

MESSAGE FROM MATTHEW AUSTIN, CEO



Matthew Austin, CEO
Lindt & Sprüngli UK & Ireland



LINDT & SPRÜNGLI

Everything we do at Lindt & Sprüngli (UK) Ltd is rooted in our purpose of Making People Feel Special – it's who we are. We work hard to ensure we have an exceptional, high performing workplace, enabling our individuals to be the best they can be through creating a culture of support and purposeful performance.

We're proud to be recognised as a Great Place to Work, and that external recognition supports our drive to recruit the best talent in the industry throughout all levels of our organisation. We pride ourselves on creating the right environment for our employees to thrive and place great emphasis on personal and professional development.

The Gender Pay Gap

When looking at the Gender Pay Gap, we can feel proud to operate in a culture of fairness and equality. We work to a principle of equal pay for equivalent roles across our business, regardless of age, gender or ethnicity and a big part of our unique culture is rooted in transparency, diversity and inclusivity for everyone throughout our organisation.

The nature of our Retail business in particular means that we attract a higher proportion of women to these roles, most of whom are part-time and looking for flexibility in their working lives. Retail makes up almost half of our headcount and continues to be a strategic growth area for our business.

All our employees within our retail stores have permanent contracts and we're proud to offer a competitive pay structure, providing stability to our employees and enabling them to receive a fair share of our profits through our bonus scheme.

As we continue to expand our retail store strategy we do expect this to impact our figures but by reviewing our data and the drivers behind it, we are making a commitment to better understand what else we can do to support the reduction of our pay gap.

In recent years we have worked hard to develop our reward policies, flexible working approaches, career progression philosophies, and learning and development practices as we have quickly grown into a medium-size company.

Our values driven culture, led by a powerful purpose has provided great opportunities for all, empowering people to make decisions that help them balance their lives in a way that works for them. This culture will continue to shape the future growth of our business and guide us to do the right thing by our people; diversity and inclusivity being at the forefront of our actions.

A handwritten signature of Matthew Austin in black ink.

Matthew Austin, CEO

I confirm that the information in this report is accurate and meets the requirements of the Equality Act 2010 (Gender Pay Information Regulations 2017).

GENDER PAY GAP REPORT

Snapshot Date: 5 April 2018

Data: Taken across two industry sectors- retail/ retail merchandising and FMCG

Gender Pay Gap

21.6%

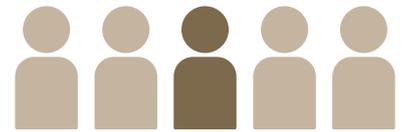
MEDIAN

18.5%

MEAN

Difference in bonus pay between men & women

35.9%



MEDIAN

Who received a bonus in 2017?



84%



75%

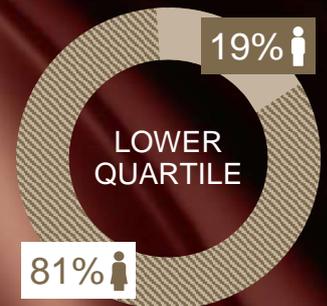
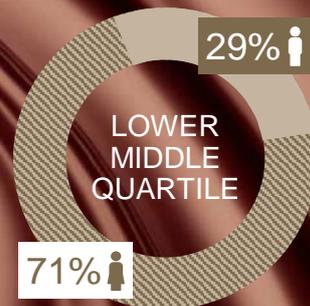
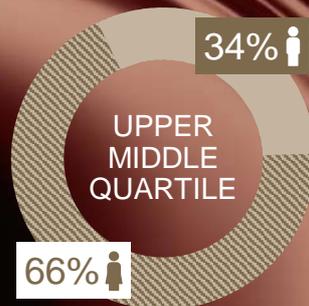
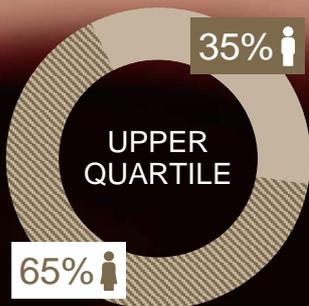


56.8%



MEAN

Pay Quartiles





This document
outlines the gender
pay gap at Lindt &
Sprüngli (UK) Ltd



LINDT & SPRÜNGLI

GENDER PAY GAP REPORT 2017

The gender pay gap is the difference between the average hourly pay received by men and women across Lindt UK as at 5 April 2017

Message from our Management Team

At Lindt, our purpose is to make people feel special. A big part of this is about providing an open culture which impresses transparency, diversity and inclusivity. We have worked hard to provide a supportive environment where everyone can thrive.



Left to right:

James Waller Sales Director

Jenny Lawrence HR Director

Jan Boyle Shopper Marketing Director

Matt Austin CEO

Faythe King Retail Director

Adrian Mewse Chief Financial Officer

Annabelle Delorme Marketing Director

We welcome the government introduction of gender pay gap reporting, as this is in harmony with our belief that our people should be treated equally and fairly. Lindt UK is a sales and marketing organisation with a 69% female workforce and with 52% of employees in retail / retail merchandising sector positions.

We're proud to be a top 30 Great Place to Work as rated by our people, with 94% proud to work for Lindt. We have a policy of equal pay for equivalent roles across our business regardless of age, gender or ethnicity. We manage this through evaluating each role in the market and ensuring we pay competitively. There is however a gap driven by our organisational structure.

In recent years we have developed our practices as we have quickly grown from a small to medium-size company. Our progressive company philosophies provide opportunities for all, empowering people to make decisions that help them balance their lives in a way that works for them.

We will continue to implement actions that are guided by our purpose and values. This agenda to continually do better is embedded in our culture, and driven and fully supported by our Management Team, with progress discussed at our meetings throughout the year.

We confirm that the information in this report is accurate and meets the requirements of the Equality Act 2010 (Gender Pay Information) Regulations 2017.

Matt Austin, CEO

What is the Gender Pay Gap?

The gender pay gap is a measure of labour market or workplace disadvantage, expressed in terms of a comparison between men's and women's average hourly rates of pay.

It differs from equal pay, which is the right for men and women to be paid at the same rate of pay for work that is of equivalent value. So a company may have a gender pay gap if a majority of men are in senior roles, despite paying male and female employees the same amount for similar roles.

What is the median?

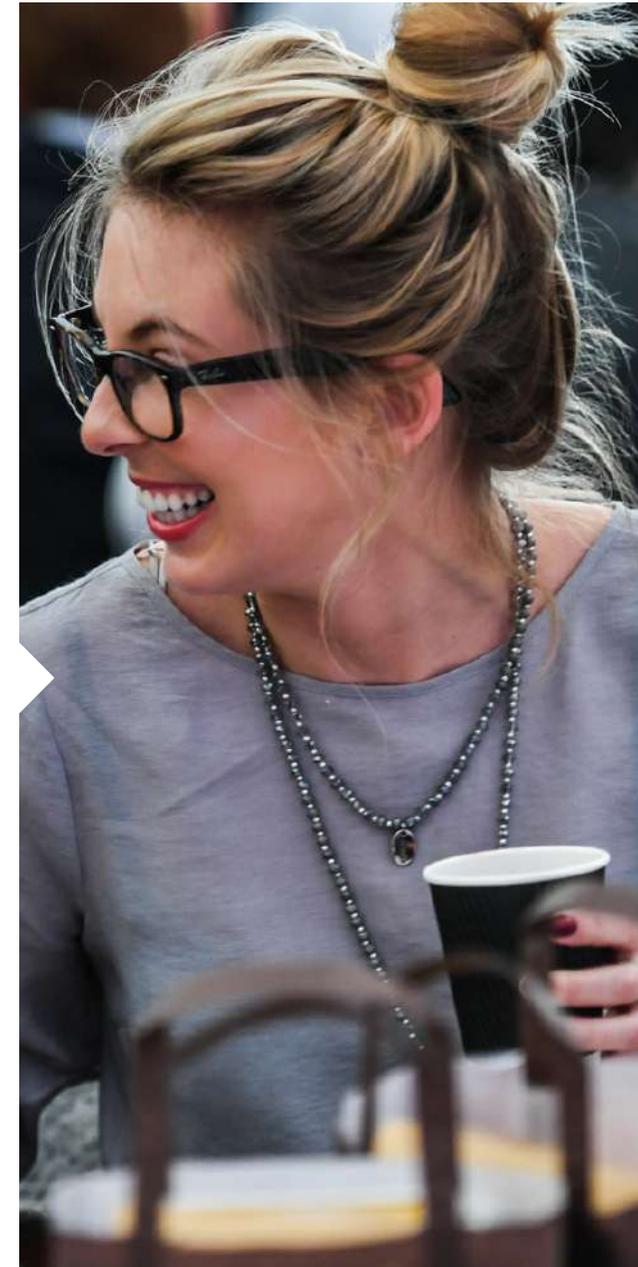
The median involves listing all the numbers in numerical order. The median is the middle number. We calculate the median for both men's and women's hourly pay and report the percentage difference.

What is the mean?

The mean average involves adding up all the numbers and dividing the result by the number of values in the list. We calculate the mean average for both men's and women's hourly pay and report the percentage difference.

What's included in our hourly pay calculation?

Hourly pay includes basic pay, car allowance and London weighting allowance. Excluded are payments for overtime, pension, redundancy and benefits-in-kind (such as company car and private healthcare) along with employees on family or sick leave. This figure also includes a 1/12 bonus for Directors, which is paid in April and therefore taken into account as per the reporting requirements.



Gender pay is a complex issue and differs from equal pay, which is the right for men and women to be paid at the same rate of pay at equivalent value. We are confident that our men and women are paid equally for the same role.”

Jenny Lawrence, HR Director

Understanding Lindt's pay gap

In this report we are providing our data across two distinct industry sectors – retail / retail merchandising and FMCG – as at 5 April 2017.

In Head Office, whilst the majority of employees are female, the statistics are skewed by a small number of the most senior commercial positions mainly held by male employees. If we were to calculate the gender pay gap based on removing these few senior positions as at the snapshot date there would be a median pay gap of -5.5% and a mean pay gap of -3.3% across Lindt. We are however pleased to have balanced our Senior Management team, where 4 out of 7 in the team are female.

In our retail stores, 76% of our employees are female. The gender pay gap in retail is 5.9%, which is significantly below the UK and company average. As at the snapshot date, we have more women store managers than men. We also have the majority of retail roles filled by women, which is typical of the occupational segregation in retail. We believe the chocolate advisor roles are particularly appealing to female applicants, in part due to the flexibility in work patterns. For the same role, regardless of gender, all our hourly paid colleagues are paid the same hourly rate and therefore the median is 0% for retail.

The difference in hourly pay between men and women:



8.9%

//////////////////// MEDIAN //////////////////////

The UK national median gender pay gap is 18.4%*



15.7%

//////////////////// MEAN //////////////////////

The UK national mean gender pay gap is 17.4%*

<1%

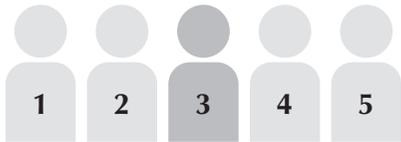
In our retail merchandising team, we have a gender pay gap of less than 1%

What's our bonus gap?

The gender bonus gap is the difference between the average bonus received by men and women across Lindt UK during 2016/17.

Difference in annual bonus pay between men and women:

24%

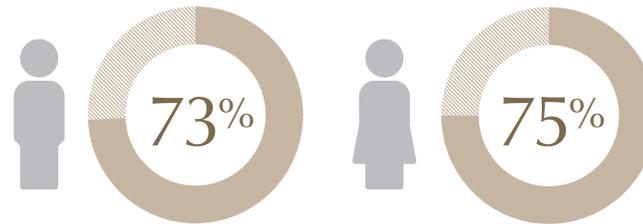


MEDIAN



MEAN

Who received a bonus in 2016?

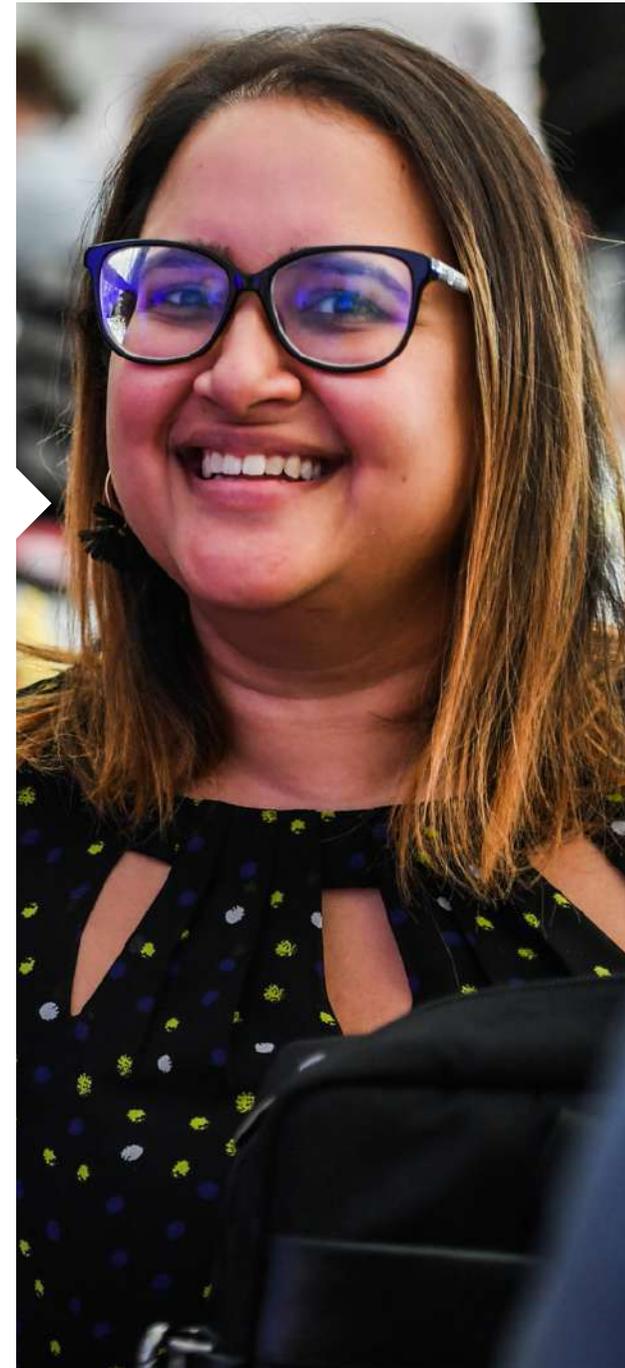


Everyone employed between 1st January 2016 and commencing work before 30th September in the bonus year of 2016 is entitled to a share of our profits through our bonus scheme. This company and individual performance bonus is designed to reward our employees with a stake in our performance during the year.

In Head Office, the number of employees receiving a bonus rises to 89% for female and 85% for men. In retail merchandising this is 95% for female and 86% for men.

In our retail store environment, due to the number of females taking on flexible roles, they were not eligible for our bonus scheme under a zero hour contract arrangement. We have since offered permanent contracts to all applicable employees, who are now eligible to receive our bonus scheme.

We recognise there is more work to be done in this area and we are working on a plan to address this.

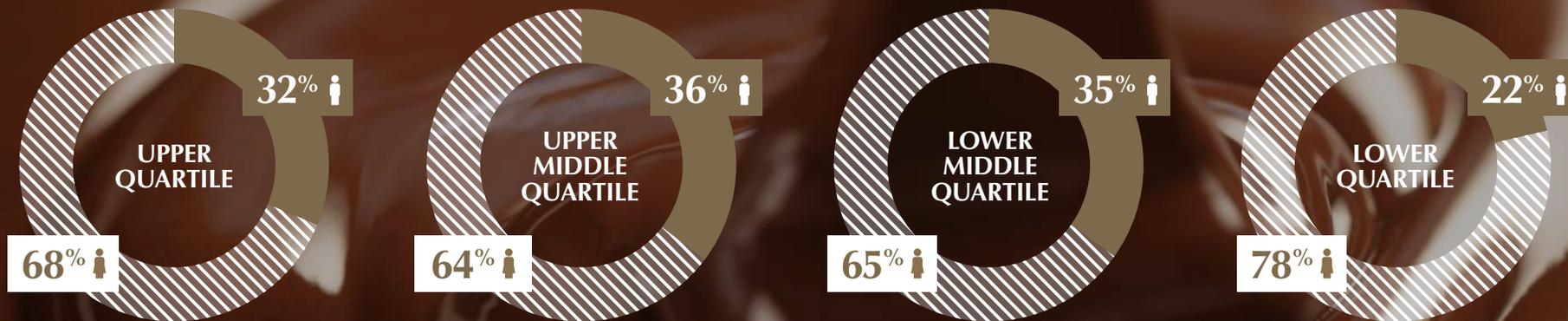


How pay is distributed

The distribution of men and women is shown in pay quartiles. These are calculated by splitting the whole workforce into four equal sized bands based on hourly pay, from highest paid to lowest paid. The percentage of men and women is calculated for each band.

The proportion of women employed across Lindt UK is 69% which is broadly reflected in the top three quartiles. The lower quartile are not representative of our wider gender split, primarily due to the relatively high number of women employed within our retail division.

PAY QUARTILES



69%

The proportion of women employed across the whole of Lindt UK, which is broadly reflective of the top 3 quartiles

What are we doing about our pay gap?



Our future and our growth rely on us providing the right environment for our employees to flourish where our engaged people can perform at their best. Our Great Place to Work engagement survey, undertaken annually and adjudicated externally, enables us to understand our organisation in greater depth and address development areas. We regularly review our scores against the top performing companies, and put plans in place each year to create a healthier and more engaged workforce.

Our commitment now and in future

Reward

We regularly review our total reward philosophy and have developed a model that drives consistency and fairness across our business.

- We pay consistently and fairly when compared to market rates.
- We have created a transparent and simple structure that rewards performance through evaluating each job and comparing this to an external benchmark.
- We continually evolve our reward policy through employee surveys.
- In our retail stores we have moved away from zero hour contracts and now offer permanent roles enabling employees to have a share of our bonus. We are also working on a plan to address our retail pay philosophy.



Being at our best, both personally and professionally, is vital for our business and our wellbeing

Flexible working

We are helping employees achieve a better work/ life balance, by improving the communication of all the opportunities employees can take advantage of depending on what life stage they're at. Everyone has the opportunity to request to work flexibly and research shows that flexible working helps support those with caring responsibilities. We have recently included a review of all family friendly policies such as maternity and parental leave. Our recent maternity buddy scheme now provides greater confidence to new mothers returning to work. In recent years, we have had much success with our agile working scheme, providing greater flexibility for our people with initiatives such as core working hours, summer working hours and working from home.



Career Progression

Just some highlights include the launch of a bespoke career pathing tool, to help people map out their careers and achieve their ambitions. Coaching has also been introduced to encourage beneficial conversations with line managers. In addition, each function holds two people days per year dedicated to focusing on their people's performance and their career ambitions, ensuring plans are in place to help them succeed.

Learning & development

Being at our best, both personally and professionally, is vital for our business and our wellbeing. We have focused on a number of significant learning projects over the last year, all with the aim of developing our capabilities, skills, talent and competencies, ensuring we create a sustainable and successful organisation at all levels in our organisation.