

## Particulars

<b>Organisation Name</b>	Ferrero Trading Lux S.A.
<b>Corporate Website Address</b>	<a href="http://www.ferrero.com/">http://www.ferrero.com/</a>
<b>Primary Activity or Product</b>	Manufacturer
<b>Related Company(ies)</b>	None
<b>Country Operations</b>	Luxembourg
<b>Membership Number</b>	4-0006-05-000-00
<b>Membership Type</b>	Ordinary Members
<b>Membership Category</b>	Consumer Goods Manufacturers
<b>Primary Contacts</b>	Vincenzo Tapella <b>Address:</b> FINDEL BUSINESS CENTERCOMPLEXE B Rue de TrÃ¨vesL-2632 FINDEL Luxembourg Findel Luxembourg 2632
<b>Person Reporting</b>	Dimitri Niessing

## Related Information

### Other information on palm oil:

[Click here to visit the URL](#)

<b>Reporting Period</b>	01 July 2012 - 30 June 2013
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## Consumer Goods Manufacturers

### Operational Profile

#### 1. Main activities within manufacturing

End-product manufacturer, Food Goods

- Food Goods :
  - Manufacturer of Biscuits & Cakes
  - Production of Cream Filled Wafers

### Operations and Certification Progress

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

Yes

**Total volume of all palm oil products used in the year in your own brand products:**

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**3.1. Total volume of Crude Palm Oil used in the year:**

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**3.2. Total volume of Palm Kernel Oil used in the year:**

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**3.3. Total volume of other Palm Oil Derivatives and Fractions used in the year:**

150000

**3.4. Total volume of all palm oil and palm oil derived products you used in the year:**

150000

**4. Volume of Crude Palm Oil used in the year in your own brand products that is RSPO-certified**

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**4.1. Book & Claim**

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**4.2. Mass Balance**

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**4.3. Segregated**

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**4.4. Identity Preserved**

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**4.5. Total volume of Crude Palm Oil used that is RSPO-certified:**

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**5. Volume of Palm Kernel Oil used in the year in your own brand products that is RSPO-certified:**

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**5.1. Book & Claim**

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**5.2. Mass Balance**

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**5.3. Segregated**

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**5.4. Identity Preserved**

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**5.5. Total volume of Palm Kernel Oil handled that is RSPO-certified:**

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**6. Volume of all other palm-based derivatives and fractions used in the year in your own brand products that is RSPO-certified:**

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**6.1. Book & Claim**

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**6.2. Mass Balance**

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**6.3. Segregated**

110000

**6.4. Identity Preserved**

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**6.5. Total volume of palm-based derivatives and fractions used that is RSPO-certified:**

110000

**7. What type of products do you use CSPO for?**

Chocolate based products

**8. Do you ask your suppliers if the palm oil supplied comes from growers who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8?**

Yes

**Suppliers report that palm oil supplied comes from growers who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8**

[M-GHG-Grower-Emissions-Report.pdf](#)

For administration purpose, attachment files are renamed automatically

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**Time-Bound Plan**

**9. Date expected to/or started to use any RSPO certified oil palm products – own brand**

2009

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

2015

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

2015

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**12. Do your (own brand) commitments cover your companies' global use of palm oil?**

Yes

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

No

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**14. Date expected to actively communicate to promote the use of certified sustainable palm oil in other manufacturers' brands that you sell.**

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

Italy, Luxembourg, United Kingdom

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

Segregated CSPO:

60% ==> 2012/13

80% ==> 2013/14

100% ==> by the end 2014

For more details please see the palm oil section of Ferrero's 2012 CSR report

[Click here to visit the URL](#)

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## Actions for Next Reporting Period

### 17. Outline actions that will be taken in the coming year to promote sustainable palm oil.

As a responsible Food Company and a member of the Roundtable on Sustainable Palm Oil (RSPO) Ferrero has adopted sustainable sourcing practices. Regarding palm oil, Ferrero has supported all its partners in the supply chain to switch from conventional palm oil to RSPO-certified sustainable and traceable palm oil. Ferrero believes it has a significant role to play in leading the sustainable transformation of the palm oil sector, to the benefit of the environment and of the communities living and working in palm oil-producing countries.

As a first step in its journey towards a fully-sustainable production, Ferrero announced that on 11 March 2013, the Alba (Italy), Stadtallendorf (Germany) and Villers-Ecalles (France) plants successfully obtained the RSPO certification with the "Segregated" supply chain.

To date, more than 70% of the Palm oil used by Ferrero is RSPO certified and fully segregated throughout the supply chain. By the end of December 2014, Ferrero will have 100% RSPO certified and fully segregated palm oil by, nearly one year before its previous pledge.

In parallel with the increased availability of sustainable palm oil, which enables us to offer to our consumers a product that mirrors their values and expectations, the Ferrero Group has successfully certified, under the segregated RSPO supply chain, all the EU plants producing Nutella. [Click here to visit the URL.](#)

By the end of 2013, the same kind of certification is expected to be achieved for the plants producing Nutella worldwide. All the other products containing palm oil in their recipe will follow.

This implies that our consumers have the assurance to buy Ferrero products which physically contain 100% RSPO certified sustainable palm oil traceable from the plantations of origin.

### 18. Do you publicly report the GHG emissions of your operations?

Yes

#### Public report of GHG emissions on operations

[M-GHG-Emissions-Report.pdf](#)

For administration purpose, attachment files are renamed automatically

## Reasons for Non-Disclosure of Information

### 19. If you have not disclosed any of the above information, please indicate the reasons why

Other

#### - Other reason:

NA

## Trademark Related

### 20. Do you use or plan to use the RSPO trademark on any of your products?

No

#### If yes, when will you start?

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### 21. Do you undertake or support any other projects related to sustainable palm oil that have not been captured in this report?

Yes

## Application of Principles & Criteria for all members sectors

### 22. Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C?

- Water, land, energy and carbon footprints
- Land Use Rights
- Ethical conduct and human rights
- Labour rights

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- Water, land, energy and carbon footprints policy

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- Land use rights policy

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- Ethical conduct and human rights policy

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- Labour rights policy

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- Stakeholder engagement policy

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### 23. What steps will your organization take to minimize its resource footprints?

The Ferrero's Palm Oil Charter objective is to engage ourselves with our suppliers in the journey that aims to minimize in a responsible way the impact on the environment and people involved along our palm oil supply chain. It implies only using certified and traceable palm oil and preserving forests thus addressing the impacts on climate change and communities rights.

By the end of 2013, Nutella sold worldwide will physically contain sustainable and traceable palm oil.

By the end of 2014, 100% of our palm oil supplies will be certified according to the RSPO segregated supply chain, which means that palm oil is sustainable and traceable from the plantations of origin.

By the end of 2015, we agreed with our palm oil suppliers to commit to the Ferrero's Palm Oil Charter targets which satisfy our shared ambition to preserve forests and respect communities' rights.

### 24. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?

As part of its Code of Business Conduct ([Click here to visit the URL](#) Ferrero requires suppliers, trade partners, commercial agents, subcontractors and vendors to engage against improper conduct and / or improper personal advantage.

Ferrero does not allow behaviours that, directly or indirectly, offer, promise, give or demand a bribe or other undue / improper advantage, with the intention of corruption, to public officials, civil servants, members of their families, and business partners. Ferrero does not allow contributions to political parties and / or to candidates for public office.

Ferrero and its commercial partners shall refrain from any activity that results in a conflict of interests.

Ferrero favours long-term contracts, where possible, to help ensure a more stable income for farmers.

Additionally, with the aim to achieve our Charter Palm Oil targets dedicated to forest conservation and people's rights, we recognise that we need to understand and curb corruption-driven activities that may affect our palm oil supply chain. It's why we've agreed, with our palm oil suppliers, to activate a focused policy to specifically manage the risk of bribery that affects forests, their degradations as well as communities' rights.

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**25. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?**

NA

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**26. Are you sourcing 100% physical CSPO?**

No

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**26.1. Please details your organization's plan to cover sourced palm oil and palm kernel oil, which is not yet segregated or identity preserved, through Mass Balance. If you have not committed to sourcing 100% of palm products under the Mass Balance supply chain system until the goal of 100% segregated or identity preserved CSPO can be achieved, please explain why.**

Segregated CSPO:

60% ==> 2012/13

80% ==> 2013/14

100% ==> by the end 2014

For more details please see Ferrero's 2012 CSR report, palm oil section

[Click here to visit the URL](#)

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## Challenges

### 1. Significant economic, social or environmental obstacles

As a responsible Food Company committed to satisfy its consumers' expectations towards traceability and transparency, from the very beginning Ferrero has chosen to work closely with its suppliers to provide traceable palm oil, thus providing products which physically contain sustainable palm oil according to the RSPO segregated supply chain and allows traceability.

WWF recognises the complexity in implementing a segregation supply chain especially in the early phases of implementation. "This oil must be kept physically separate from conventional palm oil throughout a very long and complicated supply chain.

Physical separation begins in the growing areas and then extends to the mills, land tank facilities, shipping vessel compartments, market storage facilities, refineries, processors, and finally to the end-product processing facilities to generate a consumer good." (WWF: Profitability and Sustainability in Palm Oil Production).

This complexity is further magnified if the palm oil fractions (different types of refined palm oil) are converted to derivatives used in final food products.

Thanks to the collaboration with our business partners, we have been able to bring forward our ambitious goal to 2014. Now we can purchase and use segregated sustainable palm oil for fractionation, necessary for its use in our products, while also complying with the qualitative standards required by the Group's guidelines.

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

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#### Cost Effective:

Yes

#### Robust:

Yes

#### Simpler to Comply to:

Yes

### 3. How has your organization supported the vision of RSPO to transform markets?

Ferrero is committed to sourcing palm oil that respects people and preserves forests. As a member of the Roundtable on Sustainable Palm Oil (RSPO) we only work with RSPO suppliers, which comply with its Principles and Criteria across their operations in plantations and provide us only with sustainable and physically traceable palm oil.

RSPO certified segregated sustainable palm oil is now available in larger volumes, which has made it possible to activate certification of Ferrero's production lines.

At the time of completing the present ACOP report, all the palm oil used in Nutella in 8 of our production plants is certified as sustainable and fully segregated by the RSPO.

[Click here to visit the URL](#)

In addition, to build on these RSPO commitments and to strengthen our pledges to socially and environmentally responsible palm oil production, Ferrero and its palm oil suppliers are committed to complying with the Ferrero Palm Oil Charter.

If we can currently trace a large percentage of our palm oil from sustainable plantations, we are now want to focus on addressing the leading causes of forest conversion and carbon emissions and to respect the livelihood needs and human rights of people we deal with along this supply chain , also involving concerned stakeholders.