



... sustainable cocoa farming
protects flora & fauna



Doing the right thing

Sustainability Report 2020



Sustainability at a glance



In an effort to develop **long-term, economically viable** solutions for **transparent** and **sustainable value-added chains**, the company attributes a particular focus to the important raw materials cocoa, hazelnuts, milk powder, palm fats and packing materials.



Alfred Ritter GmbH & Co. KG **has been sourcing 100 per cent certified sustainable cocoa for its entire Ritter Sport range since 2018.**



The chocolate manufacturer has been processing **100% sustainably produced, RSPO-certified palm fats** of the higher "segregated" level since 2020.



One cornerstone in the cocoa-sourcing strategy is represented by **the company's own farm, El Cacao.**



In 2019, Alfred Ritter GmbH & Co. KG reached its **first interim goal** on its way to carbon neutrality: **carbon-neutral production at its site in Waldenbuch.**



The company also relies on **long-term partnerships** with cocoa farmers in Latin America and West Africa.



■ By 2025, **long-term partnerships** are to have been established with cocoa producers for the entire sourcing of cocoa.



■ As of 2021, **compensation certificates** are to be used from the company's **own farm, El Cacao**, in an effort to support the company's goal of carbon neutrality.



■ In the south of France, the company is developing its own **sustainably managed hazelnut farm**.



■ In 2030, **up to 20 per cent** of hazelnut requirements are to be **home-grown**.



■ Alfred Ritter GmbH & Co. KG is committed to **binding regulations** promoting **transparency in the supply chain** with the aim of improving conditions in the cultivation of raw materials around the world.



■ In terms of product packaging, Alfred Ritter GmbH & Co. KG relies on **FSC® certification** and the **Cradle to Cradle® concept** (Material Health Certificate).



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EDITORIAL

Dear Readers,

This year's Sustainability Report carries a special significance as we were all somehow affected by COVID-19 in 2020 and in such a way as we could never have anticipated. But how does the crisis associated with the pandemic have an impact on the topic of sustainability and what challenges have emerged? The answer is clear: sustainability is a top priority in times of crisis in particular. At Alfred Ritter GmbH & Co. KG, we regard it as our primary task to support the people for whom we are responsible or, to be more specific, those who are in our supply chain. We have done so with great prudence and passion and we will continue to do so in the future, too.

As a medium-sized family-owned company, we are grateful for the fact that despite the current crisis, we have been able to implement so many of our medium-term goals in the area of sustainability. Numerous examples are outlined in this progress report. We have continued to develop our focus strategy in the area of sourcing raw materials. Collaboration along the entire supply chain is characterised by transparency and partnership, for both our most important raw material – cocoa – and for all other raw materials. We have also been producing our chocolate at company headquarters in Waldenbuch under carbon-neutral conditions since 2019 – this is a "green" milestone of which we are proud. But a lot also comes down to the packaging: by developing our "InPapier" prototype, we have come that bit closer to our goal of manufacturing recyclable chocolate packaging from renewable raw materials.

The COVID-19 virus is having a significant impact on the economy, and we all hope that it will recover when the pandemic has passed. But the crisis also offers the opportunity to work even harder at implementing the major global sustainability goals. This is where politics, industry and society are called upon to make use of this difficult period as a wake-up call for triggering changes. Economic success and sustainability need not be contradictory – this is more applicable now than ever before. ■

Yours sincerely,
Managing Directors of Alfred Ritter GmbH & Co. KG



Andreas Ronken



Malte Dammann



Asmus Wolff



Bernhard Kühl

1 Cultivation and sourcing of raw materials

For a positive impact on people and the environment, Alfred Ritter GmbH & Co. KG has successfully implemented measures in the cultivation of raw materials.



“Chocolate must not be a zero-sum game”

With voluntary obligations alone, it will take decades to improve the conditions for cultivating raw materials around the world – but there isn't that much time left, claims Asmus Wolff. Therefore, the Managing Director Supply Chain regards binding regulations for transparency in the supply chain as indispensable.



Asmus Wolff is responsible for raw materials sourcing and production as well as the requisite technology and IT.

While economic success and sustainability were regarded as contradictions in terms until only a few years ago, the company was already querying the origin of its raw materials 30 years ago. “Today we know that we can only be

successful over the long term if we operate in a sustainable manner,” explains Asmus Wolff, Managing Director Supply Chain. “And the lever for sustainability is most effective directly when it comes to sourcing raw materials, as they account for most of our responsibility in terms of the value-added chain for chocolate.”

Transparency and partnership characterise collaboration along the entire supply chain at Alfred Ritter GmbH & Co. KG: “Chocolate must not be a zero-sum game where there are always winners and losers,” claims Asmus Wolff. “Win-win relationships are possible.” For example, improvements in quality and output through sustainable cultivation methods which are gentle on resources help small cocoa farmers to achieve higher incomes and a livelihood over the long term. Asmus

Wolff: “As a family-owned company, we think in terms of generations, not quarterly periods. It is important to us that everyone involved in our supply chain – and their families – is able to live a good life.”

The engineer also relies on regulation by the state of human rights and environmental standards for this: “We must not allow fairness to become a competitive disadvantage. Only when all companies create a similar level of transparency in their supply chains will fair competition be possible overall. As a family-managed company, we are more agile and a good way ahead in terms of sustainability in many areas. And we are more than willing to share what we have learned – to enable others to progress faster.” ■

Food supply chain



30 years

Ritter Sport in Nicaragua

INTERVIEW

with Marli Hoppe-Ritter and Tim Hoppe



"We have a different way of talking about cocoa nowadays"

Using cocoa to help farmers in Nicaragua to have a better life? Marli Hoppe-Ritter was initially showered with scepticism for this unusual idea in 1990. But her idea has meanwhile become a strategic cornerstone for the company's commitment in Nicaragua and for which her son Tim Hoppe is now responsible today.

Ms Hoppe-Ritter, Nicaragua was better known for coffee in 1990. Why cocoa in Nicaragua?

Marli Hoppe-Ritter: After years of war, people in Nicaragua were in a bad way. The farmers were fighting to survive, only planting beans and corn for their own requirements. My brother and I had had the desire since the 1980s to work directly with the cocoa farmers. We wanted to be independent of the world market and have an influence on the quality of our most important raw material. Nicaragua was a relatively small country; its climate and soil offered good conditions for growing cocoa and therefore an opportunity for a new livelihood. We developed local infrastructures and communicated specialist expertise on the cultivation and fermentation of cocoa while learning an awful lot in the process. Today, chocolatiers all over the world appreciate cocoa from Nicaragua, the farmers sell their own product and are increasingly negotiating at eye level with their customers.

Has cocoa improved the lives of the farmers in Nicaragua?

Tim Hoppe: Definitely! Cocoa farming is becoming more professional and the cocoa is increasingly of higher quality, which raises the prices and the volumes grown. This improves the farmers' incomes and therefore their overall life situation. The combination of agricultural and forestry methods also preserves the soil and offers new habitats for flora and fauna. Cacao-Nica, which is how we refer to our commitment in Nicaragua, stands for specific economic, ecological and social improvements in a time when sustainability was still a foreign word for many. This is the cornerstone of our sourcing strategy. As manufacturers have acquired an entirely new access channel to cocoa, one that is even emotional, as we have a different way of talking about cocoa nowadays. It is no longer a mere order item but rather our most valuable commodity. The farmers are our partners. Nowadays, we are putting so much more passion and imagination into developing our chocolate and we are much closer to the actual product. Our own farm, El Cacao, was simply the next logical step. The raw material and the end product have come closer together and have brought people closer together, too. ■



Sustainability as a sourcing strategy

Cocoa is the most important raw material for Alfred Ritter GmbH & Co. KG. The company already has 30 years of experience in the area of sustainability. And the chocolate manufacturer is also using this success for other key raw materials as well as in the further development of packaging.

"Applied appropriately, we can ensure in sourcing in particular that we make the world a little bit better with chocolate," claims Head of Purchasing, Hajo Brand. "This requires us focusing on the areas in which we can actually achieve something as a medium-sized company." For example, cocoa: for its most important raw material, Alfred Ritter GmbH & Co. KG has gained direct influence on sustainable cultivation thanks to its own farm and long-term partnerships with cocoa farmers. The success strat-

egy: acquiring in-depth knowledge, elaborating unambiguous criteria for quality and cultivation, specifying clear goals and evaluating the results on an ongoing basis. "In order to continue this model, we initiated our task forces for sustainable raw and packing materials in April 2019," explains Hajo Brand. "Their task is to develop economically viable solutions for transparent and sustainable value-added chains for the five most important focus topics."

The cross-department teams examine cocoa, hazelnuts and milk powder, as these are the most important raw materials for chocolate, in terms of quantity. Although palm fats are only purchased in low volumes, they are associated with difficulties in cultivation. "The cultivation of palm fat is rightly criticised and subject to the same perceptions and attitudes by consumers and by us in Purchasing," explains Brand. "If a raw material is subject to criticism, it is easier for us as manufacturers to demand transparency and improvements in the supply chain. With this in mind, we should all purchase in a strategic manner." The range is rounded off by packing materials – from wrappings for the chocolate bars to protective foil for the pallets.

Departments such as Purchasing, Quality and Sustainability Management, Marketing and Communication sent five experts each to form a task force. On the basis of the corporate mission statement, they formulated up to 30 custom-fit sustainability criteria for "their" respective raw or packing material and developed target systems. Progress has been measured through performance indicators. The task forces also analysed extra costs such as those incurred in comparison to conventional manufacturing. "During the start phase, the teams convened regularly to discuss the basic principles," according to Brand. "Now it's our turn in Purchasing to implement these specifications. It's not possible to get everything done from one day to the next but we are on a very good path." ■



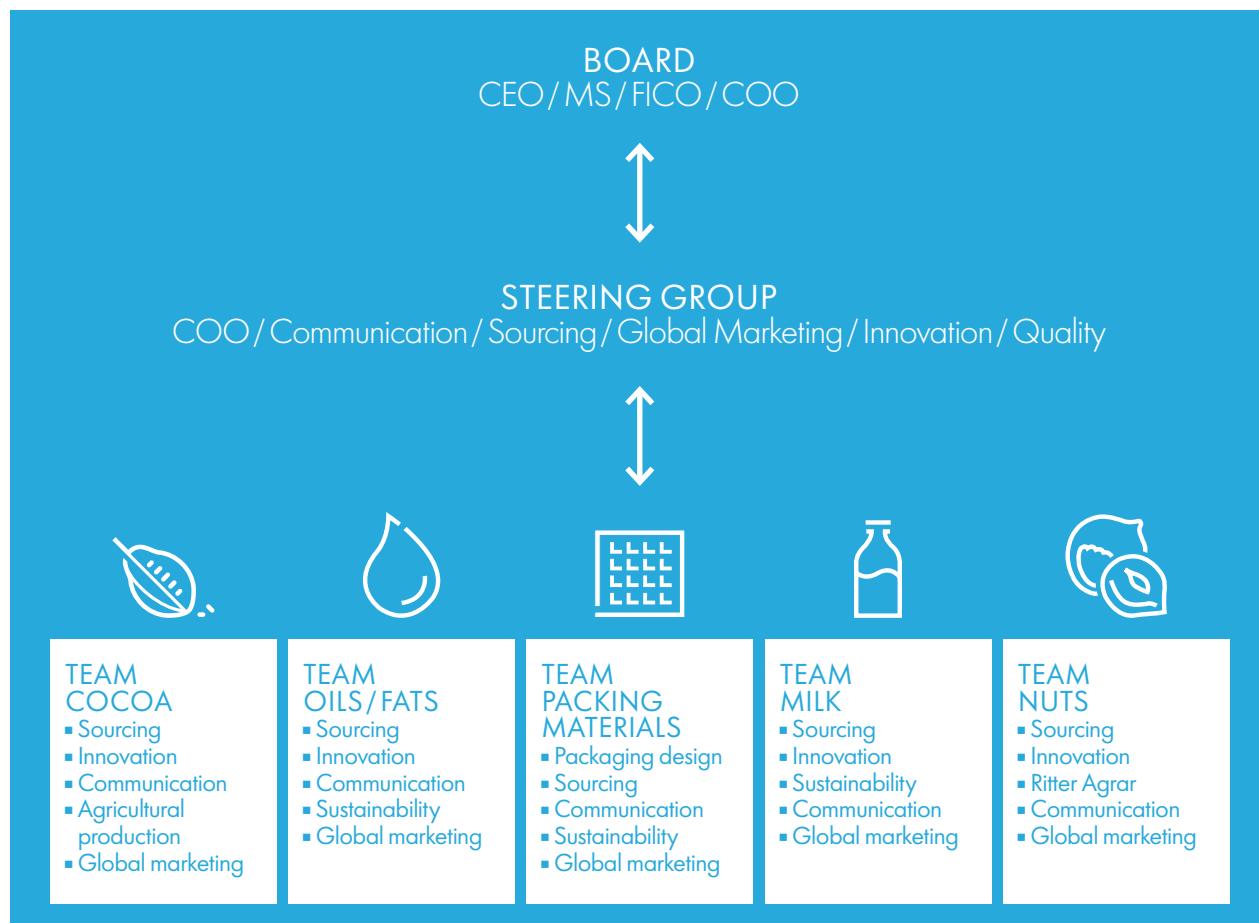
Head of Purchasing, Hajo Brand, relies on clear specifications and criteria for sourcing raw and packing materials.



Cross-department teams developed sustainability criteria for the company's five key raw and packing materials.



An overview of the task force: Organisation and departments



We want to know where our cocoa comes from

It is possible to taste how the people involved along the value-added chain feel – this is something the company is convinced of, with cocoa being the most important raw material for Ritter Sport chocolate. It goes without saying, therefore, that the company puts a lot of passion and energy into sourcing this valuable resource. Cocoa must be of high quality and grown sustainably. Whether the considerable effort required leads to the desired result is examined in collaboration with external partners.



Merit Buama maintains contacts with local cocoa producers.

"We want to know exactly where our cocoa comes from, who grows it and under what conditions," explains Merit Buama, who has been tapping and maintaining contacts between Alfred Ritter GmbH & Co. KG and cocoa farmers and suppliers in the countries of origin since 2018. "Our commitment began in Nicaragua 30 years ago. We have transferred the experience and knowledge gained from this collaboration into a long-term strategy with 25 clearly-defined social, economic and ecological goals within the framework of an interdisciplinary task force for sustainable cocoa sourcing. These criteria must be met by all of our cocoa suppliers in the future."

As a small player in the global competition, the chocolate manufacturer based in Waldenbuch has thus found a way of making big waves – for the living conditions in the cocoa-sourcing countries, as a contribution towards environmental protection and also for safeguarding its own supply of raw materials. Merit Buama: "Nicaragua has shown us that we can have a direct influence on cultivation through long-term partnerships. And this enables us to safeguard our supplies with sustainably grown and high-quality cocoa."

Single-origin chocolate: Quality over quantity

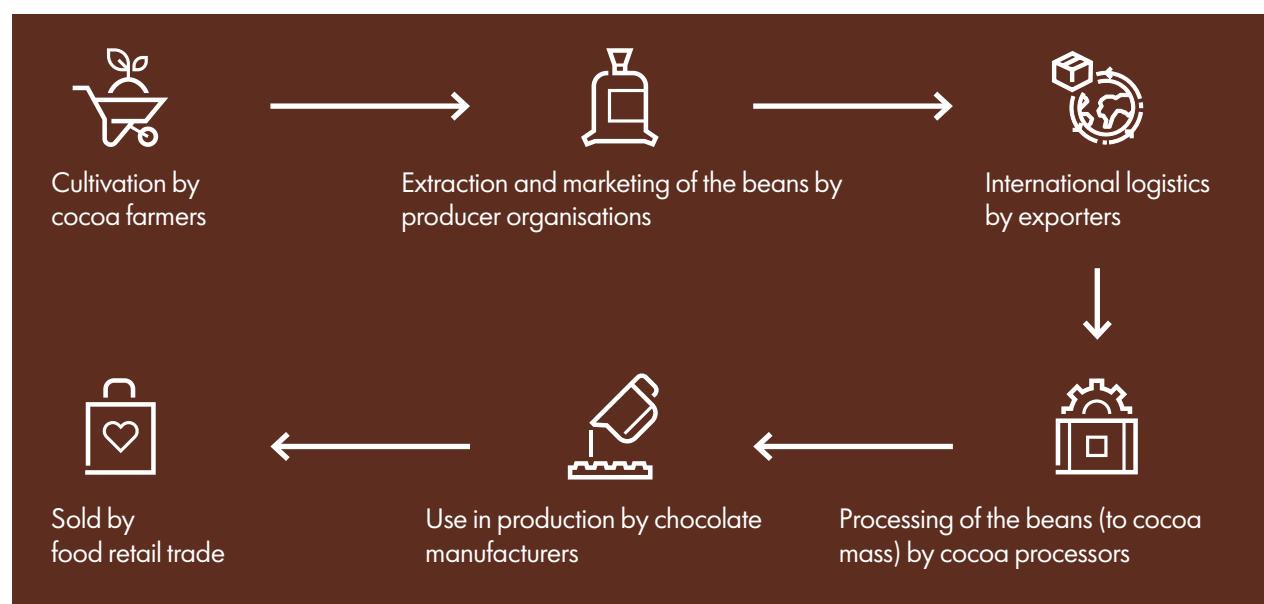
In 2019, a new era dawned at Ritter Sport in the form of the Cocoa Selection. Now comprising four varieties, this entails so-called single-origin chocolate. Each variety contains cocoa mass from a single country of origin: "55% Smooth from Ghana", "61% Fine from Nicaragua", "74% Intense from Peru" and "81% Strong from Ghana".

In the case of the Ritter Sport "Cocoa Selection", the cocoa also comes from long-term partnerships with farming organisations. In Ghana, this includes the Cocoa Abrabopa Association (CAA), which has more than 6,000 cocoa farmers as members. Since 2020, Alfred Ritter GmbH & Co. KG has been sourcing cocoa from CAA, which is imported and processed to cocoa mass by our supplier Fuchs & Hoffmann. The supply chain is short. The CAA cocoa remains separate and ensures the particular chocolate flavour in both "Ghana" chocolate varieties, to be enjoyed with a clear conscience. ■

Available in retail outlets since 2019: the Ritter Sport Cocoa Selection.



The cocoa supply chain



Transparency back to the origin

Alfred Ritter GmbH & Co. KG already sources 100 per cent certified cocoa in accordance with the Rainforest Alliance / UTZ or Fairtrade cocoa programmes. "Around 40 per cent of this certified sustainable cocoa is traditionally sourced through cocoa exporters, i.e. we only have the contact in the country of origin but no direct contact with the producer organisations," explains Merit Buama. "As for the remaining 60 per cent of cocoa purchased by us – we are already a step further in that we support cocoa farmers and their producer organisations through cocoa programmes. And our own El Cacao plantation is also yielding its first harvests." By 2025, long-term partnerships are to have been established for our entire cocoa sourcing. Then the company will be able to trace the entire cocoa supply chain right back to the individual producer organisations, i.e. the cooperatives. "When we know the exact origin, we can examine the local

conditions under which our cocoa is grown," explains Merit Buama. "It also means that we can support the farmers specifically through training to enable them to farm in a way which conserves resources and to improve their yields as well as the quality of their cocoa. We regard the sustainable cultivation of cocoa as a shared responsibility: as a manufacturer, we are obliged to join our partners in tackling the critical and complex topics associated with the production of our most important raw material."

There's always room for improvement

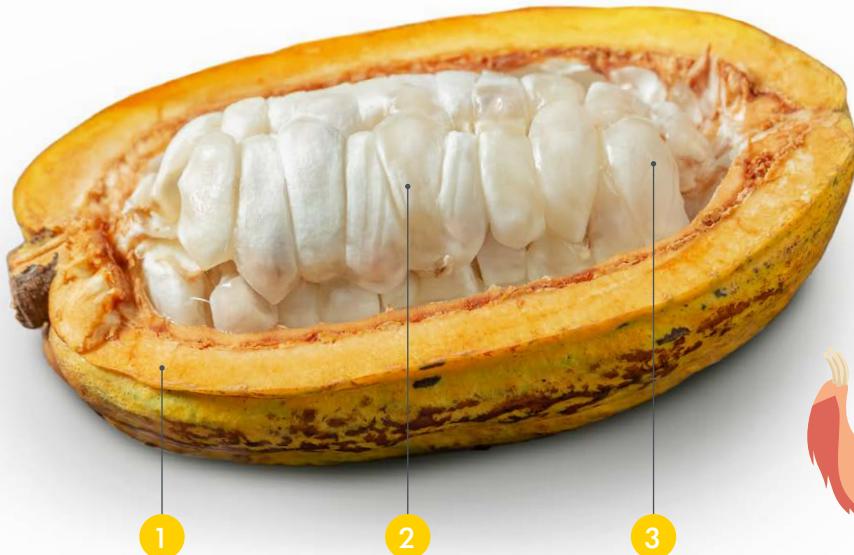
Whether the criteria and target system for cocoa work in practice the way the company envisages it is something Alfred Ritter GmbH & Co. KG is currently having revised at great expense and effort by the consulting network SAN. The consultants at SAN have visited

a selection of cocoa farmers and exporters in Nicaragua, Peru, Ghana, Nigeria and Ivory Coast, and asked them about the current situation on the ground. As part of the study, the experts have inspected the relevant documents on employment and analysed the infrastructure, ecosystems and production areas.

Starting with the individual cocoa farmers, through the various producer organisations to the exporters – the result is a detailed evaluation for each supply relationship: What things are going well, where is support necessary, where do readjustments need to be made? This forms the basis for Alfred Ritter GmbH & Co. KG to develop its cocoa support programmes, such as training courses or the provision of plant material. Merit Buama is in charge of this task for all cocoa supply chains in the various growing regions and looks forward to the tasks ahead: "We use the SAN results to determine the cocoa programmes to be applied with our respective partners. This cannot be done centrally but rather needs to be worked on together – at eye level and coordinated to local requirements." ■



Making progress: harvests continue to increase on the El Cacao plantation.



From the shell to the pulp: Comprehensive utilisation of the cocoa fruit

Cocoa is not only a valuable raw material for chocolate: the entire cocoa fruit can be used on the El Cacao plantation. Plenty to offer:

1 Cocoa fruit shell

Valuable fertiliser for cocoa production on the farm which, when composted, is available again to the plants as an organic material.

Spread on the field, it also provides a habitat for insects, which are important in the cultivation of cocoa.

2 Cocoa beans

Fermented, dried and roasted, they form the basis for Ritter Sport chocolate.

3 Pulp

The fruit pulp is processed to produce refreshing cocoa juice, which can be drunk directly or processed for jam or sparkling wine, for example.

El Cacao: A good place for cocoa, people and nature

Good news from El Cacao, Ritter Sport's own farm in Nicaragua, where cocoa has been grown in a sustainable agroforestry system since 2012. This mixed form of cultivation creates ideal conditions for high-quality cocoa, conserves the soil and encourages biodiversity. Planting has meanwhile been completed and the yield curve is steadily rising: where 40 tonnes of cocoa beans were harvested in 2019, it was possible to harvest 300 tonnes

in 2020. The beans are processed directly on site after harvesting. In order to improve the processes and keep the quality of its own cocoa at a consistently high level, the company relies first and foremost on the expertise of its employees. To this aim, the company offers them ongoing training, including in the area of sensory skills and taste, with the result that their own cocoa is now being processed to chocolate on a small scale on El Cacao. This means

that each batch can be tasted on site to establish the impact growing conditions and especially processing have on flavour and quality. After all, a passion for cocoa combined with knowledge of its particularities are the best basis for first-class chocolate. ■

The “How” is decisive

The special sensory properties are not the only reason why Alfred Ritter GmbH & Co. KG does not dispense with palm fats. But those responsible are in agreement that sustainable farming must also be a central goal here, too.



Dr Katrin Sinderhauf-Gacioch, Head of Analytics and Raw Material Safety.

Environmental damage, species extinction and child labour – palm fats are rightly subject to criticism. What many people do not know, however, is that oil palm offers an enormous ecological advantage in terms of yield per unit area (see Sustainability Report 2018). It causes fewer greenhouse gas emissions and is less of a threat to biodiversity than its alternatives. When it comes to quality, the fat from the fruits of the oil palm is also worth mentioning: “It has unique functional and sensory characteristics which are currently indispensable for some of our filled chocolate varieties,” claims Dr Katrin Sinderhauf-Gacioch, Head of Analytics and Raw Material Safety. “Crystallisation and melting point can be set exactly by

fractioning. This makes the filling soft and creamy and it melts at the perfect time in the mouth. We only use palm fat where it is of key quality importance or technically required in the manufacture of a product.” Instead of dispensing with this raw material, which is efficient in terms of production technology and ecology, the question soon arose: How must palm fat be extracted to ensure that it meets the sustainable requirements of the company?

Unlike for cocoa and hazelnuts, Alfred Ritter GmbH & Co. KG relies in particular on external certifications and industrial initiatives. And for a good reason, according to Katrin Sinderhauf-

The most important raw materials for Ritter Sport chocolate: Annual volume sourced (rounded)





Gacioch: "We source comparably small volumes of palm fat. It doesn't make sense for us to strive towards growing our own. Instead, we rely on the power of joint initiatives with other companies – after all, many manufacturers are currently preoccupied with this topic, particularly in the area of food." Alfred Ritter GmbH & Co. KG joined the "Roundtable on Sustainable Palm Oil" (RSPO) in 2013 which was co-founded by the World Wide Fund for Nature (WWF). RSPO certification prohibits the use of child labour and the erosion of forests of ecological significance as well as promoting smallholding structures. "As of this year, we have been processing exclusively RSPO-certified palm fats of the higher 'segregated' quality," explains Katrin Sinderhauf-Gacioch. "This means that all palm fruit used for our palm fat is exclusively sourced from sustainable farming. This is an important interim goal but not quite perfect yet: the requirements of the RSPO are a good start, but they still need to be formulated and examined much more stringently." ■

Working closely with the consumer

Although palm fat ranks far behind the volumes of cocoa and hazelnuts sourced by us as raw materials, this is not the only benchmark for our commitment: sustainability is important to consumers. This corresponds with our mission to "do the right thing". Once there is an awareness of sustainability on both sides, it is worth investing time, money and energy in sustainable change.

Jan Aretz, Head of Innovation

Extraction of palm fat from the fruit flesh of the palm oil fruit

Full bunch of fruit



Individual oil fruit



Cross-section of oil fruit



Home-grown sustainable pleasure

The best flavour requires really good ingredients. That is why Alfred Ritter GmbH & Co. KG is already considering the future when it comes to the supply of raw materials – and is exploring entirely new paths with hazelnuts.



Hans Wiberg, Managing Director and Farm Manager France, is proud of progress at La Caussade.

One of the world's most popular varieties of Ritter Sport square chocolate bars is "Whole Hazelnuts". For this and other nut varieties, a whopping 4,500 tonnes of crunchy nuts are required every year. Hans Wiberg, Managing

Director and Farm Manager France, explains: "This is one of our most important ingredients. We need to plan our supply of raw materials over the long term, not least because of climate change, which is increasingly changing

growing conditions." Sustainable farming is just as important as the requirements on quality and flavour for hazelnuts – e.g. the selection of varieties, nut size and sensory properties.

The main cultivation area for hazelnuts is Turkey, which offers ideal conditions thanks to its moderate climate. But the working and living conditions there in hazelnut farming, particularly for migrant workers, are still subject to criticism. "We have enjoyed strategic partnerships with our Turkish hazelnut suppliers for many years. Together with them, we are working towards designing the impacts on people and the environment as responsibly as possible and implementing our sustainability requirements step by step," says Frank Geltenbort, Team Leader Purchasing Raw Materials (see Sustainability Reports 2016 and 2018). At the same time, the company is working towards changing social framework conditions via public-private partnerships, e.g. by providing training and education offers to small farmers on the ground.

But Alfred Ritter GmbH & Co. KG is even going a step further in the hazelnut value-added chain. In the south of France, the company is developing its own sustainably managed hazelnut farm: La Caussade. "The area offers



Growing and flourishing: green areas and hedges encourage biodiversity and conserve resources.



ideal climate conditions for growing hazelnuts," according to Hans Wiberg, who oversees the farm. "We are vigilant about resource-conserving cultivation and promoting biodiversity, e.g. by sowing green strips between the hazelnut trees and planting hedges." The team is currently managing 114 hectares of land in a sustainable manner; this figure is to rise to 170 hectares in 2021. The fact that taking charge of the sustainable cultivation of raw materials actually works is already shown by our own El Cacao farm in Nicaragua (see page 17 of this report). The goal is correspondingly ambitious: in 2030, up to 20 per cent of hazelnut requirements are to be home-grown.

As Hans Wiberg explains, the company has something else in mind, too: "By growing our own, we show that it is possible to grow hazelnuts under perfect ecological, social and economic conditions. We are developing knowledge and gaining experience in sustainable cultivation methods – this is something we want to share and develop even further with other growing regions and their farmers." ■

2 Manufacturing and products

Good flavour and quality urgently demand a consistently high quality of raw materials and processing.





The **paper and cardboard materials** used are **fully recyclable**.



Chocolate wrappers made of plastic and practically all bag packaging are already **fully recyclable**.



In development partnerships, Alfred Ritter GmbH & Co. KG collaborates with **long-term suppliers** to develop new packaging concepts.



Since 2018, the company has been sourcing the fibres used for packaging in an **exclusively FSC-certified** manner, which has a positive impact on **forest protection**.



Since the end of 2020, **all chocolate wrappers** (primary packaging) have been **Cradle to Cradle-certified** (Material Health Certificate, Bronze Level).



By 2025, **ALL** Ritter Sport packaging will be **fully recyclable**.



By 2027, **70%** of packaging will be made **from renewable raw materials**.



Packaging specialists Franziska Ganter and Katja Binder are proud of the new Ritter Sport prototypes made of paper.

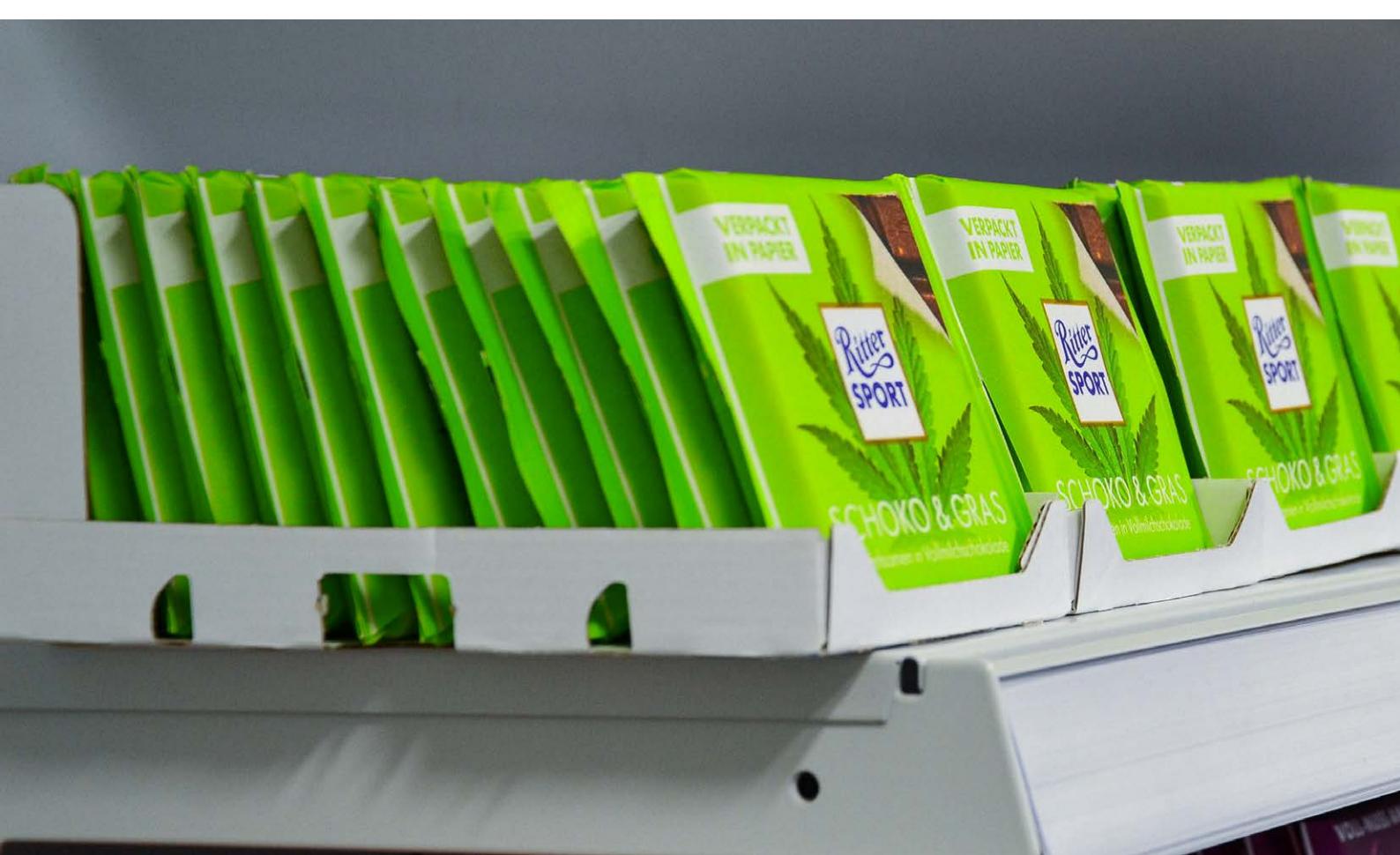
Consistently sustainable packaging from renewable raw materials

When it comes to good chocolate, it's not only the contents that count but also the packaging. For this reason, Alfred Ritter GmbH & Co. KG is constantly on the lookout for the best alternative packaging options, with a particular focus on paper.

"Our goal is to use Ritter Sport packaging from renewable raw materials which are in harmony with people and the environment, as well as being recyclable as a reusable material in regulated recycling loops," explains Katja Binder, Head of Packaging Design.

Since mid-2019, an interdisciplinary task force has been working on a comprehensive sustainability strategy with a focus on packing materials (see section 1.2). The primary motivators are recyclability as well as the topic of renewable raw materials and their origin. "For us, conserving resources is

really important. That is why we have been using cardboard and corrugated board packaging with an FSC® certificate indicating their origin since 2018," explains Katja Binder. But long-term partnerships with suppliers also play a key role in developing sustainable packaging.



Also chic in paper: the colourful Ritter Sport chocolate squares.

Sustainable and recyclable: Paper packaging

Why was the decision made in favour of paper packaging? "The polypropylene wrappers we currently use are fully recyclable and certified Cradle to Cradle (Material Health Certificate), i.e. it's a really good system overall," explains Katja Binder. "But in line with the current state of the art, our packaging wrappers are not even sorted by material in many sorting plants and therefore not recycled after being disposed of through the yellow sack or recycling bin. At an international level, things are even more difficult, as

collection and recycling systems are less developed than in Germany or are not available at all." For paper, however, recycling circuits are already established and in use all over the world. Waste paper also has a real value for consumers. Another advantage of paper concerns the origin of raw materials, where paper is far ahead of plastic in terms of transparency.

But what packaging is used to start conversion to a paper-based solution? This is not an easy decision to make considering the wide variety of items involved. "In an attempt to obtain an objective answer based on performance indicators, we rated Ritter Sport

packaging on the basis of the relevant sustainability aspects in the task force group. The result of this hot spot analysis: we are starting in the primary area with the 100g packaging for the classic square-shaped bars of choc-olate," explains Katja Binder. "Our 'InPapier' prototype in January 2020 was the first step in this regard. In the secondary area, we will launch a bag made of paper in 2021 and then further implement this strategy step by step." ■





INTERVIEW with Franziska Ganter

The challenge of paper packaging

Franziska Ganter is Project Manager for the topic of "Primary packaging made of paper", which means she knows exactly where the challenges lie in developing the "InPapier" packaging.

You incorporate the consumers in developing the paper packaging. What exactly does this collaboration look like?

Franziska Ganter: In early 2020, we announced on social media that we would be testing our Ritter Sport "In Papier" prototype, and the response was huge: there were almost 24,600 applicants for the 500 bars. We are delighted at the interest in the topic of sustainable packaging and all of the positive feedback. The test persons were particularly enamoured by the fact that the paper packaging was manufactured from renewable raw materials, is more recyclable and therefore more sustainable than plastic wrappers. No compromises were necessary in terms of the flavour of the chocolate or legibility of the information on the packaging. But there were some critical comments: we were obliged to further optimise our snap-open pack in particular to make it just as practical in paper as it is today – in terms of the opening characteristics, tear resistance and therefore stability.

Are further tests planned and if so, with whom?

Franziska Ganter: We will definitely be conducting more tests to examine the everyday suitability of the packaging. After all, our chocolate needs to reach retail outlets undamaged. Another test run was conducted in Austria in late 2020 in collaboration with the food retailer Billa. This entailed us offering a paper-wrapped hemp chocolate variety as a "Limited Edition" in the branches.

So, what comes next?

Franziska Ganter: Our goal is to safeguard the recyclability of all Ritter Sport packaging. Paper is a very good variant for this. But the requirements on the packaging are high. After all, the aim is to unite sustainability, product safety and consumer requirements. In order to achieve this, we are working closely with the respective experts both inside and outside the company and will also continue to involve our consumers in the implementation process.



Living your vision means staying true to yourself and not losing sight of your goals

Borne from the conviction of making a positive contribution to climate protection, the company has long been setting itself clearly-defined goals. Carbon-neutral production was achieved in 2019 – around three years sooner than planned. Now that a start has been made, the next steps in the five years to come are to lead to full climate neutrality.



Sustainability Manager Georg Hoffmann.

"Operating in a carbon-neutral manner demands years of consistent groundwork", according to Sustainability Manager Georg Hoffmann. "We started reducing our CO₂ emissions at an early stage. In 2002, we changed over fully to green electricity and commissioned our first combined heat and power unit that same year. Back then, we were considered crazy to rely on renewable resources in such an energy-intensive production sector." What seems so simple now required a great deal of staying power and strength of implementation at the time – i.e. the ability to link various areas and projects.

On this path towards carbon neutrality, Alfred Ritter GmbH & Co. KG reached its first interim goal in 2019: carbon-neutral production at its Waldenbuch site. Georg Hoffmann explains: "Accordingly, we were able to offset all processing steps in line with Scope 1 and Scope 2 here in Waldenbuch to make them carbon-neutral." Following the implementation of numerous energy-efficiency measures and conversion to green electricity, the family-owned company initially calculated a total of



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The fact that Alfred Ritter GmbH & Co. KG is operating carbon-neutrally sooner than planned at its headquarters is a great success! This shows how seriously the company is working on the topic of sustainability and how firmly the structures are anchored. Most importantly, this sees the family-owned company serving as an example for others.

Christian Geßner, founder and head of the Centre for Sustainable Corporate Leadership at the University of Witten/Herdecke

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8,293 tonnes of CO₂ emissions at the Waldenbuch site for 2019. These – as yet unavoidable – emissions were offset by the purchase of CO₂ compensation certificates, with the chocolate manufacturer relying on certificates whose projects are certified in accordance with the renowned "Gold Standard". Additionally, two trees were planted per tonne of CO₂ emitted in collaboration with the Plant for the Planet organisation.

As a partner to the Zentrum für Nachhaltige Unternehmensführung (Centre for Sustainable Corporate Leadership, ZNU), Alfred Ritter GmbH & Co. KG is involved in the "ZNU goes Zero" climate protection initiative along with a group of pioneering companies. All partners committed in 2018 to managing their German sites in a carbon-neutral manner by 2022.

Pioneer work: Climate protection project in the company's own value-added chain

"It goes without saying that from now on, we are offsetting our remaining emissions through compensation cer-



What are CO₂ certificates?

- 1 CO₂ certificate = savings of 1 tonne CO₂ via a climate protection project
→ evidence required that this volume has been saved or reduced by the project
- Based on the so-called Kyoto Protocol: by purchasing 1 certificate, a company can offset 1 tonne CO₂ incurred during production of its product

tificates and tree planting every year in an effort to retain our status of climate neutrality," claims Georg Hoffmann. Apart from further reducing emissions, the company is also forging new approaches on its El Cacao cocoa plantation in Nicaragua, not only in terms of climate protection but also with regard to generating certificates.

A new idea was born with El Cacao around 10 years ago and the prospect of 1,200 hectares of land to be forested: Would it be possible to consider forestation in terms of binding CO₂? A challenging partner was found in the

form of the Gold Standard Foundation, which offers the most stringent international standard for climate protection projects. The project idea of generating CO₂ certificates in its own value-added chain, thereby offsetting its own unavoidable emissions, was equally exciting and innovative for the non-profit organisation, too.

The goal of using its own certificates for compensation as early as 2019 was very ambitious, and it was not possible to implement it within the designated timeframe. "El Cacao has meanwhile been certified in line with

the Gold Standard. We generate our own compensation certificates for the volumes of CO₂ which we bind through forestation on the farm," explains Georg Hoffmann. "As of 2021, we can use certificates from our own farm to support the plant in Waldenbuch in its quest to be carbon-neutral. Wherever they are insufficient, we buy compensation certificates from projects certified to the Gold Standard."

From carbon-neutral production to a carbon-neutral company

But Alfred Ritter GmbH & Co. KG does not plan to rest on the success of its carbon-neutral production: "Our vision is of a carbon-neutral company," claims Georg Hoffmann confidently. "But this will entail us looking beyond our own location and moving step-by-step along the value-added chains for our raw materials. The aim here is to evaluate where we can reduce or offset emissions – so that in the end, all of our products are carbon-neutral." In this quest, the company is looking for solidarity with other players. Apart from

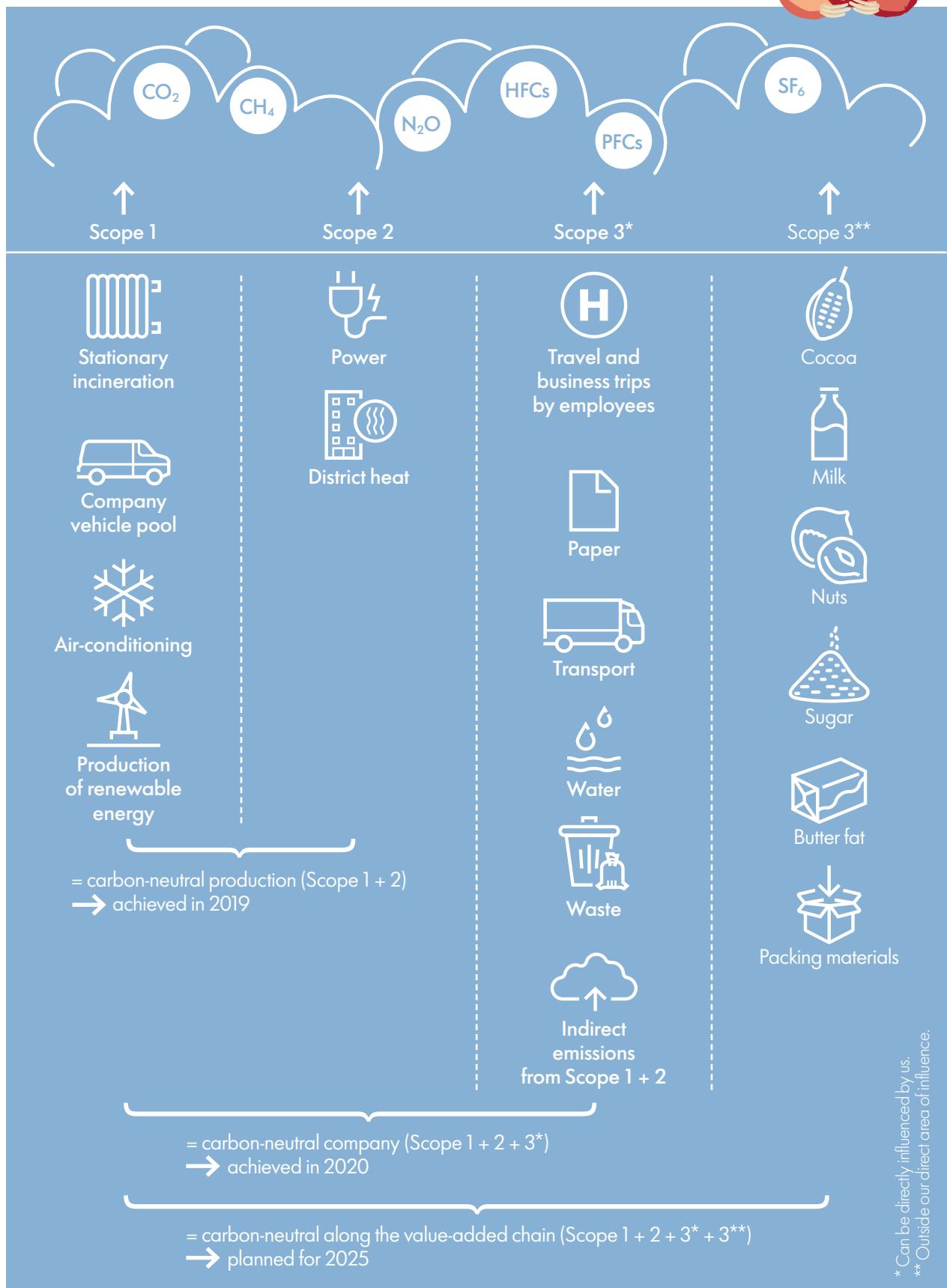
"ZNU goes Zero", the chocolate manufacturer has also been active in the "Klimabündnis Baden-Württemberg" climate alliance of the federal state's environmental ministry since October 2020. Together with the state government, the 20 or so companies involved to date aim to play a pioneering role in systematically implementing corporate climate protection and counteracting climate change. ■



Working together for climate protection: Managing Director Asmus Wolff seals participation in the "Klimabündnis Baden-Württemberg" with Minister of State for the Environment, Franz Untersteller. © Eric Vazzoler



Factors impacting the CO₂ footprint



All emissions incurred by Scope 1 and Scope 2 were offset 100% by Alfred Ritter GmbH & Co. KG.

Biodynamic light: Economic viability and well-being in harmony

Alfred Ritter GmbH & Co. KG uses almost 30,000,000 kilowatt hours of electricity per year. In an effort to continuously reduce energy consumption, Benjamin Flaig, Head of Energy Management, and his colleagues are constantly on the lookout for new savings potentials, with economic viability not always being the decisive factor.

Alfred Ritter GmbH & Co. KG has been successively switching over to LED lighting for some years now. A particular pilot project with scientific support was launched in production in 2019: biodynamic lighting in the area of packing machinery. "The LED lights imitate the natural progression of daylight. We can change the colour of light from a very yellowish shade in the morning and evening to a more blueish shade around noon," explains Benjamin Flaig. This has a positive impact on employee well-being: "We want to use

biodynamics to achieve quality in the workplace which is not so easily perceptible, whereby light has enormous impacts on the human body and has a decisive influence on our body clock." Colleagues in the late shift in particular benefit from this innovation: when the light is dimmed in the evening, the human body slowly winds down into

evening mode – and our employees can wind down faster once their shift is over.

The greatest challenge was posed by the fact that the light cannot be projected onto the ceiling. "Pleasant and indirect lighting is difficult to implement in production, as the ceilings feature

Energy Management – a comparison of consumption figures in 2018 and 2019



Benjamin Flaig,
Head of Energy Management.



A clean solution: E-mobility in a practical test

so much equipment. So, we opted for LED lamps with a special prism optic to achieve as much dispersion as possible," explains the Head of Energy Management. A total of 140 LED lamps were installed on a ceiling area spanning approx. 950 square metres.

While tube technology had consumed approx. 110,000 kilowatt hours of electricity per year, Alfred Ritter GmbH & Co. KG can now save 60,000 kilowatt hours of electricity per year with its new biodynamic light. "This conversion is difficult to calculate as a classic feasibility project. Of course, it helps us to save electricity - but we would have been able to save even more with other LED lights. The positive effect of biodynamics on the human organism was a very important factor when reaching this decision," according to Benjamin Flaig. "Although the savings play a role considering the size of this project, they are not in fact the most important lever. It is the many small adjusting screws which have a positive impact on energy management as a whole." ■

Short routes, predictable travel times, less traffic noise: commuter traffic between the production facility in Waldenbuch and the raw and packing materials warehouse in Dettenhausen seven kilometres away is ideal for battery electric vehicles. Accordingly, a Mercedes-Benz eActros is now being deployed by Alfred Ritter GmbH & Co. KG. This 18-tonne vehicle has a range of around 200 kilometres and also features an electrically powered cooling swap container as well. It is charged overnight with green electricity from renewable resources on the company site in Waldenbuch. "We have a modern lean production. This means that all production items - from raw materials to packing materials - need to be delivered in a needs-based manner from the warehouse," explains Benjamin Flaig. "We have to be able to react flexibly. All the better therefore if we can use modern, low-emission mobility in the form of the eActros." The e-truck is now being tested comprehensively in every-day operations and, ideally, will replace conventional trucks in shuttle traffic. ■



The biodynamic light imitates the natural progression of sunlight.



3

Responsible employer

We draw our strength from constructive, respectful collaboration between shareholders, the advisory board, executive management and all employees.

Fairness concerns us all

There's always room for improvement: Alfred Ritter GmbH & Co. KG is not resting on its laurels after being awarded Germany's top employer prize. In particular, internal communication and transparency are to be subject to further optimisation.

"In 2017, we decided to take part in the 'Germany's Best Employer' competition by the Great Place to Work initiative," explains Anna Reschka, Head of Personnel Development. "It was important for us to obtain an honest picture and to discover where we stand as an employer in comparison to other companies."



Anna Reschka,
Head of Personnel Development.

At its heart, the competition is based on surveying employees on numerous topics such as leadership, appreciation, participation, professional development and work-life balance. The fact that the chocolate manufacturer was distinguished as one of the 100 best

German companies, resulting in the "Great Place to Work Award 2018" on its very first try, is something Anna Reschka is obviously delighted about, but she is by no means ready to sit back: "We identified several areas in which we want to be better, whereby this mostly concerns transparency and internal communication. In cross-department workshops and projects, we developed specific measures which we are now implementing."

Communication writ big: The GF Café

Open exchanges in the GF Café have already become an established thing where executive management regularly invite employees for a chat. "We are delighted that the GF Café has been so well-received," says Anna Reschka. "Questions can be asked here in a relaxed atmosphere, and executive management discover the things currently preoccupying their colleagues."

Contemporary concepts for careers

Focus is also given to development of management personnel, including in the form of a new qualification programme. Within this framework, more than 70 management personnel have formulated sustainable development goals with their supervisors and external feedback experts following optimised 360° feedback – i.e. surveys of supervisors and colleagues as well as performance ratings by their team. Work in progress: a guide to specialist and management careers in the company. Where do I want to go? Where do I fit in within the company? These are questions which are asked by all employees. "We have also developed a new and contemporary concept in the area of performance assessment, which we will be rolling out in employee discussions in 2020 / 21," adds Anna Reschka. "It plans to depict a comparable assessment basis for everyone. After all, fairness is a central aspect when it comes to satisfaction and something which truly affects and concerns everyone – not only here in Waldenbuch." ■

"All in all, I can say that this is a very good place to work."*

* Employees at Alfred Ritter GmbH & Co. KG: **85%** agreement.
Employees at the 22 best employers in Baden-Württemberg: **86%** agreement.

INTERVIEW

with Marina Solodkova/ooo Ritter Sport Schokolad

Designing change together

The methods of a Great Place to Work are to be gradually applied at international level, too. Accordingly, in 2018, the Russian subsidiary ooo Ritter-Sport Schokolad also took part in the survey. It attracted a lot of interest: 77 out of 90 employees took part. The project was headed by the Russian HR Manager, Marina Solodkova.

Ms Solodkova, why did you decide to take part in the Great Place to Work initiative?

We believe that surveys such as this one can make a major contribution towards developing the company and maintaining a healthy corporate culture. It goes without saying, however, that it is also important for actions to follow results and new projects to be triggered.

What improvement topics have arisen from the survey?

The most important topics identified in the survey related to communication – just like in our German parent company. In

order to achieve improvements here, we conducted workshops and then ensured that the measures passed were followed.

One good example is provided by our sales field service, where the survey indicated that our colleagues wanted more exchanges on results and successful campaigns in order to benefit from the experiences of others. That is why we held a joint workshop for the first time in December 2019 which was dedicated exclusively to this topic. This was also associated with an in-company competition in which everyone could present their own highlight projects – votes were cast and the best ones were awarded prizes. The campaign was complex to organise but it was definitely a resounding success!

What has changed as a result?

The way we worked together after the survey, that was a huge success. It was very important for us to include our colleagues in the discussion and planning the measures. Everyone was to be able to co-design their own working situation thereby assuming responsibility for overall success. ■



Well received: executive management regularly invite colleagues to the GF Café for a chat.



The Russian subsidiary also put the results of the Great Place to Work survey into action.

Support for favourite projects

For Alfred Ritter GmbH & Co. KG, sustainability not only means respect for the environment but also in dealings with other people, whereby doing the right thing is often a very individual act. That is why the company supports dedicated employees with its "Ritter Sport hilft ..." initiative.



Melinda Häußler advocates for others in the "White Ring".

Melinda Häußler has been working in B2B Marketing at Alfred Ritter GmbH & Co. KG for the past two and a half years. In her free time, she is a volunteer for the "White Ring", which is active throughout Germany in the area of working with victims of crime. Voluntary helpers support people after a traumatic experience, but the association is also politically active in advocating for better help for victims and for crime prevention.

The desire to help crime victims came to Melinda Häußler after a life-changing experience: "When I was a child, our neighbour was a victim of domestic violence. We didn't know what we could do to help. Unfortunately, we were not aware of the assistance offered by the White Ring back then." Today, Melinda Häußler handles an average of one case per month. She is also active in the area of crime prevention and presents the work of the White Ring in training courses for the police.

Voluntary action demands a lot of time and dedication. In an effort to support this, employees at Alfred Ritter GmbH & Co. KG can apply for up to two days' leave of absence a year for their voluntary service. The corporate programme also provides its employees' favourite projects with financial support of up to 1,000 Euros per year. Operating in harmony with people and nature is not just a benevolent mission statement – it is also real involvement by employees and the company itself. ■



SOCIAL



ECOLOGICAL



VOLUNTARY



TOGETHER



HELPING



Trainees de-sign the school grounds for the “Jugendhilfe aktiv” foundation

Social and ecological projects are a component of professional training at Alfred Ritter GmbH & Co. KG. In 2019, the trainees provided active support to the “Jugendhilfe aktiv” foundation.

The foundation promotes socially and educationally disadvantaged children, adolescents and their families in order to give them a perspective for the future. This also includes special needs teaching. In Stuttgart-Rohr, the trainees from Alfred Ritter GmbH & Co. KG designed the grounds of Albert Schweitzer School, which belongs to the foundation. For example, they joined the pupils in making bird houses and setting up a shoot-out goal they had made themselves. While eating together, all of the participants were able to chat.

These project days enabled the trainees to discover how valuable non-profit work is. This appreciation and support of society is something which is important to the company and the foundation. ■



Top photo: Trainees in the “Jugendhilfe aktiv” foundation in Stuttgart Rohr.
Bottom photo: Importance was also attached to the culinary aspect.

Sustainable, healthy and fit for the future

The new administrative building at the Waldenbuch site was built under sustainable aspects, from the exterior facade to the carpet tiles. A complex project but a worthwhile one – for the environment and for the health of our employees.

Perceptive visitors have already seen it: where once the containers for the temporary canteen stood, a new building has been created at the headquarters of Alfred Ritter GmbH & Co. KG in Waldenbuch. It offers plenty of space for the departments of Research & Development, Marketing and all areas involved in communication.

Sustainable basic standard thanks to the DGNB-certified building

The specification provided by the owner family Ritter was to build as sustainably as possible right from the start. "It was very important to us to build an environmentally friendly building which is fit for the future," claims Ernst Tritt, who is responsible for building in his capacity as project manager. "Despite the fact that we are already intensively

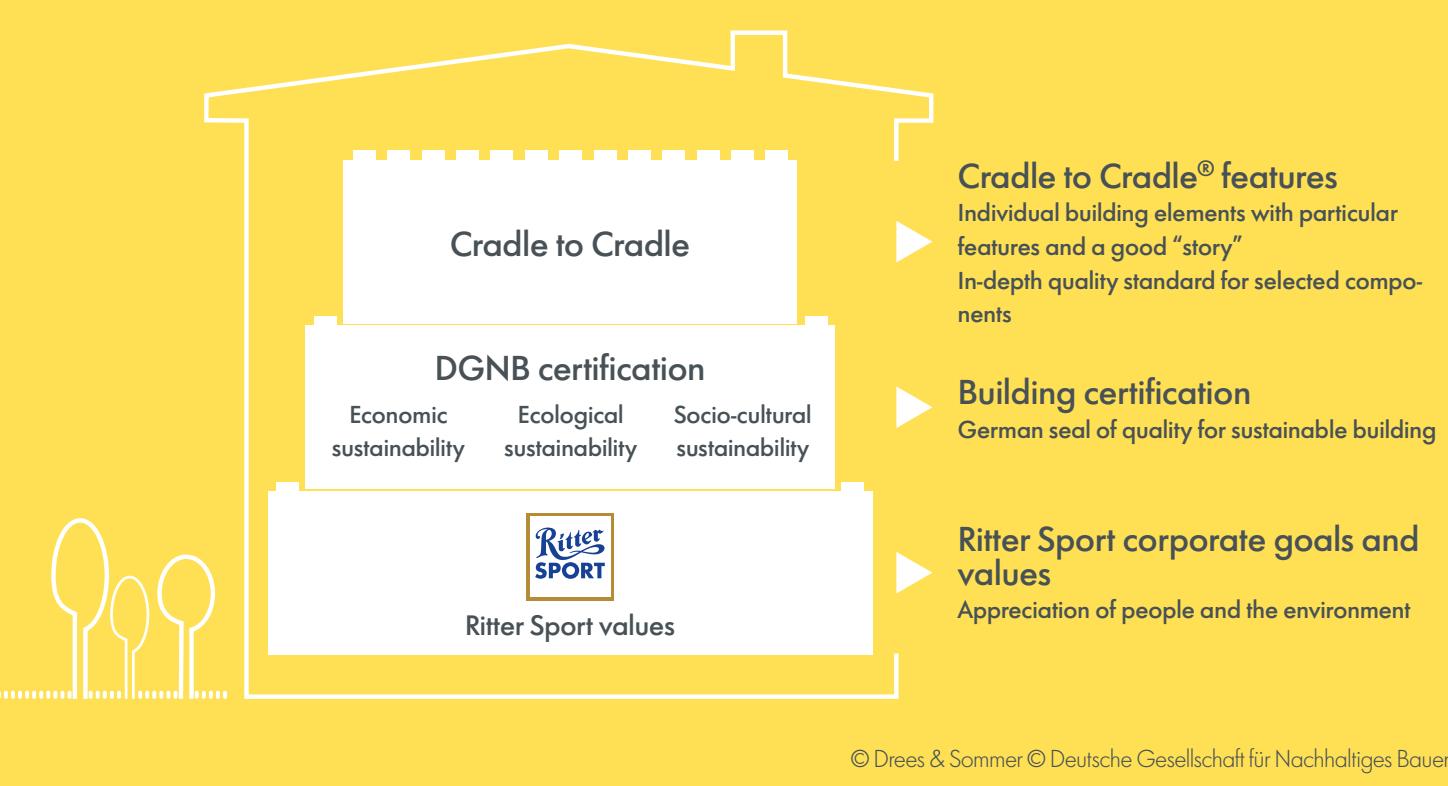
engaged with the topic of sustainability within the company, it was new for us in terms of an entire building project. That is why we got Drees & Sommer on board, one of the leading consulting companies in this area, which also specialises in energy design and building certification."

The ecological, economic and socio-cultural specifications of the Deutsche Gesellschaft für nachhaltiges Bauen (DGNB) formed the basis for constructing this building which cost approx. 16 million Euros. The DGNB convinces in the form of a unique certification system which rates the quality of the building not just during the actual building process but also across its life cycle. 47 criteria needed to be met for successful certification. "We also applied the detailed quality standard of the Cradle to Cradle® concept for selected components and constructions," explains Daniela Schneider, engineer for architecture and environment at EPEA – Part of Drees & Sommer. "This guarantees that components and materials are returned to existing recycling loops when the building is to be refurbished or deconstructed."



Project Manager Ernst Tritt.

Sustainability model for the new building



© Drees & Sommer © Deutsche Gesellschaft für Nachhaltiges Bauen



Daniela Schneider, engineer for architecture and environment at EPEA – Part of Drees & Sommer. © Drees & Sommer

Making it possible to experience sustainability

But what makes a building sustainable? The green roof, the photovoltaic system

and the many windows are evident. Not obvious at first glance, the facade construction is also of particular importance in terms of sustainability. Wood is a preferred material. As a general rule, many constructions, such as adhesive connections, are used nowadays in the construction of a building which make separation of the materials impossible at a later stage. This is not the case with the new building in Waldenbuch: for the purpose of recyclability, component layers and materials can be separated by type and reused thanks to detachable connections using screws, for example.

In the interior, the sustainable building aspect is tangible for the employees from the floor right up to the ceiling. Here too, exclusively durable, recyclable materials were used. Each product was tested for material health prior to use to ensure the very best indoor air quality. A pleasant room climate

is also ensured by the efficient energy concept: "We work with the system of component activation," explains Ernst Tritt. "This innovative heating and cooling system entails the base temperature being achieved through water pipes in the ceiling. Ceiling sails also ensure ideal climatic conditions and good acoustics." The interior is not yet complete, but employees will be moving into their workplaces in the new DGNB-certified administrative building of Alfred Ritter GmbH & Co. KG as early as spring 2021. ■

4

Organisation and values

Our actions are characterised by respect for and appreciation of people and the environment.





Malte Dammann, Chief Demand Officer, is delighted at the critical way the young generation assesses his products.

“Doing the right thing is fun”

When it comes to deciding whether a product is good, young consumers in particular not only consider the product and its packaging. They also ask: What is in it and how was it manufactured? Is it good for me? Is it good for others? They want chocolate which is good all round. They want their purchasing decisions to make a difference and they want to do the right thing – the actions of Alfred Ritter GmbH & Co. KG have long been characterised by these same questions.

“We have waited 30 years for today’s consumers,” claims Malte Dammann, Director Marketing. “They understand that sustainability and consumer enjoyment are not contradictory and that pleasure with responsibility can create an added value for everyone involved.” The younger generation of consumers loves good flavour, takes

pleasure in the gloss of chocolate and colourful packaging, but also wants to know exactly what is in it and what is behind it. These consumers take note of a short and natural list of ingredients grown sustainably. They attach importance to fair wages and good living and working conditions in the regions in which the ingredients are grown, culti-

vation methods in harmony with the environment, biodiversity and carbon neutrality in production and logistics. With their purchasing decisions, they want to support people and companies sharing their values. “We are investing in sustainability not only because that is what consumers want,” emphasises Dammann. “We are doing

Motivation

What is close to our heart?

What motivates us?

Pleasure in
chocolate indulgence
& quality

The particular
Ritter way of
approaching
chocolate &
entrepreneurship

How consumers think today

■ **65%** of consumers worldwide are meanwhile **eating less chocolate** – but when they do, they expect **higher quality**.

(Source: Ipsos, Keep It Fresh Report 2018)

■ **66%** prefer brands offering transparency as to where they source their raw materials and how they **treat their employees fairly**.

(Source: Accenture Strategy, Competitive Agility 2018)

■ Baby boomers born up to 1964 are driving **purchases of ethical products**: in 2020, as many as **79%** of them were buying **more frequently in accordance with these criteria**. In 2013, this figure was **65%**.

(Source: OTTO Trend Study 2020)

■ **68%** of those surveyed would boycott a supplier practising **unfair treatment of its employees** and creating poor working conditions.

(Source: OTTO Trend Study 2020)

■ **80%** of consumers worldwide regard it as important for the food industry to act **sustainably and in a socially responsible manner**.

(Source: Ritter Sport | Gruppe Nymphenburg, Consumer Tracker 2019)

so because we are convinced it is the right thing to do. But we are very grateful for this new awareness. Users who want to know the facts provide us with support whenever we take suppliers and business partners to task and they help us to query our own actions critically and to be better." The company's mission statement also includes effect-

ing positive changes along the entire supply chain, both inside and outside the company: "Doing the right thing means that, wherever possible, everyone involved with us is doing better than if we hadn't been around in the first place. As a family-owned company, that is why we vouch for our values at every link of the supply chain

and we often take a leading role within the sector. This has not always been easy but we're doing it because it is the right thing to do. Because only this way is it possible to make really good chocolate."

And because it's fun to do the right thing." ■



INTERVIEW with Andreas Ronken

“Companies often show their true face in a crisis”

A report about 2020 without any reference to the coronavirus crisis? Inconceivable!
CEO Andreas Ronken reports in an interview on crisis management at Alfred Ritter GmbH & Co. KG – and illustrates that sustainability is not a luxury even during the crisis.

Mr Ronken, the coronavirus pandemic hit the world hard in 2020 and created a new reality which we now need to deal with. German companies are also facing major challenges. What does doing the right thing mean for Alfred Ritter GmbH & Co. KG in times like these?

We have always been convinced that you can “taste” it in chocolate whether the people who were involved in it did so under good conditions. Especially during a pandemic, we need to pay

particular attention to people. It goes without saying that top priority is given to the health of our employees and everyone for whom we are responsible. Then comes the task of maintaining operations so that we can continue to supply our customers with chocolate.

What measures have you introduced in the company to protect the health of everyone?

We tightened our already very stringent hygiene specifications at an early stage. The core element is that each employee keeps a contact data logbook – this is essential in order to interrupt infection chains swiftly. We also use rapid tests – on a voluntary basis – enabling us to give our employees certainty about their infection status swiftly and in an uncomplicated manner. Many of them take us up on this offer and are very appreciative of it. This is also possible because we have an extremely competent medical service on site and are supported by a works doctor.

It goes without saying for us that we use every opportunity available to reduce the risk of infection. To this aim, we have implemented a variety of measures,

e.g. home-office workstations have been set up and air washers as well as CO₂ measurement devices made available. Together, this has enabled us to achieve a working environment which is as safe as possible. So far, these measures have served us well during the pandemic. This is gratifying, but the decisive phase of the pandemic still lies ahead of us.

We are doing our best to contribute to containing the virus – not only at the Waldenbuch site but also at our subsidiaries abroad. Furthermore, we are in close cooperation with our suppliers in the regions of origin and providing the cocoa farmers and their producer organisations in particular with support through our partnerships.

The pandemic situation is new and it is developing in a very volatile manner. How do you guide a company through a crisis such as this one?

In a crisis – regardless of the type of crisis – two things are essential: a focus on what is absolutely necessary and an established infrastructure. We are maintaining the latter on an ongoing basis: we have a crisis team in which



Andreas Ronken has been Chairman of the Board of Management at Alfred Ritter GmbH & Co. KG since 2015.



In Nigeria, the company has supported a sensitisation campaign on Covid-19.

everyone responsible assumes clearly defined roles and in which we work according to specified procedures and structures.

Together, we have focused on three basic tasks right from the start: protecting the health of our employees, maintaining operations and communicating efficiently and openly with our employees. It is important for us to keep them up to date on developments and to inform them of our measures. On the other hand, we also want to know about their concerns and reservations.

Companies often show their true face in a crisis when pressure and stress levels rise. Our culture of togetherness has helped us to handle the crisis well to date.

Particularly in terms of your most important raw material, cocoa, you enjoy long-term partnerships with farmers and their organisations. How have you supported them during the pandemic?

It hasn't been easy. The pandemic is evolving differently in every country, especially as the framework conditions

in politics and health systems are quite different. Merit Buama, who maintains these contacts for us on the ground, has planned and implemented measures in direct contact with our local partners in our key growing countries – Nicaragua, Peru, Ghana, Nigeria and Ivory Coast. This has enabled us to collaborate with our partners to distribute masks and disinfectant to farmers and schools but also to finance an information campaign, for example, whereby in Nigeria, posters, radio spots and short films have been made public to highlight the significance of the hygiene rules and contain the spread of the virus – parallel to the AHA rules (social distance, hand-washing and community masks) which everyone here is already familiar with.

Is the topic of sustainability even of relevance in an extreme situation such as we are currently experiencing?

It is even more important than ever. The pandemic has clearly shown us that we need to think more long term and act more in terms of the greater good. We will only get a grip of this virus by pooling our efforts. And we need to take leave of the concept of maximising

profits – the crisis should have made it clear to everyone by now which areas and activities are truly system-relevant. And we really need to start appreciating them more.

We see our views confirmed in our corporate mission statement. We want to operate in such a way that we leave the generations to come an environment which is worth living in. Every player in our supply chain contributing to the manufacture of Ritter Sport chocolate should be paid appropriately for their efforts and experience us as a reliable partner, particularly during the crisis. ■



Ritter Sport Nicaragua alone has distributed 4,500 bottles of disinfectant to cooperatives.



With its Ritter Sport Alltagsritter edition in April 2020, the company thanked 1,000 people who represented the interests of others during the pandemic.

Regeneration for people and nature

The chocolate manufacturer in Waldenbuch has created an extensive biodiversity project in the form of the Schelmenbiegel Nature Park. Opened in 2020, the park is not only home to numerous species of animals – it is also used by employees for taking a break.

After the biotope at the Ritter Museum, the Schelmenbiegel Nature Park is the second biodiversity project at company headquarters in Waldenbuch, only much bigger: 600 metres of paths, benches for sitting and relaxing and lots of nature – the newly designed nature park is a real bonus for employees looking to catch some fresh air during their lunch break.

"The area is beautiful as there are lovely walks, lots of shade in summer and nice places to sit – an incredible bonus for us all," explains Werner Glässer, Project manager Building Management. "And the feedback is already entirely positive. But you need to be pretty fit as there are some steep inclines," he adds with a wink.

Spanning four hectares, the site was originally privately owned by the Ritter family and had lain fallow for almost 30 years. Following lengthy planning, it has now been revived as a nature park at the initiative and under the management of Marli Hoppe-Ritter, in co-operation with the landscape architect, Hans Specht.

A complex project which required extensive appraisals by the town of Waldenbuch, the Forestry Office, the Conservation Agency and the water authorities. The latter also ensured the restoration of three reservoirs serving to protect against flooding of the neighbouring town in the case of heavy rain.

Giving nature the space it needs

There is a lot to discover in the Schelmenbiegel Nature Park, which is also home to three bee colonies. Numerous bird species such as spotted woodpeckers, great tits and starlings have also settled in the newly created nesting boxes. "It was important for us to give nature the space it needs," says Werner Glässer. "We also sowed the meadow with lots of wild herbs and flowers. And to enable the plants to gain a firm foothold, it is only mown twice a year. Apart from that, we also planted lots of new shrubs and trees such as walnut trees which can cope well with dry periods." The nature park is tended by a landscape gardener to ensure that it can continue to grow and flourish in the months to come. ■

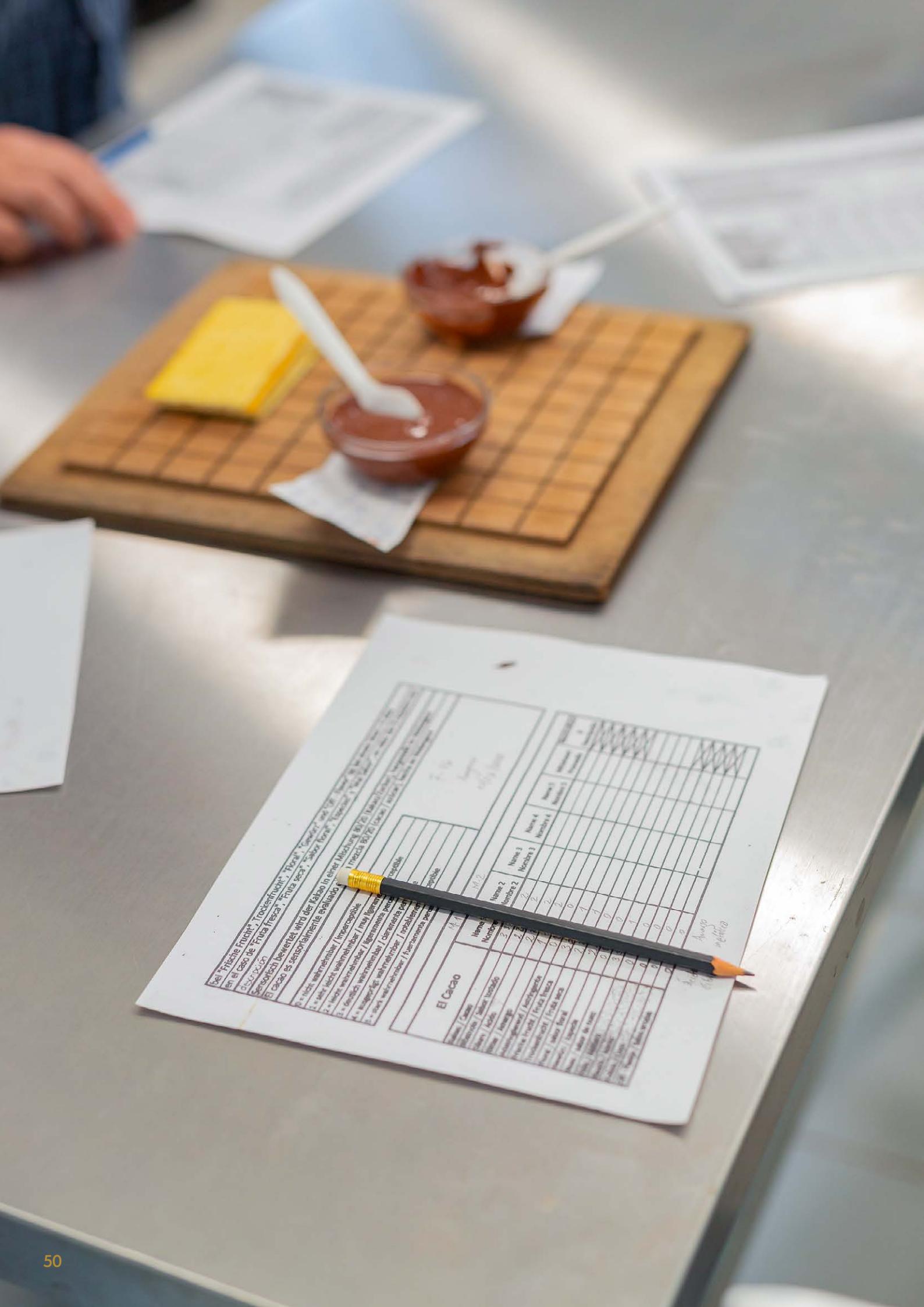
Werner Glässer, Project Manager Building Management, and owner Marli Hoppe-Ritter present the plans for the nature park.



The Schelmenbiegel Nature Park represents another successful project in the cooperation between Alfred Ritter GmbH & Co. KG and the town of Waldenbuch, which was delighted to deploy personnel as the project evolved and is happy that locals and visitors to Waldenbuch now have another opportunity for leisure activities "on the doorstep".

Ralph Hintersehr, Chief Officer and HR Officer
of the town of Waldenbuch





5 Interesting facts

All of our activities are aligned towards safeguarding and further strengthening the long-term independence of this family-owned company.

About this report

With this report, Alfred Ritter GmbH & Co. KG is presenting for the fourth time an overview of its strategies, processes and measures within the framework of sustainability management. For the purpose of a progress report, the focus is on informing all stakeholders of the sustainable development of the company as well as offering an approximation of its short-, medium- and long-term goals and plans.

By publishing this report, the company is underlining its express desire and willingness to communicate transparently with all of the relevant stakeholders and to enter an open dialogue based on partnership. Accordingly, the report – along with the company and brand website (www.ritter-sport.com), activities on social media, other publications and other measures of external and internal communication – is an essential component of the integrated communication concept of Alfred Ritter GmbH & Co. KG.

Report parameters

The core of the report is formed by the topics identified as essential by the ZNU Sustainable Management standard within the business activities of Alfred Ritter GmbH & Co. KG. Furthermore, the contents of this report are oriented towards the recommendations of the Global Reporting Initiative, without fully implementing this standard.

There are plans to continue reporting on sustainability as well as developing this topic both practically and pragmatically. Publication of the next comprehensive Sustainability Report is planned for 2023.

Report framework

In 2013, Alfred Ritter GmbH & Co. KG was certified for the first time by the TÜV Rheinland for successful introduction of the Sustainable Management standard. This standard was developed by the Zentrum für Nachhaltige Unternehmensführung (Centre for Sustainable Corporate Leadership, ZNU) at the University of Witten / Herdecke. It serves towards the introduction of integrated sustainability management.

As a result, the following three areas of action were defined, which cover economic, ecological and social pillars of sustainability: sourcing of raw materials, ecological efficiency and social impacts. The company will concentrate on these topics, further develop them systematically and set itself specific and measurable goals for the near and distant future.

Report period

The contents, facts and figures presented in this report primarily refer to the 2020 calendar year. Relevant information from the previous years was also taken into consideration. The editorial deadline for this report was 31 December 2020. ■

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ZNU standard and SDGs



The following table shows which requirements of the ZNU standard are considered in this report. The Sustainable Development Goals (SDGs) of the UN are also listed, as companies are explicitly called to participate in implementing them.

Goals	Description of the SDGs and the sub-goal	ZNU standard requirement	Corporate Sustainability Report (section)
1 NO POVERTY 	End poverty in all its forms everywhere.	II.10 Innovation II.14 Fair competition II.15 Regional commitment II.16 Sourcing II.21 Human rights	1.1 Responsibility in the supply chain, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 4.1 What motivates us 1.1 Responsibility in the supply chain, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 4.1 What motivates us 1.1 Responsibility in the supply chain, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 4.1 What motivates us 1.1 Responsibility in the supply chain, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 4.1 What motivates us 1.1 Responsibility in the supply chain, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 4.1 What motivates us 1.1 Responsibility in the supply chain, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 4.1 What motivates us
2 ZERO HUNGER 	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.	I.2 Philosophy/Values II.15 Regional commitment II.16 Sourcing II.20 Health	1.1 Responsibility in the supply chain, 1.4 Focus on palm fats, 4.1 What motivates us 1.1 Responsibility in the supply chain, 1.4 Focus on palm fats, 4.1 What motivates us 1.1 Responsibility in the supply chain, 1.4 Focus on palm fats, 4.1 What motivates us
3 GOOD HEALTH AND WELL-BEING 	Ensure healthy lives and promote well-being for all at all ages.	II.16 Sourcing II.19 Industrial safety II.20 Health II.21 Human rights II.22 Culture of variety II.23 Demographics	3.2 Jobs and honorary offices, 4.2 Crisis management, 4.3 The new Schelmenbiegel Nature Park 2.3 Energy management, 3.2 Jobs and honorary offices, 3.3 The new office building, 4.2 Crisis management 2.3 Energy management, 3.2 Jobs and honorary offices, 3.3 The new office building, 4.2 Crisis management 3.2 Jobs and honorary offices, 4.2 Crisis management 3.1 Great Place to Work, 3.3 The new office building, 4.2 Crisis management, 4.3 The new Schelmenbiegel Nature Park 2.3 Energy management, 3.2 Jobs and honorary offices, 3.3 The new office building
4 QUALITY EDUCATION 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	II.16 Sourcing II.21 Human rights	3.1 Great Place to Work, 3.2 Jobs and honorary offices 1.1 Responsibility in the supply chain, 1.3 Focus on cocoa, 1.5 Focus on hazelnuts, 3.1 Great Place to Work, 3.2 Jobs and honorary offices, 4.2 Crisis management
5 GENDER EQUALITY 	Achieve gender equality and empower all women and girls.	II.16 Sourcing II.21 Human rights II.22 Culture of variety	1.3 Focus on cocoa 1.3 Focus on cocoa 1.3 Focus on cocoa
6 CLEAN WATER AND SANITATION 	Ensure availability and sustainable management of water and sanitation for all.	II.15 Regional commitment II.20 Health II.21 Human rights	1.1 Responsibility in the supply chain, 1.2 Focus on raw and packing materials, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 1.5 Focus on hazelnuts, 2.1 Sustainability in packaging 1.1 Responsibility in the supply chain, 1.2 Focus on raw and packing materials, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 1.5 Focus on hazelnuts, 2.1 Sustainability in packaging, 3.1 Great Place to Work, 3.2 Jobs and honorary offices, 3.3 The new office building, 4.1 What motivates us, 4.2 Crisis management 1.1 Responsibility in the supply chain, 1.2 Focus on raw and packing materials, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 1.5 Focus on hazelnuts, 2.1 Sustainability in packaging, 3.1 Great Place to Work, 3.2 Jobs and honorary offices, 3.3 The new office building, 4.1 What motivates us, 4.2 Crisis management

Goals	Description of the SDGs and the sub-goal	ZNU standard requirement	Corporate Sustainability Report (section)
 7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all.	II.10 Innovation II.15 Regional commitment II.16 Sourcing II.21 Human rights	2.2 Carbon-neutral management
 8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	II.15 Regional commitment II.16 Sourcing II.17 Fair pay	1.1 Responsibility in the supply chain, 1.2 Focus on raw and packing materials, 1.3 Focus on cocoa, 1.5 Focus on hazelnuts, 2.3 Energy management 1.1 Responsibility in the supply chain, 1.2 Focus on raw and packing materials, 1.3 Focus on cocoa, 1.5 Focus on hazelnuts, 2.3 Energy management 1.1 Responsibility in the supply chain, 1.2 Focus on raw and packing materials, 1.3 Focus on cocoa, 1.5 Focus on hazelnuts, 2.3 Energy management
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.	II.10 Innovation II.16 Sourcing	
 10 REDUCED INEQUALITIES	Reduce income inequality within and among countries.	II.15 Regional commitment II.16 Sourcing II.18 Fair added value	
 11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient, and sustainable.	II.10 Innovation II.15 Regional commitment	
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns.	All of the requirements of the ZNU Sustainable Management standard	
 13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.	II.1 Climate II.2 Energy II.8 Biodiversity II.9 Animal welfare II.10 Innovation II.16 Sourcing	2.3 Energy management, 3.3 The new office building 2.3 Energy management, 3.3 The new office building 2.3 Energy management, 3.3 The new office building 2.2 Carbon-neutral management, 2.3 Energy management, 3.3 The new office building 2.2 Carbon-neutral management, 3.3 The new office building

Goals	Description of the SDGs and the sub-goal	ZNU standard requirement	Corporate Sustainability Report (section)
	Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	II.2 Energy II.8 Biodiversity II.16 Sourcing	2.1 Sustainability in packaging
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	II.2 Energy II.3 Packaging II.4 Waste II.8 Biodiversity II.16 Sourcing	1.1 Responsibility in the supply chain, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 1.5 Focus on hazelnuts, 2.1 Sustainability in packaging, 2.2 Carbon-neutral management 1.1 Responsibility in the supply chain, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 1.5 Focus on hazelnuts, 2.1 Sustainability in packaging 1.1 Responsibility in the supply chain, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 1.5 Focus on hazelnuts, 2.1 Sustainability in packaging 1.1 Responsibility in the supply chain, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 1.5 Focus on hazelnuts, 2.1 Sustainability in packaging, 2.2 Carbon-neutral management, 4.3 The new Schelmenbiegel Nature Park 1.1 Responsibility in the supply chain, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 1.5 Focus on hazelnuts, 2.1 Sustainability in packaging
	Promote peaceful and inclusive societies for sustainable development; provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	II.15 Regional commitment II.16 Sourcing	
	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	II.14 Fair competition II.15 Regional commitment II.16 Sourcing II.18 Fair added value	Editorial, 1.1 Responsibility in the supply chain, 1.2 Focus on raw and packing materials, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 1.5 Focus on hazelnuts, 2.2 Carbon-neutral management Editorial, 1.1 Responsibility in the supply chain, 1.2 Focus on raw and packing materials, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 1.5 Focus on hazelnuts, 2.2 Carbon-neutral management, 4.2 Crisis management Editorial, 1.1 Responsibility in the supply chain, 1.2 Focus on raw and packing materials, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 1.5 Focus on hazelnuts, 2.2 Carbon-neutral management Editorial, 1.1 Responsibility in the supply chain, 1.2 Focus on raw and packing materials, 1.3 Focus on cocoa, 1.4 Focus on palm fats, 1.5 Focus on hazelnuts, 2.2 Carbon-neutral management

Glossary

Biodiversity

Biodiversity is regarded as the variety of the entire range of life on earth. It comprises three levels: the variety of ecosystems, which includes cohabitation, habitats and landscapes; the variety of species; and the genetic variety within a species.

Emissions

Substances or rays from a source, whereby this usually refers to the output of environmental pollutants. There are emissions of (harmful) substances into the air (also as dust or odours) or into waste water but also noise emissions and even light emissions. In order to protect human health and the environment, emissions should be avoided or reduced where possible.

Fairtrade cocoa programme

This programme links small farmers with companies to enable the latter to purchase large quantities of fairly traded cocoa from certified producers. Therefore, unlike in the past, Fairtrade now focuses on sourcing raw materials instead of certification of end products such as bars of chocolate. As they can sell more cocoa at fair and stable prices, small farmers can invest more in their farms and the region. Fairtrade also finances further training which is specially tailored to the needs of small farmers.

Sustainability

Sustainable action and management consider the following three pillars: the economy, society and the environment. At the same time, economic, social and ecological aspects stand in equal measure for sustainable development which meets intergenerational needs.

Rainforest Alliance (formerly: UTZ Certified)

A programme and quality mark for the sustainable cultivation of cocoa, coffee and tea. In order to receive this certification, farmers must adhere to a code of practice which specifies social criteria as well as taking consideration of environmental compatibility and efficient management.

RSPO

In 2004, the Roundtable on Sustainable Palm Oil was founded at the initiative of the WWF. Its goal is to promote sustainable cultivation methods for palm oil, thereby limiting environmental damage. Members include environmental protection associations and other non-government organisations (NGOs) as well as companies and institutions from the palm oil value-added chain, such as plantation owners, traders and industries.

Stakeholders

Groups which are influenced by corporate activities and which, in turn, exert an influence on the company – for both economic and social reasons. Stakeholders are, for example, employees, suppliers, customers and trading partners but also scientific facilities, governments and NGOs.

Sustainable Development Goals (SDGs)

These goals for sustainable development involve political goals of the United Nations (UN) at the economic, social and ecological level. Five core messages are indicated – people, earth, prosperity, peace and partnerships – from which 17 global goals and 169 sub-goals have been derived.

Industrial nations and developing and threshold countries alike should contribute towards achieving these goals. Furthermore, many of the goals are directed towards non-state players and companies in particular.

Essentiality

The basic principle of essentiality applies for a company's sustainability report. This means that the report should cover all areas depicting the essential impacts of the company on the environment, economy and society and/or which are of importance for the stakeholders.

Value-added chain

This comprises the entire life cycle of a product: in the case of food, for example, the route from cultivation through the processing and production levels at suppliers or the actual company and via trade and interim trade to the private consumer. Reuse or disposal are also often included in calculations.

ZNU

The Centre for Sustainable Corporate Leadership (ZNU) at the University of Witten / Herdecke is an independent platform for sustainability in the food industry. It was founded as a co-operation between science and the economy to show entrepreneurs the opportunities and risks associated with the topic of sustainability in the food sector. The ZNU serves as a platform for exchanging information between science, industry and trade, and it has developed the ZNU Sustainable Management standard. ■

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Disclaimer

All information in the Sustainability Report 2020 was collated and processed with the greatest of care. Nevertheless, errors cannot be excluded in full.

All future-oriented statements were made on the basis of current assumptions and estimations at the time of publication.

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