

# Ferrero Group's Stakeholders and materiality analysis

**I**n 2015, by applying the new G4 Sustainability Reporting Guidelines, the Group updated the analysis of relevant sustainability topics through an internal materiality process, involving stakeholders and sharing goals and strategies.

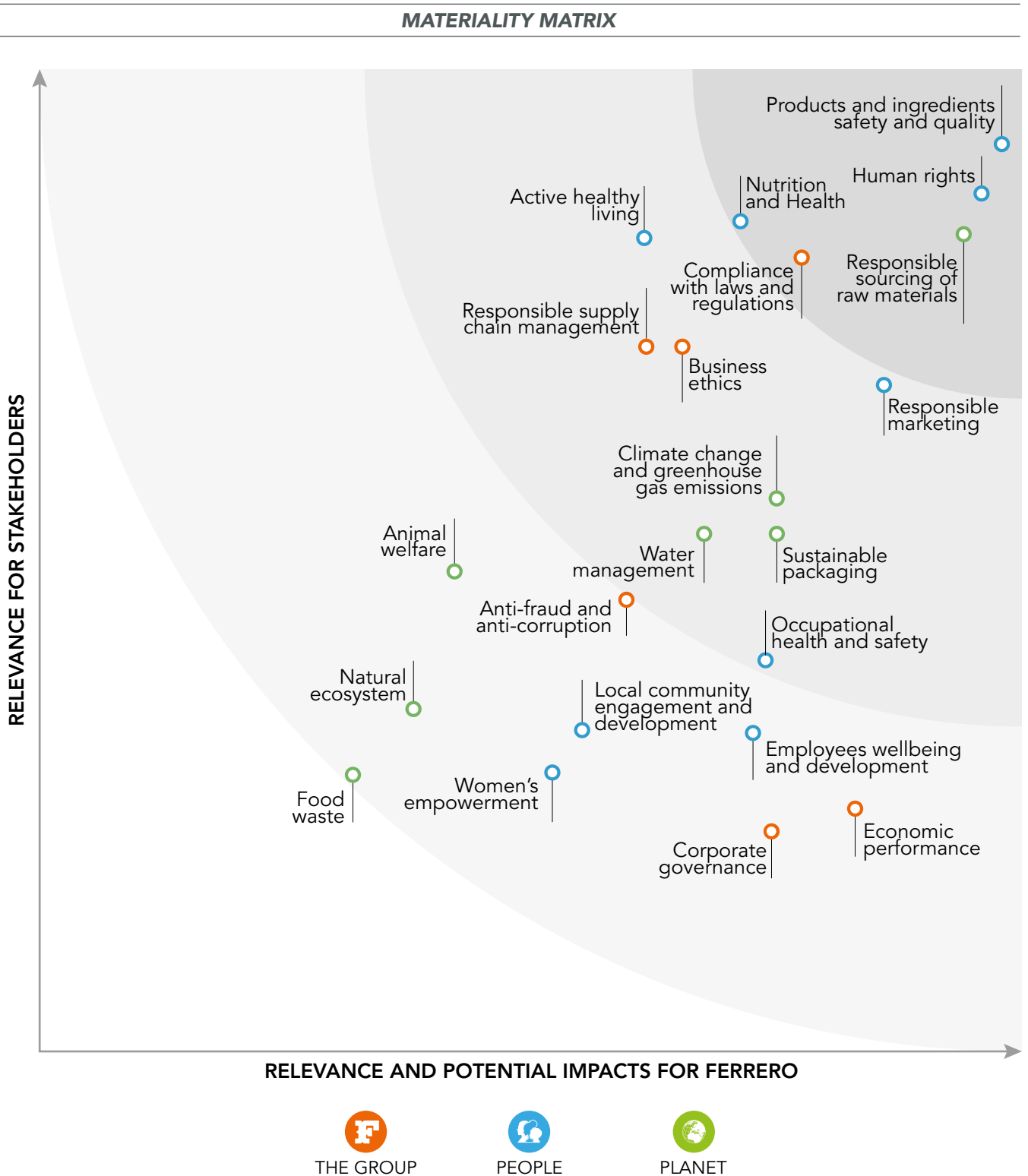
Specifically, the materiality analysis carried out for the preparation of this report aimed to identify and assess the importance of various sustainability topics that affect the Group's ability to create value and those considered relevant by its stakeholders.

The starting point was the analysis of the GRI G4 Sustainability Reporting Guidelines and other topics identified as potentially relevant to the Group and its stakeholders.

Once these topics were identified they were assessed by the internal functions involved in the drafting of the Group's CSR report. This assessment was conducted through a questionnaire to measure the relevance of each issue according to both the relevance for the Ferrero Group and according to what emerged from the ongoing dialogue with the main stakeholders. This quantitative analysis was supplemented by a qualitative analysis which saw the involvement of a selection of Group managers who defined the materiality matrix described below.

In the matrix, the aspects that are most relevant to Ferrero Group and its stakeholders are placed in the top right-hand box and represent a strategic priority for the Group.

As in previous analyses, the importance of topics relating to the safety and quality of products and ingredients, the Group's nutritional strategy and to the promotion of active lifestyles has been confirmed; in addition to aspects concerning the responsible supply of raw ingredients, the respect and defence of human rights, the proper management of the supply chain and women empowerment. The importance of topics such as compliance with laws and regulations, ethics in relations with business partners, the responsible management of relations with suppliers and the application of a responsible marketing and communication strategy were also highlighted. Special attention is also paid to the health and safety of employees, as well as to their wellbeing and development. Environmental sustainability (climate change and greenhouse gas emissions, management of comprehensive water resources, sustainable packaging and respect for the natural ecosystem) completes the list of topics identified as the most relevant, together with anti-fraud and anti-corruption policies, food waste, and development of local communities, corporate governance and economic performance.



For each of the 22 topics that emerged as material, in order to identify where the issue generates an impact and thus determining its relevance, was also defined and applied a perimeter. The impacts can in fact occur in entities within the perimeter of the organisation, outside of the organisation, or both.

SCOPE	TOPICS	INTERNAL PERIMETER	EXTERNAL PERIMETER
	Business ethics	Ferrero Group	Suppliers, Distributor and Retailers, Farmers
	Corporate Governance	Ferrero Group	
	Economic performance	Ferrero Group	Suppliers, Distributors and Retailers, Farmers
	Compliance with laws and regulations	Ferrero Group	Suppliers, Distributors and Retailers, Consumers
	Anti-fraud and anti-corruption	Ferrero Group	Suppliers, Distributors and Retailers
	Responsible supply chain management	Purchases	Suppliers, Distributors and Retailers
	Nutrition & health	Nutritional strategy and Products	Consumers, Consumer associations and NGOs, Institutions, Governments and Regulators
	Products and ingredients safety and quality	Production plants and Products	Suppliers, Distributors and Retailers, Consumers, Consumer associations and NGOs
	Responsible marketing	Marketing, Communication and Media	Consumers
	Employees wellbeing and development	Ferrero Group, Ferrero Foundation	Trade Unions, Local Communities
	Occupational health and safety	Production plants	External collaborators, Suppliers
	Women's empowerment	Ferrero Group	Farmers
	Active healthy living	Kinder+Sport	Consumers, NGOs, Local communities
	Local community engagement and development	Purchases, Production plants, HCo, Kinder+Sport, Ferrero Foundation, Michele Ferrero Entrepreneurial Project	NGOs, Institutions, Governments, Local communities
	Human rights	Ferrero Group	Suppliers, Farmers, NGOs
	Responsible sourcing of raw materials	Purchases, HCo	Suppliers, Farmers, NGOs
	Food waste	Production plants and Products	Suppliers, Distributors and Retailers, Farmers, Consumers
	Animal welfare	Purchases	Suppliers, NGOs
	Natural ecosystem	Production plants	Suppliers, Farmers, Local communities
	Climate change and greenhouse gas emissions	Production plants, Warehouses	Suppliers, Employees travels
	Sustainable packaging	Packaging management, Production plants	Consumers, Suppliers
	Water management	Production plants, HCo	Suppliers

The topics mentioned are consistently analysed in the relevant chapters of this report, through a qualitative description of the management approach (DMA, *Disclosure on Management Approach*) and specific performance indicators. The coverage of this is shown in the summary table at the end of the report, compiled according to the form proposed by the GRI G4 guidelines.

In conjunction with the materiality analysis, the mapping of internal and external stakeholders was also updated, confirming the centrality of the consumer, who is therefore Ferrero's first key stakeholder.

The stakeholders for which the following report is intended are therefore indicated in the following diagram:

#### STAKEHOLDER MAPPING



In regard to stakeholder involvement, the Ferrero Group actively participates in debates and in the work groups of trade and industry associations it belongs to at an international, European and national level (see list in the chapter "The Ferrero Group"). In addition, the Group has developed a structured dialogue with some NGOs that also work in CSR.

As this is the first social responsibility report prepared according to the GRI G4 guidelines, the materiality analysis did not directly involve stakeholders outside of the Group. However, with a view to continuously improve its sustainability strategy, Ferrero, over the coming years, aims to update these analyses, by also involving external stakeholders.