

LINDT & SPRÜNGLI

SUSTAINABILITY REPORT

2015

MAÎTRE CHOCOLATIER SUISSE DEPUIS 1845

LINDT & SPRÜNGLI PORTRAIT

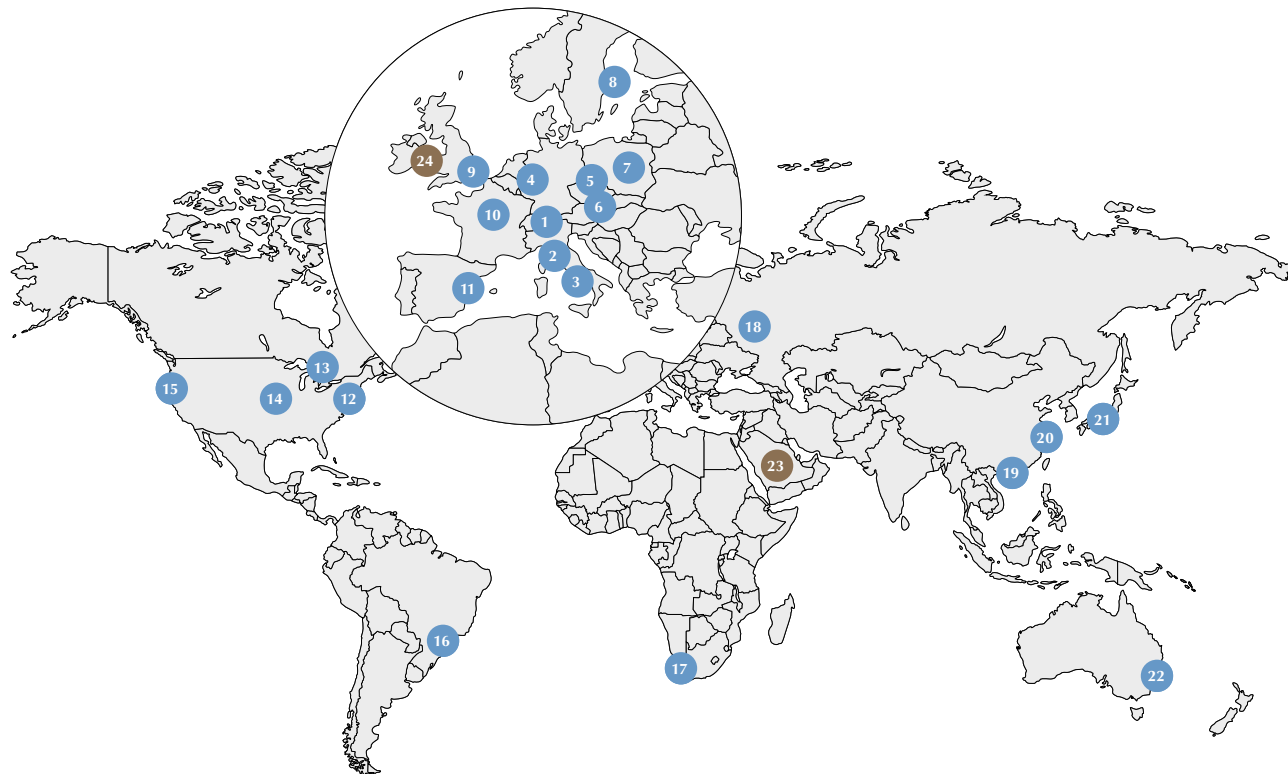
As the global leader in the premium chocolate segment, Lindt & Sprüngli looks back on a long-standing tradition of 170 years which takes its origins in Zurich.

● Production, Marketing and Distribution

- 1 Kilchberg, CH
- 2 Induna Olona, IT
- 3 Luserna S. Giovanni, IT
- 4 Aachen, DE
- 5 Prague, CZ
- 6 Vienna, AT
- 7 Warsaw, PL
- 8 Stockholm, SE
- 9 London, GB
- 10 Paris, FR
- 11 Barcelona, ES
- 12 Stratham, USA
- 13 Toronto, CA
- 14 Kansas City, USA
- 15 San Leandro, USA
- 16 São Paulo, BR
- 17 Cape Town, ZA
- 18 Moscow, RU
- 19 Hong Kong, CN
- 20 Shanghai, CN
- 21 Tokyo, JP
- 22 Sydney, AU

● Regional offices

- 23 Dubai, UAE
- 24 Dublin, IRL



Lindt
MAÎTRE CHOCOLATIER SUISSE
DEPUIS 1845

GHIRARDELLI
CHOCOLATE

Russell Stover

Whitman's

PANGBURN'S
OF TEXAS

Caffarel
CHOCOLATIER

Hofbauer
WIEN

Küffnerle

For 170 years, Lindt & Sprüngli confirms its reputation as one of the most innovative and creative companies in the premium chocolate market. Quality chocolate from Lindt & Sprüngli is distributed via own subsidiaries and representative offices as well as countless independent distributors around the globe. The main markets are Switzerland, Germany, France, Italy, Great Britain, Spain, and other European countries, as well as North America, Canada, and Australia. The LINDT brand with its extensive and innovative global and local range of finest quality chocolate is present in around 120 countries worldwide.

The sustainability practices of Russell Stover (acquired in 2014) will be stepwise adapted to the norms of the Lindt & Sprüngli Group, and are therefore not yet integrated in this Sustainability Report.

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ABOUT THIS REPORT

KEY ACHIEVEMENTS

Lindt & Sprüngli Promise:

“All products leaving our factories live up to our commitment to sustainable behavior along the value chain.”

SUSTAINABLY SOURCED

10,000,000 USD

Since 2008, Lindt & Sprüngli invested more than USD 10 million in the traceability and verification of the cocoa supply chain



89 %

of our cocoa beans bought in 2015 were traceable

100 %

certification for RSPO segregated palm oil

SUSTAINABLY PRODUCED

–17 %

CO₂ emissions per ton produced since 2008

–46 %

water consumption per ton produced since 2008

86,000 consumer contacts

recorded and handled

–14 %

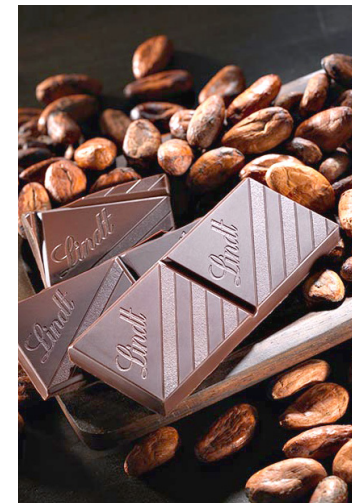
energy consumption per ton produced since 2008

–87 %

lost-time accidents rate per 100,000 working hours since 2008

3.65 billion CHF

Group sales in Swiss francs rise to CHF 3.65 billion (+ 7.9 %)



CHAIRMAN'S STATEMENT

Driving sustainability along
the value chain is an investment in our future viability.



Ernst Tanner



Dr Dieter Weisskopf

Dear reader, dear stakeholder

This year we celebrated a jubilee. Since 170 years we have been producing finest premium chocolate. Lindt & Sprüngli is one of the very few makers that have complete control over every step of the production chain, from the selection of the finest cocoa varieties through to the finished product. Sustainability and socially responsible business practices along our value chain are firmly integrated into the Group's strategy and are an integral part of the Lindt & Sprüngli success. Above all, it constitutes a necessary basis for further profitable growth. We believe that to ensure our future viability, we need to make constant investments in a sustainable business model.

In 2015, we further developed our long-term sustainability strategy that guided our activities and that contributed to delivering our Lindt & Sprüngli Promise: all products leaving our factories live up to our commitment to sustainable behavior along the value chain. In 2015, we achieved important milestones: we successfully expanded our Lindt & Sprüngli Farming Program for cocoa in Ecuador, switched to traceable and certified palm oil, which is used only in certain fillings, according to the RSPO-standard "segregated palm oil". Also we achieved important sustainability milestones at our subsidiaries. One example is the shift to 100 % green energy at our Lindt & Sprüngli subsidiary in Canada. Furthermore, we reduced our CO₂ and water use per ton on a Group-wide level and started informing our consumers about our sustainability initiatives on our packaging.

Since 2008, we invested more than USD 10 million in traceability and verification, as well as the development of farming communities in Ghana to secure the long-term supply of high-quality raw materials for our premium chocolate. This helps us to eradicate the worst form of child labor and improve social and working conditions on the ground as well as environmental protection.

To create a long-term and lasting effect we need to further work on our continuous improvement and find solutions that generate the greatest possible value added – both for society and for our company. The takeover of Russell Stover in the USA in 2014 was the largest strategic acquisition in the company's history – with the integration of four additional production sites and 3,300 employees. In order to follow the sustainability norms of Lindt & Sprüngli Group, one of the most important objectives is to adapt the sustainability practices of Russell Stover.

This Global Compact Communication on Progress contains an overview of our goals, measures, and performance in 2015. We are committed to the ten UN Global Compact principles and welcome feedback on our communication on progress.

Ernst Tanner,
Chairman of the Board and
Chief Executive Officer

Dr Dieter Weisskopf,
CFO
Resp. Corp. Sustainability

SUSTAINABILITY APPROACH

All products leaving our factories live up to our commitment to sustainable behavior along the value chain.

The Lindt & Sprüngli Promise is the company's pledge that all products leaving our factories live up to our commitment to sustainable behavior along the value chain.

Lindt & Sprüngli is committed to manage sustainability impacts emerging from its operations along the entire value chain. We follow a continuous progress approach, where we want to improve our performance step by step. With this in mind, we continuously strive to improve our contribution to a sustainable future, with a focus on the most material issues along the value chain. Progress along a set of key performance indicators is continuously monitored. In our materiality analysis in 2013 we identified 28 most relevant issues along the Lindt & Sprüngli value chain – sourcing, production, and consumption. Lindt & Sprüngli considers these issues the material ones and continuously increases its efforts and activities with a focus on them.

Complete control of the production chain: from bean selection to premium chocolate

SOURCED

To ensure a sustainable supply of key resources, Lindt & Sprüngli is committed to long-term partnerships with suppliers and traceability of raw materials. It is the key to sustainable procurement and an important step in improving the working and environmental conditions at suppliers.

PRODUCED

Lindt & Sprüngli premium products require high-quality materials, dedicated employees and respect for the environment. Therefore, we strive not only as an employer but also as a member of society for ecologically and ethically, and socially responsible corporate behavior.

CONSUMED

Lindt & Sprüngli has a responsibility to the customers and consumers. Strict quality controls ensure that our products meet our high standards – from raw materials to the consumer.

PILLARS OF OUR BUSINESS MODEL



One of our main pillars of the business model is sustainability. However, our vision is not just to make the finest products; it is to match these high standards with equally high ethical and sustainability standards in every aspect of our business. Therefore, it is our promise that all products leaving our factories live up to our commitment to sustainable behavior along the value chain.

The significance Lindt & Sprüngli attaches to responsible behavior is reflected in different policies and our sustainability strategy, which defines the way Lindt & Sprüngli is doing business. This major issue is therefore dealt with at top management level and are monitored by a Board of Directors' committee.

TAKING INTO ACCOUNT STAKEHOLDER'S CONCERNS AND INTERESTS

We want our sustainability approach to be relevant and credible. Lindt & Sprüngli is committed to providing the different stakeholders with a transparent and detailed overview of the company. Our stakeholders shall have full confidence that their interests are considered.

Stakeholder Group	Lindt & Sprüngli Engagement
Consumers	Consumer satisfaction is key for Lindt & Sprüngli. Consumer service specialists of the Lindt & Sprüngli Group register and handle each inquiry, compliment and complaint carefully. Consumers also have the opportunity to directly get in touch with our employees in the growing number of LINDT and Ghirardelli Retail Shops, and with the LINDT Maîtres Chocolatiers at numerous promotional and sponsoring events. Lindt & Sprüngli additionally engages on various social media platforms such as Facebook and Twitter. These new communication platforms allow direct interaction and listening in real time to our consumers' needs, questions, and remarks.
Employees	Employees are our biggest asset. We foster a culture of feedback where open and honest dialogue is valued and career opportunities are visible for all employees. Our annual Talent Management dialogues help to identify, assess, and develop the professional competencies and performance of our employees. An employee survey is conducted every three years.
Investors	Investors and analysts are informed about our half-year and annual results and other relevant business-related information. Interactions take place at the annual general meeting and during smaller events like financial analyst conferences and calls, as well as road-shows and individual meetings.
Civil Society Organizations and NGOs	The Sustainability Manager is the main contact point for civil society organizations and NGOs, and engages with them individually on a continuous basis to listen to their ideas and concerns, share sustainability activities of Lindt & Sprüngli, ask for feedback, and to evaluate the potential for partnerships.
Farmers and Suppliers	Constant high-quality supply of raw materials and packaging material, reliable partners for transport and logistics, machinery development, delivery and maintenance, as well as service providers for a wide range of support are crucial for our business. Mainly Lindt & Sprüngli procurement staff, but also other employees are regularly in touch with our supply chain partners in order to mutually optimize further development.

Stakeholder Group	Lindt & Sprüngli Engagement
Universities/ Research Institutions	Along the whole value chain, Lindt & Sprüngli works with different universities and research institutions. This can happen through the support of existing research facilities and projects, by developing new projects for applied science, or by giving more information about the companies' activities for students writing a thesis about a research question that is of our interest.
Retail/Distributors/Customers	Customers of semi-finished Lindt & Sprüngli chocolate products, as well as retailers, distributors and other B-to-B customers of finished products ensure that our products are accessible to consumers all year round. They all have their channel specific customer services representatives in the respective subsidiaries, which professionally take care of their needs. Lindt & Sprüngli brands are also present at trade fairs and other events to make partners familiar with our latest creations.
Governments	Lindt & Sprüngli does not conduct active lobbying at the governmental level, but its subsidiaries are members of several local industry associations. Governmental institutions become, however, more and more important as advisory and supporting partners of sustainability projects.
Media	We proactively inform the media on relevant issues to ensure a thoughtful and correct image and perception of Lindt & Sprüngli. Our communication with media is honest, fact-based, and transparent within the bounds of commercial confidentiality. Engagements include report and media release on half-year and annual results, press releases on all other business-relevant matters, media events, annual general meetings, field trips, and responses to media inquiries.

SUSTAINABILITY STRATEGY

Our sustainability strategy is based on the material issues and includes commitments & strategic goals, main activities, indicators for progress measurement, and clear responsibilities for each issue. This Sustainability Report provides an overview of our measures and achievements in 2015 with regards to most our goals and commitments.

SUSTAINABLY SOURCED

Material issues	Our commitments & strategic goals	Read more
Secured supply of raw materials	We develop and maintain long-term contractual relationships with suppliers for all critical raw materials to secure long-term supply of high quality.	pp 11–16
Farmer education & capacity building	Farmers delivering to us are capable of applying good agricultural, social, environmental, and business practices in the management of their farm.	pp 11–16
Agricultural development	Our supply of raw materials fosters agricultural development in origin countries.	pp 11–16
Biodiversity & soil fertility	The cultivation of the raw materials we source does not harm long-term suitability of land for agricultural use.	pp 11–16
Investments in rural infrastructure	We know about specific rural infrastructure needs in origins of our raw materials, and link/enable the target groups to get/develop access to rural infrastructure.	pp 11–16
Diversity of cocoa varieties	We contribute to the diversity of cocoa varieties.	p 15
Core labor standards	Core labor standards are respected within our supply chain.	pp 10–17
Climate change & greenhouse gas emissions	We reduce the carbon footprint in our supply chain.	pp 14, 27

SUSTAINABLY PRODUCED

Material issues	Our commitments & strategic goals	Read more
Climate change & greenhouse gas emissions	We reduce our CO ₂ emissions by reducing energy use, increasing our share of renewable energy use and optimizing transportation and logistics.	pp 20, 27–28
Water & wastewater	We reduce fresh-water use and wastewater within our operations.	pp 20–21, 28
Environmental impact of packaging material	We reduce packaging size and use where possible recyclable materials, while maintaining a balance between gift giving premium character of packaging & quality aspects of product protection.	www.lindt-spruengli.com/sustainability/sustainably-produced/material-efficiency/
Waste & recycling	We reduce waste and increase the recycling rate of waste within our operations.	p 21
Work culture	We maintain an open work culture where respect, trust, and fair play characterize our working relationships.	pp 21, 29
	We foster teamwork and facilitate communication and understanding across all disciplines, business segments, and geographies to create a company of people who support each other for mutual success.	pp 21, 29
	We encourage, recognize, and reward individual innovation, personal initiative, and leadership of people throughout the organization.	pp 21, 29

SUSTAINABLY PRODUCED

Material issues	Our commitments & strategic goals	Read more
Employee satisfaction & retention	We offer an attractive working environment and maintain or increase employee engagement, satisfaction and employee retention.	pp 21–22, 29
Employee development & training	We ensure that all key positions are staffed with qualified and motivated employees and that talented employees are developed internally to fill these positions.	pp 22, 29
Work-life-balance	We support our employees in finding and maintaining a healthy work-life-balance. We therefore strive to find the right balance between working on efficiency/productivity and offering the employees support to cope with the increasing work requirements. At the same time we give employees increasing empowerment to coordinate their private life and work in their preferred way whenever possible.	p 22
Occupational health & safety	We offer a healthy and safe working place. Our vision is zero lost-time accidents.	p 23
Social security & compensation	Our compensation, remuneration, benefits, or social security schemes meet or exceed law requirements.	www.lindt-spruengli.com/sustainability/sustainably-produced/employee-satisfaction/
Diversity & equal opportunity	We offer equal opportunities and foster diversity in employment, development, and advancement for those qualified. We are not discriminating in hiring and employment on the grounds of race, religion, age, nationality, color, gender, sexual orientation, physical ability, health condition, political opinion, creed, or other basis.	www.lindt-spruengli.com/sustainability/sustainably-produced/employee-satisfaction/
Local economic development	We foster local development around our production, marketing and distribution sites.	www.lindt-spruengli.com/sustainability/sustainably-produced/responsible-business-conduct/
Corruption & anti-competitive behavior	We are not participating in any corrupt or anti-competitive behavior.	p 23

Philanthropy	We want others to benefit from our successful business and make in-kind, financial, and time contributions to good causes.	pp 23, 30
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SUSTAINABLY CONSUMED

Material issues	Our commitments & strategic goals	Read more
Product quality	We adhere to superior measures to ensure product quality.	p 25
Product safety	We adhere to superior measures to ensure product safety.	p 25
Consumer & customer satisfaction	Customer and consumer satisfaction is the main goal of all our activities. Consumer complaints, inquiries and compliments are handled on time and individually.	p 26 p 25
Genetically modified organisms (GMO)	There are no GMO in LINDT products.	p 25
Product information & labeling	We apply the highest standards to consumer information. We apply correct labeling on all our products.	p 26 p 26
Marketing & advertising practices	Children are not our main target group in marketing and advertising practices.	p 26



SUSTAINABLY SOURCED

Sustainability starts for Lindt & Sprüngli with the procurement of raw and packaging material. To guarantee the sustainable and long-term supply of essential resources, Lindt & Sprüngli is committed to building long-term partnerships with suppliers and establishing traceability of raw materials.

Lindt & Sprüngli imposes within its value chain a thorough process control from sourcing of ingredients to production and distribution of its premium chocolate. To accelerate our contribution, we mainly worked in the following three areas during 2015:

- We further worked on the improvement of existing and development of new Programs for sustainable raw-material sourcing, and created further long-term partnerships with suppliers for cocoa in Ecuador and hazelnuts in Turkey.
- We reached our goal of being fully certified for sustainable palm oil procurement according to the RSPO seg-

regation model. Palm oil is only used in certain fillings. From 2016, 100 % of the physical product we use originates from RSPO certified palm oil plantations.

- We further developed our sustainable supply chain management for packaging material by integrating more key suppliers in our Supplier Sustainable Practice Program.

LINDT & SPRÜNGLI FARMING PROGRAM

For our key raw materials, we have committed to develop and maintain long-term contractual relationships with our suppliers. We capacitate the farmers participating in our Program to apply good agricultural, social, environmental, and business practices in the management of their farms. These measures have a positive impact on the agricultural development in origin countries. They help to safeguard the long-term suitability of land for agricultural use and foster access to rural infrastructure.

The cornerstone of Lindt & Sprüngli's sustainable raw-material sourcing strategy is the Lindt & Sprüngli Farming Program. The Program's aim is to trace ingredients back to their origin and support farmers according to their specific needs.

We are following the ultimate goal of growing as a company along with the farmers by building long-term partnerships. The Program is farmer-centered, aiming at Lindt & Sprüngli being the preferred buyer for the farmers. Currently, the Program focuses on cocoa from Ghana and Ecuador. We continuously evaluate opportunities for implementing Farming Programs for other origins and ingredients.

Through the Lindt & Sprüngli Farming Program, we know the farmers delivering our raw materials and we can verify their social and environmental practices. We also try to limit the involvement of intermediaries, thereby allowing producers to receive fair payment for their quality products.



The Lindt & Sprüngli Farming Program consists of four steps:

Step 1: Traceability and farmer organization

- Limit the involvement of intermediaries
- Register and organize farmers
- Monitor farms and communities, e. g.
 - number and age of trees
 - agricultural practices
 - number of children in family
 - community infrastructure

Step 2: Training and capacity building

- Sensitize farmers and their families about worst forms of child labor
- Train farmers in professional business, agricultural, social, and ecological farming methods
- Improve farmer's harvest
- Motivate and train young and female farmers

Step 3: Farmer investments and community development

- Support farmers
 - e. g. provide cocoa seedlings, farming equipment
- Support communities
 - e. g. provide access to clean drinking water, mosquito nets

Step 4: Verification and continuous progress

- Monitor performance and measure continuous progress
- Perform assessments by independent external organizations
- Assure effectiveness of the Program

In the last step, external independent organizations assess the effectiveness of our Programs based on our [► Verification Guidance Document](#). The document is based on principles, guidance, and knowledge from organizations dedicated to sustainability assessments such as the COSA Committee on Sustainability Assessments, Fair Labor Association, Global Social Compliance Programme, ISEAL Alliance, and Sedex.

Applying the United Nations Global Compact Food and Agriculture Business Principles

Global agriculture is core to building a sustainable future. Its challenges need to be solved in the interest of the producers and consumers of agricultural goods. The UN Global Compact has developed six principles that outline desired outcomes and actions for a sustainable future in the food and agriculture sector. They are called the Food and Agriculture Business Principles. Lindt & Sprüngli supports these principles and applies them throughout the cooperation with farmers. [► Find out more about the Food and Agriculture Business Principles](#)

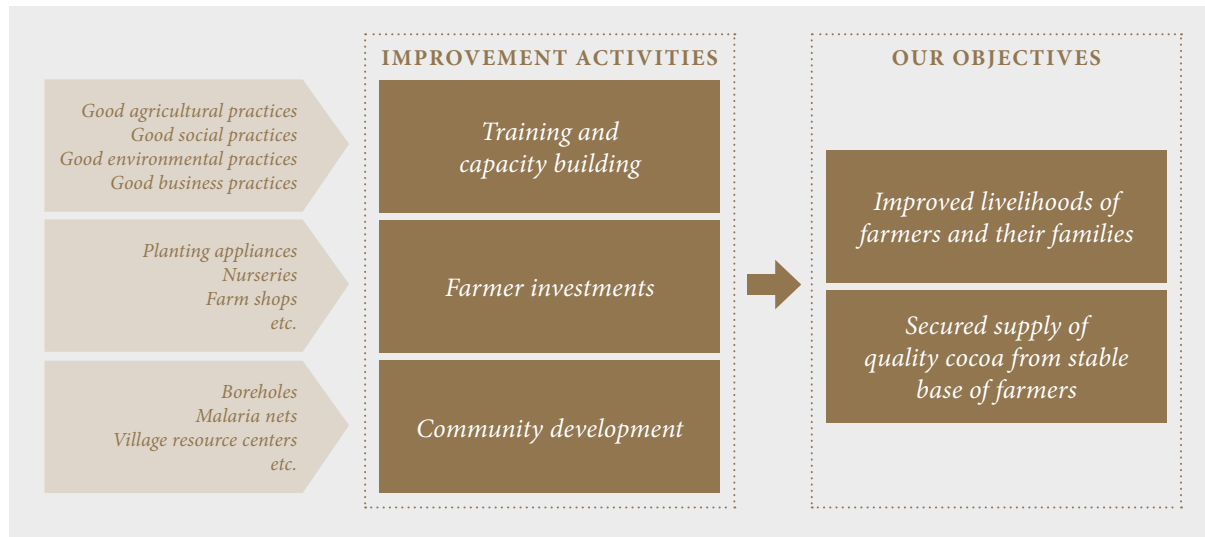
COCOA

Goal 2020: by 2020, the Lindt & Sprüngli global cocoa supply chain will be traceable and externally verified.

To obtain high-quality cocoa beans, Lindt & Sprüngli needs to know where they come from and who produces them. Cocoa is often grown in countries with difficult living and working conditions. Small cultivation areas, low productivity, a lack of rural infrastructure, institutional challenges, as well as high input and transportation costs challenge the incomes of cocoa farming households. To tackle these challenges, Lindt & Sprüngli, together with the company's

LINDT & SPRÜNGLI FARMING PROGRAM: THEORY OF CHANGE

If improvement activities are performed well, they lead to a secured supply of quality cocoa from a stable base of farmers and improved livelihoods of farmers and their families.



supply chain partners, implements the ► [Lindt & Sprüngli Farming Program](#). The Program's aim is to trace cocoa deliveries back to their origin, to support farmers according to their specific needs and as a final result to advance farm productivity yield and increased farm family income. (See graph *Lindt & Sprüngli Farming Program: Theory of change*.) Furthermore, the Program enables Lindt & Sprüngli to ensure a consistent volume of best quality cocoa beans for the chocolate production. The sustained provision of a high-quality cocoa supply is a top priority for Lindt & Sprüngli.

Lindt & Sprüngli has so far invested more than USD 10 million in the traceability and verification of the cocoa supply chain, the support of farmers in improving their

agricultural, environmental, and social farming practices and the livelihood of farmers and their communities.

In 2015, Lindt & Sprüngli was able to maintain the share of traceable cocoa beans at a high level. Thanks to the rapid expansion of the Farming Program in Ghana and the start of the Farming Program in Ecuador, we were able to increase our externally verified cocoa beans by 19 % to a total share of 32 % of all cocoa beans sourced. For these beans the agricultural, social, and environmental conditions under which the cocoa was produced have been assessed and verified by an external and independent party.

Cocoa traceability and verification of all cocoa beans

	2012	2013	2014	2015
% of cocoa beans sourced traceable*	75 %	82 %	91 %	89 %
% of cocoa beans sourced traceable and verified	–	–	13 %	32 %

* For 2015 deliveries, Ghana and partly Ecuador were the only origins with the Lindt & Sprüngli traceability system in place. Beans from for example Peru and Madagascar relate to certificates of origin that confirm where the cocoa beans originate from; do however not have a detailed Lindt & Sprüngli traceability system in place.

Lindt & Sprüngli Farming Program in Ghana

We started the Lindt & Sprüngli Farming Program 2008 in Ghana. 2015, major projects and achievements along the four steps of the Program were:

Step 1: Traceability and farmer organization

Of the more than 48,000 farmers in Ghana we sourced from in 2015, more than 41,000 are now registered and organized in groups of 25–50 farmers per community. This facilitates working with them and fosters their ownership in the further development of the Program. More than 30 % of the farmers registered in the Farming Program in Ghana are women.

In 2015, we further gathered extensive data about the farmers, farms, and infrastructure in the villages. So far, we GPS-mapped over 36,000 cocoa farms. On average, each farmer has 1.96 hectares of land to farm cocoa. This information allows us to better target the specific needs of the farmers and tracks the improvements made. Further, it helps detecting and analyzing issues on the ground. By making this data transparently available to other organizations, we support their work to understand the issues and to find solutions for cocoa farmers better. We shared for instance the GPS data of the farms with the International Center for Tropical Agriculture (CIAT) to support their research in developing strategies for climate-smart cocoa in Ghana.

Another issue that can be countered with GPS data is the illegal establishment of farms in nationally protected forests. The data can be used to double check if there are any risks of non-conformities with the Ghanaian regulations related to that matter.

No risks were detected, but we nevertheless defined an improved registration and monitoring process to make sure it does not happen in the future.

Step 2: Training and capacity building

Since 2008, we have trained more than 41,000 farmers in good agricultural, social, environmental, and business practices in Ghana. Our goal is that by end 2016, the more than 48,000 cocoa farmers in the 39 Ghanaian districts we source from will be trained within the Lindt & Sprüngli Farming Program.

The general training is based on the ► *Certification Capacity Enhancement Curriculum* – a uniform training curriculum developed by the private sector, standard initiatives, and development organizations. Besides the general training, the Lindt & Sprüngli Farming Program further varied the trainings in terms of content, form, and methodology used, e. g.:

- We started using participatory approaches, where the farmers themselves tell each other about the observations made on their farms by adapting new farming practices.
- We started training farmers on basic business skills, whereby they learn to see their farm as a business, calculate costs, sales, or return on investments.
- We enriched the training on Integrated Soil Fertility Management, by using the Demonstration Plots to show the different effects of different types of fertilizer use.
- We improved the training on sensitizing the farmers about child labor, by making it more contextualized, specific and target-group-oriented.

- We started using coaching methods, whereby most promising and innovative farmers receive additional one-to-one support.

These improvements make sure that we keep the interest and participation of the farmers high, enabling them to further improve their practices. We will continue to review and improve the training and capacity building given to farmers. We are for instance considering adding topics related to income diversification, agroforestry systems, or nutrition.

Step 3: Farmer investments and community development

To give the farmers better access to products and services needed for their farms, we developed the Farming Program further in the following areas:

- The Program developed an inclusive business model for community-based farm shops. The farm shops will not only offer products and services for cocoa farms, but also other types of agricultural activities within the communities (e. g. plantain cultivation) and some household needs (e. g. lighting). The new business model will be piloted during 2016.
- As the Ghanaian governmental organization Cocobod decided to distribute 50 million higher-yielding cocoa seedlings to cocoa farmers themselves, Lindt & Sprüngli did not get access to the approved seeds in sufficient quantities. The Program therefore converted the community-based cocoa seedling nurseries in plantain multiplication sites. The plantain shoots can be used by farmers as shade trees in new cocoa plantings, for improved nutrition, or as additional income if they are sold.
- The Program continued to offer farmers a 2-acre inputs package on credit. Almost 3,000 farmers benefitted from the package that includes agricultural inputs and equipment for the maintenance of the farm.

- 32 districts now have a demonstration site, on which we continuously develop new training methodologies, enhanced support, and test new farming practices and innovations.

- The Program built and equipped one new village resource center. It is located near a junior high school and is equipped with computers and a printer to be used by students and teachers alike for education, and also by farmers for training purposes.

To further foster community development, the Program heavily focused on access to clean drinking water, as this topic comes up repeatedly when discussing with farmers. We continue to work on access to clean drinking water for all communities we source from. Besides drilling boreholes, we also focused on maintenance of the already established ones. We are proud to say that the established Community Water Management Committees managed maintenance well, so that all boreholes are still functioning. Access to clean drinking water not only fosters the health of the communities, but also saves time for households fetching water.

Step 4: Verification and continuous progress

As announced last year, we further refined our internal monitoring system to be more geared towards performance management and impact assessment. Together with ► *COSA, Committee on Sustainability Assessments*, we developed new farmer questionnaires and started using them for the 2015 / 2016 harvesting season.

Additionally, we changed the external assessment methodology used. This year, the ► *The Forest Trust* carried out the assessment of the Lindt & Sprüngli Farming Program in Ghana, where the objective was to evaluate the implementation of the entire Program (not limited to compliance with standards only), to collect and understand the main strengths and challenges faced by the stakeholders and then, propose key areas for further improvement.

Lindt & Sprüngli Farming Program in Ghana	2008–2015
Number of farmers trained in good agricultural, social and environmental practices	41,648
Number of cocoa seedling nurseries set up and running	65
Number of demonstration plots set up and running	32
Number of village resource centers built and equipped	29
Number of boreholes and hand-dug wells constructed and functioning	137

Supporting cocoa research in Ghana

In 2015, the farmers of the Lindt & Sprüngli Program in Ghana participated in various research projects for sustainable cocoa production. The results of the research help us to take better-informed decisions to enhance sustainable production of cocoa further. Two examples are described here:

- Evaluation of farmer services: a project funded by IDH, The Sustainable Trade Initiative, looked at the impact that services provided to farmers – such as training or access to seedlings for replanting – had on the livelihood of farmers within our Program. The research revealed that the farmers highly valued services such as training on pruning and weeding and access to harvesting tools.
- Inclusive value chain collaboration: this project funded by the Dutch Organization for Scientific Research and conducted by the Royal Tropical Institute KIT examines whether and how value chain collaboration with smallholder tree crop farmers in Ghana (cocoa and oil palm) and South Africa (macadamia and avocado) can be made more inclusive. The Lindt Cocoa Foundation partly funded the project.

The farmers participating in our Program contributed their opinions, views, and knowledge in interviews and focus groups.

Lindt & Sprüngli Farming Program in Ecuador

Because of their unique taste, Lindt & Sprüngli uses an exceptionally high percentage of fine-flavor cocoa bean varieties in addition to consumer beans. Most of these precious fine-flavor beans come from Ecuador. We therefore expanded the Lindt & Sprüngli Farming Program to Ecuador in 2014, and scaled it up during 2015. The overall aim is to develop a traceable cocoa supply chain with a stable base of fine-flavor cocoa farmers.

We use the same Lindt & Sprüngli Farming Program framework in Ecuador as we do in Ghana. However, the content of the training and capacity building pillar, as well as the farmer investments and community development pillar vary due to the different context and needs of the farmers. We are for instance not focusing on community development activities, since the farmers already have access to basic infrastructure (i.e. clean drinking water, electricity, education).

Step 1: Traceability and farmer organization

Aligned with the Lindt & Sprüngli Farming Program, we establish traceability for each bag shipped to a Lindt & Sprüngli production site with our local partners. During the 2014/2015 harvesting season, 1,100 farmers participated in our pilot program. For the 2015/2016 harvesting season an additional 2,500 farmers came on board, with the aim of covering all Ecuadorian cocoa farmers supplying to us by 2020.

Step 2: Training and capacity building

While the farmers in Ghana like to gather in groups and have training sessions together, the farmers in Ecuador prefer individual support directly on their farms. The Program therefore needed to employ more staff than anticipated, and is now offering individual coaching, classroom training, as well as farmer field schools through twelve local agronomists. The higher literacy rates of farmers in Ecuador compared to Ghana also allows us to distribute more detailed training material with which the farmers are able to capacitate themselves further.

Many cocoa farmers in Ecuador are very environmentally conscious, and are interested in organic farming. Besides offering training on the conservation of natural resources, they therefore also receive practical advice, for instance on how to establish a compost site, how to apply organic fertilizer or how to prepare organic pesticides and fungicides.

Step 3: Farmer investments and community development

Since the Program puts a high emphasis on fine-flavor cocoa, examples for specific activities are trainings on the importance of different cocoa varieties and the distribution of high-yielding fine-flavor cocoa seedlings in collaboration with the governmental research institute ► [INIAP](#) and smaller community-based cocoa seedling nurseries. With these two approaches, so far more than 100 hectares were newly planted with higher-yielding and disease-resistant fine-flavor cocoa varieties.

Many farmers still have very old and tall trees, which need to be properly pruned to be able to give higher yields. Where necessary, farmer groups therefore receive mechanized pruning tools, which they can use at no cost on their farms. This considerably reduces their workload, and leads to a reduction of plant diseases.

The Ecuadorian cocoa sector is not as regulated as the one in Ghana. We therefore also work on continuously improving the quality of the cocoa beans we buy from Ecuador. Improved fermentation practices, as well as the provision of solar and gas dryers improve the post-harvesting process.

Step 4: Verification and continuous progress

Like in our Program in Ghana, an Internal Monitoring System follows the progress made by all participating farmers. The Forest Trust externally assessed the entire Program.

Other Cocoa Bean Origins, Cocoa Butter and Cocoa Powder

Besides cocoa beans from Ghana and Ecuador, Lindt & Sprüngli also sources fine-flavor cocoa beans from other origins, as well as cocoa butter and cocoa powder processed by third parties.

We started evaluating options to establish Farming Programs in the origins where we source smaller quantities from (e.g. Madagascar, Peru, and the Caribbean). We should be able to decide within the next two years how we will build up programs similar to Ghana or Ecuador.

Together with our suppliers, we further worked on establishing strategies for traceable and sustainable cocoa butter and cocoa powder. However, this objective turns out to be more difficult than anticipated, as our high-quality specifications are very difficult to meet with defined origins and stable farmer bases. We require some flexibility in the blending of cocoa beans. We were therefore not able to realise the pilot project yet, but are evaluating options to start a new pilot project in 2016.

International standard for sustainable cocoa

Since 2012, Lindt & Sprüngli has been participating in the development of a standard for traceable and sustainable cocoa. The aim of the initiative is to align the chocolate industry's efforts and thereby making sustainable cocoa mainstream instead of a niche product. To ensure scalability, the standard is being developed under the auspices of the European Standardization Body (CEN) and the International Organization for Standardization (ISO). The standard is planned to be finalized by 2017. Its objective is to develop a framework that supports for instance the eradication of forced and child labor, improves farmer income and livelihoods, and that provides clarity and transparency requirements both for sustainability in the production of cocoa, as well as traceability of cocoa beans and cocoa products. Lindt & Sprüngli welcomes this initiative to set standardized requirements to traceable and sustainable cocoa. Once the standard is finalized, Lindt & Sprüngli will examine the application of the standard.

Diversity of Cocoa Varieties

Our commitment: we contribute to the diversity of cocoa varieties.

The company has a major interest in a rich variety of cocoa beans and high availability of fine-flavor beans. Lindt & Sprüngli therefore supports efforts to preserve the diversity of cocoa varieties in Latin America – the fine-flavor bean's origin – and fosters the research and development of new productive and disease-resistant fine-flavor cocoa varieties.

Besides supporting farmers in Ecuador to gain access to those improved varieties (see p. 14), we also started partnering with the Tropical Agricultural Research and Higher Education Center (CATIE) in 2015. The Costa Rica

based institute has the second-largest collection of cocoa varieties worldwide and works on the ► [*Cacao Genetic Improvement Program*](#). In 2007, the Program released a group of six high-yielding and frosty-pod-tolerant clones for distribution to farmers, which are now present in all Central American countries, Mexico, Brazil, and soon in Bolivia. More than 200 clones are under evaluation in different field trials. Going forward, CATIE will put an emphasis on the quality of these varieties, and established an in-house quality laboratory. The funds provided by Lindt & Sprüngli cover the costs to obtain, prepare, and process samples for quality analysis in the laboratory.

HAZELNUTS

Our commitment: core labor standards are respected within our supply chain.

Turkey's black sea region produces up to 80 % of the global hazelnut harvest. In Turkey, there have been issues such as child labor on hazelnut farms and poor working conditions of migrant workers. Hence, Lindt & Sprüngli implemented the policy to source at least 50 % of its whole hazelnuts from Italy or from Sustainability Programs of defined suppliers from Turkey. In 2015, we achieved a percentage of 60 % and surpassed our goal.

Since 2014, Lindt & Sprüngli works with key hazelnut suppliers that have implemented sustainable hazelnut programs in Turkey. Comparable to the Farming Program framework, our suppliers established traceability first, trained farmers, supported them with specific measures for improvement, and monitored progress.

In the 2015 harvesting season, farm visits by independent assessors verified that the knowledge gained in trainings was implemented and required standards were met. The visits focused on social standards such as preventing child labor. However, the visits also revealed that there remains a challenge in the complex context to provide decent working conditions to migrant workers.

Sustainable Hazelnuts	2014	2015
% of whole hazelnuts sourced from Italy or sustainability programs in Turkey	61 %	60 %
% of Turkish hazelnuts sourced from sustainability programs	14 %	13 %

In 2016, Lindt & Sprüngli will continue to work with Turkish hazelnut suppliers to support them in extending and refining their programs. Further, we will evaluate the option to increase our policy in terms of percentage of hazelnuts sourced from Italy or Sustainability Programs in Turkey, as we already surpassed the objective of 50 % for two years in a row.

PALM OIL

Our commitment: we purchase 100 % certified sustainable palm oil according to the RSPO segregation model.

For the production of our solid chocolate, the only vegetable fat Lindt & Sprüngli uses is pure cocoa butter. Palm oil is used only in some fillings, among other vegetable fats.

To satisfy the growing worldwide demand for palm oil over the last few years, development of new plantations has sometimes resulted in the destruction of large areas of valuable rainforests, threatening the rich biodiversity of these ecosystems. Although our products only account for around 0.005 % of global palm oil harvest, we are actively engaged in the sustainable procurement of palm oil, and reduce negative impacts and contribute to fostering sustainable palm oil plantations.

As a member of the Roundtable on Sustainable Palm Oil (RSPO), we purchased exclusively crude palm oil as well as palm kernel oil according to the RSPO book and claim trading system since 2011. In 2015, we reached certification of all production plants according to the RSPO segregation model. This means that, from 2016, all our products contain segregated RSPO-certified sustainable palm oil. In other words, 100 % of the physical product we use, will originate from RSPO certified plantations. In 2015, we already used 65 % palm oil and palm kernel oil certified according to the RSPO segregated model.

PACKAGING MATERIAL

Our commitment: core labor standards are respected within our supply chain.

Packaging is a very important and sensitive part of the production chain at Lindt & Sprüngli. Apart from being appealing to the consumer and detailing the contents, its essential function is to protect the valuable chocolate within. In order to avoid costly and environmentally questionable transport and to guarantee fast and flexible delivery, Lindt & Sprüngli sources its packaging material – if feasible – from suppliers located near to the production sites. Some decoration items for seasonal and promotional gift items are sourced from manufacturers in Asia. To avoid

non-conformities with the ► *Lindt & Sprüngli Supplier Code of Conduct*, such as forced labor, child labor, or freedom of association, and to enable Asian manufacturers to implement better working conditions, the Lindt & Sprüngli Supplier Sustainable Practice Program monitors social compliance at the production sites and fosters a progress-oriented approach which supports Asian suppliers in developing their production practices.

FOUR STEPS IN THE LINDT & SPRÜNGLI SUPPLIER SUSTAINABLE PRACTICE PROGRAM



Supplier Sustainable Practice Program	2012	2013	2014	2015
Number of external on-site assessments (initial and follow-up)	12	2	20	23
Number of suppliers supported in implementing corrective actions (off/on-site)	0	6	0	1

We focus on the development of our key suppliers. Therefore, we use the sustainability performance information gathered during on-site assessments as a baseline for improvement. The suppliers are rated with a methodology assessing compliance as well as transparency and engagement. Identified shortcomings as well as the supplier rating of each assessment have been discussed with the Lindt & Sprüngli purchasers as well as with the suppliers and are being considered in future purchasing decisions.

In 2015, we found difficulties to fully remedy all health and safety issues. Also the reduction of working hours and legal remuneration of overtime, as well as the implementation of transparent management systems, remained challenging in Asia. Two supplier relationships were terminated because the producers were not willing to fully remediate non-compliances identified.

In 2015, Lindt & Sprüngli integrated more key suppliers in the Supplier Sustainable Practice Program. 23 initial supplier assessments were performed, and one supplier was supported in the implementation of improvements. The support focused on improving the supplier's health and safety management. During on-site visits and off-site support, the supplier was able to close major non-compliances in this area. In particular, a health risk management system was established and implemented.

MEET THE FARMERS

Lindt & Sprüngli is committed to developing long-term relationships with the suppliers of critical raw materials. The following farmers are part of more than 50,000 farmers participating in our Sustainable Sourcing Programs.



VIDA ARTHUR

KUNKUMSO, DEBISO, GHANA

Ms. Arthur grows cocoa on 2.5 hectares since 1998. She appreciates the secure source of income. During the lean season, she trades other products to finance her daughter's higher education. The Lindt & Sprüngli Farming Program in Ghana, which she joined in 2013, taught her good agricultural practices, for example not to expose herself when spraying agro-appliances. At the same time, her community benefitted from a borehole that supplies clean drinking water. Ms. Arthur would like to see the Farming Program expand to educate other women on lucrative side jobs.



SIMON DOKU

PAPASE, ASEMPANEYE, GHANA

Mr. Doku grows cocoa on seven hectares, next to other fields with palm oil and plantains. After joining the Farming Program in 2013, he voluntarily agreed for his cocoa parcel to be used as a demonstration farm. After seeing major productivity gains and reduced plant diseases, other farmers followed his example. Mr. Doku is impressed by the reduced need to buy expensive fertilizers since he learned how to make compost at no cost.



**RICONDO JACINTO CHAVEZ
VERDUGA**

CERIOCO, ECUADOR

Mr. Chavez Verduga started growing cocoa 24 years ago on the ten hectares of his farm. He appreciates that cocoa is faster in terms of rotation of money compared to oranges, tangerines, and lemons, which he also grows. Like any farmer, Mr. Chavez Verduga is worried about different types of diseases affecting the plants. That is why he likes being part of the Lindt & Sprüngli Farming Program in Ecuador. Since joining the Program in 2014, he has learned and applied various new agricultural techniques, e. g. improved pruning.



AHMET TURGUT

DÜZCE AKÇAKOCA, TURKEY

Mr. Turgut grows hazelnuts on 40 hectares, following his family's tradition. Hazelnuts are not his only source of income; he also works at a nearby factory outside of harvesting season. He joined the Sustainable Sourcing Program in Turkey three years ago to improve his knowledge of agricultural methods, which differ a lot from the traditional applications. Because he is worried about increasing prices for fertilizers, he is eager to learn more about good business practices. Mr. Turgut hopes that one day he will have a well-built orchard with a high yield.



SUSTAINABLY PRODUCED

Once the raw materials arrive at our factories, our employees produce our premium chocolate products. Responsible behavior towards our employees, the environment, and the communities we live and work in is part of our corporate culture.

The Lindt & Sprüngli premium products require high-quality materials, dedicated employees and respect for the environment. Lindt & Sprüngli is working continuously on reducing the use of valuable energy and water. Special attention is paid to the constant reduction of greenhouse gas emissions through programs at production sites and by optimizing transport routes of ingredients and end products. To ensure that the company's employees are guaranteed a safe working environment and are satisfied in their jobs, programs for health and safety, as well as regular employee surveys, build the basis for continuous improvement. Lindt & Sprüngli is committed to a responsible business conduct. Our ► [Group Policies](#) define our global requirements, while the different subsidiaries are responsible

for the implementation of environmental measures or employee activities.

On our journey to sustainability, we have achieved the following highlights in 2015:

- It is our goal to reduce our energy use, CO₂ emissions, and water consumption per ton of chocolate by an average of 2 % per year for all our production companies. We reached all of these targets in 2015 by improving our facilities continuously.
- In 2015, 25 Lindt & Sprüngli employees participated in the International Lindt & Sprüngli Academy and strengthened their managerial, technical, and leadership skills.
- We revised our Business Code of Conduct to increase clarity and understanding while covering more topics.

CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS

Our commitment: we reduce our CO₂ emissions by reducing energy use, increasing our share of renewable energy use and optimizing transportation and logistics.

Chocolate production requires energy at various production steps such as heating, cooling, and transport. These processes cause greenhouse gas emissions. Lindt & Sprüngli is committed to reduce energy consumption and greenhouse gas emissions per ton produced by an average of 2 % over the coming years. In addition, we are also committed to increase our share of renewable energy.

Since 2008, Lindt & Sprüngli's production companies cut down energy consumption per ton produced by 14 %. In this time interval, the energy reductions lead to savings of about 200 GWh and a consequent saving of more than CHF 15 Mio. Our greenhouse gases decreased similarly by

17 % since 2008. Therefore, we achieved our annual 2 % target on average.

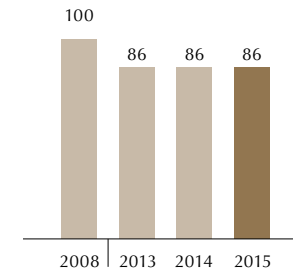
For the near future, this reduction path will be more challenging, as our new warehouse / small production facility in Australia will not operate at full capacity in the beginning. Energy use increases with commissioning, while chocolate production increases at a slower speed, hence impairing our relative indicators in the beginning. Additionally, Australia's power generation is more carbon-intensive than in most other countries we are active in. These are some of the reasons why we paid a lot of attention to the new site's energy consumption. At the new site all lights are LEDs, the waste heat of our chillers provides for the heating and the dehumidification system. We expect very energy-efficient operations once the plant is up and running.

Some of our plants use certifications to improve their approach to environmental management and energy efficiency. Both production sites in Italy, as well as the production site in France are certified according to ISO 14001 (environmental management), while Lindt & Sprüngli Germany is certified according to ISO 51001 (energy efficiency).

In 2015 we have also seen progress on our commitment to increase our share of renewable energy use. Concerning electricity, the share of renewable electricity used at our production companies rose from 35 % in 2014 to 38 % in 2015. Non-production companies are also increasing their share of renewables. For example, Lindt & Sprüngli Canada uses both 100 % green electricity and 100 % green natural gas for all operations, including offices, distribution facilities, and their 26 boutique locations. For electricity and gas, the energy provider feeds a renewable alternative into the grid to match the amount of energy used by Lindt & Sprüngli Canada.

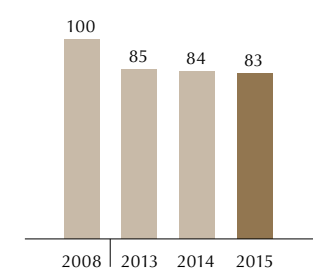
Energy use per ton of chocolate produced

Our goal: -2 % average annual rate of reduction



CO₂ per ton of chocolate produced

Our goal: -2 % average annual rate of reduction



Note: figures cover only Lindt & Sprüngli production companies.

WATER AND WASTEWATER

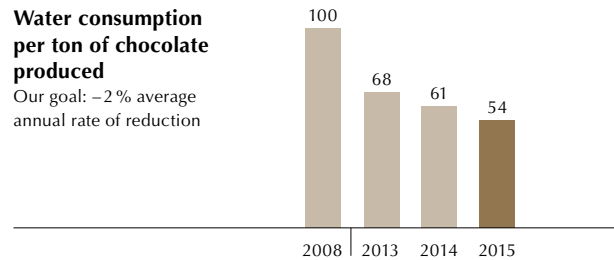
Our commitment: we reduce fresh water use and wastewater within our operations.

Water is an important resource for Lindt & Sprüngli. We use it as a fluid for heat exchange throughout the process, for the washing of molds, hygienic requirements such as hand washing, and for sanitary facilities. Lindt & Sprüngli has committed to reduce the water consumption per ton produced by an average of 2 % over the coming years.

In recent years, Lindt & Sprüngli production companies reduced their water consumption significantly. Since 2008, Lindt & Sprüngli's production companies cut down water consumption by 46 % per ton produced. We achieved this by eliminating open systems, installing closed loop systems, and optimizing cold and hot water circuits. As is the case for most of our environmental management, Lindt & Sprüngli continuously improves its environmental impact whenever we modernize parts of the operations. In the future, we expect to find and use additional potential for optimization.

Water consumption per ton of chocolate produced

Our goal: -2 % average annual rate of reduction



Note: figures cover only Lindt & Sprüngli production companies.

WASTE AND RECYCLING

Our commitment: we reduce waste and increase the recycling rate of waste within our operations.

The amount of waste is a measure for the efficiency of our processes. Lindt & Sprüngli is committed to reducing waste for environmental reasons, but also for economic reasons. Reusing, reducing and recycling of materials saves purchasing and logistics costs. In addition, it is our responsibility to handle hazardous waste carefully.

There are various sources of waste at Lindt & Sprüngli. In addition to packaging materials, our production processes lead to chocolate waste. During the production of chocolate, temperature, and timing have to match perfectly at all times. If we do not meet the high hygienic standards and quality requirements, we analyze if we can partly back channel parts of the processed chocolate into the production process in order to reduce loss of disposal.

We currently analyze where, and why food waste incurs and continuously optimize our production processes.

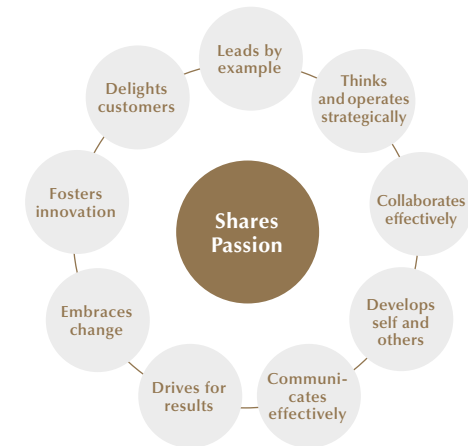
WORK CULTURE

Our commitment: we maintain an open work culture where respect, trust, and fair play characterize our working relationships. We foster teamwork and facilitate communication and understanding across all disciplines, business segments, and geographies to create a company of people who support each other for mutual success. We encourage, recognize and reward individual innovation, personal initiative, and leadership of people throughout the organization.

In 2015, several subsidiaries reviewed their existing policies and updated them with anti-harassment and equal opportunities sections. Policies, including our ► **CREDO** and ► **Business Code of Conduct** are included in local Employee Handbooks and are distributed at onboarding days for new employees. In some subsidiaries, managers are required to conduct online trainings such as “Respectful Workplace” and additional training material, e. g. messages on ethics, ethical conduct, and treatment of employees is available and distributed to employees. In our employee survey, we also ask for feedback about our CREDO.

Our CREDO and values are also consistently applied by our employees. The recruitment process is for instance performed using the ten criteria of the Lindt & Sprüngli Competence Model. The ten criteria measure the candidates’ skills and abilities based on their professional competencies, relevant experience, qualifications, and the specific work-related requirements of the job.

Lindt & Sprüngli Competence Model



EMPLOYEE SATISFACTION AND RETENTION

Our commitment: we offer an attractive working environment and maintain or increase our already high employee engagement, satisfaction and retention.

Employee satisfaction is crucial to Lindt & Sprüngli’s long-term success. Lindt & Sprüngli secures its future viability by attracting and retaining the best employees. That in turn helps us to reduce costs from employee turnover.

Regular employee surveys build the basis for continuous improvement. Based on the last survey, key issues to ensure the attractive Lindt & Sprüngli working environment are personal development, fair remuneration, as well as regular and consistent communication and information about questions concerning the company.

Various subsidiaries worked on those issues during 2015. Leadership teams take this process very seriously. Respective action plans ensure the implementation of necessary measures. Human Resources worked with business leaders between the surveys, monitored and evaluated respective initiatives.

Examples for follow-up initiatives were the implementation of local training activities, as well as global leadership trainings for senior management members, implementing a reward and recognition program and the implementation of a Group company intranet for communication purposes. Some of our companies conducted an additional “alignment-monitoring” in order to measure progress against goals. In 2016, Lindt & Sprüngli will conduct the next employee survey and further work on respective measures and action plans.

WORK-LIFE-BALANCE

Our commitment: we maintain a healthy work-life-balance and offer our employees support to cope with the increasing work requirements.

The boundary between work and leisure blurs increasingly. To support our employees in finding the right work-life-balance we offer a wide range of alternative work forms. Major projects and achievements in some subsidiaries in 2015 were the development of several health prevention plans such as health check-up and employee assistance programs through a third-party organization, where employees receive confidential counseling sessions at no cost. In addition, structured conversations between manager and employee through our Talent Management Program took place regularly.

EMPLOYEE DEVELOPMENT AND TRAINING

Our commitment: we ensure that all key positions are staffed with qualified and motivated employees and that talented employees are developed internally to fill these positions.

In a rapidly changing world, Lindt & Sprüngli needs the employees with the best qualifications to ensure competitiveness. In order to attract and retain high-performing employees, Lindt & Sprüngli puts emphasis on managing talent and developing employees. Major projects and achievements in 2015 were:

- *Talent management:* We further developed and enhanced our Talent Management tool (e.g. annual Talent Management dialogues, yearly performance assessments & goal setting, succession planning process).
- *Employee development:* We further focused on individual development plans (e.g. International Traineeships, employee training, support of continued education and training, life-long learning for continued employability, increase in employee productivity, promoting individual skills, dual vocational system, leadership trainings and international exchanges, coaching and mentoring programs). For the first time, we extended our International Trainee Program in Operations to our subsidiaries in the United States furthering the careers of these manufacturing trainees.
- *International Lindt & Sprüngli Academy:* We continued on developing the senior management program, e.g. the pilot project in cooperation with the ► *International Institute for Management Development (IMD)*.

In 2016, Lindt & Sprüngli will further invest in the International Lindt & Sprüngli Academy as well as local educational programs. We will also extend our International Traineeship to the Finance department.

Freedom of Association and Collective Bargaining at Lindt & Sprüngli

Regular consultation and engagement with our employees and their representatives helps ensuring timely discussion of labor or management expectations as well as negotiating and implementing operational changes. Respect for the rights of employees to form and join trade unions and to bargain collectively is therefore self-evident for Lindt & Sprüngli.

Lindt & Sprüngli organizes an annual meeting – the European Works Council – where workers’ representatives from all Lindt & Sprüngli European Union subsidiaries and Switzerland are given the opportunity to exchange their opinions and meet with Group Management.

The central management of Lindt & Sprüngli International AG and the European Works Council meet usually once a year during a two-day meeting in Zurich. The agenda and to be sent documents are agreed between the chair of the European Works Council and the central management. The information and consultation refers mainly to the following areas:

- Structure of the company or Group of companies as well as the economic and financial situation
- The employment situation and its expected development
- Substantial changes concerning the organization
- The introduction of new working and production methods
- Mergers or divisions of undertakings, establishments or important parts thereof
- Other information relevant to employees (issues such as safety, hygiene, and environmental policy)

Currently, Lindt & Sprüngli workers are collectively organized in Austria, France, Germany, Italy, Switzerland, and the USA (Ghirardelli).

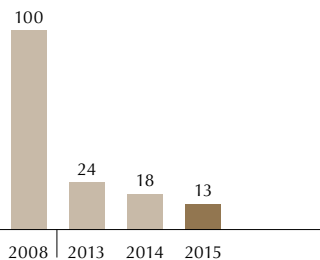
OCCUPATIONAL HEALTH & SAFETY

Our commitment: we offer a healthy and safe working place. Our vision is zero lost-time accidents.

The improvement of safety at the workplace is a top priority for Lindt & Sprüngli. A healthy and safe work environment is a major driver of employee satisfaction and motivation. At the same time, workplace hazards lead to losses. By reducing workplace hazards we reduce absenteeism associated with lost time and resulting costs. In regular intervals, we conduct employee safety trainings to raise awareness and to strengthen the corporate culture.

Since 2008, Lindt & Sprüngli production companies reduced the number of lost-time accidents rate per 100,000 working hours by 87%. The progress we made in these years continued in 2015. Among others, the Lindt Production Way includes one pillar dedicated to safety. We extended the preventive management of our safety program to include “near misses” in order to monitor accidents that could have happened, but did not happen. By collecting and assessing these near misses we are able to eliminate pitfalls before they lead to accidents.

Lost-time accidents rate per 100,000 working hours
Our vision: zero lost-time accidents



Note: figures cover only Lindt & Sprüngli production companies.

In 2016, Lindt & Sprüngli will focus its efforts on risk assessment and risk mitigation and will continue to work on working conditions and working behavior to further strengthen the corporate safety culture.

CORRUPTION AND ANTI-COMPETITIVE BEHAVIOR

Our commitment: we are not participating in any corrupt or anti-competitive behavior.

Lindt & Sprüngli commits unreservedly to the principle of free competition and to strictly comply with all applicable domestic and international antitrust and competition laws. Further, Lindt & Sprüngli condemns any form of bribery and corruption. Continually monitoring corruption risks helps to protect our brand and reputation and as a result, to provide enhanced value to customers, shareholders, and other stakeholders. In 2015, we continued to work on measures relating to anti-competitive behavior and anti-corruption.

After Lindt & Sprüngli enacted a new competition law policy in December 2014, the local CFOs and local HR implemented it. Corporate Legal and/or external legal counsels have trained the relevant employees in 2015. The attendance of the employees has been and will continue to be monitored and confirmed. Due to the implementation and the trainings, we continued to enhance the awareness and understanding of our employees for this topic and we enforced our zero tolerance policy towards anti-competitive behavior. Lindt & Sprüngli will repeat the competition law trainings on a regular basis and train new employees.

In 2015, we reviewed our Business Code of Conduct and therein further strengthened the section regarding corruption and bribery to reinforce our commitment against any form of corruption or bribery. Furthermore,

the revised Business Code of Conduct addresses employees more directly to assist the understanding of Lindt & Sprüngli's expectations. In summary, we expanded our Business Code of Conduct to cover all material compliance issues and we improved its language to raise clarity and understanding. After approval of the Board of Directors, it will be implemented by all Lindt & Sprüngli subsidiaries.

PHILANTHROPY

Our commitment: we want others to benefit from our successful business and make in-kind, financial, and time contributions to good causes.

Lindt & Sprüngli understands the company as a corporate citizen and aims at overcoming today's challenges in society. Our financial, in-kind, and time donations for communities contribute to local development around our Group. Lindt & Sprüngli subsidiaries make numerous donations to organizations, associations, and social schemes Selected Sustainability Initiatives. Particular importance is attached to the project partnership between Lindt & Sprüngli and the Roger Federer Foundation in favor of a promotional program of the Winter Aid for deprived children in Switzerland. In 2013, Lindt & Sprüngli further established the two charitable foundations, the ► [Lindt Cocoa Foundation](#) and the ► [Lindt Chocolate Competence Foundation](#).



SUSTAINABLY CONSUMED

Lindt & Sprüngli is a recognized leader in the market for premium quality chocolate. Strict quality controls ensure that our products meet the high standards that we require.

Lindt & Sprüngli has a responsibility towards the consumers. We apply high standards to food safety, correct labeling, and consumer orientation to ensure our quality standards are met from the raw materials to the finished product. Only once the company is convinced that a finished product lives up to our high standards and is in impeccable condition, does it leave the factory. Lindt & Sprüngli will continue its efforts in research and development, packaging and logistics – in co-operation with its trade partners – to safeguard this quality all the way to the homes of our consumers. All measures in place are continuously reviewed and improved and allow our consumers to enjoy the products with a high degree of trust.

To earn this trust now and in the future, we mainly worked on the following three areas in 2015:

- We optimized our quality control mechanisms further. As a result, Lindt & Sprüngli manufacturing units passed independent food safety audits again with high marks.

- We responded to more than 86,000 consumer contacts personally and made sure that the consumer feedbacks are fed into our internal processes. This ensured consumer satisfaction through direct contacts and products that address consumer needs.
- By including the logo of the Lindt & Sprüngli Farming Program on our products, we raised the visibility of our sustainable sourcing initiative.

PRODUCT QUALITY AND SAFETY

Our commitment: we adhere to superior measures to ensure product quality and safety.

As producer of some of the world's finest chocolates, we will never compromise on quality or food safety. Through the ► *Lindt & Sprüngli Promise*, we have committed ourselves to sustainable behavior along the value chain. Therefore we do not only carefully select the most premium ingredients from world-renowned growing regions, we also process and finish them with perfection.

To guarantee that the products live up to the Lindt & Sprüngli Promise, the company has appropriate internal and external quality control mechanisms in place. This quality control includes stringent testing processes, conducted on different levels from raw materials to the finished product. Before shipping a product, we need to be convinced that the product lives up to our high standards and is in impeccable condition. During distribution, we make sure our products reach the consumer in the same condition. Therefore, a careful evaluation of the distribution channels that sell Lindt & Sprüngli products and store them is an important part of our quality control system.

There is an entire quality management network engaged in assuring the excellence of Lindt & Sprüngli products along the value chain. The production process is divided into several levels, each of which has mandatory quality standards the product must fulfill in order to pass on to the next level. Chocolate products exceeding specified internal company limits are consequently rejected. All manufacturing units are subject to unannounced audits on an annual basis as part of the AIB Food Safety Audits. This independent organization has a long-standing reputation for elevating the food safety in the industry through its standards. Lindt & Sprüngli completed the AIB audits in 2015 with high marks, indicating that all the food safety issues at the individual production sites are on a high level, regularly surveyed and controlled. In addition to the AIB Audits, food safety management systems and quality management systems are implemented at manufacturing units as shown by the following table:

CERTIFIED MANAGEMENT SYSTEMS FOR QUALITY AND FOOD SAFETY

Lindt & Sprüngli production sites	ISO 22000 or FSSC 22000	
	ISO 9000	
Lindt & Sprüngli Austria	✓	✓
Lindt & Sprüngli France	✓	✓
Lindt & Sprüngli Germany	✓	✓
Lindt & Sprüngli Italy	✓	✓
Lindt & Sprüngli Switzerland	✓	✓
Lindt & Sprüngli USA	✓	✓
Caffarel	✓	✓
Ghirardelli		✓

All these measures have been and will be essential that we keep our Lindt & Sprüngli Promise. Regarding product quality and safety, Lindt & Sprüngli does not accept any compromises.

Lindt & Sprüngli position on GMO

As regards genetically modified food, Lindt & Sprüngli is not involved in any research or development and does not use ingredients that have been genetically modified or derived from genetically modified organisms, as long as non-modified materials are available. Up to now, it has been possible to follow this policy for all LINDT labeled products. Appropriate tests regularly monitor Lindt & Sprüngli chocolates concerning genetically modified organisms.

Cadmium levels in Lindt & Sprüngli chocolate

Cocoa beans from South America often grow in areas with volcanic soil that contain higher concentrations of cadmium. Therefore, Lindt & Sprüngli tests fine-flavor beans for residues before they enter the production. We reject beans if they exceed internally or externally set levels. Testing of the finished products provides additional security. Furthermore, Lindt & Sprüngli is building up its Farming Program in Ecuador in low-cadmium regions.

Lindt & Sprüngli conforms to all relevant requirements and recommendations that are available, such as those of the ► [Codex Alimentarius](#).

Extensive quality control in transportation

The Lindt Quality Management Standard and Procedure (QMSP) specifies temperature and humidity requirements for our products during storage and transportation. A strict temperature monitoring process is in place from our factories to the final distribution warehouse within our Intercompany Network. Humidity control is in place for all warehouses and for special sea freight trade lines, crossing the equator. The QMSP applies to all our owned or rented warehouses and to our representatives' and dealers' warehouses of finished goods.

CUSTOMER SATISFACTION

Our commitment: customer and consumer satisfaction is the main goal of all our activities. Consumer complaints, inquiries, and compliments are handled on time and individually.

Customer and consumer satisfaction is key to our business success, today and tomorrow. To ensure we meet our customers' expectations, we continuously analyze their needs and their demanding expectations, and implement the corresponding findings in our premium products. Our *Maîtres Chocolatiers* may decide to optimize consistency or flavor; they may include innovative ingredients or develop new masterpieces. Thereby we ensure customer satisfaction and future success of Lindt & Sprüngli.

To find out about our consumers' expectations, we test the taste and quality of our products with consumers on an international base. The evaluation of our products is part of our market research. We shared the results internally to inform about the latest consumer needs. In addition, we monitored and tracked the emergence of new consumer trends and possible issues in relation to our products globally. Information on food, chocolate and sustainability related trends are summarized in a presentation which we share globally. All Lindt & Sprüngli subsidiaries consider these global trends in addition to their local trends when developing new products.

Additionally, we are in touch with our consumers on a daily basis through our own retail network. Our sales people in over 300 Lindt & Sprüngli owned shops find out about their needs and expectations all the time.

Since 2015, we also collect the feedback of our sales people of our own retail network via an online form. The central consumer service department analyzes changes and makes sure the knowledge is used to satisfy consumer needs even better.

Also, consumers can contact us directly, for example by using the feedback form that is included in our packaging.

Lastly, we are in a daily contact with our consumers via over 40 social media channels answering all inquiries personally and processing their feedback.

In 2015, our consumer service specialists recorded and handled more than 86,000 consumer contacts within the Group-wide system. We also introduced a new management process to ensure a highly professional and efficient consumer service. The resulting improvements will reduce the average handling time so that consumers have an even more responsive point of contact.

CONSUMER INFORMATION

Our commitment: we apply the highest standards to consumer information.

Consumers purchase chocolate according to their specific desires and needs such as percentage of cocoa, absence of critical ingredients, as for example allergens. Transparent customer communication is therefore highly relevant for Lindt & Sprüngli and its consumers to enable well-informed decisions.

A healthy diet is crucial to each consumer's health. We recommend that chocolate should be eaten and enjoyed for indulgence, in reasonable quantity. Therefore, we follow a strict policy of not making any advertising claims around potential positive health effects of our chocolate.

In order to sensitize our consumers about our sustainability efforts and to point out our proactive approach to

sustainable sourcing, we integrated an icon for the Lindt & Sprüngli Farming Program on the back of our packaging in 2015. We also updated our local webpages with more comprehensive information about our sustainability initiatives and we raised this information to the top level of these websites. Another important milestone was the integration of the ► [*Lindt & Sprüngli Farming Program*](#) into our multi-channel communication on what makes LINDT chocolate so exceptional, our LINDT Difference.

Lindt & Sprüngli is committed to be transparent about the products and their origins. Through various channels, interested consumers can find out easily where our ingredients come from and how we integrate sustainability in our business.

Taking into account that food allergies can be triggered by even the smallest amounts of specific allergens, a detailed list of all ingredients used in food products is vital. Lindt & Sprüngli is aware of its responsibility to ensure that all ingredients, including minor concentrations of potential allergens such as hazelnuts, peanuts, and almonds, are clearly communicated to the consumer via the ingredient list or allergen information. Therefore, Lindt & Sprüngli informs consumers by printing a clear warning on all products that may contain traces of specific allergens. In addition, we follow strict policies to avoid unwanted contamination of products. For example, peanuts are strictly forbidden at our premises. Employees are not allowed to have peanuts in their offices, even if they are packaged.

Further, nutritional values of all Lindt & Sprüngli products are labeled on the packaging in accordance to national and international laws. In 2015, we increased transparency further by publishing information about ingredients and nutritional values online. These websites are also available in a mobile-friendly version so that consumers may access them on the go.

SELECTED SUSTAINABILITY INITIATIVES

LINDT & SPRÜNGLI SWITZERLAND



LOW-EMISSION TRANSPORT AND LOGISTICS

Since 2011, Lindt & Sprüngli Switzerland gives preference to transport and logistics on rail instead of trucks. Thereby, we reduce greenhouse gas emissions. In 2014, Lindt & Sprüngli Switzerland was able to avoid 1,936 truck rides and 807 tons of CO₂.^{*} This corresponds approximately to 450 one-way flights Zurich–San Francisco.

As a positive side effect, the rail transportation also reduces energy consumption used for trucks, air emissions, and smog resulting from combustion engines and posing challenges for respiratory systems.

^{*} The data 2015 will only be available in April 2016, which is why Lindt & Sprüngli Switzerland reports this data from 2014.

LINDT & SPRÜNGLI GERMANY



GOLD STATUS FOR SUSTAINABLE BUILDING

In August 2015, the new logistics building of Lindt & Sprüngli Germany was certified according to the Gold status by the German Society for Sustainable Construction. The Society rated the overall performance of the building. The broad range of criteria included factors such as resource consumption, indoor air quality and marketability of the building all the way to a potential disassembly of the building. Receiving the Gold status marks a major milestone in Lindt & Sprüngli Germany's ambition to ensure sustainable production practices.

LINDT & SPRÜNGLI GROUP



ENERGY-EFFICIENT LIGHTING

Lindt & Sprüngli started a process of changing the traditional fluorescent lamps with the newest technology ones. In many cases, we opted for LED lamps, which require a higher upfront payment compared to fluorescent lamps. However, the payback time is only few years due to their energy efficiency and they last longer, too. In 2015, Lindt & Sprüngli installed new energy-efficient lighting solutions that will save around 350,000 kWh per year. The main projects were in France, which amount to expected savings of 250,000 kWh per year. Lindt & Sprüngli will continue to replace traditional lamps with more energy-efficient alternatives.

“IN 2015, LINDT & SPRÜNGLI CANADA SWITCHED TO BOTH 100 PER CENT GREEN ELECTRICITY AND 100 PER CENT GREEN NATURAL GAS.”

LINDT & SPRÜNGLI GERMANY



WATER AND ENERGY EFFICIENCY THROUGH NEW EQUIPMENT

In 2015, Lindt & Sprüngli Germany replaced a washing installation for cleaning chocolate containers internally and externally. The new installation uses already existing process-warm water to heat the water to wash the containers and the air to dry the containers. This reduces energy consumption dramatically. Furthermore, the new installation saves water.

This new washing installation consumes approximately 50l of water, much less than the former washing installation. This is one of many examples for Lindt & Sprüngli's continuous efforts to reduce environmental impacts.

LINDT & SPRÜNGLI CANADA



ENTIRE CANADIAN OPERATIONS WITH 100 PER CENT GREEN ENERGY

Lindt & Sprüngli Canada chose 2015 to switch to both 100 per cent green electricity and 100 per cent green natural gas for all offices, distribution facilities, and 26 boutique locations. The commitment of Lindt & Sprüngli to green energy builds on the company's achievements in sustainable sourcing, production, and consumption and takes Lindt & Sprüngli to a new level of environmental action. Across Canada, Lindt & Sprüngli's green electricity comes from a blend of wind and low-impact hydropower sourced from new Canadian renewable energy facilities.

LINDT & SPRÜNGLI AUSTRALIA



ENVIRONMENTAL ASPECTS IN NEW FACILITY

In 2015, Lindt & Sprüngli Australia opened a new facility that considered several environmental aspects:

- This new facility collects all rainwater into a 150,000l storage tank. This system is predicted to service 80 % of the site's grey-water requirement.
- All lights used are LED. Not only reduces this the site's electricity consumption. The life span of approximately 50,000 hours also reduces maintenance.
- The heating, ventilating, and air conditioning system reclaims all of the hot water and uses it for heating and dehumidification. This reduces significantly the energy consumption.

“IN 2015, 55 YOUNG HIGH POTENTIALS AT LINDT & SPRÜNGLI ITALY STRENGTHENED THEIR MANAGERIAL AND TECHNICAL SKILLS.”

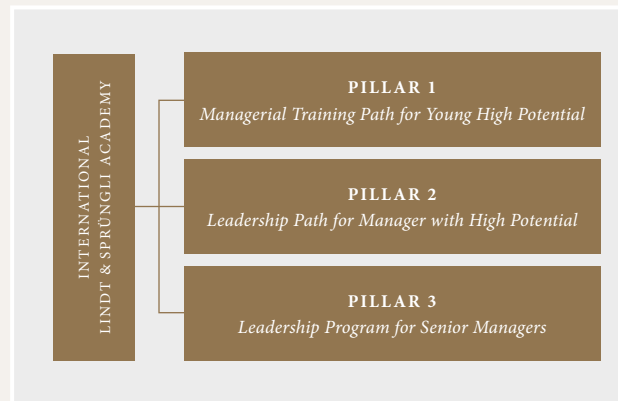
LINDT & SPRÜNGLI UK



GREAT PLACES TO WORK 2015

In 2015, the Great Places to Work survey rated Lindt & Sprüngli UK the 48th best medium business in the UK. The employees cherished the great team spirit, some stating that it feels like a big family. Others valued the flexibility, which allows them to spend time with their children. Lindt & Sprüngli UK is very proud about this achievement and hopes to stay within the top 50 in future years.

LINDT & SPRÜNGLI ITALY



INTERNATIONAL LINDT & SPRÜNGLI ACADEMY

Lindt & Sprüngli Italy developed its local employee development program. In 2015, 55 employees participated in the three pillars of the Academy. Young high potentials strengthened their managerial and technical skills. The more experienced high-potential managers improved their leadership skills at the LIUC University in Milano. Lastly, the senior managers worked on their leadership skills within focused days accompanied by individual monitoring.

LINDT & SPRÜNGLI USA



1ST LINE LEAD APPRENTICESHIP PROGRAM GRADUATING CLASS

The newly established line lead apprenticeship program has seen its first graduating class of four employees. The Apprenticeship Program was created as highly competitive undertaking to ensure the best results for future Line Leads. For this pilot program, the students covered over 40 topics in depth with the support of 27 Lindt presenters. Students had to demonstrate their knowledge physically running production lines. This program proved to be very successful and Lindt & Sprüngli USA is proud to announce that the 2nd Line Lead apprenticeship program consists of eight people.

“TWICE A YEAR LINDT & SPRÜNGLI USA EMPLOYEES VOLUNTEER IN THEIR LOCAL COMMUNITIES.”

CAFFAREL ITALY



TELETHON CHARITY

Caffarel continued its cooperation with the Telethon charity in 2015 by providing chocolate hearts that were distributed in the main Italian squares in exchange for a donation. The donations went to the Telethon Charity, an organization that contributes to the research in the area of genetic illness (see ► www.telethon.it).

LINDT & SPRÜNGLI SWITZERLAND



DONATION FOR THE VICTIMS OF THE NEPAL EARTHQUAKE

Nepal was hit on April 25, 2015, by a strong earthquake. Thousands of people were buried under rubble and many houses damaged. Lindt & Sprüngli Switzerland launched a donation campaign among employees to help the victims in Nepal. Lindt & Sprüngli Switzerland doubled the amount and donated it to Swiss Solidarity, which coordinated the national fundraiser with relief organizations (see ► www.glueckskette.ch).

LINDT & SPRÜNGLI USA



EMPLOYEE VOLUNTEERING

For more than ten years, Lindt & Sprüngli USA has been partnering with the United Way; an organization dedicated to strengthen the neighborhoods in the region. Lindt & Sprüngli USA and the company's employees have voluntarily donated considerable amounts through the annual giving campaigns. In addition, twice a year Lindt & Sprüngli USA brings teams of employees to the United Way's "Days of Caring" where volunteers perform repairs, painting, or even autumn clean-up efforts for local homeless shelters, day care providers, or schools for children with special needs in the local communities. (see ► www.unitedway.org).

OUTLOOK

SOURCED

With regards to raw materials we will focus on expanding our Farming Program – both in terms of intensifying the existing Programs as well as expanding it geographically. In 2016, we aim at including the remaining 6,000 cocoa farmers in Ghana in our training program and to pilot the farm shops for which we developed a community-based business model in 2015. In Ecuador, we want to increase the number of farmers participating in the Program and improve the services delivered to them. Concerning cocoa butter and cocoa powder, we will continue our research on finding more sustainable solutions to this challenging task. In Turkey, we want to increase our share of hazelnuts from Sustainability Programs. And for certain fillings, we want to maintain our certification and continue to purchase only RSPO certified sustainable palm oil according to the segregation model.

Concerning our packaging material, Lindt & Sprüngli will integrate additional key suppliers into the Supplier Sustainable Practice Program and increase the support activities for suppliers assessed in 2015. It is the goal of Lindt & Sprüngli to systematically develop the sustainable production practices of all key packaging suppliers in Asia in the coming years.

PRODUCED

In 2016, we will further work on the integration of Russell Stover, which operates four chocolate factories in the US, into our processes and stepwise adapt it to our sustainability standards. Further, we will start the new Lindt Marsden Park warehouse / small production facility in Australia. In both cases, Lindt & Sprüngli will make use of the vast experience it has acquired in the past to ensure that chocolate is sustainably produced. We will continue to ensure responsible behavior towards the environment and make our employees' safety our top priority. Additionally, we will analyze new ways to reduce waste in a more holistic manner and determine next steps to reduce the environmental impact of our packaging material. Regarding our employees, our priorities are to further develop our Senior Management Leadership program at IMD and extend the International Traineeship.

CONSUMED

We will continue to take our responsibility towards our consumers very seriously. This entails the constant review of all our efforts internally with regard to product quality and safety as well as ensuring a transparent consumer information externally. Thanks to efficiency increases in the process of handling consumer inquiries, we will be able to reply to them in a reduced timeframe. Additionally, it is planned to continue the transparent communication with our consumers about sustainability and will therefore create an independent webpage with information about our Lindt & Sprüngli Farming Program. These and other measures will ensure that we continue to deliver the Lindt & Sprüngli Promise and increase consumer satisfaction in return.

SUSTAINABILITY GOVERNANCE

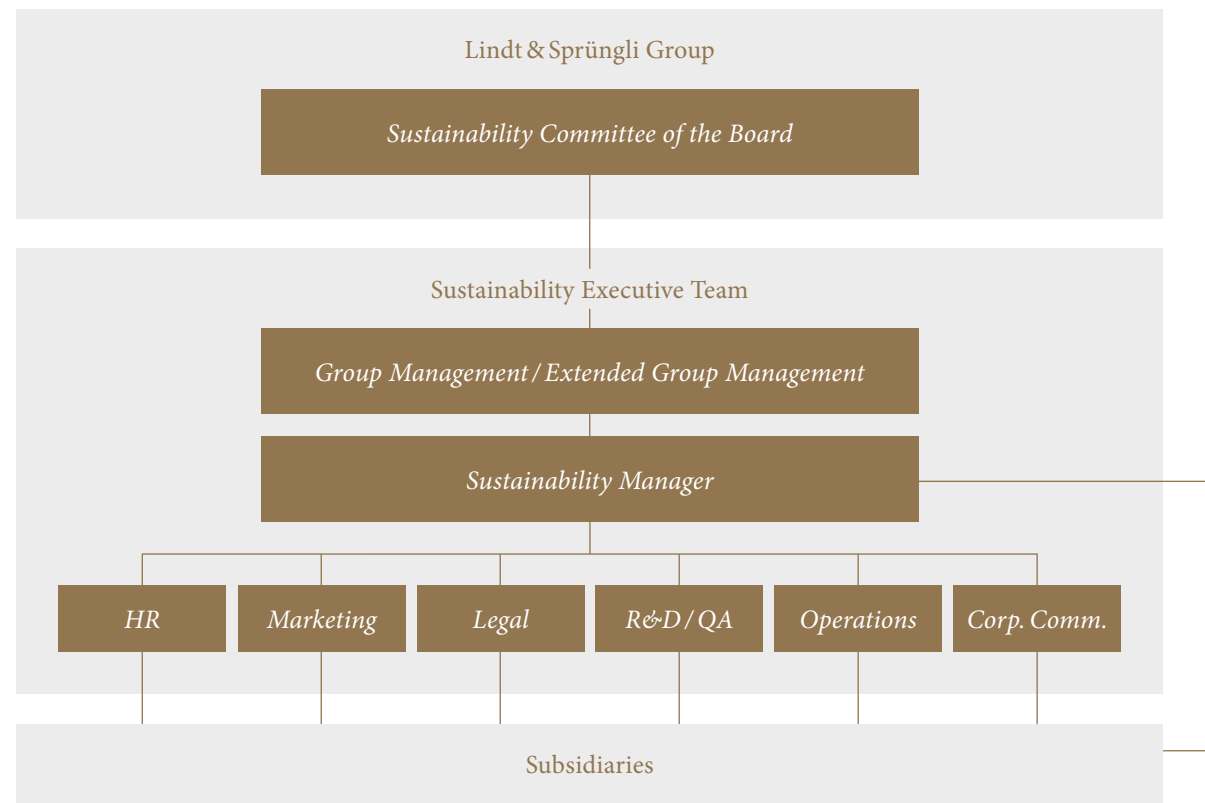
The significance Lindt & Sprüngli attaches to responsible corporate behavior is reflected in the way it is dealt with: at the top management level and monitored by a Board of Directors' committee.

The Sustainability Committee of the Board consists of three members of the Board of Directors. It is responsible for the development and adaption of all globally valid corporate policies in this area, and monitors compliance with legal aspects. The committee has advisory as well as preparatory competences and meets as often as business requires, at least once a year.

The Group Management and the Extended Group Management ensure the implementation of the strategic decisions taken in the Sustainability Committee of the Board. A dedicated Sustainability Manager coordinates all sustainability activities within Lindt & Sprüngli and supports the Sustainability Executive Team, comprising HR, Marketing, Legal, Quality, Research & Development / Quality Assurance, Operations, as well as Corporate Communications departments, in implementing activities.

The Sustainability Executive Team meets every 2–3 months and reaches out to Lindt & Sprüngli subsidiaries, to ensure implementation in line with guidelines from Lindt & Sprüngli International. Each Lindt & Sprüngli Group company has one sustainability representative to ensure consistent communication channels between the Group and the respective subsidiary. In addition, each subsidiary has appointed one responsible for health & safety and one for environmental management.

LINDT & SPRÜNGLI SUSTAINABILITY GOVERNANCE



ABOUT THIS REPORT

This Sustainability Report is Lindt & Sprüngli's sixth UN Global Compact Communication on Progress. It takes into account the UN Global Compact's ten principles as well as the six UN Global Compact Food and Agriculture Business Principles.

The Communication on Progress is being published to provide stakeholders with information about Lindt & Sprüngli goals, measures, and progress. It relates to the period from 1 January to 31 December 2015; the effective date for all facts and figures is 31 December 2015. All facts and figures cover the Lindt & Sprüngli brands Lindt, Ghirardelli, Caffarel, Hofbauer, and Küfferle. The sustainability practices of Russell Stover (acquired in 2014) will be adapted to the norms of the Lindt & Sprüngli Group step-by-step, and are therefore not yet integrated in this Sustainability Report. Where not otherwise stated, the facts and figures cover all production, distribution, marketing sites, as well as regional Lindt & Sprüngli offices.

The Communication on Progress has been developed with due regard to materiality of the issues and stakeholder expectations. The reporting principles of the Global Reporting Initiative (GRI) G4 were considered for the development of this report.

Publication: March 2016

UN Global Compact Principles	Relevant Company Guidelines	Report References
1. Support And Respect The Protection Of Internationally Proclaimed Human Rights	Credo	pp 6, 10–17, 23
2. Make Sure There Is No Complicity In Human Rights Abuses	Lindt & Sprüngli Promise Business Code of Conduct Health & Safety Policy Supplier Code of Conduct	
3. Uphold The Freedom Of Association And Recognition Of The Right To Collective Bargaining	Credo	pp 6, 10–17, 22
4. Elimination Of All Forms Of Forced And Compulsory Labor	Lindt & Sprüngli Promise	
5. Effective Abolition Of Child Labor	Business Code of Conduct	
6. Elimination Of Discrimination In Respect To Employment And Occupation	Health & Safety Policy Supplier Code of Conduct	
7. Support Precautionary Approach To Environmental Challenges	Credo	pp 19–21
8. Undertake Initiatives To Promote Greater Environmental Responsibility	Lindt & Sprüngli Promise Environmental Policy	
9. Development And Diffusion Of Environmentally Friendly Technologies	Supplier Code of Conduct	
10. Work Against Corruption In All Its Forms, Including Extortion And Bribery	Business Code of Conduct Supplier Code of Conduct	p 23
Global Compact Food and Agriculture Business Principles		Report References
Aim for food security, health, and nutrition		pp 10–16
Be environmentally responsible		pp 10–16
Ensure economic viability and share value		pp 10–26
Respect human rights, create decent work, and help communities to thrive		pp 10–26
Encourage good governance and accountability		pp 8–9, 23, 32
Promote access and transfer of knowledge, skills, and technology		pp 10–16

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