



LINDT & SPRÜNGLI

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Sustainability Report

2021

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# Foreword by our CEO and CFO



Dr Dieter Weisskopf, CEO Lindt & Sprüngli Group

Our purpose as a premium chocolate maker is to **enchant the world with chocolate**.

These words bear our promise to uphold high quality standards – not just for our products, but for the way we do business. For over 175 years, Lindt & Sprüngli has proudly lived up to this promise, building a global reputation for excellence, innovation, and sustainability. As we look forward, our purpose guides us to make a positive impact and help create a better future.

The world faces many challenges, such as the deterioration of nature and biodiversity, which are the basis of life and our products. Climate change has the potential to exacerbate social conflicts and challenge agricultural production of raw materials. Human rights violations are still widespread, reinforcing inequalities and hindering the improvement of livelihoods for many people.

The Lindt & Sprüngli Sustainability Plan is our ambition to help address these challenges and to create a better tomorrow. It is our pathway to becoming more sustainable along our entire value chain, from sourcing and production to packaging and consumption.

We continue to build on this solid foundation: in 2021, more than 91,000 farmers participated in our Lindt & Sprüngli Farming Program and 100% of our cocoa beans and 64% of our cocoa beans equivalent are sourced through sustainability programs. Our first complete carbon footprint has revealed that our greatest leverage to limit climate change is in our value chain, namely in sourcing cocoa and other raw materials, as well as in transportation and packaging initiatives. This footprint will enable us to announce our Science Based GHG Reduction Targets in 2023. We also rolled out our Sustainable Packaging initiative further, which aims to make 100% of packaging recyclable by 2025 and to reduce the use of plastics.



Martin Hug, CFO Lindt & Sprüngli Group and Head of the Sustainability Executive Team

This progress demonstrates that Lindt & Sprüngli's Purpose, Mission, and Values are anchored deep within our culture and in the hearts of our employees, motivating everyone along our value chain to contribute to a more sustainable future.

Going forward, we anticipate a rapid increase and strengthening of social, environmental, and corporate governance regulations, growth in investor interest, and the allocation of more resources toward sustainable solutions. There will also be increasing demand from our business, trade, and supply chain partners – as well as growing awareness and expectations from our employees, consumers, and the general public – for improved sustainability performance.

This encourages us to further strengthen Lindt & Sprüngli's good business conduct. We consider business integrity and human rights as cross-cutting issues relevant throughout the Lindt & Sprüngli Sustainability Plan and our way of doing business. We are currently developing a human rights policy and action plan, which will formalize our commitment even further.

We are proud to share our 12<sup>th</sup> annual Sustainability Report, for the first time referencing the reporting standards of the Global Reporting Initiative (GRI).

Dr Dieter Weisskopf  
CEO Lindt & Sprüngli Group

Martin Hug  
CFO Lindt & Sprüngli Group

# About Lindt & Sprüngli

We Enchant the World with  
*Chocolate*♦



> 14,000

employees work for us worldwide

Lindt & Sprüngli was founded in 1845 in Zurich, Switzerland, and has been enchanting the world with chocolate for more than

175 years

The Lindt & Sprüngli Group reported sales of

CHF 4.59 billion

in 2021

Our Group includes 8 brands:

Lindt, Ghirardelli,  
Russell Stover, Whitman's,  
Pangburn's, Caffarel,  
Hofbauer and Küfferle

Our chocolate is sold in more than

120 countries

and by 31 subsidiaries and regional offices as well  
as via more than 100 independent distributors

Our products are sold in around

500 own stores



We have our own dedicated sustainability program:  
the Lindt & Sprüngli Farming Program. Through the Program  
we source cocoa beans and cocoa butter from

7 countries of origin

Ghana, Ecuador, Madagascar, Papa New Guinea,  
Dominican Republic, Peru, and Côte d'Ivoire

LINDT & SPRÜNGLI

MAÎTRE CHOCOLATIER SUISSE DEPUIS 1845



We produce premium chocolate at our

11 factories

in Europe and the USA

# Highlights 2021



100% of our cocoa beans and

**64%**

of cocoa beans equivalent are sourced through sustainability programs

**> 91,000**

farmers participating in the Lindt & Sprüngli Farming Program

Expanded our Responsible Sourcing Roadmap to include

**12**

raw and packaging materials

Calculated our first complete

**carbon footprint**

(Scopes 1, 2, and 3)

on the path to defining science based targets (SBT)



**> 2.8 million**

shade trees distributed through cocoa sustainability programs since 2008

Joined the  
**Sustainable Packaging Coalition**

to support our five packaging targets



**38%**

of senior leadership positions held by women

Innovative Excellence Cocoa Pure made from

**100%**

cocoa fruit to reduce food waste from cocoa fruit pulp

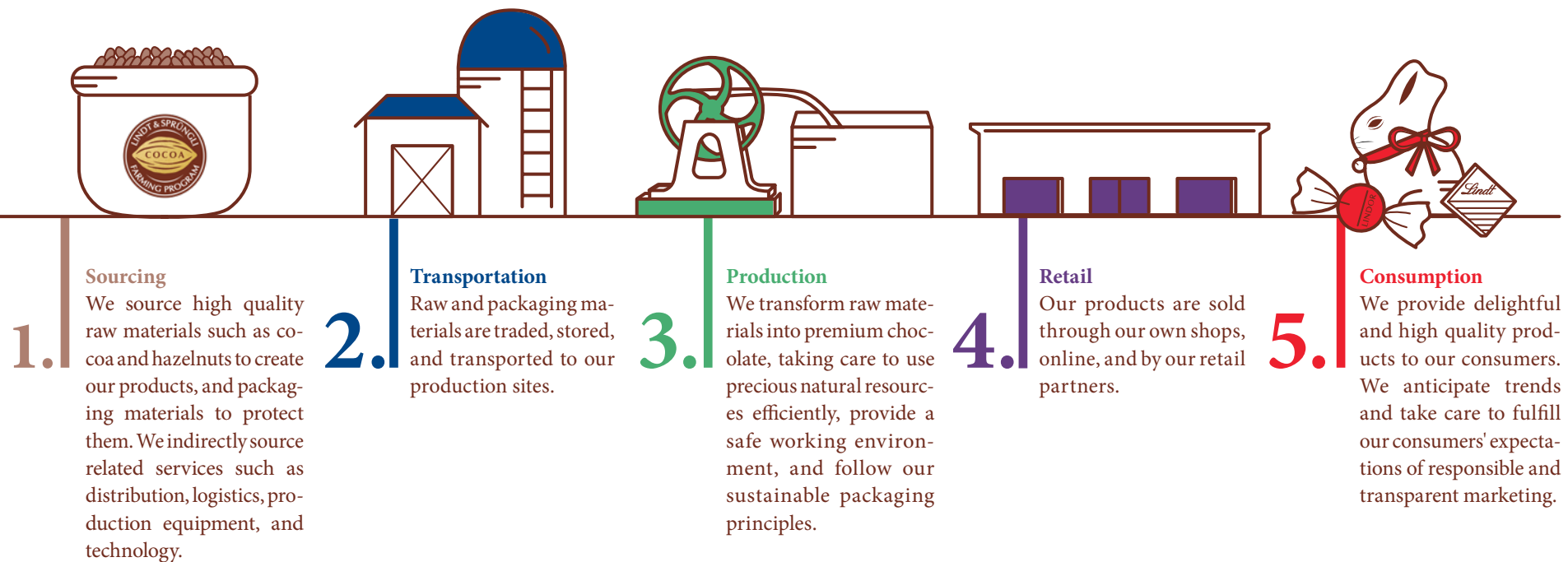
Lindt HELLO Vegan wins

**Vegan Food Award**

from PETA

# Our mission – our value chain from bean to bar<sup>1</sup>

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

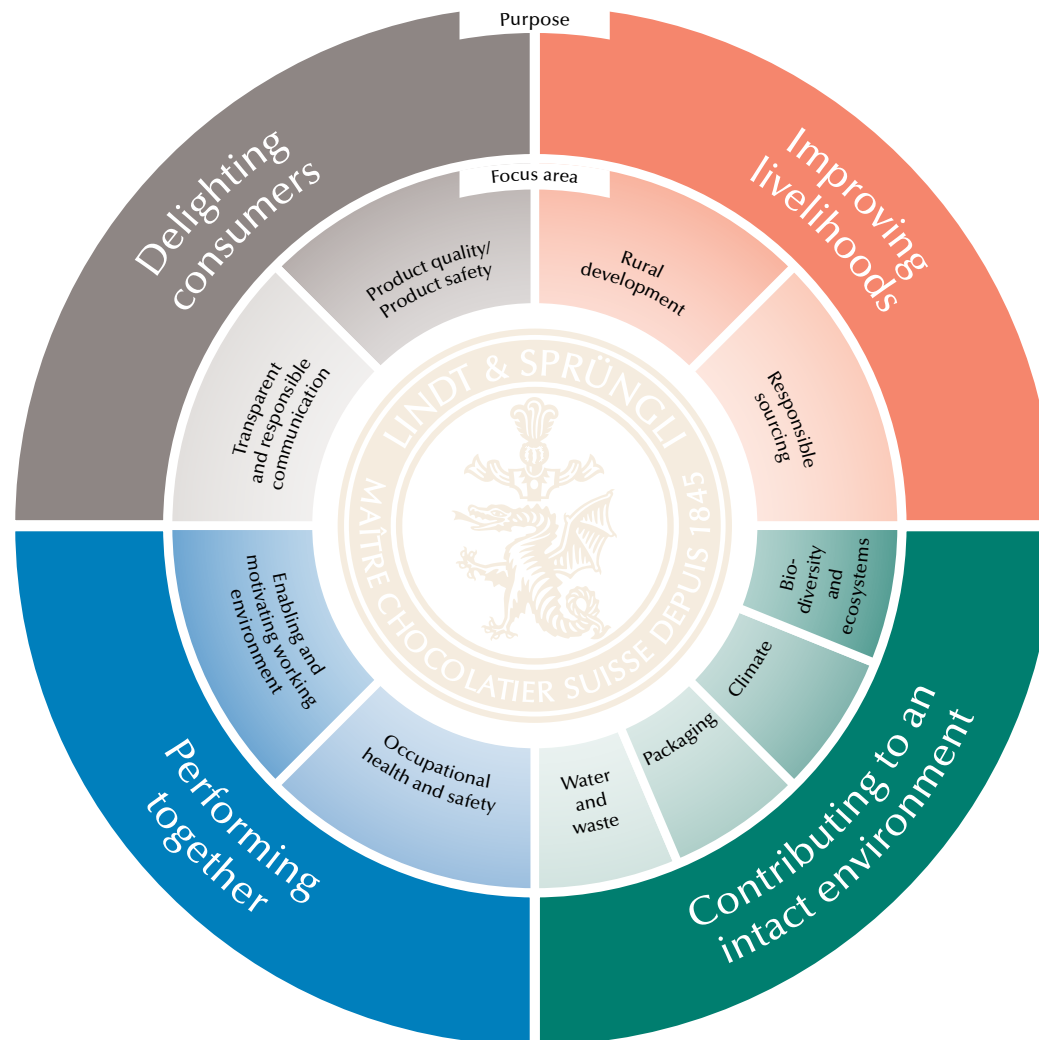


For more information about our business model, see our online ► [2021 Annual Report](#)

<sup>1</sup> Excluding Russell Stover

# Sustainability strategy and governance

## Lindt & Sprüngli Sustainability Plan



As a leading international chocolate producer, Lindt & Sprüngli is committed to conducting business in an ethical and socially responsible manner. The Lindt & Sprüngli Sustainability Plan (“the Sustainability Plan”) – our commitment for a better tomorrow – is our strategy for creating long-term added value for society, the environment, and the economy. It reflects our core [company values](#) Excellence, Innovation, Entrepreneurship, Responsibility, and Collaboration. Our Sustainability Plan centers around Lindt & Sprüngli’s priority focus areas grouped under four purpose pillars and objectives:

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

By building our sustainability strategy and disclosures around these pillars, we seek to improve our social impact and reduce our environmental footprint, thereby remaining a reliable partner of choice within our industry and positioning our company for continued success. We review and communicate our progress annually and adapt our approach to meet new challenges and opportunities.

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

## SUSTAINABILITY REPORT 2021

## Main commitments and progress 2021

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

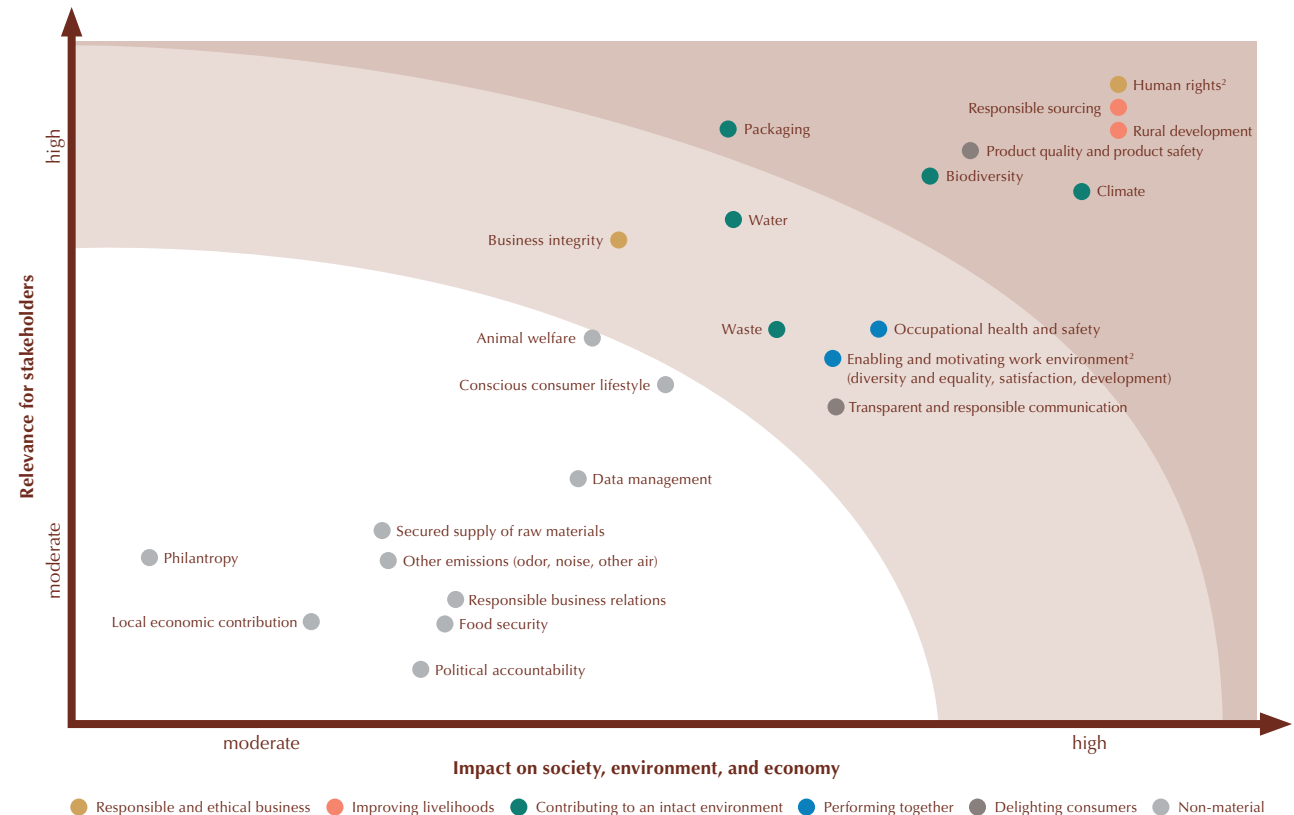
	Ambition	Focus area	Target	Status
Improving livelihoods	We want to support people along our value chain in creating decent and resilient livelihoods. The farmers, their families, employees, and the corresponding communities along our supply chain are at the center of our responsible sourcing activities.	<b>Responsible sourcing</b>	80% of our procurement expenditure for raw and packaging materials bearing significant sustainability risks is covered by a sustainable sourcing program by 2025	<div><div></div><div></div><div></div></div> On track
		<b>Rural development</b>	100% of cocoa (beans, butter, powder, and chocolate) is sourced through sustainability programs by 2025	<div><div></div><div></div><div></div></div> On track
Contributing to an intact environment	An intact environment is essential for our company and the entire value chain. Therefore, we focus on protecting the environment and reducing the environmental footprint of our chocolate as well as its packaging.	<b>Biodiversity and ecosystems</b>	100% of sourced cocoa is free from deforestation by 2025 (= covered by a fully implemented Cocoa No-Deforestation & Agroforestry Action Plan)	<div><div></div><div></div><div></div></div> On track
		<b>Climate</b>	Define a science based target (including Scope 1, 2, and 3) with a goal of reaching net-zero emissions in the long term, to be announced in 2023 at the latest	<div><div></div><div></div><div></div></div> On track
			2% reduction of greenhouse gas emissions in the production process per year from 2020, per ton produced (interim commitment until SBT is defined)	<div><div></div><div></div><div></div></div> Achieved
		<b>Water and waste</b>	50% reduction of semi-finished product waste in the production process from 2015 by 2025, per ton produced	<div><div></div><div></div><div></div></div> On track
			10% reduction of municipal water withdrawn in the production process from 2019 by 2025, per ton produced	<div><div></div><div></div><div></div></div> On track
		<b>Packaging</b>	100% of packaging is recyclable or reusable by 2025	<div><div></div><div></div><div></div></div> On track
Performing together	As a premium chocolate company committed to high quality standards, innovation, and sustainability, our employees are key to our future. Workplace safety is a top priority, we encourage and motivate our employees to achieve mutual success, and we support equal opportunities in the workplace.	<b>Occupational health and safety</b>	Continuously reduce our safety risks to achieve our long-term vision of zero lost time accidents	<div><div></div><div></div><div></div></div> On track
		<b>Enabling and motivating working environment</b>	Employ 40% women in senior leadership by 2025	<div><div></div><div></div><div></div></div> On track
Delighting consumers	In order to remain successful in the long term, we strive to continuously surprise and delight our consumers with innovative, premium chocolate products. We assume a high level of responsibility toward our consumers by ensuring transparent communication, product quality, and product safety.	<b>Product quality/ Product safety</b>	Comply with Lindt & Sprüngli quality and food safety standards on an ongoing basis	<div><div></div><div></div><div></div></div> No deviations
		<b>Transparent and responsible communication</b>	Avoid targeting children in advertising, encourage responsible consumption, and provide transparent nutritional information	<div><div></div><div></div><div></div></div> No major deviations



## Determining our material topics

Chocolate manufacturers worldwide are faced with a range of complex challenges along the entire value chain. In order to set the priorities of our Sustainability Plan, we conducted an in-depth materiality analysis. We evaluated the impact of our business activities along the value chain using a broad range of internal and external inputs, including direct exchanges with our stakeholders as well as analysis of media, consumer, and investor enquiries; reviewing scientific research papers and reports from non-governmental organizations (NGOs); and considering all relevant impacts along the value chain are the focus areas in our Sustainability Plan.

We review our impacts and priorities regularly and make annual updates as needed. This work is informed by ongoing dialogue with stakeholders, monitoring of external developments, review of new or improved baseline and performance data, and deep-dive assessments such as our human rights risk assessment (> see Responsible Business Conduct and Human Rights, p. 11).



<sup>2</sup> For a list of salient human rights impacts (> see p. 11)

## SUSTAINABILITY REPORT 2021

	Cross-cutting topics and focus areas	Relevant impacts along the value chain		
		Supply chain	Production	Customer/consumer
Responsible and ethical business	Human rights <sup>2</sup>			
	Business integrity			
Improving livelihoods	Rural development			
	Responsible sourcing			
Contributing to an intact environment	Biodiversity			
	Climate			
	Water			
	Waste			
	Packaging			
Performing together	Occupational health and safety			
	Enabling and motivating working environment <sup>3</sup>			
Delighting consumers	Transparent and responsible communication			
	Product quality/Product safety			

## Expanding our value chain focus

Since our business model and operating environment have remained stable, we made minimal adaptations to our materiality assessment in the reporting year.

Based on our human rights risk assessment and due diligence expectations, we have expanded our focus beyond human rights impacts in the supply chain. We consider respect for human rights and business integrity to be fundamental. Therefore, we integrate these aspects in our overall company-wide approach and throughout our Sustainability Plan (> see p. 7).

We are also focusing more on the value chain within the climate and packaging focus areas. These shifts were guided by external stakeholder input, as well as by an improved understanding of value chain impacts, such as the climate impacts of land-use change and deforestation in agriculture.

<sup>2</sup> For a list of salient human rights impacts (> see p. 11)

<sup>3</sup> Diversity and equal opportunity; Employee satisfaction and retention; Employee development

## Responsible business conduct and human rights

As a leading international chocolate producer, Lindt & Sprüngli is committed to conducting business in an ethical and socially responsible manner. Acting with integrity is fundamental to how we operate and to building trust with our partners, communities, and stakeholders. We are committed to being compliant with all legal and regulatory requirements, as well as our own group policies.

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

### Respecting human rights

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

In 2020, we initiated a Human Rights and Environmental Due Diligence process, which included an extensive assessment of actual and potential risks and took into account the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct. This work allowed us to identify our most salient human rights issues and opportunities to improve our management approaches.

#### Salient Issues:

- Access to Water and Sanitation
- Biosphere Loss / Deforestation
- Child Labor
- Climate Change
- Discrimination, Harassment, and Violence
- Forced Labor
- Health and Safety
- Land Rights
- Living Income and Wages
- Working Hours

### Towards a comprehensive human rights approach

In 2021, we engaged internal and external stakeholders to validate our risk findings and inform our path forward. We are actively developing a company-wide Human Rights Policy, management framework, and action plan based on these findings. We plan to formalize our approach to human rights due diligence in order to identify, prevent, and mitigate current and potential human rights risks throughout our business and supply chain.

For specific information on how we identify, prevent, and mitigate potential and actual human rights impacts – such as the risk of child labor and forced labor in cocoa farming (> see Child labor, p. 31f.), safety and labor practices in our own operations (> see Occupational health and safety, p. 47f.), and monitoring of and engagement with suppliers (> see Responsible sourcing p. 17f.); and consumer-related issues (> see Delighting consumers p. 53ff.) – please refer to the respective chapters.



## Our Business Code of Conduct

The Lindt & Sprüngli Business Code of Conduct (“the Business Code”) clearly sets out our core values and expectations for our employees across all areas of our business. It affirms our standards for non-discrimination and ethical behavior. In 2021, we updated the Business Code to integrate our state-of-the-art Speak Up system, which is an important channel for addressing any Code violations or grievance concerns.

We communicate the Business Code to all employees and monitor it through our internal control system.

Group Human Resources (HR) is responsible for managing business integrity in our operations with support from our local subsidiaries. While legal compliance is overseen by our Group Legal Affairs team, primary responsibility resides with the subsidiaries and department leaders.

### Our governing documents

Lindt & Sprüngli attaches great significance to responsible corporate behavior. This is reflected in our different group policies, which define the way we do business:

- [Business Code of Conduct](#)
- [Supplier Code of Conduct and Compliance Declaration](#)
- [Health and Safety Policy](#)
- [Environmental Policy](#)
- [Responsible Marketing Policy](#)

## Speak Up – our grievance mechanism

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

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

The Speak Up Line is open to employees and third parties and is run by an external party. It is accessible ► [web based](#) or via telephone and available 24/7, 365 days a year. Concerns can be addressed in the reporter’s native language and anonymously if country regulations permit. Cases reported through the Speak Up Line are investigated on the basis of the Lindt & Sprüngli investigation manual and remediation guidelines. Confirmed concerns are then remediated in accordance with the law. The Speak Up Line was implemented near year-end 2021 and consequently no general findings can yet be reported on the system.

## Compliance and respect for fair competition

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



## Corruption and anti-competitive behavior

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

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

## Stakeholder engagement

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

- Civil society organizations and NGOs
- Consumers
- Employees
- Farmers and suppliers
- Governments
- Industry associations
- Investors
- Media
- Retail/Distributors/Customers
- Universities/Research institutions
- Others

We value open dialogue with these stakeholders as they contribute uniquely to informing our practices and identifying opportunities for improvement. For example, NGOs provide input on best practices and amplify the voice of local stakeholders; farmers share insights on local challenges, opportunities, and impacts in our supply chain; and customers or distributors of our products help us stay informed about topics most relevant to our local markets and consumers. We also participate in select industry groups and multi-stakeholder initiatives to discuss universal challenges and help create broader change.

Select sustainability memberships include:

- ► [\*World Cocoa Foundation\*](#) (WCF) including ► [\*Cocoa & Forests Initiative\*](#) (CFI)
- Country-level platforms for sustainable cocoa in countries where we produce, including ► [\*SWISSCO\*](#) (Switzerland), ► [\*GISCO\*](#) (Germany) and ► [\*FRISCO\*](#) (France)
- ► [\*Roundtable on Sustainable Palm Oil\*](#) (RSPO)
- ► [\*Sustainable Packaging Coalition\*](#)
- ► [\*UN Global Compact\*](#) (UNGC)

In general, we do not participate directly in political activities but may engage in debates of legitimate interest to us through trade associations.

To learn more about the way we work with our stakeholders, please refer to the topic chapters and visit our ► [\*Sustainability Memberships Page\*](#).

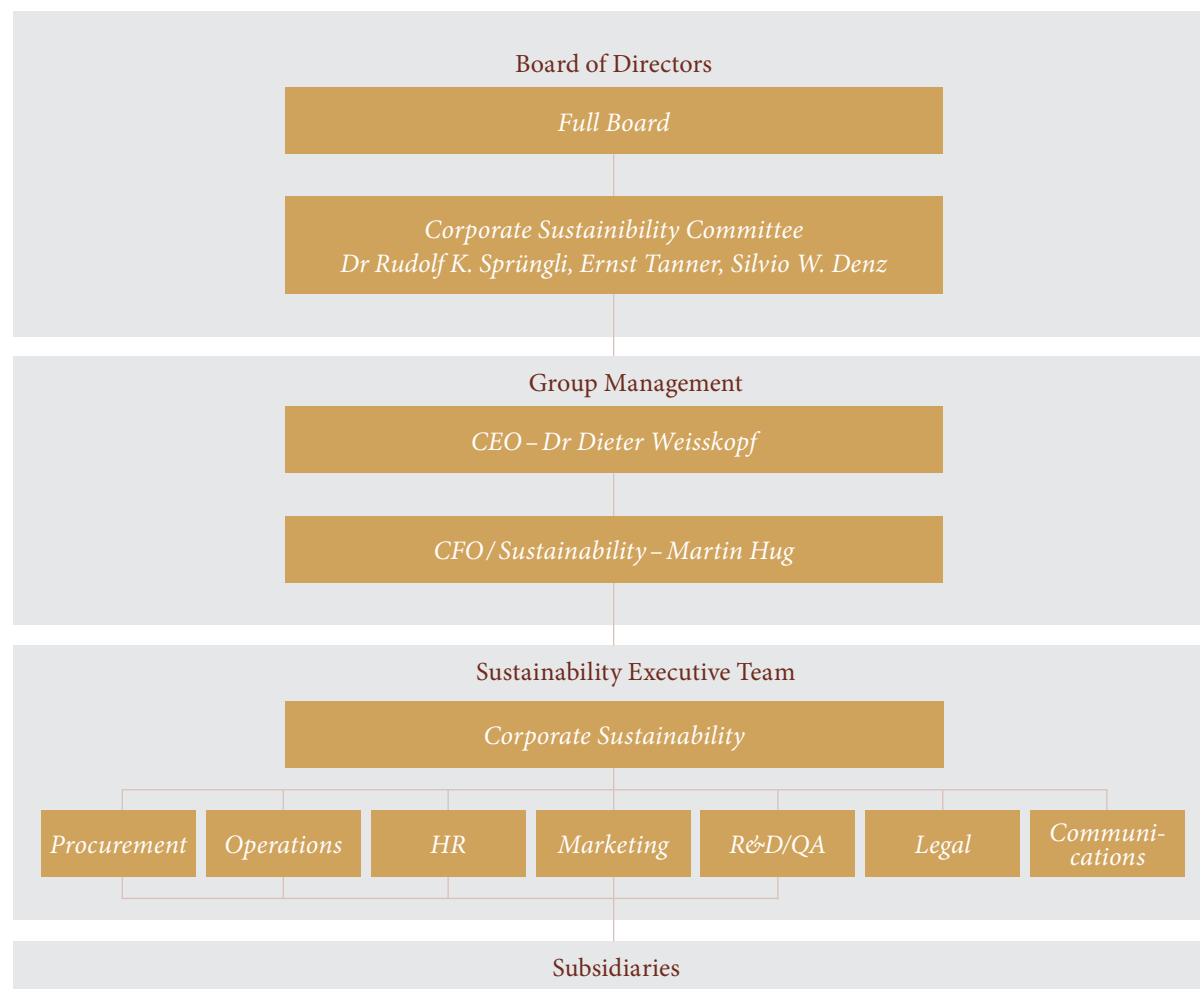




## Sustainability governance

At Lindt & Sprüngli, all issues related to sustainability are dealt with by the highest level of management. Our Corporate Sustainability Committee consists of three members of the Board of Directors. It supports the Board of Directors in setting the strategic course for company activities, while promoting comprehensive sustainability management. The Committee is responsible for the development and adoption of all globally valid corporate policies in this area, as well as for compliance monitoring. It meets as often as required, but at least once a year. Group Management, represented by the CFO, is responsible for ensuring that strategic sustainability decisions are implemented.

The cross-functional Sustainability Executive Team, supported by the Corporate Sustainability department, meets every two to three months and is responsible for steering the implementation of our Sustainability Plan. Furthermore, each Lindt & Sprüngli subsidiary designates one employee to also serve as a sustainability representative, helping to ensure end-to-end communication between the Group and the respective subsidiary, in addition to staff who are responsible for integrating sustainability throughout the business.





## Improving livelihoods

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### Responsible sourcing

Our approach to responsible sourcing considers social and environmental aspects and applies to both direct and indirect sourcing. As a chocolate company, however, we prioritize the responsible sourcing of our raw and packaging materials.



### Rural development

Our Lindt & Sprüngli Farming Program and other sustainability initiatives for the sourcing of raw materials are our way of supporting farmers and their families in creating decent and resilient livelihoods.

## Why we care

We want to support people along our supply chain in creating decent and resilient livelihoods and enhancing rural development. The farmers, their families, employees and the communities along our supply chain are at the center of our responsible sourcing activities.

The supply of raw materials such as cocoa beans, hazelnuts, and others is essential to the success of our business. The cultivation, processing, and transportation of these raw materials has significant social and ecological impacts – such as land rights, child labor, climate change, and deforestation.

We aim to be a positive presence in the lives of our suppliers and our supply chain partners. We have consulted extensively with these and other stakeholders who work in our raw material value chains to develop a **responsible sourcing** approach that prioritizes the need to improve the livelihoods of rural producers, i.e. farmers, their families, employees and communities, and meaningfully contributes to **rural development** in the regions we source from.

To achieve this, we focus on setting expectations for Lindt & Sprüngli suppliers regarding respect for human rights and upholding environmental, legal, and labor standards; supporting our agricultural communities; reducing the environmental impacts of sourcing raw materials; and ensuring transparency and traceability along our entire supply chain.



### Our Improving livelihoods related documents and policies:

- [\*Supplier Code of Conduct\*](#)
- [\*Speak Up Line\*](#)
- [\*Lindt & Sprüngli Farming Program Theory of Change\*](#)
- [\*Lindt & Sprüngli Farming Program Verification Guidance\*](#)
- [\*No-Deforestation & Agroforestry Action Plan\*](#)
- [\*No-Deforestation Progress Report\*](#)







## Responsible sourcing

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



Progress 2021: On track

The building blocks of our responsible sourcing approach are:

- Setting expectations through our Supplier Code of Conduct
- Supplier assessments using the EcoVadis framework
- Supplier audits and remediation through our Supplier Sustainable Practice (SSP) Program
- Responsible sourcing approaches for our priority raw materials
- Collaboration and support of cocoa farmers through our own Lindt & Sprüngli Farming Program

Our approach considers social and environmental aspects and applies to both direct and indirect sourcing. As a chocolate company, however, we prioritize the responsible sourcing of our raw and packaging materials.

### Supplier Code of Conduct

Our ► [Supplier Code of Conduct](#) requires adherence to social and environmental standards by our partners throughout the entire supply chain.

In 2021, we updated the Code to indicate that suppliers shall conduct regular internal assessments to assure their compliance with the Code; agree to participate in any sustainability assessments conducted by or on behalf of Lindt & Sprüngli; and, be willing to submit to unannounced inspections of their facilities to verify compliance.

Equally important, we have integrated the Lindt & Sprüngli ► [Speak Up Line](#) into the Code, which encourages suppliers to confidentially report any concerns they may have about unlawful activities at our sites or violations of the Code, without fear of retaliation.

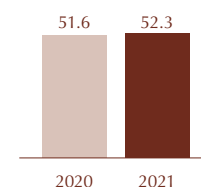
### Supplier assessment

We use the EcoVadis<sup>1</sup> framework to evaluate the sustainability performance of our direct and indirect suppliers of 13 of our major subsidiaries, accounting for the vast majority of our global expenditure with third parties. The assessment is based on 21 criteria and covers four topics: environment, labor and human rights, ethics, and sustainable procurement. In 2021 we expanded the scale of our assessment from approximately 300 to over 460 scored suppliers,

who achieved an average score of 52.3 out of 100, an increase of 0.7 points compared to 2020. For those companies rating lower than 45, we will continue to request corrective actions and reassessments. We will encourage all suppliers to improve their performance and continue our efforts to onboard additional suppliers to the program.

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

EcoVadis average 2021: 43.9



<sup>1</sup> EcoVadis is one of the world's largest and most trusted providers of business sustainability ratings, with a global network of more than 90,000+ rated companies.

Supplier audits and remediation

We closely monitor and strive to improve responsible practices at supplier sites through our Supplier Sustainable Practice (SSP) Program, our supplier site audit and remediation program. Based on risk prioritization, the SSP Program focuses on packaging suppliers in Asia, who must adhere to our Supplier Code of Conduct.

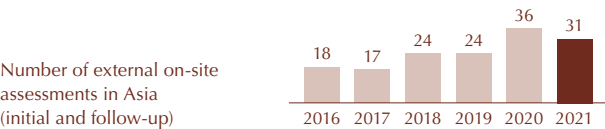
Our proactive approach is designed to encourage long-term improvements and provide targeted development support, such as dedicated advice on environmental best practices for printing operations or advice on worker safety management systems. Depending on their risk profile (and especially the nature of their business operations), we conduct on-site assessments of our significant suppliers. For new tier-2 subcontractors, we conduct quick-check assessments which focus on compliance. Should suppliers have a low rating in their SSP audits, we require them to be audited on a more frequent basis and to show improvements. Where feasible and reasonable, we replace these suppliers, or reduce the volume we purchase from them. Any suppliers in the SSP that violate zero-tolerance issues or repeatedly fail to improve are added to Lindt & Sprüngli’s group-wide block list.

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

1	2	3	4
Require suppliers to sign the Lindt & Sprüngli Supplier Code of Conduct	Conduct an external on-site assessment	Develop corrective action plan	Provide supplier support if necessary

In 2021, 31 suppliers were audited and 25 of them received a positive overall rating. For the remaining six suppliers, detailed action plans were agreed on, which are frequently reviewed off- and on-site. Due to the circumstances of COVID-19, fewer on-site assessments could be carried out compared to last year.

SSP Program









## Responsible sourcing approaches for priority raw materials

Beyond our Supplier Code, assessments, and audits, we conduct risk-based due diligence of the raw materials we source. In 2021, we updated the Responsible Sourcing Roadmap 2025 to include seven additional priority materials we want to source responsibly by 2025. The Roadmap will therefore include, in total, the following twelve materials: almonds, cocoa, coconut oil, coffee, dairy, eggs, hazelnuts, palm oil, pulp- & paper-based packaging materials, soy lecithin, sugar, and vanilla. These priority materials were defined based on a dedicated raw material risk assessment which considered criteria such as environmental, social and supply chain risks and impacts, as well as buying volumes and stakeholder expectations.

Over the past few years, we have made significant progress on advancing the sustainability of our supply chain, achieving our responsible sourcing goals for hazelnuts, eggs, soy lecithin, and palm oil/palm kernel oil. Over the next four years, we will define a responsible sourcing approach for each of the newly identified materials which will allow us to gradually transition the sourcing of our priority materials in line with our Responsible Sourcing Roadmap 2025. This will enable us to reach our 80% responsible sourcing goal – a commitment that is core to the Sustainability Plan.

While sustainability programs and certifications represent enhanced approaches relative to standard materials, we recognize that they may not guarantee effective management or resolution of underlying causes of all social and environmental topics of potential concern.

### Responsible sourcing

Material		Progress in 2021	Goal
Cocoa		64%	100% by 2025
Cocoa beans equivalent sourced through sustainability programs <sup>2</sup>			
Cocoa beans		100%	100% by 2020
Cocoa beans sourced through sustainability programs			
Hazelnuts		100%	100% by 2020
Turkish hazelnuts sourced through sustainability programs			
Palm oil		100%	100% by 2015
Palm oil (kernel/oil/fractions) sourced RSPO certified			
Soy lecithin		100%	100% by 2018
Soy lecithin sourced ProTerra certified <sup>3</sup>			
Eggs		100%	100% by 2020
Eggs sourced cage-free (or at a higher standard) <sup>3</sup>			

Traceability is a vital factor for ensuring the transparent and sustainable sourcing of our key raw and packaging materials. The following are **traceability models** used in sustainable sourcing of agricultural raw materials, which we refer to in our approaches:

#### Identity preserved

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

#### Segregation

Separation of materials with sustainability characteristics from conventional materials throughout the supply chain, but not necessarily traceable back to the origin.

#### Mass balance

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

<sup>2</sup> ICCO conversion rates

<sup>3</sup> Excluding Russell Stover



## Hazelnuts

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

100%

Progress 2021: 100% (Commitment achieved)

**Hazelnuts<sup>4</sup>** are a key raw material for Lindt & Sprüngli chocolate products. We source them primarily from Italy and Turkey. The supply chain in the Turkish Black Sea region, where approximately 70% of the world's harvest originates, has high risks related to labor conditions. We work closely with our Turkish suppliers to implement programs to improve the economic, agricultural, social, and environmental sustainability of their hazelnut gardens. Our hazelnut sourcing model for Turkey is based on long-term relationships with selected suppliers and a stable farmer base. It is organized around four pillars:

### Traceability and farmer organization

We take a segregation approach, where the hazelnuts we source from sustainability programs are strictly separated from conventional ones.

### Training and knowledge transfer

Training is offered to farmers and farm workers. Farmer training includes in-class curriculum dedicated to good agricultural, environmental, and social practices, along with practical training in model gardens. Training for workers is also held in their home villages and focuses on topics such as workers' rights and occupational health and safety.

### Farmer and worker investments and community development

We invest in improving farmer and farm worker living conditions, such as enhancing their accommodations and offering health services. To fight child labor in the seasonal workforce, we support investments in Child Labor Monitoring and Remediation Systems (CLMRS) and preventive measures such as summer schools for workers' children.

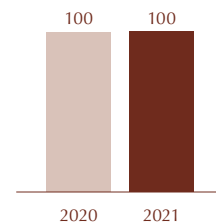
### Verification and continuous progress

100% of farmers in our Turkish hazelnut supply chain are internally monitored by our suppliers, whereas external program verification includes tracking program effectiveness and identifying opportunities for potential improvement. Our three main suppliers are members of the Fair Labor Association.

In 2021, we continued to work closely with our Turkish hazelnut suppliers, supporting them in the expansion and improvement of their sustainability programs.

### Sustainable hazelnuts

% of Turkish hazelnuts sourced through sustainability programs



<sup>4</sup> Excludes an immaterial volume of ingredients which contain hazelnuts combined with other materials; scope expanded from unprocessed hazelnuts to processed and unprocessed hazelnuts (total).



## SUSTAINABILITY REPORT 2021



## Palm oil

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

**100%**

Progress 2021: 100% (Commitment achieved)

**Palm oil**, palm kernel oil, and their fractions are used in limited amounts in certain fillings of our chocolate. While these products are important for their melting properties and for providing a neutral flavor, their production can be associated with environmental and social sustainability issues, including deforestation and conversion of peatlands, biodiversity loss, exploitation of workers, and adverse effects on local communities and indigenous people. For these reasons, we use them sparingly, always declare their use on our product packaging, and only purchase sustainable palm oil according to the Roundtable on Sustainable Palm Oil standard (RSPO). Since 2015, Lindt & Sprüngli has sourced 100% of our palm oil, palm kernel oil, and their fractions with RSPO certification and, for all our products produced in Europe, 100% under the “Segregated” traceability model. RSPO’s Segregated traceability level (> see traceability models, p. 19), means that certified palm oil is kept separate from conventional palm oil throughout the supply chain. Our US subsidiaries are an exception, where due to availability reasons, a mix of “Segregated” and “Mass Balance” palm oil, palm kernel oil, and their fractions is used but kept separate in bookkeeping.

For detailed information, please see our latest Annual Communication of Progress to the RSPO at ► [www.rspo.org](http://www.rspo.org).



## Soy lecithin

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

**100%**

Progress 2021: 100% (Commitment achieved)  
99% of total soy lecithin including Russell Stover

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

In 2021, 99% of the soy lecithin used in producing our chocolate mass was certified with the ProTerra standards, 100% excluding Russell Stover chocolates.



## Eggs

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

**100%**

Progress 2021: 100% (Commitment achieved)  
69% of total eggs including Russell Stover

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

In 2021, 69% of eggs (shell, liquid, or ingredients) used for products produced in our factories were sourced cage-free or at a higher standard, 100% excluding Russell Stover.



## Cocoa

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

64%

Progress 2021: 64% (On track)

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

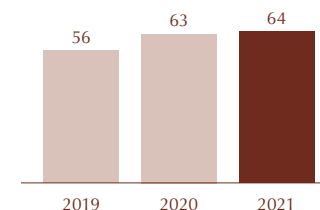
We have made progress in achieving our responsible sourcing targets and in supporting farmers, their families, and the communities along our supply chain in creating decent and resilient livelihoods. In total during 2021<sup>5</sup>, 100% of cocoa beans were sourced through sustainability programs and we increased our share of responsibly sourced cocoa butter from 33% to 37%. However, because we sourced proportionally more cocoa butter relative to cocoa beans than in the prior year, the total amount of cocoa sourced through sustainability programs increased only modestly to 64% in 2021, up from 63% in 2020. In total, we sourced 144,784 cocoa bean equivalents<sup>6</sup> in 2021.

We remain on track to achieve our target to source all cocoa products (beans, butter, powder and chocolate) through sustainability programs by 2025.



## Traceability and verification of cocoa

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



## Path forward: Cocoa and other materials

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

- Develop sustainable sourcing approaches for vanilla, sugar and paper supply as the first materials added to the list of priority materials, to be followed by the remaining ones according to our Responsible Sourcing Roadmap.
- Continue to evaluate and evolve responsible sourcing approaches for existing categories.
- Define the responsible sourcing approach for cocoa powder and finished chocolate and continue to increase the share of responsibly-sourced butter to achieve the 2025 cocoa target.
- Further roll out the EcoVadis assessment as our supplier management assessment tool towards covering 80% of our expenditure by 2025.

<sup>5</sup> All numbers relating to cocoa cover the period from October 2020 to September 2021. This is the official reporting year for cocoa sustainability data.

<sup>6</sup> This figure is calculated using the conversion factors of the International Cocoa Organization (ICCO): cocoa butter to beans: 1.33; cocoa powder to beans: 1.18; cocoa liquor to beans: 1.25.

## Our cocoa sustainability approach

The cocoa sector faces many challenges related to human rights and environmental protection. We are committed to working with relevant stakeholders to advance effective solutions and strengthen our own meaningful contribution to address these issues.

Our commitment to responsible sourcing of cocoa is based on five principles that enable us to deploy an effective program aimed at three outcomes: increasing the resilience of farming households, reducing the risk of child labor, and conserving biodiversity and natural ecosystems.

### Responsible cocoa sourcing principles

Our approach to responsible cocoa sourcing is based on these five principles:

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

### Pursuing long-term supplier partnerships

Our cocoa sustainability approach is based on selecting committed partners who are willing to collaborate with Lindt & Sprüngli over the long term. We therefore pursue long-term agreements with our suppliers that allow us to purchase from a stable group of farmers participating in the Lindt & Sprüngli Farming Program. This focus provides our partners with planning security and, it allows us to establish traceability along the supply chain and support the same farmers over multiple years to achieve better outcomes. Stable partnerships, in combination with our own Program (see below), also enable us to allocate funds in accordance with our Program priorities, aiming at direct impact on the ground. They also facilitate access to high quality beans for our premium chocolate products.

### Deploying our own sustainability program

Our own cocoa sustainability program, the **Lindt & Sprüngli Farming Program** (“the/our Program or Farming Program”), is at the heart of our focus area “rural development”, through which we aim to create decent and resilient livelihoods for cocoa farmers and their families and encourage more sustainable farming practices. To achieve this vision, our Program deploys measures to facilitate higher productivity, support diversification of household incomes, improve community infrastructure, reduce the risk of child labor, and address deforestation.

Since 2008, we have implemented the Farming Program in seven origin countries, benefitting a total of 91,559 farmers. After achieving our goal to source 100% of our cocoa beans through the Program in 2020, we also began sourcing some cocoa butter through sustainability programs. In 2021<sup>7</sup>, we extended our Farming Program to include cocoa butter, with plans to scale it up to achieve our 2025 commitment. While some volumes of cocoa butter are already sourced through the Program, others are sourced via third-party sustainability programs and will transition into the Farming Program over the next years.

With the inclusion of cocoa butter and the addition of a new cocoa bean origin in 2021, the Lindt & Sprüngli Farming Program now includes Peru and Côte d’Ivoire for the first time, in addition to Ghana, Ecuador, the Dominican Republic, Madagascar, and Papua New Guinea.

<sup>7</sup> All numbers relating to cocoa cover the period from October 2020 to September 2021. This is the official reporting year for cocoa sustainability data due to cocoa harvesting season.



To finance our Farming Program, we pay our long-term cocoa suppliers, who are our implementation partners on the ground, a sustainability premium per metric ton of cocoa sourced. This amount covers Program fixed costs, traceability fees, and farmer and/or cooperative premiums. It is paid in addition to the market price and the Living Income Differential (LID) of USD 400 per ton, which was introduced by the governments of Côte d'Ivoire and Ghana. In 2021, we invested CHF 18.6 million in cocoa sustainability programs, of which CHF 15.1 million was invested in the Farming Program sustainability premiums. The Lindt Cocoa Foundation contributes an additional CHF 2–3 million annually in investments for farmers and communities in line with its mission to achieve social and ecological sustainability in the cultivation, production, and processing of cocoa and other raw materials used in chocolate production. In certain cases where we work collaboratively with development partners, the Program is co-funded by public sector donors. We also invest in complementary projects with expert organizations to build the capacity of our suppliers and to pilot new solutions.

We understand that effective solutions require constant adaptation and innovation. Looking forward, we want to increase the scale of the Program to cover our growing volume needs and integrate all cocoa butter programs into the Farming Program. We also want to continuously improve our Program in accordance with the changing environment and new stakeholder expectations, including scaling up proven solutions.



# 64%

cocoa beans equivalent are sourced through sustainability programs

CHF **18.6 million**  
invested in the cocoa sustainability premiums

# 91,559

farmers participating in the Farming Program



## SUSTAINABILITY REPORT 2021



**Dominican Republic**

**Ecuador**

**Peru**

**Côte d'Ivoire**

**Ghana**

**Madagascar**

**Papua New Guinea**

**Ecuador**

Farmers: 8,634

Field staff: 35

Program start: 2014

**Peru**

Farmers: 850

Field staff: 6

Program start: 2021

**Dominican Republic**

Farmers: 823

Field staff: 4

Program start: 2018

**Côte d'Ivoire**

Farmers: 5,462

Field staff: 35

Program start: 2021

**Ghana**

Farmers: 69,101

Field staff: 484

Program start: 2008

**Madagascar**

Farmers: 2,388

Field staff: 15

Program start: 2015

**Papua New Guinea**

Farmers: 4,301

Field staff: 20

Program start: 2017

## Establishing traceable and transparent supply chains

Since the establishment of the Lindt & Sprüngli Farming Program in 2008, physical traceability has been the starting point of our sustainable cocoa supply chain.

### Traceability from farm to first point of purchase

As part of our Program, all farmers are registered, baseline data – including farm GPS points – is collected, and systems are put in place to establish traceability from farm to first point of purchase. Polygons are required in Ghana, Côte d'Ivoire, and Madagascar, and we are progressively rolling out a requirement that our suppliers use polygon mapping to draw farm boundaries, which is more accurate than GPS plotting and allows us to better monitor farms for forest protection and traceability. As of 2021, 91,184 of registered Program farmers (99%) had all their farms GPS or polygon mapped.

### Traceability along the supply chain up to our factory doors

We believe that physical traceability of cocoa is strongly linked to sustainability. We take a differentiated approach for traceability of cocoa beans and cocoa butter due to their different supply chain characteristics.

For cocoa beans, Lindt & Sprüngli has a fully traceable supply chain based on identity preservation (> see traceability models, p. 19). This means our cocoa beans are fully traceable from the farm to our factory doors, which is facilitated by our bean-to-bar approach to chocolate production.

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

Our partners store and transport Farming Program cocoa beans separate from all other beans they grow, with the cocoa clearly marked and each delivery accompanied by a traceability certificate. This helps ensure that we purchase cocoa beans only from farmers that are part of the Lindt & Sprüngli Farming Program. By knowing the origin and maintaining traceability of our cocoa beans along the supply chain, we also gain a better understanding of our impacts and have data to help verify our objectives, such as ensuring that no cocoa is sourced from protected areas or complying with critical sourcing requirements regarding child labor.

Similarly, for our responsibly sourced cocoa butter, we have a physical traceability approach based on segregation (> see traceability models, p. 19). Conventional and sustainable cocoa are strictly separated until the butter batches are delivered to Lindt & Sprüngli.

Over the next few years, our goal is to complete polygon mapping of our Program farmers to ensure traceability from farm to first point of purchase. Regarding supply chain traceability for butter, we aim to scale our share of butter sourced according to the segregation model over the next few years and we are currently working on improving and aligning our requirements and processes across suppliers. We also want to continue engaging with interested stakeholders to promote the broader adoption of physical traceability in the market.

## Continuous improvement based on monitoring and external verification

Our Program builds on a philosophy of continuous improvement. Our monitoring and evaluation approach is based on annual internal monitoring of all cocoa farmers to assess compliance with Program requirements and progress regarding more sustainable farming practices and better livelihoods. Feedback from farmers during this process also informs opportunities to improve Program operations to maximize our outcomes.

All our cocoa sourced through sustainability programs is externally verified by an independent third-party on an annual basis. For cocoa beans, the external verification is conducted by Earthworm Foundation, based on the Farming Program ► [External Assessment Methodology](#), which enables a mutual learning process. The annual external verification results are transparently communicated and published by Earthworm Foundation. For cocoa butter, we currently have different third-party verification schemes in place, and we are working on standardizing these.

In the coming years, we aim to strengthen our monitoring and evaluation approach to improve transparency in reporting and understanding of our achievements and challenges. We further aim to begin measuring the effectiveness of our Program in a way that informs its overall design, while assessing our impact on the ground more systematically.

### Engaging in collective action through sector initiatives

We are aware that individual stakeholders' ability to drive systemic change is limited. That is why we collaborate and engage in various multi-stakeholder initiatives. These include ► *partnerships and participation in international initiatives* such as the ► *Sustainable Cocoa Platforms (ISCO's)*, landscape-level partnerships, and working with third-party organizations in farming communities to pilot new solutions locally. As part of the work on no-deforestation and agroforestry, we became a Cocoa & Forest Initiative (CFI) signatory, a partnership between government and companies to protect and restore forests, support sustainable production and farmer livelihoods, and ensure community engagement and social inclusion.

We plan to strengthen our participation in multi-stakeholder initiatives in recognition of the increasing importance of mutual learning and exchange of best practices, sector alignment, and innovation.





## Theory of Change

The Lindt & Sprüngli Farming Program is based on a **Theory of Change** that outlines our intervention logic, including the activities, outcomes, and desired impact of the Program. The Program design has evolved since its establishment. It is also

adapted to each cocoa origin's local context to address the needs of farmers and their communities.

We have made good progress toward the desired outcomes described below<sup>8</sup>: increased resilience of farming

households, reduction in the risk of child labor, and conservation of biodiversity and natural ecosystems. In the following sections, we describe our approach in more detail.

### Theory of Change framework

#### Input and activities

##### Tracing our beans

- Registering farmers and organizing them in groups for Program implementation
- Gathering baseline data about farms (incl. GPS coordinates and farm polygons), farmers, and communities to assess their needs and design the Program
- Establishing a sound traceability system of cocoa beans from the cocoa farmers all the way to our factory doors

##### Training the farmers

- Agricultural practices, including planting, maintenance, harvesting, fermentation, and drying of cocoa beans
- Environmental practices, such as protection of biodiversity and the environment
- Social practices and sensitization to topics such as health, safety, labor standards, and child labor
- Business practices, including bookkeeping, farm management, and income diversification

##### Investments for farmers and communities

- Productive and disease-resistant cocoa seedlings, as well as multi-purpose shade trees for agroforestry
- In-kind premiums (e.g., farming tools and inputs) or cash premiums
- Access to financial knowledge and services and support of Village Saving & Loan Associations
- Support for generating additional income through training and starting capital
- Access to drinking water through construction of water systems and boreholes
- Child Labor Monitoring and Remediation System (CLMRS), including investments in education infrastructure

##### Independently verifying our Program

- Internal monitoring by Program field staff based on yearly visits to all farmers in the Program to evaluate the progress of farmers' sustainable farming practices
- Annual external assessment by an independent third party
- Identification, discussion, and implementation of corrective actions based on data gathered and external assessment results for continuous improvement of the Program

#### Outcomes

- Increased resilience of farming households through higher productivity of farms, diversified incomes, and improved community infrastructure
- Reduction of the risk of child labor
- Conservation of biodiversity and natural ecosystems

#### Impacts

- With our Farming Program, we aim to create decent and resilient livelihoods for cocoa farmers and their families and encourage more sustainable farming practices

<sup>8</sup> While we have standardized progress tracking for our Farming Program for cocoa beans, we are preparing to integrate the cocoa butter Program into the monitoring system of our Farming Program.



## Increased resilience of farming households

Our Program contributes to building resilient livelihoods for farmers, and their families and communities through a holistic approach for increasing net income. We tackle this by increasing productivity (yield per hectare), diversifying household incomes, providing farmers with cash and in-kind premiums, and investing in community infrastructure. The goal is to help address poverty, which is the systemic root cause of many sustainability challenges in the cocoa sector.

### Increasing productivity

The starting point of the Farming Program is training and knowledge transfer. We provide group training and individual coaching to farmers to improve their adoption of good agricultural, social, environmental, and business practices. During coaching sessions based on farm development plans (FDPs), farmers receive tailored advice and recommendations, which should increase adoption rates for good agricultural practices. In 2021, 599 field staff working for the Program delivered training to 85,810 farmers and coaching to 21,453 farmers.

Additionally, we invest in farming resources and farm services. Farmers are supported with access to fertilizer, productive and disease-resistant cocoa seedlings, shade trees, and farming equipment such as cutlasses and wheelbarrows. For example, 563,789 cocoa seedlings were distributed for farm rehabilitation. We are also scaling up deployment of pruning groups to address a lack of labor in Ghana. This provides an opportunity to bridge the labor gap to improve farm management practices, while providing employment opportunities for youth in rural areas and helping to address one of the root causes for child labor.



# 6,554,630

improved cocoa seedlings distributed since the start of the Program (with 563,789 improved cocoa seedlings distributed in 2021)



# 599

field staff in the Farming Program

## Farmer premiums

We recognize that the price of cocoa is an important element to a sustainable cocoa sector. In addition to the market price, suppliers receive money to provide cash or in-kind premiums to farmers in the Lindt & Sprüngli Farming Program as part of our investments in sustainability programs. We also support the efforts of the governments in Côte d'Ivoire and Ghana to improve livelihoods of cocoa farmers with a Living Income Differential (LID) of USD 400 per ton. We have purchased cocoa with full LID pricing and will continue to do so.

As part of smaller projects, we have begun working with our implementation partners to pilot premiums based on environmental performance. Performance-based payments, including Payments for Environmental Services (PES), promote adoption of agroforestry systems. However, we believe a holistic approach for increasing farmer net incomes is necessary, which is why the Farming Program includes other complementary measures to improve farmer livelihoods as described in this section (i.e., increasing productivity, income diversification, and investments in community infrastructure).

### Income diversification

Income diversification is key to promoting women's empowerment and closing the living income gap of smallholder cocoa households. We therefore train our farmers and their spouses in on-farm and off-farm diversification initiatives, and selected farmers benefit through a start-up capital fund, as well as savings and loan opportunities. In 2021, we trained 6,830 individuals in additional Income Generating Activities (IGA); since the start of the Program, 27,336 have adopted non-cocoa additional livelihood opportunities, 8,535 of whom are women. These opportunities include food crops and vegetable gardens, pig farming, poultry, and bee keeping, depending on the local context.

In addition, we have facilitated the establishment of 218 Village Saving and Loans Associations (VSLAs) involving 5,324 farmers. VSLAs are a simple, accessible way to help individuals – especially women – and communities learn about saving, borrowing and investing responsibly. Typically, members do not have their own bank accounts or are unable to qualify for a loan through traditional financial providers. VSLA loans are based on trust among group members and can, for example, be used to start small businesses to diversify incomes.

# 27,336

individuals participating in Income Generating Activities (IGA)



# 5,324

members of Village Savings and Loan Associations



# ~ 133,000

community members benefit from

# 224

drinking water systems and boreholes built and functioning since the start of the Farming Program

### Investments in community infrastructure

Through the Farming Program, we not only invest in supporting individual Program farmers, we also invest in community infrastructure to ensure access to basic social services, including water and education. The goal is to create conditions for an improved livelihood for all community members, thereby increasing their resilience. In 2021, we refurbished seven schools in Madagascar as part of the Farming Program. We maintained 211 drinking water systems and boreholes built in prior years and built 13 new ones. In total, approximately 133,000 community members now benefit from these investments in water infrastructure.

Over the coming years, we plan to support more farmers with coaching and tailored advice and to increase our investments in income diversification and community development activities. As we gain a better understanding on what works across different supply chains, we will scale best practices across our Farming Program.

## Reduction of the risk of child labor

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

57%

Progress 2021: 57% (On track)

Child labor is a widespread systemic issue deeply rooted in poverty, lack of awareness, a shortage of adult labor, and few educational facilities. Lindt & Sprüngli strongly condemns all forms of child labor. Tackling child labor is a priority and we are firmly committed to avoiding and remediating it in our cocoa supply chain. We are aware that we do not have all the answers on how to prevent abuses of children's rights from being perpetrated in our supply chains, but we are fully engaged in working to continuously enhance the effectiveness of our systems in order to address this risk in our cocoa supply chain and beyond.

Lindt & Sprüngli cocoa suppliers who are implementing the Lindt & Sprüngli Farming Program in countries of origin that have a risk of child labor are expected to effectively protect children's rights along our supply chain. We consider Ghana, Côte d'Ivoire, Madagascar, and Papua New Guinea child labor risk countries in our cocoa supply chain. 100% of cocoa from child labor risk countries will be sourced from farming households covered by a Child Labor Monitoring and Remediation System (CLMRS) by 2025. A CLMRS includes training and awareness-raising for farming households and community members, as well as monitoring and remediation of child labor.

To provide clear guideline to our suppliers, we have developed a guidance document describing our holistic interpretation and operationalization of the CLMRS in the Farming Program, called the Community Child Protection System (CCPS). While not a new method, the CCPS formalizes and systematizes a streamlined approach to addressing child labor across all our suppliers for the first time. In 2021, we completed an external stakeholder review of the CCPS implementation guidance document, developed a monitoring and reporting methodology, and began capacity building of Program staff at the supplier level.

## Introducing the Community Child Protection System (CCPS)

For Lindt & Sprüngli, the effective prevention of child labor requires full protection of children's rights, involvement of community leaders and members, holistic interventions, and close collaboration with relevant stakeholders including public institutions. It should also provide a framework for individual case management as well as systemic preventive measures. Based on these considerations, the CCPS aims to reduce the risk of child labor through three interventions:

- Individual farmer and community awareness building
- Resilience building for Farming Program farmer households and community members through holistic preventive measures
- Monitoring, identification, and remediation of cases of child labor

These interventions are implemented based on a dual approach to protecting children's rights: combining supply chain-based interventions focused on effective monitoring and remediation of cases from Farming Program farmers in our supply chain with community-based interventions focused on supporting farming households and communities in addressing the phenomenon more broadly.

### Prevention, monitoring and remediation of child labor cases in the supply chain

As an initial preventive measure, child labor is part of the mandatory sensitivity training curriculum and a minimum requirement of the Farming Program. Beyond this, Program farmers receive access to farm services through pruning groups, as well as support to increase and diversify their net incomes and improve their resilience (> see p. 29f.). For identification of child labor within our supply chain, the CCPS foresees that Farming Program households with a risk of child labor must receive unannounced child-labor focused monitoring visits. In 2021, 8,491 unannounced child-labor focused monitoring farm visits were conducted, which identified 87 cases with evidence of child labor within our own supply chain. All these cases are either successfully remediated or are in the process of being remediated. Our individual case management system includes remediation support for concerned families to address the immediate issues of children in need, in combination with follow-up visits.



41

schools refurbished since the start  
of the Farming Program, benefitting

~ 5,500  
children

### Monitoring and remediation through community-based preventive interventions

As child labor is a systemic issue, it cannot be addressed on a broader scale solely by managing and remediating individual cases found in the supply chain. For this reason, we guide suppliers to support more systemic preventive, community-based measures. Sensitizing communities and supporting community child protection committees are first-step preventive measures. We anticipate basing our farmer and community investments on risk profiling of communities and households to further build resilience and serve the households and communities most in need. Particular attention will be given to continued investments in school-based interventions, including investments in education infrastructure. To date, we have built and refurbished a total of 41 schools benefiting approximately 5,500 children. Finally, we will help establish community-level monitoring, which will include a grievance mechanism managed by community child protection committees supported by the Farming Program.

Over the coming year, we will conclude the supplier capacity building and fully implement the CCPS across our supply chains, together with our suppliers. Additionally, we foresee the need to finalize community and household risk profiling and to perform detailed planning for preventive community-based investments over the next few years.





## Conservation of biodiversity and natural ecosystems

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



Progress 2021: (On track)

Cocoa is by far the most important of the raw materials we source, given the large volumes we source. Cocoa cultivation has a high risk of biodiversity loss through deforestation or harmful farming practices. We acknowledge our responsibility to contribute to reducing cocoa-driven deforestation.

2021 marks our third year of implementing Lindt & Sprüngli's Cocoa No-Deforestation & Agroforestry Action Plan. By year end, 64% of our overall cocoa volume was sourced through sustainability programs which include our Action Plan. With this, we are on track to reach our 100% target for 2025. The Action Plan is being implemented with all suppliers and is integral to our Farming Program. For further details, please review the ► [Cocoa No-Deforestation & Agroforestry Progress Report](#).

The primary objectives of our Action Plan for cocoa include:

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

## Addressing deforestation in the supply chain

To help ensure that no cocoa is sourced from protected areas, and to prevent farmers from expanding their cocoa farms into valuable forests in terms of biodiversity or carbon stocks, we map all cocoa farms in our Program – using GPS and polygon systems – to establish traceability from farm to first point of purchase. As of 2021, 91,184 of registered Program farmers (99%) had all their GPS or polygon farms mapped. This represents an increase of 15% compared to the prior year and includes polygons for nearly all farms in Ghana and Côte d'Ivoire.

Before new farmers can be admitted to the Farming Program, a legality check regarding areas protected by local laws is performed and farmers are sensitized to deforestation issues, including mandatory reporting if they wish to expand their farms. In 2021, 98% of our cocoa came from farmers proven not to be located in protected areas, while legality checks for the last farms are being conducted.

Complementary activities include training farmers to respect ecological principles and protect water sources and promoting organic farming practices. Where necessary, farmers are given special support to comply with Farming Program requirements. As an example, in 2021 our suppliers in Ecuador received training from the Earthworm Foundation and subsequently began providing farmers in ecologically-sensitive areas with holistic farm plans. These plans help farmers create a vision for their land and provide guidance on how to manage their farms in accordance with conservation principles.

## Promoting agroforestry systems for cocoa production

We are committed to promoting a transition of cocoa production to agroforestry systems in order to diversify incomes and create more climate-resilient cocoa farms. Multi-purpose shade trees are distributed to Program farmers, accompanied by capacity building for field staff and farmers regarding agroforestry systems. To date, 2,820,426 multi-purpose shade trees have been distributed, with 880,304 distributed in 2021 alone.

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

Going forward, we aim to improve the data quality regarding shade tree survival rates and assess the need to introduce payment for environmental services (PES) and land tenure documents to incentivize farmers to adopt agroforestry practices and invest in maintenance of newly-planted shade trees.

### Supporting community forest protection and restoration

Forests must be protected and restored to provide the valuable ecosystem services they deliver for local biodiversity, cocoa production, and communities. Deforestation is caused by many actors in a region. That is why we participate in multi-stakeholder initiatives that aim to protect forests and build sustainable landscapes. We believe landscape initiatives that build joint targets and governance mechanisms across sectors will help reconcile competing social, economic, and environmental objectives and will ultimately be more effective. We currently invest and actively participate in four landscape programs: three in Ghana and one in Madagascar<sup>9</sup>.

In the coming years, we will advance the implementation of our Action Plan and continue our work to preserve forests, including farm mapping and compliance in the supply chain, promoting effective agroforestry models, and supporting landscape programs. We also expect action on deforestation and agroforestry to meaningfully contribute to our science based climate target, to be announced in 2023.



# 2,820,426

multi-purpose shade trees distributed since the start of the Program

# 99%

of farms within the Farming Program are GPS or polygon mapped



<sup>9</sup>For further details, please review the Cocoa No-Deforestation & Agroforestry Progress Report [► here](#).



# Contributing to an intact environment

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## Biodiversity and ecosystems

When it comes to preserving biodiversity and ecosystems, we work towards stopping deforestation in cocoa-growing areas. Please read about our engagement in the chapter Improving livelihoods (> see p. 33).



## Climate

We aim to reduce our total emissions footprint across our global operations and value chain in line with climate science. This is an important contribution to curb climate change, which we recognize as a threat to our environment.



## Water and waste

We consider water to be a valuable resource. We are continuously reducing our municipal water consumption and aim to develop an integrated water management roadmap. By constantly optimizing our processes, we are reducing our material waste during production.



## Packaging

We continuously and proactively challenge our entire packaging portfolio (consumer, transportation, and display packaging) and strive to reduce the packaging materials used, increase recycled and sustainably certified content, and achieve full recyclability or reusability.

## Why we care

**Climate change and environmental degradation – including biodiversity loss, water scarcity, and waste – threaten agriculture and humankind and thus pose challenges for businesses. There is increasing societal pressure for industry, government, and civil society to come together to address these challenges. For our part, we are working to create value with fewer resources and less waste and to reduce the environmental footprint of our chocolate, as well as its packaging.**

**Biodiversity** and healthy functioning ecosystems are critical for producing the cocoa and other agricultural ingredients vital to our business. Agriculture can also impact biodiversity positively or negatively, and therefore must be responsibly managed. To learn more about our biodiversity initiatives in cocoa, please refer to the “Improving livelihoods” section of our report.

**Climate change** is a threat to our environment and to human well-being. Shifts in climatic conditions are seriously impacting biodiversity, water availability, and human rights. They could have disruptive effects on our value chain. Collectively, business and the world at large must take urgent action to reduce greenhouse gas (GHG) emissions to meet the goals of the Paris Agreement and limit global warming<sup>10</sup>. Lindt & Sprüngli acknowledges this challenge and is committed to defining a science based target with a long-term goal to reach net-zero emissions for our global operations and value chain.

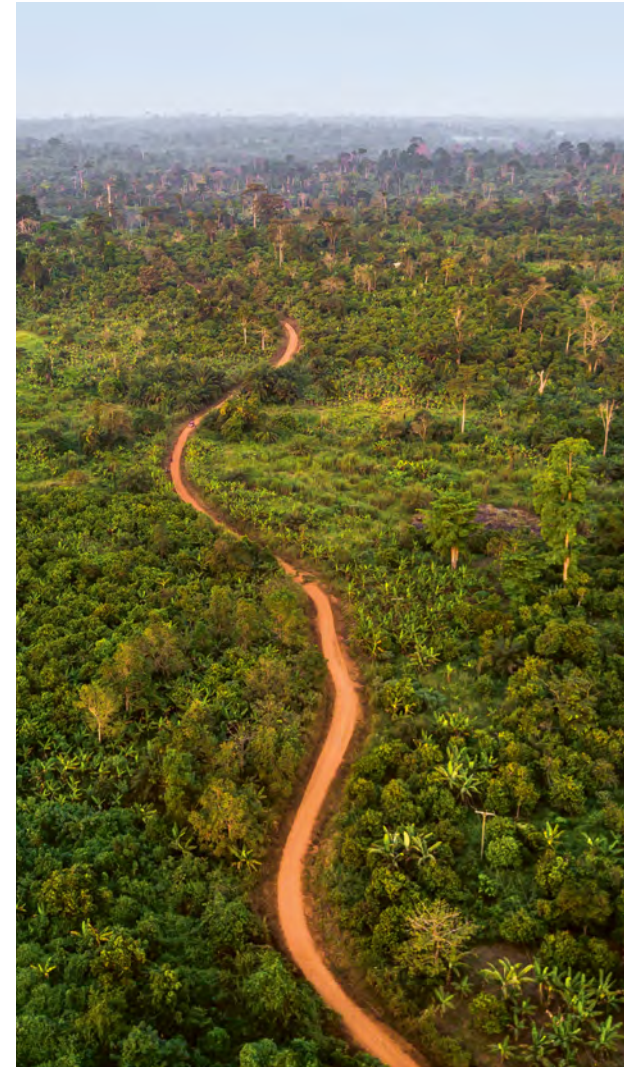
**Water** is a vital natural resource that is used in agriculture and chocolate production. Efficient use of water and appropriate handling of wastewater within production processes is a priority for Lindt & Sprüngli in order to avoid or reduce environmental impacts at a local level.

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

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

### Our environment-related documents:

- [\*Lindt & Sprüngli's Environmental Policy\*](#)
- [\*Supplier Code of Conduct\*](#)
- [\*No-Deforestation & Agroforestry Action Plan\*](#)
- [\*Our responses to the CDP Climate and CDP Forest requests\*](#)



<sup>10</sup> The UN Paris Agreement is an international treaty adopted in 2015 aiming to limit global warming to well below 2 °C from pre-industrial CO<sub>2</sub> levels, and preferably to a maximum of 1.5 °C.



## The Lindt Performance Way

We aim to continuously improve our operating procedures in order to reduce risk, minimize waste, and lower our consumption of resources.

The LPW – Lindt Performance Way – is Lindt & Sprüngli's operational excellence program for efficiency, effectiveness, and safety.

The LPW applies to our production processes and is therefore key to reducing our operational environmental impacts, increasing energy efficiency, reducing emissions, optimizing water management, reducing waste and improving safety. It helps us identify operating process losses so we can introduce standards and systems to both minimize and prevent them in the future.

This approach is based on the Lean and TPM (Total Productive Maintenance) methodologies, which seek to create value with fewer resources and zero loss processes.

Our International Operations team coordinates the LPW Program, working with the subsidiaries to align management strategies and production procedures as well as strengthen continuous improvement efforts based on loss measurement, analysis, reduction, and prevention. Local operations teams are responsible for implementing the LPW, with daily management activities focused on process control and standards management. The results and the LPW maturity level are monitored and assessed at least twice a year.

The LPW is deployed across our production companies and is resulting in tangible improvements to our safety, quality, productivity, service level, and environmental performances as described throughout this report. We are currently piloting it in other areas along our production system lifecycle, including with our production partners and co-packers.



## SUSTAINABILITY REPORT 2021



## Climate

**We are committed to defining a science based target (including Scopes 1, 2, and 3) with a goal of reaching net-zero emissions in the long term, to be announced in 2023 at the latest.**



Progress 2021: On track

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



Progress 2021: 20% (Commitment achieved)

Lindt & Sprüngli's GHG emissions management and reporting have historically focused on emissions from the production of chocolate within our factories (Scopes 1 and 2). This was a logical first step given our direct leverage. We are now fundamentally evolving our approach to align with the best available science on tackling climate change and considering our complete carbon footprint, including emissions from our entire value chain (Scope 3). As a result, in 2021 Lindt & Sprüngli committed to defining science based targets (SBT), including a near term reduction target and a goal of reaching net-zero emissions in the long term. We plan to submit our targets to the Science Based Targets Initiative<sup>11</sup> (SBTi) and announce them in 2023. In the in-

terim, we are committed to achieving a 2% reduction of GHG emissions in our production process per year from 2020 levels, per ton produced.

### Our decarbonization roadmap

To better understand our impact, we partnered with third-party experts and employees across functions and subsidiaries to develop our first complete carbon footprint in line with GHG Protocol standards<sup>12</sup>. This carbon footprint covers our Scope 1, 2, and 3 emissions for the year 2020, and was externally assured by an independent >assurance practitioner. We will strive to improve the methodology over time and incorporate changes as needed.

Taking this carbon footprint as a starting point, through 2022 we will work with experts to develop our decarbonization roadmap. We will identify potential emissions reduction actions and evaluate their impact on our carbon footprint, while at the same time implementing changes in our organization to drive these actions in a more structured and measurable way. Meanwhile we continue to take actions to reduce our emissions in advance of the target announcement. This includes continuing to work with our suppliers, farmers, and communities on related topics such as the No-Deforestation & Agroforestry Action Plan for cocoa sourcing through the Lindt & Sprüngli Farming Program (>see Conservation of biodiversity and natural ecosystems, p. 33) and reducing operational emissions.

### Pathway to science based targets (SBT)

#### May 2021

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

#### 2021

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

#### 2022

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

#### 2023

- Verification of proposed target with SBT initiative
- Announcement of SBT

#### 2023+

- Implementation process of full SBT roadmap

<sup>11</sup> The SBTi is a partnership between CDP, [the United Nations Global Compact](#), the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). SBTi drives ambitious climate action in the private sector by enabling companies to set science based emissions reduction targets.

<sup>12</sup> [GHG Protocol](#) establishes comprehensive global standardized frameworks for measuring and managing GHG emissions. It supplies the world's most widely used GHG accounting standards.

Total GHG emissions in 2020

Kilotons CO<sub>2</sub>e

Scope 1

Emitted directly from sources owned or controlled by us such as fuels for on-site heating and transportation	59	2%
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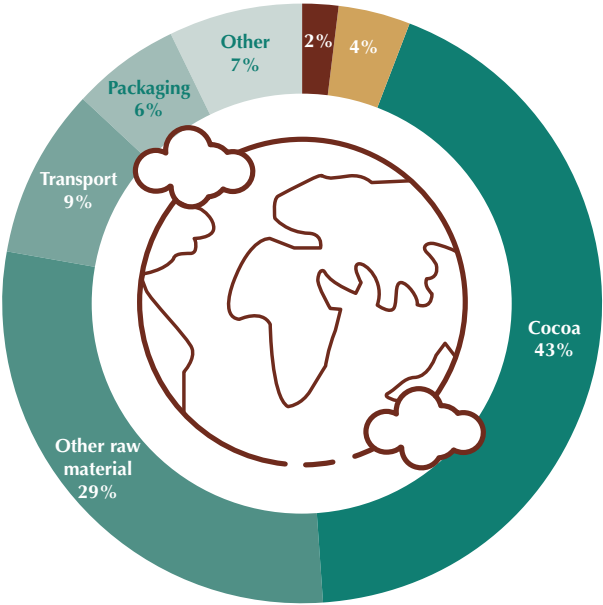
Scope 2

Emitted indirectly from the generation of purchased energy such as electricity	115	4%
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Scope 3

Other indirect emissions from our value chain	2,937	94%
– Cocoa	1,351	43%
– Other raw materials	912	29%
– Transport	268	9%
– Packaging	173	6%
– Other Scope 3 (incl. waste, business travel, etc.)	234	8%
<b>Total (Scopes 1, 2, and 3)</b>	<b>3,111</b>	<b>100%</b>

Note: totals might vary slightly due to rounding. For detailed information on the breakdown in line with GHG Protocol Categories, please refer to the KPI Table, (>see p. 66) in the appendix and our response to the CDP Climate Change Request at [www.cdp.net](https://www.cdp.net)



Comprehensive footprint analysis

Our total GHG emissions (Scopes 1, 2, and 3) in 2020 reached 3.11 million tons CO<sub>2</sub> equivalent. Emissions from our value chain (Scope 3) represent about 94% of our carbon footprint: cocoa, other raw materials (such as dairy), transport, and packaging being the biggest contributors. Our business relies on agricultural commodities from around the globe, so agricultural activities and related land-use change (e.g., deforestation) and the processing and transport of these raw materials all contribute significantly to global emissions.

Robust method

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



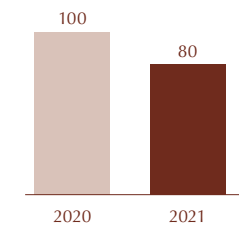
### Reducing our emissions in production

Scope 1 and 2 emissions from energy consumption in production, warehousing, offices, and retail operations contribute 6% to our total emissions. They mainly stem from heating, cooling, and electricity usage in production. In line with the LPW (> see p. 37), our International Operations team sets and reviews targets and actions bi-annually. Our initiatives at production sites include, for example: optimizing heating, ventilation, and air conditioning systems; replacing refrigeration units and fluids; improving the insulation of piping systems; and using renewable energy. Additionally, some of our sites use certified management systems (ISO 140001 or ISO 50001) to improve their environmental management and energy efficiency.

In 2021, we reduced emissions in our production process by 20% per ton produced compared to 2020, surpassing our intermediate target of 2% per year. Our global share of renewable electricity at production sites reached approximately 31%.

### CO<sub>2</sub> emissions

CO<sub>2</sub> emissions per metric ton of chocolate produced (2020 = 100%)



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





## Water and waste

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



Progress 2021: 22% (On track)

### Water withdrawal

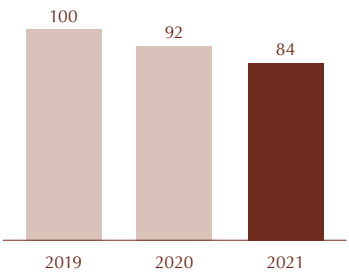
Each production facility requires a steady supply of potable water for production processes, cleaning, and for making some of the fillings for our chocolate products.

We assess our water withdrawal rates twice a year globally and continuously optimize our processes and systems. Where needed, we install equipment to improve our measurement of water withdrawal. Decisions on capital projects and investments, such as installing new production lines, are required to incorporate estimated water usage and impacts.

In 2021, we reduced the volume of municipal water withdrawn in our production processes per ton of chocolate produced by 9%.

### Municipal water withdrawal

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



### Reduce and recycle

The nature of water use in chocolate production, plus our treatment practices and compliance measures, help ensure that the impact from site wastewater on local water ecosystems is low. Nevertheless, we aim to further limit our impact by implementing measures to reduce wastewater generation.

### Beyond our operating activities

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

### Advancing toward an integrated water roadmap

To achieve our water reduction targets and develop an integrated water roadmap by 2025, we plan to conduct a water assessment to better understand our water-related impacts from operations and the global supply chain, including local water-related risks and water-stressed areas, and review our environmental data collection and reporting practices for opportunities to improve.

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



Progress 2021: 32% (On track)

**Eliminating loss of semi-finished products**

We convert high quality raw materials into exclusive products and strive to minimize losses along the value chain. Our main operational waste streams are related to packaging (> see p. 43) and the loss of semi-finished products. Material waste in the later stages of the value chain have particularly significant environmental and cost impacts, as the material accumulates impacts from the previous processing steps.

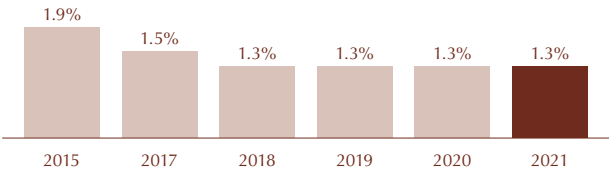
We adapt our reduction target for each subsidiary, taking into account historic numbers and product mix. The subsidiaries track and review these goals twice each year and make any necessary adjustments to their product waste plans.

The percentage of semi-finished product waste per ton produced (excluding destruction of finished goods) was kept at 1.3% in 2021; the same level as in 2020. Shifts in production

volumes, product mix and some bottlenecks in supply chains for raw materials and packaging materials challenged our performance in reducing semi-finished product waste. Through the increased robustness of our production processes, however, we remained on track to achieve our ambitious target of a 50% waste reduction compared to our 2015 baseline. In 2021, we achieved a 32% reduction in waste compared to this baseline. As of 2021, less than 7% of semi-finished product waste went to landfills. Our waste disposal adheres to local legislation and conditions.

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

per ton produced (excluding destruction of finished goods)





## Packaging

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



Progress 2021: 86% (On track)

At Lindt & Sprüngli, we strive to minimize our environmental footprint throughout our entire value chain. Our specific long-term goal is to support the circular economy and address environmental risks by pushing for sustainable packaging solutions that deliver results, from source to disposal.

### Sustainable Packaging Initiative

Our Sustainable Packaging Initiative considers impacts along the complete life cycle of a package, from raw material sourcing to designing for recycling or reuse.<sup>14</sup>

We integrate environmental criteria in the packaging design process alongside other criteria such as food safety, quality, and cost. We also continuously and proactively challenge our product portfolio by considering ways to reduce packaging material weight, reduce packaging waste in production, and minimize packaging destruction.

For specific information on sourcing packaging materials, please refer to the Improving livelihoods chapter (> see p. 15ff.).

### Lindt & Sprüngli joins the Sustainable Packaging Coalition

In August 2021, Lindt & Sprüngli became an official member of the Sustainable Packaging Coalition (SPC) to support progress and collaboration toward our commitments. Becoming a member gives us access to additional know-how and information and the opportunity to participate in collaborative research projects intended to spur actionable improvements.

### Global Packaging Council

The cross-functional Global Packaging Council is a team of internal experts including Lindt & Sprüngli's International Heads of Procurement, Marketing, Quality, and Research and Development (R&D), as well as the leaders of our Packaging Development teams at six production subsidiaries (Ghirardelli and Lindt France, Italy, Switzerland, Germany, and the US). The Council is tasked with recommending new packaging solutions and coordinating key measures to deliver results. The Council is supported by 10 technical working groups. As it can take years from R&D through to production testing and roll-out to consumers, we do not anticipate seeing tangible results in the first few years. Meanwhile, key performance indicators and commitments are being developed into local action plans, which are then summarized in Lindt & Sprüngli's internal Packaging Sustainability Handbook.



<sup>14</sup> While our Sustainable Packaging initiative addresses Lindt & Sprüngli's impacts along the complete packaging life cycle, it is important to note that the availability of proper local infrastructure and markets for collecting, sorting, and recycling packaging material – as well as enhanced consumer behavior – must exist where our products are consumed for the objectives to be realized.

## SUSTAINABILITY REPORT 2021

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

### Packaging made from recycled materials

44%

Progress 2021

### Packaging recyclable or reusable

86%

Progress 2021

### Plastic packaging recyclable or reusable

33%

Progress 2021

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

We will continue to conduct R&D, along with production testing, to drive meaningful progress through 2025 on key issues including reducing the use of plastic and finding alternatives to non-recyclable composite materials and hard-to-recycle plastic wrappers and trays. In Italy, for example, our new floor displays won the CONAI Ecopack 2021 prize for reducing their impact on global warming potential by more than 50%, energy consumption by more than 40%, and water consumption by more than 25%.

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

By 2025, we will:







## Performing together

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### **Occupational health and safety**

We adopt a proactive approach to prevent work-related injuries and illnesses in our factories. Our measures in the focus areas of rural development and human rights in the supply chain also enable us to address health and safety issues in our supply chain.



### **Enabling and motivating working environment**

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

## Why we care

**We care about our employees. We know that any product we sell is only as good as the people behind it. We aim to offer an attractive and inspiring workplace culture that puts the health and safety of our people first and promotes diversity, employee satisfaction and development, and equal opportunity for all.**

Lindt & Sprüngli takes great pride in employing over 14,000 people worldwide and contributing to the livelihoods of their families, communities, and many others.

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

We aim to empower our employees to reach their fullest potential in a **enabling and motivating work environment**

defined by integrity, authenticity, and respect. We offer a wide variety of meaningful career development opportunities through the sourcing, production, and sale of chocolate – a key element in attracting and retaining a highly-skilled workforce in the competitive global race for talent.

In addition to our permanent workforce, we also depend on seasonal temporary production and retail workers, who are paid on an hourly basis and who make up approximately 18% of our workforce. Our success also depends on many other people along our value chain. To learn more about our efforts to ensure safe and fair working conditions in sourcing, please refer to the Improving livelihoods section of our report.<sup>14</sup>

### Our employment and occupational safety related documents:

- ▶ [\*Guiding Principles\*](#)
- ▶ [\*Business Code of Conduct\*](#)
- ▶ [\*Health and Safety Policy\*](#)
- ▶ [\*Supplier Code of Conduct and Compliance Declaration\*](#)



<sup>14</sup> Lindt & Sprüngli also depends on its distribution partners, wholesalers, and third-party retailers to sell the company's products, however these processes and their responsibilities are not covered in this report.



## Occupational health and safety

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



Progress 2021: On track

### Health and safety guidance

We are committed to continuously improving our health and safety culture and adhering to our vision of zero lost time accidents and zero occupational illnesses. Our approach is guided by our ► [Health and Safety Policy](#); our occupational health and safety (OHS) systems, which enable us to monitor and improve our performance while minimizing safety risks; and the LPW efficiency framework, which helps ensure that our OHS policies and standards are applied at each of our production facilities worldwide.

Lindt & Sprüngli's Health and Safety Policy outlines our commitment to comply with all applicable laws, regulations, and industry standards; offer employee training on health and safety matters; and, to continuously improve our OHS systems in order to identify, assess, analyze, and minimize health and safety risks in the workplace.

### Continuously improving our safety culture

Our International Operations team is responsible for Lindt & Sprüngli's general approach to safety, which is implemented by our production facilities and overseen by Group Management, which is informed annually. Facility management is then responsible for tracking performance monthly and for developing relevant and specific working procedures and practices to meet local regulatory and Group requirements, which mainly focus on activity-based risk assessments and behavioral safety.

Health and safety employees at our sites work to continuously improve the processes and procedures necessary for a safe working environment. They conduct regular OHS self-assessments, identify hazards and risks, and investigate incidents. Each production facility has a system in place for employees to report accidents, unsafe conditions, and near-miss events. Employees are encouraged to identify and report workplace hazards and risks so that we may better understand the root cause of incidents and take action to prevent them. Each site is responsible for training its employees on OHS topics to support their site-specific needs.

Through our ► [Supplier Code of Conduct](#) we also expect our suppliers to provide their own employees with a safe and healthy workplace.

### Reducing our safety risks

We continuously improve our reporting and assessment of "very critical" and "critical" health and safety risks, with an aim to stop or modify activities that pose the highest risks. The activity-based risk assessments serve as the foundation of this work. In 2021, we conducted extensive analysis on health and safety practices at all Lindt & Sprüngli companies globally. The next step is to conduct a detailed gap analysis in order to reduce our safety risks and achieve our long-term vision of zero lost time accidents. Additionally, we continue to roll out our behavioral safety program "One Minute to Think" to our production sites.

#### One Minute to Think

Aims at improving the safe behaviors of employees by increasing employee awareness of the risks involved in a job and the need to take precautions in their daily work habits. The initiative was piloted at Ghirardelli and expanded to Lindt Austria in 2021, with plans to launch it at Lindt USA, Germany, and Switzerland in the coming years.

## SUSTAINABILITY REPORT 2021

**Strengthening our performance**

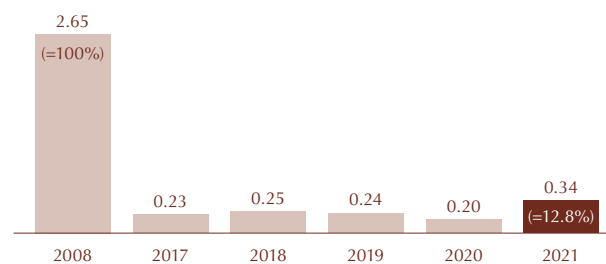
While our overall performance has significantly improved compared to 2008, our performance in 2021 fell slightly compared to 2020. The rate of lost time accidents was 0.34 per 100,000 hours worked, which translates into 45 lost time accidents, none of which were fatalities. A key factor impacting 2021 performance was the ongoing pandemic, with changing work assignments, staff absences, or lower availability of temporary staff, all of which disturbed regular routines.

Our OHS inventory and gap analysis will help us identify best practices and implement new ways to strengthen our performance. As for the coming years, we plan to take the following actions:

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

**Occupational accidents with lost time**

Number of lost time accidents/100,000 working hours and percent relative to 2008



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







## Enabling and motivating working environment

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



Progress 2021: 38.1% (On track)

We strive to be an attractive employer and we are focused on continuous improvement in these three areas: employee satisfaction and retention, employee development and training, and diversity and equal opportunity.

### Global guidance and local accuracy

Human resource (HR) and employee matters are subject to diverse regulations across the many regions and countries where our subsidiaries operate. Additionally, HR needs and responsibilities differ depending on regional norms and customs or the types of activities conducted by each subsidiary and the associated skills required. As a result, Lindt & Sprüngli subsidiaries have leeway to tailor HR strategies to meet the needs and customs of their local markets, local regulations, and Group requirements.

### Providing meaningful and equitable career opportunities

Wherever we operate, we remain committed to being a high quality employer with fair and comparable working conditions and demands, meaningful career development opportunities, and competitive compensation and benefits. We do not tolerate any discrimination against employees or candidates on the basis of gender, age, religion, political opinion, union affiliation, disability, national or social origin, sexual orientation, ethnicity, color, or any other characteristic. We believe that all people should be treated fairly by our ► *Business Code of Conduct*. Accordingly, any recruitment and promotion process follows an employee selection process based on the following criteria: the skills, abilities, and professional competencies of the candidate; relevant experience, performance, and qualifications; and the specific work-related requirements of the job.

### Exchanging best practices

At the Group level, the Group HR team helps shape company-wide standards, guides our global talent management program, and serves in an advisory capacity to subsidiary HR teams. Each year, members of our HR teams gather at our global HR conference to update on progress on key initiatives and exchange ideas and best practices.

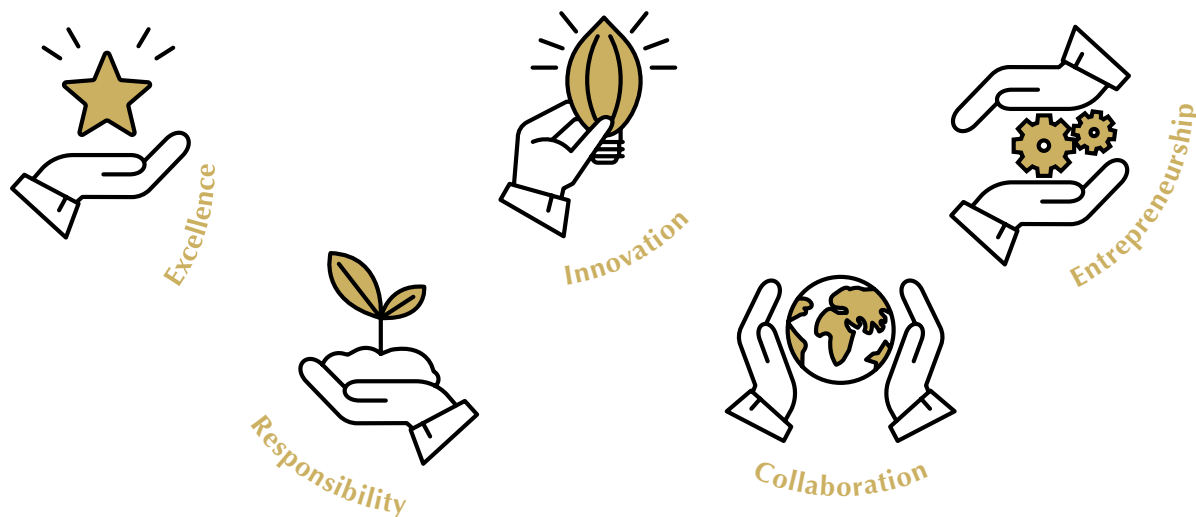
Our subsidiaries are responsible for developing their own HR guidelines and programs: this includes local employee handbooks, local employment contracts, and employee onboarding, training, and communication programs. Subsidiaries are also encouraged to implement additional, locally-relevant diversity initiatives, sensitivity training, employee resource groups, and volunteerism and charitable giving programs. COVID-19 posed a number of communication challenges for our HR teams, however digital technology ultimately enhanced their outreach and engagement, with online meetings allowing for broader employee connection and participation.

### Global Guiding Principles

We launched Lindt & Sprüngli's Purpose Mission Values (PMV) initiative in 2021 to further align our corporate culture and values with our employee competency and development programs. Through a series of local workshops and ongoing employee communication initiatives, we highlighted our values of Innovation, Excellence, Entrepreneurship, Responsibility, and Collaboration.

The Responsibility pillar, among other aspects, highlights sustainability with our commitment to act with integrity, treat everyone with respect, and care for the environment. The Collaboration pillar underscores our goal to support each other throughout the company.

The PMV initiative is part of our Global Employer Value Proposition, which outlines the values and benefits of working at Lindt & Sprüngli. Our global HR teams support this using a number of tools and resources adapted for their local needs, including a company-wide framework that defines specific expectations and offers a list of "Do's and Don't's" related to our values; our [Business Code of Conduct](#); and our Global Talent Management workbook, which is the foundation of our work culture of respect, trust, non-discrimination, and fairness and which describes the values, competencies, and behaviors expected from all our employees.



### Our way forward

We plan to take the following actions to maintain our standing as a high quality and attractive employer:

- Conduct an employee survey and derive appropriate measures from it, including a thorough evaluation of our employee development and training
- Enhance Lindt & Sprüngli's Global Employer Value Proposition, integrate the PMVs into our Global Talent Management workbook, and communicate our values, best practices, and Do's and Don't's to every employee
- Improve the global mobility of employees and continue to offer attractive careers paths for all genders, including international assignments and development opportunities across positions and subsidiaries
- Advance our employee succession planning process and support transfers, particularly in light of the pandemic, which has challenged our ability to provide international assignments and improve employee mobility



## Diversity and equal opportunity

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

**38.1% female**

Progress 2021: 38.1% (On track)

### Global workforce

**60.1% female**

**39.9% male**

It is our policy and practice to ensure our current and potential employees enjoy equal employment opportunities. Globally, we also support and promote gender diversity, and we strive for age diversity in which younger and older generations actively collaborate. Our subsidiaries tailor their HR strategies to meet local equity and diversity needs.

Women are one of the central target groups we strive to promote through our global diversity measures. Currently, 60% of all employees at Lindt & Sprüngli are women. Our goal is to increase the percentage of women in senior leadership positions to 40% by 2025. In 2021, that figure increased to 38.1% from 37.5% in 2020, with the greatest progress experienced in subsidiary senior management, R&D, Marketing, and HR management positions. To achieve our goal, we will continue to pursue succession planning and development programs for our female leaders and support them in their career paths.

To support our group-wide diversity goals, local managers identify and report potential successor candidates and prepare appropriate development plans that allow for globally-aligned international career paths. Additionally, several local initiatives and programs address the compatibility of parenthood and reconciling care work with fulfilling career paths.



## Employee development and training

**We target an average 70 out of 100 points for training and personal development in our global employee survey by 2022, which is conducted every three years.**

**65/100**

Progress 2021: 65 out of 100 points in most recent survey (2019) (On track)

We offer an attractive mix of learning opportunities shaped by our PMV and Global Talent Management workbook, as well as by the needs of our employees.

We conduct annual talent management reviews and performance appraisals and we have a structured employee succession planning process in place. In 2021, 68% of our employees received performance and career development reviews, including 87% of office employees and 55% of operations-manufacturing employees. Employees meet with their direct managers once a year to create individual development plans that apply our 70-20-10 model: 70% practical experience (on the job), 20% feedback/coaching/mentoring, and 10% formal training. In 2021, 10 graduates participated in the International Graduate Program in Operations, Marketing, and Finance with the goal of exposing them to different divisions and departments, teaching them the key skills of their chosen field, and providing valuable insights into different markets.



## Employee satisfaction and retention

**We aim to average 70 out of 100 points in employee satisfaction in our global employee survey, which is conducted every three years.**

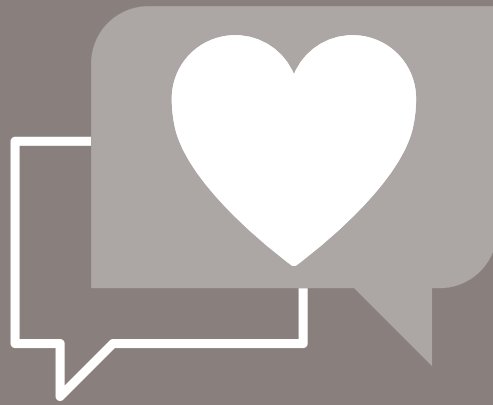
**70/100**

Progress 2021: 70 out of 100 points in most recent survey (2019) (On track)

We conduct a group-wide employee survey every three years, with our next one scheduled for 2022. The overall employee satisfaction level is derived from the average scores on employee satisfaction, work engagement, and on the question “my work situation enables me to achieve a good work-life balance”, as well as on salary scores.

Through this survey work, we gain valuable insights into our employees’ satisfaction levels, which allows us to develop measures to address gaps or issues. The last employee survey showed high levels of employee commitment, satisfaction, and retention, and encouraged us to focus on employee learning and personal development.

Currently, Lindt & Sprüngli employees are collectively organized in Austria, France, Germany, Italy, Switzerland, and the USA (Ghirardelli), with a total of approximately 40% of our workforce under a collective agreement. We remain committed to respecting our employees’ rights to freedom of association, to join trade unions and to collective bargaining.



## Delighting consumers

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### **Product quality/Product safety**

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



### **Transparent and responsible communication**

We are committed to communicating transparently and marketing responsibly. We specifically avoid advertising to children, encourage responsible consumption, and provide nutritional transparency.



## Why we care

We strive to continuously delight consumers with innovative premium chocolate products. As a leading confectionary company, we have a responsibility to provide consumers with safe and high quality products and services. We take care to fulfill their expectations for responsible marketing and transparent labeling, including nutritional information to support responsible consumption.

Lindt & Sprüngli has been in business for over 175 years and our success has long depended on meeting consumer expectations as well as our own strict manufacturing processes and high standards on product quality, compliance, and safety. With all its innovations, Lindt & Sprüngli strictly adheres to its commitment to high quality ingredients and does not compromise on taste.

We want consumers to enjoy our chocolate products. It is therefore critical to our business – as well as to our reputation – that our products are safe, meet all legal requirements, and continuously comply with all applicable laws, as well as Lindt & Sprüngli's own **quality** and food **safety** standards.

We understand that consumers want to make informed purchasing decisions based on ingredients, nutritional values, allergens, and overall sustainability performance. We are committed to providing **responsible marketing and transparent product labeling** that address information and nutritional trends and support the demand for healthier and active lifestyles.

While we adhere to national and international legislation, our policies often extend beyond what is legally required. Our global requirements are defined in our Lindt & Sprüngli Quality Guidelines and our policy on [► Responsible Marketing](#), which includes avoiding advertising to children, portraying responsible consumption, and providing transparent nutritional information. We continue to respond to increasing stakeholder demand for more information about our products, striving to ensure our communications help them make responsible choices about our chocolates.

### Our marketing documents:

► [Responsible Marketing Policy](#)





## Product quality and product safety

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



Progress 2021: Zero non-compliances with Lindt & Sprüngli quality and food safety standards (No deviations)

Our goal is to ensure consumers trust that our premium chocolate products are safe, as well as delightful. Our standards for high quality and our commitment to food safety are core to Lindt & Sprüngli's brand identity and our business model.

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

### Maintaining high standards

It is part of our brand identity and a core component of our business model to ensure the quality, compliance, and safety of our products.

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

Our production facilities have certified management systems in place for food safety (FSSC 22000<sup>14</sup>) and follow our own strict requirements, which meet or exceed legal regulations and standards, and are defined in our Lindt & Sprüngli Quality Guidelines.

### Assuring global quality and safety

For quality assurance purposes, our production sites undergo unannounced and comprehensive inspections, which are conducted either by internal experts or by recognized independent third parties. Equally important, regular supplier audits are conducted to ensure that Lindt & Sprüngli chocolate uniformly meets high quality standards around the world. In order to adhere to COVID-19 safety protocols, we conducted fewer in-person audits in 2021, shifting over to virtual audits with low-risk suppliers that have strong track records of collaboration. We also have guidelines in place related to supplier transportation and storage processes to ensure the high quality of our products through to the final consumer.

### Quality right from the recipe

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

In 2021, there were no major findings from our factory audits. We also achieved zero serious non-compliances with Lindt & Sprüngli's quality and food safety standards. During the year, we worked with our subsidiaries to assess increasingly onerous regulations in order to make any necessary adjustments to our standards.

<sup>14</sup> Excluding Russell Stover and Lindt & Sprüngli Australia.

### Innovating to support sustainability

Some of our latest innovations include the products in the HELLO Vegan family as well as Lindt Excellence Cacao Pur: this chocolate consists of 100% cocoa fruit, and the sugar otherwise used is replaced by the sweetness of the fruit's own pulp. This enables the sustainable use of previously unused resources and offers our consumers pure cocoa enjoyment.

Going forward, we will focus on strengthening compliance for product quality and safety and adhering to food regulations and safety standards. We will continue to improve our ability to detect potential incidents of non-compliance and work with our subsidiaries to adhere to internal/external performance standards and requirements.

### Lindt & Sprüngli's position on GMO

Lindt & Sprüngli is not involved in any research or development associated with genetically modified foods. None of the Lindt, Caffarel, Küfferle, or Hofbauer brand products source genetically modified organism (GMO) ingredients. We will continue this practice as long as non-GMO raw materials are available. Regular tests are performed to monitor these products and ensure compliance with relevant EU and Swiss regulations. Since late 2019, only a very minor percentage of toppings include GMO ingredients. Russell Stover is currently not planning to switch to non-GMO products.





## Transparent and responsible communication

**We avoid targeting children in advertising, encourage responsible consumption, and provide transparent nutritional information, as well as adhering to all applicable national and international laws.**



Progress: No major non-compliances with national/international marketing and communication laws in 2021 (No major deviations)

We are committed to responsible marketing communications that reflect our values and help consumers make informed choices about their buying and consumption habits. As a producer of premium chocolate products, we strive to ensure that our communications provide nutritional transparency and encourage responsible consumption. We also aim to support parents in making the right diet and lifestyle choices for their children.

### Responsible Marketing

Lindt & Sprüngli's Responsible Marketing Policy outlines our principles and standards. It goes beyond legal requirements and holds the company accountable for how we market our products and commits us to being transparent, non-exploitative and non-encouraging of irresponsible behaviors. It is designed to retain the trust of consumers, trade partners, investors, and industry advocacy groups through the following commitments.

### Providing transparent nutritional information

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

### Encouraging responsible consumption

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

### Avoid advertising to children

We are committed to not advertising or promoting our products in media primarily directed to children and for all our messaging in advertising, on packaging, and in-store materials to be directed to gatekeepers. We avoid the direct advertising of our products to children when they are most likely exposed to commercial communication without the presence of gatekeepers, e.g. parental supervision. We prohibit all in-school marketing at the primary and secondary school levels. As a signatory of the EU Pledge initiative on responsible food marketing to children, we have committed

not to advertise to children under the age of 12 in the EU – for 2021 that meant any advertising where 35% or more of the total viewing audience is younger than 12. Our approach applies to all advertising in TV, print, radio, and online, as well as on social media.

In 2022 we are strengthening the definition of children's media under the EU Pledge by extending the commitment to children aged 13 (previously 12) and lowering the audience threshold to 30% of under 13s (previously 35%), which will cover more media channels that have a significant child audience. We are aligning to this 30% commitment and should a local law be stricter, we will adhere to it.

Through the EU Pledge initiative, our TV and digital marketing programs must undergo an external audit in selected European markets to ensure overall adherence. In 2021, we achieved 98.9% compliance regarding TV advertising and 100% compliance for daytime spots while digital tracking indicated that our brand-owned websites, social media profiles, and influencer profiles were compliant with the EU Pledge commitments. Additionally, no deviations or incidents were reported in any other countries regarding advertising to children, nor non-compliance with national or international laws.

In the United States, the Ghirardelli brand has signed a commitment to follow the principles of The Children's Food and Beverage Advertising Initiative and the Russell Stover brand and Lindt & Sprüngli USA are planning to sign this pledge in 2022.



### Ensuring compliance and transparency

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

Employees involved in external communication and product labeling receive specific annual training related to Lindt & Sprüngli's Responsible Marketing Policy. For consumers, we provide easy access to information on all of our products through our website, social media channels, packaging, FAQs, and Consumer Services.

### Embodying our commitments

We will continue to ensure that our products are marketed according to our commitment to provide transparent and responsible marketing communications and to national and international standards. We will:

- Ensure alignment with the EU Pledge's new 2022 threshold of 30% of children audience <13 years old and update our Responsible Marketing Policy to reflect this new commitment
- As national and international laws evolve and become more complex, ensure Lindt & Sprüngli remains proactive in staying ahead of industry standards and regulatory requirements
- Continue to enhance the quality of consumer service, the timeliness of our response to consumer concerns, and our approach to tracking consumer satisfaction levels





## KPIs and Appendix

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## SUSTAINABILITY REPORT 2021

## Key performance indicators

Indicator	Unit	2019	2020	2021	YOY
Improving livelihoods					
Responsible sourcing					
Average EcoVadis sustainability assessment score of Lindt & Sprüngli suppliers <sup>h</sup>	Score	-	51.6/100	52.3/100	+1%
Scored suppliers in EcoVadis <sup>h</sup>	#	-	-	466	-
Procurement expenditure for packaging material from Asian factories covered by Supplier Sustainable Practice (SSP) Program <sup>i</sup>	%	89	93	94	+1%
External on-sight visits (SSP) <sup>i</sup>	#	24	36	31	-14%
Palm oil					
Palm Oil (kernel/oil/fractions) sourced <sup>h</sup>	Metric tons	6,216	6,944	9,091	+31%
Thereof sourced RSPO certified <sup>h</sup>	%	100	100	100	0%
Hazelnuts					
Hazelnuts (total) sourced <sup>1h</sup>	Metric tons	-	4,678	5,986	+28%
Turkish Hazelnuts sourced <sup>1h</sup>	Metric tons	-	3,076	3,147	+2%
Thereof sourced through sustainability programs <sup>1h</sup>	%	-	100	100	0%
Soy lecithin					
Soy lecithin sourced <sup>h</sup>	Metric tons	735	1,021	1,077	+5%
Thereof sourced ProTerra certified <sup>h</sup> excl. Russell Stover	%	99	99	99	0%
		100	100	100	0%
Eggs					
Eggs sourced <sup>h</sup>	Metric tons	64	56	59	+5%
Thereof sourced cage free <sup>h</sup> excl. Russell Stover	%	68	73	69	-5%
		91	100	100	0%

<sup>1</sup> Excludes an immaterial volume of ingredients which contain hazelnuts combined with other materials; scope expanded from unprocessed hazelnuts to processed and unprocessed hazelnuts (total).

<sup>2</sup> Bean equivalents according to ICCO conversion rates.

Indicator	Unit	2019	2020	2021	YOY
Cocoa					
Cocoa beans equivalent sourced <sup>2a</sup>	Metric tons	148,086	144,604	144,784	0%
Thereof through sustainability programs <sup>a</sup> (Farming Program or other sustainability program; verified by 3 <sup>rd</sup> party)	%	56	63	64	+2%
Thereof through the Farming Program <sup>a</sup> (verified by 3 <sup>rd</sup> party)	%	-	-	56	-
Cocoa beans sourced through sustainability programs <sup>b</sup> (Farming Program; verified by 3 <sup>rd</sup> party; identity preserved)	%	92	100	100	0%
Cocoa butter sourced through sustainability programs <sup>d</sup> (Farming Program or other sustainability program; verified by 3 <sup>rd</sup> party; segregated)	%	27	33	37	+12%
Annual investment in cocoa sustainability programs <sup>a</sup>	Million CHF	14.1	16.1	18.6	+16%
Thereof in Farming Program sustainability premiums <sup>i</sup>	Million CHF	8.6	9.6	15.1	+57%
Total Investment in cocoa sustainability programs since 2008	Million CHF	48.0	64.2	82.8	+29%
Thereof in Farming Program sustainability premiums <sup>i</sup>	Million CHF	37.7	46.3	61.4	+33%
Cocoa origins (countries) covered by Farming Program <sup>i</sup>	#	5	5	7	+40%
Farmers participating in Farming Program <sup>i</sup>	#	78,425	79,979	91,559	+14%
Thereof women	%	29	30	28	-7%
Field staff in the Farming Program <sup>i</sup> (GRI 2-8)	#	434	443	599	+35%
Farms within Farming Program <sup>i</sup>	#	78,425	79,979	91,559	+14%
Thereof GPS or polygon mapped <sup>i</sup>	#	61,104	67,462	91,184	+35%
	%	78	86	99	+15%

<sup>a</sup> Cocoa (beans, powder, butter, and finished chocolate) (considered direct and indirect supply chain)

<sup>b</sup> Cocoa beans

<sup>d</sup> Cocoa butter

<sup>h</sup> Lindt & Sprüngli Group

<sup>i</sup> Cocoa (beans and butter) sourced through Farming Program (considered direct supply chain)

<sup>i</sup> Packaging materials from Asia

Wherever blank, data not yet tracked in reporting year. Lindt & Sprüngli Farming Program indicators are reported by cocoa season, not by calendar year (apart from investments). Figures may be rounded.

## SUSTAINABILITY REPORT 2021

Indicator	Unit	2019	2020	2021	YOY
<b>Cocoa: Increased resilience of farming households</b>					
Farmers reached by training programs <sup>i</sup>	#	-	-	85,810	-
Farmers supported with individual coaching <sup>i</sup>	#	-	-	21,453	-
Model farms and demonstration plots <sup>i</sup>	#	159	158	291	+84%
Improved cocoa seedlings distributed per year <sup>i</sup>	#	2,250,039	325,095	563,789	+73%
Improved cocoa seedlings distributed since start of Farming Program <sup>i</sup>	#	5,665,746	5,990,841	6,554,630	+9%
Individuals participating in Income Generating Activities (IGA) <sup>i</sup>	#	6,242	10,961	27,336	+149%
Thereof women	%	-	-	31	-
Individuals participating in training that promotes IGAs per year <sup>i</sup>	#	-	4,919	6,830	+39%
Individuals participating in training that promotes IGAs since start of Program <sup>i</sup>	#	16,964	21,883	28,713	+31%
Members of Village Savings and Loan Association (VSLA) groups in the current year <sup>b</sup>	#	1,567	3,014	5,324	+77%
VSLA groups established and still active in the current year <sup>i</sup>	#	87	137	218	+59%
Drinking water systems built and functioning (boreholes and larger systems) since start of Program <sup>i</sup>	#	215	213	224	+5%
Community members having access to safe drinking water through Program <sup>i</sup>	#	~133,000	~131,000	~133,000	+2%
<b>Cocoa: Reduction of the risk of child labor</b>					
Cocoa from child labor risk countries sourced from farming households covered by a Child Labor Monitoring and Remediation System (CLMRS) <sup>i</sup>	%	-	-	57%	-
Farming households in risk countries covered by a CLMRS <sup>i</sup>	#	-	-	74,563	-
Unannounced child labor-focused monitoring visits conducted <sup>i</sup>	#	-	-	8,491	-
Child labor cases identified <sup>i</sup> (including cases not related to Farming Program farmers)	#	13	96	113	+18%
Thereof identified related to Farming Program farmers <sup>i</sup>	#	3	93	87	-6%
Thereof remediated or in the process of remediation <sup>i</sup>	# %	6 46	96 100	113 100	+18% 0%
School facilities built or renovated since start of Farming Program <sup>i</sup>	#	31	33	41	+24%
Children benefitting from school refurbishments through Farming Program <sup>i</sup>	#	~4,500	~5,000	~5,500	+10%

Indicator	Unit	2019	2020	2021	YOY
<b>Cocoa: Conservation of biodiversity and natural ecosystems</b>					
Percentage of cocoa (in volume) sourced from farmers covered by a “No-Deforestation and Agroforestry Action Plan” <sup>a</sup>	%	56	63	64	+2%
Percentage of cocoa (in volume) sourced from farmers covered by a fully implemented “No-Deforestation and Agroforestry Action Plan” <sup>a</sup>	%	0	0	0	0%
Farmers proven not to be located in protected areas with their farms <sup>i</sup> (as per local laws)	# %	58,124 74	75,625 95	89,409 98	+18% +3%
Multi-purpose shade trees distributed per year <sup>i</sup>	#	371,339	666,048	880,304	+32%
Multi-purpose shade trees distributed since start of Program <sup>i</sup>	#	1,274,074	1,940,122	2,820,426	+45%
Farmers with at least 25 permanent shade trees per hectare <sup>i</sup>	# %	10,584 13	10,870 14	14,615 16	+34% +19%
Farmers with at least 5 permanent shade tree species per hectare <sup>i</sup>	# %	41,711 53	41,952 52	47,153 52	+12% 0%
Shade trees per hectare on average <sup>i</sup>	#	13	15	18	+20%
Shade tree species per hectare on average <sup>i</sup>	#	4	4	5	+25%
Sourcing landscape initiatives supported <sup>i</sup>	#	2	4	4	0%

<sup>a</sup> Cocoa (beans, powder, butter, and finished chocolate) (considered direct and indirect supply chain)

<sup>b</sup> Cocoa beans

<sup>i</sup> Cocoa (beans and butter) sourced through Farming Program (considered direct supply chain)

<sup>j</sup> Cocoa (beans, powder, butter, and chocolate) sourced from countries with child labor risk

Wherever blank, data not tracked in reporting year. Lindt & Sprüngli Farming Program indicators are reported by cocoa season, not by calendar year (apart from investments). Figures may be rounded.

## SUSTAINABILITY REPORT 2021

Indicator	Unit	2019	2020	2021	YOY
<b>Contributing to an intact environment</b>					
<b>Climate <sup>3</sup></b>					
<b>Direct (Scope 1) GHG emissions <sup>b</sup></b> (GRI 305-1)	t CO <sub>2</sub> e	-	59,435	60,484	+2%
<b>Energy indirect (Scope 2 market-based) GHG emissions <sup>b</sup></b> (GRI 305-2)	t CO <sub>2</sub> e	-	114,975	90,999	-21%
<b>Other indirect (Scope 3) GHG emissions <sup>4h</sup></b> (GRI 305-3)	t CO <sub>2</sub> e	-	2,936,648	-	-
<b>Purchased goods and services</b> (Cat.1)	t CO <sub>2</sub> e	-	2,506,514	-	-
<b>Capital goods</b> (Cat.2)	t CO <sub>2</sub> e	-	56,076	-	-
<b>Fuel- and energy-related activities</b> (Cat.3)	t CO <sub>2</sub> e	-	30,249	-	-
<b>Upstream transportation and distribution</b> (Cat.4)	t CO <sub>2</sub> e	-	142,152	-	-
<b>Waste generated in operations</b> (Cat.5)	t CO <sub>2</sub> e	-	3,081	-	-
<b>Business travel</b> (Cat.6)	t CO <sub>2</sub> e	-	6,268	-	-
<b>Employee commuting</b> (Cat.7)	t CO <sub>2</sub> e	-	7,967	-	-
<b>Downstream transportation and distribution</b> (Cat.9)	t CO <sub>2</sub> e	-	125,567	-	-
<b>Processing of sold products</b> (Cat.10)	t CO <sub>2</sub> e	-	32	-	-
<b>Use of sold products</b> (Cat.11)	t CO <sub>2</sub> e	-	12,441	-	-
<b>End-of-life treatments of sold products</b> (Cat.12)	t CO <sub>2</sub> e	-	46,301	-	-
<b>Annual reduction of GHG emissions in the production process per ton produced (Scopes 1 and 2) <sup>c</sup></b>	%	-	-	20	-
<b>Energy consumption within the organization <sup>c</sup></b> (GRI 302-1)	GWh	-	564	559	-1%
<b>Share of renewable electricity <sup>c</sup></b>	%	-	12	31	+154%
<b>Water</b>					
<b>Absolute water withdrawal <sup>c</sup></b> (municipal supply only)	1,000 m <sup>3</sup>	743	677	671	+1%
<b>Reduction of municipal water withdrawal in the production process since 2019 per ton produced <sup>c</sup></b> (municipal supply only)	%	-	8	16	+100%
<b>Waste</b>					
<b>Semi-finished product waste in the production process, per ton produced <sup>c</sup></b> (excluding destruction of finished goods)	%	1.3	1.3	1.3	0%
<b>Reduction of semi-finished product waste in the production process since 2015, per ton produced <sup>c</sup></b> (excluding destruction of finished goods)	%	32	32	32	0%

Indicator	Unit	2019	2020	2021	YOY
<b>Packaging</b>					
<b>Total packaging</b> (SASB: FB-PF-410a.1)	Metric tons	-	92,305 <sup>e</sup>	113,120 <sup>c</sup>	+23%
<b>Thereof pulp &amp; paper-based</b>	Metric tons	-	-	93,279 <sup>c</sup>	-
<b>Thereof plastic</b>	Metric tons	-	-	13,523 <sup>c</sup>	-
<b>Packaging made from recycled materials</b> (SASB: FB-PF-410a.1)	%	-	45 <sup>e</sup>	44 <sup>c</sup>	-2%
<b>Packaging recyclable or reusable</b> (SASB: FB-PF-410a.1)	%	-	86 <sup>e</sup>	86 <sup>c</sup>	0%
<b>Plastic packaging recyclable or reusable</b>	%	-	-	33 <sup>c</sup>	-
<b>Virgin plastic used in total packaging</b>	%	-	10 <sup>e</sup>	9,5 <sup>c</sup>	-5%

<sup>3</sup> For details see an explanation of methodology ► [here](#)

<sup>4</sup> Scope 3 data is only available for 2020 at the time of reporting

<sup>c</sup> Lindt & Sprüngli production sites

<sup>e</sup> Lindt & Sprüngli production sites (excl. Russell Stover)

<sup>h</sup> Lindt & Sprüngli Group

Wherever blank, data not tracked in reporting year. Figures may be rounded.



## SUSTAINABILITY REPORT 2021

Indicator	Unit	2019	2020	2021	YOY
<b>Performing together</b>					
<b>Occupational health and safety</b>					
Lost time accidents <sup>§</sup>	#	34	25	45	+80%
Lost time accidents per 100,000 working hours <sup>§</sup>	#	0.24	0.20	0.34	+70%
Recordable work-related injuries among employees <sup>§</sup> (GRI 403-9)	#	-	-	258	-
Thereof high-consequence work-related injuries (excluding fatalities) among employees <sup>§</sup> (GRI 403-9)	#	-	-	1	-
Thereof fatalities as a result of work-related injuries among employees <sup>§</sup> (GRI 403-9)	#	0	0	0	-
Rate of recordable work-related injuries among employees <sup>§</sup> (GRI 403-9)	#/100 k hours	-	-	1.9	-
<b>Enabling and motivating working environment</b>					
Women in senior leadership <sup>h</sup>	%	30.0	37.5	38.1	+2%
Average score in the category “employee satisfaction and retention” in the global employee survey <sup>§ h</sup>	Score	70/100	-	-	-
Average score in the category “training and personal development” in the global employee survey <sup>§ h</sup>	Score	65/100	-	-	-
Employees receiving regular performance and career development reviews <sup>h</sup> (GRI 404-3)	%	86	84	68	-19%
Blue-collar employees receiving regular performance and career development reviews <sup>h</sup>	%	53	53	55	+4%
White-collar employees receiving regular performance and career development reviews <sup>h</sup>	%	92	95	87	-8%
Female employees receiving regular performance and career development reviews <sup>h</sup>	%	-	-	64	-
New employee hires (total) <sup>§ h</sup> (GRI 401-1)	#	-	-	4,373	-
Male	#	-	-	1,622	-
Female	#	-	-	2,751	-
<30	#	-	-	2,415	-
30–50	#	-	-	1,464	-
>50	#	-	-	494	-
In Europe	#	-	-	1,626	-
In Asia/Pacific/South Africa	#	-	-	912	-
In Americas	#	-	-	1,835	-

Indicator	Unit	2019	2020	2021	YOY
Employee turnover <sup>§ h</sup> (GRI 401-1)	%	-	33	38	+15%
Total employees <sup>§ h</sup> (GRI 2-7)	#	14,621	13,557	14,208	+5%
Male employees <sup>§ h</sup> (GRI 2-7, GRI 405-1)	#	-	-	5,668	-
In senior management (senior leadership)	#	-	-	208	-
In middle management	#	-	-	396	-
In lower managerial position or non-managerial employees	#	-	-	5,064	-
<30	#	-	-	1,395	-
30–50	#	-	-	2,782	-
>50	#	-	-	1,491	-
Female employees <sup>h</sup> (GRI 2-7, GRI 405-1)	#	-	-	8,540	-
In senior management (senior leadership)	#	-	-	128	-
In middle management	#	-	-	286	-
In lower managerial position or non-managerial employees	#	-	-	8,126	-
<30	#	-	-	2,568	-
30–50	#	-	-	3,588	-
>50	#	-	-	2,384	-

<sup>§</sup>Survey conducted every three years, most recent survey conducted in 2019

<sup>§ incl.</sup> seasonal and temporary employees and retirements

<sup>§</sup>Lindt & Sprüngli production sites and Australia

<sup>h</sup>Lindt & Sprüngli Group

Wherever blank, data not tracked in reporting year. Figures may be rounded.

## SUSTAINABILITY REPORT 2021

Indicator	Unit	2019	2020	2021	YOY
<b>Permanent employees<sup>h</sup></b> (GRI 2-7, GRI 405-1)	#	-	-	11,636	-
<b>Male</b>	#	-	-	4,939	-
<b>Female</b>	#	-	-	6,697	-
<b>&lt; 30</b>	#	-	-	2,292	-
<b>30–50</b>	#	-	-	5,853	-
<b>&gt; 50</b>	#	-	-	3,491	-
<b>In Europe</b>	#	-	-	6,462	-
<b>In Asia/Pacific/South Africa</b>	#	-	-	954	-
<b>In Americas</b>	#	-	-	4,220	-
<b>Temporary employees<sup>h</sup></b> (GRI 2-7, GRI 405-1)	#	-	-	2,572	-
<b>Male</b>	#	-	-	729	-
<b>Female</b>	#	-	-	1,843	-
<b>&lt; 30</b>	#	-	-	1,671	-
<b>30–50</b>	#	-	-	517	-
<b>&gt; 50</b>	#	-	-	384	-
<b>In Europe</b>	#	-	-	822	-
<b>In Asia/Pacific/South Africa</b>	#	-	-	773	-
<b>In Americas</b>	#	-	-	977	-

Indicator	Unit	2019	2020	2021	YOY
<b>Delighting consumers</b>					
<b>Product quality/Product safety</b>					
<b>Incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services<sup>h</sup></b> (GRI 416-2)	#	0	0	0	0%
<b>Thereof resulting in a fine or penalty<sup>h</sup></b> (GRI 416-2)	#	-	-	0	-
<b>Thereof resulting in a warning<sup>h</sup></b> (GRI 416-2)	#	-	-	0	-
<b>Total number of incidents of non-compliance with voluntary codes<sup>h</sup></b> (GRI 416-2)	#	-	-	0	-
<b>Notices of food safety violation received<sup>h</sup></b> (SASB: FB-PF-250a.3)	#	-	-	0	-
<b>Recalls issued<sup>h</sup></b> (SASB: FB-PF-250a.4)	#	-	-	1	-
<b>Food products recalled<sup>h</sup></b> (SASB: FB-PF-250a.4)	Consumer units	-	-	81,336	-
<b>Transparent and responsible communication</b>					
<b>Incidents of non-compliance with regulations resulting in a fine or penalty<sup>h</sup></b> (GRI 417-3)	#	-	-	2	-
<b>Incidents of non-compliance with regulations resulting in a warning<sup>h</sup></b> (GRI 417-3)	#	-	-	0	-
<b>Rate of audit compliance with EU Pledge to avoid advertising to children<sup>h</sup></b> (SASB: FB-PF-270a.1)	%	-	97.7	98.9	+1%
<b>Incidents of non-compliance with industry or regulatory labeling and/or marketing codes<sup>h</sup></b> (SASB: FB-PF-270a.3)	#	-	-	0	-
<b>Monetary losses as a result of legal proceedings associated with labeling and/or marketing practices<sup>h</sup></b> (SASB: FB-PF-270a.4)	CHF	-	-	197,000	-
<b>Responsible business conduct</b>					
<b>Confirmed incidents of corruption<sup>h</sup></b> (GRI 205-3)	#	-	-	0	-
<b>Thereof in which employees were dismissed or disciplined for corruption<sup>h</sup></b> (GRI 205-3)	#	-	-	0	-
<b>Thereof when contracts with business partners were terminated or not renewed due to violations related to corruption<sup>h</sup></b> (GRI 205-3)	#	-	-	0	-
<b>Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases<sup>h</sup></b> (GRI 205-3)	#	-	-	0	-

<sup>h</sup>Lindt & Sprüngli Group

Wherever blank, data not tracked in reporting year. Figures may be rounded.

## About this report

This Sustainability Report is Lindt & Sprüngli's 12th progress report relating to the Ten Principles of the UN Global Compact and the six UN Global Compact Food and Agriculture Business Principles (FAB).

This Sustainability Report has been prepared with reference to the GRI Standards 2021 (> see GRI Content Index, p. 66ff.). This Report provides information about our goals, our measures and the progress we have achieved (period from January 1, 2021, to December 31, 2021).

Unless otherwise stated, all facts and figures are reported as of December 31, 2021 and relate to all brands of the Lindt & Sprüngli Group, as well as to all production, distribution, and marketing sites and the regional Lindt & Sprüngli offices. The Sustainability Plan and targets apply group wide unless otherwise stated, including certain exclusions of Russell Stover, which was acquired in 2014. This Report was written with due regard to the principle of materiality in terms of the issues addressed and the expectations of various stakeholders. We have introduced some new data points and KPIs, and for these we have also collected data retrospectively for the previous reporting period.

The first complete carbon footprint calculation led to an alignment with the GHG protocol for the calculation of our Scope 1 and 2 emissions. Therefore, the 2020 data for Scope 1 and 2 emissions have been restated. This 2020 carbon footprint calculation has been externally reviewed by PwC (limited assurance, > see also Assurance Statement, p. 70). The remainder of this Sustainability Report was not subject to an external audit. This Sustainability Report was prepared by the relevant subject matter experts, reviewed by the CEO and CFO, and approved by the Corporate Sustainability Committee of the Board of Directors.

The ten principles of the UN Global Compact	Relevant company guidelines	Report reference
1. Companies should support and respect the protection of internationally proclaimed human rights.	The Lindt & Sprüngli Promise Business Code of Conduct	pp. 3, 7–13, 16–22, 23–27, 31–32, 59–60
2. Companies should make sure that they are not complicit in human rights abuses.	Health & Safety Policy Supplier Code of Conduct	
3. Companies should uphold the freedom of association and recognition of the right to collective bargaining.	The Lindt & Sprüngli Promise Business Code of Conduct	pp. 3, 7–13, 31–32, 46–51, 60, 62
4. Companies should work toward the elimination of all forms of forced and compulsory labor.	Health & Safety Policy Supplier Code of Conduct	
5. Companies should work toward the effective abolition of child labor.		
6. Companies should work toward the elimination of discrimination in respect of employment and occupation.		
7. Companies should support a precautionary approach to environmental challenges.	The Lindt & Sprüngli Promise Environmental Policy	pp. 3, 7–10, 33–44, 61
8. Companies should undertake initiatives to promote greater environmental responsibility.	Supplier Code of Conduct	
9. Companies should encourage the development and diffusion of environmentally friendly technologies.		
10. Companies should work against corruption in all its forms, including extortion and bribery.	Business Code of Conduct Supplier Code of Conduct	pp. 12, 63

### Global Compact Food and Agriculture Business Principles (FAB)

	Report reference
The company pursues food safety, health, and nutrition.	pp. 53, 56–57, 63
The company is environmentally responsible.	pp. 3, 7–10, 33–44, 61
The company ensures economic viability and shares value.	pp. 3, 7–8, 29–30
The company respects human rights, creates decent work, and helps communities to thrive.	pp. 3, 7–12, 16–32, 46–51
The company encourages good governance and accountability.	pp. 7–12
The company promotes access to and the transfer of knowledge, skills, and technologies.	pp. 23–34, 49–51

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## SUSTAINABILITY REPORT 2021

## Our contribution to the Sustainable Development Goals

The United Nations Sustainable Development Goals (► [UN SDGs](#)) set the global context for sustainable development until 2030. We recognize our impact and contribution to these goals through our own activities, our supply chain activities,

and our engagement in the communities in which we work. Below, we have mapped how Lindt & Sprüngli impacts and contributes to the 17 SDGs through our activities.

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

## GRI Content Index

**Statement of use:** Lindt & Sprüngli has reported the information cited in this GRI content index for the period 1.1.2021 – 31.12.2021 with reference to the GRI Standards 2021.

GRI 1 used	GRI 1: Foundation 2021	
GRI Standard	Disclosure	Location
General disclosures		
<b>The organization and its reporting practices</b>		
<b>GRI 2:</b> General Disclosures 2021	2-1 Organizational details	About Lindt & Sprüngli, p. 4 Annual report, p. 2–3
	2-2 Entities included in the organization's sustainability reporting	About this report, p. 64
	2-3 Reporting period, frequency, and contact point	About this report, p. 64
	2-4 Restatements of information	About this report, p. 64
	2-5 External assurance	About this report, p. 64
<b>Activities and workers</b>		
<b>GRI 2:</b> General Disclosures 2021	2-6 Activities, value chain, and other business relationships	Our mission – our value chain from bean to bar, p. 6
	2-7 Employees	KPI table: Performing together, Enabling and motivating working environment, p. 62–63
	2-8 Workers who are not employees	Performing together: Why we care, p. 46 KPI table: Cocoa, p. 59
<b>Governance</b>		
<b>GRI 2:</b> General Disclosures 2021	2-9 Governance structure and composition	Annual report, p. 33-39
	2-14 Role of the highest governance body in sustainability reporting	About this report, p. 64
	2-19 Remuneration policies	Annual report, p. 48-56
	2-20 Process to determine remuneration	Annual report, p. 47-48



## SUSTAINABILITY REPORT 2021

GRI Standard	Disclosure	Location
<b>Strategy, policies, and practices</b>		
<b>GRI 2:</b> General Disclosures 2021	2-22 Statement on sustainable development strategy	Foreword by our CEO and CFO, p. 3
	2-23 Policy commitments	Responsible business conduct and human rights, p. 11–12
	2-24 Embedding policy commitments	Responsible business conduct and human rights: Our business Code of Conduct, p. 12 Responsible sourcing: Supplier Code of Conduct, p. 17
<b>GRI 205:</b> Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	KPI Table: Responsible business conduct, p. 63
<b>GRI 2:</b> General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	Responsible business conduct and human rights: “Speak Up” – our grievance mechanism, p. 12
	2-28 Membership associations	Responsible business conduct and human rights: Stakeholder engagement, p. 13
<b>Stakeholder engagement</b>		
<b>GRI 2:</b> General Disclosures 2021	2-29 Approach to stakeholder engagement	Responsible business conduct and human rights: Stakeholder engagement, p. 13
	2-30 Collective bargaining agreements	Enabling and motivating working environment: Employee satisfaction and retention, p. 51
<b>Material topics</b>		
<b>GRI 3:</b> Material Topics 2021	3-1 Process to determine material topics	Determining our material topics, p. 9–10
	3-2 List of material topics	Determining our material topics, p. 9–10

GRI Standard	Disclosure	Location
<b>Rural development</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Our cocoa sustainability approach p. 23–32 Improving livelihoods: Why we care, p. 16
<b>Own disclosure</b>	Cocoa beans equivalent sourced through sustainability programs	KPI table: Cocoa, p. 59
<b>Responsible sourcing</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Responsible sourcing, Responsible sourcing approaches for priority raw materials, p. 17–22 Improving livelihoods: Why we care, p. 16
<b>Own disclosure</b>	Procurement expenditure for raw and packaging materials that pose significant sustainability risks covered by a sustainable sourcing program	Responsible sourcing, p. 17
<b>Biodiversity and deforestation</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Conservation of biodiversity and natural ecosystems, p. 33–34 Contributing to an intact environment: Why we care: p. 36
<b>Own disclosure</b>	Cocoa sourced from farmers covered by a fully implemented “No-Deforestation and Agroforestry Action Plan”	KPI table: Cocoa p. 60
<b>Climate</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Contributing to an intact environment: Why we care, p. 36 The Lindt Performance Way, p. 37 Climate, p. 38–40
<b>GRI 305:</b> Emissions 2016	305-1 Direct (Scope 1) GHG emissions	KPI table: Climate, p. 61
	305-2 Energy indirect (Scope 2) GHG emissions	KPI table: Climate, p. 61
	305-3 Other indirect (Scope 3) GHG emissions	KPI table: Climate, p. 61
<b>Own disclosure</b>	Reduction of GHG emissions in the production process since 2020, per ton produced (related to Scopes 1 and 2 in the production process)	KPI table: Climate, p. 61
<b>GRI 305:</b> Energy 2016	302-1 Energy consumption within the organization	KPI table: Climate, p. 61

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GRI 1 used	GRI 1: Foundation 2021	
GRI Standard	Disclosure	Location
<b>Water and waste</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Contributing to an intact environment: Why we care, p. 36 The Lindt Performance Way, p. 37 Water and waste, p. 41–42
<b>GRI 306:</b> Waste 2020	306-1 Waste generation and significant waste-related impacts	Contributing to an intact environment: Why we care, p. 36 Water and waste, Waste, p. 41–42
	306-2 Management of significant waste-related impacts	Contributing to an intact environment: Water and waste, Waste, p. 41–42
<b>Own disclosure</b>	Semi-finished product waste in the production process, per ton produced (excluding destruction of finished goods)	KPI table: Waste, p. 61
	Reduction of semi-finished product waste in the production process since 2015, per ton produced (excluding destruction of finished goods)	KPI table: Waste, p. 61
<b>GRI 303:</b> Water and Effluents 2018	303-1 Interaction with water as a shared resource	Contributing to an intact environment: Why we care, p. 36 Water and waste, Water p. 41–42 Improving livelihoods: Investments in community infrastructure, p. 30
	303-2 Management of water discharge-related impacts	Contributing to an intact environment: Water and waste: Water withdrawal, Reduce and recycle, p. 41
<b>Own disclosure</b>	Reduction of municipal water used in the production process since 2019 per ton produced (municipal supply only)	KPI table: Water, p. 61
<b>Packaging</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Contributing to an intact environment: Why we care, p. 36 Packaging, p. 43–44
<b>SASB: FB-PF-410a.1</b>	(1) Total weight of packaging	KPI table: Packaging, p. 61
	(2) percentage made from recycled and/or renewable materials	KPI table: Packaging, p. 61
	3) percentage that is recyclable, reusable, and/or compostable	KPI table: Packaging, p. 61

GRI 1 used	GRI 1: Foundation 2021	
GRI Standard	Disclosure	Location
<b>Occupational health and safety</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Performing together: Why we care, p. 46, Occupational health and safety, p. 47–48
<b>GRI 403:</b> Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Performing together: Occupational health and safety, p. 47–48
	403-2 Hazard identification, risk assessment, and incident investigation	Performing together: Occupational health and safety, p. 47–48
	403-3 Occupational health services	Performing together: Occupational health and safety, p. 47–48
	403-4 Worker participation, consultation, and communication on occupational health and safety	Performing together: Occupational health and safety, p. 47
	403-5 Worker training on occupational health and safety	Performing together: Occupational health and safety, p. 47
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Improving livelihoods: Our cocoa sustainability approach, p. 28–29
	403-9 Work-related injuries	KPI table: Occupational health and safety, p. 62
<b>Own disclosure</b>	Lost time accidents	KPI table: Occupational health and safety, p. 62
<b>Enabling and motivating working environment</b>		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Enabling and motivating working environment, p. 49–51 Performing together: Why we care, p. 46
<b>GRI 401:</b> Employment 2016	401-1 New employee hires and employee turnover	KPI table: Enabling and motivating working environment, p. 62
<b>GRI 404:</b> Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	KPI table: Enabling and motivating working environment, p. 62
<b>GRI 405:</b> Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	KPI table: Enabling and motivating working environment, p. 62–63
		There are presently no Board diversity targets. The board has one woman (17%) and five men (83%) as of December 31, 2021.
<b>Own disclosure</b>	Share of women in Senior Leadership	KPI table: Enabling and motivating working environment, p. 62

## SUSTAINABILITY REPORT 2021

GRI 1 used	GRI 1: Foundation 2021	
GRI Standard	Disclosure	Location
Product quality and product safety		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Delighting consumers: Why we care, p. 53, Product quality and product safety, p. 54–55
<b>GRI 416:</b> Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	KPI table: Product quality/Product safety, p. 63
<b>SASB: FB-PF-250a.3</b>	(1) Total number of notices of food safety violation received (2) percentage corrected	KPI table: Product quality/Product safety, p. 63
<b>SASB: FB-PF-250a.4</b>	(1) Number of recalls issued (2) total amount of food product recalled	KPI table: Product quality/Product safety, p. 63
Transparent and responsible communication		
<b>GRI 3:</b> Material Topics 2021	3-3 Management of material topics	Delighting consumers: Why we care, p. 53, Transparent and responsible communication, p. 56–57
<b>GRI 417:</b> Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	KPI table: Transparent and responsible communication, p. 63
<b>SASB: FB-PF-270a.1</b>	(1) Percentage of advertising impressions made on children	KPI table: Transparent and responsible communication, p. 63
<b>SASB: FB-PF-270a.3</b>	(1) Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	KPI table: Transparent and responsible communication, p. 63
<b>SASB: FB-PF-270a.4</b>	(1) Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices	KPI table: Transparent and responsible communication, p. 63

# Independent Limited Assurance Report on Lindt & Sprüngli Greenhouse Gas Emissions 2020

## To the Management of Chocoladefabriken Lindt & Sprüngli AG, Kilchberg

We have been engaged to perform assurance procedures to provide limited assurance on the 2020 Greenhouse Gas Emissions in the Sustainability Report 2021 of Chocoladefabriken Lindt & Sprüngli AG and its consolidated subsidiaries ('Lindt & Sprüngli').

### Scope and subject matter

Subject to our limited assurance engagement were the Total GHG emissions in 2020 on page 39 and the Climate Indicators on page 61 of the Sustainability Report 2021, hereafter referred to as '2020 GHG Statement'.

Our engagement was limited to the 2020 figures. We do not comment on, nor conclude on, any comparative figures.

### Criteria

The 2020 GHG Statement in the Sustainability Report 2021 was prepared by the Management of Chocoladefabriken Lindt & Sprüngli AG based on the GHG-Protocol Corporate Standard. Its specific application is available on the Lindt & Sprüngli website as referred to on page 61 ('explanation of methodology') of the Sustainability Report 2021.

### Inherent limitations

The accuracy and completeness of the 2020 GHG Statement in the Sustainability Report 2021 is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the 2020 GHG Statement in the Sustainability Report 2021 is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the 2020 GHG Statement in the Sustainability Report 2021 and the values needed to combine emissions of different gases. Our assurance report should therefore be read in connection with the Criteria.

### Management responsibility

The Management of Chocoladefabriken Lindt & Sprüngli AG is responsible for the Criteria and its selection as well as for the preparation and presentation of the 2020 GHG Statement in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of such internal control as determined necessary to enable the preparation of the 2020 GHG Statement that is free from material misstatement, whether due to fraud or error as well as adequate record keeping and overall responsibility of the Sustainability Report 2021.

### Independence and quality controls

We are independent of Lindt & Sprüngli in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA

Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers AG applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our responsibility

Our responsibility is to perform an assurance engagement and to express a limited assurance conclusion on the 2020 GHG Statement in the Sustainability Report 2021. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3410 "Assurance Engagements on Greenhouse Gas Statements", issued by the International Audit and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the 2020 GHG Statement was prepared, in all material aspects, in accordance with the Criteria.

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

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## SUSTAINABILITY REPORT 2021

gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

### Summary of the work performed

Our limited assurance procedures included, but were not limited to the following work:

- Inquiries of representatives responsible for the data collection and reporting as well as other relevant stakeholders in the reporting process
- Inspection of relevant documents
- Sample based testing of underlying data
- Reconciliation of data sources with financial reporting data and other underlying data sources
- Reperformance of relevant calculations
- Analytical procedures
- Performance of virtual site visits for significant manufacturing facilities in Switzerland and Germany
- Assessment of methodology applied by Lindt & Sprüngli

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

### Conclusion

Based on the procedures we performed, and evidence obtained, nothing has come to our attention that causes us to believe that the 2020 GHG Statement in the Sustainability Report 2021 of Lindt & Sprüngli is not prepared, in all material respects, in accordance with the Criteria.

### Intended users and purpose of the report

This report is prepared for, and only for, the Management of Chocoladefabriken Lindt & Sprüngli AG, and solely for the purpose of reporting to them on 2020 GHG Statement in the Sustainability Report 2021 and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the distribution of our report, in full only and in combination with the 2020 GHG Statement and the Criteria to enable the Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the 2020 GHG Statement, without assuming or accepting any responsibility or liability to any report recipient on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of Chocoladefabriken Lindt & Sprüngli AG for our work or this report.

PricewaterhouseCoopers AG



Gerhard Siegrist

Raphael Rutishauser

Zurich, 10 June 2022

*"The maintenance and integrity of the Lindt & Sprüngli website and its content are the responsibility of the Management; the work carried out by us does not involve consideration of the maintenance and integrity of the Lindt & Sprüngli website, accordingly, we accept no responsibility for any changes that may have occurred to the reported 2020 GHG Statement or the Criteria since they were initially presented on the Lindt & Sprüngli website."*





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[www.farming-program.com](http://www.farming-program.com)



This is our **Communication on Progress**  
in implementing the principles of the  
**United Nations Global Compact** and  
supporting broader UN goals.

We welcome feedback on its contents.