

1. Organization Profile.

Company & plant name	Lindt & Sprüngli France – Oloron Sainte-Marie Factory, France
TPM Slogan/Objectives	Lindt Performance Way: 1 Team - 0 loss – 100% Excellence

Lindt & Sprüngli France is part of Lindt & Sprüngli AG, a global organization developing, producing, selling chocolate products and recognized as leader on premium quality chocolate segment.

The holding company, Chocoladefabriken Lindt & Sprüngli AG, founded in 1845 with headquarters in Kilchberg ZH, is listed on the SIX Swiss Exchange. With 14 135 employees, the Lindt & Sprüngli Group reported sales worth CHF 4,59 billion in 2021.

The board of Directors handles management and strategy while Group Management, headed by group CEO Adalbert Lechner, is responsible for operational and geographical management tasks and owner of a patented conching process.

L&S France is led by President and CEO Jean-Baptiste JARRY with Arturo FERRER as Vice President Operations overseeing manufacturing and supply chain processes.

There are two complementary establishments in France: Headquarter in Paris and the production plant in Oloron Sainte-Marie

The plant regroups together all the personnel assigned to Operations (Production, Maintenance, Engineering, Safety, Environment, Industrial Performance and Logistics), Research and Development, Quality, Purchasing, Administration & Finance, Human Resources, Import / Export Departments.

It’s a unique plant in Europe that manage end-to-end process from the cocoa beans to the final product (tablets, pralines and chocolate panning) following four main process steps:

- Cocoa beans roasting and chocolate liquor preparation
- Chocolate mass manufacturing
- Moulding, extruding, coating and panning
- Wrapping, final packing

Oloron plant produced 41624 Tons in 2023 with almost 70% dedicated to export; the production volumes have more than doubled in the last 20 years with the export growing 114% delivering 19 countries versus 6 in 2001.

Our product range includes references of tablets, pralines and chocolate panning products divided in two types of businesses: permanent (all year) and seasonal dedicated to Christmas gifting (production April – November).

In 2023, people employed full time were 803 in average. We reached a peak of 931 employees during summer, they were organized in shifts patterns rotating 8 hours shift providing 24/7 coverage, 5 or 6 days per week.

COMPANY PROFILE

- Permanent products :



- Seasonal products :



2. Milestone on the Journey of Manufacturing Excellence

In October 2012, Lindt Group decided to launch a global TPM approach in the manufacturing facilities called Lindt Performance Way (LPW). Focus was initially set on the foundations: 5S and Performance Control Systems (PCS).

Lindt France was motivated to start the journey by several factors:

- **Market challenges:** An increasing challenging market (higher competition, fragmentation, almost zero category development) began to shrink Lindt France profit. By working on losses, TPM would improve the profits.
- **Increasing business complexity:** Customers expected wider Portfolio, as well as higher service levels. To achieve the goal, TPM methodology became necessary to improve time to market, performance delivery and improve our service.
- **Standardization between Lindt plants:** The international Lindt factories had different operational models and KPIs structure. Introducing the TPM approach allows easier comparison between plants.
- **Competitiveness and improvement opportunities:** Some Lindt facilities experienced advantages of the TPM methodology implementation. Lindt France was motivated to follow their example and increase internal and external attractiveness thanks to improvements on processes, organization and procedures that could be activated using the TPM methodology.
- **Volume Growth:** Oloron Sainte-Marie Plant experienced 115% increase in volume from 21517 tons in 2001 to 46195 tons in 2021. This drastic increase creates opportunities to improve the existing way of working and be ready to absorb the coming growth.

Major items that have been introduced with the TPM implementation were:

- **Overall factory re-organization** involving all the factory from the Top management to the shopfloor. The departments organization was modified to follow the pillar structures, with clear roles and responsibilities, that ensure the use of TPM methodologies and new mindset development.
- **Priorities alignment:** clarify and link all the factory activities to a logical process cascading through a Master Plan directly linked to the Business Strategy (KMI → KPI → KAI)
- **5S implementation** in production and offices
- **Standards setting and monitoring, restoring nominal conditions**
- **Autonomous maintenance** with all the factory at the step 4 and deployment of step 5 & 6.
- **TPM routines setting:** PCS meetings in all levels of the factory
- **Improvement data collection, work on their reliability**
- Activities optimization support by **digitalization**
- Work on **team efficiency** including headcount rationalization
- Setting a **skill assessment system** and improve efficiency of our **training organization**
- **TPM Culture development:** losses analysis mindset with the “0 loss” vision at all levels, Root Cause Analysis mindset to attack each loss, collaborative improvement using Kaizen ideas, Change management and culture of standard routines by all employees
- **Safety culture deployment** through tools like safety tags, genba audits and risk awareness shared with operators.

3. Benefits Achieved

Tangible business results followed through KPIs are visible in safety, quality, productivity, delivery, cost, morale and environment.

Since the adoption of the program Lindt France has developed a safe workplace and minimize the environmental impacts. The development of quality culture helped to decrease the number of consumers complaints. Direct and indirect costs have been decreased. On-time delivery has been improved reducing our penalties and improving the satisfaction of our customers.

The involvement of the shopfloor employees has allowed the plant to pass several steps in the TPM maturity. All employees have been involved in the 5S, Kaizen teams, daily management, or pillars. This has transformed the mindset of the plant and given more autonomy to our teams. The consciousness of the losses in operations has been drastically improved. Now, we take decisions based on the losses analysis and can define the way to tackle losses with the objective to eradicate it.

The multidisciplinary teamwork has been introduced thanks to TPM and it is now a standard to tackle every issue. Some employees could demonstrate their leadership and ability to drive the change, we use them as ambassador of the TPM culture.

4. TPM Award Assessment Achievement Sheet (Index Table)

OLORON, FRANCE - FACTORY DASHBOARD FY 2023

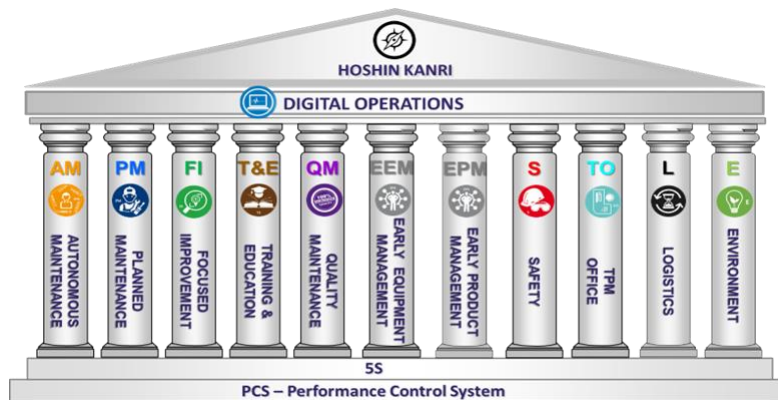
Category	Index (Calculation Formula)	Kick off TPM					
		2015	First Score if no data in 2015	2020	2021	2022	2023
S	Rate of Lost Time Accident Formula : Number of Work-related accident with absence (LTA) / 1000kh	9,25		2,08	2,08	2,13	0
S	Lost Time Accident Formula : Number of Work related accident which results in an absence from work (LTA events) .	16		3	3	3	0
S	Rate of Accident without Lost Time Formula : Number of Work-related accident without lost time/ 1000 kh	7,3		6,2	2,8	5,0	2,34
Q	Rework Formula : Total Quantity Rework (T) / Finished product Total quantity (T)	3,4		3,6	3,2	3,2	3,3
Q	Consumer complaints per 1000 tons molded Formula : CC (rolling 12 month) = (Rolling 12 month number of complaints) / (Rolling 12 month Consumer units sold) * 1'000'000	65,7	58,7	54	37,8	47,6	54,2
Q	Critical Complaints Absolute number of foreign bodies, insect infestation	7 (Year 2017)	7	4,6	3,4	2,6	2,4
Q	Waste of Production Formula : Total Quantity Waste & Scrap (T)/ Finished product Total quantity (T)	2,5		1,3	1,2	1,2	1,1
P	Plant Productivity Formula : kg produced / direct labor hours	128		174	192	193	209
P	Overall Plant OEE (Overall Equipment Effectiveness) Formula : OEE[%] = Operating Time at Nominal Speed [Hours] / Production Hours Used [Hours]	65,9 (Year 2017)	65,9	65,3	65,6	66,0	64,9
P	Plant Technical Efficiency Formula : TE[%] = Operating Time at Nominal Speed [Hours] / Run Time Hours [Hours]	78,2 (Year 2017)	78,2	82,7	81,1	82,0	82,3
P	Number of breakdowns	840 (Year 2017)	840	422	424	383	206
P	MTR Formula : Time to Repair (h)/Number of breakdown CARL	2,25 (year 2017)	2,25	1,8	1,76	1,3	1,3
D	Service level Trade - On time / in full (OTIF) Formula : (Sum of customer order finished products quantities in Kilograms shipped at the customer requested date) / (Sum of customer ordered finished products quantities in Kilograms)	96,8		97,3	99	98,9	99,4
D	Planning Service Level (PSL) - Manufacturing Schedule Adherence Formula : (Weekly SKU Scheduled Production volume - Weekly SKU Actual Production volume)/Weekly SKU Scheduled Production volume	86 (Year 2018)	86	85,2	88,5	87,1	86
C	Direct Cost Formula: Total direct cost / Total sales volumes (t)	100		87	89	95	109
C	Indirect Costs Formula: Total indirect costs / total sales volumes (t)	100		97	99	166	189
M	Employees suggestion Formula : Number of "Improvements" tags generated & recorded in Carl	1378 (Year 2019)	1378	1236	709	696	882
M	Sick Leave / Absenteeism Formula : Number of absence hours / Number of worked hours	6,9		8,1	6,1	6,9	5,8
E	Energy consumptions Formula: Consumption of gas and electricity(MWh)/Tons of product	1,81		1,79	1,8	1,8	1,7
E	Water consumption Formula: Liter of water consumption in the factory / Tons of product	2,51		1,64	1,52	1,7	1,5

NOTE: Some indicators were not in place or were not reliable when we launched our TPM program. If not, we mentioned the score with the year of implementation in the column "First Score (Year)"

* In 2017, the definition of OEE and our tracking system were revised by including additional loss categories like changeovers, weekly cleaning, preventive maintenance, etc. This is the reason why the scores for 2015 and 2022 are not comparable.

5. Key of our Manufacturing Excellence

LPW will continue to keep focus on manufacturing, implementing 11 TPM pillars and launching soon the Cost pillar. We will continue to develop the maturity of our pillars by expanding knowledge on methodologies, indicators deployment, losses analysis and advanced tools.



EPM and TPM office pillars will open the path to make the TPM approach more visible outside of Operations by involving functions that had no or minimal exposure to the system so far (e.g. Marketing, Sales, Retail). On the same way, after improving and stabilizing the internal scope (factory), in the future the Lean Flow pillar can start to expand the TPM journey to the overall value chain from suppliers to customers to deliver the maximum value to our consumers. As well, the Environment pillar will be able to enlarge its scope to raw material, packaging material and suppliers.

Additionally, Lindt France will have some major investments link to capacity and productivity increase. It will be key for the factory to work within the EEM & EPM pillars to ensure vertical start-up of all new equipments and directly involve in the early stages new Product Development process.

Initiatives like digitalization, utilization of Artificial Intelligence, de-materialization of IT infrastructures will be developed to raise the detailed system knowledge of our people, anticipate problems or reduce nonvalue added activities.

Finally, we will explore opportunities and challenge ourselves to be more agile.