2016 Progress and Sustainability Report
Ritter GmbH & Co. KG is a member of the German Initiative on Sustainable Cocoa, which supports the PRO-PLANTEURS initiative. Its goal is to help a total of 20,000 family-owned cocoa farms and organisations in the Eastern and Southeastern regions of the Ivory Coast to professionalise by the end of 2019, in order to improve these families’ living situations through increased earnings and nutrition-related projects.

By no later than 2020, Ritter Sport will complete its transition to using 100% cocoa from sustainable sources in all of its production, with an emphasis on procuring sustainable cocoa directly.

Since 2012, Ritter Sport has been operating its own cocoa plantation in Nicaragua, in cooperation with El Cacao. A total of 1,500 hectares on the plantation are cultivated using sustainable agroforestry methods, while another 1,000 hectares are preserved as forest and wetlands.

In March 2015, Ritter Sport engaged the non-profit organisation Südwind e. V. – Institut für Ökonomie und Ökumene (Institute for Economics and Ecumenism) to analyse the initial effects of its long-term involvement in Cacao-Nica. The result? The Südwind study confirmed that Alfred Ritter GmbH & Co. KG had made “a great contribution to the promotion of sustainable cocoa cultivation,” one that had led to an improvement of farmers’ livelihoods.

2017: El Cacao’s first cocoa harvest - an important milestone on its path towards the goal of full yields throughout the entire plantation by 2024.

2016: El Cacao joins World Cocoa Foundation (WCF)

In Autumn 2016, El Cacao was audited by TÜV (German Technical Control Board) and Soil & More, and successfully fulfilled CO₂ certification requirements.

Alfred Ritter GmbH & Co. KG has supported the sustainable cultivation of cocoa in Nicaragua since 1990. Thus far, the company has established partnerships with 3,500 small farmers in 20 cooperatives as part of the Cacao-Nica project.

By no later than 2020, Ritter Sport will complete its transition to using 100% cocoa from sustainable sources in all of its production, with an emphasis on procuring sustainable cocoa directly.

Since 2012, Ritter Sport has been operating its own cocoa plantation in Nicaragua, in cooperation with El Cacao. A total of 1,500 hectares on the plantation are cultivated using sustainable agroforestry methods, while another 1,000 hectares are preserved as forest and wetlands.

In March 2015, Ritter Sport engaged the non-profit organisation Südwind e. V. – Institut für Ökonomie und Ökumene (Institute for Economics and Ecumenism) to analyse the initial effects of its long-term involvement in Cacao-Nica. The result? The Südwind study confirmed that Alfred Ritter GmbH & Co. KG had made “a great contribution to the promotion of sustainable cocoa cultivation,” one that had led to an improvement of farmers’ livelihoods.

2017: El Cacao’s first cocoa harvest - an important milestone on its path towards the goal of full yields throughout the entire plantation by 2024.

2016: El Cacao joins World Cocoa Foundation (WCF)

In Autumn 2016, El Cacao was audited by TÜV (German Technical Control Board) and Soil & More, and successfully fulfilled CO₂ certification requirements.

Alfred Ritter GmbH & Co. KG has supported the sustainable cultivation of cocoa in Nicaragua since 1990. Thus far, the company has established partnerships with 3,500 small farmers in 20 cooperatives as part of the Cacao-Nica project.

By no later than 2020, Ritter Sport will complete its transition to using 100% cocoa from sustainable sources in all of its production, with an emphasis on procuring sustainable cocoa directly.

Since 2012, Ritter Sport has been operating its own cocoa plantation in Nicaragua, in cooperation with El Cacao. A total of 1,500 hectares on the plantation are cultivated using sustainable agroforestry methods, while another 1,000 hectares are preserved as forest and wetlands.

In March 2015, Ritter Sport engaged the non-profit organisation Südwind e. V. – Institut für Ökonomie und Ökumene (Institute for Economics and Ecumenism) to analyse the initial effects of its long-term involvement in Cacao-Nica. The result? The Südwind study confirmed that Alfred Ritter GmbH & Co. KG had made “a great contribution to the promotion of sustainable cocoa cultivation,” one that had led to an improvement of farmers’ livelihoods.

2017: El Cacao’s first cocoa harvest - an important milestone on its path towards the goal of full yields throughout the entire plantation by 2024.

2016: El Cacao joins World Cocoa Foundation (WCF)

In Autumn 2016, El Cacao was audited by TÜV (German Technical Control Board) and Soil & More, and successfully fulfilled CO₂ certification requirements.
I. RESPONSIBILITY

II. FAMILY-OWNED BUSINESS AND VALUES
II.1 Investments
II.2 Re-organisation of sustainability management / principles / sustainability plan
II.3 CO2-neutral production

III. RAW MATERIALS
III.1 The road to 100% sustainable cocoa
III.2 El Cacao
III.3 Cacao-Nica
III.4 Hazelnuts
III.5 Milk

IV. PROCESSING
IV.1 Construction of new incoming goods area for raw materials
IV.2 Continuous taste optimisation/recipe improvement (mission in Nicaragua)
IV.3 Employee development: Special handicapped-accessible workstations in Waldenbuch Packaging department
IV.4 New combined heating and power plant

V. FOR ALL THE SENSES
V.1 Establishment of new product class (nut selection)
V.2 Promotion of art

VI. ADDITIONAL INFORMATION
VI.1 About this report
VI.2 Overview of GRI guidelines and ZNU standard
VI.3 Glossary
VI.4 Imprint
Alfred Ritter GmbH & Co. KG is committed to preserving biodiversity in cocoa farming areas.
COMMITMENT TO SOCIETY HAS ALWAYS BEEN AN INTEGRAL PART OF RITTER SPORT’S IDENTITY.

Tim Hoppe, an Alfred Ritter GmbH & Co. shareholder, is responsible for matters relating to raw materials development and procurement. As a family-run business, RITTER SPORT has spent decades cultivating direct relationships to small farmers and cooperatives in Nicaragua—relationships Hoppe considers immeasurably valuable.

“Trust is important, too”

For your uncle, the Chernobyl disaster was a defining moment, one that prompted him to take an intense interest in the issue of sustainability. Did you have a similar triggering experience as well?

No, not as such. But I grew up in a family of chocolate manufacturers, so questions about where cocoa comes from, and how people live and work in those places, have just always been part of my life. My connection with Nicaragua also stems from my mother and father having travelled there regularly. I myself worked in Nicaragua in 2011 and 2012, where I came to love not only chocolate, but cocoa as well. But, of course, these experiences also made me keenly aware of the challenges involved in cocoa cultivation.

When it comes to family-run businesses, people often refer to “generational thinking”. Does that apply to Alfred Ritter GmbH & Co. KG as well?

Yes, definitely. As a third- and fourth-generation family-owned business (the third being my mother and uncle), we discuss such matters explicitly: what direction we, as a family, want to take our organisation in, what issues are and are not important to us. Luckily, we are all rather similar in terms of values and convictions. And ultimately, without this clear, shared vision, it would be impossible for us to make extremely long-term investments like our plantation in Nicaragua.

Commitment to society has always been an integral part of RITTER SPORT’s identity. In today’s modern, digitised world, where physical distances are of lesser importance, we are focussing more and more on concrete action when it comes to procuring raw materials.

How much “good” has RITTER SPORT done thus far, in your view?

If you look at Nicaragua specifically, we have triggered verifiable, positive change through our relationships and the decades of effort we have invested in cultivating cacao. An independent study conducted by the Südwind Institute confirmed this for us. Direct relationships with cooperatives and small farmers are of immeasurable value. They are based on trust, which has only developed as a result of our long-term personal involvement in the region. I think there’s something very special about that. We are taking our first steps towards establishing a more direct supply chain in Ivory Coast as well.

What would you say RITTER SPORT needs to accomplish in the coming years?

Procuring cocoa more and more directly is putting us in an even better position to assess and improve the social and ecological effects of our supply relationships. We will remain committed to this path, and will pick up our pace once more. If everything goes according to plan, we will be procuring 100 percent of our cocoa from sustainable sources even before 2020. Our direct relationships to producers—and, of course, our own plantation—have also put us in a much better position to influence cocoa quality. In the coming years, realising this potential for improved flavour will be one of our goals.

But we must not lose sight of our other raw materials. With hazelnuts, for example, we anticipate great challenges in terms of sustainability.
Protecting natural resources is firmly anchored in Alfred Ritter GmbH & Co. KG’s values as a family-owned company.
In principle, Alfred Ritter GmbH & Co KG prefers to be a model of quiet integrity. This is also true when it comes to communications about its own investments. For example, very few people know that the family-run business is among the top performers in the chocolate industry in terms of annual sales-to-investment-volume ratio. As company spokesman Thomas Seeger puts it, “We just don’t toot our own horn as loudly as others do.” Besides this ratio, Seeger sees two other factors as characteristic of the company’s concept of sustainability: the long-term nature of its investments, and the special emphasis it places on ecological considerations. “Whether it’s our commitments in Nicaragua or our combined heat and power plants in Waldenbuch, these investments only pay off over the long term. But they play a significant role in enabling us to produce our chocolate sustainably.”

According to Seeger, the company goes beyond carefully evaluating the potential environmental impact of any significant investments: when in doubt, it places greater weight on ecological considerations than economic ones. The communications professional sees this as a demonstration of the company’s “responsible generational thinking.” This is further evidenced by the particular importance that the family places on long-term perspective and partner relationships with service providers and suppliers—not only of cocoa, but all other raw materials as well, such as milk or hazelnuts. And that applies to the small things, too. “Whenever there’s varnishing or painting being done,” Seeger explains, “you’ll run into the local father-and-son painting business in the hallway.” In such cases, “sustainability” is a matter of attitude as well. Actions speak louder than words—just as they do in the raw materials’ countries of origin, far away from Waldenbuch.

“Whether it’s our commitments in Nicaragua or our combined heat and power plants in Waldenbuch, these investments only pay off over the long term. But they play a significant role in enabling us to produce our chocolate sustainably.”

Thomas Seeger, Company Spokesperson

Protected environment has been one of RITTER SPORT’s top priorities for many years—so that the next generation can experience the wonders of nature first-hand as well.
Practising sustainability at all levels

“Out of project status, into day-to-day work” is how Sustainability Officer Georg Hoffmann describes Alfred Ritter GmbH & Co. KG’s gradual incorporation of sustainability at all levels over the past three years. “My role has changed accordingly,” he says. “Now, I follow up, coordinate and manage, but I no longer have to define and develop projects and objectives. That process has become autonomous in a good way.” Projects are now initiated by the individual departments. Sustainability is a part of everyday working life, and its presence can be felt throughout the entire company—and that didn’t just start three years ago.

In terms of sustainability, Alfred Ritter GmbH & Co. KG has been a pioneering force within the industry since as long ago as the early 1990s, when its involvement in Nicaraguan cocoa cultivation began. The level of sustainability it has achieved today is the result of business processes clearly oriented to ecological and societal considerations. The company’s “champion” model, under which each individual Managing Director and Advisory Board member “champions” one or more of the nine central sustainability-related subject areas, is a contributing factor as well. The company’s mission statement forms the basis for its approach to sustainability. This mission statement outlines the values and business principles that guide all of the company’s work, and is designed to establish a basis of trust among shareholders, the Advisory Board, the Management Board, and all company employees. In Autumn 2016, Alfred Ritter GmbH & Co. KG updated the long-term objectives it has derived from its mission statement.

“Our focus remains on our most important raw material: cocoa,” stresses Andreas Ronken, Chairman of the Board. By no later than 2020, all of the cocoa used in RITTER SPORT chocolate will be cultivated using sustainable methods. “The original deadline we set ourselves was 2025,” explains Ronken. “But given the progress we have made in many different areas, we are now optimistic that we can achieve this important goal even earlier.”

“Sustainable cocoa” is either certified according to internationally recognised standards (such as Rainforest Alliance, Fairtrade, UTZ, or Bio), or from a plantation that meets at least one of these standards and has been inspected by an independent organisation.
Forging ahead towards CO₂-neutral production

Within the past three years, RITTER SPORT has made great strides towards its goal of CO₂-neutral chocolate production. “Based on our current projections, we will achieve our goal of making our manufacturing operations CO₂-neutral by the year 2022,” Sustainability Manager Georg Hoffman is pleased to note.

The El Cacao farm—or, more specifically, the methodical evaluation of emissions reduction that El Cacao allows—is essential to achieving this environmental goal. Since 2012, thanks to the sustainable agroforestry methods used on the farm, it has acted as a carbon sink. The degree to which the farm binds carbon dioxide is evidenced in the calculations made in certifying the farm according to the so-called “Gold Standard”, the world’s most widely recognised quality standard for CO₂ compensation projects. The Gold Standard was developed in 2003 with the help of several environmental organisations, thus ensuring that “Gold Standard” projects in context of the Clean Development Mechanism (CDM) meet the very highest standards.

Compensation projects that are granted Gold Standard certification aim not only to reduce greenhouse gases, but also to promote sustainable development in the countries in which they are based. This certification is also only awarded to projects in which the local populace is extensively involved in the decision-making process. Moreover, for a project to receive Gold Standard certification, it must demonstrably go above and beyond “business as usual”—that is, it cannot merely be an aspect of a necessary development project that would be happening anyway.

For RITTER SPORT, the road to the “Gold Standard” was particularly challenging, because there are no cocoa-sector projects comparable to El Cacao anywhere in the world, so CO₂ calculation and documentation approaches had to be adjusted accordingly. The project reached this first milestone in May of 2016: since then, the El Cacao plantation project has been on the Gold Standard project list as “Sustainable cocoa plantation system (agroforestry) in East Nicaragua”. El Cacao was put to the test in the autumn of 2016, in the form of a so-called “validation and verification audit” by Soil & More and the German Technical Control Board. RITTER SPORT passed the nearly five-day audit with flying colours, whereupon the corresponding CO₂ certificates were issued.

“Based on our current projections, we will achieve our goal of making our manufacturing operations CO₂-neutral by the year 2022”

Facts and figures on CO₂-neutral chocolate production at RITTER SPORT

- Since 2013, Soil & More has been assessing the entire company’s CO₂ footprint; the company has held TÜV certification since then.
- The majority of the company’s production-related emissions are compensated through El Cacao. This was determined on the basis of Soil & More’s calculations and the TÜV verification audit in accordance with Gold Standard specifications.
- On El Cacao, CO₂ is sequestered into biomass and soil. Using less fertiliser slows N₂O (nitrous oxide) production; aerobic biomass management prevents CH₄ (methane) emissions.
- EWS Elektrizitätswerke Schönau eG supplies RITTER SPORT with green electricity.

“These CO₂ certificates are something special, because they are the result of our own sustainability and environmental activities, and because they represent CO₂ actually being extracted from the atmosphere.”

“Rather than simply buying CO₂ offset credits, we ourselves have committed to making our operations in Nicaragua even more sustainable.” In all, El Cacao’s CO₂ storage largely compensates the company’s emissions in Waldenbuch, as well as emissions at its Dettenhausen production plant and subcontractor-operated storage facility in Reichenbach.
Sustainable raw materials for the very best RITTER SPORT chocolate.
The road to 100 percent sustainable cocoa

100% sustainable cocoa: achievable even before 2020

Alfred Ritter GmbH & Co. KG had set itself a clear goal: by no later than 2025, 100% of the cocoa it used needed to be cultivated using sustainable methods. Now the company has revised its goal—in a positive way. “We think it is realistic for us to be using only sustainably-grown cocoa in all of our RITTER SPORT chocolate by as early as 2020—possibly even before that,” says Andreas Ronken, Chairman of the Board. “In the long term, approximately 30 percent of the cocoa mass will originate from our own plantation.”

The primary reason for this adjusted objective is the success the company has enjoyed with its activities in Nicaragua, but changes in the overall market situation have contributed as well. “A lot of things have happened in the cocoa market in the last couple of years; the supply of certified cocoa has grown substantially. And, of course, we want to support any such positive sustainability-related efforts on the part of the cocoa producers, because they are an important first step.”

In terms of certified cocoa, however, Alfred Ritter GmbH & Co. KG is just getting started—the company wants to go much further. The company’s journey to 100% sustainable cocoa will occur in three stages, with each stage representing even greater transparency and even more directly effective measures.

Direct procurement of sustainable cocoa:
The company will expand its direct procurement of certified cocoa, with sustainably-produced, directly procured cocoa making up a greater proportion of its overall purchases. RITTER SPORT will primarily be accomplishing this in concert with Cacao-Nica, which is based on cooperative partnerships with more than 3,500 small farmers in around 20 cooperatives. Since 1990, Cacao-Nica has been helping improve the livelihoods of Nicaraguan farmers and protect endangered rainforests through a variety of measures, such as modern methods of agroforestry and farming. In 2015, RITTER SPORT purchased about 1,000 tonnes of cocoa from Cacao-Nica.

Cooperation with partners:
Since 2016, the company’s partnership with the French company Cémoi has helped it implement this principle of direct procurement with Hawaiian cocoa as well, thereby also guaranteeing that deliveries can be traced back to their producer organizations. RITTER SPORT also maintains business relationships with two cocoa cooperatives in Ivory Coast through its industry partners Fuchs & Hoffmann.

Independent cultivation of sustainable cocoa:
Since 2012, the company has been operating its own cocoa plantation in Eastern Nicaragua: El Cacao. At a total of 2,500 hectares, it is one of the largest contiguous cocoa-growing areas in the world. Crops are planted in accordance with standards that will make UTZ or Rainforest Alliance certification possible. In 2017, cocoa will be harvested for the first time on El Cacao.

“Our goal is maximum possible transparency, and this can be achieved most effectively through direct procurement—and even more so, of course, with the help of our own plantation,” Ronken explains. “And the closer to the cocoa’s origins our involvement is, the more effectively we will be able to influence farming conditions and methods directly, and to devise them in sustainable ways.”

“...and this can be achieved most effectively through direct procurement—and even more so, of course, with the help of our own plantation.”

Through the umbrella organization German Initiative on Sustainable Cocoa (Forum Nachhaltiger Kakao e.V.), the company is also involved in PRO-PLANTEURS, an initiative whose goal is to professionalise a total of 20,000 family-run cocoa farms and organisations in Eastern and Southeastern Ivory Coast by the end of 2019. The organisation seeks to improve these families’ living situations by helping them increase their income and offering additional nutritional projects. Among other things, PRO-PLANTEURS emphasises diversification of agricultural production in order to foster biodiversity and reduce farmers’ economic dependency on cocoa.

Alfred Ritter GmbH & Co. KG also joined the World Cocoa Foundation (WCF) in the autumn of 2016.
EL CACAO
Where chocolate provides practical development aid

“IT was a long and exhausting trip,” recalls Hauke Will, Head of Agricultural Production at Alfred Ritter GmbH & Co. KG, of his first trip to El Cacao. "First by plane, then by car, and then through the countryside on horseback, until finally we reached the finca, which had neither electricity nor running water—well, basically, it didn’t have anything of all.” This was in 2012, shortly after the company had acquired 2,500 hectares of former pasture land in Nicaragua, so that it could set up its own cocoa plantation El Cacao. The picture awaiting visitors today is vastly different. The infrastructure has improved greatly; the access road leading up to the plantation is easily drivable. Besides accommodation for managers, skilled workers and service providers, the plantation also has an employee canteen, as well as a health centre where staff provide medical care to workers and their families around the clock, including proximity. All of the buildings have power and running water, which is certainly not a given in Nicaragua. Small villages with schools and shops have popped up around the plantation, and now the region even has a daily bus system. “Our plantation is spurring on economic development within the region,” Will concludes.

“The actual cocoa-growing operations have made progress as well: the first trees Alfred Ritter GmbH & Co. KG planted in 2012 will yield their first harvest in 2017. “Although this harvest will be a small one, it is still an important milestone on the journey towards full yields throughout the plantation, which we will achieve by 2024,” says Hans Wiberg, Project Manager R&D – Raw Materials Scouting and Cultivation. Alfred Ritter GmbH & Co. KG is using an agroforestry method of cultivation. The unique thing about this method is that it involves mixed cultivation of crops and trees on the same land: besides cocoa, the plantation contains banana trees as an agricultural crop, as well as large trees such as mahogany as sources of wood and shade. The plantation’s diverse range of plants creates a healthy micro-climate, and thus sustainable production, while requiring only minimal expenditures on pesticides.

A great deal has happened on and around El Cacao since its early days—especially in terms of infrastructure.

1,500 hectares of the plantation are cultivated in this manner. The remaining 1,000 hectares are preserved as forests and wetlands, and offer a habitat for countless native varieties of plants and animals—thereby making an important contribution to species conservation. As such, El Cacao acts as a model operation. “We are partly surrounded by palm oil plantations, pure mono-cultures,” explains Will. This conventional farming method causes significant erosion, meaning that ever increasing quantities of chemical fertilisers are required to keep the soil fertile. After a relatively short time, it is depleted completely, and the barren ground must be abandoned in favour of new land. El Cacao, on the other hand, is based on the principle of long-term, continuously high-yield land usage in combination with environmental protection and preservation. “On El Cacao, we are showing our workers an approach that is completely new to them,” says Wiberg. They acquire technical knowledge about agroforestry and cocoa growing, while also developing greater awareness of sustainable resource management in general—that is, the fact that not only are environmental responsibility and economic success not mutually exclusive, they depend on one another. Conveying this message is no easy task, not least because Nicaragua has one of the highest illiteracy rates in the world. The first signs of success are already evident, however: “The people are getting better and better at what they’re doing,” says Will. “They’re experiencing continuity and stability in both their working and private lives, and they’re earning fair, regular wages. Now they are actively shaping their living environments, and they see the value of their work, rather than having to move on after a few years to clear new land and start all over again.” He sees this as the key to success. “To realise a project like El Cacao, you have to be able to bring people on a journey of the mind with you, so that they can help you make this vision ultimately become a reality. This is how it was with El Cacao as well. A plantation of this size and this type was unimaginable to many people. But with every step we take along with the workers, our shared enthusiasm grows as well.”

Hans Wiberg, Project Manager R&D Raw Materials Scouting and Cultivation
Hans Wiberg (46) holds an MSc in Agricultural Engineering. He spent many years working in developmental aid, applying his expertise in the fields of biology and agriculture. For fifteen years, he travelled around Africa, Asia and Latin America, working with governmental agencies in this context. Wiberg worked with Alfred Ritter GmbH & Co. KG in context of aiding farming cooperatives and public institutions before finally joining the company. Since 2012, he has been co-managing El Cacao. In particular, Wiberg focuses on agricultural consultation, and on developing modern, integrated cocoa production operations. “I’m just excited about the subject of cocoa growing.”

Hauke Will, Manager of Agricultural Production
Forty-one-year-old Hauke Will studied food technology at the Technical University of Munich/Weihenstephan before beginning his career in the chocolate industry, completing a degree in business innovation at the same time. Among other things, this also resulted in him having become largely responsible for El Cacao four years ago. After all, innovation is a central aspect of this project: it is about blazing new trails in Nicaraguan cocoa production. “This is exactly what I find so appealing about my work: we are applying the idea of innovation to the agricultural sector, and calling things into question there that once were considered completely normal.”
Procuring cocoa directly is one of the three central ways through which Alfred Ritter GmbH & Co. KG plans to reach its goal of using 100% sustainable cocoa. Cacao-Nica is a key element of this plan. For more than 25 years, Ritter Sport has been supporting small Nicaraguan farmers in sustainable cocoa cultivation. The principle of Cacao-Nica: vocational training and purchase prices above those on the global market, in combination with agroforestry methods, help secure farmers’ livelihoods, improve cocoa quality, and protect nature and the environment. The cooperatives also receive infrastructure bonus from Alfred Ritter GmbH & Co. KG for each tonne of cocoa sold. This bonus is earmarked exclusively for investments related to cocoa cultivation or processing, and thus contributes greatly to improving cocoa quality.

Marli Hoppe-Ritter and her brother, Alfred T. Ritter, began this partnership with 170 farmers in 1990, after the Civil War; back then, cocoa growing was still a niche segment, and quality was correspondingly low. But Marli Hoppe-Ritter saw the situation as an opportunity to procure high-quality, sustainable cocoa for use in producing RITTER SPORT chocolate squares. Her pioneering spirit paid off: since 2016, Nicaragua has been officially listed as a country of origin for fine cocoa. Fine cocoa is characterised by high quality and very special flavour. It is derived only from certain types of beans originating in specifically defined countries. Only about five percent of the cocoa produced worldwide is deemed “fine cocoa,” so achieving this designation is a true milestone in Cacao-Nica’s history. “We already have a number of plans and ideas regarding how to use this Nicaraguan fine cocoa in RITTER SPORT products in ways that will bring out its particular flavor,” Swenia Hertler, Cocoa Procurement Specialist, notes with pleasure. “And reaching this status is a great achievement for the farmers as well, because of course these high-quality beans command much higher prices.” Cacao-Nica: efforts that pay off in the truest sense of the word for everyone involved—including, of course, for the taste buds of RITTER SPORT chocolate lovers.

Dialogue with NGOs: evaluation by Südwind e. V.

The Cacao-Nica cocoa-growing initiative received high marks from Südwind e. V. – Institute for Economics and Ecumenical Matters. On behalf of Alfred Ritter GmbH & Co. KG, the non-profit organisation studied the effectiveness of the Waldenbuch-based company’s long-term initiative in Nicaragua. The result? The Südwind study confirmed that Alfred Ritter GmbH & Co. KG had made “a major contribution towards the promotion of sustainable cocoa cultivation,” one which had improved the farmers’ livelihoods. According to Südwind, the chocolate manufacturer’s fair prices and systematic efforts to improve cocoa quality had had the strongest positive effects. The company represented a guaranteed buyer for high-quality cocoa, which logically also motivated farmers to increase production volumes. “Having RITTER SPORT as a reliable business partner helped minimize cooperatives’ exposure to the risks of fluctuating prices and unstable markets,” says Dr. Pedro Morazán of the Südwind Institute.

The Südwind study also offered important suggestions on ways of boosting the Cacao Nica project’s effectiveness even further in the future: Alfred Ritter GmbH & Co. KG was happy to receive this feedback and has now, for example, introduced an effective system of tracking infrastructure bonus usage.

Around 200 farmer families were surveyed as part of the evaluation. The experts also interviewed cooperatives and individual producers, as well as local representatives of government and non-governmental organisations.

Powerful arms and hands that are accustomed to hard work—when you see Rosibel Masis Zeledón, those are the first things you notice. The 46-year-old is one of the more than 3,500 small farmers working with RITTER SPORT in the context of its Cacao-Nica initiative. The cocoa farmer from the community of El Laberinto in the Pancasan-Matiguas district is a perfect example of how the chocolate manufacturer’s direct involvement in Nicaragua provides small farmers with effective support. “Thanks to this project, Rosibel, a single mother, was finally able to establish her own livelihood—without relying on parental or spousal assistance,” says Swenia Hertler, Cocoa Procurement Specialist.

“In Nicaragua, where very few women are self-employed, Rosibel is a true pioneer—especially since women are still a rarity in cocoa production there, making up just 1.5% of the workforce.” Rosibel grew up on her father’s farm, which grew coffee and raised livestock. After marrying, she turned her attention towards managing her household and caring for her four children. Then Rosibel’s husband left the family, and she suddenly found herself dependant upon her parents’ support once more. They encouraged her to join Flor de Pancasan, a cooperative that had already been collaborating with RITTER SPORT for some time. A micro-loan enabled Rosibel to buy 3.5 hectares of farmland of her own. The turning point came in 2011, when Rosibel bought another 10.5 hectares of pasture land and began growing cocoa using agroforestry methods. With cocoa came success: today, Rosibel owns an impressive 14 hectares of land and even employs two full-time workers. The farm supports Rosibel’s family and finances her children’s education. “Growing cocoa is more straightforward than growing coffee,” the farmer explains. “Production costs are lower with cocoa, and cocoa guarantees me a constant income throughout the entire year.” And converting pastures into agroforestry areas is good for the environment as well.”

In 2014, Rosibel also had her cocoa plantations certified according to UTZ standards, which gave her the opportunity to learn more about a variety of production-related topics. Since then, she has obtained even better prices for her cocoa, gained access to technological resources, and managed to increase her cocoa plantations’ productivity continuously. But for this motivated woman, these achievements are far from enough: Rosibel is already making new plans for the future—starting next year, when she will have finished paying off her loan.

Unfortunately, women like Rosibel, who are raising their children by themselves while also advancing their own careers, are still an exception to the rule in Nicaragua. As a role model, Rosibel can give other women the courage and motivation to roll up their sleeves and make things happen, whether or not they have a man at their side.

Rosibel’s story

STANDING ON ONE’S OWN TWO FEET WITH CACAO-NICA

Powerful arms and hands that are accustomed to hard work—when you see Rosibel Masis Zeledón, those are the first things you notice. The 46-year-old is one of the more than 3,500 small farmers working with RITTER SPORT in the context of its Cacao-Nica initiative. The cocoa farmer from the community of El Laberinto in the Pancasan-Matiguas district is a perfect example of how the chocolate manufacturer’s direct involvement in Nicaragua provides small farmers with effective support. “Thanks to this project, Rosibel, a single mother, was finally able to establish her own livelihood—without relying on parental or spousal assistance,” says Swenia Hertler, Cocoa Procurement Specialist.

“In Nicaragua, where very few women are self-employed, Rosibel is a true pioneer—especially since women are still a rarity in cocoa production there, making up just 1.5% of the workforce.” Rosibel grew up on her father’s farm, which grew coffee and raised livestock. After marrying, she turned her attention towards managing her household and caring for her four children. Then Rosibel’s husband left the family, and she suddenly found herself dependant upon her parents’ support once more. They encouraged her to join Flor de Pancasan, a cooperative that had already been collaborating with RITTER SPORT for some time. A micro-loan enabled Rosibel to buy 3.5 hectares of farmland of her own. The turning point came in 2011, when Rosibel bought another 10.5 hectares of pasture land and began growing cocoa using agroforestry methods. With cocoa came success: today, Rosibel owns an impressive 14 hectares of land and even employs two full-time workers. The farm supports Rosibel’s family and finances her children’s education. “Growing cocoa is more straightforward than growing coffee,” the farmer explains. “Production costs are lower with cocoa, and cocoa guarantees me a constant income throughout the entire year.” And converting pastures into agroforestry areas is good for the environment as well.”

In 2014, Rosibel also had her cocoa plantations certified according to UTZ standards, which gave her the opportunity to learn more about a variety of production-related topics. Since then, she has obtained even better prices for her cocoa, gained access to technological resources, and managed to increase her cocoa plantations’ productivity continuously. But for this motivated woman, these achievements are far from enough: Rosibel is already making new plans for the future—starting next year, when she will have finished paying off her loan.

Unfortunately, women like Rosibel, who are raising their children by themselves while also advancing their own careers, are still an exception to the rule in Nicaragua. As a role model, Rosibel can give other women the courage and motivation to roll up their sleeves and make things happen, whether or not they have a man at their side.
Nuts about sustainability

Hazelnuts are one of the biggest stars in the new RITTER SPORT Nut Selection. But this is not the only place where they play an important role: hazelnuts contribute to the flavour of around 20 of our chocolate products in all. Approximately 4,000 to 5,000 tonnes are processed in Waldenbuch every year—whole, chopped or as hazelnut paste. Around 80 percent of the world’s hazelnuts are grown in the Black Sea region of Turkey. Alfred Ritter GmbH & Co. KG procures this raw material from the region as well. “The high-quality nuts grown in Turkey meet our needs perfectly,” explains Hans-Uwe Trück, Head of Quality Management.

As is customary for Alfred Ritter GmbH & Co. KG in so many other areas, the company relies upon long-term strategic partnerships with raw materials suppliers when procuring hazelnuts. “We meet up regularly in Waldenbuch or in Turkey to exchange information, and we also go and visit the hazelnut plantations ourselves,” says Geilenbort. Sustainability is always on the agenda at those meetings, and is a fixed component of the annual supplier audits. Alfred Ritter GmbH & Co. KG is working with the suppliers to focus on two points in particular: first, improving traceability in hazelnut production; and second, improving harvest workers’ working conditions and combating the use of child labour. The biggest challenges they face in this regard have to do with the compartmentalised nature of the hazelnut production sector in Turkey. Individual plantations are very small, and many of their owners do not live in the region. As a result, the nuts often pass through up to five sets of hands before finally landing in RITTER SPORT chocolate, including intermediary dealers (known as “manavs”), nut crushers, or processors. Migrant workers are also employed during the harvest season, which lasts from April to September. They work their way across the country with their families during this time, living mostly on tent camping grounds with inadequate sanitation facilities. In close cooperation with its suppliers and as a member of CAOBISCO, Alfred Ritter GmbH & Co. KG has made it its mission to change this. Among other things, a joint project between CAOBISCO and the International Labour Organisation (ILO) aims to raise Turkish public awareness of the difficult circumstances migrant workers and their families live in, and to take concrete action to improve these circumstances. “We are making good progress,” says Geilenbort. The project’s efforts on a variety of fronts have resulted in, among other things, the construction of permanent housing for migrant workers, the establishment of educational and child care programmes for their children, and the organisation of medical and preventative care. A drawing competition held for the second consecutive year helped raise awareness about child labour. “Of course it takes some time before these measures take effect,” says Geilenbort. And given how many individual activities CAOBISCO and our suppliers are involved in, it is not possible to attribute success directly to any one particular measure. But the positive results are what matter in the end. For example, the proportion of workers having permanent housing has definitely gone up.”
Apart from cocoa, milk is one of the most important raw materials used in RITTER SPORT chocolate. The company’s Waldenbuch production facility uses it in powdered form—primarily as powdered whole milk, cream, or yoghurt. The quality of these ingredients, and/or of the milk they contain, is extremely important, considering what a major influence they have on the taste and quality of the finished products. Alfred Ritter GmbH & Co. KG follows the “There’s no place like home” principle in this regard, procuring 100% of its dairy products from German companies. One such company is Schwarzwaldmilch GmbH, a dairy that has numbered among Alfred Ritter GmbH & Co. KG’s suppliers for more than 40 years now.

The dairy is organised as a cooperative, and processes milk supplied by over 1,100 smaller and family-run farms, each with an average of about 30 cows. All of these farms call the Black Forest region home. Every year, Schwarzwaldmilch delivers a total of around 3,000 to 3,500 tonnes of powdered milk, cream and yoghurt to Waldenbuch, which is only around 120 kilometres away. This quantity covers about 30% of the chocolate manufacturer’s total requirements.

Working with local milk producers offers a number of benefits in terms of sustainability. “Short distances to producers means shorter transport routes—this alone saves quite a bit of CO₂,” notes Frank Geltenbort, Raw Materials Procurement Team Leader at Alfred Ritter GmbH & Co. KG.

“And working with Schwarzwaldmilch is very much in line with the values anchored in our mission statement, such as partner relationships with raw materials producers, fair wages and sustainable production,” Geltenbort adds. These values are all put into practice at both Alfred Ritter GmbH & Co. KG and Schwarzwaldmilch GmbH. For example, Schwarzwaldmilch regularly numbers among the German dairies paying the highest milk prices to farmers. “And by partnering with Schwarzwaldmilch, we are also contributing to the preservation of the Black Forest region’s distinctive natural and cultural landscape.” The small, family-run farming operations in the cooperative uphold farming traditions that help maintain the diversity of meadows, pastures and forests that have existed in the region for centuries.

And the good news doesn’t stop there, either. The Sustainability Team responsible for milk as a raw material is currently planning to work out an in-depth concept with concrete goals, so that Alfred Ritter GmbH & Co. KG can procure this essential raw material even more sustainably in the future.

“Short distances to producers means shorter transport routes—this alone saves quite a bit of CO₂.”

Frank Geltenbort, Raw Materials Procurement Team Leader
The famous chocolate squares roll off the production line in Waldenbuch.
Cocoa from Nicaragua, hazelnuts from Turkey, powdered milk from the Black Forest—no matter what the ingredients, their first point of call is always the raw materials incoming goods area, where they are quality inspected and placed into interim storage before being processed into delicious RITTER SPORT chocolate. The company has been expanding and modernising this department since 2015, a project for which it has budgeted a total of €20 million. Today, it includes a five-story raw materials warehouse and an enclosed truck unloading hall. Besides expanding overall capacity, the new constructions provide many additional advantages in terms of quality optimisation, product safety and avoidance of emissions and waste. For one thing, unloading trucks inside the new hall offers significant noise protection to people living nearby. The new silos’ increased storage capacities also allow less frequent truck deliveries. “In the past, the raw materials we needed were often delivered more frequently in smaller quantities—for example, in transport sacks known as ‘big bags,’ or in tanker trucks with only one or two chambers filled,” notes Anne-Marie Bade, Head of Basic Mass Engineering. “Now we need around 230 fewer delivery trips per year because we can accept and store entire tank loads at once. This reduces CO₂ and noise emissions, as well as waste in the form of used big bags.”

The new raw materials incoming goods area also contributes greatly towards Alfred Ritter GmbH & Co. KG’s aim of continuously improving the quality of its chocolate. “Each of our new silos can hold an entire truckload of a raw material,” explains Hans Uwe Trück, Head of Quality Management. “This gives us the ability to keep those raw materials in quarantine until our lab reports come back showing that there are no issues with the raw material sample taken at the time of delivery. Previously, the truck had to stay out in the courtyard until the lab gave the OK. So the new buildings have simplified and improved our processes a great deal.”

**Facts & figures**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanks</td>
<td>24</td>
</tr>
<tr>
<td>Silos</td>
<td>6</td>
</tr>
<tr>
<td>Raw material warehouse</td>
<td>321 m² per level</td>
</tr>
<tr>
<td>Truck unloading hall</td>
<td>420 m²</td>
</tr>
<tr>
<td>Big bags</td>
<td>230</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total floor space</td>
</tr>
<tr>
<td>Completion date</td>
</tr>
<tr>
<td>Investment volume</td>
</tr>
</tbody>
</table>

“This reduces CO₂ and noise emissions, as well as waste in the form of used big bags.”

Anne-Marie Bade, Head of Engineering Ground Mass.
“RITTER SPORT chocolate is a valuable semi-luxury product, which is why we want to improve its quality continuously.”

When RITTER SPORT CEO Andreas Ronken, Head of Research and Development Jan Aretz, and Head of Research and Optimisation Dr Hartmut Rohse talk about recipes or cocoa mass, these are the kinds of things they say. They are expressions of a palpable desire to make what is actually already a perfect brand-name product even more perfect in terms of quality. For the foodstuff specialists in the Development department, “perfect” means “always offering the best chocolate in any given chocolate class.” In short: staying at the head of the class. Achieving this goal requires recipes good enough to meet this standard.

Cocoa is, of course, the most important ingredient in chocolate, and has a major influence on its quality, so cocoa cultivation in Nicaragua and RITTER SPORT’s decades of involvement there are of correspondingly vital importance. The Central American nation was one of the first to begin growing cocoa, and achieved “fine cocoa” status for the first time in 2016—meaning that all of the cocoa harvested in Nicaragua is classified as fine cocoa beans. Fine cocoa is primarily distinguished from ordinary cocoa through its characteristic flavour notes. Fine cocoa varieties have particularly challenging requirements and specifications in terms of cultivation and processing. “By having our own purchasing station, doing on-site quality assurance, training small farmers, and improving fermentation and drying methods, we set processes in motion that ultimately helped develop this exceptional cocoa quality and achieve this rating in Nicaragua,” says Dr. Hartmut Rohse. RITTER SPORT already uses only Nicaragua cocoa in its organic chocolate assortment and new vegan varieties.

Over the past few years, the family-run company has progressively increased the proportion of fine cocoa in its conventional assortment, and also begun using more cocoa grown in Nicaragua. At the same time, Alfred Ritter GmbH & Co. KG continues to refine its chocolate mass recipes more and more. After having changed over to using only natural flavourings in 2008, the company is now going one step further. The natural vanilla flavouring previously used in some cocoa masses are no longer enough to meet the Waldenbuch-based chocolate manufacturer’s high standards; the company will now be using vanilla essence extracted from vanilla beans instead. Combining the cocoa with the vanilla essence helps bring out certain flavour notes with a great deal more intensity. The company leaves the vanilla out of recipes in which the ingredient would not improve the taste, or would alter the (fine) cocoa flavours. Pure chocolate, so to speak.

The RITTER SPORT is more popular with consumers than ever, and according to online market research conducted by the Hamburg-based company mafo.de, it is “Germany’s most popular chocolate brand” (Source: mafo.de; BrandFeel Ranking 2016). As such, in 2015, the family-owned company succeeded in becoming the leader on the highly competitive German chocolate bar market.

“RITTER SPORT chocolate is a valuable semi-luxury product, which is why we want to improve its quality continuously.”

Andreas Ronken, Management
IDENTIFYING NEEDS, SUPPORTING EMPLOYEES
“We develop individual solutions”

Looking closely, paying attention, inquiring personally—Alfred Ritter GmbH & Co. KG is actively committed to the welfare of its employees. Gabe Noack, RITTER’s Life Balance Coordinator, sums it up well: “At our company, people look out for each other.” After all, preserving and strengthening employee health and abilities of employees is one of the company’s primary goals.

Exiting the professional world early often goes hand-in-hand with decreased quality of life and a loss of personal satisfaction for the person affected, which is why capacity of work is considered an important prerequisite for personal welfare. It is also an essential factor from a business-management perspective. Whenever dedicated long-term employees leave the company, it loses valuable resources in terms of knowledge and experience. As a result of the demographic shift in Germany, the proportion of 45- to 65-year-old members of the workforce will continue to rise. This age group, in particular, is affected by inability to work and or early retirement.

Alfred Ritter GmbH & Co. KG is working to counteract this trend. “Our company works to ensure that no one falls through the cracks,” says Gabe Noack. “We meet everyone where they are. If someone can no longer carry out his or her current work responsibilities for whatever reason, we will find a different solution.”

Absence rates and statistics are compiled annually. If the physical or mental requirements for a particular position change, the supervisor in charge will take the initiative, working with the employee to discuss his or her reintegration into the company upon return from medical leave.

If the employee has health-related limitations, Alfred Ritter GmbH & Co. KG will try to transfer the employee to a different area that fits his or her skills and abilities. The Production department, for example, has certain machines that are only operated during one or at most two shifts, or areas without cycle time requirements or movement of heavy packages.

At the end of 2014, Alfred Ritter GmbH & Co. KG conducted its first Work Ability Index (WAI) survey as part of a pilot project. Employees in the department selected for the project filled out a questionnaire to assess their work ability levels. Based on the information obtained through the WAI, the company introduced appropriate measures, including some especially for employees with physical handicaps. Trained physical therapists now come to the company twice a week to do back-strengthening exercises and other sports. Individual sessions are available as well. A masseur comes every Monday to provide 15 minutes of relaxation to anyone interested. The company also started a “Healthy Breakfast/Dinner” campaign to develop health awareness. The RITTER Vital programme offers a wide range of health-related services to everyone in the company. “But some people’s inhibitions still put up an invisible roadblock,” Gabe Noack says. “It helps to take them by the hand a little, and lead them to the services on offer.” Response to the initiative has been very positive. Illness-related absenteeism has dropped noticeably since the programme began. “When I talk to employees, I can hear how much they value RITTER SPORT’s commitment to them,” says Gabe Noack. “They can sense the appreciation this programme conveys. At RITTER SPORT, we look out for each other.” After all, preserving and strengthening employee health and abilities of employees is one of the company’s primary goals.

Exchange with employees: Broad-based survey
RITTER SPORT places great value on employee involvement and input. Since the year 2008, Alfred Ritter GmbH & Co. KG has been conducting annual employee satisfaction surveys. Supervisors and employees subsequently discuss the results at the department level. The exchange gives them an opportunity to discuss problems, and to identify and implement plans for action. “Participation is good, at 70 percent on average, and employees seem to appreciate it as a tool,” says Frank Baum of HR Development. “Previous surveys covered just eleven subjects, however, so they necessarily remained relatively superficial barometers of overall employee sentiment. We have changed this, so that we will be able to make even more targeted improvements.” The employee survey was adjusted in accordance with RITTER SPORT corporate guidelines, and now comprises 38 questions to allow more differentiated formulation. The survey includes a total of nine subheaders, and queries employee opinions on, among other things, working conditions, workload, professional development, cooperation and processes, as well as management and identification with the company. The survey is an important tool that benefits both sides: it gives employees a way to shape their workplace and bring about concrete improvements, while offering the company a valuable management tool by indicating where there is a need for action and what Alfred Ritter GmbH & Co. KG could take to become just a little bit better as an employer.

“We always have great fun. Doing physical and relaxation exercises together has brought our department together as a team in a very special way.”
Melting, conching, cooling – besides good ingredients, energy is obviously also required to manufacture RITTER SPORT’s colourful squares. Unlike its product quality maxims, the company’s energy-consumption motto has become: save, save, save! For this reason, an inter-departmental, inter-disciplinary team is devoted to constant optimisation of energy management. Their efforts have been successful since 2015. Alfred Ritter GmbH & Co. KG has been certified according to DIN standard 50001. “The standard of course also poses demands to us: within the next two to three years, we would therefore like to save 1.5 percent in energy per year,” emphasises Dirk Rozema, Head of Service and Support of Energy Systems. To reach this goal, a clever energy metering concept is also being developed in Waldenbuch. From now on, the company will use the concept to meter the exact consumption figures for each machine and each production step. This way, savings potentials can be identified even more specifically. And also every single employee is gotten aboard by the company: a flyer was enclosed with the salary statements, which illustrates where and how energy can be easily saved, not only at the workplace but also at home.

Highly efficient and tailor-made: the new combined heat and power plant

The company’s own, new combined heat and power plant additionally delivers an important contribution to the sparing use of resources. The company has already been using this technology since 2002 already, at that time as a pioneer, to generate part of its power consumption on its own. In the summer of 2016, the combined heat and power plant was taken into operation. Once more Alfred Ritter GmbH & Co. KG takes on a pioneering technological role. The new CHP that is precisely adjusted to the company’s needs has used a thus far one-of-a-kind absorption cooling machine for hot water. It converts exhaust heat created in the electricity generation and delivers cold water for cooling and air conditioning. Its effectiveness of 1.4 is nearly twice as high as a common retail absorption cooling machine that is operated with hot water (90°C). Furthermore, a connected cooling system instead of an open system reduces the water consumption to a minimum. “Our new CHP is a true custom-made assembly—and through the use of hot water, it is also extremely efficient with a total efficiency factor of 91 percent,” as Rozema knows. The new plant saves Alfred Ritter GmbH & Co. KG around 2,900 tonnes of CO₂ per year.

The company has been a pioneer in using this technology since 2002.

SAVINGS FULL STEAM AHEAD

Clever energy management and new combined heat and power unit for the highest possible energy efficiency

The new plant saves Alfred Ritter GmbH & Co. KG around 2,900 tonnes of CO₂ per year.
Alfred Ritter GmbH & Co. KG offers enjoyment for the senses, not just with its chocolate.
No sort has branded RITTER SPORT as much as the whole nut sort has. About 50 years ago, the owner family had the idea of processing whole hazelnuts in the chocolate squares—not anticipating the enthusiasm this combination would cause. Crunchy roasted hazelnuts in whole milk chocolate make the RITTER SPORT whole nut sort the consumers’ favourite to this day, even beyond the borders of Germany.

The secret to the success of the whole nut is the uncompromising quality awareness. Or, how Marketing Director, Jürgen Herrmann, puts it: “We are going our own way.” This way began in 1962 with 23 grams of hazelnuts per square 100-gram bar. This ratio has remained unchanged over decades, the recipe has stayed the same and the whole hazelnuts continue unchanged to be of the very best quality. Even when the situation in the hazelnut market started to become more difficult a few years ago and double-digit price hikes became required for the nut sort, RITTER SPORT followed its claim to quality unabated. “Even more so”, says Jürgen Herrmann, “we have decided for an even better quality in keeping with our tradition.” Instead of reducing the hazelnut percentage or using more affordable half nuts or nut chips, or reducing the total weight of the chocolate bar, the company raised the nut percentage to now 25 percent and created the new “nut sort” in the year 2016. “Establishing the nut sort is elementary, so that we can continue to always offer the chocolate that is best in class in the future as well,” Andreas Ronken, Chairman of the Management Board points out. In the perspective of Sales Officer Thomas Mönkemöller, Director of Domestic Sales, and Olaf Wilcke, Director of Foreign Sales, this came equal a revolution in the chocolate bar shelf. Logically, the new “nut selection” is found in retail as its own, separate assortment.
“Art and the promotion of art support tolerance”

“Art has the capacity to stimulate our fantasy and change our viewpoints. It sets impulses for new strategies of handling problems. We therefore believe that promoting young artists is an investment into the future and our contribution to cultural responsibility.”

These lines from the RITTER SPORT mission statement emphasise the high priority that is attributed to the matter of art sponsorship at the company. Owner Mark Hoppe-Ritter contributed her affinity to art to the company. She is also engaged privately as an art collector, but the sponsorship of art and artists is more than a personal concern to her: “Through our sponsoring in the art field, we take on cultural responsibility. Art and culture always involve lots of people and this way, take effect on society.” Consequently, they are an important element in the stability of a democratic society.

For about 30 years, Alfred Ritter GmbH & Co. KG has sponsored young artists – with annually around 50 projects. “We are happy to collaborate with art institutions, which themselves support young artists, like the Art Foundation of Baden-Württemberg,” explains Marli Hoppe-Ritter. “Other than that, regional ties are important. Besides Baden-Württemberg, also Berlin is a part of it, which is the location of Bunte SchokoWelt, the colourful chocolate world of our flagship stores at Gendarmenmarkt Square.”

Three focus points are set by RITTER SPORT at this time in its arts sponsorship: art placement, art projects for children and youths, and projects conjoining art and social matters.

The following examples illustrate this orientation:

Stuttgarter Filmwinter – “Festival for expanded Media”
The Stuttgart Filmwinter is a major festival for experimental film and innovative cultural forms of expression. The aim is to create a forum for the independent, artistic film and initiate communication between the audience and the artists. There are also offers for children and youths. The competitions for short films, media in spaces and network culture take centre stage and RITTER SPORT has already sponsored the “Team Work Award” several times.

Intercultural youth theatre project “Africa – Europe, escape going forward”
The children’s and youth theatre PATATI PATATA e. V. of Reutlingen choreographed a play on the topic of escape in 2016 with youths from Ivory Coast. Following a moving play performance in Reutlingen, the participants visited RITTER SPORT in Waldenbuch and learned more about the commitment to sustainable, socially compatible cocoa cultivation in their home country. “The people of Ivory Coast, as one of the most important cocoa cultivating countries, are particularly dear to our hearts. The circle came to a close in a certain sense through this project,” explains Heike Haftstein, who is responsible for cultural sponsoring at RITTER SPORT.

“100 artists – 100 tiles”
Once again, RITTER SPORT sponsored this project in 2016, which conjures art with a charitable purpose. Hundreds of artists designed hundreds of square tiles that are exhibited in the City Theatre of Aachen and which were subsequently auctioned for the benefit of the Bunter Kreis der Region Aachen e. V. The non-profit association provides social medical care to families with seriously ill or disabled children.

“Art current” project
RITTER SPORT could sponsor an unusual art project in the performance of Pablo Wender, an artist of Stuttgart. Art, environmentally friendly energy generation and social commitment converged in this project. From former high-voltage poles, sculptures were created in the public space, which generate electricity with solar modules; art current thus fed into the grid. Among other, this was practised in a workshop with a modern secondary school in Stuttgart. The project provided not only access to artistic creation for the pupils, but also to a better way of relating with their neighbourhood, and they got the chance to be themselves perceived as an important part of society.

“The project “Africa – Europe, the forward flight” was an intercultural exchange between school students from Reutlingen and Bouaké, Ivory Coast, in partnership with RITTER SPORT. The project also included a visit to a cocoa plantation in Africa.

“Theatre is fun for everyone, whatever the colour of their skin.”

Cocoa unites: School students from Reutlingen visit the Ivory Coast.

In the project “Kunst-strom” (artificial electricity), sculptures producing solar energy were created from scrap metal.
Sonka Müller, Youth Theatre PATATI-PATATA

“Thanks to the sponsorship by RITTER SPORT, we can foremost realise unusual theatre projects like plays on subjects relating to Africa, escape or natural protection. It is about leading young people to political and social commitment. This is how it was done in the project “Africa – Europe, escape going forward.” Together with RITTER SPORT, we implemented an intercultural exchange here with pupils from Reutlingen and Bouaké in Ivory Coast. While we familiarised with a cocoa plant in Africa and learned about the origin of chocolate in this process, we got a counter visit of the guys from Ivory Coast in Germany, who got the chance to take a look at the production in Waldenbuch. The youths produced chocolate themselves in the chocolate workshop and visited the art museum of RITTER SPORT. Owing to this collaboration that went far beyond pure financial sponsorship, it was accomplished to build a bridge between the continents. Youths of different cultural backgrounds speaking different languages met at eye-level for 14 days each.”

Pablo Wendel, Performance Electrics gGmbH

“The sponsorship by RITTER SPORT permitted us to realise numerous workshops and exhibits. As the centrepiece of the PV Guerilla project, a one-week workshop was held with eighth graders at an inner-city school in Stuttgart. We were thereby also able to communicate cultural subject matters to pupils from socially disadvantaged families and in some cases, families coming from an uneducated background. What was furthermore important was the aspect of being involved in society. In a shared process, the pupils could create their own large sculpture and present it in the further course. Likewise, the connection between art and technology - that you can yourself actually generate, feed in and provide energy was hard to imagine for many of the young participants and therefore very illuminating.”

Exchange with artists: productive cooperation
The diversity of RITTER SPORT chocolate: the perfect ingredients for all tastes.
About this report

Since 2010, Alfred Ritter GmbH & Co. KG has been taking a strategic and systematic approach to the topic of sustainability.

The report at hand now, for the second time, gives an overview of already successfully implemented measures, processes and the organisation, as well as short, medium- and long-term goals and plans.

By publishing this report, the company underlines its express desire and readiness to communicate transparently with all relevant stakeholders and to enter into an open, cooperative dialogue. Therefore, the report – together with the website of the company and brand (www.ritter-sport.de), the activities in social media, other publications as well as further external and internal communication measures – is a significant component of the integrated communications concept of Alfred Ritter GmbH & Co.

Report parameters

The contents of this report are oriented around the recommendations of the global reporting initiative – however, without laying a claim to comprehensively meeting this standard at the current time. It is planned to continuously carry out sustainability reporting as well as to usefully and pragmatically continue its development. The publication of the next comprehensive sustainability report is planned for 2019.

Scope of report

In 2013, TÜV Rheinland awarded Alfred Ritter GmbH & Co. KG a certificate for successfully introducing the “sustainable companies food” standard. This standard was developed by the Centre For Sustainable Company Management (ZNU) at the University of Witten/Herdecke. It serves to introduce integrated sustainability management in manufacturing companies in the food industry.

In the process, the following three fields of activity were defined which cover the pillars of sustainability – economy, ecology, social: raw material supply, ecological efficiency and social effects. The company will concentrate on these topics, systematically develop them and set itself specific, measurable goals for the near and distant future.

Report period

The content and the data and figures listed in this report are first and foremost related to 2016. In addition, relevant information from previous years was taken into account. The copy deadline of this report was 31 December 2016.

Overview: GRI guidelines and ZNU standard

This report includes standard information from the GRI guidelines for sustainability reporting. The following table shows which requirements are taken into account in the report at hand according to the GRI and ZNU standard.

<table>
<thead>
<tr>
<th>GRI G4 guidelines</th>
<th>ZNU standard</th>
<th>Alfred Ritter GmbH &amp; Co. KG Sustainability Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section</td>
<td>Criteria</td>
<td>Section</td>
</tr>
<tr>
<td>General standard information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G41.2</td>
<td>Strategy and analysis</td>
<td>BII.2.1</td>
</tr>
<tr>
<td>G43.1 to 4.16</td>
<td>Organisational profile</td>
<td>BII.6.2</td>
</tr>
<tr>
<td>G417.1 to 4.23</td>
<td>Determined important aspects and limits</td>
<td>BII.1.1</td>
</tr>
<tr>
<td>G424.1 to 4.27</td>
<td>Inclusion of stakeholders</td>
<td>BII.3</td>
</tr>
</tbody>
</table>

Contact

Alfred Ritter GmbH & Co. KG
Sustainability Management
Georg Hoffmann
Alfred-Ritter-Straße 23
71111 Waldenbuch
Germany
Tel.: +49 (0) 71 57 / 97-0
nachhaltigkeit@ritter-sport.com
### G4/S7.2 Procurement:

<table>
<thead>
<tr>
<th>Section</th>
<th>Criteria</th>
<th>ZNU standard</th>
<th>Alfred Ritter GmbH &amp; Co. KG Sustainability Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-SDM</td>
<td>Information on management approach</td>
<td>B.I.1.1 Early detection</td>
<td>B.I.2 Sustainability management / principles</td>
</tr>
<tr>
<td></td>
<td></td>
<td>B.I.1.2 Early detection</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>B.I.3.1 Target programme</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>B.I.4 Sustainability is anchored in management</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>B.I.6.2 Management review</td>
<td></td>
</tr>
</tbody>
</table>

### Specific standard information

#### “Economic” category

- **FP1 Procurement policy:**
  - B.I.4.2 Sustainability anchored in procurement
  - B.I.3 CO₂-neutral factory
  - B.I.1 The roads to 100 percent sustainable cocoa
  - B.I.4 Hazelnuts
  - B.I.5 Milk

- **FP2 Procurement standards:**
  - B.I.4.2 Sustainability anchored in procurement
  - B.I.3 CO₂-neutral factory
  - B.I.1 The roads to 100 percent sustainable cocoa
  - B.I.4 Hazelnuts
  - B.I.5 Milk

#### “Ecology” category

- **G4-EN3 to EN7 Energy:**
  - B.I.1 Climate / energy
  - B.I.2.1 Information on resource consumption
  - B.I.2.3 Clouds and measures
  - B.I.3 CO₂-neutral factory
  - B.I.4.5 N/A

- **G4-EN8 Water:**
  - B.I.2.1 Information on water
  - B.I.2.3 Clouds and measures
  - Not covered by this year’s report

- **G4-EN9 to EN10 Emissions:**
  - B.I.1.2 Information on greenhouse gas emissions
  - B.I.1.2 Climate protection goals and measures
  - B.I.3 CO₂-neutral factory
  - B.I.4.5 N/A

- **G4-EN14 to EN21 Waste water and waste:**
  - B.I.2.1 Information on waste water and waste
  - B.I.2.2 Toxic materials / environmental impact
  - B.I.2.3 Clouds and measures
  - Not covered by this year’s report

- **G4-EN27+28 Products and services:**
  - B.I.2.3 Clouds and measures on a product level
  - B.I.5.2 Consumer protection
  - B.I.5.1 N/A

- **G4-EN32+33 Assessment of suppliers in terms of ecological aspects:**
  - B.I.4.2 Climate / energy in the chain
  - B.I.4.3 Resource efficiency in the chain
  - B.I.5.2 Sustainable materials/energy
  - B.I.5.2 Schweizerwaldschule delivers to Waldenbuch 120 kilometers away
  - B.I.5.2 Combined heating and power station

#### “Society” category

- **G4-LS1 to LS3 Work practices and human employment:**
  - B.I.4.3 Fair payment
  - B.I.4.4 Participation in commercial success integration programmes
  - N/A Employee development
  - N/A Employee development - opinion: barometer

- **G4-LS4 to LS7 Work safety and health protection:**
  - B.I.8.1 Health
  - N/A Employee development
  - N/A Employee development - opinion: barometer

### Humans rights

- **G4-HR5 Child labour:**
  - B.I.7.1 Information on child labour
  - B.I.7.2 Specifications on safeguarding
  - B.I.7.3 Upholding of human rights in the chain

- **G4-HR6 Forced and compulsory labour:**
  - B.I.7.1 Information on forced labour
  - B.I.7.2 Specifications on safeguarding
  - B.I.7.3 Upholding of human rights in the chain

### Society

- **G4-LS1+2 Local communities:**
  - B.I.6.1 Infringements of legal regulations
  - Not relevant, as there are no infringements

- **G4-LS1+2 Local communities:**
  - B.I.6.4 Communities in business activities
  - Not relevant, as there are no infringements

Alfred Ritter GmbH & Co. KG is also a partner in the Waldenbuch “security network”, whose members mutually guarantee aid in the event of a crisis or emergency.
<table>
<thead>
<tr>
<th>GRI G4 guidelines</th>
<th>ZNU standard</th>
<th>Alfred Ritter GmbH &amp; Co. KG Sustainability Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section Criteria</td>
<td>Section Criteria</td>
<td>Chapter</td>
</tr>
<tr>
<td>G4-SO3</td>
<td>B.6.3</td>
<td>Prevention of corruption / training</td>
</tr>
<tr>
<td>Fight against corruption</td>
<td>B.1</td>
<td>The road to 100 percent sustainable cocoa</td>
</tr>
<tr>
<td>G4-SO9+10</td>
<td>B.II.6.3</td>
<td>R.2.10: Caran - where chocolate provides practical development aid</td>
</tr>
<tr>
<td>Assessment of suppliers in terms of social effects</td>
<td>B.II.6.4</td>
<td>Sustainable cocoa farmers</td>
</tr>
<tr>
<td>III.1</td>
<td>R.1</td>
<td>III.2 El Cacao - where chocolate provides practical development aid</td>
</tr>
<tr>
<td>Sustainable added value</td>
<td>IV.1</td>
<td>The new nut selection</td>
</tr>
<tr>
<td>IV.2</td>
<td>R.1</td>
<td>IV.3 The new nut selection</td>
</tr>
<tr>
<td>Food standard</td>
<td>B.6.5.1</td>
<td>G.1.1.4 Sustainability report</td>
</tr>
<tr>
<td>IFS</td>
<td>B.6.5.1</td>
<td>N.1.1 Incoming goods area for raw materials</td>
</tr>
<tr>
<td>Customer health and safety</td>
<td>B.6.5.1</td>
<td>N.2.1 Recipe optimisation</td>
</tr>
<tr>
<td>G4-PR1+2</td>
<td>B.6.4</td>
<td>V.1.1 The new nut selection</td>
</tr>
</tbody>
</table>

**Glossary**

**Biodiversity**
Biodiversity is the multiplicity of the entire spectrum of life on earth. It includes three levels: diversity of ecosystems, which also includes communities, living spaces and countryside; diversity of species; and genetic diversity within a species.

**BRC**
The British Retail Consortium (BRC) is a trade association of British retail businesses which has developed the Global Food Standard (GFS). These rules for suppliers in the food industry include, amongst other things, the analysis of technology and processes used for product manufacturing and/or packaging as well as guidelines on equipment of the company and qualification of employees.

**Carbon Footprint**
The carbon footprint is the quantity of CO₂ emissions that a person causes within a certain time. This climate balance is calculated using electricity consumption, heating needs, consumer behaviour, eating habits and transportation, amongst other things.

**Emissions**
Materials and radiation coming from a source, though mostly output with an environmental impact is meant. These are emissions of (harmful) materials in the air (also as dust and odour) or via waste water, but also acoustic emissions (noise) as well as light emissions. In order to protect both the health of people and the environment, emissions should be avoided or reduced where possible.

**GRI**
The Global Reporting Initiative (GRI) is a non-profit foundation founded in 1997 in the USA. It supports sustainability reporting of organisations around the world by publishing internationally recognised guidelines that are based on the ten principles of the Global Compact. This reporting framework describes indicators for organisations in order to measure their economical, ecological and social performance.

**IFS**
The International Food Standard (IFS) is a quality standard for private brands in trade. It serves the standard checking of food safety and the quality level.

**Sustainability**
Sustainable actions and operating takes into account the three pillars of economy, society and environment. In doing so, economical, social and ecological aspects are of equal standing for a sustainable development that is fair for all generations.

**RSPO**
In 2004, upon the initiative of the WWF, the Roundtable on Sustainable Palm Oil was founded. Its goal is to promote sustainable cultivation methods for palm oil and thereby limit environmental damage. Environmental protection agencies and other non-governmental organisations (NGOs) are amongst the members, as well as companies and institutions from the value added chain of palm oil, such as plantation owners, dealers and industries.
Stakeholders
Groups influenced by company activities and which in turn influence the company – for economic and social reasons. Stakeholders can be employees, suppliers, customers and trade partners, but also scientific institutions, governments and NGOs.

UTZ certified
A programme and seal of approval for the sustainable cultivation of cocoa, coffee and tea, which has been operated since 2002 by a foundation of the same name with its headquarters in Amsterdam. In order to receive the UTZ certification, the farmers must uphold a code of conduct, which sets out social criteria, but also takes into account environmental friendliness and efficient cultivation.

Fundamentality
The principle of fundamentality is applied to the sustainability report of a company. This means the report should cover all areas that represent the significant effects of the company on the environment, economy and society or are important to stakeholders.

Value added chain
This covers the entire life cycle of a product. In foods, this means, for example, the path from cultivation to further processing and production steps at suppliers or at companies themselves as well as via trade and intermediary trade right down to private consumers. Often recycling and disposal is included in the calculation.

ZNU
The Centre for Sustainable Company Management (ZNU) at the University of Witten/Herdecke is an independent platform for sustainability in the food industry. It was founded as a collaboration of science and business, in order to show companies the opportunities and risks regarding sustainability in the area of food. The ZNU serves as a platform for exchanges between science, industry and trade and has developed the ZNU “sustainable companies food” standard for the food industry.