of our Human Rights Policy Statement begins with diligent planning, which includes mapping existing policies, procedures and local laws to develop legal reference notes as needed. We also benchmark against best practices to ensure we are meeting industry standards. We then conduct internal stakeholder sessions involving cross-functional working groups and workshops to gather insights and validation.

Policy scope

Our human rights policy extends to all individuals and groups potentially impacted by Ferrero Group's activities or business relationships. This includes vulnerable groups such as children, women, migrant workers, Indigenous Peoples and communities, and smallholder farmers, while other under-represented individuals may be impacted by our business. Additionally, our commitment encompasses all employees working at Ferrero, including permanent, temporary, contractual and seasonal employees.

Communication and awareness-raising

The [Human Rights Policy Statement](#) is shared with all employees through internal communication channels and with business partners via relevant business departments. Individuals at Ferrero can access the statement on our digital workplace and it is also distributed to all production plants through our social compliance programme and integrated into our social audit procedure. It is translated into 12 languages and distributed across all the countries and regions we operate in. We have made the policy statement and human rights report available to the public on our [website](#).

Collaborations and communication

We engage in external consultations by identifying trusted stakeholders, such as the ILO, Save the Children and Shift, and forming a core drafting group to refine our policy. This draft is shared for feedback. The endorsement phase involves securing approvals from our Executive Chairman, CEO, Global Leadership Team and Group Management Team, and aligning with the Responsible Sourcing Team on the Supplier Code. Communication is key, with translation handled by local teams to ensure the policy is communicated effectively both internally and externally. Finally, the policy is uploaded to our website, referenced alongside the Supplier Code, and included in related policy announcements.

There are no changes in the public commitment to human rights within the reporting period of our Financial Year 2023-2024. We plan to review the commitment once we gain further clarity upon the implementation of the upcoming EU Corporate Sustainability Due Diligence Directive (EU CSDDD).

Our Human Rights approach

Alongside our Company Values, we pledge to respect and promote human rights across our value chain through a due diligence-based approach.

Our human rights approach is built on three fundamental elements:

- **Governance:** Ensuring transparency and accountability to manage risks
- **Policies and procedures:** Strong commitments to foster respect for human rights
- **Human rights capabilities:** Building internal awareness and competence to equip our people with the appropriate knowledge, skills and resources

Our due diligence process on human rights is rooted in the following pillars: assess, address, monitor and communicate. Further details on this can be found in the [Human Rights Due Diligence Framework](#) section of this report. This approach is foundational to how we manage, mitigate and remediate any potential risks related to our 10 salient human rights issues. Further, as a member of the Consumer Goods Forum (CGF) Human Rights Coalition, we commit to implementing an approach to manage and address human rights risks across global operations in line with the industry forced-labour-focused due diligence framework.

OUR HUMAN RIGHTS APPROACH



KEY

- 01 Child protection and no child labour
- 02 Forced labour
- 03 Fair wages
- 04 Working hours
- 05 Diversity, equity and inclusion, no discrimination or harassment
- 06 Freedom of association and collective bargaining
- 07 Health, safety and wellbeing
- 08 Privacy and data protection
- 09 Environmental-related human rights issues
- 10 Rights relating to consumer health and responsible marketing

Our Human Rights approach **continued**

Stakeholder engagement

Given the complexity of human rights issues, we engage and collaborate with stakeholders such as suppliers, non-profits, expert organisations and industry platforms. We further collaborate with certification bodies and supply chain partners such as cooperatives to address child labour issues. We expect our business partners to share the same view and take appropriate steps and measures with a due diligence-based approach to identify, address and remediate any adverse human rights effects they may cause, contribute to or be linked to through their business relationships. Below we have mapped the stakeholders we engage with when considering our human rights strategy. You can also read about how we engage with specific stakeholders throughout this report as well as in our latest corporate [sustainability report](#).



“At Ferrero, we strongly believe that systematic stakeholder engagement is key to addressing human rights challenges. We work with stakeholders and potentially affected rights holders, always aiming for a more equitable world and a positive impact on the wellbeing of communities across our value chain.”

Philip Myers,
Chief Corporate Communications
and Institutional Affairs Officer

| STAKEHOLDER | OBJECTIVE OF ENGAGEMENT | CHANNELS OF ENGAGEMENT |
|--|---|--|
| Employees | For all: To empower and develop capabilities to address human rights so that individuals can identify, monitor and mitigate human rights issues For selected population (e.g. Buyers): To build awareness on human rights topics by trainings and to collaborate to gain feedback on human rights topics | <ul style="list-style-type: none"> • Training programmes • Workshops • Internal communication channels (e.g. digital workplace, sharing of policies) • Meetings |
| Suppliers and business partners | For the implementation of and monitoring adherence to our Supplier Code and human rights due diligence | <ul style="list-style-type: none"> • Supplier Code • Supplier audits • Training sessions • Regular communication and reporting |
| Industry platforms and peers | To gain insights and share best practices on developing human rights strategy | <ul style="list-style-type: none"> • Industry conferences • Networking events • Trade association meetings • Multi-stakeholder platforms and coalitions |
| Farmers and local communities | To implement our responsible sourcing programme and address human rights issues within the supply chain | <ul style="list-style-type: none"> • Community development programmes • Training programmes • Through activities in our strategic raw materials (cocoa, palm oil, hazelnut) |
| Non-Governmental Organisations (NGOs) | We collaborate with NGOs to leverage their on-the-ground expertise to support and advise on groundwork implementation of our human rights mitigation and remediation initiatives. They are consulted to assist in identifying salient issues across our value chain | <ul style="list-style-type: none"> • Partnerships and collaborations • Joint projects and initiatives • Multi-stakeholder platforms and coalitions |
| Governments and institutions | Collaborating to ensure fair labour practices and supply chain transparency, advocating for stronger regulations and policies that protect workers' rights | <ul style="list-style-type: none"> • Advocacy • Policy engagements • Industry associations and coalitions |
| Human rights expert organisations | Collaborating to gain expert knowledge on business and human rights to continuously improve our human rights strategy | <ul style="list-style-type: none"> • Consultation • Capability building • Knowledge sharing and collaboration |

Governance

| GROUP LEADERSHIP TEAM SUSTAINABILITY BOARD |
|--|
| The Group Leadership Team Sustainability Board is responsible for the executive oversight of implementing Ferrero Group's Sustainability Long Term Guidelines, including the Group's Human Rights approach. |
| SUSTAINABILITY EXECUTION COMMITTEE |
| The Sustainability Execution Committee is delegated by the Group Leadership Team and composed of members of the Group Management Team. The Committee is responsible for overseeing the execution of the Sustainability Long Term Guidelines, providing observations on the implementation of Ferrero's Human Rights approach and endorsing relevant human rights projects and initiatives. |
| SUSTAINABILITY OPERATIVE COMMITTEE |
| The Sustainability Operative Committee comprises managers across cross-functional departments who are responsible for coordinating and collaborating with internal stakeholders and external expert advisors to ensure the effective implementation of human rights strategy and initiatives. |

Expectations of suppliers

Working with suppliers is one of the key ways we implement our human rights approach, and we expect all our suppliers to adhere to the [Ferrero Supplier Code](#). We focus our efforts on carrying out due diligence and maintaining supplier management processes rooted in traceability/transparency, certifications and standards, and mitigation programmes. Our multi-stakeholder approach sees us continuously monitor and challenge our suppliers on their compliance against human rights topics. We work collaboratively with stakeholders to remediate any violations whenever they are identified.

We have published a series of dedicated Charters for our key raw materials: [cocoa](#), [hazelnut](#), [palm oil](#) and [dairy](#) to tackle commodity and country-based human rights challenges. These Charters set out the minimum requirements our suppliers must meet, alongside the Supplier Code and due diligence process, and define the certifications and standards we require for that category. Other Charters will be published as we expand the list of key raw materials.

Embedding respect for Human Rights across Ferrero

Respect for human rights is embedded across Ferrero through various initiatives. As a member of the Consumer Goods Forum Human Rights Coalition, we commit to implementing an approach to address human rights risks across global operations in line with the industry framework.


Our social audit programme disseminated our human rights approach across the Company. We offer a sustainability learning module which covers topics on human rights. This module is mandatory to complete for Line Managers and available for all employees. Additionally, we have an internal digital workspace, which also aims at increasing awareness and promoting a shared understanding of the Company's strategy and public position and stand on sustainability topics, including human rights, among employees.


We have developed and piloted a Human Rights Action Planning Toolkit that aims to build internal awareness and capability on human rights and help departments embed human rights thinking in their daily activities. Moreover, we ensure that our human rights commitment is embedded into the Ferrero Group's wider policies system, many of which are publicly available but are always made available to employees internally.


Raising concerns


Individuals may also raise any human rights issue related to our Company using the confidential [Ferrero Integrity Helpline](#). It is open 24 hours a day, 365 days a year and can be accessed in 43 languages via our digital workplace and website. It is managed by a third party. Once a report has been submitted, it is immediately made available to a Ferrero Steering Committee for review.

OUR CHARTERS

Cocoa Charter

Hazelnut Charter

Palm Oil Charter

Dairy Charter

Identifying salient issues

Methodology

We conducted a Human Rights Saliency Assessment to identify key impacts within our operations and across our value chain, in line with the UNGPs. These principles require businesses to address all human rights impacts, prioritising those that are most severe and likely to occur. The assessment consisted of identifying actual and potential human rights impacts connected to Ferrero's activities and business relationships across the stakeholders in our value chain, and leaders across the Company were interviewed to assess those risks.

This was followed by a prioritisation assessment workshop, where the impacts identified were scored on severity, considering the potential likelihood of the impact occurring, as follows:

| SEVERITY | | | |
|---|--|--|-------------------------------------|
| Scale: How severe would the impact be? | Scope: How widespread would the impact be? How many people could it affect? | Irremediability: How difficult would it be to address or correct the issue? | |
| LIKELIHOOD | | | |
| Characteristics of the operating context | Nature of the business activity | Types of business relationships | Existing mitigation measures |

We continuously review the relevance of our salient issues to adapt to changing risks and local socioeconomic conditions. In doing so, we embrace legislations, international standards, and feedback from consumers and NGOs to stay responsive and drive systemic change. Below are the 10 identified salient risks from our assessment and where the main impacts may occur across our value chain. The following pages showcase how we are addressing each salient risk.

1. Child protection and no child labour

We recognise the human rights of children, such as the right to education, right to play and right to basic needs. We follow the ILO's definitions on the minimum age for employment and hazardous work, and we align with the Children's Rights and Business Principles founded by UNICEF, the UN Global Compact and Save the Children.

2. Forced labour

Our goal is to ensure all employees (whether working directly at Ferrero or indirectly in our supply chains) enjoy freedom of movement and are not restricted physically or by abuse, threats and practices such as retention of identity documents and valuable possessions. We endorse the right to work freely and for employees to understand their employment terms in advance and to be regularly compensated. We also support ethical recruitment aligning with the Employer Pays Principle.

3. Fair wages

Our goal is to provide all employees (whether working directly at Ferrero or indirectly in our supply chains) with a fair and competitive salary. This is in line with ILO Conventions on wages and considers the needs of employees and their families.

4. Working hours

We recognise the challenge of managing work-life balance and the right to rest and leisure. This means, at a minimum, complying with applicable laws and collective agreements on working hours and paid leave.

5. Diversity, equity and inclusion

Treating people with respect and equality goes to the heart of the Ferrero values and we are working to build a diverse and inclusive culture in which all employees feel welcomed and appreciated and have the same opportunities. This work includes transient and

temporary workers, seasonal workers and workers engaged in a country other than their country of origin or nationality.

6. Freedom of association and collective bargaining

We recognise the right of employees to form and join a trade union of their choice and the right to collective bargaining without fear of intimidation or reprisal. We oppose any discriminatory behaviours with respect to trade union organisation, union membership and activity in such areas as applications for employment and decisions on training, award, advancement, dismissal or transfer.

7. Health, safety and wellbeing

A safe and healthy working environment for all is an ongoing priority for us. We have a number of processes in place to identify and prevent incidents from occurring and to continuously improve in line with all applicable laws. We also promote the health and wellbeing of all our employees and support a healthy lifestyle.

8. Privacy and data protection

We respect and protect the privacy and security of personal information of our employees, consumers, users, vendors, providers and customers in accordance with our privacy and data protection policy and with applicable laws and standards.

9. Environmental-related Human Rights issues

We recognise that a safe, clean and sustainable environment is integral to the full enjoyment of human rights. Furthermore, the climate crisis will touch each of us on the planet, with the most severe impacts being felt by poorer communities. As a global company, we have a responsibility to reduce any contribution we make to global environmental challenges and to protect those exposed to risk in our local communities.

10. Rights relating to consumer health and responsible marketing

We care about the health of our consumers and provide transparent, understandable information in line with the International Food & Beverage Alliance (IFBA) [Global Policy on Marketing and Advertising to Children](#) and the EU Pledge on Responsible Advertising to Children. Our commitments are further explained in our Advertising and Marketing Principles.

Ferrero's Human Rights due diligence framework

Our human rights due diligence process addresses negative human rights impacts that we might cause or contribute to through our activities or those directly connected to our operations, products, or services via our business relationships. Our human rights due diligence framework consists of four essential steps for identifying and managing human rights risks:

ASSESS

Identifying, assessing and prioritising human rights risks through methods like ethical audits and assessments.

We regularly evaluate our salient issues and reassess priority areas as part of our ongoing effort to evaluate evolving risks and local socioeconomic conditions.

During this process, we embrace legislations, international standards and feedback from consumers and non-profit organisations to ensure that we remain responsive to risks and actively contribute to driving systemic change.

Our [2023 double materiality assessment](#) identified human rights in the supply chain as a "Top Priority" issue, and we continue to consider human rights within our own operations as fundamentally important.

By measuring, enhancing and evaluating supplier practices, we aim to foster strong partnerships that contribute to our shared social impact goals across the value chain.

Analysing risks and opportunities, maintaining compliance and developing capability of our suppliers are all part of our due diligence approach. Our due diligence procedure employs a rigorous methodology that mandates suppliers to abide by the Ferrero Supplier Code that addresses social practices and human rights.

ADDRESS

Integrating our human rights commitment into our operations, tackling identified risks by implementing measures to prevent, mitigate and remediate them.

We tackle the root causes which are fundamental to the issue (e.g. poverty, laws) and address them through suitable approaches like advocacy, institutional engagement and industry platforms.

We work with our value chain members to remediate any identified issues. To address and remedy impacts on our operations and supply chains, we use the approach of our Integrity Helpline as outlined in our [Code of Ethics](#).

We are particularly vigilant of the salient issues that arise from our sourcing activities and have specific charters for each of our key raw materials: [cocoa](#), [hazelnut](#), [palm oil](#) and [dairy](#), for suppliers to meet, defining the certifications, standards and level of transparency needed. Further, we co-developed the Child Labour Prevention and Remediation Guidelines for Cocoa in West Africa, which we are currently piloting. More can be read in the [Child Labour](#) section of this report.

We are integrating human rights into our responsible sourcing strategy by ensuring traceability and external verification of raw materials through recognised standards like Roundtable on Sustainable Palm Oil (RSPO) and Fairtrade.

We regularly refine our due diligence process to better identify human rights risks. We conduct periodical supplier base risk analysis, annual self-assessments and ethical audits using both internal developed standards aligned with ILO regulations and the Sedex Members Ethical Trade Audit ([SMETA](#)) methodology.

In addition to sustainability-themed training provided to all employees, procurement professionals are enrolled in trainings around responsible sourcing to further embed sustainability awareness in driving purchasing strategies.

We support cocoa-growing communities through a comprehensive approach at household, community, regional and national levels, collaborating with key strategic partners. We promote women's empowerment programmes due to their pivotal role in driving change and ensuring child protection.

We develop internal operational policies to guide implementation of addressing human rights topics across Ferrero.

Ferrero's Human Rights due diligence framework **continued**

MONITOR

Tracking and evaluating our activities to ensure they effectively address risks, continuously enhancing our approach to human rights.

Each business function within the Company takes responsibility and accountability on their actions to address the salient issues that are relevant to their activities.

Meanwhile, the ongoing due diligence of our value chain including suppliers, sub-suppliers and contractors, involves a continuous cycle of assessment, third-party audits and remediation, alongside preventative measures when audits or assessments reveal non-compliances. We work collaboratively to create remedial action plans that are effective. We seriously take into account the engagement and commitment of our suppliers in our sustainability journey. In severe cases, continued proven non-cooperation may result in measures such as ending of the business relationship.

We work to embed the findings and learnings from addressing our human rights salient issues into our decision-making processes.

COMMUNICATE

Reporting on our progress in implementing these measures both internally and externally.

Our updated [Code of Ethics](#), [Human Rights Policy Statement](#) and the [Supplier Code](#), all of which covers human rights issues, are shared through various internal communication platforms, including the Ferrero digital workplace. New employees are encouraged to review these during their onboarding process, as they contain details to access the Ferrero Integrity Helpline, for individuals to flag concerns.

We annually publish progress reports for [cocoa](#), [hazelnut](#) and [palm oil](#), which highlights how we have progressed on our responsible sourcing and human rights initiatives for these key ingredients.

We provide training for buyers on responsible sourcing and offer sessions for employees on our human rights issues.

We advocate to address challenges by collaborating with sector peers and non-profit organisations to advocate for EU legislation on mandatory due diligence across our supply chains.

For example, we are part of the VOICE network's Cocoa Coalition, a group of confectionary companies that collaborate with the aim to strengthen human rights and environmental due diligence requirements of companies in global cocoa supply chains. Our co-signed position papers for the cause can be found [here](#).

We communicate to external stakeholders via our website and [sustainability reporting suite](#).



"For Ferrero, sustainability is a long-term journey of commitment and dedication. It is about assessing, preventing or attempting to minimise our impacts across the full value chain, establishing practices for nature protection and social justice. We believe that in doing so we are strengthening the resilience of our business and enhancing the value of our brands while offering value for society. Due diligence is crucial to this journey, especially across value chains where we source agricultural products from hundreds of thousands of farmers worldwide. By conducting thorough assessments and taking proactive measures, we can identify and mitigate potential risks, ensuring that our sustainability practices are ethical and responsible. In addition to having strong due diligence processes in place, collaboration is critical to respect and promote human rights. We work together with NGOs, governments, partners and peers to further advance practices and livelihoods."

Mario Abreu,
Head of CSR and Sustainability

Salient issues across our value chain



RAW MATERIALS

We source raw materials such as hazelnuts, cocoa, palm oil, sugar, milk and eggs to make our products. We also support the development of sustainable hazelnut cultivation globally through our agribusiness. We rely on long-term relationships with suppliers to ensure they understand, practise and embrace our values. Traceability enables us to monitor our raw materials for quality and sustainability.

Salient issues

| | | | | |
|---|---|---|---|----|
| 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 |

PRODUCTION

Our products are manufactured in 37 manufacturing plants globally. We process hazelnuts and manage business to business activities through our agribusiness and we work with third-party suppliers to produce KINDER® Surprise toys. Aiming for high quality and safety standards in our manufacturing and third-party operations and managing the environmental and social impacts are high priorities.

Salient issues

| | | | | |
|---|---|---|---|----|
| 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 |

PACKAGING

Packaging protects the quality and freshness of our products to guarantee a delightful experience for our consumers. It is also an important means of communication with consumers, helping them choose our products by providing clear and understandable information. The materials that go into our packaging include glass, paper and plastic.

Salient issues

| | | | | |
|---|---|---|---|----|
| 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 |

LOGISTICS

Our products are distributed and sold directly and through authorised dealers in more than 170 countries. We also work with logistics operations to transport raw materials, semi-finished products, and KINDER® Surprise materials throughout the value chain via our network of warehouses.

Salient issues

| | | | | |
|---|---|---|---|----|
| 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 |

CONSUMPTION

Our products bring joy to consumers as part of a healthy and balanced lifestyle. We do this responsibly, going beyond legal requirements with our marketing communications and ingredient information and offering serving sizes that let consumers manage their daily energy needs.

Salient issues

| | | | | |
|---|---|---|---|----|
| 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 |

KEY

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- 02 Forced labour
- 03 Fair wages
- 04 Working hours
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Child protection and no child labour

1 2 3 4 5 6 7 8 9 10

We are committed to upholding children's human rights, including their rights to education, play and basic needs. We adhere to the ILO's guidelines on minimum age for employment and hazardous work and align with the Children's Rights and Business Principles established by UNICEF, the UN Global Compact, and Save the Children.

Risk evaluation

The root causes of child labour are deeply rooted in systemic challenges such as poverty, education, gender issues, social empowerment and cultural norms. Additionally, the complexity of commodity supply chains can contribute to child labour risks. Addressing these multi-faceted issues requires a holistic, multi-stakeholder approach. As a global buyer, we must collaborate with suppliers, business partners, governments, children's rights organisations and our industry to eliminate child labour from all supply chains.

Prevention and mitigation

Staying ahead of human rights challenges, particularly those affecting children, requires constant vigilance and improvement. We are dedicated to creating a lasting impact by implementing our policies at local and farm levels, adopting to local contexts and setting high but attainable standards, shifting from mere compliance to a child-focused proactive approach, integrating due diligence into all business activities, using data for monitoring and evaluation, offering accessible grievance mechanisms, and adapting to macroeconomic shifts.

We collaborate with Save the Children on community development programmes that ensure child protection and access to quality education, good nutrition and clean water. Additionally, we emphasise women's empowerment and reducing gender inequality, acknowledging women's vital role in driving economic, environmental and social change. In 2024, we scored 9.1/10 on the Global Child Forum's Benchmark 2024, which assessed our organisational impact on children's rights. We are currently working on remediating the gaps identified.

Key initiatives

We have several measures and initiatives in place to identify, mitigate and remediate the risk of child labour within our supply chains, particularly for our key raw materials. With the support of Save the Children, we have developed and are piloting the Child Labour Guidelines for our cocoa supply chain in Ghana and Ivory Coast. We are a long-standing member of the World Cocoa Foundation (WCF) and the International Cocoa Initiative (ICI), which aims to ensure a better future for children and to advance the elimination of child labour in Ivory Coast and Ghana. For more information on the lives we have impacted, please refer to our latest [sustainability report](#).

- Since November 2020, Ferrero has partnered with [CAOBISCO](#) and the [ILO](#) on a multi-year project to eliminate child labour in Türkiye's seasonal hazelnut agriculture. The initiative focuses on capacity building, awareness and direct interventions like providing educational activities and support materials.
- Child protection is integral to our [Ferrero Farming Values](#) (FFV) programme, active in Türkiye since 2012, with our team engaging farming communities to enhance social practices. We offer educational activities and distribute educational and hygiene kits. In collaboration with local municipalities, we also established sanitation units for families in temporary accommodations.
- We are also a partner of the [Child Learning and Educational Facility](#) (CLEF) collective initiative between the Ivorian government, companies and foundations, that strive to improve access to quality education to children in the cocoa-growing areas of Ivory Coast.
- We were recognised by the Global Child Forum's Children's Rights Benchmark 2024 as leader among 1,802 companies for our policies and practices that address our organisation's impact on children's rights across several important geographies.

RELATED POLICIES

- ❑ Child Labour Prevention & Remediation Guidelines in Cocoa in Ivory Coast and Ghana
Currently in the pilot stage with Save the Children until 2025.

CASE STUDY

Developing guidelines on child labour prevention and remediation in cocoa in Ivory Coast and Ghana

We've partnered with Save the Children and the Center for Child Rights and Business to develop Guidelines on Child Labour Prevention and Remediation in the cocoa supply chains of Ivory Coast and Ghana. These Guidelines align with our Human Rights Policy Statement, Supplier Code, Cocoa Charter and international standards like the UN Guiding Principles on Business and Human Rights and the Children's Rights and Business Principles.

The Guidelines offer practical steps for supply chain partners to combat child labour, including:

- Child labour due diligence
- Child rights awareness campaigns
- Responsible recruitment practices
- Child protection systems
- Safe working and living conditions for young workers
- Fair wages
- Responsible sustainable sourcing
- Solutions addressing the root causes of child labour

Since 2022, we have been working with Save the Children to pilot these Guidelines to support suppliers and cooperatives. We will use the insights from this pilot to refine our approach and scale up our efforts in the coming year.

Child protection and no child labour continued

CASE STUDY

Combating child labour and supporting cocoa growing communities in Ivory Coast

Save the Children and Ferrero have joined forces to tackle child labour and enhance community development in cocoa-growing regions of Ivory Coast. This initiative (2020-2025) aims to safeguard and enhance the lives of over 18,000 children, adolescents and young adults who are vulnerable to various forms of child labour and hazardous work. Now in its fourth year, the project has achieved significant milestones in reducing child labour and fostering community development. This success is attributed to the robust partnerships established with key stakeholders, including supply chain actors, local authorities and local organisations.

The project has recorded remarkable achievements, showcasing the effectiveness of strategic partnerships in addressing complex social issues. Through coordinated efforts and a unified approach, the initiative continues to protect vulnerable children and support the cocoa-growing communities.

100%

of overall project target achieved for:

- Social centres rehabilitated
- Child Protection Committees established
- Village Saving and Credit Association created

THIRD YEAR PROJECT PROGRESS ON COMMUNITY DEVELOPMENT IN COCOA COMMUNITIES IN IVORY COAST

TOTAL PEOPLE SENSITISED, TRAINED ON CHILD PROTECTION, COMMUNITY DEVELOPMENT, EDUCATION



ABUSE, VULNERABILITY, WORST FORCED CHILD LABOUR CASES WHO RECEIVED SERVICES



BIRTH CERTIFICATES FACILITATED



BRIDGING CLASSROOMS ESTABLISHED AND OPERATIONAL



OUT-OF-SCHOOL CHILDREN ENROLLED IN BRIDGING CLASSES



CHILDREN SUPPORTED WITH SCHOOL KITS OR OTHER MATERIALS



COMMUNITIES WITH A COMMUNITY ACTION PLAN



VILLAGE SAVINGS AND LOAN ASSOCIATION (VSLA) MEMBERS WITH INCOME GENERATING ACTIVITIES



- % Achieved towards overall target
- % Achieved towards annual (2023) target

Highlight of the third year project results

| PILLARS | ACTIVITIES | YEAR 3 | CUMULATIVE |
|--|--|-----------------|--------------------|
| Improving Child Protection | Child Protection Committees | n/a | 65 |
| | People trained and sensitised on children's rights | 36,285 | 46,582 |
| Community Strengthening | VSLA members (65 groups) | n/a | 1,788 ¹ |
| | VSLA members with an income generating activity | 1,182 (75%) | 1,182 (75%) |
| Increasing Access to Education | Bridge classes (re)built and opened | 5 | 66 |
| | Out-of-school children (9-14 yr) enrolled in bridging classes | 1,001 | 2,976 |
| | Communities supported with operating community canteens | 57 ² | 57 |
| Empowering Adolescents and Youth (A&Y) | Number of A&Y participating in training on life-skills, decent work, children and A&Y rights | 138 | 138 |

1,184 women (77%) and 404 men (23%).
257 communities canteens opened (and 112 canteen staff trained).

Highlights from our partnership with Save the Children since 2020

66

Schools constructed or renovated

68

Bridging courses organised

66,836

People (adults and children) reached by the project through awareness-raising and community activities on child protection, community development and education

45

Training courses delivered to young people and cocoa farmers thanks to the 13 Farmer Field Schools in the communities

Q&A with Save the Children

A Long-standing Relationship: How would you characterise your relationship with Ferrero and the achievements resulting from this partnership?

In partnership with Ferrero, we've adopted a holistic approach to address the root causes of child labour, focusing on prevention rather than response. By strengthening child protection systems, supporting education and promoting social cohesion, we help children access education while their families gain the resources needed to thrive. Our work includes empowering women, adolescents and marginalised rural communities.

This scalable and replicable approach has, over the period between 2021-2024, directly impacted 22,533 people, including 8,601 children (47%), and indirectly reached 15,234 more, including 3,178 children (7%). Our stakeholder engagement activities have further enhanced communication, knowledge sharing and collaboration across organisations, amplifying our collective impact.

Ferrero's Role in Supporting Child Rights: In your view, how has Ferrero's commitment to child rights evolved over the past years? What specific actions has Ferrero taken to demonstrate its dedication to protecting children's rights, and how have these actions aligned with Save the Children's mission and values?

Ferrero has deepened its commitment to child rights, aligning with Save the Children's mission to protect and empower vulnerable children. Through a long-term project in cocoa-growing communities in Ivory Coast, Ferrero has addressed key drivers of child labour, including weak protection systems, poverty and limited access to education and basic services. This partnership has delivered tangible results: stronger child protection systems, improved education access and increased community resilience. Ferrero has also integrated child protection into its supply chain, ensuring sustainable impact beyond project areas.

Collaborating with Save the Children, Ferrero has enhanced its policies and practices, proposing to the suppliers to adopt the Child Labour Prevention and Remediation Guidelines for Ivory Coast and Ghana. Ferrero's dedication is further demonstrated through participation in child rights events, such as the Global Child Forum in Stockholm 2024, where it publicly reinforced its commitment to safeguarding children.

Impactful Collaborations: Can you expand on your partnership with Ferrero that had a particularly significant impact on the lives of children and communities? What were the key factors that contributed to the success of this partnership?

The strength of our partnership lies in its integrated approach, bringing together public, private and third-sector actors to tackle the root causes of child labour and poverty.

Save the Children not only supports community development through direct interventions but also provides technical assistance and capacity-building for Ferrero and its suppliers.

Lessons Learned and Future Directions: Looking back on the past few years, what have been the most important lessons learnt through your partnership with Ferrero? How have these lessons shaped your approach to future collaborations and partnerships?

Our partnership with Ferrero highlights the success of a multi-stakeholder approach in addressing child labour. By involving communities, local authorities, suppliers and NGOs, we address both symptoms and root causes like poverty and lack of education. Integrating child protection into Ferrero's cocoa supply chain has been pivotal in driving systemic change. Piloting guidelines in the Ivory Coast shows the value of aligning standards across the supply chain for long-term impact.

The partnership also shows the strength of joint advocacy and policy work. By aligning the initiatives of businesses and civil society, Ferrero has impacted significant discussions, such as the EU CSDDD. Joint participation in events like the G7/B7 in Pescara and the CSR Europe Industry Summit in Brussels has further inspired others and highlighted shared challenges. Looking ahead, these experiences reaffirm the importance of integrated and scalable solutions and the potential of partnerships with committed private sector actors to drive meaningful, lasting change for children.

We are committed to ensuring that all employees, whether directly at Ferrero or in our supply chains, have freedom of movement without physical restrictions or threats, including the retention of identity documents, or valuable possessions, coercion to work, and/or debt bondages.

We support the right to work freely, with employees fully understanding their employment terms in advance and receiving regular compensation. We oppose forced labour as defined by the ILO and condemn the use of all forms of forced or compulsory labour, including forced prison labour, indentured labour, bonded labour, modern forms of slavery and any form of human trafficking in our value chain. We support ethical recruitment and follow ILO's definition on recruitment fees and costs aligning with the Employer Pays Principle – whereby no workers should pay for a job, and that the costs of recruitment should be borne by the employer.

Risk evaluation

We are committed to breaking the poverty cycle and driving sustainable change by promoting transparent and responsible recruitment practices in supply chains. Our Supplier Code sets clear expectations, and we monitor compliance through [due diligence](#). Further, we monitor instances and risks of forced labour within our own operations via our bespoke social audit programme named SMETA+ (please see [case study](#)). We address any non-compliance with remediation processes, which we continually improve. We acknowledge that the risks of forced, bonded or compulsory labour increase with the use of seasonal or migrant labour. Therefore, we align our due diligence with international standards, including benchmarks from expert organisations and commodity-specific certifications such as the RSPO.

Prevention and mitigation

We strive to ensure traceability of our high-risk commodities, including cocoa, hazelnut, palm oil and dairy, to enable the identification of forced labour risks. For these, we have created comprehensive Charters and Action Plans that specify our human rights commitments and set expectations for supply chain partners to eliminate forced labour. Each of the charters opposes all forms of forced labour, including forced prison labour, indentured labour, bonded labour, modern slavery and human trafficking, and takes the 11 ILO indicators as a reference to identify, prevent and address forced labour. They outline the minimum requirements for suppliers, complementing our Supplier Code and due diligence processes. They specify the necessary certifications and standards, the traceability levels we aim for, and the methodologies and technologies used. Additionally, they detail our commitments to improving conditions, including a three-year plan with publicly reported progress.

Key initiatives

We actively take appropriate steps to identify, prevent and address forced labour linked to our business relationships and supply chains.

Our [Palm Oil Charter](#) addresses forced labour in the supply chain, by highlighting that suppliers are obligated to recruit workers ethically, mandating that they adopt responsible recruitment practices and communicate these principles to their suppliers.

As we focus on achieving a fully transparent value chain, we partner with providers such as SourceMap, a leading provider of supply chain mapping, including farmer mapping, to collect key data within the supply to aid us in mobilising targeting interventions, supporting sustainable livelihoods and preventing forced labour risks.

We are a member of the Human Rights Coalition of the CGF. In partnership with the Coalition and the Fair Labour Association, we've strengthened our social audit programme by adopting a forced labour-focused due diligence approach in our operations, in line with the CGF forced labour due diligence framework. This included developing our internal Global Forced Labour Prevention Policy.

RELATED POLICIES

Global Forced Labour Prevention Policy

An internal policy which sets a common Group approach and minimum guidelines to address forced labour risks in our operations. It provides guidelines on how we recruit and how to manage forced labour risks with contractors, service providers and labour agencies.

Forced labour continued

CASE STUDY

Introducing SMETA+

SMETA+ is Ferrero's bespoke social audit programme designed to enhance ethical standards in the realm of forced labour across Ferrero's global operations. It represents a significant evolution in Ferrero's audit and compliance efforts, offering an enhanced framework to monitor ethical sourcing practices. Building on the existing SMETA framework, SMETA+ incorporates additional layers of assessment to address human rights concerns, integrating the forced labour due diligence framework developed by the CGF.

In addition to SMETA, SMETA+ requires facilities to complete an 18-question assessment integrated from the CGF forced labour due diligence framework, which is monitored through an internal dashboard. This platform helps track compliance and identify areas for improvement. Through SMETA+, Ferrero advances its commitment to high ethical standards outlined in its Forced Labour Prevention policy and human rights practices globally. The timeline reflects Ferrero's proactive approach to continuously improving its audit practices within our own operations.

THE EVOLUTION OF SMETA+

2010

Initiation of Audits
Ferrero begins conducting social audits using internal frameworks.

2019

Adoption of SMETA
Ferrero adopts the SMETA methodology across our own facilities.

2022

Introduction of SMETA+
SMETA+ is piloted, marking an evolution in the audit process with pilot projects conducted in different regions such as China, Italy and Türkiye.

2023

Expansion of SMETA+
The scope of SMETA+ audits grows to cover our owned operations globally, with the focus to cover all the manufacturing sites by 2025 as defined in the CGF Human Rights Coalition.

Beyond

Complete Rollout of SMETA+
Full implementation of SMETA+ is expected across Ferrero's entire range of facilities. All critical areas, including a specific focus on recruitment fees and other ethical considerations, will be addressed.

CASE STUDY

Advancing fair and ethical working conditions for palm oil workers

Unethical hiring practices in some palm oil supply chains, particularly those that depend on migrant workers, present a serious issue. If not addressed, these practices can lead to forced and bonded labour. Key challenges include holding onto workers' passports, limiting their movement, debt bondage, unfair hiring processes, wage gaps, excessive overtime, restricted freedom to organise and poor living conditions.

To address these issues, employers must prioritise social audit assessments and implement rigorous action plans to rectify any identified gaps in hiring practices.

In 2021, we partnered with Earthworm Foundation and key suppliers to launch two programmes aimed at fostering responsible labour practices in our Malaysian palm oil supply chain. The first programme established a framework to assess labour conditions in mills and plantations, while the second focused on developing ethical recruitment practices.

We initially piloted these efforts at two mills and two estates from a major third-party supplier. By 2023, we had successfully implemented recommendations from our assessments across all operations of this supplier, directly helping over 400 migrant workers and indirectly benefiting more than 4,000 workers.

In 2024, we expanded the programme to include another key supplier in Malaysia and explore ways to extend the benefits of this initiative to even more stakeholders within our supply chain.

We are committed to ensuring all employees, both direct and indirect, receive fair and competitive salaries, aligning with ILO Wage Conventions and addressing the needs of employees and their families.

Risk evaluation

Our expectations for suppliers are clearly defined in our Supplier Code, and we encourage them to adopt market-relevant salary practices through ongoing stakeholder dialogues, certifications and partnerships. Fair wages and living incomes are crucial not only in their own rights but also as key factors in addressing the root causes of other human rights issues. Therefore, we are committed to promoting decent pay across our value chain and providing premiums for sustainable practices, as demonstrated in our collaborations with Fairtrade in Ghana and Ivory Coast to support the national Living Income Differential (LID). In 2022, we co-signed with peers and the governments of Ivory Coast and Ghana a Letter of Intent to establish an Economic Pact for Sustainable Cocoa.

Prevention and mitigation

Focusing on women and vulnerable groups, we support farmer collectives in various countries to enhance economic resilience through initiatives like crop diversification, women's empowerment and financial literacy.

Within our direct workforce, we recognise the importance of competitive pay and income equality. Our salary structures are based on global principles and tailored to local market practices and values. We periodically conduct gender pay equity analysis across our workforce.



Key initiatives

Our [Cocoa Charter](#) integrates living incomes and income diversification, and we are currently evaluating methodologies, initiatives and research to amplify our impact. We are also currently working on developing impact measurement metrics, starting with living income metrics, with an expert organisation.

Our employees' compensation is aligned with the market median, and we do not observe significant gender gaps. We are committed to continually enhancing our diversity and inclusion data analysis, metrics, gap assessments and Pay Equity Analysis.

In our commitment to enhancing the livelihoods of cocoa farmers and promoting sustainability, we fully support the LID initiative. We work alongside local governments to ensure that farmers receive tangible benefits from this initiative, including offering a cash premium in addition to the standard cocoa price. Beyond financial assistance, we equip farmers with the tools to boost their earnings by diversifying crops and creating alternative income sources, which helps improve their profits throughout the year and enhances food security. Our projects on the ground focus on achieving financial independence and highlight the empowerment of women within farming communities.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|----|

We are committed to supporting work-life balance and the right to rest by fully adhering to laws and collective agreements on working hours and paid leave.

Risk evaluation

Excessive working hours can negatively affect physical and mental wellbeing, as well as health and safety. In extreme cases, long hours may result from low wages, requiring individuals to work more to make up for insufficient pay, or from forced or bonded labour. Seasonal and migrant workers are especially vulnerable to these risks.

Prevention and mitigation

At Ferrero, our Supplier Code mandates that suppliers offer fair and competitive salaries, consistent with relevant ILO Conventions while considering the needs of employees and their families. Salary structures should align with global principles and reflect local market practices and values.

Within our direct workforce, we are aware of the increasing trend of 'always-on' working hours and their effects on work-life balance and overall health. This issue, intensified by the 'work from home' culture, has prompted us to prioritise interventions that safeguard our employees and their wellbeing.

Key initiatives

We actively address employee concerns through our periodic employee surveys and additional ad-hoc surveys. Insights from these surveys have led us to implement a comprehensive global wellbeing programme that covers physical, mental and social aspects.

Additionally, we engage closely with the European Works Council and other worker rights and consultation bodies worldwide to continuously enhance working practices. Our commitment to improving labour conditions is further reinforced by our annual ethical audit programme, which assesses various factors, including working hours.



We are dedicated to fostering a diverse, equitable and inclusive culture built on mutual respect and fairness, ensuring all employees, including temporary, seasonal and expatriate migrant workers, feel safe, valued and have equal access to opportunities.

Risk evaluation

Guided by the ILO Conventions on discrimination and migration for employment, our commitment to ensuring a respectful and inclusive working environment for all employees and providing opportunities fairly and equitably is the foundation of our culture of diversity, equity and inclusion (DE&I). We use insights from employee surveys to enhance workplace inclusivity, driving a DE&I plan that addresses gender, nationality, generation, working culture and persons with disabilities across our business. This initiative is headed by the global DE&I manager, a global governance model with DE&I Councils and regional DE&I Ambassadors, and a dashboard to track progress and ensure accountability.

Prevention and mitigation

Inclusivity is essential for attracting and retaining future talent. We are committed to cultivating a pipeline of leaders who prioritise inclusivity by investing in an inclusive culture, such as providing inclusion and respect training to all line managers and employees. Our plan also outlines how we will enhance a supportive work environment for individuals with disabilities and our long-term DE&I goals.

In our supply chain, our commitment to inclusion and women's empowerment addresses broader human rights issues. This is reflected in our Supplier Code and through various community partnerships, including initiatives that support women cocoa, shea and Sal butter farmers.

Key initiatives

We have policies in place at the Group level to prevent key DE&I risks and also promote inclusive practices, including the anti-discrimination and harassment policy, the global parental policy and the workplace adjustments policy. The implementation of these policies is supported by communication and trainings. Elsewhere we continue to rely on data to understand the representation of different groups within our workforce. We monitor representation across the employee lifecycle from recruitment, learning and development, performance, promotion, reward and separation to ensure these processes are free of bias and to guarantee fair representation.

We regularly launch DE&I-themed awareness campaigns. Key dates on our global agenda include International Women's Day, World Day for Cultural Diversity and Dialogue, Pride and International Day for People with Disabilities. We leverage global partners to advance our DE&I agenda and benefit from expert knowledge and proven practices; these include Catalyst, LEAD Network, Business Disability Forum and Country Navigator.



By 2030

we aim to increase the representation of women in decision-making roles. We are committed to eliminating bias at every stage of the employee lifecycle and addressing challenges to gender equity in the workplace.

RELATED POLICIES

- ☐ **Anti-Discrimination & Harassment Policy**
Internal policy assisting to create a safe and inclusive workplace by preventing and addressing discrimination and harassment.
- ☐ **Group Recruitment Guidelines**
Provides recommendations on conducting a fair and ethical recruitment process.
- ☐ **Global Parental Policy**
Internal policy to help new parents balance work and family life, and to send a message that all employees are equal, regardless of where they live.
- ☐ **Workplace Adjustment Policy**
Internal policy to facilitate ease for workers with disabilities, long-term health conditions and neurodiversity.
- ☐ **DE&I Marketing Guidelines**
Provides recommendations on how to be inclusive when marketing products.

Freedom of association and collective bargaining

1 2 3 4 5 **6** 7 8 9 10

We are committed to upholding employees' rights to freely form and join trade unions and engage in collective bargaining without intimidation or reprisal. We firmly oppose any discrimination related to union organisation, membership or activities in all employment decisions, including hiring, training, promotion, dismissal or transfer.

Risk evaluation

Freedom of association and the right to collective bargaining are crucial rights that also facilitate the protection of other human rights. As a global business operating in regions deemed high-risk for worker rights, we rigorously adhere to the ILO Conventions on these matters.

Prevention and mitigation

Drawing on our history of positive industrial relations and current stakeholder engagement practices, we fully support regional Works Councils in empowering workers to voice concerns and reach mutual agreements. In our supply chain, freedom of association and collective bargaining are essential rights for workers. Acknowledging that trade union rights challenges differ significantly across countries, we gather information to understand and assess local risks through supplier due diligence to address these challenges effectively.

Key initiatives

Our social audit programme utilises the SMETA methodology to monitor labour conditions across our value chain, including aspects such as freedom of association and collective bargaining. Findings from these assessments allow us to proactively address any instances of non-compliance through effective remediation processes, which we are continually refining to ensure better outcomes.



"The rapid pace of social and economic change presents unprecedented opportunities and risks for human rights. At Ferrero, we uphold human rights by integrating human rights principles and due diligence into our business operations. We strive to make a lasting impact on human rights by tackling the root causes of these issues through collaborative partnerships. We are dedicated to empowering individuals and fostering engagement to improve working conditions and overall livelihoods."

Phyllis Kong,
Social Sustainability Manager



Ensuring a safe and healthy work environment for everyone is one of our top priorities. We are committed to implementing processes that identify and prevent incidents while continuously improving compliance with all applicable laws.

Risk evaluation

We have developed and implemented Group procedures, policies and programmes for health and safety topics and processes relevant to Ferrero's risk profile. Our procedures establish frameworks and outline specific health and safety requirements, which are mandatory for our operations worldwide. This management system framework enables a standardised approach to health and safety management at our locations to prevent accidents and incidents and protect Ferrero employees and associates from harm. In addition, we regularly conduct compliance assessments at all our plants to ensure full compliance with applicable local regulatory requirements. Action plans are developed and implemented for all identified gaps.

Additionally, we prioritise the overall wellbeing of our employees. We have a comprehensive wellbeing framework structured around four key pillars: Health, Energy, Protection and Community. Each of our operating regions is encouraged to implement local wellbeing initiatives tailored to their specific needs, with a Group Wellbeing manager and wellbeing focal points in each region to ensure the implementation of the initiatives. For more information, please see our corporate [sustainability report](#).

Prevention and mitigation

Once a health and safety risk is identified, we collaborate with the relevant departments to address the root cause of the issue and put measures in place to prevent re-occurrence. We have established several health and safety KPIs (leading and lagging metrics), and track and report on our performance regularly.

In our supply chain, health and safety considerations are part of our responsible sourcing strategy and supplier due diligence process. They are included in our Code of Ethics and Supplier Code. Partners working at our facilities are vetted and selected based on their health and safety performance. Our third-party logistics providers undergo annual health and safety management assessments. Currently, we are in the process of developing procedures to implement health and safety self-assessments and periodic checks by our third-party manufacturers.

Key initiatives

Strengthening our safety culture aligns with our vision to foster a proactive, self-sustaining environment that continuously enhances the health, safety and wellbeing of our people and partners. Within our operations, we provide occupational health services such as access to workplace doctors and nurses, first aid and counselling. We have launched a training programme in operations to empower line managers to engage their teams in meaningful safety dialogues.

We established Group-wide health and safety indicators and set targets for each Ferrero plant, with most sites meeting these goals. Consequently, the injury rate across the Ferrero Group decreased significantly. Moving forward, we will focus on initiatives that involve all employees in actively managing and discussing safety, aiming to eliminate all injuries and accidents.

RELATED POLICIES

- ❑ **Group Health and Safety Procedures:**
Establishes standards and minimum requirements on relevant health and safety topics to be implemented across the Ferrero network.
- ❑ **Group Health and Safety Policy**
Based on the Code of Ethics and the Company's values, this internal policy defines Ferrero's Group health and safety vision and outlines 12 management principles to guide the implementation of a Group-wide health and safety management system.

Kinder Joy of Moving step challenge: During the Wellbeing & Safety Month 2024, Ferrero launched a global virtual step challenge to promote physical activity, engaging over 4,000 employees and encouraging a sense of community and awareness of active living benefits.

Our wellbeing initiatives in a nutshell

We are committed to fostering a culture of wellbeing for our employees. Some of our key activities in the space include but are not limited to:

- Continuing to provide the Global Employee Assistance programme to promote a culture of care.
- Deploying a recurring global wellbeing awareness campaign with four annual wellbeing awareness days and a global wellbeing month. These campaigns include translations to reach a global audience with localised adaptations.
- Participating in the Consumer Goods Forum's Employee Health and Wellbeing workstream, where several companies join forces to find solutions to common health and wellness problems faced today.
- Wellbeing and Safety Month: This event happens annually targeting all Ferrero locations worldwide. It focuses on Ferrero's wellbeing framework, offering different activities such as information sessions and interactive experiences, tailored to various contexts and employee groups.

We are committed to respecting and safeguarding the right to privacy and data protection of our employees, consumers, users, vendors, providers and customers, in strict accordance with applicable laws and standards.

Risk evaluation

We are fully committed to upholding the right to privacy and personal data protection for everyone we engage with, particularly our consumers, employees and business partners. To support this commitment, we have implemented a Group Privacy and Data Protection Policy with stringent standards and a comprehensive privacy governance system. This system includes a cross-functional network of data delegates, data managers, privacy coordinators and our Group privacy counsel (the Privacy Network).

Prevention and mitigation

Our extensive Privacy Network is dedicated to the careful handling of personal data, with a strong focus on fairness and confidentiality. In conjunction with our Group Privacy and Data Protection Policy, we have established a specific policy for managing personal data breaches, as well as detailed procedures, guidelines and checklists for various activities, ranging from e-recruitment to marketing on social media.

Ferrero privacy coordinators closely monitor legislative developments and recommendations published by data protection authorities in their respective countries or regions, ensuring that the highest standards are consistently followed and upheld. These coordinators also regularly conduct Data Protection Impact Assessments to identify and mitigate any risks related to individuals' right to privacy.

Data protection training is a mandatory part of Ferrero Fundamentals for all employees, helping them prevent, recognise and avoid the misuse of personal data. Within our supply chain, we require suppliers to comply with relevant local data protection, confidentiality and privacy regulations, as well as adhere to our Group standards.

Key initiatives

In addition to the Ferrero Fundamentals privacy module provided to all employees, we offer tailored e-learning modules and workshops to key departments and employees, including those in human resources, marketing and consumer care.

We pay special attention to emerging technologies, such as algorithmic decision-making and Generative AI, to ensure that our data processing practices are fair and beneficial to Ferrero, its consumers and business partners.

We continually enhance our internal processes to foster a culture of compliance and facilitate the exercise of privacy and data protection rights for our consumers, shoppers, employees and service providers. Our privacy notices are regularly updated to provide transparent information, and we ensure that data subjects can easily contact local privacy coordinators in their own language to ask questions or submit requests concerning their personal data.

The Group Privacy Counsel is actively involved in shaping our AI governance model to ensure that AI technologies are deployed in a manner that respects privacy and data protection.

RELATED POLICIES

- ❑ Privacy and Data Protection Policy
Sets clear general principles and specific rules regarding the processing of personal data.
- ❑ Personal Data Breach Management Policy
Sets clear rules for addressing personal data breaches and mitigating their adverse effects.
- ❑ Access to Former or Absent Employee Data
Group procedure which establishes rules and safeguards the right to data protection and privacy of (former) employees during their absence.
- ❑ Privacy for People and Organization Function
Group operating manual which provides specific guidance to human resources specialists on how to handle candidates', employees', or former employees' personal data throughout the employment lifecycle.
- ❑ Privacy Checklist and 10 Golden Rules
Reader-friendly guidelines on the standards and obligations that Ferrero follows when a new project or activity requires the collection or use of personal data.



“In the 21st century, privacy as a fundamental right has become more essential than ever, especially with the advent of AI. Ferrero has established a robust privacy model and a deeply ingrained compliance culture, which now provide a clear roadmap for the responsible use of AI. The privacy network will continue to promote a human-centric approach to the use of technology, which can benefit Ferrero, our consumers and the persons we are working with.”

Florence D'Ath,
Ferrero Group Privacy Counsel

Environmental-related Human Rights issues

LINK(S) TO VALUE CHAIN: **RAW MATERIALS** PRODUCTION PACKAGING LOGISTICS CONSUMPTION

1 2 3 4 5 6 7 8 **9** 10

We acknowledge that a safe, clean and sustainable environment is essential for the full realisation of human rights. The climate crisis affects everyone, with the poorest communities suffering the most.

As a global company, we have the responsibility to minimise our contribution to environmental challenges and to safeguard those at risk in our local communities, particularly vulnerable groups such as children and the elderly.

Risk evaluation

Our priorities encompass three key areas: implementing our environmental strategy, safeguarding local communities, and supporting those advocating for environmental human rights. In our operations, we aim for full compliance with applicable legislation and multi-site certification, adhering to ISO 14001 and ISO 50001 international standards. This helps us to regularly perform audits on our operational sites aimed at identifying potential risks and gaps, and allows us to have and maintain a certified system in place to address them.

Prevention and mitigation

In our operations, out of our 37 Ferrero factories, 29¹ and all directly managed warehouses are certified to ISO 14001. 23² out of them are also certified in accordance with ISO 50001. In addition, we regularly audit our industrial plants and warehouses directly managed by the Group with the SMETA methodology 4 pillars approach covering labour standards, health and safety, environment and business ethics. In particular, the environmental pillar of the SMETA audit assesses environmental performance and compliance with relevant environmental laws and regulations.

In our supply chain, environmental-related human rights impacts, including environmental impacts on the community and children, are part of our responsible sourcing strategy and supplier due diligence process. Our responsible sourcing approach emphasises the protection of ecosystems, local communities and related land rights, and we actively engage with suppliers on issues specific to each commodity.

Moreover, climate change threatens current and future food production systems and the livelihoods of millions of people. We do acknowledge our responsibility in helping achieve the Paris Agreement's goal of limiting global temperature rise to 1.5 degrees. Therefore, we have established 2030 Science-Based Targets to cut absolute Scope 1 and Scope 2 emissions by 50% and emissions intensity by 43% (per tonne of product produced, including Scope 3) compared to 2018 levels.

Key initiatives

We collaborate with suppliers on issues specific to each commodity, such as tackling deforestation in palm oil and sugar cane cultivation and managing water use and pests in hazelnut farming (more details can be read in our [sustainability report](#)). Additionally, our farmer field schools offer training in sustainable agricultural and environmental practices. We also partner with international industry associations and certification standards like the CGF and RSPO to promote alignment and best practices. For more information, please see our corporate [sustainability report](#).



1 24 manufacturing plants, 3 warehouses and 2 auxiliary sites in Germany.
2 21 manufacturing plants and 2 auxiliary sites in Germany.

Rights relating to consumer health and responsible marketing

LINK(S) TO VALUE CHAIN: RAW MATERIALS PRODUCTION PACKAGING LOGISTICS CONSUMPTION

1 2 3 4 5 6 7 8 9 10

We care about the health of our consumers and provide transparent, comprehensible information that can be accessed by all consumers. We are dedicated to providing responsible messaging that helps consumers make informed choices about their diet and lifestyle.

Effective communication can assist individuals in understanding the importance of nutrition, diet and physical activity in maintaining a healthy and active life. We adhere to strict advertising and marketing standards that often exceed legal requirements, adopting industry nutrition labelling and advertising guidelines to enhance our positive social impact.

Risk evaluation

In all our marketing communications, we adhere to the 'Framework for Responsible Food and Beverage Communications' from the International Chamber of Commerce. Additionally, we follow the [Global Responsible Marketing Policy](#) by the International Food & Beverage Alliance (IFBA), of which we are a founding member. Our [Advertising and Marketing Principles](#) further reinstate these commitments.

We evaluate the effectiveness of our Food Safety and Quality standards through a structured auditing system across the entire value chain. This includes third-party certification audits, conducted by independent external bodies against various Food Safety and Quality certification standards.

All Ferrero plants are certified under a GFSI-recognised scheme, such as the Food Safety System Certification (FSSC), British Retail Consortium (BRC), International Featured Standards (IFS) or Safe Quality Food Institute (SQF). We use FSSC 22000 as our international GFSI-recognised standard for certifying our Food Safety and Quality Management System. Our goal is to progressively extend this certification to all new acquisitions to ensure a consistent standard of reference.



Prevention and mitigation

We care about the health of our consumers and provide transparent, comprehensible information that can be accessed by all consumers. We apply the [IFBA Global Policy on Marketing and Advertising to Children](#) worldwide and participate in the EU Pledge, a voluntary initiative on responsible advertising to children. Our compliance with the EU Pledge is monitored annually and independently by Ebiquity for television advertising and by the European Advertising Standards Alliance (EASA) for online advertising (company-owned websites, company-managed social media and company-recognised influencers). In 2023, our overall compliance rate was 98.59% for television advertising and 100% for online advertising.

We actively participate in external monitoring to assess compliance with national, regional or global industry commitments. Our packaging includes accurate nutrition information, meeting relevant legislation and our voluntary commitments worldwide. We also align with the IFBA Principles for a 'Global Approach to Fact-based Nutrition Information' on eligible products.

As a leading global sweet-packaged food company, we are deeply committed to ensuring our products do not contribute to obesity or health issues. Our nutrition strategy is built around four key pillars:

PILLAR 1

Suitable serving sizes of our products that allow consumers to better manage their daily energy needs within their overall diet.

PILLAR 2

Careful selection of high quality raw materials that provide essential energy and micronutrients.

PILLAR 3

Promotion of ingredients, foods and structured eating occasions that can be integrated into food education programmes for consumers and the medical-scientific community.

PILLAR 4

Education on the importance and benefits of an active lifestyle.

Rights relating to consumer health and responsible marketing **continued**

Key initiatives

We are continually expanding and refining our analysis of our products' nutritional impacts and regularly report on the nutritional metrics, such as the glycaemic index performance of our products, in our corporate [sustainability report](#). In alignment with the IFBA product formulation and innovation framework, we eliminated partially hydrogenated fats from our products in 2006, meeting World Health Organization's (WHO) global request to limit industrial trans fats. We continue collaborating with other stakeholders in this area.

RELATED POLICIES

- ❑ [Group Food Safety and Quality Policy](#)
Commitment to safe consumer experience.
- ❑ [Ferrero Advertising Marketing Principles](#)
Promoting responsible marketing and consumption.
- ❑ Responsible Marketing Communication Guidelines
Internal guidelines to ensure no misleading claims are made when marketing products.
- ❑ Guidelines on Qualified Sustainability Advertisements
Internal guidelines to ensure that sustainability claims do not contain instances of greenwashing.

CASE STUDY

Joy of Moving

Kinder Joy of Moving is a Ferrero initiative that encourages children to be active through play, aiming to foster healthy development. This programme utilises play and movement to develop fundamental skills in children, promoting an active and happy lifestyle. Kinder Joy of Moving organises various activities, including school programmes, sporting events and collaborations with athletes, to inspire children and their families to embrace an active lifestyle.

CASE STUDY

Promoting healthy lifestyles

Ferrero has been a long-term supporter of public health in France. For over 15 years, we have funded the FLVS (Fédérons Les Villes pour la Santé) association, a public utility organisation that runs the VIF (Vivons en Forme) programme. The mission of the VIF programme is to encourage the adoption of health-promoting behaviours from an early age, through the mobilisation of local players. It aims to promote the benefits of physical activity, nutrition and personal wellbeing (sleep, hydration, screen time, emotion management, etc.) among children, adults and seniors alike. Recent studies have shown that VIF is effective in reducing childhood obesity rates in participating communities.



In partnership for continuous improvement

Ferrero is dedicated to overcoming challenges in human rights, recognising that while significant progress has been made, it remains a continuous learning process.

This progress report highlights that although we have made much progress concerning approaching and addressing our human rights issues, it is a constant challenge that we continue to work on.

We understand that effective due diligence relies on a supportive environment, and we are committed to fostering a culture where human rights are integral to daily activities.

Our efforts continue to be grounded in the strong foundations of a family business with clear values and decisive governance, enabling the integration of due diligence and remediation practices across diverse operations.

We are grateful to our strategic partners, with whom we strive to understand human rights risks, drive improvements and scale effective solutions for systemic change.

Other information

Moving forward, we will update our human rights policies, including piloting the Child Labour Prevention and Remediation Guidelines in Cocoa with Save the Children and enhance our due diligence and audit programmes. We are building internal capabilities on human rights by integrating these issues into sustainability learning modules for employees and creating tools to aid business functions in addressing human rights impacts.

We will continue to maintain our due diligence practices across our entire supplier portfolio, aligning with the upcoming EU CSDDD regulation and the German Supply Chain Act (LkSG). We will continue to uphold our verification and certification levels for key commodities. We also will maintain our sustainability advocacy efforts and continue to contributing tackling the root causes of human rights issues through institutional engagement and multi-stakeholder platforms.

Our strong partnerships will continue, such as with the ILO for hazelnuts in Türkiye and Save the Children for cocoa in West Africa, transitioning to new areas following the success in Haut-Saussandra. We will continue to share best practices, challenges and experiences with peers through collaborative platforms, such as the Shift Business Learning Programme, Consumer Goods Forum Human Rights Coalition, AIM-Progress and ILO Child Labour Platform. We actively monitor and address critical human rights issues including environmental impacts related to human rights, just transitions and incorporating a people-centred approach into our environmental and climate strategies. We assess the effectiveness of our activities and programmes to guide future actions.



“Our approach is built around robust due diligence, supplier management, traceability and transparency, certification and standards, partnerships, and collaboration. Over the financial year 2023/24, more than 1,500 third party audits have been carried out across all parts of our responsible sourcing approach to assess the compliance of our suppliers. Building long-term relationships and supply chain transparency is deeply rooted in our culture.”

Nicola Somenzi,
Head of Responsible Sourcing

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