

## **SPOTLIGHT**

**Craig Barker, Ferrero Australia, MD Commercial Division  
talks Sustainability with SBA CEO, Andrew Petersen  
March 2015**

SBA CEO, Andrew Petersen caught up with Craig Barker, Ferrero Australia, MD Commercial Division, at the SBA Forum to discuss his organisation's values and objectives underpinning the release of Ferrero Group's 5<sup>th</sup> Corporate Social Responsibility Report. We took the opportunity to explore how Ferrero's global targets and standards translate in the Australian environment and in particular examine Ferrero Australia's local innovation in critical areas including sustainable sourcing and industrial ecology.

Here is a transcript of that conversation.

### **Who is Ferrero?**

Ferrero was born in Alba in the Piedmont region of Italy in 1946. Originally a small artisan confectionary, Ferrero is now a multinational Group of global dimensions.

Ferrero today is amongst the market leaders of the chocolate confectionery sector, with Mars/Wrigley, Mondelez and Nestlé.

You would recognise us by our iconic brands Nutella, Tic Tac, Kinder such as Kinder Surprise and Kinder Chocolate and of course the eponymous Ferrero Rocher!

Ferrero closed the financial year 2013/14 on 31st August 2014, with a consolidated turnover of 8.4 billion Euros.

On 31st August 2014 Ferrero globally had exactly 34236 collaborators (27485 employees and 6751 principally temporary, external collaborators).

Ferrero is present in 53 countries, it has 20 production plants around the world of which 3 are Ferrero Social Enterprises in Africa and Asia, and 9 agricultural companies in Chile, Argentina, Bulgaria, Georgia, South Africa, Italy, Turkey, Serbia and I am pleased to add more recently in Australia.

[www.ferrero.com](http://www.ferrero.com)

### **Ferrero manufactures in Australia. Tell us about that ?**

Ferrero established a manufacturing plant in Lithgow, NSW in 1976. The factory produces our market leading Tic Tac and Nutella brands to Australian, New Zealand and East Asian markets

Consistent with our global objectives, the Lithgow factory is certified to the international standards of Food Safety (FSSC22000), Quality Management (ISO 9001) and Environmental Management (ISO14001). We are also one of the major employers in Lithgow employing approximately 100 people and together with our Commercial division employ over 300 people nationally.

[www.ferrero.com.au](http://www.ferrero.com.au)

### **Let's turn to the Ferrero Corporate Social Responsibility Report. Tell us about it?**

Well, the DNA of Ferrero is critical to this report. Mr Giovanni Ferrero, CEO of the Ferrero Group, introduces the report affirming:

*"Instilling a daily commitment to true social responsibility, with perseverance, passion and patience, means that we shall continuously thrive to affirm our distinctive values in the future! We are convinced, in fact, that our corporate social responsibility activities, as well as the value of our brands, are essential elements for the stability of our development, of our growth".*

Ferrero's fifth Corporate Social Responsibility (CSR) report has been published online within a brand new website (<http://www.ferrerocr.com>)

### **What period does the CSR Report and what are the highlights ?**

This latest CSR report reflects the concrete activities carried out throughout the world from 1st September 2012 to 31st August 2013 as well as Ferrero's longer term 2020 strategic vision.

The Ferrero's CSR model is the heart of the report, with the description of its four CSR pillars:

1. Our products, created with the utmost attention to the needs of consumers and their safety, maintaining excellence in quality, freshness and innovation. Here is some key data:
  - More than 95% in volume of Ferrero's products are offered in portions with less than 150 Kcal;
  - The Ferrero researches are now working on more than a hundred new products, based on highly advanced and patented technology.
2. The Ferrero Foundation, with its twofold purpose offering health and social care services to former 3300 employees and their spouses; and promoting cultural and artistic initiatives, mainly regarding Alba and the Piedmont region, with a further positive impact for the local community.
3. The Ferrero Social Enterprises, which are already active in India, South Africa and Cameroon with 2 main purposes:
  - Create new jobs: as of 31st August 2013, they involved the collaboration of 2739 people, equivalent to 9% of the Group's total collaborators;
  - Implement projects and initiatives promoting children health and education. As an example, it can be mentioned the construction of the new Kindergarten near the Ferrero's Indian plant that will host 120 children per shift.
4. Kinder+Sport, Ferrero's educational programme that promotes active lifestyles for children and teenagers, in order to prevent and tackle sedentary lifestyles. In 2012/2013, the Kinder+ Sport programme moved more than 2.250 million children worldwide and by 2017/2018, the programme plans to increase reach from 20 to 30 countries, including Australia, to move 5 million children per year and activate at least one programme in each one of the reached countries.

Furthermore, along with the expansion of industrial activities and production, the Group minimised its environmental impact decreasing its CO2 emissions by more than 32% (per product unit, in respect to 2009) and its water consumption by more than 26%.

For the third consecutive year, the Ferrero Group has attained the GRI A+ application level, which is the highest level of sustainability reporting confirmed by GRI check and GRI Statement.

Independent assurance of our whole report was carried out by Deloitte.

### **What is Ferrero's local activity ?**

In Australia, we are now self-generating over half of our Lithgow factories electricity needs. Our cogeneration system was originally designed to burn gas to produce electricity and the excess heat used to generate steam in a steam generator. There was still surplus hot water so an absorption chiller was installed to convert the hot water into chilled water, hence ours is a tri-generation system.

We are also recognised as a Gold Partner in the NSW Government's Sustainability Advantage program in 2013 for our local achievements including self-generation of electricity using tri-generation,

reduced electricity and water usage per kilogram, reductions in GHG emissions and waste to landfill and the sustainable sourcing of ingredients.

What is exciting us at the moment is that we are currently working with the NSW Government in developing new technological industrial ecology projects.

Finally we are excited about Ferrero's progress in its sustainable agricultural practices.

Our 5<sup>th</sup> report confirms 25% of our **cocoa** being sustainable sourced with a planned increase to 50% by 2016. Regarding **palm oil**, I am pleased to confirm that as of 1st January 2015 Ferrero products are produced with only palm fruit oil that is 100% certified as sustainable and segregated according to the Roundtable on Sustainable Palm Oil (RSPO) supply chain, one year ahead of its original target. Ferrero's responsibility does not stop at certification: the commitment continues through our Palm Oil Charter, launched in 2013, to address the leading causes of deforestation and create a balance between the conservation of the environment, community needs and economic benefit and viability. More information on <http://www.ferrerocr.com>

#### **What has SBA Membership meant to Ferrero?**

CSR is as much in our DNA as growing our business is in the markets in which we operate. As relatively new members of SBA we are enjoying the opportunities and benefits to share and collaborating with like-minded businesses committed to sustainable development.

#### **Who is SBA ?**

**SBA** [www.sba.asn.au](http://www.sba.asn.au). was established in Australia in 1991, and is the peak body for advocacy for sustainable business activities in Australia. In 2014 SBA was appointed Global Partner for WBCSD (World Business Council for Sustainable Development). Its members include leading Australian businesses, from all sectors, who share a commitment to economic, environmental and social development. SBA represents member companies, public sector enterprises and institutions, BINGOs and community organisations, which in turn represent 100,000 + Australian employees.

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