

# Group Environmental Sustainability Policy

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# 1. Objective

## Ferrero's commitment to environmental protection

Protecting the environment is one of the **4 pillars of our Sustainability Framework**. As part of this, Ferrero is committed to running its business in an environmentally sound and sustainable manner.

We work hard and establish **procedures, programmes, and practices to prevent, manage and reduce our environmental and climate impact** throughout our value chain, thereby taking a precautionary and life cycle view. We prioritize our actions using risk and materiality assessment, and we aim to do no significant harm. We set goals for making continuous improvements, increasing environmental efficiency in our operations and supply chain, reducing emissions, waste, energy and water consumption, and increasing circularity in our manufacturing and packaging. We communicate openly and credibly with our internal and external stakeholders and report regularly on progress of our performance in our annual Sustainability Report. We are committed to complying with all applicable local and national environmental regulatory requirements and with relevant Ferrero policies and voluntary standards or codes of conduct.

We recognise that we cannot do this alone. We believe everyone at Ferrero has a role to play toward implementing our Group Environmental Sustainability Policy.

We also work in collaboration and partnership with **academic, governmental, non-governmental and technical stakeholders to promote environmental stewardship** across our value chain and increase understanding of environmental issues and disseminate good practices amongst our stakeholders.

# 2. Scope and Applicability

This Policy applies to all our operations and the employees and contractors who work in them. Where Ferrero does not have operating control, we encourage our partners to demonstrate the commitments reflected in this Policy.

# 3. Principles

We apply appropriate environmental practices to meet all applicable environmental laws and regulations, applying more stringent criteria than those required by law when we believe this to be appropriate.

We monitor **emerging issues, technological innovations, and stakeholder interests to implement effective and sustainable solutions** to reduce waste and resource utilization, reduce energy consumption, and protect natural resources.

## 4. Guidelines

- **Raw materials: Recognising their impact throughout the supply chain**

We work together with our suppliers to ensure that they maintain an environmental performance in line with our policies and expectations while driving continuous improvements in this area, including the protection of biodiversity and prevention of deforestation. We aim at creating a thriving supply chain that benefits the environment and the local communities that live in it. To achieve these goals, we only work with suppliers that adopt risk management/due diligence methodologies and tools to identify areas of risks, assess the context and introduce mitigation actions. We continuously run this cycle of due diligence on our supply chain: ensuring compliance, corrective action plans and building capabilities.

- **Operations**

We strive for environmental excellence in our Operations. We therefore commit to developing, designing, and conducting our manufacturing in a manner that:

1. **Minimises** environmental impacts and contribution to climate change;
2. **Promotes** the efficient use of resources including energy, water, and materials;
3. **Applies** best available technologies whenever possible.

To meet the above objectives, we adopt environmental and energy management systems certified according to the internationally recognised ISO 14001 and ISO 50001 standards.

- **Packaging**

For packaging, we use a priority ladder approach whereby we remove or reduce packaging usage wherever possible, improve its footprint by using recycled content where appropriate, minimise carbon footprint, and design packaging to always be recyclable or reusable. We engage in strategic partnerships to advance packaging sustainability in the market sectors we operate in.

- **Transportation and logistics**

We focus on continually increasing our fleet efficiency and reducing emissions from the distribution and warehousing of our products, thereby safeguarding the quality and consumer safety of our products.



- **Marketing, sales, and consumption (including end-of-life)**

We inform consumers about the environmental profile of our operations, products, and packaging. This considers impacts from sourcing and from the production of our products and of their packaging as well as packaging disposal. We provide information on the recyclability, recycled content usage, compostability and/or reusability of our packaging. We also share recycling instructions with consumers when applicable.

- **Innovation and life cycle assessment**

We are committed to continuous monitoring of product and packaging design and to identifying opportunities to mitigate or reduce environmental impact through the lifecycle of our products and packaging. For packaging this also includes the end-of-life phase. We take steps to invest in Open Innovation for evaluating and supporting advanced technologies and practices.

## 5. Reporting Concerns

We maintain open lines of communications available to both internal and external stakeholders, also on environmental matters (Ferrero Integrity Helpline). We continually engage with key external stakeholders with a view to developing and refining our sustainability and environmental programs. **Ferrero's annual Sustainability Report** reports on progress against environmental goals — and this includes an assessment of the views of our key stakeholders (materiality).

## 6. Responsibilities

The Policy is managed by the **CSR & Sustainability function**. The unit reports to the Executive Chairman who reviews and approves the group's long-term direction and strategy. The CSR & Sustainability function interacts with other business functions to provide strategic guidance on all sustainability topics.

As part of our governance structure, we also established a Sustainability Operative Committee, made up of senior managers from across the Group representing different functions working on sustainability and environmental topics. The committee is involved in key decisions on sustainability and is responsible for ensuring implementation of the long-term strategy, guaranteeing coordinated effort and alignment between the functions involved.

We aim at fully integrating environmental considerations into strategic management decisions, policies, programmes, and practices across our business.

## 7. Policy Enforcement

We annually review and report on the progress of the company's performance in implementing this policy and update it when and where needed.

## 8. References

### Internal References

- Code of Ethics
- Code of Business Conduct
- Supplier Code
- Human Rights Policy Statement

### External References - Voluntary standards and Code of Conducts

- ISO 14001:2015
- ISO 50001:2018
- UN Global Compact
- CDP (formerly the Carbon Disclosure Project)
- Greenhouse Gas Protocol Corporate Standard (World Resources Initiative)
- Global Reporting Initiative

*This policy entered in force the 1<sup>st</sup> September 2024.*