



LINDT & SPRÜNGLI

Sustainability Report
2023

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 **Our reports are available online:**

Annual Report:

<https://reports.lindt-spruengli.com/annual-report-2023>

Sustainability Report:

<https://reports.lindt-spruengli.com/sustainability-report-2023>

Foreword from the Chairman and CEO

A vision beyond 2025

Our commitment to contributing to a more sustainable tomorrow is a key element driving our company's actions and ambitions. Having a clear vision of where we would like to be by, and beyond, 2025 is crucial for our success and important for defining the relevant steps to achieve our goals. On this journey, we navigate continuous change and new challenges, but our determination to progress along it, is consistently strong.

Various new developments have shaped the context of our sustainability activity during the reporting year. The regulatory landscape, for example, has evolved rapidly. This includes heightened human rights regulations around the world as well as regulations aimed at combating adverse effects of climate change and preserving biodiversity, such as the European Union's new deforestation law.

We are committed to optimizing the impact that we have – and will have – on the societies, environments, and economies where we are present. In 2023, we strengthened our capabilities and resources at both headquarters and in our markets to fulfill existing and future demands for sustainability regulation, including transparent non-financial reporting. Investment in sustainability has been made in numerous departments, and reflected by further development of our corporate governance. The implementation of our sustainability strategy comes under the supervision of the highest governance bodies, and in 2023 the Sustainability Committee of the Board met once per trimester.



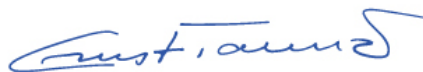
A major milestone reached in 2023 was the validation of our science-based climate targets for 2030 and 2050 by the Science Based Targets initiative (SBTi). These will guide our business practices with the objective of reaching net-zero emissions. By leveraging opportunities and innovations to reduce our carbon footprint across our product portfolio, operations and value chain, we aim to achieve ambitious emission-reduction goals, aligned with those of the Paris Agreement. The publication of our Deforestation Policy in June 2023 represented another major step forward in our efforts to protect biodiversity in our primary deforestation-linked supply chains. Its scope extends beyond cocoa, to other raw materials including paper and pulp-based packaging.

Beyond our contribution to an intact environment, people are at the heart of our business, from the farmers we source from, through our employees around the world, to the consumers who enjoy our final products. In 2023, we made further progress towards our target of sourcing all cocoa products through sustainability programs by 2025, achieving more than 72% for all cocoa products, whereof 100% for cocoa beans. We advanced our due diligence processes in line with our commitment to respect human rights, and continued to uphold high standards for business integrity. To reflect the importance attached to the people within our organization, we have elevated our Chief Human Resources Officer (CHRO) role to the Group Management. In this position, our CHRO will drive the implementation of our new Diversity, Equity, and Inclusion (DEI) framework globally, linking it to specific targets and metrics.

In 2023, we reviewed our targets including aligning them with new policy commitments as well as new regulations and developments in the markets. To refine our reporting process and meet future requirements, we have made great strides in our internal reporting and are in the process of implementing new systems and processes, as well as updating methodologies for optimal clarity and accuracy.

Our journey to a more sustainable future continues, and over the next two years our sustainability strategy and targets beyond 2025 will be a primary focus. We will address issues that we impact, and those that impact us. For the first time, in 2024, our climate targets action plan will be integrated into our daily business. We plan to introduce responsible sourcing standards for our remaining priority raw materials, including dairy and almonds, while working towards the sourcing goals already declared.

With strong, collaborative teams and highly dedicated employees on board, we are preparing for the road ahead, and keen to derive further learnings from the changes and challenges that inevitably lie ahead of us in this dynamic sector.



Ernst Tanner
Executive Chairman of the Board of Directors



Adalbert Lechner
CEO Lindt & Sprüngli Group

At a glance



Near- and long-term science-based climate targets

including science-based net-zero target by 2050 verified by the Science Based Targets initiative (SBTi)

72.3%  PwC CH

of cocoa products (beans, butter, powder and chocolate mass) sourced through the Lindt & Sprüngli Farming Program or other sustainability programs

35.1%  PwC CH

of women in senior leadership positions



DEI framework

Groupwide Diversity, Equity & Inclusion (DEI) framework launched



Deforestation Policy

covering cocoa, palm oil, soy, and pulp- and paper-based packaging introduced



Awarded with
EcoVadis Silver Medal
for sustainability performance.
The rating recognizes our 2023 performance within our industry among the top 8% overall.



131,000

farmers in seven origin countries participating in the Lindt & Sprüngli Farming Program

 Take a look at our online report with lots of interactive features



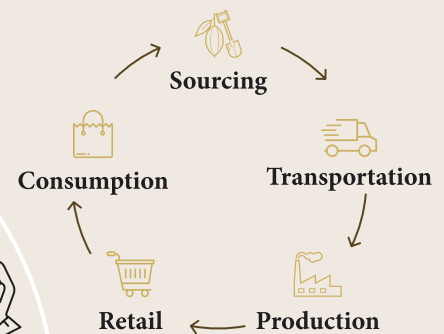
Our business model

The Lindt & Sprüngli business model describes the pursuit of our mission and purpose – to create premium chocolate and related confectionery for the global market, and to enchant the world with chocolate. It considers our impacts on the environment, society, and economy, as well as our endeavors to make our business more sustainable.

Input

-  Financial capital
-  High-quality commodities and resources
-  Human expertise and know-how
-  Production and distribution sites, equipment, and technology
-  Brand assets and innovation
-  Stakeholder network

Our value chain



Our Guiding Principles

Our values



Our purpose

We enchant the world with *Chocolate**

Our purpose is deep-rooted in our company and we strive for it every day.

Our mission

We passionately create premium chocolate and related confectionery for the global market. We continuously identify and meet consumer preferences and cooperate with our partners along the value chain to contribute to a sustainable tomorrow.

Output & outcome

While striving to deliver premium chocolate products, we also focus on value creation for our diverse range of stakeholders. With this, we aim to increase our positive outcomes and reduce negative outcomes.

Key outputs

-  Financial
-  Environmental
-  Social

Unless otherwise stated, the business model shows 2023 data

Input



Financial capital

Lindt & Sprüngli has a track record of delivering stable, long-term, organic growth. We allocate our financial resources to affirm our growth-oriented corporate strategy. This drives sustained growth, both in revenue and in EBIT, whilst maintaining a healthy balance sheet position, and robust cash flow generation. It prepares us for market changes and positions us to take advantage of new opportunities to further develop our business success and financial strength.

- Capital expenditures in fixed assets:

CHF 301.8 million*

- Net debt: CHF 943.3 million*

- Equity ratio: 54.2%*

- Shareholders' equity:

CHF 4,257.6 million*



Production and distribution sites, equipment, and technology

Our chocolates have a strong global presence and are produced at our twelve production sites in Europe and the USA. Our products are sold by 36 subsidiaries and branch offices, in around 520 of our own shops, through our e-shops, as well as via a network of more than 100 independent distributors worldwide. To enable this, we source services such as distribution, logistics, production equipment, and technology.

- Investments in property, plant and equipment:

CHF 278.8 million*



High-quality commodities and resources

As a premium chocolate producer, we do not compromise on quality. We use fine ingredients and rely on a steady commodity supply, prioritizing the responsible sourcing of our raw and packaging materials. Our responsible sourcing approach applies to both direct and indirect sourcing and considers social and environmental issues.

- **Twelve** priority raw and packaging materials defined in our Responsible Sourcing Roadmap

- Cocoa sustainability investments in 2023:

CHF 29.8 million



Brand assets and innovation

We aim to maintain and develop the reputation of our brands to continue inspiring trust and loyalty in our consumers, customers, and other stakeholder groups. We attach great importance to key factors that shape the brand awareness we enjoy in the premium chocolate sector. These include investments to achieve excellence in our marketing, Global Retail, and product innovation. The Lindt Master Chocolatiers exemplify our integrated approach. They form part of our global Research and Development team and are dedicated to blending innovation and exclusivity in the creation of our chocolate products.

- Net intangible assets (Brands & IP) as at December 31, 2023:

CHF 460.3 million*



Human expertise and know-how

We encourage an entrepreneurial culture. With this, we aim to empower our employees to reach their full potential in an enabling and motivating working environment that is defined by integrity, responsibility, and respect. We foster excellence, innovation, and collaboration, underpinned by our commitment to sustainability. Our success in this is based on a strong company culture, deeply rooted in the **Lindt & Sprüngli Guiding Principles**.

- Total number of employees per region (headcount)

○ North America: 4,326

○ Europe: 8,721

○ Rest of the World: 2,461

○ Total: 15,508

- Personnel expenditure:

CHF 1,026.5 million*



Stakeholder network

At Lindt & Sprüngli the foundation of our work rests on cultivating long-term, trust-based relationships with business partners, communities, customers, investors, and other stakeholders. That is why upholding business integrity and human rights is fundamental to how Lindt & Sprüngli operates. Our Compliance Policy is the overarching policy of our Compliance Organization and establishes the governance and organization, mandate, strategy and reporting of Legal Compliance to Group Management and the Board of Directors. Our Supplier Code of Conduct (Supplier Code) demands adherence to social and environmental standards by our partners throughout our supply chain. Our Human Rights Policy articulates our commitment to respecting human rights.

- Examples of multi-stakeholder partnerships: Sustainable Cocoa Platforms (ISCOs), World Cocoa Foundation (WCF), Cocoa & Forests Initiative (CFI), Child Learning and Education Facility (CLEF)

* Figures from Lindt & Sprüngli's audited Financial Report (Annual Report 2023)

Our value chain

We continuously identify and satisfy consumer preferences and cooperate with our partners along the value chain to contribute to a sustainable tomorrow.



1. Sourcing

We are committed to responsible sourcing of our raw and packaging materials. Our focus is on our most important raw material, cocoa, as reflected by the Lindt & Sprüngli Farming Program, established in 2008.



2. Transportation

Raw and packaging materials are traded, stored and then transported to our production sites.



3. Production

The production process starts in our in-house cocoa mass production sites, where cocoa beans are processed into cocoa mass. Cocoa mass is the defining ingredient for our chocolates, which we mold, refine and pack in our chocolate production sites. The packaging for our products follows our sustainable packaging principles.



4. Retail

We sell our products to consumers through our own shops, online, and via our retail partners.



5. Consumption

We provide our consumers with premium chocolate products and anticipate trends. We take care to fulfill consumer expectations, creating responsible and transparent marketing material that reflects our values and helps consumers make informed choices about their buying and consumption habits.

Output and outcome

For more than 175 years, Lindt & Sprüngli has produced premium chocolate, with a focus on quality and excellence. We cooperate with our partners along the value chain towards our sustainability goals. By building our sustainability strategy around our purpose pillars, we seek to improve our social impact and reduce our environmental footprint. For a detailed explanation of our Sustainability Plan 2025 and purpose pillars, please refer to the Sustainability strategy and governance section.

The Lindt & Sprüngli Group incorporates the brands Lindt, Ghirardelli, Russell Stover, Whitman's, Pangburn's, Caffarel, Hofbauer and Küfferle. The Lindt brand is present globally with its key franchises Lindor, Lindt Excellence, and its seasonal range including the Lindt Gold Bunny. Ghirardelli enjoys increasing popularity in the North American market with its chocolate bars and Ghirardelli Squares, while Russell Stover continues to be a market leader in sugar-free chocolates. The Group's more local brands – Whitman's, Caffarel, Hofbauer, Küfferle and Pangburn's – have a strong presence in their core markets with iconic, well-established chocolate products, such as the Küfferle chocolate umbrellas. We have also integrated our quality standards into product lines across all brands with a variety of flavors inspired by local cultures and specific innovations. These take into account current trends and changes in consumer demand and include non-dairy and sugar-reduced options.

Key outputs



Financial

- Group sales: **CHF 5.20 billion** *
- Sales per segment:
 - North America: **CHF 2.11 billion** *
 - Europe: **CHF 2.41 billion** *
 - Rest of World: **CHF 0.68 billion** *
- EBIT: **CHF 813.1 million** *
- Free cash flow: **CHF 476.8 million** *
- Market capitalization (2023):
CHF 23,958.3 million *
- Shareholder return
(from the net financial position) in 2023:
897.5 million * dividend + buyback
- Tax expenses: **116.1 million** *
- Wage and salary expenses:
781.7 million *



Environmental

- Total GHG emissions (Scopes 1, 2, and 3):
3.7 million tons CO₂ equivalent ✓ PwC CH
- Change in GHG emissions
in 2023 compared to our 2020 levels: **17.3 %**
- Total weight of packaging used in all production
sites: **116,273 metric tons** ✓ PwC CH
- Percentage of packaging
designed to be recyclable: **89.7 %** ✓ PwC CH
- Reduction of municipal water withdrawal in
2023 compared to our 2019 levels: **8 %**
- **72.3 %** ✓ PwC CH of cocoa (cocoa
beans, powder, butter, and chocolate mass; in
volume) sourced from farmers covered by a
No-Deforestation & Agroforestry Action Plan



Social

- Women in senior leadership positions:
35.1 % ✓ PwC CH
- Sourced volumes of raw and packaging
materials bearing significant sustainability
risks covered by a responsible sourcing
program: **58.1 %** ✓ PwC CH
- Cocoa sourced through
sustainability programs: **72.3 %** ✓ PwC CH
- Cocoa beans sourced through
sustainability programs: **100 %**
- **131,000** farmers in seven origin
countries participate in the Lindt & Sprüngli
Farming Program
- **50** school facilities in cocoa origins built or
renovated since start of Farming Program
benefiting about **9,700** children
- **27** on-site sustainability assessments in
Asia (initial and follow-up) focused on social
and working conditions

* [Figures from Lindt & Sprüngli's audited Financial Report](#)
(Annual Report 2023)

Outcome

While delivering premium chocolate products, we are also focused on value creation for our diverse range of stakeholders. With this, we aim to increase our positive outcomes and reduce negative outcomes.



Consumers

Our chocolate and brands are loved around the world by a loyal consumer fan base. A key contributor to this outcome is our comprehensive quality management system, ensuring that our chocolate meets our high quality standards worldwide. Additionally, our transparent and responsible communication avoids advertising to children, encourages responsible consumption, and provides clear nutritional information via our labeling in line with legal and regulatory requirements.



Investors

Strategic choices and ambitious growth targets will continue to drive Lindt & Sprüngli's financial performance moving forward. Our financial strategies have generated growth and value creation and will continue to do so. Lindt & Sprüngli is well positioned to capture the growth opportunities of increasing demands in premium products. Our sustainability strategy contributes to risk reduction and long-term business sustainability, while promoting good governance.



Suppliers

We aim to have a positive presence in the lives of our suppliers and supply chain partners, while highlighting our responsible sourcing approach. This is achieved through fostering long-term partnerships with our suppliers, collaborating closely to discover common and sustainable solutions, and being a reliable business partner.



Economies and society

We contribute to economies and society through the taxes we pay. The companies of the Lindt & Sprüngli Group pay taxes in the countries in which they operate their respective business. Lindt & Sprüngli fully complies with both national and international tax laws and regulations, including the OECD standards.



Natural environment

We are committed to reducing negative environmental impacts through our Sustainability Plan. Our science-based targets align with the goal of the Paris Agreement to limit a global temperature increase to 1.5°C above pre-industrial levels. We have defined ambitious action plans to reduce our emissions throughout our value chain and operations as well as interventions to support the conservation of biodiversity and natural ecosystems. We are working on improving the sustainability of our packaging materials, designing for recyclability, and striving to reduce material use. The appropriate handling of waste and water within production processes is another priority for Lindt & Sprüngli, in order to avoid, or to reduce, negative environmental impacts at a local level.



Employees

Our organization is built on a foundation of passionate and talented employees who contribute to our growth. We endeavor to be an attractive employer, fostering a stimulating work environment. Our commitment extends to offering fulfilling and fair career prospects, ensuring equal employment opportunities, and providing a combination of educational opportunities alongside other employee benefits.



People in the supply chain

One of Lindt & Sprüngli's focus areas is supporting the improvement of the livelihoods of people within our supply chain, including farmers and their families, our employees, and communities we engage with. To achieve this, we have implemented a responsible sourcing approach which considers social, economic, and environmental aspects of our direct and indirect sourcing. Our own Lindt & Sprüngli Farming Program for cocoa aims to increase the resilience of farming households and reduce the risk of child labor.



Sustainability strategy and governance

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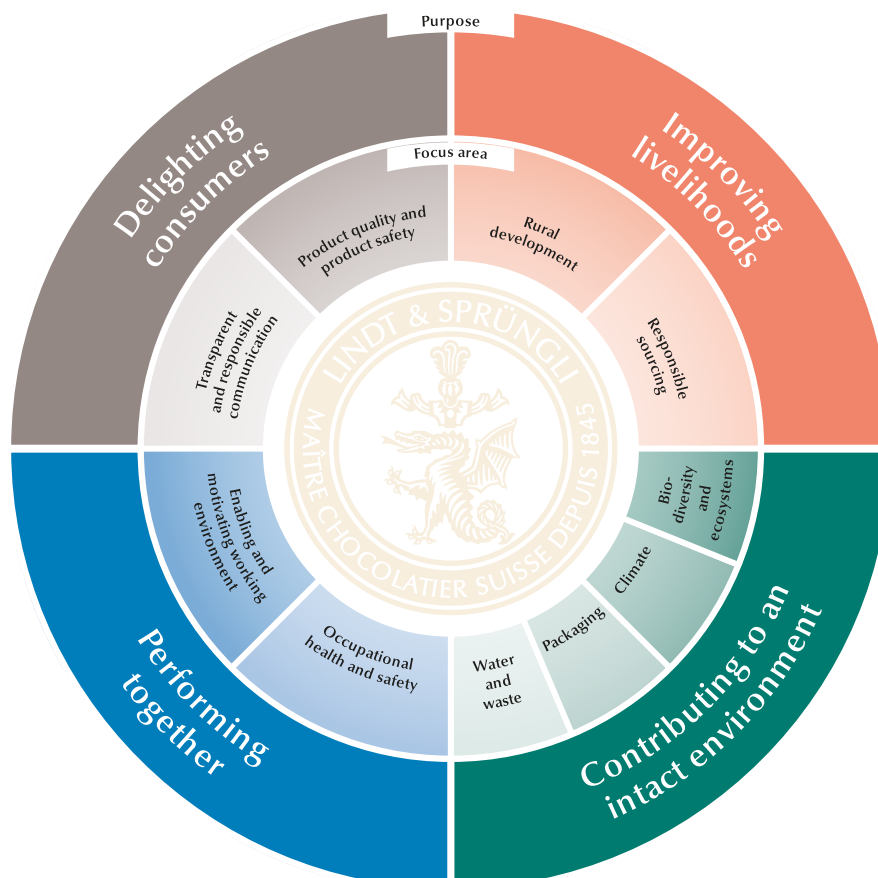
Sustainability Plan

The Lindt & Sprüngli Sustainability Plan (the Sustainability Plan) is our strategy for optimizing our impact on the societies, environments and economies in which we are present. It reflects our core company values of Excellence, Innovation, Entrepreneurship, Responsibility, and Collaboration. Our Sustainability Plan centers around Lindt & Sprüngli's priority focus areas, grouped under four purpose pillars and objectives:

- Improving the livelihoods of people in our supply chain
- Contributing to an intact environment
- Fostering successful collaboration within the company
- Delighting our consumers

“Our stakeholders are demanding more sustainable products and business practices. Therefore, we defined the Lindt & Sprüngli Sustainability Plan, our strategy for creating long-term added value for society, the environment, and the economy. We have set our goals based on a comprehensive assessment of topics which matter to us as a company.”

Martin Hug, Group CFO, Group Management Member



In building our sustainability strategy and disclosures around these pillars, we seek to increase our positive social impact and reduce our environmental footprint. Upholding business integrity and respecting human rights are critical issues that extend across all elements of our value chain and Sustainability Plan. The Plan constitutes one element of our business strategy. It underpins our drive to realize sustainable transformation, opens up avenues to enhance revenue through novel product innovations, expand market presence, and account for our premium positioning. Additionally, it contains the potential to curtail costs and mitigate risks by promoting eco-efficiency, bolstering operational resilience, fortifying our supply chain and safeguarding product quality. Beyond these tangible benefits, the Plan harmonizes with our business strategy by yielding intangible yet impactful advantages, such as heightened brand perception, steadfast consumer loyalty, and increased employee engagement and retention.

Lindt & Sprüngli cannot build a sustainable tomorrow alone. The concerted, continued, compliant, and genuine efforts of untold numbers of stakeholders are vital to success in this endeavor. Progress in addressing some extremely challenging structural issues in heavily impacted countries – including reducing poverty and hunger and increasing educational opportunities – is also crucial.

“We are a global company present in more than 120 countries. With this presence comes responsibility. Our influence ranges from the responsible sourcing of raw materials to the responsible consumption of chocolate. We see sustainability as a strategic driver of business value, and are committed to working towards a better, more sustainable future.”

Jennifer Piconi, General Counsel & Corporate Secretary, Group Management Member

We analyze our progress annually and derive action plans if needed. In 2023, we critically reviewed our targets and made adjustments where necessary. More information can be found in the respective focus area chapters.

Since our current Sustainability Plan targets culminate in 2025 for many focus areas, we started working on our post-2025 Sustainability Plan. This will be based on the latest Double Materiality Assessment results (see [Our material topics](#)).

Main commitments and progress 2023

In order to track our progress against the ambitions of our Sustainability Plan, we set specific targets for each of our focus areas. These targets, as well as our overall strategic plan, have been approved by Group Management and the Board of Directors.

Some targets were adjusted in the course of this reporting year. Detailed information on the adjustments can be found in the respective chapters.

Ambition	Focus area	Targets and commitments	Status
Improving livelihoods			
We want to support people along our value chain in creating decent and resilient livelihoods. The farmers, their families, employees, and the corresponding communities along our supply chain are at the center of our responsible sourcing activities.	Responsible sourcing	We aim for 80% of our sourced volumes of raw and packaging materials bearing significant sustainability risks to be covered by a responsible sourcing program by 2025.	 On track
	Rural development	We aim to source 100% of cocoa products – beans, butter, powder, and chocolate mass – through the Lindt & Sprüngli Farming Program or other sustainability programs by 2025.	 On track
Contributing to an intact environment			
An intact environment is essential for our company and the entire value chain. Therefore, we focus on protecting the environment and reducing the environmental footprint of our chocolate as well as its packaging.	Biodiversity and ecosystems ¹	We aim for no deforestation in cocoa, with a target date of December 31, 2025, and to work towards the elimination of deforestation in our other key deforestation linked supply chains (palm oil, soy, and paper & pulp-based packaging).	Initiated in 2023
	Climate	We aim to achieve near- and long-term science-based targets and reach net-zero greenhouse gas emissions across the value chain by 2050.	SBTs approved in 2023
	Water and waste ²	We aim to achieve a 10% reduction of municipal water withdrawal for use in our production processes (versus 2019), per ton produced, and to develop an integrated water roadmap by 2025.	 On track
	Packaging ³	We aim to design over 90% of packaging to be recyclable by 2025.	 On track
Performing together			
As a premium chocolate company committed to high quality standards, innovation, and sustainability, our employees are key to our future. Workplace safety is a top priority, we encourage and motivate our employees to achieve mutual success, and we support equal opportunities in the workplace.	Occupational health and safety	We aim to continuously reduce our safety risks to achieve our long-term vision of zero lost time accidents.	Data collection and methodology revision 2023
	Enabling and motivating working environment	We aim to increase the representation of women in senior leadership to 40% by 2025.	 On track
Delighting consumers			
In order to remain successful in the long term, we strive to continuously surprise and delight our consumers with innovative, premium chocolate products. We assume a high level of responsibility toward our consumers by ensuring transparent communication, product quality, and product safety.	Product quality and product safety	We are committed to full and continuous compliance with Lindt & Sprüngli's quality and food safety standards.	 No major deviations
	Transparent and responsible communication ¹	We are committed to not targeting children under 16 years old in our advertising, encouraging responsible consumption, providing transparent nutritional information and adhering to applicable national and international laws.	 No major deviations

¹ Updated target due to launch of new policy (for more information, see chapters [Conservation of biodiversity and natural ecosystems](#) and [Transparent and responsible communication](#))

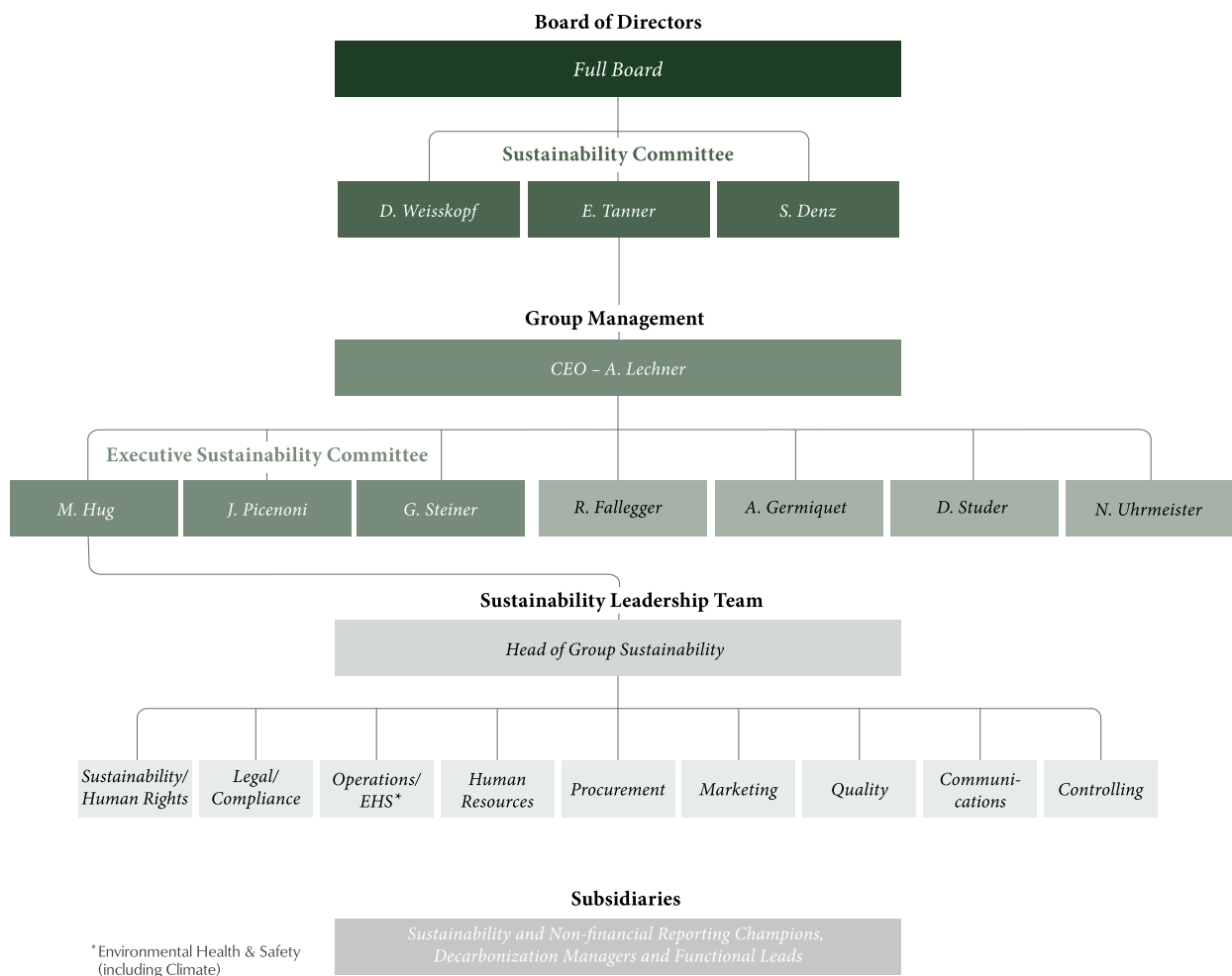
² Waste target was discontinued and is currently being reviewed (for more information, see [Water and waste](#) chapter)

³ Updated target (for more information, see [Packaging](#) chapter)

Sustainability governance structure

The company's top management, including the Board of Directors and Group Management, deals with issues related to sustainability, reflecting the significance of sustainability impacts, risks and opportunities to the company. In 2023, the Sustainability Committee of the Board consisted of three Board members. Dieter Weisskopf, who retired as CEO of Lindt & Sprüngli in 2022, is Chair of the Committee and brings additional sustainability expertise to the Committee and the Board. In his former role as CFO, he initiated and oversaw the establishment of the Lindt & Sprüngli Farming Program for the responsible sourcing of cocoa, and was the executive responsible for overseeing corporate sustainability. Under his leadership as CEO, the Sustainability Plan was established, and sustainability was further integrated into our business strategy.

Sustainability governance



Sustainability Committee of the Board

The Sustainability Committee of the Board guides the Board in setting the strategic direction and sustainability targets for company activities, as well as in aligning financial interests, business strengths, and social and environmental interests. This includes overseeing our material and salient social and environmental impacts, including, but not limited to, climate change, business integrity, human rights, responsible sourcing, and employee matters such as inclusion and wellbeing. The Committee regularly discusses the effect of such issues on financial performance and on the ability of the company's long-term strategy to create shared value, also with regard to the interests of key stakeholders. In turn, it

guides the integration of sustainability into company strategy and recommends material sustainability objectives for approval by the Board.

Three regularly convened meetings took place in 2023. These were attended by all Committee members, as well as by the CEO, CFO, and by the majority of the members of the Board of Directors (see [Sustainability Committee section in Corporate Governance Report](#)). One meeting was attended by the Head of Group Sustainability, and one by the Head of Group Environmental Health & Safety to discuss climate change. Matters discussed included a review of 2022 sustainability activities and the outlook against 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. The Group Compliance Policy was approved by the full Board of Directors.

Further, the Compensation & Nomination Committee and the Audit Committee of the Board govern, guide and approve different elements of sustainability, such as non-financial reports and assurance and integration of sustainability into executive compensation. For further information, see our [Committee Charters](#).

Group Management

Group Management, represented by the CFO, is responsible for the implementation of the Board's strategic sustainability decisions, for example the [Roadmap to net-zero](#) in line with the approved science-based climate targets. The CFO oversees and guides the management of our material sustainability matters, strategies, and targets. The CFO approves all major disclosures, participates in the review and approval of updates to the Sustainability Plan (within Board approvals), and presents all official sustainability policies and reporting for approval by the Sustainability Committee and/or the Board. The CFO also chairs the Executive Sustainability Committee (ESC), which is composed of the Group General Counsel as well as the Group Management member responsible for Operations. On behalf of Group Management, the ESC serves as an expert committee that guides the development of sustainable business models, governance, strategies, and targets. The Greenhouse Gas Steering Committee, composed of the CEO, CFO, and Group Management member Operations, leads the global climate strategy. Each member of Group Management has individual responsibilities under the Sustainability Plan, e.g., while the Group General Counsel is responsible for the Group Compliance program, the Group Management member Operations is responsible for the operationalization of the science-based targets. The appointment of the Chief Human Resources Officer (CHRO) as a new member of Group Management in 2023 also demonstrates the important role that people play in our business strategy. For information on the compensation of our Group Management and the associated ESG targets, please refer to our [Compensation Report \(Annual Report 2023\)](#).

Sustainability Leadership Team

The CFO manages the Head of Group Sustainability, who in turn chairs the Sustainability Leadership Team, a body consisting of different functions. This team, supported by the Group Sustainability department, meets every two to three months and is responsible for steering the implementation of our Sustainability Plan. Additional topic-specific governance structures support the realization of the Plan. For example, the Human Rights Working Group (HRWG) is a cross-functional sub-committee of the Sustainability Leadership Team. It is responsible for guiding the company's human rights due diligence strategy and driving its implementation (see [Business integrity and human rights](#)). Business integrity is driven by the Group Compliance Organization (see [Business integrity](#)). For the climate strategy and its implementation, there is a Central Project Management team which tracks the effectiveness of activities and progress against plans. For further information on our climate-related governance, see our [Roadmap to net-zero](#).

Sustainability representatives in subsidiaries

Each Group department integrates sustainability into its activities and responsibilities, and liaises with its respective counterparts at Lindt & Sprüngli subsidiaries. The subsidiaries designate an employee to serve, in part, as a sustainability contact person to help ensure end-to-end communication between the Group and the respective subsidiary. This is in addition to subsidiary staff responsible for integrating sustainability throughout the business. We additionally appointed one person, in part or in full, responsible for non-financial reporting in the finance department in each subsidiary to guide the non-financial reporting process and support data quality. Local Decarbonization Managers are appointed to take on responsibility for the local coordination and implementation of the actions defined in our [Roadmap to net-zero](#).

With regard to climate issues, we have defined Centers of Excellence that use their expertise to translate our global science-based targets and actions into actionable local plans. They assess these plans' alignment with local contexts and guide subsidiaries on their local plans. The local Greenhouse Gas Steering Committees and Decarbonization Managers own and design the local plans in line with our global climate commitment.

For further information on our company governance, see our [Corporate Governance Report \(Annual Report 2023\)](#).

Stakeholder engagement

Engaging with Lindt & Sprüngli's stakeholders is a central element of our sustainability approach. We are in continuous dialogue with our stakeholders to define and advance our Sustainability Plan and involve representatives of the most relevant groups in our Double Materiality Assessment Process (see [Our material topics](#)). Some stakeholders are also active in the implementation of the Plan. We value open discussion with the different stakeholder groups because they make unique contributions to informing our practices and identifying opportunities for improvement.

Stakeholder groups

- Civil society organizations and NGOs
- Consumers
- Employees
- Farmers and suppliers
- Governments
- Industry associations
- Investors and shareholders
- Media
- Proxies
- Retailers and distributors
- Universities and research institutions
- Others

The scope of stakeholder engagement is broad. NGOs provide input on best practices and amplify the voice of local stakeholders. Farmers share insights into local challenges, opportunities, and impacts in our supply chain. Customers or distributors of our products help us stay informed about topics relevant to local markets and consumers.

Based on our size, global presence, and the nature of our business, we participate in select industry groups, membership associations and multi-stakeholder initiatives at Group and local level. Selectively we may engage in debates of legitimate interest to us either directly or through trade associations. The company does not use corporate funds for the express purpose of political campaign contributions. To learn more about the organizations in which we participate to discuss universal sustainability challenges and help create broader change, or to learn more about the associations which represent our most significant financial contributions and/or participation in projects or leadership roles, please visit our [Memberships & Partnerships page](#).

Our material topics

We regularly reassess the priorities of our Sustainability Plan to ensure that we focus on the topics that are most critical to the societies, environments, and economies in which we are present. To this effect, we conducted a Double Materiality Assessment (DMA) in 2022 to identify material topics relevant to Lindt & Sprüngli. This Double Materiality Assessment considered both the company's impact on people and the environment, as well as external factors impacting our business.

Our DMA was performed in line with the exposure drafts of the European Sustainability Reporting Standards (ESRS) from January 2022. This represents a first step towards implementation of the Corporate Sustainability Reporting Directive (CSRD) which came into force in the EU on January 5, 2023, and will apply to several Lindt and Sprüngli subsidiaries as of 2025. We aim to report in accordance with the ESRS from the financial year 2025 onwards for the whole group to exempt individual subsidiary reporting. The results of our DMA were approved by the Board of Directors in 2023 and the DMA will be reviewed annually. Our DMA results will also serve as the basis for our post-2025 sustainability strategy, which will be rolled out as of 2026 following the expiry of our existing strategy. We already have a strategy in place for most topics from the new assessment (see mapping of topics in the materiality matrix). All topics coming out of the DMA will be addressed in strategy development and considered going forward.

The Lindt & Sprüngli Sustainability Plan will continue to apply until the end of 2025 and forms the basis of the structure of our Sustainability Report. All material topics identified in the 2022 Double Materiality Assessment have been mapped to the topics defined in the Sustainability Plan. The corresponding DMA topics are stated at the beginning of each chapter.

Our Double Materiality Assessment (DMA) process

1. Identification of impacts, risks and opportunities	2. Stakeholder engagement	3. Materiality assessment	4. Communication	5. Strategy adjustment
Informed by topics in reporting frameworks and regulations such as the Global Reporting Initiative (GRI) and European Sustainability Reporting Standards (ESRS), as well as other internal and external sources	Representatives of relevant stakeholder groups were asked to assess the scale, scope and, if applicable, irremediable character of each impact (see list below); financial risks and opportunities were rated by internal stakeholder groups	Inputs assessed and consolidated. Validation by the Sustainability Leadership Team and Executive Sustainability Committee. Approval by the Board of Directors in February 2023	Familiarizing internal stakeholders with the DMA results and publication in the 2023 Sustainability Report	The DMA results are used to adjust priorities in our Sustainability Plan and inform our post-2025 strategy and reporting

Consulted stakeholders in DMA process

- Civil organizations and NGOs
- Industry associations
- Internal stakeholders (Management and Leadership)
- Investors/Brokers
- Retailers/Distributors/Customers
- Suppliers
- Works councils (as representatives of employees)

Materiality matrix

Financial materiality (impact of people and environmental topics on the company)	Material topics in accordance with the requirements under 964b Swiss Code of Obligations			
	Critical			
	Significant			
Not material	1 Company governance 2 Regulatory environment 3 Business ethics and integrity 13 Employee satisfaction and development in own operations	15 Equality, diversity and inclusion in own operations 12 Resource use and circular economy	4 Child and forced labor in the supply chain 5 Employment and labor relations in the supply chain 7 Employee health, safety and wellbeing in the supply chain 16 Employee health, safety and wellbeing in own operations 17 Product safety and quality 18 Consumer health and nutrition	10 Emissions 9 Biodiversity and ecosystems
	- Agricultural practices - Animal welfare - Energy consumption - Privacy at work - Employee satisfaction and development in supply chain - Sustainable finance, technology and innovation	6 Engaging with affected communities 8 Equality, diversity and inclusion in the supply chain 11 Water management 14 Employment and labor relations in own operations		
	Not material	Important	Significant	Critical

Impact materiality (impact of business activities on people and the environment)

Information on our material topics can be found in the following chapter:

Strategy and governance

1 2

Business integrity and human rights

3 4

Improving livelihoods

5 6 7 8

Contributing to an intact environment

Conservation of biodiversity and natural ecosystems

9

Water and waste

11 12

Climate

10

Packaging

12

Performing together

Enabling and motivating working environment

13 14 15

Occupational health and safety

16

Delighting consumers

Product quality and product safety

17

Transparent and responsible communication

18

Our latest materiality assessment identified some new material topics: Regulatory environment, Employment and labor relations in the supply chain, Employee health, safety and wellbeing in the supply chain, Equality, diversity and inclusion in the supply chain, and Consumer health and nutrition. All of these are now being fully integrated into our strategy development, including the definition of explicit metrics as stipulated by the Swiss Code of Obligations (Swiss CO) for Swiss CO relevant topics. Although this report cannot yet contain comprehensive concepts for these topics, some aspects of them are already addressed in the chapters on Strategy and governance (for Regulatory environment), Improving livelihoods (for Employee health, safety and wellbeing in the supply chain, Equality, diversity and inclusion in the supply chain and Employment and labor relations in the supply chain), and Transparent and responsible communication (for Consumer health and nutrition). Find more information on the relevant topics according to the Swiss CO in the [Disclosures in accordance with Art. 964b Swiss Code of Obligations](#) in the [Appendix](#).

Risk management

Risks related to the non-financial topics identified in the DMA are addressed directly by the responsible departments with management and Board supervision. Appropriate measures are taken to address and minimize the risks. The DMA results are also considered as part of the internal risk assessment process. Climate related risks and opportunities will be assessed in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) in 2024.

Information on our Enterprise Risk Management can be found in our [Corporate Governance Report](#) and in [Note 4 “Risk Management” of the Consolidated Financial Statements](#) in our Annual Report 2023.

Regulatory environment

Our subsidiaries systematically assess the local regulatory environment and proactively communicate substantial changes and developments to the Group. At Group level, we monitor regulatory updates as an integral aspect of our risk management practices. Further information on regulatory requirements and our management approach related to our material topics can be found in the respective chapters.



Business integrity and human rights

- 23 Business integrity
- 27 Respecting human rights

Why we care

Upholding business integrity and respecting human rights is fundamental to how Lindt & Sprüngli operates. We focus on the interests of our own employees, workers within our supply chain, and any other persons whose lives may be impacted by our business activities or those of our supply chain.

Environmentally and socially responsible corporate behavior goes toward ensuring that human rights issues arising along global value chains – such as discrimination, land rights, child labor, forced labor, the right to health and impact of environmental damage on humans – can be effectively addressed. It also builds vital trust with our partners, communities, and stakeholders. Our approach reflects and is guided by an evolving regulatory landscape concerning human rights and responsible business conduct.

How we care

Lindt & Sprüngli is committed to conducting business in an ethical and socially responsible manner, placing high value on respecting human rights and international labor standards. We are committed to being compliant with applicable legal and regulatory requirements concerning business integrity and human rights, as well as with our own Group policies. We demand that our suppliers conduct their business in compliance with all applicable laws, regulations, and standards.

We foster a strong corporate culture characterized by honesty, respect, and integrity. This is reflected in our Values Framework and a range of Group policies that define the way we do business. We have a comprehensive system in place, for anyone working for or engaging with us, to voice concerns related to business integrity and human rights.

Our governing documents

In addition to a number of internal policies such as our Group Compliance Policy and policies covering topics such as data privacy, competition law, and anti-bribery and corruption, the following active Lindt & Sprüngli policies are publicly accessible:

-  Business Code of Conduct
-  Child Labor Monitoring and Remediation System (CLMRS) Guidance Document for Suppliers
-  Corporate Governance Report 2023
-  Human Rights Policy
-  Speak Up Policy
-  Supplier Code of Conduct and Compliance Declaration

The Lindt & Sprüngli Business Code of Conduct affirms our standards for non-discrimination and ethical behavior for all employees. In 2022, we integrated our commitment to respect human rights into the Business Code of Conduct. This also makes reference to our Speak Up system, an important channel for addressing any Code violations or grievance concerns. Our Human Rights Policy articulates Lindt & Sprüngli's commitment to respecting human rights. The Lindt & Sprüngli Supplier Code of Conduct and Compliance Declaration establishes the expected standard from our suppliers. This includes the requirement to act in accordance with applicable laws and principles, such as anti-bribery and corruption laws, and competition laws.

Business integrity

① Material topic

- Business ethics and integrity

Consumers, business partners, and employees are attaching increasing importance to business ethics and integrity. Our commitment to fairness, and respect for everyone, is reflected in our purpose and values, our Business Code of Conduct, and additional Group-wide policies such as our Group Compliance Policy. We also expect any third parties with whom we work to apply equivalent measures.

Our comprehensive prioritization of business integrity forms the core of the Lindt & Sprüngli Sustainability Plan. It is implemented in our supply chain through the Supplier Code of Conduct, our working practices, as well as our endeavors to ensure the quality and safety of our products. Mandatory onboarding for our business partners, and ongoing due diligence throughout our business relations with them, serve to monitor their compliance with applicable laws, regulations and global standards. The due diligence process includes specific checks on compliance subject matters, together with the standard assessments supported by EcoVadis for our suppliers.

“Business integrity is an integral part of how we do business. Our employees are committed to fostering a working environment which promotes ethical practice. They are supported by the global Lindt & Sprüngli Compliance Organization, which continues to strengthen the Lindt & Sprüngli compliance management system in line with applicable laws, regulations, and best practice standards. Our employees play a pivotal role in supporting Lindt & Sprüngli’s compliance strategy.”

Claire Shields, Head of Group Compliance at Lindt & Sprüngli



In 2022, Group Compliance performed a detailed review and update of our compliance strategy, incorporating the development of a roadmap of the compliance programs and operating model, which also extended into 2023. Group Compliance and those responsible for compliance locally in the Lindt & Sprüngli subsidiaries, as well as key stakeholders at Group level, will support the roadmap execution up to and including 2025.

Group Compliance continued to develop and roll out Group-wide compliance policies in 2023. This included review and continued development of our Compliance operating model in line with best practice standards. In 2023, we additionally focused on reviewing and further enhancing our anti-bribery and corruption compliance program, including our policies and procedures. In 2024, we will continue the focus on advancement of our global programs, including data privacy and anti-trust. Further, we will strengthen our third party risk management and trade sanction program and continue the effectiveness assessment of our Speak Up Line. In 2024, we will continue to develop our Compliance operating model through the use of technology including e-learning.

Setting our expectations

All new employees are provided with the Lindt & Sprüngli Business Code of Conduct as part of their onboarding. They are required to acknowledge receipt and acceptance of this Code in paper form, or online via the company's internal learning platforms. It is available to all employees on our intranet at all times. We measure the acceptance of the terms via our Global Employee Engagement Survey conducted every three years (2022: 77/100 "In my work environment, the regulations of the Business Code of Conduct are followed"). Failure to comply with the Business Code of Conduct may result in disciplinary action.

At regular intervals we conduct mandatory awareness-raising and training courses for a defined group of employees, according to the risk area and relevance to the function or functional level. These support the implementation of our policies and connected procedures, and contribute to ensuring that everyone at Lindt & Sprüngli follows our core values and complies with our regulations and guidelines.

The Lindt & Sprüngli Supplier Code of Conduct and Compliance Declaration is distributed to our suppliers at onboarding and requires adherence to social and environmental standards by our partners throughout our supply chain. In the case of revisions, our partners are requested to re-confirm their adherence. We expect our key suppliers to encourage their employees to report concerns of unlawful activities in their own business areas and supply chains without the fear of retaliation. Further information can be found in our [Responsible sourcing](#) chapter.

Compliance Organization

Our Board of Directors oversees and promotes compliance practices throughout the company in line with the Business Code of Conduct. Our compliance strategy brings together policies, guidelines, trainings, information and awareness, collectively known as our compliance program. Lindt & Sprüngli employees are guided and led by our Compliance Organization, receiving additional support from other functions engaged in our program.

The Compliance Organization is responsible for driving the compliance programs and the Compliance operating model in accordance with best practice. Our programs include the development of compliance subject-matter policies and trainings, which are rolled out with the support of the responsible people at Group and local level.

Our Compliance operating model integrates the three main pillars of risk management to include prevention, detection and response mechanisms. Prevention is supported by established policies, procedures and trainings. Detection is supported by our global Speak Up Line and if any suspected or known wrongdoing is identified, remedial action is taken.

As defined in our Group Compliance Policy our Compliance Organization reports periodically to the Board of Directors and Group Management.

Legal and regulatory requirements are assessed with relevant stakeholders and implemented accordingly. Key changes in the reporting year with regard to regulatory requirements include the German Supply Chain (Due Diligence) Act. This has resulted in the assessment of, and updates relating to, additional demands placed on suppliers to obtain their confirmation of meeting the legal requirements concerning environment, social responsibilities and governance due diligence, as well as confirmation of their grievance mechanism setup.

In the reporting year we had one significant case of non-compliance with laws and regulations related to a temporary permit violation.

We monitor and implement compliance through our corporate functions. Furthermore, our Lindt & Sprüngli internal control system supports compliance. For the corporate governance of the Lindt & Sprüngli Group see our [Corporate Governance Report \(Annual Report 2023\)](#); for the overall Sustainability Governance see the [Sustainability governance structure](#) chapter of this report.

Respect for fair competition

Our employees and business partners are expected to commit to not participating in any corrupt or anti-competitive behavior. Lindt & Sprüngli adheres to the principle of free competition, and we comply with all applicable domestic and international legal requirements to facilitate this. The internal Lindt & Sprüngli Competition Law Policy outlines the provisions employees are expected to observe.

We have reviewed and enhanced a global Anti-Bribery & Corruption Program that includes combined classroom training and e-learning. Most of our governance body members and all of our highest governance body members, as well as relevant employees in key functions and functional levels have completed the training on anti-corruption. This promotes awareness of topics such as conflicts of interest, gifts, entertainment and hospitality. We have established an approval system for gifts, entertainment, and hospitality, managed by the Group and by the local compliance officers. The Program is aligned with applicable laws and global standards. Furthermore, the revised Competition Law Program started to be rolled out in 2023, incorporating awareness communication and training for our key internal stakeholders.

During the reporting period, there were **no confirmed instances of corruption**  or **anti-competitive behavior** . At regular intervals we conduct mandatory awareness-raising and training courses to support the implementation of our policies. These courses help ensure that everyone at Lindt & Sprüngli, including all members of management, supervisors, and employees, adheres to our core values and complies with our regulations and guidelines.

Speak Up – our grievance mechanism

In October 2021, we established an independent and secure global Speak Up Line to encourage employees and third parties to raise any concerns they might have about suspected misconduct, without fear of retaliation. This is a channel for people to safely state and address their concerns about any suspected misconduct within Lindt & Sprüngli operations, and specifically any violation of the Business Code of Conduct, Supplier Code of Conduct, laws, or policies under which we operate.

Our Speak Up Line is open to individuals, community representatives, and organizations, including potentially or currently affected stakeholders. This embraces, but is not limited to, employees and workers at Lindt & Sprüngli companies, our suppliers and business partners, and community members. It is communicated to our employees through our intranet, the Business Code of Conduct, and other communication channels such as posters, e-mails, and town hall meetings, to our suppliers in our Supplier Code of Conduct, and to the public via our corporate and country level websites. Concerns can be addressed in the reporter's native language and anonymously if country regulations permit. Dedicated, impartial case managers investigate cases reported through the Speak Up Line on the basis of the Lindt & Sprüngli investigation manual and remediation guidelines.

We continue to improve the Speak Up Line to comply with global standards and legal requirements. Additionally, we have updated our governance documentation, including our Speak Up Policy and internal remediation plan.

Concerns raised through Speak Up and incidents in 2023

96 reports have been reviewed and investigated, thereof:

- 91 are closed (further details see below) and 5 continue to be investigated;
- 54 are deemed out of scope of the Speak Up Line either as they are being handled separately by our consumer service team or they are HR matters. In the case of the latter, they have nonetheless been reviewed with support from our HR departments and appropriate remediation action has been taken;
- Remediation action has been taken, the most notable of which has included 3 dismissals.

Additionally, there were no trends of significance related to human rights impacts in the reported cases.

The table below represents the 91 closed cases, the assigned categorization, the number of cases per category, and, of those received and closed, the number which have been substantiated:

Category	Cases received and closed	Thereof cases substantiated
Breaches of the Lindt & Sprüngli Business Code of Conduct	18	4
Harassment and discrimination	19 ¹	1
Out of scope	54	0
Total	91	5

¹ Harassment and discrimination report included breaches of health and safety guidelines, which were unsubstantiated.

Substantiated concerns help us to become aware of and address issues such as breaches of our Code of Conduct, discrimination, and harassment. Our policy is to investigate all genuine concerns, however they are raised or identified, including minor ones. Confirmed concerns are then remediated in accordance with the law.

We continuously review and assess the case categories received and what measures or actions, in addition to the remediation taken related to the specific case, are required. We also review whether reported cases are within the intended scope of the Speak Up Line to determine if further purpose and scope communications are necessary.

Respecting human rights

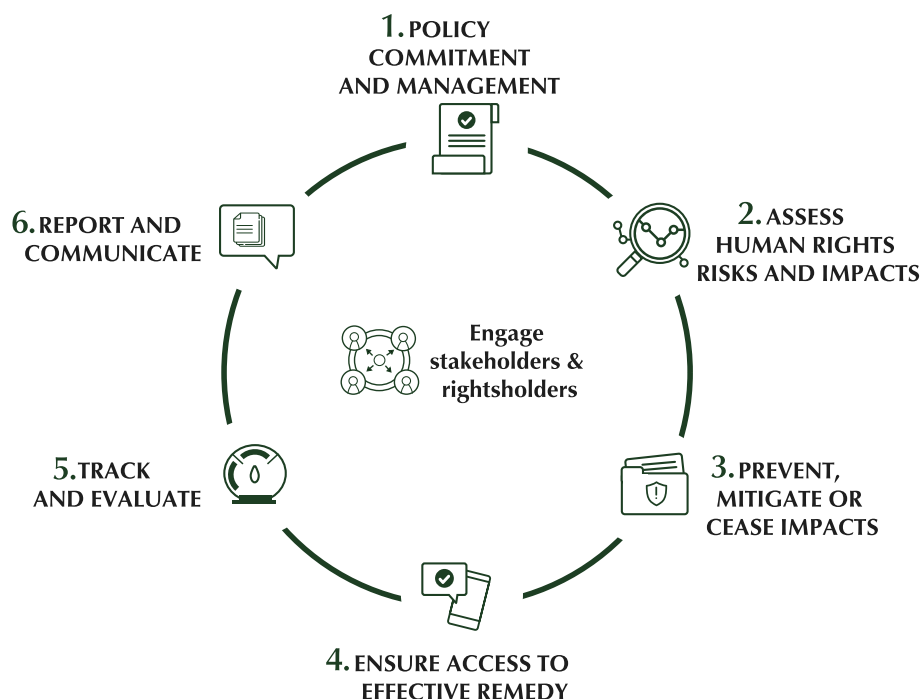
① Material topics

- Child and forced labor in the supply chain
- Employment and labor relations in the supply chain

Lindt & Sprüngli is committed to respecting human rights, as set forth in our [Human Rights Policy](#). Our human rights commitment is guided by international conventions and standards, including the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and core International Labor Standards, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact.

The aim of our human rights due diligence process is to identify, prevent, mitigate, or cease adverse human rights and environmental impacts throughout the organization and our supply chain. It consists of six areas (see figure). Meaningful engagement with relevant stakeholders and rightsholders is a key component of the process. Through our due diligence process, we address our salient human rights topics, as well as those specifically addressed by the UN Global Compact, GRI, and relevant regulations. The following sections describe the human rights due diligence process steps in more detail.

Due diligence process



1. Policy commitment and management

The Lindt & Sprüngli Human Rights Policy outlines the scope of our commitment, our salient issues, how our actions to respect human rights and address our salient issues are integrated into our business, our remedy and grievance mechanisms, and governance. Executives and the Board oversee our human rights due diligence (see [Sustainability governance structure](#)) while the Human Rights Working Group (HRWG) and Human Rights Officer have operational responsibility for managing human rights due diligence.

2. Assessing human rights risks and impacts

In our annual risk analysis, we identify, weigh, and prioritize human rights and environmental risks in our operations and direct and indirect (tier 2+) supply chain using a purpose-built tool. We consider the severity (scope, scale, and irremediability) and likelihood of thematic risks, their relevance to business units and supply categories (based on industry knowledge, risk reports, and reported grievances if any), and geographic risks, with input from 27 third-party indices. Our assessment of risks is informed by specialty risk assessments, concerns raised through our grievance mechanism, and engagement with stakeholders. For example, the results of our health and safety site audits inform our aggregate assessment of related risks across our own business areas while supplier assessments and audits impact individual supplier risk assessments, as well as our overall assessment of supplier category risks.

There are human rights issues that are particularly relevant to our business, industry, and supply chains. Among the broader human rights issues identified, we prioritize the following:

- Access to water and sanitation
- Biosphere loss/deforestation
- Child labor
- Climate change
- Discrimination, harassment, and violence
- Forced labor
- Health and safety
- Land rights
- Living income and wages
- Working hours

Lindt & Sprüngli is a chocolate manufacturer with production operations in well-regulated countries in Europe and North America, distribution operations around the world, and global sourcing. Accordingly, severity and prevalence of our salient issues tend to be greater in our indirect (tier 2+) supply chain in the sourcing and processing of goods and services, such as raw materials.

GRI and UNGC human rights issues

The GRI, UN Global Compact, and selected regulations seek additional detail on the type of operations and suppliers, including geographic areas, considered to be at significant risk concerning the following:

The right to freedom of association and collective bargaining

We remain committed to respecting our employees' rights to freedom of association, to join trade unions, and to collective bargaining (see [Employment and labor relations](#)). The right to freedom of association and collective bargaining was not identified as a significant risk for Lindt & Sprüngli's global operations or supply chain. Still, this topic was included in our Supplier Code of Conduct, EcoVadis supplier assessments, and SSP audits as we recognize it as an important employment and labor relations matter in supply chains generally (see [Responsible sourcing](#)).

Forced or compulsory labor

Forced or compulsory labor was not identified as a significant risk in our own operations. We nevertheless strive to have good internal controls. Examples of this are providing contracts for employees with the terms and conditions of employment, engaging with works councils and employee union representatives, supplementing our workforce in peak seasons with contract workers via reputable labor agencies, and ensuring workers with foreign nationalities are legally, fairly, and voluntarily employed. The company recognizes that Russell Stover's participation in a program which employs prison inmates at manufacturing facilities represents increased risk, and warrants additional measures to ensure the prisoners' rights are respected. As with all employees, their employment is voluntary and they can opt out at any time without repercussion from the company or the state. Furthermore, the resident employees develop useful job skills through their work, while earning a decent wage.

Supply chain service areas such as logistics and construction are considered to have a risk of forced or compulsory labor. Additionally, we have identified a risk in the indirect (tier 2+) supply chain of some raw materials (including cocoa, vegetable fats and oils, sugar and hazelnuts), as well as packaging and IT hardware (for example in factories in Asia). For related preventive and mitigation actions see our [Responsible sourcing](#) approach, including SSP audits of indirect Asian packaging suppliers and raw material-specific certifications and sourcing approaches.

Child labor and young workers exposed to hazardous work

For information on this topic please see the section on [Child labor](#).

3. Addressing salient issues

Our actions to respect human rights and address our salient issues are integrated into our business on an ongoing basis, including through:

- Policies
- Targets and action plans
- Responsible sourcing approach
- Audits and corrective actions
- Training and capacity building
- Collective action and multi-stakeholder initiatives

Policies

For more information on how our Group-wide policies support how we address human rights and our salient issues, see [Policy map on salient human rights issues](#).

Targets and action plans

The Lindt & Sprüngli Sustainability Plan incorporates targets and action plans for our different salient issues in our operations and supply chain. These include the following defined actions and targets: [Responsible sourcing](#); [Rural development](#); [Child labor](#); [Conservation of biodiversity and natural ecosystems](#); [No-Deforestation & Agroforestry Action Plan](#); [Climate](#); [Enabling and motivating working environment](#); [Occupational health and safety](#). The targets and progress can be found in each respective chapter.

Responsible sourcing approach

Our responsible sourcing approach is informed by the due diligence process and adapted to different categories. It considers social and environmental aspects and applies to both direct and indirect sourcing. Many of our salient issues are incorporated into our [Supplier Code of Conduct and Compliance Declaration](#), [EcoVadis Supplier Assessments](#), and [Supplier Sustainable Practice \(SSP\) Program](#) audits.

Our raw material risk assessment continues to inform our responsible sourcing approaches for priority raw materials, including the selection of third-party standards. See [Responsible sourcing](#) for an overview of the criteria for our priority materials.

Responsible sourcing process	Salient issues & GRI and UNGC human rights issues ¹	
Supplier Code of Conduct and Compliance Declaration	● Biosphere loss/deforestation ● Child labor ● Climate change ● Discrimination, harassment, and violence	● Forced labor ● Health and safety ● Living income and wages ● Working hours
EcoVadis Supplier Assessments	● Biosphere loss/deforestation ● Child labor ● Climate change ● Discrimination, harassment, and violence	● Forced labor ● Freedom of association and collective bargaining ● Health and safety ● Working hours
Supplier Sustainable Practice (SSP) Program	● Child labor ● Discrimination, harassment, and violence ● Forced labor	● Freedom of association and collective bargaining ● Health and safety ● Working hours

¹ For full scope, see [Responsible sourcing](#)

Audits and corrective actions

We perform audits – or have third parties perform audits on our behalf – to support the assessment of actual and potential impacts linked to prioritized operations, suppliers, or other relationships (e.g., farmers in our supply chain), and develop corrective actions to prevent, mitigate or end negative impacts.

Own operations: In 2023, we completed an in-depth health and safety assessment program with a third party across our entire Group. We also conducted an EcoVadis assessment for the Lindt & Sprüngli Group, for which we were awarded an EcoVadis Silver Medal in recognition of our 2023 performance. The suggested corrective actions did not include any high priority actions related to labor and human rights.

Direct and indirect (tier 2+) suppliers: EcoVadis assessed suppliers receive individual corrective action plans. We also monitor and strive to improve responsible practices at supplier sites through our Supplier Sustainable Practice (SSP) Program (see [Responsible sourcing](#)).

Affected communities: Our monitoring and evaluation approach for the Farming Program is based on multiple complementary elements including child labor focused monitoring, external verification, and impact assessments (for more information, see [Rural development](#)).

Training and capacity building

Own workforce: We communicate our Human Rights Policy to new and existing employees with a reference in Lindt & Sprüngli's Business Code of Conduct. A mandatory human rights training course for relevant employees will begin rolling out in 2024. The training video introduces the UN Guiding Principles (UNGPs), our commitment and due diligence process, and key topics such as child labor and forced labor.

Direct suppliers: EcoVadis assessed suppliers receive access to human rights training materials and resources to support them in meeting our human rights commitments. The resources and training include guides on how to develop labor and human rights policies and reports, and whistleblower procedures, as well as training on employee health and safety, child and forced labor prevention, and diversity and inclusion.

Through our Lindt & Sprüngli Farming Program we pursue long-term supplier partnerships and co-design and develop the Program with suppliers. This allows us to establish clear expectations with suppliers and work closely with them to review their performance to facilitate continuous improvement. It also allows us, and our suppliers, to support capacity building for farmers over multiple years.

Indirect (tier 2+) suppliers: Our proactive SSP approach is designed to encourage long-term improvements and provide targeted development support, such as dedicated advice on worker safety management systems.

Affected communities: Through the Lindt & Sprüngli Farming Program for cocoa that is implemented by our suppliers, we go deeper into our supply chain by offering training and support for farmers and community members on salient issues (e.g., child labor sensitization and health and safety), providing premiums, investing in infrastructure, and establishing Village Savings and Loan Associations (see [Rural development](#)).

Collective action and multi-stakeholder initiatives

Participating in and promoting third-party standards such as EcoVadis and raw materials certifications contributes to creating momentum for collective action in our supply chain. For more information on our partnerships, see our [Memberships & Partnerships](#) page.

4. Ensuring access to effective remedy

Our Speak Up grievance mechanism and remediation process are our primary means of providing access to effective remedy (see [Business integrity](#)). In addition to the Speak Up Line, other processes and channels exist to audit or otherwise identify and remediate matters of concern, such as Child Labor Monitoring and Remediation Systems (CLMRS) and the SSP (see also [Audits and corrective actions](#)). We expect cocoa suppliers who are implementing the Farming Program to establish a CLMRS in child labor risk countries. Through the CLMRS, families and community members gain a better understanding of risks, and discuss ways of preventing negative impacts, for instance through collaboration. Field staff also conduct follow-up visits to assess the effectiveness of remedies (see [Child labor](#)).

5. Evaluating the effectiveness of our due diligence

Lindt & Sprüngli's Human Rights Policy was approved in mid-2022 and our first annual effectiveness review was conducted in 2023. The review considered the Human Rights Policy, governance, risk assessment, effective action, monitoring and evaluation, access to remedy, communication and reporting, and stakeholder engagement.

Our review considered external indices (e.g., Corporate Human Rights Benchmark), input from expert human rights consultants, complaints raised through Speak Up channels, and progress against the targets and goals set forth in the Lindt & Sprüngli Sustainability Plan.

Our evaluation was prepared by the Human Rights Officer and Human Rights Working Group. It was reviewed by members of Group Management and by the Sustainability Committee of the Board. The review reflected good progress in the first year of the Human Rights Policy coming into effect, as well as opportunities for continuous improvement. Select actions resulting from the review include a further rollout to subsidiaries in 2024 of processes established in 2023, enhanced external reporting (as reflected in this Sustainability Report), and developing a strategy and guidelines for human rights impact assessments.

6. Reporting and communication

Lindt & Sprüngli's Sustainability Report is our primary annual public report on our human rights due diligence efforts, action plans, and progress.

The Lindt & Sprüngli Human Rights Policy is available to all workers and external stakeholders on our corporate website with translations into six languages. We further communicate it to suppliers with a reference in the Supplier Code of Conduct and notification on our supplier management system. In 2022, we put a process in place to have all existing suppliers sign our updated Code, which refers to the Human Rights Policy. The Code states that suppliers take responsibility to implement the requirements and necessary due diligence processes with their own employees, agents,

temporary workers, subcontractors, homeworkers, suppliers, and sub-suppliers with whom they work in the delivery of goods and services to Lindt & Sprüngli.

Engaging with stakeholders

In our due diligence processes, we aim to consider the parties and/or persons potentially and actually affected and/or their legitimate representatives.

We annually engage with works councils and employee union representatives. Every three years we also conduct global employee surveys. These request feedback on matters such as working conditions and compensation, and diversity and inclusion (see [Performing together](#)).

Our Lindt & Sprüngli Farming Program includes monitoring and evaluation based on annual internal monitoring with the goal of covering all cocoa farmers to assess progress made on more sustainable farming practices and better livelihoods. Annually, an external verification is conducted to assess compliance with Program or certification requirements. Informal feedback from farmers during this process can reveal opportunities to improve our Program (see [Improving livelihoods](#)). For example, in a number of programs we changed from in-kind contributions to cash premiums. The farmers' desire to have more personalized training led to the coaching component of the Program. Based on feedback from spouses, we are currently adapting the coaching to better accommodate their specific needs.

Child labor

Lindt & Sprüngli strongly condemns all forms of child labor. In agricultural value chains, especially in the cocoa sector in West African countries, child labor is a persistent and complex challenge. It requires intense, continuous, and collaborative efforts from all stakeholders active in the sector. At Lindt & Sprüngli, addressing child labor is a priority and we are firmly committed to avoiding it whenever possible. This is a key focus of our Farming Program in our cocoa supply chain.

Fulfillment of duty of care in accordance with Article 964j-l of the Swiss Code of Obligations

Lindt & Sprüngli conducts risk-based human rights due diligence on the company's own operations and those in its supply chain. This includes assessing the risk of well-founded suspicion of child labor for supplied goods and services ([Respecting human rights](#)). The following section addresses specific due diligence and reporting obligations in the area of child labor in fulfillment of our duty of care in accordance with Article 964j-l of the Swiss Code of Obligations.

Examination of suspicion of child labor

Lindt & Sprüngli purchases products from origins with a UNICEF Children's Rights in the Workplace Index risk classification score above "Basic" according to the index published in June 2023. We therefore use a risk-based approach to check for reasonable suspicion of child labor risk in relation to specific products or services. To do so, we isolate suppliers in categories and industries of goods or services where a risk of child labor has been identified. We then further assess sub-categories in detail, such as individual raw materials, using credible and independent sources, such as ILO reports, the UNICEF Children's Rights in the Workplace Index and the US Department of Labor List of Goods Produced by Child Labor or Forced Labor. We determine risk levels using criteria from the UN Guiding Principles (severity relative to scale, scope, and remediability, as well as probability). Finally, we determine risk levels for individual suppliers. Suppliers' primary location and raw material country of origin information is considered in this phase where available.

The most relevant suspicion of child labor is the indirect (tier 2+) supply chain of raw materials. This includes the sourcing of cocoa from West Africa, Papua New Guinea and Madagascar, coconuts and coconut oil for example from

the Philippines, hazelnuts from Türkiye, palm oil from Indonesia, vanilla from Madagascar, as well as packaging from Asia.

We also assess the risk of child labor in our own operations as part of our due diligence process. Child labor, young workers exposed to hazardous work, and the worst forms of child labor were not identified as a significant risk in our own operations. This is because Lindt & Sprüngli operates primarily in well-regulated markets and with good internal controls such as age verification for employees. The company does employ young workers under the age of 18, for example apprentices, trainees and interns, but all are above the local legal working age. The assessment will be repeated annually.

Child labor due diligence, risk management and traceability

Our Human Rights Policy, Supplier Code of Conduct, and the Farming Program Verification Guidance and Child Labor Monitoring & Remediation System Guidance Document collectively constitute our Child Labor Policy (see [Policy map on salient human rights issues](#)).

The outputs of our child labor risk assessment are used to inform Lindt & Sprüngli's risk management system, including our due diligence approach and preventive and mitigation actions (see [Targets and action plans](#) and [Responsible sourcing](#)). We also focus on enhancing traceability in our supply chains by applying a risk-based approach. Information on all our tier 1 suppliers, as well as the goods and services they provide, are recorded in procurement systems. We record internally, and plan to disclose publicly during the course of 2024, traceability information for cocoa, including tier 1 suppliers of cocoa sourced and farmer groups participating in the Lindt & Sprüngli Farming Program. The current level of supply chain traceability depends on the sourcing arrangement and complexity of the cocoa product sourced.

Concerns about child labor in our supply chain can be reported via our Speak Up grievance mechanism, an additional process and channel to audit or otherwise identify and remediate matters of concern (see [Ensuring access to effective remedy](#)).

Reducing the risk of child labor in the cocoa supply chain

By 2025, we aim for 100% of our cocoa volume from child labor risk countries to be covered by a Child Labor Monitoring and Remediation System (CLMRS) that is being rolled out or is implemented.



Status 2023: On track

Child labor in cocoa is a systemic issue rooted in poverty, lack of awareness, a shortage of adult labor, and poor infrastructure such as an absence of educational facilities in cocoa-producing villages. We are aware that we do not have all the answers on how to prevent abuses of children's rights in our supply chains. We are however fully engaged in working to continuously enhance the effectiveness of our systems in order to address this risk in our cocoa supply chain and beyond.

Lindt & Sprüngli's cocoa suppliers, in countries of origin with a risk of child labor, are expected to effectively protect children's rights along our supply chain by implementing a Child Labor Monitoring and Remediation System (CLMRS). A CLMRS is a means of targeting prevention, mitigation and remediation assistance to children involved in, or at risk of, child labor, as well as to their families and communities.

Convinced that addressing child labor in the cocoa sector effectively starts with having clearly defined processes and good management systems, we developed a [CLMRS Guidance Document](#) for suppliers implementing the Lindt & Sprüngli Farming Program. The document was launched in 2021 and describes more specifically our expectations of, and proposed approach to, the prevention, monitoring, and remediation of child labor. With the implementation of a CLMRS that meets our requirements as an integral part of the Farming Program, we set out clear targets related to the

protection of children's rights in contracts for suppliers, including resources dedicated to CLMRS implementation. For suppliers not involved in our Program, we rely on CLMRS guidance, implementation and verification through Rainforest Alliance certification.

We aim, by 2025, for all of our cocoa from child labor risk countries to be covered by a CLMRS that is being rolled out or implemented. In 2023, a total of 66.1% of cocoa from child labor risk countries was sourced from locations where this was the case. In Ghana and Côte d'Ivoire, 88,200 farming households, all of them participants of the Lindt & Sprüngli Farming Program, were covered by a CLMRS. Suppliers in Papua New Guinea and Madagascar were onboarded to our CLMRS in 2023, and are currently rolling this out to cover 7,200 households.

Our CLMRS follows three principles:

- 1. Dual approach:** This approach to protecting children's rights combines supply chain-based interventions – focused on effective child labor monitoring and remediation for Farming Program farmers in our supply chain – with community-based interventions focused on supporting farming households and communities to address the issue more broadly.
- 2. Children's rights focus:** This places the focus on raising awareness within communities about children's rights, including the issue of child labor as well as related topics such as the right to education.
- 3. Holistic and preventive:** A focus on holistic and preventive interventions extends beyond the monitoring and remediation support given to individual children. Mitigating the risk of child labor further requires the involvement of community leaders and members, as well as close collaboration with relevant stakeholders, including public institutions.

Since the start of implementation in 2022, supplier awareness has increased through training and capacity building of field staff. Furthermore, the risk assessment required as part of the CLMRS enabled unannounced visits to target high-risk households. As a result, we have observed better identification of child labor and respective remediation actions. This demonstrates the enhanced effectiveness of the system adopted by suppliers. The more efficient and effective our identification system, the better we can work with suppliers on remediation and prevention.

CLMRS process



1. Farming household and community risk assessment

Household and community risk assessments are the starting point of the CLMRS. In 2023, we continued to support five suppliers in Ghana and Côte d'Ivoire in implementing the CLMRS process and started the process with three suppliers in Papua New Guinea and Madagascar. As a first step, household and community data is collected and analyzed by our suppliers to identify communities and households with high child labor risks. Some of the key risks are the lack of school infrastructure, lack of access to safe drinking water, and health facilities, as well as household-specific risk factors such as farm size. As per our guidance, suppliers should use this data to inform future investments in preventive actions at the supply chain and community level, implemented as part of the Program. The results to date indicate that significant investment by all actors, including governments, the private sector, and NGOs, will be needed to reduce child labor risks.

2. Preventive interventions

As an initial preventive measure in the supply chain, suppliers are expected to raise awareness of the protection of children's rights as part of the mandatory training curriculum and a minimum requirement of the Lindt & Sprüngli Farming Program. In addition to training, staff from our suppliers visit high-risk Farming Program households to create and raise individual awareness to be able to better identify and avoid child labor. Beyond raising awareness, Farming Program farmers receive additional support to improve their resilience and to address the root causes of child labor. This includes investments into community infrastructure, such as schools and boreholes, as well as access to adult labor through community services groups (see [Community development and infrastructure investments](#)).

Since child labor is a systemic issue, it cannot be solved on a broader scale solely by managing and dealing with individual cases in the supply chain. For this reason, we expect suppliers to use the collected CLMRS risk data to decide on and target Program interventions that ensure support for more systemic, preventive, community-based measures. Sensitizing communities and supporting community child protection committees are first-step preventive measures. In 2023, we financially supported the creation of new Community Child Protection Committees (CCPCs) in communities at risk.

In 2023, based on results from the risk assessments, we supported suppliers in developing action plans and investing in infrastructure to build resilience and serve the households and communities most in need. Particular attention was

given to school-based interventions, including investments in education infrastructure. In the reporting year, the Program supported the refurbishment of five schools, bringing the total to 50 schools, benefiting approximately 9,700 children to date.

Our recognition of the need for collective action to prevent child labor at a more systemic level was instrumental in our decision to join the [Child Learning and Education Facility](#) coalition in 2022 (see [Rural development](#)).

3. Identification of children's rights abuses

We guide suppliers to implement a risk-based approach to identify child labor within our cocoa supply chain. First, suppliers in child labor risk countries are expected to conduct child-labor focused monitoring visits for all Farming Program households with risk potential for child labor and a minimum portion of Farming Program households overall. This requirement is being rolled out and, in 2023, a total of 16,200 of these visits took place. Second, child labor questions are an integral part of the internal monitoring of all farmers as per our requirements. Finally, suppliers as well as Lindt & Sprüngli have grievance mechanisms through which child labor can be reported by any stakeholder.

To support child labor monitoring at the community level, the Program provides indirect support by helping to establish a monitoring mechanism, owned by the CCPCs. This includes a grievance mechanism and CCPCs are encouraged to share data with regional government institutions.

4. Cease or mitigate abuses of children's rights

Suppliers are required to operate a case management system to manage identified child labor. Such a system aims to provide remediation support for concerned families to address the immediate issues of children in need. It is combined with follow-up visits to assess the success of case remediation.

Remediation support at an individual level can include engagement with parents, the provision of school uniforms, birth certificates or funds for school fees, and, as a last resort, referral to competent local authorities. In 2023, suppliers reported that more than 800 children within the Farming Program received remediation support and reported to no longer engage in work classified as child labor at the two most recent follow-up visits conducted by Program staff.

Child labor identified outside of our Farming Program at community level is remediated through awareness-raising visits by the CCPC, or referral to national institutions.

5. Track and report

Suppliers are requested to document their processes, collect and analyze data, record activities conducted and report on both activities and effective remediation.

Outlook

Child labor is a structural, socio-economic issue that cannot be solved by a single supply-chain actor in isolation. Varying local and cultural specifics also need to be taken into account.

Over the coming year, we will continue to work with our suppliers to implement CLMRS systems which comply with our requirements. We will carry on supporting suppliers in conducting community and household risk assessments, requiring them to increasingly use this data to make preventive community-based investments where these create the most impact. Furthermore, our external verification partner Earthworm Foundation has integrated CLMRS-related questions into its assessment.

In addition, we will actively participate in sector initiatives and, for example, support the improvement of quality education through engagement in the CLEF coalition in Côte d'Ivoire.

Reducing the risk of child labor in other priority raw material supply chains

Our Responsible Sourcing Roadmap 2025 covers twelve priority materials that we want to source or start sourcing responsibly by 2025, including those identified as having an elevated risk of child labor (see [Responsible sourcing](#)).

The supply chain in the Turkish Black Sea region, where most of the world's hazelnut harvest originates, has high risks related to labor conditions such as the health and safety of farm workers, child labor, and seasonal workers' working and accommodation conditions. To address child labor in the seasonal workforce, we support investments in Child Labor Monitoring and Remediation Systems (CLMRS) and preventive measures such as making summer schools available to seasonal workers' children.

As the coconut supply chain in select origins is associated with an elevated child labor risk, we aim to source coconut oil through a responsible sourcing program, which encompasses a suitable certification scheme option. We will initiate the definition of an associated program, covering child labor, beginning in 2024.

Palm oil from Indonesia is also associated with an elevated child labor risk. Since 2015, Lindt & Sprüngli has sourced 100% of its palm oil, palm kernel oil, and their fractions with Roundtable on Sustainable Palm Oil (RSPO) certification. The RSPO standard includes criteria prohibiting child labor and requiring policies to protect children and to provide remediation.

In 2023, we began sourcing Rainforest Alliance certified vanilla, and we aim to reach 100% by 2025. Child labor, forced labor, discrimination and workplace violence and harassment are not tolerated on Rainforest Alliance certified farms. The standard includes an "assess-and-address" model which requires certificate holders to have specific measures to monitor, mitigate, and remediate cases of these issues.

The risk of child labor in the packaging supply chain is primarily associated with factories in Asia. Through our SSP Program, we audit supplier sites with an emphasis on social and environmental aspects, including child labor.



Improving livelihoods

41 Responsible sourcing

51 Rural development

Why we care

We want to support people and the natural environment along our supply chain by contributing to decent and resilient livelihoods, enhancing rural development, and promoting the conservation of biodiversity. The health, safety and wellbeing of farmers and their families, as well as other workers in affected communities along our supply chain, are at the center of our responsible sourcing activities. We aim to have a positive presence in the lives of our supply chain partners, while minimizing and, wherever possible, eliminating negative impacts on the environment. We are committed to sourcing both agricultural and non-agricultural materials in a responsible, fair and transparent manner.

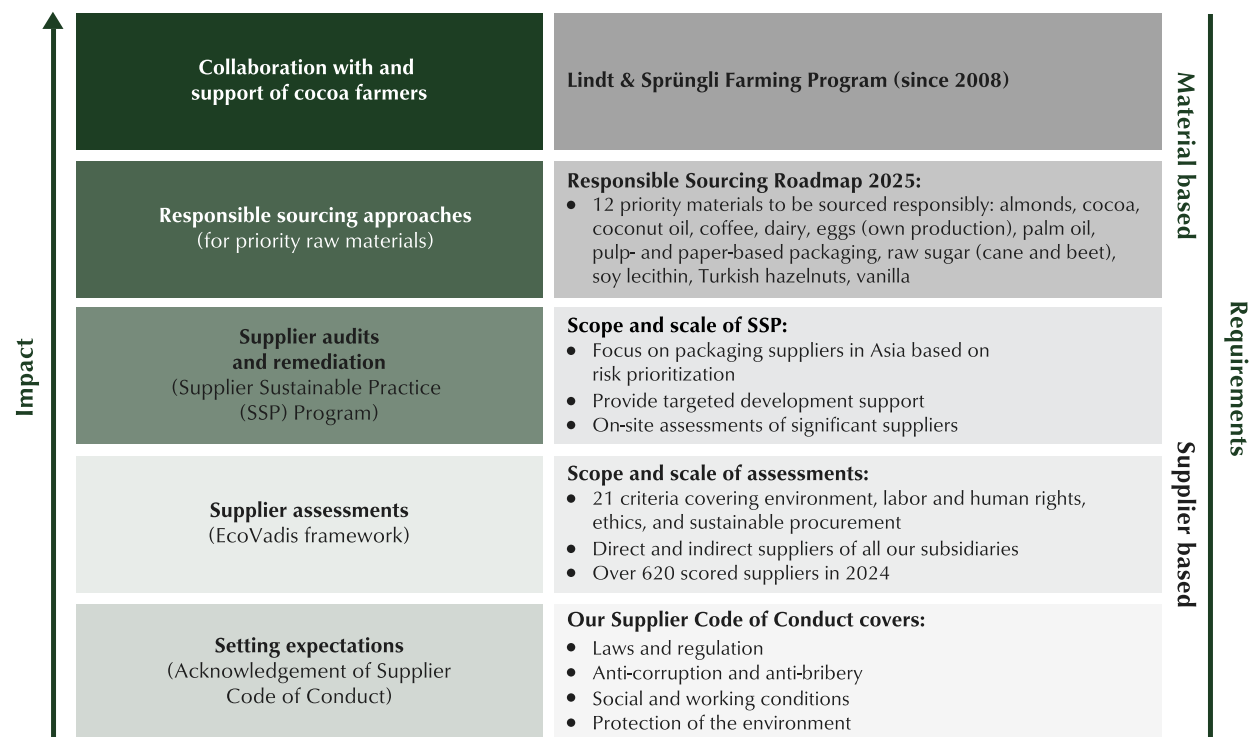
A reliable supply of raw and packaging materials is essential to the success of our business. Lindt & Sprüngli knows that the production, processing, and transportation of these materials can have significant social and ecological impacts, for instance in relation to child labor, labor relations, climate change, and deforestation. With this in mind, we are committed to contributing to the preservation and improvement of the environments and communities we source from.

We are also aware of, and closely monitor, the developing regulatory focus on supply chain risks such as deforestation and human rights (for more information refer to the [Contributing to an intact environment](#) and [Business integrity and human rights](#) chapters). Our due diligence processes aim to ensure regulatory compliance.

How we care

Our responsible sourcing approach consists of five building blocks (see infographic). Our Supplier Code of Conduct forms the basis of our supplier cooperation. In addition, we conduct assessments and supplier audits to measure our suppliers' sustainability performance. Based on a comprehensive risk assessment we have identified twelve priority raw and packaging materials for which we have defined a specific responsible sourcing approach.

Our responsible sourcing approach



In 2023, we updated our internal Responsible Sourcing Guidance document. This specifies how all of the raw and packaging materials in our Responsible Sourcing Roadmap 2025 should be sourced. It also contains information on third-party sustainability certification or verification where applicable.

Our responsible sourcing approach, including selection of third-party standards, continues to be informed by our risk assessment of raw and packaging materials. We also consulted stakeholders linked to our raw material value chains in the development of our responsible sourcing approach. Our responsible sourcing approach prioritizes improving the livelihoods of rural producers, and contributing meaningfully to rural development and an intact, biodiverse environment in the regions we source from. To achieve this, we expect our suppliers to respect human rights, uphold environmental, legal and labor standards, support agricultural communities, reduce the environmental impacts of sourcing raw materials, and ensure transparency and traceability along our supply chain.

To monitor and address salient issues within our global supply chains, we evaluate whether current measures are sufficient through regular supplier visits, collecting feedback from local subsidiaries, and tracking our Key Performance Indicators (KPIs). Emerging issues are addressed in regular Group procurement update calls in which local subsidiary procurement heads participate. For details on our governance in relation to responsible sourcing, please see the [Sustainability governance structure](#) section in the Strategy chapter.

Our Improving livelihoods related policies and documents

- 🔗 [Business Code of Conduct](#)
- 🔗 [Child Labor Monitoring and Remediation System \(CLMRS\) Guidance Document for Suppliers](#)
- 🔗 [Deforestation Policy](#)
- 🔗 [Human Rights Policy](#)
- 🔗 [Lindt & Sprüngli Farming Program External Assessments Methodology of Earthworm Foundation](#)
- 🔗 [Lindt & Sprüngli Farming Program Theory of Change](#)
- 🔗 [Lindt & Sprüngli Farming Program Verification Guidance](#)
- 🔗 [Speak Up Policy](#)
- 🔗 [Supplier Code of Conduct and Compliance Declaration](#)

Responsible sourcing

We aim for 80% of our sourced volumes of raw and packaging materials bearing significant sustainability risks to be covered by a responsible sourcing program by 2025.



Status 2023: On track

Material topics

- Engaging with affected communities
- Employment and labor relations in the supply chain
- Employee health, safety and wellbeing in the supply chain
- Equality, diversity and inclusion in the supply chain

Our responsible sourcing approach considers social and environmental aspects and applies to both direct and indirect sourcing. We set out our expectations in our Supplier Code of Conduct, which must be acknowledged and signed by our suppliers at the start of our collaboration. As a chocolate company, we prioritize the responsible sourcing of our raw and packaging materials. Our twelve priority materials are: cocoa, Turkish hazelnuts, palm oil, raw sugar (cane and beet), vanilla, soy lecithin, eggs (own production), pulp- and paper-based packaging, almonds, dairy, coconut oil, and coffee.

Supplier Code of Conduct

Our Supplier Code of Conduct (Supplier Code) requires our partners throughout the supply chain to adhere to our social, environmental, ethical, legal and business integrity standards. It sets out what we expect of suppliers with regard to compliance with laws and regulations, corruption and bribery, social and working conditions, and protection of the environment. The Supplier Code reinforces our commitment to respect human rights, as outlined in our Human Rights Policy, and incorporates our Speak Up Line, which encourages suppliers to confidentially report any concerns they may have about unlawful activities at our sites or violations of the Supplier Code, without fear of retaliation.

The Supplier Code requires suppliers to conduct regular internal assessments to ensure their compliance with the Code, agree to participate in any assessments conducted by or on behalf of Lindt & Sprüngli, and accept unannounced inspections of their facilities to verify compliance. In 2023, the company continued the process to have new and existing suppliers sign the updated 2022 version of the Supplier Code.

Supplier assessments

We use the EcoVadis framework to evaluate the sustainability performance of prioritized suppliers of direct and indirect goods and services of all our subsidiaries. In 2023, we expanded the scale of our assessment from 581 to **629** PwC CH scored suppliers, which represents 56.2% of our total procurement expenditure across our Group. Lindt und Sprüngli primarily focuses on priority suppliers based on high spend that have not undergone the assessment process yet. Then, our focus is on ensuring that suppliers with expiring scores run the assessment again to renew their score. The assessment is based on 21 criteria and covers four topics: environment, labor and human rights, ethics, and sustainable procurement.

EcoVadis takes into account material industry issues, presence in risk countries, and the size and geographical span of the supplier. Furthermore, the assessment considers international sustainability standards such as the Ten Principles of the UN Global Compact, the ILO conventions, the GRI Standards, the ISO 26000 standard, the Ceres Roadmap, and the UN Guiding Principles on Business and Human Rights.⁵

In 2023, our suppliers achieved an average score of 56 out of 100, an increase of 1 point compared to 2022. Expenditure weighted, the average score was **61.2** PwC CH. For those companies rating lower than 45, we will continue to annually request corrective actions and reassessments. Every participating supplier, regardless of their score, receives an

⁵ Please find more information on the EcoVadis rating methodology and principles on the [EcoVadis website](#).

individual corrective action plan, which outlines expectations on each criterion, and training support via the EcoVadis Academy.

Supplier audits and remediation

We closely monitor and strive to improve responsible practices at supplier sites through our Supplier Sustainable Practice (SSP) Program, our supplier site audit and remediation program. Based on prioritization derived from a risk assessment, this program focuses on packaging suppliers in Asia, with an emphasis on social and environmental aspects at production sites. Currently around 10% of our packaging expenditure is linked to suppliers from Asia, especially for decorative materials, as well as for supplies for our Asian subsidiaries.

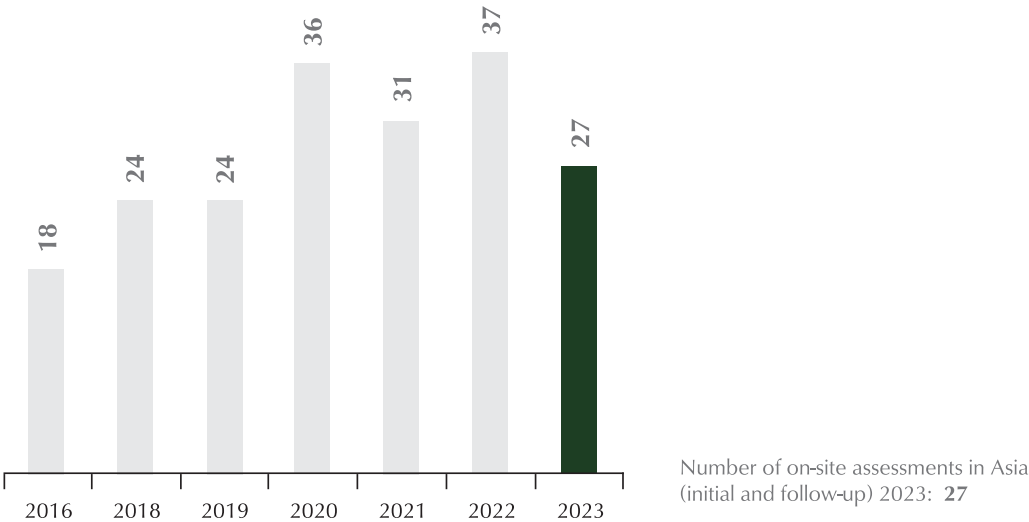
Depending on their risk profile, in particular the nature of their business operations, we conduct on-site assessments of those significant suppliers. For new tier-2 contractors (sub-suppliers that do not have a direct business relationship with Lindt & Sprüngli), we conduct quick-check assessments which focus on compliance. Should suppliers have a low rating in their SSP audits, we require them to be audited on a more frequent basis and to show improvements. Where feasible and reasonable, we reduce the volume we purchase from them, or replace them if necessary. Suppliers in the SSP that violate zero-tolerance issues, or repeatedly fail to improve, are added to Lindt & Sprüngli's Group-wide block list.

SSP Program

The four steps of the Lindt & Sprüngli Supplier Sustainable Practice (SSP) Program



Number of on-site assessments in Asia



In 2023, 27 suppliers were assessed and nine of them received a positive overall rating. For the remaining suppliers, detailed action plans were agreed upon, which are reviewed frequently both off- and on-site. As a result of our continuous effort to deploy our on-site audit program, most of our packaging suppliers in Asia have been assessed over the years. 97.5% of our procurement expenditure for packaging material from Asian factories is covered by the Supplier Sustainable Practice (SSP) Program. With assessments being valid for up to three years, physical audits decreased slightly in 2023 from 2022.

Responsible sourcing approaches for priority raw materials

Our Responsible Sourcing Roadmap 2025 covers the twelve priority materials we want to source or start sourcing responsibly by 2025. The materials were defined based on a comprehensive raw and packaging materials risk assessment integrating criteria including environmental, social, and supply chain risks and impacts, as well as sourced volumes and stakeholder expectations. It considered the unique risks and impacts of individual raw materials, as well as the varying risk levels according to geographical origin.

We have introduced responsible sourcing standards for eight of our twelve priority materials and made significant progress against many, such as 100% of palm oil sourced as RSPO certified. In 2020, we also reached our milestone target of sourcing 100% of our cocoa beans through the Lindt & Sprüngli Farming Program or other sustainability programs. We will define a responsible sourcing approach for the remaining materials, allowing us to gradually reach our overall responsible sourcing goal by 2025. We may not source 100% of each of the twelve materials through sustainability programs by 2025, but responsible sourcing approaches will be defined for all twelve materials and, overall, 80% of our sourced volume bearing significant sustainability risks will be covered by a responsible sourcing program.

Responsible Sourcing Roadmap 2025

Material	Status 2023	Target	Material	Status 2023	Target
Total cocoa products		100% by 2025	Cane sugar		100% by 2025
Cocoa beans equivalent sourced through sustainability programs	72.3% 		Cane sugar Bonsucro certified, credit compensated or sourced through other certification schemes comprehensively aligned to the Bonsucro Production Standard	32.0%	
Cocoa beans		100% by 2020	Beet sugar		100% by 2025
Cocoa beans sourced through sustainability programs	100%		Beet sugar sourced FSA silver level verified	88.5%	
Cocoa butter		100% by 2025	Vanilla		100% by 2025
Cocoa powder sourced through sustainability programs	50.2%		Vanilla sourced Rainforest Alliance certified	22.6%	
Cocoa powder		100% by 2025	Soy lecithin		100% by 2018
Cocoa butter sourced through sustainability programs	31.3%		Soy lecithin sourced ProTerra certified	96.7%	
Hazelnuts		100% by 2020	Eggs in own production*		100% by 2020
Turkish hazelnuts sourced through sustainability programs	99.9%		Eggs sourced cage free (or at a higher standard)	100%	
Palm oil		100% by 2015	Pulp and paper		100% by 2025
Palm oil (kernel/oil/fractions) sourced RSPO certified	100%		Pulp and paper-based packaging sourced FSC or PEFC certified	55.6%	

*Excluding Russell Stover

While sustainability programs and third-party sustainability certifications represent enhanced approaches compared to conventional material sourcing, we recognize that further efforts are needed from various stakeholders to resolve the underlying causes of the many social and environmental topics of potential concern.

Cocoa

We aim to source 100% of cocoa products – beans, butter, powder, and chocolate mass – through the Lindt & Sprüngli Farming Program or other sustainability programs by 2025.

 72.3% 

Status 2023: On track



Cocoa is our most important raw material, and we are committed to sourcing it responsibly. We purchase cocoa beans, cocoa butter, cocoa powder, and uniquely for Russell Stover, chocolate mass. Through the Lindt & Sprüngli Farming Program, we aim to create decent and resilient livelihoods for cocoa farmers and their families and to encourage more sustainable farming practices.

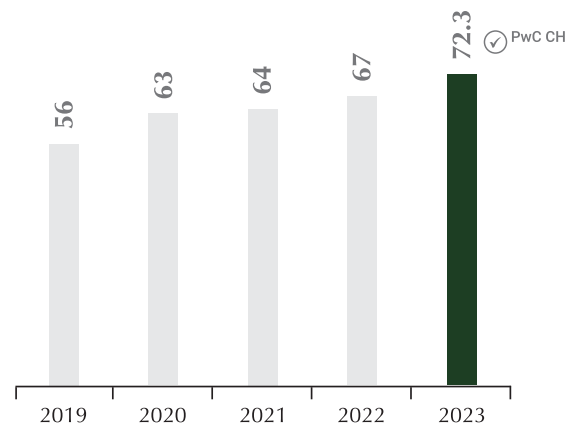
Taking into account all cocoa products, we sourced 159,914 metric tons cocoa bean equivalents⁶ in 2023. In total, **72.3%**  of cocoa bean equivalents were sourced through the Lindt & Sprüngli Farming Program or other sustainability programs (up from 67.2% in 2022) including: 100% of cocoa beans, 50.2% of cocoa butter (up from 44.4% in 2022) and 31.3% of cocoa powder (up from 5.3% in 2022). By year-end we had not yet sourced chocolate mass through any sustainability programs.

We do remain on track to achieve our target to source all cocoa products (beans, butter, powder, and chocolate mass) through the Lindt & Sprüngli Farming Program or other sustainability programs by 2025. Chocolate mass and powder will be sourced with a minimum of Rainforest Alliance “mass balance” certification, as will all butter not covered by the Farming Program.

⁶ Cocoa bean equivalent is calculated using the conversion factors of the International Cocoa Organization (ICCO): cocoa butter to beans: 1.33; cocoa powder to beans: 1.18; cocoa liquor to beans: 1.25. The number excludes an immaterial volume of ingredients which contain cocoa products combined with other materials.

Cocoa sourced through sustainability programs

Percentage of cocoa beans equivalent* sourced through the Lindt & Sprüngli Farming Program or other sustainability programs, verified or certified by a third party



* Previous years' data rounded to whole numbers

Hazelnuts

We aim to source 100% of Turkish hazelnuts through sustainability programs by 2025.



Status 2023: On track



Hazelnuts⁷ are a key raw material for Lindt & Sprüngli chocolate products and we source them primarily from Italy and Türkiye. The supply chain in the Turkish Black Sea region, where approximately 70% of the world's hazelnut harvest originates, has high risks related to labor conditions such as the health and safety of farm workers, child labor, and seasonal workers' working and accommodation conditions. We collaborate closely with our Turkish suppliers to implement programs to improve the economic, agricultural, social, and environmental sustainability of hazelnut sourcing. We have long-term relationships with selected suppliers and a stable farmer base.

As of harvest season 2023, we further raised our standards and changed our requirements for Turkish hazelnut sourcing. We are planning to fully switch to Rainforest Alliance certified Turkish hazelnuts through segregated supply chains. In 2023, 77.0% of our Turkish hazelnuts were sourced through sustainability programs while 22.9% were Rainforest Alliance certified on Segregation level. All hazelnuts we source through our Turkish suppliers' sustainability programs are physically segregated from conventional supply.

Our hazelnut sustainability programs comprise traceability, training, standards for working conditions, community development, and monitoring. Annual training for farmers and their workers covers good agricultural and social practices, and practical training in model gardens. Seasonal workers attend training in their home villages with a focus on workers' rights and occupational health and safety. Our suppliers cooperate with orchard owners to formalize workers' contractual relationships, and we invest in healthcare services and enhancing workers' accommodation in order to improve living conditions in the farming communities. To address child labor in the seasonal workforce, we support investments in Child Labor Monitoring and Remediation Systems (CLMRS) and preventive measures such as making summer schools available to seasonal workers' children. For more information, see the [Child labor](#) section in the [Respecting human rights](#) chapter.

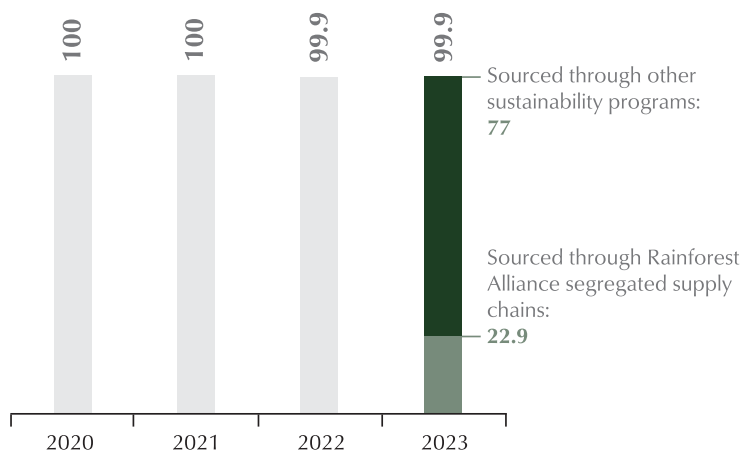
In our Turkish hazelnut supply chain, farmers are internally monitored by our suppliers. External verification includes tracking program effectiveness and identifying opportunities for potential improvement. Our three main suppliers are members of the Fair Labor Association and in 2023 we continued to work closely with our Turkish hazelnut suppliers to support them in expanding their sustainability programs. The sustainability programs of our suppliers cover different pillars considered most relevant to the Turkish hazelnut specifics they encompass:

- Engagement with communities on social issues (e.g., reducing the risk of child labor, summer schools for children of seasonal workers, training sessions for women on their rights and gender equality, labor contractors' certification, enhancement of working and living conditions, occupational health and safety training sessions)
- Engagement of farmers on environmental topics (e.g., soil analysis, use of chemicals, waste management and recycling)
- Engagement of farmers on best practices to increase their revenues (e.g., model farming and farmer training sessions on Good Agricultural Practices, certification and traceability, yield improvement best practices, integrated pest management)

⁷ Excludes ingredients which contain hazelnuts combined with other materials; scope expanded from unprocessed hazelnuts to include both processed and unprocessed hazelnuts (total).

Hazelnuts sourced through sustainability programs

99.9% of Turkish hazelnuts are sourced through sustainability programs



Palm oil

We aim to source 100% of palm oil/palm kernel oil RSPO certified.

100%

Status 2023: Commitment maintained – first achieved in 2015

Palm oil, palm kernel oil, and their fractions are used in limited amounts in certain fillings of our chocolate. Overall, we buy less than 0.01% of the global palm oil harvest. These products are important for their melting properties and for providing a neutral flavor. Their production under uncontrolled conditions may however be associated with environmental and social sustainability issues, including deforestation and conversion of peatlands, biodiversity loss, exploitation of workers, and adverse effects on local communities and indigenous peoples.

We only purchase palm oil certified according to the [Roundtable on Sustainable Palm Oil \(RSPO\)](#) sustainability standard, and always declare palm oil use on our product packaging. The RSPO criteria stipulate that effective implementation of its Principles and Criteria is designed to lead to safe and decent work for all community members. That includes the absence of forced labor, protection of children, freedom of association, non-discrimination, and working hours in line with ILO conventions, respect for land and use rights, and ecosystem protection. The standards are in line with international and local ones, including the UN Declaration on the Rights of Indigenous Peoples, the UNGPs, and ILO Conventions on Forced Labor. They incorporate public participation of affected communities.

Since 2015, Lindt & Sprüngli has sourced 100% of its palm oil, palm kernel oil, and their fractions with RSPO certification. All of our products produced in Europe follow the “segregation” traceability model (see [Traceability models](#)). Our US subsidiaries use a mix of “segregated” and “mass balance” palm oil, palm kernel oil, and their fractions, but keep them separate in bookkeeping. Lindt & Sprüngli strives to achieve full physical traceability in its palm oil supply chain, and we encourage our commercial partners to contribute to this goal. For detailed information, please see our latest [Annual Communication of Progress to the RSPO](#).

Soy lecithin

We aim to source 100% of soy lecithin (excluding Russell Stover) ProTerra certified.

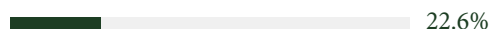


Status 2023: Falling behind

We use soy lecithin to create the desired consistency of our chocolate. Soy cultivation is associated with different negative environmental and social impacts, in particular deforestation. For soy we rely on the [ProTerra](#) standard. This is a widely recognized and trustworthy standard in the food industry based on the [Basel Criteria for Responsible Soy Production](#). It integrates human rights issues, including workplace safety and equal opportunities, with an emphasis on child and forced labor prevention, as well as land-use conversion and forest conservation, responsible labor policies, and traceability. It also certifies non-GMO soy. In 2023, 96.7% of our soy lecithin was sourced ProTerra certified. The remaining 3.3% were purchased by one of our co-manufacturers in the US as a contingency measure to a supply disruption risk. We have defined an action plan to ensure 100% of our soy lecithin is sourced ProTerra certified again in 2024.

Vanilla

We aim to source 100% of vanilla Rainforest Alliance certified by 2025.



Status 2023: On track

Vanilla is a high-value ingredient in Lindt & Sprüngli products. Producers of vanilla face severe challenges including food insecurity, poverty, and vulnerable livelihoods. Additionally, conventional vanilla production can contribute to environmental degradation and deforestation. Lindt & Sprüngli aims to address the key social and ecological sustainability challenges in the vanilla supply chain by requiring all pure vanilla (vanillin from vanilla pods) used in our products, to be [Rainforest Alliance](#) certified on Segregated level by 2025. We defined these new sourcing requirements for vanilla in 2022. In 2023, 22.6% of our vanilla products sourced were Rainforest Alliance certified.

Raw sugar (cane and beet)

Sugar is a key ingredient in chocolate, used to offset the bitterness of the cocoa beans while bringing out their natural flavor. It can however threaten ecosystems and communities if it is produced unsustainably and irresponsibly. We have defined individual responsible sourcing standards for raw cane sugar and for raw beet sugar to help drive the adoption of sustainable practices across the sector.

Cane sugar

We aim to source 100% of pure cane sugar Bonsucro certified by 2025.



Status 2023: On track (includes Bonsucro certified volumes, volumes compensated through Bonsucro credits, and volume certification schemes benchmarked equivalent to FSA silver level or comprehensively aligned to the Bonsucro Production Standard)

We source [Bonsucro](#) certified raw cane sugar in operating regions where it is available. Bonsucro is the leading global sustainability platform and standard for sugarcane. Bonsucro helps farmers produce crops in a more environmentally responsible way, adapt to climate change, increase their productivity, and reduce costs. This approach helps Lindt & Sprüngli enhance the social, environmental, and economic impact of its cane sugar sourcing.

Due to availability constraints of segregated Bonsucro certified cane sugar in certain regions, our traceability expectation is currently “mass balance” level for cane sugar. For US-produced cane sugar, where no Bonsucro certification is available, volumes will be covered by the Bonsucro credit system until the first certified suppliers are available.

Beet sugar

We aim to source 100% of pure beet sugar with a supplier verification which meets FSA silver level by 2025.

88.5%

Status 2023: On track

The [Farm Sustainability Assessment \(FSA\)](#) developed by the Sustainable Agriculture Initiative Platform (SAI Platform), can be applied to any crop, anywhere in the world, with any farming system. It enables food and drink businesses to assess, improve, and validate on-farm sustainability in their supply chains. Lindt & Sprüngli expects its suppliers to contribute to a traceable, more sustainable beet sugar supply chain by demonstrating verification against the FSA. All pure beet sugar supplied to Lindt & Sprüngli will have to achieve at least silver level performance or benchmarked equivalent by FSA, by 2025. In 2023, we were able to confirm that 88.5% of our beet sugar supply was compliant with this requirement.

Eggs

We aim to source 100% of eggs used in our own production (excluding Russell Stover) cage free.

100%

Status 2023: Commitment maintained – first achieved in 2020, 72.7% including Russell Stover

We use eggs in our own production sites in small quantities in just a few of our products. Animal welfare is important to Lindt & Sprüngli and our goal is to not source any eggs from caged hens. As a supply of required processed egg products from cage-free sources at scale is secured, we aim to complete the changeover for Russell Stover.

Pulp- and paper-based packaging

We aim for 100% of our pulp- and paper-based packaging containing wood fiber to be certified by the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC) by 2025.

55.6%

Status 2023: On track

We recognize the global threats to forest ecosystems generated by unsustainable forest management and climate change, and the negative consequences they may have for biodiversity and communities. Lindt & Sprüngli supports legal, environmentally responsible, socially fair, and economically viable management of the world's forests by sourcing third-party-certified pulp- and paper-based packaging.

Lindt & Sprüngli's priorities and definition of sustainable forest management and sustainable paper supply chains closely align with those of the [Forest Stewardship Council \(FSC\)](#)⁸ and the [Programme for the Endorsement of Forest Certification \(PEFC\)](#)⁹. We therefore require wood-based pulp and paper-based packaging to be certified by the FSC, or the PEFC or any of its endorsed national members, by 2025. These requirements apply to paper and cardboard packaging products containing wood fiber, including paper, corrugated board, folding box cardboard, and transportation and display units. We defined these requirements in 2022. In 2023, 55.6% of this pulp- and paper-based packaging was FSC- or PEFC-certified.

⁸ Lindt & Sprüngli's license number for trademark use: FSC-N004244 /

⁹ Lindt & Sprüngli's license number for trademark use: PEFC/01-44-53

Path forward on responsible sourcing

To achieve our responsible sourcing targets by 2025, we plan to do the following:

- Further roll out the EcoVadis assessment as our supplier management assessment tool
- Continuously update our risk management approach to ensure the SSP program is targeted at critical supplier groups
- Develop responsible sourcing approaches for dairy, coconut oil, coffee, and almonds as the remaining raw materials on our Responsible Sourcing Roadmap
- Roll out the responsible sourcing approach for chocolate mass and continue to increase the share of responsibly sourced butter and powder to achieve the 2025 cocoa target
- Continue to evaluate and evolve responsible sourcing approaches for our priority materials, especially regarding cross-cutting topics such as human rights, no deforestation, and carbon emissions considering new and upcoming regulation

Rural development

We aim to source 100% of cocoa products – beans, butter, powder, and chocolate mass – through the Lindt & Sprüngli Farming Program or other sustainability programs by 2025.



Status 2023: On track, 68.2% PwC CH through our Farming Program

Material topics

- Engaging with affected communities
- Employment and labor relations in the supply chain
- Employee health, safety and wellbeing in the supply chain
- Equality, diversity and inclusion in the supply chain

The cocoa sector faces a multitude of challenges related to human rights and environmental protection in rural areas, including child labor, deforestation, and persistent low incomes and poverty among cocoa farmers. We are committed to advancing effective solutions and strengthening our own contributions to address these issues by partnering with relevant stakeholders.

Cocoa sustainability approach

Our commitment to the responsible sourcing of cocoa is based on five principles (see graphic), based on which we aim to address the most pressing challenges and highest salient sustainability risks in the cocoa supply chain: increasing the resilience of farming households, reducing the risk of child labor, and conserving biodiversity and natural ecosystems.

For more information on reducing the risk of child labor, see the Child labor section in the [Business integrity and human rights](#) chapter. For more information on conservation of biodiversity and natural ecosystems, see the [Contributing to an intact environment](#) chapter.

Our approach is based on five responsible cocoa sourcing principles:

- 1) Pursuing long-term supplier partnerships
- 2) Deploying our own sustainability program
- 3) Establishing traceable and transparent supply chains
- 4) Continuous improvement based on monitoring and external verification
- 5) Working in partnerships and engaging in collective action through sector initiatives

1. Pursuing long-term supplier partnerships

Our cocoa sustainability approach is based on long-term agreements with strategic suppliers who are committed to partnering and collaborating with Lindt & Sprüngli to deliver on our sustainability commitments. These sourcing agreements regulate commercial and quality parameters and include a detailed description of how the Lindt & Sprüngli Farming Program will be implemented in the specific supply chain.

2. Deploying our own sustainability program

Our own cocoa sustainability program, the Lindt & Sprüngli Farming Program, is at the heart of our rural development focus area in the Lindt & Sprüngli Sustainability Plan. Through this Program we aim to contribute to creating decent and resilient livelihoods for cocoa farmers and their families and to encourage more sustainable farming practices (see [Farming Program website](#)). The Lindt & Sprüngli Farming Program is based on an overarching [Theory of Change](#) which is aligned with the salient sustainability risks in the cocoa supply chain and outlines our intervention logic, including the activities and the desired outcomes and impact. Based on the generic Theory of Change, the specific

Farming Program content is co-designed and developed with suppliers. This allows us to adapt the Farming Program to the local context and address the needs of farmers and their communities in a particular region, while keeping a global Farming Program standard.

We initiated the Farming Program in 2008 and it is now active in seven origin countries, with a total of 131,000 farmers participating in the Program. These countries are Ghana, Côte d'Ivoire, Ecuador, the Dominican Republic, Peru, Madagascar, and Papua New Guinea. After achieving our goal to source 100% of our cocoa beans through the Farming Program in 2020, we extended the Program to include cocoa butter in 2021 and cocoa powder in 2022. Since then, we have continuously included new suppliers in the program, leading to increasing numbers of farmers, hectares, and scale of activities again in 2023.

In the reporting year 2023¹⁰, we sourced a total of **68.2%** ☑^{PwC CH} of cocoa bean equivalents through our Farming Program.

3. Establishing traceable and transparent supply chains

We aim to achieve first mile traceability for 100% of cocoa products – beans, butter, powder, and chocolate mass – by 2025.



Status 2023: On track

Since the introduction of our Farming Program in 2008, physical traceability of cocoa has been the starting point of our responsible cocoa supply chain. Traceability is a key principle of our cocoa sourcing strategy.

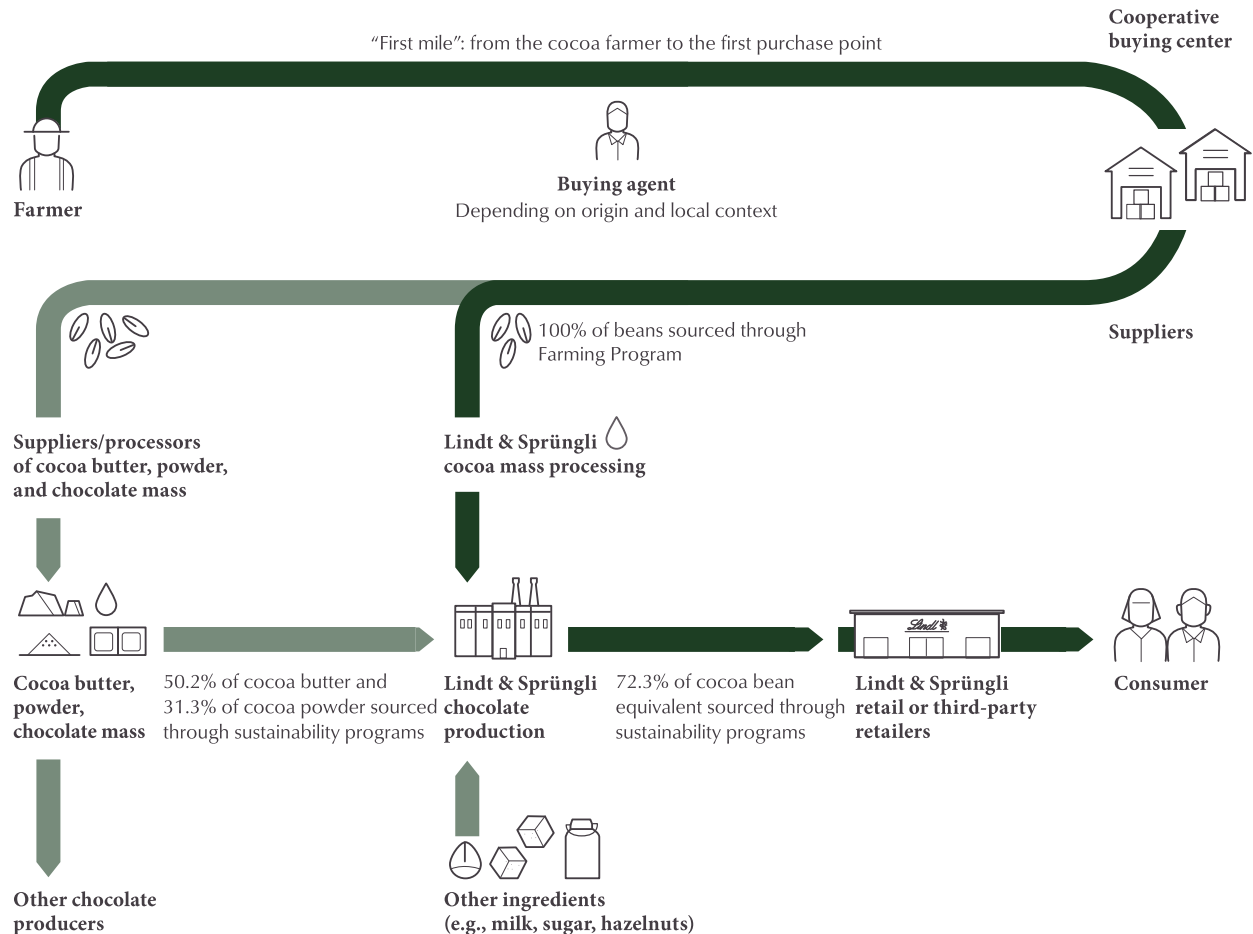
Traceability from farm to first point of purchase (first mile traceability)

Establishing traceability from farm to first point of purchase is the initial step when we deploy our Farming Program. As part of the Program, all farmers are registered, farm GPS point coordinates are taken, and baseline data about the farm and household is collected. When registering a new farmer, we require at least GPS points of all farm plots under four hectares, as well as GPS polygons of the same plots six months after registration. For farm plots over four hectares, we require GPS polygons before the first cocoa delivery. Additionally, suppliers put in place externally verified or certified processes and systems to establish traceability from farm to first point of purchase. In 2023, 99.7% of the farmers participating in the Lindt & Sprüngli Farming Program had their farms mapped. At the same time, first mile traceability was achieved for 72.3% of the total volumes sourced.

A challenge to keeping all farms mapped is the lack of national databases with unique farmer IDs. This would allow farmers to register and map their farms once only, and make use of this data even if they change their buyer and supply chain. Such databases are currently being developed by the governments of Côte d'Ivoire and Ghana as part of their new national traceability systems. In the absence of national traceability systems, double mapping occurs, and farmers are re-mapped by their new buyer whenever they switch to another buying company. Further, the boundaries of individual farmers may also change over time. It is therefore an ongoing effort to keep the supply chain fully mapped and mapping data updated.

¹⁰ All numbers relating to cocoa cover the period from October 2022 to September 2023. This is the official reporting year for cocoa sustainability data, linked to the cocoa harvesting season.

Cocoa supply chain steps



Graphic is representative. Not all steps and actors are shown or relevant in all cases. Excluding Russell Stover.

Traceability along the supply chain up to our factory doors (supply chain traceability or “traceability level of cocoa sourced”¹¹)

We believe that the physical traceability of cocoa is a key requirement towards sustainability. We take a differentiated approach for the traceability of cocoa beans and cocoa butter, due to their different supply chain characteristics.

For cocoa beans, Lindt & Sprüngli has a traceable supply chain based on identity preservation (see [Traceability models](#)). This means our cocoa beans are traceable from the farm, where we work directly with long-term dedicated farmer groups, to our factory doors. For cocoa beans, we conduct in-house traceability checks to ensure the volumes delivered come from the farmers of our own Farming Program. This is facilitated by our bean-to-bar approach to chocolate production, allowing us to oversee the production process – from the sourcing of cocoa beans to the production of cocoa mass (also called cocoa liquor) and the finished product. Based on bean equivalents, 50.8% of all cocoa products are sourced identity preserved.

For our responsibly sourced cocoa butter, we aim for a physical traceability approach based on “segregation” (see [Traceability models](#)). Conventional and sustainable cocoa are strictly separated and the origin of delivered butter batches are known when delivered to Lindt & Sprüngli. In the “segregation” model, beans delivered by the Lindt & Sprüngli farmer groups to the suppliers get mixed, at supplier level, with other beans originating from farmer groups who also participate in a verified sustainability program. This mixing is due to processing limitations. It means that while all the cocoa butter delivered to Lindt & Sprüngli from a sustainability program under the “segregation” model originates from farmers participating in a sustainability program, we have no guarantee that the cocoa beans

¹¹ IDH Technical Brief on Cocoa Traceability in West and Central Africa, 2021, p. 2.

delivered by our own farmer groups to the suppliers will end up in the cocoa butter we receive. We promote increased use of physical traceability models because it is a precondition to assess compliance with sustainability criteria, including for example compliance with no deforestation requirements. Based on bean equivalents, 15.9% of all cocoa products are sourced through the segregated traceability approach.



For cocoa powder, “segregation” is more difficult to achieve due to product complexity and quality specifications. Therefore, we aim to source all volumes with a Rainforest Alliance “mass balance” certification at a minimum. In 2023, the first volumes of Rainforest Alliance certified cocoa powder were sourced. Once all of our subsidiaries hold the Rainforest Alliance certification, we will switch to this new minimum requirement.

4. Continuous improvement based on monitoring and external verification

Our Farming Program builds on the principle of continuous improvement. Our monitoring and evaluation approach is based on multiple complementary elements including monitoring of outputs, a review of Program quality and verification of Program implementation, and periodic impact assessments. We assess these elements related to both the farm and implementation partner, and carry out checks to verify traceability documents.

Farming Program monitoring and verification approach

- Internal monitoring of farmers participating in the Program
- Child labor focused monitoring (risk-based approach)
- Farming Program implementation: progress and performance reviews
- External verification
- Impact assessments
- Supply chain traceability check

As defined in our [Farming Program Verification Guidance](#), monitoring begins with systematic annual internal monitoring of the cocoa farmers to assess their compliance with Farming Program requirements and evaluate their progress. Results from this monitoring differ between origin and supplier, and challenges are addressed for each supply chain individually.

Our cocoa sourcing under our Farming Program and other sustainability programs is subject to external verification annually by an independent third party. For cocoa beans, external verification is conducted by the Earthworm Foundation, based on the [Farming Program External Assessment Methodology](#), which enables a mutual learning process. The methodology also includes direct engagement of the Earthworm Foundation with farmers through individual meetings and focus-group discussions to gather feedback on the support provided as part of the Program. Results from the annual assessments are transformed into an annual action plan with measures for improvement identified at supplier level.

For cocoa butter, we are currently in the process of transitioning different sustainability programs to Rainforest Alliance certification. Where long-term agreements are in place and our Program is being implemented, certification is not intended to replace our Program, but serves as a basis and external verification scheme. The first Lindt & Sprüngli subsidiaries became Rainforest Alliance certified in 2023. However, while the majority of the volumes we sourced during the year came through long-term agreements and from certified farmer groups, these volumes were not yet formally sourced as certified under the Rainforest Alliance chain of custody rules.

Impact assessments become increasingly important as the sector aims to design effective programs and comply with upcoming regulations. In 2019, we did a first impact assessment of our Farming Program in Ghana with the KIT Royal Tropical Institute, which included a review of topics such as living income. In 2023, jointly with KIT, we conducted a second evaluation of our Farming Program in Ghana, including a comparison with the 2019 data.

Over the coming years, we aim to strengthen our monitoring and evaluation approach to improve transparency in our reporting and provide a better understanding of our achievements and challenges. This will include a more systematic process to engage with farmers, farmer groups, and communities to gather their feedback and inform Farming Program design. The approach will focus on data analysis and learning, and on making more data-driven decisions. We aim to measure the effectiveness of our Farming Program in a way that informs its overall design, while assessing our impact on the ground more systematically. For example, we will collaborate with academic experts and civil society representatives on project evaluations and impact assessments, intervention design and state-of-the-art implementation.

5. Working in partnerships and engaging in collective action through sector initiatives

We are aware that individual stakeholders' ability to drive systemic change is limited. That is why we collaborate with a wide range of partners from different sectors and actively engage in multi-stakeholder initiatives such as the Sustainable Cocoa Platforms (ISCOs) or the [Cocoa & Forests Initiative \(CFI\)](#). We further engage in collective action at landscape

level (see [Conservation of biodiversity and natural ecosystems](#)). To strengthen our collective action on child labor prevention, we belong to the [Child Learning and Education Facility](#) (CLEF). CLEF is a coalition dedicated to enhancing access to and the quality of education in cocoa-growing regions of Côte d'Ivoire by constructing school infrastructure, training teachers in effective educational practices, and engaging parents in their children's learning. The coalition is led by the Ivorian Government in collaboration with the cocoa and chocolate industry and philanthropic foundations. Joining CLEF entails a financial commitment to invest CHF 1.25 million in the initiative.

Beyond collective action, we work with a range of strategic and technical partners to help us continuously improve our Farming Program. These include the [Earthworm Foundation](#), [Helvetas](#), [Ecotop](#), and the [KIT Royal Tropical Institute](#). Our suppliers collaborate with additional third parties on the implementation of the Farming Program, for example for farm mapping or the creation of Village Savings and Loan Associations (VSLAs).

Over the coming years, we plan to strengthen our participation in multi-stakeholder initiatives and establish new strategic partnerships with expert third parties in recognition of the increasing importance of mutual learning and the exchange of best practices, sector alignment, and innovation.

Cocoa sustainability investments

Cocoa sustainability investments				
Sustainability program costs in CHF (invested through suppliers)			Additional sustainability investments	← Co-funding (additional) from Lindt Cocoa Foundation
~30 million in 2023 ~140 million since 2008	Operations costs – Staff, transportation, equipment, IT, etc. – Farm investments (e.g., cocoa seedlings & shade trees, farm services) – Community development (e.g., water, health, or school infrastructure)	Volume-based premiums – Farmer and coop/farmer group premium – Certification fees (where applicable) – Other (e.g., fees for traceability)	– Projects with third parties (e.g., landscape projects and dynamic agroforestry) – External verification (Earthworm Foundation assessments) – Impact measurement (e.g., KIT impact assessment) – Multi-stakeholder initiatives (e.g., CLEF)	2–3 million annually since 2013
	Own staff costs and membership fees excluded			
Cocoa base costs Market price Living Income Differential (Ghana and Côte d'Ivoire)				

In 2023, we invested a total of CHF 29.8 million into cocoa sustainability, of which CHF 26.8 million was paid to cocoa suppliers for operating our Farming Program. Sustainability program costs include operational costs for staff, equipment, farm investments, community development, and volume-based cash and in-kind premiums for farmers and farmer groups. The Lindt Cocoa Foundation (not part of the Lindt & Sprüngli Group) contributes an additional CHF 2-3 million annually in investments for farmers and communities in line with its mission to achieve social and ecological sustainability in the cultivation and processing of cocoa products used in chocolate production. In one supply chain in Ghana, the Farming Program is additionally co-funded by the State Secretariat for Economic Affairs in Switzerland (SECO), with a payment of CHF 100,000 in the reporting year ([SECO fact sheet](#)). We invest in other third-party projects beyond our Farming Program. These include engagements for collective action through landscape projects, collaborating with expert organizations to build the capacity of our suppliers on technical subjects, piloting new solutions with third parties to be scaled in the Farming Program at a later stage, and research projects to learn more about Program impact and possible improvements.

Our Program aims to contribute to three objectives:

- Increasing the resilience of farming households
- Reducing the risk of child labor
- Conserving biodiversity and natural ecosystems

Increasing the resilience of farming households

Our Farming Program aims to contribute to building resilient livelihoods for farmers, their families, and farming communities by taking a holistic approach to increasing farming household incomes. We are addressing this through a combination of measures, with the aim of improving the income situation overall, recognizing that poverty among cocoa households is one of the underlying root causes of the cocoa sector's sustainability challenges.

Increasing productivity

The Farming Program provides training to farmers to improve their adoption of good agricultural, social, environmental, and business practices. Training includes group training, as well as individual coaching. In 2023, 990 field staff working for the Farming Program delivered group training to 104,000 farmers. During individual coaching sessions based on farm development plans (FDPs), farmers receive tailored advice and recommendations, with the objective of increasing adoption rates for good agricultural practices. A total of 19,400 farmers received individual coaching in the reporting year.

Additionally, we invest in farm inputs and farm services. Farmers are supported with access to productive and disease-resistant cocoa seedlings, shade trees, and farming equipment. In 2023, 397,000 cocoa seedlings were distributed for farm rehabilitation. A collaboration with Cocobod to distribute cocoa seedlings has created synergies that have reduced the number of seedlings distributed by the Farming Program in Ghana. After an intensive cocoa seedling distribution campaign in Papua New Guinea in the past year, the need for seedlings was lower in 2023 than in previous years.

Farmer premiums

We recognize that the price of cocoa is an important element of a sustainable cocoa sector. The price we pay for cocoa is determined by the market price. The farmgate price, i.e., the price a farmer receives for the cocoa, is determined either by the local market price, or, in Ghana and Côte d'Ivoire, by the government. In addition to paying the market price, through suppliers we provide farmers in the Lindt & Sprüngli Farming Program with cash or in-kind premiums as part of our cocoa sustainability investments. Furthermore, we pay the local supply chain actors – cooperatives, local intermediaries, or buying company, depending on origin – a management fee for traceability and to support their development. These volume-based premiums are paid in addition to the funds covering operational costs for Program implementation (see [Cocoa sustainability investments](#)). We also support the efforts of the governments in Côte d'Ivoire and Ghana to improve the livelihoods of cocoa farmers with a Living Income Differential (LID) of USD 400 per metric ton of cocoa beans. We have purchased our cocoa from Ghana and Côte d'Ivoire with LID pricing since its introduction and will continue to do so.

Income diversification

Income diversification is key to promoting women's empowerment and reducing the living income gap of smallholder cocoa households. Our suppliers' staff train Farming Program households in on-farm and off-farm diversification activities, and selected farmers benefit through a start-up capital fund, as well as savings and loan opportunities.

In 2023, our suppliers' field staff trained 15,500 individuals in additional Income Generating Activities (IGA). A third of the trained individuals are women. These trainings include cultivating food crops and vegetable gardens, pig or poultry farming, as well as bee keeping, depending on the local context. The aim is to help farming families to build additional income sources that are less seasonal than the cocoa income.

VSLAs (Village Savings and Loan Associations) were identified by farmers and suppliers as one of the most popular intervention. They create a safety net and savings culture, and in combination with income generating activities, they can have a positive effect on the number of income sources and resilience, and reduced cocoa dependency. In 2023, we made progress in the creation of VSLAs in Farming Program communities. The number of functioning VSLAs established through the Program increased from 460 in 2022 to 640 in 2023, including 15,700 members.



Community development and infrastructure investments

Our goal is to create conditions for improved livelihoods for farming families and community members, thereby increasing their resilience. Through our Farming Program investments, three schools were built and two refurbished in 2023, bringing the total number of new or refurbished schools to 50 across all origin countries. The number of water systems and boreholes constructed and maintained since the start of the Program was 250 in 2023. In total, approximately 158,000 community members now benefit from these investments in water infrastructure.

Women's empowerment

Women play a vital role in rural development, yet gender inequality is a reality in the cocoa sector. Women's empowerment is key to addressing different challenges in the sector, including child labor. At the moment we do not implement female-only program activities, but several activities specifically target increased female participation including VSLAs and additional livelihood activities. We also promote female participation among staff and farmers. Today, 22.8% of Farming Program participants are female farmers, down from 25.5% in 2022. The reduction is due to the extension of the program to butter in Côte d'Ivoire, where today significantly fewer female farmers participate than in other origins.

Reducing the risk of child labor

Lindt & Sprüngli strongly condemns all forms of child labor. In agricultural value chains, especially in the cocoa sector in West African countries, child labor is a persistent and complex challenge. It requires intense, continuous, and collaborative efforts from all stakeholders active in the sector. At Lindt & Sprüngli, addressing child labor is a priority and we are firmly committed to avoiding it whenever possible. Lindt & Sprüngli's cocoa suppliers, in countries of origin with a risk of child labor, are expected to effectively protect children's rights along our supply chain.

The Farming Program defines clear guidelines and actions on addressing child labor, including the implementation of Child Labor Monitoring and Remediation Systems (CLMRS) by our suppliers. For more information on our commitment to help protect the rights of children in our supply chain, see the [Child labor](#) section in the [Respecting human rights](#) chapter.

Conserving biodiversity and natural ecosystems

Cocoa cultivation poses a high risk of biodiversity loss through deforestation or harmful farming practices.

As part of our Farming Program, we have committed to contributing to ending cocoa-driven deforestation and forest degradation, and implemented our [Lindt & Sprüngli Cocoa No-Deforestation & Agroforestry Action Plan](#) as well as our [Deforestation Policy](#). Our target is to ensure that we do not source any cocoa from protected areas and avoid conversion of valuable forest land for cocoa production in our supply chain by 2025.

For more information on the conservation of biodiversity, see our [Conservation of biodiversity and natural ecosystems](#) chapter.

Outlook

We are currently further refining our cocoa sustainability strategy. In the coming years, we will continue to strengthen the resilience of farming households with a holistic set of interventions. We plan to strengthen our work on household income and community empowerment by implementing new projects. With regard to environmental aspects, we will continue engaging in key priority landscapes with the aim of protecting and restoring forests and biodiversity. As we gain a better understanding of what approaches and interventions are effective across different supply chains, through impact assessments and monitoring, we will scale best practices across our Farming Program.



Contributing to an intact environment

- 64 Conservation of biodiversity and natural ecosystems
- 70 Climate
- 75 Water and waste
- 78 Packaging

Why we care

Climate change and environmental degradation threaten agriculture and humankind. Industry, government, business, and civil society face growing societal pressure to join forces to address these challenges and take action. This is accompanied by increasing regulation applying to environmental issues.

At Lindt & Sprüngli we endeavor to minimize our environmental footprint across the entire value chain, from upstream pre-production to downstream post-production activity. Our business essentially relies on a secure, steady supply of raw ingredients. We also strive to add value for customers, while reducing our negative environmental impacts from the production of both our chocolate and its packaging.

We pay specific attention to contribute to the preservation of an intact environment by focusing on five key areas: biodiversity, climate, water, waste, and packaging.

Biodiversity embraces all organisms, including plants, humans, and animals. A lack of biodiversity and healthily functioning ecosystems puts the production of cocoa and other agricultural ingredients that our business depends on at risk. Forests play a central role in mitigating climate change, protecting biodiversity, and supporting the livelihoods of indigenous peoples and local communities. Agricultural commodity production has had, and continues to have, a detrimental effect on forestation and natural ecosystems. As a consumer goods company sourcing agricultural ingredients, we recognize our role and responsibility in addressing commodity-led deforestation in the landscapes we source from. Tackling deforestation forms a key part of our endeavors to protect biodiversity and meet our science-based climate targets by 2030 and 2050. We have a responsibility to prevent and discourage farm expansion into valuable forests in our upstream supply chain.

Climate: The World Economic Forum Global Risks Report 2023 ranks the failure to mitigate climate change as one of the most severe global threats to society and the economy. Shifts in climatic conditions are negatively impacting biodiversity, water availability and human rights. Risks to the future of our business extend across the value chain, from the availability of raw materials to the impact of price increases.

Water is a natural resource that is vital to agriculture and chocolate production. Erratic or reduced water availability can negatively impact production volumes. The efficient use of water and the appropriate handling of wastewater within our production processes are top priorities when it comes to avoiding detrimental environmental and financial effects at a local level.

Waste: Wasting raw materials, food, or packaging can have significant and extensive negative impacts on the environment and human health. Reducing waste can help lower GHG emissions, pollution, and pressure on land and water resources, while increasing cost efficiency. We currently focus on loss of semi-finished products in our production.

Packaging is critical to food safety, to protecting the quality of our products during transport, as well as to informing and delighting consumers. At the same, packaging – and plastics in particular – can have negative environmental impacts. Packaging is one of Lindt & Sprüngli's main operational waste streams. Designing for recyclability, integrating sustainable packaging materials, and endeavoring to reduce material usage all contribute to our commitment to decreasing our environmental footprint.

How we care

Lindt & Sprüngli is committed to addressing deforestation in the agricultural supply chains related to our chocolate production. Through our [Deforestation Policy](#) we set out our aspiration and approach to addressing deforestation in supply chains. We aim to achieve this through performing deforestation risk-based due diligence and are guided by best practices defined by the Science Based Targets initiative (SBTi) in the Forest, Land and Agriculture (FLAG) guidance and the Accountability Framework.

For climate, we are evolving our approach by aligning with the best available science on tackling climate change and taking into account our carbon footprint including direct and indirect emissions. Our commitment to science-based targets (SBTs) is driven by the ultimate goal of reaching net-zero emissions by 2050.

With this commitment, we bring our ambitions in line with the goals of the Paris Agreement, which aims to limit the global temperature increase to 1.5°C above pre-industrial levels.

We are preparing our global business to be able to respond appropriately to the effects of climate change, and to reduce emissions from our full value chain. This means integrating the management of climate-related issues into our day-to-day decision-making for a thorough approach to meeting our emission reduction commitments. For more information regarding our climate governance, please also refer to our [Roadmap to net-zero](#).

The introduction of an environmental pillar to our operational excellence program, the Lindt Performance Way (LPW), reflects our commitment to optimizing our contribution to an intact environment. This addresses activity focused on increasing energy efficiency, reducing harmful emissions, optimizing water management and reducing material waste resulting from our chocolate production and our packaging.

We address the environmental impact of our packaging through our Sustainable Packaging Initiative. We proactively challenge our entire packaging portfolio (consumer, transportation and display packaging) and strive to reduce packaging materials used, increase recycled and certified content, and achieve recyclability of our packaging. Where our quality standards permit, we use recyclable materials.

The Lindt Performance Way

The Lindt Performance Way (LPW) is deployed across our production companies and dedicated to continuous improvement in efficiency, effectiveness, and safety. Through it, we seek to create value with fewer resources and zero loss processes.¹ The LPW helps us identify process losses so we can introduce standards and systems to minimize and prevent them in the future.

Our Group Operations team oversees the LPW program, helping Lindt & Sprüngli subsidiaries align their management strategies, production procedures, and efforts with loss measurement, analysis, reduction, and prevention methodologies. Local operations teams are responsible for implementing the LPW, with a focus on process control and standards management. The results, and local LPW maturity level, are monitored and assessed annually.

The LPW has resulted in tangible improvements to our quality, productivity, service level, and environmental performances since its inception. We are currently piloting the LPW in other areas along our supply chain, including with our production partners and co-packers.

¹ This approach is based on the Lean and TPM (Total Productive Maintenance) methodologies.

Our environment-related documents and methodologies

- 🔗 [Environmental Policy](#)
- 🔗 [Deforestation Policy](#)
- 🔗 [Supplier Code of Conduct and Compliance Declaration](#)
- 🔗 [Cocoa No-Deforestation & Agroforestry Action Plan](#)
- 🔗 [Cocoa No-Deforestation & Agroforestry Action Plan Progress Report](#)
- 🔗 [Corporate Carbon Footprint Methodology](#)
- 🔗 [Roadmap to net-zero](#)

Conservation of biodiversity and natural ecosystems

① Material topic

• Biodiversity and ecosystems

New target: We aim for no deforestation in cocoa with a target date of December 31, 2025, and to work towards the elimination of deforestation in our other key deforestation linked supply chains (palm oil, soy, and paper and pulp-based packaging).

Status 2023: Initiated in 2023

Our [Lindt & Sprüngli Deforestation Policy](#), introduced in 2023, covers our key deforestation-linked commodities soy, palm oil, pulp- and paper-based packaging and cocoa (see exact scope for each material in our Deforestation Policy). It defines our ambition to eliminate deforestation, and applies to our global operations, including our subsidiaries.

We aim to deliver on our commitments for the in-scope materials set out in the Lindt & Sprüngli Deforestation Policy through the implementation of a deforestation due diligence approach that includes:

- Gathering supply chain transparency and traceability information
- Assessing deforestation risks in sourcing origins
- Taking actions to mitigate the risk of deforestation linked to our supply chains, such as sourcing certified volumes, engaging our suppliers and investing in production landscape initiatives
- Monitoring to detect cases of non-compliance in our supply chains and providing access to our grievance mechanism, the [Lindt & Sprüngli Speak Up Line](#)
- Engaging our suppliers in supporting effective remediation where and when cases of non-compliance with our standards have occurred in our supply chain
- Regularly measuring and reporting progress in meeting our commitments

Lindt & Sprüngli recognizes that eliminating deforestation in commodity supply chains also requires ongoing collaboration within the sector, as well as landscape initiatives, in order to address systemic issues and develop common solutions.

In addition to working towards our own voluntary commitments, a focus in 2024 will also be to initiate measures in response to the EU Regulation on Deforestation-free Products (EUDR).

Actions in the cocoa supply chain

Conserving biodiversity and natural ecosystems is one of the Farming Program's main objectives. As part of our No-Deforestation Policy, all direct suppliers of cocoa must ensure that volumes supplied to Lindt & Sprüngli are either sourced through the Lindt & Sprüngli Farming Program, or certified under a certification standard approved by Lindt & Sprüngli (e.g., Rainforest Alliance) by the end of 2025.

To address deforestation in our Farming Program, we have defined three core intervention areas in our [Cocoa No-Deforestation & Agroforestry Action Plan](#). These include activities to address deforestation in the supply chain, promote agroforestry systems for cocoa, and support community forest conservation and restoration.

Lindt & Sprüngli Farming Program: Interventions to conserve biodiversity and natural ecosystems

1. Addressing deforestation

- Farm polygon mapping
- Farmer registration and compliance checks
- Collection of baseline data
- Traceability systems from farm to first buying point and along the supply chain
- Monitoring of farmers including existing and new farms
- Support to improve production and livelihoods to reduce pressure to expand to forest areas

2. Promoting agroforestry systems for cocoa production

- Shade tree distribution
- Training and coaching on agroforestry and Climate Smart Cocoa¹ (selected farmers)
- Monitoring of farms

3. Supporting community forest conservation and restoration

- Landscape projects to support community-based conservation

¹ The World Cocoa Foundation defines Climate Smart Cocoa (CSC) as an approach that aims to mitigate carbon emissions from cocoa agriculture and help farmers to adapt to the negative impact of climate change on cocoa production and to adapt agricultural practices, if necessary.

This reporting year is the fifth year of implementing the [Lindt & Sprüngli Cocoa No-Deforestation & Agroforestry Action Plan](#). By the end of 2023, 72.3%  of our overall cocoa volume was sourced through the Lindt & Sprüngli Farming Program or other sustainability programs, which include the implementation of activities outlined in the Action Plan.

The primary objectives of our Action Plan for cocoa include:

- No cocoa sourcing from protected areas as per local laws
- No expansion of land for cocoa cultivation into areas defined by the High Carbon Stock (HCS) Approach or equivalent
- Agroforestry systems for cocoa production
- Supporting community forest protection and restoration

Monitoring and external verification

The Action Plan applies to all suppliers implementing the Farming Program and it remains an integral part of the Program activities, including monitoring, evaluation and external verification. For monitoring and evaluation, the Lindt & Sprüngli Farming Program has set KPIs with required reporting from suppliers on a quarterly and annual basis. This data is aggregated and used to track performance. For more information on our Farming Program principles and activities, see the [Rural development](#) chapter. For external verification, the approach depends on the product. For cocoa beans, the [Earthworm Foundation](#) conducts an annual assessment to verify compliance with the Action Plan. For the volumes of cocoa butter and other cocoa products sourced through third-party sustainability programs, we rely on certification bodies and standards such as the Rainforest Alliance to provide external verification assurance against their

own criteria. For more information, see sections on [Monitoring and external verification](#) in the Rural development chapter and [Satellite monitoring](#).

Engaging in collective action

We recognize the importance of collective action to address deforestation. Therefore, we are an active member and signatory of the [Cocoa & Forest Initiative \(CFI\)](#), the first and largest public-private partnership in the cocoa sector. As such we are aligned with the goals of the initiative to stop the conversion of any forest land for cocoa production, to safeguard and restore forest land, and to make the cocoa production and farmers' livelihoods sustainable. CFI targets are focused on Ghana and Côte d'Ivoire, where Lindt & Sprüngli sources the main share of its cocoa.



Addressing deforestation

Farm mapping, farmer registration process and traceability

Farm mapping, farmer registration and establishing traceability from farm to first point of purchasing are the initial steps when suppliers start the implementation of our Farming Program. As part of the Program, all farmers are registered, farm GPS point coordinates are taken and baseline data about the farm and household is collected. Additionally, suppliers put in place externally verified or certified processes and systems to establish traceability from farm to first point of purchase. For more information, see [Establishing traceable and transparent supply chains](#) in the [Rural development](#) chapter.

When registering a new farmer, we require at least GPS points of all farm plots under four hectares, as well as GPS polygons of the same plots six months after registration. For farm plots over four hectares, we require GPS polygons before the first cocoa delivery. Once farms are mapped, their boundaries are updated through on-site visits by Program staff. Participating farmers are made aware of local laws and issues related to deforestation, including mandatory reporting to their buyer for additional checks if they wish to expand their farms.

As of 2023, around 131,000 registered Farming Program farmers (99.7%) had their farms either GPS- or polygon-mapped (polygons are digital outlines of farm boundaries) and 84.5% of farms were polygon mapped.

Satellite monitoring

Since 2020, we have carried out land-use change assessments using primary data (polygons and GPS points) from the farmers in the Farming Program. The facilitated analysis of tree-cover loss has enabled us to calculate our carbon footprint from land-use change over the past 20 years. In 2023, we started piloting the use of a high-resolution satellite monitoring system provided by [Satelligence](#) to more accurately monitor and detect deforestation within or around our mapped Program supply chain. This tool provides deforestation detection data, deforestation risk assessments, and carbon emission quantification as a result of land-use change.

We used Satelligence to check for supplier and farmer compliance with our no-deforestation guidance and upcoming regulatory requirements. Using Satelligence data, the assessment of polygons of farmers registered in our Program has shown that 99.9% of the 160,000 polygons were proven not to be located in protected areas as per local laws. Potentially non-compliant farms, including those that are within a minimum threshold of a protected area boundary or with cases of deforestation, were flagged for suppliers to further verify on the ground.

While progress at scale has been made with respect to traceability and farm mapping, Program growth and farmer fluctuation make it challenging to maintain the pace of farm mapping efforts and upgrading from GPS points to polygons. We still aim to have 100% of farms GPS- or polygon-mapped.

To keep methods for deforestation monitoring, assessments of land-use change and carbon emission quantification consistent, we are currently piloting the integration of this data into our Scope 3 carbon emission monitoring. For more information on our science-based targets, see the [Climate](#) chapter.

Holistic farm development plans

Farming Program training addresses topics that complement the protection of biodiversity and ecosystems, including ecological principles, the protection of water sources, and organic farming practices. Select farmers receive support in complying with Farming Program requirements and are provided with a Farm Development Plan (FDP) which may then be used during coaching sessions to provide guidance on how to best manage their land. We work with our suppliers to include a holistic view of the FDPs and consider climate and biodiversity aspects alongside the agronomic aspects of farming.

Supporting resilience of farming households to reduce deforestation risk

Deforestation caused by land-use change for agricultural production is a complex, systemic issue, often with farmer poverty as one of its root causes. With our Farming Program we aim to increase the overall resilience of farming households by facilitating higher productivity, supporting diversification of household incomes, and improving community infrastructure. For more information on our Farming Program principles and activities, see the [Rural development](#) chapter.

Promoting agroforestry systems for cocoa production

We are committed to promoting sustainable farming systems and Climate-smart agriculture. For cocoa production this involves supporting farmers in transitioning to agroforestry systems by incorporating different species of shade trees, shrubs and other complementary food crops into the farms. The objectives are to diversify farmers' incomes, improve soils and prevent water loss, create more climate-resilient cocoa farms, reduce agriculture-related carbon emissions and contribute to conservation of biodiversity.

The Farming Program supports farmers through training and individual coaching, and provides inputs including seedlings to facilitate agroforestry adoption and improved cocoa production. In 2023, suppliers continued to distribute tree seedlings, with an emphasis on locally adapted and proven agroforestry models. We worked with suppliers to improve monitoring measures with the aim of increasing tree seedling survival rates. To date, 4,480,000 multi-purpose shade trees have been distributed across all Farming Program origins, 563,000 of these in 2023.

With the exception of Ghana and Côte d'Ivoire as a result of national regulations, the agroforestry support was combined with farm rehabilitation and renovation activities in areas where farmers have old or diseased cocoa trees. In 2023, a total of 397,000 potentially high-yielding and heat- and disease-resistant cocoa seedlings were supplied. This brought the overall number of cocoa seedlings distributed since the start of the Farming Program in 2008 to 7,670,000.

As part of our Science Based Targets initiative (SBTi) we are developing action plans with the goal of reducing carbon emissions in our cocoa value chain. We plan to review our current agroforestry approach and assess incentives for farmers to adopt more advanced agroforestry models and invest in the maintenance of newly planted shade trees.



Case study: Dynamic Agroforestry

Dynamic Agroforestry (DAF) is an approach that differentiates itself from monoculture farming, reliant on external elements such as fertilizers and pesticides, by incorporating a mix of trees, shrubs and crops. Compared to other forms of agroforestry, it integrates a higher density of species with multiple canopies, mimicking the natural process of forest regrowth. The cocoa tree remains the primary focus, complemented by other plants that are chosen to match the local climate, socio-economic context, and farmer needs.

Lindt & Sprüngli started piloting DAF in Ecuador in 2021 with the support of technical experts from [Ecotop](#). A successful implementation of demonstration plots and adoption by farmers in Ecuador led to replication in Ghana in 2022. By the end of 2023, there were more than 60 DAF demonstration plots in Ecuador with two suppliers, as well as a number in Ghana, Côte d'Ivoire and Madagascar. These demonstration plots are now being used for agronomist trainers and lead farmers to learn about best practices to be scaled across the Program.

Supporting community forest protection and reforestation

Addressing the underlying drivers of deforestation to conserve forests in any region will not be achieved by focusing solely on cocoa farmers within our own supply chain. We therefore engage in multi-stakeholder initiatives such as [CFI](#) that aim to protect forests and build sustainable landscapes.

Further, we support collective action at landscape level in two countries: Ghana and Madagascar¹². In 2023, in Ghana, we supported the creation and capacity development of landscape governance bodies in two landscapes (Kakum and Juabeso-Bia). We also supported building capacity and establishing sustainable income streams for natural resource management groups within the landscape. In Madagascar, we provide in-kind funding to a [multi-stakeholder project](#) – co-funded by SECO and led by Helvetas – for a new phase of a landscape project in the Sambirano valley which we already co-funded in 2020. The new phase focuses on strengthening local management systems, clarifying and securing land tenure, improving training modules for climate-smart agriculture and agroforestry systems, and diversifying cocoa farmers' income sources.

¹² For further details, please see our [Cocoa No-Deforestation & Agroforestry Progress Report](#).

Climate

Material topic

• Emissions

New target: We aim to achieve near- and long-term science-based targets and reach net-zero greenhouse gas emissions across the value chain by 2050.

Status 2023: Science-based targets (SBTs) approved in 2023

Science-based targets

In 2023, our science-based targets were validated by the Science Based Targets initiative (SBTi). We announced these at the end of 2023, together with a high-level roadmap outlining first actions to achieve our goals. SBTi is a global body enabling businesses to set ambitious emission reduction targets in line with the latest climate science. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050. The initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). The SBTi call to action is also one of the We Mean Business Coalition commitments. The SBTi defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets. Based on their methodology, Lindt & Sprüngli has set targets for its direct and indirect emissions (Scopes 1 and 2), as well as for emissions from the up- and downstream value chain (Scope 3), including elements of the value chain relating to Forest, Land and Agriculture (FLAG). Our targets are focused on achieving an absolute reduction in emissions by 2030 and 2050, using 2020 as our baseline.

Our science-based targets and roadmap at a glance

Lindt & Sprüngli has approved near- and long-term science-based emissions reduction targets with the SBTi. The SBTi has also verified Lindt & Sprüngli's net-zero science-based target by 2050. Lindt & Sprüngli commits to the following targets:

- **Scopes 1 & 2:** Lindt & Sprüngli commits to reduce absolute scope 1 and 2 GHG emissions 42% by FY2030 and 90% by FY2050 from a FY2020 base year¹³.
- **Scope 3 non-FLAG:** Lindt & Sprüngli commits to reduce absolute scope 3 GHG emissions 25% by FY2030 and 90% by FY2050 from a FY2020 base year.
- **Scope 3 FLAG:** Lindt & Sprüngli commits to reduce absolute scope 3 FLAG GHG emissions 30.3% by FY2030 and 72% by FY2050 from a FY2020 base year¹⁴. Lindt & Sprüngli commits to no deforestation across its primary deforestation-linked commodities, with a target date of December 31, 2025¹⁵.
- **Net-zero:** Lindt & Sprüngli commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

¹³ The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

¹⁴ Targets include FLAG emissions and removals.

¹⁵ Lindt & Sprüngli has identified cocoa to be its primary deforestation-linked commodity.



Our near- and long-term targets aim for absolute emission reductions by 2030 and 2050. These are measured against our 2020 baseline, with an ultimate goal to be at net-zero emissions by 2050. We will prioritize decarbonization efforts and neutralize all residual emissions to reach our goals. In 2022, we laid the foundations for our decarbonization roadmap, which we continued to refine throughout 2023. This roadmap provides insights into where to focus our decarbonization efforts and helps determine prioritization of emission reduction actions across the Group. These assessments, as well as inputs from internal and external experts, indicate that our emission-reduction opportunities with the most potential lie in the cocoa value chain. These include focusing on a deforestation-free network of supply and helping farmers to conduct more environmentally responsible agricultural practices. Collaboration with other raw material suppliers, and consideration of possible reduction of, or alternatives to, high-emitting raw materials such as milk, are also likely to contribute constructively to GHG reduction. Both approaches will ultimately help us achieve our Scope 3 FLAG targets. Our FLAG commitments also include a no-deforestation commitment in our primary deforestation-linked raw material, cocoa.

The second largest areas of opportunity for emission reduction are packaging and transportation. We address specific and relevant actions through our Sustainable Packaging Initiative, such as designing packaging for recyclability and finding packaging alternatives. In the supply chain, we plan to work with logistics suppliers to find lower-carbon transport options, or optimize the distance traveled or amount loaded per transport. These and other efforts will also help to reduce emissions against our other Scope 3 targets.

We are already using some low-carbon energies and aim to expand this usage in our direct operations. Simultaneously, we are assessing how we could potentially reduce energy consumption overall by improved efficiency in our factories, which typically emit most of our emissions in the Scope 1 and 2 categories.

All of these types of actions are of equal importance as we need to reach all SBTs individually. Some actions are already in progress, while others will take longer to prepare and implement. Ultimately, we have to make decisions that drive the decarbonization of our value chain as part of normal day-to-day business operations.

Roadmap progress in 2023

In 2023, we started working with an external expert to help translate our global decarbonization roadmap into actionable plans. We established local decarbonization action plan suggestions for all companies in our Group and onboarded several teams to this new approach. The onboarding involves multi-disciplinary local teams assessing the plan suggestions and establishing concrete sub-targets and plans for execution. Please also refer to our [Roadmap to net-zero](#).

	Unit	Retrospective				Targets	
		Base year (2020)	Comparative (Actuals 2022)	Comparative (Estimates 2023)	%N/ N-1	2030	2050
Scope 1 & 2 GHG emissions							
Gross direct (Scope 1 & Scope 2 market-based)	t CO ₂ eq	174,235	164,276	154,891*	-5.7%	101,056	17,424
Significant Scope 3 GHG emissions							
Gross other indirect (Scope 3) GHG emissions (GRI 305-3)	t CO ₂ eq	2,980,983	3,562,878	3,545,877*	-0.5%		
of which FLAG	t CO ₂ eq	2,129,281	2,534,465	2,516,522	-0.7%	1,484,109	596,199
of which non-FLAG	t CO ₂ eq	851,702	1,028,413	1,029,355	0.1%	638,777	85,170
Total GHG emissions							
Total GHG emissions	t CO ₂ eq	3,155,218	3,727,154	3,700,768*	-0.7%	2,122,885	681,369

*  PwC CH

Our carbon footprint

Our total GHG emissions (Scopes 1, 2, and 3) in 2023 were **3.7 million tonnes CO₂ equivalent** . This is an increase compared to our 2020 baseline of around 17%, mainly due to growth-related volume increases and an increase in purchased raw materials some of which have a higher footprint. Emissions from our value chain (Scope 3) represent around 96% of our carbon footprint, with cocoa, other raw materials (such as dairy), transport, and packaging being the largest contributors. Our business relies on agricultural commodities from around the globe, so agricultural activities and related land-use change (e.g., deforestation) and the processing and transport of these raw materials all contribute significantly to Lindt & Sprüngli's global emissions.

Division of our footprint (2023) into emissions scopes and main impact categories



Scope 1 & 2 emissions – progress

Scope 1 and 2 emissions from energy consumption in production, warehousing, offices, and retail operations contribute around just over 4% to our total emissions. They mainly stem from heating, cooling, and electricity usage in chocolate production. In line with the LPW (see [Lindt Performance Way](#)), our International Operations team sets and reviews targets and actions bi-annually. Furthermore, the cumulative effect of specific emissions reduction actions and targets will be assessed on an annual basis by our Group Management.

Our emission reduction initiatives at production sites included optimizing heating, ventilation, and air conditioning systems, replacing refrigeration units and fluids, improving the insulation of piping systems, and using low-carbon energy. Additionally, some of our sites use certified management systems (ISO 140001 in Italy and ISO 50001 in Germany) to improve their environmental management and energy efficiency. In 2023, we slightly increased direct energy use compared to 2022, but overall had a small decline in Scope 1 emissions, driven mainly by a small reduction in natural gas and refrigerants usage. We decreased indirect energy use which led to a drop in Scope 2 emissions. Compared to our 2020 baseline, we have decreased our Scope 1 and 2 emissions by around 11%. We expect that with the implementation of our local decarbonization plans across all our local companies, we will be able to make significant steps to reduce these emissions in the near term.

Scope 3 emissions – progress

Our Scope 3 emissions increased by 19% compared to our 2020 baseline. We recognize this is not in line with the direction that we should pursue to meet our science-based targets. However, we also recognize that this increase occurred in a period when we were focusing efforts to improve key processes and tools to accurately report our footprint and developing concrete action plans to tackle emissions in both Scope 3-FLAG and Scope 3-non-FLAG related areas. The emissions increase was mainly driven by production and sales growth. As part of our decarbonization roadmap development, we have also identified specific actions that are coordinated more centrally and aim to tackle significant parts of our footprint, such as cocoa and other raw materials.

We aim to report further details on our 2023 progress in the CDP Climate framework, using year-end data.

Task Force on Climate-Related Financial Disclosures (TCFD) Outlook

In 2023, we completed a TCFD gap assessment with the help of a third party. This analysis showed that our metrics and targets are generally meeting the requirements for having a TCFD-aligned disclosure, further aided by the announcement of our SBTs. Improvement areas were identified in the areas of climate governance, strategy, and risk management.

As a first step, in 2023 we further detailed governance of climate-related risks and opportunities, with the aim of making our employees everywhere responsible for considering lower-carbon decisions in their daily work. This reaches from the Board and Group Management, to operational and functional departments worldwide, and soon to designated greenhouse gas (GHG) responsible persons in our subsidiaries. We evaluated business processes and practices so that departments will be equipped to execute defined interventions in the future, and set associated sub-targets. We expect that in the short term, other business processes may change to help further integrate emission-reduction priorities in our company. For details on our climate-related governance, please refer to our [Roadmap to net-zero](#).

We are planning to conduct a (high-level) assessment of physical and transitional risk exposures in early 2024, with the support of a third party. This assessment will take into account different climate scenarios, including a 2°C or lower scenario, to better understand the potential risks and opportunities of climate change to our business, strategy, and financial planning.

We aim to provide further insights into these assessments in next year's report.

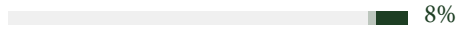
Water and waste

Material topics

- Water management
- Resource use and circular economy

Water management

We aim to achieve a 10% reduction of municipal water withdrawal for use in our production processes (versus 2019), per ton produced, and to develop an integrated water roadmap by 2025.



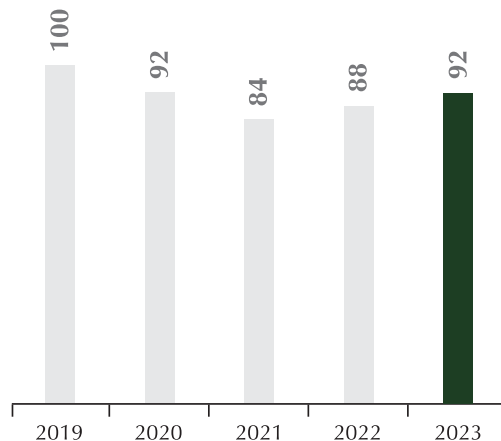
Status 2023: On track

We assess our water withdrawal rates twice a year in all our production facilities globally and are working to continuously optimize our processes and systems in order to reduce municipal water withdrawal. This includes fixing leaks, finding alternative sources, recycling and improving our data reading. Where needed, we install equipment to improve our measurement of water withdrawal. Decisions on capital projects and investments, such as installing new production lines, are required to incorporate estimated water usage and impacts.

Compared to the 2019 baseline, the volume of municipal water withdrawn in our production processes per ton of chocolate produced was down 8%. Our absolute municipal water withdrawal increased compared to 2022. The main reason for this was drier and hotter weather.

Municipal water withdrawal

Water withdrawal per metric ton of chocolate produced (2019 = 100%)



Overall, our impact from wastewater on water ecosystems is currently estimated to be low. We aim to gain further insights into potential local risks and opportunities with the development and execution of an integrated water roadmap by 2025.

Reduce and recycle

With respect to water scarcity, our producing operations do not have a material impact on water availability. This is because only a very small part of our production takes place in water-stressed areas. Nevertheless, we aim to further limit our impact by implementing measures to reduce wastewater generation.

All actions implemented are identified, designed and tracked locally. Their effectiveness is also assessed locally.

Beyond our operating activities

We expect our suppliers to adhere to Lindt & Sprüngli's Supplier Code of Conduct, which outlines requirements for water stewardship. We additionally consider water stewardship in the selection of responsible sourcing standards for relevant raw materials. For example, the Bonsucro standard for sugar cane requires producers to have water stewardship plans, and to consider water risk and water rights of local communities. Through the Lindt & Sprüngli Farming Program, we also finance the development, improvement, and/or maintenance of water infrastructure in our cocoa bean origin countries to facilitate access to water.



Loss of semi-finished products

In our production processes, we transform cocoa beans and ingredients step by step into chocolate products. The output of each step is the input into the next. We refer to the product before it reaches the final step as a semi-finished product. Our chocolate mass is a semi-finished product as it represents the output of the chocolate manufacturing process step and the input for the molding process. Chocolate mass waste is weighed to show inefficiencies in the production process and to facilitate identification of measures for improvement. There are other operational processes, such as cleaning, where it is more difficult to identify the exact amount of waste loss.

In 2023, we conducted an internal semi-finished product waste audit and updated our methodology to more comprehensively and consistently measure waste relative to our inputs and outputs. This led to newly published data for 2022 to 2023 which shows a decline in our performance. The increase of semi-finished product waste over the last years can be explained by improved data measurement and the expansion of our product range, innovations and trials including products containing allergens, zero sugar, no dairy, etc. The need to ensure food safety when producing new recipes and product ranges results in an increase of semi-finished product waste. This waste trend is expected to continue. Since we could not trace data back to 2015 under the new methodology, we are retiring our previous target and will work to develop a new one. To be able to set a clear and impactful target for the future, we need to understand and analyze the data and situation in more detail. Over the next few years, we will conduct a comprehensive review of our waste strategy, taking into account the new material topic “Resource use and circular economy”.

Packaging

① Material topic

• Resource use and circular economy

We aim to design over 90% of packaging to be recyclable by 2025.

(Target restated from 100% to over 90%)

 89.7%  PwC CH

Status 2023: On track, target has been restated

Our long-term goal is to support the circular economy and address environmental risks by employing sustainable packaging solutions that can deliver results from source to disposal. Our focus areas are the use of recycled materials and design for recyclability. The sourcing of pulp- and paper-based materials that are PEFC or FSC certified will help us to improve our supply chain impacts. Due to various challenges we have encountered (see below), progress towards our targets has been slower than expected and planned. This has required us to adjust our targets. We are aiming to design over 90% of our packaging to be recyclable by 2025 (previous target: 100%).

Sustainable Packaging Initiative

Our Sustainable Packaging Initiative considers impacts throughout the lifecycle of the packaging, from raw material sourcing to designing for recycling.¹⁶

We integrate environmental criteria in the packaging design process, alongside other criteria such as food safety, quality, and cost. Changes in the material composition to (re)design our packaging to make it recyclable and to use recycled materials are checked and approved by external laboratories and consultants, e.g., external certification of sorting and recycling compatibility. Food safety aspects are analyzed via external research to ensure that new materials and packaging solutions do not negatively impact our chocolate products. To achieve machineability and fulfill production process requirements, we perform extensive production and transport tests. We continuously proactively challenge our product portfolio by considering ways to reduce packaging material weight and packaging waste in production, and to minimize packaging destruction.

To achieve our five Sustainable Packaging Commitments, we are working to improve the packaging in which the products are sold to the customer (Consumer Units), that are used to transport the products to the stores (Transportation Units), and in which the products are placed in the stores for presentation (Display Units).

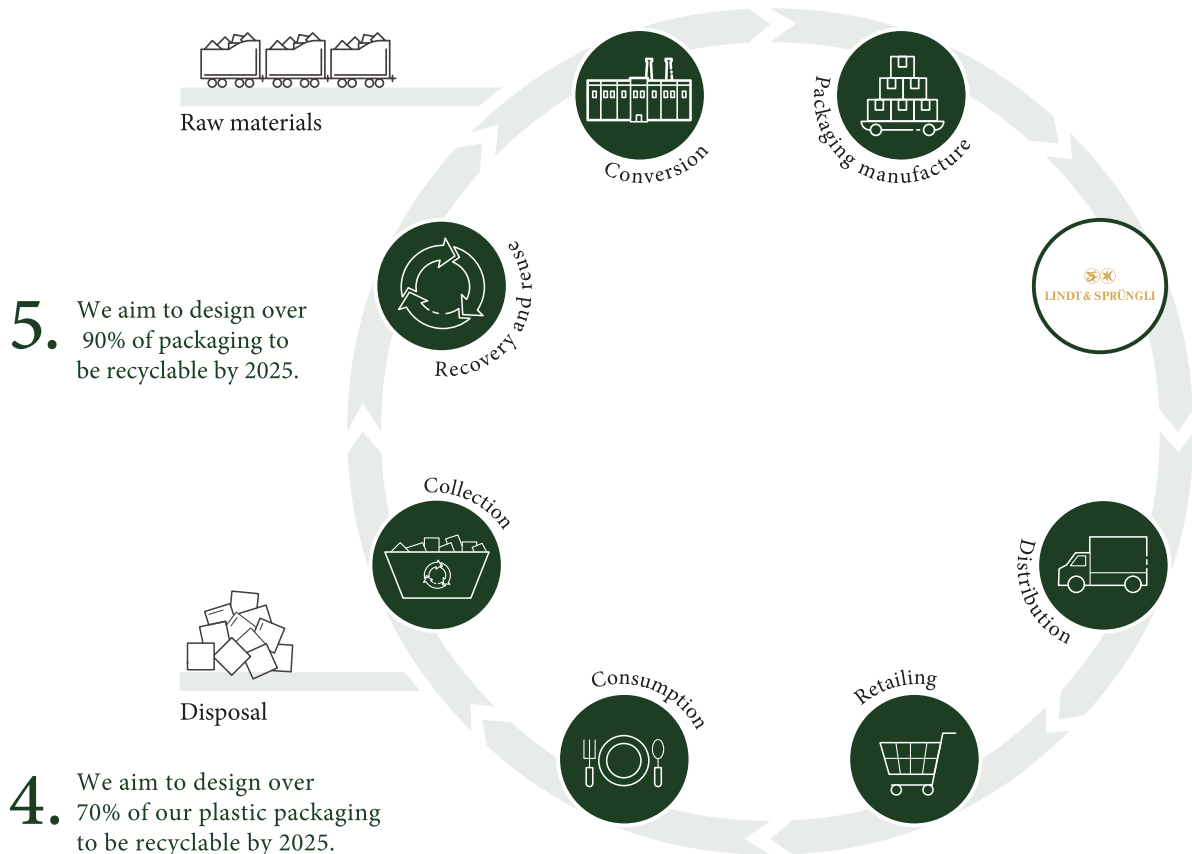
For the Sustainable Packaging Initiative, we have ten technical working groups, comprised of multinational internal experts who collaborate to find solutions. Their main focus is to identify materials and technologies that can help us fulfill our commitments and maintain our standards. The teams are working on different packaging solutions, including twist-wrapping, block bottom bags, praliné trays, flowpacks, and transportation trays. Their goal is to exchange and utilize the learnings and results of the tests. These expert groups can be considered as control committees proposing new solutions.

We have an internal guidance document on sustainable packaging and use a Lindt & Sprüngli recyclability assessment tool to locally assess the recyclability with a “traffic light” approach. This is updated annually by the external experts Interseroh+ “Made for Recycling”.

¹⁶ While our Sustainable Packaging Initiative addresses Lindt & Sprüngli’s impacts along the complete packaging life cycle, it is important to note that the availability of proper local infrastructure and markets for collecting, sorting, and recycling packaging material – as well as enhanced consumer behavior – must exist where our products are consumed for the objectives to be realized. We consider a material as recyclable based on a developed collection and sorting infrastructure at state-of-the-art technology on an industrial scale.

Our five Sustainable Packaging Commitments to support the circular economy

1. We aim to source 100% of our pulp- and paper-based packaging from a certified sustainable supply chain by 2025.
2. We aim to make at least 45% of all our packaging from recycled materials and to reduce our relative share of virgin plastic use by 10% (versus 2020) by 2025.
3. We aim to continuously and proactively challenge our entire packaging portfolio and strive to reduce packaging materials used by 2025.



Challenges to our Sustainable Packaging Initiative

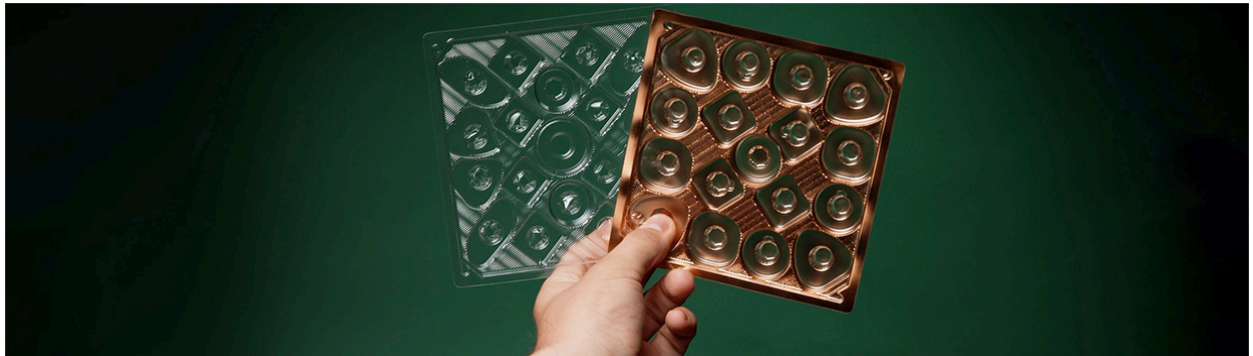
The baseline targets we set in 2020 have been affected by a changing product mix, in particular the increase in gifting. Furthermore, we are facing challenges in finding long-term sustainable packaging solutions, including extended lead times for trial materials, scalability of new technologies, and quality that meets our high standards. Our Sustainable Packaging Initiative addresses Lindt & Sprüngli's impact throughout the entire packaging lifecycle. Good local infrastructure for collecting, sorting, and recycling packaging material, as well as enhanced consumer behavior, remain crucial elements of effective recycling processes.

While we will continue to make significant efforts to progress in the development of more sustainable packaging solutions, also in the light of upcoming regional legislation (mainly in the European Union), we have restated certain packaging targets in order to reflect the described circumstances. To increase our knowledge of the design of recyclable packaging, and to support fundamental research, we have joined two industry organizations. CEFLEX focuses mainly on plastic and composite based packaging; 4evergreen is an alliance for the fiber-based packaging value chain where we gain insights from industry peers to help us tackle the challenges we face.

Circularity performance

In the areas of packaging made from recycled materials, there was little deviation in our performance compared to the previous year. In 2023, **42.1%** ✓^{PwC CH} of our packaging was made from recycled materials. The decline compared to 2022 is attributable to the changes in product mix, in particular the increase in gifting, and improved reporting and data. Our relative share of virgin plastic remained relatively stable, decreasing from 10.0% in 2022 to 9.9% in 2023. We have taken important steps to increase recycled materials in our packaging, but finding alternative solutions that comply with strict food safety requirements remains challenging. This requires intense quality testing prior to implementing new materials. A slow scale-up usually takes place after implementation.

We increased our share of recyclable packaging from 88.3% in 2022 to **89.7%** ✓^{PwC CH} in 2023. The share of plastic packaging designed to be recyclable rose from 41.5% to 53.9%. We implemented local projects in several subsidiaries, mostly by gradually phasing out non-recyclable plastics.



Recyclable praliné trays

The introduction of our new, transparent praliné trays for selected product lines in 2023 demonstrates our move towards designing packaging to be recyclable. To meet the latest recycling guidelines, we substituted colored metalized material with clear, uncolored PET. The trays contain between 30% and 80% of recycled material and can be recycled where local infrastructure is available and used. As the new trays require modifications on production lines, it will take several years to achieve a complete switchover across all subsidiaries.

Ongoing research and development (R&D)

In 2024, we will continue our activities, focusing in particular on circular design. We do long-term research on paper-based praliné trays, although we cannot yet forecast when these will be market-ready in scale. Extensive testing in redesigning our block bottom bags to a recyclable solution is ongoing. We are cooperating with start-ups in the area of recyclable and biodegradable plastics to identify potential applications, such as functional coatings, to enable new solutions.

We will continue to conduct research and development, along with production testing, to drive meaningful progress through the next few years on key packaging-related issues. These include reducing the use of plastic and finding alternatives to non-recyclable composite materials and hard-to-recycle plastic wrappers and trays. For this we do not only partner with direct suppliers, but also with tier 2 suppliers to learn more about their new technologies and solutions.



Performing together

- 84 Occupational health and safety (OHS)
- 85 Enabling and motivating working environment

Why we care

The products we sell are only as good as the people behind them. To attract and retain talented and committed staff, we aim to offer an appealing and inspiring workplace culture, promoting health and safety, diversity, employee satisfaction and development, as well as equal opportunity. Employee satisfaction and workforce development are essential for both the wellbeing of individual employees, and for the overall success, growth, and sustainability of our company in today's competitive business landscape. Global economic and political uncertainty, inflation, and ongoing labor shortages are also significant factors in the shaping of this landscape.

Lindt & Sprüngli takes great pride in employing over 15,500 people (headcount) worldwide and contributing to the livelihoods of their families and communities. We recognize and are committed to respecting the human rights of our employees and contractors, and strive to treat everyone with dignity and respect.

Occupational health and safety (OHS) is vital to our business because we perform best when workplace safety is everyone's priority and responsibility. All of our employees and contractors have the right to a safe working environment that is conducive to good mental and physical health. Additionally, we are mindful that any incidence of not maintaining such an environment could have a negative reputational impact on our business, as well as legal consequences, reduced productivity, and financial loss.

Our HR teams focus on elements of our Business Code of Conduct, together with our global company [Credo](#). Both are acknowledged and respected by employees directly engaged by Lindt & Sprüngli. To complement our permanent workforce, we rely on seasonal temporary production and retail workers. They are paid on an hourly basis and make up approximately 15% of our workforce. Our success depends on many other people too, such as contractors, distribution partners, wholesalers, and third-party retailers.

How we care

Our overarching approach to managing employee issues is based on our [Global Guiding Principles](#) framework. These Principles outline Lindt & Sprüngli's purpose, mission, and common values – which are innovation, excellence, entrepreneurship, responsibility, and collaboration. The responsibility pillar highlights sustainability and our commitment to act with integrity, treat everyone with respect, and care for the environment. The collaboration pillar underscores our goal to support each other throughout the company.

Our Global Employer Value Proposition is managed by our Human Resources teams worldwide. The teams are supported by a number of tools and resources, adapted for local needs. These include a company-wide framework that defines specific expectations and offers a list of “Dos and Don'ts” related to our values, our Business Code of Conduct, and our Lindt & Sprüngli Global Talent Management workbook. One focus of this workbook is the foundation of our work culture of respect, trust, non-discrimination, and fairness. It describes the values, competencies, and behaviors expected from all our employees. Periodic employee surveys and other forms of feedback and engagement are important tools to reflect, manage, and improve our overarching management approach (see [Employee satisfaction and development](#)).

We conduct a Global Employee Engagement Survey every three years to get employees' anonymous feedback. The questions it contains are reviewed and approved by Lindt & Sprüngli Group Management. Any actions and activities applicable to the Group deriving from the results of the survey are decided together with Group Management. At some subsidiaries, additional yearly surveys are conducted to monitor local topics.

Priorities identified in the global surveys, along with other business priorities related to our employees and potential candidates, which are mandatory for the entire Group, are embedded in the Lindt & Sprüngli Global Transformation

Program (GTP). This Program underscores the importance of people at Lindt & Sprüngli and focuses on three areas: 1. Purpose Mission Values; 2. Learning and Development; 3. Diversity and Inclusion. The appointment of the Chief Human Resources Officer (CHRO) as a new member of Group Management in 2023 also demonstrates the important role that people play in our business strategy.

Our approach to Occupational health and safety (OHS) is guided by our Health and Safety Policy. Our OHS systems enable us to monitor our performance while minimizing safety risks, and the Lindt Performance Way (LPW) efficiency framework is designed to ensure that our OHS policies and standards are applied at our production facilities worldwide (see [Occupational health and safety](#)). We adopt a proactive approach to preventing work-related injuries and illnesses in our factories.

The section Occupational health and safety focuses on policies and initiatives mainly pertaining to the people directly employed by Lindt & Sprüngli. To learn more about our efforts regarding safe and fair working conditions for workers along our supply chain, please refer to the [Improving livelihoods](#) chapter. We also depend on distribution partners, wholesalers, and third-party retailers to sell our products. However, processes and responsibilities adopted by these sales channels are out of the scope of this report.

Our employment and occupational safety related documents

- 🔗 [Business Code of Conduct](#)
- 🔗 [Health and Safety Policy](#)
- 🔗 [Human Rights Policy](#)
- 🔗 [Speak Up Policy](#)
- 🔗 [Supplier Code of Conduct and Compliance Declaration](#)

Occupational health and safety (OHS)

① Material topic

- Employee health, safety and wellbeing in own operations

We aim to continuously reduce our safety risks to achieve our long-term vision of zero lost time accidents.

Status 2023: Data collection and methodology revision 2023

Lindt & Sprüngli's Health and Safety Policy outlines our commitment to complying with applicable laws, regulations, and industry standards, along with our commitment to providing employee training on health and safety matters. The Policy and the Lindt Performance Way (LPW) efficiency framework help us to improve our local OHS systems in order to identify, assess, analyze, and minimize health and safety risks in the workplace.

Safety culture

Our Group Operations team is responsible for Lindt & Sprüngli's general approach to safety. This is implemented by our production facilities, and overseen by Group Management, which receives annual updates. The management teams of local Lindt & Sprüngli production subsidiaries and facilities are responsible for tracking performance on a monthly basis, and for developing relevant and specific working procedures and practices to meet local regulatory and Group requirements. These requirements mainly focus on activity-based risk assessments and behavioral safety.

Designated health and safety employees at our production sites work to improve the processes and procedures necessary for a safe working environment. They conduct OHS self-assessments, identify hazards and risks, and investigate incidents. Each production facility has a system in place for employees to report accidents, unsafe conditions, and near-miss incidents. Employees are encouraged to identify and report workplace hazards and risks so that we may better understand the root cause of incidents and take preventive action. Each site is responsible for training its employees on OHS topics to support their site-specific needs. Through our Supplier Code of Conduct, we also expect our suppliers to provide their own employees with a safe and healthy workplace.

Addressing our safety risks

We aim to cease or modify activities that pose the highest risks. Activity-based risk assessments serve as the foundation of this work. In 2023, we completed an in-depth health and safety assessment program with a third party across our entire Group. The goal of these assessments was threefold: 1. Understand compliance against local regulatory requirements; 2. Understand compliance against internal standards and procedures; 3. Assess the maturity level of the local safety culture. The assessment looked at organizational, operational, and leadership elements. We will use the audit data to supplement internal analysis and establish a new strategy and approach to health and safety management and practice globally from 2024.

Our performance

In 2023, we began improving our injury and illness data reporting processes. We implemented a new reporting system and launched a uniform set of definitions, which all Lindt & Sprüngli companies (production companies and distribution companies) and departments will be required to use from 1 January 2024 onwards. Training was also provided on the new system and definitions. Due to our focus on implementing a new methodology and definitions across subsidiaries, we are not externally reporting global health and safety figures for 2023 or prior years. We will report these figures again as of the 2024 reporting year.

Enabling and motivating working environment

① Material topics

- Employment and labor relations in own operations
- Equality, diversity and inclusion in own operations
- Employee satisfaction and development in own operations

We strive to be an attractive employer and we are focused on continuous improvement in all relevant areas.

Providing meaningful and equitable career opportunities

Wherever we operate, we remain committed to offering fair and equal working conditions and opportunities, meaningful career development, and competitive compensation and benefits. We believe that all people should be treated fairly, as laid out in our [Business Code of Conduct](#).

Our annual HR global gathering and quarterly virtual sessions are vital for exchanging best practices and aligning our transformation roadmap to each subsidiary's level of maturity on key issues.

We aim to empower our employees to reach their fullest potential and we offer a wide variety of meaningful career development opportunities, including:

- Prioritization of our internal workforce for openings, and recruitment of most of our executive leadership positions through internal promotions
- Encouragement of cross-departmental development, e.g., between marketing and sales
- International Graduate Programs in marketing, finance, and operations, which have been running successfully for over a decade, offering an accelerated career path across the Group
- Annual invitation to a selected group of senior leaders worldwide to the Senior Leadership Program in partnership with IMD Lausanne
- A dynamic marketing career path across all of our product ranges and different Lindt & Sprüngli locations around the globe

Group employee engagement survey

Based on the results of the 2022 Global Engagement Survey, our main areas for improvement are internal communication, diversity and inclusion, and people development. The measures taken to improve these areas have been included in the roadmap of the Global Transformation Program (GTP). In 2023, Group HR developed a Diversity, Equity and Inclusion (DEI) framework which includes unconscious bias training and is scheduled to be rolled out in 2024. Furthermore, the Lindt Talent Program (LTP) was launched in 2023. It targets local talents in middle management who are not internationally mobile.

Employment and labor relations

Lindt & Sprüngli Group sets out guidelines designed to ensure that all employees are treated equally in terms of conditions of employment and representation (see the Equal opportunity and employment policy section of the [Business Code of Conduct](#)). The Group implements global policies broad enough to apply to all subsidiaries. Local subsidiary and management teams define and execute concrete policies applicable to local conditions. Examples of global policies relevant to the employment and labor relations topic are the Business Code of Conduct, Human Rights Policy, and the Health and Safety Policy. Employment and labor relations are closely linked to national and local legal frameworks. As such, subjects like bargaining agreements, union management, and governmental organization management (employment and social government departments or agencies) are mainly dealt with by the local HR teams.

“Our five values are the base for everything we do. We believe that every person has the right to be their authentic self at work, and to be treated with respect. We strive to create an inclusive environment where everyone can contribute their diverse talents, perspectives, and ideas. Together, we shape a unique workplace that not only attracts but retains exceptional individuals, ensuring our collective success and growth.”

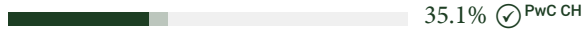
Nicole Uhrmeister, Chief Human Resources Officer, Group Management Member

Currently, Lindt & Sprüngli employees are collectively organized in Austria, France, Germany, Italy, Switzerland, Spain, Benelux and the USA (Ghirardelli), with a total of 48% of the workforce of our Group under collective agreements. The working conditions of employees not covered by such agreements are defined as equal to, or better than, the ones for employees covered by collective bargaining agreements. The working conditions of the local CEOs or Country Managers are globally defined. We remain committed to respecting our employees' rights to freedom of association, to join trade unions, and to collective bargaining. Our primary measurement tool in this context is regular meetings with the works councils. Lindt & Sprüngli Group Management is involved in the European Works Council as per EU requirements. Any other local matters are dealt with locally. Our engagement focuses on financial compensation, working hours, non-discrimination, disciplinary practices related to harassment and abuse, freedom of association and collective bargaining, health and safety, and working conditions.

Due to differing international legal requirements, Lindt & Sprüngli does not have Group-wide benefit guidelines. At all of our significant operational locations, our full-time employees do however receive benefits above the minimum legal requirements. Equally, at most of our significant operational locations (production sites and locations with over 300 employees) in Europe, part-time employees receive the same eligibility as full-time workers for some employee benefits, proportionate to their degree of employment. Our American based subsidiaries (including Russell Stover and Ghirardelli) provide most of the following benefits: life insurance, health care, short-term and long-term disability insurance, parental leave, sick day off and volunteering time off to full-time employees.

Diversity, equity, and inclusion

We aim to increase the representation of women in senior leadership to 40% by 2025.



Status 2023: On track

At Lindt & Sprüngli we believe that providing a diverse, equitable and inclusive work environment is fundamental to personal and business success. It is our policy and practice that current and potential employees enjoy equal opportunities. We require all of our subsidiaries to follow our equal opportunity commitments and tailor their HR strategies to meet local equity and diversity needs.

In 2023, a Diversity, Equity and Inclusion (DEI) framework was developed and approved by Group Management, with a full rollout scheduled for 2024. The framework is based on four pillars – Educate, Grow, Connect, and Celebrate. The International HR Board has developed several initiatives on all four pillars of the foundation level for 2024. The initiatives will be rolled out in all subsidiaries. Depending on the maturity level of the subsidiary, more actions can of course be taken. The global principle of the framework is “Inclusive place for everyone” and our commitment “40% of women in senior leadership”. Global metrics will help us keep track.



Regarding our goal to increase the percentage of women in senior leadership positions to 40% by 2025, we increased the rate to 35.1% ✓ PwC CH in 2023 (up from 33.0% in 2022). Additionally, 0.5% of senior leadership self-identified as “Other”. Lindt & Sprüngli remains strongly committed to this goal. Furthermore, we have already succeeded in achieving gender balance in middle management, with a 52.9% female representation in 2023. In 2023, over a third of our subsidiaries also offered local Women in Senior Leadership Programs, and nearly half promoted DEI key events on International Women’s Day.

Diversity, Equity & Inclusion (DEI) Pillars

DRIVE DIVERSITY, EQUITY & INCLUSION FOR A BETTER BUSINESS FOR EVERYONE				
DEI Pillars	EDUCATE	GROW	CONNECT	CELEBRATE
	Support awareness, understanding and allyship	Provide opportunities for all employees to grow	Build a vibrant and connected community	Celebrate our differences and our commitment to DEI

Case study: Ghirardelli recognized as one of America's Greatest Workplaces for Women

Ghirardelli was recognized as one of America's Greatest Workplaces for Women in 2023 by Newsweek. Newsweek partnered with data firm Plant-A Insights Group, surveying over 37,000 women to identify companies that ranked highest on criteria like "compensation and benefits," "work-life balance" and "proactive management of a diverse workforce".



Discrimination and equal opportunities

We do not tolerate any discrimination against employees or candidates based on gender, age, religion, political opinion, union affiliation, disability, national or social origin, sexual orientation, ethnicity, color, or other characteristics.

Recruitment or promotion follows a selection process based on the following criteria: the skills, abilities, and professional competencies of the candidate; relevant experience, performance, and qualifications; the specific work-related requirements of the job. Since implementing the official Speak Up Line, an independent grievance mechanism, in 2021, the handling of discrimination cases brought a higher awareness of the importance of the topic in the Group. We are also developing training for line managers and employees to address unconscious bias and harassment, and inclusive Recruitment Guidelines.

As described in the Speak Up Policy, Lindt & Sprüngli encourages employees to use the regular reporting chain when raising a concern (Line Manager or local Human Resources representative or Group Compliance). If an employee or third party is uncomfortable with this, or such reporting channels are impractical, they may contact the Lindt & Sprüngli Group-wide, independent, and secure Speak Up Line. Local champions have been trained to register local concerns raised outside of the tool. Reported cases are reviewed by the contacted entity (i.e., line manager, Human Resources representative, Group Compliance). Cases raised via the Group grievance mechanism are initially assessed by Group Compliance, which then decides how to handle.

Current data collection regarding discrimination and harassment incidents includes cases reported via the grievance mechanism (Speak Up Line) and legal proceedings. All incidents received have been reviewed by the organization. In total, 26 incidents were reported in 2023:

- 7 legal cases are pending; and
- 19 incidents were reported via the Speak Up Line and of these, one incident was substantiated and closed in 2023. 95% (18 of the 19) of the incidents reported were unsubstantiated and closed in 2023.

The increase in the number of cases between 2022 and 2023 is justified by the continuous awareness and training of Speak Up as a reporting channel, which has been more prominent this year than last. Remediation actions included training on the Speak Up Policy as well as Code of Conduct, warnings and/or dismissals where the reported concerns were substantiated. The remediation plans implemented included discussions and the involvement of local and/or Group Management to decide the appropriate actions. Additional training on the Lindt & Sprüngli Code of Conduct was also initiated to reinforce the key message of the Lindt & Sprüngli Business Code of Conduct.

Employee satisfaction and development

After the 2022 Global Engagement Survey revealed a lack of employee development opportunities at a global level, the Lindt Talent Program (LTP) was developed and launched in 2023. The LTP is a global, in-house, cross-functional development program for our employees in middle management positions. The LTP targets 30 to 40 top talents among our mid-level leaders. This comprises managers from all functions and subsidiaries who are recognized as having potential to become Vice-Presidents in their subsidiaries. The Program allows them to develop their entrepreneur mindset and further develop their leadership skills to increase their impact on the company's growth agenda. Participants also spend a week at the Lindt & Sprüngli headquarters where they meet with Group Management to discuss strategic topics and receive leadership training. Additionally, Group HR continually supports local initiatives and programs that support parenthood and parental care needs within fulfilling career paths. Local HR teams are responsible for development programs specific to their markets.

An attractive mix of further learning opportunities is shaped by our Purpose Mission Values (PMV) initiative and Global Talent Management workbook, as well as by the specific needs of our employees. To upgrade the skills of our employees, we offer internal training courses on a range of subjects, including leadership skills, project management and personal skills. We also provide specialized professional training on retail, marketing, finance, diversity, equity and inclusion, engineering, and maintenance, along with financial support for external training or education. The reported training hours for 2023 stand at 278,382, with ongoing initiatives to enhance data accuracy across the Group. For over a decade, we have been running International Graduate Programs in marketing, finance, and operations. These facilitate an accelerated career path across the Group. We also invite a group of senior leaders worldwide to participate in the Senior Leadership Program, run in partnership with IMD Lausanne.

At our production sites and locations with more than 300 employees, we offer employability and career management support including outplacement, external coaching, and retirement workshops. We conduct annual talent management reviews and performance appraisals, and we have a structured employee succession planning process in place. In 2023, on average 77.5% of employees across the Lindt & Sprüngli Group received performance and career development reviews. Employees meet with their direct managers at least once a year to create individual development plans that apply our 70-20-10 learning model. See graph:

70-20-10 learning model

Formal/self-directed training 10%	– Training – Self-study – Conference – Periodicals – Books/media
Feedback/coaching 20%	– Receive coaching/mentoring – 360° feedback – Networking/soliciting feedback – Peer coaching
On the job experiences: Development in role 70%	– Stretch assignments – Special projects – Rotational projects – Task force assignments – Mentor/coach others – Cross-functional team participation – Community leadership positions – Job shadowing – Public speaking opportunities

Impact on development

Adapted from work by M. McCail, R. Eichinger, and M. Lombardo at the Center for Creative Leadership (CCL)

In 2023, the number of new hires during the year decreased from 5,654 to 5,180, excluding seasonal and temporary workers. The decrease is partially due to the adaptation of the reporting method, aligning all subsidiaries to the same guidelines, and the organic decrease observed at Lindt & Sprüngli Italy after integrating Caffarel staff in 2022. This is also reflected in our employee turnover, where the overall rate for 2023 was 27.0%, representing a significant decrease compared to the previous year's 34.8%. This is due to the exclusion of seasonal and temporary workers, who strengthen our manufacturing and retail departments during the high peak seasons of Easter and Christmas, from the 2023 report. Lindt & Sprüngli also relies on workers who are not employees, i.e., workers whose work is controlled by Lindt & Sprüngli within other operating expenses. They include third-party relationship or direct consulting contracts, self-employed workers, and temporary workers that are provided by personnel agencies. The number of workers who are not employees slightly decreased from 3,502 to 3,144 in 2023. The fluctuation is due to the seasonality of our business during the busy periods of Easter and Christmas. The change in the full-time/part-time and permanent/temporary employment breakdown is again due to the alignment of the reporting method applied to all subsidiaries in 2023.



Case study: Enhancing leadership skills

Organizations and their employees are confronted with an ever-increasing pace of change and growing uncertainty, requiring further development of our leadership competencies. In 2023, Lindt & Sprüngli Switzerland focused on training all its employees with a leadership role* in psychological safety and the creation of an environment where our employees feel safe, included and empowered to raise any concerns. In addition, they attended a session at the University of Zurich to work with the [Center for Leadership in the Future of Work](#). There they learned how to scale emotional intelligence from the individual to the organizational level, and which practices can be applied within Lindt & Sprüngli.

* Employees having direct reports or with a specialist role are defined as having a leadership role.

Our way forward

As part of the Lindt & Sprüngli DEI strategy, the new DEI framework will be rolled out in 2024. An analysis of our Global Mobility Program was completed by Mercer at the end of 2023, ready for the implementation of defined measures for improvement in 2024. Derived from the LTP, we will also be focusing on further enhancing learning initiatives at Group level in the coming year.



Delighting consumers

94 Product quality and product safety

96 Transparent and responsible communication

Why we care

Lindt & Sprüngli wants consumers to enjoy its chocolate. Providing high-quality products is our primary responsibility towards our consumers, and we are committed to ensuring that these do not put consumer health or safety at risk. Supplying safe goods that meet applicable legal requirements, as well as our own quality and food safety standards, is critical to our reputation and business. This additionally reduces the risk of liability, product recalls, and withdrawals.

We understand the growing relevance of health and nutrition for our consumers. They want to make informed purchasing decisions regarding ingredients, nutritional values, allergens, and overall sustainability performance. Promoting balanced diets to reduce the prevalence of obesity and other non-communicable diseases, particularly in children, has become a public health priority worldwide. We continue to respond to increasing demands from consumers and other stakeholders for more information about our products and are mindful of the emergence of regulations on foods high in fat, salt, and sugar. We strive to ensure that our marketing and communications support responsible choices around our chocolate.

How we care

While we adhere to national and international legislation applying to our areas of activity, our policies often extend beyond what is legally required. Our global requirements are defined in our internal Lindt & Sprüngli Quality Guidelines and our Responsible Marketing Policy. The latter captures our commitment to avoid advertising directly to children under the age of 16, to portray responsible consumption, and to provide transparent nutritional information.

In terms of product innovation, Lindt & Sprüngli develops new recipes to satisfy a variety of consumer dietary preferences. These include dairy-free and reduced-sugar recipes. In 2023, we also identified “Consumer health and nutrition” as a new material topic and have expanded discussion of this area within our report.

Our marketing-related document(s)

The Lindt & Sprüngli Responsible Marketing Policy states and describes our commitment to responsible marketing communications.

 Responsible Marketing Policy

Product quality and product safety

① Material topic

- Product safety and quality

We are committed to full and continuous compliance with Lindt & Sprüngli's quality and food safety standards.

Status 2023: Zero serious non-compliance with Lindt & Sprüngli quality and food safety standards (no major deviations)  PwC CH

Quality along the value chain

We aim to ensure quality along the entire value chain, from raw material to the consumer, by:

- Ensuring customers' and consumers' expectations are met with consistent premium quality products and services
- Focusing on food safety, product quality, and execution along the whole value chain
- Fostering a quality culture across all disciplines and levels of our company
- Directing our suppliers and service partners to act according to our principles

Setting high standards

Our global network of internal experts identifies new scientific findings, regulations, consumer requirements and trends which affect our products and production. Several expert groups meet regularly to discuss developments.

We review our ingredients, food contact materials, and processes based on new findings, adjusting recipes where necessary and working with our suppliers to mitigate potential risks. In addition, we have a monitoring program in place to detect the possible presence of pesticides and other contaminants in raw materials, and adapt in line with new findings. Our production facilities have certified management systems for food safety in place (FSSC 22000; excluding Russel Stover) and follow our own strict requirements defined in our internal Lindt & Sprüngli Quality Guidelines. These meet or exceed legal regulations and standards. We also have guidelines in place across the supply chain to ensure the high quality of our products through to the final consumer. During the year, we worked with our subsidiaries to assess increasingly challenging regulations in order to make any necessary adjustments to our standards.



Maintaining quality and safety globally

For quality assurance purposes, our production sites undergo unannounced and comprehensive inspections, conducted either by internal experts or by recognized independent third parties. Equally important are our regular raw and packaging materials supplier audits to make certain that final products meet Lindt & Sprüngli quality standards.

As in previous years, we continued to improve our ability to detect potential incidents of non-compliance and to work with our subsidiaries to adhere to internal and external performance standards and requirements. If an incident happens, we take immediate action and collaborate with authorities, investigate the root cause, and inform customers and consumers. In 2023, two voluntary recalls were issued. These were related to allergen labeling information and were not based on reports of allergic reactions.

Lindt & Sprüngli's position on genetically modified organisms (GMOs)

Lindt & Sprüngli is not involved in any research or development associated with genetically modified foods. None of the Lindt, Caffarel, Küfferle, or Hofbauer products are produced with GMO ingredients. Regular tests are performed that are designed to monitor these products for compliance with relevant EU and Swiss regulations. Russell Stover products and certain flavored sauces of Ghirardelli include GMO ingredients.

Transparent and responsible communication

① Material topic

• Consumer health and nutrition

We are committed to not targeting children under 16 years old in our advertising, encouraging responsible consumption, providing transparent nutritional information, and adhering to applicable national and international laws.

Status 2023: No major non-compliances with national or international marketing and communication laws (no major deviations)  PwC CH

We are committed to responsible marketing communication. This aims to help consumers make informed decisions around their buying and consumption. We strive to ensure that our communication encourages responsible consumption, does not target children under 16, and that our packaging provides nutritional transparency. We also endeavor to support parents and guardians in making the right dietary and lifestyle choices for children. These commitments reflect the importance we attach to addressing a growing consumer and social focus on health and nutrition.

Complying with applicable laws governing marketing communication to children is also an integral part of our commitment. If applicable laws set stricter requirements than our Responsible Marketing Policy or signed industry pledges, they are adopted.

Global concerns over health have initiated a rise in legislation aimed at restricting consumption of foods high in fat, salt, and sugar (HFSS). These laws often concern advertising restrictions, in-store location restrictions, and product labeling. We aim to deliver on our growth ambitions, whilst ensuring compliance with such legislation, through a strategy of promoting responsible consumption, transparent nutritional labeling, and responsible, compliant in-store and marketing practices. Our subsidiaries are responsible for ensuring compliance with local HFSS legislation and taking action accordingly.

Responsible marketing

Lindt & Sprüngli's Responsible Marketing Policy outlines our principles and standards and was updated in 2023. Our commitments extend beyond legal requirements and the Policy holds us accountable for how we market our products. Its scope covers our commitment to being transparent, non-exploitative, and not encouraging irresponsible behaviors in three areas: avoiding advertising to children, encouraging responsible consumption, and providing transparent nutritional information.

Advertising to children

We commit ourselves to avoiding advertising our products directly to children in the absence of parental or other adult supervision. As of July 1, 2023, Lindt & Sprüngli voluntarily strengthened its responsible marketing practices by raising the age threshold from 13 to 16. We commit to not advertising our products in media where at least 30% of the audience is made up of children under 16, and do not engage in any communication related to our products in primary or secondary schools.

Encouraging responsible consumption

We do not encourage or show excessive consumption in our advertising. For example, the portions shown do not exceed recommended sizes and there is no portrayal of unhealthy or inappropriate consumption of our products.

Providing transparent nutritional information

We are committed to displaying clear and easily understandable nutritional information and calorie guidelines and to continuously seeking to simplify our ingredient lists. For products that have a risk of containing common allergens, we make sure that these are highlighted in the ingredients with bold type and add a clear warning about any traces of specific allergens the products may contain.



Industry activities

Lindt & Sprüngli participates in industry activities aimed at furthering responsible advertising to consumers. Examples are those carried out by the EU Pledge, a voluntary initiative by leading food and beverage companies at a European level and, as of 2023, activities of the BBB National Programs' Children's Food and Beverage Advertising Initiative (CFBAI) in the United States. Under both of these industry pledges, Lindt & Sprüngli is one of the companies that commits not to advertise to children under 13 years. We also abide by the International Chamber of Commerce (ICC) Code of Advertising and Marketing Communication Practice, and the ICC Framework for Responsible Food and Beverage Marketing Communications in our marketing communication.

Our approach applies to all marketing communication channels, including television, radio, print, cinema, online (including company-owned websites and company-owned social media profiles), direct marketing, product placement, interactive games, outdoor marketing, DVDs/movies, as well as mobile and SMS marketing.

Adherence to our industry pledge commitments is audited through the pledges we participate in. Through the EU Pledge initiative, our television and digital marketing programs must undergo an annual third-party compliance audit in selected European markets. This is conducted by Ebiquity and the European Advertising Standards Alliance (EASA). In 2023, the EU Pledge third-party television audit was conducted in France, Germany, Italy, the Netherlands, Romania and Spain. At the same time the digital EU Pledge monitoring was carried out in France, Germany, Italy, the

Netherlands, Poland and Spain. As part of the CFBAI pledge, our television communication in the US is also audited annually. The television audit is conducted by BBB National Programs using data from third-party provider Nielsen.

In addition, we run audits in countries outside the EU and United States, conducted by third-party provider Ebiquity. These audits focus on our television advertising spending, which accounts for over half of our media expenditure. They are conducted in three countries per year and the countries selected are rotated every year to ensure a wide coverage. In 2023, audits were performed in the UK, Australia and Canada.

In 2023, Lindt & Sprüngli achieved **99.4%**  compliance with the EU Pledge commitments regarding television advertising overall and **100%**  compliance for daytime television advertising. Digital tracking indicated that our brand-owned websites, social media profiles, and influencer profiles were **100%**  compliant. The CFBAI TV compliance monitoring for 2023 found 99.9% overall compliance for Lindt and Ghirardelli with the CFBAI Pledge commitments. Russel Stover had no TV airings in the timeframe of the audit. Compliance results for digital media for 2023 under the CFBAI Pledge were still pending at the time this report was finalized. Both industry pledges' audits were still based on our previous commitment not to advertise to children under 13 years. The additional audits in the UK, Australia, and Canada, conducted after July 1, 2023, already took into consideration our increased commitment not to advertise to children under 16 (effective as of July 1, 2023). The results showed that 98.1% of our TV advertising was compliant with our commitments. As of 2024, it is our intent to also audit a selection of European markets as well as the US with regards to our enhanced commitment. Additionally, no deviations or incidents were reported in any other countries regarding advertising to children, **nor any non-compliance with national or international laws concerning marketing communication.** 

Ensuring nutritional transparency

Providing product information, including nutrition information, for online and offline sales purposes is increasingly important. We monitor regulatory developments regarding the labeling of products and trends in consumer information.

Employees involved in external marketing communication and product labeling receive specific training related to Lindt & Sprüngli's Responsible Marketing Policy at least bi-annually, and whenever the policy is updated. For consumers, we provide easy access to information on all of our products through our website, social media channels, packaging, FAQs on our website, and Consumer Services.

Since April 2023, we have been working on a global initiative for the Group to consider our future strategy for consumer health and nutrition, whilst complying with increased legislation on consumer health and nutrition. The strategy aims to cover various elements, such as availability in stores, marketing activities, as well as efforts to gradually decrease our ingredient list to the minimum necessary and reduce artificial additives in our products.



Key Performance Indicators

- 100 Business integrity and human rights
- 102 Improving livelihoods
- 105 Contributing to an intact environment
- 108 Performing together
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Business integrity and human rights

Business integrity

Compliance with laws and regulations

	Unit	2023	2022	YOY
Total number of significant instances of non-compliance with laws and regulations during the reporting period (GRI 2-27)	No.	1	0	–
Thereof instances for which fines were incurred (GRI 2-27)	No.	1	0	–
Thereof instances for which non-monetary sanctions were incurred (GRI 2-27)	No.	0	0	–
Total number of fines for instances of non-compliance with laws and regulations that were paid during the reporting period (GRI 2-27)	No.	2	5	–60%
Thereof fines for instances of non-compliance with laws and regulations that occurred in the current reporting period (GRI 2-27)	No.	1	4	–75%
Thereof fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods (GRI 2-27)	No.	1	1	0%
Monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period (GRI 2-27)	t CHF	255	15	>100%
Thereof fines for instances of non-compliance with laws and regulations that occurred in the current reporting period (GRI 2-27)	t CHF	248	2	>100%
Thereof fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods (GRI 2-27)	t CHF	7	13	–46%

Confirmed incidents of corruption and action taken

	Unit	2023 *	2022	YOY
Total number of confirmed incidents of corruption (GRI 205-3)	No.	0	0	–
Thereof incidents in which employees were dismissed or disciplined for corruption (GRI 205-3)	No.	0	N.A.	–
Thereof incidents when contacts with business partners were terminated or not renewed due to violations related to corruption (GRI 205-3)	No.	0	0	–
Total number of public legal cases regarding corruption brought against the organization or its employees during the reporting period (GRI 205-3)	No.	0	0	–

*  PwC CH

Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

	Unit	2023 *	2022	YOY
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant (GRI 206-1)	No.	0	0	–

*  PwC CH

Training on anti-corruption

2023	America	Europe	Rest of World	Total
Governance body members ¹ that have received training on anti-corruption (No. and %) (GRI 205-2)				
No.				31
%				91.2
Employees that have received training on anti-corruption, broken down by employee category and region (%) (GRI 205-2e)				
Manufacturing indirect ²	72	42	63	51
Administration ³	68	67	91	79
Total	68	60	87	65
Employees that have received training on anti-corruption, broken down by employee category and region (No.) (GRI 205-2e)				
Manufacturing indirect ²	149	256	40	445
Administration ³	628	1,090	314	2,032
Total	777	1,346	354	2,477

¹ Governance body members include Board members of Chocoladefabriken Lindt & Sprüngli AG and all subsidiaries.

² Manufacturing indirect includes all employees in the following functions: Purchasing and Ordering, Production Management, Scheduling and Planning, Co-packaging and Co-manufacturing, Intercompany.

³ Administration includes all employees in the following functions: Marketing, Finance, Human Resources, IT, General Services, Salesforce, Research and Development (R&D), and all others.

Human rights

Reduction of the risk of child labor

	Unit	2023	2022	YOY
Cocoa volume from child labor risk countries where a Child Labor Monitoring and Remediation System (CLMRS) rollout started or is implemented ¹	%	66.1	56.6	+9.5pp
Farming households in risk countries covered by a CLMRS ²	No.	88,200	88,000	+0%
Unannounced child labor focused monitoring visits conducted ²	No.	16,200	13,700	+18%
School facilities built or renovated since start of Farming Program ²	No.	50	45 ³	+11%
Children benefitting from school refurbishments through Farming Program ²	No.	9,700	8,100 ³	+20%

¹ For volumes sourced through the Farming Program, determination of the roll-out or implementation of a CLMRS is based on supplier data demonstrating evidence of any of the following: household and community risk assessments, unannounced child labor focused monitoring visits and/or training on good social practices conducted. Volumes sourced through other sustainability programs are included so long as the program criteria require a CLMRS. Volumes of unknown origins are allocated to Ghana and Côte d'Ivoire and classified as noncompliant.

² Data collection period based on the cocoa reporting year October 2022 to September 2023

³ Restated due to improved data validation process

Improving livelihoods

Responsible sourcing

General responsible sourcing KPIs

	Unit	2023	2022	YOY
Sourced volumes of raw and packaging materials bearing significant sustainability risks covered by a responsible sourcing program ¹	%	58.1 *	42.6	+15.6pp
Average EcoVadis sustainability assessment score of Lindt & Sprüngli suppliers ²	Score (max = 100)	61.2 *	55.0	+11%
Scored suppliers in EcoVadis	No.	629 *	581	+8%
Share of procurement expenditure assessed through EcoVadis	%	56.2	N.A.	–
Procurement expenditure for packaging material from Asian factories covered by Supplier Sustainable Practice (SSP) Program	%	97.5	91.0	+6.5pp
External on-site visits (SSP)	No.	27	37	–27%

Palm oil

Palm oil (kernel/oil/fractions) sourced	Metric tons	8,026	8,819	–9%
Thereof sourced RSPO certified	%	100.0	100.0	+0pp

Hazelnuts

Hazelnuts (total) sourced (includes processed and unprocessed hazelnuts; excludes an immaterial volume of ingredients which contain hazelnuts combined with other materials)	Metric tons	6,047	6,330	–4%
Thereof Turkish hazelnuts sourced	Metric tons	3,700	4,677	–21%
Thereof Turkish hazelnuts sourced with Rainforest Alliance certification	%	22.9	0.0	+22.9pp
Thereof Turkish hazelnuts sourced through other sustainability programs	%	77.0	99.9	–22.9pp

Soy lecithin

Soy lecithin (total) sourced	Metric tons	1,015	1,071	–5%
Thereof sourced ProTerra certified (total)	%	96.7	100.0	–3.3pp
Thereof sourced ProTerra certified (excl. Russell Stover)	%	96.6	100.0	–3.4pp

Eggs ³

Eggs (total) sourced ⁴	Metric tons	44	48	–8%
Thereof sourced cage free (total)	%	72.7	70.8	+1.9pp
Thereof sourced cage free (excl. Russell Stover)	%	100.0	100.0	+0pp

¹ Production subsidiaries, co-manufacturing and co-packaging. See the [Lindt & Sprüngli reporting criteria](#) for a more detailed breakdown of the KPI scope

² Methodology change in 2023 to report supplier score average weighted by their procurement expenditure (invoiced spend). Simple average score in 2023 based on previous methodology: 56.0

³ Eggs volume sourced for Lindt & Sprüngli own production.

⁴ The decline in total volume can be explained by a reduced use of cage-free eggs in the subsidiaries, while Russell Stover non-cage-free egg volumes remained stable.

*  PwC CH

General responsible sourcing KPIs

	Unit	2023	2022	YOY
Vanilla				
Vanilla (total) sourced	Metric tons	31	42	–26%
Thereof sourced Rainforest Alliance certified	%	22.6	0.0	+22.6pp
Pulp and paper				
Pulp and paper (total) sourced	Metric tons	90,502	97,567	–7%
Thereof sourced FSC or PEFC certified	%	55.6	4.7	+50.9pp
Sugar				
Sugar (total) sourced	Metric tons	142,252	140,305	+1%
Thereof cane sugar	Metric tons	48,282	44,792	+8%
Thereof sourced Bonsucro mass balanced certified	%	29.1	0.0	+29.1pp
Thereof sourced Bonsucro credit compensated	%	2.8	0.0	+2.8pp
Thereof sourced through other certification scheme benchmarked equivalent to FSA silver level or comprehensively aligned to the Bonsucro Production Standard	%	0.1	0.0	+0.1pp
Thereof conventional cane sugar	%	67.9	100.0	–32.1pp
Thereof beet sugar	Metric tons	84,585	92,397	–8%
Thereof sourced FSA silver level verified	%	88.5	56.9	+31.6pp
Thereof sourced through other certification scheme benchmarked equivalent to FSA silver level or comprehensively aligned to the Bonsucro Production Standard	%	0.0	0.0	+0pp
Thereof conventional beet sugar	%	11.5	43.1	–31.6pp

Cocoa ¹

	Unit	2023	2022	YOY
Cocoa beans equivalent sourced (cocoa beans, powder, butter, and chocolate mass/bean equivalents according to ICCO conversion rates)	Metric tons	159,914*	155,226	+3%
Thereof sourced through sustainability programs (Farming Program or other sustainability program, verified or certified by third party)	Metric tons	115,573*	104,001	+11%
	%	72.3*	67.2	+5.1pp
Thereof sourced through Farming Program (verified or certified by third party)	%	68.2*	61.2	+7.0pp

Cocoa beans equivalent sourced through sustainability program per type of product

Cocoa beans	%	100.0	100.0	+0pp
Cocoa butter	%	50.2	44.4	+5.8pp
Cocoa powder	%	31.3	5.3	+26.0pp
Chocolate mass	%	0.0	0.0	+0pp

Traceability level (based on bean equivalent, see traceability definition in [Glossary](#))

Identity preserved	%	50.8	48.2	+2.6pp
Segregated	%	15.9	13.5	+2.6pp
Mass balance	%	5.6	4.5	+1.1pp
Conventional	%	27.7	33.8	-6.1pp

¹ Excludes volumes purchased by licensees and by co-manufacturers from third parties.

*  PwC CH

Rural development

Cocoa sustainability

	Unit	2023	2022	YOY
Annual investment in cocoa sustainability programs (cocoa beans, powder, butter, and chocolate mass)	m CHF	29.8	27.5	+8%
Thereof in Farming Program sustainability premiums (cocoa beans, powder and butter)	m CHF	26.8	23.6	+13%
Total investment in cocoa sustainability programs since 2008 (cocoa beans, powder, butter, and chocolate mass)	m CHF	140.1	110.3	+27%
Thereof in Farming Program sustainability premiums (cocoa beans, powder and butter)	m CHF	111.8	85.0	+31%
Cocoa origins (countries) covered by Farming Program	No.	7	7	+0%

Farming Program ¹

Farmers participating in Farming Program	No.	131,000	113,000	+16%
Thereof women	%	22.8	25.5	-2.7pp
Field staff in the Farming Program (GRI 2-8)	No.	990	780 ²	+27%
Farms within Farming Program	No.	131,000	113,000	+16%
Thereof GPS or polygon mapped	No.	131,000 ³	109,000	+19%
Thereof GPS or polygon mapped	%	99.7	97.0	+2.7pp

¹ Data collection period based on the cocoa reporting year October 2022 to September 2023

² Restatement due to more restrictive indicator definition

³ Numbers of GPS or polygon mapped farms slightly lower than total farms in Farming Program (same number indicated due to rounding)

Increased resilience of farming households ¹

	Unit	2023	2022	YOY
Farmers reached by training programs	No.	104,000	97,000	+7%
Farmers supported with individual coaching	No.	19,400	17,300	+12%
Model farms & demonstration plots	No.	2,300	2,400	-4%
Improved cocoa seedlings distributed per year	No.	397,000	714,000 ²	-44%
Improved cocoa seedlings distributed since start of Farming Program	No.	7,670,000	7,270,000 ²	+5%
Individuals participating in training that promotes Income Generating Activities (IGAs) per year	No.	15,500	11,600	+34%
Individuals participating in training that promotes IGAs since start of Farming Program	No.	55,800	40,300	+38%
Members of Village Savings and Loan Associations (VSLAs) groups in the current year	No.	15,700	10,500	+50%
VSLA groups established and still active in the current year	No.	640	460	+40%
Drinking water systems built and functioning (boreholes and larger systems) since start of Farming Program	No.	250	230 ²	+9%
Community members having access to safe drinking water through Farming Program	No.	158,000	119,000 ²	+33%

¹ Data collection period based on the cocoa reporting year October 2022 to September 2023

² Restatement due to change in indicator definition

Contributing to an intact environment

Conservation of biodiversity and natural ecosystems

Biodiversity and ecosystems: cocoa sourcing

	Unit	2023	2022	YOY
Cocoa beans equivalent (cocoa beans, powder, butter, and chocolate mass; in volume) sourced from farmers covered by a “No-Deforestation and Agroforestry Action Plan” ¹	%	72.3*	67.2	+5.1pp
Polygon mapped plots in Farming Program proven not to be located in protected areas (as per local laws) ^{2/3}	No.	160,000	117,000	+37%
Polygon mapped plots in Farming Program proven not to be located in protected areas (as per local laws) ^{2/3}	%	99.9	100.0 ⁴	-0.1pp
Multi-purpose shade trees distributed in Farming Program per year ²	No.	563,000 ⁵	1,100,000	-49%
Multi-purpose shade trees distributed in Farming Program since start of Program ²	No.	4,480,000	3,920,000	+14%
Sourcing landscape initiatives supported in Farming Program ²	No.	3	5	-40%

¹ Cocoa and cocoa products purchased by subsidiaries. This excludes volumes purchased by licensees and by co-manufacturers from third-parties.

² Data collection period based on the cocoa reporting year October 2022 to September 2023

³ Metric change

⁴ 100% indicated due to rounding, actually 99.97%

⁵ Due to quality issues in the reported data of one of our suppliers, the corresponding shade trees were not included in our annual reporting and therefore this number is considerably lower than that of the previous year.

*  PwC CH

Climate

Climate (explanation of methodology see [here](#)) ¹

	Unit	2023	2022	YOY
Total direct and indirect GHG emissions (Scopes 1, 2, and 3)	t CO ₂ eq	3,700,768 *	3,727,154	–1%
Gross direct (Scope 1) GHG emissions (GRI 305-1)	t CO ₂ eq	57,546 *	58,406	–1%
Gross market-based energy indirect (Scope 2) GHG emissions (GRI 305-2)	t CO ₂ eq	97,345 *	105,870	–8%
Gross other indirect (Scope 3) GHG emissions (GRI 305-3)	t CO ₂ eq	3,545,877 *	3,562,878	+0%
Thereof Purchased goods and services (Cat.1/GRI 305-3)	t CO ₂ eq	3,024,389	3,057,206	–1%
Thereof Capital goods (Cat.2/GRI 305-3)	t CO ₂ eq	77,907	60,823	+28%
Thereof Fuel- and energy-related activities (Cat.3/GRI 305-3)	t CO ₂ eq	40,403	40,742	–1%
Thereof Upstream transportation and distribution (Cat.4/GRI 305-3)	t CO ₂ eq	179,072	162,271	+10%
Thereof Waste generated in operations (Cat.5/GRI 305-3)	t CO ₂ eq	4,618	4,845	–5%
Thereof Business travel (Cat.6/GRI 305-3)	t CO ₂ eq	12,913	10,950	+18%
Thereof Employee commuting (Cat.7/GRI 305-3)	t CO ₂ eq	7,979	7,903	+1%
Thereof Downstream transportation and distribution (Cat.9/GRI 305-3)	t CO ₂ eq	135,792	147,790	–8%
Thereof Processing of sold products (Cat.10/GRI 305-3)	t CO ₂ eq	43	43	+1%
Thereof Use of sold products (Cat.11/GRI 305-3)	t CO ₂ eq	12,326	15,384	–20%
Thereof End-of-life treatments of sold products (Cat.12/GRI 305-3)	t CO ₂ eq	50,436	54,919	–8%
Total energy consumption within the organization (GRI 302-1)	GWh	677	674 ²	+0%
Share of renewable electricity	%	21	21 ²	+0.0pp

¹ Climate data for 2023 is based on actuals for January to September and estimates for October to December. In certain individual sub-indicators, actuals for January to August or January to July may have been used, with estimates for the remaining months. Actuals will be published in our CDP disclosure and the 2024 Sustainability Report and any significant deviations will be restated. 2022 data reflects actuals

² 2022 data restated due to disclosure boundary update. It now includes all energy consumed minus energy sold for the entire Group, including estimates for warehouses and stores.

*  PwC CH

Water and waste

Municipal water withdrawal^{1/2}

	Unit	2023	2022	YOY
Absolute water withdrawal (from municipal supply only)	1,000 m ³	735 *	721	+2%
Reduction of municipal water withdrawal in the production process since 2019 per ton produced (municipal supply only)	%	8	12	–4.0pp

¹ Scope: Lindt & Sprüngli production subsidiaries only

² Water data for 2023 based on actuals for January–September and estimates for October–December.

*  PwC CH

Semi-finished product waste ¹

	Unit	2023 *	2022	YOY
Semi-finished product waste in the production process per ton produced (excluding destruction of finished goods)	%	3.2	2.8 ²	+0.4pp

¹ Scope: Lindt & Sprüngli production subsidiaries only

² Restated due to methodology updates

*  PwC CH

Packaging

Packaging

	Unit	2023	2022	YOY
Total weight of packaging used ¹	Metric tons	116,273 *	116,308	+0%
Thereof pulp- and paper-based	Metric tons	96,322*	95,599	+1%
Thereof plastic	Metric tons	13,814*	14,080	-2%
Packaging made from recycled materials ¹	%	42.1*	42.5	-0.4pp
Packaging that is designed to be recyclable ¹	%	89.7 *	88.3	+1.4pp
Virgin plastic used in total in packaging	%	9.9	10.0	-0.1pp
Plastic packaging that is designed to be recyclable	%	53.9	41.5	+12.4pp

¹ Find more details on the scope in the [Lindt & Sprüngli reporting criteria](#).

*  PwC CH

Performing together

General employment data

	Unit	2023	2022	YOY
Total number of employees incl. seasonal and temporary employees and retirements (breakdown by gender and region see below and right column/GRI 2-7)	Headcount	15,508	15,204	+2%
Thereof permanent employees (breakdown by gender and region see below and right column/GRI 2-7)	Headcount	12,888	12,152	+6%
Thereof temporary employees (breakdown by gender and region see below and right column/GRI 2-7)	Headcount	2,620	3,052	-14%
Thereof full-time employees (breakdown by gender and region see right column and next page/GRI 2-7)	Headcount	12,090	10,838	+12%
Thereof part-time employees (breakdown by gender and region see right column and next page/GRI 2-7)	Headcount	3,418	4,366	-22%
Percentage of total employees incl. seasonal and temporary employees and retirements covered by collective bargaining agreements (GRI 2-30)	%	48.2	47.7	+0.5pp

Breakdown by permanent vs. temporary as well as by gender and by region (GRI 2-7)

2023	Female	Male	Other	Total	2022	Female	Male	Other	Total
Total number of employees (headcount)									
America	2,408	1,890	28	4,326	America	2,708	1,971	N.A.	4,679
Europe	5,030	3,691	0	8,721	Europe	4,736	3,429	N.A.	8,165
Rest of World	1,859	602	0	2,461	Rest of World	1,783	577	N.A.	2,360
Group	9,297	6,183	28	15,508	Group	9,227	5,977	N.A.	15,204
Thereof permanent employees (headcount)									
America	1,911	1,682	5	3,598	America	1,855	1,670	N.A.	3,525
Europe	4,525	3,236	0	7,761	Europe	4,195	3,019	N.A.	7,214
Rest of World	1,104	425	0	1,529	Rest of World	1,038	375	N.A.	1,413
Group	7,540	5,343	5	12,888	Group	7,088	5,064	N.A.	12,152
Thereof temporary employees (headcount)									
America	497	208	23	728	America	853	301	N.A.	1,154
Europe	505	455	0	960	Europe	541	410	N.A.	951
Rest of World	755	177	0	932	Rest of World	745	202	N.A.	947
Group	1,757	840	23	2,620	Group	2,139	913	N.A.	3,052

2023	Female	Male	Other	Total	2022	Female	Male	Other	Total
Total number of employees (%)									
America	15.5	12.2	0.2	27.9	America	17.8	13.0	N.A.	30.8
Europe	32.4	23.8	0.0	56.2	Europe	31.1	22.6	N.A.	53.7
Rest of World	12.0	3.9	0.0	15.9	Rest of World	11.7	3.8	N.A.	15.5
Group	59.9	39.9	0.2	100.0	Group	60.7	39.3	N.A.	100.0
Thereof permanent employees (%)									
America	12.3	10.9	0.0	23.2	America	12.2	11.0	N.A.	23.2
Europe	29.2	20.8	0.0	50.0	Europe	27.6	19.9	N.A.	47.4
Rest of World	7.1	2.8	0.0	9.9	Rest of World	6.8	2.5	N.A.	9.3
Group	48.6	34.5	0.0	83.1	Group	46.6	33.3	N.A.	79.9
Thereof temporary employees (%)									
America	3.2	1.4	0.1	4.7	America	5.6	2.0	N.A.	7.6
Europe	3.3	2.9	0.0	6.2	Europe	3.6	2.7	N.A.	6.3
Rest of World	4.9	1.1	0.0	6.0	Rest of World	4.9	1.3	N.A.	6.2
Group	11.4	5.4	0.1	16.9	Group	14.1	6.0	N.A.	20.1

Breakdown by full-time vs. part-time as well as by gender and by region (GRI 2-7)

2023	Female	Male	Other	Total	2022	Female	Male	Other	Total
Thereof full-time employees (headcount)									
America	1,998	1,725	9	3,732	America	1,962	1,703	N.A.	3,665
Europe	3,611	3,367	0	6,978	Europe	2,830	2,940	N.A.	5,770
Rest of World	965	415	0	1,380	Rest of World	980	423	N.A.	1,403
Group	6,574	5,507	9	12,090	Group	5,772	5,066	N.A.	10,838
Thereof part-time employees (headcount)									
America	410	165	19	594	America	746	268	N.A.	1,014
Europe	1,419	324	0	1,743	Europe	1,906	489	N.A.	2,395
Rest of World	894	187	0	1,081	Rest of World	803	154	N.A.	957
Group	2,723	676	19	3,418	Group	3,455	911	N.A.	4,366

2023	Female	Male	Other	Total	2022	Female	Male	Other	Total
Thereof full-time employees (%)									
America	12.9	11.1	0.1	24.1	America	12.9	11.2	N.A.	24.1
Europe	23.3	21.7	0.0	45.0	Europe	18.6	19.3	N.A.	38.0
Rest of World	6.2	2.7	0.0	8.9	Rest of World	6.4	2.8	N.A.	9.2
Group	42.4	35.5	0.1	78.0	Group	38.0	33.3	N.A.	71.3
Thereof part-time employees (%)									
America	2.6	1.1	0.1	3.8	America	4.9	1.8	N.A.	6.7
Europe	9.2	2.0	0.0	11.2	Europe	12.5	3.2	N.A.	15.8
Rest of World	5.8	1.2	0.0	7.0	Rest of World	5.3	1.0	N.A.	6.3
Group	17.6	4.3	0.1	22.0	Group	22.7	6.0	N.A.	28.7

Non-guaranteed hours employees (breakdown by gender and by region/GRI 2-7)

Non-guaranteed hours employees (breakdown by gender and by region/GRI 2-7)

2023	Female	Male	Other	Total	2022	Female	Male	Other	Total
Total number of non-guaranteed hours employees									
Americas	740	611	23	1,374	Americas	762	593	N.A.	1,355
Europe	138	41	0	179	Europe	141	32	N.A.	173
Rest of World	296	110	0	406	Rest of World	270	81	N.A.	351
Group	1,174	762	23	1,959	Group	1,173	706	N.A.	1,879

Workers who are not employees (GRI 2-8)

Number of workers who are not employees

	Unit	2023	2022	YOY
Total	No.	3,144	3,502	-10%

Enabling and motivating working environment

Parental leave (GRI 401-3)

2023	Female	Male	Other	Total
Employees that were entitled to parental leave	8,034	5,860	14	13,908
Employees that took parental leave	379	165	0	544
Employees that returned to work in the reporting period after parental leave ended	291	156	0	447
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	251	108	0	359
Return to work rate of employees that took parental leave	76.8	94.5	0	82.2
Retention rate of employees that took parental leave	66.2	65	66	66

Employment (GRI 401-1)

	Unit	2023	2022	YOY
Total new employee hires during the reporting period (breakdown by age group, gender and region see right column/GRI 401-1)	No.	5,180	5,654	–8%
Rate of new employee hires during the reporting period in relation to total employees as per year end (breakdown by age group, gender and region see right column/GRI 401-1)	%	33.4	37.2	–3.8pp
Total employee turnover during the reporting period (breakdown by age group, gender and region see right column/GRI 401-1)	No.	4,191	5,295	–21%
Rate of employee turnover during the reporting period in relation to total employees as per year end (breakdown by age group, gender and region see right column/GRI 401-1)	%	27.0	34.8	–7.8pp

Total new employee hires during the reporting period (breakdown by age group, gender and region/GRI 401-1)

2023	America	Europe	Rest of World	Group	2022	America	Europe	Rest of World	Group
Total new employee hires by region & gender (headcount)									
Female	1,124	1,297	788	3,209	Female	1,477	1,298	736	3,511
Male	876	809	233	1,918	Male	1,056	857	230	2,143
Other	53	0	0	53	Other	N.A.	N.A.	N.A.	N.A.
Total	2,053	2,106	1,021	5,180	Total	2,533	2,155	966	5,654

Total number of new employee hires by region & age group (headcount)

< 30	1,015	1,136	712	2,863	< 30	1,512	1,162	645	3,319
30–50	784	777	256	1,817	30–50	779	755	284	1,818
> 50	254	193	53	500	> 50	242	238	37	517
Total	2,053	2,106	1,021	5,180	Total	2,533	2,155	966	5,654

Rate of new employee hires during the reporting period in relation to total employees as per year-end by region (%)

2023	America	Europe	Rest of World	Group	2022	America	Europe	Rest of World	Group
Total	47.5	24.1	41.5	33.4	Total	54.1	26.4	40.9	37.2

Rate of new employee hires by region & gender (%)

Female	46.7	25.8	42.4	34.5	Female	54.5	27.4	41.3	38.1
Male	46.3	21.9	38.7	31.0	Male	53.6	25.0	39.9	35.9
Other	189.3	0.0	0.0	189.3	Other	0.0	0.0	0.0	0.0

Rate of new employee hires by region & age group (%)

< 30	104.3	59.3	49.4	66.1	< 30	113.9	66.3	46.6	74.4
30–50	38.9	18.3	31.4	25.7	30–50	39.2	19.0	35.8	26.9
> 50	19.0	7.6	26.0	12.2	> 50	17.7	9.8	20.2	13.0

Total employee turnover during the reporting period (breakdown by age group, gender and region/GRI 401-1)

2023	America	Europe	Rest of World	Group	2022	America	Europe	Rest of World	Group
Total employee turnover by region & gender (headcount)									
Female	1,059	947	637	2,643	Female	1,602	966	708	3,276
Male	813	499	188	1,500	Male	1,082	656	281	2,019
Other	43	5	0	48	Other	N.A.	N.A.	N.A.	N.A.
Total	1,915	1,451	825	4,191	Total	2,684	1,622	989	5,295
Total employee turnover by region & age group (headcount)									
< 30	876	673	544	2,093	< 30	1,452	760	506	2,718
30–50	711	520	243	1,474	30–50	824	592	247	1,663
> 50	328	258	38	624	> 50	408	270	236	914
Total	1,915	1,451	825	4,191	Total	2,684	1,622	989	5,295

Rate of employee turnover during the reporting period in relation to total employees as per year-end by region (%)

2023	America	Europe	Rest of World	Group	2022	America	Europe	Rest of World	Group
Total	44.3	17.8	35.0	27.0	Total	57.4	19.9	41.9	34.8
Rate of employee turnover by region & gender (%)									
Female	44.0	18.8	34.3	28.4	Female	59.2	20.4	39.7	35.5
Male	43.0	13.5	31.2	24.3	Male	54.9	19.1	48.7	33.8
Other	153.6	0.0	0.0	1.7	Other	N.A.	N.A.	N.A.	N.A.
Rate of employee turnover by region & age group (%)									
< 30	89.9	35.1	37.8	48.3	< 30	109.4	43.4	36.6	60.9
30–50	35.3	12.2	29.8	20.8	30–50	41.5	14.9	31.1	24.6
> 50	24.5	10.1	18.6	15.2	> 50	29.9	11.1	129.0	23.0

Training and education (GRI 404-3)

	Unit	2023	2022	YOY
Proportion of employees as a percentage of total employees receiving regular performance and career development reviews during the reporting period (breakdown by gender and department see right column/GRI 404-3)	%	77.5	65.8	+11.7pp
Proportion of Manufacturing & Retail employees as a percentage of total employees receiving regular performance and career development reviews during the reporting period (breakdown by gender see right column)	%	69.2	52.0	+17.2pp
Proportion of employees in all other departments than Manufacturing & Retail as a percentage of total employees receiving regular performance and career development reviews during the reporting period (breakdown by gender see right column)	%	89.3	89.0	+0.3pp

Proportion of employees as a percentage of total employees receiving regular performance and career development reviews during the reporting period (breakdown by gender and department/GRI 404-3)

2023	Female	Male	Other	Total	2022	Female	Male	Other	Total
Proportion of employees receiving regular performance and career development reviews by gender & region (%)									
America	82.1	82.2	50.0	81.9	America	41.3	47.4	N.A.	43.9
Europe	85.2	88.7	0.0	7.8	Europe	83.9	90.2	N.A.	86.5
Rest of World	34.8	45.2	0.0	22.1	Rest of World	36.8	39.9	N.A.	37.5
Group	74.3	82.5	50.0	77.5	Group	62.8	71.2	N.A.	65.8
Proportion of employees receiving regular performance and career development reviews by gender & department (%)									
Administration	90.5	96.3	0.0	93.1	Administration	92.1	93.5	N.A.	92.2
R&D	89.5	93.6	0.0	90.6	R&D	92.1	90.4	N.A.	91.6
Selling	90.9	94.3	1.0	51.7	Selling	54.4	63.9	N.A.	57.1
Distribution	87.0	75.6	0.0	79.7	Distribution	79.2	72.3	N.A.	74.9
Manufacturing	82.4	85.5	1.0	84.0	Manufacturing	62.5	70.8	N.A.	66.6
Group	74.3	82.5	0.5	77.5	Group	62.3	71.4	N.A.	65.8

Proportion of Manufacturing & Retail employees or employees of all other departments as a percentage of total employees receiving regular performance and career development reviews during the reporting period

2023	Female	Male	Other	Group	2022	Female	Male	Other	Group
Breakdown by gender (%)									
Manufacturing & Retail	67.0	73.7	44.0	68.8	Manufacturing & Retail	50.8	54.3	N.A.	52.0
All other departments	87.4	91.4	100.0	88.1	All other departments	86.9	91.2	N.A.	89.0

Diversity and equal opportunity (GRI 405-1)

	Unit	2023	2022	YOY
Proportion of female employees as a percentage of total employees (breakdown of diversity by gender, employee category and age group see right column/GRI 405-1)	%	59.9	60.7	-0.7pp
Proportion of male employees as a percentage of total employees (breakdown of diversity by gender, employee category and age group see right column/GRI 405-1)	%	39.9	39.3	+0.6pp
Proportion of women in senior leadership as a percentage of total employees in senior leadership positions ¹	%	35.1 *	33.0	+2.1pp

¹ Additionally, 0.5% of senior leadership self-identified as "Other."

*  PwC CH

Diversity of employees (breakdown by gender, employee category and age group/GRI 405-1)

2023	Female	Male	Other	Total	2022	Female	Male	Other	Total
Breakdown by gender & age group (%)									
< 30	18.1*	9.7*	0.1*	27.9*	< 30	19.0	10.3	N.A.	29.4
30–50	25.8*	19.8*	0.1*	45.7*	30–50	25.5	18.9	N.A.	44.5
> 50	16.0*	10.4*	0.0*	26.4*	> 50	16.1	10.1	N.A.	26.2
Group	59.9*	39.9*	0.2*	100.0*	Group	60.7	39.3	N.A.	100.0
Breakdown by gender & employee category (%)									
Senior Management	0.5	0.8	0.0	1.3	Senior Management	0.4	0.9	N.A.	1.4
Middle Management	1.9	1.8	0.0	3.7	Middle Management	2.0	1.8	N.A.	3.8
Other	57.5	37.3	0.2	95.0	Other	58.2	36.6	N.A.	94.8
Group	59.9	39.9	0.2	100.0	Group	60.6	39.4	N.A.	100.0

* (✓) PwC CH

Diversity of governance bodies during the reporting period (GRI 405-1) *

2023	Female	Male	Other	Total
Percentage of individuals by gender and age group				
< 30	0.0	0.0	0.0	0.0
30–50	0.0	0.0	0.0	0.0
> 50	28.6	71.4	0.0	100.0

* (✓) PwC CH

Non-discrimination (GRI 406-1)

Non-discrimination ¹

	Unit	2023	2022	YOY
Incidents of discrimination during the reporting period (GRI 406-1)	No.	26	16	+62.5%

¹ Scope: Legal cases and incidents reported via the Speak Up line

Employee satisfaction

Employee satisfaction ¹

	Unit	2023	2022	YOY
Global employee survey: average score in the category “employee satisfaction and retention” (last available survey in 2019: 70)	Score (max = 100)	67	67	+0%
Global employee survey: average score in the category “training and personal development” (last available survey in 2019: 65)	Score (max = 100)	71	71	+0%

¹ Global employee survey only performed every three years. The 2023 figures displayed in the table reflect the outcome from 2022.

Delighting consumers

Product quality and product safety

Product quality and product safety

	Unit	2023	2022 ¹	YOY
Incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period (GRI 416-2)	No.	0 *	0	–
Thereof incidents of non-compliance with regulations resulting in a fine or penalty (GRI 416-2)	No.	0 *	0	–
Thereof incidents of non-compliance with regulations resulting in a warning (GRI 416-2)	No.	0 *	0	–
Thereof incidents of non-compliance with voluntary codes (GRI 416-2)	No.	0 *	0	–
Notices of food safety violation received (SASB-FB-PF-250a.3)	No.	0	0	–
Share of notices of food safety violation corrected (SASB-FB-PF-250a.3)	%	0	0	+0pp
Recalls issued (SASB-FB-PF-250a.4)	No.	2	2	+0%
Total amount of food product recalled (SASB-FB-PF-250a.4)	Consumer units	274,248	N.A.	–

¹ Scope in 2022: Production sites only

*  PwC CH

Transparent and responsible communication

Transparent and responsible communication

	Unit	2023	2022 ¹	YOY
Incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling (GRI 417-2)	No.	3	5	-40%
Thereof incidents of non-compliance with regulations resulting in a fine or penalty (GRI 417-2)	No.	3	3	+0%
Thereof incidents of non-compliance with regulations resulting in a warning (GRI 417-2)	No.	0	2	-100%
Thereof incidents of non-compliance with voluntary codes (GRI 417-2)	No.	0	0	-
Incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship (GRI 417-3)	No.	0 *	4	-100%
Thereof incidents of non-compliance with regulations resulting in a fine or penalty (GRI 417-3)	No.	0 *	4	-100%
Thereof incidents of non-compliance with regulations resulting in a warning (GRI 417-3)	No.	0 *	0	-
Thereof incidents of non-compliance with voluntary codes (GRI 417-3)	No.	0 *	0	-
Incidents of non-compliance with industry or regulatory labeling and/or marketing codes (SASB-FB-PF-270a.3) ²	No.	3	0	-
Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices (SASB-FB-PF-270a.4) ³	tCHF	22	242	-91%
Rate of audit compliance with EU Pledge to avoid advertising to children (overall television advertising)	%	99.4 *	99.0	+0.4pp
Rate of audit compliance with EU Pledge to avoid advertising to children (daytime television advertising)	%	100.0 *	100.0	+0pp
Rate of audit compliance with EU Pledge to avoid advertising to children (digital media)	%	100.0 *	100.0	+0pp
Rate of audit compliance with CFBAI to avoid advertising to children (overall television advertising) ⁴	%	99.9	N.A.	-

¹ Scope in 2022 for GRI 417-2, GRI 417-3 and SASB-FB-PF-270a.3: production sites only

² As of 2023 defined as sum of GRI 417-2 and 417-3.

³ Scope update: In 2023 the amount includes only monetary losses from cases that have been identified under GRI 417-2 and 417-3.

⁴ Lindt & Sprüngli joined the CFBAI pledge in 2023.

*  PwC CH

Appendix

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Basis of preparation

The purpose of the Lindt & Sprüngli Sustainability Report is to provide an update on the Group's progress towards its sustainability targets and commitments, as set out in the Lindt & Sprüngli Sustainability Plan. It is published annually and available in an online and PDF version via the [Lindt & Sprüngli corporate website](#). The report is intended for all Lindt & Sprüngli stakeholders. With the Sustainability Report 2023, Lindt & Sprüngli is reporting on its sustainability commitments and progress for the fourteenth time.

Reporting regulation and frameworks applied

The Sustainability Report 2023 has been prepared with reference to the Global Reporting Initiative (GRI) Standards 2021 (see [GRI content index](#)). In addition, we have applied the Sustainability Accounting Standards Board (SASB) Standards for some of the disclosures (see indication in comment column in [GRI content index](#)) as well as internally developed reporting criteria (see [Lindt & Sprüngli reporting criteria](#)). We are also sharing our progress against our longstanding commitment to the Ten Principles of the UN Global Compact and the [UN Sustainable Development Goals](#) (SDGs). Information on other voluntary standards applied can be found in the individual chapters.

The [Appendix](#) of the Sustainability Report 2023 contains reference tables showing where to find content based on the non-financial reporting requirements under the Swiss Code of Obligations (Swiss CO), the GRI Standards 2021, as well as SASB Standards and internally developed reporting criteria.

For the first time, Lindt & Sprüngli is obliged to publish such a report to fulfill the reporting requirements regarding non-financial matters under the Swiss CO. Hence, the Lindt & Sprüngli Sustainability Report 2023 is prepared in accordance with article 964b of the Swiss CO. The [Disclosures in accordance with Art. 964b Swiss Code of Obligations](#) in the Appendix provide an overview of the material non-financial matters mentioned in article 964b of the Swiss CO.

As well as the new law on transparency on non-financial matters, the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO) came into force in January 2022. In 2023, our assessment of imported volumes of minerals and metals containing tin, tantalum, tungsten, or gold (referred to as 3TG) did not identify any relevant imports above the *de minimis* amounts mentioned in the Swiss CO Ordinance. Therefore, no additional due diligence in relation to Minerals and Metals from Conflict-Affected Areas is required in accordance with Swiss CO article 964j. With regard to child labor, Lindt & Sprüngli is subject to due diligence requirements in accordance with the Swiss CO. The respective disclosures are available in the [Child labor](#) section in the [Business integrity and human rights](#) chapter of this report.

Reporting outlook

For further information on the reporting requirements under the Task Force on Climate-Related Financial Disclosures (TCFD) in the Swiss CO, applicable as of 2024, see our [TCFD Outlook](#) in the Climate chapter.

The new Corporate Sustainability Reporting Directive (CSRD) will apply to various Lindt & Sprüngli subsidiaries from the 2025 financial year. This is why we will publish our first Sustainability Report applying the European Sustainability Reporting Standards (ESRS) as of the 2025 financial year, with the first mandatory reporting being in 2026. As a consequence of the CSRD, the EU Taxonomy duties and reporting requirements will also be applicable to Lindt & Sprüngli. We started working on the implementation of both regulations in 2023 to comply with the reporting requirements applicable as of the financial year 2025.

Reporting period

Unless otherwise stated, all information in this report relates to the financial year 2023 (January 1, 2023, to December 31, 2023), or to the reporting date of December 31, 2023. The reporting period for the Farming Program is based on the cocoa reporting year, running from October 2022 to September 2023.

The Sustainability Report is published annually. Lindt & Sprüngli plans to maintain its annual disclosure and will next report on its sustainability performance for the 2024 financial year in the first quarter of 2025. The 2023 Report is published in English only and was released on March 5, 2024.

Reporting scope

Unless otherwise stated, the scope of the information published covers the Lindt & Sprüngli Group, as in the consolidated financial reporting (see [Annual Report 2023, Note 1 Organization, Business Activities and Lindt & Sprüngli Group Companies](#)). Details on the scope of our key performance indicators (KPIs) can also be found in the Appendix under [Lindt & Sprüngli reporting criteria](#). As disclosed in note 2 “Changes in the Consolidation Scope and Non-Controlling Interests” of the Consolidated Financial Statements, two new entities were founded in 2023: Lindt & Sprüngli Supply Chain (Shanghai) Co., Ltd. and Lindt & Sprüngli (Chile) SpA. Both of these entities were only founded in December 2023, and thus had no business activities in 2023. Therefore, there was no impact of the two new entities on the sustainability figures disclosed within this report.

The Sustainability Report 2023 has been prepared with regard to the principle of materiality in terms of the issues addressed and the expectations of the various stakeholders. Lindt & Sprüngli carried out a [Double Materiality Assessment \(DMA\)](#) in 2022. The results of this assessment form the basis of Lindt & Sprüngli’s reporting in the Sustainability Report 2023. Based on the definition of Swiss CO article 964b paragraph 1, Lindt & Sprüngli has defined all topics that are material from an impact and financial perspective (upper right quadrant of the DMA matrix, see [Materiality Matrix](#)) to be Swiss CO relevant.

As part of the ongoing increase in the depth and scope of information on various material topics, we have introduced new data points and KPIs. Where available, we have also collected the respective data retrospectively for the previous reporting period (financial year 2022).

Data collection and methodologies

An overview of definitions and methodologies for KPIs that have been defined by Lindt & Sprüngli and disclosed in the Sustainability Report 2023 is available in the [Lindt & Sprüngli reporting criteria](#) overview as well as the [Glossary](#) in the Appendix. For all GRI or SASB KPIs, we have referred to the definitions and requirements defined in the respective standards. In case of deviations, this is indicated in the comment column of the GRI table.

Some figures have been rounded, while some percentages have been calculated on the basis of rounded numbers. Selected KPIs were removed from reporting and new KPIs will be designed in future years.

For Farming Program data, we rely on data and reports provided by our suppliers who implement sustainability programs in the field with support from Lindt & Sprüngli and/or Farming Program co-funders. Should a supplier’s data quality be deemed insufficient, it may be excluded from the total figures reported externally. Additionally, metrics based on supplier data, reports or estimations may be rounded for external reporting.

Lindt & Sprüngli’s corporate carbon accounting (Scopes 1, 2 and 3) follows the reporting guidelines of the Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard and GRI 305. The [Corporate Carbon Footprint Methodology of Lindt & Sprüngli](#) can be found on our corporate website.

Estimated data

Climate and water data for 2023 (see [KPI table Climate](#) and [KPI table Water](#)) is based on actuals for January to September and estimates for October to December. In certain individual sub-indicators, actuals for January to August or January to July may have been used, with estimates for the remaining months. Actuals will be published in our Carbon Disclosure Project (CDP) Report and the 2024 Sustainability Report and any significant deviations will be restated. 2022 data reflects actuals. The CDP Report is made available on our corporate website following publication by CDP.

All other data is based on full year actuals.

Restatement of information

In 2023, Lindt & Sprüngli approved a new restatement policy. In accordance with this policy, individual data points had to be restated in various areas. The reasons for the restatements are provided as footnotes to the corresponding data points in the relevant sections of the KPI tables (see section on [Key Performance Indicators](#)).

Internal review and approval

This Sustainability Report 2023 was prepared by the relevant subject matter experts, reviewed by the CEO and Executive Sustainability Committee of Group Management, and approved by the Board of Directors.

Forward-looking statements

Certain statements and illustrations contained in the Sustainability Report 2023 are forward-looking (including as to objectives, targets, plans, and trends). These statements can be identified by the use of the words “aim,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” “project,” “outlook,” “forecast” and other expressions that indicate future events and trends. Forward-looking statements are based on the current beliefs and expectations of Lindt & Sprüngli regarding future events and are subject to significant known and unknown risks and uncertainties. These statements are not guarantees of future performance or developments. Further, actual results or other developments may differ materially from the expectations expressed in the forward-looking statements. Any forward-looking statement speaks only as of the date of such statement. Lindt & Sprüngli does not undertake any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

External audit

Independent limited assurance is provided by PricewaterhouseCoopers AG, Zurich (PwC CH) on the selected performance indicators outlined in the limited assurance statement which can be found on pages 150–154 of the pdf version of our Sustainability Report. Limited assurance over those KPIs assured by PricewaterhouseCoopers AG, Zurich (PwC CH) are marked in the report with a **tick**  PwC CH.

Photography and picture credits

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Strategy and governance (pdf): Axel Fassio

Business integrity and human rights: Axel Fassio; Business integrity: Ondrej Kolacek

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Video clips with Lindt & Sprüngli sustainability experts: Nutshell

Contact for questions regarding sustainability reporting

Please address your questions and comments to media@lindt.com.

Our contribution to the Sustainable Development Goals

The United Nations Sustainable Development Goals [UN SDGs](#) set the global context for sustainable development until 2030. We recognize our impact on and contribution to these goals through our own activities, our supply chain activities, and our engagement in the communities in which we work. Below, we have mapped how Lindt & Sprüngli impacts on and contributes to the 17 SDGs through our activities.

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Rural development	✓	✓		✓		✓		✓				✓			✓		
Responsible sourcing	✓	✓	✓	✓		✓		✓		✓		✓	✓		✓	✓	
Biodiversity and ecosystems	✓											✓	✓		✓		
Climate							✓					✓	✓				
Water and waste						✓						✓			✓		
Packaging												✓			✓		
Occupational health and safety			✓					✓							✓		
Enabling and motivating working environment			✓	✓	✓			✓		✓							
Transparent and responsible communication																	
Product quality and product safety			✓														

GRI content index

Universal Standards

GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

The organization and its reporting practices

Disclosure	Location	Comment
2-1 Organizational details	Annual Report 2023, Note 1 to the Consolidated Financial Statements Annual Report 2023, Addresses of the Lindt & Sprüngli Group	
2-2 Entities included in the organization's sustainability reporting	Basis of preparation Lindt & Sprüngli reporting criteria Annual Report 2023, Note 1 to the Consolidated Financial Statements	
2-3 Reporting period, frequency and contact point	Basis of preparation	
2-4 Restatements of information	Basis of preparation – Data collection, methodologies and restatements KPIs – Business integrity and human rights KPIs – Improving livelihoods KPIs – Contributing to an intact environment	SASB reference: FB-PF-260a.2
2-5 External assurance	Basis of preparation Assurance report	

Activities and workers

Disclosure	Location	Comment
2-6 Activities, value chain, and other business relationships	Business model Annual Report 2023, Note 1 to the Consolidated Financial Statements	
2-7 Employees	KPIs – Performing together – General employment data KPIs – Performing together – Breakdown by permanent vs. temporary as well as by gender and by region/GRI 2-7 KPIs – Performing together – Breakdown by full-time vs. part-time as well as by gender and by region/GRI 2-7 KPIs – Performing together – Non-guaranteed hours employees (breakdown by gender and by region/GRI 2-7)	For this KPI, the age of the employees at the end of the year is applied.

Disclosure	Location	Comment
2-8	Workers who are not employees	<u>Enabling and motivating working environment – Employee satisfaction and development</u> <u>KPIs – Performing together – Workers who are not employees/GRI 2-8)</u> <u>KPIs – Improving livelihoods – Rural Development – Farming Program</u> Workers who are not employees include third-party relationship or direct consulting contracts, self-employed workers, and temporary workers that are provided by personnel agency. Farming Program employees are reported separately in the Farming Program KPI table.

Governance

Disclosure	Location	Comment
2-9	Governance structure and composition	<u>Annual Report 2023, Corporate Governance</u> <u>Sustainability governance structure</u> <u>Lindt & Sprüngli Group Organizational Regulations and Committee Charters</u>
2-10	Nomination and selection of the highest governance body	<u>Annual Report 2023, Board of Directors</u> <u>Sustainability governance structure</u>
2-11	Chair of the highest governance body	<u>Annual Report 2023, Internal organization</u>
2-12	Role of the highest governance body in overseeing the management of impacts	<u>Annual Report 2023, Allocation of competences</u> <u>Sustainability governance structure</u> <u>Lindt & Sprüngli Group Organizational Regulations and Committee Charters</u>
2-13	Delegation of responsibility for managing impacts	<u>Sustainability governance structure</u>
2-14	Role of the highest governance body in sustainability reporting	<u>Sustainability governance structure</u> <u>Basis of preparation – Internal review and approval</u> <u>Annual Report 2023, Committees of the Board of Directors</u> SASB reference: FB-PF-260a.2
2-15	Conflicts of interest	<u>Annual Report 2023, Conflicts of interest</u>
2-16	Communication of critical concerns	<u>Annual Report 2023, Information and control instruments</u>
2-17	Collective knowledge of the highest governance body	<u>Annual Report 2023, Board of Directors</u>
2-18	Evaluation of the performance of the highest governance body	<u>Annual Report 2023, Committees of the Board of Directors</u>
2-19	Remuneration policies	<u>Annual Report 2023, Compensation Report</u>
2-20	Process to determine remuneration	<u>Annual Report 2023, Compensation Governance</u>

Strategy, policies and practices

Disclosure		Location	Comment
2-22	Statement on sustainable development strategy	Foreword from the Chairman and CEO	
2-23	Policy commitments	Business integrity and human rights – How we care Respecting human rights – Policy commitment and management Improving livelihoods – How we care Contributing to an intact environment – How we care Performing together – How we care Delighting consumers – How we care	
2-24	Embedding policy commitments	Business integrity and human rights – How we care Business integrity Improving livelihoods – How we care Contributing to an intact environment – How we care Performing together – How we care Delighting consumers – How we care	
2-25	Processes to remediate negative impacts	Business integrity – Speak Up – our grievance mechanism Respecting human rights – 4. Ensuring access to effective remedy	
2-26	Mechanisms for seeking advice and raising concerns	Business integrity – Speak Up – our grievance mechanism	
2-27	Compliance with laws and regulations	Business integrity – Compliance organization KPIs – Business integrity and human rights – Compliance with laws and regulations	
2-28	Membership associations	Lindt & Sprüngli Sustainability Memberships & Partnerships	

Stakeholder engagement

Disclosure		Location	Comment
2-29	Approach to stakeholder engagement	Stakeholder engagement	
2-30	Collective bargaining agreements	KPIs – Performing together – General employment data Enabling and motivating working environment – Employment and labor relations	

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-1	Process to determine material topics	Our material topics
		SASB reference: FB-PF-260a.2
3-2	List of material topics	Our material topics
		SASB reference: FB-PF-260a.2

Company governance

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3	Management of material topics	Sustainability governance structure

Regulatory environment

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3	Management of material topics	Risk management – Regulatory environment

Business ethics and integrity

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3	Management of material topics	Business integrity and human rights – Why we care Business integrity and human rights – How we care Business integrity

GRI 205: Anti-corruption 2016

Disclosure	Location	Comment
205-2 Communication and training about anti-corruption policies and procedures	<u>Business integrity – Respect for fair competition</u> <u>KPIs – Business integrity and human rights – Training on anti-corruption</u>	Governance body members include Board members of Chocoladefabriken Lindt & Sprüngli AG and all subsidiaries. Manufacturing indirect includes all employees in the following functions: Purchasing and Ordering, Production Management, Scheduling and Planning, Co-packaging and Co-manufacturing, Intercompany. Administration includes all employees in the following functions: Marketing, Finance, Human Resources, IT, General Services, Salesforce, Research and Development (R&D), and all others.
205-3 Confirmed incidents of corruption and actions taken	<u>Business integrity – Respect for fair competition</u> <u>KPIs – Business integrity and human rights – Confirmed incidents of corruption and action taken</u>	

GRI 206: Anti-competitive Behavior 2016

Disclosure	Location	Comment
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<u>Business integrity – Respect for fair competition</u> <u>KPIs – Business integrity and human rights – Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</u>	

Child and forced labor in the supply chain

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3 Management of material topics	<u>Respecting human rights – Forced or compulsory labor</u> <u>Respecting human rights – Child labor</u>	

GRI 407: Freedom of Association and Collective Bargaining 2016

Disclosure	Location	Comment
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<u>Respecting human rights – The right to freedom of association and collective bargaining</u> <u>Enabling and motivating working environment – Employment and labor relations</u>	

GRI 408: Child Labor 2016

Disclosure	Location	Comment
408-1 Operations and suppliers at significant risk for incidents of child labor	<u>Respecting human rights – Examination for suspicion of child labor</u> <u>Respecting human rights – Reducing the risk of child labor in the cocoa supply chain</u>	

GRI 409: Forced or Compulsory Labor 2016

Disclosure	Location	Comment
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<u>Respecting human rights – Forced or compulsory labor</u>	

Engaging with affected communities

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3 Management of material topics	<u>Improving livelihoods – Why we care</u> <u>Improving livelihoods – How we care</u> <u>Responsible sourcing</u> <u>Rural development</u>	SASB reference: FB-PF-440a.2

GRI 411: Rights of Indigenous Peoples 2016

Disclosure	Location	Comment
411-1 Incidents of violations involving rights of indigenous peoples		Lindt & Sprüngli has not identified significant risk of violations of the rights of indigenous peoples.

Employment and labor relations in the supply chain

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3 Management of material topics	Improving livelihoods – Why we care Improving livelihoods – How we care Responsible sourcing Rural development	SASB reference: FB-PF-440a.2

Employee health, safety and wellbeing in the supply chain

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3 Management of material topics	Improving livelihoods – Why we care Improving livelihoods – How we care Responsible sourcing Rural development	SASB reference: FB-PF-440a.2

Equality, diversity and inclusion in the supply chain

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3 Management of material topics	Improving livelihoods – Why we care Improving livelihoods – How we care Responsible sourcing Rural development	SASB reference: FB-PF-440a.2

Biodiversity and ecosystems

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3 Management of material topics	Contributing to an intact environment – Why we care Contributing to an intact environment – How we care Conservation of biodiversity and natural ecosystems	SASB reference: FB-PF-440a.2

Emissions

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3 Management of material topics	Contributing to an intact environment – Why we care Contributing to an intact environment – How we care Climate	

GRI 305: Emissions 2016

Disclosure	Location	Comment
305-1 Direct (Scope 1) GHG emissions	Climate – Our carbon footprint KPIs – Contributing to an intact environment – Climate	The methodology for calculating Lindt & Sprüngli's carbon footprint is aligned with the GHG Protocol standard to account for corporate GHG emissions. The operational control approach is used to set the organizational boundaries for the Lindt & Sprüngli corporate footprint. In 2023, we assessed how we can establish meaningful and auditable changes to the methodology. This included developing a rebaselining policy. GHG emissions in Scope 3 include categories 3.1-3.12. For more information please see our GHG methodology
305-2 Energy indirect (Scope 2) GHG emissions	Climate – Our carbon footprint KPIs – Contributing to an intact environment – Climate	
305-3 Other indirect (Scope 3) GHG emissions	Climate – Our carbon footprint KPIs – Contributing to an intact environment – Climate	

GRI 302: Energy 2016

Disclosure	Location	Comment
302-1 Energy consumption within the organization	Climate – Our carbon footprint KPIs – Contributing to an intact environment – Climate	2022 data restated due to disclosure boundary update, it now includes all energy consumed (sold for the entire Group) including estimates for warehouses and stores. SASB reference: FB-PF-130a.1 (partial disclosure – excluded (2) % grid electricity)

Resource use and circular economy

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3	Management of material topics	Contributing to an intact environment – Why we care Contributing to an intact environment – How we care Packaging

GRI 306: Waste 2020

Disclosure	Location	Comment
306-1	Waste generation and significant waste-related impacts	Water and waste – Loss of semi-finished products
306-2	Management of significant waste-related impacts	Water and waste – Loss of semi-finished products

Water management

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3	Management of material topics	Contributing to an intact environment – Why we care Contributing to an intact environment – How we care Water and waste

GRI 303: Water and Effluents 2018

Disclosure	Location	Comment
303-1	Interactions with water as a shared resource	Water and waste – Water management
303-2	Management of water discharge-related impacts	Water and waste – Water management

Employee health, safety and wellbeing in own operations

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3	Management of material topics	Performing together – Why we care Performing together – How we care Occupational health and safety (OHS)

GRI 403: Occupational Health and Safety 2018

Disclosure	Location	Comment
403-1	Occupational health and safety management system	Occupational health and safety (OHS)
403-2	Hazard identification, risk assessment, and incident investigation	Occupational health and safety (OHS)
403-3	Occupational health services	Occupational health and safety (OHS)
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety (OHS)
403-5	Worker training on occupational health and safety	Occupational health and safety (OHS)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety (OHS)
403-9	Work-related injuries	Occupational health and safety (OHS) Data has not been reported in 2023 due to various data collection and methodology revisions in 2023.

Equality, diversity and inclusion in own operations

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3	Management of material topics	Performing together – Why we care Performing together – How we care Enabling and motivating working environment – Diversity, equity, and inclusion Enabling and motivating working environment – Discrimination and equal opportunities

GRI 405: Diversity and Equal Opportunity 2016

Disclosure	Location	Comment
405-1 Diversity of governance bodies and employees	<u>Enabling and motivating working environment – Diversity, equity, and inclusion</u> <u>KPIs – Performing together – Diversity of employees</u> <u>KPIs – Performing together – Diversity of employees (breakdown by gender, employee category and age group/GRI 405-1)</u> <u>KPIs – Performing together – Diversity of governance bodies during the reporting period (GRI 405-1)</u>	For this KPI, the age of the employees at the end of the year is applied. Definitions of “Senior Management” and “Middle Management” are included in the Lindt & Sprüngli reporting criteria . SASB reference: FB-PF-260a.2

GRI 406: Non-discrimination 2016

Disclosure	Location	Comment
406-1 Incidents of discrimination and corrective actions taken	<u>Enabling and motivating working environment – Discrimination and equal opportunities</u> <u>KPIs – Performing together – Non-discrimination</u>	Legal cases and incidents reported via the Speak Up line SASB reference: FB-PF-260a.2

Employee satisfaction and development in own operations

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3 Management of material topics	<u>Performing together – Why we care</u> <u>Performing together – How we care</u> <u>Enabling and motivating working environment – Employee satisfaction and development</u>	

GRI 404: Training and Education 2016

Disclosure	Location	Comment
404-1 Average hours of training per year per employee	<u>Enabling and motivating working environment – Employee satisfaction and development</u>	SASB reference: FB-PF-260a.2
404-2 Programs for upgrading employee skills and transition assistance programs	<u>Enabling and motivating working environment – Employee satisfaction and development</u>	

Disclosure	Location	Comment
404-3 Percentage of employees receiving regular performance and career development reviews	<u>Enabling and motivating working environment – Employee satisfaction and development</u> <u>KPIs – Performing together – Training and education</u> <u>KPIs – Performing together – Proportion of employees as a percentage of total employees receiving regular performance and career development reviews during the reporting period (breakdown by gender and department/GRI 404-3)</u> <u>KPIs – Performing together – Proportion of Manufacturing & Retail employees or employees of all other departments as a percentage of total employees receiving regular performance and career development reviews during the reporting period</u>	

Employment and labor relations in own operations

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3 Management of material topics	<u>Performing together – Why we care</u> <u>Performing together – How we care</u> <u>Enabling and motivating working environment – Employment and labor relations</u>	

GRI 401: Employment 2016

Disclosure	Location	Comment
401-1 New employee hires and employee turnover	<u>Enabling and motivating working environment – Employee satisfaction and development</u> <u>KPIs – Performing together – Employment</u> <u>KPIs – Performing together – Total new employee hires during the reporting period (breakdown by age group, gender and region/GRI 401-1)</u> <u>KPIs – Performing together – Total employee turnover during the reporting period (breakdown by age group, gender and region/GRI 401-1)</u>	For more information also see our Supplier Code of Conduct. For this KPI, the age of the employees at the end of the year is applied.
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<u>Enabling and motivating working environment – Employment and labor relations</u>	
401-3 Parental leave	<u>KPIs – Performing together – Parental leave (GRI 401-3)</u>	SASB reference: FB-PF-260a.2

Product safety and quality

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3	Management of material topics	<u>Delighting consumers – Why we care</u> <u>Delighting consumers – How we care</u> <u>Product quality and product safety</u>

GRI 416: Customer Health and Safety 2016

Disclosure	Location	Comment
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<u>Product quality and product safety – Maintaining quality and safety globally</u> <u>KPIs – Delighting consumers – Product quality and product safety</u> SASB reference: FB-PF-250a.3; FB-PF-250a.4

Consumer health and nutrition

GRI 3: Material Topics 2021

Disclosure	Location	Comment
3-3	Management of material topics	<u>Delighting consumers – Why we care</u> <u>Delighting consumers – How we care</u> <u>Transparent and responsible communication</u>

GRI 417: Marketing and Labeling 2016

Disclosure	Location	Comment
417-2	Incidents of non-compliance concerning product and service information and labeling	<u>Transparent and responsible communication</u> <u>KPIs – Delighting consumers – Transparent and responsible communication</u> SASB reference: FB-PF-270a.3
417-3	Incidents of non-compliance concerning marketing communications	<u>Transparent and responsible communication</u> <u>KPIs – Delighting consumers – Transparent and responsible communication</u> SASB reference: FB-PF-270a.4

Disclosures in accordance with Art. 964b Swiss Code of Obligations

The table below shows the disclosures reported in accordance with the requirements of Art. 964b of the Swiss Code of Obligations (Swiss CO). The shareholder vote on the non-financial matter report, as required by Article 964c CO, is on the content outlined in the sections referred to in the table.

Applying Art. 964b of the Swiss Code of Obligations, the topics listed below were identified as being material under the Swiss CO. Based on Swiss CO Art. 964b paragraph 1, Lindt & Sprüngli considers all topics in scope for non-financial reporting that are material from an impact and financial perspective (see [materiality matrix](#)). As combating corruption is explicitly mentioned in Art. 964b, Business ethics and integrity has been included, although it does not meet the defined materiality threshold requirements. This results in eleven Swiss CO relevant topics being outlined in the [materiality matrix](#) and the index below. These include the most relevant environmental, social, and employee-related matters, as well as those concerning respect for human rights and combating corruption.

General requirements

Topic	Location	KPIs
Materiality assessment	Our material topics	N.A.
Business model	Our business model	N.A.
Concepts/policies (incl. due diligence applied), measures	“How we care” paragraphs in all chapters and Swiss CO relevant topic chapters (see below)	N.A.
Risks related to non-financial matters	Risk management “Why we care” paragraphs in all chapters	N.A.
References to national, European or international regulations	Basis of preparation – Reporting regulation and frameworks applied GRI content index	N.A.
Coverage of subsidiaries	Basis of preparation – Reporting scope	N.A.

Respect for human rights

Topic	Location	KPIs
Employment and labor relations in the supply chain	Responsible sourcing Respecting human rights – The right to freedom of association and collective bargaining The topic was defined as a material topic for the first time in our last materiality analysis. This report therefore does not yet contain complete concepts and explicit KPIs for the topic. Nevertheless, some aspects of the topic can already be found in the chapters and KPIs linked.	GRI 407-1 (2016) Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

Topic	Location	KPIs
Child and forced labor in the supply chain	Explanations on due diligence with regard to child labor, as required by Swiss CO Art. 964j-I, are set out in the subchapter “Fulfillment of duty of care in accordance with Article 964j-I of the Swiss Code of Obligations”. <u>Respecting human rights – Child labor</u> <u>Respecting human rights – Forced or compulsory labor</u>	GRI 408-1 (2016) Operations and suppliers at significant risk for incidents of child labor GRI 409-1 (2016) Operations and suppliers at significant risk for incidents of forced or compulsory labor Lindt & Sprüngli KPI: Human rights Cocoa volume from risk countries where a Child Labor Monitoring and Remediation System (CLMRS) roll-out started or is implemented
Employee health, safety and wellbeing in the supply chain	<u>Responsible sourcing</u> The topic was defined as a material topic for the first time in our last materiality analysis. This report therefore does not yet contain complete concepts and explicit KPIs for the topic. Nevertheless, some aspects of the topic can already be found in the chapters and KPIs linked.	Lindt & Sprüngli KPI: Responsible sourcing Cocoa beans equivalent sourced through sustainability programs Lindt & Sprüngli KPI: Responsible sourcing Average EcoVadis sustainability assessment score of Lindt & Sprüngli suppliers Lindt & Sprüngli KPI: Responsible sourcing Sourced volumes of raw and packaging materials bearing significant sustainability risks covered by a responsible sourcing program

Employee-related issues

Topic	Location	KPIs
Employee health, safety and wellbeing in own operations	<u>Occupational health and safety (OHS)</u>	Data has not been reported in 2023 due to various data collection and methodology revisions in 2023.
Equality, diversity and inclusion in own operations	<u>Enabling and motivating working environment – Diversity, equity, and inclusion</u>	GRI 405-1 (2016) Diversity of governance bodies and employees UNGC CoP Performance I7 Women in senior leadership

Social issues

Topic	Location	KPIs
Product safety and quality	<u>Product quality and product safety</u>	GRI 416-2 (2016) Incidents of non-compliance concerning the health and safety impacts of products and services
Consumer health and nutrition	<u>Transparent and responsible communication</u> The topic was defined as a material topic for the first time in our last materiality analysis. This report therefore does not yet contain complete concepts and explicit KPIs for the topic. Nevertheless, some aspects of the topic can already be found in the chapters and KPIs linked.	GRI 417-3 (2016) Incidents of non-compliance concerning marketing communications Lindt & Sprüngli KPI: Transparent and responsible communication Rate of audit compliance with EU Pledge to avoid advertising to children

Environmental matters

Topic	Location	KPIs
Resource use and circular economy	Packaging Water and waste - Loss of semi-finished products	Lindt & Sprüngli KPI: Packaging Total weight of packaging used Lindt & Sprüngli KPI: Packaging Packaging made from recycled materials Lindt & Sprüngli KPI: Packaging Packaging that is designed to be recyclable Lindt & Sprüngli KPI: Waste Semi-finished product waste in the production process per ton produced
Biodiversity and ecosystems	Conservation of biodiversity and natural ecosystems	Lindt & Sprüngli KPI: Biodiversity and ecosystems Cocoa beans equivalent sourced from farmers covered by a “No-Deforestation and Agroforestry Action Plan”
Emissions	Climate	GRI 305-1 (2016) Direct (Scope 1) GHG emissions GRI 305-2 (2016) Indirect (Scope 2) GHG emissions GRI 305-3 (2016) Other indirect (Scope 3) GHG emissions

Combating corruption

Topic	Location	KPIs
Business ethics and integrity	Business integrity	GRI 205-3 (2016) Confirmed incidents of corruption and action taken GRI 206-1 (2016) Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

Lindt & Sprüngli reporting criteria

The table below shows reporting criteria defined by Lindt & Sprüngli for KPIs which are part of the ESG assurance of the financial year 2023. Please refer to the GRI index for assured GRI indicators.

KPI	Metric, methodology, definition	Assumptions, calculations, data collection	Scope and exclusions
Improving livelihoods: Responsible sourcing main commitment			
Sourced volumes of raw and packaging materials bearing significant sustainability risks covered by a responsible sourcing program	This metric reflects the percentage of sourced volumes of raw and packaging materials bearing significant sustainability risks covered by a responsible sourcing program during the reporting period. Also see the definitions of the following terms: Raw and packaging materials bearing significant sustainability risks: At Lindt & Sprüngli, the following twelve raw and packaging materials have been identified as priority raw materials: almonds, cocoa, coconut oil, coffee, dairy, eggs (in our own production), Turkish hazelnuts, palm oil, pulp- & paper-based packaging materials, soy lecithin, raw sugar (cane and beet), and vanilla. These priority materials were defined based on a comprehensive raw material risk assessment which considered criteria such as environmental, social, and supply chain risks and impacts, as well as sourced volumes and stakeholder expectations. It considered the unique risks and impacts of individual raw materials as well as the varying risk levels between different geographical origins. Raw and packaging materials are assessed as compliant with our Responsible Sourcing Standard through one of the following means: • Selected sustainability related certifications (e.g., Rainforest Alliance, RSPO, Bonsucro, FSA silver level, ProTerra, etc.) • Selected suppliers' sustainability programs • Lindt & Sprüngli Farming Program. For each raw materials in scope, specific criteria have been defined to detail what certification, assessments and programs are accepted.	Data is collected at subsidiary level and consolidated at Group level. Data is collected via the financial reporting system. Volume data for Packaging, Raw Material (RSI) and cocoa are the basis for the calculation. The portion of responsibly sourced volumes is defined according to guidelines.	Production subsidiaries, co-manufacturing and co-packaging; cocoa: excluding volumes purchased by licensees and by co-manufacturers from third parties; eggs: excluding Russell Stover and co-manufacturers; packaging: includes production subsidiaries and co-packaging as packing only results from these sites.

KPI	Metric, methodology, definition	Assumptions, calculations, data collection	Scope and exclusions
Improving livelihoods: Responsible sourcing EcoVadis assessment			
Average EcoVadis sustainability assessment score of Lindt & Sprüngli suppliers	This metric reflects the weighted (by procurement expenditure) average of the EcoVadis sustainability assessment score of Lindt & Sprüngli suppliers during the reporting period. For the calculation of EcoVadis Scores, the term “Suppliers” has to be understood as unique EcoVadis assessments which did not expire before December 12, 2023, to avoid double counting.	Data is collected and consolidated on Group level, not applicable for subsidiaries. Data is collected via the financial reporting system. For the calculation, the EcoVadis scores of the suppliers and the respective sums of expenditure are used. The weighted EcoVadis scores are added up. The time of the reported spend (procurement expenditure) is based on the posting dates of the invoices independently of the dates of invoice, payment dates, due date (linked to the payment terms).	Group
Scored suppliers in EcoVadis	This metric reflects the total number of scored suppliers in EcoVadis during the reporting period. For the calculation of EcoVadis Scores, the term “Suppliers” has to be understood as unique EcoVadis assessments which did not expire before December 12, 2023, to avoid double counting.	Data is collected and consolidated on Group level via the financial reporting system, not applicable for subsidiaries. Data is collected via the financial reporting system. This is an extraction from the EcoVadis tool. The reporting period has to be selected in the respective system and the number of group suppliers with an EcoVadis score can be counted.	Group
Improving livelihoods: Responsible sourcing Cocoa			
Cocoa beans equivalent sourced (cocoa beans, powder, butter, and chocolate mass/bean equivalents according to ICCO conversion rates) • Thereof sourced through sustainability programs (Farming Program or other sustainability program, verified or certified by third party)	This metric reflects the amount of cocoa beans equivalent sourced within the reporting period and the amount (volume) thereof sourced through sustainability programs or through the Farming Program. Also see the definitions of the following terms: Cocoa beans equivalent: At Lindt & Sprüngli, cocoa beans equivalent products that are sourced include cocoa beans, butter, powder, and chocolate mass, all of which are reported in metric tons (Mt) using the ICCO conversion rates. Sustainability programs: According to the World Cocoa Foundation, these are interventions or investments made to support cocoa sustainability related to farmer livelihoods and income, reduction of the risk of child labor and forced labor, community development, women and youth empowerment, elimination of deforestation, and environmental sustainability. At Lindt & Sprüngli, programs include the Farming Program (in-house program) and third-party programs from suppliers (Cargill Cocoa Promise sustainability program) or certification (Rainforest Alliance). Lindt & Sprüngli Farming Program: Our own cocoa sustainability program through which we aim to contribute to creating decent and resilient livelihoods for cocoa farmers and their families and to encourage more sustainable farming practices. Minimum	Data is collected at subsidiary level, consolidated at Group level. Data is collected via the financial reporting system.	Cocoa and cocoa products purchased by subsidiaries. This excludes volumes purchased by licensees and by co-manufacturers from third parties.

KPI	Metric, methodology, definition	Assumptions, calculations, data collection	Scope and exclusions
	criteria for volumes sourced under the Farming Program are defined in the long-term sourcing agreement and include establishing first mile traceability systems, payment of farmer premiums, trainings or coaching of farmers, activities under the No-Deforestation & Agroforestry Action Plan, as well as roll-out or implementation of a CLMRS for volumes from child labor risk countries. Minor non-compliances, if identified, are reviewed with suppliers for continuous improvement.		
Contributing to an intact environment: Conservation of biodiversity and natural ecosystems			
Cocoa beans equivalent (cocoa beans, powder, butter, and chocolate mass; in volume) sourced from farmers covered by a “No- Deforestation & Agroforestry Action Plan”	This metric reflects the percentage of cocoa beans equivalent sourced from farmers covered by a “No-Deforestation & Agroforestry Action Plan” during the reporting period.	Data is provided by suppliers and subsidiaries, collected and consolidated at Group level. Data is collected via the financial reporting system. Metric is calculated based on all cocoa products (in beans equivalent) sourced through sustainability programs. For volumes sourced through the Farming Program, determination of covered is based on supplier primary data for farm geolocations and the related risk assessment completed by both Lindt & Sprüngli and third parties. Minor non-compliances, if identified, are reviewed with suppliers for continuous improvement. Volumes sourced through other sustainability programs are included so long as the program criteria require CFI reporting.	Cocoa and cocoa products purchased by subsidiaries. This excludes volumes purchased by licensees and by co-manufacturers from third parties.
Contributing to an intact environment: Water			
Absolute water withdrawal (from municipal sources only)	This metric reflects the absolute water withdrawal (from municipal sources only) during the reporting period. Also see the definitions of the following terms: Water withdrawal: According to GRI: The total water withdrawal in m³ from third-party water sources, meaning: municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent	Data is collected at subsidiary level and consolidated at Group level. Data is collected via the consolidation system for our climate data. Sum of municipal water withdrawal volume from production subsidiaries based on meters, invoices and estimations. The data collection period for this indicator is based on actuals for January to September and estimates for October to December where available. In certain individual sub-indicators, actuals for January to August or January to July may have been used, with estimates for the remaining months.	Production subsidiaries only

KPI	Metric, methodology, definition	Assumptions, calculations, data collection	Scope and exclusions
Contributing to an intact environment: Semi-finished product waste			
Semi-finished product waste in the production process per ton produced (excluding destruction of finished goods)	This metric reflects the semi-finished product waste in the production process per ton produced during the reporting period. According to Lindt and Sprüngli's definition, waste is the material loss during production that cannot be used again (cannot be reworked) to produce saleable products (excluding packaging waste during production). This KPI only includes semi-finished product waste, which is measured by comparing process inputs & outputs and allocating the difference to waste or non-waste categories; any resulting unidentified amount is also proportionally allocated to waste.	Data is collected at subsidiary level and consolidated at Group level. Data is collected via the financial reporting system.	Production subsidiaries only
Contributing to an intact environment: Packaging			
Total weight of packaging used	This metric reflects the total weight of packaging used/consumed by Lindt & Sprüngli in metric tons. Packaging reported under this KPI consists of Consumer Unit (CU), Transportation Unit (TU) & Display Unit (DU) according to Lindt & Sprüngli internal definitions during the reporting period. This KPI includes packaging for all materials Lindt & Sprüngli is responsible for, which means that packaging provided by co-packers, co-manufacturers, or third parties which will be used for Lindt & Sprüngli is included. This also consists of materials like stretch film or adhesive tapes. Excluded are materials that are bought by Lindt & Sprüngli, its co-packers, or co-manufacturers and designed to be disposed of by those same parties (which means that they are not sold to the consumers). Also see the definitions of the following terms: Consumer Unit (CU): According to Lindt & Sprüngli's internal definition, the Consumer Unit contains all packaging materials that consumers take with them and dispose of into household waste. Second benefit materials (e.g., plush, porcelain, surprises) are excluded, as they are supposed to be kept by the consumer. Hence, materials include: paper/ cardboard, aluminum, plastic, glass, tinplate, brass, cotton, and combinations of it (= composite). Transportation Unit (TU): According to Lindt & Sprüngli's internal definition, the Transportation Unit contains packaging materials with the function of transporting Consumer Units to the Point of Sale (POS). Display Unit (DU): According to Lindt & Sprüngli's internal definition, the Display Unit contains packaging materials that are shipped with or without the product to the Point of Sale (POS) and which accommodate Consumer Units or Transportation Units to support sales.	Data is collected at subsidiary level and consolidated at Group level. Data is received from suppliers and collected via the financial reporting system. The data is based on production consumption from the ERP systems. For co-packaging and specific niche materials, external data sources may be required. The data per material is then clustered and summed up to reporting categories.	Group This includes production subsidiaries and co-packaging as packing only results from these sites. DU: Excluded are materials which are used for sales support without carrying Consumer Units or Transportation Units and/or which are of permanent nature as well as all types of packaging material which are used by our suppliers to deliver goods to Lindt & Sprüngli.
Packaging made from recycled materials	This metric reflects the percentage of packaging, by weight, made from recycled materials during the reporting period. This KPI defines recycled materials as recycled content which, consistent with definitions in ISO 14021:2016, "Environmental labels and declarations – Self-declared environmental claims (Type II environmental labeling)", consist of the proportion, by mass, of recycled or recovered material in a product or packaging, whereas at Lindt & Sprüngli only post-consumer materials shall be considered	Data is collected at subsidiary level and consolidated at Group level. Data is received from suppliers and collected via the financial system. The initial source of the data is the overall Packaging consumption as described in "Packaging weight" and based	Group This includes production subsidiaries and co-packaging as packing

KPI	Metric, methodology, definition	Assumptions, calculations, data collection	Scope and exclusions
	as recycled content (e.g., PET bought for packaging purposes that was recycled before being processed by Lindt & Sprüngli and is hence classified as post-consumer material from another waste stream). Lindt & Sprüngli does not differentiate between recovered and recycled materials and just collects data as “recycled materials”. Also see the definitions of the following terms: Recycled material: Recycled material is defined as material that has been reprocessed from recovered (or reclaimed) material by means of a manufacturing process and made into a final product or a component for incorporation into a product. Pre-consumer material: Pre-consumer material is defined as material that has been diverted from the waste stream during a manufacturing process. Excluded are the reutilization of materials such as rework, regrind, or scrap that are generated in a process and are capable of being reclaimed within the same process that generated them. At Lindt & Sprüngli, an example of that is packaging foil that is recovered during the packaging process before the product is sold to the customer/leaves the production facility and is reused for other purposes, e.g., to package other products. If the foil is used for the same purpose (e.g., to package other products) this would count as “recovered material”. Post-consumer material: Post-consumer material is defined as material generated by households or by commercial, industrial, and institutional facilities in their role as end users of the product that can no longer be used for its intended purpose. This includes returns of material from the distribution chain.	on the material specification and the performed recyclability assessment, the recyclable materials per reporting category are summed up. Examples for packaging made of recycled materials are corrugated brown boxes or PET trays.	only results from these sites.
Packaging that is designed to be recyclable	This metric reflects the percentage of packaging, by weight, that is recyclable during the reporting period. Lindt & Sprüngli uses an internal “traffic light system” to identify when a material classifies as “recyclable”. The assessment is based on external consultant knowledge and is supported by certification on request. Also see the definitions of the following term: Recyclable: Lindt & Sprüngli considers a material as recyclable based on a developed collection and sorting infrastructure at state-of-the-art technology on an industrial scale. It is important to note that the availability of proper local infrastructure and markets for collecting, sorting, and recycling packaging material – as well as enhanced consumer behavior – must exist where our products are consumed for the objectives to be realized. Lindt & Sprüngli understands recycling in such a way that the recycled material typically can be used in a way to substitute virgin material in various applications. If this is given, we see a proper recycling in place. It does not systematically correspond to packaging being “effectively recycled” in all countries.	Data is collected at subsidiary level and consolidated at Group level. Data is received from suppliers and collected via the financial reporting system. The initial source of the data is the overall Packaging consumption as described in “Packaging weight” and based on the material specification and the performed recyclability assessment, the recyclable materials per reporting category are summed up. Recyclable material examples are transparent praliné trays or aluminum foil for tablets.	Group This includes production subsidiaries and co-packaging as packing only results from these sites.

KPI	Metric, methodology, definition	Assumptions, calculations, data collection	Scope and exclusions
Performing together: Diversity, equity, and inclusion			
Proportion of women in senior leadership as a percentage of total employees in senior leadership positions	This metric reflects the rate of female representation in senior management positions (Management Levels 1 and 2) during the reporting period. It excludes employees who self-identify as “Male” or “Other”. Also see the definitions of the following term: Employee category: • Senior Management: Management Level 1 (CEO/country responsible/for Lindt & Sprüngli International: Group Management) + Management Level 2 (employees who are part of the Executive Team/for Lindt & Sprüngli International: Department heads and direct reports to Group Management) • Middle Management: Management Level 3 All Directors/Heads & Senior Managers reporting to Executive Team (including Directors participating in Executive Team meetings but not officially Executive Team Members; excluding Senior Managers reporting to Level 3 Directors/Heads/Senior Managers) • Other: Lower Management and no managerial position • Department: administration (= marketing, finance, personnel, EDP, General Services, all other), R&D, selling (= sales force, other selling, direct retail stores – permanent, direct retail stores – temp/hourly paid, merchandising force, merchandising agency contractors), distribution (= warehousing, transportation), manufacturing (= manufacturing direct & indirect)	Data is collected at subsidiary level, consolidated at Group level. Gender is self-identified. Data is received from suppliers and collected via the financial reporting system. It excludes “Male” or “Other”. This metric reflects the rate of female representation in senior leadership positions (Management Levels 1 and 2) during the reporting period.	Group
Delighting consumer: Transparent and responsible communication			
Rate of audit compliance with EU Pledge to avoid advertising to children • Daytime television advertising • Overall television advertising • Digital media	This metric reflects the rate of audit compliance with EU Pledge to ensure not to conduct advertisements with children as primary media targets in the case of children below the age of 13 (data collected at country level; for TV: France, Germany, Italy, Netherlands, Romania, and Spain in 2023; for digital: France, Germany, Italy, Netherlands, Poland, and Spain in 2023) during the reporting period. To assess the rate of audit compliance, we refer to the latest EU Pledge commitments and apply the latest EU Pledge nutrition criteria model.	Data is collected and consolidated at Group level, not applicable for subsidiaries. Data is received from suppliers and collected via the financial reporting system. The rate is calculated based on % of total TV commercials audited by external party Ebiquity (for TV) which are compliant with less than 30% of audience being <13 years old. For Digital, % of total profiles audited by external party EASA that are compliant with not advertising to children <13 years old. The data collection period for this indicator is Q2 2023 for TV audit, and October 2, 2023, to November 15, 2023 for the Digital audit.	Countries for the EU Pledge Audits are selected by the third party. EU Pledge rules apply only to the companies across the EU. Therefore, only EU countries can be chosen.

Glossary

Child labor

Lindt & Sprüngli applies the ILO definition of child labor under the Minimum Age Convention No. 138 and the Worst Forms of Child Labour Convention No. 182.

Child labor risk countries

Lindt & Sprüngli assesses child labor risk using credible and independent sources, such as ILO reports, the UNICEF Children's Rights in the Workplace Index and the US Department of Labor List of Goods Produced by Child Labor or Forced Labor. The most relevant suspicion of child labor is the indirect (tier 2+) supply chain of raw materials. This includes the sourcing of cocoa from West Africa, Papua New Guinea and Madagascar.

Child Labor Monitoring and Remediation System (CLMRS)

A CLMRS is a means of targeting prevention, mitigation and remediation assistance to children involved in, or at risk of, child labor, as well as to their families and communities. At Lindt & Sprüngli, the implementation of the CLMRS is defined by its [CLMRS Guidance document](#). At Lindt & Sprüngli, the CLMRS offers a framework for child labor risk assessments, preventive interventions for protecting children's rights, child labor identification, child labor remediation and activity tracking and reporting.

Demonstration plot

At Lindt & Sprüngli, these are small, selected areas in a farm where field staff show and demonstrate new farming practices.

Employee (headcount)

According to GRI, an employee is an individual who is in an employment relationship with the organization according to national law or practice.

At Lindt & Sprüngli:

Headcount includes: All individuals in direct employment with Lindt & Sprüngli, i.e., salaried, or hourly workers paid by Lindt & Sprüngli, and

Headcount excludes: Employees that perform work that was subcontracted, which is expensed via external fees.

First mile traceability

First mile traceability is about documenting where the cocoa batches entering the supply chain have been produced. It includes farmer registration, creation of farm IDs, farm mapping and the establishment of systems to document purchases from registered farmers. The traceability between the farm and the first point of purchase is then established through documentation and creation of batches of cocoa from registered farmers. The cocoa batches sourced can be linked to the farmers and their farms, where the cocoa was produced. First mile traceability corresponds to an origin score of at least 4. Lindt & Sprüngli aims to achieve at least a score of 5 in its Farming Program. Having first mile traceability still allows for massing and mixing of beans at later stages (during transport and/or processing).

For more information, see the [IDH Technical Brief on Cocoa Traceability in West and Central Africa](#).

GPS or polygon mapped

At Lindt & Sprüngli, this is the sum of the farmers whose exact farm location is known because they have been mapped using GPS or polygon. Farm GPS coordinates (made up of two numbers to represent x and y or longitude and latitude) are a unique identifier of a precise geographic location of a farm. GPS points are meant to be taken at the central point of each farm. Farm polygons are used to map the boundaries of the farm to provide a more precise understanding of its location and area. Polygons are created by a sequence of GPS points where the first and last coordinate pair are the same, and all other pairs are unique, forming a closed shape.

Highest governance body

According to GRI, the highest governance body is the governance body with the highest authority in the organization

- At Lindt & Sprüngli, this is the Board of Directors of the Group

Individual coaching

At Lindt & Sprüngli, this is a personal on-site visit of a field officer to the farmer's farm that lasts at least 30 minutes. Coaching sessions can only be counted if personalized advice is given and recommendations are documented. The annual internal monitoring visit can count as a coaching visit if it takes longer than usual and complies with the above-mentioned criteria (personalized advice and recommendations for continuous improvement, min. 30 additional minutes). A full coaching cycle consists of three visits. Individual training sessions due to non-attendance of farmers in group trainings don't count as individual coaching sessions.

Model farms

At Lindt & Sprüngli, these are selected farms, where farmers apply good practices and are supported with special attention. Model farms are to show the positive effects of applying good practices. Field data is available to demonstrate how practices impact productivity and profitability.

Monitoring visits

At Lindt & Sprüngli, farm level data is collected during monitoring visits.

Number of employees hired

Number of people who have started work in the subsidiary during the reporting period and who fulfill the criteria to be counted as headcount. The number of employees hired excludes employees who changed departments within the same subsidiary.

Parental leave

According to GRI 401-3, parental leave means leave granted to employees on the grounds of the birth of a child.

- At Lindt & Sprüngli, parental leave is leave granted to employees on the ground of the birth or adoption of a child, unpaid and paid leave added after the official parental leave is considered as parental leave.

Part-time employees

According to GRI, an employee whose working hours per week, month, or year are less than the number of working hours for full-time employees.

- At Lindt & Sprüngli, any employee working at a workload below 90% is considered a part-time employee.

Shade trees

At Lindt & Sprüngli, shade trees are also referred to as multi-purpose trees. According to the World Cocoa Foundation, multi-purpose trees are tree species included on cocoa farms for primary purposes beyond providing shade. They may be chosen to provide economical and/or ecological benefits to the farm. This may include tree crops such as fruit, palm oil, medicinal, and/or timber trees for later harvest.

Significant instances of non-compliance

When determining the significant instances of non-compliance, the organization can assess the severity of the impact resulting from the instance as well as external benchmarks used in its sector to determine significant instances of non-compliance.

- At Lindt & Sprüngli, we have defined internal thresholds to determine whether an instance is significant.

Supplier Sustainable Practice (SSP) program

At Lindt & Sprüngli, the SSP Program focuses on packaging suppliers in China and South East Asia, who must adhere to the Supplier Code of Conduct outlining ethical, environmental, social, safety & legal standards.

- These suppliers are tier 2 suppliers.

Temporary employees

According to GRI, an employee with a contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires or when the specific task or event that has an attached time estimate is completed (e.g., the end of a project or return of replaced employees)

- At Lindt & Sprüngli, temporary employees include seasonal workers with a fixed number of hours included in their contract.

Traceability models

The following supply chain traceability models are generally used in our approaches to responsible sourcing of agricultural raw materials:

- Identity preserved: Unique identification of the material and traceability back to its origin, e.g., a specific farm, a farmer group or a mill
- Segregation: Separation of materials with sustainability characteristics from conventional materials throughout the supply chain, but not necessarily traceable back to its origin
- Mass balance: Physical mixture of materials with and without sustainability characteristics where the volume of sustainably produced materials corresponds to the volume purchased and reported.

These supply chain traceability models go beyond conventional methods, whereby materials are sourced without origin indication or sustainability characteristics. Lindt & Sprüngli sources the majority of its cocoa volumes through verified sustainability programs, not certification. The reporting of traceability levels for cocoa volumes is based on the definitions provided, whereby the chain of custody is not certified. Deviations from the traceability definitions as defined by certification schemes are possible.

Village Savings and Loan Associations (VSLAs)

According to the World Cocoa Foundation, VSLA is a type of Accumulating Savings and Credit Association formed as a group of 15-30 people, mainly women, who choose to work together and pool their savings. Members can then borrow the money with interest (5 -10%) over an agreed period. At the end of a predetermined term, the overall fund (which is made up of the savings and the interest payments) is paid out to the group members based on their percentage of contribution to the savings pool. At that point, members can decide whether to start a new cycle or to disband. Crucial activities that benefit VSLA members include:

- (i) creating and maintaining a group dynamic to grow self-esteem and self-confidence,
- (ii) providing access to basic financial services (savings and credit),
- (iii) unlocking entrepreneurial potential by learning to identify, create, and manage an income-generating activity,
- (iv) providing leadership skills and promoting gender-based dialogues to increase women's empowerment and participation in decision-making in their household and community.

Virgin material

Virgin material, according to the Lindt & Sprüngli definition, is raw material that is not recycled or reused.

Policy map on salient human rights issues

Lindt & Sprüngli policies are publicly available on our [corporate website](#). Policies and guidelines related to working conditions (e.g., wages and working hours) in our own operations are established at a country level.

Policy	Stakeholder group	Salient issue
Business Code of Conduct	Own operations	Discrimination, harassment, and violence
Health and Safety Policy	Own operations	Health and safety
Environmental Policy	Own operations	Climate change
Supplier Code of Conduct and Compliance Declaration	Suppliers	- Biosphere loss/deforestation - Child labor - Climate change - Discrimination, harassment, and violence - Forced labor - Health and safety - Working hours
Deforestation Policy	- Suppliers - Affected communities	- Biosphere loss/deforestation - Climate change
Child Labor Monitoring and Remediation System (CLMRS) Guidance Document for Suppliers	- Suppliers - Affected communities	Child labor
Responsible Marketing Policy	Affected communities	Health and safety
Speak Up Policy	- Own operations - Suppliers - Affected communities	- Any suspected misconduct, including violation of laws or policies under which we operate - All salient issues

Independent practitioner's limited assurance report

Independent practitioner's limited assurance report

on the 2023 selected Sustainability Indicators in the Sustainability Report 2023 to the Board of Directors of Chocoladefabriken Lindt & Sprüngli AG

Kilchberg

We have been engaged by the Management to perform assurance procedures to provide limited assurance on the 2023 selected Sustainability Indicators (including accompanying Greenhouse Gas (GHG) statement) of Chocoladefabriken Lindt & Sprüngli AG and its consolidated subsidiaries ('Lindt & Sprüngli') for the period from 1 January 2023 to 31 December 2023 marked with the symbol "✓ PwC CH" in the Sustainability Report 2023, hereafter referred to as '2023 selected Sustainability Indicators' and summarised in the Annex 1 2023 selected Sustainability Indicators list.

Our limited assurance engagement does not conclude on comparative prior year figures, or any prospective information included in Lindt & Sprüngli's Sustainability Report 2023. Consequently, we do not comment on, nor conclude on any such information.

Criteria

The 2023 selected Sustainability Indicators (including accompanying Greenhouse Gas (GHG) statement) were evaluated against the criteria described in Lindt & Sprüngli's Sustainability Report. The 2023 selected Sustainability Indicators (including accompanying Greenhouse Gas (GHG) statement) were prepared by the Management of Lindt & Sprüngli based on the criteria summarized in the "Basis of Preparation" section on pages 118–121 in the Sustainability Report 2023.

The "Basis of Preparation" section was developed based, among others, on the GRI Sustainability Reporting Standards (GRI Standards 2021) published by the Global Reporting Initiative (GRI) and the Greenhouse Gas (GHG) Protocol Corporate Standard (Revised edition) and Lindt & Sprüngli reporting criteria for internally defined selected Sustainability Indicators available on pages 139–144 in the Sustainability Report 2023 (hereafter referred to as the 'Suitable Criteria').

Inherent limitations

The accuracy and completeness of the 2023 selected Sustainability Indicators (including accompanying Greenhouse Gas (GHG) statement) in the Sustainability Report 2023 are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the 2023 selected Sustainability Indicators (including accompanying Greenhouse Gas (GHG) statement) are subject to inherent uncertainty because of, for example, incomplete scientific knowledge used to determine emissions factors and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the Suitable Criteria as defined above and its specific application described in the Sustainability Report 2023.

Management's responsibility

The Management of Chocoladefabriken Lindt & Sprüngli AG is responsible for the preparation and presentation of the 2023 selected Sustainability Indicators in accordance with the Suitable Criteria and its specific application in the Sustainability Report 2023. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the 2023 selected Sustainability Indicators that are free from material misstatement,



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whether due to fraud or error. Furthermore, the Management is also responsible for adequate record keeping and the selection and application of the Suitable Criteria.

Independence and quality management

We are independent of the Chocoladefabriken Lindt & Sprüngli AG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform a limited assurance conclusion on the 2023 selected Sustainability Indicators (including accompanying Greenhouse Gas (GHG) statement) marked with the symbol "✓ PwC CH" in the Sustainability Report 2023. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and ISAE 3410 'Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the 2023 selected Sustainability Indicators marked with the symbol "✓ PwC CH" in the 2023 Sustainability Report (Annex 1 2023 selected Sustainability Indicators list) were not prepared, in all material aspects, in accordance with the Suitable Criteria described above.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Given the circumstances of the engagement, we performed the following procedures, among others:

- Inquiries of representatives responsible for the data collection and reporting as well as other relevant stakeholders in the reporting process of on the 2023 selected Sustainability Indicators (including accompanying Greenhouse Gas (GHG) statement) in the Sustainability Report 2023;
- Sample based inspection of relevant documents and testing of underlying data;
- Reconciliation of data sources with financial reporting data and other underlying data sources;
- Reperformance of relevant calculations;
- Analytical procedures on selected site-level, as well as Group level;
- Performance of virtual site visits for significant manufacturing facilities in Germany and the United States of America;
- Assessment of methodology applied by Lindt & Sprüngli, including the criteria to determine whether it is appropriate when applied in relation to the 2023 selected Sustainability Indicators (Annex 1 2023 selected Sustainability Indicators list).

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



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Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the 2023 selected Sustainability Indicators of Chocoladefabriken Lindt & Sprüngli AG, marked with the symbol "✓ PwC CH" for the period from 1 January 2023 to 31 December 2023 (Annex 1 2023 selected Sustainability Indicators list) are not prepared, in all material respects, in accordance with the Suitable Criteria described above.

Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of Chocoladefabriken Lindt & Sprüngli AG, and solely for the purpose of reporting to them on the 2023 selected Sustainability Indicators and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the Suitable Criteria, to enable the Management and the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent practitioner's assurance report over the 2023 selected Sustainability Indicators (including accompanying Greenhouse Gas (GHG) statement) marked with the symbol "✓ PwC CH" in the Sustainability Report 2023, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management or the Board of Directors of Chocoladefabriken Lindt & Sprüngli AG for our work or this report.

PricewaterhouseCoopers AG



Gerhard Siegrist



Reto E. Huber

Zürich, 4 March 2024

Enclosure

Annex 1 2023 selected Sustainability Indicators list

The maintenance and integrity of Chocoladefabriken Lindt & Sprüngli AG's website and its content are the responsibility of the Management; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the Chocoladefabriken Lindt & Sprüngli AG's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported 2023 selected Sustainability Indicators or Suitable Criteria in the Sustainability Report 2023 since they were initially presented on the website.



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Annex 1 2023 selected Sustainability Indicators list

Selected Sustainability Indicator	Reported value	Reference to the Key Performance Indicators section
Business Integrity		
- Total number of confirmed incidents of corruption (GRI 205-3) - Thereof incidents in which employees were dismissed or disciplined for corruption (GRI 205-3) - Thereof incidents when contacts with business partners were terminated or not renewed due to violations related to corruption (GRI 205-3) - Total number of public legal cases regarding corruption brought against the organization or its employees during the reporting period (GRI 205-3) - Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant (GRI 206-1)	0 number 0 number 0 number 0 number 0 number	Page 100 Page 100 Page 100 Page 100 Page 100
Responsible sourcing		
- Sourced volumes of raw and packaging materials bearing significant sustainability risks covered by a responsible sourcing program - Average EcoVadis sustainability assessment score of Lindt & Sprüngli suppliers - Scored suppliers in EcoVadis - Cocoa beans equivalent sourced (cocoa beans, powder, butter, and chocolate mass/bean equivalents according to ICCO conversion rates) - Thereof sourced through sustainability programs (Farming Program or other sustainability program, verified or certified by third party) - Thereof sourced through Farming Program (verified or certified by third party)	58.1 % 61.2 score 629 number 159,914 metric tons 115,573 metric tons 72.3% 68.2%	Page 102 Page 102 Page 102 Page 104 Page 104 Page 104
Conservation of biodiversity and natural ecosystems		
Cocoa beans equivalent (cocoa beans, powder, butter, and chocolate mass; in volume) sourced from farmers covered by a "No-Deforestation and Agroforestry Action Plan"	72.3%	Page 105
Climate		
- Total direct and indirect GHG emissions (Scopes 1, 2, and 3) - Gross direct (Scope 1) GHG emissions (GRI 305-1) - Gross market-based energy indirect (Scope 2) GHG emissions (GRI 305-2) - Gross other indirect (Scope 3) GHG emissions (GRI 305-3)	3,700,768 tCO ₂ eq. 57,546 tCO ₂ eq. 97,345 tCO ₂ eq. 3,545,877 tCO ₂ eq.	Page 106 Page 106 Page 106 Page 106
Municipal water withdrawal		
Absolute water withdrawal (from municipal supply only)	735 000 m ³	Page 106
Semi-finished product waste		
Semi-finished product waste in the production process per ton produced (excluding destruction of finished goods)	3.2%	Page 106
Packaging		
- Total weight of packaging used - Thereof pulp- and paper-based - Thereof plastic - Packaging made from recycled materials - Packaging that is designed to be recyclable	116,273 metric tons 96,322 metric tons 13,814 metric tons 42.1% 89.7%	Page 107 Page 107 Page 107 Page 107 Page 107



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Diversity and equal opportunity		
• Proportion of women in senior leadership as a percentage of total employees in senior leadership positions	35.1%	Page 113
• Breakdown by gender & age group (GRI 405-1) (all indicators in the table marked with the symbol "✓ PwC CH")		Page 114
• Diversity of governance bodies during the reporting period (GRI 405-1) (all indicators in the table marked with the symbol "✓ PwC CH")		Page 114
Product quality and product safety		
• Incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period (GRI 416-2)	0 number	Page 115
• Thereof incidents of non-compliance with regulations resulting in a fine or penalty (GRI 416-2)	0 number	Page 115
• Thereof incidents of non-compliance with regulations resulting in a warning (GRI 416-2)	0 number	Page 115
• Thereof incidents of non-compliance with voluntary codes (GRI 416-2)	0 number	Page 115
Transparent and responsible communication		
• Incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship (GRI 417-3)	0 number	Page 116
• Thereof incidents of non-compliance with regulations resulting in a fine or penalty (GRI 417-3)	0 number	Page 116
• Thereof incidents of non-compliance with regulations resulting in a warning (GRI 417-3)	0 number	Page 116
• Thereof incidents of non-compliance with voluntary codes (GRI 417-3)	0 number	Page 116
• Rate of audit compliance with EU Pledge to avoid advertising to children (overall television advertising)	99.4%	Page 116
• Rate of audit compliance with EU Pledge to avoid advertising to children (daytime television advertising)	100%	Page 116
• Rate of audit compliance with EU Pledge to avoid advertising to children (digital media)	100%	Page 116



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