



ROADMAP: Lindt & Sprüngli

Background

At the 2022 General Meeting of the German Initiative on Sustainable Cocoa (GISCO), members decided to publish individual roadmaps with commitments and milestones as well as progress reports on these commitments.

The individual roadmaps are based on the <u>GISCO roadmap</u> which lists the goals, targeted indicators and recommendations for action on the focus topics of certified cocoa/cocoa from company programmes, traceability, deforestation/agroforestry, child labor and living income.

These public individual commitments complement the annual monitoring process carried out in cooperation with the ISCOs (European Initiatives for sustainable cocoa), give visibility of the members' contributions to the GISCO objectives and strengthen individual accountability.

Member's comment on the roadmap

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 and Ghirardelli — chocolate mass. Through the Lindt & Sprüngli Farming Program we aim to create decent and resilient livelihoods for cocoa farmers and their families and to encourage more sustainable farming practices.

For more information on our cocoa sustainability efforts, please refer to our <u>Sustainability Report</u> 2024.





Traceability

Voluntary Updated Commitment & Milestones 2024

<u>Commitment:</u> We aim to achieve first mile traceability for 100% of cocoa products – beans, butter, powder, and chocolate mass – by 2025.

For more information on our efforts towards supply chain traceability, please refer to our Sustainability Report 2024.

Milestone: 2024: 75%

Milestone: 2025: 100%

Progress in 2024

Commitment is in progress. Status 2024: on track

In 2024, first mile traceability was achieved for 84.2% of cocoa beans equivalent sourced (cocoa beans, powder, butter, and chocolate mass/bean equivalents according to ICCO conversion rates).

Cocoa beans equivalent sourced with first mile traceability per type of product

Cocoa beans: 100%
Cocoa butter: 79.5%
Cocoa powder: 61.8%
Chocolate mass: 0.0%

Traceability level

Identity preserved: 42.6%
Mixed IP 3.4%
Segregated: 14.9%
Mass balance: 23.3%
Conventional: 15.8%

Challenge

- Lack of unique farmer IDs and national traceability systems
- Farmer fluctuation

Challenge





Certified and independently verified cocoa

Voluntary Updated Commitment & Milestones 2024

<u>Commitment:</u> We aim to source 100% of cocoa products – beans, butter, powder, and chocolate mass – through the Lindt & Sprüngli Farming Program or other responsible sourcing programs by 2025.

For more information on our efforts towards verification and certification, please refer to our <u>Sustainability Report 2024</u>.

Milestone: 2024:75%

Milestone: 2025:100%

Progress in 2024

Commitment is in progress. Status 2024: on track

In 2020, we achieved our goal to source 100% of our cocoa beans as traceable and externally verified. Since then, we have been scaling our efforts to cover all other cocoa products.

In 2024, 142,929 metric ton cocoa beans equivalent (cocoa beans, powder, butter, and chocolate mass/bean equivalents according to ICCO conversion rates) were sourced.

- Thereof, 84.2% were sourced through responsible sourcing programs (Farming Program or other responsible sourcing program, verified or certified by third party).
- Thereof, 61.3% were sourced through the Farming Program (verified or certified by third party).

The Farming Program builds on the principle of continuous improvement. For this purpose, we monitor compliance with the Farming Program requirements and let the program be externally verified or certified.

Our monitoring and evaluation approach is based on multiple complementary elements. These include target setting, monitoring of outputs, a review of program quality, verification of program implementation, as well as periodic impact assessments. We evaluate these elements related to both the farm and the implementation partner.

Farming Program monitoring and verification approach

- Internal monitoring of farmers participating in the Farming Program
- External verification of our responsible sourcing program for cocoa
- Assessments to measure the impact of the Farming Program





As defined in our <u>Farming Program Verification Guidance</u>, annual internal monitoring of the cocoa farmers aims to assess their compliance with Farming Program requirements and evaluate their progress. Results differ between origin and supplier, and challenges are addressed for each supply chain individually.

Cocoa sourced through the Farming Program or other responsible sourcing programs is subject to certification or annual external verification by an independent third party.

We are in the process of transitioning all volumes, including Farming Program volumes, to Rainforest Alliance Certification. In 2024, we completed the process for cocoa butter and started the process of transitioning to Rainforest Alliance Certification for all farmer groups delivering beans via the Farming Program. The first certified volumes were delivered at the end of 2024, with more expected in 2025.

Where multi-year supply agreements are in place and the Farming Program is being implemented, certification is not intended to replace the program but serves as a basis and external verification scheme. For not yet certified cocoa beans, the Earthworm Foundation conducts external verification based on the Farming Program External Assessment Methodology.

Challenge

Scaling up the share of cocoa sourced through responsible sourcing programs means that new farmers and farmer groups need to be registered and admitted to the program. This scaling process takes time. The supply chain must be established, new implementation staff on the ground need to be hired, and farmers and farmer groups need to be assessed and onboarded into the program.

Challenge





Deforestation/Agroforestry

Voluntary Updated Commitment & Milestones 2024

<u>Commitment:</u> We aim for no deforestation in cocoa with a target date of December 31, 2025, and to work towards the elimination of deforestation in our other primary deforestation-linked supply chains (palm oil, soy, and pulp- and paper-based packaging).

For more information on our efforts towards supply chain traceability, please refer to our <u>Sustainability Report 2024</u>, our <u>Deforestation Policy</u>, and our <u>No-Deforestation & Agroforestry Action Plan Report 2022</u>.

Milestone: 2024: 75% for cocoa and adoption of a satellite monitoring system

Milestone: 2025:100% for cocoa

Progress in 2024

Commitment is in progress. Status 2024: on track

In 2024, 84.2% of cocoa beans equivalent (cocoa beans, powder, butter, and chocolate mass; in volume) were sourced from farmers covered by a "No-Deforestation and Agroforestry Action Plan".

Since 2020, we have carried out land-use change assessments using primary data (polygons and GPS points of farm locations) from the farmers in the Farming Program. This analysis of tree-cover loss has enabled us to calculate our carbon footprint from land-use change in our mapped supply chain over the past 20 years.

In 2023, we started using a high-resolution satellite monitoring tool provided by Satelligence to more accurately monitor and detect deforestation within or around the mapped Farming Program farms. This tool provides deforestation detection data, deforestation risk assessments (with transparent and externally audited methodology), and carbon emission quantification as a result of land-use change. We also actively participated in the review and industry alignment of farm plot level risk assessment methods through technical working groups led by the World Cocoa Foundation and Satelligence.

In 2024, we adapted our processes and protocols in preparation for the EUDR. Potentially non-compliant farms, including those that are within a minimum threshold of a protected area boundary or with cases of deforestation, were flagged for suppliers to further verify on the ground.

To keep methods for deforestation monitoring, assessments of land-use change, and carbon emission quantification consistent, we are using Satelligence data from our mapped supply chain in our scope 3 carbon emission monitoring and reporting.





Challenge

While we monitor deforestation on registered plots, national registration systems are needed to address the challenge across supply chains.

Challenge





Child Labor

Voluntary Updated Commitment & Milestones 2024

<u>Commitment:</u> By 2025, we aim for 100% of our cocoa volume from child labor risk countries to be covered by a Child Labor Monitoring and Remediation System (CLMRS) or other due diligence system that is being rolled out or is implemented, with Mass Balance included.

For more information on our efforts towards supply chain traceability, please refer to our Sustainability Report 2024.

Milestone: 2024: 75%

Milestone: 2025: 100%

Progress in 2024

Commitment is in progress. Status 2024: on track

In 2024, 83.3% of sourced cocoa volume from risk countries where a Child Labor Monitoring and Remediation System (CLMRS) or other due diligence system roll-out started or is implemented, with Mass Balance included. 90,800 farming household in risk countries were covered by a CLMRS.

Challenge

Child labor remains a critical issue in the cocoa sector. Child labor is a complex issue driven by a multitude of factors, including farming households' poverty, lack of awareness and access to education, and the high labor costs of cocoa production. The issue cannot be solved by a single supply chain actor alone.

Challenge





Living Income

Voluntary Updated Commitment 2024

<u>Commitment:</u> Introduction of a living income project, integrating 5,000 cocoa farming families between 2025 and 2027.

For more information on our efforts towards supply chain traceability, please refer to our <u>Sustainability Report 2024</u>.