

FERRERO

Ferrero Sustainability Report 2024

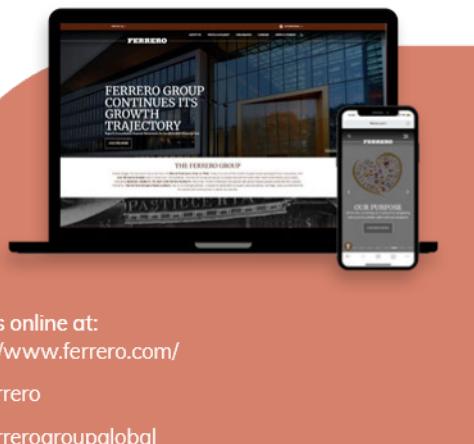
Welcome to the 16th Ferrero Sustainability Report

At Ferrero, caring for the planet and communities in which we operate is at the heart of our family culture.

As a global brand, we are aware of the influence and impact we have in our industry and we focus our efforts to continue improving how we operate. This Sustainability Report describes our approach to and performance on Ferrero's most material sustainability issues, that were identified through our latest double materiality assessment published in May 2024.

This year's report covers the fiscal year from 1st September 2023 to 31st August 2024.

Read more about our methodology in the About this report section on page 87.



Find us online at:
<https://www.ferrero.com/>

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The PwC limited assurance report for selected information, along with the related list of key performance indicators in scope, can be found on page 122.

Vision

We strive for excellence with our passion for quality and extraordinary craftsmanship. We are constantly exploring new ways to create products to meet the evolving needs of consumers.

Mission

We craft quality products for you to enjoy and share, with the utmost respect for people and the planet, treasuring the richness and diversity of our world.



Purpose

We bring joy to people by delighting and surprising them with delicious products. This belief has shaped our Ferrero family for generations, unites us today and will continue to inspire us.

Executive Chairman's letter



Giovanni Ferrero,
Executive Chairman,
Ferrero Group

It is with renewed pride that I present you our 16th annual Corporate Sustainability Report, for Ferrero International and its subsidiaries.

With confidence I invite you to explore this report and learn about how our work in social and environmental sustainability has evolved along our value chain during 2024. Our annual report addresses the four key pillars of our sustainability framework: protecting the environment; sourcing ingredients sustainably; promoting responsible consumption; and empowering people.

The Ferrero Group is one of the key global players in the food industry and, as such, recognizes how critical it is to safeguard nature for future generations. With 39 brands produced across 37 factories, and products sold in more than 170 countries we take that responsibility seriously.

Sustainability is an integral part of the Group's long-term strategy. Our daily actions reflect this through respect for people, excellence in products, social responsibility, and commitment to communities.

Despite the backdrop of subdued global economic growth across multiple industries and geographies, coupled with persistent inflationary pressures, our Group has continued on its growth trajectory over this past year. This achievement is a testament to the strength of our strategy, the resilience of our business model, and the unwavering commitment of our teams around the world.

We remain vigilant, however, as geopolitical tensions continue to cast uncertainty over the global macroeconomic landscape. The evolving environment-marked by geopolitical conflict, abrupt regulatory shifts, and trade uncertainties-demands agility, foresight, and a steadfast commitment to our values.

It is increasingly evident that organizations which embody resilience, uphold responsibility, and maintain a long-term strategic vision are best positioned to generate sustainable value for society. Moreover, such organizations are more likely to secure the enduring social license to operate. Aligned with this perspective, our company remains focused on its mission to craft products of the highest quality for consumers to enjoy and to share, with the utmost respect for people and the planet, while treasuring the richness and the diversity of our world.

As we look ahead, we remain committed to navigating global complexities with purpose and integrity.

Giovanni Ferrero
Executive Chairman, Ferrero Group

Chief Executive Officer's letter



Lapo Civiletti,
Chief Executive Officer,
Ferrero Group

During fiscal year 2023/2024, we made steady progress in our sustainability agenda. I am particularly proud of the ongoing steps we are taking to achieve our long-term commitments.

We are making significant efforts to enhance the traceability of our key ingredients and improve our supply chain visibility. Currently, over 90% of our ingredients can be traced back to their origin, including 94% of our hazelnuts. Additionally, 97% of the palm oil we source is verified as deforestation-free.

To advance our commitments to promoting human rights, preventing and eliminating child labour in commodities where this is a risk, we continue to collaborate with governmental and non-governmental organisations. Our program with the International Labour Organization (ILO) in the hazelnut supply chain successfully reached over 3,000 children of seasonal agricultural workers, while in Ivory Coast, our partnership with Save the Children reached nearly 47,000 children and adults in cocoa-sourcing areas.

We are also committed to developing science-based, category specific nutrition guidelines to drive product innovation and monitor our portfolio's nutritional composition, under the guidance of the Nutrition Board, established in 2024.

We continue to work on decarbonisation across our business, in line with the Paris Agreement goal of limiting global warming to 1.5 °C. Our scope 1 and 2 greenhouse gas emissions are more than 20% lower in absolute terms compared to fiscal year 2017/18. We have expanded the use of renewable energy, invested in energy efficiency, and increased the use of low carbon fuels. Additionally, over 92% of our packaging is now designed for recycling.

I am honoured that we have been recognised externally for our progress across many areas. The Global Child Forum's report, The State of Children's Rights and Business 2024, placed Ferrero among the leading companies exhibiting best practice in protecting and advancing children's rights. We have also received the I&D Ally Award at the World 50 Group Inclusion and Diversity Impact Awards, reflecting our ongoing efforts to create an inclusive culture where all colleagues can contribute to the success of our company. Our work in the palm oil supply chain was recognised by the World Wildlife Fund (WWF), placing us 2nd out of 285 companies in the Palm Oil Buyers Scorecard. CDP evaluated our climate disclosure with a B score, which is above our sector average. We have also joined the Towards Net Zero Coalition of the Consumer Goods Forum.

We have successfully advanced our sustainability journey while maintaining strong financial stewardship across the company. The Ferrero Group closed the fiscal year with a consolidated turnover of EUR 18.4 billion, representing an 8.9% increase compared to the previous year. This solid performance achieved despite volatile commodity prices and ongoing inflationary pressures-highlights the resilience of Ferrero's business model, the strength of our brands, and the commitment of our employees.

You are warmly welcome to find out more about our sustainability initiatives and progress in this report, as well as on our new website dedicated section.

Lapo Civiletti
Chief Executive Officer, Ferrero Group

About Ferrero Group

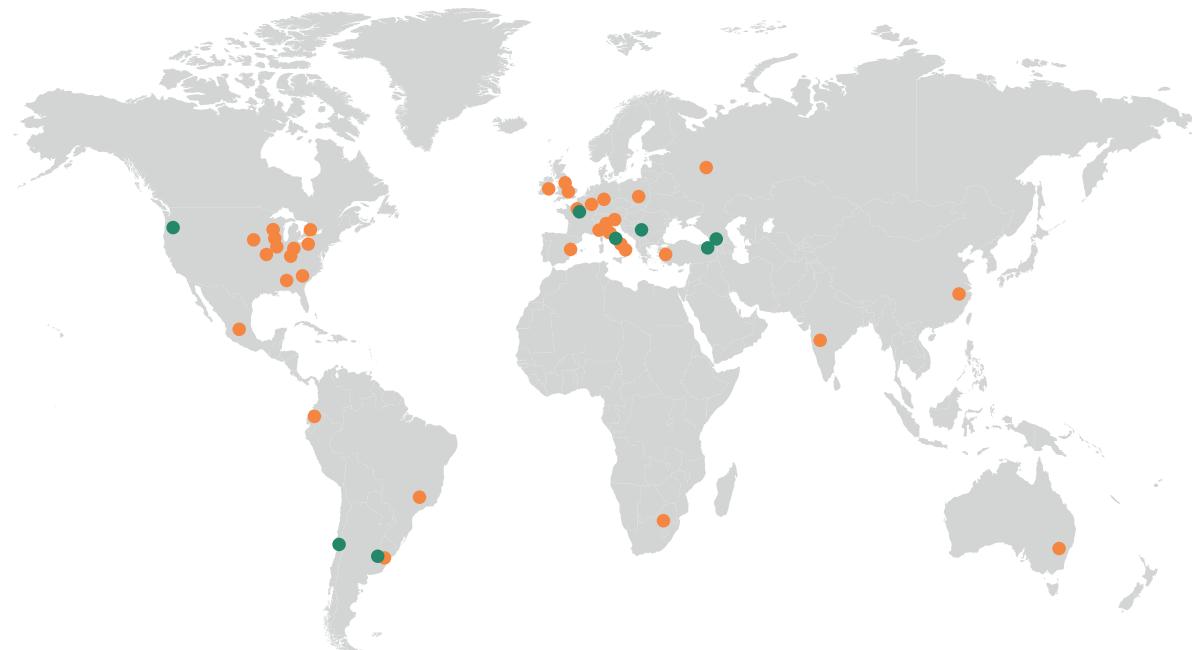
Ferrero began its journey in the small town of Alba in Piedmont, Italy, in 1946. Today, we are one of the world's largest sweet-packaged food companies, with 39 brands. The Ferrero Group brings joy to people around the world with much-loved treats and snacks, including our iconic brands: Nutella, Kinder, Tic Tac and Ferrero Rocher.

KEY FIGURES FOR FY 2023/24



OUR GLOBAL PRESENCE

Ferrero Group is present in more than 50 countries with 37 manufacturing plants across four geographic areas.



FERRERO MANUFACTURING PLANTS¹

Argentina: La Pastora	Ecuador: Quito	Italy: Alba, Pozzuolo Martesana, Balsano, S. Angelo dei Lombardi, Castel d'Ario, Caivano	Russia: Vladimir
Australia: Lithgow	France: Villers-Écalles	South Africa: Walkerville	U.S.: North Canton, Bloomington, Franklin Park, Louisville, Florence, Augusta, Chicago, Le Mars North, Le Mars South, Henderson, Dunkirk
Belgium: Arlon	Germany: Stadtallendorf, Faulbach	Spain: Alzira	Türkiye: Manisa
Brazil: Poços de Caldas	India: Baramati	United Kingdom: Alfreton, Halstead	U.S.: U.S., Italy, France, Georgia, Argentina, Serbia
Canada: Brantford	Ireland: Cork		
China: Hangzhou			

¹ The production plants in scope for FY 2023/24, unless stated otherwise in the report, exclude Alzira, Castel d'Ario, Halstead, Le Mars North, Le Mars South, Henderson, Dunkirk, Caivano, Faulbach, and Vladimir.



Türkiye

Chile

U.S.

Italy

France

Georgia

Argentina

Serbia

Our key achievements in the year



September 2023

Our Balvano plant produces its first million quintals of Nutella biscuits.



October 2023

Launch of Kinderini

The new biscuit line from Kinder, crafted to be parents' favourite choice for bringing joy to their children. These delightful biscuits feature two layers of soft dough, filled with a rich cocoa and milk blend, topped with our signature Kinder Cream.



110th Anniversary of Wells

With 110 years of history, Wells has become one of the leading ice cream and novelty manufacturers in the United States.



January 2024

Ferrero is recognised for its best practice in the Child's Rights Benchmark of The Global Children Forum, ranking 12th out of 1,108 assessed companies and 4th in the Food & Beverage sector.



February 2024

Nutella turns 60 years

Nutella marks its sixth decade of spreading positivity, feeding togetherness, and bringing unbeatable taste and enjoyment around the world.



February 2024

Ferrero celebrates 50 years of Kinder Surprise

For five decades, Kinder Surprise has continued to bring families playful, celebratory moments that spark delight and wonder around the world.

Key

▲ New products/new category launches

◆ Codes/progress report updates/new or updated policies/charters

♡ Programmes for employees

● New plants/centres





March 2024

The Ferrero team received the I&D Ally Award at the World 50 Group Inclusion and Diversity Impact Awards 2024.

The Famous Amos team was recognised with the I&D Ally Award at the World 50 Group I&D Impact Awards 2024 for their Ingredients for Success Entrepreneurs Initiative and Grant Program.



April 2024

2024 WWF Palm Oil Buyers Scorecard, which evaluates global companies' efforts on sustainable palm oil, has recognised Ferrero's long-standing commitment to sourcing and promoting sustainable palm oil. Ferrero is considered to be leading the way in sustainable palm oil, ranking 2nd out of 285 companies, with a score of 22.9 out of 24.



May 2024

The opening of Ferrero's new 70,000 square feet manufacturing campus in Bloomington, Illinois. The facility is the Group's first chocolate processing plant in North America and third globally. In this plant we produce chocolate used in iconic products like Kinder, Ferrero Rocher, Butterfinger, and CRUNCH, and now house a new Kinder Bueno production facility.

Inauguration of the second processing facility of AgriChile, local affiliate of Ferrero Hazelnut Company (HCo) in San Gregorio, Ñiquén, Chile.



July 2024

Launch of the new Nutella Ice Cream

Ferrero's latest innovation in the ice cream category. This new product is the first packaged ice cream by Nutella: a combination of Nutella's unique taste and melt-in-your-mouth creaminess with the smoothness of ice cream, in a pot format.



July 2024

Publication of the new Ferrero Hazelnut Charter (2024-2026) which continues and improves Ferrero's commitments towards a more sustainable hazelnut value chain.



Our value chain

As we continue to grow our business responsibly, we ensure we embed sustainability fully by considering our impacts and opportunities along the value chain – from raw materials to end-of-life.



Raw materials

We source raw materials such as hazelnuts, cocoa, palm oil, sugar, milk and eggs to make our products. 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.

[See page 38](#)

Production

Our products are manufactured in 37 manufacturing plants globally 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.

[See page 60](#)

Packaging

Packaging protects the quality and freshness of our products globally and we work with authorised dealers in more than 170 countries. 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.

[See page 30](#)

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.

[See page 23](#)

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.

[See page 58](#)

End-of-life

Packaging plays a crucial role but it can cause harm to the environment if it is not disposed of in the right way. Providing clear guidance on how to dispose of our packaging, and ensuring it is recyclable, reusable or compostable, is key to managing our impacts.

[See page 30](#)

Our sustainability framework



Protecting the environment

We monitor, measure, manage and aim to reduce our environmental impact across the value chain. We work to increase efficiency in our operations and supply chains, reduce greenhouse gas emissions (GHG) and water consumption, and increase circularity across our manufacturing plants and for our packaging.



Sourcing ingredients sustainably

We aim to create a thriving supply chain which benefits farmers' livelihoods and communities, protecting people and nature. Responsible sourcing is our procurement's way of doing business, and the way we aim to build and expand supply chains across all categories. Science and technology are levers to reach our goals, and the higher the supply chain risk the stronger our level of understanding and protection of our supply chain needs to be.



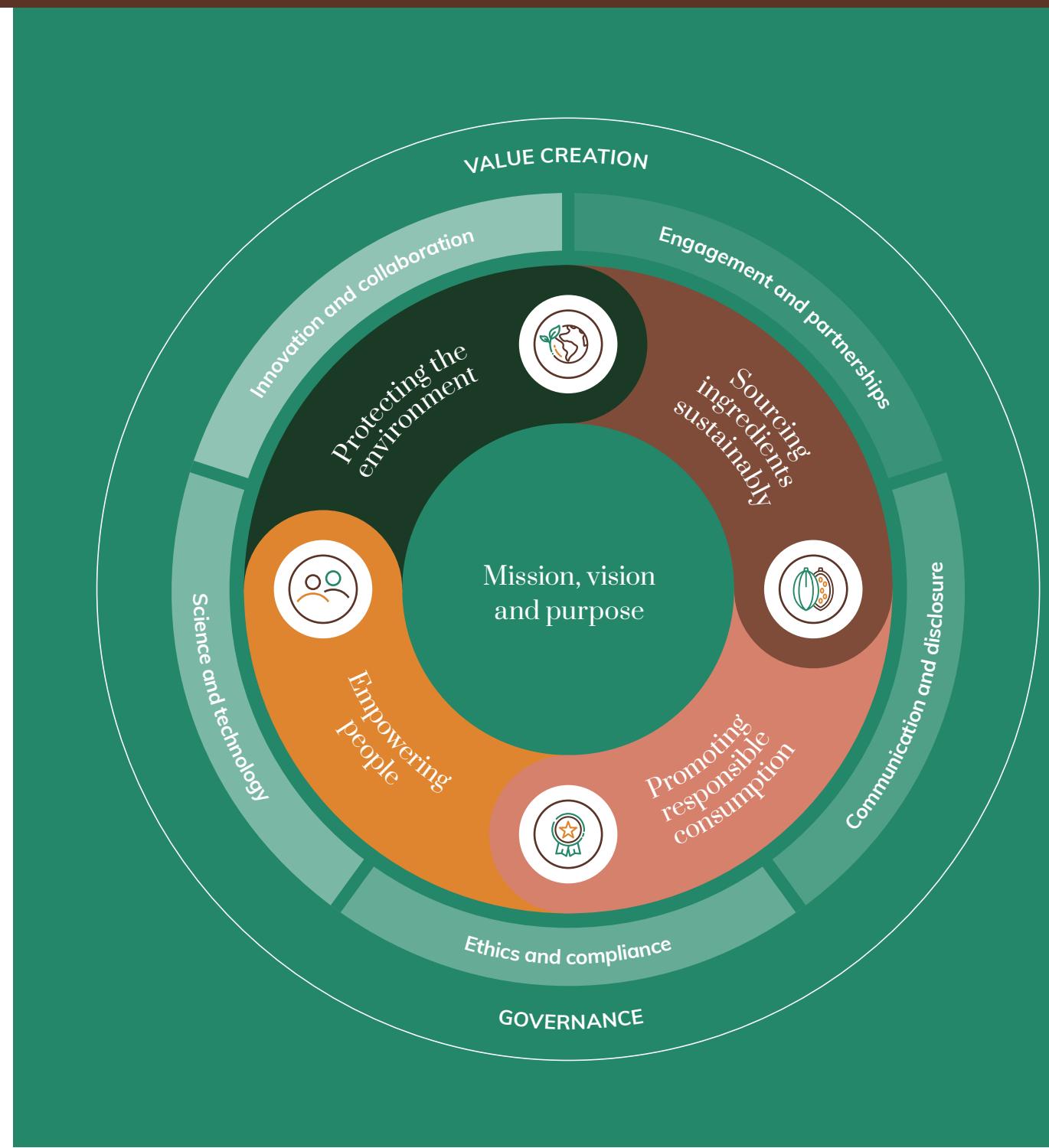
Promoting responsible consumption

We produce and market some of the world's best-loved confectionery products, and we strive to always offer high-quality and fresh products, which requires higher standards of performance and seamless execution. We always endeavour to communicate responsibly to consumers and other stakeholders.



Empowering people

We care about the people working with us across over 50 countries, and aim to build a culture of trust, respect, diversity and opportunity for all. We believe it is essential to maintain an inclusive company culture that uses the full range of its talents to respond to our business priorities. We listen and respond to our people's views and create a working environment where they feel valued and able to grow. We believe by respecting human rights we actively contribute to improving people's and communities' lives.



Our sustainability progress

Below we have outlined our achievements during the fiscal year 2023/24:



Protecting the environment



Sourcing ingredients sustainably



MATERIAL TOPICS

- Climate action
- Plastic and packaging
- Water management
- Industrial and food waste



Climate action

- Absolute emissions reduction of Scope 1 and Scope 2 by 21.7% compared to fiscal year 2017/18, while increasing production.
- Continued expansion of self-generated renewable electricity.
- Over 90% of electricity certified renewable was purchased worldwide.
- Successful pilot results in decarbonising transportation in Europe.

Water management

- Continued decrease in water withdrawal ratio by 0.7%.
- Assessment of the Ferrero water footprint.

Industrial and food waste

- We continue to exploring new ways of using our waste materials, working with suppliers and other industry sectors.

Plastic and packaging

- Continued reduction of the virgin plastics used in our redesigned Ferrero Rocher 24-piece box produced in Europe.
- We progressed in our journey from multi-material to mono-material flexible films: conversion of single wrapped portion Kinder Bueno produced in Poland, and Kinder Choco Fresh, Fiesta and Kinder Delice single wrapped portions are completed.
- We are replacing hard-to-recycle plastic, reducing the consumption of virgin plastic: Ferrero Rocher 24-piece redesigned box roll-out in North America and Ferrero Rocher 16- and 30-piece box roll-out in China.

Corporate advocacy and industry collaboration

- In December 2023, the Ferrero team took part in a real-time AI-based waste sorting demonstration at industrial scale, as a result of two years of great work by [Perfect sorting consortium](#).

MATERIAL TOPICS

- Human rights in the supply chain
- Protecting biodiversity, sustainable agriculture and preventing deforestation
- Animal welfare
- Farmer livelihoods and community development
- Transparent supply chain



Human rights in the supply chain

- Respect the rights of farmers, workers and their households, providing a fair and safe environment and working conditions, continuing our strong focus on women's empowerment and further strengthening of child protection systems.

Protecting biodiversity, sustainable agriculture and preventing deforestation

- In collaboration with Sustainable Agriculture Network (SAN), we seek to leverage the power of nature to restore and boost ecosystem services and biodiversity in our palm oil sourcing landscapes. In 2023/24, the project delivered field results on cost-effective habitat establishment for beneficial plants and insects, accompanied by a scientific publication to share insights – laying the foundation to further scale nature-based solutions for palm oil.

Farmer livelihoods and community development

- Through our partnerships with Save the Children, Earthworm, and International Labour Organization (ILO), we engaged with local communities where we source cocoa, palm oil and hazelnuts. We also engaged with local non-governmental organisations (NGOs) to support their efforts on the ground.

Transparent supply chain

- We achieved high levels of traceability, standards and certifications across our key commodities.

Our sustainability progress continued

Below we have outlined our achievements during the fiscal year 2023/24:



Promoting responsible consumption



Empowering people

MATERIAL TOPICS

- Product nutrition and environmental profiles
- Product and ingredient safety
- Responsible marketing and healthy lifestyles
- Corporate advocacy and industry collaboration



Product nutrition

- Offering most of our products in carefully defined serving sizes.
- Under the guidance of the Nutrition Board, we are developing science-based, category-specific nutrition guidelines to drive product innovation and monitor our portfolio's nutritional composition. In collaboration with public health experts, these guidelines will consider nutrition science, taste and dietary recommendations.

Product and ingredient safety

- 100% Ferrero plants certified against Global Food Safety Initiative (GFSI) recognised Standard.
- Zero critical non-conformities detected during FSSC22000 audits.
- 736 supplier audits performed.
- 922,714 store visits carried out worldwide to monitor the quality of our products up to the last mile in stores.
- 42,980 learning hours were delivered to 5,300 participants.

Responsible marketing and communication

- Our overall compliance rate was 98.93% for television advertising and 88.89% for online advertising.

MATERIAL TOPICS

- Diversity, equity and inclusion
- Human rights in the supply chain
- Corporate advocacy and industry collaboration
- Farmer livelihoods and community development
- Occupational health, safety and wellbeing
- Employee satisfaction and development
- Employment and labour relations



Employee satisfaction and development

- People Development Framework was launched to systematically identify, access and grow talent across the organisation.

Occupational health, safety and wellbeing

- New Health & Safety training was rolled out for Operations Managers, starting with leadership teams across several productional sites. In the coming year, we aim to reach all Line Managers.
- Over 4,000 employees worldwide were engaged in the Global Kinder Joy of moving Step Challenges to embrace active living.

Diversity, Equity & Inclusion (DE&I)

- The DE&I commitment was reaffirmed by (reforming or expanding) the Group DEI Council, now including seven members of the Group Management Team and a cross-functional Operating Committee.

Kinder Joy of moving

- Over 3.7 million children engaged worldwide, with annual investments exceeding 13 million euros.

Governance

Ferrero's governance structure ensures that sustainability is integrated throughout the Ferrero Group as we continue to expand into new markets and advance our sustainability agenda. We have implemented policies and programmes to guide our practices and manage impacts across all locations where we operate.

Ferrero Corporate Governance

Ferrero is a privately-held, family-owned company that adopts a traditional corporate governance model. The Shareholders' Meeting, Board of Directors, Executive Chairman and Chief Executive Officer (CEO) guide projects and initiatives in line with the long-term strategic objectives of the Group, promoting transparent and consistent communication with stakeholders.

The Board of Directors comprises both Ferrero family and non-family members. It is assessed regularly to ensure an appropriate balance of knowledge, skills and expertise, as well as proactive contributions from all Board members to achieve the Group's goals.

Executive Chairman Mr. Giovanni Ferrero is responsible for reviewing and approving the Group's long-term strategic direction in line with our culture and values. Mr. Ferrero leads the Strategic Team, Group Leadership Team, Audit Committee, and the following Group Boards:

- Human Resources (HR) & Organisation Development Board
- Industrial & Supply Board
- Product Board
- Procurement Board
- Reputation Board

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.

Governance continued

Group Leadership Team

The Group Leadership Team (GLT), under the guidance of the Executive Chairman, is responsible for steering the Company's strategic guidelines and delivering updates on both financial and non-financial aspects of the business, whilst assuring continuity in the Company's culture and values. The GLT approves the Company's Sustainability ambition and strategy, and the Ferrero Sustainability Report, and periodically assesses the execution of sustainability-related initiatives.

The GLT reviews and approves the Strategic Long-Term Guidelines, prepared annually by the Strategy & Innovation team. Those guidelines include the Group's Sustainability strategy, prepared by the CSR & Sustainability function in alignment with the Sustainability Operative Committee. The Sustainability guidelines are cascaded to all functions responsible for developing short to medium-term plans.

Audit Committee and Group Internal Audit

The Audit Committee of Ferrero International S.A. provides structured, systematic oversight of Ferrero's governance, risk management and internal control practices. The Audit Committee is assisted by the Group Internal Audit in the discharge of its responsibilities. The Audit Committee has oversight over Ferrero's Sustainability Report.

Strategy & Innovation team

The Strategy & Innovation (S&I) team supports the Executive Chairman in driving the Group Strategic Long-Term Guidelines. S&I develops long-term strategies, enhances competitiveness, explores new business directions, and fosters breakthrough innovation while keeping the Company culture and values intact. Sustainability is an entrepreneurial and a business priority, and the S&I team is responsible for setting guidelines for the Group's Corporate Social Responsibility and Sustainability. It ensures innovation is nonetheless founded on Sustainability principles and positions the Group's development within an ecosystem-compatible and socially just approach, to support the Group's reputation.

Chief Executive Officer

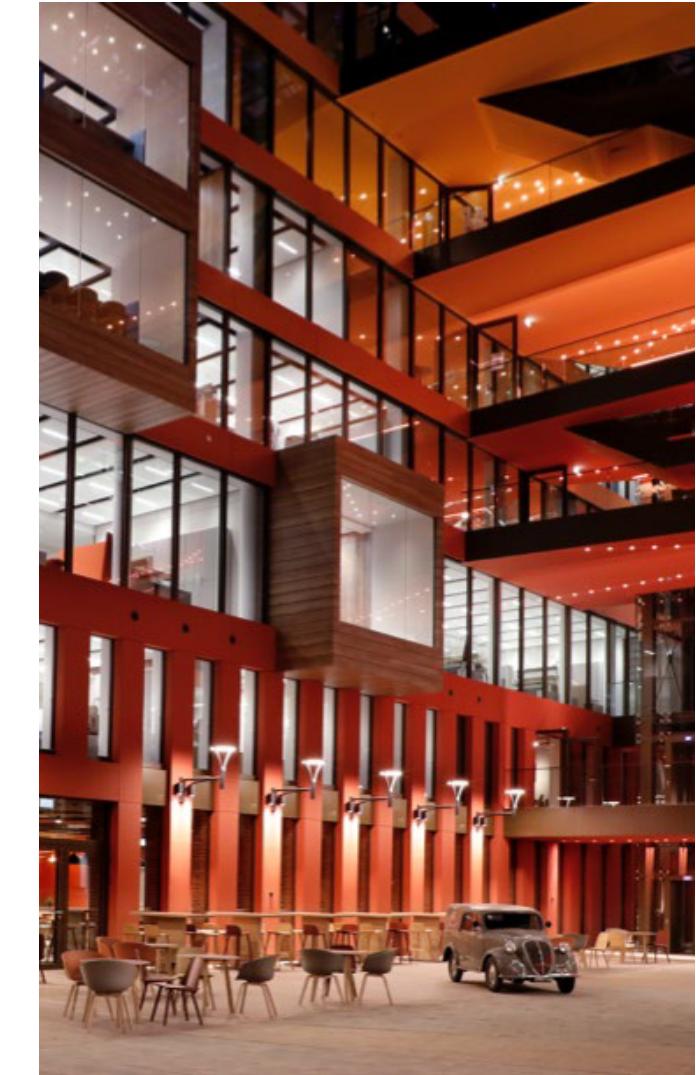
The CEO is responsible for ensuring that the Group achieves its short and medium-term results in line with the long-term direction set by the Executive Chairman. This includes ensuring business continuity and maximising Ferrero's capabilities to:

- Contribute to the definition of business targets, in line with long-term guidelines.
- Secure the achievement of business targets through operations (budget and one to three-year plan).
- Oversee and manage trade-offs and sales among functions and areas.
- Enhance the protection of Ferrero Group's know-how and foster its continuous development.
- Ensure continuity in Ferrero values and promote a culture that fosters innovative product development.

Group Management Team

The CEO leads the Group Management Team, which consists of the heads of the following functions:

- Areas – Europe, International, APAC-MEA, North America
- Global Brands (Soremartec)
- Industrial & Supply
- Food Safety & Quality
- Information & Technology
- Institutional Affairs & Corporate Communications
- Finance
- Human Resources and Organisation & Improvement
- Legal
- Procurement & Hazelnut Company (HCo)
- Sales Business Development



Governance continued

Sustainability Operative Committee

The Sustainability Operative Committee (SOC) comprises Heads from several functions across the Ferrero Group, accountable for sustainability activities and strategy implementation. These functions include: packaging, operations environment and energy, human resources, people and organisation, brands social responsibility (marketing strategy for global brands), corporate risk management, legal, corporate communications, Group public policy centre, responsible sourcing in procurement, finance, and sales business development.

The SOC oversees the strategy implementation and monitors progress regularly, holding monthly meetings. The minutes of each SOC meeting are presented by its Chairperson, the Head of CSR and Sustainability, to the CEO and relevant GLT members during dedicated meetings and are reviewed monthly with the Executive Chairman.

The SOC has oversight over the structure and content of the Sustainability Report and approves the document before its publication.

Sustainability Governance

Our Sustainability Governance structure enables us to define the Group's sustainability strategy based on key sustainability and consumer trends. The CSR & Sustainability unit reports to the Chief Strategy and Innovation Officer and interacts with all business functions as relevant to provide strategic guidance on all sustainability topics.

The responsibilities of the CSR & Sustainability unit include:

- Pursuing the sustainability agenda within the Ferrero Group by integrating sustainability principles into strategies, policies and procedures.
- Ensuring the successful implementation of responsible business practices across the Group.
- Contributing to creating positive impacts within the communities where we operate.

The objectives of this unit include:

- Defining the Group's sustainability strategy based on key sustainability and consumer trends, integrating it into the Group's strategic long-term guidelines.
- Supporting all business functions in implementing plans and monitoring sustainability initiatives.
- Developing long-term corporate sustainability projects.
- Developing and maintaining a transparent reporting system.

Nutrition Board

In 2024, we reviewed our nutrition governance structure to align with our evolving business. As a result, we established the Ferrero Nutrition Board to oversee nutrition governance and strategy. The Board is sponsored by the Chief Strategy and Innovation Officer and includes Ferrero Senior Top Management and other relevant stakeholders.



“With social and environmental sustainability fully engrained across the business strategy, it is important to secure strong governance with regular and frequent engagement. At Ferrero, sustainability governance has been built with broad visibility of risks and opportunities, enabling cross-organisational ownership of sustainability programmes and a connection among the heads of functions, and all the way to the CEO and the Executive Chairman.”

Mario Abreu, Head of Corporate Social Responsibility and Sustainability

Governance continued

How we manage risks

At Ferrero, Risk Management forms an integral part of our wider Governance, Risk and Compliance (GRC) framework, ensuring sustainability considerations are included in our decision-making process. We firmly believe a proactive approach to risk identification and mitigation is crucial for safeguarding both our long-term sustainability performance and overall business resilience.

Our risk assessment embraces a comprehensive, multi-layered approach. We combine a top-down perspective, where leadership identifies Company-wide (not only sustainability-related) risks, with a bottom-up approach where subject matter experts across all functions contribute valuable insights into operational-level challenges. This synergy ensures a holistic understanding of potential threats and opportunities.

To capture a diverse range of perspectives, we leverage both internal and external sources of information. SME, internal audits and industry best practices inform our assessments, while external sources like regulatory updates, stakeholder feedback and ESG ratings provide valuable market context.

The cornerstone of our risk management system is a Risk Register, endorsed by all functions within the Management board. This comprehensive document identifies, assesses and describes key risks, including sustainability-related topics. It also outlines corresponding policy and procedure-based mitigation actions, ensuring clear accountability aimed at timely intervention.

Furthermore, Risk Management maintains a permanent seat at the Sustainability Operative Committee. This ensures constant dialogue and integrated decision-making between risk and sustainability functions. Importantly, all sustainability topics, encompassing environmental, social and governance concerns, are included within the risk assessment process.

Ultimately, the Risk Register serves as an input for our double materiality assessment. By identifying not only risks that materially impact our business, but also those where our business impacts society and the environment, we can prioritise actions and demonstrate commitment to sustainable practices. This multi-faceted approach positions us to navigate an increasingly complex landscape, proactively address sustainability risks and ultimately solidify our position in responsible and sustainable business practices.

Guiding principles and business ethics

Our guiding principles are set out in the Ferrero Code of Ethics and Code of Business Conduct. All employees must adhere to these principles, and new employees receive a copy of the Code of Ethics. To ensure compliance with our policies and ethics, the Group has established an independently managed Ferrero Integrity Helpline, which is available for employees and anyone who works with or for the Group. The helpline can be used to report grievances and concerns and ask questions related to our codes. The helpline is available 24/7 in 43 languages via a website and toll-free local numbers in 55 countries.

Reports are made available to a dedicated Ferrero Steering Committee for review and investigation. The Ferrero Group Anti-Bribery and Corruption Policy outlines our commitment to ensuring no detrimental treatment of any person as a result of reporting in good faith their suspicion that an actual or potential violation of our policies and codes has taken place.

Cybersecurity and data privacy

At Ferrero, cybersecurity is a fundamental component of business continuity, resilience, and sustainable growth. Our dedicated cybersecurity team works proactively to protect digital assets, sensitive information, and personal data of both employees and consumers, ensuring the protection of critical business processes with a comprehensive security strategy.

The Ferrero Cybersecurity Risk Management Framework integrates cybersecurity by design across Information Technology and Operation Technology environments, ensuring proactive risk mitigation and operational resilience. A strong culture of awareness is key to our approach. Through ongoing training and education, we equip employees with the knowledge to uphold cybersecurity standards and address potential threats.

Trust and integrity are at the core of our cybersecurity strategy. We demonstrate proactivity in safeguarding the information of our customers and suppliers, ensuring their data remains secure while fostering a resilient and adaptable digital environment. By doing so, we protect business operations, enhance stakeholder confidence, and support the long-term sustainability of our organisation in an evolving digital landscape.

We are deeply committed to ensuring the respect of the right to privacy and the right to personal data protection of all individuals with whom we interact, in particular our consumers, employees and business partners. In line with this commitment, we have adopted a Group Privacy and Data Protection Policy establishing strong standards, and have implemented a robust privacy governance system, embodied by a cross-functional network of data delegates, data managers, privacy coordinators, and our Group privacy counsel.

Beyond adherence to data protection laws, this extensive Privacy Network ensures that personal data is always handled with care. Specific attention is placed on the use of novel technologies, such as algorithmic decision-making and Generative AI, to ensure that all our processing practices remain both fair and beneficial for Ferrero, its consumers and its business partners.

Engaging with our stakeholders

We are committed to meaningful interactions with our external stakeholders

In our day-to-day activities we interact with a wide range of stakeholders at a local, regional, national and international level. They all, directly or indirectly, impact our business success and are impacted by our operations.

We regularly interact and engage with stakeholders, including:

- Governments, regulators and institutions, directly or through trade and industry associations, to advocate our positions and to contribute to the policy-making process. We regularly assess our membership of business associations to share best practices, make continuous improvements and collaborate with industry peers in a collective manner.
- Scientists, research centres and academia to continuously innovate and seek inspiration and ideas to improve our products.
- NGOs and international and expert organisations that can influence our sustainable business efforts, as well as cooperating with sport federations to support child health.
- Journalists and the media industry in general to enhance and protect Ferrero's reputation.

Building strategic partnerships and collaborating with relevant stakeholders helps our Company to respond with transparency to the demands of a rapidly changing business environment and to remain attentive to communities' needs. We stay informed about their expectations, ensure we are aware of trends and concerns relevant to them, and embrace initiatives that promote responsible business practices.

We believe maintaining meaningful relationships with a relevant network of external stakeholders supports our business, strengthens our reputation and influence, builds trust in our Company and enhances its role in society. They are essential to our advocacy.

We regularly review our involvement in industry and trade associations to assess the relevance and alignment to our strategy, objectives and advocacy practices. Likewise, we also carefully assess new memberships.

At Ferrero, we strongly believe that a continuous and constructive dialogue with our stakeholders will improve our sustainability practices and programmes. In this respect, we constantly create new opportunities for collaboration with our stakeholders' network including, among others, scientific communities, civil society and academia, because they represent a crucial tool for our sustainability path.

Engaging with stakeholders is crucial for several reasons:

- It fosters better decision-making, builds trust, enhances reputation, and mitigates risks, ultimately leading to more successful outcomes.
- It provides access to a wider range of perspectives and insights, leading to more informed and balanced decisions.
- It demonstrates a commitment to transparency and open communication, building credibility.
- It fosters stronger relationships, which can lead to greater support and collaboration.
- It allows for the identification and addressing of potential risks and challenges before they escalate.

See Annex II for the list of Ferrero's stakeholders on [page 98](#).

FOCUS ON: STAKEHOLDER ENGAGEMENT PRINCIPLES

Stakeholders today are continuously demanding higher standards of accountability, transparency, and ethical behaviour. In full respect of our values of doing business and of engaging with our stakeholders, our advocacy practice is guided by the key principles below:

- Fairness, which promotes a culture of integrity, in compliance with applicable laws.
- Transparency, through open and timely disclosures about the Company's activities and relevant stakeholders' interactions to foster trust.
- Consistency, which is the full alignment between what is communicated and disclosed and what the Company stands for.
- Accountability, which values the Company's reputation as a priority and establishes clear lines of responsibility in case of non-adherence to legal and ethical standards and violation of the Company's integrity principles.

Engaging with our stakeholders continued

We believe in the importance of partnership to achieve progress and make the most positive impact. Over the years, we have established long-term partnerships on the ground and also continue to drive progress by creating new ones that can support us along the journey.



"The agreement signed between OAS and Ferrero represents the shared vision of the OAS and Ferrero to work hand-in-hand to make a positive social impact through sports and inclusive initiatives. It is a first step, and we are certain that it is a solid framework for the work that lies ahead. Like Ferrero, we firmly believe that instilling a positive attitude towards movement in today's children will shape them into active and healthy adults in the future."

Luis Almagro, Secretary General of the Organization of American States, OAS



"Our partnership with Ferrero has delivered real change, supporting the withdrawal of children from hazardous work and reaching thousands through awareness and capacity-building efforts. These actions contributed to the implementation of SDG Target 8.7 and ILO Conventions 138 and 182 in Türkiye. Critically, this work helped Türkiye achieve Pathfinder Country status in April 2024, marking a key milestone in the global fight against child labour. This project is a strong example of how public-private collaboration can turn shared commitments into concrete, lasting impact."

Philippe Vanhuynegem, Chief of the ILO Fundamental Principles and Rights at Work Branch



"Our partnership with Ferrero witnesses the power of a long-term collaboration rooted in shared values and vision. By addressing the root causes of child labour in cocoa-growing communities in Ivory Coast, we are not only protecting children's rights today but also building the foundations of a more just, inclusive, and sustainable future. This partnership goes far beyond funding: it is a holistic and multi-stakeholder commitment that involves time, people, and a deep engagement with families, local institutions, and communities. Together, we have reached tens of thousands of children and caregivers, strengthening access to education, child protection systems, and community resilience. The impact we are creating is both transformative and tangible, and it shows what becomes possible when courage, commitment, and collective action come together to tackle inequality at its roots."

Daniela Fatarella, CEO, Save the Children Italy



Protecting the environment

Key achievements

- Absolute emissions reduction of Scope 1 and Scope 2 by 21.7% while increasing production
- Purchased worldwide electricity certified renewable up to 90%
- Assessment of Ferrero's operational water footprint
- Ferrero's Framework for Prioritising Nature was developed
- Successful pilot results in decarbonising transportation in Europe
- Continued reduction of the virgin plastics used in our redesigned Ferrero Rocher 24-piece box produced in Europe

This pillar relates to the following material issues

- Climate action
- Industrial and food waste
- Plastic and packaging
- Water management

How we align with the SDGs



Protecting the environment continued

Introduction

Ferrero is committed to operating in an environmentally sound and sustainable manner. We implement robust procedures, programmes, and practices to prevent, manage, and reduce our environmental and climate impact across our operations and value chain. By adopting a precautionary and lifecycle approach, we aim to minimise harm and prioritise sustainability.

We focus our efforts through risk and materiality assessments, setting ambitious goals for continuous improvement and increased environmental efficiency such as reduction of carbon emissions, energy, and water consumption; renewable energy sourcing; logistics effectiveness; circularity enhancement in manufacturing and packaging; and industrial, food and packaging waste reduction.

Transitioning to a more sustainable business model is essential for mitigating and adapting to climate change, as well as for the sustainable management of natural resources. This transition is crucial for ensuring future food, environmental, and climate security.

We continuously monitor the environmental impacts of our manufacturing operations and logistics and the resources used in our products and packaging. Our ongoing commitment drives us to improve the quality of our information and align with global emissions-reduction trajectories.

Our approach

Our strategy embraces a preventive approach to managing risks and opportunities from both our direct and indirect operations, prioritising the wellbeing of people and the ecosystem. We evaluate the climate impact of our products, logistics, and packaging across our entire value chain, focusing on areas where we can make the most significant difference. Additionally, we meticulously oversee the environmental impacts associated with the supply chain of our raw materials. Consequently, we have identified key areas for investigation within our business.

KEY FOCUS AREAS

Water ambition and management

We have carried out the Water Corporate Footprint to quantify water use (consumption and pollution) and a water risk assessment to map and prioritise geographical locations and areas across the value chain. We use water responsibly in our production processes to ensure reduced withdrawals.

Packaging design and the circular economy

Contributing to the transition toward a circular economy by designing packaging to be recyclable and to minimise waste.

Climate and energy

Continuous reduction of our carbon footprint by decreasing greenhouse gas (GHG) emissions across our operations and entire value chain. We enhance energy efficiency in all sectors through targeted projects.

Nature

One of our priorities has been to assess and map our impacts and dependencies related to nature, covering water, biodiversity, and land, across our business. A global framework of action – Ferrero's Framework for Prioritising Nature – has been developed, outlining primary impacts and risks with prioritised actions to address them.

Industrial and food residuals

Improving and promoting the transition to a circular economy, with a specific focus on residuals and packaging, to avoid these as a source of pollution.

Protecting the environment continued



Industrial plants' ISO certifications and auditing

Protection of the environment is an essential component of how Ferrero operates. Full compliance with relevant environmental and energy laws, regulations and site permits is a non-negotiable way of doing business. Particular attention is paid to the efficient use of resources, including water, waste management and biodiversity protection. To meet the objectives regarding environmental protection and energy efficiency, we adopted an environmental and energy management system (EEnMS) based on the internationally recognised ISO 14001 and ISO 50001 standards.

To ensure our ISO 14001 and ISO 50001 management system constantly meets the Group requirements, we audit the certified sites regularly. For both ISO certification schemes, we have an internal programme in place that supports continuous improvement and ensures alignment with ISO standards by promoting cooperation among personnel, fostering their professional development, and facilitating the exchange of know-how and best practices within the Group.

In addition, we regularly audit our industrial plants and warehouses directly managed by the Group with the Sedex Members Ethical Trade Audit (SMETA) ethical-audit methodology four pillars approach, covering labour standards, health and safety, environment and business ethics.

In particular, the environmental pillar of the SMETA assesses environmental performance and compliance with relevant environmental laws and regulations.

ISO 14001 AND ISO 50001 CERTIFICATIONS

29 SITES

23 SITES

● certified in accordance with ISO 14001

● certified in accordance with ISO 14001 and ISO 50001

FOCUSING OUR EFFORTS ON NATURE

As a leading sweet-packaged company, Ferrero is highly dependent on a thriving nature and the critical services that nature provides – such as clean water, regulation of the weather, fertile soil, and pollination. In 2023/24, Ferrero embarked on the development of a framework of action for nature, with the purpose to map and outline how we can contribute to halting and reversing the loss of nature. Collaborating with The Biodiversity Consultancy, we assessed and mapped our impacts and dependencies related to nature, covering pressures on water, biodiversity, and land. Various methods were applied, including LCA, ENCORE, and land and biodiversity footprinting, as well as a site-specific, GIS-based analysis of impacts and risks across our own operations, our hazelnut farms, and the supply chains of our key raw materials. Data was collected across the business, taking full advantage of the high level of traceability we have for our key ingredients. With these assessments, we came to a better understanding of the drivers of nature loss across our business and where we may face risks and opportunities related to, for example, water scarcity and pollution or where our production and sourcing intersects with biodiversity hotspots and ecosystem degradation. These insights were used to develop a framework of action for nature, outlining our primary impacts and dependencies as well as actions to address them. The framework builds on Ferrero's longstanding commitment to environmental stewardship and provides a science-based direction of travel for Ferrero to prioritise nature as a business – informing our strategy for water stewardship, regenerative agriculture, biodiversity conservation, and resilient food systems.

Climate change

Climate change is shaping our planet in an accelerated way humanity has never experienced before. Change of climate and nature degradation are shifting consumption patterns and exacerbating supply chain disruptions, creating both risks and opportunities for food producers. The imminent risks for food producers include the unpredictability of harvests, due to both extreme weather events and farmers' resilience to climate change, and the ability to anticipate the expected pace of change.

Our contribution to combating climate change started by setting Science Based Targets back in 2020, and now in accordance with the updated Greenhouse Gas Protocol we are going to submit new FLAG and non-FLAG targets for approval.

We are confident in reaching our 2030 reduction targets through continued efforts to further reduce emissions from our factories, offices, and warehouses. This includes increasing our purchase of renewable energy and introducing sustainable alternative fuels.

Beyond aiming to reach these targets, Ferrero is committed to maximising its contribution to limiting its impact on the planet. We are developing a comprehensive Carbon Reduction Transition Plan. For Scope 1, this includes further electrification of our factories and reducing dependence of our production processes on high-carbon fuels like natural gas. For Scope 2, we are investing in ways to generate our own renewable electricity and supporting clean energy goals by developing Power Purchase Agreements (PPA), followed by Renewable Energy Certificates (RECs).

While our Science Based Targets initiative (SBTi)-approved targets are set with a 2030 horizon, we are committed to continue reducing value chain emissions beyond 2030.

In 2024, Ferrero joined the Towards Net Zero Coalition of Action of Consumer Goods Forum (CGF). This membership marks an important commitment to collaborating with other global industry leaders to

drive progress toward a carbon-neutral future. Given the significant growth of Ferrero's production since 2018, and knowing that raw materials, ingredients, packaging, and logistics dominate our overall carbon emissions, we are accelerating abatement measures across the entire supply chain to address Scope 3 emissions.

GHG emissions

To meet the first goal, we created a thorough plan to lower emissions from our factories, warehouses, and main headquarters. This mostly focuses on switching to renewable energy sources and improving energy efficiency. Our plan is based on a rigorous assessment and will adapt according to local evolutions that can influence and optimise how we fulfil our commitments. This includes developments in governmental policy, updates of the transition scenario, local availability of renewable energy, energy costs, and availability and readiness of technologies.

Our progress in the year

SCOPE 1

In order to reduce our Scope 1 emissions we focus on three priorities areas: investments in energy-efficient technologies, increasing the amount of renewable energy produced locally, and working toward the use of low-carbon alternative fuels. For more information, read our approach to energy management on [page 25](#).

SCOPE 2

At the end of fiscal year 2023/24, 23 of our plants used 100% renewable electricity from the grid. As a result, 90% of the total electricity purchased for our manufacturing and warehouse facilities came from renewable sources. We have extended our renewable energy procurement for the Walkerville facility in South Africa. This year's report also incorporates our Augusta, Florence, Louisville, Chicago, and North Canton plants in the USA, all of which have been purchasing Renewable Energy Certificates (RECs) since the 2022/23 fiscal year.

In recent years, Ferrero has experienced remarkable growth.

The production output has seen a substantial continued increase since 2018. By the end of 2023/24, we have achieved an absolute reduction in Scope 1 and Scope 2 GHG emissions of 21.7% compared to fiscal year 2017/18.

The figures in the graph have been restated to reflect the perimeter of FY 2023/24, which is specified in the About this report section.

SCOPE 1 AND 2 EMISSIONS

