



LINDT & SPRÜNGLI

Modern Slavery Statement

2020

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Identify the Reporting Entity

This statement has been prepared in accordance with the Australian Modern Slavery Act 2018 (Cth). Lindt & Sprüngli Australia Pty Ltd is the reporting entity.

Lindt & Sprüngli Australia Pty Ltd is the sole Australian entity of Chocoladefabriken Lindt & Sprüngli AG, (Lindt) headquartered in Kilchberg, Switzerland.



Introduction

Lindt & Sprüngli recognises its responsibility to respect human rights and international labour standards as defined in the UN Guiding Principles for Business and Human Rights. A significant part of our potential human rights impacts is related to our supply chain. We define specific approaches and programs to further assess, prevent, and mitigate potential and actual human rights impacts with our sourced raw and packaging materials. We also have further activities to support and respect human rights regarding our own operations and consumer-related issues.¹

We respect the UN Guiding Principles on Business and Human Rights, and we conduct due diligence by means of a risk-based approach for the raw and packaging materials we source. Our Supplier Code of Conduct is a key instrument in this endeavour, as it requires adherence to social and environmental standards by our partners throughout the entire supply chain.

Lindt strongly condemns human trafficking and slavery and remains committed to ensuring that our supply chains are free from any form of modern slavery.

¹ Lindt's 2020 Sustainability Report, page 35

Lindt Australia's Reporting Structure, Operations and Supply Chain

Lindt & Sprüngli has been enchanting the world with chocolate for over 175 years. The traditional Swiss company with its roots in Zurich is a world leader in premium chocolate. Today, Lindt & Sprüngli quality chocolates are manufactured at 11 of its own production sites in **Europe** and the **USA**. These are sold by 29 subsidiaries and branches, in around 500 Lindt owned shops and through a network of over 100 independent distributors around the globe. With over 13,500 employees the Lindt & Sprüngli Group achieved sales of CHF 4.02 billion in 2020.

In **Australia**, the operations are centralized in **Marsden Park, NSW**. Within the Marsden Park facility is the Australian head office, warehousing, packing & production facility, and adjoining factory outlet.







The risks of modern slavery practices in Lindt's operations and supply chains

Lindt & Sprüngli recognises its responsibility to respect human rights and international labour standards as defined in the UN Guiding Principles for Business and Human Rights. A significant part of our potential human rights impacts is related to our supply chain. We define specific approaches and programs to further assess, prevent, and mitigate potential and actual human rights impacts with our sourced raw and packaging materials. We also have further activities to support and respect human rights regarding our own operations and consumer-related issues.²

Human rights are universal and inherent to all human beings. Nevertheless, human rights violations are still widespread. This includes various human rights issues such as discrimination, land rights, child labour, forced labour or the right to health. The impacts range from minor limitations on individual rights to the total abandonment of self-determination or loss of life. In globally interconnected value chains, companies are directly or indirectly linked to human rights risks and called upon to respect human rights.³

Many farmers and farm workers producing raw materials used for chocolate face complex and structural challenges, particularly in rural areas in developing countries. These range from human rights issues and the challenge of generating a living income to general environmental protection issues. In many countries, everyday life is defined by structural poverty, malnutrition, child labour, a lack of infrastructure, limited access to financing, which are exacerbated by the increasing effects of climate change and ecosystem degradation.⁴

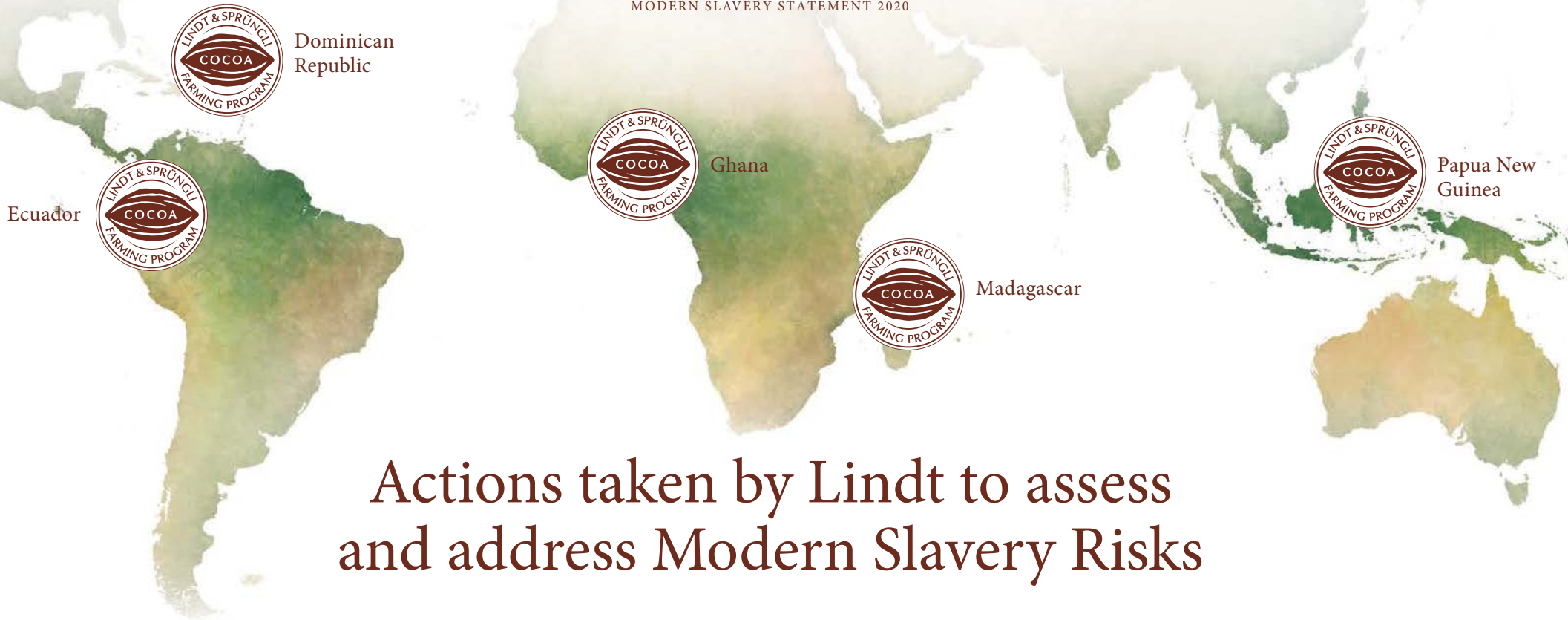
Child labour in cocoa farming is a widespread and complex human rights issue that is deeply rooted in poverty and sociocultural behaviours. Children's vulnerability puts them under increased risk of exploitation for labour. All the Lindt & Sprüngli Farming Program farms were covered by our Child Labour Monitoring & Remediation System (CLMRS), which includes training and awareness-raising for farmers as well as monitoring and elimination of child labour.

| | |
|---------------------|--|
| Human rights | Challenges in the cocoa sector ⁵ |
| | Poverty and malnutrition |
| | Child labour and human trafficking |
| | Labour rights and safe working conditions |
| | Lack of education and healthcare |

Hazelnuts are a key raw material for Lindt & Sprüngli chocolate products. We source them from Italy and Turkey. The hazelnut supply chain in the Turkish Black Sea region, where approximately 70% of the world's harvest originates, has serious challenges, especially concerning labour conditions.



² Lindt's 2020 Sustainability Report, page 35
³ Lindt's Sustainability Report, page 35
⁴ Lindt's Sustainability Report, page 12
⁵ Lindt's Sustainability Report, page 13



Actions taken by Lindt to assess and address Modern Slavery Risks

The Lindt & Sprüngli Farming Program: Sustainably sourced cocoa beans

Goal: 100% of our cocoa beans are traceable and verified by 2020

Progress: 100% in 2020 (Commitment achieved)

The Lindt & Sprüngli Farming Program covers 100% of our cocoa beans and builds on the “bean-to-bar” model, which enables us to trace cocoa beans back to their origin, take responsibility, and directly support cocoa farmers and farming communities according to their context-specific individual needs. The Farming Program was launched in 2008 in Ghana. We have since expanded it to all five of our cocoa bean sourcing origins: **Ghana, Ecuador, the Dominican Republic, Madagascar, and Papua New Guinea**, often with multiple suppliers per country. The Farming Program empowers farmers to manage their farms in accordance

with sound agricultural, social, ecological, and economic practices. The goal of the Program is to create decent and resilient livelihoods for today's and future cocoa farmers and their families, and a sustainable intensification of agriculture. We aim to achieve this by facilitating higher productivity of farms, diversified household incomes, preservation of biodiversity and natural ecosystems, reduced risk of child labour, and improved infrastructure in communities. The Farming Program guarantees us access to the supply of high-quality cocoa beans from a pre-defined and stable base of cocoa farmers, while our stakeholders can be assured that we source and process the traceable beans from the farmers in our externally verified Lindt & Sprüngli Farming Program.

The content of the Farming Program is specified in the Verification Guidance Document and is based on four pillars: Traceability & Farmer Organization, Farmer Training & Knowledge Transfer, Farmer Investments & Community

Actions taken by Lindt to assess and address Modern Slavery Risks (cont.)

The Lindt & Sprüngli Farming Program: Sustainably sourced cocoa beans (cont.)

Development, and Verification & Continuous Improvement. The Program design follows an integrated and holistic approach, looking at all the different sustainability challenges facing farmer livelihoods. It builds on a philosophy of continuous improvement and fosters locally embedded solutions. Besides defining minimum requirements and providing general guidance, the strength of the Farming Program is its flexibility to tailor the activities to the local context and challenges in each country of origin. Finally, a verification system, in the form of a structured annual internal monitoring and independent external assessment, assures the effectiveness of our efforts. The verification is based on a mutual learning process and transparent communication, which facilitates the continuous improvement of the Farming Program.

The basis for implementing the Farming Program are long-term and stable partnerships with our suppliers, which are the main implementing partners in the field. Long-term agreements allow purchasing from a stable farmer base, supporting them over multiple years via the Program activities. These local partners are assisted by select specialist organizations to develop their knowledge and capacity (e.g., in the topic of agroforestry). We further collaborate with several organisations to generate synergies and connect the Program in the different countries of origin to other relevant local sustainability initiatives.

Through our own sustainability program for cocoa beans, we ensure that our investments directly improve sustainability along our own value chain and reach farmers and their communities. It is managed similarly to a development program and is financed by a price premium for Program implementation paid by Lindt & Sprüngli to our suppliers per metric ton of cocoa beans sourced through the Program. Since 2008, Lindt & Sprüngli has invested a total of USD 47 million in the Farming Program, of which USD 10 million was invested in 2020 alone. Additionally, the Lindt Cocoa Foundation contributes around USD 2–3 million annually in investments for farmers and communities. In specific cases of collaborative and innovative pilot projects implemented together with development partners, the Program is co-funded by public donors.





Actions taken by Lindt to assess and address Modern Slavery Risks (cont.)

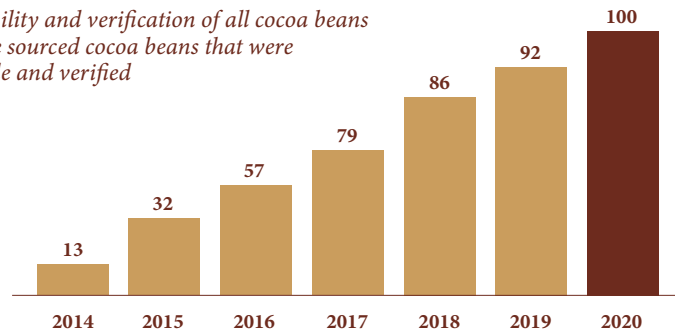
The Lindt & Sprüngli Farming Program: Sustainably sourced cocoa beans (cont.)

We succeeded in achieving our 2020 cocoa bean target by increasing the amount of traceable and externally verified cocoa beans by eight percentage points compared to 2019, resulting in a total of 100% of all sourced cocoa beans. To date, 79,979 farmers and a team of 443 field staff are involved in the Farming Program globally. Accounting for future growing demand for cocoa bean volumes, we will continue to onboard new suppliers in existing countries of origin. And, if we source from new countries, we will expand the Program to those origins.

Cocoa bean target achievement

Since 2008, we have been supporting cocoa bean sustainability and traceability in our supply chain through the Lindt & Sprüngli Farming Program. We are delighted that after 12 years of groundwork, we achieved a major milestone: 100% of our sourced cocoa beans are now traceable and externally verified by an independent third party. This is a major step toward our target to source all cocoa products (beans, butter, powder, and chocolate) through sustainability programs by 2025.

Traceability and verification of all cocoa beans % of the sourced cocoa beans that were traceable and verified



Lindt Cocoa Foundation

The Lindt Cocoa Foundation was founded in 2013 and has the declared purpose of working to achieve social and ecological sustainability in the cultivation, production and processing of cocoa and other raw materials used in chocolate production. The Lindt Cocoa Foundation supplements the already existing endeavors of the Lindt & Sprüngli Group designed to improve the living and working conditions of farmers in the countries of origin of the raw materials, and co-funds certain elements (e.g., community investments, seedlings, trainings) within the Lindt & Sprüngli Farming Program. Its projects ensure that raw material procurement is done in a way that works more effectively towards sustainable agricultural development.

Hazelnuts

100% of Turkish raw (unprocessed) hazelnuts are sourced through sustainability programs by 2020

Progress: 100% in 2020 (Commitment achieved)

Hazelnuts are a key raw material for Lindt & Sprüngli chocolate products. We source them from Italy and Turkey. The hazelnut supply chain in the Turkish Black Sea region, where approximately 70% of the world's harvest originates, has serious challenges, especially concerning labour conditions. This is why we have been working closely with our Turkish hazelnut suppliers since 2014 on implementing programs aimed at improving the economic, agricultural, social, and environmental sustainability of hazelnut gardens.



Actions taken by Lindt to assess and address Modern Slavery Risks (cont.)

Hazelnuts (cont.)

In the reporting year, we reached our goal and sourced 100% of Turkish raw (unprocessed) hazelnuts through sustainability programs. We even surpassed our commitment by integrating processed hazelnuts into the scope of our sustainable sourcing activities in Turkey. In 2021, we will continue to work closely with our Turkish hazelnut suppliers and support them as they expand and improve their sustainability programs.

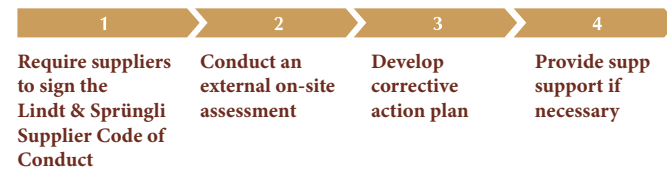
Our hazelnut sourcing model is based on long-term relationships with select suppliers and a stable farmer base. All our Turkish suppliers are members of the Fair Labour Association (FLA).

Packaging

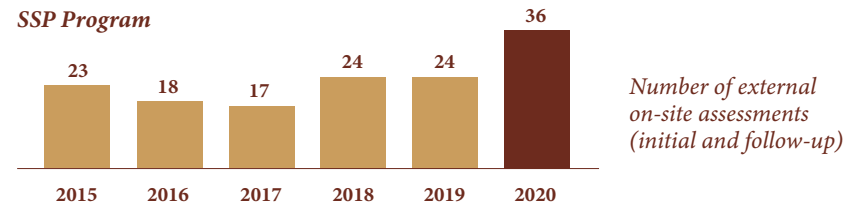
Around 10% of our packaging expenditure is with suppliers in Asia, in particular for our more decorative items for seasonal products such as tin boxes or plush toys. Asia has a highly specialised market for this type of product. To ensure that our Asian suppliers adhere to the Lindt & Sprüngli Supplier Code of Conduct, we monitor and improve responsible production practices through the Supplier Sustainable Practice (SSP) Program. As part of this Program, we assess significant packaging suppliers regularly through off- or on-site assessments, depending on their risk profile. We apply a cooperative, progress-oriented approach that encourages long-term improvements and offers targeted support services. Additionally, we have introduced a quick-check assessment format for new tier-2 subcontractors, which focuses on supplier compliance. In 2020, the Program covered 93% of our purchasing expenditure for packaging from Asia. It is being

rolled out to new suppliers on an ongoing basis. Out of 36 suppliers assessed last year, 27 received a satisfactory or positive overall rating. Five suppliers with a lower rating will remain on our supplier list but are required to be audited on a more frequent basis and to show improvements. Where it is possible and reasonable, we will replace those suppliers or reducing the volume purchased from them. The remaining four suppliers were added to the Group-wide block list due to violating zero-tolerance issues or repeatedly failing to improve. We will continue the SSP Program and further intensify the collaborative approach with our long-term business partners.

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



SSP Program



How Lindt Australia assesses the effectiveness of its actions to Address Modern Slavery Risks in its Supply Chain

Lindt & Sprüngli Farming Program in numbers

(Indicators by end of September 2020 – end of 2019/20 cocoa season)

100% of sourced cocoa beans are traceable and externally verified in 2020
443 field staff financed by the Farming Program support and advise the farmers
47 million USD invested since start of the Program, whereof USD 10 million in 2020 alone
79,979 farmers participating in the Farming Program across all countries of origin

Higher productivity on farms

158 model cocoa farms
5,990,841 cocoa seedlings distributed since start of the Program
(with 325,095 cocoa seedlings distributed in 2019/20 cocoa season)

Diversified long-term incomes and increased resilience of farming households

10,961 farmers with additional income-generating activities since start of the Program
21,883 farmers trained in additional income-generating activities since start of the Program
3,014 community members participating in a total of 137 Village Savings and Loan Associations (VSLAs) or equivalent



How Lindt Australia assesses the effectiveness of its actions to Address Modern Slavery Risks in its Supply Chain (cont.)

Lindt & Sprüngli Farming Program in numbers (cont.)

Conservation of biodiversity and natural ecosystems

67,462 farmers with all farms GPS located
1,940,122 shade tree seedlings distributed since start of the Program
(666,048 distributed in 2019/20 cocoa season)
4 shade tree species per hectare on average
15 permanent shade trees per hectare on average
41,952 (52%) farmers with at least 5 permanent shade tree species per hectare
10,870 (14%) farmers with at least 25 permanent shade trees per hectare

Reduction of the risk of child labour

33 schools refurbished benefitting 4,862 children
96 child labour cases identified within CLMRS, whereof 42 related to Program farmers
97% of identified child labour cases remediated
3 cases still in process of remediation

Improved community infrastructure

130,000 community members benefit from
213 functioning water systems and boreholes

Update on the implementation of the Action Plan Against Child Labour

*By 2020: 100% of cocoa farmers for cocoa beans in child labour risk countries are covered by a Child Labour Monitoring and Remediation System (CLMRS)
Progress: 100% in 2020 (Commitment achieved)*

By 2025: 100% of cocoa farmers for all cocoa products in child labour risk countries are covered by a Child Labour Monitoring and Remediation System (CLMRS)

Child labour in cocoa farming is a widespread and complex human rights issue that is deeply rooted in poverty and sociocultural behaviors. Children's vulnerability puts them under increased risk of exploitation for labour. The term "child labour" is defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development and interferes with their schooling. Solving this systemic issue is difficult, takes time, requires resources, and involves joint industry efforts.



How Lindt Australia assesses the effectiveness of its actions to Address Modern Slavery Risks in its Supply Chain (cont.)

Update on the implementation of the Action Plan Against Child Labour (cont.)

All the Lindt & Sprüngli Farming Program farms were covered by our Child Labour Monitoring & Remediation System (CLMRS), which includes training and awareness-raising for farmers as well as monitoring and elimination of child labour. In the 2019/20 season, 96 cases of child labour were identified through unannounced child labour monitoring visits. Out of these, 42 were child labour cases related to Program farmers and 54 child labour cases related to non-Program farmers but coincidentally identified by the field staff during their field tours. We were able to successfully resolve 97% of all cases identified through sensitisation and building awareness with the children's parents. Remediation of three of these cases, involving two non-Program farmers and one Program farmer, is ongoing.

Update on the improvement of the existing Lindt & Sprüngli CLMRS

We have always considered tackling child labour as a priority and are firmly committed to avoiding and remediating it in our cocoa supply chain. Despite collective industry and government efforts, a 2020 cocoa report⁴ from National Opinion Research Center (NORC) at the University of Chicago clearly states that there are still many children engaged in work on cocoa farms. We take this new piece of research very seriously.



⁴ Assessing Progress in Reducing Child Labour in Cocoa Production in Cocoa Growing Areas of Côte d'Ivoire and Ghana.



How Lindt Australia assesses the effectiveness of its actions to Address Modern Slavery Risks in its Supply Chain (cont.)

Update on the implementation of the Action Plan Against Child Labour (cont.)

Update on the improvement of the existing Lindt & Sprüngli CLMRS (cont.)

In 2020, we started revising our strategy for the protection of children's rights — an integral part of our Lindt & Sprüngli Farming Program. The strategy supports our cocoa suppliers and implementing partners in countries of origin with a risk of child labour to comply with our Supplier Code of Conduct and effectively protect children's rights along our supply chain. The adapted strategy provides a more effective remediation framework based on a Community Child Protection System (CCPS) to protect children's rights in the communities where Lindt & Sprüngli operates. It is a community-based approach that focuses on close collaboration with community members and public institutions, provides holistic preventive measures and covers the main salient children's rights to secure an environment conducive to their protection. The system is implemented through monitoring, awareness and resilience-building for farmers, workers, their households and community members. Through this system, we are not reinventing the wheel, but rather reorienting our approach and reorganising our interventions to more effectively address the protection of children's rights in our supply communities.

Human rights in the supply chain

Goal: 80% of our procurement expenditure for raw and packaging materials bearing significant sustainability risks is covered by a sustainable sourcing program by 2025

Progress: On track

Relevance & context

Human rights are universal and inherent to all human beings. Nevertheless, human rights violations are still widespread. This includes various human rights issues such as discrimination, land rights, child labour, forced labour or the right to health. The impacts range from minor limitations on individual rights to the total abandonment of self-determination or loss of life. In globally interconnected value chains, companies are directly or indirectly linked to human rights risks and called upon to respect human rights.

Recent political developments put further pressure on the respect for human rights. Non-governmental organisations in particular have always been strong advocates of human rights and also raise awareness among stakeholders. In recent years, legislative requirements for businesses have increased, and human rights considerations have largely been a part of the agenda of financial stakeholders. In line with the interests of these stakeholders, focus must be on the affected rightsholders at risk of human rights violations.



How Lindt Australia assesses the effectiveness of its actions to Address Modern Slavery Risks in its Supply Chain (cont.)

Human rights in the supply chain (cont.)

Management approach

Lindt & Sprüngli recognises its responsibility to respect human rights and international labour standards as defined in the UN Guiding Principles for Business and Human Rights. A significant part of our potential human rights impacts is related to our supply chain and mainly managed through the focus areas “Human rights in the supply chain” in general and “Rural development” specifically for cocoa. Further activities to support and respect human rights regarding our own operations and consumer-related issues are addressed in our focus areas such as “Occupational health and safety”, “Business integrity”, “Transparent and responsible communication” and “Product quality/Product safety”. We report on these topics in detail in our annual Sustainability Report, available on our website <https://www.lindt-spruengli.com/sustainability>.

The Lindt & Sprüngli Sustainability Team is responsible for managing human rights risks associated with our sourced raw and packaging materials to identify the most salient issues. Based on this, we define specific approaches and programs to further assess, prevent, and mitigate potential and actual human rights impacts. We implement these together with our Group and Local Procurement Teams and include further departments where required. We are committed to using our leverage in the value chain to encourage our suppliers and business partners to follow our example. Our tailored approaches for high-risk materials are outlined in the Sustainable sourcing section of the Lindt & Sprüngli Sustainability Report. Our sustainability program for cocoa beans, the Lindt & Sprüngli Farming

Program, covers human rights issues for cocoa bean sourcing and is managed under the “Rural development” focus area. In addition, we have developed specific programs addressing human rights issues for hazelnuts from Turkey and for packaging materials from Asia. For raw materials where we have less leverage, we cooperate with recognised standards and initiatives.

Human rights and environmental due diligence

Due diligence is a proactive and ongoing means for companies to systematically identify, prevent, mitigate and account for harm to people and the environment – through business structures, policies, processes and, most importantly, the day-to-day ethical behavior and decision-making of business leaders and employees. Lindt & Sprüngli places a high value on respecting human rights and providing environmental integrity in our own operations, throughout our upstream supply chains and downstream value chains, and in other relevant business activities. In 2020, we initiated Human Rights and Environmental Due Diligence through an extensive risk identification process, considering the Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance. This allowed us to identify our most salient issues, detect gaps in our management approach and develop a roadmap to further improve due diligence throughout our business and value chains. We will finalise and start implementing our roadmap in the upcoming years to ensure relevant policies and processes are in place. Furthermore, we will more thoroughly investigate our key issues to better understand potential risks and establish measures required to address these. Throughout our approach, we strive to include and consider the perspectives of our relevant stakeholders and the rightsholders potentially affected by our activities.

How Lindt Australia assesses the effectiveness of its actions to Address Modern Slavery Risks in its Supply Chain (cont.)

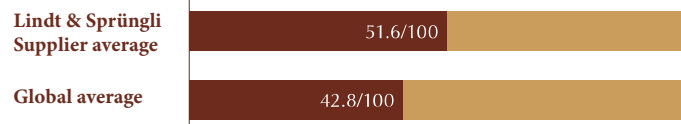
Human rights in the supply chain (cont.)

EcoVadis supplier assessment

We have started to assess the sustainability performance of the raw and packaging material suppliers of our 12 major subsidiaries using the EcoVadis framework. We integrate our suppliers' EcoVadis scores into our supplier management activities and strive to support them in improving their sustainability performance through engagement and discussion. The EcoVadis assessment is based on 21 criteria and covers four topics: environment, labour and human rights, ethics, and sustainable procurement.

As of today, the majority (by volume and expenditure) of our raw and packaging materials is covered by an EcoVadis assessment, as we onboarded over 300 suppliers into the EcoVadis system. The assessed suppliers received an average score of 51.6 out of 100, surpassing the global average EcoVadis score of 42.8 across all participating companies. Looking forward, we will strive to raise awareness of the EcoVadis assessment among our suppliers and increase the scope to ultimately include all our major raw and packaging material suppliers and selected indirect material and service suppliers. Having just initiated the process in 2020, we will also work on better understanding the tool and defining a structured process on how to use it when engaging with our suppliers.

Average EcoVadis sustainability assessment scores





How Lindt Australia assesses the effectiveness of its actions to Address Modern Slavery Risks in its Supply Chain (cont.)

Key performance indicators

| Indicator | Unit | 2018 | 2019 | 2020 |
|---|------------|----------------|----------------|----------------|
| Improving livelihoods | | | | |
| Rural developments | | | | |
| Cocoa (beans, powder, butter & chocolate) sourced through sustainability programs | % | 48 | 56 | 63 |
| Cocoa beans sourced traceable and verified | % | 86 | 92 | 100 |
| Field staff in the Farming Program | no. | 442 | 434 | 443 |
| Farmers in the Farming Program (whereof women) | no. (%) | 72,528 (28) | 78,425 (29) | 79,979 (30) |
| Investments by Lindt & Sprüngli into Farming Program since 2008 | mUSD | 29 | 37 | 47 |
| Annual investments by Lindt & Sprüngli in Farming Program | mUSD | 11 | 8 | 10 |
| Model farms in the Farming Program | no. | 52 | 159 | 158 |
| Cocoa seedlings distributed in the Farming Program since 2008 | m | 3.4 | 5.7 | 6.0 |

| Indicator | Unit | 2018 | 2019 | 2020 |
|---|------|------|------------------|------------------|
| Improving livelihoods | | | | |
| Rural developments | | | | |
| Permanent shade trees distributed in the Farming Program since 2008 | m | 0.9 | 1.3 | 1.9 |
| Drinking water systems built and functioning (boreholes and larger systems) in the Farming Program since 2008 (benefitting community members) | no. | 211 | 215 (132,940) | 213 (130,682) |
| Schools refurbished in the Farming Program since 2008 (benefitting number of children) | no. | 1 | 29 (3,034) | 33 (4,862) |
| Farmers in the Farming Program trained in additional income-generating activities since 2008 | no. | | 16,964 | 21,883 |
| Farmers in the Farming Program started with additional income-generating activities since 2008 | no. | | 6,242 | 10,961 |
| Community members participating in a Village Savings and Loan Associations (VSLAs) or equivalent in the Farming Program | no. | | 1,567 | 3,014 |

How Lindt Australia assesses the effectiveness of its actions to Address Modern Slavery Risks in its Supply Chain (cont.)

Key performance indicators

| Indicator | Unit | 2018 | 2019 | 2020 |
|---|-----------|------|--------|----------|
| Human rights in the supply chain | | | | |
| Farmers of cocoa beans in child labour risk countries covered by a Child Labour Monitoring and Remediation System (CLMRS) | % | | 100 | 100 |
| Child labour cases identified within CLMRS (whereof cases related to Program farmers) | no. (no.) | | 12 (3) | 96 (42) |
| Child labour cases remediated (including cases not related to Program farmers) | % | | 100 | 97 |
| Sustainable sourcing | | | | |
| Average EcoVadis sustainability assessment score of Lindt & Sprüngli suppliers | score | | | 51.6/100 |
| Cocoa (beans, powder, butter & chocolate) sourced through sustainability programs | % | 48 | 56 | 63 |
| Cocoa beans sourced traceable and verified | % | 86 | 92 | 100 |
| Cocoa butter sourced traceable/segregated and verified | % | 15 | 27 | 33 |

| Indicator | Unit | 2018 | 2019 | 2020 |
|---|--------|------|----------|----------|
| Sustainable sourcing (cont.) | | | | |
| Turkish raw (unprocessed) hazelnuts sourced through sustainability programs | % | 88 | 98 | 100 |
| Palm oil/palm kernel oil sourced RSPO certified | % | 100 | 100 | 100 |
| Soy lecithin sourced ProTerra certified (including Russell Stover) | % % | | 100 (99) | 100 (99) |
| Eggs sourced cage-free (or at a higher standard) (including Russell Stover) | % % | | 91 (68) | 100 (71) |
| Procurement expenditure for packaging material from Asian factories covered by a sustainability program | % | 93 | 89 | 93 |



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

Lindt Australia's Modern Slavery Statement was prepared by its Procurement Manager.

It was reviewed by Lindt Australia's Operations Director and CEO prior to being forwarded to its legal representatives.

After a legal review, it was forwarded to Lindt's Head of Sustainability.

The Head of Sustainability discusses the statement with Lindt's CEO for signature.

Lindt & Sprüngli Group CEO and Lindt & Sprüngli Group Head of Sustainability discusses the statement and authorises with signature.

Lindt Australia's annual wages review practice, which is aligned with the FairWork Commission, includes the audit of wages paid to labour hire staff and employment of junior employees to ensure compliance with Australian Workplace Laws.



Covid-19 Statement

Supporting farmers during the Covid-19 pandemic

Ensuring the health, safety, and well-being of our cocoa farmers, their families and communities has been of paramount importance to us. Throughout these challenging times, we are dedicated to improving their livelihoods, while securing a sustainable supply of our high-quality cocoa beans. Our cocoa communities have been significantly impacted by the global Covid-19 pandemic, with Ecuador and the Dominican Republic being most affected. Challenges encountered ranged from school closures, lack of access to critical equipment or food, a lack of information about Covid-19, transport and travel restrictions as well as increases in living costs. We worked closely with our supply chain partners, NGOs and the cocoa industry to provide support across all our cocoa countries of origin, focusing on activities in three areas:

1) Income continuity

Our top priority was to enable cocoa farmers to sell their cocoa under the applicable national or local health and safety regulations, thereby avoiding income losses. Critical to this was maintaining our Program activities, which sometimes had to be adapted or delayed. Further measures included supporting farmers with logistics (e.g., collecting cocoa with trucks) or opening closer warehouses.

2) Information sharing/awareness-raising

We reached out to the Program farmers to inform them about Covid-19 and its implications through existing Program channels as well as posters and flyers. Response action plans developed by Program implementation partners included sensitizing measures on Covid-19 symptoms, modes of transmission, prevention, and other crucial aspects.

3) Resource distribution and community support

We funded activities that were implemented by our suppliers, which aimed at supporting cocoagrowing communities with urgently required materials. As part of this, we distributed hand sanitiser or soap, face masks, thermometers, portable hand washing stations, household wash kits or food aid packages. Additionally, the already established boreholes and water systems in Ghana, Papua New Guinea and Madagascar, which supply approximately 130,000 community members, were key to supporting personal health and hygiene.

In the spirit of solidarity, we ensured creative measures were implemented in some countries of origin to support farmers and their families and contribute to food security in these difficult times. In Ecuador, for example, a virtual circle of farmer families was created, where farmers and their families were able to exchange a large variety of fruit and vegetable products from their farms. A total of 700 people benefitted from this action, with priority given to vulnerable groups, like the elderly, single mothers or people with major needs.

In Madagascar, our efforts focused on establishing minimum conditions for crisis management and supporting local actors. To this aim, we contributed around CHF 27,000 to Helvetas in Madagascar for:

- 1) Equipping health centers with the resources needed to handle infected people
- 2) Raising awareness about protective measures
- 3) Establishing conditions to reduce the risk of contagion in public places



Covid-19 Statement (cont.)

Supporting farmers during the Covid-19 pandemic (cont.)

Beyond activities directly related to our Program, we supported relief efforts by funding protection activities for cocoa-growing communities and Covid-19 awareness-raising. Lindt & Sprüngli contributed USD 25,000 to the industry-wide collective effort in response to Covid-19, coordinated by the World Cocoa Foundation (WCF).

At the same time, Covid-19 challenged our Program implementation. Certain activities such as GPS mapping or internal monitoring were delayed (e.g., due to restrictions in movements for field staff or farmers). In other cases, we were forced to change or adapt certain Program activities, like shifting from group trainings to individual farmer coaching or providing remote support for farmers through digital means or hotlines. Despite these difficulties, we have not encountered major disruptions in our cocoa supply chains.

We thank all our local Program implementation partners for their extraordinary efforts in these dynamic and uncertain times.



Appendix

This statement has been prepared in accordance with the Australian Modern Slavery Act 2018 (Cth).

The below table outlines where Lindt has met the requirements for each mandatory reporting criteria

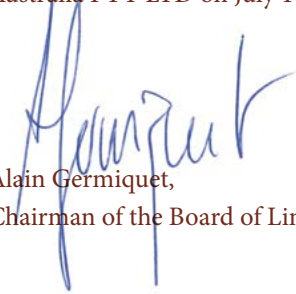
| Australian Modern Slavery Act mandatory reporting criteria | Modern Slavery Statement 2021 |
|--|---|
| Identify the reporting entity | Reporting Entity (page 3) |
| Describe the structure, operations and supply chains of the reporting entity | Lindt Australia's Structure, Operations and Supply Chain (page 5) |
| Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls | The risks of modern slavery practices in operations and supply chains (page 7) |
| Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes | Actions taken by reporting entity to assess and address those risks (pages 8-11) |
| Describe how the reporting entity assess the effectiveness of such actions | Explain how the reporting entity assesses the effectiveness of such actions (pages 12-19) |
| Describe the process of consultation with any entities that the reporting entity owns or controls | Lindt Farming Program, Hazelnuts and Packaging (pages 8-11) |
| Provide any other information that the reporting entity, or the entity giving the statement, considers relevant | Introduction (page 4) Describe any other information the reporting entity considers relevant (page 20) |

The Lindt & Sprüngli annual Sustainability Report is the central means of communication on the progress we are making in implementing our Sustainability Plan, which focuses on the social and environmental issues which are most affected by our business activities, are most significant to our stakeholders, and on which we can have the greatest possible impact. For additional information on our plan, goals, measures and progress, please see the 2020 Sustainability Report available online at <https://www.lindt-spruengli.com/sustainability>.



Modern Slavery Statement Approval

- This document has been approved by the board of Lindt & Sprüngli Australia PTY LTD on July 16, 2021.



- Alain Germiquet,
Chairman of the Board of Lindt & Sprüngli Australia PTY LTD.





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