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A RENEWED COMMITMENT TO EXCELLENCE
and externally. Obviously the Code of Ethics by itself is not enough. It is not an instrument that can prevent behaviour that is not always in line with our values but it will help us to bring it to light, learn from our mistakes and make a new start.

We should all consult our Code of Ethics on a regular basis and pay more attention to what goes on around us: we must learn to ask ourselves questions and not just seek answers.

Our quest for excellence and pursuit of value for the Company and society in general depends on our ability to contribute to maintaining these principles in our everyday work and in every decision we make.

To each and every one of you, we wish you every success in your career with Ferrero!
The Ferrero Company was created with a foundation of strong human contribution and forward thinking business values. It has always been a pioneer in the field of social responsibility and ethics. Ferrero has done this through various initiatives that have gradually extended from the site in Alba to all of the Company subsidiaries worldwide; respect of culture, diversity and good local practices. Ferrero has always held two goals close to its heart to create value for the community, creating value for the Company. In the past, creating value at the social level was primarily identified with the creation of employment and thus indirectly generating “social well-being”. Today this is not enough. The global economy and worldwide communications create a network where companies operate in a more complex setting that requires them to be responsible not only for their own behaviour and the quality of their products, but also for their social commitment, respect for the environment and the defence of human rights and workers rights in all countries throughout the world. We, at Ferrero, are proud to be able to give our consumers and society in general more concrete responses with a voluntary commitment that goes beyond the norms and does not focus on product and profits only.

Our Code of Ethics is based on the Ferrero Company Principles (to read them, see below), organized by behaviours to be adopted by all associates and stakeholders. Over time consumers develop new tastes and needs. Ferrero responds to these needs with the same values, quality and historical passion that consumers have come to expect from us. The winning strategy is to make confectionery products that are appealing to consumers today while anticipating and responding to changes in consumer preferences, as well as suggesting healthier choices. The quality that counts for both the consumer and Ferrero is the quality of the product when it is consumed.

Our care for people is brought to life every day by creating a positive setting where everyone can strengthen and develop their skills, work in a positive environment and be rewarded on the basis of merit. Throughout the Company there are numerous services dedicated to supporting the people working at Ferrero and their families. As an example, for many years in Italy and Germany, services called “Social Assistance” support families in their moment of need (medical visits, financial support), help with their pensions and organize social activities (holiday camps, honouring and celebrating seniority, Christmas parties for children). France and Italy have multiple projects focusing on work/life balance (Company day care, mini clubs, support services for families, groups for listening to associates) along with programs that are designed to guarantee “part time” work hours and other special leave for male and female workers with small children.

Ferrero has always held two goals close to its heart: to create value for the community, creating value for the Company.
words, they set out to make a profit. However, they also operate with a “social” spirit, since they are designed to create jobs in the less advantaged areas of emerging countries. Furthermore, their social spirit encompasses humanitarian initiatives in the areas where they operate. These initiatives are aimed at safeguarding the health, education and social development of children and teenagers under the motto: “United Kinder of the World.” So far Ferrero has set up three of these enterprises: in Cameroon, South Africa and India.

For several years Ferrero has also been engaged in the concrete promotion of youth sports, aiming to encourage the younger generations to adopt active lifestyles, with the aim to prevent and tackle obesity. Through the program Kinder+Sport, Ferrero encourages and facilitates the diffusion of physical activity among children all over the world, so as to inspire them with the culture of movement as a principle of a joyful life, both from the perspective of the individual’s psychological and physical wellbeing as well as the harmony within the team.

INNOVATION

Innovation is represented by a willingness to develop, with creativity, products that have a strong and exclusive USP (Unique Selling Proposition) and are capable of creating new product categories. Innovation, which is the primary source of competitive advantage, is to think in a creative way beyond the existing models, not only in products and packaging, but also in the selection and processing of raw materials, in advertising, in distribution and in all manufacturing processes.

If a product is distinctive for its excellent quality and the consumer, using their judgement, can discern those qualities then innovation and the search for continuous improvement will be possible thanks to the daily commitment and the passion of our people.

Good Reading!

ENVIRONMENTAL AND SOCIAL COMMITMENT

Care for the environment is seen in, among other things, a series of initiatives at the local level with a focus on energy savings (plans for energy cogeneration using renewable resources and the reduction and recovery of packaging). The supply of raw materials is not free from socially responsible choices. In addition to the commitment to use raw materials of the highest quality, Ferrero is pursuing a series of local projects to support and develop communities in the equatorial regions where products like cacao and palm oil are made (Ivory Coast, Ecuador, Ghana and Malaysia). It was 1983 when the Ferrero “Opera Sociale” was set up in Alba. It began as a small facility to accommodate retired Ferrero employees and instill in them a sense of their continued belonging to the Company. In 1991 it became a Foundation and gradually grew in parallel with the Group; today the scope and horizons of the Ferrero Foundation have broadened to transform it into a social, educational and cultural centre extending its activities throughout Italy and other European countries.

The entrepreneurial and philanthropic spirit of the Company’s founder, Pietro Ferrero, and his successors, was absorbed into the culture and operation of the Ferrero Group from the very outset, and has inspired the setting up of the Social Enterprises, which are fully-fledged “businesses” based on a purely entrepreneurial concept. In other

There are Social Enterprises in Cameroon, South Africa and India
OBJECTIVES AND RECIPIENTS
The Ferrero Code of Ethics is an alliance of values that tightens the bond between the Company and its human resources as well as its principal external partners. The Ferrero Code of Ethics, in force since January 1, 2010, is intended to serve the following purposes:
• to identify the guiding principles for the resources that operate in the Company and for the Company;
• to define the fundamental obligations that the Company assumes with its associates and vice versa;
• to state the Company position with regard to its stakeholders.

The Code of Ethics is an asset of all Ferrero associates; it is a tool to help everyone. Created with values to enable all to generate and spread value. At the base of the Ferrero Code of Ethics is the essential principle that all laws and regulations must be respected. Therefore, regardless of where they work, every Ferrero associate must not only respect laws and regulations in force, but also the current Code of Ethics. The Code of Ethics must also be respected by consultants, suppliers, clients (retailers) and anyone who has relations with Ferrero will be asked to make an explicit pledge. Refer to the chapter titled “Rules and Control” for specific details on the scope, applications and recipients of this Code.
DEFINITIONS
For a better understanding of the contents of the Code of Ethics, the definitions of some terms used in this document are provided below.
For further information, associates should contact the relevant Human Resources Department.

Manager:
means every supervisor or manager.

Work place, work environment:
means the physical location and all colleagues where each associate performs their work and where they go for meetings, gatherings, transfers, etc.

Human Resources Department:
means the people at Ferrero, in each Company, involved with the recruitment, placement, management and development of personnel.

Legal Affairs Department:
means the people at Ferrero, in each Company, who are responsible for issues related to commercial law, competition, trademarks, brands and patents, industrial and commercial contracts and legal issues relating to the product.

Internal Audit Unit:
this is the company department that helps the Companies in the Group to assess and improve internal auditing, risk management and corporate governance activities.

Ferrero:
means any Company in the Ferrero Group wherever it operates. The commitments made under this Code with reference to “Ferrero” mean the duties and responsibilities of all managers, supervisors, and executives who work in the Group.

Company:
means the people and assets that form the Companies in the Group.

Associate:
means every person that works for, or in the interest of, Ferrero. Associates also include external consultants with ongoing and everyday relations with the Company.

Immediate superior:
means the direct supervisor, the person who each associate refers to in their daily work and from whom they receive instructions.
Ferrero has at its core a wealth of resources enabling the Group to overcome difficulties, while maintaining the path towards solid growth for the future. These resources come from the power of its products and from the sense of belonging shared by all its employees. (...) So, be confident, continue to give your best with the loyalty, professionalism and dedication that have always characterized your work: unmistakable values that helped us to be successful in the past and will be a key element to continue towards further success in the future.

(Michele Ferrero, December 2008)

Ferrero is based on a family history, founded on the principles and values that inspire our daily commitment towards consumers. Our Company Principles have guided the Group since its creation, in 1946, and their implementation evolves with us through the challenges we face. These Principles were put together and shared within the Company for the first time in 2004: this is their updated version.

LOYALTY AND TRUST
• Our constant attention towards consumers’ needs is the foundation of our company policy, inspired by maximum transparency and excellence in quality. Our loyalty towards consumers and the trust they put in our products with their everyday purchases are at the core of the long-lasting relation that we enjoy with them.
• Our Company practices are based on mutual trust between colleagues, full dedication and transparency towards the Group, as well as towards all civil society stakeholders with whom we interact daily.

RESPECT AND RESPONSIBILITY
• We support the protection of human dignity, as well as the absolute and unconditional respect of human rights, wherever the Ferrero Group companies operate.
• We support the abolition of the exploitation of child labour and of forced and coercive labour, within our sphere of influence and along the entire production chain, through specific legal means and close relations with local Communities.
• Based on our respect of the principle of equality of treatment, we promote the professional and personal development of our human resources. This also contributes to reinforcing our strong ties with the local Communities in the territories where we operate.
• We work to avoid any form of discrimination in our employment practices in all the Companies of our Group, starting from the initial moment of hiring. The primary goal of our employment strategy is to establish long-lasting relations, inspired by the principles of professional growth and recognition of merit.
• We guarantee the freedom for our employees to belong to Trade Unions and we recognize the role of Unions in contractual matters.
• The protection of human health and the respect for the environment are at the core of our operational practices. We manage our facilities through the use of sustainable resources, such as water, energy, raw and other materials, including the use of renewable resources. We strive for a reduction of our environmental impact in all its forms, in particular by reducing emissions, eliminating wastes and correctly managing waste products.

INTEGRITY AND SOBERTY
• Our communications with consumers, including advertising, respect the values of human dignity, family and children, in line with our moral and ethical principles. They are based on proper use of our products and inspired by the promotion of a healthy lifestyle.
• Our advocacy practices towards International, National and Local Institutions are based on solid scientific knowledge and always inspired by intellectual and behavioural integrity, as well as transparency.

Ferrero has at its core a wealth of resources enabling the Group to overcome difficulties, while maintaining the path towards solid growth for the future. These resources come from the power of its products and from the sense of belonging shared by all its employees. (...) So, be confident, continue to give your best with the loyalty, professionalism and dedication that have always characterized your work: unmistakable values that helped us to be successful in the past and will be a key element to continue towards further success in the future.

(Michele Ferrero, December 2008)
PASSION FOR RESEARCH AND INNOVATION

• Our goal is to create unique products, developing innovative research and production processes and using our own technologies.

• We apply consolidated quality and traceability procedures, in order to preserve the organoleptic and nutritional characteristics of our raw materials.

• A fundamental element of our success is the accurate selection of highest quality raw materials, sourced in full respect of a strict ethical code concerning their origin, harvesting and manufacturing.

• In a global context of growing attention to themes such as nutrition and physical activity, we focus our research strategy and our production investments on the creation of high quality products, carefully developed in terms of their nutritional value and portioning, so that they can be integrated into a balanced diet, with particular attention to the needs of children and families.

We identify ourselves with the motto: “Work, create, donate”, conceived and introduced by Michele Ferrero from the very beginning of his business pursuits. In essence we favour the “ethics of doing” over the “practice of appearing”.

This same philosophy has inspired, and still inspires:

• the Ferrero Foundation, devoted to maintaining the Group’s relations with its retirees through social and cultural programmes, as well as to strengthening ties with the local communities in which we operate;

• the “Ferrero Social Enterprises”, based on investments and use of the deriving resources to improve the living conditions of the communities of developing countries, with particular attention to children;

• the whole Ferrero Group, constantly engaged in social responsibility activities, as an integral part of our own way of being and of operating, since the very beginning.

Our Company Principles are in accordance with the relevant Conventions of the United Nations (in particular with the “Global Compact” and “Rights of the Child Conventions”), including the relevant Conventions of the International labour and World Health Organisations. These Company Principles are the basis of our Ethical Code.
CONSUMERS ARE AT THE CENTRE OF OUR DAILY WORK

Product quality
The quality and food safety of Ferrero products have always been:
• constantly controlled, optimised and subjected to continuous innovation through significant investment in Research & Development and Continual Improvements in the Industrial System.
To obtain maximum consumer satisfaction, the entire production chain involves and is guided by improve-
ment and innovation, from raw materials and production processes, to packaging and distribution, to the
point of sale and final consumption;
• guaranteed by a system of constantly revised and updated internal procedures and certified by independent
external agencies. Ferrero associates are thoroughly trained in Quality, Hygiene and Food Safety procedures,
which are then checked at various levels of the Company organisational structure to ensure compliance;
• obtained through the careful selection of raw material and packaging suppliers, controlled with a policy
of complete traceability of the origin of each supply and the use of logistics which guarantee the best
conditions for product freshness.

Information for consumers
Ferrero provides transparent, understandable information that can be accessed by all consumers and
does not limit itself to simply complying with the specific legal requirements in force.
Through the labels on our products, we offer clear, simple information to ensure consumer awareness
and peace of mind.

Advertising
Ferrero supports the principle that responsible advertising can help consumers make correct choices
with regard to the purchase and consumption of food products, as well as to understand the role of
food and physical exercise in a healthy and balanced lifestyle.
Ferrero believes that advertising can be best managed by effective self-regulation that protects
consumers from false or deceiving contents or claims.
As an International Industrial Group, Ferrero applies a “Regulatory framework for responsible advertising
in the food industry”, adopted by the International Chamber of Commerce, as well as self-regulation
codes developed locally, at a national or regional level, on the basis of this regulatory framework.

Dialogue
Ferrero has systematic, structured procedures in place for responding to all consumers who contact the
Company, providing them with the means and methods to easily access this service.
We are committed to providing prompt, comprehensive responses to consumers and giving them our full
attention, courtesy and availability.

Ferrero has always believed in the crucial role parents play in educating their children about a
healthy, balanced lifestyle.
Although the existence of a direct link between advertising aimed at children and their eating habits
has not been proven, Ferrero also applies specific self-regulations for food advertising aimed at
children under the age of 12, where necessary.

We are committed to providing prompt, comprehensive responses to consumers and
giving them our full attention, courtesy and availability.
workplace through initiatives that include the active involvement of associates. Associates are constantly reminded of the need to comply with the standards and procedures for their and their colleagues’ safety, including the use of individual protective devices and to immediately report to their superiors any abnormal conditions they encounter.

A positive work environment
Ferrero resolves to maintain and encourage a positive work environment that aims to protect personal freedom, dignity and rights and supports the principles of correctness in interpersonal relationships, which allow all associates to do their best in their jobs. We allow the employment of associates’ family members in accordance with the Group’s recruitment procedure, provided there is no direct reporting or supervisory relationship between associates who are relatives or between associates who are engaged in a romantic relationship. Particularly, associates are obliged to report, in confidentiality, existing or potential situations of conflict of interest that concern them to the Human Resources Department.

Discrimination and harassment
We guarantee equal opportunities for all our associates, at all levels. We are opposed to any form of discrimination or harassment. We promote and reward our personnel based solely on their results and work performance. We support a Company setting that is based on tolerance and respect for human dignity. It is therefore prohibited:
• to engage in behaviour that creates a threatening or offensive environment for colleagues or associates;
• to engage in behaviour that may offend the sensibility of others, including that of a sexual nature (undesired physical contact, gestures and comments with sexual connotations and the displaying of sexually implicit images);
• to take retaliatory action against any associate who in good faith opposes or reports any cases of discrimination, harassment or offense against themselves or others.

Promotion and protection of employment
We are committed to adopting strategies that combine Company growth and profitability with the protection and development of employment - both direct and induced - and to promoting quality of work as permitted by constraints in the external economic situation.

FERRERO RESOLVES TO MAINTAIN AND ENCOURAGE A POSITIVE WORK ENVIRONMENT THAT AIDS TO PROTECT PERSONAL FREEDOM AND DIGNITY

1. People at Ferrero
A safe work environment
Ferrero is committed to promoting and reinforcing a safety culture that develops risk awareness and encourages responsible behaviour by all its associates. Ferrero works continually to protect the health and safety of its associates, above all through prevention, as well as by defining and implementing adequate reference standards. In any case, Ferrero undertakes to comply with the local regulations in force regarding safety and health in the workplace.

For this purpose, we implement technical and organisational procedures, such as:
• the introduction of an integrated risk and safety management system;
• the continuous analysis of the risks and the critical nature of processes and resources to be protected;
• the application of the best technologies when designing the workstations;
• the control and updating of work methods;
• the definition and development of training and communication courses aimed at all levels of the organisation;
• the promotion of health and safety in the workplace through initiatives that include the active involvement of associates.
Negotiation and representation of workers
Our decisions and conduct towards associates is based on the rigorous observance of norms and collective contracts (where specified by the legislation in force) with respect for and in partnership with freely elected trade union representatives, and in a constructive spirit of industrial relations.

Recruitment and Job placement in Ferrero
The recruitment process is conducted in accordance with the principles of equal opportunity and respect for the individual. It is clearly explained and shared, in a structured way, to the candidate.

We provide candidates with correct, detailed information on the organisation and the position they are being assessed for. Candidates are asked to correctly inform the recruiter of all the information needed to make the recruitment process effective and efficient.

We are committed to providing everything necessary to facilitate placing new associates in a cooperative environment that encourages professional development.

Training and development
We are committed to providing associates with the tools, training updates and professional development needed for their specific jobs.

We organize and conduct carefully chosen training programs and make them available to all associates, when appropriate, after a careful analysis of their potential and needs.

Associates are required to contribute to this commitment by actively participating in the training programs and sharing and applying what they have learned.

We value every person’s contribution, guaranteeing equal opportunities for growth considering an assessment of results, giving responsibility consistent with the role and progress of the individual to make the most of the skills acquired.

Associates’ assessments are done with the involvement of their Managers, the Human Resources Department and, when possible, others who have worked with the individual, through a system that is fair, transparent and known by the associate.

Confidentiality of personal data
In our business operations, we collect a significant amount of personal data and information (related, for example, to associates, co-workers, clients, suppliers, etc.), which we handle in accordance with the privacy laws in force in the jurisdiction in which we operate.

In particular, associates are required to:

- collect data only if expressly authorised to do so;
- take the maximum care when collecting and storing personal data and only in accordance with a prior agreement from the party concerned;
- not communicate or disclose personal data to unauthorised third parties.

Privacy is always given to security in the selection, definition and execution of procedures, including computerised ones, which are used in the processing of personal data and confidential information, in order to protect the rights, basic freedom and dignity of the person concerned.

WE VALUE EVERY PERSON’S CONTRIBUTION, GUARANTEEING EQUAL OPPORTUNITIES FOR GROWTH
2. Company code of conduct

Protection of Company assets

Every associate is required to work carefully to protect Company assets through responsible and correct behaviour that is in line with the operating procedures established for their use and by accurate documentation.

In particular, each associate must:

• carefully use the assigned assets;
• avoid improper use of Company assets that may lead to inefficiency or be detrimental to Company interests.

Each associate is responsible for protecting his assigned assets and is required to promptly inform the relevant department of possible threats or situations that are detrimental to Ferrero.

Correct use of telecommunications systems

Telephone, electronic mail access, Internet and Intranet systems belong to the Company. The aim of these systems is to improve work performance. Each associate must therefore remember that:

• the use of telephone, electronic mail and Internet in the Company must be for legitimate, professional purposes. In accordance with local policy, occasional use of the Internet may be allowed for personal reasons outside working hours;
• all information entered into the Information Technology system belongs to the Company;
• each associate must keep all passwords and identification codes confidential to prevent unauthorised access to Company data and information;
• only software programs that have been purchased by the Company for the purpose of conducting business shall be used on Company computers;
• the reproduction or duplication of software programs is absolutely prohibited; any associate who knowingly or unknowingly duplicates software material exposes Ferrero and himself to the risk of serious sanctions.

Each associate must also:

• carefully comply with Company security policies to protect the Information Technology systems and avoid jeopardising their functionality;
• not send threatening or abusive emails, use coarse or vulgar language either in written or telephonic communication or make inappropriate comments that may be offensive to people and/or damage the Company image;
• not send e-mails that represent the Company to third parties without having the authority to do so;
• take maximum care of mobile devices allocated or loaned to them and not allow them to be used by third parties.

Confidentiality of Company information and obligation of confidentiality

Everyone, while performing their job within the Ferrero organisation may come, directly or indirectly, into possession of confidential information regarding the Company, its know-how, its activities, its products, including but not limited to: strategies, activities relating to research and development, industrial data and processes, technical and production data, commercial and marketing data, promotional or sales activities or advertising campaigns, financial and operational results, Company operations, or information on salaries and personnel. The knowledge developed by Ferrero constitutes an asset of inestimable value that each associate must protect. In the event of improper dissemination of this information, Ferrero could suffer damage both to its property and its image.

Information is therefore a strategic part of company assets and, as such, should be protected and managed with the necessary caution which is directly proportional to its importance.

Each associate must therefore:

• refrain from disclosing any information regarding Ferrero that is not of public domain, at any time, both during and after employment;
• always take the necessary precautions to prevent the dissemination of confidential information: this means also making sure that information has not
been left on desks, in work areas or near the photocopier where anyone may have access to it and remove it unlawfully and making sure that all documentation and any other sensitive material (e.g. test products, mock-ups, information written on fixed and mobile whiteboards) has been carefully collected after meetings and destroyed, if necessary;
• keep confidential information in locked physical archives and/or suitably protected computerised files;
• not leave PCs and any other electronic media (mobile devices, USB memory sticks, CDs, etc.) unattended and keep them in a locked cupboard/drawers;
• lock all doors accessing the workplace when leaving (end of day, lunchtime, meetings);
• treat confidential issues with the maximum discretion, especially in public or in the workplace if in the presence of personnel who are not authorised to access this information;
• ask external recipients of confidential Company information to respect its confidential nature.

Attention to the contents of external communications

Ferrero understands the important role that clear, effective communication plays in internal and external relations. Public distribution of confidential information concerning Ferrero or its specific sectors by associates at any level must have prior authorisation from the Institutional Affairs, PR and Corporate Communication Department. This refers to speeches, participation in conferences, publications of any other form of public presentation. The relevant Human Resources Department must also be informed. Communication with the media is particularly important, with regard to preserving the Company image. So, all information about the Group and its activities must be provided in a coordinated manner, and after verification of its contents, by those in the Company responsible for media communication only. Only authorised associates can give information to media representatives or have any type of contacts with the purpose of disseminating confidential or unpublished Company information. All associates must inform the relevant department of any requests they receive in this regard.

Gifts, gratuities and perks

Gifts and gratuities - whose value exceeds a reasonable limit or which are inconsistent with normal business relations - can influence and therefore interfere with a professional relationship, one that must be free of any obligation to show gratitude.

For this reason, Ferrero forbids its associates (and their family members) to accept or request gifts, benefits or favours, for themselves or others, from people with whom they have business relationships and which could compromise independent judgement or create suspicion that judgement has been impaired.

Money, tangible assets (such as vacations, watches, jewellery, fine wine, leather goods, valuable objects, clothing, mobile phones, hi-tech equipment, etc.) as well as services and discounts on the purchase of goods or services are all considered benefits. Small gifts like flowers, books, sweets, etc., are acceptable as they are considered part of normal business courtesy. Lunch or dinner invitations from suppliers or business partners must never invalidate the correctness of professional relations.

A clear line must be drawn between a business and a personal relationship, keeping personal ties separate from business. Points earned during business trips from airline companies or hotel chains can be used for personal use. However, requesting or changing carriers, flights or other types of reservations with the sole aim of accumulating points or air miles is not allowed, especially if this entails additional costs for the Company. Reservations must always comply with the general rules of the Company travel policy, and should be handled with the principle of moderation and responsibility.
The use of Company credit cards must be limited to expenses incurred on behalf of or in the interests of the Group. In addition, Ferrero associates are not allowed to offer benefits or gifts to third parties that go beyond normal business courtesy, as explained above, which can therefore be perceived by the recipient as an attempt to influence their decisions and conduct.

**Organisation of work, duties, work schedules and shifts**

Ferrero provides a comprehensive work plan, guaranteeing that each person is placed in the most suitable job position, respecting equal opportunities, thus maximising the effectiveness of the organisation. To achieve this, we continually update the scheme of organizational responsibilities, skills and functions performed by employees.

Associates are expected to assume responsibility for the tasks assigned to them and to participate cooperatively for the entire period they work for the Company.

When defining and administering schedules and shifts Ferrero will try to balance, to the extent possible, its associates' work obligations with their free time and quality of life.

However, associates must respect the assigned working hours and shifts and report absences in a timely manner. We try to safeguard the competencies of our human resources by providing, where necessary, training and/or requalification, if the work must be reorganised.

**Alcohol and drugs**

All Ferrero associates personally contribute to promoting and maintaining a climate of reciprocal respect in the work environment. Special attention must be given to respecting personal safety and that of colleagues. In particular, associates are prohibited to:

- possess, consume, offer or deal in any drugs, alcohol or other substances with similar negative effects while working or while on the work premises;
- consume alcohol or drugs before starting to work;
- smoke on the work premises even where permitted by national legislation.

The moderate consumption of drinks with low alcohol content is allowed on work premises, only at Company or seasonal celebrations (for example, the Christmas toast) and, in any case, in accordance with local regulations.
RESPONDING TO PRESENT NEEDS WITH AN EYE TOWARDS FUTURE GENERATIONS.

Our environmental policy
Ferrero is constantly committed to improving the environmental performance of its activities, at the same time giving careful consideration to the safety and quality requirements of its products. This attention is demonstrated by setting up a special “Product Environmental Sustainability” Department with the aim of defining a sustainability programme consisting of seven strategic areas that cover the entire product value chain.

Our efforts to raise our associates’ awareness of managing the production processes with maximum energy efficiency as well as the design specifications of our system are geared towards attaining the highest standards of energy efficiency. The Ferrero Group demonstrates its commitment by putting into effect the following measures:

- reduction in energy consumption and the sensible and increasingly efficient use of energy;
- a reduction in water consumption and the use of water saving techniques at all sites;
- a reduction in greenhouse emissions;
- a reduction in water supply using water saving solutions;
- a reduction in all wasted resources by favouring prevention and recovery;
- the development of initiatives which are integrated with the local community, with the aim to achieve greater synergy in the energy and environmental sectors as well as positive relations with local institutions;
- the optimization of supply chain processes by reducing mileage and the use of vehicles with a lower environmental impact;
- the participation in research and technological innovation projects in collaboration with universities, research institutes and private companies in order to develop experimental systems to find the most promising technological solutions.

In the development of new products, we also look for maximum environmental compatibility in the packaging. In particular, Ferrero supports the development of environmentally sound packaging solutions by considering the entire packaging life cycle (from the origins to the end of cycle, intended as recycling and/or reuse and/or energy recovery) and the impact that this can have on the food by optimising preservation and reducing food waste.

We are committed to reducing the environmental impact of packaging by adopting a strategy in the packaging development and design stages that aims to optimise the main variables that influence the eco-sustainability profile of materials:

- Removal: reducing the number of packaging elements used;
- Reduction: reducing the use of materials through downsizing, reducing over packaging and optimising design;
- Recyclability: using, if technically and qualitatively viable, recycled materials and materials that are highly recyclable at the end of their service life;
- Reuse: developing and implementing solutions that can be destined for other uses or reintroduced into the production cycle;
- Renewability: using materials obtained from renewable resources (without resorting to the food supply chain).

We monitor for continual improvement in environmental policy results throughout the entire supply chain from the production and purchasing of raw materials, to manufacturing processes, packaging, distribution and then consumption. Our associates receive the appropriate information and training in order to achieve maximum participation of anyone in the application of Company procedures.

In particular, each associate must:

- strive to use energy resources correctly and avoid waste through simple daily actions such as: turning off lights and electrical equipment when leaving the workplace, checking that water taps are closed and printing documents only when strictly necessary;
- adequately separate waste materials to facilitate correct disposal and recovery.

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Tools and strategies adopted
The Ferrero strategy is characterized by a range of investments and activities that comply with the principles of sustainable development. In particular, we are committed to:
• implementing actions and projects that aim to increase the energy efficiency of our production processes;
• self-producing energy, where possible, exclusively from high efficiency cogeneration plants or renewable sources;
• assigning a share of investment funds to the self-production of energy from renewable sources;
• implementing environmental management systems certified according to the international ISO 14001 standard for continual improvement in environmental performance and organisation;
• guaranteeing and using monitoring and control of Company actions in terms of environmental impact;
• organising activities to increase environmental awareness and training for associates with the aim of letting everyone know about these initiatives and improving the level of competence and professionalism of associates.

THE FERRERO STRATEGY IS CHARACTERIZED BY A RANGE OF INVESTMENTS AND ACTIVITIES THAT COMPLY WITH THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT
RAW MATERIALS
EXCELLENT QUALITY ALWAYS COMES FIRST

Sourcing
All raw materials used in the production of Ferrero specialties must meet a number of specific requirements regarding freshness, quality and safety. Sourcing is handled by a specialised internal department that operates jointly with carefully selected suppliers and producers following the general principles described in the "Suppliers" section. Where possible, Ferrero prefers the direct sourcing of strategic raw materials since this ensures that the producers and/or suppliers have a clear understanding of Ferrero’s specific needs with regard to quality and safety and allows Ferrero to make a direct, objective assessment. The purchasing procedure must meet the following criteria:
• rigorous selection of suppliers based on specific competences;
• monitoring of the whole supply chain with inspections and controls of first transformation systems;
• analysis of conformity of raw materials upon arrival at production sites before being introduced into the production cycle.
In order to strengthen relations with its raw material suppliers, the Group has devised a plan that will be shared with internal and external parties involved in the production chain through which Ferrero will promote the use of good agricultural practices defined as: “the application of available knowledge to the use of the natural resource base in a sustainable way for the production of safe, healthy food and non-food agricultural products, in a humane manner, while achieving economic viability and social stability.”
To do this, Ferrero has set a number of goals for the sourcing of its main raw materials:
• Sourcing of 100% sustainable cocoa
• Sourcing of certified sustainable palm oil for food use for 100% of its needs
• Purchasing of barn eggs
• Traceability plan for 100% of the hazelnuts used
• Sourcing of certified sustainable coffee only

Relations with producers and suppliers
Ferrero builds with its suppliers of strategic raw materials a commercial partnership founded on communication, transparency and respect, trying to establish relations of reciprocal fairness.

Ferrero, in particular:
• requires observance of working conditions and wages in accordance with international regulations;
• upholds trade methods such as long term contracts that help to ensure a more stable income;
• provides, where necessary and/or possible through projects dedicated to sustainability in the supply chain, training and assistance to guarantee better quality of agricultural products;
• supports a transparent price policy which provides a price benchmark for raw material;
• offers rewards for quality and/or certification which encourages farmers to achieve and maintain high quality standards;
• sustains an economically viable farming system, socially acceptable and respectful of the environment, by encouraging good agricultural and social practices.

FRESHNESS, QUALITY AND SAFETY
LOYALTY AND CONSISTENCY IN ALL OUR ACTIONS

1. Clients/Retailers

Our mission is to guarantee to the end consumers the availability of our products in terms of freshness and qualitative excellence. Our clients are our partners in guaranteeing that an appropriate level of service is always provided to the consumer.

Impartiality

Ferrero maintains a transparent and fair relationship with all clients so as not to give an unfair competitive advantage over competing clients.

We adopt specific policies based on the size, type, distribution channel or business strategy of the client in order to best serve the end consumer and never use discriminatory practices.

For this reason:
- we offer competing clients within a given sales channel equal opportunities in trade relations.
- we do not end a relationship with a client on the basis of vague information or agreements with other clients.
- we do not enter into agreements that prevent the client from buying products from competitors of Ferrero.

Contracts and communication

The contracts between Ferrero and its clients are complete, so as not to overlook any detail which is relevant to the clients decision and are written in clear, easy to understand language.

Quality control and consumer satisfaction

Ferrero is committed to guaranteeing the highest quality and service associated with the products offered on the basis of predefined superior standards by periodically monitoring the perceived quality.

2. Suppliers

Choice of suppliers

The choice of suppliers and the purchase of goods and services (including financial and consulting services) are made by the relevant Company department with impartiality and independence and are based on the objective requirements of integrity, quality, efficiency and cost effectiveness, ensuring there is sufficient competition for every supply request (e.g. by considering several companies in the selection process). With particular reference to choosing consulting services or specialist suppliers, value will also be placed on trusted, established relationships.

The lists of suppliers established by the Company should never be cause to exclude new suppliers if these companies possess the requirements needed to satisfy the expectations at Ferrero. We require our suppliers:
- to respect work legislation and regulations in accordance with international standards;
- to not discriminate against personnel on the basis of race, nationality, gender and religion;
- to not resort to the use of child labour or forced labour in its work;
- to read and comply with the Code of Ethics.

We will not engage in a relationship with suppliers who do not accept these conditions and we reserve the contractual right to use every suitable means (including termination of the contract) if the supplier breaches the legal or contractual or Code of Ethics requirements, when conducting its business in the name of and/or on behalf of Ferrero.
Integrity and independence in relations

Relations with suppliers are regulated by Company procedures and are subject to constant monitoring. The terms agreed upon in a contract with a supplier must always be based on relations of extreme clarity and all forms of mutual dependency must be avoided. To guarantee maximum transparency and efficiency in the purchasing process, Ferrero also:

- monitors the ownership of its suppliers;
- periodically rotates its purchasing personnel, where this practice is advisable, with respect for their competence and professionalism;
- separates the roles between the supervisor requesting the supply and the purchasing personnel who negotiates the contract;
- ensures traceability of all choices made.

All associates involved in the purchasing process:

- must be free from personal obligations towards the suppliers: any personal relationships between associates and suppliers must be reported to their immediate superior prior to any negotiation;
- must immediately report to their direct supervisor any attempts to change or alter the normal business relationship;
- must observe internal procedures regarding selecting and establishing relations with suppliers, maintaining a frank, open dialogue, in line with good business practice and not excluding any qualified suppliers from the possibility of competing to obtain a supply contract;
- adopt, in the selection process, only objective evaluation criteria in accordance with open and transparent methods;
- work to obtain the cooperation of suppliers and external associates to constantly ensure that clients and consumers legitimate needs are met concerning quality, cost and delivery times.

Ferrero pays its suppliers an amount that is exclusively in proportion to the service indicated in the contract and payments cannot be made to anyone other than the other party to the contract unless credit transfer has been granted.

3. Conflict of interest

Ferrero recognises and respects the right of all its associates to engage in investments or business outside the workplace provided that the activity is lawful and compatible with the obligations stipulated in the work contract. In particular, all Ferrero associates must avoid situations in which their interests may conflict with the interests of any single Company and the Ferrero Group in general.

Everyone is required to report to their immediate superior specific situations and activities in which they or, within the scope of their knowledge, their families or partners have economic or financial interests that may conflict with the interests of Ferrero within the sphere of suppliers, clients, competitors, contracting third parties or related controlling or controlled companies. The situations that may give rise to a conflict of interest include but are not limited to:

- participating in decisions that affect business with companies or entities in which an associate or family member has an interest or also when an associate or family member may gain personal advantage from these decisions;
- using the name of the Group and/or Group Company to personal advantage or the advantage of third parties;
- using one’s position in the Company or information or business opportunities acquired while working to personal advantage or the advantage of third parties.

The obligation to avoid situations of conflict of interest is extended to consultants, external partners and associates of all levels in the Ferrero Companies.
4. Illegal business activity

Ferrero and its associates take the maximum care and attention to avoid being involved in activities that imply laundering (i.e., acceptance or processing) of income obtained from criminal activities in any form or manner whatsoever.

Every associate must check as a precautionary measure information available, including financial information on business counterparts and suppliers, to ascertain their respectability and the legitimacy of business before establishing business relations.

It is required that all Ferrero associates:

- make payments for goods and services supplied to the Company only through transfer methods approved and documented following internal procedures;
- not make payments to persons or organisations in countries other than the country in which they reside or do business in or have delivered goods or supplied services;
- only enter into business relationships with clients that are willing to provide the information needed to verify the legitimacy of their economic activity and the source of funds utilized; not accept third party cheques as payment from clients.

Sales must be paid by cheque, electronic transfer or money order with the client indicated as the payer and, where possible, the use of cash must be kept to a minimum;
- not send goods in ways that differ from the standard procedures.

5. Competition and intellectual property rights

Ferrero recognises the value of competition in a highly competitive market like that of the confectionery sector and is committed to complying with the antitrust laws that apply in the countries in which it operates.

We abstain from trading practices such as the creation of cartels, the separation of markets, or limitations on production or sales which constitute a violation of competition laws.

In particular:

- we do not make contracts or agreements with competitors in order to limit dynamic, fair competition with and between them;
- we independently determine the prices and sales conditions of our products and do not sell Company products at a price that is lower than the cost of production;
- we do not use the relationships between Ferrero and its clients to induce them to treat competitors unfairly.

With regard to fair competition, Ferrero respects the intellectual property rights of third parties; associates must not therefore violate these rights (trademarks, designs and models, utility models, patents, copyright or acts of unfair competition such as imitation of a third party's products.

We are committed, and require the commitment of all associates, to protecting the Company brands that are a priceless asset for the Company and for the continuity of our work, as are all other intellectual property rights.

Therefore, any conduct or action that could damage the brands, particularly (but not exclusively) in terms of their image and of their distinctive capacity must be strictly avoided.

“WE ARE COMMITTED, AND REQUIRE THE COMMITMENT OF ALL ASSOCIATES, TO PROTECTING THE COMPANY BRANDS THAT ARE A PRICELESS ASSET FOR THE COMPANY"
CONTROLLING INSTITUTIONS AND BODIES, LOCAL COMMUNITIES
TRANSPARENCY AND CLARITY IN RELATIONS

Institutional relations
Ferrero has relations with public institutions in a spirit of fairness, correctness and transparency as well as in accordance with current legislation. Contacts with public institutions are reserved to the Ferrero departments delegated to the task and those who have been specially assigned to do so. We undertake to establish stable channels of communication with all institutional partners at international, national and local levels without any type of discrimination and to represent the interests and positions of the Companies in the Group in a transparent, rigorous and consistent way avoiding collusive conduct.

Relations with interest associations
Ferrero maintains constructive dialogue with representative associations and organisations, that work for the improvement of civil, social, environmental and cultural conditions and participates in partnership projects with them. Where possible, we establish a stable channel of communication with the representative associations of our stakeholders in order to cooperate in accordance with reciprocal interests, to present the positions of Ferrero and avoid possible conflict.

Support to local communities
Ferrero strives to make a positive contribution to promoting the quality of life, the socio-economic development of the communities where it operates and to the development of human capital and local ability while, at the same time, conducting its own Company business in a way that is compatible with correct business practices.

We respect the cultural, economic and social rights of the local communities we work in and we contribute to their development wherever possible.

Corruption
All Ferrero associates maintain relations inside and outside the Group with integrity, honesty and correctness.
Ferrero does not allow behaviour that consists in directly or indirectly promising or offering money or similar valuables to public officials and/or civil servants or members of their families from which the Company could obtain advantages.
In the same way, it condemns any behaviour designed to obtain any type of contribution, financing or other payout of the same kind from public administrations or international bodies, by means of altered or falsified statements and/or documents, the omission of information or, more generally, tricks or scams designed to mislead the institution in question.
Gifts to government representatives, public officials and civil servants are permitted, if allowed by the national legislation in question, if of a modest value which does not in any case compromise the integrity and reputation of either of the parties and does not influence the independent judgement of the receiver.

Financial Records and Internal Control
Every associate and Company department is responsible for the integrity, reliability and fairness of the documents and information used.
Every Company financial record is supported by documentation that must be filed according to specific criteria and be available and easily understandable and auditable.
In order to ensure legal recordkeeping, fair and accurate financial statements, and regular monitoring by internal and external bodies and

WE RESPECT THE CULTURAL, ECONOMIC AND SOCIAL RIGHTS OF THE LOCAL COMMUNITIES WE WORK IN.

or similar valuables to public officials and/or civil servants or members of their families from which the Company could obtain advantages.
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by governmental authorities the Group, therefore, obliges its directors, associates and third parties acting on its behalf to comply with the following principles:
• prepare financial statements and corporate communications required by law in a clear manner and present a true and fair view of the Company’s financial and economic situation of the Company;
• do not prevent or thwart auditing work legally assigned to the appointed auditors;
• in communications to public authorities, do not make untrue statements regarding the economic and financial situation or conceal facts regarding the same situation.

CODE OF ETHICS

WE RESPECT THE CULTURAL, ECONOMIC AND SOCIAL RIGHTS OF THE LOCAL COMMUNITIES WE WORK IN.
Any associate who may be aware of any omission, distortion, falsification or misuse of the financial records and of supporting documents must report the fact to its direct responsible or to any appointed control bodies (Audit Committee and Internal Audit department).

The Group recognizes the importance of the internal control system that reflects on the reputation, and credibility of the Company.

Each associate is accountable for the effectiveness and efficiency of the internal control system taking into consideration employee’s job role and competences and must cooperate so that all operations are correctly represented and documented.

Ferrero is committed to ensuring an efficient, independent and objective Internal Audit department in line with International Standards for the Professional Practice of the Internal Auditing and promptly reporting the results of audits to the Group Audit Committee.

All associates must support and cooperate with the Internal Audit department in performing the auditing activity.

In particular all accounting and administrative documents must be filed in order to be easily accessible and auditable by authorized parties; the external auditors, in particular, will have free access to the documents and information needed to perform their work.

"THE GROUP RECOGNIZES THE IMPORTANCE OF THE INTERNAL CONTROL SYSTEM"
Scope and application of associates’ obligations

The principles and rules of conduct contained in this Code of Ethics shall apply to all associates of Ferrero Group around the world.

No one, at any level in the Company, has the authority to ask or allow associates to violate any of the standards or behaviour outlined herein.

All associates are expected to be familiar with the rules contained in the Code of Ethics and the reference standards, both internally and externally, that govern the work performed within their relevant department. Every associate must also:

• diligently observe the rules outlined in the Code and refrain from conduct that violates it;
• contact their managers or the Human Resources Department if clarification is needed on the interpretation and implementation of the rules outlined in the Code;
• immediately report to their direct supervisor (see also the paragraph below “reporting violations”) any information about possible violations, or any requests received, that are in violation of the Code;
• offer maximum cooperation to detect any possible violations.

Distribution

Ferrero endeavours to adequately share the contents of the Code and the principles it inspires among associates. In order to ensure that all associates have correctly understood the Code of Ethics, the Ferrero Group gives them a copy when they join the company, periodically organises dissemination and information schemes and publishes it on the company Intranet as well as taking all the measures to ensure everyone is familiar with it. The training initiatives vary according to the role and responsibilities of the associates; for new-hires, there is a special training program illustrating contents of the Code that require compliance. In particular, each associate will be informed that respect and observance of the Code, as well as Company rules and procedures, constitute a specific contractual obligation, with consequential measures imposing penalties, if violated, on the basis of applicable national legislation.

Specific duties for managers

Anyone in the role of supervisor, manager or executive should be an example by performing their work in accordance with the principles and rules of conduct contained in the Code and through their behaviour demonstrate to other associates that compliance with the Code is a fundamental part of their work. They should ensure that everyone is aware of the fact that business results are never more important than compliance with the principles in the Code.

The commitments made in this Code with reference to “Ferrero”, are understood to refer to the duties and responsibilities of all supervisors, managers and executives who work in various capacities within the Ferrero Group.

Control

Every department in the Company must enforce and guarantee that their actions and activities adhere to the principles and rules of conduct contained in this Code of Ethics. In addition, each department is responsible for the detection and management of non-compliance and, if necessary, activating an Internal Audit.
Reporting violations
All associates must report violations, or presumed violations of this Code to their immediate superior, the Internal Audit Unit, the Legal Department or the Human Resources Department. Associates will not be subject to disciplinary action if incorrect information is reported in good faith.

Sanctions
Failure to comply with the rules of conduct outlined in this Code of Ethics are grounds for the application of disciplinary actions up to and including dismissal, according to applicable national legislation and without prejudice, however, to the possible adoption of other sanctions related to responsibilities of any other nature.

The application of disciplinary sanctions is independent from the outcome of any criminal or civil proceedings, since the rules of conduct imposed by the Code of Ethics are effective independently of jurisdiction irrespective of the crime and/or unlawful act that any wrongdoing may constitute. Unlawful conduct or conduct that violates the provisions of this Code or even improper or incorrect conduct will not be justified or considered less serious even if committed in the interests of or to the advantage of the Group Companies.

Validity
The term of this Code of Ethics becomes effective on January 1, 2010. It will be periodically reviewed and updated.

“UNLAWFUL CONDUCT WILL NOT BE JUSTIFIED EVEN IF COMMITTED IN THE INTERESTS OF OR TO THE ADVANTAGE OF THE GROUP COMPANIES”