

## Particulars

### About Your Organisation

**Organisation Name**

Ferrero Trading Lux S.A.

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**Corporate Website Address**

<http://www.ferrero.com/>

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**Primary Activity or Product**

- Manufacturer
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**Related Company(ies)**

No

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### Membership

Membership Number	Membership Category	Membership Sector
4-0006-05-000-00	Ordinary	Consumer Goods Manufacturers

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## Consumer Goods Manufacturers

### Operational Profile

#### 1.1 Please state what your main activity(ies) is/are within manufacturing

- End-product manufacturer
- Food Goods
  - Manufacturer of Biscuits & Cakes
  - Production of Cream Filled Wafers
- Other:
  - Procurement of raw materials for Ferrero Group

### Operations and Certification Progress

#### 2.1 Do you have a system for calculating how much palm oil and palm oil products you use?

Yes

#### 2.2.1 Do you manufacture for:

Own Brand

#### 2.2.2 Total volume of Refined Palm Oil or RBD Palm Oil used in the year:

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#### 2.2.3 Total volume of Palm Kernel Oil used in the year:

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#### 2.2.4 Total volume of other Palm Oil Derivatives and Fractions used in the year:

185,000

#### 2.2.5 Total volume of all palm oil products you used in the year:

185,000

#### 2.3 Palm oil volume used in the year in your own brands that is sourced through RSPO-certified physical supply chains:

##### In Your Own Brand

No	Description	Refined palm oil/RBD palm oil (Tonnes)	Palm Kernel Oil (Tonnes)	Palm based derivatives or fractions (Tonnes)
1	Book & Claim	-	-	-
2	Mass Balance	-	-	-
3	Segregated	-	-	169,000.00
4	Identity Preserved	-	-	-
5	Total volume of palm oil handled that is RSPO-certified	-	-	169,000.00

**2.4.1 Volume of Palm Kernel Expeller used/ handled:**

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**2.4.2 What type of products do you use CSPO for?**

Chocolate base confectionery products

**2.5 What is the percentage of certified sustainable palm oil in the total palm oil your company sells in:**

Europe 100%  
India 8%  
China --%  
South East Asia --%  
North America 100%

**2.6 What is the percentage of certified sustainable palm kernel oil in the total palm kernel oil your company sells in:**

Europe --%  
India --%  
China --%  
South East Asia --%  
North America --%

**Time-Bound Plan**

**3.1 Date expected to/or started to use any RSPO certified palm oil products - own brand**

2009

**3.2 Date expected to be using 100% RSPO certified palm oil products from any supply chain option - own brand**

2015

**3.3 Date expected to be using 100% RSPO certified palm oil from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) - own brand products**

2015

**3.4 Do your (own brand) commitments cover your company's companies' global use of palm oil?**

y

**3.5 Does your company use palm oil in products in goods you manufacture on behalf of other companies?**

n

**When do you expect to actively promote the use of certified sustainable palm oil in other manufacturers' brands that you sell?**

**3.6 Which countries that your organization operates in do the above commitments cover?**

Argentina, Australia, Belgium, Brazil, Canada, Ecuador, France, Germany, India, Italy, Luxembourg, Mexico, Poland, Russian Federation, Turkey

**3.7 What are your interim milestones towards achieving RSPO certification commitment to your own-brands (year and progressive CSPO%) - please state annual targets/strategies**

Starting from January 2015 we have achieved 100% of RSPO SG certified Palm Oil and Palm Oil fractions and 100% of RSPO SG certified end product (consumer product).

**3.8 Date of first supply chain certification (planned or achieved)**

2012

**Trademark Related**

**4.1 Do you use or plan to use the RSPO trademark on your own brand products?**

No

**Please explain why**

Granted trade mark use is limited to off product and corporate communication.

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**GHG Emissions****5.1 Are you currently assessing the GHG emissions from your operations?**

Yes

**5.2 Do you publicly report the GHG emissions of your operations?**

Yes

**Actions for Next Reporting Period****6.1 Outline actions that will be taken in the coming year to promote sustainable palm oil.**

Since January 2015 Ferrero products are produced with only palm fruit oil that is 100% certified as sustainable and segregated according to the Roundtable on Sustainable Palm Oil (RSPO) supply chain.

It has been possible because from the beginning, Ferrero decided to directly source RSPO certified segregated palm oil. Therefore, Ferrero activated a robust, publically available, time-bound implementation plan, working extensively with its suppliers within a global responsible palm oil procurement policy.

Yet our commitments go beyond the certification scheme. This was demonstrated by our palm oil Charter, which was published in November 2013. We also became a member of TFT, a global non-profit organisation, whose teams work across the world to help transform supply chains for the benefit of people and nature. TFT supports us to implement our commitments. Those commitments aim at achieving FFB (Fresh Fruit Bunch) traceability to the growers we are sourcing from, visiting the plantations and providing recommendations for meeting our Charter where necessary.

To date – May 2015 - we have reached traceability to the plantation for 98% of the CPO (Crude Palm Oil) volume we purchase. This means we have data on the plantations where the FFB palm oil is coming from. Our commitments are motivated by the desire to have direct contact with our palm oil suppliers and establish a short supply chain in order to be close to the growers, which facilitates the understanding of the supply chain and the knowledge of the origin of the palm oil we buy from. Ferrero's current records show we're working with up to 59 mills and 249 plantations in Malaysia, Papua New Guinea, Brazil, Solomon Island and Indonesia. From our analysis 5.15% of the palm oil volumes we buy are coming from approximately 27,510 smallholders or small farmers.

Since November 2014 we have worked closely with TFT and our suppliers in order to address the gaps identified during the field visits to a selection of our major suppliers' supply base, from where we buy 74% of our palm oil. During 2015, a time-bound action plan with each grower has been undertaken and the identified issues addressed (workers conditions, group policies update, commitments towards No-Deforestation, No-Exploitation).

However some of the actions need further engagement with the suppliers in order to support the improvement in practices. Also, further engagement with some smallholders and settlers is needed in order to support them, to achieve better practices while improving their livelihoods. We will actively support those who have decided to work with Rurality, a TFT initiative which aims to empower smallholder farmers and support more resilient farming communities. We will work with some selected suppliers to first assess the rural dynamics of the smallholders within a selected part of our supply chain, understanding how the smallholder makes decisions and what vision they have for the future for them and their community. This assessment will give us information to tailor the support needed by small holders/farmers to lead them towards transformation and improving their livelihood. We will start implementing transformation pilots with the farmers willing to embark on this initiative. We will now engage applying the same process as done previously with our remaining suppliers that supply smaller volumes to ensure 'No deforestation – No peatland – No exploitation' palm oil in Ferrero products. In the meantime, we are maintaining engagement with major suppliers in order to follow up on the action plan agreed after the field visits. We will also apply for a 3rd party verification body to evaluate our Charter implementation throughout our supply chain.

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**Reasons for Non-Disclosure of Information****7.1 If you have not disclosed any of the above information, please indicate the reasons why**

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- Others:

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**Application of Principles & Criteria for all members sectors**

**8.1 Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C such as:**

- Water, land, energy and carbon footprints  
[M-Policies-to-PNC-waterland.pdf](#)
- Land Use Rights  
[M-Policies-to-PNC-landuseright.pdf](#)
- Ethical conduct and human rights  
[M-Policies-to-PNC-ethicalconducthr.pdf](#)
- Labour rights  
[M-Policies-to-PNC-laborrights.pdf](#)
- Stakeholder engagement  
[M-Policies-to-PNC-stakeholderengagement.pdf](#)

**8.2 What steps will/has your organization taken to support these policies?**

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**Commitments to CSPO uptake**

**As you don't source 100% CSPO through physical supply chains (IP/SG/MB), please answer the following questions: Do you have plans to?**

No

**Please explain why**

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**9.1 Do you have plans to immediately cover the gap using Book & Claim?**

No

**Please explain why**

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### **Concession Map**

**Do you agree to share your concession maps with the RSPO?**

No

**Please explain why**

Ferrero Group is not owner of any Palm Oil Plantation.

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## Challenges

### 1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?

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### 2 How would you qualify RSPO standards as compared to other parallel standards?

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#### Cost Effective:

Yes

#### Robust:

No

#### Simpler to Comply to:

No

**3 How has your organization supported the vision of RSPO to transform markets? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)**

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**4 Other information on palm oil (sustainability reports, policies, other public information)**

We have been members of the Roundtable on Sustainable Palm Oil (RSPO) since 2005. However while RSPO has offered a standard since 2004 which has made some progress on the palm oil sustainability it is not completely addressing deforestation and peat deterioration and exploitation of workers. The last review of the RSPO principles and criteria in 2013 failed to raise the bar so that it is not possible to ensure that RSPO certified palm oil meets our values.

So we decided to elaborate our own responsible palm oil charter, depicting the values important to us and our products. We want to actively address the leading causes of deforestation and create the balance between the conservation of the environment, community needs and economic benefit and viability.

Our target in implementing the Charter is to ensure our consumer that the palm oil we use in our products achieves our 'No Deforestation, No Peat, No Exploitation' commitments.

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