MINIMISING ENVIRONMENTAL IMPACT

Climate change is one of the greatest global challenges of the coming decades and will affect the way companies run their business. For this reason, in December 2015, during the UN Climate Conference in Paris (COP21), 195 nations signed an agreement, called the Paris Agreement, with the aim to keep a global temperature rise this century to well below 2° Celsius and to drive efforts to limit the temperature increase even further to 1.5° Celsius above pre-industrial levels.

The fight against climate change is one of the three aims that the United Nations (UN) set itself through the promotion of the 17 Sustainable Development Goals (SDGs) adopted by the 193 member States in September 2015.

In this context, the Ferrero Group recognizes the transition towards a low emission economy as the only way to ensure sustainable economic growth while respecting the Planet.

Climate change and agricultural activities

Climate change affects different sectors, first and foremost the agricultural sector, which is more susceptible due to its direct dependence on weather conditions. This dependence becomes more intense and evident in tropical agriculture, where climate variations can even trigger sudden changes in the price of goods or instability in the available volumes, with consequent supply risks. This can lead to long term negative effects such as the abandonment of rural areas with a discontinuous generational presence in the community and the loss of services and infrastructures.

Ferrero, a confectionery business, uses raw ingredients that originate mainly from tropical areas in its recipes. The significant economical efforts made to ensure the supply of high quality ingredients, typical of the Ferrero business model, cause a greater financial exposure, which the group tackles through programmes focused on mitigation and by working closely with the producers in the countries of origin.
The FER-Way project

In this context, the Ferrero Group believes that its primary responsibility is to measure the impact of the entire supply chain of its products. Only once it has a clear vision of its own impact can it manage and reduce it. Since 2009, the Group has been measuring its Carbon Footprint annually, committing to gradually increasing its boundaries.

Since FY 2013/2014, with the launch of the **FER-Way - Ferrero Environmental Responsibility Way** project, aimed at the correct management of environmental sustainability, the Group has been paying particular attention to the improvement of data accuracy, to the greater inclusion of indirect emission sources and to the redefinition of indicators and measurement parameters that follow the most recent developments in the scientific field. This will allow the identification of risks, opportunities and strategic action to be taken.

The FER-Way project is based on the **Life Cycle Thinking (LCT) approach**, which considers the different stages of a product’s life and their main impacts on the environment, also evaluating those not under the direct control of the Group. It is possible indeed to identify a personal or direct responsibility and a shared or indirect responsibility. The first one (including Scope 1 direct emissions and Scope 2 indirect emissions) is equal to 396,185 tonnes of CO₂eq, that is 7.3% of FY 2014/2015 emissions. The second one (Scope 3) is equal to 5,040,881 tonnes, that is 92.7% of the total emissions with the cultivation and production of agricultural raw ingredients as the main cause for the Group’s footprint (66.5%).
The Ferrero Group manages the collection and analysis of data through an **internal platform named SuRe** (Sustainable Reporting), a controlled environment that allows also the management and optimisation of the data flow and transfer. This report includes the environmental data of: the Energhe company, 18 production factories7 with their 29 internal warehouses, the production and transport of KINDER® surprises, the transport of semi-finished and finished products, business travel of the main companies of the Group8, the warehouses directly managed by Ferrero (19) and, furthermore, from this year, all the warehouses (213) not directly managed by the Group and employees commuting9. The Group is still working on the inclusion of data relating to the transportation of the main raw materials from suppliers to Ferrero.

7. The plants in Cameroon and South Africa are excluded, together with the new plant in China and the Thornton’s Plc plant in Alfreton.

8. Italy, Luxembourg, Germany and France.

9. The estimate for the Group was calculated based on a sampling investigation carried out on the Alba factory, which involved around 900 employees during FY 2014/2015. The investigation was carried out during the project “GHG inventory calculation methodology relating to the production of confectionery products. Case study: Alba factory - Ferrero Group”.

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**LEGEND**

- Included in the FER-Way project boundary
- Not included in the FER-Way project boundary
10. The total raw materials includes the quantities of: agricultural raw materials with the water used in the recipes for Ferrero products, packaging raw materials, raw materials for surprises, auxiliary materials for the production processes.

11. Data relative to the 18 factories and to the 19 warehouses within the scope of the reporting of this chapter.

12. The percentage is an estimate of the recycled material content compared to the total packaging materials consumption of the Group. For paper and cardboard, the calculation is an estimation based on the composition of the materials purchased; for rPET and rPP the value is the total.
Over the last 150 years, the global economy has followed a linear production and consumption trajectory creating an ever-greater demand of natural resources. Given the expectations of growth for the world population, it is crucial to change the way of thinking and thus of producing and consuming. Therefore, a circular economy model, an economy planned to self-regenerate, is replacing the traditional linear consumption model.

The Ferrero Group, aware of the implications of a scarce supply of resources for its business, supports and promotes the development of a circular economy through its FER-Way environmental responsibility project.

If it becomes clear that having a detailed snapshot of the impact and flows originating from the production of a specific product is crucial in order to evolve the system from the perspective of a circular economy, it is also clear that measuring alone is not sufficient and that collaboration with the different actors of the supply chain is fundamental.

For this reason, Ferrero is developing its responsibility project, also focusing its attention on topics such as the education of employees, suppliers and clients and the collaboration with universities, associations, research agencies, suppliers and NGOs on projects where it is possible to create shared value.

Only in this way, is it then possible to plan together to support a transition of the food industry towards the circular economy in order to:

- preserve and maximise the value of the resources and raw materials;
- use resources efficiently;
- promote the sustainable supply of raw materials.

13. The Ellen McArthur Foundation defines circular economy as “one that is restorative and regenerative by design, and which aims to keep products, components and materials at their highest utility and value at all times, distinguishing between technical and biological cycles.”
In order to incorporate the principles of circular economy into its activities, Ferrero started rethinking the management of some of its many resources - food ingredients, energy and packaging materials - as cycles rather than as conventional linear supply chains. On this course of action, collaboration is key, because nobody has all the answers and in order to be able to rethink the current systems, for example by giving value to materials that to date are destined for landfill, it is necessary to bring together actors with different skills and needs.
Minimising Environmental Impact

Raw materials

One of the main raw ingredients used by Ferrero in its products is the hazelnut, with the consequent generation of shells. In order not to limit ourselves to seeing this material as one to be disposed of, technological solutions are being tested, by working with different partners, in order to make the most of them as a resource. In fact some studies have already been completed on the use of hazelnut shells as raw material for the paper industry.

Eco°Paper project

"Eco°Paper" is the name of the project coordinated by Ferrero in collaboration with packaging companies Stora Enso Barcellona (Spain) and Papiertechnische Stiftung (Germany), to create a more sustainable and cheaper packaging by reusing the production residues of the hazelnut shells and cocoa beans.

The project has been developed partly with funding from the EU’s Seventh Framework Programme for research, technological development and demonstration, under grant agreement no. 304337, within the Eco-Innovation initiative of the Competitiveness and Innovation Framework Programme (CIP).

The aim of the project was to ensure the quality of the raw material for the paper industry, partially substituting virgin cellulose fibres and reducing their environmental impact.

In 2011, during the laboratory phase in Italy and Germany, paper production methods were developed for the Eco°Paper, and in mid-2012 the methodology was transferred to a pilot plant with the aim of validating the benefit of the Eco°Paper project in an industrial setting. Currently industrialisation has not been started.

For more information and for the final report of the project, please visit the website http://www.eu-ecopaper.com/
The environmental impact of a product or service is determined during the product/service design phase, because the entire life cycle of the product is connected to the design itself. It is indeed in the design phase that processes can be optimised, resources reintroduced into circulation or waste production avoided.

Within Ferrero, the Ferrero Engineering Department, which deals with the creation and purchasing of Ferrero machinery, has the objective, amongst others, to reduce the environmental impact of production. For this reason, during FY 2014/2015 it started to develop a verification system through spot checks for the main technical projects. The model, which is still being perfected, will bring about an integration of environmental sustainability aspects into the decisional processes as well as a raised awareness of the issue among all actors involved (from designers to suppliers).

The system, called GENESIS (energy management of factories and facilities), begins with the selection of projects with high investments or with significant energy consumption analysed from an energy perspective. The aim is to improve the choices to be made during the planning phase to obtain a reduction in the consumption and environmental benefits.

During this first year of implementation, at least three projects, with significant economic implications for the Group, were analysed.

**Modernisation of the cooling tunnel line at the factory in Canada**

Cooling tunnels have the role of preserving and, sometimes, optimising the features of the confectionery product processed, limiting its reduction in weight as much as possible, guaranteeing the conservation of its shape, no surface damage and minimal traces of conveyor belt on the product. For many confectionery products, such as chocolate, coated products and Easter eggs, the cooling tunnel is the last stage before packing. It is an important process that allows the product features to be optimised; in particular, this operation is essential for
chocolate and chocolate-containing products to ensure their shininess, that their fat content does not rise to the surface, and that important aspects for the product quality, such as crunchiness, remain unaltered.

During 2015, in order to satisfy greater production needs in the Canadian factory, it became necessary to modify the performance of the final cooling tunnels for the Rocher line after coating and before packing. The modification operation entailed a complete revision of the machinery. In the new system, some tabs were inserted in the air passage area, capturing cold air and promoting the cooling of the dividing partition, and consequently, by direct contact, of the product. The hot product is led inside the tunnel by a conveyor belt that runs on a surface cooled by the circulation of forced air at low temperature. Some modifications were also made to the evaporation and ventilation system, with the consequent reduction in the dispersion of energy through the modulation of the opening of the valve used to introduce the air. Furthermore, thanks to a simple counterweight system, the different movement of the covers of the new tunnel made the opening and closing system lighter, thus making their cleaning and inspection easier and safer. From a circular economy perspective, it is important to emphasise the design of the system based on the use of cold glycolated water at -21°C, already present in the factory.

The different innovative devices adopted (cold air tabs; cooled surface for the movement of the product, defrosting control through dry air; use of glycolated water, already present in the factory; control of the cooling power supplied; control of the running temperatures inside the tunnel during production; return of cooling air outside the tunnel) have led to an improvement in production and quality efficiency with the consequent 30% energy savings.
The concept of circularity can be expressed in an even more evident and practical way during the actual production phase. It is in this phase, under the more direct control of the companies, that it is possible to radically change the way of working, involving companies that normally operate separately into a shared system. Indeed, this approach allows the exchange not only of material resources (by-products or waste), but also of waste energy, services and expertise. This is a strategy for closing the resource cycles and optimizing their use within a specific local economic context. Thus, this industrial symbiosis is a salient feature of an industrial system marked by functional interdependence in which waste products become a precious input for others, thus modifying the traditional concept of waste, as “the materials that are exchanged [...] are never wasted at any point of their existence, instead they are always economic goods”.

The Group has been active in the field of research for several years, also through European funded projects, to produce energy and new packaging materials through the use of both food by-products of its own factories and of other biomass types not belonging to its direct supply chain.

**Sibafeq project**

The Sibafeq project (Integrated use of algal biomasses in an energy supply chain of high quality) has seen the Ferrero Group take a leading role, in collaboration with CNR (Consiglio Nazionale delle Ricerche), the Biomolecular Chemistry Institute in Pozzuoli (Naples) and PMI, Ferrero’s supplier for the plants in the South of Italy. It was co-sponsored by the Ministry of Education in the context of the National Operative Program (PON) “Research and competitiveness”, with the contribution of the European resources of the European Regional Development Fund (FESR) and was showcased at Expo Milano 2015.

The entirely Italian research project employs a renewable natural resource - sea phytoplankton of diatomaceous algae - for the production of biomasses from which energy and biofuels can be generated. Indeed, plankton is one of the great energy drivers on Earth. The microscopic organisms that make up plankton absorb nearly a third of global carbon dioxide and are at the base of the marine food chain, providing sustenance directly or indirectly to all organisms that live in the sea and in the oceans.

From a qualitative perspective, the research project aims to establish a process by which bio-oil can be used as fuel for diesel engines and bio-hydrogen for the production of electricity by fuel-cells, through the

growth and fractionation of microalgal biomass. Algal biomasses will also be used for the absorption of CO₂ and NO, produced by combustion in power plants from fossil source and the production of nano-structured silica to be used in the photovoltaic panel industry. The first objective is a first contribution to energetic self-sufficiency and to environmental improvement. The second objective is important from a strategic perspective for Italy in affirming its position in the renewable energy sector.
During the research, led by 15 young researchers, a technological station was set up in Campania, based on a flexible and cheap technology for the production of micro-algae and their by-products. In Palomonte, in the province of Salerno, and in the Ferrero factory in S. Angelo dei Lombardi, a prototype plant has been created that generated 20,000 litres of culture by the end of the project, and is destined for experimentation and production in the field of microalgae and as a technologically advanced process for biomass transformation.

The experimentation ended in December 2015 and has already obtained several practical and probably applicable results. These include the creation of a process for the enzymatic treatment of algal pastes to favour the release of components as well as the possibility to experiment with the transformation of water soluble residue from the processing of micro-algae in order to produce hydrogen and lactic acid through a patented microbiological treatment. The biomasses obtained through the large-scale cultivation of micro-algae also constitute the raw material for the production of biofuels and compounds with a high energy content.

For more information, please refer to website [http://www.ponrec.it/open-data/progetti/scheda-progetto?ProgettoID=5242](http://www.ponrec.it/open-data/progetti/scheda-progetto?ProgettoID=5242)
MINIMISING ENVIRONMENTAL IMPACT

Consumption

The transition towards a circular economy requires the participation and effort of all stakeholders, especially consumers. Over the past years, Ferrero has tried to promote its involvement through educational activities, with regard to both consumption (through the issue of portioning) and the correct disposal of the packaging of its products.

Ferrero End-use labels

The Ferrero Group has already been active for several years in the education of consumers regarding the identification of the packaging materials used in its products. The “end use” label was created with the objective of helping consumers in the correct sorting and disposal of packaging after products are consumed. The label has already been applied to the Italian Estathé brand, from 2013, and has subsequently involved the NUTELLA® brand, for which the label has been applied in some European countries.

The KINDER® brand also decided to participate in the project, publicising its end use information for the majority of its products and sizes by the end of 2016. Consumers will be able to discover the nature of KINDER® product packaging thanks to the information that will be published on the Kinder.com website as a brochure. KINDER® has always stood out for its small individually wrapped portions and small packaging sizes; for such reason, the internet site was a necessary choice to ensure the readability of the information, and provide information for a greater number of products.

Waste

In order to meet the need to create a development model based on the reduction of natural resource consumption and on the minimisation of waste production, many of the materials that previously were only considered as products to be disposed of and throw away are now part of a virtuous cycle, and are now qualified as “product”.

The SPE (Scraps of the Packaging Evolution) project was launched in FY 2012/2013 in the main European factories. Its aim is to develop a feasibility analysis, to make the most of the packaging scraps from Ferrero’s production sites, as well as launch actions to replace the virgin materials in Ferrero’s packaging and equipment with recovered materials without compromising the performance required of the packaging.

For example, production waste generated by the Estathé production lines in Alba have been the source of secondary raw materials for the creation of handling trays within the factory. During FY 2013/2014, 180 tonnes of trays were manufactured, 70% of which were made with recycled plastic originating from scraps from the production line, for a total of 126 tonnes of recycled material.

A further example includes the reintroduction of scraps from the KINDER® Joy production lines into Ferrero’s traditional packaging. A virtuous cycle is created in which the waste is first sent to a Ferrero supplier, transformed into secondary material granules and then used in the production of the brown base of Rocher exhibition stands, which is thus composed of 95% of regenerated material (the remaining 5% is the colour). During 2014 (calendar year), around 70 tonnes of such granules were produced, with a twofold benefit: in FY 2013/2014 there was a reduction in the factory waste production and a reduction in non-renewable virgin resources equal to 40 tonnes: the remaining granules were used in FY 2014/2015.

The collaboration activities in the factories continue to produce results, with the example in FY 2014/2015 of the production of plastic trays for Tic Tac® multi-packs from the polypropylene (PP) scraps originating from Tic-Tac® boxes made in the Cork factory. This has led to a saving of 25.55 tonnes in the last three years.
In the context of the FER-Way project, the Ferrero4Future Framework was created: four areas of action upon which the Ferrero Group is working in these years to launch itself towards a more sustainable future.

1. Efficient resource use

Resources are a precious asset for Ferrero, and it’s important to use them responsibly. Resources such as water, energy and packaging materials are available only in limited quantities, for such reason Ferrero is working to reduce their use along the production chain of its products.

Consumption and impacts of the Ferrero Group\(^\text{16}\) are measured on an annual basis from 1st September to 31st August.

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16. This report provides the figures relating to water consumption, waste production, energy consumption and CO\(_2\) emission relating to 18 production sites and 19 warehouses directly managed by the Group and placed in Europe, America, Asia and Oceania, representing the near totality of the FY 2014/2015 production. The new plant in China and the Thorntons Plc plant in Alfreton are excluded.
In order to preserve and maximise the value of the resources used in the production of food products, it is crucial to ensure that raw materials are produced responsibly.

For such reason, as extensively illustrated in the previous chapter, sustainable supply roadmaps have been defined by the Group for the main raw ingredients. Palm oil, paper/cardboard, cocoa, hazelnut, sugar and coffee are linked to internationally recognised certifications and guaranteed by third parties.

In addition, LCA studies have been set up for the first six agricultural raw materials of the Group. The project, which will end in August 2018, will enable Ferrero to have accurate data on the environmental impact of the production of its agricultural raw materials, and, once the most critical areas of each material are identified, launch projects allowing a more efficient production system.

So far, studies have already been initiated on Turkish hazelnut plantations, on Italian dairy farms, on the main European sugar Ferrero suppliers, and a study on palm oil was also started in FY 2014/2015.

FY 2014/2015 FERRERO GROUP’S CONSUMPTIONS

**ENERGY**
7.96 Mil GJ
- 47.6% natural gas
- 26.1% electricity
- 14.5% steam and hot water
- 10.4% biomass
- 1% diesel
- <1% LPG
- <1% petrol
- <1% methane

**WATER**
4.46 Mil m³
- 54.8% public main
- 25.9% ground
- 18.7% surface water
- 0.6% other sources

**MATERIALS**
1.8 Mil tonnes
- 74.4% agricultural raw materials
- 24% packaging
- 1% surprise materials
- <1% factory materials
PACKAGING MATERIALS

Product packaging is crucial in order to ensure quality, prevent food waste and communicate with the consumer. The wrapping of Ferrero products is made from different categories of materials, such as glass, paper and cardboard, plastic and aluminium. Also in FY 2014/2015, glass appears to be the most used material in terms of weight, with more than 160,000 tonnes, followed by cellulose components (paper and cardboard), totalling to around 140,000 tonnes.

For a correct packaging design, it is crucial to optimize the variables that influence the overall environmental profile of the packaging. For this reason, Ferrero has been adopting for many years the so-called 5R Strategy.

Here follow some FY 2014/2015 projects in which the application of the 5R Strategy can be seen:

“Removal”
With a view to redesign and eliminate packaging elements, experimentation on the packaging of the KINDER® Gran Sorpresa Easter egg in Germany was launched. The design revolutionised the concept of the egg, substituting traditional elements (neckband, ribbon, flame of the egg) with graphics on the aluminium film. In addition, the display tray has also been designed in order to optimise the transportation and display phase, eliminating the need for an additional egg holder to be placed inside the film.

“Reduction”
The continuous efforts of the Ferrero design team to optimize the packaging have allowed the reduction in the thickness of the paper-based display of KINDER® Surprise in FY 2014/2015, resulting in an annual saving of around 30 tonnes, as well as the reduction in the thickness of Tic Tac®’s sleever film with a saving of around 800 kg.
“Renewability”
In line with the objective of packaging renewability, the Group continues to focus its efforts on the different design areas where expected performance and specifications of different packaging allow the use of materials from renewable sources without compromising its performance. In FY 2014/2015, for the new B-ready product and KINDER® Cards biscuits, paper-based boxes were used, meaning that around 850 tonnes of materials came from renewable sources. The Ferrero Group is also active in the search for new plastic materials from renewable sources.

“Recycling”
Last year, in one of its activities devoted to caring for the environment, Ferrero successfully experimented with the substitution of label support material in order to facilitate its recycling, in its Cork factory. The project aim was to substitute the label support, normally made with silicone paper with another PET film. In addition to having facilitated the recyclability of the packaging, the replacement of the material also allowed a reduction in weight of the material used as support. Indeed, the PET film weighs nearly 50% less than the standard support and this has allowed a reduction in the materials used by 60 tonnes. Furthermore, the Group continues to experiment and adopt recycled material in its glass, paper and aluminium packaging, within the families of plastics in for secondary packaging, contributing to the reduction in the use of virgin materials. During FY 2014/2015, the recycled material content of the Group was equal to 36% of the total material used.

“Reuse”
The reuse of packaging has always been one of Ferrero’s concerns in the packaging design: the NUTELLA® glass for instance, over the years has become one of the brand’s symbols. Some of the latest packages devised to have a different specific role at the end of their “first” life, such as sales packaging, include these examples from the world of KINDER® Surprise.

The packaging is part of the so-called secondary reuse; once it exhausted the primary task of protection and transport of the products, the packaging can be used as a showcase for the fleet of aircraft, contained in the egg surprises, to be discovered and built.
SURPRISE RAW MATERIALS

Toys are an essential part of some of the Group’s products, and for this reason *Ferrero’s behaviour and actions are all based on a responsibility towards all children*, main representatives and builders of our planet’s future.
For several years an environmental impact assessment has been carried out in relation to the production and transportation of KINDER® product surprise toys in order to adopt the most appropriate choices from a perspective of reduction in the consumption of materials and reduction in emissions, taking into consideration every aspect of the value chain.

In light on this, from 2013, the manual painting of KINDER® surprise toys has been replaced by an innovative printing system that ensures a reduction in the quantity of varnish and solvents used during production and dispersed into the environment. In parallel, the machinery is being upgraded, with the aim of improving its production efficiency and reduce consumption.

Energy

Ferrero’s value chain approach to energy is developed in three directions:
1. self-production;
2. renewable energy;
3. energy efficiency.
1. SELF-PRODUCTION
From 2007 to this day, thanks to the installation of the Cork factory in Ireland in FY 2014/2015, the Group has gone from three to eleven cogeneration plants, all of which are classified as high-efficiency plants. The following table gives the electric power in MW, subdivided by country and by source, of the plants currently in operation or under construction as of the date of publication of this report.

In FY 2014/2015, this allowed the Group to self-produce an amount of energy equal to 60% of the overall energy requirements of the factories and thus also reduce emissions.
2. RENEWABLE ENERGY
In FY 2014/2015, more than 22% of the installed self-production power derived from plants fuelled by renewable sources.

The development of generation projects connected to renewable energy have become particularly complex due to the new energy policy of some EU countries, the uncertainties in the authorisation procedures as well as to the sensitivity of some local communities with regard to landscape impacts. In such context, the Group's research nevertheless continues and in particular in the field of the production of energy from liquid plant biomasses, not in competition with the food sector.

3. ENERGY EFFICIENCY
The Group's energy consumption is necessary to create the products and their related services. The use of electricity and gas represents more than 70% of the total energy consumption of the production sites and of directly managed warehouses.

Lowering energy consumption and managing energy efficiently today are inescapable actions in order to preserve the raw materials needed by the Group. For this reason, a continuous reduction in consumption and the rational use of energy are pursued within production operations, adopting best practices and identifying specific improvements. Below, variations in energy consumption are given in comparison with the past year.
The improvement in energy efficiency is the result of multiple actions at different levels; one level pertains to the dissemination of energy efficiency culture and another more technical level to the harnessing of the positive effects of some of the technical projects put in place in previous years. As for what concerns the dissemination of culture within the Group, a variety of activities have been carried out, in particular:

- concerning the professional family of "energy managers", established at the end of 2014, work groups have been put in place across factories, meeting every two weeks to attain economic, energy and environmental benefits by sharing problems and solutions.

The three macro-objectives shared by all professional families within the Group (professional and development path, exchange and sharing of best practices and knowledge building) have been articulated into five specific objectives within the professional “Energy” family:

- energy as an “ingredient” of the product/dissemination of an energy culture;

- development of an Energy Management System compliant with ISO 50001;

- network between plants - adoption of communal and shared work tools;

- growth in expertise in the energy efficiency sector;

- definition of standardised methods to attain the aims of energy efficiency (in collaboration with the Ferrero Engineering Department);

- “energy management teams” have been set up in every factory, promoted and guided by the energy manager to support the implementation of a policy for the reduction in the Group’s energy consumption;

- awareness raising and training initiatives are carried out at various levels for staff. For example, in the factory in Alba an environmental sustainability appointed delegate has been put in place for each UGP and each non-productive area that, dealing more specifically with energy and environment, acts as a populariser and collector of ideas (antenna) towards the management team; at the Stadtallendorf plant the project “Four seasons” is underway. Every year the Group’s energy has gone down by 0.7%, on a like for like basis.

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- awareness raising and training initiatives are carried out at various levels for staff. For example, in the factory in Alba an environmental sustainability appointed delegate has been put in place for each UGP and each non-productive area that, dealing more specifically with energy and environment, acts as a populariser and collector of ideas (antenna) towards the management team; at the Stadtallendorf plant the project “Four seasons” is underway. Every year the Group’s energy has gone down by 0.7%, on a like for like basis.

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The improvement in energy efficiency is the result of multiple actions at different levels; one level pertains to the dissemination of energy efficiency culture and another more technical level to the harnessing of the positive effects of some of the technical projects put in place in previous years. As for what concerns the dissemination of culture within the Group, a variety of activities have been carried out, in particular:

- concerning the professional family of "energy managers", established at the end of 2014, work groups have been put in place across factories, meeting every two weeks to attain economic, energy and environmental benefits by sharing problems and solutions.

The three macro-objectives shared by all professional families within the Group (professional and development path, exchange and sharing of best practices and knowledge building) have been articulated into five specific objectives within the professional “Energy” family:

- energy as an “ingredient” of the product/dissemination of an energy culture;

- development of an Energy Management System compliant with ISO 50001;

- network between plants - adoption of communal and shared work tools;

- growth in expertise in the energy efficiency sector;

- definition of standardised methods to attain the aims of energy efficiency (in collaboration with the Ferrero Engineering Department);

- “energy management teams” have been set up in every factory, promoted and guided by the energy manager to support the implementation of a policy for the reduction in the Group’s energy consumption;

- awareness raising and training initiatives are carried out at various levels for staff. For example, in the factory in Alba an environmental sustainability appointed delegate has been put in place for each UGP and each non-productive area that, dealing more specifically with energy and environment, acts as a populariser and collector of ideas (antenna) towards the management team; at the Stadtallendorf plant the project “Four seasons” is underway. Every year the Group’s energy has gone down by 0.7%, on a like for like basis.

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- energy as an “ingredient” of the product/dissemination of an energy culture;
three months, the project schedules training on a specific theme connected to energy; in FY 2014/2015, the selected focus was dedicated to the four phases of product manufacturing process: preparation, moulding, packaging and maintenance;

- The first international European energy manager workshop took place in March 2015, at the Stadtallendorf plant (7 participating countries), with the aim of sharing ideas and technical solutions, discussing the Group’s ISO 50001 certification project, sharing approaches to raise awareness and encourage involvement, as well as creating a shared base in approaching energy management. The conclusions of the event can be summarised by quoting an excerpt of the final minutes “We talked about how a variety of actions can contribute to achieve a change in people’s mind-set” [...] “the workshop showed the various participants different approaches to energy efficiency and on how to implement and improve energy management systems across the various factories”.

As for what concerns the second level, several technical projects have been set up, such as the following examples:

- the installation of more efficient chillers;
- the improvement of air conditioning systems in production departments;
- the improvement of processes linked to heat recovery systems;
- the insulation of piping transporting hot fluids;
- the rationalisation of steam and compressed air distribution networks, with a constant focus on the search for and elimination of losses;
- the automation of the operation of energy uses, to ensure that consumption corresponds to the actual needs;
- the replacement of electric engines with high efficiency ones;
- the replacement of fluorescent lamps with LED lamps;
- the extension of systems for the measurement of energy.

In the following table some examples of energy efficiency actions are given, implemented in the factories that contributed to the result of the year under review.
During the year, Green Weekend activities continued and expanded, contributing to the efficient results obtained.

Based on an analysis of the trends in the energy consumption indicators for the factories and of the information arisen from the energy check-ups on the most significant consumption areas, a mid-long term energy efficiency plan is in the setup phase (GrEEn MaP: “Group Efficiency-in-Energy Master Plan”), as part of some focus meetings conducted in pilot factories. The plan constitutes a reference for the definition of operational guidelines for the factories and is organised in two main areas of action: technical operations and integration. Technical operations are: energy check-ups, targeted investments and expansion in the installation of energy measurement systems; the main pillars of integration are energy managers, the Group’s ISO 50001 certification and the actions in pilot factories. The priority action within the plan, at least in its first phases, will be the production, distribution and use of cold fluids.

As for what concerns the ISO 50001 certification project, it continues to develop according to the plan originally set out. In FY 2015/2016, the external audits took
place in the two factories in Stadtallendorf and Villers-Écalles, locally certified; by July 2016 the multisite certificate was obtained for five factories as a first step: Alba, Arlon, Cork, Stadtallendorf and Villers-Écalles. In relation to the certification project, the commitment to conducting and updating the factories’ energy check-ups continues. These provide a snapshot of the energy transformation and consumption, allowing the identification of the main energy users and suggestion of possible improvement actions.

Water

During the Group’s production processes, water is employed for various purposes:
1. use in the product;
2. industrial and technological use;
3. civil use.

The Group’s commitment to the reduction in water consumption led to a further reduction in the water consumption index. Variations compared to last year are given below:

<table>
<thead>
<tr>
<th></th>
<th>FY 2013/2014</th>
<th>FY 2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption ratio</td>
<td>m³/ton</td>
<td>3.91</td>
</tr>
<tr>
<td>Water consumption</td>
<td>m³</td>
<td>4,180,654</td>
</tr>
<tr>
<td>% from water main</td>
<td>%</td>
<td>54.7</td>
</tr>
<tr>
<td>% from well</td>
<td>%</td>
<td>26.7</td>
</tr>
<tr>
<td>% from river</td>
<td>%</td>
<td>18.6</td>
</tr>
<tr>
<td>% from other sources</td>
<td>%</td>
<td>0</td>
</tr>
</tbody>
</table>

28. The index is calculated based on tonnes produced in the reference years.
29. Data relative to FY 2014/2015 compared to those of FY 2013/2014 include data for the warehouses that are directly managed by the Group. Therefore, it is necessary to take into consideration such limit to the comparability of the two periods.
The water consumption index per ton produced was reduced by 1.4% compared to the previous year on a like for like basis. Indeed, operations have been carried out to improve the efficiency and reduce the scale of washes during processing, some water and fire prevention networks have been renovated and projects to gather and use rainwater have been launched.

There are different techniques used to reduce water consumption, and, as in the past, efforts have focused on improving cooling circuits, eliminating losses from supply networks, optimising existing plants and implementing well-established water saving techniques, such as Cleaning in Place (CIP) washing systems, installing automatic dispensers and adopting cooling systems with water recirculation (e.g. cooling towers).

The water collection source is chosen, where permitted by the legislation and by the hydrogeological features of the site, according to criteria that minimise the impact on the environment and on other users.

<table>
<thead>
<tr>
<th>WASTE WATER FY 2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>UM</td>
</tr>
<tr>
<td>----------------------------</td>
</tr>
<tr>
<td>Waste water m³</td>
</tr>
<tr>
<td>Sewage %</td>
</tr>
<tr>
<td>Surface water %</td>
</tr>
<tr>
<td>Ground and underground %</td>
</tr>
</tbody>
</table>

Wastewater is continually monitored and 94% of its volume is sent to a sewage system, after more or less complex pre-treatments or treatments, in accordance with local regulations and specificities. Where possible, treatment is outsourced. The advantages are clear: compositional characteristics often improve the treatment performance of external systems (often public), the consumption of chemical products within the factories drops and aspects relating to hygiene improve. Constant effort is dedicated to reducing the contents of polluting substances in wastewater, finding alternative or more efficient washing methods, recovering raw materials from washes, training cleaning personnel on the correct doses of product to use and installing automatic dispensers, selecting ecological products.
Environmental activities of the plants

This global overview is aimed at showing the breadth of the Group’s efforts to improve environmental indicators and whilst representing significant projects at a local or Group level in four main areas:

- **Electricity usage reduction** – e.g. LED light installations, new absorb-ers, installation of light sensors;
- **Thermal energy usage reduction** – e.g. rationalisation of the steam net-work, efficiencies of the cooling system;
- **Waste reduction** – e.g. recovery programs, staff training, expansion of the waste collection area, waste reduction thanks to the installation of ma-chinery;
- **Water reduction** – e.g. purchase of more efficient machinery or process modifications with consequent reduction in the number of machine washes.

The Ferrero Group concretely com-mits to the reduction of environ-mental impacts, especially with its processes, and has therefore given itself the aim of obtaining the **ISO 14001 certification for the Group**, for all its plants and for all warehous-es managed directly. Such voluntary regulation requires the company to implement an “Environmental Man-agement System” based on contin-uous improvement and prevention,
and provides guidelines for the definition of environmental objectives and for the implementation of a plan to reach them.

At the end of 2015, with the attainment of the certification by the Russian plant of Vladimir in June and of the plant of Poços de Caldas in Brazil in November, fifteen production plants have already obtained the certification, falling within the multisite certificate that now covers more than 95% of the Group’s production. By the end of 2017, the certification will cover the production plants in Mexico (San José) and Turkey (Manisa)\textsuperscript{30}, and, by the end of 2020, the plants of Baramarati, Walkerville and Yaoundé and all directly-managed warehouses.

The environmental management certification has now been accompanied by a Group ISO 50001 energy certification\textsuperscript{31}.

With reference to the Group certification, as presented in the previous reports, there has been an extension of the program called \textit{P.I.X.A. (Program of Internal xChange of Auditors)}, aimed at favouring communication, integration and exchange of know-how and best practices within the Group. The program allows the participation of engineers, coming from plants that are different to those being audited, or by head office managers working in the field of environmental sustainability in internal environmental audits. In the second year of its implementation, 16 ISO 14001 audits were performed, of which 3 were integrated with the ISO 50001 energy audits. The 16 audits performed saw the participation of 21 cross auditors.

2. Emissions

\textbf{\textit{CO}}_{\text{2eq}} \textit{emissions from production}

The Group wants to grow as a business with low emissions; for this reason, in order to reduce its impact, it measures and manages its Carbon Footprint, aiming at technological innovation and collaboration and focusing not only on the impact of its business but also on the impact of the entire value chain\textsuperscript{32}.

In 2014, the Carbon Footprint\textsuperscript{33} of the core business operations for the period running from 1\textsuperscript{st} September 2014 to 31\textsuperscript{st} August 2015 was measured using the WRI/WBCSD Greenhouse Gas Protocol.

The emissions of \textit{CO}_{2eq} deriving from the production activities and from the warehouses directly managed by the Group (Scope 1 and Scope 2), are equal to 384,728 tonnes in FY 2014/2015.
With reference to the 2020 objective to reduce CO₂ emissions derived from production activities by 40%, one can observe an emission index increasing by 1.3% compared to the previous year, on a like for like basis.

Variations compared to last year are given below:

<table>
<thead>
<tr>
<th></th>
<th>UM</th>
<th>FY 2013/2014</th>
<th>FY 2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>GWP emission ratio</td>
<td>kg CO₂/ton</td>
<td>337</td>
<td>354</td>
</tr>
<tr>
<td>Total emissions</td>
<td>ton CO₂</td>
<td>360,580</td>
<td>396,185</td>
</tr>
<tr>
<td>Scope 1 emissions</td>
<td>ton CO₂</td>
<td>187,349</td>
<td>198,421</td>
</tr>
<tr>
<td>Scope 2 emissions</td>
<td>ton CO₂</td>
<td>173,232</td>
<td>197,764</td>
</tr>
</tbody>
</table>

Ferrero Group and the Italian Ministry for the Environment Land and Sea signed a voluntary agreement for the promotion of a joint project entitled “GHG inventory methodology for the production of confectionery products. Case Study: Alba factory – Ferrero Group“.
The aim of the project was to evaluate and reduce the Greenhouse Gases emission in the production processes of confectionery products. The project was launched and completed in 2015.

The project has foreseen:
- to share and validate the GHG inventory methodology according to international and recognized protocols such as “WRI/WBCSD GHG protocol” and “UNI ISO 14064-1” in relation to the production of confectionery products;
- to share and validate the Ferrero emission management system with the purpose of reducing them;
- the application of the Scope 1 and 2 model on historical records starting from the year 2003;
- an overview of the Ferrero on-going action strategies to reduce the GHG emissions, and the identification of additional economically efficient action in the production processes object of study.

The aim of the project developed in the Alba Factory was to validate and improve the current methodology in order to refine the Ferrero Group emission management system and identify new strategies for the reduction of greenhouse gasses emissions.

The GHG inventory have shown how one of the main sources of greenhouse gas emission is the energy consumed in the production lines. The action strategies that can be implemented in order to reduce emission deriving from energy consumption are on one hand management activities (“Green Weekend” project) and on the other hand technological activities mainly targeting process systems, lighting and air conditioning.

For this project, Ferrero SpA obtained an ISO 14064-1:2006 certification, issued by Bureau Veritas Italia SpA, third party and independent verification body operating at international level.

36. The Greenhouse Gas (GHG) Protocol of WRI/WBCSD (World Resources Institute/World Business Council on Sustainable Development) is the most used emission accounting tool at an international level by Governments and by business leaders to understand, quantify and manage their greenhouse gas emissions.

37. UNI EN ISO 14064-1:2006 specifies the principles and the requirements, at the level of organisation for the quantification and accounting of Greenhouse Gas (GHG) emissions and of their removal. It includes the requirements for the audit of the Greenhouse Gases inventory of an organisation.
In relation to the emission of cooling gases, the trend shows a halving of both indicators linked to the leaking emissions of gases used in the cooling systems, ODP (Ozone Depletion Potential, i.e. the potential distribution of atmospheric ozone due to the introduction of a substance in the air, given in terms of R11 equivalents, gas with an ODP equal to 1) and GWP (Global Warming Potential, i.e. the contribution to the greenhouse effect by a cooling gas released into the atmosphere, given in CO₂ equivalents). Cooling gas losses do not appear significant and therefore their impact is limited. In any case, preventative maintenance operations for circuits containing cooling gases continue.

**FY 2014/2015 REFRIGERANT GAS EMISSIONS**

<table>
<thead>
<tr>
<th>ODP</th>
<th>GWP</th>
</tr>
</thead>
<tbody>
<tr>
<td>95 kg R11_{eq}</td>
<td>11,410 tonnes CO₂_{eq}</td>
</tr>
</tbody>
</table>

**CO₂_{eq} emissions from logistics**

Efforts to improve and consolidate the figures pertaining to Group logistics continue. Further steps have been taken within the context of the LODICO (LOgistics Data Improvement COllection) project, started in FY 2012/2013. In fact since FY 2014/2015, the mapping of warehouses managed or not managed by the Group has improved: for the first time, the Group’s impact has also included the 213 warehouses that are not directly managed. In FY 2014/2015, emissions deriving from the transportation and storage of goods are equal to 400,097 tonnes of CO₂_{eq}. This figure is not comparable to the one give in the previous report because it includes the over 200 warehouses not managed directly by the Group. Furthermore, during FY 2013/2014, a project was launched for the construction of simplified models to calculate the transportation of the main agricultural raw ingredients and packaging. The data is still being checked and verified and will thus be included in the next reports.
The activities aimed at the environmental improvement of Group logistics are based on three pillars:

**Reduction in mileage and increase in capacity utilisation.**

*Europa project*
The Europa project for the optimisation of European transport connections continues, with the consequent reduction in distances travelled. The Polish warehouse will be operational at the end of 2016 and the first advantages in terms of reduction in mileage will be noticeable by the end of 2017. The building of the new German warehouse will allow the number of shuttling trips to be reduced by 5%, with an estimated reduction of more than 450,000 km.

*Italy*
The rationalisation of delivery to the points of sale is on-going, through the “Corriera” project. It is estimated that the project has allowed a reduction by 7% in the km travelled for transport purposes between FY 2012/2013 and FY 2014/2015. Thanks to the future implementation of our new Transportation Management system, the delivery rounds will be optimised. In fact, in the future it will be possible to organise the delivery itinerary according to the specific point of sale and no longer to the entire municipality.

*France*
On 20 May 2015, in occasion of the world summit Business & Climate, Ferrero France signed, together with other nine companies (Air Products, Carrefour, Coca Cola Enterprises, Fleury Michon, Jean Hénaff, Orrion Chemicals Orgaform, Placo Saint-Gobain, Groupe Renault e SCA) the voluntary commitment agreement FRET 21. It is a commitment with different French Public and Professional Bodies to reduce CO$_{2eq}$ emissions generated from transport of products over a period of three years. The actions to be taken focus on four areas: percentage of load, distance travelled, means of transport and sustainable purchases.

**Selection of transportation with a lower environmental impact.**

*Germany*
Ferrero Germany decided to substitute the previous diesel vehicle for transport within the factory with a new electric lorry. The modification leads to a two-fold advantage; from the point of view of innovation, it allows the reduction of noise, as the electric engine is much quieter, from an environmental perspective, it allows a reduction in emissions (in six months of use, CO$_{2eq}$ emissions were indeed reduced by 14 tonnes).
The Group has set itself the objective of achieving the ISO 14001 certification for all storage sites under direct management by 2020. As of 31st August 2015, around 50% of storage sites managed by Ferrero were ISO 14001 certified. A completion plan has been devised for the remaining warehouses, which will see the certification of three Italian warehouses already from FY 2015/2016.

**Poland**

Various equipment has been installed during the construction of the new warehouse in Poland, in order to save energy and monitor energy use:

- the traditional lighting installation within the silos building has been replaced with LED lighting, with a saving of 343 MWh per year, compared to standard lamps\(^\text{38}\);
- stacker cranes have been fitted with an optional electronic module allowing the engine to be used also as an energy generator; by returning part of the energy to the other elements to which it is connected, electricity consumption is reduced by around 15%;
- meters have been installed to analyse the flow of output energy to optimise industrial processes;
- advanced systems have been installed to manage the consumption within buildings (BMS - Building Management System) and for the environmental monitoring of temperature and humidity (EMS - Environmental Monitoring System) in order to optimise the consumption of electric and thermal energy;
- use of the free cooling system to cool the water used in industrial process or in conditioning plants, by harnessing external low temperature air to assist the traditional chiller, with a consequent energy saving.

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\(^{38}\) For this calculation, a constant lamp use has been assumed, 365 days a year, 24 hours a day.
3. Waste management

In line with the Group's policy for the general reduction of waste and the better management of the production chain, and in keeping with the views of the European Union in favour of increasing the quality of recovered waste, the two main intervention areas of the Group's production plants on the issue of waste concern a reduction in waste production in absolute terms and the recovery index.

On a like for like basis, the Group's waste production index has increased also this year (+20.4%). The main causes are to be found in specific operations such as accounting changes from by-products to waste for some categories of materials, specific disposal not directly related to the production phases. An example of this includes the waste removal of obsolete machinery and moulds or extension work in certain factories. The Group has thus decided to proceed with a more in depth analysis of the issue. In parallel, training and awareness raising activities for staff continue, and will increase.

The FY 2014/2015 saw the continuation of several activities aimed at reducing waste from its origin and at researching increasingly efficient solutions for the sorting of materials within and outside the production factories, as demonstrated by the increase in the recovery index by 0.7%.

### FY 2014/2015 WASTE PRODUCTION AND RECOVERY INDEX

<table>
<thead>
<tr>
<th></th>
<th>FY 2013/2014</th>
<th>FY 2014/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste production ratio kg/ton</td>
<td>64.17</td>
<td>79.5</td>
</tr>
<tr>
<td>Total waste ton</td>
<td>68,576</td>
<td>88,973</td>
</tr>
<tr>
<td>% waste recovery %</td>
<td>91.6</td>
<td>91.6</td>
</tr>
</tbody>
</table>

39. Data relative to FY 2014/2015 compared to those of FY 2013/2014 include data for the warehouses that are directly managed by the Group. Therefore, it is necessary to take into consideration such limit to the comparability of the two periods.

40. The index is calculated based on tonnes produced in the reference years.
The following figure provides the distribution by weight of the different types of waste recovered in the 18 production factories.

**FY 2014/2015 TYPE OF WASTES RECOVERED BY WEIGHT**

Dangerous waste corresponds to 2.5% of the total waste, which is generated by manufacturing activities and by analysis and control (chemical, physical, microbiological) activities.

In the year under review, no significant spills or incidents took place in any of the 18 factories considered.
4. Protection of natural ecosystem

The business of the Ferrero Group, as part of the global ecosystem, can generate impacts through its direct activities or along the supply chain. It is very important, once the ecosystem elements involved are identified, to actively conserve them. In particular, for a food company like Ferrero, biodiversity, deforestation and use of the soil are certainly key aspects.

Biodiversity

The 20 Ferrero factories are not located in any protected or highly biodiverse areas, nor do they have significant environmental impacts on such areas. The investigation was conducted through an in-house analysis and, only for European countries, with the use of the European Environmental Agency (EEA) website. The only instances of protected area found were adjacent to Ferrero factories (less than 2 km). Ferrero is not aware of any activities there that might be causing significant impacts on biodiversity.

<table>
<thead>
<tr>
<th>PLANT</th>
<th>TYPE OF AREA</th>
<th>PROTECTED AREA</th>
<th>IUCN CAT.</th>
<th>DISTANCE (km)</th>
<th>AREA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. Angelo dei Lombardi (Italy)</td>
<td>NATURA 2000 (SCI)</td>
<td>Querceta dell’Incoronata (Nusco)</td>
<td>Not Applicable</td>
<td>0.5</td>
<td>1,363</td>
</tr>
<tr>
<td>S. Angelo dei Lombardi (Italy)</td>
<td>NATURA 2000 (SCI)</td>
<td>Alta Valle del Fiume Ofanto</td>
<td>Not Applicable</td>
<td>2</td>
<td>590.3959</td>
</tr>
<tr>
<td>Villers-Écalles (France)</td>
<td>Regional Nature Park</td>
<td>Boucles de la Seine normande Regional Nature Park</td>
<td>V</td>
<td>1.5</td>
<td>80,797</td>
</tr>
<tr>
<td>Stadtallendorf (Germany)</td>
<td>NATURA 2000 (SCI)</td>
<td>Herrenwald östlich Stadtallendorf</td>
<td>Not Applicable</td>
<td>1.5</td>
<td>2,706.0628</td>
</tr>
<tr>
<td>Stadtallendorf (Germany)</td>
<td>NATURA 2000 (SCI)</td>
<td>Brückerwald und Hußgeweid</td>
<td>Not Applicable</td>
<td>2</td>
<td>407.7080</td>
</tr>
<tr>
<td>Stadtallendorf (Germany)</td>
<td>Landscape Protection Area</td>
<td>Auenverbund Lahn-Ohm</td>
<td>V</td>
<td>2</td>
<td>5,915.40</td>
</tr>
<tr>
<td>Belsk Duży (Poland)</td>
<td>Nature Reserve</td>
<td>Modrzewina</td>
<td>IV</td>
<td>2</td>
<td>336.95</td>
</tr>
<tr>
<td>Brantford (Canada)</td>
<td>Local Park</td>
<td>Brant Conservation Area</td>
<td>Not Applicable</td>
<td>1.5</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

41. The analysis includes the 21 Ferrero factories active as at August 31st 2015. Such analysis has been updated including the new Chinese plant.
Deforestation

Deforestation is one of the biggest causes of the release of greenhouse gases into the atmosphere, contributing to up to 15% of global greenhouse gas emissions. Indeed, the world’s forests preserve an enormous quantity of carbon in the soil, which can be estimated at around 500 billion tonnes, of which the great majority is located in the tropical rainforests. The main deforestation driver is commercial agriculture, fuelled by the growing demand of key products.

For this reason, the Ferrero Group, with the aim of fighting the problem of deforestation, has subscribed to the New York Declaration on Forests during the Climate Summit organised by the UN in September 2014. The declaration is a voluntary political commitment arising from the dialogue between governments, firms and civil society with the aim of halving the loss of forests by 2020 and stop it by 2030.

Knowing the origins of its raw materials is the first step to stop the deforestation process; for this reason, for the past few years the Group has been concentrating its efforts on a few of the raw materials that are considered more responsible for the problem. In particular:

• the Group has been a member of the Palm Oil Innovation Group (POIG) since November 2015. POIG’s vision has the same striving for innovation that in November 2013 led Ferrero to launch its own Palm Oil Charter, in collaboration with its suppliers, to tackle the main causes of deforestation and create a balance between the preservation of the environment, the need of the community and economic benefits and feasibility;

• by the end of 2017, the Group has committed to reach the objective of obtaining its supply of virgin paper and cardboard from a certified sustainable supply chain. Since the end of 2014, all the virgin cardboard has come from a certified supply chain. Certification is a tool to promote responsible forest management, both from a social and from an environmental perspective.