



# Ferrero Responsible Sourcing

Acquisti sostenibili per un maggior controllo della filiera

October 05, 2023

# Acquisti sostenibili per Ferrero – quanto sono importanti oggi e quale è l'approccio di Ferrero?

Esempi di approccio agli  
acquisti sostenibili di Ferrero

Il futuro





# FERRERO



Present in  
**50+**  
countries

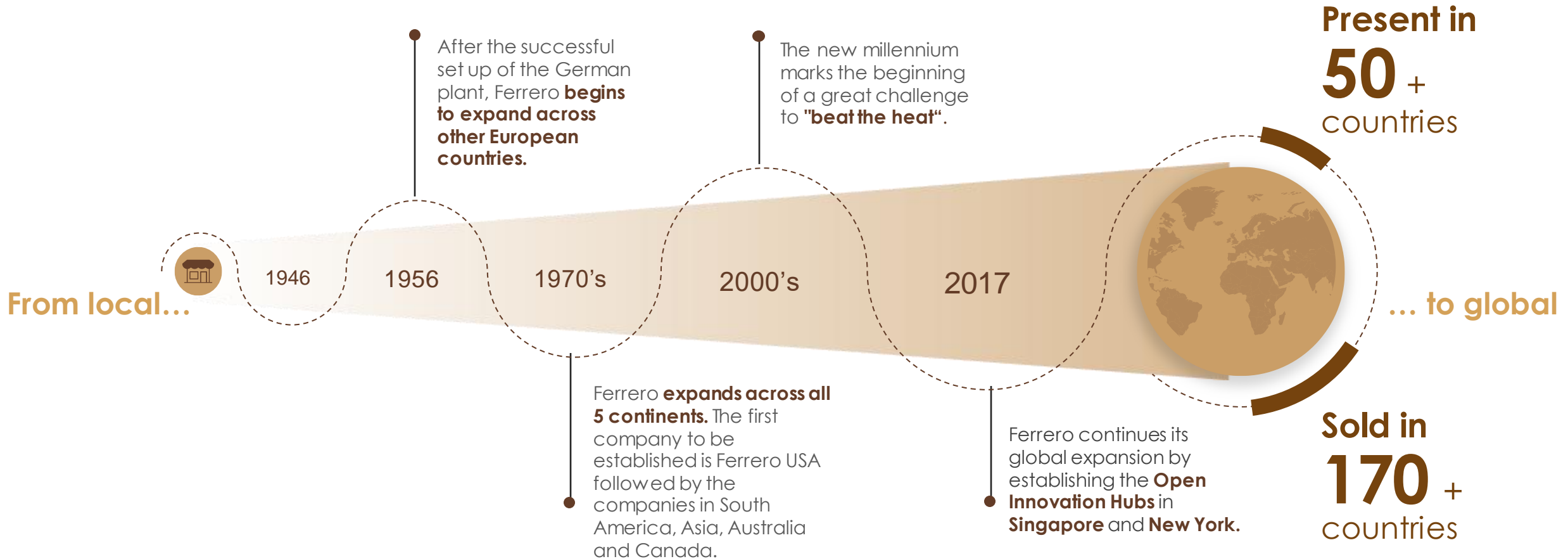


Sold in  
**170+**  
countries



# Established in 1946, Ferrero has gone from local to global

The history of the Ferrero Group is a story of success in its third generation, in which the development of a multinational company perfectly combines with the past, present and future of a tenacious family from the Piedmont region of Italy.



# Consumers, Retailers and Regulatory evolutions: 3 strong drivers for a company responsible sourcing strategy

## Retailers



## Consumers



Consumers want to know  
“**where**” does it come from?

Consumers want to know “**how**”  
is it made?

## Regulations



EUDR, CS3D, CSRD, German Supply  
Chain Due Diligence Act,...

# Responsible Sourcing Strategic Approach: 4 Steps

The higher the risk, stronger the level of supply chain transparency and protection



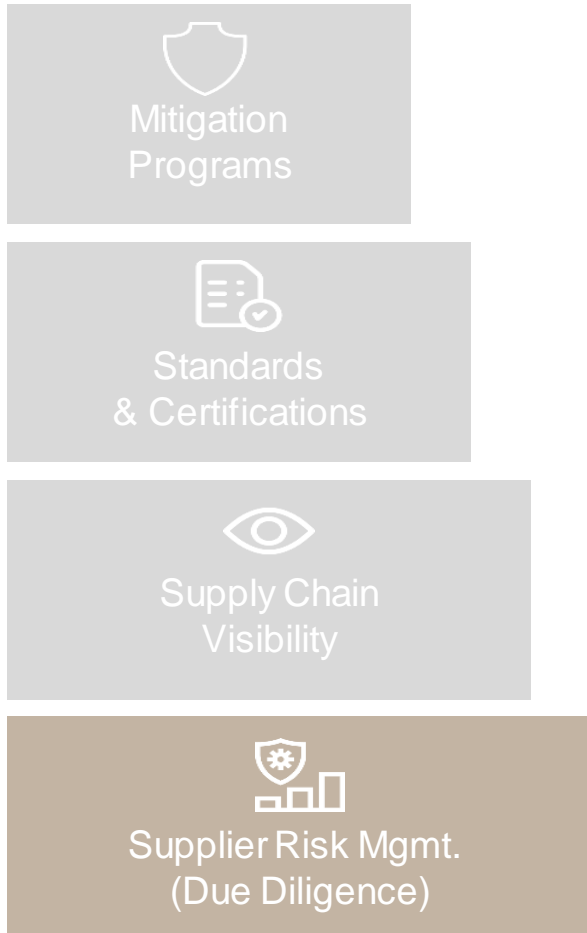
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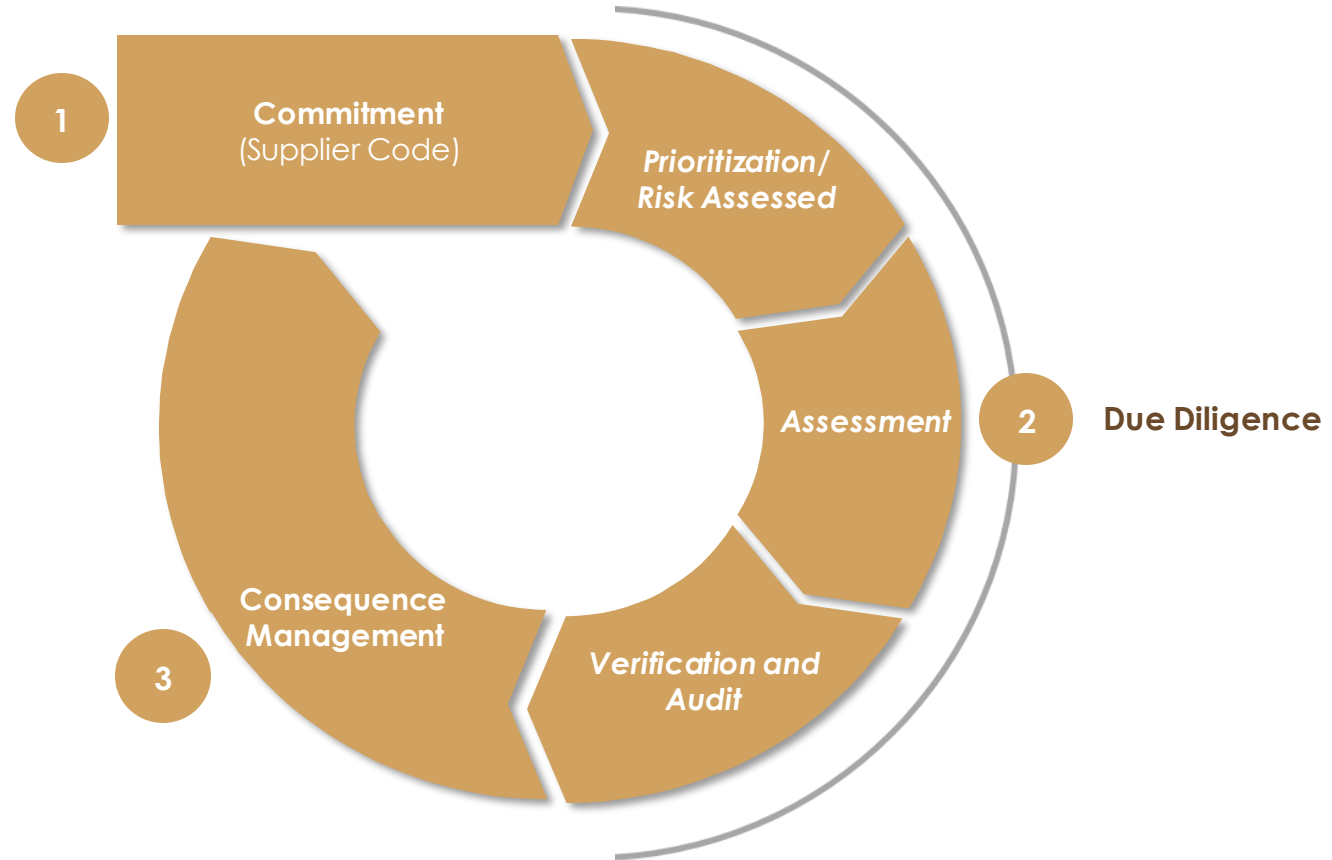
Il futuro



# Due Diligence to follow a “3-steps” approach and deployment in progress whole Ferrero suppliers’ portfolio







## Due Diligence Framework

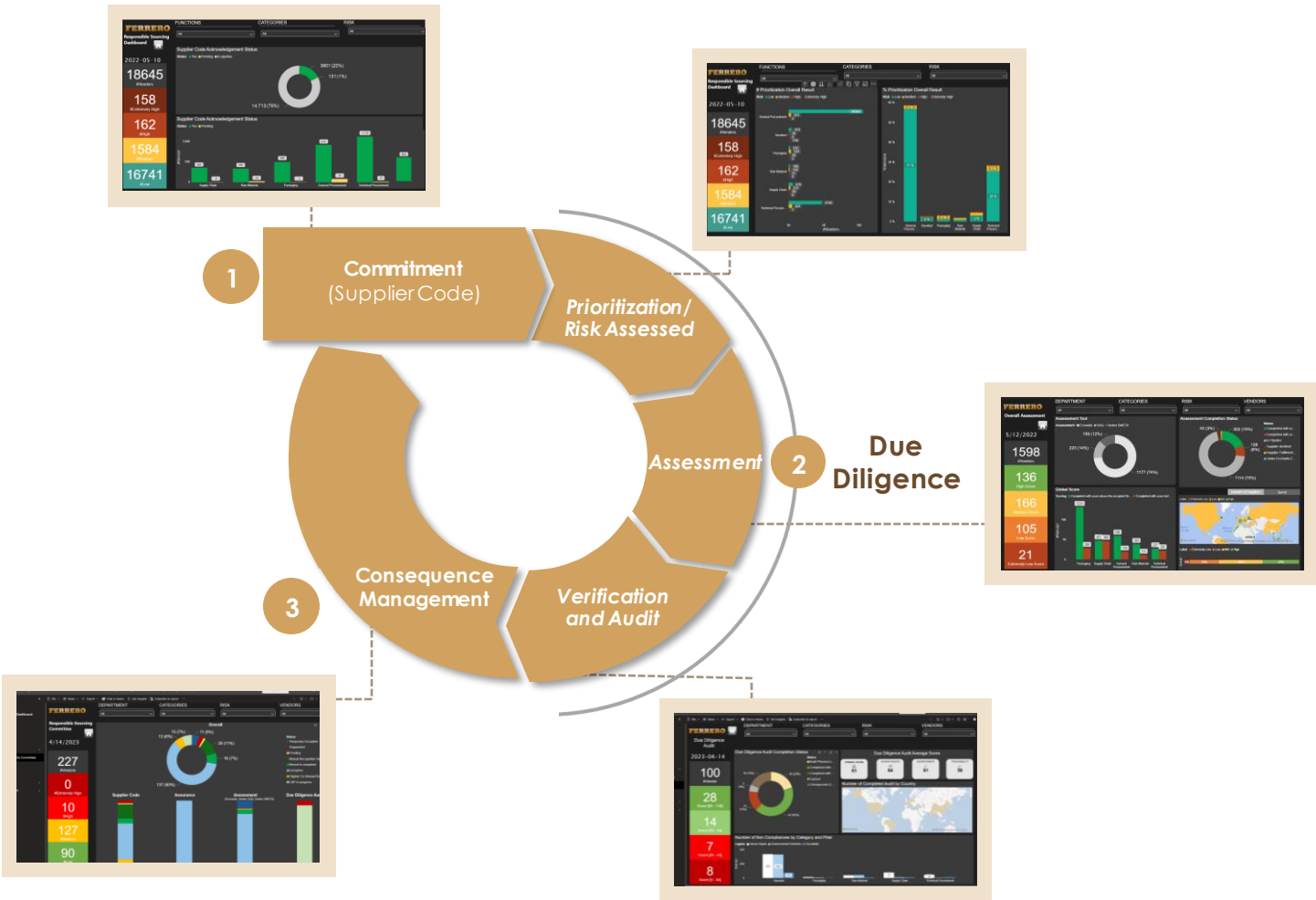




# Overall Ferrero Supply Chain compliance: *Full Visibility*

Out of 300+ PowerBI dashboard in the Group, RESSO ranks among top 10

-   
 Mitigation Programs
-   
 Standards & Certifications
-   
 Supply Chain Visibility
-   
 Supplier Risk Mgmt.  
 (Due Diligence)



# Step 2: Supply Chain Visibility

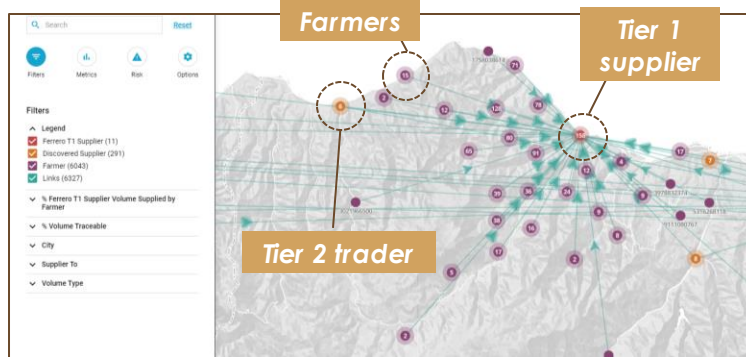
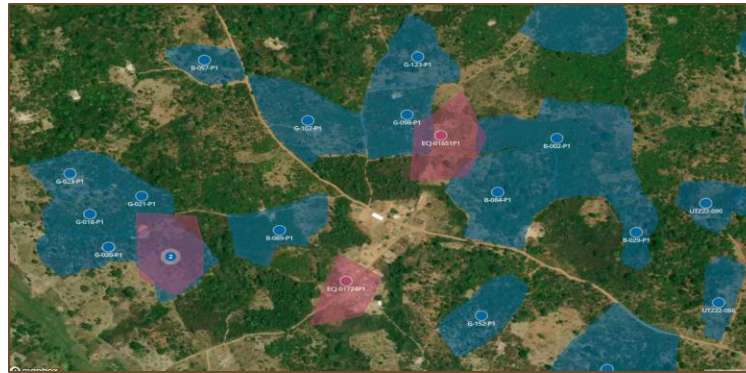
Multi-tier Traceability, Farm Plot level mapping and Satellite Monitoring

Mitigation Programs

Standards & Certifications

Supply Chain Visibility

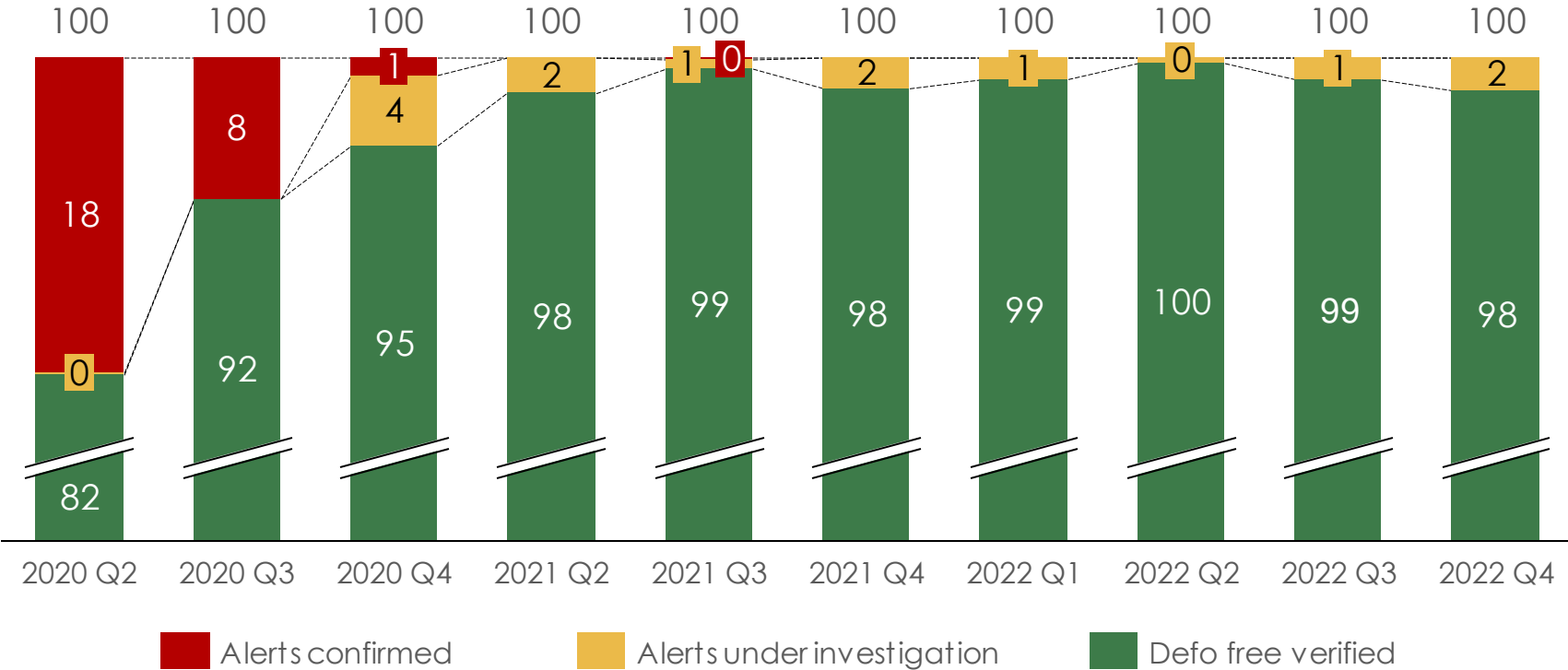
Supplier Risk Mgmt. (Due Diligence)



# Palm Oil: Deforestation free verified

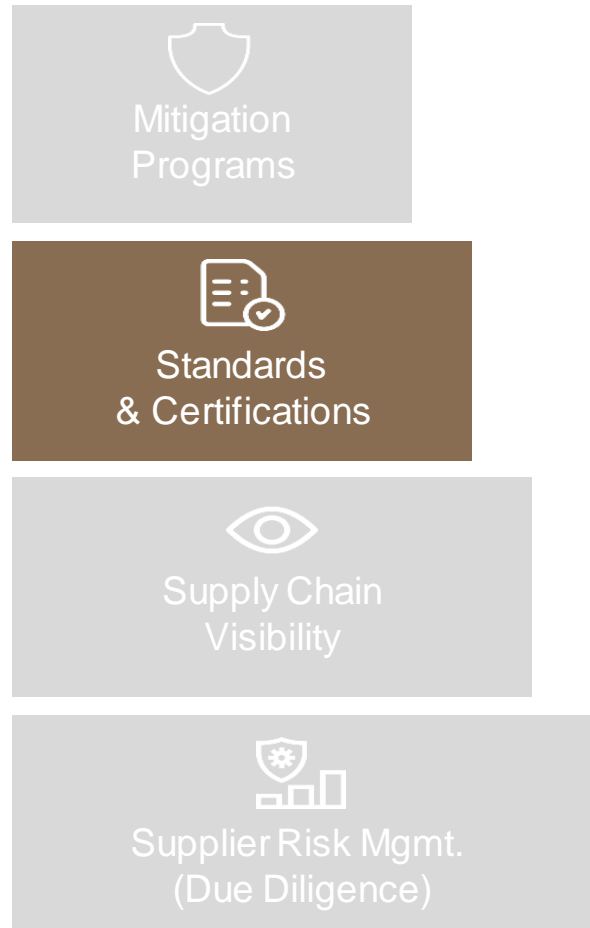
## Historical Brands – Starling Alert

Satellite monitoring  ~1,1M hectares Palm Oil directly monitored through satellites,  >99% of own Palm Oil supply chain (Starling)



# Step 3: Standards and Certifications

Ferrero leverages a broad range of external certifications and internal company standards



## Company standards

*Second party verified*




## Certifications (not exhaustive)


*Third party verified*




# Full certification coverage in key commodities




Mitigation Programs



Standards & Certifications



Supply Chain Visibility



Supplier Risk Mgmt.  
(Due Diligence)

	Cocoa <small>RA/ FT/ ...</small>	Palm Oil <small>RSPO (SG)</small>	Cane Sugar <small>Bonsucro</small>	Virgin Paper <small>FSC/ PEFC/ SFI</small>
FY 21/22	100%	99.6% <small>* Acquired brands (Thorntons, Fannie May, Nestlé U.S., ICFC)</small>	100% <small>36% MB 64% Credits</small>	100%
End 2020	100%	99.6% <small>* Acquired brands (Thorntons, Fannie May, Nestlé U.S.)</small>	100% <small>37% MB 63% Credits</small>	100%
FY 18/19	81%	100.0%	48% <small>MB</small>	100%
FY 15/16	50%	100.0%	40%	95%
FY 12/13	25%	75.0%	0%	0%

# Step 4: Mitigation Programs in the Cocoa value chain

## CFI and Save the Children Platforms



Mitigation Programs



Standards & Certifications



Supply Chain Visibility



Supplier Risk Mgmt. (Due Diligence)



**Human Rights:**  
Partnership Save the Children



**85 communities (6% total CDI)**  
**60K beneficiaries (20K child)**



**Environment:**  
Cocoa and Forests Initiative (CFI)



**Agro-forestry 145K ha**  
**(35% total ha CDI/GHA)**

# Step 4: Mitigation Programs in the *Hazelnut value chain*

ILO and Caobisco platforms



Mitigation Programs



Standards & Certifications



Supply Chain Visibility



Supplier Risk Mgmt. (Due Diligence)



Human Rights:  
ILO



**1.258 child** reached in **2022**  
**(1.117 educational material delivered)**



Human Rights:  
Caobisco



**2.406 child** reached in **2022**  
**(11.811 since 2013)**

# Step 4: Mitigation Programs in the Palm Oil value chain

Earthworm LTP & HRDD Program and SAN Nature – base solutions

  
 Mitigation Programs

  
 Standards & Certifications

  
 Supply Chain Visibility

  
 Supplier Risk Mgmt.  
 (Due Diligence)



**Human Rights:**  
 Labour Transformation  
 & Ethical recruitment (EF)



**401 Migrant workers** with improved working conditions



**Environment:**  
 Nature- based solutions for Sustainable Palm Oil production (SAN)

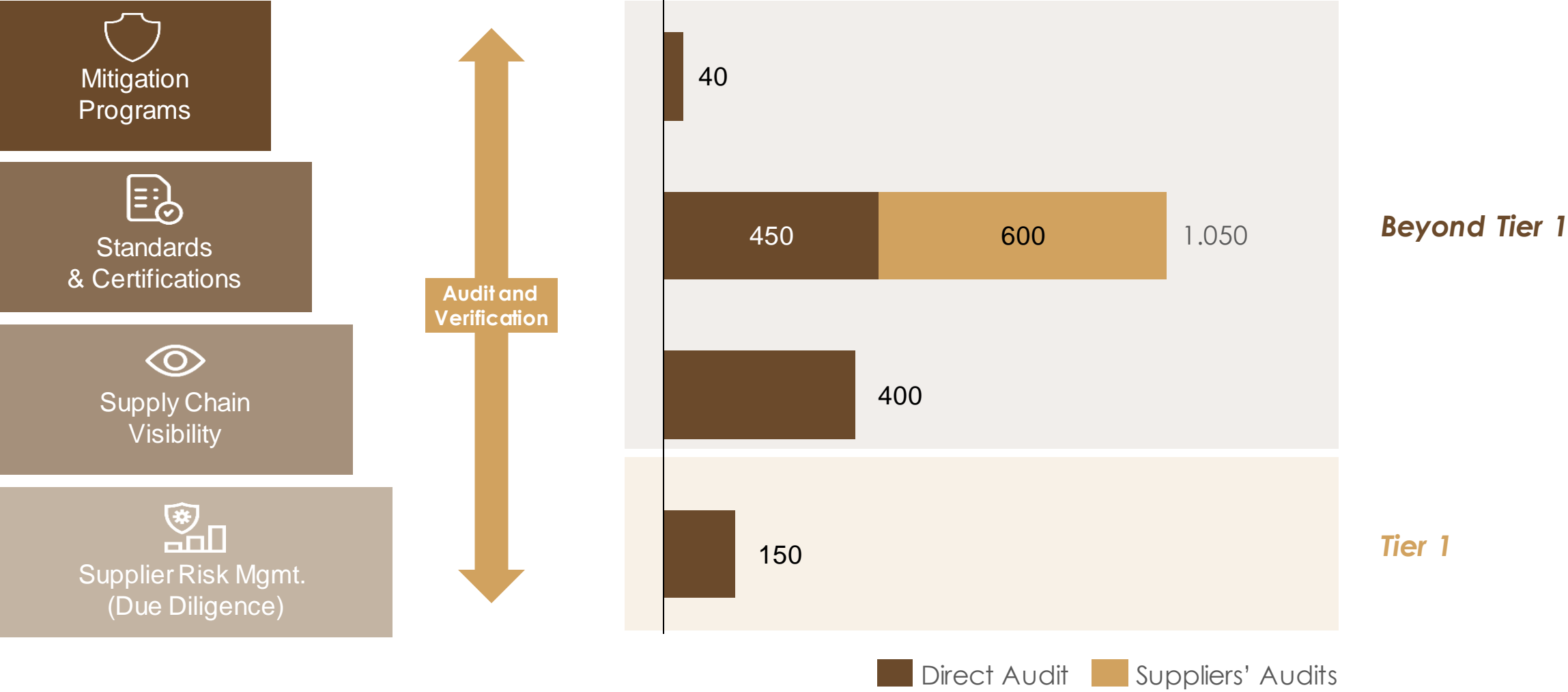


**9 small holder farms engaged**  
**200 Ha** benefited from insect habitat islands.



# Today Ferrero is running (directly or through certification schemes)

>1500 “Responsible Sourcing” audits per year on its supply chain (FY 22/23)



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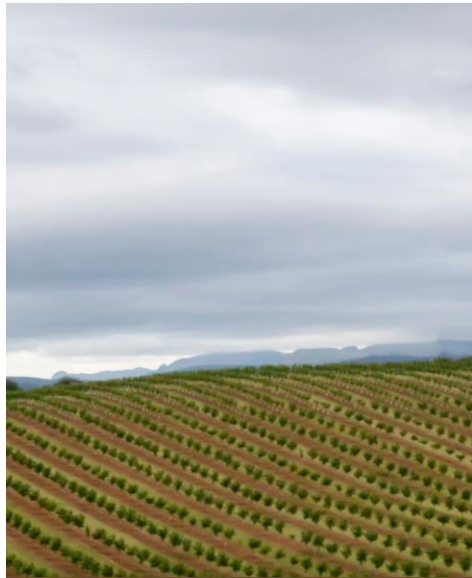
**Il futuro**



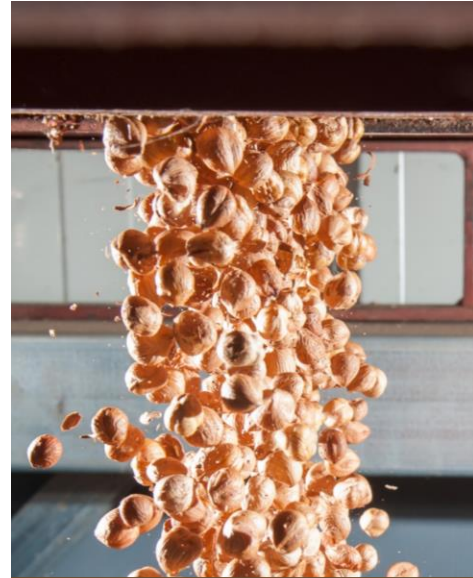
# Responsible Sourcing will be



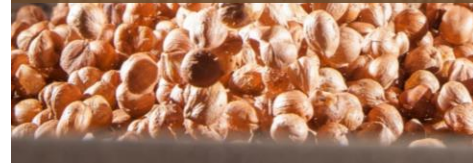
License to  
operate



Future of  
Sourcing



Competitive  
Advantage



Embedded in  
our daily  
business



Enabled by  
Technology  
innovation





**Thank you**