



**FERRERO UK**

MODERN SLAVERY ACT  
COMPLIANCE STATEMENT

February 2017

**Ferrero UK, managed under the parent company Ferrero International Limited S.A. (collectively “Ferrero”), is committed to and fully supports the goals of the Act.**

Ferrero’s commitment to the respect of human rights, together with its Company values, constitutes the basis of its policies and of its everyday activity. Ferrero confirms its strong determination to contribute to the elimination of all forms of slavery, human trafficking, forced or compulsory labour, prison labour, and child labour, starting from its worst forms. Moreover, Ferrero already strongly promotes human rights respect and has zero tolerance to any forms of human rights abuses along its value chain, through committing to the Ten Principles of the United Nations Global Compact and the United Nation Guiding Principles of Business and Human Rights, to which the Ferrero Group has officially adhered.

## Overview

**Ferrero began its story in the little town of Alba in Piedmont, Italy, in 1946. Today, with a consolidated turnover of over 10 billion euros, Ferrero is amongst the market leaders of the confectionery sector and the third worldwide Group in the chocolate confectionery market.**



The Ferrero Group is present with more than 41,000 people across 53 countries; it has 22 production plants around the world, of which 3 are part of the Michele Ferrero Entrepreneurial Project in Africa and Asia. In addition, at the beginning of 2015, the Group set up the Ferrero Hazelnut Company (HCo) that includes 6 agricultural companies and 8 manufacturing plants. Ferrero products are present and sold in more than 170 countries; they have become part of the

collective memory and customs of many countries, where they are truly loved generation after generation and often considered as cultural icons.

Furthermore, Ferrero has social responsibility in its DNA. Product freshness and high quality, careful selection of the finest raw materials, sustainable agricultural practices and continuous research and innovation are some of the key elements of Ferrero’s success. Moreover, Ferrero continues to invest in local communities thanks to the Ferrero Foundation, the Michele Ferrero Entrepreneurial Project and the Kinder+Sport programme.



## Our Codes and Policies

**Ferrero supports the protection of human dignity, as well as the absolute respect of human rights, wherever the Group companies and supply chains operate. In particular, Ferrero also supports the abolition of the exploitation of child labour and of forced and coercive labour, within our sphere of influence along the entire value chain.**

Ferrero’s Code of Ethics and Code of Business Conduct policies are at the basis of our approach to human rights and modern slavery in supply chain.

With the solid foundation of our past, our Code of Ethics reaffirms decisions and our actions are based on our values Loyalty and Trust, Respect and Responsibility, Integrity and Sobriety, Passion for Quality, Research and Innovation, Entrepreneurship and “Work, Create, Donate”.

Today, like never before, it is essential to confirm our ethical vision and to state clearly our principles, values and responsibilities. These principles guide our conduct in relationships with the market, in particular the consumer, the communities where we work, the people who work with us and with every stakeholder involved with the Company.

In particular our Code of Business Conduct for suppliers and business partners defines Ferrero standards in the following areas:

1. excellent product quality and safety;
2. commitment to protecting human rights;
3. environmental protection and sustainability;
4. guaranteeing standards in the workplace environment;
5. business integrity.



This Code of Business Conduct lays out Ferrero human rights expectations to our suppliers and collaborators, that are contractually required to comply with. The Code, for instance, prohibits imperatively the use of child labour in any way or form, either directly or indirectly, based on the principles of the ILO's Minimum Age Convention No. 138 and the Worst Forms of Child Labour Convention No. 182.

Through the Code, Ferrero has started to work with all its partners throughout the supply chain to be compliant with those goals. This ultimately will strengthen the partnership with all actors of the supply chain and increase transparency.

Ferrero reserves the right to verify its suppliers' and other third parties' compliance with our high standards by conducting audits and unannounced inspections of suppliers to examine their business practices, records, and facilities as well as to conduct private interviews with employees. Ferrero uses independent third parties to assess supplier compliance with its Code of Business Conduct and Code of Ethics.

In case of non-compliance, Ferrero will demand corrective measures and reserves the right to terminate any agreement.

Both codes are available on [www.ferrero.com](http://www.ferrero.com)

## Responsible Sourcing



**Ferrero is committed to identify, address and mitigate any actual and potential human right risks along the supply chain. To thoroughly understand and better manage social performance and human rights risks in our supply chains, we have adopted a continuous improvement approach in our responsible sourcing practices.**

Ferrero has launched a supplier sustainability initiative with the objectives to manage risks and verify excellence in suppliers' activities and, where necessary, leverage on the influence of our supply chains to encourage a better performance. The initiative is carried out through a partnership with a tool to assess supplier sustainability performances across four main themes: Environment, Labour and Human Rights, Fair Business and Sustainable Procurement practices.

The Group's agricultural companies and our strategic suppliers are invited in different stages to complete the self-assessments using an online platform. Suppliers identified at-risk following the assessment are encouraged to share and implement their corrective action plans. Our ambition is to have all suppliers engaged in this initiative in the long term.

## Responsible Agriculture

Ferrero strives to continuously improve the sustainability of supply chains and recognises the importance to promote sustainable practices all the way down to the agriculture. In particular, Ferrero cares about the conditions that characterize the production of its supply chains' raw materials.

Ferrero acknowledges that raw materials are produced in rural areas, and that rural development is the real driver to help farmers, workers, and their families. For this reason, Ferrero promotes good agricultural and social practices according to internationally recognized standards through a dedicated programme named **F-ACTS - Ferrero Agricultural Commitment to Sustainability**.



To implement its ambitions for sustainable agricultural supply chains, Ferrero has launched Ferrero Farming Values (FFVs) programmes for its strategic raw ingredients, under the F-ACTS framework.



	<b>FERRERO FARMING VALUES</b>	<b>Cocoa</b> <b>By 2020</b> 100% certified as sustainable
	<b>FERRERO FARMING VALUES</b>	<b>Hazelnuts</b> <b>By 2020</b> 100% traceable
	<b>FERRERO FARMING VALUES</b>	<b>Eggs</b> <b>Since September 2014</b> 100% from barn hens for EU production
	<b>FERRERO FARMING VALUES</b>	<b>Palm Oil</b> <b>Since January 2015</b> 100% sustainable certified by RSPO as segregated
	<b>FERRERO FARMING VALUES</b>	<b>Cane Sugar</b> <b>By 2020</b> 100% certified as sustainable
	<b>FERRERO FARMING VALUES</b>	<b>Milk</b> Pursue strict quality standards and monitor sustainability indices

For each raw material, a tailored FFV programme is guided by specific objectives, based on a 3-pillar approach: development of dedicated projects and partnerships, adoption of standards and certifications, institutional and collective engagements.

**For further information about our commitments on agricultural supply chains visit [www.ferrerocsr.com](http://www.ferrerocsr.com)**

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement of Ferrero UK for the financial year ending 31st August 2016.

**Pieraldo Oldano**  
Managing Director

For and on behalf of Ferrero UK Limited

February 2017