



LINDT & SPRÜNGLI

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Sustainability Report

2022

# Content

<b>Sustainability highlights 2022</b>	<b>2</b>	<b>Performing together</b>	<b>53</b>
<b>Foreword by our CEO and CFO</b>	<b>3</b>	Why we care	54
<b>Our value chain</b>	<b>4</b>	How we care	55
<b>Sustainability strategy and governance</b>	<b>5</b>	Occupational health and safety	56
Sustainability Plan	6	Enabling and motivating working environment	57
Main commitments and progress 2022	7	<b>Delighting consumers</b>	<b>61</b>
Determining our material topics	8	Why we care	62
Stakeholder engagement	8	How we care	62
Sustainability governance	9	Product quality and product safety	63
<b>Business integrity and human rights</b>	<b>11</b>	Transparent and responsible communication	64
Why we care	12	<b>KPIs</b>	<b>66</b>
How we care	12	Key performance indicators	67
Respecting human rights	13	<b>Appendix</b>	<b>66</b>
Business integrity	16	About this report	76
<b>Improving livelihoods</b>	<b>18</b>	Our contribution to the Sustainable Development Goals	77
Why we care	19	GRI content index	78
How we care	19	Link glossary	82
Responsible sourcing	20		
Rural development	27		
<b>Contributing to an intact environment</b>	<b>41</b>		
Why we care	42		
How we care	43		
Conservation of biodiversity and natural ecosystems	44		
Climate	47		
Water and waste	50		
Packaging	51		



# Sustainability highlights 2022

## Responsible sourcing standards

defined for Paper, Vanilla, and Sugar



# 67%

of cocoa (beans, butter, powder, and chocolate mass) sourced through sustainability programs

Formalized our commitment to respect human rights in a

## Human Rights Policy

Committed CHF 1.25 million to the

## Child Learning and Education Facility (CLEF)

to tackle root causes of child labor

Our global Guiding Principles and our Purpose, Mission, Values (PMV) initiative were translated into concrete and actionable elements in our

## Values Framework

## Responsible marketing

We do not direct any communication to children below 13 years of age. As of July 2023, Lindt & Sprüngli is no longer directing any marketing communication to children under the age of 16

## Climate targets

submitted to the Science Based Targets initiative (SBTi)



# Foreword by our CEO and CFO

We are driven by our commitment to delight our consumers and enchant the world with chocolate. This is the foundation of our continuous growth. At the same time, our success is supported by our commitment to responsible business conduct aimed at contributing to a sustainable future for both the environment and society at large. The global challenges of the past year have also impacted our sustainability performance. While we remain committed to our targets, we know that increased efforts are needed to achieve them.

Responsible sourcing of our key raw material, cocoa, is a priority. Given the challenges the sector faces, we seek to contribute to improving the livelihoods of farmers, reducing the risk of child labor, while conserving biodiversity and natural ecosystems. That is why we initiated the Lindt & Sprüngli Farming Program in Ghana in 2008. Our visit to Ghana in November allowed the two of us to learn first-hand from farmers and our local partners about their challenges and the impact of our Farming Program. The dialog with farmers, field staff, our suppliers, and other local partners confirmed the importance of our engagement in the countries of origin.

We are very proud that today more than 112,000 farmers from seven countries of origin are benefiting from our Farming Program. More than 1 million shade trees have been distributed in 2022 alone, as well as more than 7.5 million resilient cocoa seedlings since the start of the Program. In the year under review, we invested CHF 27.5 million in sustainability

programs for cocoa sourcing (beans, butter, powder, and chocolate mass). In 2022, we were able to further increase the share of sustainably sourced cocoa to 67%, bringing us closer to our target of 100% by 2025.

We also made further progress on our commitment to define science-based climate targets. We have submitted our climate targets to the Science Based Targets initiative and will announce the verified targets in the second half of the year.

Furthermore, we prioritize the responsible sourcing of our raw and packaging materials and will continue to make significant efforts to develop more sustainable packaging solutions. We also strengthened our responsible marketing practices and decided not to direct any marketing communication to children under the age of 16 (previously 13) – a commitment formally taking effect on July 1, 2023. Promoting a diverse culture will also be a focus in the coming years. While some of our subsidiaries have already embarked on this journey, we plan to roll out a Group-wide Diversity & Inclusion strategy.

In addition, increasing regulatory requirements for sustainability reporting must be addressed. We are in the process of implementing new systems and processes to improve the quality of our data. By providing additional transparency, we aim to retain our stakeholders' trust in our company.



Dr Adalbert Lechner  
CEO Lindt & Sprüngli Group



Martin Hug  
CFO Lindt & Sprüngli Group



Dr Adalbert Lechner (right) and Martin Hug on a cocoa farm in Ghana

# Our value chain

**Our mission:** We create premium chocolate and related confectionery for the global market. We strive to meet consumer preferences and cooperate with our partners along the value chain to contribute to a sustainable tomorrow.



1.



2.



3.



4.



5.

## Sourcing

We source high-quality raw materials such as cocoa and hazelnuts to create our products, and packaging materials to protect them. We source related services such as distribution, logistics, production equipment, and technology.

## Transportation

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

## Production

We transform raw materials into premium chocolate, taking care to use precious natural resources efficiently, provide a safe working environment, and follow our sustainable packaging principles.

## Retail

Our products are sold through our own shops, online, and by our retail partners.

## Consumption

We provide delightful and high-quality products to our consumers. We anticipate trends and take care to fulfill our consumers' expectations of responsible and transparent marketing.

For more information about our cocoa supply chain, please see the Improving livelihoods chapter (page 27ff.).

An aerial photograph of a dense, vibrant green forest. A single, winding dirt road in a reddish-brown hue cuts through the center of the forest, curving from the top left towards the bottom right. The forest floor is covered in various types of trees and undergrowth, creating a rich, textured canopy. The lighting is bright, highlighting the different shades of green and the texture of the dirt road.

# Sustainability strategy and governance

## **Sustainability strategy**

Our sustainability strategy, the Lindt & Sprüngli Sustainability Plan, centers around ten social and environmental priority focus areas based on our identified material topics.

## **Sustainability governance**

Lindt & Sprüngli's sustainability strategy is guided and overseen at the highest levels of the company, including the Board of Directors and Group Management.

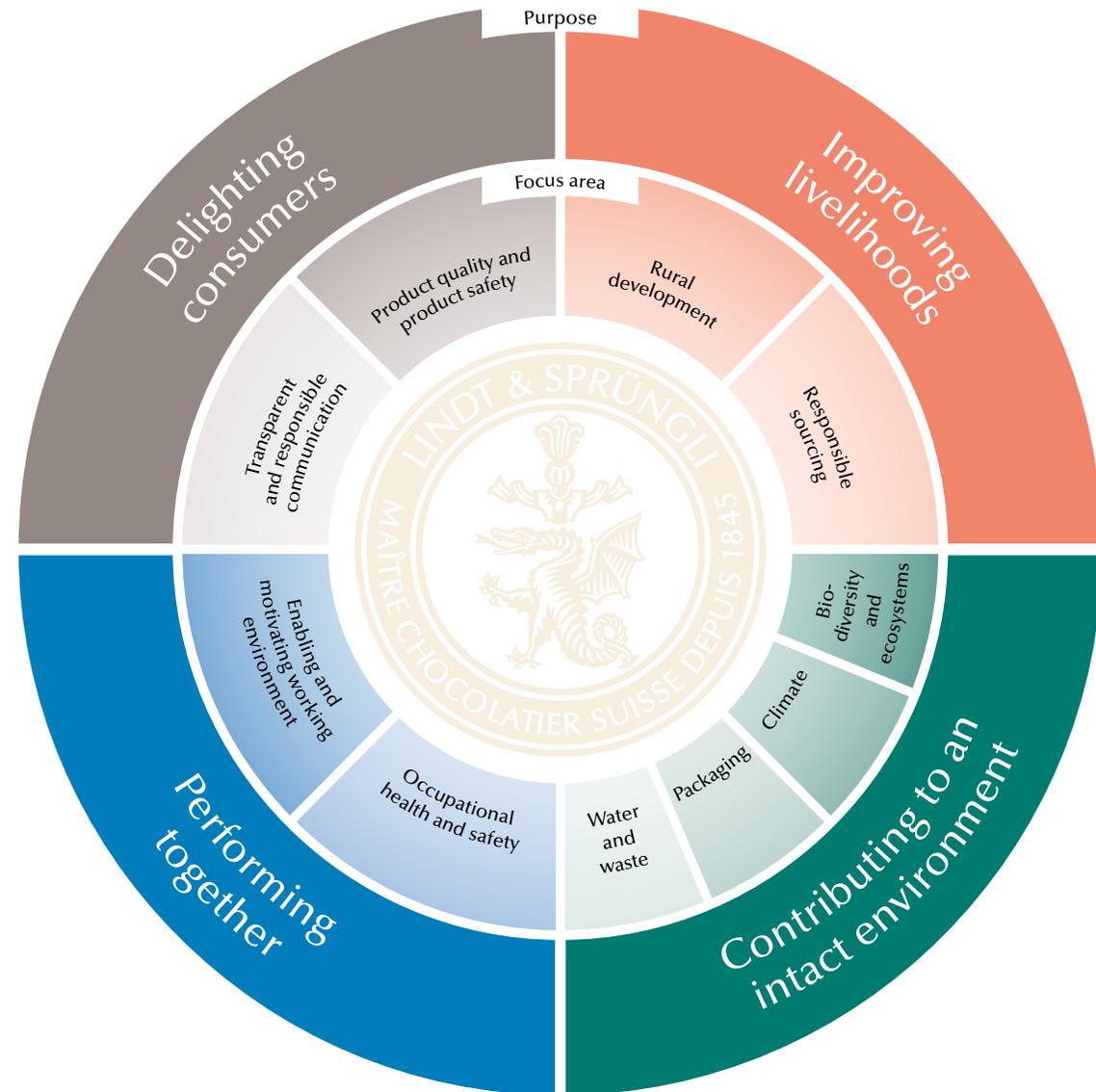
# Sustainability Plan

The Lindt & Sprüngli Sustainability Plan (the Sustainability Plan) – our commitment for a better tomorrow – is our strategy for creating long-term added value for society, the environment, and the economy. 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:

- Improve the livelihoods of people in our supply chain
- Contribute to an intact environment
- Foster successful collaboration within the company and
- Delight our consumers

By building our sustainability strategy and disclosures around these pillars, we seek to improve our social impact and reduce our environmental footprint. Upholding business integrity and respecting human rights are critical issues that cut across all aspects of our value chain and Sustainability Plan.

Needless to say, Lindt & Sprüngli cannot do this alone. A more sustainable future is possible not because of any one thing we may do, but depends on the concerted, continued, compliant, and honest efforts of untold numbers of stakeholders, as well as on achieving success on some of the vexing structural issues in the most impacted countries, including reducing poverty and hunger and increasing educational opportunities.



# Main commitments and progress 2022

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.

	Ambition	Focus area	Target	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.	<b>Responsible sourcing</b>	80% of our procurement expenditure for raw and packaging materials bearing significant sustainability risks is covered by a sustainable sourcing program by 2025	 On track
		<b>Rural development</b>	100% of cocoa (beans, butter, powder, and chocolate mass) is sourced through 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.	<b>Biodiversity and ecosystems</b>	Our aim is for 100% of sourced cocoa to be free from deforestation and covered by our Cocoa No-Deforestation & Agroforestry Action Plan by 2025	 On track
		<b>Climate</b>	Define a science-based target (SBT) (including Scopes 1, 2, and 3) with a goal of reaching net-zero emissions in the long term, to be announced in 2023 at the latest	 On track
			2% reduction of greenhouse gas emissions in the production process per year from 2020, per ton produced (interim commitment until SBT is defined)	 Achieved
		<b>Water and waste</b>	50% reduction of semi-finished product waste in the production process from 2015 by 2025, per ton produced	 At risk
			10% reduction of municipal water withdrawn in the production process from 2019 by 2025, per ton produced	 On track
		<b>Packaging</b>	100% of packaging is recyclable or reusable by 2025	 At risk
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.	<b>Occupational health and safety</b>	Continuously reduce our safety risks to achieve our long-term vision of zero lost time accidents	 Falling behind
		<b>Enabling and motivating working environment</b>	Employ 40% women in senior leadership by 2025	 At risk
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.	<b>Product quality and product safety</b>	Comply with Lindt & Sprüngli quality and food safety standards on an ongoing basis	 No major deviations
		<b>Transparent and responsible communication</b>	Avoid targeting children in advertising, encourage responsible consumption, and provide transparent nutritional information	 No major deviations

# Determining our material topics Stakeholder engagement

As a chocolate manufacturer, we are faced with a range of complex challenges along the value chain. In order to establish the priorities of our Sustainability Plan, we conducted a materiality analysis in 2018 to assess the topics with the highest actual and potential impact on our business along the value chain. The Sustainability Leadership Team, a cross-functional team steering the implementation of our sustainability strategy, regularly monitors and reassesses sustainability topics and recommends changes to the Sustainability Plan to Group Management and the Board, as needed. This materiality assessment remains the basis of our sustainability strategy and reporting for 2022. No changes were made in the reporting year. For more information and an overview of our material topics, see page 9 of our Sustainability Report 2021.

In 2022, we initiated an in-depth double materiality analysis to refresh the assessment of Lindt & Sprüngli's material topics. The assessment was supported by an external partner and incorporated internal and external stakeholder inputs to assess our positive and negative sustainability impacts, as well as our financially significant sustainability risks and opportunities. The findings will inform the basis of our future sustainability strategy and reporting, particularly in line with emerging mandatory reporting regulations.

Engaging with Lindt & Sprüngli's stakeholders is a central element of our sustainability approach. We welcome the diverse opinions and contributions of our different stakeholder groups, including:

- Civil society organizations and NGOs
- Consumers
- Employees
- Farmers and suppliers
- Governments
- Industry associations
- Investors
- Media
- Retail/distributors/customers
- Universities/research institutions
- Others

We value open dialog with these stakeholders as they contribute uniquely to informing our practices and identifying opportunities for improvement. For example, 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; and customers or distributors of our products help us stay informed about topics most relevant to our local markets and consumers.

Given our size, global presence, and the nature of our business, we also participate in select industry groups,

membership associations and multi-stakeholder initiatives at the Group or local level. In general, we do not participate directly in political activities but may engage in debates of legitimate interest to us through trade associations. Accordingly, the company does not use corporate funds for the express purpose of political advocacy, lobbying, or 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 page](#).

## EcoVadis Silver Medal for Lindt & Sprüngli Group



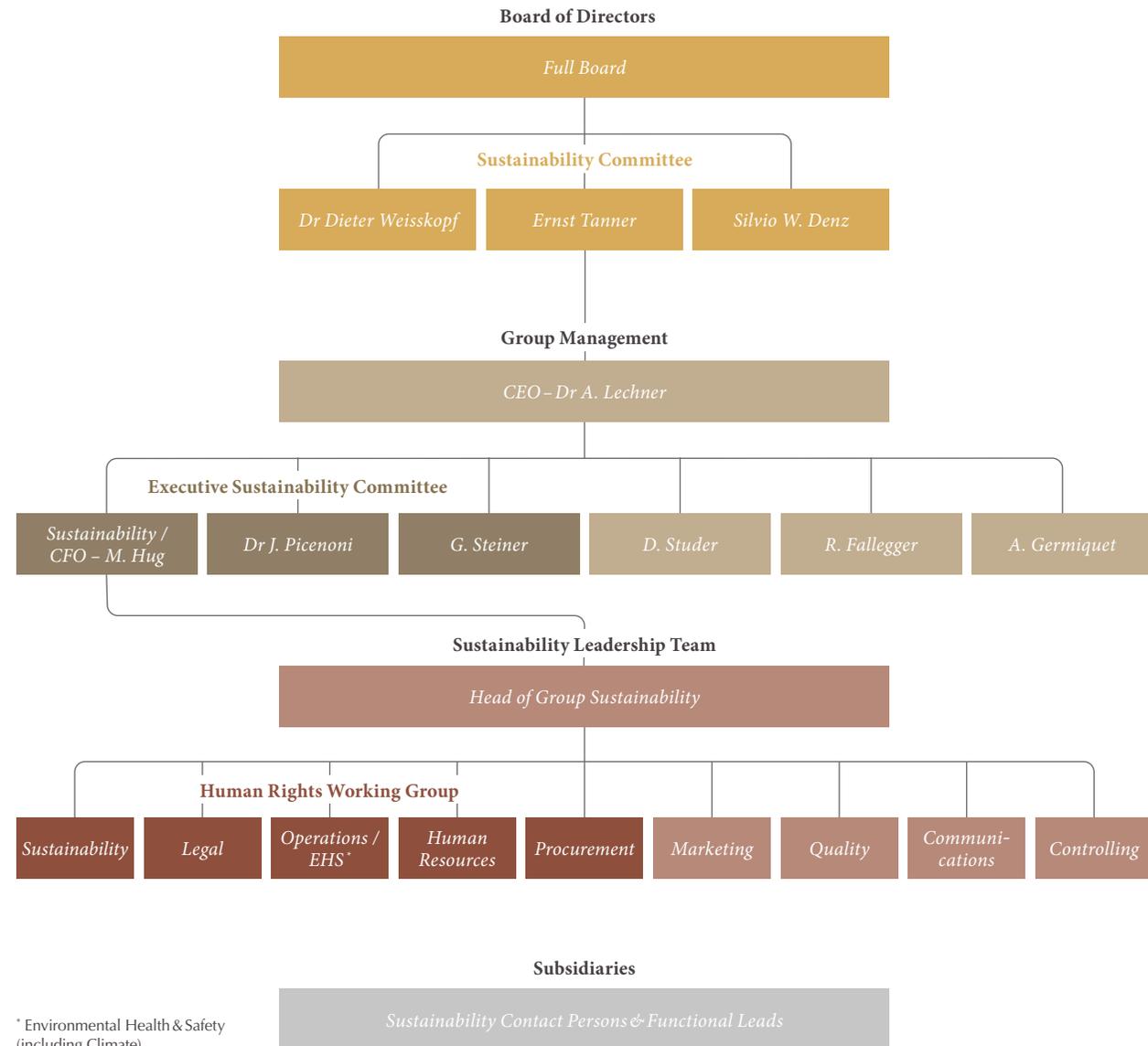
The Lindt & Sprüngli Group was awarded an [EcoVadis Silver Medal](#) in recognition of our 2022 EcoVadis Rating. The award recognizes our overall score in the top 22% and sustainable procurement score in the top 4% of companies rated by EcoVadis in the 'manufacture of other food products' industry. EcoVadis is a leading framework for sustainability ratings. The assessment covers 21 criteria across four topics: environment, labor and human rights, ethics, and sustainable procurement. For information about the EcoVadis ratings of our suppliers, see our Responsible sourcing chapter (page 20).

# Sustainability governance

Issues related to sustainability are dealt with by the highest level of the company, including the Board of Directors and Group Management. In 2022, our Sustainability Committee of the Board consisted of three Board members. As of April 28, 2022, Dr Dieter Weisskopf joined the Sustainability Committee and was appointed its Chair. He replaced Dr Rudolf K. Sprüngli as Chair and member of the Sustainability Committee. Dr Weisskopf, who retired as CEO of Lindt & Sprüngli in 2022, brings additional sustainability expertise to the Committee and to the Board. In his former role as CFO, he initiated and oversaw the establishment of the Lindt & Sprüngli Farming Program for 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 Committee of the Board

The Sustainability Committee of the Board guides the Board in setting the strategic direction and sustainability targets for company activities, aligning financial interest, business strengths, as well as social and environmental interests. This includes overseeing material and salient social and environmental impacts, including but not limited to climate change, human rights, responsible sourcing, and



\* Environmental Health & Safety (including Climate)

employee matters such as diversity and well-being. The Committee regularly discusses how such issues affect financial performance and how the company's long-term strategy relates to its ability to create shared value, including with regard to the company's significant stakeholders and their relevant interest. In turn, they guide the integration of sustainability into company strategy and recommend material sustainability objectives for approval to the Board.

One regularly convened meeting took place in 2022. The meeting was attended by 100% of Committee members as well as the CEO, CFO, and the whole Board of Directors. The matters discussed included a review of 2021 sustainability activities and outlook against the Sustainability Plan, approval of the Sustainability Report 2021 and the new Human Rights Policy, and a review of a human rights due diligence action plan and of science-based climate target setting.

As of 2023, the Committee will meet as often as required, but at least three times a year. Please see the [Sustainability Committee Charter](#) for additional details on its powers, duties, and organization. For details on its role in reviewing and approving the Sustainability Report, please see the About this report section on page 76.

## Group Management

Group Management, represented by the CFO, is responsible for ensuring that the Board's strategic sustainability decisions are implemented.

The CFO oversees and guides the management of sustainability matters, strategies, and targets; 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.

## Executive Sustainability Committee

The CFO also chairs the Executive Sustainability Committee (ESC), which, on behalf of Group Management, serves as an expert committee, guiding the development of sustainable business models, governance, strategies, and targets. The ESC approves any changes to the Sustainability Plan and pre-approves new sustainability policies as well as the Sustainability Report.

## Sustainability Leadership Team

The CFO also 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. In 2022, the Head of Controlling was added to the Sustainability Leadership Team, given the department's leading role in enterprise risk management and the implementation of systems and processes for future non-financial reporting.

## Human Rights Working Group

The Lindt & Sprüngli 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, driving its implementation, and supporting efforts to embed it throughout the organization and our supply chain (see Business integrity and human rights chapter on page 15).

## Sustainability representatives in subsidiaries

Each department integrates sustainability into its activities and responsibilities, and liaises with its respective counterparts at Lindt & Sprüngli subsidiaries. Furthermore, each subsidiary designates one employee to serve, in part, as a sustainability representative, helping to ensure end-to-end communication between the Group and the respective subsidiary. This is in addition to subsidiary staff who are responsible for integrating sustainability throughout the business.



# Business

# integrity and

# human rights

## **Business integrity**

Lindt & Sprüngli is committed to conducting business in an ethical and socially responsible manner. Similarly, the company is committed to a strong corporate culture that includes qualities such as honesty, respect, and doing business with integrity.

## **Human rights**

Lindt & Sprüngli places a high value on respecting human rights, international labor standards, and environmental integrity.

## Why we care

Upholding business integrity and human rights is fundamental to how Lindt & Sprüngli operates and to building trust with our partners, communities, and stakeholders.

We prioritize these principles because the interconnectivity of global value chains raises human rights issues such as discrimination, land rights, child labor, forced labor, the right to health, and the impacts of environmental damage on people. Additionally, responsible business conduct is key to combating corruption and anti-competitive behavior.

We are committed to being compliant with all legal and regulatory requirements, as well as our own Group policies.

## How we care

Lindt & Sprüngli attaches great significance to responsible corporate behavior. This is reflected in our Values Framework and our various Group policies, which define the way we do business.

Our Board of Directors oversees and promotes good compliance practices throughout the company. Employees of Lindt & Sprüngli are supported by our dedicated Compliance function, which provides guidance and leadership, as well as by all other functions engaged in our compliance program. We monitor and implement compliance through our corporate functions, our Lindt & Sprüngli internal

control system, and our external auditors. In 2022, Group Compliance performed a detailed review and update of Lindt & Sprüngli's compliance strategy.

For the Corporate Governance of the Lindt & Sprüngli Group see page 30ff. in the Annual Report 2022; for human rights related governance matters see page 15 in this report.

### Our governing documents:

- [Business Code of Conduct](#)
- [Corporate Governance Report 2022](#)
- [Environmental Policy](#)
- [Health and Safety Policy](#)
- [Human Rights Policy](#)
- [Responsible Marketing Policy](#)
- [Speak Up Policy](#)
- [Supplier Code of Conduct and Compliance Declaration](#)
- Values Framework (internal document)



## Respecting human rights

In June 2022, the CEO, Group Management, and the Board of Directors approved the Lindt & Sprüngli Human Rights Policy. This policy articulates our commitment to respect human rights. This entails implementing a due diligence process aimed at preventing, mitigating, or ceasing adverse human rights and environmental impacts throughout the organization and our supply chain. Our human rights commitment is guided by international conventions and standards, including the UN Guiding Principles on Business and Human Rights, International Bill of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and core International Labour Standards, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact.

### Communication, dissemination, and training on human rights

The Lindt & Sprüngli Human Rights Policy is available to workers and external stakeholders on our corporate website, and accessibility is facilitated by offering translations in six languages. We further communicate it to suppliers via reference in the Supplier Code of Conduct and notification on our supplier management system. In 2022, we began a process to have all existing suppliers sign our updated Code, which refers to the Human Rights Policy. The Code states that suppliers take the 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.

We also communicate this policy to new and existing employees via reference in Lindt & Sprüngli's Business Code of Conduct. All workers were also notified of the new policy through our intranet system, a memo from the Group CEO to all Country Managers to share with their leadership teams, and e-mails to all local CFOs, Procurement leads, and Human Resources (HR) leads to share with their respective teams. A human rights training course for relevant employees (e.g., Procurement and HR managers) and general communications are planned to begin rolling out in 2023. Meanwhile, reference materials and an introduction to the UN Guiding Principles (UNGPs) and to business and human rights at Lindt & Sprüngli are available to, and shared with, employees via our intranet.

Through EcoVadis, our assessed suppliers receive access to human rights training materials and resources to support them in meeting our human rights commitments. 52% of our procurement expenditure is assessed via EcoVadis (see page 20). 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, diversity and inclusion, and other topics. Through the Lindt & Sprüngli Farming Program (Farming Program) for cocoa, we go deeper into our supply chain by offering training and support for farmers and community members on salient issues such as: child labor sensitization and health and safety, among other agricultural, environmental, social, and business topics.

### Identifying human rights risks and impacts

We are committed to conducting ongoing human rights due diligence. In 2021 and 2022, we worked with a specialized strategy and management consultancy with expertise in human rights, responsible innovation, and social impact – to engage external experts to validate our initial risk findings and advise on the strategy and implementation of our ongoing due diligence. This included representatives from business and human rights consultancies, labor associations, diversity experts, and NGOs representing cocoa stakeholders including: the Earthworm Foundation, Fair Labor Association (FLA), International Cocoa Initiative (ICI), and VOICE Network, among others.

This work allows us to identify our most salient human rights issues and opportunities to improve our management approaches. As of 2023, we will conduct risk analyses annually to identify, weigh, and prioritize human rights and environmental risks in our operations and direct and indirect supply chain.

#### Salient issues

- 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

## Assessing and addressing salient issues

Our actions to respect human rights and address our salient issues are integrated into our business on an ongoing basis. The Lindt & Sprüngli Sustainability Plan incorporates targets and action plans for different salient issues in our operations and supply chain, including: the risk of child labor in cocoa farming (see page 38ff., Child labor) or through third-party certifications for priority non-cocoa raw materials (see page 22ff., Responsible sourcing), safety and labor practices in our own operations (see page 56, Occupational health and safety), monitoring of and engagement with suppliers on wages, working conditions, and environmental management (see page 20f., Responsible sourcing), and consumer-related issues (see page 61ff., Delighting consumers).

In many areas, we conduct special assessments of actual and potential human rights risks and impacts to help inform our action plans. For example, we assess health and safety in our operations through site audits and the ongoing Lindt Production Way (LPW) process (see page 43, Contributing to an intact environment).

In our supply chain, we assess and manage a wide range of salient matters through our approach to ongoing supplier due diligence. This includes supplier assessments which result in risk ratings and corrective action plans that include labor and human rights topics such as freedom of association, forced labor, child labor, working hours, health and safety, and other topics (see page 20f., Responsible sourcing).

In 2020, we updated our raw material risk assessment with consideration of human rights risks of different raw mate-

rials and their origins. This assessment continues to inform our responsible sourcing approaches for priority raw materials, including selection of third-party standards. For example, we source certified palm oil from the Roundtable for Sustainable Palm Oil (RSPO). RSPO states that effective implementation of its Principles and Criteria is designed to lead to safe and decent work for all community members (including no 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 better ecosystem protection, among other impacts). In fact, the standards are in line with international and local standards including the UN Declaration on the Rights of Indigenous Peoples, the UNGPs, and ILO Conventions on Forced Labor, and the standard includes public participation of affected communities. For additional raw material examples, see the raw material roadmap on page 21.

Cocoa is our most important raw material. Even though we do not contract with cocoa farmers directly, and work through suppliers, we voluntarily go beyond expectations by supporting farmers and their communities through our Lindt & Sprüngli Farming Program. Through the Farming Program, we aim to create decent and resilient livelihoods for cocoa farmers and their families and to encourage more sustainable farming practices.

## Engaging with affected stakeholders

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

In 2022, we consulted labor associations, diversity experts, and NGOs representing cocoa stakeholders to better understand our human rights risks and impacts. We also engaged with the European Works Council and employee union representatives, as we do annually, to discuss matters such as financial and economic developments, sustainability initiatives, corporate finance and personnel planning, our Health & Safety program, as well as training and absence reporting.

Furthermore, we continuously engage with key stakeholders, namely our employees and suppliers. Every three years, we conduct global employee surveys, which solicit feedback on matters such as working conditions and compensation, training for new skills and competencies, as well as career development, diversity, equality, and work-life balance. Workers are also engaged in health and safety audits conducted by third parties, which helps us understand the risks and discuss potential ways to prevent or mitigate them. Critically, our Speak Up Line is also open to individuals, community representatives, and organizations –

# Our actions to respect human rights and address our salient issues are integrated into our business on an ongoing basis.

including potentially or actually affected stakeholders. This includes, but is not limited to, employees and workers of Lindt & Sprüngli companies, our suppliers and business partners, and community members.

Our Farming Program includes monitoring and evaluation based on annual internal monitoring of all cocoa farmers to assess compliance with Program requirements and progress regarding more sustainable farming practices and better livelihoods. Feedback from farmers during this process also informs opportunities to improve Program operations to maximize our outcomes (see page 38, Improving livelihoods).

### Human rights governance

The Lindt & Sprüngli Human Rights Working Group (HRWG) is chaired by the Human Rights Officer and composed of the heads of Group Sustainability, Group Procurement, Group Human Resources, Group Environmental Health & Safety, and Group Legal Affairs. The CFO, in their capacity as the Group Management member responsible for sustainability, provides executive oversight and liaises with the CEO and other members of Group Management. Ultimate oversight for human rights resides with our Board of Directors, represented by the Sustainability Committee.

In 2022, the HRWG officially met five times for human rights training, and to maintain the strategy, oversee performance, and review and guide appropriate actions in response to human rights risks. Group Management and the Board of Directors each met once to respectively review the company's human rights risks and action plan strategy, and to approve the Human Rights Policy. Going forward, Group Management and the Board of Directors will be briefed at least annually, as per the Human Rights Policy.

### Evaluating the effectiveness of our due diligence

Lindt & Sprüngli's Human Rights Policy was approved mid-year 2022. Consequently, we plan to conduct the first annual review of due diligence processes and salient risks, and assess the effectiveness of our actions in 2023, and annually thereafter.

Meanwhile, our review of progress against the targets and goals set forth in the Lindt & Sprüngli Sustainability Plan, and reported throughout this Sustainability Report, makes up a critical component of our performance assessments. Similarly, we set and track performance criteria of our supplier's EcoVadis ratings, as reported in the chapter Responsible sourcing (see page 20).



## Business integrity

In today's society, consumers, business partners, and employees of companies place increased emphasis on companies acting with integrity and in an ethical manner. Conducting business in such a manner helps foster trust and build lasting relations. At Lindt & Sprüngli, we conduct business in an ethical and principle-based manner, even in the absence of applicable regulatory requirements. Our commitment to integrity, fairness, and respect for everyone is reflected in our company's purpose and values, our Business Code of Conduct, and additional Group-wide policies (see page 12). Equally, we expect any third parties with whom we work to apply equivalent measures. Throughout the Lindt & Sprüngli Sustainability Plan (see page 6), business integrity is at the core of all our efforts – implemented in our supplier chain through our Supplier Code of Conduct (see page 20f., Responsible sourcing); in the way we perform together (see page 57ff., Enabling and motivating working environment); and as we work to ensure the quality and safety of our products (see page 63, Product quality and product safety).

### Our Business Code of Conduct

The Lindt & Sprüngli Business Code of Conduct establishes our core values and expectations for our employees across all aspects of our business. It affirms our standards for non-discrimination and ethical behavior. In 2022, we updated the Business Code of Conduct to integrate our commitment to respect human rights. It also includes reference to our state-of-the-art Speak Up system, which is an important channel for addressing any Code violations or grievance concerns.

The Business Code of Conduct is distributed to each new employee as part of their onboarding. They are required to acknowledge receipt and acceptance of this Code through a paper form or online acknowledgment on the company's internal learning platforms. It is available to all employees on our intranet at all times. We also measure the acceptance of the terms via our Global Employee Engagement Survey (2022: 77/100 "In my work environment the regulations of the Business Code of Conduct [see definition] are followed" – 2019: 78/100). Any failure to comply with the Business Code of Conduct may result in disciplinary action, includ-

ing the possibility of dismissal and, if warranted, legal proceedings or criminal sanctions.

Group HR is responsible for managing business integrity in our operations with support from our local subsidiaries. While legal compliance is overseen by Group Compliance, primary responsibility for legal compliance resides with the subsidiaries and department leaders.

### Speak Up – our grievance mechanism

At Lindt & Sprüngli, we expect everyone connected to or engaging with our company to do the right thing to protect our customers, assets, reputation, and each other. Employees are encouraged to contact their HR teams, either at the local or Group level, to express any suggestions or concerns they might have. We take all concerns in the workplace very seriously and our employees can be assured that they will be heard, protected, and supported.

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. It is a channel for persons 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.

The Speak Up Line is open to employees and third parties and is run by an external party. It is communicated internally to our employees through our intranet, the Business Code of Conduct, and via other communication channels (posters, e-mails, town hall meetings, etc.), as well as publicly

**In today's society, consumers, business partners, and employees of companies place increased emphasis on companies acting with integrity and in an ethical manner.**

communicated on our corporate website and to our suppliers in our Supplier Code of Conduct. Our Speak Up Line is accessible web-based or via telephone and available 24/7, 365 days a year. Concerns can be addressed in the reporter's native language and anonymously if country regulations

### Concerns raised through Speak Up in 2022

43 reports have been reviewed and investigated, thereof:

- 39 are closed (further details see below) and four continue to be investigated;
- Seven are deemed out of scope of the Speak Up Line, but nonetheless have been reviewed and supported by our HR department to investigate and take appropriate remediation action;
- Remediation action has been taken, the most notable of which has included five dismissals and three formal warnings.

The table below represents the 39 closed cases, the assigned categorization, the number of cases per category, and, of those received, the number which have been substantiated:

Category	Cases received and closed	Thereof cases substantiated
Breaches of the Lindt Code of Conduct	24	3
Harassment and discrimination	7	6
Other	1	0
Out of scope	7	1
Total	39	

permit. Cases reported through the Speak Up Line are investigated on the basis of the Lindt & Sprüngli investigation manual and remediation guidelines by dedicated and impartial case managers. These case managers are regularly trained and use a gender-sensitive approach. Any person who reports a concern via the Speak Up Line will receive regular communications and updates, to detail the investigation progress and, where needed, to request additional information to support the investigation.

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. The confirmed concerns are then remediated in accordance with the law.

We continuously review and assess the case categories received and what measures or actions, additional 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 additional purpose and scope communications are required. Additionally, we continue to train investigators to ensure they are provided with clear guidance to support the important role they play in such investigations.

With respect to the Speak Up Line system, we routinely seek input to improve the robustness and quality of the user experience. We proactively engage with our platform service provider to review the whistleblowing hotline, expand the number of languages serviced, and simplify the online reporting process. We engage with thought leaders and peer companies to understand and aspire to best practices.

### Compliance and respect for fair competition

**We do not participate in any corrupt or anti-competitive behavior.**

Status 2022: No deviations

Corruption and anti-competitive behavior result in economic damage by causing commercial losses, promoting social inequality, and undermining democratic processes. Lindt & Sprüngli is therefore committed to the principle of free competition, and we comply with all applicable domestic and international legal requirements. The internal Lindt & Sprüngli Competition Law Policy outlines the provisions employees are expected to adhere to.

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, follows our core values and complies with our regulations and guidelines.



### Responsible sourcing

Our approach to responsible sourcing considers social, economic, and environmental aspects of our direct suppliers and beyond. As a chocolate company, we prioritize the responsible sourcing of cocoa and other raw and packaging materials.

### Rural development

Our Lindt & Sprüngli Farming Program is our way of supporting cocoa farmers and their families in creating decent and resilient livelihoods.

# Improving livelihoods

## 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 minimizing and whenever possible avoiding negative impacts on ecosystems and nature. The farmers, their families, employees, and the communities along our supply chain are at the center of our responsible sourcing activities.

Reliable supply of raw and packaging materials is essential to the success of our business. The cultivation, processing, and transportation of these raw materials can have significant social and ecological impacts – such as child labor, climate change, and deforestation. We aim to be a positive presence in the lives of our suppliers and our supply chain partners, while minimizing and – wherever possible – eliminating negative impacts on the environment.

## How we care

We have consulted extensively with stakeholders linked to our raw material value chains to develop a responsible sourcing approach that prioritizes the need to improve the livelihoods of rural producers – i.e., farmers, their families, employees, and communities – and to meaningfully contribute to rural development and an intact environment in the regions we source from. To achieve this, we focus on setting expectations for Lindt & Sprüngli suppliers regarding respect for human rights and upholding environmental, legal, and labor standards; supporting agricultural

communities; reducing the environmental impacts of sourcing raw materials; and ensuring transparency and traceability along our supply chain.

The building blocks of our responsible sourcing approach are:

- Setting expectations through our Supplier Code of Conduct (see page 20f.)
- Supplier online assessments using the EcoVadis framework (see page 20)
- Supplier physical sustainability related audits and remediation through our Supplier Sustainable Practice (SSP) Program (see page 20ff.)
- Responsible sourcing approaches for our priority raw materials (see page 21ff.)
- Collaboration and support of cocoa farmers through our own Lindt & Sprüngli Farming Program (see page 27ff.)

### Our Improving livelihoods related documents:

- [Community Child Protection System \(CCPS\)](#)
- [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

By 2025, 80% of our procurement expenditures for raw and packaging materials bearing significant sustainability risks will be covered by a sustainable sourcing program.



Status 2022: On track

Our responsible sourcing approach considers social and environmental aspects and applies to both direct and indirect sourcing. As a chocolate company, however, we prioritize the responsible sourcing of our raw and packaging materials. The list of our twelve priority raw materials and our progress towards our responsible sourcing commitment can be found on the next page.

### Supplier standards in general

Our Supplier Code of Conduct (Supplier Code) requires adherence to social and environmental standards by our partners throughout our supply chain.

It sets out the requirements expected of our suppliers regarding compliance with laws and regulations, corruption and bribery, social and working conditions, and protection of the environment. The Supplier Code (updated 2022 version) is guided by our commitment to respect human rights, as outlined in our Human Rights Policy (new Policy introduced in 2022, referenced in the Supplier Code as of 2022), 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 indicates that suppliers shall conduct regular internal assessments to assure their compliance with the Code; agree to participate in any sustainability assessments conducted by or on behalf of Lindt & Sprüngli; and be willing to submit to unannounced inspections of their facilities to verify compliance. This is the foundation for the remaining components of our responsible sourcing approach. In November 2022, the company began a process to have existing suppliers sign the updated 2022 version of the Supplier Code. New suppliers in scope receive the current version with reference to the Human Rights Policy (see page 13).

### Supplier assessment

We use the [EcoVadis](#) framework to evaluate the sustainability performance of our direct and indirect suppliers of 13 of our major subsidiaries. In 2022, we expanded the scale of our assessment from 466 to 581 scored suppliers, which represents 52% of our total expenditure across our Group. The assessment is based on 21 criteria and covers four topics: environment, labor and human rights, ethics, and sustainable procurement.

### Average EcoVadis sustainability assessment scores of Lindt & Sprüngli suppliers

EcoVadis average 2022: 44.8



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”.<sup>1</sup>

Our suppliers achieved an average score of 54.6 out of 100, an increase of 1.8 points compared to 2021. Expenditure-weighted, the average score was 55.8.

For those companies rating lower than 45, we will continue to annually request corrective actions and reassessments. Every supplier, regardless of their score, receives an individual corrective action plan, which outlines our expectation 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 risk prioritization, the SSP Program focuses on packaging suppliers in Asia, with special attention to social and environmental aspects at production sites. Currently around 8% of our packaging expenditure is sourced from Asia (especially decorative materials, as well as supplies for our local Asian subsidiaries).

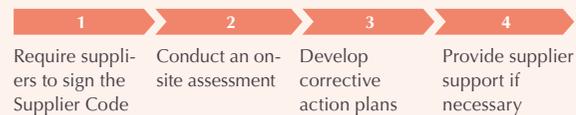
Our proactive approach is designed to encourage long-term improvements and provide targeted development support,

<sup>1</sup> Please find more information on the EcoVadis rating methodology and principles on the [EcoVadis website](#).

such as dedicated advice on environmental best practices for printing operations or advice on worker safety management systems. Depending on their risk profile (and especially the nature of their business operations), we conduct on-site assessments of our significant suppliers. For new tier-2 subcontractors, 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 replace these suppliers, or reduce the volume we purchase from them. Any suppliers in the SSP that violate zero-tolerance issues or repeatedly fail to improve are added to Lindt & Sprüngli's Group-wide block list.

### Four steps of the Lindt & Sprüngli Supplier Sustainable Practice (SSP) Program



### SSP Program

Number of on-site assessments in Asia (initial and follow-up) 2022: 37



In 2022, 37 suppliers were assessed and 31 of them received a positive overall rating. For the remaining six suppliers, detailed action plans were agreed upon, which are reviewed frequently both off- and on-site.

## Responsible sourcing approaches for priority raw materials

Beyond our Supplier Code, assessments, and audits, we conduct risk-based due diligence of the raw materials we source. In 2021, we updated our Responsible Sourcing Roadmap 2025 to include seven additional priority materials we want to source responsibly by 2025. The Roadmap will therefore include, in total, the following twelve materials: almonds, cocoa, coconut oil, coffee, dairy, eggs, hazelnuts, palm oil, pulp- and paper-based packaging materials, soy lecithin, sugar, 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.

**12**  
priority raw materials defined in our Responsible Sourcing Roadmap

Over the past few years, we have made significant progress on advancing the sustainability of our supply chain. We have introduced responsible sourcing standards for eight materials including hazelnuts, eggs, soy lecithin, and palm oil / palm kernel oil for which we have already achieved our goals. Over the next three years, we will define a responsible sourcing approach for the remaining four materials, which will allow us to gradually transition the sourcing of our priority materials in line with our Responsible Sourcing Roadmap 2025.

Material	Status 2022	Goal
<b>Cocoa</b> Cocoa beans equivalent sourced through sustainability programs <sup>2</sup>	67%	100% by 2025
<b>Cocoa beans</b> Cocoa beans sourced through sustainability programs	100%	100% by 2020
<b>Hazelnuts</b> Turkish hazelnuts sourced through sustainability programs	99.9%	100% by 2020
<b>Palm oil</b> Palm oil (kernel/oil/fractions) sourced RSPO certified	100%	100% by 2015
<b>Soy lecithin</b> Soy lecithin sourced ProTerra certified	100%	100% by 2018
<b>Vanilla</b> Vanilla sourced Rainforest Alliance certified	First compliant orders made for 2023	100% by 2025
<b>Cane sugar</b> Cane sugar sourced Bonsucro certified	First compliant orders made for 2023	100% by 2025
<b>Beet sugar</b> Beet sugar sourced against SAI FSA standard at minimum silver level	75%	100% by 2025
<b>Eggs</b> Eggs sourced cage-free (or at a higher standard) <sup>3</sup>	100%	100% by 2020
<b>Pulp and paper</b> Pulp- and paper-based packaging sourced FSC or PEFC certified	First compliant orders made for 2023	100% by 2025

<sup>2</sup>The cocoa beans 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. / <sup>3</sup>Excluding Russell Stover

This will enable us to reach our responsible sourcing goal (see page 20). While sustainability programs and third-party sustainability certifications represent enhanced approaches compared to conventionally sourced materials, we recognize that it needs further efforts from various stakeholders to resolve the underlying causes of the many social and environmental topics of potential concern.

### Traceability models

The following supply chain traceability models are usually used in sustainable sourcing of agricultural raw materials, which we refer to in our approaches:

#### Identity preserved

Unique identification of the material and traceability back to its origin, e.g., a specific farm or mill.

#### Segregation

Separation of materials with sustainability characteristics from conventional materials throughout the supply chain.

#### Mass balance

Materials with and without sustainability characteristics can be physically mixed, but the volume of sustainable materials produced does not exceed the conforming volume purchased and reported.

These supply chain traceability models go beyond conventional methods whereby materials are sourced without origin indication or sustainability characteristics.

## Cocoa

**By 2025, we are committed to sourcing 100% of our cocoa products – beans, butter, powder, and chocolate mass – through sustainability programs.**

67%

Status 2022: 67% (On track)

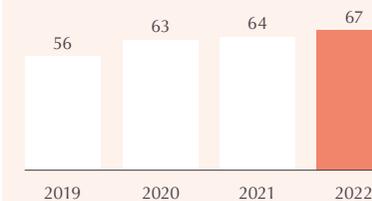
Cocoa<sup>4</sup> is our most important raw material, and we are committed to sourcing it responsibly. We purchase cocoa beans, cocoa butter, cocoa powder, and uniquely for Russell Stover, chocolate mass. Through our cocoa sustainability approach, we aim to improve farmer livelihoods and contribute to farming that is respectful of the environment, while fulfilling our consumers' expectations and building trust in the Lindt & Sprüngli brands.

We have made progress in achieving our responsible sourcing targets for cocoa. In total, including all cocoa products, we sourced 155,266 cocoa bean equivalents<sup>5</sup> in 2022: 67% of cocoa bean equivalents were sourced through sustainability programs, which represents an increase of 3 percentage points as compared to the previous year; including 100% of cocoa beans. We increased our share of responsibly sourced cocoa butter from 37% to 44% and, for the first time, we also sourced cocoa powder through sustainability programs (5%). By year end, we had not sourced chocolate mass through any sustainability programs. However, we remain on track to achieve our target to source all cocoa products (beans, butter, powder, and chocolate mass) through sustainability programs by 2025.



### Traceability and verification of cocoa

% of the sourced cocoa beans equivalent that was traceable and verified



<sup>4</sup>Excludes an immaterial volume of ingredients which contain cocoa products combined with other materials.

<sup>5</sup>The cocoa beans 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.

## Hazelnuts

**100% of Turkish hazelnuts are sourced through sustainability programs by 2020.**

99.9%

Status 2022: 99.9% (On track)

Hazelnuts<sup>6</sup> are a key raw material for Lindt & Sprüngli chocolate products. We source them primarily from Italy and Turkey. 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. The hazelnut sustainability programs are organized around four pillars:

### Traceability and farmer organization

We take a segregation approach to ensure that the hazelnuts we source from our Turkish suppliers' sustainability programs are physically separated from conventional supply. This way we aim to ensure Turkish hazelnuts in Lindt & Sprüngli products have effectively been produced according to our responsible sourcing requirements.

### Training and knowledge transfer

Training is offered to farm workers and all farmers every year. Farmer training includes in-class curriculum dedicated to good agricultural, environmental, and social practices, along with practical training in model gardens.

Training is also held for seasonal workers annually in their respective home villages, focusing on topics such as workers' rights, as well as occupational health and safety. A particular emphasis is placed on correctly, consistently, and transparently formalizing workers' contractual relationships with the hazelnut orchard owners.

### Farmer and worker investments and community development

Through our suppliers' sustainability programs, we also invest in improving farmer and farm worker living conditions, such as enhancing their accommodations and offering health services. To fight 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 for seasonal workers' children.

### Verification and continuous progress

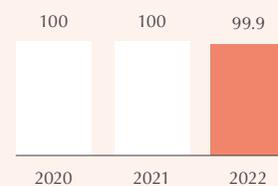
In our Turkish hazelnut supply chain 100% of our farmers are internally monitored by our suppliers. In addition, external program verification includes tracking program

effectiveness and identifying opportunities for potential improvement. Our three main suppliers are members of the Fair Labor Association.

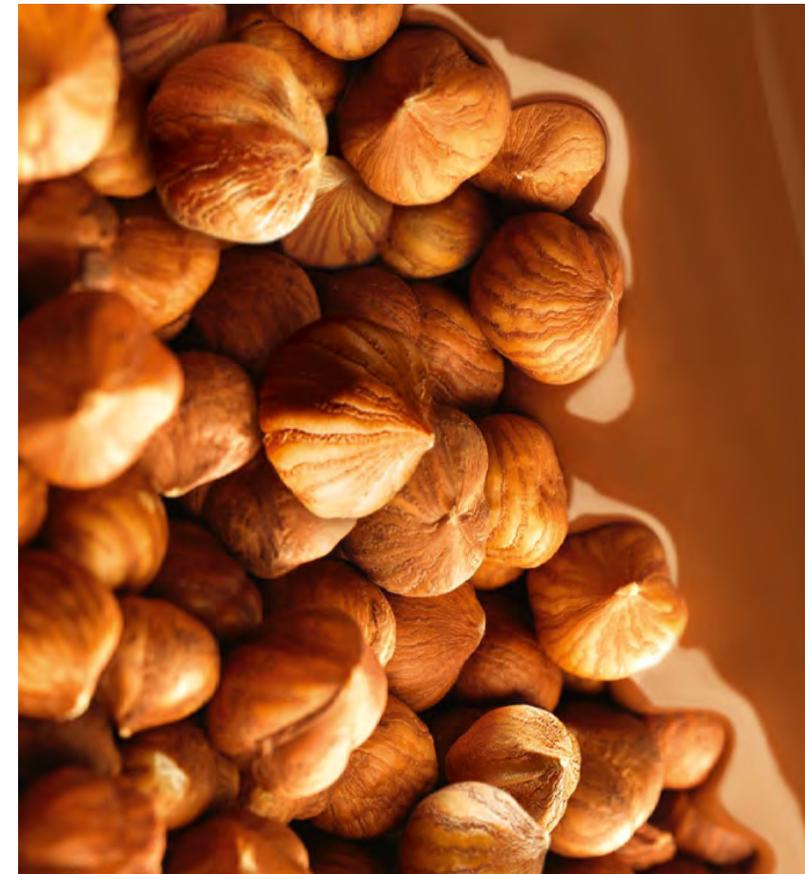
In 2022, we continued to work closely with our Turkish hazelnut suppliers, supporting them in the expansion and improvement of their sustainability programs.

### Sustainable hazelnuts

99.9% of Turkish hazelnuts sourced through sustainability programs



0.1% was bought from a new supplier outside a sustainability program.



<sup>6</sup>Excludes ingredients which contain hazelnuts combined with other materials; scope expanded from unprocessed hazelnuts to include both processed and unprocessed hazelnuts (total).

## Palm oil

**100% of palm oil / palm kernel oil is sourced RSPO certified by 2015.**

100%

Status 2022: 100% (Commitment achieved)

Palm oil, palm kernel oil, and their fractions are used in limited amounts in certain fillings of our chocolate. We buy less than 0.01% of the global palm oil harvest. While these products are important for their melting properties and for providing a neutral flavor, their production under uncontrolled conditions may 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. However, palm oil can be produced responsibly when planted in suitable areas and with appropriate consideration for the environment and communities. Palm oil is a high-yielding vegetable oil. In comparison to soybean, rapeseed, and sunflower, palm oil needs significantly less land to produce the same volume. We recognize that banning and substituting palm oil with other crops would require more land to be dedicated to vegetable oil production globally, likely at the expense of natural forest land. We believe that the best way to protect and restore the rainforest and threatened habitats is to undertake actions for a more sustainable palm oil industry.

For these reasons, 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. Since 2015, Lindt & Sprüngli has sourced 100% of our palm oil, palm kernel oil, and their fractions with RSPO certification and, for all our products

produced in Europe, 100% under the “Segregated” traceability model. RSPO’s Segregated traceability level (see page 22, Traceability models) means that certified palm oil is kept separate from conventional palm oil throughout the supply chain. Our US subsidiaries are an exception, where a mix of “Segregated” and “Mass Balance” palm oil, palm kernel oil, and their fractions is used but kept separate in bookkeeping. Lindt & Sprüngli strives to achieve full physical traceability in our 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

**100% of soy lecithin (excl. Russell Stover) is sourced ProTerra certified by 2018.**

100%

Status 2022: 100% (Commitment achieved, incl. Russell Stover)

We use soy lecithin to create the desired consistency of our chocolate. Soy cultivation is associated with different environmental and social impacts, in particular soy grown in regions with high risk of deforestation. For soy, we rely on the [ProTerra standard](#) to address potential negative impacts along the supply chain. ProTerra is a widely recognized and trustworthy standard in the food industry that is based on the Basel Criteria for Responsible Soy Production. This standard covers such issues as human rights (i.e., workplace safety and equal opportunities, with particular attention to preventing child and forced labor), land use conversion and forest conservation, responsible labor policies, and traceability. It also certifies non-GMO soy.

## Vanilla

**By 2025, 100% of vanilla is sourced Rainforest Alliance certified.**

First compliant orders made for 2023

Status 2022: new sourcing requirements introduced

Vanilla is an exceptionally high-value ingredient in Lindt & Sprüngli products. Producers of vanilla, however, face severe challenges including food insecurity, poverty, and vulnerable livelihoods. Additionally, conventional vanilla production can add 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 purely natural vanilla-based raw materials used for the manufacturing of our products to be Rainforest Alliance certified at Segregated traceability level by 2025. We defined the new sourcing requirements for vanilla in 2022 and are expecting first deliveries according to the new requirements in 2023.

[The Rainforest Alliance](#) is an international non-profit organization and a global leader in sustainability certification. It aims to drive more sustainable agricultural production and responsible supply chains, covering environmental, economic, and social well-being standards.

## Sugar

**By 2025, 100% of pure cane sugar is sourced Bonsucro certified.**

First compliant orders made for 2023

Status 2022: new sourcing requirements introduced

**By 2025, 100% of pure beet sugar is sourced with a supplier verification against the SAI FSA standard at minimum silver level.**

75%

Status 2022: 75% (On track)

Sugar being the most significant crop produced globally by biomass, we recognize the threats to ecosystems and communities generated by unsustainable sugar production. Adverse effects on smallholder communities producing most cane sugar must be addressed as a priority, as well as both cane and beet sugar production's impact on biodiversity, the environment, and the climate.

### Cane Sugar

**Bonsucro** is the leading global sustainability platform and standard for sugarcane. Its purpose is to collectively accelerate the sustainable production and uses of sugarcane. Bonsucro helps farmers produce crops in a more environmentally friendly way, adapt to climate change, increase their productivity, and reduce costs. This approach helps to enhance the social, environmental, and economic impact of Lindt & Sprüngli's cane sugar sourcing, while offering farmers a framework to improve their livelihoods

and help them protect the environment where they live and work.

Therefore, we expect our suppliers to contribute to a traceable, more sustainable sugar supply chain by supplying 100% pure cane sugar certified against the Bonsucro production standard. Due to availability constraints of segregated Bonsucro certified sugar in our operating regions, our traceability expectation is currently Mass Balance level for cane sugar. For USA-produced cane sugar where no Bonsucro certification is available, the volumes will be covered by the Bonsucro credit system until the first certified suppliers are available in the USA.

### Beet Sugar

The **Farm Sustainability Assessment (FSA)** developed by the Sustainable Agriculture Initiative (SAI) Platform can be applied to any crop, anywhere in the world, with any farming system. The FSA encourages supply chain participants to work together toward relevant and demonstrable continuous improvement of on-farm social, environmental, and business performance, and recognizes their achievements. The FSA verifies: optimized pesticide and fertilizer levels; preserved and enhanced soil health contributing to agricultural efficiency; protected carbon sinks; and optimized energy use in beet sugar production. We therefore expect our suppliers to contribute to a traceable, more sustainable beet sugar supply chain by demonstrating verification against the SAI FSA standard, at minimum silver level, by 2025 in the case of 100% pure beet sugar supplied to Lindt & Sprüngli. In cooperation with our suppliers, in 2022 we were able to confirm that 75% of our beet sugar supply was compliant with this requirement.

## Eggs

**100% of eggs (excl. Russell Stover) are sourced cage-free by 2020.**

100%

Status 2022: 100% (Commitment achieved)  
71% of total eggs including Russell Stover

We use eggs in small amounts in just a few of our products. Animal welfare is important to Lindt & Sprüngli, and our goal is not to source any eggs from caged hens in any of the products that are produced in our factories. We will continue to engage with our suppliers and as soon as the respective processed egg products are available from cage-free sources at scale, we aim to complete the changeover for Russell Stover.



## Pulp- and paper-based packaging

**100% of wood pulp- and paper-based packaging sourced Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certified by 2025.**

**First compliant orders made for 2023**

Status 2022: new sourcing requirements introduced

We recognize the global threats to forest ecosystems generated by unsustainable forest management and climate change, that in turn have adverse effects on communities and biodiversity. By sourcing third-party certified pulp- and paper-based packaging, Lindt & Sprüngli supports legal, environmentally sound, socially fair, and economically viable management of the world's forests.

Lindt & Sprüngli's priorities and definition of sustainable forest management and sustainable paper supply chains closely align with that of the [Forest Stewardship Council \(FSC\)](#)<sup>7</sup> and the [Programme for the Endorsement of Forest Certification \(PEFC\)](#)<sup>8</sup>. These responsible forest stewardship certification programs contribute toward healthy forest ecosystems, respect for the rights of workers and communities that depend on these forests directly, and worker health, safety, and labor matters. We therefore require all wood pulp- and paper-based packaging to be certified against the requirements of FSC or against the requirements of PEFC, or any of its endorsed national members, by 2025. These requirements apply to all paper and cardboard packaging products containing wood fiber (i.e., paper, corrugated board, folding box carton, transportation and display units, etc.). We defined these requirements in 2022 and placed first orders in line with them for delivery in 2023 and beyond.

<sup>7</sup> Lindt & Sprüngli's license number for trademark use: FSC-N004244 /

<sup>8</sup> Lindt & Sprüngli's license number for trademark use: PEFC/01-44-53

## Rural development

The cocoa sector faces a multitude of challenges related to human rights and environmental protection, such as child labor, deforestation, and persistent low incomes and poverty among cocoa farmers.

### Cocoa sustainability approach

We are committed to advancing effective solutions and strengthening our own contributions to address these issues by partnering with relevant stakeholders including suppliers, NGOs, researchers, government institutions, technical service providers, and through multi-stakeholder partnerships. Our commitment to responsible sourcing of cocoa is based on five principles that enable us to deploy an effective program aimed at three outcomes addressing the most pressing challenges and highest salient sustainability risks in the cocoa supply chain (see Farming Program activities graphic on page 36). For more information on conservation of biodiversity and natural ecosystems, see the Intact environment chapter on page 44ff.

### Responsible cocoa sourcing principles

Our approach to responsible cocoa sourcing is based on these five 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. 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 achieve the defined outcomes. These jointly developed sourcing agreements not only regulate commercial and quality parameters of the cocoa sourced, but also include a detailed description of how the Lindt & Sprüngli Farming Program will be executed in the specific supply chain. This includes, for example, minimum requirements such as establishing solid traceability systems, the registration process for farmers and polygon mapping, as well as annual activities and targets, organizational set-up and staffing, and a transparent budget for the implementation of the Farming Program. Besides bringing a high level of transparency, this approach helps to establish clear expectations between Lindt & Sprüngli and our suppliers.

# 112,803

farmers in seven origin countries benefit from the Farming Program

It also provides our partners with planning security and allows us to establish traceability along the supply chain and support the same farmers over multiple years to achieve better outcomes. Stable partnerships, in combination with our own Farming Program (see below), enable us to allocate funds transparently, aiming for direct impact on the ground and facilitating access to high-quality beans for our premium chocolate products.

#### 2. Deploying our own sustainability program

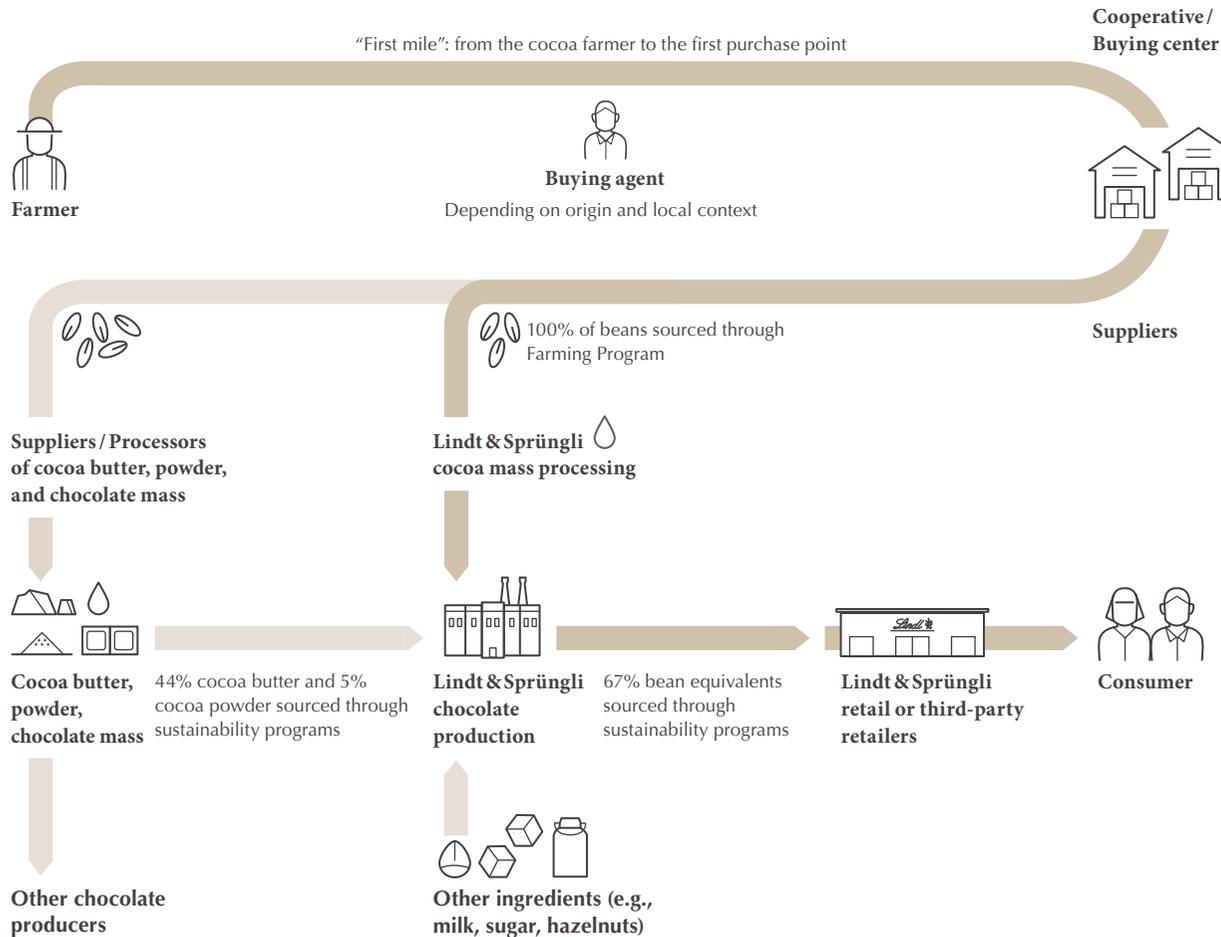
Our own cocoa sustainability program, the Lindt & Sprüngli Farming Program, is at the heart of our “rural development” focus area in the Lindt & Sprüngli Sustainability Plan, through which we aim to contribute to creating decent and resilient livelihoods for cocoa farmers and their families and to encourage more sustainable farming practices (see Farming Program activities graphic on page 36). The Lindt & Sprüngli Farming Program is based on an overarching [Theory of Change](#) that outlines our intervention logic, including the activities and the desired outcomes and impact. It serves as a framework for the Farming Program implementation design, which has evolved continuously since it was established, while the Theory of Change itself has not changed. 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, which is now active in seven origin countries, benefiting a total of 112,803 farmers. These origin countries include 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 Farming Program to include cocoa butter in 2021. In the reporting year<sup>9</sup>, we sourced a total of 61% of cocoa bean equivalents through our Farming Program<sup>10</sup>. For the first time, we also sourced a share (5%) of powder through our Farming Program.

<sup>9</sup>All numbers relating to cocoa cover the period from October 2021 to September 2022. This is the official reporting year for cocoa sustainability data, linked to the cocoa harvesting season.

<sup>10</sup>Due to the complex nature of supply chains for processed cocoa products, a small share of volumes for cocoa butter, powder, and chocolate mass may be sourced via third-party sustainability programs. However, 100% of beans and the majority of total cocoa will be sourced through our Farming Program.

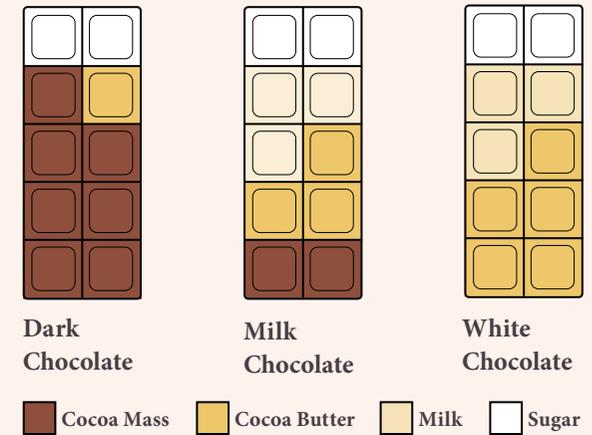
# Cocoa supply chain steps



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

<sup>11</sup> Excluding Russell Stover

## Chocolate ingredients



The world of chocolate is diverse and rich in varieties. However, the same ingredients are generally used for chocolate: cocoa mass, cocoa butter, sugar, milk powder, emulsifiers, and flavoring (vanilla/vanillin). The main ingredients in a standard dark chocolate recipe are cocoa mass, cocoa butter, and sugar. A standard milk chocolate is made of sugar, milk powder, cocoa butter, and cocoa mass. The main ingredients in a standard white chocolate recipe are sugar, cocoa butter, and milk powder.

Cocoa mass is made by roasting and grinding cocoa beans. As one of the few companies producing chocolate from bean to bar, Lindt & Sprüngli manufactures cocoa mass in its own factories<sup>11</sup>. The fat content extracted from the cocoa mass is cocoa butter, the by-product is cocoa powder. The ratio of beans required to create each of these ingredients (cocoa mass, butter, and powder) is what we refer to when reporting "bean equivalents".

### 3. Establishing traceable and transparent supply chains

**By 2025, we aim to achieve first mile traceability for 100% of our cocoa products – beans, butter, powder, and chocolate mass.**



Status 2022: 67% (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.<sup>12</sup> As part of our Farming Program, all farmers are registered, farm GPS point coordinates are taken, and baseline data about the farm and household is collected. Additionally, systems are put in place to establish traceability from farm to first point of purchase. For the cocoa sourced through the Farming Program, 97% of farmers had their farms mapped (GPS point as a minimum and GPS polygons are required for Ghana, Côte d’Ivoire, and Madagascar), providing a total of 67% first mile traceability in 2022. We are progressively rolling out the requirement that our suppliers use polygon mapping to draw farm boundaries, which is more accurate than GPS plotting and allows us to better monitor farms for forest protection, traceability, carbon emissions, and land use change events. After the initial polygon mapping

is completed, monitoring of farm boundaries is conducted each year through an internal monitoring visit and checked through external verification. New farmers are mapped as part of the standard registration procedure.

A challenge to keeping all farms mapped is the lack of national databases with unique farmer IDs, which would allow farmers to register and map their farms one time only, and make use of this data even if farmers change their buyer or supply chain. Such databases are currently being developed by the governments of Côte d’Ivoire and Ghana as part of a new national traceability system. 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. Keeping the supply chain fully mapped and mapping data updated is an ongoing effort, as the farm boundaries of individual farmers may also change over time.

#### Traceability along the supply chain up to our factory doors (supply chain traceability or “traceability level of cocoa sourced”<sup>13</sup>)

We believe that the physical traceability of cocoa is a key requirement to achieve 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 page 22, Traceability models). This means our cocoa beans are traceable from the farm to our factory doors, which is facilitated by our bean-to-bar



<sup>12</sup> Lindt & Sprüngli understands first mile traceability as follows: According to IDH (Technical Brief on Cocoa Traceability in West and Central Africa, 2021, p. 28), “documenting where the cocoa batches entering the value chain have been produced constitutes the first dimension of cocoa traceability; it is also referred to as first mile traceability. This can be achieved through provision and use of unique farm IDs and farm mapping.” In the conceptualization of the “cocoa origin transparency level” (see IDH, 2021, p. 24), first mile means an origin transparency score of at least 4. Lindt & Sprüngli aims to achieve at least a score of 5, which additionally includes farm mapping, across all cocoa products sourced through sustainability programs. First mile traceability does not necessarily mean that the farm, farmer, or origin data is preserved through the remaining steps of the supply chain. For more information on our efforts toward supply chain traceability (IDH refers to the “traceability level of cocoa sourced”), please refer to the next section.

<sup>13</sup> IDH Technical Brief on Cocoa Traceability in West and Central Africa, 2021, p. 2.

approach to chocolate production. Lindt & Sprüngli is one of few chocolate manufacturers to adopt such an approach, which allows us to oversee the entire production process – from the sourcing of cocoa beans to the production of cocoa mass (also called cocoa liquor) and the finished product.

Our farmer groups and suppliers store and transport Farming Program cocoa beans separate from all other beans, with the cocoa bags clearly marked. Each delivery of cocoa beans to Lindt & Sprüngli is accompanied by a traceability certificate. This helps ensure that we purchase cocoa beans from farmers who are part of the Lindt & Sprüngli Farming Program. By knowing the origin and maintaining traceability of our cocoa beans along the supply chain, we also gain a better understanding of our impacts and have data to help verify our objectives, such as cocoa not being sourced from protected areas or complying with critical sourcing requirements regarding child labor.

Similarly, for our responsibly sourced cocoa butter, we aim for a physical traceability approach based on segregation (see page 22, 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 have a sustainability program in place. This means that while all the cocoa butter delivered to Lindt & Sprüngli from a sustainability program under the segregation model originates from sustainable sources, we are not guaranteed that the cocoa beans delivered by our own farmer groups to the suppliers will end up in the

cocoa butter we purchase. However, physical traceability is a method designed to assure that sustainability criteria are complied with. Throughout 2022, we increased our share of traceable cocoa butter from 37% to 44%.

We aim to continue scaling our share of butter sourced according to the segregation model over the next few years and we are currently working to improve and align our requirements and processes across suppliers. We also want to continue engaging with interested stakeholders to promote the broader adoption of physical traceability in the market<sup>14</sup>.

#### 4. Continuous improvement based on monitoring and external verification

Our Farming Program builds on a philosophy of continuous improvement. Our monitoring and evaluation approach is based on multiple complementary elements including the quality of Farming Program implementation and the monitoring of outputs and outcomes. We not only assess these elements at the farm level, but at the implementation partner, and we perform checks to verify traceability documents.

#### Farming Program monitoring and verification approach

- Internal monitoring of 100% of farmers
- 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 all cocoa farmers to assess their compliance with Farming Program requirements and evaluate their progress regarding more sustainable farming practices and improved livelihoods. Results from this monitoring differ between origin and supplier and challenges are addressed for each supply chain individually. Internal monitoring is also an opportunity to gather feedback from farmers around issues such as pruning, child nutrition, and training quality. Their comments help us improve Farming Program operations and maximize our results. For child labor, specifically, additional unannounced child labor focused monitoring visits are done (see page 40). A common challenge of our approach is that internal monitoring at the supplier level (implementation partner) is highly time-intensive. In particular, requests for additional compliance-related data continue to grow and new questions are added to the internal monitoring surveys every year. We plan to review opportunities to make the internal monitoring processes more time-efficient and effective to deliver insights which allow us to make data-driven decisions in Farming Program operations.

In the spirit of collaboration, we work closely with suppliers to review their performance in delivering a quality program in line with our agreements. This includes a quarterly progress review, and an annual review and planning process to discuss performance, progress, challenges, and learnings, and to define areas of improvement that need to be addressed during the following year. Additionally, our team meets regularly on site with the project teams to guide, support, and oversee the implementation of the Farming

<sup>14</sup>Due to the complex nature of supply chains for processed cocoa products and the nature of the product itself, a share of volumes for cocoa butter, powder, and chocolate mass may be sourced based on the Mass Balance traceability model (with physical first mile traceability in place). However, 100% of our cocoa beans and the majority of total cocoa will be sourced with physical traceability and we are committed to ensuring physical traceability whenever feasible.

Program. During these interactions, we gather feedback from farmers and suppliers on opportunities to improve our own Farming Program and performance.

All of 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 with farmers through individual meetings and focus group discussions to gather feedback on the Farming Program and quality of implementation. The results from the annual assessments are transformed into an action plan with improvement actions identified at supplier level. The annual external verification results are transparently communicated and published by the Earthworm Foundation. For cocoa butter, we currently have different third-party verification programs in place, including certification, and we are working on aligning these over the coming years.

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 Tropic Institute and we plan to conduct a second evaluation in Ghana in 2023. In 2022, we conducted a deforestation/carbon analysis to calculate our carbon footprint related to land use change within our cocoa supply chain (see page 48f.).

For cocoa beans, we conduct in-house traceability checks to ensure the volumes delivered come from the farmers of our

own Farming Program. For cocoa butter, the chain of custody will be verified through certification in the near future.

In 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. It will also include a strong 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 the previously mentioned 2023 impact assessment with the KIT Royal Tropic Institute.

#### 5. Engaging in collective action through sector initiatives and partnerships

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 various multi-stakeholder initiatives, such as the Sustainable Cocoa Platforms (ISCOs) or the [Cocoa & Forest Initiative \(CFI\)](#). We further engage in collective action at

landscape level (see page 46). To strengthen our collective action on child labor prevention, we joined the [Child Learning and Education Facility \(CLEF\)](#), a partnership between the Ivorian government, cocoa and chocolate industry companies, and philanthropic partners aiming to tackle the root causes of child labor and improve the quality of education through a systemic approach in Côte d'Ivoire. Joining CLEF includes 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 who help us continuously improve our Farming Program. These include, for example, the Earthworm Foundation, Helvetas, Ecotop, World Agroforestry (ICRAF), and the KIT Royal Tropical Institute. Beyond our direct collaboration with these organizations, 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).

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

## We committed CHF 1.25 million to the Child Learning and Education Facility (CLEF) to tackle root causes of child labor.

## Cocoa sustainability investments

In 2022, we invested a total of CHF 27.5 million in cocoa sustainability, of which CHF 26.5 million was paid to cocoa suppliers for operating cocoa sustainability programs (mainly our Farming Program). Sustainability program costs include operations costs for staff, equipment, farm investments, community development, and volume-based cash and in-kind premiums for farmers and farmer groups. These investments are made in addition to the market price and the Living Income Differential (LID) of USD 400 per ton, which was introduced by the governments of Côte d'Ivoire and Ghana. The Lindt Cocoa Foundation 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 CHF 200,000 in the reporting year ([SECO fact sheet](#)). In Papua New Guinea, the United States Agency for International Development (USAID) co-funded the Farming Program training of 500 female farmers with a total contribution of USD 320,000 in 2022.

**CHF 27.5 million**  
invested in cocoa sustainability

We also invest in other third-party projects beyond our Farming Program. These include, for example, 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 (e.g., see [KIT impact assessment Ghana](#)).

## Increased 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, being aware 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. In 2022, 1,017 field staff working for the Farming Program delivered training

## Cocoa sustainability investments

### Sustainability program costs in CHF (invested through suppliers)

27.5 million  
in 2022  
110.3 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)

### Additional sustainability investments

- 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)

← Co-funding (additional)  
from Lindt Cocoa Foundation

2–3 million  
annually  
since 2013

Own staff and operations costs and membership fees excluded

## Cocoa base costs

Market price

Living Income Differential (Ghana and Côte d'Ivoire)

to 97,009 farmers. Training may include group training as well as individual coaching. During individual coaching sessions based on farm development plans (FDPs), farmers receive tailored advice and recommendations, with the aim to increase adoption rates for good agricultural practices. 17,311 farmers received individual coaching. In comparison to the previous reporting year, the number of farmers coached decreased slightly as coaching was done more frequently during the pandemic, while group training was halted in some countries at the start of the pandemic and reintroduced in 2022.

# 1,017

field staff working for the Farming Program

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 2022, 974,100 cocoa seedlings were distributed for farm rehabilitation. Among all the good agricultural practices, structural and sanitary pruning of the cocoa trees is the most important measure to reduce the risk of pest and diseases and raise productivity. A common challenge across all origin countries regarding pruning is the lack of labor and capital, as well as the limited technical knowledge and willingness of farmers to prune. As part of the Farming Program, models for pruning groups offering pruning services to farmers are being piloted in Ghana, Côte d'Ivoire, the Dominican Republic, Ecuador, and Peru to find a model to scale such service groups in the longer term. This provides an opportunity to bridge the labor gap to improve farm management practices,

especially in cases of elderly farmers, while providing employment opportunities for youth in rural areas and helping to address one of the root causes of child labor.

### Farmer premiums

We recognize that the price of cocoa is an important element to a sustainable cocoa sector. The price of cocoa that we pay 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, we provide, through suppliers, cash or in-kind premiums to farmers in the Lindt & Sprüngli Farming Program 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 page 32, Cocoa sustainability investments). We also support the efforts of the governments in Côte d'Ivoire and Ghana to improve livelihoods of cocoa farmers with a Living Income Differential (LID) of USD 400 per ton. We have purchased cocoa with LID pricing and will continue to do so.

We have begun working with our implementation partners to pilot premiums based on environmental performance. In Ecuador, farmers located in areas with high conservation value can obtain an additional cash bonus by demonstrating compliance with our requirements and active efforts to implement environmental best practices. Performance-based payments, including Payments for Environmental Services (PES), promote adoption of agroforestry systems.

We believe a holistic approach for increasing farmer net incomes is necessary, which is why the Farming Program includes other complementary measures to improve farmer livelihoods as described in this section (i.e., increasing productivity, income diversification, and investments in community infrastructure).

### Income diversification

Income diversification is key to promoting women's empowerment and closing the living income gap of smallholder cocoa households. We therefore train Farming Program farmers and their spouses in on-farm and off-farm diversification initiatives, and selected farmers benefit through a start-up capital fund, as well as savings and loan opportunities.

# 11,555

individuals are trained in additional Income Generating Activities (IGA)

In 2022, we trained 11,555 individuals in additional Income Generating Activities (IGA). To date, 30,083 of all farming households participating in our Farming Program have adopted non-cocoa additional livelihood opportunities, 31% of whom are women. These opportunities include food crops and vegetable gardens, pig farming, poultry, and bee keeping, depending on the local context. The aim is to help farmers build additional income sources which are less seasonal than the cocoa income.

While savings and loans are necessary for intensifying the adoption of the additional income generating activities and



### Income diversification for farmers

As part of the Lindt & Sprüngli Farming Program, our field staff offers training to farmers to support them in generating additional or alternative sources of income. In Ecuador, for example, cocoa farmers diversify their income through bee keeping and raising pigs. In Madagascar, income diversification is promoted through the rearing of small livestock and honey production, and by learning to grow ginger and vanilla. Another way value is added to the cocoa crop is through on-farm or cooperative chocolate production and the utilization of cocoa by-products (e.g., pulp and shells). In Ecuador, for example, some farmers produce jam from the cocoa pulp.

In Ghana and Côte d'Ivoire, training is combined with other key interventions to facilitate farmers' access to capital and enable them to diversify their income sources. These initiatives include the creation of Village Savings and Loan Associations (VSLAs), through which farmers can access loans at minimal interest rates. Some farmers use parts of the cocoa fruit to turn it into traditional "black soap" to sell at local markets. The black soap consists of the ash of cocoa pods and is naturally antiseptic.

can substantially support increasing the household resilience, small cocoa farmers have poor access to traditional financial services. As part of the Farming Program, we therefore facilitate the establishment of Village Savings and Loan Associations (VSLAs). VSLAs offer a simple, accessible way to help individuals – especially women – through a community-based approach that facilitates saving, borrowing, and investing responsibly. VSLAs are designed to enable participants to take loans for the adoption of additional income generating activities. In 2022, we made progress on accelerating the creation of VSLAs in Farming Program communities. An additional 241 VSLAs were created, bringing the total to 459 functioning VSLAs with 10,465 members to date. While supporting many VSLA groups throughout 2022, we observed how well these groups function and empower community members, especially women. They not only empower communities to start small businesses, for example, by buying stocks to sell in small community kiosks, but also to save, for example, to pay for school fees or medication. In the coming years, we will continue to scale and professionalize VSLAs in our Farming Program.

### Community development and infrastructure investments

Through the Farming Program, we not only invest in supporting individual Farming Program farmers and their households, we also invest in community infrastructure to ensure access to basic social services, including water and education. The goal is to create conditions for an improved livelihood for all community members, thereby increasing their resilience. In 2022, we completed the construction of one school and the refurbishment of a second one, which increases the total number of new or

refurbished schools to 43 across all origin countries. We built 97 drinking water systems and boreholes in 2022 and ensured the functioning of the 224 infrastructures built in previous years. In total, approximately 175,000 community members now benefit from these investments in water infrastructure.

# 97

new drinking water systems and boreholes built in the reporting year, in addition to the 224 existing from previous years

# 175,000

community members benefit from the investments in water infrastructure

Before an investment in community infrastructure is made, we work with communities to conduct a Needs Assessment and to develop a Community Action Plan (CAP). The main objective of the CAP is to draw the attention of community members and leaders on the development needs of their community – to prioritize and plan with them, and search for solutions. These may come from their own efforts, from private companies active in the community, NGOs, investors, and/or from local government agencies. The CAPs empower the communities to take ownership of their own development path. This approach also ensures that our own community investments meet the needs and expectations of the communities and are linked to the National Action

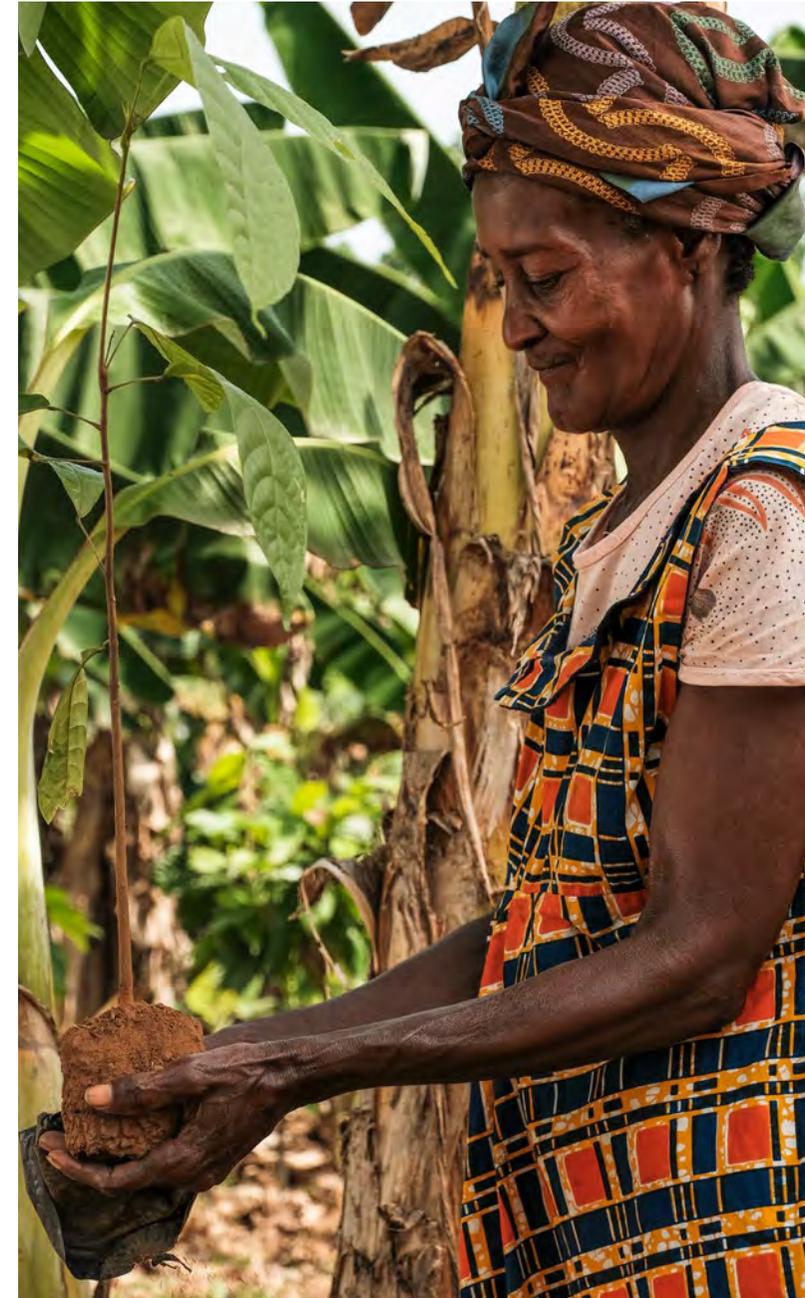
Plans in Ghana and Côte d’Ivoire, while enabling an inclusive development framework.

### 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 cocoa sector, including child labor. At the moment, we do not implement specific gender interventions but aim to integrate “gender thinking” in the overall approach. Within our Farming Program, we promote female participation among Farming Program staff and farmers. Today, 26% of Farming Program participants are female farmers. Additionally, several activities specifically target women including, for example, VSLAs and additional livelihood activities.

### Outlook

Over the coming years, we will continue to support improving the resilience of farming households with a holistic set of interventions. We plan to support more farmers with coaching and tailored advice, and to further scale income diversification and community development activities. As we gain a better understanding of what works across different supply chains, we will scale best practices across our Farming Program.



## Farming Program activities

The Lindt & Sprüngli Farming Program is aimed at three main outcomes: increasing the resilience of farming households, reducing the risk of child labor, and conserving biodiversity and natural ecosystems. Our approach is based on long-term agreements with strategic suppliers, who are committed to partnering with Lindt & Sprüngli to achieve the defined

outcomes. Traceability, training, and external verification are mandatory and standardized Farming Program activities implemented across all origin countries and covering all farmers. Selected communities and farmer groups additionally benefit from individual coaching, farm and community investments, depending on local needs and allocation of resources.



### Increasing the resilience of farming households

**Increasing cocoa productivity and profitability:** Through training, individual coaching, access to farm inputs and services, we aim to support good agricultural practices, reduce production costs, and facilitate farm investments.

**Farmer premiums:** Cocoa farmers receive cash and in-kind premiums, e.g., farming tools, for delivered volumes.

**Income diversification:** Lindt & Sprüngli Farming Program field staff train farmers and their spouses in on-farm and off-farm diversification initiatives such

as growing food crops, raising poultry, and bee keeping in order to build additional income sources which are less seasonal than cocoa income (see examples of income diversification on page 34).

**Access to finance:** Our Farming Program facilitates the establishment of VSLAs to help individuals – especially women – save, borrow, and invest. VSLAs provide access to start-up funds to put additional livelihood trainings into practice. Credits are also used by communities in other ways such as helping pay for school fees or medication.

**Community development and infrastructure investments:** Through the Farming Program, we aim to empower communities by supporting them in developing Community Action Plans and investing in community infrastructure to provide access to basic services such as water, school, and health facilities.

**Women's empowerment:** The focus of the Farming Program is on fostering employment of female field staff and participation of female farmers. It ensures access to training for women, and implements targeted activities specifically benefiting women.



### Conserving biodiversity and natural ecosystems

**Addressing deforestation:** As part of the Farming Program, traceability systems are established, farmers are registered, legality checks are performed, farmers are mapped, and processes to monitor areas of farm expansion are defined.

**Agroforestry systems:** Farming Program field staff and our local partners distribute shade trees and provide training and coaching on agroforestry and climate-smart agriculture.

**Forest conservation & restoration:** Local landscape projects and off-farm tree planting are supported in affected areas.



### Reducing the risk of child labor

We aim to protect children's rights through a prevention, monitoring, and remediation approach, involving community members, holistic interventions, and stakeholder engagement. For more information on our approach to reduce the risk of child labor see page 38ff.



Activities are representative of the Lindt & Sprüngli Farming Program. Not all activities may be implemented in all countries of origin or communities as the Farming Program is targeted to the individual needs of the farmers in the different countries.



# Dominican Republic

Farmers: **865**  
Field staff: **4**  
Program start: **2018**



# Ghana

Farmers: **78,198**  
Field staff: **510**  
Program start: **2008**



# Papua New Guinea

Farmers: **4,544**  
Field staff: **20**  
Program start: **2017**



# Peru

Farmers: **850**  
Field staff: **6**  
Program start: **2021**



Farmers: **9,146**  
Field staff: **43**  
Program start: **2014**

# Ecuador

# Côte d'Ivoire

Farmers: **16,926**  
Field staff: **419**  
Program start: **2021**



# Madagascar

Farmers: **2,274**  
Field staff: **15**  
Program start: **2015**



## Reducing the risk of child labor

**By 2025, 100% of cocoa from child labor risk countries sourced from farming households covered by a Child Labor Monitoring and Remediation System (CLMRS).**



Status 2022: 57% (On track)

In agricultural value chains, especially in the cocoa sector, child labor is a persistent and complex challenge that requires intense, continuous, and collaborative efforts from all stakeholders active in the sector. Child labor is a systemic issue rooted in poverty, lack of awareness, a shortage of adult labor, and missing educational facilities in cocoa villages.

At Lindt & Sprüngli, tackling child labor is a priority and we are firmly committed to minimizing, remediating, and whenever possible avoiding it in our cocoa supply chain. Lindt & Sprüngli strongly condemns all forms of child labor. We are aware that we do not have all the answers on how to prevent abuses of children's rights from being perpetrated in our supply chains, but we are 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 cocoa suppliers who are implementing the Farming Program, in countries of origin with risk of child labor, are expected to effectively protect children's rights along our supply chain. Our target is that 100% of cocoa from child labor risk countries<sup>15</sup> will be sourced from farming households covered by a Child Labor Monitoring and Remediation

System (CLMRS)<sup>16</sup> by 2025. In 2022, a total of 57% of cocoa from child labor risk countries was sourced from farming households covered by a CLMRS, including 87,979 households in Ghana, Côte d'Ivoire, and Papua New Guinea<sup>17</sup>. The number remained stable compared with the previous reporting year, as the full rollout of the CLMRS for new suppliers and for certain countries such as Madagascar and Papua New Guinea requires several years and is usually done in parallel with the renewal of supplier agreements.

# 87,979

households in the Farming Program are covered by a CLMRS

Convinced that addressing child labor in the cocoa sector effectively starts with having a good system and clearly defined processes, we developed our own CLMRS guidance: the Community Child Protection System (CCPS) describes our prevention, monitoring, and remediation approach to child labor in more detail. For more information on our system see our [Executive Summary CCPS – Guidance Document for Suppliers](#). For Lindt & Sprüngli, the effective prevention of child labor requires the protection of children's rights, holistic and preventive interventions, the involvement of community leaders and members, and close collaboration with relevant stakeholders, including public institutions. To be effective, it should also provide a framework for individual case management. Our system is based on a dual approach to protecting children's rights, which combines

supply chain-based interventions – focused on effective monitoring and remediation of cases from Farming Program farmers in our supply chain – with community-based interventions focused on supporting farming households and communities in addressing the phenomenon more broadly.

The reporting year marked the first year we implemented this new approach. As part of the pilot year, the new requirements and processes were integrated into newly negotiated long-term agreements to ensure resourcing and consistent implementation across all suppliers. Implementation has begun with suppliers with new agreements in place, which are now subjected to our new guidance. Further, an independent third party was contracted to gather feedback from farmers and suppliers on our requirements. Based on the results from this pilot year, we will adapt and improve our guidance.

The expansion of the Lindt & Sprüngli Farming Program and the improvement of our child labor identification systems led to an increase in the number of identified child labor cases, which is expected to continue in the coming years. The implementation of our CCPS, beginning with suppliers in Ghana and Côte d'Ivoire in 2022, significantly increased supplier awareness and improved the identification of child labor cases through increased training and capacity building of field staff. Furthermore, as part of the CCPS, the required risk assessment enables unannounced visits to focus on high-risk households. With the implementation of the CCPS guidance, we are setting clear targets related to child labor in contracts for all suppliers and

<sup>15</sup> Child labor risk countries for cocoa are listed in the US Department of Labor (USDOL) List of Goods Produced by Child Labor or Forced Labor and include Ghana & Côte d'Ivoire. As a precautionary measure, Madagascar and Papua New Guinea are categorized by Lindt & Sprüngli as risk countries and a CLMRS will be implemented in these origins too.

<sup>16</sup> A CLMRS is a management system describing how supply chain actors address child labor in the supply chain. It includes training and awareness-raising for farming households and community members, as well as monitoring and remediation of child labor.

<sup>17</sup> In cases where cocoa is sourced through other sustainability programs without a farmer group dedicated to Lindt & Sprüngli, suppliers must confirm implementation of a CLMRS, however no data on individual farmer groups or households is made available to Lindt & Sprüngli.

## CCPS Principles

### 1. Farming household and community risk assessment



### 2. Preventive interventions



### 5. Track and report



### 3. Identification of children's right abuses



### 4. Cease or mitigate children's right abuses



#### Dual approach

The combination of supply chain focused human rights due diligence and community-based interventions



#### Children's rights focus

A children's rights protection concept beyond the more narrow focus on child labor



#### Holistic & preventive

Holistic preventive actions in close collaboration with relevant stakeholders

increasing the focus on child labor identification, including more resources dedicated to the topic.

We plan to implement the CCPS in Madagascar and Papua New Guinea, our other identified child labor risk countries, which we anticipate will lead to further improvements in detecting child labor cases in the coming years. The increase in identified child labor cases to date confirms that the effectiveness of our approach is continually improving. The more efficient and effective our identification system is, the better we can work with suppliers on remediation and prevention.

### Farming household and community risk assessment

The household and community risk assessments are the starting point of the CCPS process. In 2022, we began the process with a total of four suppliers in Ghana and in Côte d'Ivoire. Data collected at household and community level was analyzed to identify households and communities with high child labor risks. Some of the key risks identified are the lack of school infrastructure, lack of access to safe drinking water, and lack of access to health facilities, but also household-specific risk factors such as farm size. The data informs future investments in preventive actions at the supply chain and community level. The results also show that significant investment by all actors, including governments, the private sector, and NGOs, will be needed to reduce child labor risks.

### Preventive interventions

As an initial preventive measure in the supply chain, child labor is part of the mandatory training curriculum and a

minimum requirement of the Farming Program. In addition to child labor training provided to all farmers participating in Good Social Practices sessions, Farming Program households are visited to create and raise individual awareness about the child labor issue. Beyond raising awareness, Farming Program farmers receive additional support to improve their resilience and face the root causes of child labor. This includes additional livelihood opportunities, access to adult labor through community services groups, and access to education (see page 32ff.).

As child labor is a systemic issue, it cannot be addressed on a broader scale solely by managing and remediating individual cases found in the supply chain. For this reason, the CCPS plans Farming Program activities in a way that ensures they support more systemic preventive, community-based measures. Sensitizing communities and supporting community child protection committees are first-step preventive measures. In 2022, we supported the creation of new Community Child Protection Committees (CCPCs)<sup>18</sup> in communities at risk.

In 2022, based on results from the risk assessments, we worked with communities to develop action plans and invest in infrastructure to build resilience and serve the households and communities most in need. Particular attention was given to continued investments in school-based interventions, including investments in education infrastructure. In the reporting year, we built or refurbished two schools, bringing the total to 43 schools and benefiting approximately 6,700 children to date. Additional schools were still under construction at the end of the reporting year and will be completed in the beginning

<sup>18</sup>Community Child Protection Committees (CCPCs) are informal, community-based governance structures to advocate for the protection of children's rights and respond to child labor issues effectively at the local level through collaboration with community members. They connect to regional government institutions and play an integral part in government action plans against child labor.

of 2023. We are aware that collective action is needed to prevent child labor at a more systemic level. This is why we joined CLEF in 2022 (see page 31f.).

### Identification of children's rights abuses

For identification of child labor within our supply chain, the CCPS requires that Farming Program households with a risk of child labor must receive unannounced child labor focused monitoring visits to engage farmers on and off-farm. In 2022, 13,654 unannounced child labor focused monitoring farm visits were conducted.

Child labor monitoring outside the supply chain goes beyond the classical scope of our responsibility. To support child labor monitoring at the community level, we provide indirect support by helping to establish a community-level monitoring mechanism, which is owned by the CCPCs. This includes a grievance mechanism, which is part of the CCPC process. CCPCs are encouraged to share data with local government institutions.

### Cease or mitigate abuses of children's rights

Remediation of child labor is at the heart of our case management system. This includes remediation support for concerned families to address the immediate issues of children in need, in combination with follow-up visits to confirm successful case remediation. Remediation support at the individual level includes, for example, engagement with parents, provision of school uniforms, birth certificates, or funds for school fees, and, as a measure of last resort, referral to

competent local authorities. In 2022, a total of 788 children received remediation support.

At the community level, cases identified by the CCPC or Farming Program staff (in cases that do not involve our supply chain) are remediated through awareness-raising visits or referral to national institutions in cases where no solution is found locally.

### Outlook

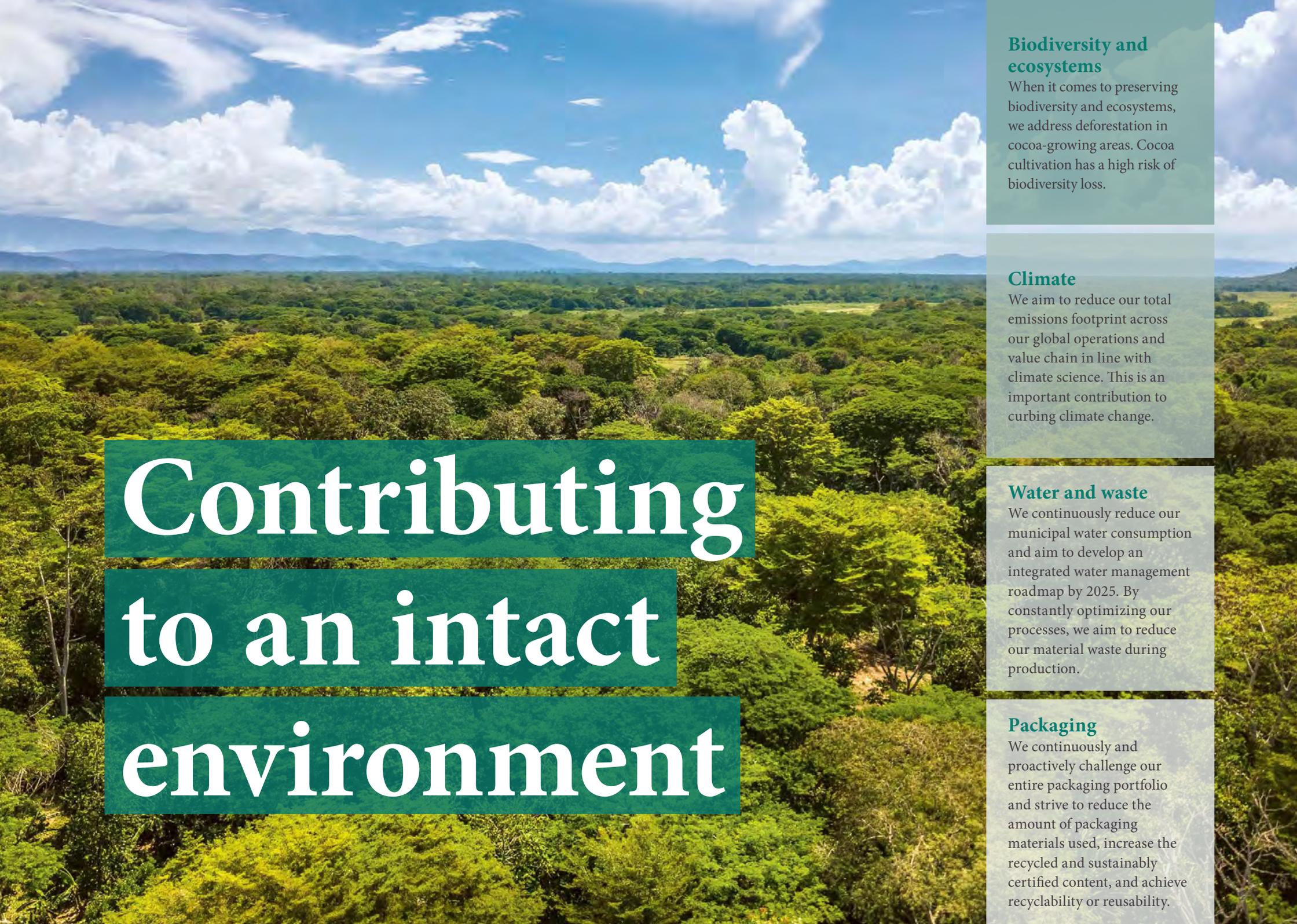
Despite these achievements, the way forward for remediating child labor remains long and complex, because child labor is a socio-economic issue deeply rooted in global challenges that cannot be solved by a single actor in isolation.

Over the coming year, we will continue to implement the CCPS with our suppliers and scale the new requirements to additional suppliers. We will continue to conduct community and household risk assessment and increasingly use this data to make preventive community-based investments where they create the most impact. We also plan to intensify our investment to scale up the activities to more households and communities. Furthermore, we plan to work on an external verification process to assess compliance of Farming Program suppliers with the CCPS guidance, and to define standardized and more extensive data and reporting modalities related to child labor. Finally, we will actively participate in sector initiatives and, for example, support the improvement of quality education through CLEF in Côte d'Ivoire.

### Path forward on responsible sourcing

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

- Further roll out the EcoVadis assessment as our supplier management assessment tool to cover 80% of our expenditure by 2025.
- Continuously update our risk management approach to ensure SSP program is targeted at critical supplier groups.
- Begin responsible sourcing of our vanilla, sugar, and paper supply, as the next materials on our Responsible Sourcing Roadmap in 2023, according to the material-specific responsible sourcing requirements defined in 2022.
- Develop responsible sourcing approaches for coconut oil and coffee as the upcoming raw materials on our Responsible Sourcing Roadmap.
- Further define and roll out the responsible sourcing approach for cocoa powder, define the approach for chocolate mass, and continue to increase the share of responsibly sourced butter 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.



# Contributing to an intact environment

## **Biodiversity and ecosystems**

When it comes to preserving biodiversity and ecosystems, we address deforestation in cocoa-growing areas. Cocoa cultivation has a high risk of biodiversity loss.

## **Climate**

We aim to reduce our total emissions footprint across our global operations and value chain in line with climate science. This is an important contribution to curbing climate change.

## **Water and waste**

We continuously reduce our municipal water consumption and aim to develop an integrated water management roadmap by 2025. By constantly optimizing our processes, we aim to reduce our material waste during production.

## **Packaging**

We continuously and proactively challenge our entire packaging portfolio and strive to reduce the amount of packaging materials used, increase the recycled and sustainably certified content, and achieve recyclability or reusability.

# Why we care

Climate change and environmental degradation – including biodiversity loss, water scarcity, and waste – threaten agriculture and humankind and thus pose challenges for businesses. There is increasing societal pressure for industry, government, and civil society to come together to address these challenges and take action. At Lindt & Sprüngli, we strive to minimize our environmental footprint throughout our entire value chain. We are working to create value with fewer resources and less waste and to reduce the environmental footprint of our chocolate, as well as its packaging.

**Biodiversity** and healthy functioning ecosystems are critical for producing the cocoa and other agricultural ingredients vital to our business. Agriculture can impact biodiversity positively or negatively, and therefore must be responsibly managed.

**Climate change** is a threat to our environment and to human well-being. Shifts in climatic conditions are seriously impacting biodiversity, water availability, and human rights. They could have disruptive effects on our value chain. For example, if raw materials prices increase due to failed harvests, this could have a negative financial impact on our company and our suppliers. Collectively, business and the world at large must take urgent action to reduce greenhouse gas (GHG) emissions to meet the goals of the Paris Agreement and limit global warming.<sup>1</sup>

**Water** is a vital natural resource that is used in agriculture and chocolate production. Efficient use of water and

appropriate handling of wastewater within production processes is a priority for Lindt & Sprüngli to avoid or reduce environmental impacts at a local level.

**Waste** of raw materials, food, or packaging can have significant environmental impacts and cost. Reducing waste can help lower GHG emissions, pollution, and pressure on land and water resources while improving cost efficiency.

**Packaging** is critical to food safety, protecting the quality of our premium products during transport, and informing and delighting consumers. However, packaging – and plastics in particular – have environmental impacts. We are working to reduce these impacts by improving the sustainability of packaging materials, designing for reuse or recyclability, and striving to reduce material use.



<sup>1</sup> The UN Paris Agreement is an international treaty adopted in 2015 aiming to limit global warming to well below 2 °C from pre-industrial CO<sub>2</sub> levels, and preferably to a maximum of 1.5 °C.



## How we care

To tackle climate change, Lindt & Sprüngli is committed to defining science-based targets (covering Scopes 1, 2, and 3) with a goal of reaching net-zero emissions in the long term. We plan to announce these targets in the second half of 2023. In 2021 we developed our first complete carbon footprint in line with [GHG Protocol](#)<sup>2</sup> standards (see page 47f.). This carbon footprint was externally assured by an independent assurance practitioner. In 2022 we evaluated the impact of potential emissions reduction actions and submitted our proposed science-based targets to the [Science Based Targets initiative \(SBTi\)](#)<sup>3</sup>.

Material waste and post-processing in our operations have significant impacts on the environment and our cost structure. Lindt & Sprüngli is constantly striving to optimize our processes by searching for and eliminating wherever possible non-value-adding activities and any kind of losses. Therefore, we created the Lindt Performance Way (LPW), which structures our approach to reducing losses in our operations.

### Our environment-related documents:

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

<sup>2</sup> [GHG Protocol](#) establishes comprehensive global standardized frameworks for measuring and managing GHG emissions. It supplies the world's most widely used GHG accounting standards. / <sup>3</sup> The SBTi is a partnership between CDP, the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). The SBTi drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets. / <sup>4</sup> This approach is based on the Lean and TPM (Total Productive Maintenance) methodologies.

### The Lindt Performance Way

The Lindt Performance Way (LPW) is our operational excellence program to minimize waste, lower resource consumption, and reduce risk throughout our production processes. Through it, we seek to create value with fewer resources and zero loss processes.<sup>4</sup>

The LPW guides us in improving workplace safety, increasing energy efficiency, and optimizing water management while reducing our operational environmental impacts – including our emissions and waste. It also helps us identify process losses so we can introduce standards and systems to both minimize and prevent them in the future.

Our International Operations team oversees the LPW program, helping Lindt & Sprüngli subsidiaries align their management strategies, production procedures, and continuous improvement 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 at least twice a year.

We deploy the LPW across all of our production companies, and it 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 production system life cycle, including with our production partners and co-packers.

## Conservation of biodiversity and natural ecosystems

**Our aim is for 100% of sourced cocoa to be free from deforestation and covered by our Cocoa No-Deforestation & Agroforestry Action Plan by 2025.**



Status 2022: On track

Cocoa cultivation has a high risk of biodiversity loss through deforestation or harmful farming practices. We acknowledge our responsibility to contribute to preventing cocoa-driven deforestation. 2022 marks our fourth year of implementing the Lindt & Sprüngli Cocoa No-Deforestation & Agroforestry Action Plan. By year end, 67% of our overall cocoa volume was sourced through sustainability programs, which include implementation of our Action Plan. With this, we are on track to reach our 100% target for 2025.

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

The Action Plan applies to all suppliers delivering cocoa from sustainability programs, and it remains integral to our Farming Program, as well as to our approach for monitoring and evaluation (see page 30f.). It includes three major

streams of interventions (see graph). For cocoa beans, the Earthworm Foundation conducts an annual assessment to verify compliance with the Action Plan. For cocoa butter, various external parties conduct an annual assessment to verify the Plan's implementation, as well as to certify farmer groups. For further details, please review the [Cocoa No-Deforestation & Agroforestry Progress Report](#).

### Addressing deforestation in the cocoa supply chain

We aim to prevent deforestation in our supply chain through various activities defined in our Farming Program.

#### Traceability and farm mapping

To help ensure that no cocoa is sourced from protected areas, and to prevent farmers from expanding their cocoa farms into forests high in biodiversity value or carbon stocks, we map all cocoa farms in our Farming Program – using GPS and polygon systems – to establish traceability from farm to first point of purchase. We also invest in establishing physical traceability of cocoa up to our factory doors (see page 29f.). As of 2022, 109,466 of registered Farming Program farmers (97%) had their farm either GPS or polygon mapped. In total 89% of farmers counted with a polygon, which includes polygons for nearly all farms in Ghana and Côte d'Ivoire.

#### Farmer registration process and legality checks

Before new farmers can be admitted to the Farming Program, a legality check regarding areas protected by local laws is performed. Once registered, farmers are sensitized to deforestation issues, including mandatory reporting to their buyer for additional checks if they wish to expand their farms. In 2022, 97% of our cocoa came from farmers

proven not to be located in protected areas, while some farmers hold permits to operate in these areas. As part of our external verification process, in 2022, we detected two cases of non-compliance within our supply chain. As a result, we have started a process with our suppliers to further strengthen the registration and traceability processes implemented within the Farming Program.

### Holistic farm development plans

Complementary activities to protect biodiversity and ecosystems include training farmers to respect ecological principles, protect water sources, and promote organic farming practices. Where necessary, farmers are given special support to comply with Farming Program requirements. As

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

- |   |   |
|---|---|
| <b>1. Deforestation-free supply chain</b>     | <ul style="list-style-type: none"> <li>– Farm polygon mapping</li> <li>– Registration process for farmers</li> <li>– Monitoring of farmers incl. existing and new farms</li> <li>– Traceability systems from farm to first buying point and along the supply chain</li> <li>– Support to improve production and livelihoods to reduce pressure to expand to forest areas</li> </ul> |
| <b>2. Agroforestry systems for cocoa</b>      | <ul style="list-style-type: none"> <li>– Shade tree distribution</li> <li>– Training &amp; coaching on agroforestry and Climate Smart Cocoa (selected farmers)</li> <li>– Monitoring of farms</li> </ul>  |
| <b>3. Forest conservation and restoration</b> | <ul style="list-style-type: none"> <li>– Landscape projects to support community-based conservation</li> </ul>  |



an example, in 2022 our suppliers in Ecuador worked with farmers in ecologically sensitive areas to develop, in a participatory process, holistic farm plans, to which each farmer commits. These plans help farmers create a vision for their land and provide guidance on how to manage their farms in accordance with conservation principles. As a next step, we plan to build a holistic perspective into the Farm Development Plans (FDP) used during coaching sessions to ensure climate and biodiversity aspects are considered alongside the agronomic aspects of farming.

### Support resilience of farming households to reduce deforestation risk

Deforestation is a complex, systemic issue linked to farmer poverty as one of its root causes. With our Farming Program, we aim to increase the resilience of farming households by facilitating higher productivity, supporting diversification of household incomes, and improving community infrastructure. With these measures, we hope to contribute to preventively reducing the risk of deforestation by our Farming Program farmers. For more information about the Farming Program approach to increasing the resilience of farming households, see the Rural development chapter.

### Monitoring and verification of Action Plan requirements

We conduct farm monitoring through internal monitoring and external assessments. We have not yet adopted a real-time satellite monitoring system and so far relied on our suppliers' risk assessment processes and systems. In 2022, we completed a land use change assessment, using primary data (polygons and GPS points) from the farmers who participated in the Farming Program during the 2020/21 season. By overlaying farm polygons with land use maps, a

satellite imagery-based analysis of tree cover loss over the last few years was completed. In the coming years, we aim to adopt a satellite monitoring tool of our own to check supplier and farmer compliance with our no-deforestation guidance and upcoming regulatory requirements.

### Agroforestry systems for cocoa production

We are committed to promoting a transition of cocoa production to agroforestry systems in order to diversify incomes and create more climate-resilient cocoa farms.

### Basic agroforestry through shade tree distribution and knowledge transfer

Multi-purpose shade trees are distributed to Farming Program farmers, accompanied by capacity building for field staff and farmers regarding agroforestry systems. In 2022, we continued to distribute shade trees, focusing on locally adapted and proven agroforestry models, while also supporting training and monitoring measures to increase survival rates. To date, 3,920,425 multi-purpose shade trees have been distributed across all Farming Program origins, with 1,099,999 alone distributed in 2022.

### Piloting advanced agroforestry models

In Ecuador, we are piloting dynamic agroforestry methods with selected farmers, supported by [Ecotop](#). In dynamic agroforestry, the farm functions as a closed system so that external inputs become redundant. Dynamic agroforestry demonstration plots have been established and tested since 2019, tailored to the local conditions in Ecuador and to different types of farms. Although labor-intensive, the concept has been very well received by farmers, who have seen it as a cost-effective method to rehabilitate their old, unproductive fine-flavor farms.

The transition to agroforestry systems is challenging, especially when it comes to designing and implementing permanent, advanced agroforestry models successfully and at large scale. Changing the cocoa production system from monoculture to agroforestry requires transition financing and long-term security for farmers regarding these trees and their land. Providing the business case for farmers to make this transition requires extensive resources to support with individual coaching, financial incentives (e.g., payment for ecosystem services) and to provide long-term security land titles. We must balance the need to scale activities to all farmers, while keeping a minimum of support for all farmers to ensure high survival rates and an impactful program on the ground.

### Supporting community forest protection and restoration

Forests must be protected and restored to provide the valuable ecosystem services they deliver for local biodiversity, cocoa production, and communities. Deforestation is driven by different actors in a region, therefore solely working with our cocoa farmers related to our own supply chain will not be enough to protect forests. That is why we participate in multi-stakeholder initiatives that aim to protect forests and build sustainable landscapes. We believe landscape initiatives that build joint targets and governance mechanisms across sectors will help reconcile competing social, economic, and environmental objectives and will be more effective than supply chain focused activities. We began to invest and

### Outlook

In the coming year, we plan to further strengthen our work on No-Deforestation beyond cocoa, as well as ensure our policies and actions are consistent with and fully integrated into our climate commitment. For cocoa specifically, we will advance the implementation of our No-Deforestation & Agroforestry commitment, begin implementing a decarbonization program for the cocoa supply chain, and continue our actions to preserve forests – including farm mapping and compliance in the supply chain, promoting agroforestry, and supporting landscape programs. A repeated assessment of cocoa-related greenhouse gas emissions will be conducted to provide more information on where we stand as compared to our baseline assessment, which was completed with data from the 2019/20 season.

## Forests must be protected and restored to provide the valuable ecosystem services they deliver for local biodiversity.

### Carbon removals through agroforestry

Going forward, we aim to review our agroforestry approach and assess necessary incentives for farmers to adopt agroforestry practices and invest in maintenance of newly planted shade trees. As part of our SBTi commitment, we will develop an action plan to decarbonize our cocoa value chain, focusing on agroforestry as carbon removals.

actively participate in these programs years ago and today, we support collective action at landscape level in two countries: Ghana and Madagascar.<sup>5</sup> In 2022, we actively participated in implementing various ongoing initiatives, and worked on designing and securing funding for the second phase of the program in Madagascar. The second phase of this project will be launched in 2023.

<sup>5</sup>For further details, please see our [Cocoa No-Deforestation & Agroforestry Progress Report](#).

## Climate

**We are committed to defining science-based targets (SBTs) (covering Scopes 1, 2, and 3) with a goal of reaching net-zero emissions in the long term, to be announced in the second half of 2023.**



Status 2022: On track

**We are committed to achieving a 2% reduction of GHG emissions in the production process per year from 2020, per ton produced (interim commitment covering Scopes 1 and 2 until SBT is defined).**



Status 2022: 21% reduction from 2020 (Commitment achieved)

Lindt & Sprüngli's GHG emissions management and reporting have historically focused on emissions from the production of chocolate within our factories (Scopes 1 and 2). This was a logical first step given our direct leverage. We are now fundamentally evolving our approach to align

with the best available science on tackling climate change and consider our complete carbon footprint, including emissions from our entire value chain (Scope 3). As a result, in 2021 Lindt & Sprüngli committed to defining science-based targets (SBTs), including a near term reduction target and a goal of reaching net-zero emissions in the long term. This year we submitted our targets to the SBTi and we will announce them in the second half of 2023. In the interim, we are committed to achieving a 2% reduction of GHG emissions in our production process per year from 2020 levels, per ton produced. In 2022, we achieved an overall reduction of 21% compared to our 2020 levels.

### Carbon footprint assessment and targets setting

To better understand our impact, in 2021 we partnered with third-party experts and employees across functions and subsidiaries to develop our first complete carbon footprint in line with GHG Protocol standards. This carbon footprint covered our Scope 1, 2, and 3 emissions for the year 2020, and was externally assured by an independent assurance practitioner. This year we implemented a global environmental reporting tool in order to better report and verify our data internally. In the course of this im-

plementation we applied generally an updated methodology to calculate our 2022 carbon and identified some inaccuracies in the 2020 data, underestimating the 2020 carbon footprint by 6%. Furthermore, we made some minor methodology updates due to better process insights and data availability. We will strive to improve the accuracy of our calculations over time and incorporate changes as needed. Please see the data table on the next page for further details.

In 2022 we worked with internal and external experts to develop our decarbonization roadmap and set our science-based targets. We have submitted our climate targets to the SBTi and are awaiting verification. We identified potential emissions reduction actions and evaluated their impact on our carbon footprint. At the same time, we are assessing changes in our organization to drive these actions in a more structured and measurable way. Meanwhile, we continue to take actions to reduce our emissions in advance of the target announcement. This includes switching to responsibly sourced cocoa butter through the Lindt & Sprüngli Farming Program (see page 22), reducing operational emissions, e.g., by fixing compressed air leakages, and investigating renewable energy options.

### Pathway to science-based targets (SBTs)

#### May 2021

- Commitment to define SBTs with long-term goal of reaching net-zero emissions

#### 2021

- Complete carbon footprint assessment aligned to GHG Protocol covering Scopes 1, 2, and 3
- Continue GHG reduction actions; data insights may initiate early implementation of actions throughout 2021 until 2023

#### 2022

- Build roadmap of emissions reduction actions
- Assess potential impact of actions

#### 2023

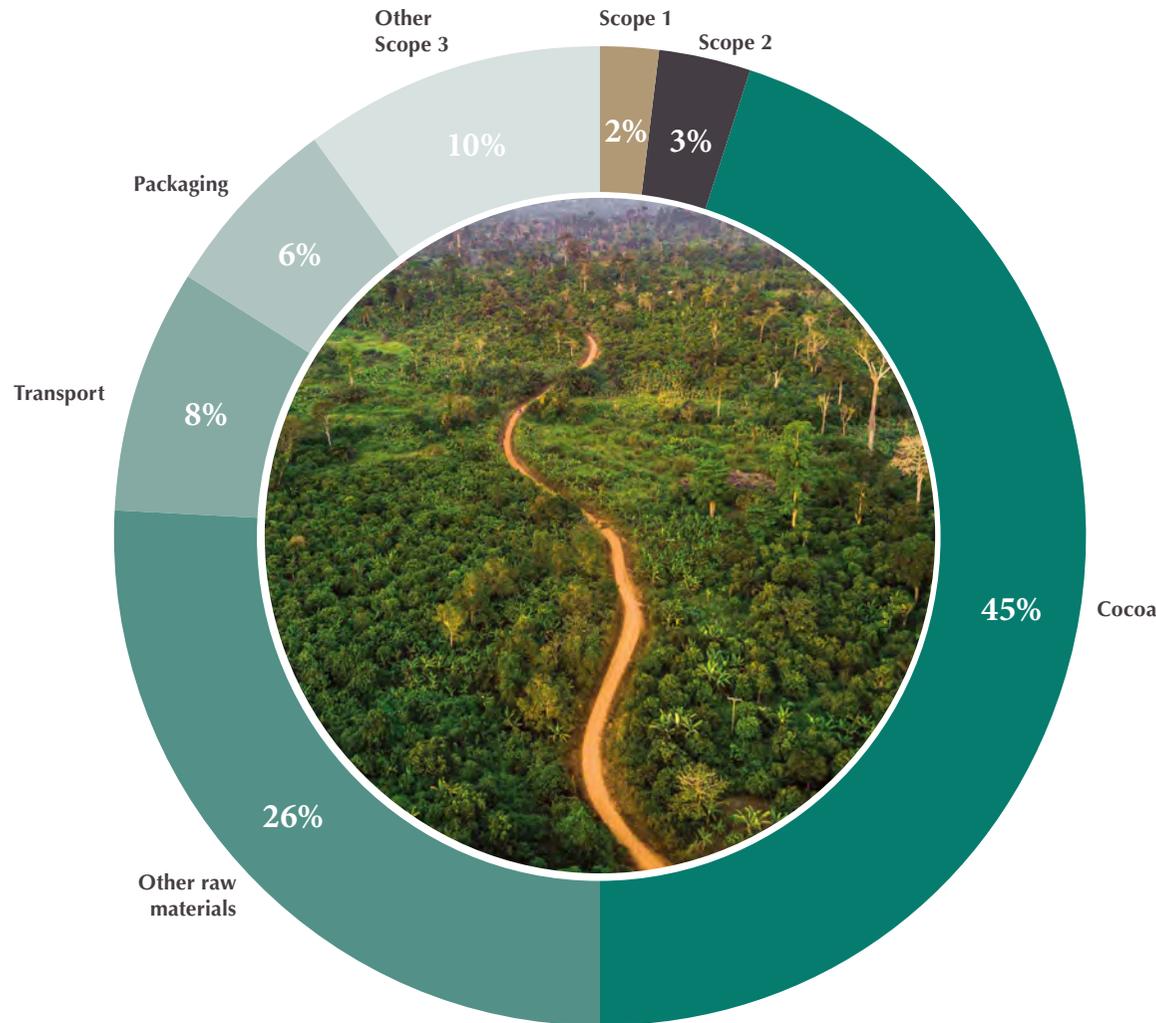
- Submission to and verification of climate targets with SBT initiative
- Announcement of SBTs

#### 2023+

- Implementation process of full SBT roadmap



## Breakdown of GHG emissions totaling 3.7 million tons CO<sub>2</sub>e in 2022 across the value chain



### Total GHG emissions in 2022

Kilotons CO<sub>2</sub>e

Scope 1	
Emitted directly from sources owned or controlled by us such as fuels for on-site heating and transportation	58
Scope 2	
Emitted indirectly from the generation of purchased energy such as electricity	106
Scope 3	
– Cocoa	1,663
– Other raw materials, e.g., sugar and dairy	981
– Transport	310
– Packaging	219
– Other Scope 3, e.g., waste, business travel	390
<b>Total (Scopes 1, 2, and 3)</b>	<b>3,727</b>

Note: totals might vary slightly due to rounding. For detailed information on the breakdown in line with GHG Protocol categories, please refer to the KPI Table, (see page 70) in the appendix and our response to the CDP Climate Change Request at [www.cdp.net](http://www.cdp.net).

### Comprehensive footprint analysis

Our total GHG emissions (Scopes 1, 2, and 3) in 2022 reached 3.73 million tons CO<sub>2</sub> equivalent. This is an increase over two years of around 18%, mainly due to volume increases because of our growth. Furthermore, although we have started to take some actions, we are still in the process of developing our final roadmap, which aims to have more significant reduction impacts. An [independent practitioner’s limited assurance report](#) on the footprint for 2022 has been received. Emissions from our value chain (Scope 3) represent about 95% of our carbon footprint, cocoa, other raw materials (such as dairy), transport, and packaging being the biggest 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.



## Robust method

Our carbon footprint is based on the GHG Protocol standards. Given the prevalence of deforestation in cocoa origin countries and cocoa's significance to our business, we conducted a detailed assessment of land-use change emissions for cocoa in 2020 and 2022. For several years, we have been mapping cocoa farms in our supply chain to improve traceability and support our biodiversity and no-deforestation actions. With expert support, we have analyzed satellite imagery of those cocoa bean farm locations over the last 20 years to evaluate the scale of tree cover loss and more accurately calculate land use change emissions in our supply chain. More details about the methodology can be found in our [Carbon Footprint Methodology document](#).

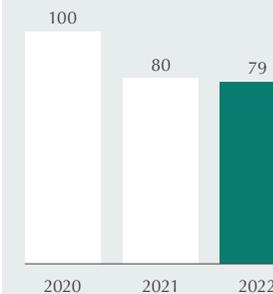
## Reducing our emissions in production

Scope 1 and 2 emissions from energy consumption in production, warehousing, offices, and retail operations contribute 5% to our total emissions. They mainly stem from heating, cooling, and electricity usage in production. In line with the LPW (see page 43), our International Operations team sets and reviews targets and actions bi-annually. Our initiatives at production sites include, for example: optimizing heating, ventilation, and air conditioning systems; replacing refrigeration units and fluids; improving the insulation of piping systems; and using renewable energy. Additionally, some of our sites use certified management systems (ISO 140001 or ISO 50001) to improve their environmental management and energy efficiency.

In 2022, we reduced emissions in our production process by 21% per ton produced compared to 2020, surpassing our intermediate target of 2% per year. Our global share of renewable electricity at production sites reached approximately 33%.

## Reduction of GHG emissions in the production process, per ton produced

(2020 = 100%)



Note: Figures are for Lindt & Sprüngli production companies (Scopes 1 and 2) only

## Water and waste

### Water withdrawal

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



Status 2022: 12% reduction from 2019 (On track)

Our production facilities require a steady supply of fresh drinking water for their production processes and cleaning. We assess our water withdrawal rates twice a year globally and continuously optimize our processes and systems. 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.

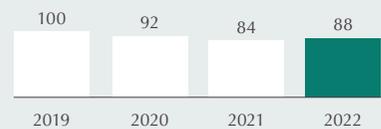
Overall, our impact from wastewater on water ecosystems is currently estimated to be low. We aim to gain further insights into potential local risks and opportunities with the development and execution of an integrated water roadmap by 2025. In 2022, we conducted a high-level water footprint analysis across our value chain. We are currently evaluating how to use this analysis to further develop our water roadmap. Compared to the 2019 baseline, the volume of municipal water withdrawn in our production processes per ton of chocolate produced was 12% lower. The reason for the increase of municipal water withdrawal compared to 2021 was due to increased volume growth, dryer weather, and installation of new equipment at specific sites which required more water to run.

### Reduce and recycle

With respect to water scarcity, our producing operations do not have a material impact on water availability, 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.

#### Municipal water withdrawal

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



### Beyond our operating activities

We expect our suppliers to adhere to Lindt & Sprüngli's Supplier Code of Conduct, which outlines requirements for water stewardship. Through the Lindt & Sprüngli Farming Program, we also finance the development, improvement, and/or maintenance of water infrastructure in our cocoa bean origin countries.

### Eliminating loss of semi-finished products

**Our goal is to achieve a 50% reduction of semi-finished product waste in the production process by 2025 against 2015 levels, per ton produced.**



Status 2022: 21% reduction from 2015 (At risk)

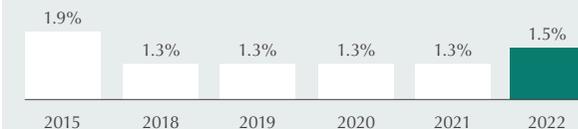
Producing from bean to bar, our production processes transform cocoa beans and ingredients step by step into high-quality premium chocolate products. The output of each step of the process is the input into the next. The product before it

reaches the packaging step is what we call semi-finished product. One example for a semi-finished product is our chocolate mass, which is the output of the mass manufacturing process step and the input for the molding process to give chocolate its final shape. Chocolate mass waste is weighed to understand inefficiencies in the process, to be able to identify improvements, and enable us to set clear targets on waste reduction. We adapt our reduction target for each subsidiary, taking into account baseline, historical trend, product mix, and production processes. The subsidiaries track and review these goals regularly and adjust their product waste plans if necessary.

In 2022, the percentage of semi-finished product waste per ton produced, excluding the destruction of finished goods, amounted to 1.5%. Compared to our baseline from 2015, we produced 21% less waste in 2022 per ton produced. The increase of semi-finished product waste compared to last year can mainly be explained by the expansion of our product range, an increase in trials for new products including those containing allergens, zero sugar, no dairy, vegan, etc., and improved data measurement. The need to ensure food safety when producing new recipes and product ranges results in an increase of semi-finished product waste. As a consequence of this development, we also see that we are not on track to meet our previous 2025 target.

#### Semi-finished product waste in the production process

per ton produced (excluding destruction of finished goods)



## Packaging

We aim to make 100% of our packaging recyclable or reusable by 2025.



Status 2022: 88% (At risk)

Our long-term goal is to support the circular economy and address environmental risks by pushing for sustainable packaging solutions that deliver results, from source to disposal. To move closer to our long-term goal, we have set the medium-term target of making 100% of our packaging recyclable or reusable by 2025. We have been working on numerous packaging initiatives across the Group and have introduced a number of innovative packaging solutions in recent years.

As our baseline and targets were set in 2020, the effects of product mix changes, in particular the strong increase in gifting, resulted in some setbacks in individual sub-targets in 2022. Furthermore, we are facing a few challenges to find the right long-term sustainable packaging solutions, including extended lead times for trial materials, scalability of new technologies, and the right quality of solutions that meet our high standards. While we will continue to make significant efforts and progress to develop more sustainable packaging solutions, we see we are not on track to meet our 2025 target. We will review the target in the course of 2023.

### Sustainable Packaging Initiative

Our Sustainable Packaging Initiative considers impacts along the complete life cycle of a package, from raw material sourcing to designing for recycling or reuse.<sup>6</sup>

We integrate environmental criteria in the packaging design process alongside other criteria such as food safety, quality, and cost. We also continuously and proactively challenge our product portfolio by considering ways to reduce packaging material weight, reduce packaging waste in production, and minimize packaging destruction. For specific information on sourcing packaging materials, please refer to the Improving livelihoods chapter (see page 20f.).

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), 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, that collaborate to find technical solutions. Their main focus is to find materials and technologies that can help us fulfill our commitments and maintain our standards, such as high premium, quality, and food safety. The teams work on:

- Twist-wrapping
- Block bottom bags
- Praliné trays
- Flow packs
- Bags (other than block bottom)
- Shrink and stretch film
- Tubes and rigid boxes
- Ribbons and other decorations
- Transportation trays



### Recyclable paper-based flow packs

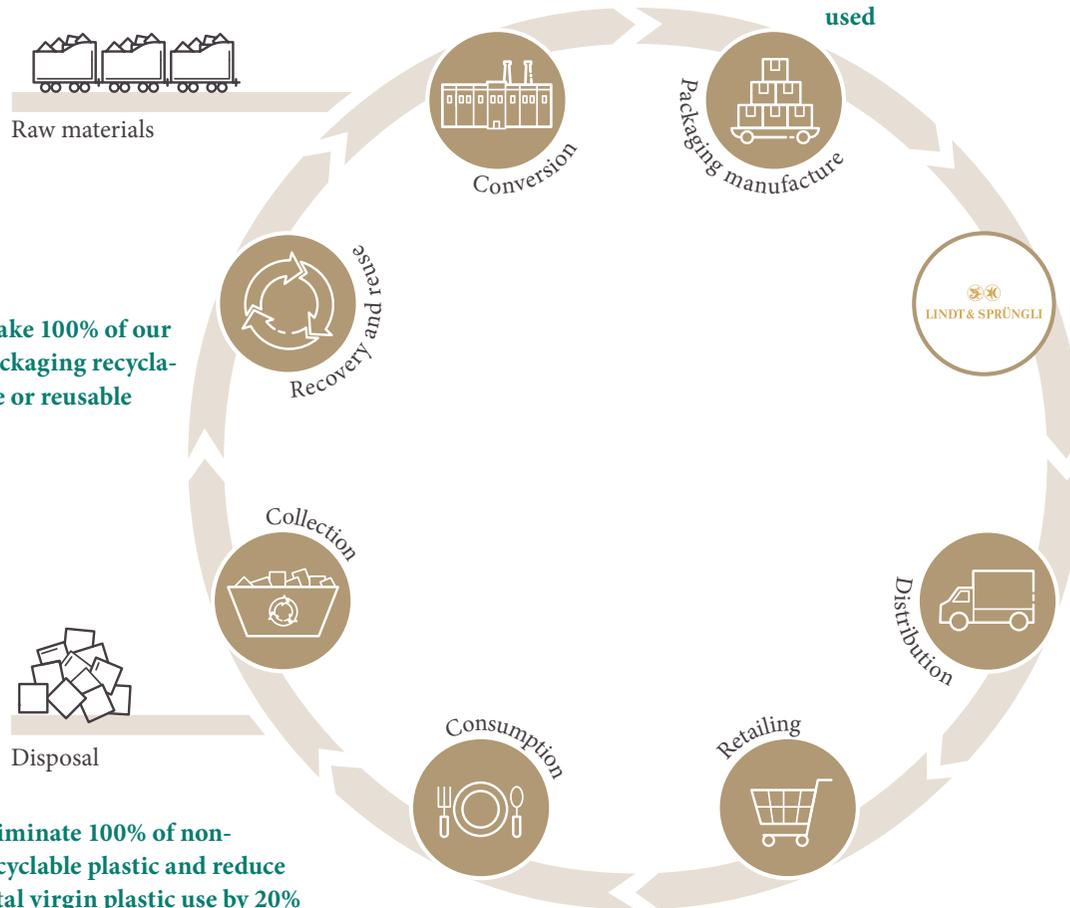
The first results of Lindt & Sprüngli's Sustainable Packaging Initiative are already visible to consumers. In September 2022, we launched paper-based packaging for our Lindt Hello Mini Stick Mix Vegan product in Germany. These flow packs are recyclable across the wastepaper stream. We plan to launch more Hello products in paper flow packs in summer 2023. We are also developing and testing paper packaging solutions for our other product ranges.

<sup>6</sup> 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 industrial scale.

## Our five Sustainable Packaging Commitments to support the circular economy

By 2025, we will:

1. Source 100% of our pulp- and paper-based packaging from a certified sustainable supply chain
2. Make at least 50% of all our packaging from recycled materials
3. Continuously and proactively challenge our entire packaging portfolio and strive to reduce packaging materials used



5. Make 100% of our packaging recyclable or reusable

4. Eliminate 100% of non-recyclable plastic and reduce total virgin plastic use by 20%

### Packaging made from recycled materials



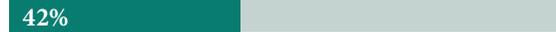
Status 2022: 43% (Falling behind)

### Packaging recyclable or reusable



Status 2022: 88% (At risk)

### Plastic packaging recyclable or reusable



Status 2022: 42% (At risk)

In the area of packaging made from recycled materials, our performance in 2022 was flat compared to the previous year. There was an absolute increase in usage of recycled plastic in some packaging solutions, especially in praliné trays, while the share of recycled paper dropped slightly due to changes in our Point of Sales (PoS) displays.

We increased our share of recyclable packaging from 86% to 88%. We implemented local projects in several subsidiaries, mostly by gradually phasing out non-recyclable plastics. Due to changes in our product mix, the use of virgin plastic increased in 2022 compared to the previous year. However, in our praliné trays we were able to increase the use of recycled plastic.

### Ongoing research and development (R&D)

We will continue to conduct R&D, along with production testing, to drive meaningful progress through 2025 on key issues including reducing the use of plastic and finding alternatives to non-recyclable composite materials and hard-to-recycle plastic wrappers and trays.



# Performing together

## **Occupational health and safety**

We adopt a proactive approach to prevent work-related injuries and illnesses in our factories. Our aim is to broaden the scope of our occupational health and safety (OHS) approach in the coming years.

## **Enabling and motivating working environment**

We create an attractive and enabling environment for our employees in order to acquire and retain talented staff. This includes, above all, an inspiring work culture, the promotion of diversity and equal opportunities, employee development and training, and employee satisfaction and retention.

## Why we care

We know that any product we sell is only as good as the people behind it. In order to attract and retain talented staff, we aim to offer an attractive and inspiring workplace culture that promotes health and safety, diversity, employee satisfaction and development, and equal opportunity for all.

Lindt & Sprüngli takes great pride in employing over 15,000 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. We aim to treat everyone with dignity and respect. Our engagement centers around the following topics: compensation, working hours, non-discrimination, harassment, abuse and disciplinary practices, freedom of association and collective bargaining, health and safety, and working conditions.

Occupational health and safety is vital to our business because we perform best together when workplace safety is everyone's priority and responsibility. Whether they work in a manufacturing setting, office, or on the front lines in one of our stores, our employees and contractors have the right to a safe working environment and to return home mentally and physically healthy at the end of the day. Additionally, we are mindful that in the unlikely event of a significant incident, our business could incur negative reputational impact, as well as legal consequences and productivity and financial losses.

We aim to empower our employees to reach their fullest potential in an enabling and motivating working environ-

ment defined by integrity, authenticity, and respect. We offer a wide variety of meaningful career development opportunities, including:

- a dynamic marketing career path across all of our product ranges and different Lindt & Sprüngli locations around the globe;
- by prioritizing our internal workforce for all our openings and filling most of our executive leadership positions through internal promotions;
- by encouraging cross-department development, e.g., between Marketing and Sales;
- by running International Graduate Programs in Marketing, Finance, and Operations for over a decade, which offer an accelerated career path across the Group; and
- by annually inviting a select group of senior leaders worldwide to the Senior Leadership Program in partnership with IMD Lausanne.

In addition to our permanent workforce, we also depend on seasonal temporary production and retail workers, who are paid on an hourly basis and who make up approximately 20% of our workforce. Our success also depends on many other people such as contractors. Whether they are directly or indirectly engaged by Lindt & Sprüngli, our Human Resources (HR) teams are ensuring that all the elements of our Business Code of Conduct are respected.



## How we care

The overarching approach to managing employee issues is based on the Global Guiding Principles framework, which we introduced in 2021. 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 their local needs, including 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. 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 (see page 57f.). Periodic employee surveys and other forms of feedback and engagement are important tools to reflect, manage, and improve our overarching management approach (see page 59f.).

Each year, we host a Global HR Conference and workshops for the local HR Heads of all subsidiaries. Here, priorities regarding employee issues are discussed and best practices from the subsidiaries are exchanged. The priorities that 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, and 3. Diversity and Inclusion. Our vision is to become the Employer of Choice by 2030.

Our approach to occupational health and safety is guided by our Health and Safety Policy; our occupational health and safety systems, which enable us to monitor and improve our performance while minimizing safety risks; and the Lindt Performance Way (LPW) efficiency framework, which helps ensure that our OHS policies and standards are applied at each of our production facilities worldwide (see page 56).

The following paragraphs focus on policies and initiatives pertaining to the people directly employed by Lindt & Sprüngli. To learn more about our efforts to ensure safe and fair working conditions for workers along our supply chain, please refer to the Improving livelihoods chapter. Lindt & Sprüngli also depends on its distribution partners, wholesalers, and third-party retailers to sell the company's products, however the processes of those retailers and their responsibilities are not covered in 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](#)
- [Values Framework \(internal document\)](#)



## Occupational health and safety

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

Status 2022: 3.6 lost time accidents / 1,000,000 working hours (Falling behind)

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

### Continuously improving our safety culture

Our International Operations team is responsible for Lindt & Sprüngli's general approach to safety, which is implemented by our production facilities and overseen by Group Management, which is informed annually. The management teams of local Lindt & Sprüngli subsidiaries and facilities are then responsible for tracking performance monthly 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.

Health and safety employees at our sites work to continuously improve the processes and procedures necessary for a safe working environment. They conduct OHS self-assess-

ments, 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 events. Employees are encouraged to identify and report workplace hazards and risks so that we may better understand the root cause of incidents and take action to prevent them. Each site is responsible for training its employees on OHS topics to support their site-specific needs.

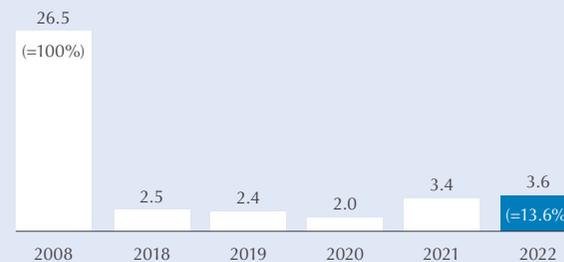
Through our Supplier Code of Conduct we also expect our suppliers to provide their own employees with a safe and healthy workplace.

### Reducing our safety risks

We continuously improve our reporting and assessment of "very critical" and "critical" health and safety risks, with an aim to stop or modify activities that pose the highest risks. The activity-based risk assessments serve as the foundation of this work. In 2022, we conducted in-depth health

#### Occupational accidents with lost time

Number of lost time accidents/1,000,000 working hours and percent relative to 2008.



Note: Figures are for Lindt & Sprüngli production sites and Lindt & Sprüngli Australia

### One Minute to Think

The initiative One Minute to Think aims at improving the safe behaviors of employees by increasing employee awareness of the risks involved in a job and the need to take precautions in their daily work habits. The initiative was first piloted at Ghirardelli, and we aim to roll it out to our production sites over the years to come.

and safety assessments with a third party at two of our sites. The assessment looked at organizational, operational, and leadership elements. Based on the results, we have agreed to conduct these health and safety assessments at all Lindt & Sprüngli subsidiaries before the end of 2023.

### Our performance

Performance declined slightly again in 2022 compared to 2021. The rate of lost time accidents was 3.6 per 1,000,000 hours worked, which translates into 46 lost time accidents, none of which were fatalities. There were two unfortunate high-consequence injuries (as defined by GRI Standards, 403-9 Work-related injuries). Key factors impacting 2022 performance were continued lower availability of staff and more new staff joining, ultimately leading to decreased risk awareness at the workplace.

In the coming years, the following actions are under consideration:

- Complete third-party health and safety audits at all Lindt & Sprüngli subsidiaries.
- Use audit results to supplement internal analysis and develop a plan on how to expand safe working practices and reporting on safety performance to all staff and contractors, in all activities, globally.

## Enabling and motivating working environment

We aim to employ 40% women in senior leadership by 2025.



Status 2022: 33% (At risk)

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 being a high-quality employer with fair and equal working conditions, meaningful career development opportunities, and competitive compensation and benefits. 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 any other characteristic. We believe that all people should be treated fairly, as laid out in our Business Code of Conduct. Accordingly, any recruitment or promotion process follows an employee selection process based on the following criteria: the skills, abilities, and professional competencies of the candidate; relevant experience, performance, and qualifications; and the specific work-related requirements of the job. To raise any concerns, an independent grievance mechanism, the Speak Up Line, was established in October 2021 (see page 16f.).

Current data collection regarding discrimination 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 16 discrimination incidents were reported in 2022:

- seven legal cases are pending;
- two legal cases have been closed; and
- seven incidents were reported via the Speak Up Line and of these, six incidents were substantiated and closed in 2022; one incident reported was unsubstantiated and closed in 2022. No incident is pending.

Remediation actions have included warnings and/or dismissals where the reported concerns have been substantiated. The remediation plans implemented have 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 has also been initiated to reinforce the key message of the Lindt & Sprüngli Business Code of Conduct.

### Exchanging best practices

Our annual HR global gathering has proved invaluable to onboarding new HR representatives in Austria, North America, Mexico, Nordics, China, and Brazil, and to exchanging best practices. In fact, we have augmented it by introducing quarterly virtual sessions for our team. These sessions have also ensured that our various task force project groups creating the Global Transformation Program (GTP) roadmap are aligned according to each subsidiary's level of maturity on key issues.

In response to the ongoing challenges of COVID-19, in 2022 we introduced a hybrid “return to work” arrangement, offering office employees the opportunity to work from their home office two days per week, with local adjustments as necessary.

### Diversity and equal opportunity

It is our policy and practice to ensure our current and potential employees enjoy equal employment opportunities. Globally, we support and promote gender diversity, and we strive for age diversity in which younger and older generations actively collaborate. Group-wide, we require each of our subsidiaries to follow our equal opportunity commitments. They then tailor their HR strategies to meet local equality and diversity needs. In 2022, some of our subsidiaries took local initiatives to empower women in the workplace, e.g., memberships in women's networking programs. Beginning in 2023, we plan to develop global actions, such as holding women's focus groups to discuss and define concrete actions regarding a Diversity and Inclusion (D & I) strategy. Certain subsidiaries have already started to roll out local D & I strategies (see box on the next page).

#### Translating the Global Guiding Principles

Following the introduction of Lindt & Sprüngli's Guiding Principles and the launch of our Purpose, Mission, Values (PMV) initiative, we felt it was important in 2022 to translate them into concrete and actionable elements. Our five values – Excellence, Innovation, Entrepreneurship, Responsibility, and Collaboration – have been regrouped into our Values Framework. This framework is designed to provide a clear picture of the behaviors we expect to see in our business every day. It brings our values to life so that we know how to live them, develop them, and prepare for future opportunities. For each value, behavioral expectations, development tips, and useful resources have been outlined and adapted for the four seniority levels of the organization.

Our goal has been to increase the percentage of women in senior leadership positions to 40% by 2025. In the course of organizational adjustments in a few national companies, some female managers left the Lindt & Sprüngli Group in 2022, which led to a decline in the representation of women in senior management in 2022 to 33% from 35.3% in 2021. Lindt & Sprüngli remains committed to moving closer to our goal, though it is currently foreseeable that we will not meet the 2025 goal of 40%. We did succeed in increasing the representation of women in middle management during the reporting year. In 2022, for the first time, the proportion exceeded the 50% mark.

In 2022, we designed and developed the Lindt Talent Program (LTP), which is a global in-house cross-functional development program for our employees in middle management positions. The LTP will be implemented in 2023. Additionally, Group HR will continue to support local initiatives and programs that support parenthood and parental care needs with fulfilling career paths.



### Lindt & Sprüngli UK's Diversity, Equity & Inclusion Strategy

When it comes to diversity and inclusion in the workplace, we know that policies are not enough. We want everyone at Lindt & Sprüngli to thrive regardless of their age, gender, race, religion or belief, disability, sexual orientation, marital or civil partnership status, social background, pregnancy, or maternity situation.

To put this into practice, Lindt & Sprüngli UK established a Diversity, Equity & Inclusion (DE & I) team consisting of cross-functional team members who champion our DE & I purpose, which is: For everyone at Lindt & Sprüngli to feel safe to be themselves, ensuring they are empowered, represented, celebrated, and included in our workplace.

In partnership with leadership members, the team created a long-term DE & I strategy that includes training and education sessions, changes to the recruitment process, and raises awareness by celebrating differences. A



total of 208 Lindt & Sprüngli UK colleagues have now undergone DE & I training, giving them a more in-depth understanding of what DE & I means to individuals and how it continues to evolve in the workplace. Now, the team is preparing to launch Unconscious Bias training to all UK employees, aimed at deepening their understanding about the role they play in ensuring Lindt & Sprüngli has a diverse, equitable, and inclusive working environment.

## Employee development and training

### We target an average 70 out of 100 points for training and personal development in our global employee survey by 2022.



Status 2022: 71 out of 100 points in most recent survey (Achieved)

In 2022, we reinforced our training approach (e.g., 70–20–10 learning model – see below) by further empowering our line managers. This resulted in an increase in the training and personal development index score.

We offer an attractive mix of learning opportunities shaped by our PMV and Global Talent Management workbook, as well as by the needs of our employees. To upgrade the skills of our employees, we offer internal training courses on different topics such as: leadership skills, project management, personal skills, specific professional training on retail, marketing, finance, diversity & inclusion, engineering and maintenance. We also provide financial support for external training or education.

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 2022, on average 65.8% of employees across the Lindt & Sprüngli Group received performance and career development reviews.

In the Administration departments and in R&D, the share of employees receiving reviews was significantly higher. In the Selling departments (Merchandising, Direct Retail, and Sales Force), the share was lower, reflecting the high volatility in this business. Overall, the share of employees receiving reviews declined slightly compared to the previous year, due to a higher amount of employees in the Selling departments, as well as the closure of Lindt Russia's operational business.

#### 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)

Employees meet with their direct managers at least once a year to create individual development plans that apply our 70–20–10 learning model: 70% practical experience (on the job), 20% feedback / coaching / mentoring, and 10% formal training (see model above).

## Employee satisfaction and retention

### We aim to average 70 out of 100 points in employee satisfaction in our global employee survey.



Status 2022: 67 out of 100 points in most recent survey (Falling behind)

We conducted our global employee engagement survey, which we run every three years, at the end of 2022. Overall employee satisfaction reached 67/100 as compared to a target of 70/100. The overall strengths of the organization are Innovation, Values / Code of Conduct, and Change. Our main areas for improvement are Work Information, Diversity & Inclusion, and Development. The measures taken to improve these areas have been included in the roadmap of the GTP. The results show that internal communication is an essential part of driving the employee satisfaction levels; further measures will be developed in 2023.

In 2022, the number of new hires during the year increased from 4,373 to 5,654, including seasonal and temporary workers. The increase is partially due to the re-opening of Lindt shops in 2022, after temporary closures due to the COVID-19 pandemic. This is also reflected in our employee turnover. As a business with seasonal peaks during Easter and Christmas, we often reinforce our retail staff during these busy periods. This can contribute to higher turnover rates

as temporary staff are hired and then transition out of the organization after the seasonal rush has passed. Finally, we have also experienced a change in our organizational structure with the closure of a factory at Russell Stover and the closure of Lindt Russia's operational business.

### Group employee engagement survey 2022

Every three years, Lindt & Sprüngli conducts a Group-wide employee engagement survey. It enables us to review employee morale and to assess both the effectiveness of our HR management approach and progress on strategic KPIs for our skilled employees. In 2022, for the first time, this survey was conducted fully online. In addition to the recurring survey questions related to motivation, cooperation, information and communication, innovation and change, and attractiveness as an employer, two new subjects were introduced: Diversity & Inclusion, and Values. The question concerning values achieved a good score (72 out of 100 possible points). Slightly weaker scores were received in the areas of learning and development, diversity, and equality. The survey results were evaluated by the HR teams and will be the basis for improvements and the launch of further measures, including a thorough assessment of employee development and training. Compared to the 2019 survey, the 2022 participation rate was again very high (86%).

In addition to the Group survey every three years, many of our subsidiaries also conduct local annual surveys, combining topics from the Global Employee Engagement Survey with more specific local topics.

### Collective organization and employee benefits

Currently, Lindt & Sprüngli employees are collectively organized in Austria, France, Germany, Italy, Switzerland, and the USA (Ghirardelli), with a total of 48% of the workforce of our Group under a collective agreement. The working conditions of employees not covered by collective bargaining agreements are defined as equal or better than the ones for employees covered by collective bargaining agreements. The working conditions of the local CEOs / Country responsables 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 measure in this respect is to hold regular meetings with the works councils.

At our significant locations of operations (e.g., production sites and locations with more than 300 employees), part-time employees (proportionate to their degree of employment) receive the same eligibility for employee benefits as full-time workers. Employees with temporary contracts, however, are usually not entitled to all company benefits, such as a company pension. Our US subsidiaries (including Russell Stover and Ghirardelli) provide various benefits such as life insurance, health care, parental leave, and short-time and long-time disability to full-time employees only. Our subsidiary in Brazil provides dental health care benefits and food vouchers to full-time employees only.

### Our way forward

Going forward, we plan to design a global Diversity & Inclusion strategy, develop global mental health initiatives, and enhance our global mobility policy.

Specifically in 2023, we will work to advance our employee succession plans and support employee transfers across the organization. This work was originally scheduled for 2022, however the pandemic challenged our ability to make international assignments and improve the mobility of our employees.

A photograph of two young women in a chocolate shop. The woman on the left is holding a smartphone up to take a selfie. Both women are smiling. The background is filled with shelves of various colorful chocolates.

# Delighting consumers

## **Product quality and product safety**

We have an all-encompassing quality management system and strict requirements for our chocolates. Comprehensive internal and external controls ensure that our chocolate meets our high quality standards all around the world.

## **Transparent and responsible communication**

We avoid advertising to children, encourage responsible consumption, and provide nutritional transparency.

## Why we care

Lindt & Sprüngli wants consumers to enjoy its chocolate products. It is therefore critical to our business – and our reputation – that our products are safe and meet all legal requirements, as well as Lindt & Sprüngli's own quality and food safety standards.

We understand that consumers have high quality expectations and want to make informed purchasing decisions based on ingredients, nutritional values, allergens, and overall sustainability performance. Especially also in the context of their health. Reducing obesity has become one of the public health priorities worldwide, particularly with children. Therefore, we continue to respond to increasing consumer and other stakeholder demand for more information about our products, striving to ensure our communications help them make responsible choices about our chocolates.

## How we care

While we adhere to national and international legislation, our policies often extend beyond what is legally required. Our global requirements are defined in our Lindt & Sprüngli Quality Guidelines and our policy on Responsible Marketing, which includes our commitment to only advertise to parents / gatekeepers and not to advertise directly to children below the age of 13, to portray responsible consumption, and to provide transparent nutritional information.

Lindt & Sprüngli closely monitors current trends and changes in consumer demand and behavior. In recent years for example, a vegan or sugar-reduced diet or lifestyle has become increasingly important for consumers. Lindt & Sprüngli therefore develops and offers selected products that meet those needs. For all innovations, Lindt & Sprüngli strictly adheres to our commitment to high-quality ingredients, and we do not compromise on taste. Accordingly, we currently offer a small but high-quality selection of vegan und sugar-reduced products (see page 65).

**Our marketing-related documents:**  
– [Responsible Marketing Policy](#)



## Product quality and product safety

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

Status 2022: Zero serious non-compliances with Lindt & Sprüngli quality and food safety standards (No major deviations)

Our standards uphold the integrity of our raw and packaging materials and ingredients, as well as warehousing, transportation, and manufacturing processes. They help us manage key quality and food safety risks across our value chain, from farmer to final consumer, while staying ahead of regulatory requirements.

### Maintaining high standards

Our International Operations team oversees product quality and product safety, while quality assurance teams at each of our subsidiaries provide oversight at their local production facilities.

Our production facilities, excluding Lindt & Sprüngli Australia and Russell Stover, have certified management systems in place for food safety (FSSC 22000) and follow our own strict requirements, which meet or exceed legal regulations and standards, and are defined in our internal Lindt & Sprüngli Quality Guidelines.

### Assuring global quality and safety

For quality assurance purposes, our production sites undergo unannounced and comprehensive inspections, which

are conducted either by internal experts or by recognized independent third parties. Equally important, regular raw and packaging materials supplier audits are conducted to ensure that all our final chocolates meet our high quality standards. We also have guidelines in place related to supplier transportation and storage processes to ensure the high quality of our products through to the final consumer.

### Quality right from the recipe

Our International Recipe Commission is responsible for approving any major changes to processes or ingredients to ensure the high quality of our products over time. The Commission consists of our Group CEO and Group CFO, our Group Management member responsible for Group Operations as well as the Group Management member for Global Marketing, the Head of Corporate Quality, and the Head of Corporate R&D. When ingredients are deemed a critical health risk by new scientific findings, we work to quickly remove them from recipes. We have a monitoring program in place to detect the possible presence of pesticides and other contaminants in raw materials.

In 2022, there were no major findings from our external factory audits. We also achieved zero serious non-compliances with Lindt & Sprüngli's quality and food safety standards. During the year, we worked with our subsidiaries to assess increasingly onerous regulations in order to make any necessary adjustments to our standards.

As in previous years, we will focus on strengthening compliance for product quality and safety. Likewise we will continue to improve our ability to detect potential incidents of non-compliance and work with our subsidiaries to adhere to internal and external performance standards and requirements.

### 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, Hofbauer, or Ghirardelli brand products source GMO ingredients. We will continue this practice as long as non-GMO raw materials are available. Regular tests are performed to monitor these products and ensure compliance with relevant EU and Swiss regulations. Since late 2019, only a very minor percentage of toppings include bioengineered ingredients. Russell Stover is currently not planning to switch to non-GMO products.

## Transparent and responsible communication

We are committed to not target children <13 years old in our advertising, encourage responsible consumption, provide transparent nutritional information, and adhere to applicable national and international laws.

Status 2022: No major non-compliances with national / international marketing and communication laws (No major deviations)

We are committed to responsible marketing communications that reflect our values and help consumers make informed choices about their buying and consumption habits. We strive to ensure that our communications provide nutritional transparency and encourage responsible consumption. We also aim to support parents in making the right dietary and lifestyle choices for their children.

We are committed to complying with all applicable laws governing marketing communication to children. If applicable laws set stricter requirements than our Responsible Marketing Policy or signed industry pledges, they are being followed.

### Responsible marketing

Lindt & Sprüngli's [Responsible Marketing Policy](#) outlines our principles and standards. Our commitments go beyond legal requirements. The Policy holds the company accountable for how we market our products and commits us to being transparent, non-exploitative, and non-encouraging of irresponsible behaviors through the following three commitments:

1. Providing transparent nutritional information  
We are committed to displaying clear and easily understandable nutritional information and calorie guidelines and continuously seek to simplify our ingredient lists and reduce artificial additives. For products that have a risk of containing common allergens, we ensure that these major allergens are emphasized in the ingredient list in bold type, with a clear warning about any traces of specific allergens they may contain.

2. Encouraging responsible consumption  
We do not encourage or show excessive consumption in our advertising. As such, we do not exceed recommended portion sizes and do not portray unhealthy or inappropriate consumption of our products.

3. No direct communication to children below 13 years of age  
We do not direct any marketing communication to children below 13 years of age, when they are most likely to be exposed to commercial communication without the presence of gatekeepers, e.g., parental supervision. We prohibit all in-school marketing at the primary and secondary school levels.

Lindt & Sprüngli participates in industry activities aimed at furthering responsible advertising to consumers such as those carried out by the [EU Pledge](#) and as of 2023 the [Children's Food and Beverage Advertising Initiative \(CFBAI\)](#) in the United States.

As a signatory of the EU Pledge initiative on responsible food marketing to children, we have committed to not advertise to children under the age of 13 in the EU – for 2022, that meant any television advertising where 30% or more of the total viewing audience was younger than 13.

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 all our marketing communications.

Our approach applies to all marketing communications, not just television, and includes radio, print, cinema, online (including company-owned websites and company-owned social media profiles), direct marketing, product placement, interactive games, outdoor marketing, mobile, and SMS marketing.

Through the EU Pledge initiative, our television and digital marketing programs must undergo an annual third-party compliance audit in selected European markets conducted by Ebiquity and the [European Advertising Standards Alliance \(EASA\)](#). In 2022, the EU Pledge third-party television audit was conducted in Croatia, Spain, France, Italy, Germany, and Poland. The digital EU Pledge monitoring was conducted in Austria, Belgium, France, Germany, Italy, Romania, Spain, and Sweden.

### Strengthening our commitment to not advertise to children

As of July 1, 2023, we will voluntarily strengthen our responsible marketing practices by no longer directing any marketing communications to children under the age of 16 – particularly when they are most likely to be exposed to commercial communication without the presence of gatekeepers, e.g., parental supervision. At the same time, we will continue our efforts to help consumers make responsible choices when it comes to the consumption of our products.

In 2022, Lindt & Sprüngli achieved 99% compliance regarding television advertising and 100% compliance for day-time television spots while digital tracking indicated that our brand-owned websites, social media profiles, and influencer profiles were 100% compliant with the EU Pledge commitments. Additionally, no deviations or incidents were reported in any other countries regarding advertising to children, nor non-compliance with national or international laws.

Since 2016, Ghirardelli has participated in the Children's Confection Advertising Initiative (CCAI) and has committed to not engage in advertising primarily directed to children. In 2022, Lindt & Sprüngli USA, Ghirardelli, and Russell Stover committed to following the principles of BBB National Programs' CFBAI (Children's Food and Beverage Advertising Initiative) as of 2023. This includes

## We strive to ensure that our communications provide nutritional transparency and encourage responsible consumption.

a commitment not to engage in any advertising primarily directed to children under the age of 13 in covered media in the United States or in elementary schools. The covered media includes child-directed media on television, radio, print, internet / digital media (e.g., YouTube), mobile apps, and DVDs / movies.

### Ensuring compliance and transparency

In 2023, our compliance with both industry pledges will continue to be monitored by the pledge coordinators in the relevant countries. In addition, starting in 2023, Lindt & Sprüngli will commission audits by an independent third party in selected countries outside of the pledges, focusing on our TV advertising investment. All compliance results will be published in the 2023 Lindt & Sprüngli Sustainability Report.

Lindt & Sprüngli's International Marketing function is responsible for monitoring compliance with our Responsible Marketing Policy and legal requirements around the world. Meanwhile, local marketing and quality assurance teams are responsible for implementing and ensuring the compliance of our individual subsidiaries and for conducting annual reviews of their plans.

Employees involved in external 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, and Consumer Services.



### Vegan and sugar-reduced lines

In 2022, the Lindt Maitres Chocolatiers introduced Lindt chocolate bars with a new vegan recipe to audiences in the UK, USA, Canada, Australia, and Switzerland, after a successful launch to the German market in 2021. This new melt-in-the-mouth creation – made with oat drink powder and almond paste – has a smooth creamy texture that perfectly complements our range of popular Lindt classics. Lindt Vegan Classic was awarded “best vegan chocolate” at the 2022 PETA Vegan Food Awards.

To meet the needs of consumers who are following a low-sugar diet, Lindt & Sprüngli has developed our Lindt classic milk chocolate with less sugar. Lindt Milk Extra –30% sugar is a creation of our Lindt Maitres Chocolatiers. Launched in 2021, we successfully introduced this chocolate treat to several new markets in 2022. Thanks to the innovative use of vegetable fibers, the melt-in-the-mouth texture and unique taste of Lindt milk chocolate have been retained despite the reduced sugar content – and all without any sweeteners.

These products are only available in selected markets due to varying demand and taste preferences.



**KPIs and**

**Appendix**

# Key performance indicators

Scope of data: Lindt & Sprüngli Group, unless otherwise stated in footnotes

Indicator	Unit	2020	2021	2022	YOY
<b>Business integrity</b>					
<b>Compliance with laws and regulations</b>					
Total number of significant instances of non-compliance with laws and regulations during the reporting period (GRI 2-27)	No.	N.A.	N.A.	0	-
Thereof instances for which fines were incurred (GRI 2-27)	No.	N.A.	N.A.	0	-
Thereof instances for which non-monetary sanctions were incurred (GRI 2-27)	No.	N.A.	N.A.	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.	N.A.	N.A.	5	-
Thereof fines for instances of non-compliance with laws and regulations that occurred in the current reporting period (GRI 2-27)	No.	N.A.	N.A.	4	-
Thereof fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods (GRI 2-27)	No.	N.A.	N.A.	1	-
Monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period (GRI 2-27)	CHF	N.A.	N.A.	14,896	-
Thereof fines for instances of non-compliance with laws and regulations that occurred in the current reporting period (GRI 2-27)	CHF	N.A.	N.A.	1,487	-
Thereof fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods (GRI 2-27)	CHF	N.A.	N.A.	13,409	-
<b>Confirmed incidents of corruption and action taken</b>					
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption (GRI 205-3)	No.	N.A.	0	0	-
Total number of confirmed incidents when contacts with business partners were terminated or not renewed due to violations related to corruption (GRI 205-3)	No.	N.A.	0	0	-
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases (GRI 205-3)	No.	N.A.	0	0	-

Indicator	Unit	2020	2021	2022	YOY
<b>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</b>					
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.	N.A.	N.A.	0	-

## SUSTAINABILITY REPORT 2022

Indicator	Unit	2020	2021	2022	YOY
<b>Improving livelihoods</b>					
<b>Responsible sourcing</b>					
Average EcoVadis sustainability assessment score of Lindt & Sprüngli suppliers	Score (max = 100)	51.6	52.3	54.6	+4%
Scored suppliers in EcoVadis	No.	N.A.	466	581	+25%
Procurement expenditure for packaging material from Asian factories covered by Supplier Sustainable Practice (SSP) Program <sup>1</sup>	%	93	94	91	-3pp
External on-site visits (SSP) <sup>1</sup>	No.	36	31	37	+19%
<b>Palm oil</b>					
Palm oil (kernel/oil/fractions) sourced	Metric tons	6,944	9,091	8,819	-3%
Thereof sourced RSPO certified	%	100	100	100	0pp
<b>Hazelnuts</b>					
Hazelnuts (total) sourced (includes processed and unprocessed hazelnuts; excludes an immaterial volume of ingredients which contain hazelnuts combined with other materials)	Metric tons	4,678	5,986	6,330	+6%
Thereof Turkish hazelnuts sourced	Metric tons	3,076	3,147	4,677	+49%
Thereof sourced through sustainability program (99.9% of Turkish hazelnuts sourced through sustainability programs and 99.9% of all hazelnuts across all origins considered sustainable)	%	100	100	99.9	-0.1pp
<b>Soy lecithin</b>					
Soy lecithin (total) sourced	Metric tons	1,021	1,077	1,071	-1%
Thereof sourced ProTerra certified (total)	%	99	99	100	+1pp
Thereof sourced ProTerra certified (excl. Russell Stover)	%	100	100	100	0pp
<b>Eggs</b>					
Eggs (total) sourced	Metric tons	56	59	48	-18%
Thereof sourced cage-free (total)	%	73	69	71	+2pp
Thereof sourced cage-free (excl. Russell Stover)	%	100	100	100	0pp

<sup>1</sup>Limited scope: packaging materials from Asia only

Indicator	Unit	2020	2021	2022	YOY
<b>Sugar</b>					
Sugar (total) sourced	Metric tons	N.A.	N.A.	140,305	N.A.
Thereof sourced through sustainability program	%	N.A.	N.A.	49	N.A.
<b>Cocoa</b>					
Cocoa beans equivalent sourced (cocoa beans, powder, butter, and chocolate mass / bean equivalents according to ICCO conversion rates)	Metric tons	144,604	144,784	155,226	+7%
Thereof cocoa beans, powder, and butter sourced through sustainability programs (Farming Program or other sustainability program, verified by 3rd party)	%	63	64	67	+3pp
Thereof cocoa beans, powder, and butter sourced through the Farming Program (verified by 3rd party)	%	N.A.	56	61	+5pp
Cocoa beans sourced through sustainability programs (Farming Program; verified by 3rd party; identity preserved/bean equivalents according to ICCO conversion rates)	%	100	100	100	0pp
Cocoa butter sourced through sustainability programs (Farming Program or other sustainability program; verified by 3rd party; segregated/bean equivalents according to ICCO conversion rates)	%	33	37	44	+7pp
Cocoa powder sourced through sustainability programs (Farming Program; verified by 3rd party; mass balance/bean equivalents according to ICCO conversion rates)	%	0	0	5	+5pp
Annual investment in cocoa sustainability programs (cocoa beans, powder, butter, and chocolate mass)	m CHF	16.1	18.6	27.5	+48%
Thereof in Farming Program sustainability premiums (cocoa beans, powder, and butter)	m CHF	9.6	15.1	23.6	+56%
Total investment in cocoa sustainability programs since 2008 (cocoa beans, powder, butter, and chocolate mass)	m CHF	64.2	82.8	110.3	+33%
Thereof in Farming Program sustainability premiums (cocoa beans, powder, and butter)	m CHF	46.3	61.4	85.0	+38%
Cocoa origins (countries) covered by Farming Program	No.	5	7	7	0%
Farmers participating in Farming Program	No.	79,979	91,559	112,803	+23%
Thereof women	%	30	28	26	-2pp
Field staff in the Farming Program (GRI 2-8)	No.	443	599	1,017	+70%
Farms within Farming Program	No.	79,979	91,559	112,803	+23%
Thereof GPS or polygon mapped	No.	67,462	91,184	109,466	+20%
Thereof GPS or polygon mapped	%	86	99	97	-2pp

Lindt &amp; Sprüngli Farming Program indicators are reported by cocoa season, not by calendar year (apart from investments). Figures may be rounded.

## SUSTAINABILITY REPORT 2022

Indicator	Unit	2020	2021	2022	YOY
<b>Cocoa: Increased resilience of farming households</b>					
Farmers reached by training programs <sup>2</sup>	No.	N.A.	85,810	97,009	+13%
Farmers supported with individual coaching <sup>2</sup>	No.	N.A.	21,453	17,311	-19%
Model farms & demonstration plots <sup>2</sup>	No.	158	291	2,406	+727%
Improved cocoa seedlings distributed per year <sup>2</sup>	No.	325,095	563,789	974,100	+73%
Improved cocoa seedlings distributed since start of Farming Program <sup>2</sup>	No.	5,990,841	6,554,630	7,528,730	+15%
Individuals participating in Income Generating Activities (IGA) <sup>2</sup>	No.	10,961	27,336	30,083	+10%
Thereof women <sup>2</sup>	%	N.A.	31	31	0pp
Individuals participating in training that promotes IGAs per year <sup>2</sup>	No.	4,919	6,830	11,555	+69%
Individuals participating in training that promotes IGAs since start of Program <sup>2</sup>	No.	21,883	28,713	40,268	+40%
Members of Village Savings and Loan Associations (VSLAs) groups in the current year <sup>2</sup>	No.	3,014	5,324	10,465	+97%
VSLA groups established and still active in the current year <sup>2</sup>	No.	137	218	459	+111%
Drinking water systems built and functioning (boreholes and larger systems) since start of Program <sup>2</sup>	No.	213	224	321	+43%
Community members having access to safe drinking water through Program <sup>2</sup>	No.	~131,000	~133,000	~175,000	+32%
<b>Cocoa: Reduction of the risk of child labor</b>					
Cocoa from child-labor risk countries sourced from farming households covered by a Child Labor Monitoring and Remediation System (CLMRS) <sup>2</sup>	%	N.A.	57	57	0pp
Farming households in risk countries covered by a CLMRS <sup>2</sup>	No.	N.A.	74,563	87,979	+18%
Unannounced child labor focused monitoring visits conducted <sup>2</sup>	No.	N.A.	8,491	13,654	+61%
School facilities built or renovated since start of Farming Program <sup>2</sup>	No.	33	41	43	+5%
Children benefiting from school refurbishments through Farming Program <sup>2</sup>	No.	~5,000	~6,500 <sup>a</sup>	~6,700	+3%

<sup>2</sup>Limited scope: cocoa (beans, butter, powder) sourced through Farming Program

Indicator	Unit	2020	2021	2022	YOY
<b>Intact environment</b>					
<b>Biodiversity and natural ecosystems: cocoa sourcing</b>					
Cocoa (cocoa beans, powder, butter, and chocolate mass; in volume) sourced from farmers covered by a “No-Deforestation and Agroforestry Action Plan”	%	63	64	67	+3pp
Farmers in Farming Program proven not to be located in protected areas with their farms (as per local laws) <sup>2</sup>	No.	75,625	89,409	109,946	+23%
	%	95	98	97	-1pp
Multi-purpose shade trees distributed in Farming Program per year <sup>2</sup>	No.	666,048	880,304	1,099,999	+25%
Multi-purpose shade trees distributed in Farming Program since start of Program <sup>2</sup>	No.	1,940,122	2,820,426	3,920,425	+39%
Farmers in Farming Program with at least 25 permanent shade trees per hectare <sup>2</sup>	No.	10,870	14,615	24,624	+68%
	%	14	16	22	+6pp
Farmers in Farming Program with at least 5 permanent shade tree species per hectare <sup>2</sup>	No.	41,952	47,153	45,881	-3%
	%	52	52	41	-11pp
Shade trees per hectare on average in Farming Program <sup>2</sup>	No.	15	18	19	+6%
Shade tree species per hectare on average in Farming Program <sup>2</sup>	No.	4	5	4	-15%
Sourcing landscape initiatives supported in Farming Program <sup>2</sup>	No.	4	4	5	+25%

<sup>a</sup> Restatement: data improvement

Lindt &amp; Sprüngli Farming Program indicators are reported by cocoa season, not by calendar year (apart from investments). Figures may be rounded.

## SUSTAINABILITY REPORT 2022

Indicator	Unit	2020	2021	2022	YOY
<b>Climate</b> (Explanation of methodology see <a href="#">here</a> )					
<b>Total direct and indirect GHG emissions</b> (Scopes 1, 2, and 3 / GRI 305-1)	t CO <sub>2</sub> eq	3,155,218 <sup>b</sup>	3,538,394 <sup>b</sup>	3,727,154	+5%
<b>Gross direct (Scope 1) GHG emissions</b> (GRI 305-1)	t CO <sub>2</sub> eq	56,160 <sup>b</sup>	55,483 <sup>b</sup>	58,406	+5%
<b>Gross market-based energy indirect (Scope 2) GHG emissions</b> (GRI 305-2)	t CO <sub>2</sub> eq	118,075 <sup>b</sup>	107,027 <sup>b</sup>	105,870	-1%
<b>Gross other indirect (Scope 3) GHG emissions</b> (GRI 305-3)	t CO <sub>2</sub> eq	2,980,983 <sup>b</sup>	3,375,884	3,562,878	+6%
<b>Thereof Purchased goods and services</b> (Cat. 1/GRI 305-3)	t CO <sub>2</sub> eq	2,543,173 <sup>b</sup>	2,891,256	3,057,206	+6%
<b>Thereof Capital goods</b> (Cat. 2/GRI 305-3)	t CO <sub>2</sub> eq	56,076	56,422	60,823	+8%
<b>Thereof Fuel- and energy-related activities</b> (Cat. 3/GRI 305-3)	t CO <sub>2</sub> eq	38,858 <sup>b</sup>	40,439	40,742	+1%
<b>Thereof Upstream transportation and distribution</b> (Cat. 4/GRI 305-3)	t CO <sub>2</sub> eq	142,152	170,076	162,271	-5%
<b>Thereof Waste generated in operations</b> (Cat. 5/GRI 305-3)	t CO <sub>2</sub> eq	2,980 <sup>b</sup>	3,864	4,845	+25%
<b>Thereof Business travel</b> (Cat. 6/GRI 305-3)	t CO <sub>2</sub> eq	6,268	6,837	10,950	+60%
<b>Thereof Employee commuting</b> (Cat. 7/GRI 305-3)	t CO <sub>2</sub> eq	7,634 <sup>b</sup>	7,876	7,903	0%
<b>Thereof Downstream transportation and distribution</b> (Cat. 9/GRI 305-3)	t CO <sub>2</sub> eq	125,567	132,860	147,790	+11%
<b>Thereof Processing of sold products</b> (Cat. 10/GRI 305-3)	t CO <sub>2</sub> eq	32	39	43	+9%
<b>Thereof Use of sold products</b> (Cat. 11/GRI 305-3)	t CO <sub>2</sub> eq	12,129 <sup>b</sup>	12,554	15,384	+23%
<b>Thereof End-of-life treatments of sold products</b> (Cat. 12/GRI 305-3)	t CO <sub>2</sub> eq	46,114 <sup>b</sup>	53,660	54,919	+2%
<b>Total energy consumption within the organization</b> (GRI 302-1) <sup>3</sup>	GWh	500 <sup>c</sup>	510 <sup>c</sup>	523	+3%
<b>Annual reduction of GHG emissions in the production process per ton produced (Scopes 1 and 2)<sup>3</sup></b>	%	N.A.	20	1	-19pp
<b>Share of renewable energy<sup>3</sup></b>	%	15 <sup>c</sup>	38 <sup>c</sup>	33	-5pp

<sup>3</sup> Limited scope: Lindt & Sprüngli production sites only<sup>4</sup> Limited scope: in 2020 all Lindt & Sprüngli production sites (excl. Russell Stover)

Indicator	Unit	2020	2021	2022	YOY
<b>Water</b>					
<b>Absolute water withdrawal</b> (municipal supply only) <sup>3</sup>	1,000m <sup>3</sup>	700 <sup>d</sup>	671	721	+7%
<b>Reduction of municipal water withdrawal in the production process since 2019 per ton produced</b> (municipal supply only) <sup>3</sup>	%	4 <sup>d</sup>	16	12	-4pp
<b>Waste</b>					
<b>Semi-finished product waste in the production process per ton produced</b> (excluding destruction of finished goods) <sup>3</sup>	%	1.3	1.3	1.5	+0.2pp
<b>Reduction of semi-finished product waste in the production process since 2015, per ton produced</b> (excluding destruction of finished goods) <sup>3</sup>	%	32.0	32.0	21.1	-10.9pp
<b>Packaging</b>					
<b>Total weight of packaging<sup>4</sup></b>	Metric tons	92,305	113,120	116,308	+3%
<b>Thereof pulp- &amp; paper-based</b>	Metric tons	N.A.	93,279	95,599	+2%
<b>Thereof plastic</b>	Metric tons	N.A.	13,523	14,080	+4%
<b>Packaging made from recycled materials<sup>4</sup></b>	%	45	43 <sup>e</sup>	43	0pp
<b>Packaging that is recyclable, reusable, and/or compostable<sup>4</sup></b>	%	86	86	88	+2pp
<b>Virgin plastic used in total in packaging<sup>4</sup></b>	%	10.0	9.5	10.0	+0.5pp
<b>Plastic packaging that is reusable, recyclable, or compostable</b> (Ellen MacArthur Foundation)	%	N.A.	33	42	+9pp

<sup>b</sup> Restatement: data inaccuracy and methodology updates<sup>c</sup> Restatement: scope update (excluding energy consumption estimates for stores and warehouses)<sup>d</sup> Restatement: better quality data collected through the carbon footprint baseline calculation process<sup>e</sup> Restatement: reporting error

## SUSTAINABILITY REPORT 2022

Indicator	Unit	2020	2021	2022	YOY
<b>Performing together</b>					
<b>General employment data</b>					
<b>Total number of employees incl. seasonal and temporary employees and retirements</b> (breakdown by gender and region see below and right column/GRI 2-7)	HC	13,557	14,208	15,204	+7%
<b>Thereof permanent employees</b> (breakdown by gender and region see below and right column/GRI 2-7)	HC	N.A.	11,636	12,152	+4%
<b>Thereof temporary employees</b> (breakdown by gender and region see below and right column/GRI 2-7)	HC	N.A.	2,572	3,052	+19%
<b>Thereof full-time employees</b> (breakdown by gender and region see right column and next page/GRI 2-7)	HC	N.A.	N.A.	10,838	-
<b>Thereof part-time employees</b> (breakdown by gender and region see right column and next page/GRI 2-7)	HC	N.A.	N.A.	4,366	-
<b>Percentage of total employees incl. seasonal and temporary employees and retirements covered by collective bargaining agreements</b> (GRI 2-30)	%	N.A.	40	48	+8pp

**Total number of employees**

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

2021	Female	Male	Total	2022	Female	Male	Total
<b>Total number of employees</b> (headcount)							
America	2,773	1,971	<b>4,744</b>	America	2,708	1,971	<b>4,679</b>
Europe	4,143	3,141	<b>7,284</b>	Europe	4,736	3,429	<b>8,165</b>
Rest of World	1,624	556	<b>2,180</b>	Rest of World	1,783	577	<b>2,360</b>
<b>Group</b>	<b>8,540</b>	<b>5,668</b>	<b>14,208</b>	<b>Group</b>	<b>9,227</b>	<b>5,977</b>	<b>15,204</b>
<b>Thereof permanent employees</b> (headcount)							
America	2,051	1,718	<b>3,769</b>	America	1,855	1,670	<b>3,525</b>
Europe	3,654	2,808	<b>6,462</b>	Europe	4,195	3,019	<b>7,214</b>
Rest of World	992	413	<b>1,405</b>	Rest of World	1,038	375	<b>1,413</b>
<b>Group</b>	<b>6,697</b>	<b>4,939</b>	<b>11,636</b>	<b>Group</b>	<b>7,088</b>	<b>5,064</b>	<b>12,152</b>
<b>Thereof temporary employees</b> (headcount)							
America	722	253	<b>975</b>	America	853	301	<b>1,154</b>
Europe	489	333	<b>822</b>	Europe	541	410	<b>951</b>
Rest of World	632	143	<b>775</b>	Rest of World	745	202	<b>947</b>
<b>Group</b>	<b>1,843</b>	<b>729</b>	<b>2,572</b>	<b>Group</b>	<b>2,139</b>	<b>913</b>	<b>3,052</b>

2021	Female	Male	Total	2022	Female	Male	Total
<b>Total number of employees (%)</b>							
America	19.5	13.9	<b>33.4</b>	America	17.8	13.0	<b>30.8</b>
Europe	29.2	22.1	<b>51.3</b>	Europe	31.1	22.6	<b>53.7</b>
Rest of World	11.4	3.9	<b>15.3</b>	Rest of World	11.7	3.8	<b>15.5</b>
<b>Group</b>	<b>60.1</b>	<b>39.9</b>	<b>100.0</b>	<b>Group</b>	<b>60.7</b>	<b>39.3</b>	<b>100.0</b>
<b>Thereof permanent employees (%)</b>							
America	14.4	12.1	<b>26.5</b>	America	12.2	11.0	<b>23.2</b>
Europe	25.7	19.8	<b>45.5</b>	Europe	27.6	19.9	<b>47.4</b>
Rest of World	7.0	2.9	<b>9.9</b>	Rest of World	6.8	2.5	<b>9.3</b>
<b>Group</b>	<b>47.1</b>	<b>34.8</b>	<b>81.9</b>	<b>Group</b>	<b>46.6</b>	<b>33.3</b>	<b>79.9</b>
<b>Thereof temporary employees (%)</b>							
America	5.1	1.8	<b>6.9</b>	America	5.6	2.0	<b>7.6</b>
Europe	3.4	2.3	<b>5.8</b>	Europe	3.6	2.7	<b>6.3</b>
Rest of World	4.4	1.0	<b>5.5</b>	Rest of World	4.9	1.3	<b>6.2</b>
<b>Group</b>	<b>13.0</b>	<b>5.1</b>	<b>18.1</b>	<b>Group</b>	<b>14.1</b>	<b>6.0</b>	<b>20.1</b>

**Total number of employees**

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

2021	Female	Male	Total	2022	Female	Male	Total
<b>Total number of employees</b> (breakdown by full-time vs. part-time as well as by gender and by region/GRI 2-7)							
<b>Total</b>	<b>8,540</b>	<b>5,668</b>	<b>14,208</b>	<b>Total</b>	<b>9,227</b>	<b>5,977</b>	<b>15,204</b>
<b>Thereof full-time employees</b> (headcount)							
America	N.A.	N.A.	<b>N.A.</b>	America	1,962	1,703	<b>3,665</b>
Europe	N.A.	N.A.	<b>N.A.</b>	Europe	2,830	2,940	<b>5,770</b>
Rest of World	N.A.	N.A.	<b>N.A.</b>	Rest of World	980	423	<b>1,403</b>
<b>Group</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>Group</b>	<b>5,772</b>	<b>5,066</b>	<b>10,838</b>
<b>Thereof part-time employees</b> (headcount)							
America	N.A.	N.A.	<b>N.A.</b>	America	746	268	<b>1,014</b>
Europe	N.A.	N.A.	<b>N.A.</b>	Europe	1,906	489	<b>2,395</b>
Rest of World	N.A.	N.A.	<b>N.A.</b>	Rest of World	803	154	<b>957</b>
<b>Group</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>Group</b>	<b>3,455</b>	<b>911</b>	<b>4,366</b>

## SUSTAINABILITY REPORT 2022

2021	Female	Male	Total	2022	Female	Male	Total
<b>Total number of employees (%)</b>							
<b>Total</b>	<b>60.1</b>	<b>39.9</b>	<b>100.0</b>	<b>Total</b>	<b>60.7</b>	<b>39.3</b>	<b>100.0</b>
<b>Thereof full-time employees (%)</b>							
America	N.A.	N.A.	N.A.	America	12.9	11.2	24.1
Europe	N.A.	N.A.	N.A.	Europe	18.6	19.3	38.0
Rest of World	N.A.	N.A.	N.A.	Rest of World	6.4	2.8	9.2
<b>Group</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>Group</b>	<b>38.0</b>	<b>33.3</b>	<b>71.3</b>
<b>Thereof part-time employees (%)</b>							
America	N.A.	N.A.	N.A.	America	4.9	1.8	6.7
Europe	N.A.	N.A.	N.A.	Europe	12.5	3.2	15.8
Rest of World	N.A.	N.A.	N.A.	Rest of World	5.3	1.0	6.3
<b>Group</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>Group</b>	<b>22.7</b>	<b>6.0</b>	<b>28.7</b>

Indicator	Unit	2020	2021	2022	YOY
<b>Occupational health and safety</b>					
<b>Fatalities as a result of work-related injury</b> (GRI 403-9) <sup>5</sup>	No.	0	0	0	-
	Rate per 1 m hrs worked	0	0	0	-
<b>High-consequence work-related injuries</b> (excluding fatalities) (GRI 403-9) <sup>5</sup>	No.	1	1	2	+100%
	Rate per 1 m hrs worked	0.1	0.2	0.2	+100%
<b>Recordable work-related injuries</b> (GRI 403-9) <sup>5</sup>	No.	195	258	197	-24%
	Rate per 1 m hrs worked	15.3	19.3	15.2	-21%
<b>Lost time accidents</b> <sup>5</sup>	No.	25	45	46	+2%
	Rate per 1 m hrs worked	2.0	3.4	3.6	+6%
<b>Enabling and motivating working environment: Employment</b>					
<b>Total new employee hires during the reporting period</b> (breakdown by age group, gender, and region see right column/GRI 401-1)	No.	N.A.	4,373	5,654	+29%
<b>Rate of new employee hires during the reporting period in relation to total employees as per year end</b> (breakdown by age group, gender, and region see right column/GRI 401-1)	%	N.A.	30.8	37.2	+6.4pp

Indicator	Unit	2020	2021	2022	YOY
<b>Total employee turnover during the reporting period</b> (breakdown by age group, gender, and region see next page left column/GRI 401-1)	No.	N.A.	5,406	5,295	-2%
<b>Rate of employee turnover during the reporting period in relation to total employees as per year end</b> (breakdown by age group, gender, and region see next page left column/GRI 401-1)	%	33.0	38.0	34.8	-3.2pp

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

2021	America	Europe	Rest of World	Group	2022	America	Europe	Rest of World	Group
<b>Total new employee hires by region and gender</b> (headcount)									
Female	1,151	856	744	2,751	Female	1,477	1,298	736	3,511
Male	684	770	168	1,622	Male	1,056	857	230	2,143
<b>Total</b>	<b>1,835</b>	<b>1,626</b>	<b>912</b>	<b>4,373</b>	<b>Total</b>	<b>2,533</b>	<b>2,155</b>	<b>966</b>	<b>5,654</b>

<b>Total number of new employee hires by region and age group</b> (headcount)									
<30	1,023	710	682	2,415	<30	1,512	1,162	645	3,319
30–50	606	661	197	1,464	30–50	779	755	284	1,818
>50	206	255	33	494	>50	242	238	37	517
<b>Total</b>	<b>1,835</b>	<b>1,626</b>	<b>912</b>	<b>4,373</b>	<b>Total</b>	<b>2,533</b>	<b>2,155</b>	<b>966</b>	<b>5,654</b>

**Rate of new employee hires during the reporting period in relation to total employees as per year end in %** (breakdown by age group, gender, and region/GRI 401-1)

2021	America	Europe	Rest of World	Group	2022	America	Europe	Rest of World	Group
<b>Total</b>	<b>38.7</b>	<b>22.3</b>	<b>41.8</b>	<b>30.8</b>	<b>Total</b>	<b>54.1</b>	<b>26.4</b>	<b>40.9</b>	<b>37.2</b>

<b>Rate of new employee hires by region and gender (%)</b>									
Female	41.5	20.7	45.8	32.2	Female	54.5	27.4	41.3	38.1
Male	34.7	24.5	30.2	28.6	Male	53.6	25.0	39.9	35.9

<b>Rate of new employee hires by region and age group (%)</b>									
<30	79.3	51.4	52.8	60.9	<30	113.9	66.3	46.6	74.4
30–50	30.0	18.2	27.2	23.0	30–50	39.2	19.0	35.8	26.9
>50	14.4	11.2	19.9	12.7	>50	17.7	9.8	20.2	13.0

<sup>5</sup>Limited scope: Lindt & Sprüngli production sites and Australia

## SUSTAINABILITY REPORT 2022

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

2021	America	Europe	Rest of World	Group	2022	America	Europe	Rest of World	Group
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**Total employee turnover by region and gender** (headcount)

Female	1,926	745	604	<b>3,275</b>	Female	1,602	966	708	<b>3,276</b>
Male	1,418	561	152	<b>2,131</b>	Male	1,082	656	281	<b>2,019</b>
<b>Total</b>	<b>3,344</b>	<b>1,306</b>	<b>756</b>	<b>5,406</b>	<b>Total</b>	<b>2,684</b>	<b>1,622</b>	<b>989</b>	<b>5,295</b>

**Total employee turnover by region and age group** (headcount)

<30	1,759	337	547	<b>2,643</b>	<30	1,452	760	506	<b>2,718</b>
30–50	1,077	424	178	<b>1,679</b>	30–50	824	592	247	<b>1,663</b>
>50	508	545	31	<b>1,084</b>	>50	408	270	236	<b>914</b>
<b>Total</b>	<b>3,344</b>	<b>1,306</b>	<b>756</b>	<b>5,406</b>	<b>Total</b>	<b>2,684</b>	<b>1,622</b>	<b>989</b>	<b>5,295</b>

**Rate of employee turnover during the reporting period in relation to total employees as per year end in %** (breakdown by age group, gender, and region/GRI 401-1)

2021	America	Europe	Rest of World	Group	2022	America	Europe	Rest of World	Group
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**Rate of employee turnover by region and gender** (%)

Female	69.5	18.0	37.2	<b>38.3</b>	Female	59.2	20.4	39.7	<b>35.5</b>
Male	71.9	17.9	27.3	<b>37.6</b>	Male	54.9	19.1	48.7	<b>33.8</b>

**Rate of employee turnover by region and age group** (%)

<30	136.4	24.4	42.4	<b>66.7</b>	<30	109.4	43.4	36.6	<b>60.9</b>
30–50	53.2	11.7	24.6	<b>26.4</b>	30–50	41.5	14.9	31.1	<b>24.6</b>
>50	35.5	23.9	18.7	<b>28.0</b>	>50	29.9	11.1	129.0	<b>23.0</b>

Indicator	Unit	2020	2021	2022	YOY
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**Enabling and motivating working environment: Training and education**

<b>Proportion of employees as a percentage of total employees receiving regular performance and career development reviews during the reporting period</b> (breakdown by gender and department see right column/GRI 404-3)	%	84.0	68.2	65.8	-2.4pp
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<b>Proportion of Manufacturing &amp; Retail employees as a percentage of total employees receiving regular performance and career development reviews during the reporting period</b> (breakdown by gender see right column)	%	53.0	56.8 <sup>f</sup>	52.0	-4.8pp
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Indicator	Unit	2020	2021	2022	YOY
<b>Proportion of employees in all other departments than Manufacturing &amp; Retail as a percentage of total employees receiving regular performance and career development reviews during the reporting period</b> (breakdown by gender see below)	%	95.0	87.0	89.0	+2.0pp

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

2021	Female	Male	Total	2022	Female	Male	Total
<b>Proportion of employees receiving regular performance and career development reviews by gender and region (%)</b>							
America	40.1	46.6	<b>42.8</b>	America	41.3	47.4	<b>43.9</b>
Europe	85.2	92.7	<b>88.4</b>	Europe	83.9	90.2	<b>86.5</b>
Rest of World	51.8	68.7	<b>56.1</b>	Rest of World	36.8	39.9	<b>37.5</b>
<b>Group</b>	<b>64.2</b>	<b>74.3</b>	<b>68.2</b>	<b>Group</b>	<b>62.3</b>	<b>71.2</b>	<b>65.8</b>

**Proportion of employees receiving regular performance and career development reviews by gender and department (%)**

2021	Female	Male	Total	2022	Female	Male	Total
Administration	92.2	94.7	<b>93.2</b>	Administration	92.1	92.4	<b>92.2</b>
R & D	82.7	84.1	<b>83.2</b>	R & D	92.1	90.4	<b>91.6</b>
Selling	59.6	74.5	<b>64.0</b>	Selling	54.4	63.9	<b>57.1</b>
Distribution	74.1	73.5	<b>73.7</b>	Distribution	79.2	72.3	<b>74.9</b>
Manufacturing	61.3	70.2	<b>65.5</b>	Manufacturing	62.5	70.8	<b>66.6</b>
<b>Group</b>	<b>64.2</b>	<b>74.3</b>	<b>68.2</b>	<b>Group</b>	<b>62.3</b>	<b>71.2</b>	<b>65.8</b>

**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**

2021	Female	Male	Total	2022	Female	Male	Total
<b>Breakdown by gender (%)</b>							
Manufacturing & Retail	55.0 <sup>f</sup>	60.3 <sup>f</sup>	<b>56.8<sup>f</sup></b>	Manufacturing & Retail	50.8	54.3	<b>52.0</b>
All other departments	83.7	90.3	<b>87.0</b>	All other departments	86.9	91.2	<b>89.0</b>

<sup>f</sup> Restatement: data errors identified during the transition from manual data collection to business intelligence software

Indicator	Unit	2020	2021	2022	YOY
<b>Enabling and motivating working environment: Diversity and equal opportunity</b>					
<b>Proportion of female employees as a percentage of total employees</b> (breakdown of diversity by gender, employee category, and age group see below/GRI 405-1)	%	N.A.	60.1	60.7	+0.6pp
<b>Proportion of male employees as a percentage of total employees</b> (breakdown of diversity by gender, employee category, and age group see below/GRI 405-1)	%	N.A.	39.9	39.3	-0.6pp
<b>Proportion of women in senior leadership as a percentage of total employees</b>	%	N.A. <sup>8</sup>	35.3 <sup>f</sup>	33.0	-2.3pp

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

2021	Female	Male	Total	2022	Female	Male	Total
<b>Breakdown by gender and age group (%)</b>							
<30	18.1	9.8	27.9	<30	19.0	10.3	29.4
30–50	25.3	19.6	44.8	30–50	25.5	18.9	44.5
>50	16.8	10.5	27.3	>50	16.1	10.1	26.2
<b>Group</b>	<b>60.1</b>	<b>39.9</b>	<b>100.0</b>	<b>Group</b>	<b>60.7</b>	<b>39.3</b>	<b>100.0</b>
<b>Breakdown by gender and employee category (%)</b>							
Senior Management	0.5 <sup>f</sup>	1.0 <sup>f</sup>	1.5 <sup>f</sup>	Senior Management	0.4	0.9	1.3
Middle Management	1.7 <sup>f</sup>	1.9 <sup>f</sup>	3.7 <sup>f</sup>	Middle Management	2.0	1.8	3.9
Other	57.8 <sup>f</sup>	37.0 <sup>f</sup>	94.8 <sup>f</sup>	Other	58.2	36.6	94.9
<b>Group</b>	<b>60.1</b>	<b>39.9</b>	<b>100.0</b>	<b>Group</b>	<b>60.7</b>	<b>39.3</b>	<b>100.0</b>

Indicator	Unit	2020	2021	2022	YOY
<b>Enabling and motivating working environment: Non-discrimination</b>					
<b>Incidents of discrimination during the reporting period</b> (GRI 406-1) <sup>6</sup>	No.	N.A.	N.A.	16	-
<b>Enabling and motivating working environment: Employee satisfaction</b>					
<b>Global employee survey: average score in the category “employee satisfaction and retention”</b> (last available survey in 2019: 70)	Score (max = 100)	N.A.	N.A.	67	-
<b>Global employee survey: average score in the category “training and personal development”</b> (last available survey in 2019: 65)	Score (max = 100)	N.A.	N.A.	71	-

<sup>6</sup>Limited scope: legal cases and incidents reported via the Speak Up Line<sup>f</sup> Restatement: data errors identified during the transition from manual data collection to business intelligence software<sup>8</sup> Restatement: data revalidation not possible

## SUSTAINABILITY REPORT 2022

Indicator	Unit	2020	2021	2022	YOY
<b>Delighting consumers</b>					
<b>Product quality and product safety</b>					
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	0	-
Thereof incidents resulting in a fine or penalty (GRI 416-2)	No.	N.A.	0	0	-
Thereof incidents resulting in a warning (GRI 416-2)	No.	N.A.	0	0	-
Thereof incidents of non-compliance with voluntary codes (GRI 416-2)	No.	N.A.	0	0	-
Notices of food safety violation received (SASB-FB-PF-250a.3)	No.	N.A.	0	0	-
Share of notices of food safety violation corrected (SASB-FB-PF-250a.3)	%	N.A.	0	0	0.0pp
Recalls issued (SASB-FB-PF-250a.4)	No.	N.A.	1	2	+100%
Total amount of food product recalled (SASB-FB-PF-250a.4)	Consumer units	N.A.	81,336	N.A.	-
<b>Transparent and responsible communication</b>					
Incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling (GRI 417-2)	No.	N.A.	N.A.	5	-
Thereof incidents resulting in a fine or penalty (GRI 417-2)	No.	N.A.	N.A.	3	-
Thereof incidents resulting in a warning (GRI 417-2)	No.	N.A.	N.A.	2	-
Thereof incidents of non-compliance with voluntary codes (GRI 417-2)	No.	N.A.	N.A.	0	-
Incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship (GRI 417-3)	No.	N.A.	2	4	+100%
Thereof incidents resulting in a fine or penalty (GRI 417-3)	No.	N.A.	2	4	+100%
Thereof incidents resulting in a warning (GRI 417-3)	No.	N.A.	0	0	-
Thereof incidents of non-compliance with voluntary codes (GRI 417-3)	No.	N.A.	0	0	-
Incidents of non-compliance with industry or regulatory labeling and/or marketing codes (SASB-FB-PF-270a.3)	No.	N.A.	0	0	-
Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices (SASB-FB-PF-270a.4)	CHF	N.A.	197,000	241,896	+23%

Indicator	Unit	2020	2021	2022	YOY
Rate of audit compliance with EU Pledge to avoid advertising to children (TV)	%	97.70	98.90	98.99	+0.1pp
Rate of audit compliance with EU Pledge to avoid advertising to children (digital media)	%	N.A.	N.A.	100	-

# About this report

**The 2022 Lindt & Sprüngli Sustainability Report has been prepared with reference to the GRI Standards 2021 (see GRI Content Index, page 79ff.).**

## Reporting period

Lindt & Sprüngli publishes its Sustainability Report annually. Unless otherwise stated, all information in this report relates to the calendar year 2022 (January 1, 2022, to December 31, 2022) or to the reporting date of December 31, 2022. The 2022 Report is published in English and was released on June 1, 2023.

## Scope of information

Unless otherwise stated, the scope of the information covers the Lindt & Sprüngli Group as in the consolidated financial reporting (see Annual Report 2022, page 110).

The Sustainability Report was written with due regard to the principle of materiality in terms of the issues addressed and the expectations of various stakeholders. As part of the ongoing expansion of the depth and scope of information on various material topics we have introduced some new data points and KPIs. Where available, we have also collected the respective data retrospectively for the previous reporting period (calendar year 2021).

## Restatements

In five areas, values of individual data points had to be restated for different reasons: climate, water, packaging, enabling and motivating working environment, and rural development. The reasons for the restatements are provided as footnotes to the corresponding data points in the relevant sections of the KPI tables (see Key performance indicators, page 68ff.).

## Internal review and approval

This Sustainability Report 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.

## External audit

The carbon footprint calculation has been externally reviewed by PwC (limited assurance, see Assurance Statement, page 84f.). The remainder of this Sustainability Report was not subject to an external audit.

## Photography and picture credits

Lindt & Sprüngli archive: p. 2, 4, 58, 65

Axel Fassio: p. 2, 5, 11, 12, 15, 18, 19, 22, 26, 34, 35, 36, 41, 42, 43, 48, 82, 83/Erdmann Peisker: p. 61/Ken Twist: p. 1, 3, 4, 29/Martin Schmitter: p. 23/Martina Basista: p. 51/Maurice Haas: p. 4, 53, 54, 55, 62/Ondrej Kolacek: p. 49

## Contact for questions regarding sustainability reporting

Please address your questions and comments to [media@lindt.com](mailto: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/ Product safety			✓														

# GRI content index

**Statement of use:** Lindt & Sprüngli has reported the information cited in this GRI content index for the period January 1, 2022 to December 31, 2022 with reference to the GRI Standards.

GRI 1 used	GRI 1: Foundation 2021	
GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Annual report 2022, p. 110, 170–171
	2-2 Entities included in the organization's sustainability reporting	About this report, p. 76 Annual report 2022, p. 110
	2-3 Reporting period, frequency, and contact point	About this report, p. 76
	2-4 Restatements of information	About this report, p. 76 Key performance indicators, p. 69, 70, 73, 74
	2-5 External assurance	About this report, p. 76 Independent Limited Assurance Report on Lindt & Sprüngli Greenhouse Gas Emissions 2021, p. 84–85
	2-6 Activities, value chain, and other business relationships	Annual report 2022, p. 110 Our value chain, p. 4
	2-7 Employees	Key performance indicators: Performing together, General employment data, p. 71–72
	2-8 Workers who are not employees	Performing together: Why we care, p. 54 Performing together: How we care, p. 55 Key performance indicators: Improving livelihoods, Cocoa, p. 68
	2-9 Governance structure and composition	Annual report 2022, p. 30–43 Sustainability strategy and governance: Sustainability governance, p. 9–10
	2-10 Nomination and selection of the highest governance body	Annual report 2022, p. 36 Sustainability strategy and governance: Sustainability governance, p. 9–10
	2-11 Chair of the highest governance body	Annual report 2022, p. 37–38

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Annual report 2022, p. 41–42 <a href="#">Lindt &amp; Sprüngli Group Organizational Regulations and Committee Charters</a>
	2-13 Delegation of responsibility for managing impacts	Sustainability strategy and governance: Sustainability governance, p. 9–10
	2-14 Role of the highest governance body in sustainability reporting	About this report, p. 76 Sustainability strategy and governance: Sustainability governance, p. 9–10 Annual report 2022, p. 41
	2-15 Conflicts of interest	Annual report 2022, p. 43
	2-16 Communication of critical concerns	Annual report 2022, p. 42–43
	2-17 Collective knowledge of the highest governance body	Annual report 2022, p. 35–36
	2-18 Evaluation of the performance of the highest governance body	Annual report 2022, p. 41
	2-19 Remuneration policies	Annual report 2022, p. 52–70
	2-20 Process to determine remuneration	Annual report 2022, p. 55–56
	2-22 Statement on sustainable development strategy	Foreword by our CEO and CFO, p. 3
	2-23 Policy commitments	Business integrity and human rights: How we care, p. 12, 13, 16
2-24 Embedding policy commitments	Business integrity and human rights: How we care, p. 13–17 Improving livelihoods: How we care, p. 19–21	
2-25 Processes to remediate negative impacts	Business integrity and human rights: How we care, Speak Up – our grievance mechanism, p. 16–17	
2-26 Mechanisms for seeking advice and raising concerns	Business integrity and human rights: How we care, Speak Up – our grievance mechanism, p. 16–17	
2-27 Compliance with laws and regulations	Business integrity and human rights: How we care, Compliance and respect for fair competition, p. 17 Key performance indicators: Business integrity, Compliance with laws and regulations, p. 67	
2-28 Membership associations	<a href="#">Lindt &amp; Sprüngli Memberships page</a>	

GRI Standard	Disclosure	Location
<b>GRI 2:</b> General Disclosures 2021	2-29 Approach to stakeholder engagement	Sustainability strategy and governance: Stakeholder engagement, p. 8
	2-30 Collective bargaining agreements	Key performance indicators: Performing together, General employment data, p. 71 Performing together: How we care, Collective organization and employee benefits, p. 60
<b>GRI 3:</b> Material Topics 2021	3-1 Process to determine material topics	Sustainability strategy and governance: Determining our material topics, p. 8
	3-2 List of material topics	Sustainability strategy and governance: Main commitments and progress, Focus areas, p. 7

### Business integrity

<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Business integrity and human rights: Why we care, p. 12 Business integrity and human rights: How we care, p. 12 Business integrity and human rights: How we care, Business integrity, p. 16–17
<b>GRI 205:</b> Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Business integrity and human rights: How we care, Business integrity, p. 17 Key performance indicators: Business integrity, p. 67
<b>GRI 206:</b> Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business integrity and human rights: How we care, Business integrity, p. 17 Key performance indicators: Business integrity, p. 67

### Human rights

<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Business integrity and human rights: Why we care, p. 12 Business integrity and human rights: How we care, p. 12–15
<b>GRI 407:</b> Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Business integrity and human rights: How we care, p. 14 Performing together: How we care, p. 55

GRI Standard	Disclosure	Location
<b>GRI 408:</b> Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Business integrity and human rights: How we care, p. 14 Improving livelihoods: How we care, p. 23, 30–36, 38–40
<b>GRI 411:</b> Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	The Lindt & Sprüngli human rights risk assessment process has not identified significant risk of violations of the rights of indigenous peoples.

### Rural development

<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Improving livelihoods: Why we care, p. 19 Improving livelihoods: How we care, Rural development, p. 27–36
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### Responsible sourcing

<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Improving livelihoods: Why we care, p. 19 Improving livelihoods: How we care, Responsible sourcing, p. 20–26
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### Biodiversity and deforestation

<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Contributing to an intact environment: Why we care, p. 42 Contributing to an intact environment: How we care, p. 43–46
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### Climate

<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Contributing to an intact environment: Why we care, p. 42 Contributing to an intact environment: How we care, p. 43 Contributing to an intact environment: How we care, Climate, p. 47–49
<b>GRI 305:</b> Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Contributing to an intact environment: How we care, Climate, p. 48 Key performance indicators: Intact environment, Climate, p. 70
	305-2 Energy indirect (Scope 2) GHG emissions	Contributing to an intact environment: How we care, Climate, p. 48 Key performance indicators: Intact environment, Climate, p. 70

GRI Standard	Disclosure	Location
<b>GRI 305:</b> Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Contributing to an intact environment: How we care, Climate, p. 48 Key performance indicators: Intact environment, Climate, p. 70
<b>GRI 302:</b> Energy 2016	302-1 Energy consumption within the organization	Contributing to an intact environment: How we care, Climate, p. 49 Key performance indicators: Intact environment, Climate, p. 70
<b>Waste</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Contributing to an intact environment: Why we care, p. 42 Contributing to an intact environment: How we care, Water and waste, p. 50
<b>GRI 306:</b> Waste 2020	306-1 Waste generation and significant waste-related impacts 306-2 Management of significant waste-related impacts	Contributing to an intact environment: How we care, Water and waste, p. 50 Contributing to an intact environment: How we care, Water and waste, p. 50
<b>Water</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Contributing to an intact environment: Why we care, p. 42 Contributing to an intact environment: How we care, Water and waste, p. 50
<b>GRI 303:</b> Water and Effluents 2018	303-1 Interactions with water as a shared resource 303-2 Management of water discharge-related impacts	Contributing to an intact environment: How we care, Water and waste, p. 50 Contributing to an intact environment: How we care, Water and waste, p. 50
<b>Packaging</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Contributing to an intact environment: Why we care, p. 42 Contributing to an intact environment: How we care, Packaging, p. 51–52
<b>Occupational health and safety</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Performing together: Why we care, p. 54 Performing together: How we care, p. 55 Performing together: How we care, Occupational health and safety, p. 56

GRI Standard	Disclosure	Location
<b>GRI 403:</b> Occupational Health and Safety 2018	403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigation 403-3 Occupational health services 403-4 Worker participation, consultation, and communication on occupational health and safety 403-5 Worker training on occupational health and safety 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-9 Work-related injuries	Performing together: How we care, Occupational health and safety, p. 56 Performing together: How we care, Occupational health and safety, p. 56 Performing together: How we care, Occupational health and safety, p. 56 Performing together: How we care, Occupational health and safety, p. 56 Performing together: How we care, Occupational health and safety, p. 56 Performing together: How we care, Occupational health and safety, p. 56 Performing together: How we care, Occupational health and safety, p. 56 Key performance indicators: Performing together, Occupational health and safety, p. 72
<b>Enabling and motivating working environment</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Performing together: Why we care, p. 54 Performing together: How we care, p. 55 Performing together: How we care, Enabling and motivating working environment, p. 57–60
<b>GRI 401:</b> Employment 2016	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Performing together: How we care, Enabling and motivating working environment, Employee satisfaction and retention, p. 59–60 Key performance indicators: Performing together, Enabling and motivating working environment: Employment, p. 72–73 Performing together: How we care, Enabling and motivating working environment, Collective organization and employee benefits, p. 60

GRI Standard	Disclosure	Location
<b>GRI 404:</b> Training and Education 2018	404-3 Percentage of employees receiving regular performance and career development reviews	Performing together: How we care, Enabling and motivating working environment, Employee development and training, p. 59 Key performance indicators: Performing together, Enabling and motivating working environment: Training and education, p. 73
<b>GRI 405:</b> Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Performing together: How we care, Enabling and motivating working environment, Diversity and equal opportunity, p. 57–58 Key performance indicators: Performing together, Enabling and motivating working environment: Diversity and equal opportunity, p. 74
<b>GRI 406:</b> Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Performing together: How we care, Enabling and motivating working environment, Providing meaningful and equitable career opportunities, p. 57 Key performance indicators: Performing together, Enabling and motivating working environment: Non-discrimination, p. 74

### Product quality and product safety

<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Delighting consumers: Why we care, p. 62 Delighting consumers: How we care, p. 62–63
<b>GRI 416:</b> Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Delighting consumers: How we care, Product quality and safety, p. 63 Key performance indicators: Delighting consumers, Product quality and product safety, p. 75

GRI Standard	Disclosure	Location
<b>Transparent and responsible communication</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Delighting consumers: Why we care, p. 62 Delighting consumers: How we care, p. 62 Delighting consumers: How we care, Transparent and responsible communication, p. 64–65
<b>GRI 417:</b> Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	Delighting consumers: How we care, Transparent and responsible communication, p. 64–65 Key performance indicators: Delighting consumers, Transparent and responsible communication, p. 75
	417-3 Incidents of non-compliance concerning marketing communications	Delighting consumers: How we care, Transparent and responsible communication, p. 64–65 Key performance indicators: Delighting consumers, Transparent and responsible communication, p. 75

# Link glossary: Lindt & Sprüngli



Business Code of Conduct



Community Child Protection System (CCPS)



Corporate Carbon Footprint Methodology



Environmental Policy



Farming Program



Farming Program External Assessment Methodology



Farming Program Theory of Change



Farming Program Verification Guidance



Global Guiding Principles



Health and Safety Policy



Human Rights Policy



KIT Impact Evaluation Farming Program in Ghana



Memberships page



No-Deforestation & Agroforestry Action Plan



No-Deforestation & Agroforestry Progress Report



Responsible Marketing Policy



Speak Up Line



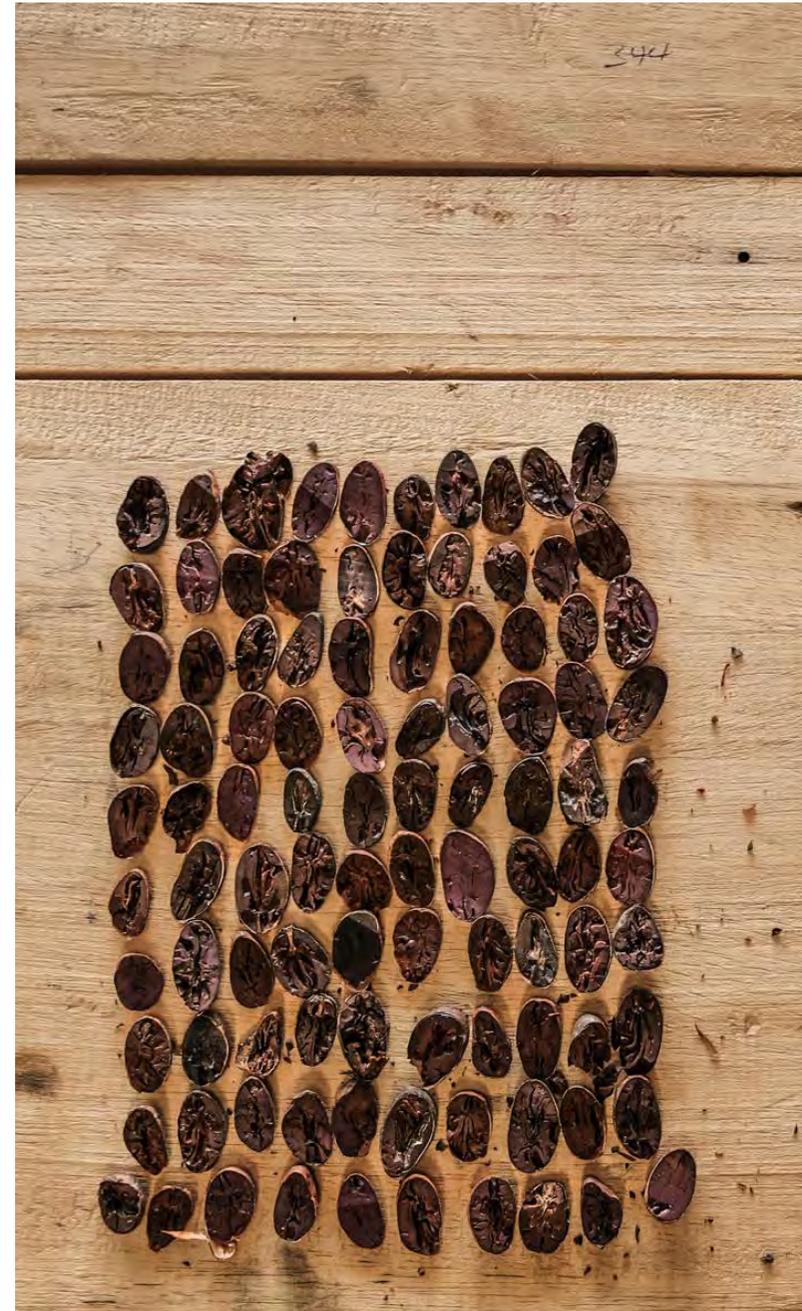
Speak Up Policy



Supplier Code of Conduct and Compliance Declaration



Sustainability Committee Charter





# Link glossary: others



Baseline Criteria for Responsible Soy Production



Bonsucro



Children's Food and Beverage Advertising Initiative (CFBAI)



Ebiquity



Ecotop



EcoVadis



EU Pledge



European Advertising Standards Alliance (EASA)



Farm Sustainability Assessment (FSA)



Forest Stewardship Council (FSC)



GHG Protocol standards



IDH



ICC Advertising and Marketing Communication Practice



ICC Framework for Responsible Food and Beverage Marketing Communications



International Labour Organization (ILO)



Programme for the Endorsement of Forest Certification (PEFC)



ProTerra standard



Science Based Targets initiative (SBTi)



The Rainforest Alliance



UN Guiding Principles (UNGPs)

# Independent practitioner's limited assurance report

## on the 2022 Greenhouse Gas statement in the Sustainability Report

### to the Management of Chocolatefabriken Lindt & Sprüngli AG, Kilchberg

We have been engaged by Management to perform assurance procedures to provide limited assurance on the accompanying Greenhouse Gas (GHG) statement of Chocolatefabriken Lindt & Sprüngli AG and its consolidated subsidiaries ('Lindt & Sprüngli') for the period from 1 January 2022 to 31 December 2022 on page 48 and the Climate Indicators related to Total direct and indirect GHG emissions on page 70 of the Sustainability Report 2022, hereafter referred to as '2022 GHG Statement'.

#### Inherent limitations

The accuracy and completeness of the 2022 GHG statement in the Sustainability Report 2022 are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the 2022 GHG quantification is subject to inherent uncertainty because of 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 GHG-Protocol Corporate Standard and its specific application available on the Lindt & Sprüngli website as referred to on page 70 of the Sustainability Report 2022

#### Management's responsibility

The Management of Chocolatefabriken Lindt & Sprüngli AG is responsible for the preparation of the 2022 GHG statement in accordance with the GHG-Protocol Corporate Standard and its specific application available on the Lindt & Sprüngli website as referred to on page 70 ("explanation of methodology") of the Sustainability Report 2022. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the GHG statement that are free from material misstatement, whether due to fraud or error. Furthermore, the Management is also responsible adequate record keeping.

#### Independence and quality management

We are independent of the Chocolatefabriken 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 express a limited assurance conclusion on the 2022 GHG statement based on the procedures we have performed and the evidence we have obtained. We do not comment on, nor conclude on, any prior year information or prospective information. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the 2022 GHG statement in the Sustainability Report 2022 is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of Chocolatefabriken Lindt & Sprüngli AG's use of the GHG-Protocol Corporate Standard and its specific application available on the Lindt & Sprüngli website as referred to on page 70 ("explanation of methodology") as the basis for the preparation of the 2022 GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the 2022 GHG statement. A limited assurance engagement 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.

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The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

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
- Inspection of relevant documents
- Sample based testing of underlying data
- Reconciliation of data sources with financial reporting data and other underlying data sources
- Reperformance of relevant calculations
- Analytical procedures
- Performance of virtual site visits for significant manufacturing facilities in Germany and the United States of America
- Assessment of methodology applied by Lindt & Sprüngli

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Chocoladefabriken Lindt & Sprüngli AG's 2022 GHG statement has been prepared, in all material respects, in accordance with the GHG-Protocol Corporate Standard and its specific application available on the Lindt & Sprüngli website as referred to on page 70 ("explanation of methodology") of the Sustainability Report 2022. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### 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 2022 GHG Statement of Chocoladefabriken Lindt & Sprüngli AG for the period from 1 January 2022 to 31 December 2022 is not prepared, in all material respects, in accordance in accordance with the GHG-Protocol Corporate Standard and its specific application available on the Lindt & Sprüngli website as referred to on page 70 ("explanation of methodology") of the Sustainability Report 2022.

### Intended users and purpose of the report

This report is prepared for, and only for, the Management of Chocoladefabriken Lindt & Sprüngli AG, and solely for the purpose of reporting to them on the 2022 GHG statement 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 2022 GHG Statement based on the GHG-Protocol Corporate Standard and its specific application available on the Lindt & Sprüngli website as referred to on page 70 ("explanation of methodology") of the Sustainability Report 2022, to enable the Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent practitioner's assurance report over GHG statement, 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 of Chocoladefabriken Lindt & Sprüngli AG for our work or this report.

PricewaterhouseCoopers AG

Gerhard Siegrist      Reto E. Huber

Zürich, 25 May 2023

*"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 2022 GHG Statement or the GHG-Protocol Corporate Standard and its specific application available on the Lindt & Sprüngli website as referred to on page 70 ("explanation of methodology") of the Sustainability Report 2022 since they were initially presented on the website.*



**LINDT & SPRÜNGLI**

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