

# TIC TAC®

**T**ic Tac® is much more than just candy, it is a **way of hanging out together and sharing fresh and happy moments**. It was introduced in 1969, the year of the Woodstock event and of the first man on the moon.

It is not by chance that Tic Tac® was created at a time of exciting innovation: in fact, at the time it was a truly rebellious and revolutionary product. It went against conventions of the time and was able to create a completely new category.



**TIC TAC® TRIGGERS  
REFRESHING  
MOMENTS**

The original name was “refreshing mint”, but consumers soon began playing with the “flip top” package, and identified the product with the characteristic “tic” sound on opening the pack and “tac” sound on closing it. Hence, the **original and onomatopoeic brand name: Tic Tac®**.

Generation after generation, Tic Tac® has gained the favour and trust of millions of consumers all around World, who still today, after more than 40 years, choose the freshness of these famous pills. Tic Tac® is now sold in more than 70 countries around the world and represents one of Ferrero’s most widespread brands.

Tic Tac®’s success is based on the balance between **refreshment** (the most functional aspect, connected to the freshness of the pill from the menthol flavours) and **enjoyment** (Tic Tac® is fun, it represents a happy moment, through its surprising fruit flavours). This duality has enabled Tic Tac® to create strong brand values that are recognized by the global consumer.

New products were subsequently added to the classical Tic Tac® range, such as: Tic Tac® Breeze (the Tic Tac® sugar-free range), Tic Tac® Mixers (the first

Tic Tac® pill which changes flavour as it melts in the mouth) a series of new, all-year-round and seasonal flavours, always conceived to respond to the modern consumer's different and specific demands.



EACH PERSON ON THE EARTH CONSUMES ABOUT 8 TIC TAC® A YEAR.

Every year Tic Tac® produces 55 billion pills and this number is bound to rise!

Every year **more than 400 million people** around the world decide to take a break choosing the playful freshness of Tic Tac®



Tic Tac® global annual consumption could fill  
**4 Olympic swimming pools 50 meters long**



By placing side by side all the Tic Tac® boxes bought in the world in one year you can get the same distance of travelling **coast to coast from New York to Los Angeles for 9 times**



By stacking all the packets of Tic Tac® sold in one year  
**you could reach the height of about:**



## TIC TAC® FLAVOURS

The great classics, Mint and Orange, have made the history of Tic Tac®, but during the last years, **many other mint and fruit flavours** have been added with great success.

The new Tic Tac® flavours stem from a direct observation of global tendencies and consumer preferences. On the basis of these indications, filtered through the Tic Tac® core values, different concepts and flavours are created in the Soremartec labs in Alba, Italy.

Subsequently, different phases of qualitative and quantitative research

involving the consumer are conducted. This research entails the evaluation of not only the flavour, but also of the whole product concept (colours, graphics, packaging, name, communication...).

**By always keeping the consumer at the centre of the innovation process**, year after year, Ferrero has increased its consumer-orientated research, through qualitative, quantitative and behavioural analysis, aimed at gaining greater familiarity with them and finding what they need and like.



## THE PRODUCTION'S FOUNDING PRINCIPLES

Today Tic Tac® is produced and packaged in 9 plants: Alba (Italy), Cork (Ireland), Belsk Duży (Poland), Brantford (Canada), Quito (Ecuador), Poços de Caldas (Brazil), Walkerville (South Africa), Baramati (India), Lithgow (Australia).

**It is the particular production process that makes Tic Tac® so unique.**

Basic technology, commonly used in the pharmaceutical industry, is required for the production of a small pill. During the coating process, this pill, known

to our technicians as “the soul”, the heart of the product, is coated with hundreds of layers of sugar, alternated with aromatic layers, forming the crunchy outer layer and transforming the pill into a comfit. In the same way that the oyster turns sand grains into a pearl, the particular Tic Tac® production process, which takes about 24 hours, transforms a simple pill into a unique and inimitable product.

Tic Tac®’s peculiarity is **the aroma that is released from the outside to the inside**. It is the hundreds of layers which form the product that make such a small pill aromatically evolve in such a surprising fashion. The classic Mint, for example, consists of three different flavour sensations: vanilla on the outside, sweet mint on the inside, and a more intense mint flavour in the middle. Finally, the pills are meticulously selected.



## INGREDIENTS

All ingredients used in Tic Tac® products are meticulously **selected and monitored from their production to their delivery to the plants and final use**, respecting precise standards and quality control systems in transport, conservation, and freshness.

Tic Tac® standards are rigorous, they guarantee the highest quality and respect Ferrero’s best practice policies.

## Sugar

Sugar is an important ingredient in the production of Tic Tac® pills.

Ferrero uses both beet and cane sugar. Beet sugar is supplied only by producers of non GMO beets, whilst for cane sugar supplies an improvement project has been activated by the Group, with the aim of purchasing all its

cane sugar from sustainable sources by 2020. At the end of 2016 we will reach the intermediate objective of 40% cane sugar from sustainable sources and 70% in 2018.

## Maltodextrin

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Maltodextrins, contained in the Tic Tac® core, are medium-long chained carbohydrates. They are obtained from cereal starch (such as corn, wheat and rice) or from tubers (potatoes or tapioca) and have a moderate sweetening effect, a good solubility and a good degree of absorption of the essential oils.

They are effective in the production of the pills, in particular due to their fluidity, compressibility and low hygroscopicity, i.e. the capacity to absorb water molecules.

They are very digestible and are a source of long-term energy.

## Fructose

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There is a tiny amount of fructose in the Tic Tac® core. It is a simple sugar, naturally contained in most fruits, in honey and in some vegetables such as carrots. It can also be found, in smaller doses, in beet sugar and cane sugar. Fructose is the sweetest natural sugar.

## Other ingredients

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Tic Tac® contains a small quantity of other ingredients.

- **POWDERED FRUIT:** the fruit used by Tic Tac® is carefully selected to guarantee qualitative and flavour standards. In the more important production areas, the Group is supplied by selected producers with whom it has established long-lasting relations over time, and who, through careful selection of the best fruits and dehydration processes, are able to reach the required standards.

- **AROMAS:** are used in minimum quantities and their purpose is to enhance particular flavours or scents and stabilize these over time. The Group's technicians select the best aromatic blends to use in Tic Tac® pills through countless tests and patient work, which they share with the best flavouring experts in the world. To guarantee quality and food safety, accurate daily tests are carried out through sensorial analysis and modern analytic techniques.

• **MINT ESSENTIAL OIL:** is used for its aroma and freshness. The essential oil is extracted by distilling the mint. Mint is a strongly aromatic perennial plant, which grows largely across Europe, Asia and Africa. From this plant it is possible to obtain a very limpid, light yellow and very fluid essential oil with a strong and penetrating aroma, a very fine scent which leaves the characteristic sensation of freshness in the mouth. This ingredient was chosen by Tic Tac® for these particular qualities and characteristics.



• **GUM ARABIC:** is a natural gum. Used in the food industry for decoration and to maintain a stable and intact appearance.

• **CARNAUBA WAX:** is a natural vegetable wax. It is used in Tic Tac® as a coating agent.

• **CITRIC, MALIC, TARTARIC, ASCORBIC ACID:** Tic Tac® uses the first three elements to give acidity and the latter as an antioxidant.

• **COLOURANTS:** Tic Tac® respects all relevant regulations in force that vary from country to country.

It should also be noted that Tic Tac® pills **do not contain GMO ingredients**, in accordance with the Ferrero Group strategy.

Finally, **the nutritional information printed on the Tic Tac® package is clear and visible**, in compliance with all local legislations.

## THE CULTURE OF TASTING AND OF QUALITY

According to the Ferrero Group policy, attention towards the consumer is not only a value but a daily practice, based on a sense of responsibility which goes beyond commercial aims.

The dedication towards consumers has always been the precondition and foundation of the Group's industrial policy.

**The "culture of tasting" has been developed in every production plant.** The Tic Tac® quality department carries out constant controls during the entire production process, according to very specific procedures inspired by the most advanced practices of the sector.



All raw materials are tested through chemical-physical-organoleptic analysis, upon delivery, according to specific sampling plans which include a number of organoleptic tests, carried out also on a daily basis, by a panel of Tic Tac® production experts.

**MORE THAN 30,000 TIC TAC® TASTINGS WERE CARRIED OUT IN FY 2014/2015.**

Moreover, in FY 2014/2015, Tic Tac® production included:

- more than **3,000 tests and analyses<sup>1</sup> on raw materials** and more than **1,100 tests on aromatic blends**;

- more than **15,000 controls<sup>2</sup> on primary packaging**, in addition to checking secondary packaging;

- **control of over 36 million pills**, which include production line controls (weight, composition, aesthetic flaws) and laboratory testing of chemical-physical and microbiological parameters, as well as **controlling over 5 million boxes**.

Ferrero defines and applies strict parameters of traceability, safety and quality for Tic Tac®, as for all its products. The Ferrero plants, where Tic Tac® is made, have a Quality System certified by a third and independent party.

All of the Tic Tac® industrial plants use raw materials and ingredients from various suppliers that are selected and evaluated by the Group according to univocal parameters. During the acceptance phase, all the industrial plants apply a control plan defined at a central level by the Group's Quality Management, based on a specific risk analysis.

A further risk analysis is carried out in the production area, according to the implementation of specific HACCP plans, established by central guidelines, in order to guarantee the maximum safety of the products.

The complaints received in FY 2014/2015 equate to 0.00274 per 100 kg of Tic Tac® sold.

## CERTIFICATIONS

In addition to the stringent regulations of the different countries where Tic Tac® is produced and marketed, the brand has always been sensitive to the demands of its consumers, and if possible, tries to meet the **requirements of the different local cultures and religions**.

For this reason, in some parts of the world, several Tic Tac® flavours are Kasher and Halal certified.

In addition, Tic Tac® pills in the Mint, White Orange, Spearmint and Strawberry Mix flavours, **are certified as "vegetarian"** by The Vegetarian Society, because their production follows the standard guidelines in the production

*1. Including chemical-physical and microbiological tests.*

*2. Including organoleptic tests and detection of flaws.*

of vegetarian products, as reported by the license agreement determined by the same body.

Tic Tac® contains rice starch, but not gluten deriving from wheat, barley and spelt, and **is thus suitable for celiac consumers**.

In order to guarantee that Tic Tac® is suitable for celiacs, Ferrero applies a control plan on the raw materials and on the finished product, and constantly monitors the production process, the work environment, the equipment and the plants. All operators are adequately trained.

In some countries, Tic Tac® is included in a list of products for celiacs, published by specific associations such as AIC (Italian Association for Celiacs) which requires compliance with specific parameters.



The industrial plants' food safety management, where Tic Tac® is produced, are verified by an internal audit, and the industrial plants certified by FSSC 22000, are verified by an external audit formed by excellent organizations (for further details please go to chapter "Quality and freshness" of this CSR report).

## REDUCING THE ENVIRONMENTAL FOOTPRINT

With the recent certification of the industrial plant in Poços de Caldas, obtained in November 2015, seven of the nine plants producing Tic Tac® have achieved the safety standards according to ISO 14001. **By 2020, this certification will cover the whole Tic Tac® industrial production**, and will be extended to both the plants in Baramati (India) and Walkerville (South Africa).

Considering the relevance of the emissions related to the use of energy, as well as to the consumption of resources, the Group has decided to extend ISO 50001 certification, by 2020, to a Group multi-site certification. For further information and for the Group's objectives on this aspect, please refer to the chapter titled "Minimizing Environmental Impact" of this CSR report.



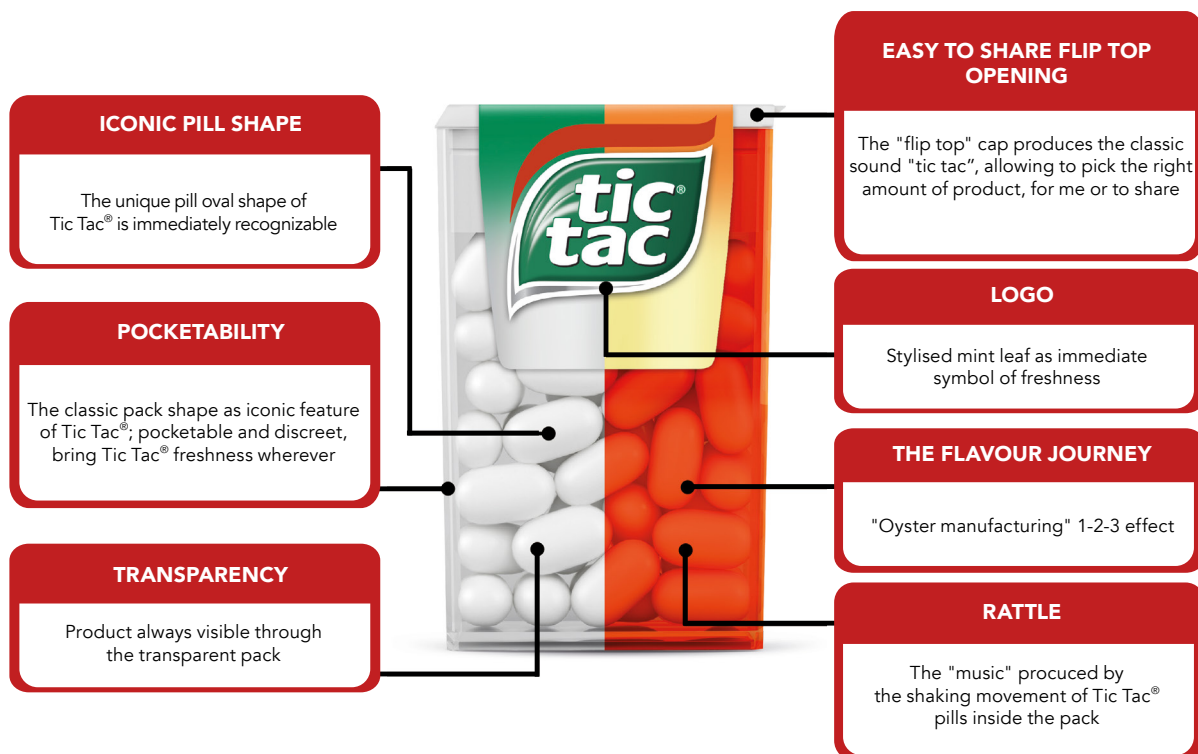
## PACKAGING

### The iconic Tic Tac® pack is a real evergreen.

Its main characteristics have not undergone aesthetic changes from the year of its launch to the present day.

Transparency is one of the most distinctive characteristics, allowing the consumer to see the product inside the package. The "flip top" top allows the consumer to take an appropriate quantity of product, whilst also maintaining product freshness and protect it from external elements. The Tic Tac® pack is practical and pocket size to allow the consumer to experience freshness wherever and whenever.

Finally, even if the Tic Tac® logo has changed over the years, it has always been represented by a fresh mint leaf.

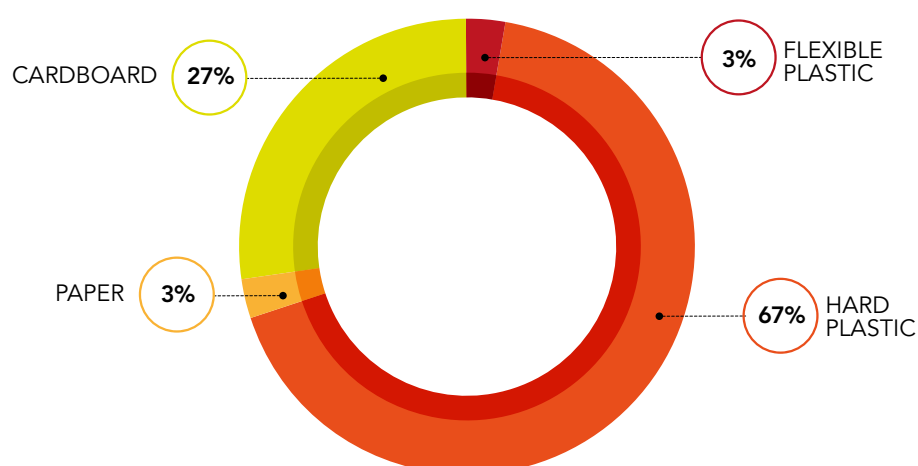


**FINDING THE RIGHT BALANCE BETWEEN QUALITY, PROTECTION, SAFETY AND RESPECT FOR THE ENVIRONMENT IS A DAILY PLEDGE FOR FERRERO AND TIC TAC®.**

The Tic Tac® packaging department is divided into different sales units (for example: single products, multipack, etc.) which all have the main goal of guaranteeing the product's quality and freshness.

Below is a list of materials used for packaging the various products around the world.

**TIC TAC® PACKAGING MATERIALS AT A GLOBAL LEVEL IN FY 2014/2015\***



*\*Division % in weight of the used materials.*

The main material used for the Tic Tac® packaging is hard plastic, followed by cardboard, generally used as a secondary material for trays and selling materials. A small amount of paper and flexible plastic is usually used for labels and sleeves used on some kinds of packaging and for the multipack film.

In order to guarantee the product's excellence, recycled materials for primary packaging cannot be used. Recycled materials have been used, where possible, and not in direct contact with the product, in secondary celluloid packaging, such as trays or the plastic multipack. This has allowed us to source 17% of all materials from recycled material.

## The Eco Design

In order to eliminate and reduce the negative effects on the environment caused by industrial production, Ferrero believes in a **strong commitment to designing the packaging of its products**, during the different development and project phases, according to the so-called 5R Strategy<sup>3</sup>, which aims to optimize the main variables that influence the overall environmental packaging profile.



During the past years, in accordance with the Group's guidelines, several best practices in package design have been adopted such as the FY 2014/2015 examples<sup>4</sup> described below:

### • R for Recycling

In the course of FY 2014/2015, a number of RPP plastic trays for multipack Tic Tac® were produced in the plant in Cork, using polypropylene Tic Tac® box scraps, saving 8 tonnes in a year. In the last three years, more than 26 tonnes of recycled material were used. This activity is part of the SPE (Scraps of the Packaging Evolution)<sup>5</sup> global project, which aims to replace part of the virgin materials with recycled materials from the Group's plants packaging waste. The replacement of support material for labels, usually made in silicon paper, with a PET film, has been tested with some success. This has enabled easier recycling and has reduced the support material's total weight. The PET film is in fact 50% lighter than the standard materials and has led to the reduction of more than 60 tonnes of material.

### • R for Reduction and Renewability

In view of increasing the percentage of its renewable packaging, in line with the Group's objective for 2020, Tic Tac®'s plastic polystyrene display has been replaced by a cardboard version, which has, in the past three years, contributed to the recycling objectives, by reducing 29 tonnes, as well as saving more than 21 tonnes of resources.

## History of the Tic Tac® pack

The plastic Tic Tac® box, in its various sizes, is undoubtedly one of the **brand's emblems**. Today there are different kinds of boxes, designed according to the different country's

requirements. In developing new packaging formats, such as the new Tic Tac® Breeze or the Tic Tac® Botlepack containing 200 mints, Tic Tac® continues to transpose the par-

3. For the definition of the guidelines see the chapter titled "Minimizing Environmental Impact" in this CSR report.

4. The values shown are an estimate calculated on annual budgeted volumes.

5. For further examples regarding the Group's project see the chapter titled "Minimizing Environmental Impact" in this CSR report.

ticular characteristics of its historical pack such as the transparent box and the “flip flop” lid.

Originally, the packs were made of polystyrene, mainly because of its technical properties and transparency. Ferrero however continuously examines the option of using new materials in order to guarantee environmental sustainability and improved product quality.

For this reason, and according to the essential requirements of the European guidelines on packaging, the Group has tested different solutions regarding size, weight, volume and the material used for the Tic Tac® box. The first positive tests carried out in 2000 at the industrial plant in Alba, involving the substitution of polystyrene with polypropylene (PP), highlighted the material’s greater resistance and recyclability. Moreover, due to its flexibility, the thickness of the material has been reduced, making it lighter.

The Group then launched the new box, first in Europe and then in the rest of the World.

# History of the Tic Tac pack



6. The values shown are an estimate calculated on annual budgeted volumes.

Considering the production volumes of FY 2014/2015, as a result of the changes made in the last few years, we have **saved more than 2,000<sup>6</sup> tonnes of recycled material** in the boxes containing 27, 33, 37, 60, 100 and 110 pills.

## TIC TAC® NEVER STOPS SURPRISING YOU

### The limited edition – “Tic Tac® minions”, a great success

Attention to innovation and building new strong, consumer relevant product concepts, results in new ideas **for Tic Tac® new limited editions**, a special range sold only for a limited amount of time. For the past few years, Tic Tac® has been surprising its consumers with a limited edition dedicated to specific moments of the year (for example the Epiphany or Halloween), or special events (for example sports events).

A virtuous example is the Minions series, from the Despicable Me movie saga that became popular in the summer of 2010, obtaining huge success (1.2 billion dollars in ticket sales). The results of the operation were excellent for Tic Tac® in terms of sales and awards: the Tic Tac® Minions limited edition won the NCA Award in the US - an award for the year's most innovative product - and the LIMA Award in Germany for best licensed product, which helped Tic Tac® achieve sales records in several countries. The product was extremely successful in Australia, Canada and Poland even before the TV commercials were aired, and this forced Tic Tac® to work on an extra production which risked stalling the whole production system.

## minions

The Minions, funny yellow characters of the «Despicable Me» saga, are **Tic Tac shaped** and go **crazy for bananas**: they are the **perfect match with Tic Tac decorated and Banana flavored pills**





### Where does this incredible success come from?

This success is rooted in the coherence between the Tic Tac® values and the characters: the Minions share the same shape of a Tic Tac®, they are cheerful, carefree and full of joy, like a Tic Tac®. Minions adore bananas and for the first time a Tic Tac® limited edition comes in a banana flavour; finally, thanks to the “write on pills” technology which prints in high definition using edible ink, the Tic Tac® pills now look like Stuart, Kevin and Bob, three of the most loved Minions. Furthermore the packaging (both the classic pocket size box and the 100 and 200 pills pack) is recognizable, because it faithfully reproduces the movie’s characters.

### The Tic Tac “write on pills” technology:

The Tic Tac® “write on pills” technology is based on a high definition print of symbols, letters, numbers or small drawings directly onto the Tic Tac® pill. This technology enables a complete interaction between the product and the consumer, creating personalized messages and playing with the pills, whilst increasing familiarity with the brand.

The first activity to have benefitted from the “write on pills” technology was the Tic Tac® special edition dedicated to the Minions movie, but many other activities are scheduled, starting from 2016, which will evolve into a more detailed plan for 2020. They will not only use new, interesting characters from movies or TV series, but will re-interpret major events and occasions “in a Tic Tac® style”, always with the same attention to detail and coherence.



## Breeze

Tic Tac® Breeze is Tic Tac®'s latest innovation and was created with the idea of diversifying the sugar-free products and at the same time broadening the offer in the herbal-mentholated segment.

Tic Tac® Breeze aspires to constantly **offer of a new kind of freshness** which goes beyond the most common and traditional association with mint. Because of its characteristics, Tic Tac® Breeze is able to create flavours of unexpected freshness, such as, aniseed and liquorice. The main ingredient is xylitol, a prestigious sweetener with high refreshing properties which, combined with stevia leaves, forms the pill's structure. The secret of the pill's uniqueness is in the pill's core, made with special crystallized herbs, i.e. micro xylitol crystals containing a blend of 16 balsamic herbs.

Tic Tac® Breeze is available in the following flavours: Liquorice, Aniseed, Eucalyptus, Alpine Herbs.



## Continuous innovation - Looking to the future

The Tic Tac® brand has always been a pioneer in innovation, always studying new consumer trends and tastes.

In light of this, during the past years, in line with the Group's 2020 objectives, **the "Tic Tac® Feel Nature" initiative was launched** to develop products and sustainable eco-friendly production processes, in line with the modern consumer's demand for natural, quality ingredients.

Tic Tac® is currently working on two fronts within this initiative: from one side on the origin of the packaging materials, both primary and secondary, from renewable sources (bio-plastic materials) and recycled ones (cardboard); from the other side on a preference for the most natural ingredients (colouring agents, aromas, etc.).

In spite of the technological barriers and the difficulties connected to the product, Tic Tac® technicians and experts continue their research and development with the aim of introducing to the market a product that reflects the work of an ambitious project, capable of generating value for both the consumer and the Ferrero Group.

