

FERRERO

FERRERO SCANDINAVIA AB, FILIAL I OSLO

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Transparency

Act Report

Fiscal Year 01.09.2023-31.08.2024

This report was prepared in accordance with the requirements of the Norwegian Transparency Act.

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1. ABOUT THIS REPORT

The obligations under the Norwegian Transparency Act (Åpenhetsloven) (the “Transparency Act”) applies to the activities of Ferrero Scandinavia AB, filial i Oslo. This report was prepared in accordance with the requirements of the Transparency Act and it is Ferrero Scandinavia AB, filial i Oslo’s report for the Fiscal Year that ended on 31st August 2024.

The structure of this report is based on section 5 of the Transparency Act. In the first part we will provide a general description of the company's structure, area of operations, and relevant guidelines and procedures. We will then account for actual adverse impacts and significant risks of adverse impacts that we have identified. Finally, we will describe the measures that have been implemented or that we are planning to implement to remediate actual adverse impacts or significant risks of adverse impacts.

2. ABOUT THE FERRERO NORWAY OPERATIONS

Ferrero Scandinavia AB Filial i Oslo (“**Ferrero Norway**” or the “**Branch**”) is a sales branch of Ferrero Scandinavia AB in Norway whose business includes import, wholesale and retail sales of sweet-packaged food. The Branch is located in the municipality of Oslo and has 3 employees.

All products sold by Ferrero Norway are produced within EU. Main customers for Ferrero Norway are the major retailers and wholesalers in Norway.

Ferrero Scandinavia AB is a subsidiary of the ultimate parent company Ferrero International SA (referred to herein as “Ferrero Group”).

Ferrero Group is one of the world’s largest sweet-packaged food companies, with over 35 iconic brands sold in more than 170 countries, including the brands Nutella®, Kinder®, Tic Tac® and Ferrero Rocher®. Ferrero Group has more than 47,000 employees.

2.1 Policies and Governance for Handling Actual and Potential Adverse Impacts on Human Rights and Decent Working Conditions

Ferrero Norway is committed to respecting human rights and operating in compliance with all applicable laws and regulations, including the Transparency Act. Ferrero Norway, is committed to upholding Ferrero’s global policies, including:

- Ferrero’s Code of Ethics (can be accessed at: <https://www.ferrero.com/no/nb/en-fornyet-forpliktelse>). Our Code of Ethics identifies the guiding principles for the resources that operate in and for Ferrero and defines the fundamental obligations for associates and our stakeholders.
- Human Rights Policy Statement (can be accessed at: <https://www.ferrero.com/no/nb/mennesker-og-planeten/styrking-av-mennesker/menneskerettigheter>). Our Human Rights Policy Statement sets expectations on human rights respect to internal employees and external business partners regarding the 10 salient human rights areas, including forced labour, where we prioritize our human rights due diligence effort across our value chain.
- Ferrero Code of Business Conduct (can be accessed at: <https://www.ferrero.com/no/nb/mennesker-og-planeten/sutvinne-vare-ingredienser-pa-en-barekraftig-mate/var-metode-for-barekraftige-innkjop>). Our Code of Business Conduct

establishes standards applicable to “business to business” relations, in conformity with the Ferrero Code of Ethics.

- Ferrero Supplier Code (can be accessed at: <https://www.ferrero.com/no/nb/mennesker-og-planeten/sutvinne-vare-ingredienser-pa-en-barekraftig-mate/var-metode-for-barekraftige-innkjop>). Our Supplier Code outlines what responsible sourcing means for Ferrero, our priorities, and our engagement with suppliers on implementing our 3 responsible sourcing pillars: Human Rights and Social Practices, Environmental Protection and Sustainability and Supplier Transparency. Our Code includes provisions against child labour, forced, bonded and compulsory labour and requires our suppliers to carry out due diligence in their supply chains.
- Diversity, Equity & Inclusion principles (can be accessed at: <https://www.ferrero.com/no/nb/mennesker-og-planeten/styrking-av-mennesker/mangfold-likhet-og-inkludering-hos-ferrero>), which outlines our work on and strategy for Diversity, Equity, & Inclusion.

In addition, we ensure that our human rights commitment is embedded into the Ferrero Group’s wider policy system, which are made available to employees internally, including Global Anti-Bribery and Corruption Policy, Global Anti-Discrimination and Harassment Policy, Global Parental Policy, Global Forced Labour Prevention Policy, Group Health and Safety Policy.

2.2 Our core values

Throughout its history, Ferrero has stood by its Core Values, which are central to Our Way of Doing Business and provide us with the foundations for our strategies. They enable us to achieve success in the right way:

- **Loyalty and Trust.** Our loyalty towards consumers and the trust they place in our products are at the core of the long-lasting relationships we enjoy with them.
- **Respect and Responsibility.** Based on respect for equality of treatment, we promote the professional and personal development of our people and strong relationships with local communities.
- **Integrity and Moderation.** Our communications reflect the values of human dignity, family and children in line with strong moral and ethical principles and a commitment to healthy lifestyles.
- **Passion for Quality, Research and Innovation.** Our goal is to create unique products through innovative research and production processes, careful selection of raw materials, and quality and traceability across our businesses.
- **Entrepreneurship.** Our success lies in our ability to establish a clear vision and be proactive with our investments, timely with our undertakings and excellent in our execution.
- **Work, Create, Donate.** We identify with the motto conceived by Michele Ferrero: “work, create, donate”. Alongside the Ferrero Foundation, the entire Ferrero Group engages in social responsibility activities as an integral part of our way of doing things.

Alongside our Group’s values, our respect for human rights guides our strategy, policy and activities throughout our operations and supply chain. Respecting and protecting the human rights and workers’ rights of each individual in our Group and the communities where we operate has always been at our core.

Ferrero's Human Rights Policy Statement builds on our Code of Ethics, which outlines our ethical vision, principles, values and responsibilities as a Group.

Our Code of Business Conduct outlines Ferrero's guiding principles for responsible business practices, and the Ferrero Supplier Code highlights our expectations for responsible sourcing from all our suppliers.

To increase the transparency of our initiatives and actions to promote Human Rights in our operations and our supply chain, Ferrero has published the [First Human Rights Report](#) in 2022. The Report is structured around the ten salient issues identified in our Human Rights Policy Statement and is aligned with the United Nations Guiding Principles of Business and Human Rights (UNGPs) Reporting Framework. The Second Human Rights Report is expected to be published at the first quarter of 2025. Here below are the ten salient issues:

- Child protection and no child labour
- Forced labour
- Fair wages
- Working hours
- Diversity and inclusion, no discrimination or harassment
- Freedom of association and collective bargaining
- Health and safety
- Privacy
- Environmental-related human rights issues
- Rights relating to consumer health and responsible marketing

Our Group Leadership Team has executive oversight for delivering on our human rights principles, while a Sustainability Operative Committee comprises cross-departmental managers from operations, human resources, brand social responsibility, risk management, corporate communications & institutional affairs and responsible sourcing. The committee is engaging with stakeholders within and beyond Ferrero to drive and cascade actions and accountability locally and regionally, informing our Group's corporate social responsibility and sustainability function and ensuring the consistency of our human rights approach. As part of our global Line Manager Excellence program, all Ferrero line managers (at global, regional, and local levels) receive trainings in accountability for all company policies and practices.

We strongly respect and promote human rights along our value chain. Our human rights approach aims to provide better outcomes for people and communities, focusing on vulnerable groups such as children, women, migrant workers, indigenous people and communities, and underrepresented populations. It is guided by the Ten Principles of the United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Bill of Human Rights, and the International Labour Organization (ILO) Fundamental Labour Conventions.

Meaningful stakeholders engagement is fundamental to our human rights approach. We are committed to engaging with our employees, working with business partners and relevant stakeholders on a journey of continuous improvement, and we strongly believe it will benefit us, our business partners and all communities affected by our operations.

3. DUE DILIGENCE ON HUMAN RIGHTS AND DECENT WORKING CONDITIONS

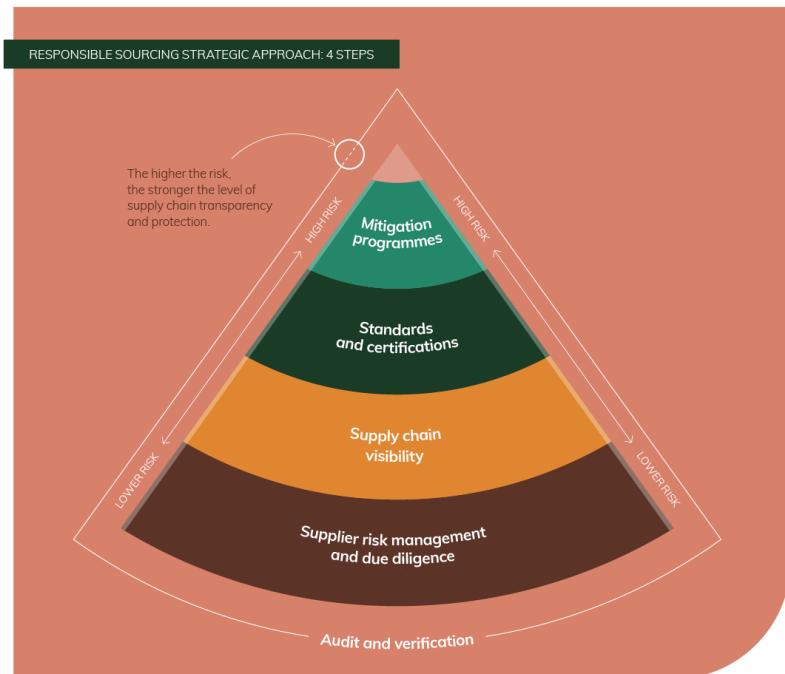
Ferrero follows a due diligence-based approach to Human Rights to prevent and mitigate any adverse impact on our operations. It is guided by UNGPs and the ILO Fundamental Labour Conventions. Human rights issues are broad and complex. Addressing them requires a multi-pronged approach. Ferrero's Human Rights Policy Statement sets out our response to these issues and our approach to working on these together with our employees, business partners and other people that deal with Ferrero.

Our human rights due diligence principles outline four key steps to identifying and managing human rights risks:

1. **Assess:** identifying, assessing and prioritizing human rights risks, including ethical audits and assessments
2. **Address:** embedding our human rights policy statement in our activities, addressing identified human rights risks, including measures to prevent, mitigate and remediate
3. **Monitor:** tracking and monitoring our activities and their effectiveness to address risks and continually improve our human rights approach
4. **Communicate:** reporting the implementation progress internally and externally.

Supply chain transparency is key to implementing due diligence. We utilize innovative technology to support our objectives. For instance, we collaborate with Sourcingmap, a leading provider of supply chain mapping solutions and digital transparency, and a tool to enhance the traceability of raw materials such as cocoa, palm oil, and hazelnuts. More information, data and follow-up also help us support sustainable livelihoods and prevent risks, such as deforestation or child labour.

We have a four-steps approach – the higher the risk, the stronger the understanding and protection of the supply chain must be.



We cover all our categories with a level of protection based on their risk level:

1. **Supplier Risk Management and Due Diligence.** All our suppliers undergo a risk assessment and thereby a necessary level of due diligence.
2. **Supply Chain Visibility.** Managing supplier risk helps us measure, improve, and assess our supplier practices. This includes risk and opportunity analysis, ensuring compliance, improvement measures, and capacity building.
3. **Standards and Certifications.** We adhere to strict sustainability standards for products such as crude oil and packaging, for example, RSPO for palm oil, independently managed standards like Rainforest Alliance and Fairtrade for cocoa, FSC and PEFC for new paper, or Bonsucro for cane sugar.
4. **Mitigation Programs.** For higher-risk categories, we invest in mitigation programs to improve standards.

3.1 Sourcing approach

At Ferrero, we care about the ingredients that go into each brand you have come to know and love. We do not simply buy ingredients, we carefully select, manage and aim to create value across our supply chains.

To source raw materials such as cocoa, palm oil, hazelnuts, sugar, milk and eggs to make our products, we rely on long-term relationships with suppliers to ensure they understand, practice and embrace our values. Traceability enables us to monitor how our raw materials are produced.

Ferrero has developed innovative procedures, such as the so-called “sacco conosciuto”, “known bag” for checking ingredients at every step of the manufacturing process. Focus on fresh quality ingredients, nurtured and sourced from carefully selected suppliers and farmers, continues to inform our commitment and care for checking the ingredients every step of the way. Our leading framework for traceability allows us to trace all our relevant raw materials back to their origin. We can positively impact supply chains only when we know where our ingredients come from. For example, palm oil and cocoa are mostly traceable back to the plantation or farmer, while milk and eggs have a high level of traceability that we will continue to enhance. As mentioned, we partner with Sourcemap, a leading provider of supply chain mapping and digital transparency solutions and a tool for improving the traceability of raw materials like cocoa, palm oil and hazelnuts.

We have published Commodity Charters for all our key ingredients, such as cocoa, palm oil, hazelnuts and dairy. These charters set out the minimum requirements our suppliers must meet, alongside our Supplier Code and due diligence process, and define the certifications and standards we require for that category. For more information about the Charters, please refer to our [website](#).

3.2 Due diligence roll-out

Between 2020 and 2023, we rolled out our suppliers' due diligence, with the results of our efforts as follows:

- Over 8.000 suppliers have acknowledged the Supplier Code;
- Every year we collect around 600 assurances and 600 assessment;
- Every year we perform around 100 field supplier's due diligence audits;
- The Responsible Sourcing Committee has discussed around 250 cases of supplier consequence management since its creation.

These results are extremely important as they show that with a solid process in place, we can encourage compliance in each sector we operate and, ultimately, enhance the standards of the supply chains we source from. In the few cases of non-compliance, we put the relationship with the partner on hold until an efficient remediation procedure is implemented by the partner to ensure compliance with our standards. In many cases, our partners have thanked us for helping them prepare for the upcoming mandatory European due diligence regulation, which often translates into better health and safety conditions, more attention to recruiting practices, fairer labour conditions, more attention on poor waste management and more control of their own supply chains.

4. FERRERO NORWAY DUE DILIGENCE FINDINGS

4.1 Own Operations

At Ferrero, we take our responsibility to establish sustainability practices seriously, by focusing on improving our operations and engaging partners across our value chain. Our progress is rooted in our sustainability framework, focusing on four core sustainability pillars: protecting the environment, sourcing ingredients sustainably, promoting responsible consumption and empowering people. We make progress on these pillars by investing in innovation and technology, enhancing transparency and compliance, as well as fostering a culture of collaboration. The annual Sustainability Report reports our progress based on these four pillars. It aims to streamline and increase the transparency of the Ferrero Group's sustainability efforts and vision, describing what we have achieved, and our future plans to go beyond this as we grow our global business. Such reports can be accessed at:

<https://www.ferrero.com/no/nb/mennesker-og-planeten/rapportering-om-barekraft>.

The objective of the Code of Ethics is to share our guiding principles and values with the people that operate in and for Ferrero. They aim to remind all our coworkers worldwide, regardless of type of contract, location, role or level of seniority, to embrace the Ferrero's Way of Doing Business.

We have not identified any actual adverse impacts in our operations in Ferrero Norway. Also, based on Ferrero Norway's business, employee profile and geography (Norway), we consider the overall risk profile in Ferrero Norway's own operations relating to human rights and labour rights as low.

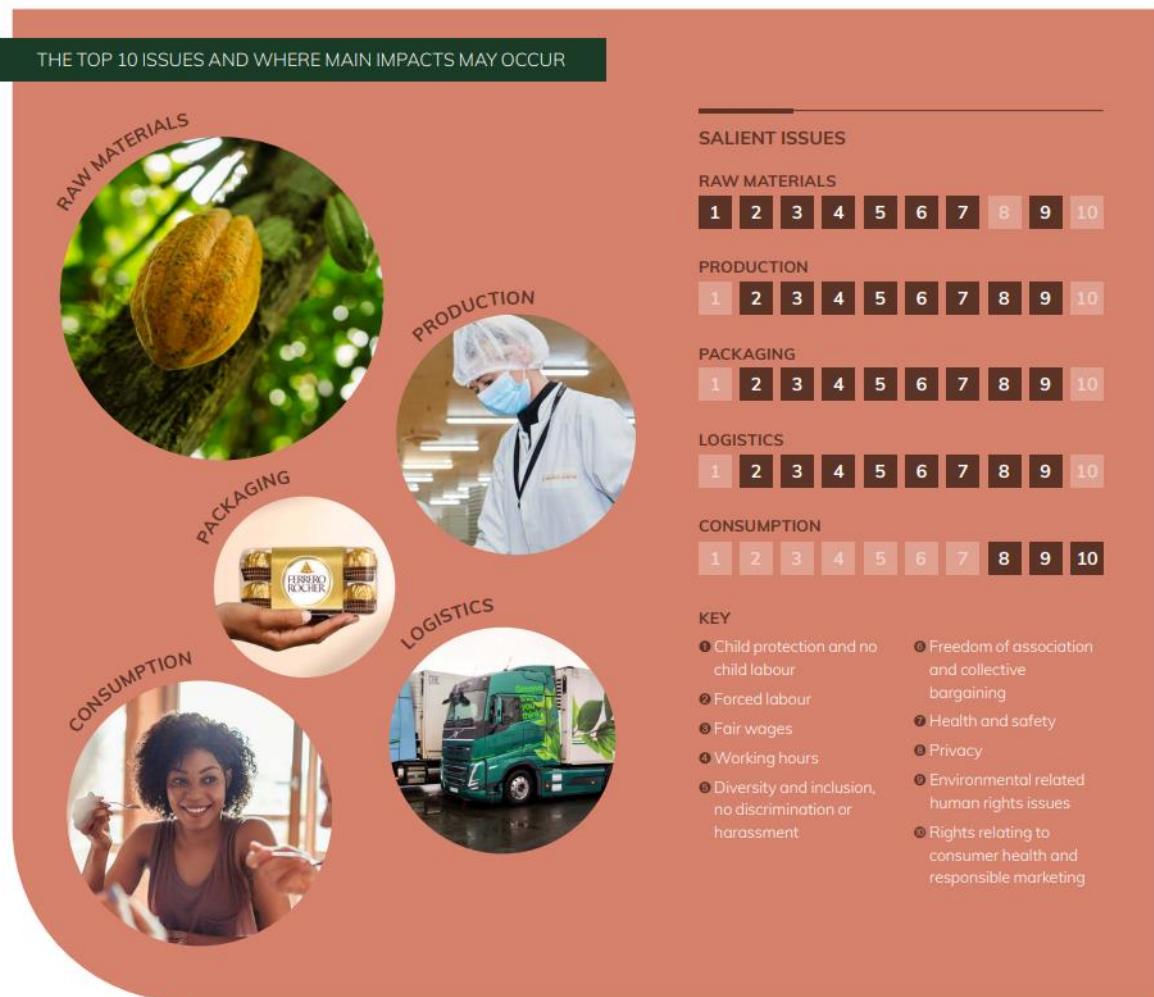
4.2 Suppliers/Business partners

Ferrero Norway's main suppliers are other Ferrero companies. All products sold in Norway by Ferrero Norway are sourced from Ferrero Scandinavia AB in Sweden. Other suppliers and business partners of Ferrero Norway includes sales support, transport, pension and insurance, tax, payroll, accounting and legal services, research services and office rental.

In assessing our supply chain risks, we conducted a Group's human rights saliency assessment to identify the key human rights impacts across our value chain and continuously roll out our supply chain due diligence to monitor and address specific supply chain risks at central level.

Human Rights Saliency Assessment

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 in our value chain, ranging from raw materials, production, packaging, logistics and consumption. The results of our saliency assessment are as follows:



Supply Chain Due Diligence

- Working with suppliers and business partners is one of the key ways we implement our human rights and environmental approach. We expect all our suppliers and business partners to adhere to the Ferrero's Code of Business Conduct and Ferrero Supplier Code. We also expect suppliers to hold their subcontractors to Ferrero's Code of Business Conduct and Ferrero Supplier Code.
- Since 2020, Ferrero has adopted a structured due diligence-based approach to identify, assess, mitigate and minimize the sustainability risks in supply chain, including human rights and environmental protection. Our due diligence activities are carried out based on the areas defined in the three pillars of our Supplier Code, namely Human Rights and Social Practices, Environmental Protection and Sustainability and Supplier Transparency.
- Through our due diligence, we monitor the full supplier base of direct and indirect material (about 20.000+ suppliers worldwide, including those in Norway). We strictly follow a risk analysis process to prioritize suppliers risks through a scoring mechanism and evaluate necessary corresponding measures, including implementing a thorough sustainability risk analysis, collecting of assurances and assessments and performing on-site ethical and environmental audits. In Norway, 22 suppliers are identified and evaluated with low human rights and environmental risks.

Please see more information provided above (e.g. in section 2 and 3), the aforementioned Human Rights Report and annual Corporate Sustainability Report.

5. MEASURES TO CEASE ACTUAL ADVERSE IMPACTS OR MITIGATE SIGNIFICANT RISKS OF ADVERSE IMPACTS

At Ferrero we have implemented many measures to mitigate the risk of adverse impacts on human rights and decent working conditions. Some of them are described below.

Reporting Concerns

The Ferrero Integrity Helpline is available to employees and others who work with us to raise issues confidentially and, in those countries where it is allowed, anonymously towards Ferrero. It is managed by an external service provider.

Dedicated Ferrero teams review the questions and reports from the service provider and may inform relevant internal stakeholders on a need-to-know basis and propose investigation activities, if needed. For more information please see our [Code of Ethics](#).

Tools and third-party assessments and audits

Among other tools, since 2015, we have been working with the Supplier Sustainability Assessment platform EcoVadis and the third-party audit management platform Sedex.

Employee training

Ferrero employees take mandatory compliance trainings in different subjects such as Code of Ethics, anti-bribery and corruption, and prevention on workplace harassment.

Specific measures with respect to the food sector

To reinforce our commitment to sustainable livelihoods, human rights and environmental protection across our supply chain, we have developed Commodity Charters (e.g., Cocoa, Hazelnut and Palm Charters) which vertically cover Ferrero's requirements and commitments for a specific spend category. See part Sourcing Approach in section 3.

These Charters set out specific minimum requirements our suppliers must meet in full alignment with the Supplier Code and due diligence process and define which sustainability certifications and standards we require for that specific spend category. In addition, the Charter outlines the commitment Ferrero is willing to put forward to further improve the conditions of our supply chain ("Going Beyond"). The Action Plan outlines how we will work towards our ambitions.

Planned measures

Going forward, Ferrero Norway intend to focus on the following measures:

1. We continuously review the relevance of our human rights salient issues to adapt to changing risks and local socioeconomic conditions. In doing so, we embrace legislations, international standards, and feedback from consumers and non-profit organization to stay responsive and drive systemic change.
2. Following our due diligence findings, we continue to conduct due diligence assessment. If risks are found, we will take appropriate steps to prevent, mitigate and remediate.
3. We continue to monitor any concerns or information requests regarding Ferrero Norway's work with the Norwegian Transparency Act raised from the Ferrero Integrity Helpline.

Signed by

Francesco Clavarino

Francesco Clavarino
Chairman of the Board

Cristiano Santarelli

Cristiano Santarelli

Tiziano Giraudo

Tiziano Giraudo
Managing Director

Andrea Cassoli

Andrea Cassoli