



# LINDT & SPRÜNGLI

**LINDT & SPRÜNGLI (AUSTRALIA) PTY LIMITED**

ABN 43 079 224 892

## MODERN SLAVERY STATEMENT 2023

For the Reporting Period: 1 January - 31 December 2023

Lindt & Sprüngli (Australia) Pty Ltd ("Lindt Australia") acknowledges the Traditional Owners of country throughout Australia and recognises their continuing connection to land, water and culture. We pay respects to their cultures and to their Elders past, present and emerging.

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# About this statement

Chocoladefabriken Lindt & Sprüngli AG's (as a Group together with its subsidiaries "Lindt & Sprüngli") annual Sustainability Report 2023 is the primary annual public report on the Group's human rights due diligence efforts, action plans, and progress. For additional comprehensive information, refer to the Sustainability Report 2023 available online at <https://reports.lindt-spruengli.com/sustainability-report-2023>. Unless stipulated otherwise, all references to *we*, *us*, *our* are references to Lindt & Sprüngli.

Lindt & Sprüngli (Australia) Pty Ltd ("Lindt Australia") is again proud to report on its progress to date and ongoing activities to identify and address the risks of modern slavery in its operations and supply chains.

We are committed to respecting human rights and preventing negative impacts on people, including modern slavery in all its forms, in our operations and supply chains.

We understand that modern slavery is a persistent and complex challenge and combating it is an ongoing process. We acknowledge that there is still much work to be done and continue to review and refine our strategies in addressing modern slavery. Collaboration and communications provide an essential framework for building lasting, consensus-based solutions to the challenge of modern slavery.

This statement outlines Lindt Australia's commitment to combatting modern slavery and its approach to ensuring compliance with the Commonwealth Modern Slavery Act 2018. Lindt Australia's modern slavery statement is set out in accordance with the seven mandatory criteria as detailed in the Commonwealth Modern Slavery Act 2018 – Guidance for Reporting Entities.



# Identify the reporting entity and describe its structure, operations and supply chains

## Mandatory Criteria One and Two

### Reporting Entity

The reporting entity is Lindt & Sprüngli (Australia) Pty Ltd (“Lindt Australia”), ABN 43 079 224 892, 16 Hollinsworth Road, Marsden Park NSW 2765, Australia. Phone +61 2 9854 2500.

Lindt Australia is the sole Australian entity of the holding company Chocoladefabriken Lindt & Sprüngli AG (“Lindt & Sprüngli”).

Lindt & Sprüngli has been enchanting the world with chocolate for over 175 years. The traditional Swiss company with its roots in Zurich is a global leader in the premium chocolate category. The Lindt & Sprüngli Group produces quality chocolates today at its 12 own production sites in Europe and the USA. They are sold by 36 subsidiaries and branch offices, in around 520 of its own shops as well as via a network of more than 100 independent distributors around the globe. With more than 14,500 employees, the Lindt & Sprüngli Group reported sales of CHF 5.2 billion in 2023.

Lindt Australia’s main activities include marketing and selling of premium chocolates for local consumption, importing bulk and finished chocolate products from overseas subsidiaries of Lindt & Sprüngli and re-packaging, running local production and packing, and distribution.

The activities occur at Marsden Park, NSW. The head office of Lindt Australia is co-located on the same premises. In addition, Lindt Australia has offices in Melbourne, Brisbane and Adelaide, and operates 18 retail stores across Australia, where consumers can purchase products directly for self-consumption.

Lindt Australia operates under Group-wide frameworks, policies and procedures, but implements local laws, regulations and statutory requirements where applicable, ensuring compliance through additional local policies and procedures.

### Structure

The Chief Executive Officer (CEO) of Lindt Australia has total responsibility for the day-to-day running of the Australian entity. The CEO is aided by members of the Executive Committee who include Chief Financial Officer (CFO), Operations Director/ Head of Sustainability, HR Director and other senior executives.

At Lindt Australia, the CFO has executive responsibility for the procurement function. The Procurement Manager, coordinating with a multifunctional working group on modern slavery matters, is responsible for day-to-day running of activities to deliver on modern slavery awareness, compliance requirements and improvement.

The Operations Director is also Head of Sustainability and has executive responsibility for the implementation and delivery of the Sustainability Plan, Lindt & Sprüngli’s sustainability strategy, including the areas of business integrity and human rights.

### Operations and Supply Chains

Lindt Australia employs approximately 580 people in total across its businesses – split into head office administration and support roles, production and packing, merchandising and sale support roles, and retail sales roles.

Lindt Australia imports bulk and finished chocolate products from overseas subsidiaries of Lindt & Sprüngli. It sources input goods and services for production and packing from various supply chain partners via contractual arrangements. Many of its core supply chain partners are on long-standing contractual arrangements, and almost of all the supply chain partners with whom Lindt Australia has direct interactions are locally based, however some of these partners source their goods and services from outside of Australia. Lindt Australia works with various local distributor groups in marketing and sale network, supporting merchandising and sales support at customers’ premises. Local carriers are used for rail and road haulage to deliver finished chocolate products to our own retail stores and customers’ warehouses and distribution centres across Australia.



# Our value chain

Lindt & Sprüngli operates an integrated supply chain model with thousands of suppliers globally, and Lindt Australia sources its goods and services for production inputs from a combination of related inter-company and third-party suppliers. Production inputs include bulk chocolates, packaging materials, some raw materials, transport and support services such as pest management, cleaning, waste, etc. Lindt Australia's supplier base is mainly local suppliers, contractors and providers. Cocoa and various other key raw materials are sourced directly by Group Procurement and other major production sites of overseas subsidiaries, in compliance with Lindt & Sprüngli's responsible sourcing framework.

## Our value chain

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



### 3. Production

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



### 1. Sourcing

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



### 2. Transportation

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



### 4. Retail

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



### 5. Consumption

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

# Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity

## Mandatory Criterion Three

Lindt & Sprüngli conducts an annual risk analysis, where we identify, weigh, and prioritise human rights and environmental risks in our operations and direct and indirect (tier 2+) supply chain using a purpose-built tool. We consider the severity (scope, scale, and irremediability) and likelihood of thematic risks, their relevance to business units and supply categories (based on industry knowledge, risk reports, and reported grievances if any), and geographic risks, with input from 27 third-party indices. Our assessment of risks is informed by specialty risk assessments, concerns raised through our grievance mechanism, and engagement with stakeholders.

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

- Access to water and sanitation
- Biosphere loss/deforestation
- Child labour
- Climate change
- Discrimination, harassment, and violence
- Forced labour
- Health and safety

- Land rights
- Living income and wages
- Working hours

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

### Operations

Modern slavery was not identified as a significant risk in the own operations of Lindt & Sprüngli and Lindt Australia. We nevertheless strive to have good internal controls. Examples of this are providing contracts to employees with the terms and conditions of employment, supplementing our workforce in peak seasons with contract workers via reputable labour agencies, and ensuring workers with foreign nationalities are legally, fairly, and voluntarily employed.

A range of Group policies define the way we do business, including the Business Code of Conduct, Equal Employment Opportunity Policy, Health

and Safety Policy, Human Rights Policy, Speak Up Policy, Supplier Code of Conduct and Compliance Declaration, plus the Global Values Framework. The Global Values Framework promotes a culture that treats everyone fairly, appropriately and consistently.

In production and packing, during months of peak seasonal demands, Lindt Australia supplements the regular workforce with contract workers, who are contracted via labour hire agreements through local labour hire agencies. This is potentially open to higher risks. While the labour hire sector is known to present an increased risk of modern slavery, the inherent risk is perceived as low since Australia has relatively strong labour laws and protection for workers. In addition, Lindt Australia manages this using a few preferred and known labour hire agencies who have undergone a pre-qualification process (including responding to our Supplier Code of Conduct and Modern Slavery, Supplier Questionnaire) and have contractually agreed to pay workers a pay rate that is stipulated by Fair Work Commission and pay rates are randomly audited by Lindt Australia.



## Supply Chains

In Lindt & Sprüngli, external purchases are generally split into direct and indirect procurement categories. The direct categories consist of mainly cocoa products, other raw materials (such as hazelnuts, palm oil, vanilla, etc.) and packaging materials, with thousands of supply chain partners globally. The indirect categories consist of services such as logistics and supply chain, marketing and sales, professional services and consultants, production consumables and support services (including cleaning service, pest control, waste management and contract labour).

The main risks of modern slavery practices in the Lindt Australia supply chain are in the sourcing of raw materials, packaging materials, transport contractors, contract warehouse and logistics, and supplementary contract labour. Supply chain service areas such as logistics and construction are considered to have a risk of forced or compulsory labour. Additionally, we have identified a risk in the indirect (tier 2+) supply chain of some raw materials (including cocoa, vegetable fats and oils, sugar and hazelnuts), as well as packaging and IT hardware (for example in factories in Asia). Risks of child labour exist in the indirect (tier 2+) supply chain of raw materials. This includes the sourcing of cocoa from West Africa, Papua New Guinea and Madagascar, coconuts and coconut oil for example from the Philippines, hazelnuts from Türkiye, palm oil from Indonesia, vanilla from Madagascar, as well as packaging from Asia.



# Describe the actions taken to assess and address modern slavery risks and the effectiveness of such actions

## Mandatory Criteria Four and Five

The following section includes an overview of actions taken on modern slavery risks identified as part of Lindt & Sprüngli's and Lindt Australia's due diligence process.





## How we care

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

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

## Our governing documents

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

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

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





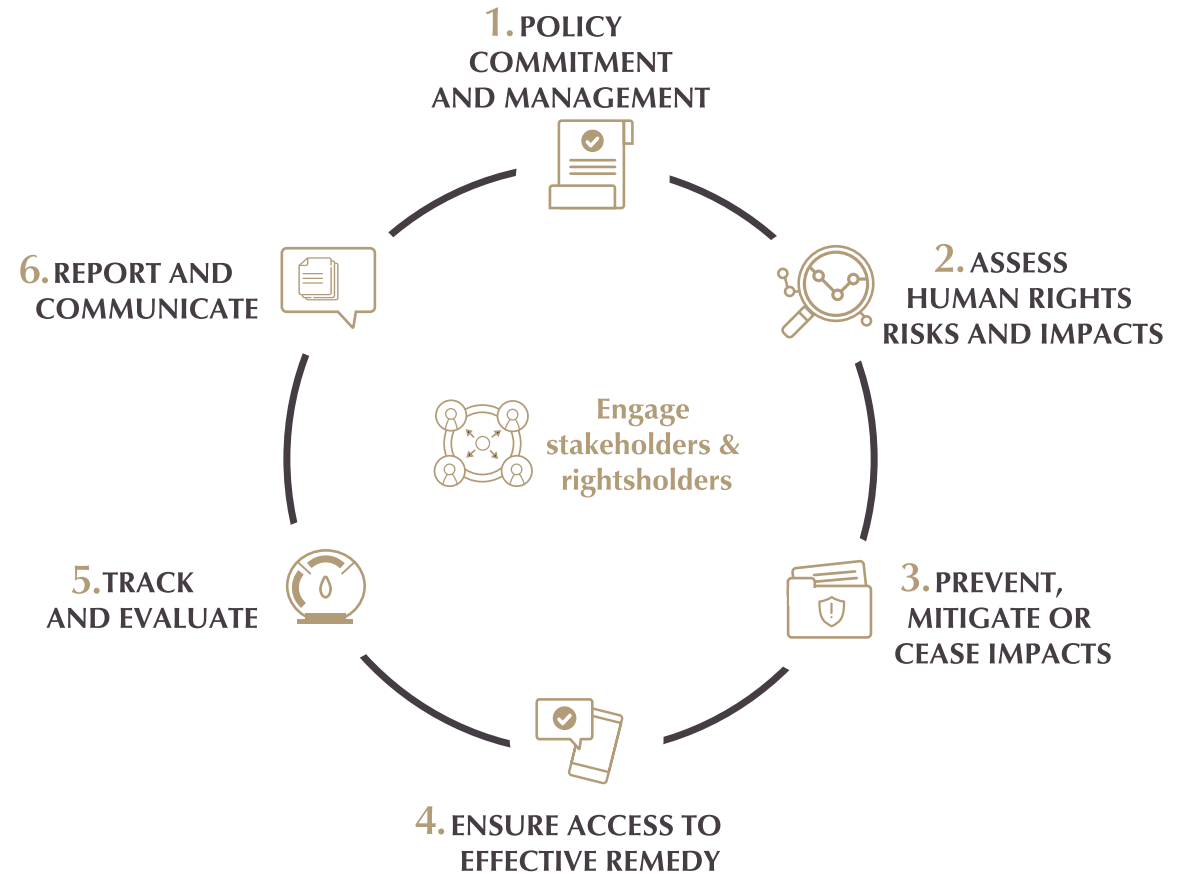
## Respecting human rights

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

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

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

## Due diligence process





## Responsible Sourcing

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

Our responsible sourcing approach consists of five building blocks (see infographic). Our Supplier Code of Conduct forms the basis of our supplier cooperation. In addition, we conduct assessments and supplier audits to measure our suppliers' sustainability performance. Based on a comprehensive risk assessment we have identified twelve priority raw and packaging materials for which we have defined a specific responsible sourcing approach. For further information, please see our Responsible sourcing approach in the Sustainability Report 2023.

### Our responsible sourcing approach



## Supplier Assessments

Under its Supplier Code, Lindt & Sprüngli reserves the right to conduct (or have a third-party conduct) audits of suppliers and their facilities to verify compliance with our Code of Conduct. Suppliers defined “at risk” of non-compliance with any aspect of our Supplier Code, including the requirements related to child and forced labour, are subject to assessments, audits (through our Supplier Sustainable Practice (SSP) Program) and/or verification visits by independent parties. In addition, we conduct assessments and supplier audits to measure our suppliers’ sustainability performance. Lindt & Sprüngli uses the EcoVadis framework to evaluate the sustainability performance of prioritised suppliers of direct and indirect goods and services of all our subsidiaries.

In 2023, we expanded the scale of our assessment from 581 to 629 scored suppliers, which represents 56.2 % of our total procurement expenditure across the Group. The assessment is based on 21 criteria and covers four topics: environment, labour and human rights, ethics, and sustainable procurement.





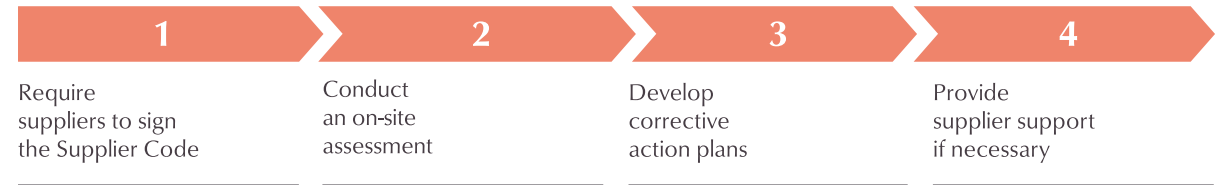
## Supplier audits and remediation

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 prioritisation derived from a risk assessment, this program focuses on packaging suppliers in Asia, with an emphasis on social and environmental aspects at production sites. Currently around 10% of our packaging expenditure is linked to suppliers from Asia, especially for decorative materials, as well as for supplies for our Asian subsidiaries.

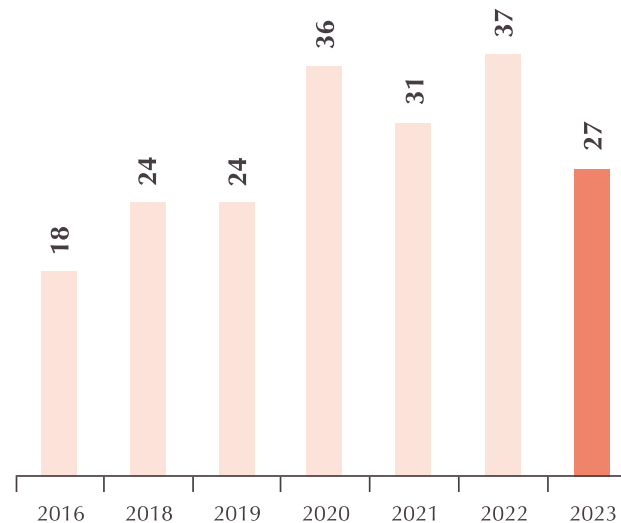
Depending on their risk profile, in particular the nature of their business operations, we conduct on-site assessments of those significant suppliers. For new tier-2 contractors (sub-suppliers that do not have a direct business relationship with Lindt & Sprüngli), we conduct quick-check assessments which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

### SSP Program

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



#### Number of on-site assessments in Asia



Number of on-site assessments in Asia (initial and follow-up) 2023: 27

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

## Reducing the risk of child labour in the cocoa supply chain

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

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

Convinced that addressing child labour in the cocoa sector effectively starts with having clearly defined processes and good management systems, we developed the CLMRS Guidance Document for suppliers implementing the Farming Program. The document was launched in 2021 and describes more specifically our expectations of, and proposed approach to, the prevention, monitoring, and remediation of child labour. With the implementation of a CLMRS that meets our requirements as an integral part of the Farming Program, we set out clear targets related to the protection of children's rights in contracts for suppliers, including resources dedicated to CLMRS implementation. For suppliers not involved in our Program, we rely on CLMRS guidance, implementation and verification through the Rainforest Alliance Certification.

In 2023, a total of 66.1% of cocoa from child labour risk countries was sourced from locations where this was the case. In Ghana and Côte d'Ivoire, 88,200 farming households, all of them participants of the Farming Program, were covered by a CLMRS. Suppliers in Papua New Guinea and Madagascar were onboarded to our CLMRS in 2023 and are currently rolling this out to cover 7,200 households.

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

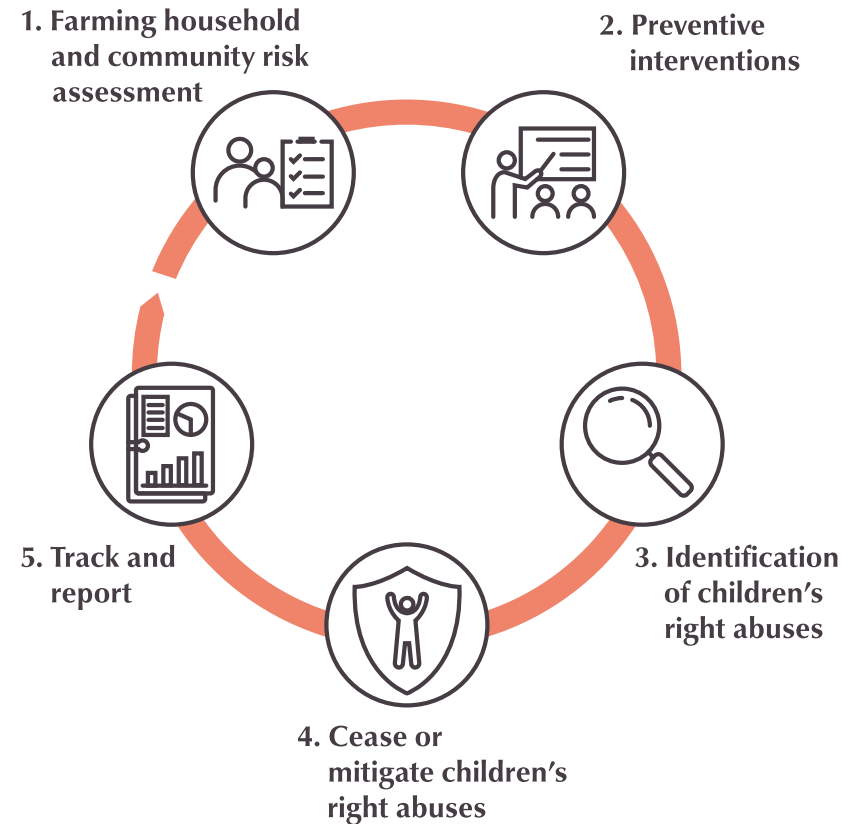




## Our CLMRS follows three principles:

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

## CLMRS Process





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

Our Responsible Sourcing Roadmap 2025 covers twelve priority materials that we want to source or start sourcing responsibly by 2025, including those identified as having an elevated risk of child labour.

The supply chain in the Turkish Black Sea region, where most of the world's hazelnut harvest originates, has high risks related to labour conditions such as the health and safety of farm workers, child labour, and seasonal workers' working and accommodation conditions. To address child labour in the seasonal workforce, we support investments in child labour monitoring and remediation systems and preventive measures such as making summer schools available to seasonal workers' children.

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

Since 2015, Lindt & Sprüngli has sourced 100% of its palm oil, palm kernel oil, and their fractions with Roundtable on Sustainable Palm Oil ("RSPO")

certification. The RSPO standard includes criteria prohibiting child labour and requiring policies to protect children and to provide remediation.

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

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

## Partnerships and sector initiatives

We are aware that individual stakeholders' ability to drive systemic change is limited. That is why the Lindt & Sprüngli Group collaborates with a wide range of partners from different sectors and actively engage in multi-stakeholder initiatives such as the Sustainable Cocoa Platforms ("ISCOs") or the Cocoa & Forests Initiative ("CFI"). To strengthen our collective action on child labour prevention, we belong to the Child Learning and Education Facility ("CLEF"). CLEF is a coalition dedicated to enhancing access to and the quality of education in cocoa-growing regions of Côte d'Ivoire by constructing school infrastructure, training teachers in effective educational practices,

and engaging parents in their children's learning. The coalition is led by the Ivorian Government in collaboration with the cocoa and chocolate industry and philanthropic foundations. Joining CLEF entails a financial commitment to invest CHF 1.25 million in the initiative.

Beyond collective action, we work with a range of strategic and technical partners to help us continuously improve our Farming Program. These include the Earthworm Foundation, Helvetas, Ecotop, and the KIT Royal Tropical Institute.

Our suppliers collaborate with additional third parties on the implementation of the Farming Program, for example for farm mapping or the creation of Village Savings and Loan Associations ("VSLAs").







## Remediation Measures

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

As part of the CLMRS, implemented by cocoa suppliers through the Farming Program, suppliers are required to operate a case management system to manage identified child labour. Such a system aims to provide remediation support for concerned families to address the immediate issues of children in need. It is combined with follow-up visits to assess the success of case remediation. Remediation support at an individual level can include engagement with parents, the provision of school uniforms, birth certificates or funds for school fees, and, as a last resort, referral to competent local authorities. In 2023, suppliers reported that more than 800 children within the Farming Program received remediation support and reported to no longer engage in work classified as child labour

at the two most recent follow-up visits conducted by Program staff. Child labour identified outside of our Farming Program at community level is remediated through awareness-raising visits by the Community Child Protection Committees (“CCPCs”), or referral to national institutions.

## Employee Trainings

We communicate our Human Rights Policy to both new and existing employees by referencing it in Lindt & Sprüngli’s Business Code of Conduct. In addition, the Lindt & Sprüngli Human Rights Policy is available to all workers and external stakeholders on our corporate website with translations into six languages.

A mandatory human rights training course for relevant employees will begin rolling out in 2024. The training video introduces the UN Guiding Principles (UNGPs), our commitment and due diligence process, and key topics such as child labour and forced labour. As described above (*Supplier Assessments*), Lindt & Sprüngli uses the EcoVadis framework to evaluate suppliers on their sustainability performance. EcoVadis assessed suppliers receive access to human rights training materials and resources to support them in meeting our human rights commitments. The resources and training include guides on how to develop labour and human rights policies and reports, and whistleblower procedures, as well as training on employee health and safety, child and forced labour prevention, and diversity and inclusion. Through the Farming Program we pursue

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

Through the Farming Program for cocoa that is implemented by our suppliers, we go deeper into our supply chain by offering training and support for farmers and community members on salient issues (e.g., child labour sensitisation and health and safety), providing premiums, investing in infrastructure, and establishing VSLAs.





## Effectiveness of actions being taken to assess and address modern slavery risks

### Evaluating the effectiveness of our due diligence

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

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

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

### Monitoring and external verification

Our Farming Program builds on the principle of continuous improvement. Our monitoring and evaluation approach is based on multiple complementary elements including monitoring of outputs, a review of Program quality and verification of Program implementation, and periodic impact assessments. We assess these elements related to both the farm and implementation partner and carry out checks to verify traceability documents. As defined in our Farming Program Verification Guidance, monitoring begins with systematic annual internal monitoring of the cocoa farmers to assess their compliance with Farming Program requirements and evaluate their progress. Results from this monitoring differ between origin and supplier, and challenges are addressed for each supply chain individually.

#### Farming Program monitoring and verification approach

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

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

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

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

# Describe the process of consultation with any entities the reporting entity owns or controls

## Mandatory Criterion Six

Lindt Australia is the reporting entity and sole Australian entity of the holding company Chocoladefabriken Lindt & Sprüngli AG. Lindt Australia does not own or control any further entities.



# Provide any other relevant information

## Mandatory Criterion Seven

Lindt Australia undertakes to continually review and assess how to improve our approach most effectively to human rights including modern slavery in its operations and supply chain. It will collaborate with its supply chain partners and other businesses to continue raising the awareness of this complex issue. It will continue to review its 3-year strategy to ensure it can dive deeper into its supply chains.

Key Result Area (KRA)	A. People	B. Process	C. Policy	D. Suppliers
1	Train core supply chain staff and internal stakeholder	Embed supplier self-assessment questionnaire and adherence in market testing events	Establish procurement policy with contents to include responsible sourcing and modern slavery guidelines	Engage & collaborate with the wider supplier base on Supplier Code of Conduct, supplier assessment via EcoVadis framework and Supplier Sustainable Practice (SSP) program
2	Conduct awareness sessions for wider group of supply chain partners	Review and embed modern slavery clauses into commercial terms	Establish modern slavery policy in addition to the Group Human Rights Policy	Engage other external parties



# Modern Slavery Statement Approval

- This document has been approved by the board of Lindt & Sprüngli (Australia) Pty Ltd on June 21, 2024.



- Guido Steiner,  
Member of the Board of Lindt & Sprüngli (Australia) Pty Ltd,  
signatory power as per association Articles (*and Acting  
Chairman of the Board of Lindt & Sprüngli (Australia) Pty Ltd*).



