



15 July 2021

Thank you for raising these issues and for the opportunity to respond.

Ferrero, including recent acquisitions, does not directly source palm oil from REPSA.

However, the high level of granularity and transparency of the Ferrero palm oil traceability process enabled us to identify that a very small amount of our global palm oil sourcing (0.012%) comes from a second-tier supplier in Guatemala ([Santa Rosa](#) - Universal Mill List ID number PO1000006138), which is part of Grupo Hame. We transparently share the list of mills from which we source our palm oil every six months; the latest list can be found [here](#).

We take the human rights and environment issues highlighted in the [Open Letter](#) very seriously. We have already raised a formal grievance with the relevant direct suppliers (tier 1) and requested to put on-hold, with immediate effect, our palm oil sourcing from Santa Rosa. In the meantime, we have started to receive the required evidence on the compliance of their overall operations with our responsible sourcing standards.

We also expect that Grupo Hame will transparently engage with local stakeholders and accept the participation of independent third-party verifications observers to assess progress against their own action plan.

Based on a continuous improvement approach of our value chain, as soon as all the required evidence are received and analyzed, Ferrero will take the necessary steps to assess the case and decide whether to resume sourcing from this second-tier supplier, with targeted completion date by September 2021.

Ferrero is fully committed to securing a deforestation-free and exploitation-free palm oil supply chain and continues to commit to sourcing sustainable palm oil that is 100% RSPO Certified and Segregated. Ferrero's approach towards responsible sourcing of palm oil goes beyond RSPO certification. We engage our suppliers through our [Palm Oil Charter](#), which outlines our concrete actions towards the respect of people and nature, and are active members in [POIG](#) (Palm Oil Innovation Group) and [HCSA](#) (High Carbon Stock Approach), two of the highest value endorsement initiatives currently available for the industry.

We believe in the importance of building a more equitable and inclusive palm oil value chain, requiring our suppliers to take appropriate measures to prevent any form of exploitation, indecent living or working conditions by following our strict requirements outlined in our [Human Rights Policy Statement](#) and [Supplier Code](#). More information on our palm oil sourcing is available in our Sustainability Report at www.ferrerosustainability.com.