

FERRERO ADVERTISING AND MARKETING PRINCIPLES¹

RESPONSIBLE ADVERTISING & MARKETING

Increasing worldwide attention to diet, nutrition and physical activity is of great significance to the international food and beverage community, of which Ferrero is a part.

Ferrero supports the notion that responsible commercial communications can assist consumers in making appropriate choices about food and beverage products, as well as in understanding the role of nutrition, diet and physical activity in order to achieve a globally healthy and active lifestyle. By conveying commercial communications consistent with the principles of good nutrition, balanced diet, physical activity and personal choice, industry can play an important role.

As a global industry player, Ferrero consistently applies the “**Framework for responsible food and beverage communication**” adopted by the **ICC - International Chamber of Commerce**, as well as the regional and national self-regulatory Codes developed locally on that basis.

Ferrero recognizes the need for proper enforcement mechanisms to sanction or amend advertisements that do not meet the above-mentioned self-regulatory requirements.

Ferrero believes that an effective self-regulation of commercial communications provides a valuable framework to best serve the consumer’s interest in receiving truthful and accurate communications. This is why Ferrero, individually as well as through the Associations to which it belongs (such as **WFA**, the **World Federation of Advertisers**, and **IFBA**, the **International Food & Beverage Alliance**), is an active player in the self-regulatory process at national, as well as international level.

ADVERTISING & MARKETING DIRECTED PRIMARILY TO CHILDREN

Ferrero has always believed in the crucial role played by parents in educating their children to a balanced diet and a healthy and active lifestyle. Therefore, advertising & marketing communications concerning our food products are directed primarily to the adults who make the household purchasing decisions and to young people 12 years and older, in terms of content, as well as of media purchasing.

Although the existence of a direct link between advertising and children’s eating habits has not been proven, Ferrero believes that particular care should be exercised when commercial communications are directed primarily to children, especially when children are most likely exposed to such communications without parental supervision.

In line with the above considerations, Ferrero applies the “Global Policy on Marketing & Advertising to Children 2 defined by the International Food & Beverage Alliance (IFBA), of which we are member. In line with the **IFBA 2014 Enhanced Global Policy on Marketing Communications to Children**², starting from 1st January 2017, **Ferrero commits worldwide to avoid** product marketing communications that are primarily directed to children under 12 years old in the following covered media: TV, radio, print, cinema, online (including company-owned websites), DVD/CD-ROM, direct marketing, product placement, interactive games, outdoor marketing, mobile and SMS marketing.

¹ Revised January 2017

² <https://ifballiance.org/documents/2014/09/ifba-global-policy-on-m2k-final-september-2014.pdf>
<https://ifballiance.org/documents/2014/09/ifba-2014-global-policy-on-m2k-explained-final-september-2014.pdf>

Packaging, in-store and point of sale as well as forms of marketing communications which are not under the direct control of the brand owner, such as user-generated content, are not covered by this policy.

According to this policy, “primarily directed to children under 12” means advertising in measured media where 35% or more of the audience is under 12 years of age. Where adequate data are unavailable, Ferrero will consider other factors as appropriate, which may include the overall impression of the advertising, actions taken to restrict child access and the target demographic based on the company’s media plan.

Limited exceptions to such general rule can be made in certain countries or regions for products fulfilling specific criteria, based on accepted scientific evidence and/or applicable national and international dietary guidelines. For this purpose, factors to take into account are:

- a. Guidelines and recommendations issued by International Public Health Authorities (WHO, FAO etc.);
- b. National dietary guidelines, where applicable;
- c. role of the product in the overall diet, particularly in the “Between Meals Eating Episodes” (BMEE);
- d. limited kcal intake and positive micronutrients contribution per individually wrapped portion, as consumed;
- e. choice of the product in the context of a balanced diet and lifestyle, including a sufficient level of physical activity.

A balanced diet is at the core of a healthy lifestyle: this is why we continue to create high quality, unique and tasty food products, offered to consumers in correctly pre-packed portions. We believe that our individually wrapped portions, the presence of raw materials naturally rich in nutrients of high value, our simple recipes and the organoleptic performance of our products are key elements which allow them to be part of the mid-day and mid-afternoon eating episodes. In fact, chocolate-based products and snacks, when consumed in the right portions, can legitimately be part of a balanced diet and of a globally healthy and active lifestyle. A truly balanced diet is not the one which simply eliminates certain foods, but it is the one that also includes foods that consumers enjoy eating, in the correct portions, in order to facilitate the retention over time of globally correct and lasting eating habits.

The following **Principles** help us to select the products that are more suitable to be consumed in combination with other foods, in order to achieve balanced but tasty **Between Meals Eating Episodes (BMEE)**:

- a. **products with a limited caloric intake, i.e. with less than 130 Kcal** per individually wrapped portion;
- b. **products with a balanced nutrient composition, assessed on the basis of a specific “Ferrero BMEE Score³”**.

Products respecting the above principles could be suitable to be advertised also to audiences with more than 35% of children under 12. Such principles are implemented taking properly into account the different local dietary needs, including specific nutrient deficiencies, as well as the applicable national dietary guidelines. The “Ferrero BMEE Score” is not applied where common nutrition criteria have been inserted in

³ Energy dense foods are not all the same. Some of them can give a particularly positive contribution on the basis of their micronutrient content. The “**Ferrero BMEE Score**” is based on the “**Naturally Nutrient Rich Score NNRs System**” (Cfr. Adam Drewnowski, “Concept of a nutritious food: toward a nutrient density score”, American Journal of Clinical Nutrition 2005;82:721-32), modified to take into account the **fiber** content and the RDA EU values. The “Ferrero BMEE Score” also takes into account the **GI/GL (Glycemic Index) values**, as well as the blood lipids, according to the “**Hegsted Formula**”. Qualifying products are those with a “**Ferrero BMEE Score**” **above 54 per individually wrapped portion**. Such score is in line with that of normally consumed food, such as various kinds of bread and other foods typically consumed during *Between Meals Eating Episodes*.

a local Pledge signed by Ferrero. In all countries where common nutrition criteria do not yet exist for industry self-regulatory commitments, in regulation or other applicable co-regulatory agreements, Ferrero will, as of 1st September 2018 at the latest, avoid advertising to children under 12 years old products that do not meet one of the following common nutrition criteria: US Children’s Food and Beverage Advertising Initiative (CFBAI); EU Pledge; Mexican regulatory criteria; Singaporean co-regulatory criteria.

In line with the “**IFBA Global Policy on Marketing & Advertising to Children**”, Ferrero also commits worldwide **not to carry out any communication related to its products in primary schools, except where specifically requested by or agreed with, the school administration for educational purposes.**

OTHER ADVERTISING & MARKETING PRINCIPLES

Portrayal of children, promotion of active lifestyles and social responsibility

Ferrero commits not to portray physically inactive children (e.g. watching TV or playing sedentary games) in its commercial communications. Our advertising and marketing strives to promote dynamic and active lifestyles, especially when it concerns children.

Celebrities and licensed characters

Consistently with the “ICC Framework for responsible Food and Beverage Communication”, Ferrero ensures that live or animated personalities featured in its advertising are not used to sell its products primarily to children in a way that obscures the distinction between editorial content and commercial promotion.

Third-party licensed character can be used only for products meeting the “Ferrero BMEE score” (see above) or, where applicable, the common nutrition criteria defined at local level and signed by Ferrero. In any case, third party licensed characters cannot be used in media audiences with more than 35% children under 12 years. Ferrero reserves the right to continue to use its brand-owned characters in all audiences, for products which meet the “Ferrero BMEE Score” or the applicable common nutrition criteria.

Schools

Ferrero does not place vending machines offering its products in primary schools.

Ferrero does not carry out any type of communication, distribution or sampling of its products in primary/elementary schools, but reserves the right to promote education and sports when specifically requested by, or agreed with, the school administration.

Ferrero continues to engage in activities aimed at children regarding nutrition, health or physical exercise, in co-operation with Governments, other competent Public Authorities and/or Sports Federations.

Digital media and promotions

Ferrero websites are not directed primarily to children under 12 and, where appropriate, age-screening systems are implemented to ensure that all reasonable steps have been taken in order to restrict children under the age of 12 from submitting personal information, viewing advertising and downloading branded leave-behind materials without parental consent.

The Ferrero Advertising & Marketing commitments are applied in addition to all statutory or self-regulatory requirements applicable in each market.

Ferrero actively participates in the external monitoring of its voluntary commitments, in order to assess compliance levels with national, regional or global industry pledge commitments.

Privacy

Ferrero respects privacy and safeguards all personal information entrusted by its consumers. Therefore, personal details are not shared with outside third parties without prior consent by consumers.

Implementation

The “Ferrero Advertising & Marketing Principles” have been implemented since 1st January 2012. They have been revised in July 2015 and January 2017 and may require further periodic revisions, in order to ensure that they maintain their full consistency with our Company Values, with changes in the applicable self-regulatory framework, in the different market places, as well as within our company.