



FERREIRO

2023 Double Materiality Assessment

May 2024

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Context overview



To succeed in a changing world, companies must identify, respond and adapt to the sustainability topics that matter most to their stakeholders and business. That's why we conduct materiality assessments regularly – they contribute to our success as a business, and to our having a positive and enduring impact on the world.

At Ferrero, we recognise our varied stakeholders have different needs. A materiality assessment provides the foundation for us to focus on what truly matters to all our audiences, and ultimately to the business. Regular materiality assessments ensure we can determine which matters are relevant to our business, and guide the scope for what we disclose. In addition, the assessment helps us sense-check the current landscape we operate in, and address the most salient topics.

In recent years, our materiality assessments identified the sustainability issues that matter most to our stakeholders and our business. The latest 'impact materiality' assessment was conducted in 2021. Under the new Corporate Sustainability Reporting Directive (CSRD), European companies reporting on sustainability must undertake a 'double materiality' assessment. This involves considering the relevance of a sustainability matter from two perspectives – outside-in (how the business is affected by sustainability issues), and inside-out (how the business activities affect society, the economy and the environment).

This report summarises the approach we have in the double materiality assessment (DMA) we conducted in 2023, to be published alongside our Group's Corporate Sustainability Report 2023. This report highlights some of the key findings and consequent outcomes from the DMA. While the results for the DMA couldn't inform the fiscal year object of our 2023 reporting, they have helped us fine-tune our strategic thinking going forward, and will inform future efforts and directions on our sustainability efforts including targets, objectives, ambitions and reporting.

WHAT IS A MATERIALITY ASSESSMENT?

A materiality assessment is a process that helps companies identify the material impacts, risks and opportunities it faces, and that it should reported on publicly.

The CSRD considers a materiality assessment as the starting point for sustainability reporting (under the European Sustainability Reporting Standards). It believes a double materiality assessment will determine whether a topic is deemed material. This includes meeting criteria defined for 'impact materiality' – the positive and negative sustainability-related impacts connected to the business; and 'financial materiality' – the sustainability-related financial risks and opportunities.

Disclaimer: please note, we generated findings and analysis before the final CSRD and ESRS guidance was released and so may not yet be fully compliant. This is something we will address in future years.

Context overview *continued*

We conduct a materiality assessment as part of our biennial materiality update cycle. It outlines the key foundations of our strategic plans for the near-term, medium-term and long-term approach across sustainability topics, and informs our reporting.

Our materiality assessments help us frame our sustainability ambitions and determine what we must do to achieve a broader impact across the key topics our stakeholders care about. With each assessment, we gain deeper understanding of our audiences and where our business can truly make an impact. In addition, regular materiality updates are useful in helping employees across departments and levels understand and collaborate on these important topics, further improving our sustainability performance and progress.

Compared with our last assessment, conducted in 2021, this year's approach allowed us to consider topics differently, and to include elements we had previously not fully considered. It gave the CSR & Sustainability team the opportunity to work closely with both the Group Finance and Risk teams and make a risk perspective integral to our assessment of the topics. This allowed us to think about how to streamline the existing processes internally, and integrate them with the updated reporting requirements we must meet by 2026.

As part of the assessment, we considered key sources, including financial indices, academic research on sustainability topics, the latest sustainability frameworks and standards, policies and thought leadership. Given the fast-changing landscape, the assessment also considered key sustainability megatrends as well as industry trends. Lastly, as a growing business undergoing change, we included consideration of our new brand acquisitions, as well as recent challenges we have faced.

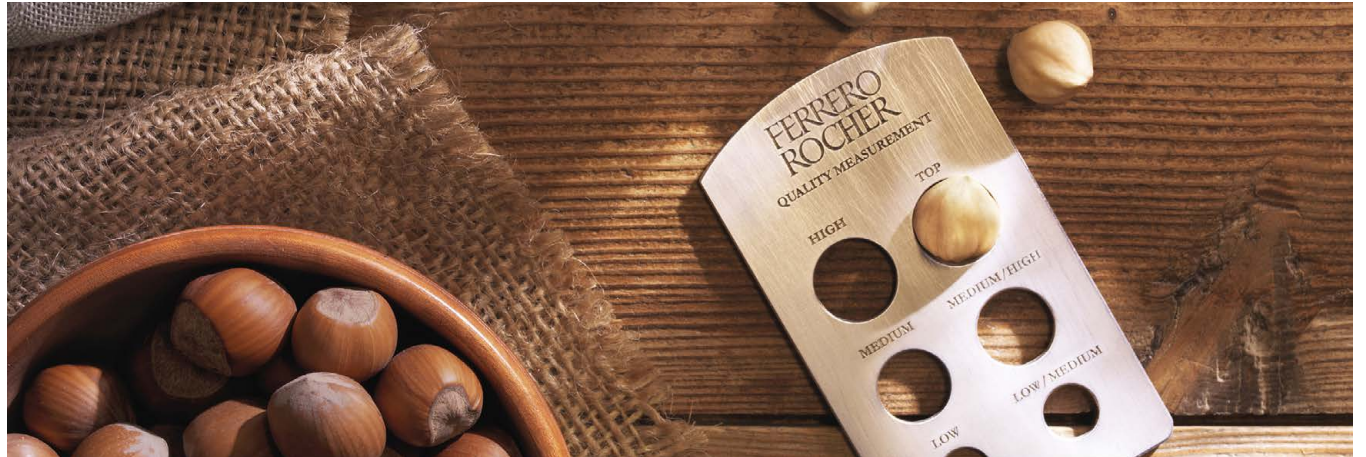


Methodology

We worked with consultancy Salter Baxter to conduct the DMA 2023 assessment. Salter Baxter was able to provide us with expertise and guidance on how best to run the assessment and analyse the findings, in alignment with best practices in sustainability. To make the most of our assessment we integrated several perspectives and evaluated our final list of 20 material issues to each:

- The impact perspective (inside-out): actual or potential, positive or negative impacts on people or the environment from short term to long term along the value chain.
- The financial perspective (outside-in): past or future risks or opportunities that have a material influence, or could reasonably be expected to have a material influence, on the business's development, financial position, financial performance, cash flow, access to finance or cost of capital from short term to long term.
- Stakeholder perspective: actual or potential ability of affecting the perspective and decisions of key stakeholder groups.

Each perspective provided us with material impacts, risks and opportunities, as well as strategic inputs. The material impacts, risks and opportunities and strategic inputs we gathered enabled us to identify the key topics that Ferrero should prioritise as a business. The full process we took consisted of four steps, including a key stakeholder engagement phase, as outlined to the right.



Our 4-step process

01

Identifying material topics

02

Topic significance

03

Stakeholder engagement

04

Analysis and recommendations

Methodology **continued**

Step 1 – Identifying the issues most material to Ferrero

We created a long list of issues by conducting desktop research, looking at many sources, including:

- Sustainability standards and frameworks
- Independent scorecards and disclosure platforms
- The Sustainable Development Goals
- Benchmark of peer-group strategies and disclosures
- Media and trend reports
- Financial indices, ranking and ratings
- Global sustainability megatrends
- ESRS topics

To complement our desk research, we considered the list of topics we used in our previous materiality, and to ensure we fully integrated the financial and risk perspective, we considered Ferrero's risk register results as part of the process.

Our final list of 20 topics (see [Appendix](#)) uses topic names that can be considered as both having an impact on the environment, society or the economy, as well as leading to risks and opportunities for the business. We used topic names that were common or best practice in the topic area. Lastly, we carefully added definitions and sub-topics to each topic, to ensure we cover all Ferrero's activities and operations in the assessment.

WHAT'S CHANGED SINCE 2021?

Since 2021, the list of topics has changed only slightly, with wording tweaked to adjust to best-practice terminology. We added 'long-term financial resilience' to cover broader business and financial risks. This includes the previous topic of 'innovation and digitisation'. We also decided to separate 'product nutrition' from 'healthy lifestyles', to move the R&D impact from the communications and marketing impact.

We conducted the following two steps – significance scoring and stakeholder engagement – in tandem, to assess and understand the prioritisation of topics deemed material to our Company.



Methodology continued

Step 2 – Significance scoring

To identify the significance of each topic, we used a range of different inputs, including sustainability standards and desktop research, third-party platform data (Datamaran) and survey results. Each input was used to ensure we captured as wide a range of issues as possible, and ensure the selection of most relevant materials topics to Ferrero as a business:

- **Sustainability standards and frameworks:** to capture current and most significant sustainability issues relevant to the industry
- **Desktop research:** to capture new and upcoming trends and regulations relevant to Ferrero's specific sector context
- **Third-party AI platform, Datamaran:** to capture large data, broader information and key words from ESG think tanks, external stakeholders (e.g. consumers) and research pieces available across multiple online sources
- **Business activities:** to capture key changes (e.g. mergers and acquisitions), any risks identified by the business, key stakeholder relationships and internal business landscape.
- **CSRD/ESRS:** to capture up to date guidance and requirements in relation to corporate disclosure in Europe

For each topic we looked at the likelihood, scope, scale and ability to resolve impacts, and the likelihood and magnitude of risks and opportunities. We applied weightings to each input according to their relevance for Ferrero. This resulted in a topic prioritisation list that we tested with a range of Ferrero subject-matter experts and adjusted accordingly.

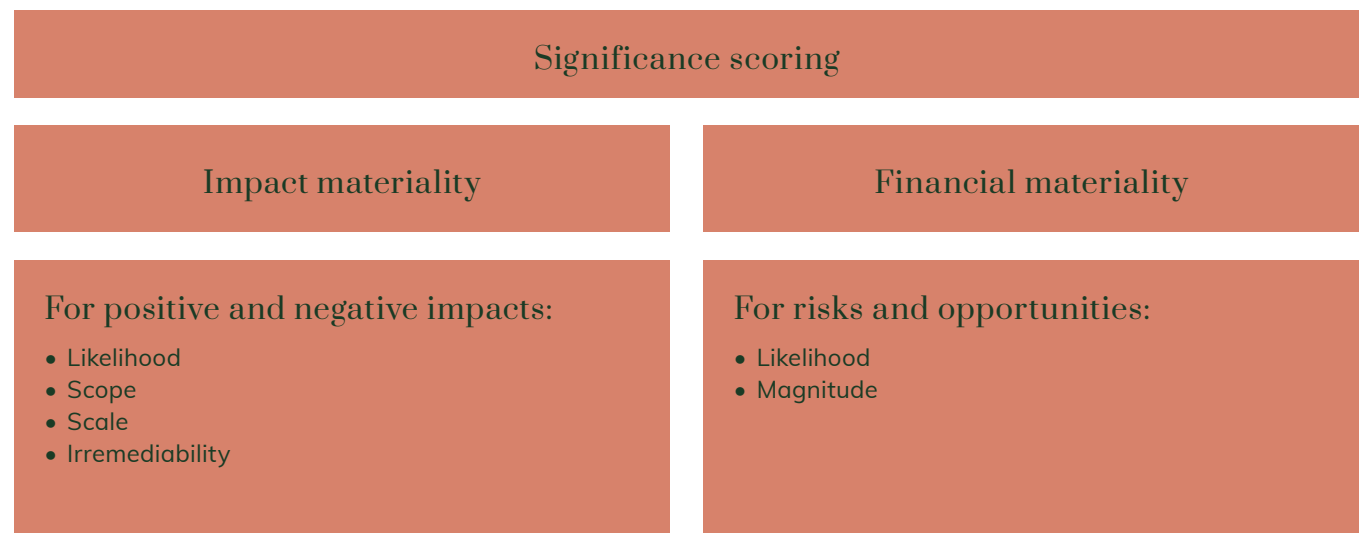
Step 3 – Stakeholder engagement

We conducted interviews and surveys with both internal and external stakeholders to gather both quantitative and qualitative information.

To gather important qualitative data, we contacted experts from a range of disciplines. We supplemented this qualitative data with quantitative data from Ferrero's Nudge group participants – a group of young employees striving to advance sustainability in their personal lives and at Ferrero. In addition to understanding impacts, risks and opportunities, we wanted to understand the personal perspectives of our audience. Through key interviews and our surveys, we aimed to understand what participants really valued outside of being a stakeholder linked to Ferrero.



SIGNIFICANCE SCORING OF ISSUES



Methodology *continued*

Step 4 – Analysis and recommendations

We analysed all impact and financial results to build a prioritised list of topics. We identified the threshold for the prioritisation groups to highlight topics that came extremely high on either an impact or financial perspective (top priority), or lower than most (medium importance).



OUR MATERIAL TOPICS

 TOP PRIORITY TOPICS Greatest relevance to Ferrero (impact and financial materiality), and are the focus of its strategy and disclosures	
Protecting biodiversity, sustainable agriculture and preventing deforestation	Human rights in the supply chain
Plastic and packaging	Products' and ingredients' safety
Transparent supply chain	
 HIGH IMPORTANCE TOPICS Significant for either an impact materiality or financial materiality and should be managed accordingly	
Climate action	Corporate advocacy and industry collaboration
Cybersecurity and data privacy	Diversity, equity and inclusion
Employment and labour relations	Farmer livelihoods and community development
Industrial and food waste	Occupational health, safety and wellbeing
Product nutrition and environmental profiles	Responsible marketing and healthy lifestyles
Water management	
 MEDIUM IMPORTANCE TOPICS Monitored and managed properly	
Animal welfare	Business ethics
Employee satisfaction and development	Long-term financial resilience

Methodology continued

WHAT HAS CHANGED SINCE OUR PREVIOUS ASSESSMENT?

What's at the top?

Biodiversity, human rights, packaging and supply-chain transparency remain top priorities from an impact perspective, as in our previous materiality assessment. These topics are also seen as highly important through a financial lens due to the reputational and regulatory risks attached to them.

What increased in priority?

Product and ingredients quality moved up the priority scale, specifically from a financial perspective as we consider reputational and financial risks likely to be incurred if we fail to address these. This topic also has a high impact on people and planet.

What dropped?

Nutrition, health and lifestyles, and climate dropped down the list as stakeholders feel Ferrero can influence these through priority impacts. From a financial perspective, these topics incur risks that are high on the list for Ferrero to consider.

What are the main impacts, risks or opportunities for our top-priority topics?

Topic	Impact (+ve/-ve)	Risks and/or Opportunities
Protecting biodiversity, sustainable agriculture and preventing deforestation	<ul style="list-style-type: none"> – Impact on biodiversity and natural capital arising from sourcing and supplier practices – Prevention of deforestation and promotion of sustainable agriculture 	<ul style="list-style-type: none"> – Regulatory risk due to the increased legislation on nature, deforestation and biodiversity – Resilience risk linked to raw materials supply – Risks linked to climate, water stress, human rights violations and farmer livelihoods – Opportunity to set best-practice sourcing standards in selected ingredients
Human rights in the supply chain	<ul style="list-style-type: none"> – Impact on supply-chain workers as a result of supplier code of conduct, standards and work environments across markets – Impact on farmer livelihoods and human rights because of raw-material sourcing 	<ul style="list-style-type: none"> – Reputational risk, with upcoming regulation (e.g. EU Corporate Sustainability Due Diligence Directive – CSDDD and EU Deforestation-free products Regulation – EUDR) which could incur additional costs and business risks – Business-resilience risks linked to human rights issues e.g. child labour and migrant workers down in the supply chain of ingredients – Opportunity to increase supplier standards and compliance as well as leading standards for the industry more widely
Plastic and packaging	<ul style="list-style-type: none"> – Impact on the environment through packaging with limited recyclability, circularity vs the use of virgin materials, renewable materials and inks – Production of plastic toys 	<ul style="list-style-type: none"> – Important to Ferrero given new regulations coming into effect (e.g. Packaging and Packaging Waste Regulation in Europe – EU PPWR) – Reputational risk associated with Ferrero use of plastic and single-use packaging
Products' and ingredients' safety	<ul style="list-style-type: none"> – Impacts on consumers' health, both from a food-safety and toy-safety perspective 	<ul style="list-style-type: none"> – Risk of loss of business value through loss of brand trust – High operational risks involved in the management of non-conformances
Transparent supply chain	<ul style="list-style-type: none"> – Possibility to create immediate and efficient impact, especially with smaller suppliers and in logistics – Highest-impact areas (e.g. biodiversity, human rights, climate) involve intermediaries and suppliers. Ferrero's ability to influence these is affected by the level of transparency and expectations it poses on its suppliers – Lack of visibility across the supply chain can leave social and environmental negative business consequences unaddressed 	<ul style="list-style-type: none"> – Represents a regulatory risk given increased requirements from EU regulations, especially for the supply chain (e.g. EU CSDDD, EU DR, EU Taxonomy) – Opportunity to strengthen the supply chain in adopting Ferrero's Supplier Code and Code of Conduct

Results

Understanding overall results

UNDERSTANDING IMPACT RESULTS



“As we grow, our key objective is to make sustainability integral to the way we do business, rather than approaching it on a project-by-project basis. Within this context, human rights remain a high priority for us. We are committed to enhancing our on-the-ground sourcing programmes for our key raw ingredients and are working towards regenerative transformation of agricultural practices in the areas we operate.”

Nicola Somenzi,
Head of Responsible Sourcing

From an impact perspective, our highest impact occurs upstream and is mainly centred on sourcing key raw materials, as ‘protecting biodiversity, sustainable agriculture and preventing deforestation’, ‘human rights in the supply chain’ and ‘transparent supply chain’ are among our top material topics. Key potential impacts linked to these topics include land degradation, biodiversity loss, human rights violations and potential child labour issues. As a large buyer of key raw materials (e.g. hazelnuts, cocoa), we can transform practices, advocate for higher sustainability standards, and encourage progress on regenerative agriculture through close partnerships with farmers, growers and their communities. These topics are highly connected with social issues, and particularly issues linked to ‘farmer livelihoods and community development’, which demonstrates the need for us to consider how we best work with local suppliers across our key raw ingredients to improve working conditions and address the impacts we have upstream in our supply chain.

We are currently focusing on addressing these topics, specifically through our strategic pillars of protecting the environment and sourcing ingredients sustainably. We aim to create thriving supply chains across our key raw ingredients and hope to benefit farmers and communities through our standards and certifications, and mitigation programmes.

Topics	Impact score	Primary impact scope		
		U	O	D
Protecting biodiversity, sustainable agriculture and preventing deforestation	Top priority	•		
Human rights in the supply chain	High importance	•		
Transparent supply chain	High importance	•		
Plastic and packaging	High importance	•		•
Water management	Medium importance	•	•	
Product nutrition and environmental profiles	Medium importance	•		•
Farmer livelihoods and community development	Medium importance	•		
Diversity, equity and inclusion	Medium importance	•	•	
Climate action	Medium importance	•	•	
Employment and labour relations	Medium importance	•	•	
Responsible marketing and healthy lifestyles	Medium importance			•
Occupational health, safety and wellbeing	Medium importance		•	
Industrial and food waste	Medium importance		•	
Corporate advocacy and industry collaboration	Medium importance	•	•	•
Business ethics	Medium importance	•	•	•
Products' and ingredients' safety	Medium importance			•
Employee satisfaction and development	Medium importance		•	
Long-term financial resilience	Medium importance	•	•	
Cybersecurity and data privacy	Medium importance		•	•
Animal welfare	Medium importance	•		

Primary impact scope

- U Upstream
- O Operational
- D Downstream

Score

- Top priority
- High importance
- Medium importance

Results continued

Moving down the supply chain, we acknowledge the impact we have on 'plastic and packaging' and consider this a top priority topic, given its potentially negative impacts on people and planet. We consider the impact we have with our primary and secondary packaging, at the end of their use and are addressing consumers' expectations regarding sustainable packaging. We are working with partners to address gaps in packaging circularity in the key markets where we operate, and are working towards educating consumers, to make a successful transition to a circular economy.

Downstream, we acknowledge the impact we have on 'product nutrition and environmental profiles', specifically considering our global distribution. Impacts linked to health and responsible consumption are key areas we must address as a leading confectionery company. We work to ensure our communications and product labelling help consumers make appropriate choices about the foods they buy and consume. Lastly, as marketing to children is quite sensitive, we aim for our communications to be geared to parents and adults, to ensure alignment with the principles of conscious consumption, physical activity and personal choice.

UNDERSTANDING FINANCIAL IMPACTS



“Connecting risk management to the materiality assessment is crucial. ESG topics play an important role in understanding risks, and may have a great impact on the enterprise, especially in the coming years. It is necessary for us to further establish ESG within our risk assessment, as well as in our corporate approach.”

Marco Gargiulo,
Risk Senior Manager

Thinking about all our topics from a financial perspective is extremely important as we continue to grow, particularly when we consider our top-priority topics. Through a financial lens, 'products' and ingredients' safety' was considered the highest priority, and therefore must be considered as highly material according to the CSRD.

The financial and reputational risks linked to this topic were strongly highlighted throughout the assessment given it is key to our business longevity and resilience, and thus, we continue globally.

Further, there is great reputational risk as well as regulatory risk to consider when we look at topics such as 'plastic and packaging', and 'protecting biodiversity, sustainable agriculture and preventing deforestation', given the upcoming regulatory changes in Europe. These are important for us to consider as they could represent considerable financial investment from the business.

Operationally, Ferrero has made great efforts to lower its carbon footprint impact throughout its value chain. It was made clear in the assessment, however, that our impact on climate action may be less significant than the potential impact we have on 'protecting biodiversity, sustainable agriculture and preventing deforestation', and that this was a key lever for Ferrero to address climate action. For example, due to the deep connections between these two issues, climate action could be addressed by tackling sourcing practices, to reduce emissions that way. This was valued much more highly than addressing the Company's direct and indirect impacts on climate action. The work we've done to calculate our carbon footprint further confirms that the greatest impact potential is in the sourcing of raw materials (Scope 3). Those emissions are mostly addressed via activities that promote regenerative agriculture and agroforestry and prevent deforestation. Nevertheless, we have direct control of greenhouse gas emissions related to our Scopes 1 and 2, and our plans to reduce emissions and meet our climate targets for 2030 remain a priority. Even if 'climate action' did not make it to the Top 5 Priority Topics in our DMA, it will be part of our full disclosure in compliance with CSRD.



“We are currently working on updating our Scope 3 accounting in light of the new FLAG (forest, land and agriculture) standards as requested by SBTi (Science Based Targets initiative), specifically in sourcing our key raw materials. This will be crucial in determining our approach for the future.”

Dragan Rajkovic,
Group Strategy Manager Climate and Packaging

Results continued

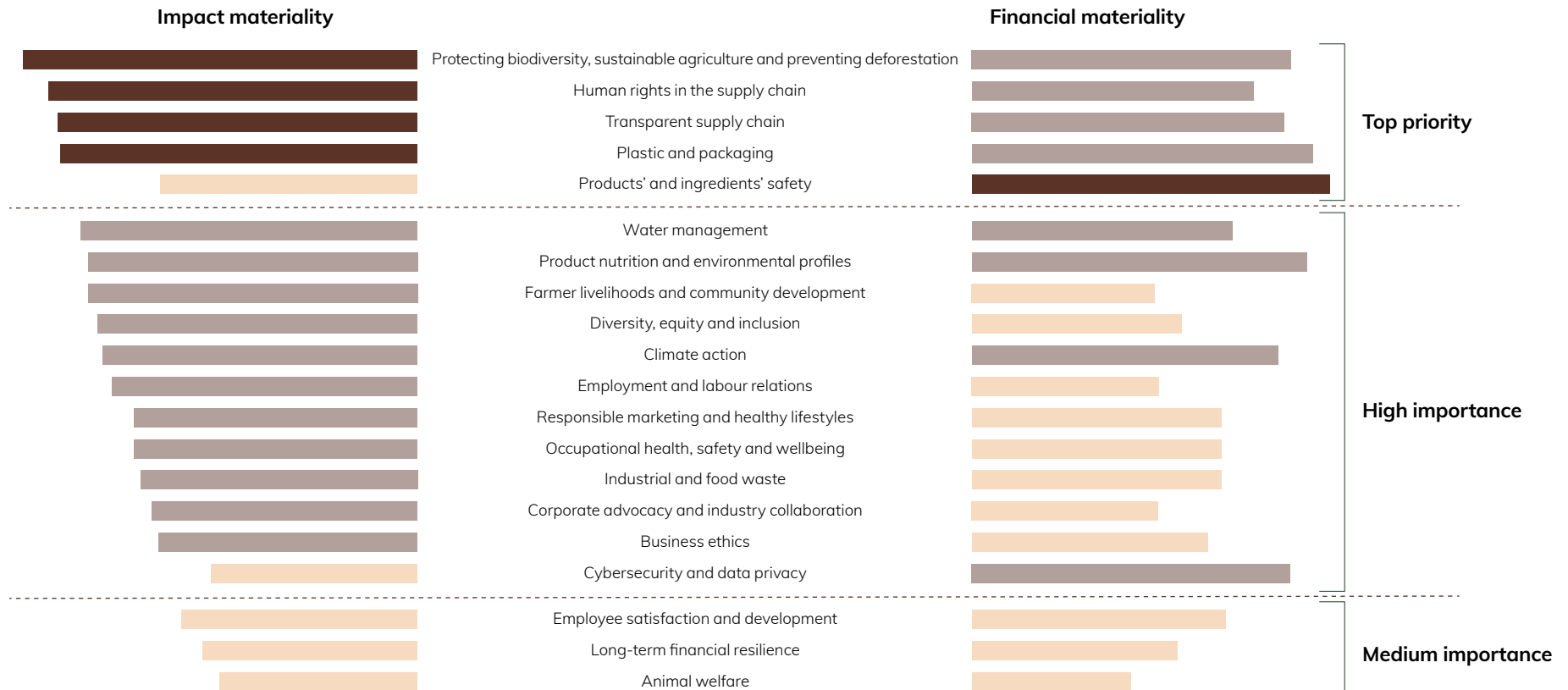
CONSIDERING PERSONAL STAKEHOLDER PERSPECTIVES

Interestingly, results from individual perspectives highlight 'corporate advocacy and industry collaboration', and 'diversity, equity and inclusion' as being highly important. This is somewhat different from what came out from a financial and impact perspective, but is addressed through our strategic priorities centred on empowering people and promoting responsible consumption.

'diversity, equity and inclusion' could be considered as an opportunity area for Ferrero to increase reputation internally and boost talent retention as well as progress towards inclusive business practices. There is also a feeling that as the business expands its product portfolio, and expands into more markets, this is an important opportunity area to consider for decision-making. In advocacy work, this is a topic where Ferrero could be more outspoken, and where

stakeholders feel Ferrero has a bigger role to play. It is an opportunity for Ferrero to be recognised as a key voice on topics such as responsible consumption, or on important social issues in the supply chain, such as labour laws and improving the lives of farming communities. Being a key grower of hazelnuts for example, gives us a strong position to advocate for better agricultural practices and ensure responsible treatment of human rights.

BUTTERFLY CHART, ORDERED FOR IMPACT MATERIALITY



Implications and next steps

LESSONS AND CONSIDERATIONS FOR NEXT ASSESSMENT

Conducting this materiality assessment has enabled us to understand topics from different perspectives and has helped us start to think about what we need to adjust and address. This assessment has also helped us identify some lessons and limitations to consider for our next assessment.

Next time, we will consider expanding the number and range of stakeholders, to ensure we account for as many perspectives as possible, from across the value chain to get the most accurate representation of issues material to the Company.

In addition, we acknowledge that some stakeholders may need more information and support to be able to contribute. We hope to undertake more training and discussions with stakeholders key to this assessment, on sustainability topics, risks and opportunities. This is crucial when looking at medium-term to long-term climate risks for the business, especially relating to adaptation. We note that integrating the financial perspective and stakeholders very early in the process is one way to improve the results and obtain insights that will be helpful in completing the assessment. Lastly, for the next assessment, we hope the CSRD guidelines will be published so we can ensure full alignment.

Key implications for strategy

The assessment has validated our current approach to sustainability – the material topics identified correlate highly to the topics we have been addressing as a business. Key lessons include the need to work on our foundations, making sure we comply with and address the must-haves, while being bold in the areas where we can have the most impact. Despite being a must for any responsible business, ‘climate action’, when assessed in our double materiality assessment, does not rank as one of our highest priority topics. This is because we neither have a massive value chain footprint, nor are directly exposed to substantial associated costs. Climate however remains a significant risk factor for businesses to consider, due to all unforeseeable consequences of climate change. Ferrero will therefore continue to assess climate risks and opportunities, and also continue to focus on our climate goals which are aligned to the 1.5°C IPCC thresholds as confirmed by the SBTi organisation.

Lastly, the assessment has made us think about key connections between topics, and we realise that the ‘social’ element is an important part of this. We want to ensure we focus on this in everything we do, including with the suppliers and farmers we depend upon for our business. We are also working hard to think about culture and inclusion, especially as our business grows.

Next steps



“This assessment has enabled us to reassess our way forward, internally and externally. It has given us crucial insights to move forward in our sustainability journey while it has mostly validated our current approach. We aim to ensure best practice and are continuously working to ensure we cover the key topics we have an impact on, and that have an impact on us.”

Mario Abreu,
Head of Corporate Social Responsibility and Sustainability

We are now updating some of our strategies, related targets and KPIs to align with our DMA 2023. We are also working to identify more clearly where our impact lies locally and globally, by undertaking an assessment to identify our positive and negative contributions to the SDGs. We hope this exercise helps us define more clearly where our broader impact lies. All findings and follow-on activities resulting from our double materiality assessment will be used to guide our 2024 reporting approach and serve as key foundations for our first CSRD-compliant disclosure in 2025.

We are very excited for the future and look forward to reporting on our progress in next year’s Sustainability Report.

Appendix

TOP PRIORITY TOPICS

2022 Topics	Sub-topics	Definition
Biodiversity, Deforestation Prevention And Sustainable Agriculture	<ul style="list-style-type: none"> – Biodiversity protection and nature regeneration – Deforestation and land use change – Sustainable agriculture and soil protection 	Impacts related to biodiversity and natural capital (e.g., forests) through land use change and agriculture
Plastic And Packaging	<ul style="list-style-type: none"> – Plastic waste and pollution – Sustainable product packaging – Toys 	Impacts related to product packaging and plastic, including extraction, use and end of life of these materials
Transparent Supply Chain	<ul style="list-style-type: none"> – Supplier sustainability standards – Audits and compliance – Supply chain transparency – Supplier engagement 	Impacts related to procurement practices and standards, such as audits, supply chain transparency and engagement
Human Rights in the Supply Chain	<ul style="list-style-type: none"> – Child labour – Modern slavery – Indigenous and land rights 	Impacts related to human rights, including indigenous and land rights, as well as modern slavery
Products' and ingredients' safety	<ul style="list-style-type: none"> – Ingredient and food quality and safety – Toy quality and safety – Product accessibility 	Impacts related to the safety and accessibility of products

Appendix continued

HIGH IMPORTANCE TOPICS

Topics	Sub-topics	Definition
Climate Action	<ul style="list-style-type: none"> – Greenhouse gas emissions – Energy use and renewable energy – Transport – Air pollution 	Impacts related to direct and indirect GHG emissions as well as air pollution
Cybersecurity and Data Privacy	<ul style="list-style-type: none"> – Cybersecurity – Data protection – Data privacy 	Impacts related to the treatment of data and the use and protection of digital infrastructures
Employment And Labour Relations	<ul style="list-style-type: none"> – Living wage – Collective bargaining – Labour rights 	Impacts related to unionization and labour standards
Industrial And Food Waste	<ul style="list-style-type: none"> – Operational waste management – Circular economy – Food waste 	Impacts related to food waste and operational waste management through circular practices, including resource efficiency
Product Nutrition and Environmental Profiles	<ul style="list-style-type: none"> – Sustainable product innovation (e.g., plant-based) – Healthy and nutritional product innovation (e.g., less sugar, fat, processing) 	Impacts related to the nutritional value of products as well as the environmental impact of products
Water Management	<ul style="list-style-type: none"> – Water use and management – Water pollution 	Impacts related to water use and discharge

Appendix continued

HIGH IMPORTANCE TOPICS CONTINUED

Topics	Sub-topics	Definition
Corporate Advocacy and Industry Collaboration	<ul style="list-style-type: none"> – Lobbying and political contributions – Brand advocacy and activism – Collaborations and partnerships 	Impacts related to advocacy, lobbying and collaborations and partnerships
Diversity, Equity and Inclusion	<ul style="list-style-type: none"> – Diverse representation – Inclusive culture – Equitable opportunities and pay 	Impacts related to social equality through equitable opportunities, diverse representation and inclusive culture
Farmer Livelihoods And Community Development	<ul style="list-style-type: none"> – Farmer engagement, development and support – Local and small-holder farmer sourcing (where possible) – Community investments and contributions – Local impact management – Living income 	Impacts related to farmers' livelihoods, especially small-holders and local (where possible) as well as local community prosperity
Occupational Health, Safety and Wellbeing	<ul style="list-style-type: none"> – Occupational health and safety – Mental wellbeing – Employee healthy lifestyles and nutrition 	Impacts related to the health and wellbeing of employees
Responsible Marketing and Healthy Lifestyles	<ul style="list-style-type: none"> – Responsible marketing and labelling – Healthy lifestyles – Consumer behaviour change 	Impacts related to marketing and brand communications and campaigns, especially on consumer lifestyles

Appendix continued

MEDIUM IMPORTANCE TOPICS

Topics	Sub-topics	Definition
Animal Welfare	<ul style="list-style-type: none"> – Animal welfare – Drug resistance & pharmaceuticals in the environment – Livestock feed 	Impacts related to the treatment, life quality and health conditions of livestock
Employee Satisfaction And Development	<ul style="list-style-type: none"> – Future of work – Training and development – Employee engagement 	Impacts related to employee satisfaction and development through work digitization, work-life balance, education and engagement in the company's activities
Business Ethics	<ul style="list-style-type: none"> – ESG governance and accountability – Anti-corruption and bribery – Competitive behaviour – Transparency – Tax/ local economic contribution 	Impacts related to business conduct and ethical behaviour
Long-term Financial Resilience	<ul style="list-style-type: none"> – Integrating sustainability in business investments (incl M&As) – Long-term value creation – Innovation and digitalisation – Risk management 	Impacts related to the company's financial contributions, investments and long-term value creation, enabled by risk management and innovation and digitalisation

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