

Statement pursuant section 54 (1) of the Modern Slavery Act 2015

Organisation and Business Activities of Alfred Ritter GmbH & Co. KG

The independent family-owned company Alfred Ritter GmbH & Co. KG with its brand RITTER SPORT produces high-quality chocolate bars. In 1912, the company was founded by Clara, neé Göttle, and Alfred Eugen Ritter in Stuttgart, Bad Cannstatt, and presently has 1,500 employees worldwide. 1,000 of them work in Waldenbuch, Swabia, and sole production location of RITTER SPORT chocolate. Every day, more than three million of the colourfully packaged chocolate bars leave the factory and are exported to more than 100 countries all over the world. During the last years, subsidiaries were founded to organise the distribution of the company's products in relevant markets, including the UK.

All activities of our company are geared towards safe guarding and further strengthening the long-term independence of the family business. Therefore we aspire to a cooperative and long-term relationship with our business partners that is characterised by fairness, trust and reliability.

Code of Conduct and In-house Trainings

We defined a Code of Conduct which outlines the company's ethical as well as compliance standards and share these guidelines with all our customers and suppliers in order to contribute a sustainable and responsible business management together. In particular, any form of physical punishment and threats of violence are forbidden. The use of child labour according to ILO regulations, UN conventions and/or national regulations is not accepted. Further, all forms of forced, slave or prison labour are forbidden. Also, employees may not be forced to work through violence or coercion, either directly or indirectly.

Generally, we reserve the right to check this compliance of all partners and to end the business relationship upon a breach.

Every employee receives our Code of Conduct, followed by various trainings referring extracts of these guidelines.

Risks within the Procurement Chain and what we do against

While milk and sugar, both main ingredients, are procured from German partners, two other main ingredients – cocoa and hazelnuts – are connected with a higher risk according to compulsory labour and slave trade. Due to that fact, we aspire to a transparent purchase of those raw materials.

Concerning cocoa, our long-term sourcing strategy is based on three components:

- Procurement of certified sustainable cocoa
- Direct procurement of certified sustainable cocoa based on cooperation with partners
- Cultivation of certified sustainable cocoa with our own cocoa plantation “El Cacao”

As a first step, we have completed our transition of sourcing 100% certified cocoa from sustainable sources for our entire assortment as of the end of 2017. This was a first big step. However, considering the background of our long-term aim of a transparent procurement chain, we want to take a further step and will procure certified sustainable cocoa directly from the source, so that the transparency within the procurement chain is given all the time.

We will be accomplishing this aim, among others, in context of Cacao-Nica, which is based on cooperative partnerships with more than 3,500 small farmers in around 20 cooperatives. Since 1990, the Cacao-Nica program has been helping improve the livelihood of Nicaraguan farmers and protect endangered rainforests through a variety of measures, such as modern methods of agroforestry and farming. In March 2015, we engaged the non-profit organisation Südwind e. V. – Institut für Ökonomie und Ökumene [Institute for Economics and Ecumenism] to analyse the initial effects of our long-term involvement in Cacao-Nica. The Südwind study confirmed that we had made “a great contribution to the promotion of sustainable cocoa cultivation,” one that had led to an improvement of farmers’ livelihoods.

Since 2016, our partnership with the French company Cémoi has helped to implement this principle of direct procurement with Ivorian cocoa as well, thereby also guaranteeing that deliveries can be traced back to their producer organisations. We also maintain business relationships with two cocoa cooperatives in Ivory Coast through one of our long-term provider of cocoa-mass Fuchs & Hoffmann.

In addition, since 2012, we are in the process of building up our own cocoa plantation

in Nicaragua, so called “El Cacao” where we expect the first cocoa harvest at the beginning of 2018. On El Cacao, we have our own employees who work under fair working conditions with high safety standards, comprehensive medical care and possibilities for further education. Moreover, the payment is notably higher than the minimum wage of Nicaragua.

Besides own programs, we are a member of cross-company initiatives such as “German Initiative on Sustainable Cocoa” (GISCO) which is an association of federal government, confectionery industry, trade, standard setting organisations such as UTZ or Fairtrade as well as important NGOs (for example Inkota network). Together with the federal government of the Ivory Coast, „Pro-Planteur“ was founded. This project supports small farmers in the Ivory Coast.

Another important ingredient of our chocolate are hazelnuts which contribute to the flavour of around 20 of our chocolate products. We procure our hazelnuts from the Black Sea region of Turkey where high-quality nuts grow which meet our needs perfectly. Also in this case, we rely upon long-term strategic partnerships with raw material suppliers. When meeting up regularly in Waldenbuch or in Turkey, sustainability is always on the agenda and is a fixed component of the annual supplier audits. Thereby, we are working with the suppliers to focus two points in particular: first, improving traceability in hazelnut production; and second, improving harvest workers’ working conditions and combating the use of child labour. Therefore we are also member of CAOBISCO. Among other things, a joint project between CAOBISCO and the International Labour Organisation (ILO) aims to raise Turkish public awareness of the difficult circumstances migrant workers and their families live in, and to take concrete action to improve these circumstances. The project’s efforts on a variety of fronts have resulted in, among other things, the construction of permanent housing for migrant workers, the establishment of educational and child care programmes for their children, and the organisation of medical and preventative care. A drawing competition held for the second consecutive year helped raised awareness about child labour.

In addition, every new raw material has to pass our so-called Hot Spot Analysis which is used for the sustainability assessment of product groups. Already used raw materials are regularly checked using determined critical points and exclusion criteria. The Hot Spot Analysis of raw materials takes a precise look at them and assesses them from social, ecological and economical standpoints.

Disclaimer:

This statement is made pursuant to section 54 (1) of the Modern Slavery Act 2015 and has been approved by the Board Directors of Alfred Ritter GmbH & Co. KG.

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