

Corporate Governance

Group structure and shareholders

Group structure

The Lindt & Sprüngli Group is a globally operating corporate group that is active in the development, production and sale of chocolate products in the premium quality segment. The holding company, Chocoladefabriken Lindt & Sprüngli AG, with headquarters in Kilchberg ZH, is a listed company with its shares listed on SIX Swiss Exchange. The market capitalization, based on the market prices as of the end of 2023, amounts to approx. CHF 24.0 billion.


→ For information regarding the securities and securities listing numbers, see page 112

The management structure of the Group is lean. While the Board of Directors handles management, strategy, and supervisory duties at the highest level, the CEO, as supported by the Executive Chair, and the other members of the Group Management are responsible for operational management tasks. The Executive Chair and the other members of the Board of Directors are elected annually by the General Meeting. The Chair is supported by a Vice-Chair, who is appointed by the Board of Directors from among its members. Further, the Board of Directors may designate an experienced, independent member of the Board of Directors as Lead Independent Director in order to support adequate control mechanisms, if deemed appropriate and in the best interests of the Group. The Board of Directors is further supported by Committees formed from among its members in specific areas.

In addition to the Articles of Association, the organization, duties and composition of the Board of Directors, including the Executive Chair and the Lead Independent Director (if appointed), the Committees of the Board of Directors, the CEO and the Group Management, are governed by the Organizational Regulations and the Committee Charters, which are all available on the website of Chocoladefabriken Lindt & Sprüngli AG.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>

 <https://www.lindt-spruengli.com/amfile/file/download/id/7188/file/Lindt-and-Sprungli-Audit-Committee-Charter.pdf>

 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Sprungli-Compensation-and-Nomination-Committee-Charter.pdf>

 <https://www.lindt-spruengli.com/amfile/file/download/id/7194/file/Lindt-and-Sprungli-Sustainability-Committee-Charter.pdf>

→ For information regarding the duties of the Board of Directors, see page 35

→ For information regarding the duties of the Executive Chair, see page 39

→ For information regarding the duties of the Vice-Chair, see page 39

→ For information regarding the duties of the Lead Independent Director, see page 39

→ For information regarding the Committees, see page 40

→ For information regarding the duties of the Group Management, see page 45

The consolidation scope of Chocoladefabriken Lindt & Sprüngli AG includes Swiss and foreign non-listed subsidiaries, a list of which is set out in the notes to the consolidated financial statements, along with details about these companies, such as name, domicile, share capital, participation, etc.

→ For details regarding the subsidiaries, see page 112


Chocoladefabriken Lindt & Sprüngli AG holds no interests in listed companies within its consolidation scope.

Major shareholders

Pursuant to a disclosure notification as of August 30, 2017, BlackRock Inc., New York, USA, as parent company had a shareholding of 6,063 registered shares (with respect to 1,092 of the 6,063 registered shares, it has the right to exercise the voting rights at its own discretion) or 4.50% of the company's share capital. According to the share register of Chocoladefabriken Lindt & Sprüngli AG as of December 31, 2023, the "Fonds für Pensionsergänzungen der Chocoladefabriken Lindt & Sprüngli AG" and the "Finanzierungsstiftung für die Vorsorgeeinrichtungen der Chocoladefabriken Lindt & Sprüngli AG", both in Kilchberg ZH, held, as a group, a total of 20,784 registered shares corresponding to 15.43% of the share capital and the voting rights of the company (according to the last disclosure as of November 25, 2013, the

group, which at this point in time included the “Lindt Cocoa Foundation” and the “Lindt Chocolate Competence Foundation”, held 29,143 registered shares corresponding to 21.32% of the share capital and the voting rights). As per the disclosure notification on the official notices page of the SIX Swiss Exchange platform, on December 14, 2023, the “Lindt Cocoa Foundation”, and the “Lindt Chocolate Competence Foundation”, both in Kilchberg ZH, left the existing group as group members within the meaning of the disclosure rules (i.e. Article 120 subsection 1 and Article 121 Financial Market Infrastructure Act (FinMIA)) around the “Fonds für Pensionsergänzungen der Schokoladefabriken Lindt & Sprüngli AG” and the “Finanzierungsstiftung für die Vorsorgeeinrichtungen der Schokoladefabriken Lindt & Sprüngli AG” without the sale of any shares.

During the reporting year, no further disclosure notices were published on the official notices page of the SIX Swiss Exchange platform. Details and disclosures of previous years can be found on the official notices page of SIX Swiss Exchange website.

 <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html?issued-By=LINDT>

Schokoladefabriken Lindt & Sprüngli AG has no cross shareholdings.

Capital structure

As of December 31, 2023, Schokoladefabriken Lindt & Sprüngli AG had the following capital structure:

Ordinary capital

The ordinary capital is composed of two types of securities:

	2023
Registered shares *	CHF 13,472,300
Bearer participation certificates **	CHF 10,125,420
Total ordinary capital	CHF 23,597,720

* 134,723 registered shares, par value of CHF 100 each

** 1,012,542 bearer participation certificates, par value of CHF 10 each

Each registered share has one voting right at the General Meeting, while the bearer participation certificates do not have voting rights. Both types of securities have the same rights to dividends, repayments of capital reserves and proceeds of a liq-

uidation in proportion to their par value. All securities are fully paid in. No bonus certificates (“Genussscheine”) were issued.

Authorized and conditional capital

The company has a conditional participation capital in a maximum amount of CHF 3,068,150, comprising a maximum of 306,815 bearer participation certificates with a par value of CHF 10 each. Of this maximum total amount, 152,365 participation certificates are reserved for employee participation programs, and up to 154,450 participation certificates can be used for capital market transactions. The subscription rights of shareholders and participation certificate holders are excluded. Further information about the conditional participation capital can be found in Article 4^{bis} of the Articles of Association of the company, which are available on the website of Schokoladefabriken Lindt & Sprüngli AG, whereby the above and following information regarding the status of the participation capital and the number of bearer participation certificates, respectively, as of December 31, 2023 are not yet reflected in the currently valid Articles of Association due to the exercise of options and increases of the participation capital out of the conditional participation capital during the reporting year.

 https://www.lindt-spruengli.com/amfile/file/download/id/7925/file/2023_Statuten_15.06.23_EN.pdf

The ordinary capital can be increased by means of the conditional participation capital by no more than 13.0% up to a maximum of CHF 26,665,870. Besides the conditional participation capital, there is no conditional share capital, authorized share capital or participation capital, or a capital band.

Changes in capital

During the past three reporting years, the following changes have occurred in the ordinary and conditional capital:

Ordinary capital

Year	Share capital in CHF	Registered shares (RS)*	Participation capital in CHF	No. of bearer participation certificates (PC)**
2021	13,555,200	135,552	10,665,640	1,066,564
2022	13,509,900	135,099	10,439,560	1,043,956
2023	13,472,300	134,723	10,125,420	1,012,542

Conditional capital

No. of bearer participation certificates (PC)**

Year	Total	Capital market PC	Employee PC
2021	340,907	154,450	186,457
2022	325,945	154,450	171,495
2023	306,815	154,450	152,365

Number of securities, status as at December 31

* Registered shares (RS), par value CHF 100

** Bearer participation certificates (PC), par value CHF 10

Restrictions on assignability and nominee entries

Both registered shares and participation certificates can be acquired without restrictions. According to Article 3, subsection 6 of the Articles of Association, however, the Board of Directors may refuse full shareholder status to an acquirer of registered shares if the number of registered shares held by such acquirer exceeds 4% of the total number of registered shares as entered in the commercial register. Moreover, according to Article 685d, subsection 2 OR, the company may refuse an acquirer if, on request, the acquirer does not formally state that the shares are purchased on its own behalf and for its own account, that no agreement on the redemption or return of respective shares exists and that the acquirer bears the economic risk associated with the shares.

According to Article 3, subsection 7 of the Articles of Association, legal entities and partnerships related to one another through capital ownership, through voting rights or common management, or which are otherwise linked, as well as natural persons and legal entities or partnerships acting in concert in regard to a registration restriction, are considered to be one single shareholder. Based on Article 3, subsection 9 of the Articles of Association, the Board of Directors may grant exceptions to these provisions in special cases and adopt suitable implementing provisions for the application of these rules. The implementing provisions for these rules are defined in the regulation of the Board of Directors on “Registration of registered shares and maintaining the share register of Chocoladefabriken Lindt & Sprüngli AG”.

 https://www.lindt-spruengli.com/fileadmin/user_upload/corporate/user_upload/Investors/BOR/SHAREHOLDER_REGISTRY_REGULATIONS_2015_EN.PDF

 https://www.lindt-spruengli.com/amfile/file/download/id/7925/file/2023_Statuten_15.06.23_EN.pdf

According to these regulations, particularly (1) the intention of a shareholder to acquire a long-term interest in the company or (2) the acquisition of shares as part of a long-term strategic business relationship or a merger, as well as the acquisition or allocation of shares in the course of an acquisition of a particular asset by the company, are treated as special cases within the meaning of Article 3, subsection 9 of the Articles of Association.

Due to their long-term participation and with regard to their purpose, the Board of Directors had already granted such an exception before the reporting year for the 15.43% of the voting rights held as a group by the “Fonds für Pensionsergänzungen der Chocoladefabriken Lindt & Sprüngli AG” and “Finanzierungstiftung für die Vorsorgeeinrichtungen der Chocoladefabriken Lindt & Sprüngli AG”, both in Kilchberg, ZH.

A nominee shareholder will be registered in the share register as a shareholder with voting rights up to a maximum of 2% of the registered share capital as entered in the commercial register, provided that such nominee agrees in writing to disclose the name, address, domicile or seat, nationality, and shareholdings of those persons on whose account it holds the shares. Above the limit of 2%, a nominee shareholder will be registered in the share register by the Board of Directors with voting rights only if such nominee discloses – in writing – the name, address, domicile or seat, nationality, and shareholdings of those persons for whose accounts it holds 0.5% or more of the outstanding share capital, whereby the entry per trustor is limited to 4% and in total to 10%, per nominee. Article 3, subsection 7 of the Articles of Association is also applicable to nominees.

The implementing rules are defined in the Regulations of the Board of Directors “Registration as nominee shareholder of Chocoladefabriken Lindt & Sprüngli AG”.

 https://www.lindt-spruengli.com/fileadmin/user_upload/corporate/user_upload/Investors/BOR/REGISTRATION_AS_NOMINEE_EN.PDF

 https://www.lindt-spruengli.com/amfile/file/download/id/7925/file/2023_Statuten_15.06.23_EN.pdf

According to Article 15, subsection 3 of the Articles of Association, a revocation of the registration restrictions set out in Article 3, subsection 6 of the Articles of Association requires a resolution by the General Meeting with a voting majority of at least three quarters of the shares represented.

 https://www.lindt-spruengli.com/amfile/file/download/id/7925/file/2023_Statuten_15.06.23_EN.pdf

Outstanding options and convertible bonds

Options for bearer participation certificates of Chocoladefabriken Lindt & Sprüngli AG are outstanding only under the existing employee option plan. Details concerning the number of options issued during the reporting year and previous years, which are either still outstanding or have been exercised, in each case with their corresponding material terms and conditions, are shown in the table below:

Year of allocation	Number of options issued	Strike price (CHF)	Running term	No. of rights exercised	No. of exercisable rights
2017	20,389	5,360	until 2024	20,202	187
2018	21,896	5,794	until 2025	12,016	9,880
2019	22,704	5,936	until 2026	6,374	16,330
2020	24,129	7,904	until 2027	2,339	21,790
2021	26,190	7,918	until 2028	0	26,190
2022	22,903	10,251	until 2029	0	22,903
2023	22,780	9,602	until 2030	0	22,780
Total	160,991			40,931	120,060

All options entitle their holders to the acquisition of one participation certificate (ratio of 1:1). The option rights have an exercise period of maximum seven years from the grant and are subject to blocking periods for exercise (vesting) of three, four or five years, respectively. The exercise price of the options corresponds to the average amount of the closing price of the participation certificates of Chocoladefabriken Lindt & Sprüngli AG on SIX Swiss Exchange during the five trading days before the grant.

In the reporting year, a total of 19,130 of the above listed employee options were exercised (previous year: 14,962). Therefore, the “ordinary” participation capital was increased in 2023 by CHF 191,300, resulting in a corresponding reduction of such portion of the conditional participation capital that is reserved for employee participation programs. The 120,060 options outstanding as of December 31, 2023, which have not yet been exercised, correspond to 5.1% of the total capital. There were no outstanding convertible bonds of Chocoladefabriken Lindt & Sprüngli AG in the reporting year.

Information on participation certificates

Chocoladefabriken Lindt & Sprüngli AG decided in 2020 to stop issuing physical dividend vouchers (coupons) for bearer participation certificates. Holders who keep their participation certificates as certificates in physical form, for example at home or at their bank (in a safe deposit box or in individual custody, “Heimverwahrer”), were and are asked to deliver their participation certificates (including remaining coupons and talons, if any) to their bank of choice in order to have their participation certificates booked into their existing securities account, or one to be opened. For participation certificates that are currently not held as book-entry securities, any future dividends or other distributions on participation certificates will not automatically be serviced through the banking system, but only according to the applicable requirements of Swiss securities law. Holders of participation certificates held in physical form should be aware that dividends and other distributions that are not claimed within five years will be allocated to the company. Holders who already keep their participation certificates in a securities account with their deposit bank are not affected by the change and need not act.

For further information, please refer to the Investor Relations website or contact the Investor Relations Department of the Group on phone number +41 44 716 25 37 or via e-mail investors@lindt.com.

Board of Directors Chocoladefabriken Lindt & Sprüngli AG



Monique Bourquin, Dr Dieter Weisskopf, Dr Thomas Rinderknecht, Dr Rudolf K. Sprüngli, Ernst Tanner, Dkfm Elisabeth Gürtler, Silvio Denz

Board of Directors

Role and function

The Board of Directors makes decisions jointly and is assisted by committees (Committees) from among its members in certain areas. The primary function of the Board of Directors is to exercise the ultimate management of the Lindt & Sprüngli Group and to issue the necessary instructions. The Board of Directors makes material strategic decisions and defines the general means for achieving the goals it has set. The Board of Directors sets the agenda of the General Meeting and prepares the annual report, including the financial and non-financial reporting, the Compensation Report and the half-year report. Decisions regarding the appointment of the members of the Group Management and the managing directors of certain subsidiaries, as well as resolutions on shareholders' motions for the General Meeting, are made by the whole Board of Directors.

Members

According to Article 17 of the Articles of Association, the Board of Directors of Chocoladefabriken Lindt & Sprüngli AG consists of at least five and not more than nine members. If the number of members falls below five, the minimum number of members must be restored at the next Annual General Meeting.

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As of December 31, 2023, the Board consisted of seven members. Ernst Tanner is Executive Chair of the Board of Directors. All other members are non-executive members. Dr Dieter Weisskopf acts as Vice-Chair of the Board of Directors.

Name, function	First election	until
Ernst Tanner, Executive Chair of the Board of Directors	1993	2024
Dr Dieter Weisskopf non-executive member, Vice-Chair	2022	2024
Dr Rudolf K. Sprüngli, non-executive member	1988	2024
Dkfm Elisabeth Gürtler, non-executive member	2009	2024
Dr Thomas Rinderknecht, non-executive member	2016	2024
Silvio Denz, non-executive member	2018	2024
Monique Bourquin, non-executive member	2023	2024

Dr Dieter Weisskopf acted as CEO of the Lindt & Sprüngli Group until September 30, 2022. None of the other non-executive members of the Board of Directors has in the past three financial years been actively engaged in the management of the Group or any Group company. Further, none of the non-executive members of the Board of Directors has any material business relations with the company or any Group company.

Members of the Board of Directors are elected individually by the General Meeting for a one-year term of office, in each case until the conclusion of the next Annual General Meeting. Re-election is permitted. If a member withdraws, or if an elected member subsequently refuses to accept the election, the position concerned remains vacant until the next General Meeting. In the reporting year, six of the seven former members of the Board of Directors were re-elected for terms of one year until the conclusion of the next Annual General Meeting. Antonio Bulgheroni did not stand for re-election in the reporting year and, therefore, resigned from the Board of Directors as of the Annual General Meeting 2023. Monique Bourquin was newly elected as a member of the Board of Directors for the first time in the reporting year.

Ernst Tanner (CH) Mr. Tanner was elected CEO and Vice Chair by the Board of Directors in 1993. In 1994, he became Chair of the Board. He is a member of the Sustainability Committee. He completed a commercial education and then attended business school in London and at Harvard. Before joining Lindt & Sprüngli, Mr. Tanner held top management positions for more than 25 years with the Johnson & Johnson Group in Europe and the USA, last as Company Group

Chairman Europe. Mr. Tanner has been a member of the Board of Directors of the Swiss Swatch Group since 1995, Vice Chairman of the Board of Directors since 2011, a member of the Compensation Committee since 2002 and Chairman of this committee since May 2014. He also has a seat on the Advisory Boards of the German Krombacher Brauerei GmbH & Co. KG. As of end of September 2016, Mr. Tanner resigned as CEO of the Lindt & Sprüngli Group and since then has been Executive Chair of the Board of Directors.

Dr Dieter Weisskopf (CH) Mr. Weisskopf has been a member of the Board of Directors since April 2022 and is Chair of the Sustainability Committee. Furthermore, he was appointed as Vice-Chair of the Board of Directors on October 27, 2022. He graduated in economics (lic. rer. pol.) and subsequently obtained a doctorate in the field of business administration. Mr. Weisskopf started his career at Swiss Union Bank. After gaining additional experience in the banking sector in South America, he then changed to the food industry, joining the Jacobs Suchard Group. At Jacobs Suchard and at Klaus Jacobs Holding, he held executive management positions in the area of finance, latterly as CFO in Canada and Switzerland. Mr. Weisskopf joined the Lindt & Sprüngli Group in 1995 as Head of Finance, Administration, IT, Purchasing and Sustainability. In 2004, he was also responsible for manufacturing. From October 2016 until September 2022, he acted as CEO of the Lindt & Sprüngli Group and has been responsible for the functions Group Communications, Group HR and Transformation. Since December 8, 2023 he is member of the board of directors of the World Cocoa Foundation (WCF).

Dr Rudolf K. Sprüngli (CH) Mr. Sprüngli has been a member of the Board of Directors since 1988. He is a member of the Compensation & Nomination Committee (CNC). He completed his studies with a doctorate in economics. Due to his former executive activities for the Group, and for an international premium food-trading company and his current activities for an international producer of premium foods, Mr. Sprüngli is an expert authority in the chocolate business and the international food industry. He is a strategy consultant, investor and active Chairman and Board Member at various food and non-food companies, including a member of the Board of Directors of Peter Halter AG, an Advisory Board Member at Felix Partner AG, Chairman of the Board of Directors of Pusta Invest AG, Chairman of Trufo Hun-

gary Kft. and Advisory Board Member at the Institut für Wirtschaftsberatung.

Dkfm Elisabeth Gürtler (AT) Ms. Gürtler has been a member of the Board of Directors since 2009 and is currently a member of the Audit Committee. She completed her business science studies with a master's degree, then built up an outstanding reputation, particularly as director of the world-famous Sacher Hotels in Vienna and Salzburg, in an area where premium quality plays a key role. From 1998 to 2012, Ms. Gürtler was a member of the Supervisory Board of Erste Group Bank AG and a member of the General Council of the Austrian National Bank from 2004 to 2014. Currently Ms. Gürtler is a member of the Board of Directors of ATP Planungs- und Beteiligungs AG in Innsbruck and since July 2019 President of the Supervisory Board of the Tiroler Museums.

Dr Thomas Rinderknecht (CH) Mr. Rinderknecht has been a member of the Board of Directors since April 2016 and is currently Committee chair of the Audit Committee. He has a PhD in law and was admitted to the Bar in the canton of Zurich in 1982. From 1984 onwards, he worked as a freelance commercial attorney and has been Senior Counsel with the law firm Badertscher Rechtsanwälte AG, Zurich and Zug, as of 2021. Since 1984, Mr. Rinderknecht has had numerous directorships on the boards of various listed and non-listed companies in the industrial, media and family office sectors. With his background as a commercial attorney, Mr. Rinderknecht's legal expertise is of particular benefit to the Board of Directors.

Silvio Denz (CH) Mr. Denz has been a member of the Board of Directors since May 2018 and is currently a member of the CNC and of the Sustainability Committee. He is an entrepreneur active in the fields of luxury goods, wine, restaurants, hotels, art, and real estate. After a commercial training and professional positions in the financial, commercial, and marketing sector in Switzerland and the USA, in 1980 he took over the management of Alrodo AG in Zurich and developed it into the largest perfumery chain in Switzerland. In 2000, he founded Lalique Group SA (formerly Art & Fragrance SA), a company active in the creation, marketing, and worldwide distribution of luxury goods, to which crystal manufacturer Lalique has belonged since 2008. Mr. Denz oversees that

group, which is listed in Switzerland, as Chair of the Board of Directors and is its principal shareholder. He is also a member of different non-listed Swiss investment companies.

Monique Bourquin (CH) Ms. Bourquin has been a member of the Board of Directors since April 2023 and is currently the Committee chair of the CNC. After a few years in consulting, Monique Bourquin, lic.oec. HSG, spent most of her operational career in the consumer goods industry in various marketing and sales functions at Knorr Nahrungsmittel AG, Rivella AG and Mövenpick Foods GmbH. For 14 years, she worked for Unilever, including as CEO for Unilever Switzerland and, more recently, as Chief Financial Officer for the DACH region in Hamburg until 2016. For the past 10 years, she has been active on various Boards of Directors, currently at Swisscom AG, Emmi AG, Kambly SA Spécialités de biscuits suisses, Rivella AG and W. Kündig & Cie AG. She was on the board of directors of Straumann Holding AG and Weleda AG for several years. She is also President of the Swiss branded goods association Promarca and on the Board of Trustees of Swisscontact.

Composition, diversity and skills

Chocoladefabriken Lindt & Sprüngli AG aims to ensure that the members of the Board of Directors and the candidates for membership are appropriately composed and possess the necessary qualifications and experience to discharge their duties. The adequacy of the composition of the Board of Directors, including considerations on its gender and other diversity aspects, is annually reviewed. While the Board of Directors believes that experience and professional expertise are relevant factors in the composition of the Board of Directors, the CNC considers these and other factors, including age, gender, nationality and ethnicity, when evaluating candidates for the Board of Directors and strives to explore ways to increase the diversity of the Board of Directors.

On a proposal by the CNC, the Board of Directors determined a set of competencies and expertise that it deems relevant for the Company, its business activities, geographic presence and future development, and which should, therefore, be adequately represented on the Board of Directors. Based on this collection, all members of the Board of Directors were asked to identify their most relevant competencies and expertise, taking into account their professional, educational and personal background. The following overview

summarizes the respective competencies and expertise of the current members of the Board of Directors.

Distribution of the most important competencies

Management & Leadership	7/7
Financial Expertise	7/7
Risk Management	6/7
Legal, Regulatory & Compliance	3/7
FMCG/Consumer Insights	4/7
Marketing & Sales	6/7
Operational Management & Logistics	4/7
IT, Data & Cyber Security	3/7
HR, People & Culture	6/7
Environmental, Social, Governance	7/7
Compensation	7/7
Board Experience	7/7

Succession planning

The short-term and long-term succession planning for the Board of Directors is prepared by the CNC in cooperation with the Chair of the Board of Directors. The CNC and the Chair of the Board of Directors work closely together on all nomination-related activities, including succession planning and the evaluation of the performance of the Board of Directors and its Committees. In the course of nominations to the Board of Directors, the CNC annually evaluates the appropriateness of the composition of the Board of Directors, in particular taking into account the required experience, professional expertise and other competencies, diversity aspects, including age, gender, nationality and ethnicity, independence and the views contributed by the Company's stakeholders, including its shareholders. Similarly, the CNC annually evaluates the appropriateness of the applied definition of independence and the external mandates held by the members of the Board of Directors. The decision on the proposal to the Annual General Meeting regarding the election of the members of the Board of Directors is taken by the whole Board of Directors.

Number of permitted activities outside the Group

The number of activities that members of the Board of Directors may perform in comparable functions at other companies with an economic purpose outside the Group is according to Article 19, subsection 3 item 1 of the Articles of Association limited to four mandates in listed companies, 10 mandates in non-listed companies, and 10 mandates in other legal entities, such as foundations and associations, with an economic purpose. Any new mandates of members of the Board of Directors in companies outside the Lindt & Sprüngli Group require the prior approval of the Chair of the Board of Directors and the chair of the CNC in accordance with article 10.12 of the Organizational Regulations. Where mandates are assumed in different legal entities of one corporate group, or at the behest of one corporate group, these are accounted in the aggregate as a single mandate but may not exceed 40 mandates in total. These limits may be exceeded temporarily, but in any case not by more than one mandate per category.

Members of the Board of Directors may not be personally compensated for mandates in other companies held on request of the company or in companies controlled by the Group. Any potential exceptions must be approved by the CNC (see article 10.13 of the Organizational Regulations).

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Internal organization

The General Meeting elects together with the members of the Board of Directors the Chair of the Board of Directors and the members of the CNC. In all other respects, the Board of Directors constitutes itself. The Board of Directors elects a Vice-Chair and, if deemed appropriate and in the interests of the Company, a Lead Independent Director from among its members, in each case for a term of office of one year until the end of the next Annual General Meeting. The functions of Vice-Chair and Lead Independent Director may be performed by two different members of the Board of Directors or by one member of the Board of Directors (combined role).

Details concerning the internal organization of the Board of Directors and its Committees can be found in the Organizational Regulations and the Committee Charters, which are available on the website of Chocoladefabriken Lindt & Sprüngli AG.

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 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Sprungli-Compensation-and-Nomination-Committee-Charter.pdf>

 <https://www.lindt-spruengli.com/amfile/file/download/id/7194/file/Lindt-and-Sprungli-Sustainability-Committee-Charter.pdf>

If the Chair resigns from the Board of Directors before the end of the term of office, the Board of Directors appoints a new Chair from among its members until the election of a new Chair at the next General Meeting. If the position of the Vice-Chair and/or, if previously appointed, the Lead Independent Director and/or a Committee chair is vacant, the Board of Directors designates a successor from among its members. Should one or more members of the Compensation & Nomination Committee retire early, the Board of Directors can appoint substitutes from among its members until the conclusion of the next General Meeting.

Chair of the Board of Directors

The Chair leads the Board of Directors in the exercise of its non-transferable duties and is, in coordination with the CEO, responsible for the preparation of the agenda, the organization and the lead of the meetings of the Board of Directors in accordance with the provisions of the law, the Articles of Association and the Organizational Regulations. They act as a link between the Board of Directors and the CEO, ensures the proper information flow to the Board of Directors and the alignment of the Committees to the strategy of the Board of Directors. Furthermore, the Chair has the following powers and duties:

- Lead the Board of Directors and chair the General Meetings;
- Take a leading role in designing the Group's corporate governance;
- Work with the CNC in all nomination-related activities including succession planning and evaluation of performance of the Board of Directors and its Committees;
- Represent the Group externally towards its stakeholders, as agreed with the Board of Directors and the CEO;
- Receive the agenda, documents and minutes of the Group Management meetings, whereby they may request information about any matters relating to the company, and examine reports, proposals and minutes of meetings of any functions or Committees, markets or businesses

As an exception, urgent decisions falling within the authority of the Board of Directors may, in accordance with the Organizational Regulations, be taken by the Chair. Such decisions must be brought to the attention of the Board of Directors as soon as possible.

The Board of Directors may entrust the Chair with additional duties and appoint them as Executive Chair of the Board of Directors. The individual executive duties and the division of duties between the Chair and the CEO and the other members of the Group Management are set out in the employment contract and the relevant directives of the Board of Directors.

Vice-Chair of the Board of Directors

The Vice-Chair is appointed annually by the Board of Directors from among its members. If and for as long as the Chair of the Board of Directors is unable to perform their duties, or if and to the extent that there is a conflict of interest of the Chair, the Vice-Chair assumes all duties of the Chair of the Board of Directors. In addition, the Vice-Chair assists the Chair with respect to organizational, strategic and other topics related to the Chair's duties. The individual tasks of the Vice-Chair are determined by the Board of Directors.

The duties of the Vice-Chair are governed by the Organizational Regulations (see article 5 Organizational Regulations).

 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>

Lead Independent Director

In order to support appropriate control mechanisms, the Board of Directors may appoint an experienced, independent member of the Board of Directors as Lead Independent Director if it deems this appropriate and in the interest of the Group. In particular, the Lead Independent Director convenes and chairs meetings of the Board of Directors in the event of a conflict of interest of the Chair of the Board of Directors and the Vice-Chair. In the case of a matter requiring separate consideration or a decision or action on behalf of the independent members, the Lead Independent Director convenes and chairs meetings of some or all independent members of the Board of Directors.

The duties of the Lead Independent Director, if any, are governed by the Organizational Regulations (see article 6 of the Organizational Regulations).

 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>

CEO

According to the Organizational Regulations, the CEO is, with support from the Group Management, the company's and the Group's supreme executive authority, subject to the powers and duties reserved to the Board of Directors, the Committees and the Chair of the Board of Directors. The CEO presides over Group Management, and the company's and the Group's whole organization and staff are subordinated to the CEO. Further details about the tasks of the CEO and Group Management can be found on page 45 of this Annual Report and the Organizational Regulations.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>

Organization of the Board of Directors

The Board of Directors meets as often as necessary, but at least four times a year on invitation by the Chair of the Board of Directors, the Vice-Chair, or in the event of their absence, another member of the Board of Directors. In addition, the Board of Directors must be convened without delay on written request for a meeting by a member of the Board of Directors to the Chair, stating the reasons for doing so.


The Chair presides over the meetings. Along with members of the Board of Directors, the meetings may also be attended by members of the Group Management and other non-members. The Chair decides whether non-members may participate in meetings of the Board of Directors, unless the whole Board of Directors decides otherwise. The actual number of meetings (including physical meetings and conference calls) held and the number of written resolutions taken, if any, by the Board of Directors in the reporting year, as well as information regarding the attendance by the members of the Board of Directors, is set out below on page 44 (meetings, duration and attendance).

In the reporting year, members of the Group Management regularly attended the meetings of the Board of Directors in compliance with exclusion principles. No external consultants attended meetings of the Board of Directors.

Committees of the Board of Directors

The Chair of the Board of Directors and the Board of Directors are assisted in the performance of their duties by three permanent Committees: the Audit Committee, the Compensation & Nomination Committee (CNC) and the Sustainability Committee. The Board of Directors may decide at any time – by a majority decision – to set up further or dissolve existing Committees (except for the CNC, which is a committee required by statutory law). The Committees meet on the invitation of their chair as often as business requires, usually immediately before or after an ordinary meeting of the Board of Directors. The practices of the Committees are governed by the respective Committee Charters, which are available on the website of Chocoladefabriken Lindt & Sprüngli AG. Otherwise, the rules applicable to the Board of Directors apply *mutatis mutandis* to the meetings of the Committees.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7188/file/Lindt-and-Sprungli-Audit-Committee-Charter.pdf>

 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Sprungli-Compensation-and-Nomination-Committee-Charter.pdf>

 <https://www.lindt-spruengli.com/amfile/file/download/id/7194/file/Lindt-and-Sprungli-Sustainability-Committee-Charter.pdf>

Audit Committee

The Audit Committee consists of at least three independent members of the Board of Directors, whereby the Chair of the Board of Directors may not be the chair of the Audit Committee. Of the members of the Audit Committee, at least two members must possess substantial expertise and experience in finance and accounting (financial literacy). The other(s) must be familiar with the matters of accounting and audit. The members of the Audit Committee are appointed by the Board of Directors. As of December 31, 2023, the members of the committee were: Dr Thomas Rinderknecht (chair), Dkfm Elisabeth Gürtler and Dr Dieter Weisskopf. The members of the Audit Committee possess sufficient experience and professional knowledge in the areas of finance and risk management to enable them to perform their tasks effectively.

The Audit Committee supports the Board of Directors in its duties, particularly with respect to the main areas of audit, completeness and accuracy of the financial statements, assessment and monitoring of audit findings, compliance with statutory requirements regarding the qualification of the

statutory auditor and the individual auditors (including their independence), the performance of the statutory auditor and the risk management of the Group. In addition, the Audit Committee assesses the quality of the financial reporting and the effectiveness of the internal control systems and reviews the internal audit program. The Audit Committee regularly assesses the status of compliance with laws and regulations within the company and reviews the effectiveness of internal processes in this regard. It ensures ongoing communication with the statutory auditor. It also scrutinizes the Group's risk management principles and the appropriateness of risks taken, particularly in the areas of investments, currencies, raw material procurement, and liquidity. The Audit Committee further assists the Board of Directors in fulfilling its oversight responsibilities relating to the internal audit function.

The Audit Committee reviews the annual financial statements of the company and the consolidated financial statements of the Group for the attention of the Board of Directors and makes a proposal to the Board of Directors regarding their approval and submission for approval to the Annual General Meeting. The Audit Committee reviews and discusses any potential fraud or fraudulent activities, whether or not material, that involve members of the Board of Directors, members of the Group Management or other employees who have a significant role in the Group's internal controls. Further, the Audit Committee ensures that the Board of Directors is fully informed in the areas the Audit Committee oversees. Additionally, the Audit Committee, with respect to the sustainability report, or, once integrated in the Annual Report, with respect to sustainability reporting, assesses the accuracy, completeness and compliance of sustainability related financial disclosures and the non-financial disclosures, which are subject to audit or assurance, and provides recommendations with regard to the approval to the Sustainability Committee. Similarly, the Audit Committee assesses the accuracy, completeness and compliance of the financial aspects of the Compensation Report that are subject to audit, and provides recommendations with regard to the approval to the CNC. The Audit Committee undertakes preparatory tasks and makes recommendations to the Board of Directors for important decisions in the areas discussed above, such as approval of risk management principles, adoption of the annual financial statements or proposals for the appointment of the statutory auditor. It discusses the CFO's reporting on the risks taken, on risk-limiting measures, and on the justifi-

ability of the risks taken and reviews the regular risk reports. The Audit Committee itself has, except for the enactment and amendments of the Group Approval Policy, no decision-making powers. It may, however, decide independently to entrust the statutory auditor with special assignments and approve the fee budget for audit tasks submitted by the statutory auditor. The Audit Committee itself does not perform any direct professional auditing.

A detailed description of the Audit Committee's duties is included in the Audit Committee Charter, which is available on the website of Chocoladefabriken Lindt & Sprüngli AG.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7188/file/Lindt-and-Sprungli-Audit-Committee-Charter.pdf>

The committee meets as often as business requires, but at least four times a year. The actual number of meetings (including physical meetings and conference calls) held and the number of written resolutions taken, if any, by the Audit Committee in the reporting year, as well as information regarding the average attendance by the members, is set out below on page 44 (meetings, duration and attendance). Members of the Group Management and other members of the Board of Directors regularly attended the meetings of the Audit Committee. The statutory auditor attended two meetings of the Audit Committee. The statutory auditor's direct access to the Audit Committee is guaranteed at all times. No external consultants took part in meetings of the Audit Committee. All minutes of the Audit Committee are made available to all members of the Board of Directors. The chair of the Audit Committee also reports to the Board of Directors after each meeting of the Audit Committee in the form of a brief summary of the Audit Committee's activities and findings.

→ For information regarding the statutory auditor, see page 51

Compensation & Nomination Committee (CNC)

According to the Articles of Association and the CNC Charter, the CNC consists, subject to the election of its members by the General Meeting, of a minimum of three and of a maximum of five members of the Board of Directors, the majority of whom shall be independent. The members of the CNC are annually elected by the Annual General Meeting on an individual basis and for a term of office until the end of the next Annual General Meeting. In case of an early retirement or withdrawal during the term of office by a member of the CNC, the Board of Directors may appoint a substitute from among its members to serve until the next Annual General Meeting. As of December 31, 2023, the Committee members comprised Monique Bourquin (chair), Dr Rudolf K. Sprüngli, and Silvio Denz. If necessary, the CNC consults external advisors to perform its duties.

The CNC supports the Board of Directors in its function of succession planning of the Board of Directors, regarding the appointment, dismissal and succession planning of the CEO and other members of the Group Management, and matters relating to the compensation of the Board of Directors and the Group Management.

The CNC reviews the company's compensation policies and programs for market compatibility, effectiveness and compliance with the Articles of Association, the law and best practices, and submits them or any amendments thereto to the Board of Directors for decision or, where required by law or the Articles of Association, submission to the General Meeting for approval. It reviews the Compensation Report, in collaboration with the Audit Committee with respect to financial disclosures and in collaboration with the Sustainability Committee with respect to aspects of sustainability, and makes recommendations to the Board of Directors regarding the approval and submission to the General Meeting.

Furthermore, the CNC undertakes an annual assessment of the independence of the members of the Board of Directors. Unless expressly provided for otherwise, the CNC assists the Board of Directors with preparatory and supporting activities and issues proposals and recommendations to the Board of Directors.

A detailed description of the duties with regard to both succession planning and compensation can be found in the CNC Charter, which is available on the Company's website.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Sprungli-Compensation-and-Nomination-Committee-Charter.pdf>

The CNC meets as often as business requires or at the request of any of its members, respectively, but at least three times a year. The actual number of meetings (including physical meetings and conference calls) held and the number of written resolutions taken, if any, by the CNC in the reporting year as well as information regarding the average attendance by the members is set out below on page 44 (meetings, duration and attendance). The CNC chair may ask members of management or internal or external matter experts to attend the meetings. To the extent that their own compensation is directly affected (unless the discussion and decisions are about the compensation of the Board of Directors in general), the relevant member of the CNC is excluded from discussions and voting. In the reporting year, the CEO attended one meeting of the CNC but excused himself when his own compensation was concerned. All minutes of the CNC are made available to all members of the Board of Directors. The chair of the CNC also reports to the Board of Directors after each meeting of the CNC in the form of a brief summary of the CNC's activities and findings. The CNC also informs the Board of Directors regularly about the procedure for the determination of compensation and the outcome of the compensation process.

→ For information on responsibilities of the Compensation & Nomination Committee, see Compensation Report page 55

Sustainability Committee

The Sustainability Committee consists of a minimum of three members of the Board of Directors. These may be both independent and non-independent members of the Board of Directors. The members of the Sustainability Committee are appointed by the Board of Directors. As of December 31, 2023, the Committee members comprised Dr Dieter Weisskopf (chair), Silvio Denz and Ernst Tanner.

The Sustainability Committee supports the Board of Directors in setting strategies, targets and internal policies to ensure compliance with applicable legal requirements and the long-term sustainability of the company in its social and environmental aspirations, and taking into consideration the economic dimension. The Sustainability Committee fur-

ther supports the Board of Directors in setting the strategic direction and sustainability targets for company activities, aligning the financial interests and business strengths of the company, and social and environmental interests.

The Sustainability Committee guides the Board of Directors with regard to setting up a governance structure and internal policies and processes to ensure compliance with applicable laws and the implementation of the social and environmental sustainability targets and strategies. The Sustainability Committee assesses the accuracy, completeness and compliance of the sustainability report, or, once integrated in the Annual Report, the sustainability reporting, in each case with respect to sustainability related financial disclosures and non-financial disclosures that are subject to audit or assurance based on the recommendation of the Audit Committee, and recommends the report(ing) to the Board of Directors for approval, and where applicable, for submission for approval to the Annual General Meeting. It also reviews sustainability-related aspects in the Compensation Report and makes a recommendation regarding the approval to the CNC. Unless expressly provided otherwise, the Sustainability Committee supports the Board of Directors with preparatory and supporting activities and submits proposals and recommendations to the Board of Directors.

A detailed description of the duties can be found in the Sustainability Committee Charter, which is available on the Company's website.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7194/file/Lindt-and-Sprungli-Sustainability-Committee-Charter.pdf>

The Sustainability Committee meets as often as business requires, but at least three times a year. The actual number of meetings (including physical meetings and conference calls) held and the number of written resolutions taken, if any, by the Sustainability Committee in the reporting year, as well as information regarding the average attendance by the members, is set out below on page 44 (meetings, duration and attendance). Members of the Group Management and other members of the Board of Directors regularly attended these meetings. No external consultants were present at the meetings of the Sustainability Committee. Matters discussed included a review of sustainability activities in 2022 and an assessment of the Sustainability Plan, approval of the new Double Materiality Assessment (DMA), approval of the new

Deforestation Policy, a review of climate change and a review of the company's human rights risk assessment, together with the effectiveness of its due diligence process in the reporting year. All minutes of the Sustainability Committee are made available to all members of the Board of Directors. The chair of the Sustainability Committee also reports to the Board of Directors after each meeting of the Sustainability Committee in the form of a brief summary of the Sustainability Committee's activities and findings.

In order to achieve effective sustainability governance, an additional committee has been created at the Group Management level. In this sense, the Executive Sustainability Committee (ESC) is an agile body whose members act as sustainability experts on behalf of the Group Management. As of December 31, 2023, the ESC consisted of the following members: CFO (chair), Group General Counsel and VP Operations. In addition, the Sustainability Leadership Team is a cross-functional body at Group level that meets regularly and is composed of various functions, chaired by the Head of Group Sustainability.

Meetings, duration and attendance

The following table provides an overview regarding the number and duration of meetings held by the Board of Directors and by each standing Committee, together with certain information on attendance by the members of the Board of Directors and the members of the respective Committee.

	Board of Directors	Audit Committee	Compensation & Nomination Committee (CNC)	Sustainability Committee
Number of scheduled meetings/ Number of meetings held	7/7	4/4	3/3	3/3
thereof in-person meetings	4	4	2	3
thereof telephone or video conferences	3	–	1	–
Number of written resolutions	2	–	1	–
In-person meetings				
Average duration (h)	1.7 h	1 h	1 h	1.9 h
Average attendance (%)	96.5%	100%	100%	100%
Telephone or video conferences				
Average duration (h)	0.5 h	–	0.5 h	–
Average attendance (%)	95.3%	–	100%	–
Attendance (Board of Directors)*				
Ernst Tanner	7/7	–	–	3/3
Dr Dieter Weisskopf	7/7	4/4	–	3/3
Dr Rudolf K. Sprüngli	7/7	–	3/3	–
Dkfm Elisabeth Gürtler	6/7	4/4	–	–
Dr Thomas Rinderknecht	7/7	4/4	–	–
Silvio Denz	7/7	–	3/3	3/3
Monique Bourquin**	3/4	–	2/2	–
Antonio Bulgheroni***	3/3	1/1	1/1	–

* The other members of the Board of Directors who are not part of the Audit or Sustainability Committee regularly attended the meetings of the Audit Committee or Sustainability Committee.

** Monique Bourquin was elected as member of the Board of Directors and member of the CNC at the Annual General Meeting held on April 20, 2023, and thereafter appointed as Committee chair of the CNC. She attended all but one Board of Directors meeting after her election.

*** Antonio Bulgheroni was a member of the Board of Directors, the Audit Committee and the CNC until the Annual General Meeting held on April 20, 2023. He attended all meetings up to his departure.

Annual performance evaluation

The Board of Directors and its permanent Committees undertake an annual self-evaluation of their performance. In the course of this self-evaluation, they are supported accordingly by the CNC.

Allocation of competences

The essential principles for the allocation of competences and responsibilities among the Board of Directors and Group Management are set forth in the Organizational Regulations.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Spruengli-Organizational-Regulations.pdf>

Below is a summary of the basic rules:

Board of Directors

The Board of Directors is the supreme governing body of the company. The Board of Directors resolves on all matters that are not reserved for the General Meeting or another corporate body of the company by law, the Articles of Association or the Organizational Regulations (including the Committee Charters). This in particular includes:

- Performance of the non-transferable and inalienable statutory tasks. The Board of Directors is therefore in particular responsible for the strategic management of the company, the necessary instructions and supervision of Group Management;
- Determination of the strategic, organizational, accounting, and financial planning guidelines;
- Changes to the legal structure of the Group (particularly incorporation of new subsidiary companies, acquisitions, joint ventures, and liquidation of companies);
- Appointment and dismissal of the CEO, Secretary of the Board of Directors, and members of the Group Management.

ment and certain chief executive officers of subsidiary companies;

- Approval of the consolidated budget for the coming financial year and the five-year mid-term plan of the company;
- Decision on the mission statement and the individual business policy principles.

The schedule of the Board of Directors regularly includes items that inform the Board of Directors on evolving subjects and emerging risks, with particular attention paid to the areas of ESG and cyber security.

The Board of Directors has assigned the management of day-to-day business in accordance with the Organizational Regulations to the CEO, with support by the Group Management.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Spruengli-Organizational-Regulations.pdf>

CEO

The CEO is the chair of Group Management and further responsible for the procurement and forwarding of information to the Group Management, the Executive Chair of the Board of Directors and the Board of Directors. The company's and the Group's whole organization and staff are subordinated to the CEO. The CEO must also ensure that the decisions and instructions of the Board of Directors are executed by the members of the Group Management. Last, but not least, he is responsible for management of the operational business of the Group within the framework of its strategic objectives, for planning the overall business, and for reporting within the Lindt & Sprüngli Group.

Group Management

Under the lead of the CEO, the Group Management prepares the Group strategy and a respective roadmap for the attention of and approval by the Board of Directors. It is further responsible for the implementation of the Group strategy. In addition, the individual members of the Group Management must lead their allocated functional and responsibility areas within the framework of the Group policy in compliance with instructions given by the CEO and the Board of Directors. Based on a matrix structure, the individual Group Management members are given line responsibility for entire country organizations and geographical areas, together with functional responsibility for spe-

cific specialist areas within the framework of the strategic goals and plans of the Group.

→ For details regarding the members of the Group Management, see page 47

Information and control instruments

The Board of Directors is kept regularly informed about all important matters relating to the business activities of the Lindt & Sprüngli Group. The CEO and the CFO, as well as other members of the Group Management, as required, attend meetings of the Board of Directors and report on the ongoing course of business, important projects, and events. Extraordinary occurrences are immediately brought to the attention of the Chair of the Board of Directors. To obtain a direct picture of local market situations, the Board of Directors regularly visits country subsidiaries and meets with local business management.

The whole Board of Directors is kept informed in writing on a regular basis through an extensive and complete Management Information System (MIS) covering profit and loss, statement balance sheet, cash flow, investments, and personnel of the Lindt & Sprüngli Group and the individual subsidiaries. The information is provided on both a historical basis and as a year-end forecast.

Furthermore, members of the Board of Directors receive, on an annual basis, a detailed overall budget, together with a five-year medium-term plan with forecasts for the future development of individual subsidiaries and the consolidated group of companies, covering profit and loss, statement balance sheet, cash flow, investments, and personnel. In addition, the Board of Directors receives an annually updated Group-wide analysis of strategic, operational, legal/regulatory and financial risks – including assessments and actions taken to limit risks and responsibilities.

In order to assess the Lindt & Sprüngli Group risk parameters, the Audit Committee also receives a quarterly report on securities and cash investments, currencies, raw material procurement, and liquidity (risk control reporting). Members of the Group Management regularly attend Audit Committee meetings.

The Lindt & Sprüngli Group maintains the Lindt internal control system (LICS), which oversees the internal financial control system, management information and risk management reporting of the Group.

As part of the Lindt internal control system, the Group determines financial controls for the subsidiaries, which are tailored by the subsidiaries to local circumstances and risks. The existence and effectiveness of these controls are self-assessed annually by the subsidiaries. The results of these annual assessments are supervised centrally by the Group. Based on the observed results, a report regarding the financial internal control processes in the various corporate functions of the subsidiaries (including IT, Procurement, Production, Sales, Salary Payments, Treasury, HR, Legal, IP and Compliance and Financial Reporting) is submitted to the Audit Committee annually. Supervised by the Group, subsidiaries then develop measures to react to control weaknesses and deficiencies.

Internal Audit is another cornerstone of Lindt & Sprüngli's internal control environment. As an independent, objective assurance and consulting activity designed to add value and improve the organization's operations, Internal Audit supports management in monitoring compliance with relevant laws, regulations and internal policies. The Internal Audit department maintains a direct reporting line to the Audit Committee.

The statutory auditor of the Lindt & Sprüngli Group, PricewaterhouseCoopers AG, acts as an additional control instrument by, inter alia, testing the existence and adequacy of the internal control system; i.e. the LICs. In the course of the annual audit, the Audit Committee may also charge the statutory auditor with special assignments that go above and beyond legal and statutory requirements.

Lindt & Sprüngli is committed to conducting its business with fairness and integrity and to respecting laws and the values of the Lindt & Sprüngli Group. Similar behaviour is expected from all third parties, such as suppliers, contractors, and subcontractors, with which the Lindt & Sprüngli Group engages. These obligations and expectations are set out in the Lindt & Sprüngli Code of Conduct and in important policies such as the Human Rights Policy and the Speak Up Policy. Under the Speak Up Policy, Lindt & Sprüngli operates a Speak Up Line that enables employees and workers of Lindt & Sprüngli companies, and also companies, suppliers, and business partners, whether openly or anonymously, to report incidents or circumstances that could constitute a violation or possible violation of the Code of Conduct, Lindt & Sprüngli policies, laws, or other regulations. This includes health and safety risks, harassment and discrimina-

tion in the workplace, and environmental concerns. In the event of critical concerns, these are reported to the Board of Directors.

Conflicts of interest

The members of the Board of Directors, the CEO and the members of the Group Management are obliged to inform the Chair of the Board of Directors or, in the case of the Chair of the Board of Directors, the whole Board of Directors, or, in the case of members of the Group Management, the CEO, immediately if any business arises that affects or could affect their own interests or the interests of individual persons or legal entities related to them. The Chair of the Board of Directors or the CEO, or the whole Board of Directors, decides on appropriate measures, including deliberations without the presence of the person concerned. As a rule, however, the members of the Board of Directors and members of the Group Management concerned are entitled to present their view to the relevant body. The relevant rules are reflected in the Organizational Regulations of Chocoladefabriken Lindt & Sprüngli AG.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>

As Executive Chair of the Board of Directors, Mr. Ernst Tanner supports, advises and guides the Board of Directors and in particular the CEO of the Lindt & Sprüngli Group. Due to his long-term engagement of over 30 years within the Group and thus his in-depth knowledge of the FMCG market, Mr. Tanner represents the Group on key strategic decisions. He therefore works in an executive capacity and is directly employed by the Group. Due to this executive function, particular attention is paid to any potential conflicts of interest. The Organizational Regulations of the Company also foresee the appointment of a Lead Independent Director.

Group Management

As of December 31, 2023, Chocoladefabriken Lindt & Sprüngli AG's Group Management had eight members:

Name, responsibility	At Lindt & Sprüngli since
Dr Adalbert Lechner Chief Executive Officer, Global Retail, Group Communications, Transformation	1993
Martin Hug Chief Financial Officer	2004
Rolf Fallegger Country Responsibility	1997
Alain Germiquet Country Responsibility, International Sales	2007
Daniel Studer Country Responsibility, International Marketing	2003
Dr Jennifer Picenoni Group General Counsel & Corporate Secretary	2007
Guido Steiner Group Operations	1990
Nicole Uhrmeister Chief Human Resources Officer	2023

Dr Adalbert Lechner (AT) PhD in Law – After receiving his doctorate in law, Mr. Lechner held several management positions in marketing and sales with L'Oréal and Johnson & Johnson. He joined the Lindt & Sprüngli Group as CEO of the Austrian subsidiary in 1993. He was then appointed CEO of the German subsidiary Chocoladefabriken Lindt & Sprüngli GmbH in 1997. He was a member of Extended Group Management from 2011 until 2016. Since January 1, 2017, he has been a member of Group Management. On October 1, 2022, he took over as CEO of the Lindt & Sprüngli Group. The Group functions Group Communications, Global Retail and Transformation report directly to him.

Martin Hug (CH) lic. oec. – Mr. Hug started his career in various roles with a leading global coffee trading company in Latin America (Costa Rica, Ecuador, and Honduras), lastly as Finance Director in Costa Rica, before he joined Lindt & Sprüngli (International) AG in 2004 as Senior Controller. Only a short time later, he was promoted to CFO at Lindt & Sprüngli UK. From 2011 to the end of 2016, he held the position of CFO at Ghirardelli Chocolate Company in California (USA). As of January 1, 2017, he has been Group CFO and a member of Group Management, where he is responsible for Finance, IT, Procurement and Sustainability.

Rolf Fallegger (CH) lic. oec. HSG – Mr. Fallegger began his career in 1991 in marketing with Procter & Gamble in Geneva, the UK, and Belgium. He joined Lindt & Sprüngli (Schweiz) AG as Marketing Manager in 1997. He was then appointed CEO of the Lindt & Sprüngli subsidiary companies in the UK and France. In 2009, he returned to the Swiss headquarters and was a member of the Extended Group Management from 2011 to 2014. In 2014, he was promoted to member of the Group Management, where he is responsible for the development of specific markets.

Alain Germiquet (CH) lic. oec. – Mr. Germiquet started his career in the Sales division of two notable mineral oil companies before joining Hiestand in 1999, where he was promoted from Marketing Director to Managing Director in a short time. In 2005, he became Commercial Director at Nestlé and in 2007, he joined Lindt & Sprüngli first as CEO of Lindt & Sprüngli UK and then as CEO of Lindt & Sprüngli France from 2009 to 2016. On January 1, 2017, he joined Group Management, where he is responsible for the development of specific markets and International Sales.

Daniel Studer (CH) lic. iur. – Mr. Studer started his professional career at Unilever in Brand Marketing before he joined the Lindt & Sprüngli Switzerland subsidiary in 2003, where he held various leadership roles in sales, followed by the position of Head of International Sales at the Group's headquarters. In 2009, he was appointed to Country Manager of Lindt & Sprüngli Mexico. Two years later, he transferred to the USA, where he was first appointed VP Sales and then CEO of Lindt & Sprüngli USA in 2016. As of September 1, 2022, he has been a member of the Group Management and is responsible for the development of specific markets and Global Marketing.

Dr Jennifer Picenoni (CH) lic. iur. – Ms. Picenoni started her career as an attorney in a law firm in 2002 after having completed her doctorate. She joined Lindt & Sprüngli (International) AG in 2007 as Senior Legal Counsel. In 2008, she was promoted to Head Corporate Legal and in 2014 to Group General Counsel. In 2017, Ms. Picenoni took over the additional responsibility as Corporate Secretary of the Group. Since January 2020, she has been a member of the Group Management, responsible for Group Legal, Intellectual Property and Legal Compliance.

Group Management



Dr Adalbert Lechner



Martin Hug



Rolf Fallegger



Alain Germiquet



Daniel Studer



Dr Jennifer Picenoni



Guido Steiner



Nicole Uhrmeister

Guido Steiner (CH) Dipl. Lm-Ing. ETH – Mr. Steiner began his career as assistant at the chair for Business Administration at ETH in Zurich. In 1990, he joined Lindt & Sprüngli as Assistant Manager Group Production Planning. Two years later he was promoted to Group Production Planning Manager. From 1998 until 2003, he was Vice President Operations at Lindt & Sprüngli USA. In 2003, he returned to headquarters as Vice President Operations. Since January 1, 2017, he has been member of Group Management and continues to be in charge of Group Operations.

Nicole Uhrmeister (CH) MAS Human Capital Management ZHAW – Ms. Uhrmeister began her career working in local HR functions in several companies before she joined Coca-Cola HBC (Switzerland) AG as a Compensation & Benefits Specialist in 2004, and was promoted to HR Controlling Manager in 2006. In 2010, she took over the role as Country HR Director Switzerland. After five years, in 2015, she was again promoted to Group Labour Relations and Regional HR Director. In 2016, she joined the Capri Sun Group Holding as Chief Human Resources Officer (CHRO). On November 1, 2023, she took over the role as CHRO at Lindt & Sprüngli and became a member of the Group Management.

The members of the Group Management currently do not exercise any other activities in important Swiss or foreign management or supervisory bodies, apart from the above-mentioned mandates. Furthermore, they have no management or advisory functions at important Swiss or foreign interest groups, nor do they hold public or political office. There are no management agreements regarding management functions between the Lindt & Sprüngli Group and legal entities or natural persons outside the Group.

Succession planning

The CNC, together with the Chair of the Board of Directors, reviews the short-term and long-term succession planning of the CEO and the other members of the Group Management and submits proposals to the Board of Directors regarding the appointment, promotion, dismissal and succession planning of the CEO and other members of the Group Management. The CNC annually reviews and considers the adequacy of the composition of the Group Management, in particular in consideration of the required professional competencies, expertise and experience, the needs of the Group, diversity aspects, including age, gender, nationality and ethnicity, and the external mandates held by the members of the Group Management, and considers these aspects in nominations for Group Management.

Number of permitted activities outside the Group

The number of activities that members of the Group Management may perform in comparable functions at other companies with an economic purpose outside the Group is according to Article 19, subsection 3 item 2 of the Articles of Association limited to two mandates in listed companies, five mandates in non-listed companies, and 10 mandates in other legal entities, such as foundations and associations, with an economic purpose. Any new mandates of members of the Group Management in companies outside the Lindt & Sprüngli Group require the prior approval of the Chair of the Board of Directors and the chair of the CNC in accordance with article 10.12 of the Organizational Regulations.

The members of the Group Management may not be personally compensated for mandates in other companies held on request of the company or in companies controlled by the company. Any potential exceptions must be approved by the CNC (see article 10.13 of the Organizational Regulations).

🔗 https://www.lindt-spruengli.com/amfile/file/download/id/7925/file/2023_Statuten_15.06.23_EN.pdf

🔗 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>


Compensation, equity participations and loans

→ For details, please refer to the Compensation Report, page 55

Shareholders' rights of participation

Restrictions of voting rights and proxy

The recognition of an acquirer of registered shares as a shareholder with voting rights, and the registration of nominees as shareholders with voting rights are subject to certain restrictions. According to Article 3, subsection 6 of the Articles of Association in particular, the Board of Directors may refuse full shareholder status to an acquirer of shares to the extent the number of registered shares held by that acquirer exceeds 4% of the total number of registered shares as entered in the commercial register. Details regarding the registration restrictions for registered shares, limitations of nominee registrations, the group clause included in the Articles of Association and the rules for granting exceptions, may be found on page 32 of this Annual Report and in the respective regulations of the Board of Directors "Registered Shares and Shareholder Registry Regulations Lindt & Sprüngli AG".

 https://www.lindt-spruengli.com/fileadmin/user_upload/corporate/user_upload/Investors/BOR/SHAREHOLDER_REGISTRY_REGULATIONS_2015_EN.PDF

 https://www.lindt-spruengli.com/amfile/file/download/id/7925/file/2023_Statuten_15.06.23_EN.pdf

According to Article 12, subsection 3 of the Articles of Association, no person may combine, in the aggregate, directly or indirectly, through shares held or shares represented, more than 6% of the votes of the existing share capital when exercising voting rights. Natural persons or legal entities that are related to each other by capital or voting rights or in a similar way, or who are acting in concert, are deemed to be one person or one shareholder. In special cases, the Board of Directors or a committee designated by the Board of Directors may grant exceptions to the voting rights restrictions. In the reporting year, the Board of Directors granted no such exception.

The voting rights restriction does not apply to the exercise of voting rights by the independent proxy and by shareholders registered with more than 6% of the voting rights in the share register. As the "Fonds für Pensionsergänzun-

gen der Chocoladefabriken Lindt & Sprüngli AG" and the "Finanzierungsstiftung für die Vorsorgeeinrichtungen der Chocoladefabriken Lindt & Sprüngli Aktiengesellschaft" both in Kilchberg ZH, have been entered as a group in the share register with a shareholding interest of more than 6%, the voting rights restriction does not apply to them.

A revocation of the statutory restrictions of voting rights requires pursuant to Article 15, subsection 3 of the Articles of Association a resolution of the General Meeting with a three-quarter majority of the shares represented. Pursuant to Article 12, subsection 2 of the Articles of Association, a shareholder may be represented at the General Meeting by a third party or by the independent proxy. The Board of Directors determines the requirements applicable to proxy appointments and voting instructions, whereby it may also authorize the use of electronic proxy appointments without qualified electronic signature. The issuance of blanket instructions for proposals mentioned or not mentioned in the invitation to the General Meeting is permitted.

 https://www.lindt-spruengli.com/amfile/file/download/id/7925/file/2023_Statuten_15.06.23_EN.pdf

Statutory quorum

The General Meeting passes its resolutions by an absolute majority of the votes represented, unless the Articles of Association or the law provide otherwise. According to Article 15, subsection 3 of the Articles of Association, amendments of the Articles of Association concerning a change in the company's registered office, the conversion of registered shares into bearer shares, the transfer of registered shares, representation of shares at the General Meeting, the amendment of Article 15, subsection 3 of the Articles of Association, and the dissolution or merger of the company require a three-quarter majority of the shares represented.

 https://www.lindt-spruengli.com/amfile/file/download/id/7925/file/2023_Statuten_15.06.23_EN.pdf

Convocation of the Annual General Meeting, agenda and entry in the share register

Shareholders are invited to the General Meeting by the Board of Directors at least 20 days before the date of the General Meeting in accordance with the Articles of Association. The holders of participation certificates are also notified about the General Meeting, including the agenda and proposals, by notice in accordance with the Articles of Association at least 20 days prior to the meeting date.

According to Article 34 of the Articles of Association, all notices by the company to the shareholders and the holders of participation certificates may be validly given by way of publication in the Swiss Official Gazette of Commerce. Notices by the Company to the shareholders and the holders of participation certificates may instead or additionally also be made by mail, by email or in any other form that the Board of Directors deems appropriate.

The venue and time of the General Meeting is determined by the Board of Directors. According to the Articles of Association, the Board of Directors may also provide that shareholders who do not participate in person at the venue of the General Meeting may exercise their rights by electronic means (Article 10, subsection 2 of the Articles of Association), or that the General Meeting is held by electronic means without a physical venue (Article 10, subsection 3 of the Articles of Association).

On request by shareholders holding together at least 5% of the share capital or the voting rights of the company, the Board of Directors must convene an extraordinary General Meeting. Such request must be made in writing and shall specify the proposed agenda items and motions.

Shareholders holding together at least 0.5% of the share capital or the voting rights of the company may also request that items be placed on the agenda. Such a request must be made in writing to the Board of Directors at the latest 60 days before the General Meeting and shall specify the agenda items and the proposals made. If an explanation is to be included in the meeting invitation, it must be submitted within the same period and be brief, clear and concise. Under the same conditions, shareholders may request that motions relating to items on the agenda be included in the notice convening the General Meeting. The request and proposal must be brought before the General Meeting, together with a recommendation by the Board of Directors. Motions made within the scope of the agenda

items at the General Meeting do not need prior announcement.

In the invitation to the General Meeting, the Board of Directors announces in accordance with Article 13 of the Articles of Association the cut-off date for registration in the share register relevant to the entitlement to attend and exercise voting rights.

 https://www.lindt-spruengli.com/amfile/file/download/id/7925/file/2023_Statuten_15.06.23_EN.pdf

Change in control and defensive measures

In the event of a change in control, employee options granted can be exercised without observance of the three to five years blocking period. The rules regarding change in control are also applicable if employees leave the company. Other than that, there are no special agreements concerning a change in control in favor of either the members of the Board of Directors, Group Management, or any other company management members. The Articles of Association contain no provision regarding “opting out” or “opting up” pursuant to Article 125 or 135 FinfraG, respectively.

Statutory auditor

Mandate

The General Meeting appointed PricewaterhouseCoopers AG, Zurich, for the first time as its statutory auditor in April 2002. According to Article 27 of the Articles of Association of the company, the statutory auditor must be newly appointed or confirmed, respectively, each year by the General Meeting.

The reporting year is the fourth year for the responsible lead auditor (in charge since 2020). Pursuant to the provisions of the Swiss Code of Obligations, the responsible lead auditor may not hold office for more than seven years.

 https://www.lindt-spruengli.com/amfile/file/download/id/7925/file/2023_Statuten_15.06.23_EN.pdf

Audit fee

The total audit fees billed by the audit company in the reporting year 2023 amounted to CHF 2.1 million.

Additional fees

The total sum of additional fees billed by the audit company in the reporting year amounted to CHF 0.4 million and related to tax advice (CHF 0.2 million), advisory services (CHF 0.1 million) and others (CHF 0.1 million).

Supervisory and controlling instruments

Supervision and control regarding the assessment of the statutory auditor is exercised by the whole Board of Directors. The whole Board of Directors is supported by the Audit Committee in this task. The Audit Committee also ensures the ongoing communication with the statutory auditor and regularly discusses with its representatives the results of audit work in the area of financial reporting and the adequacy of the internal control systems. Before the interim audit, the statutory auditor prepares an audit plan for the attention of the members of the Audit Committee. Based on a current analysis of the business and audit risks, the focal points of the audit are proposed. The audit plan is approved by the Audit Committee and subsequently also by the whole Board of Directors. The appropriateness of the audit fees and possible additional fees for “non-audit” services are also reviewed on this occasion. The final report on the audit of the annual financial statements is submitted to all members of the Board of Directors. It is discussed in advance with the statutory auditor in the Audit Committee and then finally approved by the whole Board of Directors at the meeting or in the circular resolution, respectively, regarding the adoption of the Annual Report.

In 2023, the statutory auditor attended two meetings of the Audit Committee. The statutory auditor’s direct access to the Audit Committee is guaranteed at all times. Information about the organization and scope of duties of the Audit Committee can be found on page 52 of this Annual Report.

Closed periods

During certain periods, trading restrictions for specific persons (Insiders) apply. The Board of Directors has set out the relevant regulations in the “Insider Directive” dated October 19, 2019.

Addressees and scope of the Insider Directive

The Insider Directive and the corresponding trading restrictions apply to all directors, officers and employees of any legal entity belonging to the Lindt & Sprüngli Group, including third parties if they are in possession of insider information and have knowledge of the Insider Directive and its content. The relevant persons may not trade in Securities of the Lindt & Sprüngli Group during certain periods as set out in the Insider Directive. According to section 4 of the Insider Directive, such Securities within the meaning of the Insider Directive are all current or future securities issued by any legal entity belonging to the Lindt & Sprüngli Group, such as shares, participation certificates, (convertible) bonds, options, warrants or notes, and derivative financial instruments relating to securities issued by any legal entity belonging to the Lindt & Sprüngli Group, regardless of whether the derivative financial instruments were issued by the Lindt & Sprüngli Group or a third party (the Securities).

General closed periods

Pursuant to section 6.1 of the Insider Directive, Insiders may not acquire or dispose of, directly or indirectly, for their own account or for the account of third parties, Securities of the Lindt & Sprüngli Group during the following periods:

- 10 calendar days before December 31 and June 30, respectively, until 24 hours (one trading day) after publication of the (preliminary) results of the Lindt & Sprüngli Group; or
- 20 calendar days before the planned publication of (i) the annual or half-year report and (ii) the key items of the agenda of a general meeting of the company (such publication usually occurs together with the annual report) until 24 hours (one trading day) after publication of the results and key agenda items, respectively.

General closed periods apply irrespective of whether or not they were specially communicated and irrespective of whether or not an Insider has any insider information.

Special closed periods

In addition to the general closed periods, a special closed period may apply either automatically due to a project or transaction (in accordance with section 5.4 of the Insider Directive) or on determination by the CEO or the CFO in specific circumstances, and may apply to (i) a specified group of

directors, officers or employees and/or (ii) specific securities of other listed companies, and for the period as communicated, usually ending within 24 hours (one trading day) after publication of the relevant insider information or final termination of such project. Special closed periods apply irrespective of whether or not an Insider has insider information.

Permitted trading and exceptions

An Insider may trade in Securities of the Lindt & Sprüngli Group outside the closed periods, but only if they have no insider information relating to the Securities of the Lindt & Sprüngli Group.

In order to avoid inadvertent violations of the Insider Directive, Insiders who manage their securities through an asset manager must instruct the asset manager to refrain from trading in Securities of the Lindt & Sprüngli Group unless specifically instructed otherwise by the Insider.

No exceptions from the generally applicable rules were granted during the reporting year.

Taxes

The Group operates in accordance with the tax principles adopted by the Board of Directors for the entire Lindt & Sprüngli Group. These principles provide policies and guidance in the following areas: governance and organization, tax planning, national and international tax compliance and relationships with authorities. Responsibility for the tax principles lies with the whole Board of Directors and is exercised by the Audit Committee. The Audit Committee monitors adherence to the tax principles by defining and implementing appropriate processes and controls. Tax topics are discussed regularly in the Audit Committee.

The companies of the Lindt & Sprüngli Group pay taxes in those countries in which they operate their respective business, create value and – if relevant for tax purposes – own intellectual property. Lindt & Sprüngli complies with both national and international tax laws and regulations, in particular the OECD standards. A main focus is placed on establishing transfer pricing guidelines that ensure all inter-company transactions are performed at arm's length.

Important tax topics are discussed proactively with the tax authorities. If possible, the results are formally documented in Tax Rulings or Advance Pricing Agreements.

Lindt & Sprüngli files the Country-by-Country Report in Switzerland and implements the Council Directive

(EU) 2018/822 of 25 May 2018, which amends Directive 2011/16/EU in the mandatory automatic exchange of information in the field of taxation in relation to the disclosure of reportable cross-border arrangements (DAC 6).

Cyber security

The CEO and CFO of the Group are regularly informed by the Head of Group IT on cyber security topics (CFO every four months; CEO at least once a year). In addition, the Group's Head of Global Operations is informed on cyber security topics specifically related to the operational area at the monthly Group IT meeting, as required. The Audit Committee is also informed at least once a year about progress and developments in the area of cyber security. In urgent cases, the required Group level is informed without delay.

The Audit Committee also evaluates the future approach and the need to adapt processes within the Group regarding reporting in the area of cyber security.

The Group has established a Security Operation Center to monitor potential threats to the Group's digital presence and procedures have been implemented to respond to cyber security incidents within the Group. Cyber security is part of the existing risk management process within the Group and is continuously further developed. Cyber risks are analyzed on an ongoing basis and measures are assessed and taken as deemed appropriate. This includes taking defensive measures against cyber threats, detecting and dealing with any cyber attacks, and insurance coverage. Furthermore, cyber security awareness trainings have been rolled-out Group-wide in 2023 in order to further raise awareness of cyber security issues within the Group. In 2023, the Board of Directors approved a new AI policy.

There were no significant cyber security incidents within the Group in the reporting year.

Shareholder information

Chocoladefabriken Lindt & Sprüngli AG issues business-related shareholder communications as follows:

Mid-January	Net sales of the previous year
Early March	Income statement and full-year results
End of April	Annual General Meeting
End of July	Half-year Report

→ For details refer to “Information” on page 172

The statutory publication organ is the Swiss Official Gazette of Commerce. Information about the company is also published and processed by selected media and leading international banks. All data about the business is also available on the company website (<http://www.lindt-spruengli.com/>). Company press releases can also be found on that website.

🔗 <https://www.lindt-spruengli.com/media-center>

For news and ad hoc communications, a push system is also available on the company website.

→ <https://www.lindt-spruengli.com/media-center/news-service-registration>

Interested parties can obtain an electronic copy of the Annual Report and the Compensation Report of Chocoladefabriken Lindt & Sprüngli AG on the company website (<http://www.lindt-spruengli.com/>).

For further information, contact the Investor Relations Department of the Group via phone +41 44 716 25 37 or via e-mail investors@lindt.com.

Compensation Report

Dear Shareholders,

On behalf of the Board of Directors and as chair of the Compensation & Nomination Committee (CNC), I am pleased to present to you the Compensation Report for the financial year 2023.

Since 2015, the General Meeting has approved in separate votes the proposals of the Board of Directors for the maximum aggregate compensation for the members of the Board of Directors until the next Annual General Meeting, and for the maximum aggregate compensation for the members of the Group Management for the respective forthcoming financial year. At the General Meeting 2023, you expressed your continued support for the respective motions of the Board of Directors. In this context, I would like to thank you on behalf of the whole Board of Directors for your trust. The Compensation Report for the previous financial year has also been submitted to and approved by the Annual General Meeting by means of a non-binding advisory vote, with 67% of the votes cast supporting it. The Board of Directors and the CNC took the outcome of this vote seriously. As a result, members of the Board and Group Management reached out to shareholders in order to better understand the expressed concerns and respond appropriately.

The valuable feedback we received has underlined our confidence that the CNC's comprehensive review of our compensation framework addressed the right topics. While certain disclosure-related enhancements were implemented in the Compensation Report 2022, the more fundamental changes to the underlying compensation framework have become applicable as of 2023 and are, therefore, reflected for the first time in this Compensation Report.

With the aim of further strengthening Lindt & Sprüngli's performance culture and to more closely align the pay-for-performance philosophy inherent in the variable compensation elements of the Group Management with the company's strategy and shareholder interests, changes have in particular been made to payout and grant opportunities under the variable compensation elements, as well as the design and disclosure of the relevant performance considerations under the Cash Bonus and the Option Plan. For more details, please see page 57.

The Board of Directors is convinced that this Compensation Report 2023 gives you, our valued shareholders, an enhanced overview of the compensation framework of the Group Management and the Board of Directors, the actual compensation amounts, and the underlying considerations. While we believe that our current compensation approach rewards performance in a balanced and sustainable manner and provides us with effective tools in a competitive working environment, we highly value the open and regular dialog with our shareholders and their representatives, as we seek to further develop our compensation framework, systems and processes. On behalf of the entire CNC and the Board of Directors, I would also like to thank each member of our global team for their commitment and achievements.



Monique Bourquin
Chair of the Compensation & Nomination Committee

Compensation Report 2023

I. Introduction

The Compensation Report describes the underlying basics, governing principles, and elements of the compensation of the Group Management and the Board of Directors of the Lindt & Sprüngli Group (Lindt & Sprüngli) and also contains information on the actual compensation paid to the members of the Group Management and the Board of Directors. The information provided refers in each case to the financial year ending on December 31, 2023 (where required with comparative figures for the previous financial year). The Compensation Report incorporates the disclosure obligations set out in Article 734 et seqq. OR, which entered into force on January 1, 2023 (in each case if and as applicable), the requirements of Section 5 of the Annex to the Directive on Information relating to Corporate Governance (Corporate Governance Directive) of SIX Swiss Exchange, and the recommendations of the “Swiss Code of Best Practice for Corporate Governance” issued by economiesuisse in the version published on February 6, 2023.

This Compensation Report is structured as follows:

- I. Introduction
- II. Summary of advancements undertaken as of 2023
- III. Compensation governance
 - i. Overview
 - ii. Compensation and Nomination Committee (CNC)
- IV. Compensation of the Board of Directors
 - i. Compensation principles
 - ii. Regular review and benchmarking
 - iii. Compensation elements
 - iv. Compensation 2023
- V. Compensation of the Group Management
 - i. Compensation goals and principles
 - ii. Compensation framework
 - iii. Compensation elements
 - iv. Compensation 2023
- VI. Participations
- VII. Other compensation-related aspects
 - i. Supplementary amount
 - ii. Employment contracts
 - iii. Additional fees, compensation, and loans to governing bodies
 - iv. Compensation to former members of corporate bodies
- VIII. External mandates of the members of the Group Management and the Board of Directors

II. Summary of advancements undertaken as of 2023

The CNC values the feedback received from shareholders on our Compensation Report and continuously reviews potential adaptations regarding the compensation framework, system and processes. In this regard, several advancements were discussed and decided for 2023. A summary is provided below and in more detail in the relevant chapters of this report.

Cash Bonus	Performance considerations	We streamlined and formalized the scorecard to measure the Group Management's performance relevant for the Cash Bonus, giving substantial weight to quantitative KPIs.
	Payout opportunity	The minimum and maximum payout percentages of the Cash Bonus based on Base Salary are generally limited to the range of 0–100% (target 80%) and up to 130% in extraordinary cases for the CEO and to 0–90% (target 60–70%) and up to 130% in extraordinary cases for the other Group Management members.
	Transparency on performance achievements	The advanced scorecard structure further facilitates transparent ex-post disclosure of performance achievements.
Option Plan	Performance considerations – at grant	We elaborated on the criteria used to assess the Group Management members' performance (emphasizing several aspects of operational performance considerations) relevant to determine individual grant amounts under the Option Plan. The performance aspects taken into consideration by the CNC to determine the grant size under the Option Plan include several operational performance aspects, therefore reflecting operational performance at grant.
	Grant opportunity	The minimum and maximum grant percentages of the Option Plan based on Base Salary are generally limited to the range of 0–100% (and up to a maximum of 180%) for the CEO and other Group Management members.
	Performance-considerations – at vesting	Following careful consideration, the CNC has decided that options to receive participation certificates after a total vesting period of between three and five years is still an optimal instrument to reward Group Management members for their contribution towards long-term value creation for Lindt & Sprüngli and hence align their interests with those of shareholders. The vesting of options under the Option Plan is subject to a performance underpin of positive absolute share price performance, therefore reflecting a market performance consideration at vesting.

III. Compensation governance

i. Overview

Pursuant to the Articles of Association of Chocoladefabriken Lindt & Sprüngli AG, the Organizational Regulations issued by the Board of Directors and the CNC Charter, which are all available on the website of Chocoladefabriken Lindt & Sprüngli AG, the duties and responsibilities related to the compensation of the Board of Directors, the CEO and the Group Management are allocated among the Board of Directors, the CNC, the CEO, and the General Meeting.

 https://www.lindt-spruengli.com/amfile/file/download/id/7925/file/2023_Statuten_15.06.23_EN.pdf

 <https://www.lindt-spruengli.com/amfile/file/download/id/7161/file/Lindt-and-Sprungli-Organizational-Regulations.pdf>

 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Sprungli-Compensation-and-Nomination-Committee-Charter.pdf>

The Board of Directors is generally responsible for several compensation-related matters, including the determination and evaluation of the remuneration system, the principles of remuneration and the submission of compensation-related motions to the General Meeting for approval. Unless explicitly provided otherwise, in particular in the Organizational Regulations or the CNC Charter, the CNC supports the Board of Directors with respect to all matters relating to the compensation of the Group Management and the Board of Directors, as well as regarding nomination matters and succession planning.

Pursuant to Article 15^{bis} paragraph 1 of the Articles of Association, the General Meeting annually approves the motions submitted by the Board of Directors concerning the maximum amount of compensation paid to the Board of Directors for the period until the next Annual General Meeting, and to Group Management for the coming financial year. The Board of Directors may submit to the General Meeting for approval motions concerning the maximum total amounts or individual components of compensation for other time intervals, and / or motions concerning supplementary amounts for special compensation components, as well as other conditional proposals. In addition, if variable compensation is voted on prospectively, the Compensation Report must be submitted by the Board of Directors to the General Meeting in the subsequent year for an advisory vote (Article 15^{bis} paragraph 2 of the Articles of Association).

The following table provides an overview of the approval system for the compensation of the members of the Board of Directors, the CEO, and the other members of the Group Management. It also includes an outline of the main responsibilities of the CNC within the framework of the compensation principles, the Articles of Association, and the resolutions of the General Meeting regarding compensation.

Duties and responsibilities with regard to the compensation of the Board of Directors, the CEO and the Group Management

	CEO	CNC	Board of Directors	Annual General Meeting
Maximum aggregate compensation Board of Directors		Proposal to Board of Directors	Proposal to AGM	Decision (prospective)
Individual compensation of the members of the Board of Directors		Proposal to Board of Directors	Decision	
Maximum aggregate compensation Group Management	Proposal to CNC	Proposal to Board of Directors	Proposal to AGM	Decision (prospective)
Individual compensation of the CEO		Proposal to Board of Directors	Decision	
Individual compensation of the other members of the Group Management	Proposal to CNC	Decision		
Advisory vote on Compensation Report		Proposal to Board of Directors	Proposal to AGM	Decision (retrospective)
Employment contracts of the other members of the Group Management	Proposal to CNC	Decision		
Employment contract of the CEO		Proposal to Board of Directors	Decision	
Potential occupational benefits and pension outside the scope of occupational benefits or similar schemes abroad for the members of the Group Management or the Board of Directors		Proposal to Board of Directors	Decision	

ii. Compensation & Nomination Committee (CNC)

The CNC plays an important role in the compensation governance of the Lindt & Sprüngli Group and supports the Board of Directors in a comprehensive manner in all compensation-related matters. Article 24^{bis} paragraph 2 of the Articles of Association of Chocoladefabriken Lindt & Sprüngli AG assigns the following duties and competencies to the CNC:

“The Compensation & Nomination Committee shall concern itself with compensation policies, particularly at the most senior levels of the company. It shall have the tasks, decision-making powers, and authority to present motions accorded to it by the organizational regulations and the Compensation & Nomination Committee regulations. In particular, it shall assist the Board of Directors in determining and evaluating the remuneration system and the principles of remuneration, and in preparing the proposals to be presented to the General Meeting for approval of remuneration pursuant to Art. 15^{bis} of the Articles of Association. The Compensation & Nomination Committee may submit to the Board of Directors proposals and recommendations in all matters of remuneration.”

The Articles of Association are available on the website of Chocoladefabriken Lindt & Sprüngli AG.

 https://www.lindt-spruengli.com/amfile/file/download/id/7925/file/2023_Statuten_15.06.23_EN.pdf

Within the framework set by the Articles of Association, the purpose, authority, responsibilities and procedures of the CNC are governed by the CNC Charter, which is set by the Board of Directors.

The CNC Charter is available on the website of Chocoladefabriken Lindt & Sprüngli AG.

 <https://www.lindt-spruengli.com/amfile/file/download/id/7191/file/Lindt-and-Sprungli-Compensation-and-Nomination-Committee-Charter.pdf>

The topics addressed by the CNC with regard to compensation during the reporting year included, inter alia, the compensation of the Board of Directors and the Group Management, a global salary review within the Group, the introduction of the new compensation framework for the Group Management as of the reporting year, the approval of the scorecards with regard to the achievement of the performance targets for the CEO and other Group Management members, the Compensation Report and the relevant recommendations to the Board of Directors, and the discussion and review of feedback on compensation matters received from shareholders and shareholder representatives. The CNC regularly informs the Board of Directors about the procedure for the determination of compensation and the outcome of the compensation process.

The CNC also regularly reviews the appropriateness of the compensation system and approaches for the Group Management and the Board of Directors, with the support of HCM International Ltd, an external consultant. The last such review was done in 2022 and led to certain advancements in the compensation framework, which entered into force in the reporting year and are reflected in this Compensation Report. Apart from advising the CNC on matters regarding the compensation of the Group Management and the Board of Directors, HCM International Ltd. had no other mandates with the Lindt & Sprüngli Group in the reporting year.

For information on the composition and meetings of the CNC, see Corporate Governance Report on page 44.

IV. Compensation of the Board of Directors

i. Compensation principles

The principles governing the compensation of the members of the Board of Directors are set out in Article 21 paragraph 2 of the Articles of Association:

“The members of the Board of Directors shall be entitled, in addition to reimbursement of their cash outlays, to fixed remuneration not dependent on profits. The Board of Directors may determine that their remuneration shall be paid, in full or in part, in the form of shares or participation certificates. In such case, it shall stipulate the conditions, including the time of the grant and any applicable transfer restrictions. It may stipulate that due to the occurrence of events designated in advance, such as a change in control of the Company, or the termination of an agency agreement, such restrictions may be shortened or cancelled, or that remuneration shall not be due.”

All members of the Board of Directors are currently compensated by means of a fixed fee, which is paid out in cash for the preceding term after the respective Annual General Meeting. No members of the Board of Directors are currently entitled to any variable compensation or any allocation of option rights or other equity interests (shares or participation certificates).

ii. Regular review and benchmarking

The compensation of the members of the Board of Directors is regularly reviewed by means of an external benchmarking. This involves a comparison of the level and structure of compensation of the Board of Directors with other selected listed Swiss companies. This external benchmarking is performed periodically and is based on the most recent available information and data for the respective previous year.

The relevant peer group for the purpose of the benchmarking has been selected from among listed Swiss companies (SMI, SMIM) based on similar size (following market capitalization as of the end of the previous financial year) and industry affiliation (understood in a broader sense, approximated by non-financial companies, but including in particular companies from the consumer goods sector).

The most recent benchmarking for the compensation of the Board of Directors was undertaken in 2023 (based on data as of year-end 2022), with a peer group of 15 listed Swiss non-financial companies similar to Lindt & Sprüngli in terms of size. The peer companies for this benchmark were Alcon, Barry Callebaut, Emmi, Ems-Chemie, Geberit, Givaudan, Kühne + Nagel, Lafarge Holcim, Schindler, SGS, Sonova, Straumann, Swatch, Swisscom, and VAT.

The compensation of the Executive Chair has been refined over several years to better align with market practice. The latest change (reduction from CHF 2.0 million per year to CHF 1.2 million per year) came into force as of 2023. The recent analyses showed that compensation of the remaining non-executive members of the Board of Directors is clearly below median. Overall, the compensation level of the non-executive members of the Board of Directors has remained stable for over 25 years. Therefore, the CNC will consider adaptation of the compensation structure for non-executive members of the Board of Directors to better align with the market practice in future years. The next regular benchmarking with respect to the compensation of the Board of Directors is scheduled for 2024.

iii. Compensation elements

The non-executive members of the Board of Directors receive compensation in the form of a uniform fixed fee of CHF 145,000 per year. To steer their focus on the long-term success of the Lindt & Sprüngli Group, all non-executive members of the Board of Directors receive the same fixed compensation, regardless of any committee membership or any role as chair of any committee. During the reporting period, one non-executive member (A. Bulgheroni) additionally received a gross fee of CHF 12,600 (previous year: CHF 13,000) for his function as chair of the Board of Directors of Lindt & Sprüngli S.p.A., Italy.

The non-executive Vice-Chair of the Board of Directors receives compensation in the form of a fixed fee of CHF 290,000 per year. The compensation of the Vice-Chair reflects the additional duties and responsibilities with respect to organizational, strategic, and other matters and initiatives in coordination with the Executive Chair.

For information on the duties and responsibilities of the Vice-Chair, see Corporate Governance Report on page 39.

The compensation of the Executive Chair of the Board of Directors was reduced from a fixed compensation of CHF 2.0 million per year in 2022 to a fixed compensation of CHF 1.2 million per year in 2023 and is paid out in the form of a salary in cash on a monthly basis in 12 equal installments. The Chair leads the Board of Directors and coordinates its committees in determining the strategy and overall governance of the Group, as well as in exercising its oversight and supervision responsibilities. He takes a leading role in designing the Group's corporate governance. Further, he promotes close collaboration towards achieving sustainable value creation for Lindt & Sprüngli, oversees the Group's reputation and, together with the CEO, represents the Group externally in engagement with shareholders and stakeholders.

iv. Compensation 2023

The following compensation was effectively paid to the Chair, the Vice-Chair and the other members of the Board of Directors in the financial years 2022 and 2023.

Compensation of the Board of Directors (audited)

Function on 31.12.2023		2023		2022	
CHF thousand		Fixed cash compensation ¹	Other compensation ¹	Fixed cash compensation	Other compensation
E. Tanner ²	Executive Chair of the Board of Directors, member of the Sustainability Committee (SC)	1,466	23	2,000	23
Dr D. Weisskopf ³	Vice-Chair of the Board of Directors (since October 2022; Board member since April 2022), Chair of the SC and member of the Audit Committee	12	1	–	–
M. Bourquin ⁵	Member of the Board of Directors (since April 2023), Chair of the CNC (since April 2023)	–	–	–	–
A. Bulgheroni ⁴	Member of the Board of Directors (until April 2023), member of the Audit Committee and CNC (until April 2023)	145	25	145	25
Dkfm. E. Gürtler	Member of the Board of Directors, member of the Audit Committee	145	12	145	12
Dr R. K. Sprüngli	Member of the Board of Directors, member of the CNC	145	12	145	12
Dr T. Rinderknecht	Member of the Board of Directors, Chair of the Audit Committee	145	12	145	12
S. Denz	Member of the Board of Directors, member of the CNC and SC	145	12	145	12
Total		2,203	97	2,725	96

¹ AHV share of the employee on salary or fees paid by the employer (including that of the employer, which establishes or increases social insurance or pension contributions). The compensation shown for the year 2023 paid to E. Tanner includes a lump-sum expense allowance of CHF 18,000 (previous year: CHF 18,000).

² Compensation E. Tanner was reduced to CHF 1.2 million after the General Meeting 2023.

³ D. Weisskopf received no compensation as Board member for the financial year 2022. His compensation as CEO for the financial years 2022 and 2023 is included in the table "Compensation for the Group Management" on page 69. The compensation shown for 2023 is the compensation for part of the month of April 2023.

⁴ A. Bulgheroni also received a gross fee of CHF 12,600 (previous year: CHF 13,000, difference due to a higher annual average weighted FX rate) for his function as Chairman of the Board of Directors of Lindt & Sprüngli S.p.A. A. Bulgheroni resigned at the General Meeting 2023.

⁵ Election at General Meeting 2023. Fee will be paid in April 2024.

The amount of CHF 3.2 million approved by the General Meeting of April 28, 2022, as the maximum aggregate amount of compensation for the Board of Directors for the period until the General Meeting 2023 was not exceeded. The same amount of CHF 3.2 million was approved by the General Meeting of April 20, 2023, as the maximum aggregate amount of compensation for the Board of Directors for the period until the General Meeting 2024. The amount effectively paid out for the financial year 2024 will be disclosed in the Annual Report 2024.

No loans and credits were granted to current or past executive or non-executive members of the Board of Directors.

V. Compensation of the Group Management

i. Compensation goals and principles

Compensation plays a central role in the recruitment and retention of employees. Thus, compensation also influences the company's future success. Lindt & Sprüngli is committed to performance-based compensation in line with market practice aligning the long-term interests of shareholders, employees and customers. Therefore, the compensation system at Lindt & Sprüngli pursues the following five goals, which were recently refined and updated:

- (i) Ensure the alignment of management activities with the long-term interests of shareholders
- (ii) Anchor Lindt & Sprüngli's strategy in the compensation landscape
- (iii) Attract and retain highly qualified talent and be an attractive employer
- (iv) Motivate employees to excellent performance in the long term
- (v) Emphasize "pay-for-performance" by considering appropriateness of cost of compensation in relation to results

Lindt & Sprüngli attaches great importance to employee retention, which manifests itself particularly in the exceptionally voluntary low turnover rate over many years. This is of great importance for a premium product manufacturer with a long-term strategy. Compensation principles at Lindt & Sprüngli are meant to have a medium and long-term effect and be sustainable. Continuity is a high priority for Lindt & Sprüngli.

The rules and principles governing the compensation, particularly including performance-based compensation, of the members of the Group Management and the allocation of equity securities, conversion rights, or option rights to members of the Group Management are set out in Article 26^{bis} paragraphs 3–7 of the Articles of Association. Regulations governing the amount of pension benefits outside the occupational pension scheme for members of the Group Management are set out in Article 26^{bis} paragraph 8 of the Articles of Association.

ii. Compensation framework

a) Overview

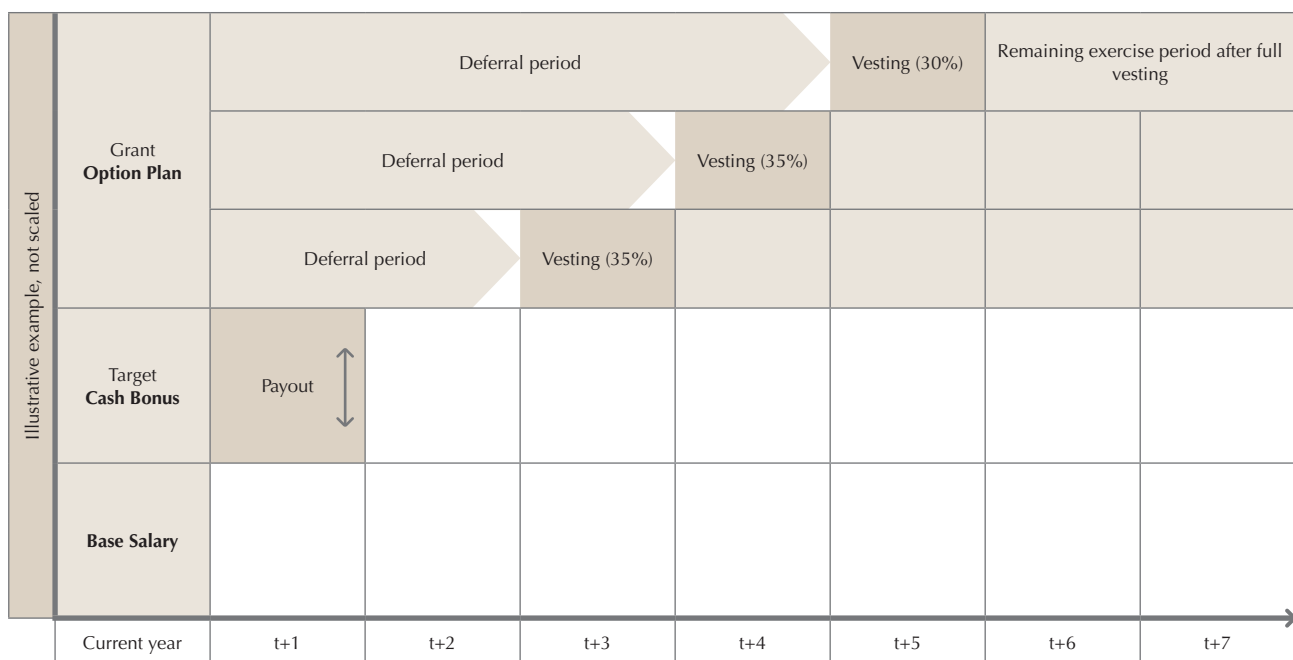
The compensation of the members of the Group Management is aligned with their respective positions and responsibilities and consists of a combination of: (1) fixed compensation (Base Salary, allowances, and other benefits incl. pension benefits); (2) short-term performance-based compensation (Cash Bonus); and (3) long-term performance-based compensation in the form of options for participation certificates (Option Plan).

Overview of compensation components for members of the Group Management

	Fixed compensation			Variable compensation	
	Base Salary	Allowances and other benefits	Pension benefits	Short-term performance-based compensation Cash Bonus	Long-term performance-based compensation Option Plan
Plan duration				1 year	Up to 7 years
Purpose and drivers	Functional level, competencies, and experience	SMI and SMIM market practice	SMI and SMIM market practice	Performance excellence	Alignment with shareholders' experience
Settlement	Cash (immediate)	Cash	Pension	Cash	Participation certificates
Performance/ vesting periods				1 year	3, 4, 5 years
Performance-based payout (Cash Bonus) or grant amount (Option Plan) in % of individual Base Salary				CEO: 0–100% (at target: 80%) ¹ Other members: 0–90% (at target: 60–70%) ¹	CEO: 0–100% ¹ Other members: 0–100% ¹
Share price impact	No	No	No	No	Yes
Forfeiture rules	No	No	No	Yes	Yes
Clawback	No	No	No	Yes	Yes

¹ The maximum Cash Bonus may be increased to a maximum of 130% of the relevant Base Salary for both the CEO and the other members of the Group Management in extraordinary cases provided that the targets are substantially overachieved, in each case as assessed and determined by the CNC and for the CEO by the Board of Directors. The option grant amount may be increased to an equivalent of 180% of the relevant Base Salary for both the CEO and the other members of the Group Management provided that the operational performance criteria are very strong and overachieved, in each case as assessed and determined by the CNC and for the CEO by the Board of Directors.

While the Cash Bonus rewards the individual or collective achievement of annually determined targets, the Option Plan, which makes up a significant part of the variable compensation, is meant to further underline the importance of long-term success and value creation for our shareholders and vests only after a total vesting period of three, four or five years (as illustrated below).



b) Compensation structure

Lindt & Sprüngli seeks to ensure that actual total compensation of the members of the Group Management is linked to business performance. For this purpose, a substantial portion of compensation is structured in the form of variable, performance-based compensation.

If the performance targets set under the Cash Bonus and Option Plan are achieved at 100%, the total compensation should consist of 36% fixed compensation and 64% variable compensation for the CEO (prior year: 26% fixed compensation and 74% variable compensation) and 39% fixed compensation and 61% variable compensation for the other members of the Group Management (prior year: 34% fixed and 66% variable).

c) Regular review and benchmarking

The CNC annually reviews the compensation level of the members of the Group Management, thereby taking into account the responsibility associated with the position, the experience and contributions of the person concerned, competitiveness of the compensation and periodic external benchmarks.

The periodic external benchmarking involves a comparison of the level and structure of the compensation of Group Management with other selected listed Swiss companies and is based on the most recent available information and data for the respective previous year.

The relevant peer group for the purpose of the benchmarking is selected from among listed Swiss companies (SMI, SMIM) based on similar size (following market capitalization as of the end of the previous financial year) and industry affiliation (understood in a broader sense, approximated by non-financial companies, but including in particular also companies from the consumer goods sector).

The most recent benchmarking for the compensation of Group Management was undertaken in 2023 (based on data of year end 2022) with a peer group of 15 listed Swiss non-financial companies similar to Lindt & Sprüngli in terms of size. The peer companies for this benchmark were the same as for the Board of Directors mentioned above; i.e. Alcon, Barry Callebaut, Emmi, Ems-Chemie, Geberit, Givaudan, Kühne + Nagel, Lafarge Holcim, Schindler, SGS, Sonova, Straumann, Swatch, Swisscom, and VAT.

The recent analyses confirmed that the target compensation level of the CEO is slightly below the peer group median, while the other Members of the Group Management on average are positioned slightly above the peer group median. Although the current compensation approach does not significantly deviate from the market practice represented by the peer group, certain structural changes (specifically with respect to payout opportunities under the Cash Bonus and annual grant amount under the Option Plan) were resolved to be made to the compensation framework of the Group Management and became effective in 2023.

The next regular benchmarking with respect to the compensation of the Group Management is scheduled for 2024.

iii. Compensation elements

a) Fixed compensation: Base Salary, allowances, and other benefits and pension benefits

The Base Salary reflects the functional level, competencies, expertise and experience, and a baseline level of sustained expected performance of each member of the Group Management. It is paid out on a monthly basis in twelve equal cash installments.

In addition, members of the Group Management receive allowances and other benefits in line with competitive market practice, including entitlement to a company vehicle and participation in the company's pension plans.

b) Short-term performance-based compensation: Cash Bonus

The Cash Bonus is meant to reward the members of the Group Management for the achievement of certain annually set targets in relation to predetermined key performance indicators (KPIs), either on an individual or on a collective basis. The KPIs are derived from the annual business plan and the business strategy focusing on sustainable organic sales growth accompanied by continuous improvement in profitability, and align with Lindt & Sprüngli's key long-term goals.

Since 2023, the relevant performance achievements for the Cash Bonus are measured predominantly (80%) based on quantitatively measurable financial KPIs. These KPIs are measured on Group level or split into 60% Group and 20% regional level, for those members of the Group Management who have responsibility on regional or country level. To a lesser extent (20%), the relevant performance achievements are measured based on individual ESG and Transformation KPIs for all members of the Group Management, including the CEO.

KPIs	Weight (Group)	Weight (Regional)	Metrics	Total Weights (Group)	Total Weights (Regional)
Financial (Group)	80%	60%	Profitability (EBIT margin), 60%	48%	36%
			Organic sales growth, 40%	32%	24%
Financial (Regional)		20%	Profitability (EBIT margin of region), 60%		12%
			Organic sales growth of region, 40%		8%
ESG & Transformation (individual)	20%	20%	ESG	10%	10%
			Long-term Transformation projects	10%	10%

Financial KPIs reflect the main metrics of annual Group performance for the relevant year, being profitability (60%) and organic sales growth (40%). The individual targets within the ESG and Transformation KPIs are determined for each member of the Group Management in due consideration of their duties and areas of responsibility, and cover several of the metrics of the ESG and Transformation categories set out below.

Overview Qualitative KPIs

ESG		Transformation	
Improving our social impact and reducing our environmental footprint as defined in our Sustainability Plan		Anchor change into everyday ways of working and make change an irreversible part of our culture.	
Metric	Description	Metric	Description
Climate	Aiming to achieve our science-based emissions reduction targets reaching net-zero emissions by 2050	Organizational development	Raise an effective organizational structure while fostering entrepreneurship and increasing prompt adaptability.
Human rights focused on child labor	Following our commitment to respect human rights by addressing our most salient issues including child labor within our supply chain	Marketing insights and innovation	Strengthen attractiveness & relevance with respect to changing trends and Inspire consumers in a digitalizing world
Packaging	Continuously and proactively challenging our entire packaging portfolio, striving to reduce the amount of packaging materials used, increasing the recycled and sustainably certified content, and achieving recyclability or reusability.	On- and offline sales channel development	Be a leader in the omni-channel /retail world and deliver a seamless customer experience in all channels while leveraging new technology (incl. AI)
Health and safety	Broaden the scope of our occupational health and safety (OHS) approach in the coming years and aiming to continuously reduce our safety risks to achieve our long-term vision of zero lost time accidents	Efficiency and process improvement	Become leader in efficiency & effectiveness and pursue a culture of Lean (LPW) across the entire organization
Upholding company values & fostering diversity	Upholding our value framework – Excellence, Innovation, Entrepreneurship, Responsibility, and Collaboration and fostering diversity and inclusion within our company.	Geographic expansion projects	Developing emerging markets

For each underlying KPI, the relevant target performance level and the required minimum and maximum to be achieved, together with the corresponding payout levels for the Cash Bonus, are determined annually in December for the following year by the CNC and, in the case of the CEO, by the Board of Directors. The respective decision takes into account budget targets and current market conditions, including volatilities and uncertainties, etc., in order to allow a balanced pay-for-performance profile. The Board of Directors reserves the right to readjust the initial target setting in the case of extraordinary, unforeseen major events.

Internal financial and individual qualitative targets for the short-term performance-based compensation are considered commercially sensitive information. For this reason, they are not explicitly disclosed in the Compensation Report; nevertheless, some details regarding the prior year group financial targets and a review of the overall achievement level for the financial and qualitative KPIs for the financial year 2023 (on an aggregate basis) can be found in the following chapter.

The possible minimum, target and maximum payouts for the CEO and each other member of Group Management with respect to the Cash Bonus are defined as a percentage of their individual Base Salary, in each case in accordance with the respective overall responsibility.

In % of Base Salary	Minimum	Target	Maximum
CEO	0–60%	80%	100%
Group Management	0–50%	60–70% ¹	70–90% ¹

¹ For 2024 only, the target payout range for the Group Management will be changed to 30–70% and the maximum payout range to 40–90% to account for a temporary transition of individual compensation structures of the members of the Group Management.

In general, the target level will be paid out if the predefined targets of the relevant KPIs are fully achieved. If set performance targets are not achieved, the Cash Bonus is reduced and can even be zero. This means that there is no (guaranteed) bonus if (collective or individual) targets are not fully or partially met. If KPI targets are overachieved within a certain predefined frame, the payout of the Cash Bonus may be up to 100% (previously 200%) of the Base Salary for the CEO and an amount of between 70% to 90% (previously 60% to 180%) of the individual Base Salary for the other members of the Group Management. The maximum Cash Bonus can be increased to a maximum amount corresponding to 130% of the relevant Base Salary for both the CEO and the other members of the Group Management in extraordinary cases and provided that the targets are overachieved, in each case as assessed and determined by the CNC and for the CEO by the Board of Directors.

The payment of the Cash Bonus is made in the spring of the following year once the determination regarding the level of achievement of the performance targets has been made. Forfeiture or withholding of unsettled short-term performance-based compensation and clawback provisions for settled short-term performance-based compensation may apply in a range of events (e.g., if there is reasonable doubt regarding, but not limited to, misconduct, non-compliance, fraud, reporting, or audit issues with a potential negative financial or reputational impact on the Lindt & Sprüngli Group).

c) Long-term performance-based compensation: Option Plan

The purpose of the Option Plan is to reward sustained business success, to incentivize the creation of overall shareholder value, and hence to align Group Management's interests with those of shareholders, and to retain members of the Group's senior management.

Under the Option Plan, a certain number of stock options may be awarded to the members of the Group Management and other selected key employees. Each option carries the right to subscribe to one participation certificate (subscription ratio 1:1) and becomes exercisable during a predefined exercise period following the expiration of a predetermined vesting period (as further described below).

The total value in Swiss Francs available to be awarded under the Option Plan for a given financial year is determined by the Board of Directors, on the recommendation of the CNC, annually at the beginning of the year and is subject to the maximum compensation amounts approved by the Annual General Meeting.

Options are typically granted in January and transferred to plan participants in April. For each member of Group Management, the grant value under the Option Plan as an amount in Swiss Francs is determined on an individual basis and generally ranges between 0% and 100% (previously 0% to 200%) of the relevant Base Salary. The grant amount can be increased to an equivalent of 180% of the relevant Base Salary for both the CEO and the other members of the Group Management provided that several operational performance criteria are strong and overachieved, in each case as assessed and determined by the CNC and for the CEO by the Board of Directors.

The individual grant decision is made by the CNC and, in the case of the CEO, by the Board of Directors, respectively, in any particular year and based on a comprehensive assessment of the several operational performance criteria, comprising for example:

- (i) Historical achievements on operative and strategic levels
- (ii) Position and influence on Lindt & Sprüngli's long-term success, but not dependent on previous year's performance
- (iii) Level of overall responsibility
- (iv) Importance of contribution of skills, experience, and know-how to future growth of financial parameters, such as EBIT margin, organic sales, and free cash flow, and future progress on ESG and transformational topics
- (v) Relevance of retention of talents

The fair market value per option at the time of grant is determined by way of binomial statistical models in accordance with the relevant accounting standards (see also note 26 Share-based payments in the Financial Report). The number of options to be granted to each member of Group Management is calculated by dividing the individual grant level in Swiss Francs by the value per option at the time of grant.

The options granted under the Option Plan are subject to staggered vesting periods of three (35%), four (35%), and five (30%) years and can be exercised during an exercise period of seven years from when they were initially granted. The price at which options may be exercised is predetermined at the time of grant and corresponds to the average closing prices of the participation certificates of Chocoladefabriken Lindt & Sprüngli AG on the five trading days on SIX Swiss Exchange before grant in the month of January of the respective year. Options that are not exercised during the applicable exercise periods become forfeit.

The Board of Directors believes that options for participation certificates constitute an optimal instrument to achieve a stringent pay-for-performance approach. The performance-based grant approach under the Option Plan ensures that grant levels are aligned with long-term business performance reflected by several operational KPIs used for the performance assessment. Additionally, options have value for the participants only in the event of future positive share price performance, therefore reflecting the requirement to achieve a positive Total Shareholder Return (TSR) over the vesting period. This is closely aligned with the interests of our shareholders. The Option Plan therefore rewards Group Management members for their contributions to the growth and long-term value creation of Lindt & Sprüngli, remunerates them in line with the shareholder experience, and aligns their interests with those of our shareholders.

In view of the strong performance focus of the grants under the Option Plan and the significant amount of deferred compensation thereunder resulting from the long vesting periods, the Board considers a fixed limitation of the aggregate number of outstanding options in relation to the company's outstanding equity capital as unnecessary. The authority of the Board to issue options under the Option Plan is limited by the General Meeting in two ways: Firstly, the General Meeting annually approves the maximum value of compensation granted to the Executive Management and, secondly, it approves every renewal or increase of the underlying contingent capital. A motion for such an approval is usually submitted by the Board to the General Meeting every four to five years.

For further information regarding the contingent capital, see Corporate Governance Report page 31.

According to the Option Plan, any granted but unvested options are forfeited immediately in the event that notice of termination is given at any time and for any reason, with or without cause, by the employer or the employee, whereas any vested options remain exercisable for a limited period of time. Granted options may be withheld or clawed back completely if there is doubt regarding, but not limited to, misconduct, non-compliance, fraud, reporting, or audit issues with a potential negative financial or reputational impact on the Lindt & Sprüngli Group.

iv. Compensation 2023

Compensation of the members of the Group Management for 2023 and 2022 is shown in the following table. The valuation of the option-based compensation for 2023 and 2022 is based on the respective fair market values at the time of grant.

Compensation for the Group Management (audited)

						2023
CHF thousand	Fixed compensation			Variable compensation		Total compensation
	Base Salary ¹	Allowances ²	Pension benefits ³	Cash Bonus ⁴	Option Plan ⁵	
Dr Adalbert Lechner, CEO (CEO as of October 1, 2022)	1,200	48	76	1,200	1,664	4,188
Other members of Group Management ⁶	4,070	169	440	3,399	5,614	13,692
Total	5,270	217	516	4,599	7,278	17,880

						2022
CHF thousand	Fixed compensation			Variable compensation		Total compensation
	Base Salary ¹	Allowances ²	Pension benefits ³	Cash Bonus ⁴	Option Plan ⁵	
Dr Dieter Weisskopf, CEO (CEO until September 30, 2022)	1,200	18	45	1,650	1,688	4,601
Other members of Group Management ⁷	4,003	195	343	3,462	4,153	12,156
Total	5,203	213	388	5,112	5,841	16,757

¹ Total of paid-out gross compensation.

² Including lump-sum expense allowances (CEO: CHF 18,000, CHF 12,000 for other members of the Group Management). In 2023 including the second part of a one-time relocation allowance of CHF 25,000 for Dr. Adalbert Lechner (in total CHF 100,000 which of CHF 75,000 was paid in 2022), and an anniversary of service award of CHF 5,000 for Dr. Adalbert Lechner and a joining bonus of CHF 88,000 for Nicole Uhrmeister to compensate for a verifiable financial disadvantage (Art. 735c para. 4 OR).

³ Including pension fund and social insurance contributions paid by the employer, which establish or increase employee benefits.

⁴ Expected pay-out (accrual basis) in April of the following year according to the proposal of the CNC and the decision of the Board of Directors, respectively (excluding social charges paid by employer).

⁵ Option grants on Lindt & Sprüngli participation certificates under the terms and conditions of the Lindt & Sprüngli employee share option plan (see also note 27 share-based payments in the Financial Report). The valuation reflects the fair market value at the time of grant. The total number of granted options in 2023 to A. Lechner was 1,200 options (1,000 options in 2022) and in total to all other members of the Group Management (including D. Weisskopf (CEO until September 30, 2022) 4,050 options (4,920 options in 2022 (including A. Lechner (CEO as of October 1, 2022))).

⁶ There were seven other Group Management members as of December 31, 2023. The compensation of Dr Dieter Weisskopf (CEO until September 30, 2022) until the end of his employment on March 31, 2023 is included in the compensation for the other members of the Group Management. Dr Dieter Weisskopf received no separate fee as Board Member during his employment.

⁷ There were six other Group Management members as of December 31, 2022. The compensation of Dr Adalbert Lechner (CEO as of October 1, 2022) is included in the compensation for the other members of the Group Management.

An amount of CHF 18 million was approved by the General Meeting of April 28, 2022, as the maximum aggregate amount of compensation for 2023 for the Group Management, whereby approximately CHF 17.9 million was used in 2023. The total compensation of the Group Management for 2023 was higher than for the previous year due to the higher fair market value of the stock options. The Board of Directors for the CEO, and the CNC for the remaining members of the Group Management, approved individual stock option grants above 100% of the relevant Base Salary due to overachieved operational performance criteria.

Although as of November 1, 2023, Nicole Uhrmeister started as new member of the Group Management, no use was made of the supplementary amount pursuant to Article 15^{bis} paragraph 5 of the Articles of Association.

No loans or credits were granted to current or past executive and non-executive members of the Group Management.

In 2023, the total amount of the aggregate Cash Bonuses awarded to the members of the Group Management amounted to CHF 4.599 million (previous year: CHF 5.112 million). For Dr Adalbert Lechner (CEO as from October 1, 2022), the awarded Cash Bonus amounted to CHF 1.200 million, corresponding to 100% of his Base Salary (75% in 2022). For the other bonus eligible members of the Group Management, the awarded Cash Bonus amounted on average to 86% of the relevant Base Salary (80% in 2022). No CNC discretion was applied in respect to the individual payouts under the Cash Bonus.

The option grant awarded to the CEO (since October 1, 2022) under the Option Plan for 2023 amounted to CHF 1.664 million (previous year: CHF 0.844 million), corresponding to 139% of his Base Salary (previous year: 96% of his Base Salary). The value of the options granted under the Option Plan for 2023 to the other members of the Group Management amounted to CHF 5.614 million (previous year: CHF 4.153 million). The individual grant amounts correspond to 152% of the relevant individual Base Salary on average (previous year: 100% of the relevant individual Base Salary on average).

For details on outstanding options, refer to chapter “Participations” of this Compensation Report.

The following table illustrates the effective split of the total compensation of the CEO and the other members of the Group Management into fixed compensation and variable compensation:

	2023		2022	
	Fixed compensation	Variable compensation	Fixed compensation ¹	Variable compensation
Dr Adalbert Lechner, CEO (CEO as of October 1, 2022)	30%	70%	26%	74%
Other members of Group Management	31%	69%	34%	66%

¹ Effective split of the total compensation of Dr Dieter Weisskopf (CEO until September 30, 2022).

VI. Participations (audited)

The following table provides information on the shares and participation certificates, respectively, of Chocoladefabriken Lindt & Sprüngli AG and options on participation certificates held by members of the Group Management and the Board of Directors as of December 31, 2023.

		Number of registered shares (RS)		Number of participation certificates (PC)		Number of options	
		2023	2022	2023	2022	2023	2022
E. Tanner	Executive Chairman	3,067	3,067	5,786	9,796	–	–
A. Bulgheroni ¹	Member of the Board	–	1,000	–	295	–	–
Dkfm E. Gürtler	Member of the Board	1	1	50	50	–	–
Dr R. K. Sprüngli	Member of the Board	1,090	1,090	–	–	–	–
Dr T. Rinderknecht	Member of the Board	–	–	–	–	–	–
S. Denz	Member of the Board	15	11	–	–	–	–
Dr D. Weisskopf	Member of the Board (formerly Group Management)	5	5	2,000	2,013	6,570	8,500
M. Bourquin ²	Member of the Board	–	–	6	–	–	–
Dr A. Lechner	Group Management	7	7	56	56	6,300	5,700
R. Fallegger	Group Management	25	25	1,250	950	5,200	4,750
A. Germiquet	Group Management	7	7	500	500	4,440	3,690
M. Hug	Group Management	6	6	–	–	4,750	4,650
G. Steiner	Group Management	3	3	–	–	4,190	4,110
Dr J. Piconi	Group Management	1	1	–	–	3,200	2,950
D. Studer	Group Management	3	1	–	–	2,340	1,895
N. Uhrmeister ³	Group Management	–	–	3	–	–	–
Total		4,230	5,224	9,651	13,660	36,990	36,245

¹ A. Bulgheroni resigned from the Board of Directors in April 2023, therefore no participations were disclosed for 2023.

² M. Bourquin was elected to the Board of Directors in April 2023, therefore no participations were disclosed for 2022.

³ N. Uhrmeister was appointed to Group Management as of November 2023, therefore no participation was reported for 2022.

VII. Other compensation-related aspects

i. Supplementary amount

Pursuant to Article 15^{bis} paragraph 5 of the Articles of Association, the company and its Group affiliates are authorized with respect to any member of Group Management who enters the Group Management during a period for which approval of the remuneration for Group Management has already been given to a supplementary amount for that period where the total amount already approved is not sufficient for such remuneration; such supplementary amount shall in no case exceed 40% of the maximum total amount already approved for the remuneration of Group Management.

ii. Employment contracts

The employment contracts of the members of the Group Management contain notice periods of a maximum of 12 months (12 months for the CEO and six months for the other Group Management members) and do not provide for severance payments. As regards the treatment of granted options under the Option Plan in the event of termination, refer to “Long-term performance-based compensation: Option Plan” on page 67.

The maximum duration for a post-contractual prohibition on competition for members of the Group Management is 12 months, provided that the agreed consideration may not exceed the average of the compensation for the last three financial years. This is in line with the applicable provisions of the Articles of Association (Article 26^{bis} paragraph 2) and is granted on a case-by-case basis as considered necessary by the Board of Directors.

The procedure with respect to unsettled or unexercised compensation in the event of a change of control is governed by the respective compensation plans, whereby the rights of members of the Group Management are identical to those of all other employees. For details, refer to “Change in control and defensive measures” on page 51.

iii. Additional fees, compensation, and loans to governing bodies

Apart from the benefits listed in this Compensation Report, no other compensation was granted in the reporting year 2023 – whether directly or indirectly – to the executive and non-executive members of the Board of Directors, the members of the Group Management, or to related persons of the aforementioned persons. In addition, as per December 31, 2023, no loans, advances or credits were granted by the company or by any of its subsidiaries to this group of persons.

iv. Compensation to former members of corporate bodies

No other compensation, apart from the benefits listed in this Compensation Report, was paid in 2023 to former members of the Group Management or former members of the Board of Directors of the company, or to related persons of the aforementioned persons.

VIII. External mandates of the members of the Group Management and the Board of Directors (audited)

The following table sets out all external mandates that the members of the Group Management and the members of the Board of Directors hold in comparable functions at other companies with an economic purpose within the meaning of Article 626 paragraph 2 cipher 1 OR (including companies that belong to the same group) and which must be disclosed pursuant to Article 734e OR in the Compensation Report, and all activities and positions of the members of the Group Management and the members of the Board of Directors pursuant to Section 3.2 and Section 4.2, respectively (Other activities and vested interests), of the Annex to the Directive on Information relating to Corporate Governance (Corporate Governance Directive):

Member of the Board of Directors	Company name	Function
E. Tanner	The Swatch Group AG	Vice-chair of the board of directors
	The Swatch Group AG	Chair of the compensation and nomination committee
	Krombacher Brauerei GmbH & Co. KG	Member of the supervisory board
Dkfm E. Gürtler	ATP Planungs- und Beteiligungs AG	Member of the supervisory board
	Tiroler Landesmuseen-Betriebsgesellschaft m.b.H.	Chair of the supervisory board
	MAK – Österreichisches Museum für angewandte Kunst	Vice-chair of the curatorship
	MAK – Österreichisches Museum für angewandte Kunst	Vice-chair of the audit committee
	Kreditschutzverband von 1870	Member of the executive board
Dr R. K. Sprüngli	Peter Halter Liegenschaften AG	Member of the board of directors
	RKSSC Real Estate AG	Member of the board of directors
	Institut für Wirtschaftsberatung Niggemann, Fischer & Partner GmbH	Member of the advisory board
	PUSTA INVEST AG	Chair of the board of directors
	Felix Partner Architektur AG	Member of the advisory board
	Felix Partner Design AG	Member of the advisory board
	Felix Partner Entwicklung AG	Member of the advisory board
	TRUFO HUNGARY Kft.	Chair of the board of directors
	Prio Partners AG	Member of the board of directors

Dr T. Rinderknecht	Marquard Media Group AG	Member of the board of directors
	Marquard Family Office AG	Vice chair of the board of directors
	SpanSet Inter AG	Chair of the board of directors
	Miralco Holding AG	Chair of the board of directors
	Twin Dolphins Holding AG	Chair of the board of directors
	NorseSatCom Group (Bahamas)	Member of the board of directors
	iJet Technologies Inc. (Seattle)	Member of the board of directors
	NEST AS (Norway)	Member of the board of directors
	Turtle Capital Investment Inc. (BVI)	Member of the board of directors
	Veritas Trust AG	Member of the board of directors
	Fundmaster AG	Member of the board of directors
	Munich Partners AG	Chair of the board of directors
	Munich Partners Invest AG	Chair of the board of directors
	First 4G AG	Chair of the board of directors
	First SALT AG	Chair of the board of directors
	First ELF AG	Chair of the board of directors
	PlusFour AG	Chair of the board of directors
S. Denz	Lalique Group SA (Switzerland)	Chair of the board of directors
	Lalique SA (France)	Chair of the board of directors
	Alrodo AG (Switzerland)	Chair of the board of directors
	Art & Terroir SA (Switzerland)	Member of the board of directors
	CIRON S.A. (Switzerland)	Chair of the board of directors
	Lalique Art SA	Chair of the board of directors
	Lalique Maison SA (Switzerland)	Chair of the board of directors
	Madura (Schweiz) AG (Switzerland)	Member of the board of directors
	Lalique Asia Limited (Hong Kong)	Chair of the board of directors
	Glenturret Holding AG	Chair of the board of directors
	Villa Florhof AG	Member of the board of directors
	Florhof Immobilien AG	Chair of the board of directors
M. Bourquin	Emmi AG	Member of the board of directors
	Emmi AG	Member of the personnel and compensation committee and Market Committee and Agricultural Council
	Swisscom AG	Member of the board of directors
	Swisscom AG	Chair of the compensation committee
	Kambly SA	Member of the board of directors
	Rivella AG	Member of the board of directors
	W. Kündig & Cie AG	Member of the board of directors
	Swiss Branded Products Association Promarca	Chair of the board
	Swiss Foundation for Technical Cooperation Swisscontact	Member of the board
	Miroma AG	Member of the board of directors
	ESTAROG GmbH	Manager
	EUQINOM GmbH	Partner and president of the management
Member of the Group Management	Company name	Function
A. Germiquet	SunnySpot AG	Chair of the board of directors
G. Steiner	Steiner Flughafebeck AG	Vice-Chair of the board of directors



Report of the statutory auditor

to the General Meeting of Chocoladefabriken Lindt & Sprüngli AG

Kilchberg

Report on the audit of the compensation report

Opinion

We have audited the compensation report of Chocoladefabriken Lindt & Sprüngli AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables and sections marked 'audited' on pages 62 and 69 to 73 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the compensation report (pages 55 to 73) complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables and sections marked 'audited' in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or

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error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

A handwritten signature in black ink, appearing to read 'G. Siegrist'.

Gerhard Siegrist
Licensed audit expert
Auditor in charge

A handwritten signature in black ink, appearing to read 'J. Stadelmann'.

Josef Stadelmann
Licensed audit expert

Zürich, 4 March 2024