OUR PRODUCTS

SHARING VALUES TO CREATE VALUE
Our Products

It is part of Ferrero’s Corporate Social Responsibility to offer consumers all over the world products that are always guaranteed to be high in quality and freshness, innovative and manufactured with carefully selected raw materials.

Ferrero Group:

<table>
<thead>
<tr>
<th>TOTAL PRODUCTION</th>
<th>2010/11</th>
<th>2011/12</th>
<th>PRODUCTION INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>In quintals</td>
<td>10,708,000</td>
<td>11,182,000</td>
<td>+4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONSOLIDATED NET TURNOVER</th>
<th>2010/11</th>
<th>2011/12</th>
<th>SALES INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>€/000</td>
<td>7,218,024</td>
<td>7,795,451</td>
<td>+8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GEOGRAPHICAL DISTRIBUTION OF THE CONSOLIDATED NET TURNOVER IN 2011/12</th>
<th>ITALY</th>
<th>REST OF EUROPE</th>
<th>REST OF WORLD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20%</td>
<td>59%</td>
<td>21%</td>
</tr>
</tbody>
</table>
FERRERO VALUE CHAIN:
RESPONSIBLE FOOTSTEPS!

ANIMAL WELFARE, SUSTAINABLE AND ETHICAL SOURCING
see page 122

QUALITY, TRACEABILITY AND SAFETY
see page 93

IN-HOUSE SEMIFINISHED PRODUCTS
see pages 23 and 124

PEOPLE, TRAINING AND THE LOCAL COMMUNITIES
see pages 31, 41 and 67

ENVIRONMENTAL PROTECTION AND SELF-PRODUCTION OF ENERGY
see page 133

INTEGRATED AND GREENER LOGISTICS
see page 158

OUR GOAL: MAKE THE CONSUMER HAPPY!
see page 9

THE “5 Rs” OF OUR PACKAGING: Remove, Reduce, Recycle, Reuse, Renew
see page 156

RESPONSIBLE COMMUNICATION
see page 20

GREAT BRANDS IN SMALL PORTIONS
see page 13

ALL STEPS IN THE VALUE CHAIN ARE EXPLAINED MORE IN DETAIL IN THE NEXT CHAPTERS.
GREAT BRANDS
IN SMALL PORTIONS

“For Ferrero, the relationship with civil society, and in particular amongst consumers and our brands, is of such paramount importance that we take extreme care in providing the highest quality, the best communication and the greatest value.”
Giovanni Ferrero, May 2013

Ferrero offers some of the most famous confectionery products in the world, while respecting the traditional craft.
We consider three principles to be of the greatest importance in matters of nutrition and food production:
A. There are no such things as good or bad foods but only good or bad eating habits and diets,
B. We offer great brands in small portions,
C. Regular physical exercise, in a balanced and moderate way, is fundamentally important.

Ferrero’s nutritional policy is based on three principles, which can be summarised as follows:
1. Nourishment is the result of eating all foods, so that talking about single foods and products has no scientific basis;
2. The size of the portion is increasingly being seen as the decisive factor in controlling food consumption. Ferrero has always presented its products in pre-wrapped portions, with an appealing taste and of excellent quality;
3. A varied, not a prescriptive or punitive diet, together with healthy exercise, is key for:
   a. developing a positive psychological and physical balance;
   b. making family and social gatherings more enjoyable;
   c. instilling and maintaining correct dietary habits;
4. Breakfast is very important for a general nutritional balance. Offering appetising products helps combat the bad habit of skipping breakfast and as a result improves the quality of the whole diet;
5. Breaking down daily consumption into five or more episodes is now scientifically established;
6. Of these five sessions, the two daily BMEE (Between Meals Eating Episodes), should concentrate on tasty products with reduced calorific content per portion;
7. A good diet must be planned in connection with regular physical exercise in order to complete the benefits derived from it;
8. Training in nutrition, with a solid scientific basis, must be given from early infancy so that a person develops an informed attitude to his own eating habits and diet;
9. The information provided to consumers must be complete, accurate and objective;

10. Focussing on simple recipes, based on tradition, using ingredients that already contain fibre and micro-nutrients such as vitamins and minerals, removes the need to add them artificially.

Ferrero’s nutritional policy translates itself into company manufacturing practices applied daily with stringent internal rules. The most important are:

- The careful selection of all the raw materials used, starting with: milk, hazelnuts, cocoa, eggs and coffee. The selection is based on ethical and environmental requirements as well as quality;
- The creation of a unique flavour quality for each product by blending different natural sugars, fats and milk of the highest quality, coffee, cocoa and hazelnuts selected and roasted directly at Ferrero’s plants;
- The presentation of products in small, wrapped portions, which leads to an obvious reduction in the consumption of sugars and fats;
- The internal engineering development of manufacturing plants and industrial processes in order to preserve as much as possible the original characteristics and nutritional values of the ingredients;
- Absolutely no use of hydrogenated oils or hydrogenated vegetable fats, which are the carriers of trans fatty acids (TFA’s). This exclusion has applied for years to all Ferrero products;
- Zero use of preservative additives;
- The presence of fibre and micro-nutrients, such as vitamins and minerals, derived directly from the raw materials used, without artificial additives.

To summarise very briefly: if consumers are to be encouraged to live a healthy lifestyle, a better education about nutrition is needed! Further legislation or taxes on single ingredients or on indispensable food categories are counterproductive, as they are key elements of our eating habits.

FERRERO’S SEPARATELY WRAPPED SMALL PORTIONS

A balanced diet is the key ingredient to a healthy lifestyle. For this reason, Ferrero offers food products that are of the highest quality, unique, flavours and available on the market in individual pre-wrapped portions. We consider that:

- the individually wrapped portions,
- the use of ingredients that are naturally rich in high quality nutrients,
- our simple recipes,
- the organoleptic nature of the products,

are the key factors that make Ferrero’s products suitable for the episodes of consumption between meals, mid-morning or mid-afternoon. A truly balanced diet is not one that merely excludes certain foods but rather one that includes, in correct portions, those products that consumers love best, so as to enable them to maintain, over time, a complete set of correct eating habits.

The division of Ferrero’s products into portions has always been conceived and marketed in order to fit the various nutritional needs of consumers. The Kinder range of products, for example, which have traditionally been offered to infants and children, continue to be produced in individual portions weighing between 12.5 and 43 grams, among the smallest in their category.
As can be seen from the pie chart below, more than 65% of Ferrero’s total volume of products marketed worldwide is presented in portions weighing less than 25 grams and more than 80% are made available in portions weighing less than 45 grams.

More than 70% in volume of Ferrero’s products is presented in portions with less than 100 Kcal and more than 95% in portions with less than 150 Kcal (as can be seen from the pie chart below).

Technical note: the pie charts include all the Ferrero products marketed in the world during the commercial year 2011/12, except for 3% corresponding to the formats used for special occasions, the formats containing mixed products, or non-codified portions that are prepared only occasionally.
THE EU PLATFORM FOR ACTION ON DIET, PHYSICAL ACTIVITY AND HEALTH

Since 2006, Ferrero has been taking part in the work of the EU Platform for action on diet, physical activity and health. Its activities and purposes are set out on the following Internet website: http://ec.europa.eu/health/nutrition_physical_activity/platform/index_en.htm. In this framework Ferrero has agreed to a series of commitments to the EU institutions and to the entire European Community.

These commitments can be summarised in four main areas, further explained below:

1. Ingredients and portioning of our products;
2. Accurate nutritional information and dietary education and training;
3. Promotion of physical exercise;
4. Responsible advertising.

For each area, Ferrero needs to present an annual report monitoring the implementation of its engagements, which is then subjected to external scrutiny by the European Commission. In 2011, Ferrero achieved positive evaluations across the board, all of them either “very satisfactory” or “satisfactory”, based on three original criteria and a further optional criterion for the year. These were: relevance, intelligibility of purpose, suitability of information and prerequisites for measuring the efficiency and impact of its commitments.

In 2012, specifically concerning Ferrero’s commitment to ingredients and portioning of its products, Ferrero has continued to use methods of production that avoid the use of partially or totally hydrogenated fats in its products. It has always been the company’s philosophy to present them in individually wrapped small portions (for further information see the introduction to of this chapter).

In 2012, we launched on the market:
- a Kinder snack bar, in a smaller portion and with lower calorific value;
- mint pastilles in smaller packaging size.

Through a strong commitment to scientific research, Ferrero helps promote good eating habits among young people, such as avoiding skipping breakfast, and among the elderly, trying to minimise the loss of appetite. On this last point, Ferrero participates in the project “MiaOver50”, part of the European programme “Industry 2015”, the nutritional priority of an ideal diet for the elderly.
From September 2011 to August 2012, Ferrero contributed to several scientific studies on the following questions:

- **the metabolic impact of Ferrero products**, when consumed in BMEE (Between Meals Eating Episodes) and in terms of glycaemic index and glycaemic load;
- **the impact of certain Ferrero products on breakfasts**, to evaluate the effects of different types of breakfast and offer the consumer the widest choice of products and combinations;
- **the presence of micronutrients in Ferrero products**, such as vitamins, antioxidants, essential mineral salts, derived from the ingredients and from the agricultural raw materials typically used by Ferrero, such as the hazelnut;
- **the neutrality of the cardiovascular and metabolic effects of palm oil** and its negligible effect on diet in the most typical countries covered by Ferrero.

The results of these studies have shown:

1. That breakfast has a positive effect on children, including improvements in their cognitive performance;
2. That significant appetite satisfaction can be obtained from the consumption of small portions;
3. A complete profile of the antioxidants produced by hazelnuts;
4. The bioavailability of catechins in tea as antioxidants;
5. The low glycaemic index following consumption of Ferrero products, even when combined with other foods.

**OUR GOALS FOR 2015**

- Strengthen our involvement in European and national initiatives that promote virtuous attitudes towards the food/health combination;
- Develop a “nutritional identity card” of Ferrero products, to provide consumers with all the information possible. In particular, as of 2013, deliver an evaluation of the insulin response to Ferrero products, and effects on attention and mood.

LET THE LABELS SPEAK FOR THEMSELVES

As indicated in our last CSR Report, Ferrero has managed to fully implement the recommendations made concerning nutritional labelling of the European association of food and drink industries (FoodDrinkEurope) for all Kinder and Nutella products in Europe.

As a result of this commitment we have inserted:

✓ **on the front of the package**: the Energy logo (absolute calorific value and percentage of GDA - Guideline Daily Amount - per portion);

✓ **on the back of the package**: absolute values per 100g and per portion, of energy, protein, carbohydrates (and sugars), fats (and saturated fats), fibre and sodium, as well as percentage GDA per portion, of energy, sugars, fats, saturated fats and sodium.
Gradually, Ferrero has begun to increase the nutritional information on the front of the package, for the Kinder and Nutella products in several countries outside Europe. As a member of the International Food and Beverage Alliance – IFBA (https://www.ifballiance.org/) and on the basis of its principles set out in the “Global Approach to Fact-based Nutritional Labelling”, in 2012 Ferrero introduced:

6. in the **United States**, nutritional information on the front of the **Nutella** jar, based on the “**Facts Up Front**” scheme developed by the **Grocery Manufacturers Association**, http://www.gmaonline.org/). This voluntary initiative requires the brand to place an icon on the front of the jar, showing the content in calories, saturated fats, sodium and sugars per portion, in line with the regulations and guidelines of the American Food and Drug Administration, http://www.fda.gov/) and the United States Department of Agriculture (http://www.usda.gov).

7. in **Mexico**, for **Kinder** and **Nutella**, the nutritional information scheme for the front of the package, called “**Checa y Elige**”, developed by the Mexican Association of Food Manufacturers (CONMEXICO, http://conmexico.com.mx/sitio/) showing on the label the content in calories, saturated fats, sugars and sodium.

These goals were set out in our previous CSR Report.

We aim to implement the IFBA Principles for nutritional labelling worldwide by 2015.
RESPONSIBLE ADVERTISING

As mentioned in our previous CSR Report, since 1 January 2012 Ferrero has been applying, worldwide, the IFBA (International Food and Beverage Alliance) strategy for marketing and advertising to children, whereby Ferrero does not advertise their products on television, in print or via the Internet to an audience consisting primarily of children less than 12 years old. This initiative is in line with the publication of the “Ferrero Principles of Advertising and Marketing” (available on the website http://www.ferrero.com/fc-1908). Of course, the commitments made by the Group in this area, are in addition to the requirements of the laws and codes of practice applicable in each country. These “principles” are implemented taking into account the different local eating habits, including any nutritional deficiencies, and national dietary guidelines, where applicable.

In line with the said IFBA strategy, in addition, Ferrero pledges, likewise at global level, not to provide information about its products in elementary schools, except in cases where this has been specifically requested or by agreement with those in charge of the school and for educational purposes.

MONITORING OF FOOD ADVERTISING WORLDWIDE

In 2012, Accenture Media Management, responsible for assessing compliance of IFBA members to their commitment to provide responsible information and food advertising for children on television, in print or via the Internet, monitored Ferrero’s activities for the fourth consecutive year.

For 2012, television monitoring of all the companies belonging to IFBA was carried out in South Africa, Saudi Arabia, China (Shanghai region), Colombia, Malaysia, Russia and Thailand. In these countries, 448,144 food and drink advertisements were analysed, broadcast on programmes of whose audience consisted of more than 50% of children under the age of 12. On the basis of this sample, the rate of compliance found was 98.9%, an improvement on the previous year (97.6%).

The monitoring of printed media was carried out in five countries: Brazil, China, Russia, Singapore and South Africa. Here, on the basis of a sample of 57 publications, compliance was found to be 100%. Monitoring
APPLICATION OF SELF REGULATION IN ADVERTISING IN EUROPE

Since 2009, Ferrero has managed its advertising in Europe in accordance with the EU PLEDGE (http://www.eu-pledge.eu/) and each year submits its engagements to an external evaluation carried out by independent organisations.

In 2012, the signatories to the EU PLEDGE adopted new and more stringent undertakings for the self-regulation of their advertising, including:

» their company websites;
» a further reduction of the threshold of the television audience, from 50% to 35% of children under 12 years.

Monitoring of compliance with these new commitments was carried out by two external organisations:

1. The European Advertising Standards Alliance (EASA) assessed compliance on company websites;
2. Accenture Media Management continued to monitor television advertising.

For the fourth consecutive year, the results of the 2012 monitoring were positive.

The monitoring carried out by EASA focused on business websites in the following countries: France, Germany, the UK, Poland, the Czech Republic, Spain and Sweden. 95% of the 210 websites monitored were in compliance with the rules of self-regulation. Even though, for 2012, its websites had not yet been included in the pledge Ferrero had signed up to, it agreed, nevertheless, to submit its websites to monitoring by EASA. Of the 13 Ferrero websites analysed, 2 were found to be “directed at...
children”. However, since the commitment will only come into force from 1 January 2013, EASA does not consider these cases as violations.

Concerning the commitment to television advertising, Accenture Media Management assessed compliance in five countries: Germany, Italy, Poland, Portugal and Hungary. The rate of overall compliance of spots broadcast in 2012 was 98.3% (Italy 98.8%, Germany 98.5%, Poland 98.3%, Hungary 98.1% and Portugal 97.0%). Since Ferrero’s commitment to reduce the threshold to 35% will come into force from 1 February 2013, the 2012 monitoring was carried out with reference to the 50% threshold of children under the age of 12 in the audience. Ferrero’s levels of compliance for 2012 were: 100% in Hungary and Italy, 98% in Poland, 99.7% in Portugal and 82.6% in Germany. Ferrero acted promptly to correct these situations.

Finally, as in previous years, in the course of the calendar year 2012, BDRC Continental assessed compliance, by the signatories to the EU PLEDGE, with their commitment regarding information in schools in three countries: Austria, Finland and France. For this, the rate of compliance remains stable at 98%. The result is in line with the one obtained in the previous year.

For further information the Annual Report for 2012 on monitoring for the EU PLEDGE is available in full and can be consulted on the website: http://www.eu-pledge.eu/content/annual-reports.

PROMOTING A CRITICAL APPROACH TO ADVERTISING

As part of the strategy for responsible communication, Ferrero continues to support programs that promote development in children, a critical approach to advertising and education. For this reason, in line with what has been done to date, in 2012 Ferrero has maintained its support for the Project Media Smart in France, Germany, England, the Netherlands, Portugal, Sweden and Hungary.

FURTHER ACTION

In accordance with the commitments made, Ferrero has set itself two main goals for 2013:

» Reduction of the threshold from 50% to 35% of children under 12 years old in the television audience, at times when advertising of its products is broadcast;

» Inclusion of information in accordance with self-regulation in their corporate websites, as of 1 January 2013 related to food advertising aimed at children under the age of 12.

In accordance with the Group’s coherent strategy, these more stringent commitments will come into force both in Europe, by signing the EU PLEDGE, and outside Europe, by applying the IFBA global strategy on marketing and advertising for children and of the Ferrero Principles on Advertising and Marketing.

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3 The data presented in Accenture Media Management’s monitoring report relate to the first four-month period of 2012.

4 These rates of compliance relate to the monitoring of the spots broadcast on daytime television.
QUALITY AND FRESHNESS

Ferrero’s business model is designed to guarantee maximum freshness for our products throughout the value chain and minimise waste as much as possible. We follow the life cycle of the product, from sourcing of the raw materials and packaging up to the distribution of the finished product to points of sale and consumers’ homes.

What is our primary objective?
To offer to consumers, all over the world, products of the highest quality and freshness.

By constant monitoring with retailers, we withdraw, at market price, products that are not in the best organoleptic condition, even if the “best-before” date has not yet been reached, especially during warm weather conditions.

Indeed, before the summer, production of our heat-sensitive specialties is suspended.

Stock management also constantly prioritises freshness of the products when considering the volumes delivered to retailers.

TRACEABILITY, SECURITY AND QUALITY

Ever since 1946, from the onset, Ferrero has paid careful attention to the selection of raw materials and ingredients. It is the quality of the ingredients that determines the specific organoleptic characteristics of our products and it is for this reason that Ferrero has developed innovative procedures such as the one known within the company as the “sacco conosciuto”.

This name refers to all the procedures carried out by Ferrero’s specialist technicians, such as organoleptic testing and analysis, auditing operations with suppliers and the practices that ensure food safety and guarantee the traceability of the raw materials.

Ferrero’s suppliers all over the world are selected and evaluated at Group level according to the same criteria, using an electronic platform that links them to our expert food technologists.
In accordance with Ferrero’s Code of Business Conduct, a system of continual auditing is carried out directly with the suppliers’ production sites, specifically to check the procedures and the required analyses.

When the raw materials are delivered to our factories, a Group purpose-built internal protocol, in line with modern risk analysis, determines the types and frequency of the chemical, physical, microbiological and organoleptic tests to be carried out on samples of the incoming goods.

In addition to the strict internal testing system, food safety is also ensured through independent, certified external agency inspections.

THE QUALITY OF OUR FACTORIES AND THE RELEVANT CERTIFICATES

At our factories we use a purpose-built, globally integrated Structural Analysis Programme (SAP), which ensures the sharing and integration and the centralised management within Ferrero of the quality testing process data.

At present, the system is operational at 90% of Ferrero’s production plants around the world. It enables the compilation and comparison of data in a manner that is ever more global and coordinated.

The excellence of the products and their safety is ensured by a system of internal procedures based on regular and frequent testing at the...
fearsoas factories and all along the logistics chain. These procedures require, for every Group production plant and warehouse, testing for compliance with the stringent Ferrero specifications, for food safety (in line with the requirements of the FSSC/ISO 22000 standards and HACCP principles) and systems (in line with the requirements of the ISO 9001 quality management systems standard).

The system is further certified by independent external agencies. **The tables below show the level of certification at our factories.**

Table 1 shows the factories that have the ISO 9001:2008 Group Certification. In other words a single manual of quality and procedures for the entire company of Ferrero; a comprehensive list of additional local applicable certifications is included.

**TABLE 1**

<table>
<thead>
<tr>
<th>PRODUCTION PLANTS</th>
<th>ISO 9000 from</th>
<th>ISO 9001:2008 of the Group from</th>
<th>ISO 17025 from</th>
<th>IFS, COSTCO, HACCP from</th>
<th>FSSC 22000 from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alba</td>
<td>1999</td>
<td></td>
<td>2006</td>
<td>2007</td>
<td></td>
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<tr>
<td>Arlon</td>
<td></td>
<td></td>
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<tr>
<td>Balvano</td>
<td>1996</td>
<td></td>
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<tr>
<td>Belisk</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cork</td>
<td>2001</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Pozzuolo</td>
<td>1994</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>S. Angelo</td>
<td>1999</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Villers - Écalles</td>
<td>2008</td>
<td></td>
<td>2008</td>
<td></td>
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<tr>
<td>Vladimir</td>
<td>2010</td>
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<td></td>
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<tr>
<td>Brantford</td>
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<td></td>
</tr>
</tbody>
</table>

Table 2 shows the factories that have an ISO 9001:2008 Certification independent of the Group. Additional certifications obtained by certain production plants are also shown.

**TABLE 2**

<table>
<thead>
<tr>
<th>PRODUCTION PLANTS</th>
<th>ISO 9000 from</th>
<th>ISO 22000 from</th>
<th>IFS, COSTCO, HACCP from</th>
<th>FSSC 22000 from</th>
</tr>
</thead>
<tbody>
<tr>
<td>La Pastora</td>
<td>2000</td>
<td>2008</td>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Lithgow</td>
<td>1999</td>
<td>2008</td>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Poços de Caldas</td>
<td>2008</td>
<td>2007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quito</td>
<td>1999</td>
<td>2008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walkerville</td>
<td>2012</td>
<td>2008</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In line with company strategy, all the factories in the Group have and use a HACCP (Hazard Analysis and Critical Control Point), which is compulsory in the European Union.

As seen in above tables, and since the ISO 9001 standard applies to the entire manufacturing industry, 13 of Ferrero’s production plants to date are certified by independent third party agencies for compliance with management systems standards on food safety (IFS, COSTCO, HACCP, ISO/FSSC 22000). These are the factories in Alba; Arlon; Belsk; Brantford; Cork; La Pastora; Lithgow; Poços De Caldas; Quito; S. Angelo; Stadtallendorf; Villers-Écalles; and Vladimir. **Four of these (La Pastora, Lithgow, Stadtallendorf and Villers-Écalles) have obtained the FSSC 22000 Certification, which is the highest attainable level in food safety certification.** The other factories are aiming to reach this standard of certification by 2015.

**Walkerville in South Africa was the first of the Ferrero Social Enterprises to achieve the ISO 9001:2008 Certification for its Quality Management System.**

The achievement of this objective opens the way to the future certification of the other two Social Enterprises in India and Cameroon.

**CASES OF NON-COMPLIANCE**


In 2011/12, 10 audits were carried out by external certifying auditors in the Group’s factories: no cases of “Serious non-compliance” were found and only one of “Minor non-compliance”, which led to a small number of recommendations for improvement.

**IFS – International Food Standard**

In 2011/12, verification of the product certification at the factories in Alba, Arlon, Belsk, Cork and Stadtallendorf resulted in an average level of compliance greater than 98% (high level).

**LATEST NEWS**

1. **The Indian Social Enterprise production plant in Baramati has started implementing the ISO 9001 Standard;**
2. **In line with our objectives, two European factories have obtained the FSSC 22000 Certification and a further three (Cork, Sant’Angelo dei Lombardi and Vladimir) have set up practices to this end.**
GOALS FOR 2015 AND 2020

1. To set up a single centre to gather consumer complaints, where all consumer comments will be received, in a unified and structured manner, in order to create a worldwide data-base, by 2015.

2. To extend the food safety ISO 22000 – FSSC Certification to all the factories in the Group by 2015, with the exception of the Ferrero Social Enterprises, for whom the ISO 9001 Certificate and the ISO 22000 FSSC Food Safety Certificate is envisaged by 2016.

3. To achieve integration of the “food safety audits/inspections” for all co-packers and warehouses in the supply chain, so as to have complete coverage by 2020.

4. To obtain an ISO Certification at global level with a single manual and procedures applying to the entire Group: in this way, our factories all over the world will be divisions of a single global virtual factory by 2020.

FERRERO TASTE TESTS

In order to ensure the products comply with Ferrero’s high taste standards, numerous laboratory tests and sensory analysis tests were carried out in 2012. We call these “taste tests” and their purpose is to comment on the taste, smell and aesthetic appearance of the product.

The analysis includes:

1. raw material taste tests: attention is paid to these when the deliveries are accepted;
2. taste tests of the semi-finished and finished products on the production line: attention is paid to these during the manufacturing process;
3. management taste tests;
4. “Spider’s web” tests.

More than 400,000 taste tests are carried out annually throughout the Group, with a monthly average of 33,900 tests and a panel of about 1,700 tasters.

The management of taste tests is carried out weekly by those in charge of the production units; this is also for the purpose of spreading the “taste test” culture throughout the Group.
THE SAFETY OF OUR TOYS FROM THE DESIGN PHASE

THE MPG CODE
The strict “MPG code” foresees that “Kinder toys” fully comply with:
» the updated version of the Toy Safety Directive 2009/48/EC,
» the European toy safety standards (EN71),
» the international standard ISO 8124 on toy safety,
» the national standards, which have higher level requirements,
» the projects reviewing such standards, which allow us to anticipate the compliance of the “Kinder surprises” in future legislation,
» the strict chemical requirements, based on other regulations (e.g.: cosmetics regulations),
» the environmental standards,
» the voluntary requirements, which are often stricter than the EN 71 standard (e.g.: the maximum level of heavy metals able to migrate).

The application of the strict MPG Code has meant that we have never had to recall any of our products for safety reasons. Since the implementation of the Toy Safety Directive in 1998, along with the application of our strict Code, 36 billion safe toys have been sold.

On 20 July 2013, new chemical requirements will come into force and added to the Toy Safety Directive 2009/48/CE. Consequently, Ferrero has promptly put in place the necessary measures to ensure that all toys put on the market as of that date meet those requirements. In addition to our strict toy controls, we regularly check our European suppliers and packaging companies regarding all health and safety aspects and carry out daily checks with our Asian suppliers.

Ferrero also contracts certification bodies to conduct external audits, at least once a year, of the “Ferrero Quality System” and collect products, both on the market and from Ferrero warehouses, to check the quality of the “Kinder toys.”

The Ferrero Group’s Code of Conduct, called “Ferrero Ethical Social and Environmental Requirements for Suppliers of Kinder Toys”, contributes to application of our strict requirements for the production of toys. This Code of Conduct is also binding for our producers and is based on the most advanced codes of ethics applicable to the sector.

In 2008, the Group decided to appoint an external organisation to verify the implementation of the Code. Ferrero has entrusted the SGS Group, world leader in certification, to set up and carry out an audit programme, aimed at assessing the compliance of Ferrero toy manufacturers with the principles and requirements set out in the “Code of Conduct”.

The Ferrero “Code of Conduct” is monitored annually and the results have shown that no form of child labour is used in the production plants.

5 Magic Production Group – company belonging to the Ferrero Group entirely dedicated to toys.
Toy manufacturers contracted by Ferrero continue to make progress in implementing corrective measures for the optimisation and the correct application of the Ferrero “Code of Conduct”.

THE VALUE OF PLAYING

Play is an essential element of children’s lives and is one of their rights!
Play develops intellectual, creative and problem solving skills, imagination, the ability to relate to others, movements and coordination, especially at the manual level, discovery and learning.


UNITED NATIONS CONVENTION ON THE RIGHTS OF THE CHILD

Article 31

1. States Parties recognise the right of the child to rest and leisure, to engage in play and recreational activities appropriate to the age of the child and to participate freely in cultural life and arts.

2. States Parties shall respect and promote the right of the child to participate fully in cultural and artistic life and shall encourage the provision of appropriate and equal opportunities for cultural, artistic, recreational and leisure activity.