



# SUSTAINABILITY REPORT 2022/2023

ACCORDING TO THE STANDARDS OF THE GLOBAL REPORTING INITIATIVE (GRI)



Image: Tchibo



## Tchibo Sustainability Report: Current status and future outlook

The topic of sustainability is gaining in importance and awareness across society. Legislation is becoming more stringent, requiring entire industries to change course, which benefits people and the environment along our supply chains. Greatly improved transparency is also bringing many benefits to consumers.

To bolster this transparency with standardised reporting, from 2024/2025 legislation requires new reporting formats. For example:

- German Supply Chain Act (LkSG) reporting (from April 2024)
- Publication of statements on deforestation-free products and supply chains (Deforestation Regulation (from 2025))
- Reporting of CO<sub>2</sub> emissions from energy-intensive products manufactured outside the EU (Carbon Border Adjustment Mechanism Regulation (from 2024))
- Corporate sustainability reporting as part of annual reports (Corporate Sustainability Reporting Directive (from 2026))

We believe that the measures and the various reporting formats make sense and we strongly support the legislation's aim of standardising transparent reporting on sustainability issues. However, to properly produce the new formats will be a challenge, especially during the implementation phase, and will entail considerable additional work and major changes to our existing reporting.

Therefore, to meet current and future challenges in a balanced way, we have decided on the following approach:

- To continue to provide transparency about our activities as well as the progress we are making on our sustainability goals, the challenges we face and what we have thus far achieved during the transition phase, we will continue to use and supplement our existing reporting formats. For reasons of efficiency, we are combining the sustainability reports for 2022 and 2023 into one overarching two-year report.
- The new reporting under the German Supply Chain Act has been available since April 2024, as required by law.
- From 2026, we will be publishing a new sustainability report (in accordance with the Corporate Sustainability Reporting Directive), which we are currently working on.

To ensure that there are no gaps in reporting during the transition phase, our [website](#) will also provide all the latest information on major new developments and changes relating to sustainability.

If you cannot find specific information in the current reports or require more details, we will be happy to assist you.

Just get in contact.

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# GENERAL DISCLOSURES AND CEO FOREWORD

**We are convinced that only a  
solid and resolute commitment  
to sustainability can make our  
traditional family business  
viable for the future**

CEO, ERIK HOFSTÄDTER

## Statement from senior decision-maker

The more uncertain the world around us becomes, the more we as a company are called upon to take a stand and provide assurance – for the people in our supply chains, for our employees and for the customers on whose trust we depend.

After the Covid-19 pandemic put our resilience to the test in 2020-2021, the Russian war of aggression on Ukraine in spring 2022 forced us to cease all business with Russia and sell our subsidiary there. Repositioning ourselves and our business decisions on the side of humanity, democracy and fair coexistence was the obvious choice for us. Even when this means losing sales. We also made sure that our former Russian staff had a future in new ownership structures.

As for all businesses, and consumers, we have in recent years had to deal with sharp rises in energy costs, high inflation and significant restrictions on consumer behaviour in Germany. We ended 2022 with a loss – partly because we stuck to our commitments in every crisis and did not scale back on our human rights and sustainability efforts.

We are convinced that only a solid and resolute commitment to sustainability can make our traditional family business viable for the future. We must therefore not let up in our battle against climate change. 2023 was far too warm. For the first time, temperatures were consistently 1.5 degrees Celsius above the long-term average. Drought, flooding and extreme weather conditions threaten our suppliers and the growing of raw materials that are essential to our business – coffee, cotton and wood.

But even if the challenges, and customer expectations, placed on our company are increasing, they also confirm to us day in and day out that we are on the right track. We have therefore again set ourselves ambitious targets for the coming years, which will enable us to manage our commitment to sustainability in a focussed and efficient way.

### **New sustainable coffee programme**

We are especially pleased to be able to present our new sustainable coffee programme in this report. It is a comprehensive programme that supports farmers in countries where we purchase our coffee. It has already been launched in Brazil, Honduras and Vietnam with measures being adapted to the local conditions in each country. It trains, for example, farmers in sustainable and climate-resilient cultivation methods. We also support farmers in generating additional sources of income and thus becoming less dependent on fluctuating world coffee market prices.

Our partner for this coffee programme is the non-profit organisation Enveritas. Enveritas helps us with data and local expertise to decide which measures should be used where. It also monitors whether our efforts on the ground are having the desired impact.

Our goal for 2027 is to source all the coffee we buy for Tchibo from these sustainable purchasing regions. This represents a major endeavour for us as one of the ten largest coffee buyers in the world.

We have also made significant progress in other areas.

- In 2023, we co-founded the Zero Emission Maritime Buyers Alliance (ZEMBA). Together with other major companies such as Amazon and Patagonia, we are working with ZEMBA to promote zero-emission sea freight solutions.

- The WE programme, our long-standing supply chain dialogue programme, has been opened up to other companies enabling even more workers in the factories to benefit from it.
- The 'International Accord for Health and Safety in the Textile and Garment Sector' has been extended for the third time - by six years on this occasion. The Accord marks a major step towards greater reliability and safety for workers in the textile sector, and we are helping to advance it.
- In 2022, we completed our 'Advanced Chemical Management Training' project. A total of 59 textile factories that produce for Tchibo successfully took part and improved the way they handle chemicals.
- In 2023, we celebrated a breakthrough in our coffee packaging. For the first time, some of our coffee range is being packaged in recyclable film instead of the usual non-recyclable composite film.
- The German Supply Chain Act (LkSG), which we campaigned for, has now been in force for a year. We are also continuing to campaign at European level for a corresponding EU-wide law to be passed. We are additionally preparing for further legislative requirements, such as the Corporate Sustainability Reporting Directive (CSRD), which will be binding throughout the EU from 2025.

The following report provides you with information on these and many other sustainability activities of our company. We appreciate your interest and will be happy to respond to any questions you have.

Best regards,

**ERIK HOFSTÄDTER**  
CEO TCHIBO GMBH

Erik Hofstädter



## Organisation

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### Name of Organisation

Tchibo GmbH, established in 1949 in Hamburg

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### Activities, brands, products and services

Tchibo supplies an extensive range of coffees, the Cafissimo single-cup system, Eduscho Gala and Qbo, as well as a range of non-food items that changes each week. Tchibo does not provide products whose sale is prohibited in the distribution regions. The company also sells services such as Tchibo Travel and Tchibo mobile. Sales are via a multi-channel distribution system that includes the company's own shops, retail concessions and online shops.

The full international coffee portfolio includes the following coffee brands: Tchibo, Eduscho Gala, Qbo, Jihlavanka (CZ), Eduscho (A), Davidoff Café, Caffè Molinari.

GRI 102-3

### Organisation headquarters

Tchibo headquarters are located at Überseering 18, 22297 Hamburg, Germany.

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### Location of operations

In 2022 and 2023, Tchibo operated subsidiaries in: Bulgaria, Germany, Hong Kong, Austria, Poland, Romania, Russia\*, Switzerland, Slovakia, the Czech Republic, Turkey and Hungary, as well as a subsidiary in Dubai (United Arab Emirates) that undertakes all coffee sales and marketing activities for the Tchibo and Davidoff brands in the MEA region.

In the eight countries of Germany, Austria, Switzerland, Poland, the Czech Republic, Slovakia, Turkey and Hungary, Tchibo operates a total of around 900 shops (550 of which are in Germany) and around 24,300 concessions in German retail stores. Tchibo operates dedicated online shops in Germany, Austria, Poland, Switzerland, the Czech Republic, Slovakia, Turkey and Hungary.

Tchibo has coffee-roasting facilities in Hamburg and Berlin in Germany, as well as in Marki/Poland and Modena/Italy.

The company's primary logistics sites are located in Bremen, Neumarkt, Gallin and Cheb in the Czech Republic. Other smaller logistics centres for distribution purposes are located in Eastern Europe, for example, in Senec in Slovakia, for commissioning coffee orders in Austria and in Kampinos in Poland.

\* Operations in Russia were suspended at the beginning of 2022.

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### Ownership structure and legal form

Tchibo is a limited liability company (GmbH) and is a family-run business. The holding company maxingvest ag holds a 100% stake and is also family-owned (further information can be found at [www.maxingvest.de](http://www.maxingvest.de)).

## Markets served

Tchibo coffee is enjoyed by customers all over the world. Carefully selected importers and distributors supply customers with product ranges that are perfectly tailored to each market - via food and beverage retailers as well as the hospitality sector.

Developments in the priority markets for coffee and consumer goods are listed below.

**Austria:** Vienna-based Eduscho Austria is the market leader with its two brands Tchibo and Eduscho and impresses with its extensive range of roasted coffees, its non-food products and coffee bars. Distribution takes place via the approximately 150 Tchibo/Eduscho branches, food and specialised retailers and the online shop.

**Poland:** Tchibo has been selling its products in Poland since 1992. After two years of successful presence on the Polish market, Tchibo opened its own coffee-roasting plant in Marki in 1994. In 1999, Gala became the second brand to be launched on the Polish market. Over 30 Tchibo branches have been opened in the bricks-and-mortar retail sector to date. Since the beginning of 2008, customers have been able to order non-food products and coffee from the Tchibo online shop.

**Romania:** Tchibo has been operating in the capital Bucharest since 2001. Nationwide distribution takes place via the retail trade. Tchibo is now represented in all roasted and instant coffee market segments in Romania with coffee blends tailored to the country's unique taste profile.

**Russia:** In 1994, Tchibo opened its first Russian branch in St Petersburg, followed a year later by a second branch in Moscow. Within just a few years, Tchibo made a name for itself in Russia and became one of the country's leading coffee suppliers. With the outbreak of the war in Ukraine, we ceased supplying coffee and sold our Russian subsidiary in July 2022, thus ending all activities in Russia.

**Switzerland:** In 2001, Tchibo entered the German-speaking market in Switzerland via direct selling. The Tchibo non-food range was initially offered via internet and an ordering catalogue. In 2002, Tchibo opened its first shops in Lucerne, Winterthur and Basel. Today, around 39 stores offer all three Tchibo ranges. Tchibo is also active in the food sector with its coffee.

**Slovakia:** In 1991, Tchibo became the first international coffee supplier to enter the market in what was then Czechoslovakia. Tchibo was a market leader even before the country split into two independent states. After the division of Czechoslovakia, Tchibo opened a branch in Bratislava in 1993. Since then, the coffee has been distributed via wholesalers and retailers. The Eduscho brand has also been available in Slovakia since 1998.

**Czech Republic:** Tchibo entered the market in the former Czechoslovakia in 1991 and was able to rapidly build its reputation as the first international coffee supplier. Today, Tchibo is the market leader in the roasted coffee sector with its international Tchibo and local Jihlavanka brands. Its food and non-food products are distributed through Tchibo shops and retail concessions.

**Turkey:** In 2006, Tchibo entered the Turkish market with its first Turkish branch in one of Europe's largest shopping centres, Istanbul Cevahir. Following the successful market launch, distribution was expanded to over 40 Turkish branches. Tchibo is also active in the food sector with its coffee.

**Hungary:** Tchibo's first Hungarian branch was established in Budapest in 1991. Since then, its coffee has been distributed nationwide via the retail trade. The Eduscho brand propelled Tchibo to market leader status in Hungary. There are now eight shops in Hungary with further locations being continuously evaluated.



## Scale of the organisation

In 2022, Tchibo employed a total of around 11,300 people worldwide, of which around 6,660 were in Germany. In 2023, there were around 10,700 employees worldwide, including around 6,800 in Germany. The total number of sites comprises the headquarters in Hamburg, four roasting facilities, around 900 shops worldwide, over 24,300 concessions (18,700 of which are in Germany) and four primary logistics centres. Tchibo launches more than 5,000 products onto the market every year, selling them via its retail concessions, in its shops and via its own online shops. In 820 Tchibo shops, customers can also enjoy food and beverages at the Tchibo coffee bars. Services are also sold via Tchibo Mobile and Tchibo Travel, whilst insurance products and affiliate deals are sold in the online shop.

Information on revenue can be found in the consolidated financial statements of maxingvest ag. Due to an obligation of confidentiality vis-à-vis maxingvest ag, we do not disclose any information on total capital.

## Information on employees and other workers

There were no significant changes in the personnel structure, broken down according to age groups. The total number of employees in 2022 was 11,300.

Temporary staff account for a fluid proportion of the workforce at Tchibo's distribution centres in Gallin and Neumarkt. This proportion can fluctuate greatly depending on seasonal staffing requirements in logistics - for example during the Christmas season. Workplace health and safety measures apply to both Tchibo employees and temporary workers.

All employees are documented systematically. This enables automatic reporting of absolute employee numbers according to demographic factors such as gender and employment status. Specific information on salaried employees and other employees can be taken from the [Key Figures](#).

No significant amount of work is performed by people who are not employed by Tchibo.

Personnel structure	2022			2023		
	TOTAL	WOMEN	MEN	TOTAL	WOMEN	MEN
NUMBER OF STAFF IN GERMANY	6865	5245	1620	6295	4896	1399
FULL TIME (%)	41,9	51,6	48,4	37,0	50,3	49,7
PART TIME (%)	58,1	94,3	5,7	63,0	93,9	6,1
PERMANENT (%)	95,0	76,2	23,8	95,3	77,6	22,4

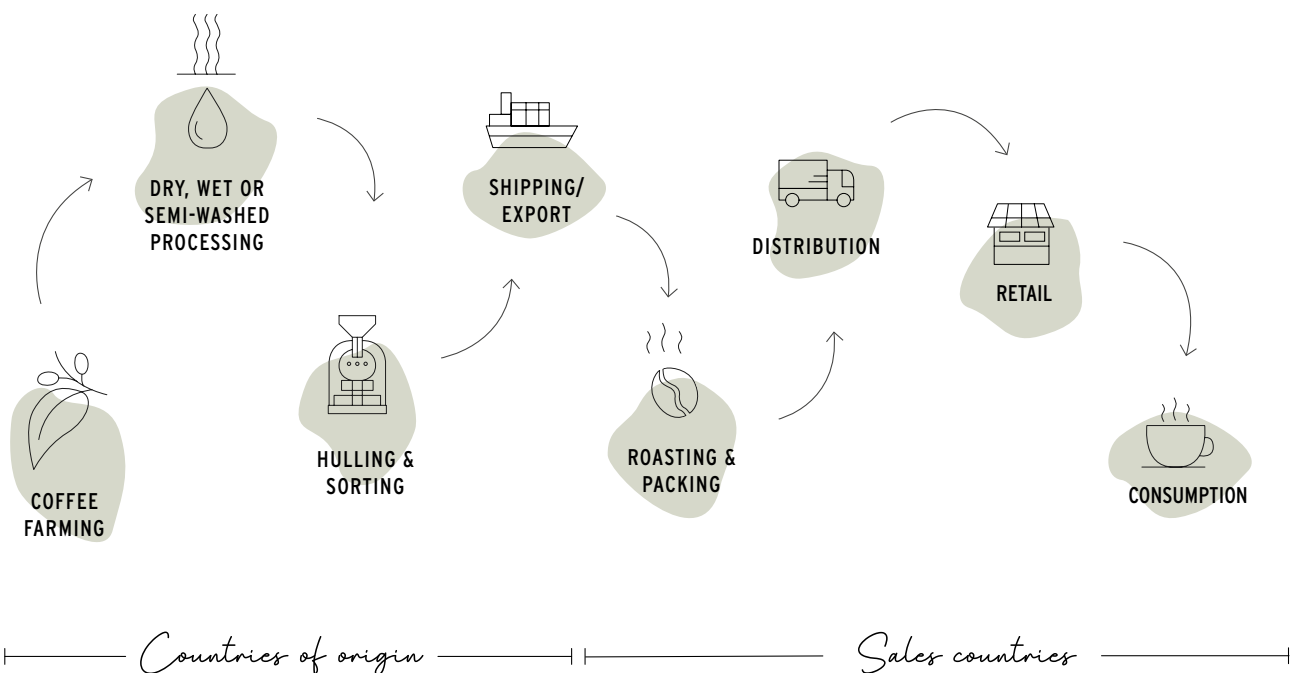
## Supply chain

Tchibo's supply chains undergo annual changes due to weekly variations in the non-food range and the continuous development of coffee products. The supply chain structure underpinning this is summarised below. Further information can be found under **Non Food** and **Coffee**.

Transparency is essential in making supply chains sustainable. However, supply chains are complex, as the examples of the supply chains for coffee and cotton textiles show. Understanding the different stages in the value chain is a challenge that Tchibo faces in partnership with its suppliers, because enforcing labour, social and environmental standards impacts every product along its entire supply chain, not just at the final manufacturing stage. Tchibo's approach of building long-term supplier relationships and working closely on sustainability makes this task easier. Find out more about supply chain transparency [here](#).

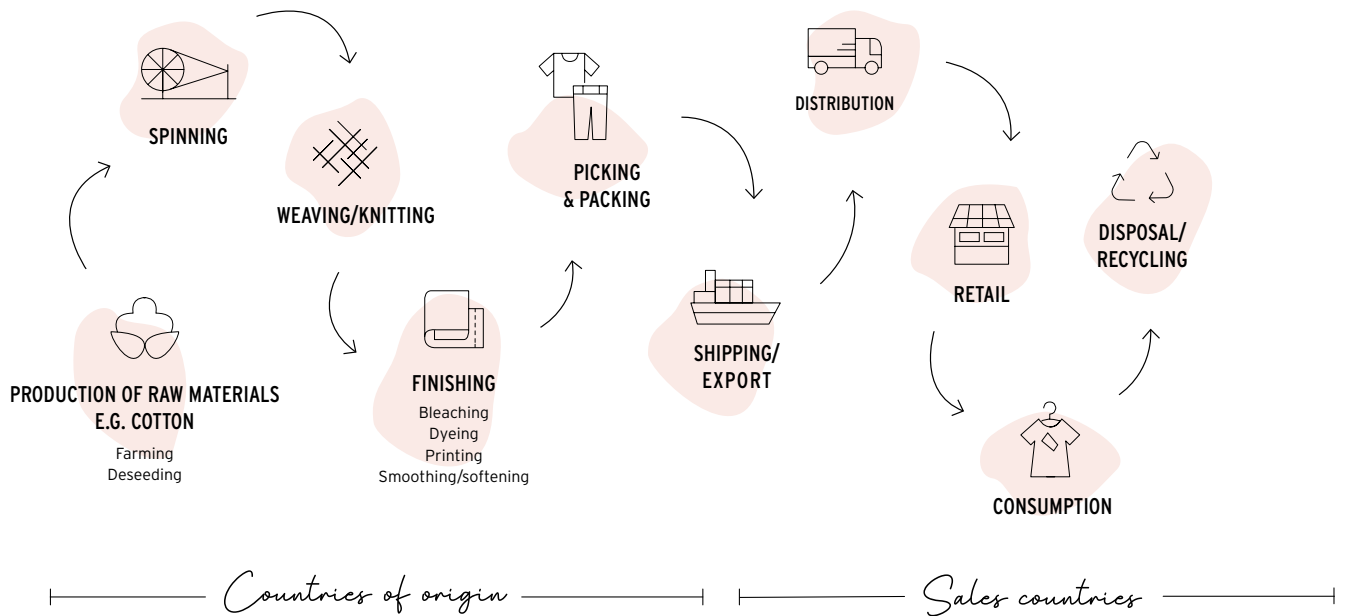
**Coffee:** After the coffee harvest, the coffee cherries go through the first processing stage locally. This can be done by either the farmer before the coffee leaves the farm, or at a processing facility, where the beans are delivered as quickly as possible. It is important that the pulp is removed from the beans within six hours to preserve the quality of the beans. Processing methods differ depending on the country of origin and the supply chain and include dry, washed and semi-washed processing. In the next stage, the green coffee is sorted according to quality on the basis of factors such as size, density, defects and colour. Certified coffees are always separated from conventional coffees at this point. The beans are then ready to be sold: if the processing company does not have an export licence, it will sell the beans to an export or import firm, sometimes through a broker. Some countries have legislation stipulating that large proportions of local production must be sold at auction. The beans are then sold to the roasting companies, such as Tchibo, which can also involve several steps. After being transported to Germany, the coffee beans are checked for potential residues, temporarily stored, cleaned again, roasted and packaged. They finally reach the consumer via the retail trade.

### Illustration of the process steps in the coffee supply chain



**Non-Food:** From cotton cultivation to harvesting and transporting the raw material through to the finished garment require many steps (preliminary stages) such as spinning, weaving, knitting, dyeing, washing, finishing and packaging. These are often carried out by different suppliers in different countries. Suppliers of parts such as buttons, zips and appliqués are also involved.

### Illustration of the process steps in the textile supply chain



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## Significant changes in the organisation and its supply chain

There were no significant changes in the Tchibo organisation and its supply chain in the reporting years 2022 & 2023.

GRI 102-11

## Precautionary approach or precautionary principle

### Doing business responsibly

We consider it our corporate duty to take responsibility for our actions - along our entire global value chains. Because we benefit from a globalised world that operates according to the division of labour, we are obliged to take responsibility for the impact of our business activities on people and the environment. A detailed explanation of our precautionary approach can be found in the consolidated **management approach GRI 201, 203, 205 and 206**.

GRI 102-12 & -13

## External initiatives & membership of associations and interest groups

Tchibo is a member of various associations and interest groups as well as external initiatives for economic, environmental and social improvements. Details can be found [here](#).

## Key impacts, risks and opportunities

### Risk assessment for the commercial business from the perspective of sustainability

Tchibo's business is exposed to various risks, such as currency fluctuations and environmental events that can affect commodity prices. These risks are identified as part of a holistic risk management system and mitigated through effective preventive measures. Corporate responsibility is a strategic component in Tchibo's risk prevention and business strategy. Thanks to the company's long-standing commitment to sustainability and its strategy of establishing sustainability as the cornerstone of its business, Tchibo is well placed to take advantage of current sustainability opportunities and to manage risks.

#### 1. Strategic opportunity: Establishing Tchibo as a credible sustainable brand and reliable partner

- **Consumer trends:** Consumers continue to increasingly associate their purchasing decisions with a brand's commitment to sustainability, despite the general decline in consumption due to inflation. This is particularly true for the younger generation. Our programmes and products enable us to respond to changing customer needs and to keep developing our range.
- **Regulatory and ethical licence to operate:** We have created the basis for putting sustainability at the heart of our brand and corporate values. With simple, sustainable materials, products and product ranges, as well as honest, effective approaches in our supply chains, we are making our contribution to doing business responsibly. As a company, we believe we are well positioned to meet the growing regulatory requirements. Thanks to our long-standing commitment, Tchibo is in a position to effectively respond to the increasing legalisation of corporate responsibility (regulatory). Tchibo is also seen by stakeholders and increasingly by customers as a pioneer in the mass market and is therefore supported (ethical).
- **Safeguarding raw materials:** Climate change, extreme weather events, environmental degradation, biodiversity loss as well as low wages and farmers' incomes all impact the cultivation of raw materials leading to resource scarcity. The sustainability programmes ensure access to sustainable resources / supply chains and reduce the risk of shortages.

#### 2. Environmental and human rights regulatory framework at EU and German national level

- Based on the UN Guiding Principles on Business and Human Rights, purchasing companies have a responsibility towards the employees in their production facilities, even if the products are sourced from external suppliers. In summer 2021, the German Supply Chain Act (LkSG) was passed for companies, and has applied to all large companies since 2023. Tchibo had previously joined 42 companies in publicly calling for the legal regulation of human rights and corporate due diligence in Germany.
- A legislative proposal for a supply chain law has also been submitted at EU level, which goes even further than the German LkSG, for example, by making companies liable for breaches of due diligence in the supply chain. The directive is currently still in the consultation process (as at 23 April 2024).
- The EU Deforestation Regulation adopted in May 2023 will also require supply chain traceability. This will have an impact on many raw materials such as wood, coffee and rubber and, therefore, on many of our products.

- Other laws at EU level also provide consumers with more rights with regard to product reparability. We will therefore need to align our product designs even more closely with the criteria of environmental friendliness, durability and recyclability. This is a consequence of the textile strategy, the Ecodesign Directive and the EU directive on the 'right to repair'.
- We not only have to adapt our products, but also our product packaging to new mandatory EU regulations as required by a regulation on packaging and packaging waste. In addition, the Single-Use Plastics Directive will make it more expensive to bring products, including packaging, made from single-use plastic to market

### **3. Liability risks relating to social and environmental responsibility in our supply chain**

- In the production of non-food items and in our coffee range, risks exist relating to (occupational) health protection, environmental protection and building safety, the latter especially in the production of textiles and clothing. Asia-based production countries often lack professional, integrated and effective risk management at factory level, partly due to a lack of government control mechanisms. Tchibo is committed to preventive measures in its own supply chains and in sector-wide initiatives (including the International Accord for Health and Safety in the Textile and Garment Industry and the Partnership for Sustainable Textiles). In the coffee sector, we have launched our own sustainability programme, which works with farmers in the countries where our coffee originates to provide them with better working and living conditions.

## **Measures to increase profitability**

Information on economic performance and global development can be found in the consolidated financial statements of maxingvest ag, which are expected to be published in August 2024.

## **Sustainable Development Goals (SDGs)**

As part of the global community, we play a role in achieving the SDGs and focus our sustainability efforts on the SDGs where we have the greatest impact.

Nine of the 17 SDGs are relevant to us in our supply chains and product ranges. They form the framework for how we understand social and environmental responsibility, how we define this responsibility in concrete terms for the world of Tchibo, and how we implement it across our product ranges, supply chains and processes.

## How does Tchibo contribute to the Sustainable Development Goals (SDGs)?

		Living Income & Living Wages		Reduced Inequalities & Real Empowerment
		Gender Equality at the Work Place		Sustainable Consumption & Circular Economy
		(Drinking) Water Protection, Sanitation & Hygiene		Climate Protection & Adaptation to Climate Change
		Decent Work, Health & Safety		Biodiversity, Chemical Management, Sustainable Farming & Forestry

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## Ethics and integrity - values, principles, standards and norms of behaviour

### Our values

We aren't just a big commercial enterprise; we are also a family business that has always had a strong sense of responsibility. It is especially important to us to protect the jobs of the 11,300 or so employees who work at our sites and in our supply chains. We are also committed to driving growth and generating profit as a business. Our golden rule: we believe in making a profit, but not at any price - and certainly not at the expense of people or the environment.

- **Transparency:** We don't go in for greenwashing. We want to make a genuine impact. Whenever we encounter obstacles, we are open and honest about them.
- **Humanity:** We put the people at the heart of what we do. We actively seek to include the voices of factory workers and farmers.
- **Impact:** We believe in the principle of 'return on investment' - not just in financial terms but also from an ecological and social perspective. We strive to operate efficiently, do what is right and deliver tangible results, both for people and the planet and for the Tchibo brand.
- **Fairness and sustainability for all:** We are committed to our customers. We take their wishes, day-to-day needs and lifestyles seriously and want to help them as best we can with our products and services.
- **Courage:** Rather than simply accepting the status quo, we explore new avenues to find the best way of realising our goals.

# Code of Conduct

## Requirements for employees

The key international conventions and fundamental principles are enshrined in the Tchibo Code of Conduct (CoC), a binding document that serves to guide Tchibo employees in everything they do. The CoC forms the ethical basis upon which all employees do business, irrespective of their level within the company's hierarchy. For example, it sets out our commitment to full legal compliance and transparency as well as to the continuous improvement of business processes from an environmental, social and societal point of view. The CoC also governs the way we engage with business partners and customers.

The CoC prohibits all employees from engaging in any form of corruption or granting or accepting advantages. The Code of Conduct is updated regularly and its compliance is monitored.

The Tchibo Code of Conduct can be found in the [Downloads](#) area under *Tchibo Policies & Commitments*.

## Requirements for suppliers and business partners

The Tchibo Supplier Code of Conduct (SCoC) forms the basis for cooperation with business partners in the non-food sector. It sets out binding requirements for the conduct of suppliers, business partners and service providers regarding legally compliant and ethical practices. It is the basis for all purchasing contracts and defines, among other things, minimum requirements for working conditions and environmental standards in the production of our non-food items.

We are continuously developing the SCoC against the backdrop of ever increasing requirements and in line with our voluntary commitments. The Tchibo Social and Environmental Code of Conduct (SCoC) can be found in the [Downloads](#) section under *Supplier Policies & Guidelines*.

Further requirements for our suppliers relating to human rights and the environment can be found in our [Agriculture policy](#).

In the coffee sector, we have our 'Responsible Purchasing Practices' guideline, in which we have defined rules for fair and sustainable partnerships. The guideline is in the [Downloads](#) section under *Tchibo Policies & Commitments*.

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## Governance structure

Tchibo's management structure is described in the consolidated **management approach GRI 201, 203, 205 and 206**.

It is our goal to make sustainability management integral at every level within the company, integrating it in every department. The overarching framework of strategic goals, coordination and governance are entrusted to the Corporate Responsibility Directorate. This Directorate reports to the Chairman of the Board of Directors and, with the help of its team, supports the various departments with implementing and further developing their sustainability goals. The Directorate also coordinates stakeholder management at both an overall level and at the level of the individual departments. Based on the strategic framework, these departments develop and implement department-specific targets and measures to achieve the necessary ecological and social transformation processes.

Assuming responsibility and acquiring expertise in sustainability issues within the various departments is part of an ongoing process and is continually being developed. We made further progress in 2022 and 2023 after having already established a knowledge management system on the topic of sustainability on the Tchibo intranet in recent years to give all Tchibo employees the opportunity to find out about sustainability at Tchibo. For example, we trained our employees on the topic of the circular economy. In 2023, we also established a series of events on sustainability in dialogue and introduced other discussion formats. In regular events, we are now also making the long-established methods of our WE supply chain programme tangible for Tchibo's internal employees.

## Areas of responsibility for sustainability in the company

	Goal setting and agreement of goals/intermediate goals	Measures and projects for implementing goals/intermediate goals	Review including reporting	Communication	External promotion on the topic of sustainability	Data protection	Issues management/ Risk management
CEO	●		●		●	●	● (Information)
EXECUTIVE BOARD	●		●			●	● (Information)
SUPERVISORY BOARD	● (Information)		●			● (Information)	● (Information)
MAXINGVEST AG	● (Information)		●			● (Information)	● (Information)
WORKS COUNCIL	●		●			●	● (Information)
SPECIALIST DEPARTMENTS: PRODUCTS	●	●	●	●		●	
SPECIALIST DEPARTMENTS: PROCESSES/SALES	●	●	●	●		●	
LOGISTICS	●	●	●	●		●	
LEGAL DEPARTMENT	●	●				●	●
HR DEPARTMENT	●		●			●	
CORPORATE COMMUNICATIONS/ OTHER STAFF		● (Support)		●			● (Information/Recording)
WORKING GROUP	●	●				●	
CORPORATE RESPONSIBILITY DEPARTMENT	●	●	●	●	●	●	●



## Stakeholder engagement

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### List of stakeholder groups

#### Stakeholder groups



GRI 102-41

### Collective bargaining agreements

Collective bargaining agreements apply to all our employees in Germany, with the exception of the managing directors of Tchibo GmbH.

GRI 102-42

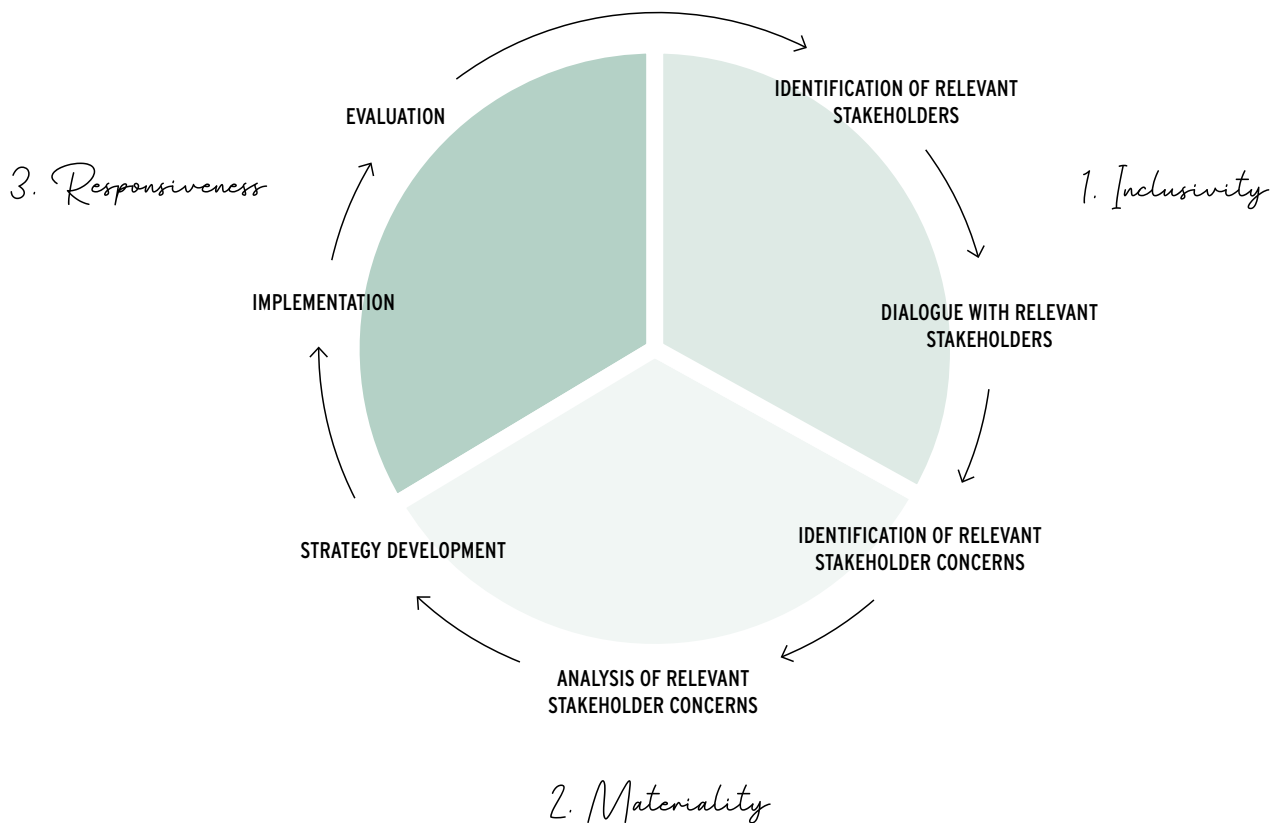
### Identification and selection of stakeholders

The identification and selection of stakeholders is based on the relevance of the stakeholder in relation to their institution, Tchibo and their potential influence on our brand. It is important to us to select stakeholders who have sound technical expertise in the field of sustainability, people we can learn from and work with to make a difference.

## Approach to stakeholder engagement

As a global enterprise, Tchibo shares responsibility for finding solutions to environmental and social challenges that result from its business activities. We are convinced that solutions to global challenges and the innovations they require can often be better developed in cooperation with other social actors. The close and continuous dialogue we foster with stakeholders both inside and outside the company is therefore extremely important to us. We want to understand our stakeholders' expectations and opinions, incorporate their ideas as we continue to develop our sustainable business processes, and work with them to devise forward-looking solutions to the environmental, social and societal challenges they face. Within this context, dialogue with our stakeholders also provides the impetus for important innovation processes - both within the company and at the societal level. At the same time, it is important that we engage in dialogue with our stakeholders so we can promptly identify opportunities and risks for Tchibo's business and thus take proactive action.

Involving stakeholders, working with them to identify relevant issues and responding with appropriate measures - this approach reflects our principles of inclusivity, materiality and responsiveness. Relevant stakeholders are involved according to the issue and the occasion, using carefully selected formats such as surveys, open discussions and participation in initiatives and alliances.



The following table provides an up-to-date overview of the stakeholder groups, their fundamental concerns and the way in which we interact with them.

	MEDIA	SURVEYS	MEMBERSHIPS, NETWORKS & VOLUNTARY COMMITMENTS	PROJECTS	DISCUSSION EVENTS
FORMATS	<ul style="list-style-type: none"> <li>Website &amp; Webshop</li> <li>Blog, social media &amp; forums</li> <li>Newsletter</li> <li>Annual report and sustainability report</li> <li>Press releases</li> <li>Intranet</li> <li>Public controversies</li> <li>Customer service</li> <li>Booklets/magazines</li> <li>Product information</li> <li>Certificates &amp; Copies</li> </ul>	<ul style="list-style-type: none"> <li>Employee surveys</li> <li>Consumer surveys</li> <li>Market research and trend analysis (internal &amp; external)</li> </ul>	<ul style="list-style-type: none"> <li>General meetings</li> <li>Meetings with alliance partners</li> <li>Working groups</li> <li>Workshops</li> <li>Round Table</li> <li>Conferences (e.g. environmental)</li> <li>Sharing best practice</li> <li>Steering committees</li> </ul>	<ul style="list-style-type: none"> <li>Dialogue on specific topics</li> <li>Collaboration projects</li> <li>Working groups</li> <li>Research projects</li> <li>Collaborations with higher education institutions</li> <li>Employee training courses</li> <li>Employee promotions/ campaigns</li> <li>Workshops</li> </ul>	<ul style="list-style-type: none"> <li>Press events</li> <li>Sharing best practice</li> <li>Round Table</li> <li>Factory exhibitions</li> <li>Open day</li> <li>Local events</li> <li>Working groups</li> <li>Bilateral meetings</li> <li>Trade fairs</li> <li>Symposiums</li> <li>Training courses</li> </ul>
STAKEHOLDERS	<ul style="list-style-type: none"> <li>Media and publicity</li> <li>Communities</li> <li>Competitors</li> <li>Banks &amp; insurance companies</li> <li>Governmental organisations</li> <li>Employees</li> <li>Customers</li> <li>Consumer protection organisations</li> <li>Suppliers &amp; business partners</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> <li>Employees</li> <li>Media and publicity</li> <li>Scientific community</li> <li>Competitors</li> <li>Trade unions</li> <li>Consumer protection organisations</li> <li>Suppliers &amp; business partners</li> </ul>	<ul style="list-style-type: none"> <li>NGOs and initiatives</li> <li>Competitors</li> <li>Governmental organisations</li> <li>Trade unions</li> <li>Consumer protection organisations</li> <li>Suppliers &amp; business partners</li> <li>Scientific community</li> </ul>	<ul style="list-style-type: none"> <li>Associations and trade unions</li> <li>Scientific community &amp; experts</li> <li>NGOs and initiatives</li> <li>Competitors</li> <li>Governmental organisations</li> <li>Employees and potential employees</li> <li>Suppliers &amp; business partners</li> <li>Start-ups</li> <li>Technology providers</li> </ul>	<ul style="list-style-type: none"> <li>Media and publicity</li> <li>Communities</li> <li>Competitors</li> <li>Governmental organisations</li> <li>Trade unions</li> <li>Employees and potential employees</li> <li>Customers</li> <li>Consumer protection organisations</li> <li>NGOs and initiatives</li> </ul>
EXAMPLES	<ul style="list-style-type: none"> <li>Sustainability reports</li> <li>Features in news formats</li> <li>Coffee report</li> <li>Position on the Supply Chain Act</li> </ul>	<ul style="list-style-type: none"> <li>Coffee report</li> <li>Customer survey on the repurchase of goods</li> <li>Survey on key sustainability issues with customers</li> <li>Sustainability marketing campaign analysis</li> <li>Analysis of coffee regions with Enveritas</li> <li>Interviews with selected stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>ICP World Coffee Research</li> <li>Fairtrade</li> <li>Aid by Trade Foundation</li> <li>Better Cotton Initiative</li> <li>Partnership for Sustainable Textiles</li> <li>Coffee &amp; Climate</li> <li>Forest Stewardship Council®</li> <li>Fur Free Retailer Programme</li> <li>ACT on Living Wages</li> <li>ACCORD</li> </ul>	<ul style="list-style-type: none"> <li>Corporate volunteering</li> <li>Developing transparent supply chains</li> <li>Young Talent Challenge</li> <li>Sustainability training for employees</li> <li>New CR coffee strategy</li> <li>Digitalisation of sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Open day</li> <li>WE programme 'International Conferences ITC'</li> <li>Workshops as part of the Partnership for Sustainable Textiles</li> <li>Participation as part of ACT/ GFA</li> <li>Employee event: Sustainability in dialog</li> <li>Press conferences</li> </ul>

## Important topics and concerns raised

ISSUE/CONCERN 2022/23	TCHIBO MEASURE (ALSO IN THE CONTEXT OF THE REPORTING)	STAKEHOLDER GROUP
Truth & honesty in relation to communicating sustainability messages (impact communication)	Verifiable calculation and information to support communication made available in a transparent way	Customers
Market research has shown that customers are most concerned about CO <sub>2</sub> , climate, plastic and packaging.	<ul style="list-style-type: none"> <li>• Avoiding misleading information on packaging regarding materials and disposal</li> <li>• New coffee packaging launched on the market that uses fewer resources and is easier to recycle</li> <li>• Reusable shipping bag enters third test phase to reduce packaging waste</li> <li>• We are currently working on a net zero strategy and revising our carbon footprint.</li> <li>• Own returns system introduced for reusable coffee cups, which can be borrowed and returned in all shops. At the end of their life cycle, the cups are reprocessed by the manufacturer into new products.</li> </ul>	Customers
Customer inquiries frequently asked about the origin (country of production) of our products.	<ul style="list-style-type: none"> <li>• Transparent information when responding to customer inquiries</li> <li>• Inclusion of the topic in the report and establishment of a subsite on the topic on the <a href="https://www.tchibo-nachhaltigkeit.de">tchibo-nachhaltigkeit.de</a> website</li> <li>• Supply chain digitalisation</li> </ul>	Customers, legislators
German Supply Chain Act (LkSG), European Supply Chain Act CS3D	<ul style="list-style-type: none"> <li>• Implementation of the legal requirements arising from the LkSG, which entered into force in 2023</li> </ul>	Politics, media, associations
Corporate activities in the circular economy	<ul style="list-style-type: none"> <li>• Evaluation of our corporate activities in the circular economy in response to an NGO report</li> <li>• Carrying out a circularity gap analysis including defining next steps and measures</li> <li>• Establishment of the Circular Solutions Lab and the Circular Economy Academy to test circular innovations and train employees</li> </ul>	NGOs, legislators
Earthquake in Turkey	<ul style="list-style-type: none"> <li>• Donation campaign</li> </ul>	Employees
Establishing knowledge about sustainability in general and sustainability at Tchibo	<ul style="list-style-type: none"> <li>• Sustainability in discussion event</li> <li>• Expansion of knowledge management on the intranet</li> </ul>	Employees
Fair pay and environmental protection for smallholder coffee farmers	<ul style="list-style-type: none"> <li>• New coffee programme</li> </ul>	NGO, customers

## Reporting procedure

GRI 102-45

### Entities included in the consolidated financial statements

All information in this report relates to the sustainability-related business activities of Tchibo GmbH and the company's locations in Germany. These include the company headquarters in Hamburg, its roasting facilities in Hamburg and Berlin and its warehouses.

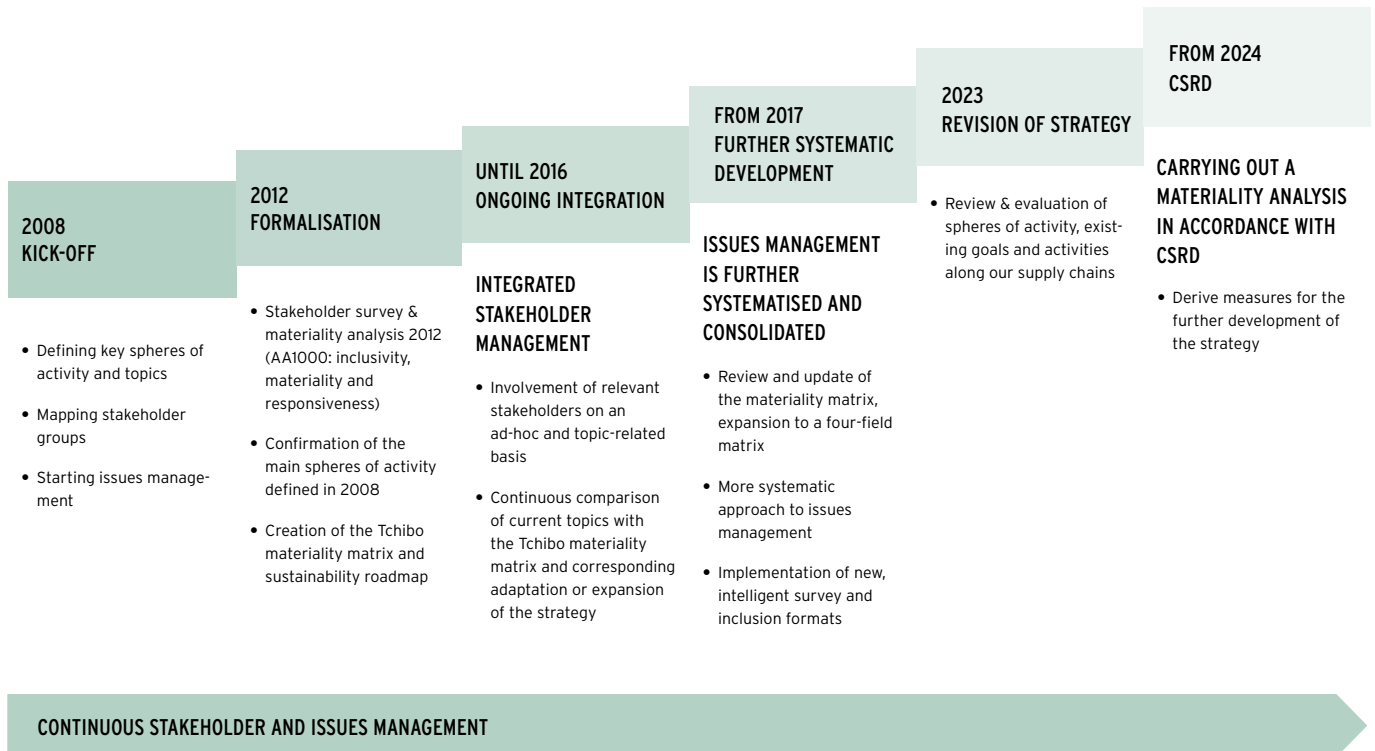
GRI 102-46

### Defining report content and topic boundaries

The basis for determining the content of the report is still the materiality analysis from 2012 and the material issues identified from it. In 2023, we revised our sustainability strategy including the confirmation of our key spheres of activity.

We are in constant dialogue with sustainability experts and our stakeholders to further develop our corporate responsibility topics and strategies. At the same time, we work with our employees from all relevant departments to evaluate and select the issues

Alongside stakeholder management, we also consider issues management - a kind of issue radar - to be extremely important for the materiality process at Tchibo. It serves to identify, analyse and evaluate societal trends and current developments at an early stage. This radar allows us to identify potential risks and maximise our impact. On the other hand, the current issues can also provide us with opportunities to shape our sustainability strategy and Tchibo's brand positioning and impact management. In this respect, issues management has a direct influence on strategic planning and the prioritisation of issues. It is therefore a vital tool in the materiality process as well. This process since 2008 can be mapped as follows:



Material topics newly identified from stakeholder and issues management are reviewed annually with regard to their relevance for reporting and then included as appropriate after comparison with the requirements of the GRI Reporting Framework.

### Review of materiality analysis 2012

In 2012, we conducted a comprehensive stakeholder survey to form the basis for our materiality analysis. Over 1,200 stakeholders were identified and grouped in the process (see 102-42). We initially used the results of the survey to guide our strategy. The relevance of the themes for Tchibo's stakeholders was also translated into a materiality matrix, which we revised slightly in 2021.



In 2023, we revised and refocused our sustainability strategy. This involved scrutinising and evaluating all spheres of activity, existing goals and activities along our supply chains. As a result, we were able to confirm our previous main spheres of activity. The revision also showed us where we need to step up our efforts in order to plug gaps, but also where we can scale back activities because the topic has become less important.

Revision of the sustainability strategy focussed on the following key questions:

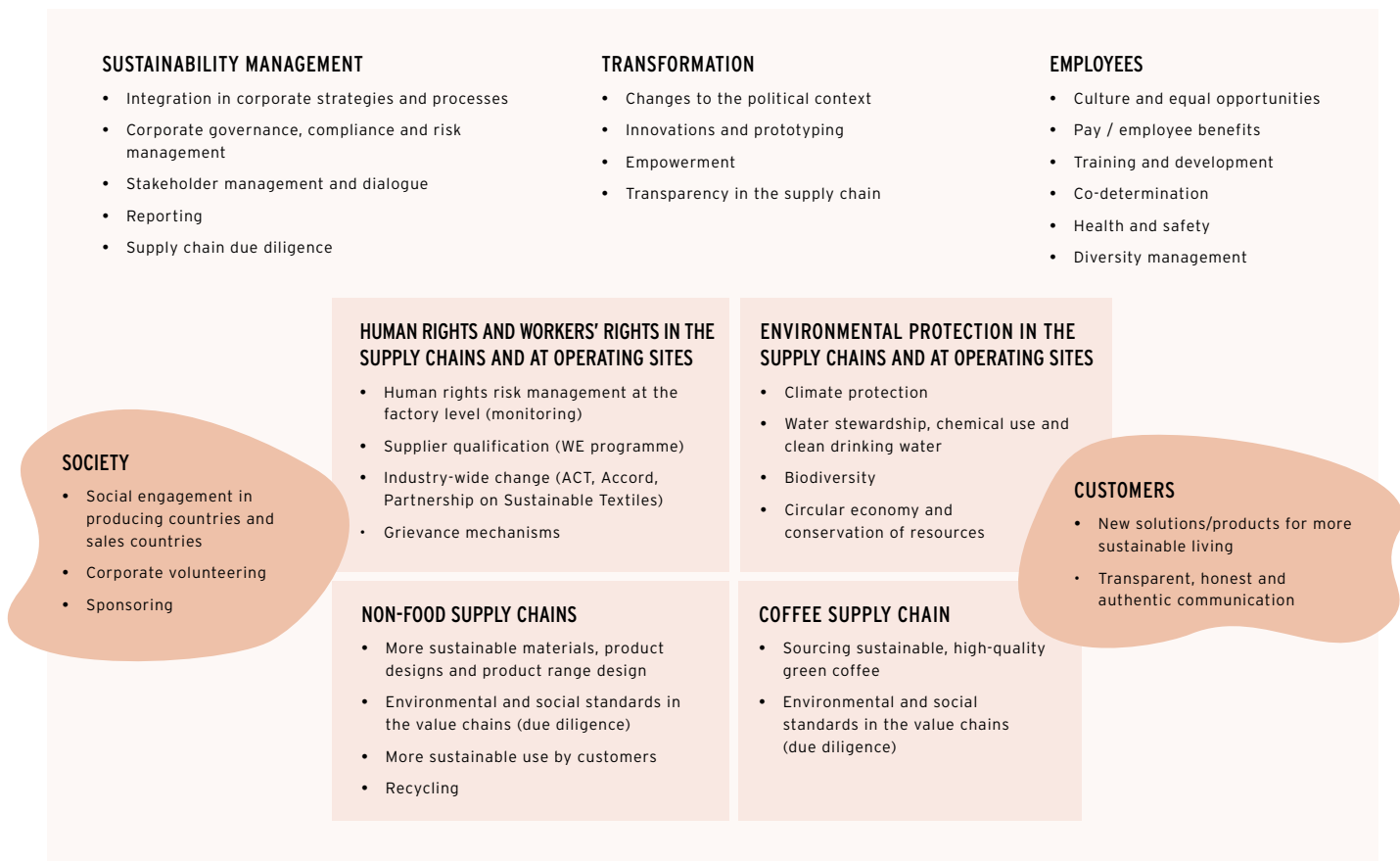
- Where do we have the greatest opportunities to exert influence?
- Where can we achieve the greatest impact with our efforts?
- Where do we have to comply with legal requirements?
- Where are there economic risks that we need to proactively address?
- Where do we risk damaging our image if we do not take action?

We are currently conducting a materiality analysis in accordance with CSRD standards. We will present the results of this analysis and the measures derived from them in the next sustainability report.

GRI 102-47

## List of material issues

We have grouped the issues that are of material importance to Tchibo into **nine topic areas**.



## GRI 102-48 & -49 **Restatement of information & changes in reporting**

### **Change in the 2022/2023 reporting year**

There have been no material changes in the presentation of information in this report for the years 2022/2023 compared to the previous 2021 report. Section 404-3 'Percentage of employees receiving regular performance and career development reviews' is no longer recorded by us and has therefore been omitted. Other than this, no new subtopics have been included or omitted.

## GRI 102-50 **Reporting period**

This GRI Report contains measures, results and key performance indicators for the financial years 2022 (1 January 2022 to 31 December 2022) and 2023 (1 January 2023 to 31 December 2023).

## GRI 102-51 **Date of last report**

The last report (*Sustainability Report 2021*) was published in May 2022.

## GRI 102-52 **Reporting cycle**

The Sustainability Report is usually updated annually. Due to the preparations for the transition from GRI to CSRD (EU Corporate Social Responsibility Directive), which will be mandatory for all companies in the EU from 2025, we did not publish a separate sustainability report for 2022. We are now making up for this with this combined report for 2022 and 2023. All reports are published on the sustainability website ([www.tchibo-nachhaltigkeit.de](http://www.tchibo-nachhaltigkeit.de)). The sustainability website also provides regular updates on projects and a newsfeed with the latest news.

## GRI 102-53 **Contact for questions about the report**

A contact form is provided on the website to allow anyone with questions about the report to directly contact the Corporate Responsibility Department. We can also be contacted via email at [sustainability@tchibo.de](mailto:sustainability@tchibo.de).

## GRI 102-54 **Claims of reporting in accordance with the GRI Standards**

This report has been prepared in accordance with the GRI standards 'core option'.

## GRI 102-55 **GRI content index**

The GRI content index can be found on pages 107-112.

## GRI 102-56 **External assurance**

Until the changeover to CSRD reporting, we will forego external audits of the Sustainability Report and instead dedicate our resources to revising the report and adapting it to the new standard.



GRI 200

# ECONOMIC STANDARDS

## GRI 201, 203, 205, 206: Management approach

### Our commitment - responsible corporate governance

Our focus on long-term success and the guiding principle of the honourable merchant are what define the way Tchibo, a family-owned company, does business. We consider it our corporate duty to take responsibility for our actions - along our entire global value chains. Because we benefit from a globalised world that operates according to the division of labour, we are obliged to take responsibility for the impact of our business activities on people and the environment.

Against this background, in 2006 we made sustainability an integral part of our business strategy, our Tchibo DNA and our Code of Conduct. Our guiding principle was and remains to view sustainability as a process that we work on every day to achieve improvements and thus also ensure our economic success in the long term. Our goals are to ensure fair working and living conditions for the people in our supply chains and to achieve greater environmental protection, for example, by using resource-conserving materials, employing innovative production processes and introducing new, sustainable product ranges - whilst also keeping in mind consumer expectations.

In this way, we are gradually getting our company processes and products to be more environmentally and socially responsible. For us, ensuring completely responsible business activities is both an ethos and a journey. An ethos because we always strive to innovate and find novel approaches when faced with obstacles, and a journey because we know that new insights will continually open up new spheres of activity and that, as a private company, we must at the same time also be mindful of economic requirements.

In 2023, we revised and refocused our sustainability strategy. Revision of the strategy included setting new targets for our sustainability work, which we aim to achieve by 2027. Sustainability is integrated into Tchibo's overall organisational model.

#### **We base our business activities on globally recognised standards and guidelines, in particular:**

- The International Human Rights Charter
- The ILO Declaration on Fundamental Principles and Rights at Work
- The OECD Guidelines for Multinational Enterprises

#### **In addition:**

- We support the United Nations 2030 Agenda for Sustainable Development
- We are a member of the United Nations Global Compact and actively promote the implementation of the Sustainable Development Goals (SDGs)
- In our policy statement of May 2018, we explicitly commit to respecting human rights on the basis of the UN Guiding Principles

We are firmly convinced that the only way to secure the future of our company is to do business sustainably. This is dependent on an intact environment that forms the basis for high-quality products and raw materials, on respect for and observance of human rights in the supply chains, on reliable cooperation with responsible business partners, on passionate employees and, last but not least, on the trust of our customers.

## Our values

We aren't just a big commercial enterprise; we are also a family business that has always had a strong sense of responsibility. It is especially important to us to protect the jobs of the 11,300 or so employees who work at our sites and in our supply chains. We are also committed to driving growth and generating profit as a business. Our golden rule: We believe in making a profit, but not at any price - and certainly not at the expense of people or the environment.

**Transparency:** We don't go in for greenwashing. We want to make a genuine impact. Whenever we encounter obstacles, we are open and honest about them.

**Humanity:** We put the people at the heart of what we do. We actively seek to include the voices of factory workers and farmers.

**Impact:** We believe in the principle of 'return on investment' - not just in financial terms, but also from an ecological and social perspective. We strive to operate efficiently, do what is right and deliver tangible results, both for people and the planet and for the Tchibo brand.

**Fairness and sustainability for all:** We are committed to our customers. We take their wishes, day-to-day needs and lifestyles seriously and want to help them as best we can with our products and services.

**Courage:** Rather than simply accepting the status quo, we explore new avenues to find the best way of realising our goals.

## Code of Conduct

### Requirements for employees

The key international conventions and fundamental principles are enshrined in the Tchibo Code of Conduct (CoC), a binding document that serves to guide Tchibo employees in everything they do. The CoC forms the ethical basis upon which all employees do business, irrespective of their level within the company's hierarchy. For example, it sets out our commitment to full legal compliance and transparency as well as to the continuous improvement of business processes from an environmental, social and societal point of view. The CoC also governs the way we engage with business partners and customers.

The CoC prohibits all employees from engaging in any form of corruption or granting or accepting advantages. The Code of Conduct is updated regularly and its compliance is monitored.

The Tchibo Code of Conduct (CoC) is available in the [Downloads](#) section under *Tchibo Policies & Commitments*.

## Requirements for suppliers and business partners

The Tchibo Supplier Code of Conduct (SCoC) forms the basis for cooperation with business partners in the non-food sector. It sets out binding requirements for the conduct of suppliers, business partners and service providers regarding legally compliant and ethical practices. Among other things, it defines minimum requirements for working conditions and environmental standards in the production of our non-food articles and is the basis of all purchasing contracts.

We regularly develop the SCoC against the background of constantly growing requirements and on the basis of our voluntary commitments.

Further human rights and environmental requirements for our suppliers can be found in our [\*\*Agricultural policy\*\*](#).

In the coffee sector, our Responsible Purchasing Practices guide us in working with business partners. It contains our guidelines for fair cooperation, including punctual payment and enabling planning certainty.

The Tchibo Supplier Code of Conduct (SCoC), the agricultural policy and the Responsible Purchasing Practices - Coffee can be found in the [\*\*Downloads\*\*](#) section under Supplier Policies & Guidelines and Tchibo Policies & Commitments.

## Grievance mechanisms

Grievance mechanisms are an essential component in ensuring that human rights and environmental protection are firmly embedded in supply chains. They help us to identify violations of labour and environmental standards and then, at the next stage, to work together with those affected and those responsible to remedy the situation.

If grievance mechanisms are to work, people need to know that they exist, how to use them and how to formulate a complaint. And they must feel confident that their concerns will be kept confidential if they so wish. However, grievance mechanisms alone do not necessarily contribute to long-term improvements because they only provide retrospective and selective intervention. In order to change those structures that facilitate violations of workers' rights and environmental damage, we incorporate the insights gained from grievances into our longer-term measures.

Tchibo has established a system consisting of multiple grievance channels, which is intended to allow as many people as possible to report grievances. Grievances are logged and investigated by designated Tchibo employees, if possible together with local WE experts in the non-food supply chains. We also often enlist the help of external and independent experts and/or organisations for the investigation as well. This is used as the basis for an action plan, which is drawn up in collaboration with the relevant Tchibo departments, such as Purchasing. We do everything we can to resolve grievances by working together with those affected and those who have caused them. The results are then used to inform our supply chain programmes, training courses and business processes. In this way, we hope to prevent further violations.

- **Direct grievances:** Each and every person affected in our supply chains, their representatives and third parties can contact Tchibo directly, in confidence and anonymously, via any channel. In the past, for example, we have accepted grievances raised with Tchibo employees by phone, email and WhatsApp. The grievances email ([socialcompliance@tchibo.de](mailto:socialcompliance@tchibo.de)) is part of our mandatory Code of Conduct (SCoC) and must

therefore be visible in all production facilities. It is communicated consistently on our websites. The SCoC obliges producers to have grievance-handling procedures in place, which is verified in audits.

- **The WE programme:** If employees are to use the channels available, they need to know about them, know their rights and have confidence in the channels. In the factories producing Tchibo non-food items, the trainers from our WE programme are often the first point of call for employees seeking to report grievances in the factories. These trainers have developed a relationship with them based on trust. Many problems can be identified and solved together instantly.
- **Global Framework Agreement with IndustriALL Global Union:** The framework agreement defines our strategic cooperation with trade unions in our supply chains for non-food items. It provides workers with the opportunity to unionise and engage in collective bargaining, beyond our SCoC. The framework agreement also stipulates that violations are reported to us and that we work together to find a solution (see GRI 407).
- **Bangladesh: The *International Accord* (before September 2021: *Bangladesh Accord*) covers fire and building safety in Bangladesh as well as a cross-factory grievance system that workers can also use to file grievances relating to workers' rights.** All factories also have a health and safety committee to address safety-related grievances.
- **ACT on Living Wages:** Since 2020, the members' initiative has established cross-factory grievance and dispute resolution mechanisms in the textile industry in Myanmar (paused in December 2021 as a result of the military coup there – see GRI 407) and Bangladesh, which cover violations of labour rights, in particular trade union rights and wage payment. ACT is primarily supported by IndustriALL Global Union, which is why the mechanisms are based on the grievance management systems of trade unions.
- **Ear4U:** We have worked with other coffee roasters within the German Coffee Association to set up a new complaints mechanism for the coffee sector. Information on human rights and environmental violations in our coffee supply chains can be reported anonymously via an online form, free country hotlines or the SpeakUp® app. The independent company Global Risk Assessment Services GRAS supports us in reviewing and processing the reports.
- **Whistleblowing:** The whistleblowing system set up by Tchibo's holding company maxingvest ag allows all employees or anyone in a business relationship with Tchibo to contact an independent party at any time with their concerns, information or doubts regarding their own misconduct or the misconduct of others. An ombudsman council, consisting of representatives of maxingvest ag, Tchibo GmbH and the chairman of the Works Council, then draws up measures.

## Sustainable Development Goals (SDGs)

As a member of the global community, we have aligned our sustainability goals with the United Nations Sustainable Development Goals (SDGs). Our focus is on nine SDGs where we can have the greatest impact in our business model, supply chains and product ranges. They form the framework that governs how we understand social and environmental responsibility, how we define this responsibility in concrete terms for the world of Tchibo, and how we implement it across our business processes.

## SDG numbers, symbols and Tchibo's contribution

		Living Income & Living Wages		Reduced Inequalities & Real Empowerment
		Gender Equality at the Work Place		Sustainable Consumption & Circular Economy
		(Drinking) Water Protection, Sanitation & Hygiene		Climate Protection & Adaptation to Climate Change
		Decent Work, Health & Safety		Biodiversity, Chemical Management, Sustainable Farming & Forestry

GRI 201-1

## Economic performance - direct economic value generated and distributed

Information on the directly generated and distributed economic value can be found in the consolidated financial statements report of maxingvest ag.

GRI 203-1 & 203-2

## Indirect economic impact - infrastructure investments and supported services

A number of our corporate responsibility activities support services and investment in infrastructure in our supply chains. A selection of relevant projects is listed below. Further details can be found in the respective sustainability programmes (*Coffee*, *WE programme*):

### 1. Examples of indirect economic impacts in the coffee value chain

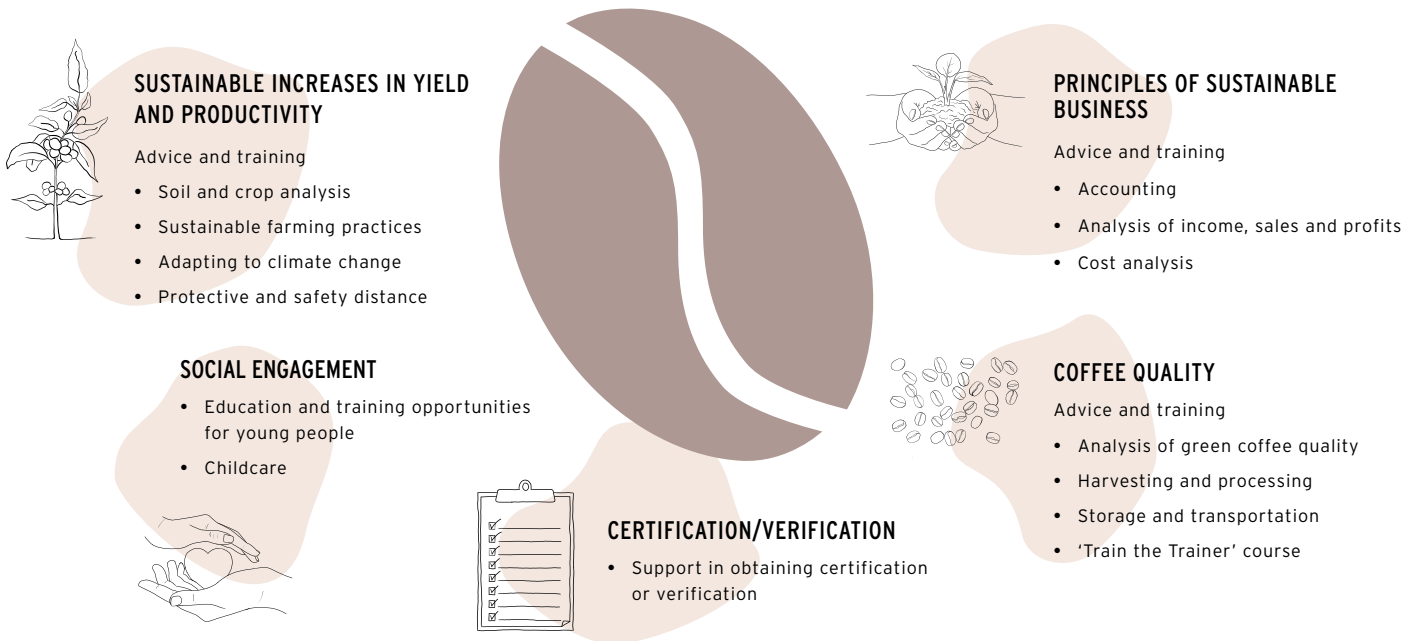
In the coffee value chain, we have identified various stages where we are actively working to achieve even greater sustainability. We want to be actively involved at local level - in the form of tailored projects, which we are bundling in our new sustainable coffee programme launched in 2023. At the same time, we believe that there is a great need for political discourse and cross-sector cooperation, because we cannot do justice to the complexity of the issue if we act alone. Moreover, some of the biggest challenges are the result of systemic failings, some of which can only be addressed through legislation. The new EU Deforestation Directive and the German Supply Chain Act (LkSG) are the first legislative approaches to meeting these challenges.

**a. Certified coffee:** We certify our coffees in partnership with the international standards organisations Fairtrade, Rainforest Alliance and the European organic certification organisations. Certification can lead to investment in more sustainable farming practices, for example, by modifying sowing, tending and harvesting processes. Since 2016, we have been reducing the proportion of certified high-quality green coffee so that we can use the financial resources freed up to develop our own coffee sustainability programme. In 2022, the share of certified coffees in the total product range was 18.8%, while in 2023 it was 17.6%. Certification enables us to support farmers in establishing sustainable farming processes and thus ensure investment in services, such as through local farmer training schemes.

**b. Tchibo supports coffee farmers and their families under the Tchibo Joint Forces!® programme:**

We launched projects to support farmers several years ago to meet our responsibilities towards people in our supply chains. For example, under the umbrella of Tchibo Joint Forces!® we have set up a children's day care centre and an infirmary in Guatemala and Honduras and supported the training of young farmers in Tanzania through coffee clubs. By 2022, we had implemented or initiated 22 projects, supporting 23,695 coffee farms. Since 2023, Tchibo Joint Forces!® has been incorporated into our new coffee programme. Projects that have already been initiated are of course being continued. Since 2023, new projects have been launched solely under the umbrella of the new programme.

**Tchibo Joint Forces!®**



**c. Expansion of our new coffee programme:** We have set ourselves an ambitious goal: From 2027, we want to sell only coffee that has been responsibly sourced. However, this cannot be achieved solely through certification, so in 2023 we further developed our existing coffee programme. We have been working together with the non-profit organisation Enveritas. Using their data, we create customised regional projects together with the people in our supply chains to help farmers improve their living conditions. Enveritas also checks whether the programmes developed are being implemented as planned and are having the desired effect.

We have been preparing for this for a long time. Working closely with local organisations, representatives from civil society, international trading firms and other like-minded people, we are forging alliances whose impact is felt at multiple levels throughout the supply chain. One first step was joining the Collective Action Initiative of the Global Coffee Platform (GCP) in Brazil, which seeks to reduce the use of synthetic fertilisers and pesticides and ensures that farmers are well trained and have access to appropriate protective clothing. We are also involved in the Collective Action Initiative organised by the Global Coffee Platform, which focuses on reducing the use of agrochemicals in Vietnam. Furthermore, we are a member of the global initiative World Coffee Research. These partnerships and the know-how gained from them is being incorporated into our coffee programme to help farmers adapt to climate change and significantly improve their livelihoods.

**d. International cooperation:** As in the non-food sector, we are also involved with policymakers in the coffee sector. After all, it is only with the support of policymakers that suitable framework conditions can be created for greater sustainability in the coffee sector. Since 2019, the Sustainability Committee of the European Coffee Federation, chaired by Tchibo, has been committed to ensuring that existing civil society initiatives have their voice heard by decision-makers at the European Commission. Tchibo is also a member of the International Coffee Organization (ICO) and thus actively participates in a sector-wide dialogue and exchange with various stakeholders. The ICO brings the governments of exporting and importing countries together to jointly tackle the challenges within the coffee sector. Thanks to this political engagement, we are able to achieve systemic change alongside our partners, which in the long term will be reflected in investments and transformation within each of the regions in which we operate.

More information on sustainable coffee farming and supply chains can be found [here](#).

## 2. Indirect economic impacts in the non-food value chain

**a. Detox training programme:** Our wide range of textile products means we work together with many wet processing companies. The use of toxic chemicals plays a major role here. To train our suppliers in the safe use of these chemicals and to reduce their use in overall terms, from 2017 to 2022 we carried out our Advanced Chemical Management Training in 59 factories. Over 60% of the textiles produced for us in 2021 came from these factories. We also support and accept other detox training programmes, for example from the Zero Discharge of Hazardous Chemicals initiative. Consequently, 94% of all textiles produced for us in 2022 came from detox-qualified factories. The change that we are bringing about here among producers also indirectly results in investment in services required to achieve our common goals.

**b. Energy efficiency in production facilities:** In 2011, we co-founded the Carbon Performance Improvement Initiative (CPI2) to help our textile producers reduce CO<sub>2</sub> emissions. Besides addressing energy efficiency, the extended online tool also tackles issues relating to chemicals and water. A total of 110 factories have used the tool to date, with 67 of them achieving the first qualification level 'bronze' or higher in at least one category. In 2020, the tool was handed over to the 'Zero Discharge of Hazardous Chemicals (ZDHC) Initiative' in order to ensure its long-term further development. Since 2021, it has been an integral part of the new online platform 'Supplier to Zero' - an innovative and free learning platform that enables the employees of our factories to deepen their knowledge about sustainable chemical, energy and water management, from beginner to expert level. In 2023, a total of 132 factories have used the new tool.

**c. WE - Worldwide Enhancement of Social Quality:** In WE, dialogue doesn't just mean getting people to talk to each other. It is a structured process aimed at creating a desirable future. Among other things, it is about motivating people to become actively involved. We have been working with WE since 2008 to improve working conditions in our producers' factories. However, more companies need to work on the root causes to drive further change in the sector. We therefore expanded the WE programme to other partner companies in 2023. Even though we no longer manage the WE programme, it remains a central pillar of our commitment to human rights. A total of 436 factories have been integrated into the programme since 2008. Currently, 86 of our supplier factories are taking part in seven countries.

## 3. Indirect economic effects in the area of 'social commitment'

**a. At the heart of society:** We see Tchibo as an active member of society, and we therefore have a responsibility to promote its interests every day, including in the workplace. It is the basis of our social activities - we are involved in educational projects in the countries of origin of our value chains as well as in social activities in our region. What is important to us is the proximity to our core business and the focus on families in need.



In addition to our extensive commitment to human rights along the Tchibo value chains for coffee and non-food items, our focus in Germany is on supporting socially disadvantaged people, especially families with children and homeless people, at our company location in Hamburg. Working together with our employees, we also provide immediate financial assistance in acute crisis situations that occur in the context of our business activities.

**b. Social commitment in our immediate environment:** As a family business, we feel a connection with those in our immediate environment who are having difficulties. We care about the people who are experiencing economic hardship, as well as those who need our human support.

We have been cooperating with the German association of food banks, Tafel Deutschland e.V., and the Hamburg-based non-profit association, Hanseatic Help, for many years, providing both donations in kind and money.

Our national and international humanitarian aid is provided through our cooperation with the German Red Cross.

In 2022 and 2023, our employees were actively involved in a variety of ways. In addition to volunteering, they donated money and coffee to our long-standing partners - the German Red Cross, Tafel e.V. and Hanseatic Help.

GRI 205-1 &  
GRI 205-2

## **Anti-corruption - operations assessed for risks related to corruption and communication and training about anti-corruption policies and procedures**

The CoC prohibits all employees from engaging in any form of corruption or granting or accepting advantages. The Code of Conduct is updated regularly and its compliance is monitored. The CoC is part of the welcome folder for new employees, along with their contracts.

GRI 205-3

## **Anti-corruption - confirmed incidents of corruption and measures taken**

No incidents of corruption were reported or uncovered during the reporting period.

GRI 206-1

## **Anti-competitive behaviour - legal actions for anti-competitive behaviour, anti-trust and monopoly practices**

No anti-competitive practices were reported or uncovered during the reporting period.

GRI 300

# ENVIRONMENTAL STANDARDS

## Environmental standards - introduction

Our planet is facing serious environmental challenges: It is warming at an ever-increasing rate, important resources are becoming scarce, countless animal and plant species are disappearing every year, and ecosystems that have had a stabilising role for thousands of years are actively being destroyed. These challenges are already clearly apparent in many of our producing countries and countries where we source raw materials - for example in Brazil, Vietnam and India.

Our business relies on keeping the environment intact. For decades, we have at the same time contributed to these negative environmental impacts and are still partially responsible for them. In the past, we have recognised that it is time to adopt a way of doing business that prioritises the protection of our environment and its resources. We consider it our corporate duty to take responsibility for our actions, to conduct our business operations in the most ecologically responsible way possible and, thus, to safeguard the livelihoods of people everywhere and the economic basis for our company.

### In the spotlight: Climate, water, biodiversity and the circular economy

We are committed to protecting the climate, water and biodiversity and to ensuring the materials we use come full circle. Water conservation and biodiversity are particularly relevant for coffee and cotton farming and for the production of our non-food products. The threat facing both humans and the natural environment is that the soil will become infertile and that toxic chemicals will enter the water. Climate protection is as much about farming and production methods as it is about transportation of our products and the impact of CO<sub>2</sub> emissions from our offices, warehouses, shops and roasting facilities on the climate.

We have set out to identify all the critical areas and address problems step by step. Whilst we have already achieved a lot, we have also realised that there are some areas where we cannot make any more progress on our own.

In the long term, environmental protection is most effective when all stakeholders work together. Therefore, we have:

- Joined the **Zero Discharge of Hazardous Chemicals (ZDHC)** initiative and are working with multiple partners worldwide to develop solutions for eliminating hazardous chemicals.
- Signed up to the UN Fashion Industry Charter for Climate Action to reduce emissions in textile factories.
- Supported research and development projects dedicated to sustainable coffee farming, in areas such as irrigation and sustainable crop protection.
- Come together with local partners in Brazil to support the expansion of environmentally friendly farming practices for the long term and promote the cultivation of natural vegetation alongside bodies of water and the reduction of pesticides in coffee farming.
- Joined forces with Amazon, Patagonia and the Aspen Institute and founded the Zero Emission Maritime Buyers Alliance (ZEMBA) for emission-free sea freight.

Our experience has taught us that we can overcome even the greatest challenges - in a collaborative, fair and sustainable way.

## Materials

### Management approach

Every year at Tchibo we put more than 5,000 new products in our supermarket concessions, our stores and our online shop. We strive to minimise the environmental impact of manufacturing and shipping these products.

In recent years, our materials focus has mainly been on switching from conventional materials to more sustainable alternatives, for example, from conventional cotton to organically grown cotton and the increasing use of recycled synthetic fibres and plastics.

## Materials

### Challenge

There is no such thing as the perfect material or one-size-fits-all solutions. For our broad range of products, we therefore need to find individual solutions to make them environmentally sustainable. At the same time, we want to offer our customers textiles, furniture, household appliances and coffee with the same functionality and quality they have come to expect. To do this, we have to take it one step at a time. After all, innovative new materials are not usually readily available in the quantities required for the mass market

### Strategy, goals & measures

For our clothing and home textiles, we use natural fibres from organic farming or recycled material, synthetic fibres from recycled material and chemically produced fibres from cellulose or FSC-certified® wood and paper.

Unless it is necessary for quality reasons or functionality, we try to avoid the use of any materials of animal origin and promote the use of vegan alternatives. Our quilted jackets, previously made with down, are now made with synthetic padding. This predominantly contains recycled materials.

In 2020, we published our ***Animal Protection Policy***. It sets out in concrete terms our position on animal welfare and the standards we adhere to. There is a lot we have already achieved in making our animal fibre range more sustainable, starting with the elimination of high-risk materials and areas such as real fur, angora and alpaca wool. Nevertheless, we still haven't reached our target. Our next step is to ensure that all other animal fibres we use are certified by recognised and established schemes, and to create more animal-free alternatives. The final step will be to ensure full transparency throughout the supply chain.

Our overarching goal is for 100% of Tchibo textiles made from cotton, cellulose-based and animal fibres to be made of sustainable materials by 2025. To this end, in 2021 we developed sustainability roadmaps for the various product groups. These set an annual target for each product group for the proportion of sustainable materials to be achieved. For our textiles made from synthetic materials, our goal is to use 50% recycled materials by 2027.

We have recorded the sustainability requirements for materials in a 'Sustainability Integration Matrix'. For each material, this stipulates which materials, certifications or origins are preferred at Tchibo, and which may no longer be used.

For hard goods, our goal is to produce 50% of Tchibo hardware from sustainable or durable materials by 2025. To this end, we have also defined sustainability roadmaps with annual material targets for each product group. The 'Sustainability Integration Matrix' also shows the material requirements for the materials frequently used in hard goods.

In the hard goods sector, we particularly focus on plastics and synthetic fibres made from recycled materials as well as European or FSC-certified® wood and paper. We are also continually working on new ideas, such as the first non-food items made from 'I'm Green™ PE', a plant-based polyethylene made from sugar cane instead of the usual fossil resources.

## Progress

The most important natural fibre in the Tchibo range is cotton, which accounts for 44% (2023) of all textiles in our range. To reduce the human and environmental impact, we have been using 100% cotton from sustainable sources since 2023 (2022: 99%). Since 2019, we have been monitoring the supply chains for our organic cotton to verify the precise origin and processing of the raw material.

A total of 51% of our textiles with synthetics as the main material came from recycled sources in 2022 - a significant increase compared to the previous year (2021: 31%). In 2023, however, the share fell back to 30% due to costs. Because our yarns are made from recycled material and are certified with the Global Recycling Standard (GRS) or Recycled Claim Standard (RCS), we are able to prove exactly how much recycled material is in each of our products.

In 2022, 97% of our textiles made from man-made, cellulose-based fibres came from sustainable sources, although the proportion fell to 76% in 2023 due to costs and data. A very high level of 96% was reached again in the first half of 2024. As part of the transition to the next step of more sustainable fibres, we used the eco-friendly viscose fibre Livaeco™ by Birla Cellulose™ in our products for the first time in 2020. In 2021, we used a TENCEL™ Lyocell fibre (made using REFIBRA™ technology) that is produced, among other things, from cotton scraps left over from garment manufacturing and fresh pulp.

Animal fibres make up just 1% of our materials and are mainly found in leather, wool or down products. It has been many years since we used real fur and angora wool. We have not used mohair (memorandum) in any of our products since 2018, and since 2020 we have stopped using alpaca wool. We used recycled cashmere for the first time in 2020. Since 2021, we have only been using cashmere wool that has been recycled or that meets the Good Cashmere Standard set by the Aid by Trade Foundation. Our supply contracts explicitly ban the practice known as mulesing to produce the merino wool used in our products. Since 2022, we have been sourcing only merino wool that is certified by the Responsible Wool Standard (RWS) for our merino wool products.

In the hard goods sector, wood and paper are key materials for us. The share of our products containing wood and paper from sustainable sources (FSC®-certified/FSC® C022597) has increased continuously in recent years: from 45% in 2021 to 47% in 2022 and 50% in 2023. We have also extended product durability and the use of different types of sustainable materials. For the first time, recycled material has been used for kitchen products made of cast iron and stainless steel. We have significantly increased the share of our hard goods that contain recycled or organic-based plastic: from 5% in 2021 to 19% in 2022 and 17% in 2023.

# The circular economy

## Challenge

Increasing the share of recycled and certified materials in our products is a worthy milestone. The biggest challenge, however, is to close material cycles by ensuring that all products, ranging from packaging to our textiles and hard goods, are as recyclable as possible and can be reprocessed into new products after use. Realising this requires innovations in production, disposal, sorting and recycling along the value chain and product life cycles.

## Strategy, goals & measures

We believe that a circular economy begins with the way we design and package our products. We use recycled materials to close the material cycle and drive demand for recycled materials in the supply chain. We also ensure our products will last by using durable, high-quality materials and a robust design. However, producer responsibility in the industry should go even further than this. Therefore, we are currently analysing gaps in the actions we take to promote a circular economy. Our long-term goal is to design products in such a way that most of the components can be recycled at the end of the product's life. We therefore need design guidelines that are taken into account in product design, as well as meaningful end-of-life solutions in the individual sectors.

In 2022, we set up the Circular Solutions Lab for this purpose. It allows us to explore circular ideas in an experimental and collaborative environment and also directly test them on the market. The team provides its expertise and networks in the circular economy sector to develop new ideas for recyclable products, business models, processes and material innovations, as well as human and financial resources to support the relevant specialist departments. For example, unpackaged coffee, virtually plastic-free non-food packaging, reusable shipping packaging, recycled textile materials, durable products and second-hand offers have already been realised together with colleagues. The Circular Solutions Lab team has also launched the Circular Solutions Academy, an internal training programme for Tchibo colleagues that has met with a great response.

In 2023, we set up our own store on the Sellpy platform for used, good condition Tchibo clothing. We are therefore helping to ensure that unworn clothing gets used again rather than gathering dust in wardrobes or being thrown away. This is also part of the circular economy.

Circular economy and resource conservation also include the reusable range in our shops. Since 2019, customers have been able to fill their own coffee jars with coffee beans or ground coffee in our Tchibo shops. We also serve coffee to take away in reusable cups that customers bring with them. Following several pilot projects in Bavaria (2019/2020) and Tübingen (2022), we introduced our own reusable deposit cup system in all shops at the end of 2022. For a one euro deposit, customers can take their favourite hot drink with them in a Tchibo reusable cup. The cup can be returned to any Tchibo shop or refilled. The Tchibo cups are made from recycled polypropylene and at the end of their life are reprocessed by the manufacturer into new products (e.g. furniture) - a further step towards a circular economy.

## Progress

In order to close the cycle of recyclable materials, we are continuously expanding our use of recycled materials in new product categories. We first started using recycled yarn in our swimwear and sportswear in 2018. Also in that year, we used recycled wool from waste wool for the first time. Since 2020, we have been selling products

made from recycled cashmere. In 2021, we used recycled yarns for lace in our women's underwear for the first time. Since 2021 we have also been using textiles with TENCEL™ lyocell fibres (produced with REFIBRA™ technology), which are made using cotton waste from clothing production and fresh pulp. In 2022, we also used recycled cotton in our textiles for the first time. In 2023, we prepared for using recycled textile waste in products made from synthetic fibres.

## Sustainable packaging

### Challenge

Household appliances, clothing, coffee: Our products come packaged to protect them on their journey to Tchibo shops, supermarkets and customers, with all the necessary product information printed on the packaging. The customer must dispose of the packaging after removing it; manufacturing the packaging consumes a vast amount of resources and the waste pollutes the environment. In Germany alone, 19.7 million tonnes of packaging waste were generated in 2021 (Destatis, 2023). This is a problem we at Tchibo are acutely aware of.

In the non-food product sector, the biggest challenges lie in protecting and transporting products. We have, however, already succeeded in finding sustainable packaging here. The crucial need to protect products, for example, can where necessary be met by alternative materials such as FSC-certified® cardboard or recycled plastic.

The coffee sector faces particularly tough challenges with packaging. Packaging coffee in a way that preserves its fresh aroma is very challenging, as the packaging must protect the coffee from external influences such as oxygen, light and moisture. Airtight coffee packaging is a top priority, because the delicate coffee oils, as well as the aroma, also react sensitively to oxygen and can become rancid without protective packaging. Due to the high standards required, the coffee sector has thus far mainly used plastic / aluminium composite foils, which cannot be mechanically recycled and are thereby sorted into thermal recycling (waste incineration).

### Strategy, goals & measures

We are improving our packaging all the time, focusing on four key aspects:

- Reducing the amount of material used and promoting reusable solutions.
- Using materials from certified, responsible sources.
- Making our packaging easier to recycle.
- We are constantly seeking and developing new approaches to solve particularly complex problems with innovative solutions.

#### Reduction of material & reusable solutions

In order to meet our goal of using as little packaging as possible, our packaging developers look at each product and evaluate how much packaging it needs for protection (as a minimum) in order to minimise the use of materials as far as possible.

In addition to reducing the amount materials we use, we are also pursuing reusable solutions. This includes launching the third test phase of our reusable shipping bag in 2023. It comprises 70% recycled materials and

can be returned to the shop by customers or folded up and dropped in the letterbox. This way, the bags find their way back to our dispatch warehouse and can be used for the next order. In the current test phase, we are using 26,000 reusable shipping bags.

### **Materials from certified, responsible sources**

When it comes to choosing materials, we use certification to ensure that they come from sustainable sources, such as certification according to the criteria of the Forest Stewardship Council® (FSC® C022597). We have also gradually increased the use of recycled materials, such as in our shipping bag, which is made from at least 80% recycled plastic waste. Our goal is for 100% of our packaging to be made from recycled or certified materials by 2025.

### **Recyclability**

As a third lever, we are continuously working on improving the recyclability of our packaging so that the materials can be reused. Our target for the recyclability of packaging is 100%. We have already achieved a continuous rate of over 98% in the non-food area. In the area of coffee packaging, our goal is to convert all Tchibo brand coffee packaging to be recyclable by 2025 in the DACH region, and by 2027 in the remaining countries in which we operate.

### **Seeking out and developing new solutions**

We also want to promote the use of renewable raw materials, even if this is particularly challenging when combined with the complex requirements for food packaging. To this end, our R&D team is continuously researching innovative and sustainable coffee packaging and materials that are recyclable and offer consistently high coffee quality.

### **Progress**

In 2023, we achieved a breakthrough in the area of coffee packaging. Some of our coffee range will now be packaged in a recyclable film made from adapted plastics instead of a non-recyclable composite film. In Germany, the new film can be disposed of and recycled in the yellow bin and saves 31% to 45% CO<sub>2</sub> (depending on the product range) compared to the previous film. The new, more sustainable packaging will initially be used for three coffee ranges: the Barista Espresso and Caffé Crema coffees, the pods and the Espresso and Caffé Crema range from mild to strong. More ranges are to follow.

Transporting products creates a lot of packaging that customers do not see. By using thinner corrugated cardboard for transport containers, we have not only saved material and weight, but also CO<sub>2</sub> emissions and water.

In 2020, we introduced our new packaging for non-food items. It is mostly paper, with a plastic hook made from 90% recycled plastic. Plastic outer packaging is used only for a few products made from fragile materials, such as pans with a delicate coating. We have thus been saving 30 million plastic bags per year since 2020. In 2021, we saved further packaging materials by, for example, reducing the size of paper sleeves and collapsible boxes and continuing to reduce the packaging of our non-food items. By reducing our sock packaging, for example, we are able to save up to 50% cardboard per packaging item.

In reusable solutions, we launched the third round of our reusable shipping bag test in 2023 (see above).

In non-food packaging, we were able to further reduce the amount of material used in 2023. For example, we saved more than 30% on materials for our trouser packaging and over 60% for towel packaging. An extra label for sustainability messages has also been dropped. Further reductions for 2024 have been decided on and are being implemented.



In the coffee sector, Cafissimo and Qbo coffee capsules are already recyclable and can be disposed of in Germany via the yellow bin. We also made significant progress with our Qbo capsules in 2021. The capsules are now made from 70% renewable raw materials (mass balance approach according to the International Sustainability & Carbon Certification [ISCC PLUS] system). Organic waste and by-products from the catering, food and wood processing industries are used for the production of the capsule material. This reduces the use of fossil resources such as crude oil.

## Aftersales

### Challenge

At Tchibo, we strive to offer our customers products that are as long-lasting as possible. For us, this also includes providing an aftersales service. The idea that faulty products should simply end up in the rubbish and be replaced by something new does not fit our understanding of sustainability. However, our wide range of products also presents us with challenges in this area, because every product needs an individual aftersales service. Nonetheless, it is our goal to provide this service for our customers in as straightforward and satisfactory a way as possible.

### Strategy, goals & measures

We currently offer aftersales services in four different areas: non-food, furniture, coffee machines, and watches and jewellery. The non-food division includes various electronic devices sold by Tchibo, such as sewing machines and stereo systems. In the long term, we plan to extend this service to non-electronic items such as textiles.

Depending on the problem with the product and on its price range, we enable our customers to exchange or repair their Tchibo product or provide them with the appropriate spare parts, unless they are commonly used items such as light bulbs. Coffee machines that we cannot repair and send back to customers are used to obtain spare parts. Non-food items are generally professionally disposed of, and gold jewellery is melted down. Nevertheless, we are always looking for alternative solutions that will allow us to optimise the reuse of defective products. For example, we have donated products to an upcycling start-up.

Customers whose product has a defect can contact us via the Tchibo website or the service hotline to take advantage of the repair or exchange service. Direct ordering of relevant spare parts can be done using our online order form. To provide a good service, we have long been working with numerous repair centre partners in different regions of Germany, each specialising in different Tchibo product lines and handling spare parts, repairs and replacements for us.

It is important to us to make the aftersales process as efficient and resource-saving as possible. To this end, we are working on optimising and automating our internal processes and thus streamlining them. Our decisions about how to optimise our services are always based on data. We also keep an eye on current trends and innovations. This means that our aftersales services are always up to date and at the forefront of sustainable, environmentally friendly practice.

To operate in an even more sustainable way and save on unnecessary packaging materials, we always endeavour to reuse the boxes that customers use to send their items in. One problem we face is that the boxes are often branded or heavily glued by other companies.

Large items of furniture that were defective or damaged generally were collected and disposed of by a haulage company. Since the beginning of 2023, we have introduced a spare parts service instead, where we deliver the necessary spare parts to customers enabling the furniture to be repaired. For 2024, we are also planning to use returned furniture as spare parts to save resources.

Transport damage has in recent years been excessive for our decorative wood veneer parts because of spare part fragility and the shipping packaging insufficiently absorbing impacts during transport. We have therefore been using a new packaging machine since the end of 2022, which ensures safe shipping for furniture spare parts while also saving on materials.

In 2022, we tested a video call service for garden furniture. It was intended to help customers in their initial purchasing decisions as well as in assembling their furniture post purchase. However, the service was seldom used by customers and has therefore not been extended.

To tailor our services even more closely to customer needs, we have been conducting customer satisfaction surveys on an ongoing basis since the second quarter of 2022. We are currently only conducting these in Germany, but now want to expand them to Austria, Switzerland and Eastern Europe.

## **Progress**

In the non-food sector, customers used our aftersales services around 9,000 times in 2022. We processed a further 16,000 transactions in the furniture sector. Around 90,000 aftersales services were used for our coffee machines. In 2023, our aftersales services were used slightly less frequently: around 5,500 times in the non-food area, around 14,000 times in the furniture area and just under 86,000 times in the coffee machines and accessories area.

To optimise the customer experience, we want to provide answers to possible questions on the website and offer customers more targeted assistance by narrowing down their query more quickly. We have therefore created a FAQ section on our website, which can be used to narrow down complaints with the help of a few short questions and give customers specific options for action.

For our Esperto coffee machines, the online help goes one step further: in a revised workflow, we play customers targeted help videos or excerpts from operating instructions or recommend a video call with our repair experts. We introduced this service for all our coffee machines at the beginning of 2022. Many problems can be solved with the video inspection. Unnecessary postal effort is then avoided and the service experience for our customers has been improved. In 2022, we made more than 4,300 video calls in Germany, Austria and Switzerland, and around 6,000 in 2023. In both years, customer satisfaction was 4.7 out of 5, and resolution rates were around 30%.

Overall, we are working on an improved self-service experience for our customers: through dynamic FAQs on our website, the customer's concerns can be narrowed down more quickly and they can be offered more targeted assistance.

## Materials used by weight or volume

### Non-Food

Materials used for textiles by weight: The materials used for our textiles were 100% sourced from external suppliers and therefore from external sources. The data comes from our purchasing contracts and is therefore accurate.

MATERIALS (KG)	2022	2023
TOTAL	23,894,334	17,405,161
<b>NON-RENEWABLE</b>		
SYNTHETIC	8,996,558	7,848,737
OTHER	54,915	39,436
<b>RENEWABLE</b>		
COTTON	11,982,282	7,370,252
MAN-MADE CELLULOSE-BASED FIBRES	2,461,821	1,938,197
ANIMAL FIBRES	218,653	115,247
OTHER	180,105	93,292

Materials used for hard goods by weight: We are currently unable to publish materials used for hard goods due to a lack of information. We are working on adapting our IT system to be able to report on this data in the future (within the next five years).

## Packaging

Packaging materials used: The materials used for our packaging by weight reflect the amount of packaging materials put into circulation by Tchibo, which are typically treated as waste by the end user. The data comes from our quantity report for packaging licensing. We will receive the final, verified data for 2023 in summer 2024.

		2019	2020	2021	2022	2023
QUANTITY OF PACKAGING MATERIALS PLACED ON THE MARKET BY TCHIBO IN TONNES	TOTAL	13,575	14,574	14,852	12,330	
RENEWABLE	PAPER/CARDBOARD	9,317	10,519	11,196	9,180	
	PLASTIC	2,255	1,948	1,706	1,468	
	COMPOSITE PACKAGING	1,713	1,830	1,678	1,408	
NON-RENEWABLE	GLASS	269	261	256	248	
	ALUMINIUM	3	1	1	2	
	TIN PLATE	16	3	2	1	
	OTHER	2	12	23	23	

GRI 301-2

## Recycled input materials used

The percentages of recycled source materials used to produce our main products and services are:

- 13% of fibres in textiles (material weight) were from recycled sources in 2023 (2022: 20%).
- 19% of hard goods with plastic contained recycled plastic in 2022. In 2023 it was 17%.

GRI 301-3

## Reclaimed products and their packaging materials

In 2022/2023, we did not take back any disposable packaging directly after its usage. Since 2023, we have been providing the take-back of reusable coffee-to-go cups via our own deposit system. For several years now, we have been testing the use of reusable shipping bags that can be returned to us by post.

The take-back and recycling of packaging is regulated by law in Germany. Tchibo fulfils this legal obligation, licensing all packaging placed on the market and thus ensures that 100% of the packaging used can be disposed of by consumers, free of charge and with minimal effort, by placing it in waste paper bins, yellow recycling bags, recycling bins or by taking it to their local recycling centre.

We meet the legal requirements for electrical and electronic equipment and batteries by participating in take-back systems. Since January 2022, we have been taking back comparable waste electrical appliances free of charge when a new electrical appliance in category 1, 2 or 4 is purchased (Section 17 of the ElektroG). Apart from old electrical appliances, we did not take back any other products after their use phase in 2022/2023.

GRI 302

## Energy

GRI 103-1/2/3

## Management approach

### Challenges

From roasting coffee and providing lighting in our stores all the way to the packaging of Tchibo products and shipping to customers, energy is an indispensable resource in our business. But the use of fossil energy sources releases critical greenhouse gases, which is why a shift towards CO<sub>2</sub>-free renewable energy sources is important. These are not yet available in sufficient quantities. It is therefore even more important to keep all consumption as low as possible. We are consistently reducing the use of energy at all locations in Germany (headquarters, roasting facility, warehouse and stores) as well as in our subsidiaries in other countries.

### Strategy, goals & measures

What we are doing:

- To manage the environmental impact of our administrative and warehouse sites, we follow the ISO 14 001 standard and document any significant consumption.
- We also have a certified energy management system compliant with ISO 50 001 at our production sites (roasting facilities) in Germany.
- Our sites in Germany have been supplied with certified electricity from 100% renewable energy sources since 2008. This applies to the two roasting facilities in Hamburg and Berlin, the distribution centres in Gallin and Neumarkt, the company headquarters in Hamburg, and all Tchibo stores in Germany for which we purchase the electricity ourselves. Since 2015, all locations in Austria and, where possible, the stores have also been supplied with green electricity. Since 2021, the warehouse site in Cheb (Czech Republic) and our roasting plant in Marki (Poland) have also been supplied with electricity from renewable energies.

At our distribution centre in Gallin, we started an energy-saving process in 2017 that continues on an ongoing basis. For example, we have implemented an energy management system with improved metering. Heating pipes have been insulated in the outgoing goods area. Furthermore, the lighting has also been optimised in many areas and upgraded to LED.

### Progress

Total energy consumption at Tchibo has fallen steadily in recent years. While it was still 194,187 MWh in 2019, it fell to 181,974 MWh by 2022 - a decrease of around 6%.

This was primarily achieved through lower natural gas consumption at the roasting facilities and in German stores. However, electricity use was also lower in roasting facilities, stores and administration. The reductions were also due to pandemic-related changes in business operations.

Our energy reduction target is to save 10% by 2030 based on 2018 levels. To achieve this energy reduction target, planned energy-saving measures include the following:

- Increasing energy efficiency in roasting facilities by 1.5% year on year.
- Gradually transitioning to electric vehicles for our vehicle fleet.
- Expanding the use of LED lighting at the head office and in our stores in Germany.
- Saving energy by adopting green IT.

By implementing these measures, our total energy consumption is projected to drop from 199,000 MWh in 2018 to 179,000 MWh by 2030. We achieved this target in 2020 due to the pandemic; store closures and significantly lower utilisation of our administrative locations were key drivers. In 2021, emissions consumption rose again slightly due to pandemic-related restrictions coming to an end. In 2022, we recorded a slight reduction in energy consumption in many areas. However, our electricity consumption increased as we moved our warehouse in Bremen from Scope 3 to Scope 1 & 2 as part of our climate accounting. Consequently, we consumed a total of 181,974 MWh in 2022. We do not yet have the figures for 2023.

GRI 302-1

## Energy consumption within the organisation

	2019	2020	2021	2022
FUEL CONSUMPTION (NON-RENEWABLE)	109,668 MWh	100,157 MWh	104,426 MWh	103,022 MWh
FUEL CONSUMPTION (RENEWABLE)	0 MWh	0 MWh	0 MWh	0 MWh
ELECTRICITY CONSUMPTION	78,236 MWh	69,901 MWh	65,221 MWh	73,190 MWh
HEATING ENERGY, COOLING ENERGY, STEAM CONSUMPTION	6,264 MWh	5,145 MWh	8,765 MWh	5,761 MWh
ELECTRICITY SOLD	0 MWh	0 MWh	0 MWh	0 MWh
HEATING ENERGY SOLD	0 MWh	0 MWh	0 MWh	0 MWh
COOLING ENERGY SOLD	0 MWh	0 MWh	0 MWh	0 MWh
STEAM SOLD	0 MWh	0 MWh	0 MWh	0 MWh
TOTAL ENERGY CONSUMPTION	194,187 MWh	175,198 MWh	178,412 MWh	181,974 MWh

Energy consumption within the organisation is calculated using the following standards and methods:

- **The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)**
- **The Greenhouse Gas Protocol: Scope 2 Guidance**

GRI 302-2

## **Energy consumption outside the organisation**

At present, there is no primary data from the upstream and downstream value chain that provides information on energy consumption. We are already working on collecting such data in significant parts of the value chain. Currently, however, this is only available selectively and does not yet meet our requirements for data quality. We therefore do not publish this information.

GRI 302-3

## **Energy intensity**

No information is thus far available. The heterogeneous product range, consisting of food, hard goods, textiles and services, hardly allows a consolidation into a meaningful organisation-specific parameter, which is why we do not currently use such a key figure.

GRI 302-4

## **Reduction of energy consumption**

Compared to the baseline year 2018, we were able to reduce our energy consumption in Scope 1 & 2 by 17,743 MWh in 2022, which corresponds to almost 8%. The respective business areas take the data from invoices or meter readings, with a small part being based on estimates. Our energy-saving measures are managed in a decentralised manner at the respective locations, so the total savings cannot be broken down into individual measures.

GRI 302-5

## **Reductions in energy requirements of products and services**

No information is available. The heterogeneous product range, consisting of food, hard goods, textiles and services, hardly allows a consolidation into a meaningful product-specific energy requirement, which is why we do not currently use such a key figure.

**Management approach****Challenges**

Intact ecosystems with a variety of animals, plants and tiny microorganisms form the basis for our lives and economies. Healthy and fertile soils, insects for pollination, clean water and climate regulation make it possible for us to grow the raw materials for our Tchibo coffees, textiles, furniture and household products. At the same time, the number of species on our planet that are disappearing for good is increasing at an alarming rate, and intensive land use is a major factor driving the deteriorating state of the Earth. The loss of habitats and the animal and plant species that live there is particularly high in those places where raw materials are farmed or processed. For us, the most pressing problems are in the areas of coffee and cotton farming, forestry and textile production.

**Strategy, goals & measures**

Our goal is to protect and promote the diversity of plant and animal species as well as their habitats in the high-risk areas of our supply chains.

The measures and actions are defined based on the principle of materiality and impact: Where does Tchibo have the greatest possible influence, and how can a scalable impact be achieved? With the help of risk analyses on the impact of our company's activities on biodiversity, we have identified our main risks in relation to our products, supply chains and production countries, and focus initially on coffee and cotton farming, textile production and forestry.

Our sustainability measures cover **four spheres of activity**:

**1. Use of sustainable materials and coverage of environmental protection criteria through raw material standards:**

- Cotton from sustainable sources, for example, certified according to the Organic Content Standard (OCS) or the Global Organic Textile Standard (GOTS)
- Green coffee certified according to the Rainforest Alliance, UTZ, Fairtrade or organic standards
- Wood products certified according to the Forest Stewardship Council® (FSC® C022597) or from regional forestry with strict environmental standards

**2. Farm and factory projects:**

- Projects to support farmers in the transition to sustainable farming of cotton and coffee, for example, through training on pesticide application and reduction, non-chemical crop protection and efficient irrigation
- Projects for textile production without chemicals that are hazardous to the environment and health, for example, by providing training for factory workers and support in monitoring chemical stocks with digital systems



### 3. Stewardship and landscape projects:

- Protecting ecosystems by establishing sustainable coffee and cotton growing regions and sustainable textile production. This includes partnerships with producers in the growing countries as well as with international sector initiatives. You can find a list of our partnerships in the coffee sector at [tchibo-sustainability.de](https://www.tchibo.com/sustainability/de).

### 4. Transformation:

- Supporting biodiversity conservation in the textile, cotton and coffee sectors and beyond
- Promotion of science & development
- Raising awareness among customers and employees about the relevance of biodiversity

In addition to the above-mentioned target and our measures, we want to set ourselves science-based targets for nature in the future. To this end, we have joined the Science Based Targets for Nature Corporate Engagement programme of the Science Based Targets Network, which is working on the development of a guideline for the creation of science-based goals.

## Progress

In terms of our sustainability measures, we achieved the following in 2022/2023:

### 1. Use of sustainable materials and coverage of environmental protection criteria through raw material standards:

- We were able to increase the proportion of our cotton from sustainable sources (e.g. certified in accordance with the Organic Content Standard (OCS) or the Global Organic Textile Standard (GOTS)) from 98% in 2021, 99% in 2022 and to 100% in 2023.
- In 2023, 17.7% of our green coffee was certified in accordance with Rainforest Alliance, Fairtrade or organic standards. In 2022 it was 18.8%.

### 2. Farm and factory projects:

- Tchibo has been part of the Organic Cotton Partnership initiative in India since 2022. As part of the project, around 12,000 farmers receive support for three years in converting from conventional to organically grown cotton. Funding from the German Federal Ministry for Economic Cooperation and Development enables access to GMO-free seeds and training. Textile companies such as Tchibo are also supporting the project by providing purchase guarantees and premium payments for sustainably grown cotton. In the first year, Tchibo was able to purchase 500 MT of cotton and secure a 10% premium payment for farmers. This is intended to ensure that organic farming is worthwhile for farmers and that the risk of conversion is shared by textile companies.

### 3. Transformation:

- ECOFFEE R&D project of the Cirad agricultural organisation, with the aim of reducing synthetic pesticides in coffee farming

- Piloting of the Textile Exchange Biodiversity Benchmark
- Participation in the Science Based Targets for Nature Corporate Engagement programme of the Science Based Targets Network
- Various memberships, such as Biodiversity in Good Company, Organic Cotton Accelerator, Textile Exchange

GRI 304-1

### **Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas**

Tchibo operates subsidiaries in Bulgaria, Germany, Hong Kong, Austria, Poland, Romania, Switzerland, Slovakia, Czech Republic, Turkey and Hungary. The majority of our sites are stores (a total of 900, 550 of which are in Germany) in densely populated areas and inner cities.

GRI 304-2

### **Significant impacts of activities, products and services on biodiversity**

Biodiversity analyses have shown that our greatest impact on biodiversity is not in our direct operations but where the raw materials, such as coffee and cotton, are farmed for our products. Land use has the greatest impact here. Coffee and cotton are the raw materials with the greatest impact in this context. On the product side, coffee and textiles account for the largest share.

GRI 304-3

### **Habitats protected and restored**

Tchibo has not designated protected habitats of its own and is not currently carrying out any rewilding projects.

GRI 304-4

### **IUCN Red List Species and national conservation list species with habitats in areas affected by operations**

Tchibo operates subsidiaries in Bulgaria, Germany, Hong Kong, Austria, Poland, Romania, Switzerland, Slovakia, Czech Republic, Turkey and Hungary. Our analyses have shown that the impact of our direct operations is small compared to impact from the supply chain. A country overview of the [IUCN Red List](#) supports this analysis.

**Management approach****Challenges**

Coffee, cotton and wood are raw materials we use on a daily basis at Tchibo. If global warming continues unabated, these raw materials will become scarce, and many millions of people who grow them will lose their current livelihoods.

The findings of international climate research show that we must immediately change course and make effective reductions in emissions. The 2015 Paris Climate Agreement sets out the goal of limiting the global temperature increase to an average of 1.5 degrees Celsius. At Tchibo, we are committed to this climate goal and are implementing concrete and ambitious climate protection measures.

**Strategy, goals & measures**

Our analyses have shown that more than 80% of our CO<sub>2</sub> emissions (Scope 1, 2 & 3, see below) are generated by growing coffee and by manufacturing textiles and other products. We therefore see great value in selling sustainable products that are produced in a climate-friendly way.

**This means:**

- Reducing our CO<sub>2</sub> emissions by using sustainable raw materials (such as organic cotton)
- Using recycled materials for our products
- Promoting environmentally friendly coffee and cotton-growing methods in a variety of projects, by reducing the use of fertilisers and pesticides
- Making our transport and logistics processes environmentally friendly
- Supporting suppliers to manufacture our products using as little energy as possible while utilising renewable energy
- For electrical devices: Developing appliances that have good consumption values during use
- Ambitious climate protection at our own sites as well. We use electricity from renewable sources at all our German sites and are investing in energy-saving measures.

By taking this holistic approach, we will save more than every second tonne of CO<sub>2</sub> in our own organisational processes (Scope 1 & 2) by 2030. In the upstream and downstream stages of the value chain (Scope 3), we want to achieve a 42% reduction in greenhouse gases by 2030.

## The Tchibo 2030 Climate Protection Targets

Our three climate protection goals are helping to limit global warming to 1.5 degrees Celsius:

### 1. Reduce energy consumption by more than 10% at own sites

Plans are in place to introduce energy-saving measures in various areas. These include increasing energy efficiency in our roasting facilities by 1.5% year on year, switching to electric vehicles for our vehicle fleet, increasing energy efficiency at our administrative sites and in our stores by using LED lighting and green IT. For specific achievements, see GRI 302, Management approach.

### 2. Reduce Scope 1+2 emissions by 51%

The use of renewable energies abroad is a key means of achieving this. Increased energy efficiency at production and logistics locations and the transition to electric vehicles also play a role. By implementing these measures, our total emissions are projected to drop from 41,000 tonnes of CO<sub>2</sub> in 2018 to 20,000 tonnes of CO<sub>2</sub> by 2030.

### 3. Reduce emissions from upstream and downstream supply chains by 15% (Scope 3)

Initial measures have been identified to reduce emissions from upstream supply chains. The increased use of sustainable materials, such as organic cotton and recycled polyester, for example, plays an important role here. Likewise, improvements in energy efficiency by logistics service providers (shipping and trucks) and the use of renewable energies by suppliers will also make an important contribution.

## Tchibo 2030 Climate Protection Targets\*

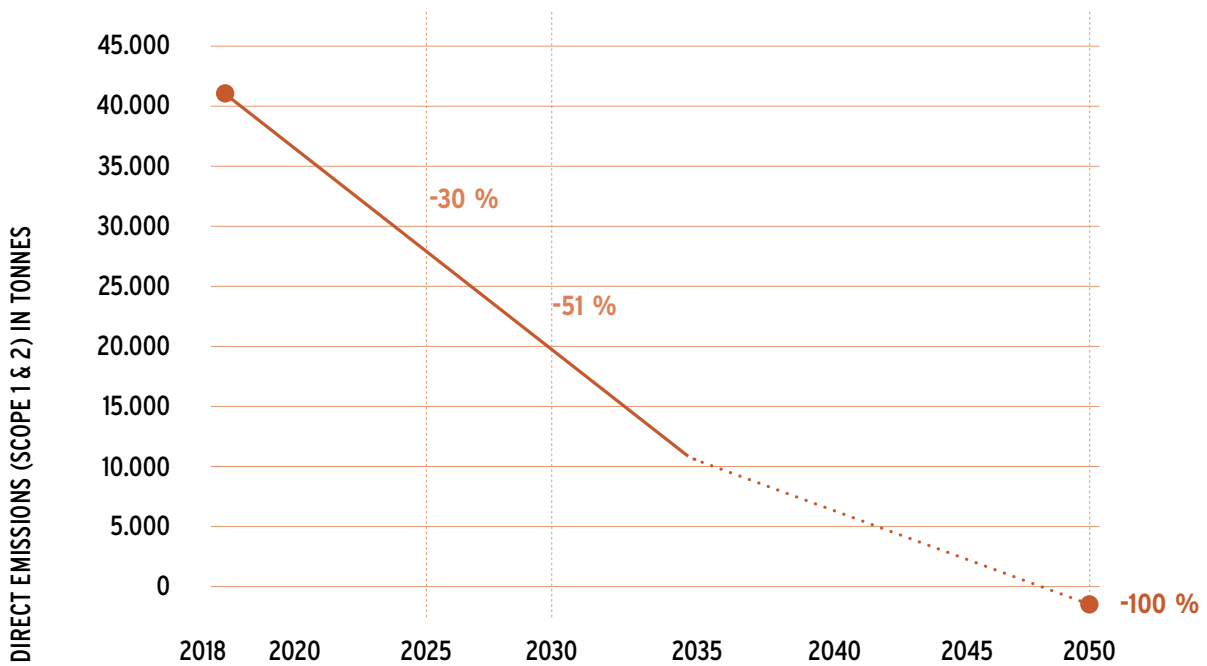
Our three climate protection targets are helping to limit global warming to 1.5 degrees.

- 1 Reduce energy consumption by 10% (electricity, gas, district heating, fuels)
- 2 Reduce Scope 1 & 2 emissions by 51%
- 3 Reduce emissions from upstream and downstream supply chains by 15% (Scope 3)

Reduction targets in line with climate science



TCHIBO SCOPE 1 & 2 EMISSION REDUCTION REQUIREMENTS ACCORDING TO SCIENCE BASED TARGETS



\*According to the Science Based Target initiative method; baseline year: 2018

Effective climate protection is achieved through cooperation. We will only be able to achieve the 1.5 degree target if policymakers, business leaders and society as a whole pull together. That is why we have been working closely for many years with our suppliers and other partners to develop fair solutions. We have signed up to the Science Based Targets Initiative (SBTi), the UNFCCC Fashion Industry Charter for Climate Action and the coffee&climate initiative, thereby ensuring effective action on climate change through global alliances.

Outlook: In 2024, Tchibo will adapt its climate strategy and develop new climate targets in line with the SBTi criteria. The focus will then increasingly be on implementing CO<sub>2</sub> reduction measures in Scope 3, i.e., the supply chain.

In 2022, Tchibo emitted 25,347 tonnes of CO<sub>2</sub> at its own sites, with its own vehicles and through the purchase of grid-bound energy (Scope 1 & 2, market-based). Our roasting facilities account for the largest share of emissions at around 50%, where we aim to achieve further savings with our ISO 50 001-certified energy management system. At the beginning of 2021, our roasting facility in Marki, Poland, was converted to green electricity, reducing our CO<sub>2</sub> emissions by over 9,000 tonnes. Overall, we were able to significantly reduce emissions in 2022 by almost 18% compared to the baseline year 2018.

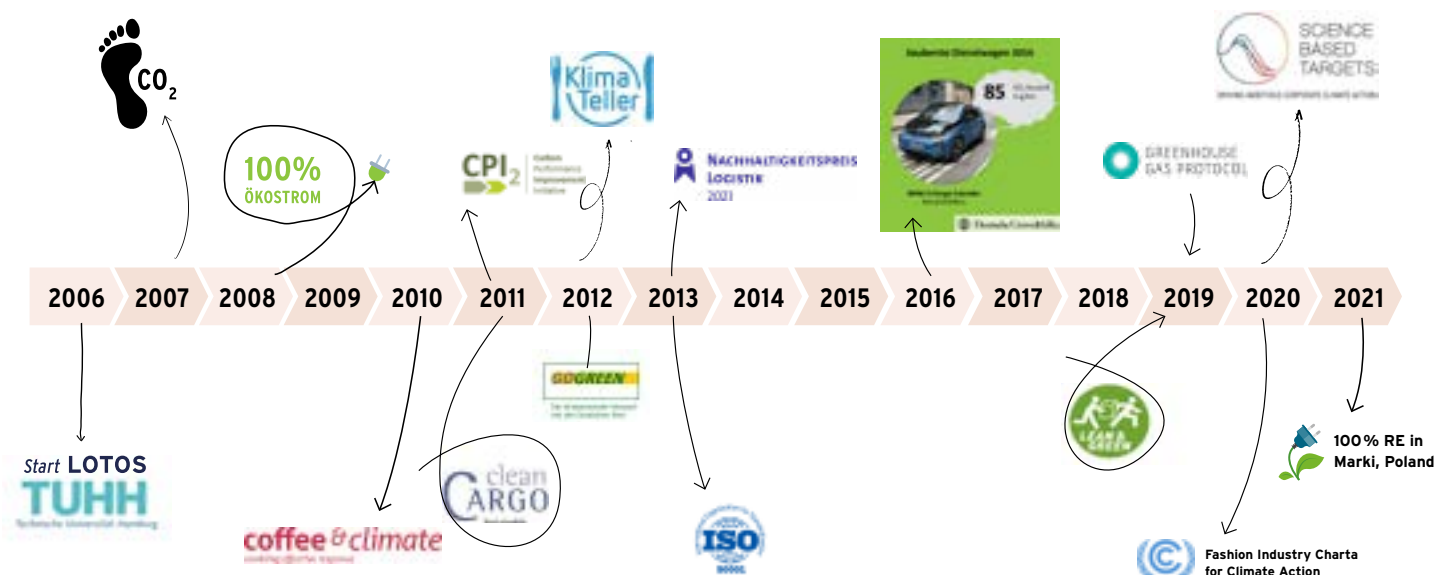
We do not yet have the data for 2023.

### **Climate action milestones at Tchibo since 2006**

- 2006: Sustainability forms an integral part of Tchibo's corporate strategy.
- 2006: 'Logistics towards Sustainability' (LOTOS) project launched with the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) and the Hamburg-Harburg Technical University.
- Since 2007, Tchibo has published annual CO<sub>2</sub> emissions data for its business operations in Germany.
- 2008: 100% certified green electricity at all German sites
- 2009: Tchibo Joint Forces!® is launched. Since then, 42,200 coffee farmers have been provided with support to grow coffee more sustainably.
- 2010: The 'coffee&climate' initiative launches.
- 2010: Magazine paper and shipping boxes are switched to FSC® paper (FSC® C022597).
- 2011: Tchibo is on track to become a 100% sustainable business.
- 2011: Tchibo becomes a founding member of the Performance Improvement Initiative (CPI2) to reduce CO<sub>2</sub> emissions in textile production.
- 2011: Tchibo becomes a member of the Clean Cargo Working Group, aimed at reducing logistics emissions.
- 2013: Tchibo's commitment to sustainability is recognised with the Supply Chain Sustainability Award and the CSR Award from the Federal Government.
- 2013: The Hamburg roasting facility receives the exacting ISO 50001 energy management certificate.
- 2014: Tchibo has been the market leader in sustainable filter coffee since 2014.
- 2015: Tchibo becomes a member of the Partnership for Sustainable Textiles, set up by the German Federal Ministry for Economic Cooperation and Development.
- 2015: 100% certified green electricity at all sites in Austria
- 2016: Tchibo takes first place in the 'Cleanest Company Car 2016' ranking by Environmental Action Germany.

- 2016: Wins an award for being Germany's most sustainable large company
- 2017: Introduction of sustainable household items made from recycled plastics
- 2018: Tchibo Share launches with a rental service for baby clothes and children's clothing
- 2019: 12 million plastic bottles and 5 tonnes of fishing nets are recycled in textile products.
- 2019: Carbon footprint calculated according to the recognised Greenhouse Gas Protocol
- 2019: The logistics division receives the Lean & Green 1st Star from GS1 for emission reductions.
- 2020: Tchibo voluntarily offsets its employees' business flights by supporting a climate protection project in Rwanda.
- 2020: Tchibo becomes a member of the Fashion Industry Charter for Climate Action.
- 2020: Tchibo pledges to do its bit to limit global warming to 1.5°C in accordance with the criteria of the Science Based Targets.
- From 2021: 100% certified green electricity in our roasting facility in Marki, Poland
- From the end of 2021: 100% sustainable cotton
- 2023: Tchibo coffee programme roll-out
- Tchibo has set itself the target of halving CO<sub>2</sub> emissions at its own sites by 2030.

### Tchibo Climate Protection Milestones



## Direct (Scope 1) GHG emissions

We will report on our progress in 2023 as soon as we have the data.

The gross volume of direct GHG emissions (Scope 1) in 2022 was equivalent to **20,430 tonnes of CO<sub>2</sub>**.

The calculation focuses on CO<sub>2</sub>. Other greenhouse gases are not relevant in Tchibo's operational processes. Our materiality analysis showed that only CO<sub>2</sub> emissions are relevant for our operational processes, but not the other greenhouse gases. Nevertheless, strictly speaking, we always mean CO<sub>2</sub> equivalents when we provide information on CO<sub>2</sub> emissions, because the emission factors we use are based on CO<sub>2</sub> equivalents.

Biogenic CO<sub>2</sub> emissions are not relevant in Tchibo's Scope 1 and were not recorded.

In 2019, we completely overhauled the way we calculate our carbon footprint and set 2018 as our baseline year. We now also include emissions from all our overseas facilities, as well as emissions from upstream and downstream stages of the value chain, such as coffee growing. The carbon footprint is calculated according to the Greenhouse Gas Protocol (GHG), which also lays the foundation for ISO 14064.

The Tchibo carbon footprint manual stipulates that the following cases trigger a recalculation of the baseline year emissions:

**1) Structural changes in the organisational structure (such as mergers, acquisitions and divestments; outsourcing and insourcing of emitting activities)**

**2) Changes to the calculation method or a change in the source of emission factors with a significant impact on the baseline year data**

**3) Discovery of significant errors in the calculation**

Another rationale for using 2018 as the baseline year is our participation in the Science Based Targets initiative, whose regulations state that the baseline year must not be more than two years ago. Having committed to the initiative in 2020, Tchibo is using 2018 as our baseline.

The emissions factors used are taken from the following sources: DEFRA, VDA, GaBi, GEMIS.

Operational control was used as the consolidation approach for the emissions. With this approach, Tchibo assumes responsibility for activities that are within the control of the company and can therefore be influenced directly.

Our carbon footprint analysis is based on the following standards and methodologies:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- Smart Freight Centre: GLEC Framework for Logistics Emissions Methodologies



## GRI 305-2

We will report on our progress in 2023 as soon as we have the data.

### Energy indirect (Scope 2) GHG emissions

The gross volume of location-based, indirect energy-related GHG emissions (Scope 2) amounted to **29,381 tonnes of CO<sub>2</sub>** in 2022, around a quarter less than in 2020.

The gross volume of market-based, indirect energy-related GHG emissions (Scope 2) amounted to **4,917 tonnes of CO<sub>2</sub>** in 2022, almost a third lower than in 2020. Our climate targets relate to the market-based value.

For information on the collection of data and the selection of 2018 as the baseline reference year, see GRI 305-1.

Our carbon footprint analysis is based on the following standards and methodologies:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- The Greenhouse Gas Protocol: Scope 2 Guidance
- Smart Freight Centre: GLEC Framework for Logistics Emissions Methodologies

## GRI 305-3

We will report on our progress in 2023 as soon as we have the data.

### Other indirect (Scope 3) GHG emissions

The gross volume of other indirect GHG emissions (Scope 3) was **822,468 tonnes of CO<sub>2</sub> in 2022**.

Gases included in the calculation are: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFKW, SF<sub>6</sub> and NF<sub>3</sub>. The selection of included gases varies depending on the emission factor. Biogenic CO<sub>2</sub> emissions have not been explicitly included in Scope 3, but may be part of the emission factors used.

The following categories were included in the calculation:

- Purchased goods and services
- Capital goods
- Fuel and energy-related emissions
- Transport and distribution (upstream)
- Waste
- Business travel
- Employee commuting
- Use of products sold
- Franchises

For information on the collection of data and the selection of 2018 as the baseline reference year, see GRI 305-1.

Our carbon footprint analysis is based on the following standards and methodologies:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- Smart Freight Centre: GLEC Framework for Logistics Emissions Methodologies

GRI 305-4

## **GHG emissions intensity**

No information is available. The heterogeneous product range, consisting of food, hardware, textiles and services, hardly allows a consolidation into a meaningful energy intensity, which is why we do not currently use such a key figure.

GRI 305-5

## **Reduction of GHG emissions**

Compared to the baseline year 2018, we were able to reduce our Scope 1 & 2 emissions by 15,290 tonnes of CO<sub>2</sub> in 2022, which corresponds to a reduction of a good 18%. The respective business areas take the underlying consumption values from invoices or meter readings, with a small part being based on estimates. Our reduction measures are managed in a decentralised manner at the respective locations, so the total savings cannot be broken down into individual measures.

In comparison to the baseline year 2018, our emissions in Scope 3 2022 fell by 123,840 tonnes of CO<sub>2</sub>, which corresponds to around 13%. The reason for this is increased purchasing volumes, which have a direct impact on the calculated emissions. The background to this is that, in the absence of primary data from the value chains, we use weight or value-based emission factors to calculate our Scope 3 emissions. As a result, reduction measures implemented by suppliers are not reflected in the carbon footprint. In a project planned for 2022, we want to pilot a calculation method that also takes primary data into account. This will allow us to obtain a more accurate picture of the actual emissions in the supply chains in future.

GRI 305-6

## **Emissions of ozone-depleting substances (ODS)**

No information is available.

GRI 305-7

## **Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions**

No information is available.

## Waste

### Management approach

#### Challenges

No manufacturing company can avoid generating waste. At Tchibo, we address this issue on several levels: in our supply chains, such as in the growing and processing stages, from coffee cherry to coffee bean; at the production level, such as in our two coffee roasting plants; at the packaging level, because many of our products, such as coffee, cannot be sold without packaging; and also at the level of our administration and warehouse buildings. One particular challenge we are working on is the volume of packaging material in logistics.

#### Strategy, goals & measures

Our strategy can be summarised in three words: reduce, reuse, recycle. This means, for example, reducing our use of paper and cardboard and meeting the demand that remains with materials from certified responsible forestry and recycled materials, such as recycled plastic. We have reduced our plastic consumption by using paper sleeves to package our clothing rather than plastic film, for example.

We are developing solutions that enable our packaging to be recycled after use and returned to the raw material cycle. Where possible, we use reusable transport boxes for the delivery of picked goods to our shops and supermarkets.

We are constantly looking for innovative ways to use and recycle the waste generated in the production of our coffee. We have used paper made from coffee grounds for the cover of our 2019 Sustainability Report.

As a producer of waste, Tchibo is responsible for ensuring that the waste it generates is properly disposed of or recycled. For this reason, we collect data regarding waste at our administrative, production and warehouse sites, as well as at warehouse sites operated by external service providers.

Tchibo has not set any quantifiable targets for waste reduction and avoidance. Nevertheless, we are constantly working on new and innovative solutions to reduce the amount of waste generated by our company.

#### Progress

Our waste balance since 2018 for the Tchibo sites shows that our overall waste volume is falling. From 2019 to 2023, we more than halved our waste volume: from 8,616 tonnes in 2019 to 4,170 tonnes in 2023 (2022: 5,813).

The amount of waste at storage locations operated by service providers also fell overall after a slight increase in 2021: from 4,182 tonnes in 2019 to 3,380 tonnes in 2023 (2022: 3,766).

### Waste generation and significant waste-related impacts

Generated waste and the associated waste-related impact can be divided into two areas. At our own sites and at sites operated by service providers, some waste is generated from packaging waste that we receive from

the upstream value chain, such as transport cartons for transporting the goods from the production countries to Germany. Other waste is generated from the activities at the respective sites, such as roasting in the coffee roasting plant or at our administrative site in Hamburg.

The second relevant area is the waste generated by end consumers through our product packaging of non-food products and coffee in the downstream value chain.

GRI 306-2

## **Management of significant waste-related impacts**

All management measures for the circular economy and waste avoidance can be found in GRI 301 (GRI 103-1/2/3).

We cannot currently provide any information on the process by which we determine whether the waste is managed by our waste management service provider in accordance with contractual or legal obligations.

We collect waste-related data at our sites or at sites operated by service providers via the waste balance of our waste disposal service provider. We collect packaging waste-related data (see GRI 301-1) through our packaging licensing and annual quantity reporting.

GRI 306-3/4/5

## **Waste generated, waste diverted from disposal, waste directed to disposal**

We receive the data on the waste generated at our own locations and at the locations operated by service providers from our waste disposal service provider in the form of an annual waste balance.

The data on packaging waste generated by end consumers in the downstream value chain can be found in GRI 301-1.

## Environmental compliance & environmental assessment of suppliers

### Management approach

#### Challenges

Regulations and laws or voluntary initiatives aim to increase environmental protection and conservation of resources - nationally, EU-wide and globally. Examples of regulations we are bound by include the European Timber Trading Regulation governing the import of timber products, the European Chemicals Regulation governing the marketing of products, emission limits for our roasting facilities and the Packaging Act.

It is of great importance to us that our business activities do not damage the environment. That is why we are proactively working on solutions that go beyond compliance with legal requirements, with the aim of making a significant contribution to greater environmental protection and conservation of resources.

This presents us with the particular challenge, among other things, of establishing mechanisms and structures for increased environmental protection and conservation of resources in all the relevant phases of a product's life cycle: from design to manufacture and the selection of raw materials, from production processes to packaging and returning waste to the cycle of materials.

In our own roasting facilities, environmental teams ensure compliance with legal requirements. The roasting facilities are also inspected annually by the appropriate environmental authorities.

Tracking down violations in our supply chains is something that is far less easy for us. The greatest risk here comes from the farming of raw materials and subsequent processing of raw materials outside the EU. Especially in the farming of raw materials, the challenge of identifying violations throughout all our supply chains is extremely difficult and sometimes virtually impossible to achieve. One reason for this is that coffee, cotton and wood farming are done on a very small scale. In many cases, the farmers only cultivate a few hectares. Due to the complexity of supply chains, it is often impossible to trace the exact origin of the coffee. This makes it difficult for us to check every single farm. Given our purchasing volumes, it is not realistic for us to individually inspect every single coffee farm throughout the entire supply chain.

Things are somewhat easier in the processing stages. Environmental audits as well as waste water test reports and inventory lists allow us to check our production facilities. However, due to complex, global supply chains and thus limited transparency, this still presents us with major challenges.

#### Strategies, goals & measures

The strategies and measures we use to ensure that the environment is protected and to prevent environmental violations can be divided into four areas:

1. **The Codes of Conduct - the principles underlying the way we do business**
2. **Measures at our own sites**
3. **Measures relating to subsequent processing/in factories**
4. **Measures relating to the farming of raw materials**

## 1. Codes of Conduct - the principles underlying the way we do business

Our binding principles of conduct for employees and all our business partners are set out in the Tchibo Code of Conduct (CoC), the Tchibo Supplier Code of Conduct (SCoC), the agricultural policy and the Responsible Purchasing Practices - Coffee. They are integral parts of our contracts. Any infringements of these codes of conduct will result in the contractual relationship being terminated.

The key international conventions and fundamental principles are enshrined in the Tchibo Code of Conduct, a binding document that serves to guide Tchibo employees in everything they do. The CoC also forms the basis for ensuring legal compliance at every level within the Tchibo organisation.

"We take responsibility for the environmental and social impacts of our actions" - this fundamental principle shapes our work in all aspects of our business processes. The Tchibo Code of Conduct defines requirements for working conditions and environmental standards.

The Tchibo Code of Conduct (CoC), the Tchibo Supplier Code of Conduct (SCoC), the agricultural policy and the Responsible Purchasing Practices - Coffee can be found in [Downloads](#) under *Tchibo Policies & Commitments* as well as *Supplier Policies & Guidelines*.

## 2. Measures at our own sites

Tchibo has implemented a multi-year investment programme to bring its coffee roasting facilities up to date with the latest roasting technologies. By the end of 2020, a total of EUR 20 million had been invested in our main roasting facility in Hamburg alone, which was spent on state-of-the-art drum and hot-air roasters. This has turned Tchibo's main plant into one of the most modern roasting plants in Europe, saving more than 1,000 tonnes of CO<sub>2</sub> per year. The modernisation at all roasting facilities is now complete.

We are also continuously reducing energy consumption in all of our roasting facilities by implementing energy management measures in accordance with ISO 50 001.

In 2019, we commissioned a software-based energy monitoring system at our Berlin plant.

## 3. Measures relating to subsequent processing/in factories

Every two years we assess the human rights and ecological situation in our manufacturing countries on the basis of recognised indices and publications by expert organisations. The results of these analyses are used to group countries into five categories, which in turn indicate the degree of scrutiny required of producers: 1) No human rights and ecological review of the individual production facility necessary; 2) Review of workers' rights and environmental standards as part of other factory visits and quality audits; 3) One-day external social and environmental audits; 4) Two-day external social and environmental audits; 5) No purchasing permitted at all.

Additional data and information can be found in the [key figures table](#).

The risk assessment for our producing countries and the resulting guidelines (Social and Environmental Country Risks and Policies) can be found in [Downloads](#) under *Tchibo Policies & Commitments*.

Further information on our approach to social and environmental audits and our commitment beyond this, for example, in the WE Programme, can be found under GRI 414.

We obtain further information on compliance with our ecological requirements, especially in our wet processing factories, via wastewater test reports or chemical lists. These documents are provided to us once a

year and are valid for one year. They provide information on whether banned or hazardous chemicals are used in textile production. On this basis, we can define further measures, such as environmental audits or training, to improve the violations.

A complete list of Tchibo's textile and wet processing factories and wet operations can be found in the [Downloads](#) under *Supply Chain Transparency* and in the [Open Apparel Registry](#).

### **Effective grievance mechanisms**

Grievance mechanisms are important to ensure that human rights and environmental protection are firmly embedded in supply chains. They help us to identify violations of labour and environmental standards and to work together with those affected and those responsible to remedy the situation. Tchibo has established a system consisting of multiple grievance channels, which is intended to allow as many people as possible to report grievances. We often involve external and independent expert organisations in our investigations. This is used as the basis for an action plan, which is drawn up in collaboration with the relevant Tchibo departments, such as Purchasing. We do everything we can to resolve grievances by working with those affected and those who have caused them. The results are then used to inform our supply chain programmes, training courses and business processes.

The following grievance channels exist: Direct complaints to Tchibo (by email or post), digital whistleblower system (also anonymous), WE moderators, local employees and external service providers and networks commissioned by Tchibo such as ACT and the International Accord on Fire and Building Safety as well as Ear4U from the German Coffee Association.

More information on grievance mechanisms can be found in the management approach to GRI 201, 203, 205 & 206.

## **4. Measures relating to the farming of raw materials**

Our biggest challenge is tracing the supply chains for sourcing the raw materials for cotton and coffee. We employ a number of strategies here to avoid or minimise environmental damage in the producing countries:

- We use certified raw materials for the majority of our non-food goods, which help to improve the environmental situation in the countries of origin thanks to their environmental standards.
- For cotton, we also focus on farm projects where we know exactly who grows the cotton and how it is grown.
- We conduct global hotspot analyses to identify environmental risks regarding biodiversity, water and climate, and use these as a basis for local environmental projects.
- We have published an agricultural policy setting out targets and zero tolerances on the topic of 'farming and its environmental impact'.
- As part of our coffee sustainability strategy, we are committed to educating small-scale farmers and sharing knowledge about sustainable farming methods and environmentally responsible and health-conscious use of pesticides and agrochemicals.
- Since it is impossible to overcome major ecological challenges such as the use of environmentally damaging pesticides through legal regulation, we are also addressing these problems at a global level and via international cooperation, with joint initiatives in Brazil and Vietnam, e.g., alongside other stakeholders from the Global Coffee Platform.

## Progress

**Non-food:** We are constantly increasing the proportion of certified raw materials:

- The number of wood products that are FSC-certified® has increased (FSC® C022597).
- 50% of the products we sell with a wood/pulp component are FSC®-certified or come from European forestry schemes (FSC® C022597) (2022: 47%).
- In 2023, 100% of the cotton used for our clothing and home textiles came from sustainable cultivation (Organic Content Standard [OCS], Global Organic Textile Standard [GOTS], Cotton made in Africa [CmiA]) (2022: 99%).

**Coffee:** We believe in sector-wide transformation processes and our own programmes:

- By 2022, we will have initiated 22 projects as part of Tchibo Joint Forces!®. We will in future focus even more strongly on our programme to develop sustainable coffee regions.

## Aims

In 2020, we developed a guideline with social and environmental criteria for the farming of our agricultural raw materials. This guideline indicates which labour practices we do not tolerate when it comes to people and the environment, and it describes the direction we want to take in the long term in farming. We have been applying the agricultural policy since 2021, at the same time using it as a guideline for the development of new projects involving farmers.

**Cotton:** Our goal of sourcing 100% of our cotton from sustainable sources by 2025 was already achieved in 2023. We also want to work directly with farmers to contribute to better living conditions.

**Coffee:** By 2027, all our coffee not already covered by certification is to come from our sustainable coffee-growing regions.

GRI 307-1

## Non-compliance with environmental laws and regulations

No incidents were reported or known to us during the reporting period.

GRI 308-1

## New suppliers that were screened using environmental criteria

We check our producers and wet processing factories on the basis of social and environmental audits and effluent test reports. While the effluent tests are standardised by the ZDHC, social and environmental audits can either be our own or those of recognised external organisations (e.g. amfori or Sedex).

We do not collect separate data for new producers and wet processing factories that have been audited according to these procedures. General data on how many of our suppliers have submitted an audit or effluent test can be found in the next section.



## Negative environmental impacts in the supply chain and measures taken

One issue of particular relevance is the reduction of negative environmental impacts caused by the use of chemicals. In 2014, Tchibo committed to counteracting the use of hazardous chemicals in textile production. The Manufacturing Restricted Substances List (MRSL) forms the basis for removing such chemicals from our supply chains. This list contains chemicals that may not be used in production. Tchibo has been a member of the **Zero Discharge of Hazardous Chemicals (ZDHC)** initiative since 2018. Since 2020, we have integrated the ZDHC Manufacturing Restricted Substances List (ZDHC MRSL) into our Social Code of Conduct. The ZDHC MRSL is already recognised as an industry standard in several producing countries. By taking a joint approach, we want to drive forward standardised requirements in the industry.

Since signing the Detox Commitment in 2014, Tchibo has systematically created transparency regarding the relevant detox upstream stages, such as dyeing plants, laundries and printing plants, in its textile value chains. In 2022, we worked with 250 different wet processing factories, compared to 211 in 2023.

- After a decline in 2021 due to the COVID-19 pandemic, we have been able to again improve our supply chain transparency in the previous two years. In 2022 it was 97%, and in 2023 98%. We have therefore missed our target of 100% supply chain transparency by two percentage points.
- Nevertheless, we have made great progress in implementing our Detox programme in our existing factories. In 2022, 68% of our factories carried out a wastewater test, compared to 64% in 2023. This provides us with information about the use of hazardous chemicals in production. The wastewater tests are published online on the platform of the Zero Discharge of Hazardous Chemicals (ZDHC) initiative. In 2022, 88% of our wet processing factories were registered on the online platform. In 2023 it was reached 94%.
- In addition to the wastewater tests, we can also check the chemical lists of our wet processing factories. In 2022, 54% of our wet-processing factories checked their chemical lists and in 2023 the figure was 57%. Furthermore, 35% (2022) and 50% (2023) had their chemical lists checked for conformity with the ZDHC MRSL. Dangerous and prohibited products can thus be identified more precisely and replaced with alternatives.
- PFCs have been banned in our outdoor clothing since 2016. The use of flame retardants, biocides and many other critical substances is also prohibited in the production of Tchibo products. We also work continuously to train our suppliers.
- From 2017 to 2022, selected suppliers took part in the Advanced Chemical Management Training (ACMT) ( until 2019 the develoPPP programme). In a strategic alliance with the REWE Group and GIZ, Tchibo has developed a qualification programme under the umbrella of the develoPPP programme of the German Federal Ministry for Economic Cooperation and Development (BMZ) for chemical and wastewater-intensive production areas.
- A total of 59 suppliers from four countries (China, Bangladesh, Pakistan and Turkey) took part in the programme.

In the event of violations of the ZDHC MRSL, we enter into dialogue with our suppliers and initiate improvement measures. In this way, we are supporting wet processing factories in setting up a sustainable chemicals management system and environmentally friendly production.

The first step is always to create an improvement plan, which analyses the causes of the violation in detail and defines measures for rectifying the violation in the short and long terms. Our suppliers can also deepen their knowledge of chemical management through various programmes. In 2022, 94% of all textiles produced came from a Detox-qualified factory. In 2023, this proportion fell to 82% as our ACMT programme ended and no similar large-scale new programme was launched. We are instead concentrating on making real improvements in individual factories. From 2024, we will no longer focus on purchasing from Detox-qualified wet processing plants, as this qualification does not reflect the actual performance of the factories. Instead of qualification, we will develop a system in future that will enable us to track the actual progress of wet processing plants concerning their commitment to detox.

In 2023, after the end of ACMT, we therefore enabled one of our factories in China to participate in the Apparel Impact Institute's Clean by Design programme for the first time. This 13-month programme involves participating factories working together with Clean by Design staff on several factory visits to identify where significant improvements in water and climate protection can be achieved with minimal effort. The programme is based on the ZDHC standards and measures quantifiable successes in the factories. Our participating factory in China achieved a 30% improvement on its baseline.

In 2023, we also entered into a partnership with the ZDHC and the IDH (Sustainable Trade Initiative) as part of the 'Capacity Building in Industrial Parks in Ethiopia and Vietnam (IPEV)' project. This programme supports a total of 16 industrial parks and the factories located in them in understanding and implementing the ZDHC guidelines and thus improving their chemical and wastewater management. The project will run for a three-year period. The aim is to also use this project to develop a scalable approach for similar projects in a larger number of countries and industrial parks.

From 2024, Tchibo will also begin to roll out its own extensive supply chain programme focusing on climate and water.

GRI 400

# SOCIAL STANDARDS

## People - Introduction

### Putting people centre stage

Tchibo is a family-owned company that has been putting people centre stage ever since its founding in 1949. Our founding father, Max Herz, firmly believed that motivated, skilled employees are a company's most important resource. The same applies to the people in our supply chains. Our business culture is based on dealing fairly with others within our company and with all those from whose work we benefit.

### Responsibility for people in our supply chains

As a traditional trading company, Tchibo relies on partnership with suppliers of non-food items in Asia and Eastern Europe. They manufacture many of the products that we sell to our customers week after week. Our coffee business is also not possible without those people in the coffee-growing countries. In addition to excellent quality and fair prices, our primary goal in these partnerships is to uphold and improve human rights standards.

A complete list of Tchibo's textile producers and wet-processing companies can be found in [Downloads](#) under *Supply Chain Transparency*.

Globalisation offers many benefits for our customers and opportunities for the people in our producing and growing countries. Yet it also presents risks and challenges that we have to face. This includes failure to observe workers' rights and social rights, which is unfortunately still more often the rule than the exception in many producing and growing countries and at many production sites. Our aim is to achieve a balance between opportunity and risk for the benefit of all those involved and to include local people in the processes of change.

GRI 401 & 402

## Employment & labour/management relations

GRI 103-1/2/3

## Management approach

### Challenges

Tchibo is a global company with approximately 11,300 employees worldwide, around 6,600 of which are in Germany. In order to succeed as a company, we need the expertise, passion, commitment and team spirit of all our employees. It is our desire to make Tchibo successful with a working environment in which people count and can work effectively. It is increasingly important to achieve a good balance between people's need for individuality and corporate interests. Faced with demographic change and an increasing shortage of skilled workers, it is also crucial to that we attract the best, keeping them loyal to Tchibo in the long term and re-igniting their passion and their performance time and again. This means we must constantly evolve, anticipate change and react quickly to them as a 'new normal'.

The job market is becoming tighter, and therefore we are constantly working on our image as an attractive employer.

Our corporate principles formulate cultural values, and only together can we be successful as a company in the long term. For this reason, we understand the development towards a ONE Tchibo culture as a continuous transformation process, which is about greater conflict capacity, greater trust and greater transparency in the organisation and among each other.

The years 2022 and 2023 were marked by several crises. In 2022, the effects of the COVID-19 pandemic on global supply chains were still being felt, and long delays were caused by a temporary blockage of the Suez Canal. Russia's war of aggression against Ukraine presented us with new challenges at the beginning of 2022, particularly due to higher energy prices. As well as impacting our direct business, it also put strains on our suppliers, employees and customers. We ceased our activities in Russia immediately after the start of the war and sold our Russian subsidiary in July 2022. We also donated EUR 250,000 to Ukraine for emergency aid, and our employees donated a total of EUR 75,000. We also made some of our vacant office space in Hamburg available to a non-profit organisation to house refugees.

An additional burden came from the sharp rise in inflation over the past two years. Consequently, an inflation compensation bonus was paid to our employees.

### **Strategy, goals & measures**

The long-term goal is for Tchibo to be an organisation with efficient structures and processes as well as flexible working environments and models geared to the needs of employees. The pandemic has significantly accelerated the shaping of the working world of tomorrow. We are working intensively on implementing hybrid working models that promote trust, openness, experimentation and a focus on results.

Highly dynamic times require an organisation that continually learns. To this end, we are also working on the learning culture and on expanding the agile and digital mindset of managers and employees.

We base our actions on identifying and continuously developing future-oriented key competencies and skills for Tchibo's success. We want to enable our employees to develop their potential at Tchibo. At the same time, we are continuously developing our employer branding in order to be visible and attractive on the job market. In particular, by expanding our Young Talents programmes, we are appealing to young people.

It is our goal to promote a corporate and leadership culture focused on trust, collaboration and diversity. That's why, in 2021, we abolished the performance rating, which had previously been established as part of the annual discussions between managers and employees, for the majority of the workforce. Regular qualitative feedback between managers and employees is more important to us.

Diversity is an important part of our corporate culture. In 2022, we set up the first Tchibo Diversity Team. The team is comprised of employees from various departments and professional levels and they talk to staff and managers about diversity, openly addressing areas where optimisation is possible and creating spaces for reflection and networking. The group meets once a month to discuss and plan activities and can be contacted at any time via the email address [Diversity@tchibo.de](mailto:Diversity@tchibo.de).

In the current times of crisis, it is particularly important to us that all employees, without exception, are supported. Therefore, resilience training has been provided, and employees facing personal difficulties have been offered support via the family service. Every employee also received a monthly inflation compensation bonus.

In times with a very high proportion of remote work, it is particularly important for new employees at Tchibo to feel supported. Through digital recruiting and onboarding of new employees, we have been able to continue the hiring and induction processes seamlessly. The introductory 'Tchibo introduces itself' event is now also being held digitally.

As a company, we not only want our employees to be satisfied but also actively engaged and involved in shaping the company. Employees can have an influence on company decisions by participating in the Works Council or the supervisory board based on the principle of legal co-determination. In compliance with the provisions of Germany's Works Constitution Act (BetrVG), the Works Council consists of 35 members and five youth and trainee representatives. The supervisory board is made up of equal numbers of employees and shareholders. Both bodies work closely together. At regular works meetings, colleagues are informed about the work of the Works Council, the company's business development and specific ongoing topics. Tchibo employees are given the opportunity to put any pressing questions, which they consider important, to the Works Council and the Tchibo Executive Board. These questions are then answered at the meetings.

GRI 401-1

## New employee hires and employee turnover

Compared to previous years, we recorded a significant increase in new hires in 2022 and 2023. This applies in particular to our stores, where new hires had fallen significantly during the COVID-19 pandemic (2020/2021). The opposite occurred at our headquarters in Hamburg. During the pandemic years, we had hired additional employees there. For operational reasons, we had to cut around 300 jobs at the head office in 2023, which also had a significant impact on the number of new hires.

As a result of these developments, employee turnover was also high. In 2022, it was 20.1% in stores and 7.5% in offices. In 2023, it was 25% in stores and 31.8% in offices.

### New hires

New appointments (excluding apprentices and trainees), broken down by age group, gender and area of employment in Germany

FIGURES IN ABSOLUTE NUMBERS	2021	2022	2023
<b>TOTAL</b>	752	1296	1326
<b>OF WHICH WOMEN</b>	563	1052	1105
<b>OF WHICH MEN</b>	189	244	221
<b>UNDER 30 YEARS OLD</b>	327	674	763
<b>OF WHICH WOMEN</b>	247	534	617
<b>OF WHICH MEN</b>	80	140	146
<b>30-50 YEARS OLD</b>	353	507	404
<b>OF WHICH WOMEN</b>	251	407	339
<b>OF WHICH MEN</b>	102	100	65

FIGURES IN ABSOLUTE NUMBERS	2021	2022	2023
<b>OVER 50 YEARS OLD</b>	72	140	159
<b>OF WHICH WOMEN</b>	65	130	149
<b>OF WHICH MEN</b>	7	10	10
<b>IN STORES</b>	400	1011	1165
<b>OF WHICH WOMEN</b>	370	905	1028
<b>OF WHICH MEN</b>	30	106	137
<b>OFFICES</b>	330	270	146
<b>OF WHICH WOMEN</b>	186	158	73
<b>OF WHICH MEN</b>	144	112	73
<b>FIELD</b>	7	18	4
<b>OF WHICH WOMEN</b>	4	6	2
<b>OF WHICH MEN</b>	3	12	2
<b>AT ROASTING FACILITIES</b>	15	22	11
<b>OF WHICH WOMEN</b>	3	2	2
<b>OF WHICH MEN</b>	12	20	9

## Employee turnover

Number of employees leaving as a proportion of the average number of employees, broken down by area of employment and gender

FIGURES IN PERCENT	2021	2022	2023
<b>TOTAL</b>	9.5	14.4	24.8
<b>WOMEN</b>	9.4	14.8	24.8
<b>MEN</b>	9.6	12.8	31.8
<b>UNDER 30 YEARS OLD</b>	21.5	33.3	48.1
<b>30-50 YEARS OLD</b>	10.1	14.5	25.6
<b>OVER 50 YEARS OLD</b>	4.1	5.6	15.2

FIGURES IN PERCENT	2021	2022	2023
<b>IN STORES</b>	11.6	20.1	25
<b>OF WHICH WOMEN</b>	11.1	19.1	23.3
<b>OF WHICH MEN</b>	26.6	43.6	56.8
<b>OFFICES</b>	6.9	7.5	31.8
<b>OF WHICH WOMEN</b>	5.6	5.9	29.8
<b>OF WHICH MEN</b>	8.8	10	35
<b>FIELD</b>	7	4.8	5
<b>OF WHICH WOMEN</b>	10.1	5.6	7.6
<b>OF WHICH MEN</b>	5.5	4.4	3.9
<b>AT ROASTING FACILITIES</b>	7	10.4	10.3
<b>OF WHICH WOMEN</b>	3.9	12.5	4.4
<b>OF WHICH MEN</b>	7	10.1	10.9

GRI 401-2

## Benefits provided to full-time employees that are not provided to temporary or part-time employees

Attractive employee benefits and fringe benefits are an integral part of our corporate culture, which we use to reward the commitment and dedication of our employees. These extras also include employee discounts on Tchibo products and travel or, as part of our company health campaign, the services of the leisure centre at the Hamburg head office: for a monthly fee of just two euros, they can take part in a variety of sports. For employees who live outside Hamburg, we offer gym memberships at reduced rates.

For company (additional) benefits, there is generally no differentiation between full-time employees and part-time employees or temporary employees, with temporary workers only making claims to equal pay or equal treatment according to Germany's Temporary Employment Act (AÜG) against their own employer, i.e., the temporary employment agency. We always comply with the associated obligations to provide information to temporary employees and agencies and also check compliance with the legal requirements by means of agreed audit rights. Temporary workers are granted access to social facilities (canteen, leisure centre).

### Life insurance

Not offered.

### Medical care

Employees are covered by the statutory health insurance for necessary medical treatments. In addition, a company doctor is available for occupational health problems. Access is guaranteed equally for all employees.



### Disability and invalidity insurance

Employees are covered by a group accident insurance policy, which also extends to the private sector with 24-hour insurance cover. The conditions are the same for everyone. Claims of temporary workers are made against their employer.

### Parental leave

Parental leave is granted in accordance with the legal requirements (BEEG). No distinction is made between part-time and full-time employees. During parental leave, (continued) part-time employment is possible. Claims of temporary workers are made against their employer.

### Pension scheme

All Tchibo employees can take advantage of a company pension scheme. Cover differs according to hierarchy level and area affiliation; access is possible for all employees without differentiation between part-time and full-time employees. In 2021, a new company pension scheme was introduced for all employees in our stores. It is particularly important for employees in lower income groups to make a contribution towards closing their potential pension gap in old age. Temporary employees may have claims against their employer.

### Shareholding

Not offered.

### Definition: important operating sites

We do not differentiate between operating sites. Basically, we have (national) administration in Hamburg, production facilities in Berlin and Hamburg, a network of shops nationwide and warehouse locations in Bremen, Gallin and Neumarkt.

GRI 401-3

## Parental leave

All of our employees in Germany are entitled to parental leave.

## Numbers taking parental leave

The following table shows the total number of employees who claimed parental leave (including those who worked part-time whilst on leave).

FIGURES IN ABSOLUTE NUMBERS	2021	2022	2023
<b>TOTAL</b>	372	395	363
<b>WOMEN</b>	324	342	318
<b>MEN</b>	48	53	45
<b>IN STORES</b>	164	154	144
<b>WOMEN</b>	163	154	144
<b>MEN</b>	1	0	0

FIGURES IN ABSOLUTE NUMBERS	2021	2022	2023
<b>OFFICES</b>	196	222	204
<b>WOMEN</b>	155	180	167
<b>MEN</b>	41	42	37
<b>FIELD</b>	7	8	9
<b>WOMEN</b>	3	4	5
<b>MEN</b>	4	4	4
<b>AT ROASTING FACILITIES</b>	5	11	7
<b>WOMEN</b>	3	4	3
<b>MEN</b>	2	7	4

## Integration of parental leave after twelve months

The table below shows the percentage of employees who were employed at Tchibo twelve months after the end of a period of parental leave lasting at least three months. The figures for 2023 are not yet available to us at the present time.

FIGURES IN PERCENT	2021	2022
<b>TOTAL</b>	96	95
<b>IN STORES</b>	93	92
<b>OFFICES</b>	98	98
<b>FIELD</b>	100	100
<b>AT ROASTING FACILITIES</b>	100	100

GRI 402-1

## Minimum notice periods regarding operational changes

Employees at Tchibo are represented by the Works Council. In the event of significant operational changes (curtailment or abandonment or relocation of operations or essential parts of operations, the merging or dividing of parts of operations, fundamental changes in work organisation, the purpose of operations, plant facilities or the introduction of fundamentally new working methods or production processes), the Works Council shall be informed in accordance with the Works Council Constitution Act (BetrVG) in good time and in sufficient detail to enable it to exercise its rights to consultation and, if necessary, to safeguard its interests. Further rights (to the conclusion of works agreements, reconciliation of interests, redundancy packages or similar) shall also be observed. Any change will be implemented only after proper implementation of this consultation process and in compliance with the agreements reached with the Works Council.

In principle, both the Economic Committee formed at Tchibo (Section 106 ff of the BetrVG; regularly convened by the Works Council on a quarterly basis) and the Works Council (meets once a week as a works committee [information interface] and once a month as a decision-making body) must be informed in good time of significant operational changes; fixed deadlines are not stipulated. Significant operational changes (see above) are subject to co-determination. Therefore, such changes shall be implemented only after the provision of information, negotiation and the conclusion of the negotiations in the form of works agreements or reconciliation of interests. These then take effect immediately upon being signed.

GRI 402-1B Does not apply as Tchibo is not bound by collective agreements.

GRI 403 **Occupational health and safety**

GRI 103-1/2/3 **Management approach**

**Challenges**

Our employees are meeting high demands on a daily basis. The basis for their commitment, their performance and thus also our company's success is a working environment that promotes and maintains health and enables everyone to achieve a good work-life balance. Our responsibility as a family business is to provide management methods, processes and support services that enable employees to maintain a healthy balance between their work commitments and self-care. Occupational health and safety is of great importance to us.

**Strategy, goals & measures**

With our occupational health management programme, we are committed to ensuring that our employees are actively involved in looking after their health. In order to make better use of synergies, in 2015 we set up our own team in the Human Resources department, which focuses on health and work-life balance. Here we combine our occupational health management programme with comprehensive initiatives and services centred around work-life balance.

The 'My Family', 'My Health', 'My Fitness' and 'My Nutrition' programmes are key aspects of our work. They aim to promote and maintain employee health through the provision of numerous activities and information on individual topics. We also work with a health insurance company to develop new benefits for our employees. We believe that a healthy working environment also means regularly reviewing the ergonomic design of the workplace and assessing any exposure to stress in the workplace, for instance due to noise, and taking appropriate steps to improve the situation. As part of our efforts to promote health, we have also included the topic 'Healthy and safe leadership' in the handbook for managers. Employees are given advice and support from our occupational health services and our specialist on-site occupational health and safety officers.

Our company integration management programme provides support for employees who have been absent due to illness for more than six weeks within the space of a year, helping them to return to work. We offer them tailored and flexible workplace and working hours arrangements and, where appropriate, we also work with them to redefine their duties. Our goal is to help settle employees back in quickly and gently and to help them stay fit for work in the long term. We offer a special integration programme for employees returning to work after parental leave.

The leisure centre in our Hamburg headquarters offers a variety of classes every week, aimed at promoting and maintaining health. Employees can also use the gym, swimming pool and squash court as well as the relaxation lounge. This wide range of activities is an important mainstay of our 'My Fitness' programme.

The 'My Diet' programme is also very important to us. Fresh food is cooked daily in the canteens at our various sites. In our employee restaurant Nordlicht, we have been expanding the daily selection of vegan and vegetarian dishes since 2019. In collaboration with BRIGITTE DIÄT - the diet and nutrition section of Germany's largest women's magazine and the North German Broadcasting Corporation's 'Nutrition Doctors' - we have been encouraging our employees to opt for healthy, light meals and to also adopt these eating habits in their private lives. We additionally promote this through our 'Five Cups a Day' podcast, which regularly deals with the topic of nutrition. The in-house diet chef also advises on individual questions about nutrition when requested.

In our 'My Family' programme, we support a healthy work-life balance through measures such as the possibility of mobile or part-time working, parental or care leave and childcare facilities. In addition to childcare during school holidays, we offer daycare places in cooperation with a facility near City Nord. Urgent care can be provided at short notice by our contractual partner pme Familienservice. Family members can also use all the services offered by the leisure centre.

We support our employees with severe disabilities through a representative body for disabled persons as well as seminars and talks. In the reporting period, our rate of employees with severe disabilities fell slightly (2022: 6.2%; 2023: 5.1%).

### **Occupational health and safety outside Germany**

Information on occupational health and safety outside Germany can be found in GRI 403-7 and in the management approach for GRI 407-414.

### **Progress**

We have already achieved a lot for the health of our employees since 2015, both with our projects and with the healthy food in our canteens. By regularly reviewing the existing measures and options and adapting them according to the circumstances, we are able to provide comprehensive occupational health and safety protection in compliance with the legal requirements.

We are continuously working on gradually modernising our employees' working environment and creating a healthy, contemporary working environment with new office furniture and screens, for example. We have also continued to operate hybrid working models following the COVID-19 pandemic. Working from home and even from abroad ('workation') remains possible and facilitates a good work-life balance.

Achievements and targets relating to occupational health and safety outside Germany can be found in GRI 403-7 and in the management approach to GRI 407-414.

## Occupational health and safety management system

Tchibo does not operate a specific management system for health and safety in the workplace. The health and safety of our employees is protected in accordance with the legal requirements applicable in Germany.

In addition, works agreements and company guidelines on issues relating to health and safety in the workplace are drawn up in cooperation with the Works Council.

In accordance with statutory requirements (Section 11 of the German Occupational Safety Act, ASiG), Tchibo has a health and safety committee at site level, which represents not only the central administrative offices but also the sales outlets (shops & stores and retail concessions). Its members include a member of the Executive Board, members of the Works Council and of the representative body for severely disabled persons, occupational health and safety officers, representatives of the various specialist departments and the safety officer.

At Tchibo, 100% of the workforce is represented on occupational health and safety committees.

## Hazard identification, risk assessment and incident investigation

Risk assessments are drawn up in accordance with statutory requirements. In these assessments, we periodically examine the safety hazards and health risks posed by workplaces and work processes, but we also assess situations as they arise. Remote working has also been included since 2020. Health and safety at Tchibo is subject to a continuous improvement process, shaped by the legal requirements and guidelines and by the insights gained from our day-to-day workflows and processes at Tchibo.

Thanks to annual training, employees know their rights and obligations with regard to occupational health and safety. This enables them to react appropriately in difficult work situations. This applies to fires, explosions, medical emergencies as well as to situation-specific problems in everyday working life. In addition, regular inspections are carried out by the occupational health and safety officer, the company medical officer and the Works Council in order to identify potential hazards.

Employees can report any threats to their physical safety to an external whistleblowing hotline. The hotline staff are bound to absolute secrecy and confidentiality and do not disclose the identity of whistleblowers.

In addition, members of the Works Council are designated points of contact for anyone wishing to report work-related hazards. They too are obliged to maintain confidentiality.

All workplace accidents are reported to the HR department. The HR department then notifies the German Employers' Liability Insurance Association and passes the form on to the responsible occupational health and safety officer. Accident investigations are carried out, where necessary, by the responsible occupational health and safety officer working alongside the company medical officer and the employees concerned. The findings from these investigations influence future action taken to protect the health and safety of employees. In 2022/2023 there were no workplace accidents that required investigation or closer examination.

## Occupational health services

All employees can seek advice from company medical officers or occupational health services on how to protect their health, improve their health and take preventive measures.

The company medical officers and occupational health services offer preventive care (such as vaccinations) to all employees. All the relevant elective, optional and mandatory occupational health check-ups are offered and carried out. In addition, the company medical officers are also members of the health and safety committee and participate in regular health and safety inspections.

The occupational health service can be accessed by all employees either by telephone or by email. Occupational health services are available on-site at fixed intervals, depending on the specific site, in accordance with legal requirements.

## Employee participation, consultation and communication on occupational health and safety

We implement our health and safety policy in accordance with legal requirements; we do not have a management system in place. Occupational health and safety information is available to employees via the company Intranet, for example. They can find everything they need here, from the contact details of the occupational health services and medical officers to the exercise classes offered at the leisure centre. Any important situation-specific information, such as measures relating to the 2020/2021 COVID-19 pandemic, is sent to employees by email or they are notified by management staff. In addition, the information is posted on the intranet in the News section and on the screens in the entrance area of the City Nord site and the cafeteria. Any training that is required is predominantly delivered digitally, with employees having the opportunity to evaluate the training sessions and courses provided and to make suggestions for improvements within the framework of the legal possibilities. Regular surveys enable employees to take an active role in shaping occupational health and safety policy.

The health and safety committee meets once every quarter, in accordance with statutory requirements. The committee includes a member of the Executive Board, members of the Works Council and of the representative body for severely disabled persons, the occupational health and safety officer, the company medical officer and representatives from the specialist departments. This structure means that decisions can be taken immediately and then implemented.

## Worker training on occupational health and safety

Employees are given training on all compulsory health and safety topics. Most of the training is provided in the form of e-learning courses.

The e-learning formats on safety briefings for newcomers introduced in 2020 were continued, and the annual safety briefing has also been held as an e-learning format since 2021.

In our leisure centre, we regularly offer employees new courses on sports and health topics.

## Promotion of worker health

The occupational health management programme and all of our initiatives and services centred around work-life balance are overseen by teams in the Human Resources department. Information on programmes and initiatives can be found in Management approach 403.

## Prevention and mitigation of occupational health and safety impacts directly linked by business relationship

Our Supplier Code of Conduct (SCoC) is contractually binding for all our suppliers, service providers and partners. It explicitly states that workers must be provided with a safe and hygienic working environment, that corresponding specific rules and process instructions must be in place and that regular health and safety training should be provided. Workers have the right to remove themselves immediately from dangerous situations. The SCoC also contains specific guidelines for chemical management in production facilities, which also has an impact on health and safety in the workplace. Unsafe and potentially lethal buildings and working environments, and non-existent or highly inadequate building amenities, in particular fire protection equipment and escape routes, constitute a zero-tolerance infringement of our SCoC. We verify compliance with these requirements in all quality audits as well as in social and environmental audits (see GRI 414).

### Coffee suppliers

Only a small fraction of the world's coffee comes from professionally run plantations that, as a business, are able to adopt health and safety measures as required by law. The majority of coffee is grown by small-scale farmers with less than five hectares of land. The supply chains vary greatly: sometimes the coffee cherry is hulled directly on the farm, and sometimes outsourced to a third-party provider.

Hazards encountered by workers out in the field are mainly due to the use of agrochemicals, a lack of protective clothing, injuries from tools, exposure to sunlight, insect and snake bites, and lifting and transporting heavy loads. When the coffee is being processed in the mills, large amounts of dust can be generated, which requires the use of respiratory masks. Heavy machinery calls for adequate safety training and the use of ear defenders and appropriate protective clothing. Serious accidents can occur during transit due to inadequate infrastructure. We use a variety of different mechanisms to address this wide array of risks and the challenges they pose, while still promoting health and safety at work.

In 2023, 17.7% of our coffee was certified (2022: 18.1%) and met the requirements of Rainforest Alliance, Certified Organic and Fairtrade labels. These labels formulate clear guidelines for the certified cooperatives and regularly audit compliance with these standards.

In 2023, we launched our programme for sustainable coffee-growing regions. We have been supporting farmers in our main growing countries to improve their economic situations, for example, through more sustainable farming methods. Approaches have been adapted to each country's specific circumstances so that we can support the farmers exactly where it helps them the most. From 2027, we want to source 100% of our green coffee from these sustainable growing regions.

The projects that we have initiated in recent years as part of Tchibo Joint Forces!® are being incorporated into our new coffee programme.

## Suppliers for non-food items

The following certifications and standards, which we use for the raw materials for non-food items, include guidelines for health and safety in the workplace and/or chemical management and pesticides: Cotton made in Africa (CmiA), Fairtrade, Forest Stewardship Council® (FSC®), Global Organic Textile Standard (GOTS).

There is an increased risk of dangerous or unsafe work in all the processing steps used for our non-food articles.

Our specific risks for health and safety in the workplace and instructions for action to be taken (Social and Environmental Country Risks and Policies) can be found in [Downloads](#) under *Tchibo Policies & Commitments*.

We counter the risk directly and indirectly with a range of preventive and problem-solving measures. In addition to strict auditing in all our audit processes, we are also committed to long-term partnerships with suppliers and producers. This allows our partners to plan with certainty, which in turn provides a stable framework that enables health and safety standards to be improved.

We have been campaigning for better working conditions in our supplier factories since 2008 with the dialogue-based WE factory programme. One of the five focus areas is 'Health and safety in the workplace'. The programme includes occupational health and safety risk analyses that are carried out jointly with the factory management and employees and used to derive relevant measures. Because successes in this area are easy to see and measure, this helps to encourage continued commitment to labour standards and participation in the WE programme.

Tchibo is a founding member of the Accord on Fire and Building Safety in Bangladesh, which was replaced in 2021 by the International Accord on Health and Safety in the Textile and Garment Industry and extended for a further six years at the end of 2023. Our analysis of systemic violations of workers' rights in Bangladesh had taught us that the only way to achieve true safety for workers was through a collaborative approach with external monitoring, union involvement and transparency. Today, the Accord is the most successful initiative in the world for improving working conditions in the textile industry, with a clear focus on health and safety in the workplace. In addition to Bangladesh, the Accord has been extended to other countries since 2023, beginning with Pakistan. Since its establishment, no fatal fires or collapses have occurred in its almost 2,000 participating factories. The Accord independently and closely monitors the safety of buildings, fire protection equipment and electrical installations at all Bangladesh-based textile producers of the member companies. Based on this, it sets out improvement plans, reviews their implementation, supports the establishment of safety committees in the factories, trains all factory employees in the identification and reporting of sources of danger and provides an independent grievance mechanism. All Tchibo textile producers in Bangladesh (2023: 43) and Pakistan (2023: 6) have been integrated into the Accord and are required to fulfil the Accord standards before entering into a business relationship or to remedy all identified deficiencies within one year. At the end of 2023, 90% of the safety-related deficiencies of our producers in Bangladesh had been rectified. This is a slight decrease compared to the last reporting period, as new factories and factory extensions are being regularly included in the Accord. All Tchibo manufacturers in Bangladesh have been included in an Accord programme, which sets up safety committees in the factories and trains their members. So far, 58% of our 31 factories have successfully completed the programme.<sup>1</sup>

From 2017 to 2022, Tchibo implemented the Advanced Chemical Management Training (ACMT) programme together with the Gesellschaft für Internationale Zusammenarbeit (GIZ) and the REWE Group. As part of

<sup>1</sup> We work together with a total of 43 factories in Bangladesh. Of these, 12 are located in the free trade zone. The programme for setting up security committees is not available there.



the programme, suppliers with wet processing facilities were trained in the safe handling of chemicals and environmentally friendly wastewater management. A total of 59 suppliers took part in the programme. The training programme covered factories in China, Bangladesh, Pakistan and Turkey. For more information on chemicals management, see GRI 308-2.

GRI 403-8

## **Employees covered by an occupational health and safety management system**

We do not use a management system for occupational health and safety. The measures and actions taken are in line with the legal requirements, supplemented by voluntary activities aimed at promoting health and enabling a balance between employees' professional and private lives.

Health and safety measures apply to all employees within the organisation. For example, if employees at the headquarters and other sites in the surrounding area have access to the leisure centre with its many different sports facilities, employees who are unable to take advantage of these facilities because they are too far away have the option of registering with one of our partner gyms.

GRI 403-9

## **Work-related injuries**

In 2022, there were 74 notifiable accidents at work with at least three days' absence from work. In 2023, there were 90 notifiable accidents at work. There were no fatalities due to work-related injuries in either year. Of the notifiable workplace accidents, 17 (2022) and 33 (2023) were commuting accidents, which were mainly caused by black ice. The commuting accidents occurred outside the company and are therefore not attributable to our direct sphere of influence.

Accident rates are therefore 13 accidents per 1,000 employees in 2022 and 18 per 1,000 employees in 2023.

An evaluation of workplace accidents according to the frequency of injuries is not possible based on the available data.

In 2022 and 2023, there were no fatalities involving workers who are not employed by us but whose work and/or workplace is subject to monitoring by us.

To date, work-related injuries have been recorded only for our own employees.

GRI 403-10

## **Work-related illnesses**

In 2022 and 2023, we were not aware of any work-related illnesses among employees.

GRI 404

## **Training and education**

GRI 103-1/2/3

## **Management approach**

### **Challenges**

There is a shortage of skilled workers in many areas of the German labour market. As a large, globally operating trading company with around 6,600 employees in Germany, we feel it is important to provide

training for the next generation in our company and, as an attractive employer, not only to fill our apprenticeship positions but also to encourage these young professionals at the start of their careers to stay with our company long-term.

Our working world is constantly changing – and the challenges and tasks within our company are changing with it. The professional and personal development of our employees and managers is therefore very important to us and is a crucial factor in our competitive ability.

## **Strategy, goals & measures**

### **Training**

We provide junior employees seeking to start their career at Tchibo with a variety of entry-level opportunities – from internships to apprenticeships, combined vocational training and degree courses to trainee programmes. In doing so, we start with students who are already showing an interest. We have been involved in the annual Girls' and Boys' Day since 2000. Every year, we welcome more than 40 students from years 5 to 10 to the Girls' and Boys' Day at the company headquarters. They are given the opportunity to spend a day shadowing Tchibo employees as they go about their work.

We offer various training courses, mainly in business management and technical/industrial careers. We place great importance on teaching trainees to work independently and to take responsibility. For example, our store trainees take full responsibility for managing a Tchibo store during our 'Trainee Week'.

We use our trainee programmes to secure long-term talent and to provide targeted training for our (managerial) junior staff. These are not static, but are continually developed by us as needed.

### **Further development**

#### **CAMPUS: promoting employee development**

Tchibo CAMPUS is our company's central training programme. This extensive programme allows us to offer employees and managers a wide range of development opportunities and to encourage them to learn independently and continuously experience new things. The programme continues to focus on topics such as digitalisation and 'New Work', the increase in hybrid working and, with it, the challenges of working in scattered teams. Training sessions give employees the opportunity, for example, to get to know and try out agile working methods.

A special section of Tchibo CAMPUS is the Coffee Academy. In seminars, employees can learn important aspects around coffee. This is particularly important to us, as coffee is an essential pillar of our business model.

An additional learning platform that enables employees to independently access a wide range of learning opportunities has also been introduced. The new platform covers many professional topics, including soft skills and digitalisation, as well as marketing and sales. We hope to provide employees with the right content they need at the right time – content that is always available and easy to integrate into the working day. We are also increasingly calling for employees to be involved in the internal transfer of knowledge. In a first step, we were able to incorporate presentations by employees into a learning week.

Leadership development also follows the approach of self-directed, sustainable learning. We nurture those who show management potential with the 'Learn to Lead' programme, which helps them to build personal networks and expand their skills. New management staff complete the 'Leading People' programme, which teaches them leadership tools, for example.

We also provide a 360-degree feedback process. This process involves colleagues, employees, supervisors, customers and external business partners giving feedback to managers. This 'panoramic view' provides each individual leader with the opportunity for self-reflection and to tailor their development path to their own particular situation.

Our employees below management level also receive regular feedback. This is done using the myTRACK platform, which not only gives employees access to the Tchibo CAMPUS but also allows them to keep track of their tasks and view their own performance.

### **Progress**

- Launch of a new learning and inspiration platform that employees can use to independently view courses and presentations
- Increased involvement of various employees in different formats (presentations, workshops)
- In 2023, we organised a sustainability town hall with a range of formats at our headquarters in Hamburg to train all employees there on the topic of sustainability.

GRI 404-1

## **Average hours of training per year per employee**

Our employees are our most important asset. Tchibo therefore offers a wide range of training opportunities. In 2022, 8,014 employees participated in training courses totalling 30,841 hours. In 2023, 3,309 employees participated in training courses totalling 28,317 hours. Training courses were also held directly in our shops and area-specific training was provided by internal HR development.

GRI 404-2

## **Programmes for upgrading employee skills and transition assistance programmes**

### **Challenges**

We recognise the potential and talent of each and every individual at Tchibo. That's why we nurture our employees to enable them to develop and flourish even better - and thus remain with Tchibo in the long term. At the same time, internal succession planning must offer a medium and long-term perspective on strategically relevant positions.

### **Strategy, goals & measures**

As part of our talent management strategy, we have set ourselves the goal of successively filling 80% of all management positions with internal talent. Accordingly, we place a high value on training and continuing development in our company, as well as on cross-divisional career development. In addition to the promotion of individuals, we also have an overarching succession planning strategy in which it is ensured that our strategically relevant positions can be filled internally in the long and medium term.

Each year, all employees at Tchibo are given detailed feedback via a feedback platform, covering their performance and their progress towards their targets as well as the resulting career prospects, thus enabling them to actively manage their own career development.

In 2021, special focus was given to a new approach to promoting top potential. In addition to our established 'Learn to Lead' programme, we have introduced another tool for determining areas for development for our top potential, on the basis of which we agree individual development measures.

### **Progress**

We are constantly evolving our employee development programmes. Regular feedback processes with all employees and development reviews with our top potentials are now a matter of course.

In 2023, we placed a new focus on young talents. A special team supports them throughout the entire employee life cycle, from recruitment to their time in the respective programmes and on to their next job at Tchibo. By providing intensive support and focussing on individual development, we are able to retain young talents for the long term.

GRI 405 & 406

## **Diversity/equal opportunities & non-discrimination**

GRI 103-1/2/3

### **Management approach**

#### **Challenges**

Tchibo has around 11,300 employees from 80 countries around the world. They come from vastly differing cultures, from different social classes, from different religions and from different generations. One of our most important principles for us to work successfully together is to treat each other with respect and fairness. Exciting discussions and great ideas emerge when the widest diversity of people come together, which is something we need, especially in these fast-moving and uncertain times. When managers create a respectful atmosphere in their teams, the greatest possible creativity and innovative strength can unfold - precisely because of all the differences within a team.

As a trading company, our customers are at the heart of our business model. Understanding their needs in the best possible way and acting innovatively is the basis for further business success. At the same time, the labour market is becoming ever tighter, and skilled workers in particular are becoming more difficult to find and retain. In addition, there is a growing awareness of the value of diversity in business.

#### **Strategy, goals & measures**

As an employer, we consider it our responsibility to create an environment in which all our employees are treated with respect and without prejudice. This is also enshrined in our corporate principles and formulated in the Code of Conduct, which is binding for all employees. Among other things, it stipulates that:

'All employees and business partners have the right to be treated by their line managers and colleagues in a fair, polite and respectful manner. Discrimination based upon a person's race, colour, nationality, descent, sex, religion or creed, political leanings, age, disability, sexual orientation or other personal characteristics, i.e., without any material reason, is prohibited.'

We require all our employees to comply with the Code of Conduct. Violations may have consequences under labour law. Decisions about this will be made consistently and with a sense of proportion on a case-by-case basis. All employees can report violations of the Code of Conduct to their superiors, the Works Council or - anonymously - to the external whistleblowing hotline.

## Progress

In 2022, we established the Diversity Team to give even more weight to the topics of diversity and inclusion and, in particular, non-discrimination and fair treatment (see also management approach GRI 401 & 402). We have also signed a [charter for diversity in the workplace from the Charta der Vielfalt organisation](#).

We consider our efforts to protect our employees a success in that there have been no reported breaches of the Code of Conduct or any associated proceedings in recent years. At the same time, however, we also want to, for example, further compensate for existing gender-related differences. In 2022 and 2023, we therefore organised several diversity events focusing on gender equality. Topics included the gender pay gap, women in management positions and sexual identity.

GRI 405-1

## Diversity of governance bodies and employees

Information on diversity of employees can be found in the [key figure table](#) in the 'Personnel structure' section.

GRI 405-2

## Ratio of basic salary and remuneration of women to men

FIGURES IN PERCENT	2021	2022	2023
<b>LEVEL 7-5</b>	51.1	47.2	43.7
<b>WOMEN</b>	55	56.9	55.3
<b>MEN</b>	45	43.1	44.7
<b>LEVEL 4</b>	40.8	44.5	47.3
<b>WOMEN</b>	54.1	57.3	58.7
<b>MEN</b>	45.9	42.7	41.3
<b>LEVEL 3-2</b>	7.4	7.6	8.3
<b>WOMEN</b>	38.9	42	38.7
<b>MEN</b>	61.1	58	61.3
<b>HIGHER PAY GRADES</b>	0.7	0.7	0.7
<b>WOMEN</b>	30.8	23.5	33.3
<b>MEN</b>	69.2	76.5	66.7

GRI 406-1

## Incidents of discrimination and corrective actions taken

No cases of discrimination were reported within the company during the reporting period.

## GRI 407, 408, 409, 411, 412, 413, 414 Management approach

### Challenges

Tchibo produces non-food items and coffee and maintains trade relationships with suppliers worldwide. Every year, we purchase non-food items from around 600 producers in Asia and Europe (2022: 722, 2023: 570), of which around 150 are manufacturers of textiles, leather goods, shoes and accessories. We source our coffee from hundreds of thousands of small-scale farmers via traders. These international partnerships enable us to offer our customers exciting non-food items, the best coffee and a wide variety of services. But they also mean a great responsibility for us.

A complete list of Tchibo textile producers and wet-processing companies can be found in [Downloads](#) under *Supply Chain Transparency* and on the [Open Apparel Registry](#).

The failure to observe workers' rights and social rights is unfortunately still more often the rule than the exception in many of our producing countries and at many production sites. We want to improve compliance with human rights standards in these places. Our aim is to achieve a balance between the opportunities and risks presented by globalisation for the benefit of all those involved and to include local people in the processes of change. This requires extensive cooperation with companies, non-governmental organisations, trade unions, human rights organisations and local politicians. Tchibo has been forming regional and international alliances for many years in order to ensure that there is a firm foundation on which to build new insights and developments, both locally and within the supply chains.

### Strategy, goals & measures

Human rights due diligence is an integral aspect of our business practices. Our work is founded on the [Guiding Principles on Business and Human Rights of the United Nations \(UN\)](#) and the German Supply Chain Act (LkSG). In future, we will also be guided by the recently adopted European Supply Chain Act. We adhere to the guiding principle of respecting human rights, systematically preventing any human rights violations and remedying violations through targeted measures and continuous improvements.

### The principles of human rights due diligence

The LkSG implement requirements of the UN Guiding Principles on Business and Human Rights in Germany. There are five basic elements to the human rights due diligence obligations set out in this document, which we have integrated in our management approach:

1. Policy statements and guidelines
2. Assessment of any specific risks and implications for human rights
3. Implementation and review of measures
4. Introduction of effective grievance mechanisms
5. Transparent reporting

These principles are also set out in the [OECD Guidelines for Multinational Enterprises](#) and, based on this, are expected to be upheld by the members of the Partnership for Sustainable Textiles. Because these should apply to all companies, we welcome the enacting in 2023 of the German Supply Chain Act (LkSG).

### Policy statement and guidelines

Our approach to doing business draws on internationally recognised standards and guidelines. The fundamental principles of these are enshrined in the Tchibo Code of Conduct (CoC), a binding document that serves to guide Tchibo employees in everything they do. Our minimum requirements for working conditions

and environmental standards, as defined in the Tchibo Social and Environmental Code of Conduct (SCoC), apply to the producers of our non-food items as well as to our service providers and external partners. They are essentially based on the relevant conventions of the International Labour Organization (ILO), the Universal Declaration of Human Rights and the Tchibo Detox Commitment. All our core business policies are summarised in our policy statement, in line with the NAP and the UN Guiding Principles.

The policy statement and other guidelines can be found in [Downloads](#) under *Tchibo Policies & Commitments* as well as *Supplier Policies & Guidelines*.

**Assessment of any specific risks and implications for human rights (risk management for non-food items)**

We continually review our decisions about where we buy from or have our products manufactured, and who we work with. To this end, in 2012 we identified those human rights and workers' rights that are particularly at risk in our non-food supply chains. We took into account the respective industry sector, the stage in the supply chain, the national context and local conditions on the ground. We evaluate how likely it is that a human rights violation will actually occur, how severe the impact on those affected may be, and how easily it can be prevented using Tchibo's influence. The evaluation identifies specific human rights risks in our supply chains as well as country- and topic-specific guidelines. We reviewed and updated the evaluation in 2022.

**Specific human rights risks in our supply chains for consumer goods (evaluation 2012, updated 2022)**

SPHERE OF ACTIVITY	STAGE IN THE SUPPLY CHAIN
Health and safety in the workplace	Manufacturing, upstream stages, raw materials
Freedom of association and the right to collective bargaining	Manufacturing, upstream stages
Living wages	Manufacturing, upstream stages, logistics/transport
Discrimination, harassment and violence in the workplace	Manufacturing, upstream stages
Forced labour or modern slavery	Upstream stages, raw materials, logistics/transport
Child labour	Upstream stages, raw materials
Working time	Manufacturing, logistics/transport

Every two years, we also assess the general human rights situation in our manufacturing countries based on recognised indices and publications by expert organisations. The results from this analysis inform our purchasing strategy and form the basis for our human rights work in relation to risk management and measures (see Section GRI 414).

**Implementation and review of measures (non-food items)**

Any specific risks that we find in our supply chains are addressed using a progressive scale of measures. We are gradually designing our products and processes to be more environmentally and socially responsible. Our focus is on those areas where our impact on people is greatest and where we can also have the biggest influence. Our strategy:



**Building long-term partnerships with suppliers and producers:** This allows our partners to plan with certainty, which in turn provides a stable framework within which to improve conditions throughout the supply chain in the long term. We follow strict selection criteria when deciding which factories to work with to ensure that they meet our quality and sustainability requirements. Compliance with our human rights and environmental policies is ensured through a comprehensive monitoring and audit programme (see Section GRI 414).

**Empowering employees, qualifying factories:** Audits are not capable of revealing the full picture of what goes on in factories. They are only a snapshot and provide little incentive to initiate lasting change. Our WE programme offers room for manoeuvre enabling effective improvements to be implemented. It provides support for the manufacturers we work most closely with, enabling them to meet and exceed the requirements of our SCoC. The aim of the WE programme is to improve working conditions in our supply chains in a sustainable and self-sustaining manner. It is a dialogue-based programme that runs in factories in our major manufacturing countries. WE was developed from the specific human rights risks in our non-food supply chains and is based on the standards of the International Labour Organization (ILO) and international human rights conventions. It focuses on the five main areas with the greatest need for improvement: 1) wages and working hours; 2) freedom of association and employee representation; 3) discrimination and sexual harassment; 4) health and safety in the workplace; 5) modern slavery and child labour.

**Establishing social dialogue:** Workers' rights can only be secured on a long-term basis if workers are given the opportunity to represent their own interests. Workers' representatives and trade unions are the instruments that enable workers to demand and monitor long-term compliance with their workplace rights. We therefore work in partnership with ***IndustriALL Global Union, an international confederation of trade unions***. In 2016, we jointly concluded a Global Framework Agreement relating to our non-food supply chains (see GRI 407-1).

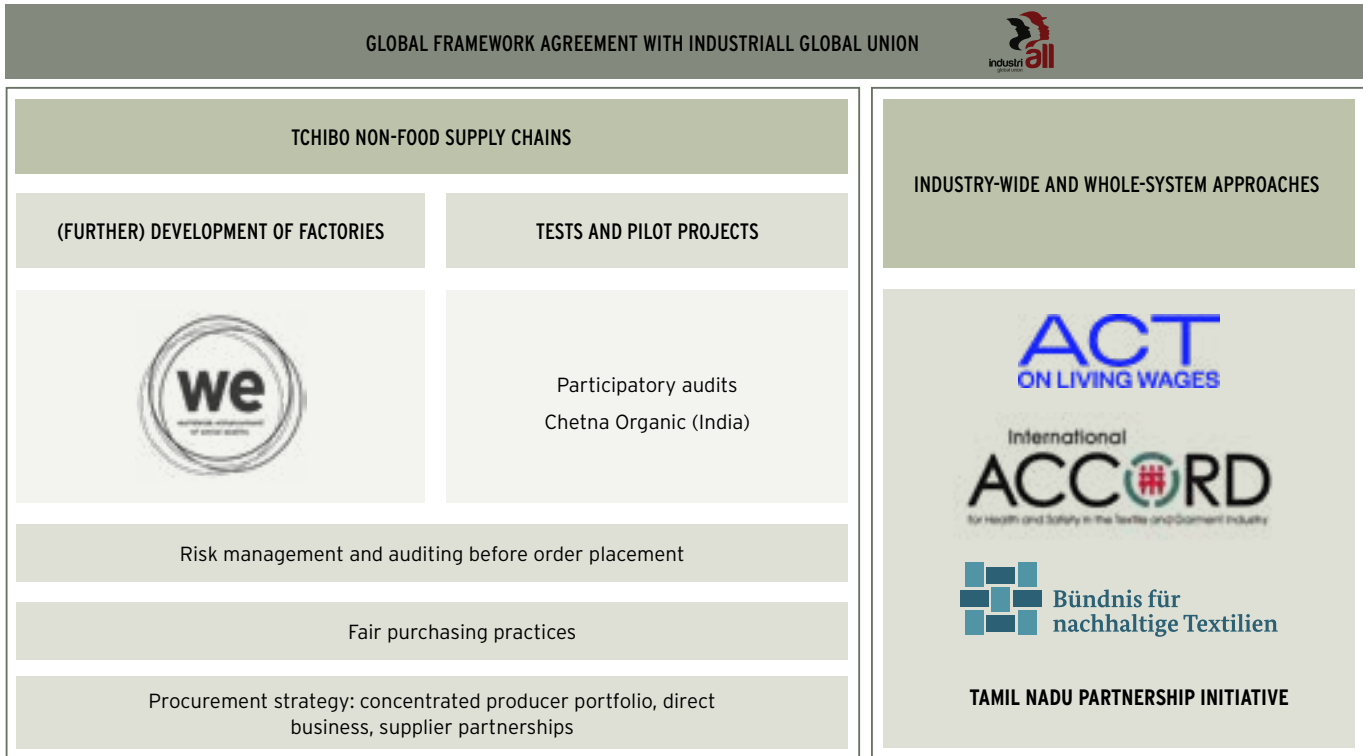
The Global Framework Agreement with IndustriALL can be found in ***Downloads*** under *Tchibo Policies & Commitments*.

**Driving change across the industry:** Within the sectors we operate in, we are often confronted with systemic challenges such as low wages or unsafe working conditions. We cannot make any progress in these areas alone, but need joint efforts by politicians, companies, employers' associations, trade unions and non-governmental organisations, in Germany and in the producing countries. To improve building safety and fire protection in Bangladesh's textile industry, we have been involved with companies and trade unions in the Accord on Fire and Building Safety in Bangladesh since 2013 (known since 2021 as the International Accord on Health and Safety in the Textile and Garment Industry). In order to implement living wages in the textile industry, we have been part of the ACT on Living Wages initiative since 2016, where we also work with companies and trade unions. In 2023, ACT members explicitly supported the demands for a higher minimum wage in Bangladesh. Since 2015, we have been a member of the multi-stakeholder initiative Partnership for Sustainable Textiles. Tchibo co-founded all three initiatives.

**Establishing effective grievance mechanisms:** Grievance mechanisms are an essential component in ensuring that human rights and environmental protection are firmly embedded in supply chains. They help Tchibo to identify violations of labour and environmental standards and then, at the next stage, to work collaboratively with those affected and those responsible to remedy the situation. This must go hand in hand with our other measures.



## Implementation of human rights in Tchibo non-food supply chains



### Progress: Management approach

We are constantly working on aligning our human rights management system even more closely with the UN Guiding Principles on Business and Human Rights - and thus also with the LkSG, the OECD Guidelines for Multinational Enterprises and the corresponding reporting requirements.

- In 2023, we appointed two human rights officers in accordance with the requirements of the LkSG. These monitor human rights risk management and report to the Executive Board. We also published our **Policy Statement on Human Rights and Environmental Responsibility** at the beginning of 2023.
- We have adapted our complaints mechanisms and published the associated rules of procedure in accordance with the LkSG on **tchibo-sustainability.de**. We have also set up a central grievance office within our Corporate Sustainability team and established the Ear4U grievance mechanism for the coffee sector together with other members of the German Coffee Association.
- We have revised our SCoC, formerly known as the Social and Environmental Code of Conduct and now the Supplier Code of Conduct. The new SCoC also applies to the coffee sector for the first time. Overall, we have adapted the SCoC to the protected legal positions of the LkSG, including, for example, the use of security personnel and critical substances such as mercury
- At the beginning of 2023, we set down **fair purchasing practices** for coffee procurement and published them on our website. We have also introduced a new standardised due diligence process for indirect purchasing.

- We decided to end production in Myanmar back in 2021 because, following the military coup, we no longer felt that we had the conditions and resources to operate there with the necessary human rights due diligence. Our gradual withdrawal from Myanmar was completed by mid-2022.
- The International Accord for Health and Safety in the Textile and Garment Industry was extended to Pakistan at the beginning of 2023. We made a legally binding commitment that all factories producing for us in Pakistan must fulfil the safety criteria of the Accord.
- At the end of 2023, we declared our support for textile workers in Bangladesh during their strikes to enforce higher minimum wages.
- In 2022, we joined a pilot project run by the Bangladeshi government to introduce occupational accident insurance in the country for the first time. The five-year project is intended to lead to the permanent establishment of occupational accident insurance that meets international standards.
- We joined the ILO Child Labour Platform in 2023 in the fight against child labour and are currently primarily focusing our cooperation on Honduras (coffee) and India (cotton).
- In 2023, to mark the 15th anniversary of our WE dialogue programme, we extended the programme to other companies so that even more workers and factories can benefit from it in the future.
- After a successful pilot phase, we have fully integrated the participatory audit (Collective Change Action - CCA), which combines WE's dialogue approach and verification through audits, into our audit programme. In 2023, five strategically relevant factories in Bangladesh and China were included in this type of audit.

GRI 407-1

## **Freedom of association and collective bargaining - operations and suppliers in which the right to freedom of association and collective bargaining may be at risk**

### **Operating sites**

Our Code of Conduct applies to all Tchibo employees and operating sites. It explicitly states that human rights and fundamental social standards must be respected, including the right to freedom of association and collective bargaining.

All employees are encouraged to report violations of the Code of Conduct. Tchibo ensures that this will not have any negative consequences for these and other individuals affected. There was no increased risk concerning the right to freedom of association and collective bargaining at Tchibo operating sites during the reporting period.

We are not aware of any violations of the right to freedom of association and collective bargaining at Tchibo operating sites during the reporting period.

### **Coffee suppliers**

The right to freedom of association and collective bargaining is one of the universal human rights, is enshrined in the UN International Covenant on Economic, Social and Cultural Rights, and is covered by the core labour standards of the International Labour Organization (ILO), which apply worldwide. This right is also enshrined in our agricultural policy for agricultural supply chains, which has been in force since 2022. The same applies to the seals with which we certify our green coffees: Rainforest Alliance, Fairtrade.

In most of the countries from which we source our green coffee, there is an increased risk of this right being violated.

We are not aware of any violations of the right to freedom of association and collective bargaining at Tchibo coffee suppliers during the reporting period. However, it is likely that this does not reflect the reality.

### **Suppliers for non-food items**

Our Social and Environmental Code of Conduct (SCoC) is contractually binding for all our non-food item suppliers, service providers and external partners. It explicitly states that the right to freedom of association and collective bargaining must be respected. Violations of this constitute a zero-tolerance violation of our SCoC (see Section GRI 414).

The following certifications and standards, which we use for raw materials of non-food items, include the right to freedom of association and collective bargaining: Cotton made in Africa (CmiA), Fairtrade, Forest Stewardship Council® (FSC®), Global Organic Textile Standard (GOTS).

During the reporting period, we received via our grievance mechanisms four complaints in 2022 and one complaint in 2023 relating to violations of the right to freedom of association. All grievances related to incidents in the Tchibo supply chain, which we worked to resolve.

In many of the countries where we source our non-food items, there is an increased risk of the right to freedom of association and collective bargaining being violated. We therefore assume that the violations reported through our grievance mechanisms are not isolated cases, but instead represent examples of widespread infringements of workers' rights in this area.

### **Suppliers for non-food items: Global Framework Agreement with IndustriALL Global Union**

That is why, in 2016, Tchibo became the first retail company in Germany to conclude a Global Framework Agreement with IndustriALL Global Union, an international confederation of trade unions. It applies to our non-food supply chains and ensures that workers have the ability to unionise and to engage in collective bargaining beyond our SCoC. We equip the facilitators in our WE programme with the necessary skills to identify problems relating to freedom of association and the right to collective bargaining in factories and to resolve them with those affected. This reinforces the idea of 'freedom of association and workers' representation' in WE.

### **Suppliers for non-food items: ACT on Living Wages**

As part of our ACT on Living Wages membership, we are reinforcing the right to collective bargaining and pay negotiations in the textile industry in Bangladesh, Cambodia, Myanmar and Turkey. We want to use our involvement in ACT to ensure living wages through regular wage negotiations between trade unions and employers throughout a country's textile industry, combined with better purchasing practices and long-term business relationships between purchasing companies. One fundamental way of doing this is to strengthen trade union rights in the form of freedom of association and the right to collective bargaining, which we are working intensively on with other member companies, IndustriALL Global Union and local trade unions and industry associations.

## Child labour - operations and suppliers at significant risk for incidents of child labour

### Operating sites

Our Code of Conduct applies to all Tchibo employees and operating sites. It explicitly states that human rights and fundamental social standards must be respected. This includes the prohibition of child labour. All employees are encouraged to report violations of the Code of Conduct. Tchibo ensures that this will not have any negative consequences for these and other individuals affected.

During the reporting period, there was no increased risk of child labour at Tchibo operating sites.

We are not aware of any violations of the ban on child labour at Tchibo operating sites during the reporting period.

### Supply chain

The ban on child labour is one of the universal human rights, is enshrined in the UN International Covenant on Economic, Social and Cultural Rights, and is covered by the core labour standards of the International Labour Organisation (ILO), which apply worldwide.

Our Supplier Code of Conduct (SCoC) is contractually binding for all our suppliers, service providers and partners. It explicitly states that Tchibo does not tolerate child labour and names restrictions and conditions under which young people may be employed. Violations of this constitute a zero-tolerance violation of our SCoC. We verify compliance with these requirements in all quality audits as well as in social and environmental audits (see GRI 414). Our agricultural policy for agricultural supply chains, which has been in force since 2022, also explicitly excludes child labour and specifies restrictions and conditions for the employment of young people.

### Coffee suppliers

In most of the countries from which we source our green coffee, there is an increased to high risk of child labour. This applies in particular to the agricultural sector, which also includes coffee production.

The following seals, with which we certify our green coffees, include a ban on child labour: Rainforest Alliance, Fairtrade.

In 2023, Tchibo joined the Child Labour Platform (CLP) of the ILO. This is an association of various sectors who have set themselves the goal of reducing or eliminating child labour. Our involvement in the CLP covers both the coffee and non-food sectors.

In the coffee sector, CLP is active in Uganda, Vietnam and Honduras. As a company, we have decided to solely focus on Honduras for the time being and have therefore joined the Honduras Working Group. Uganda is not yet a coffee country that Tchibo is focussing on, and in Vietnam our focus is currently on other topics. Nevertheless, we are learning a lot in Honduras for potential other countries.

Because of the poverty in Honduras, child labour is a major issue. Our coffee sustainability programme is helping farmers to increase their incomes. We believe that low incomes on the poverty line are a cause of child labour. Through training, we provide farmers with knowledge on how to improve quality and productivity. They are also given access to financing and the materials they need, such as fertilisers. Farm diversification is also part of our programme in Honduras. Here, fruit and vegetables are grown between the coffee plants. This results in several positive effects: The soil gets healthier while families get to eat the fruit and vegetables.

In Honduras, together with our partner Becamo, we run three child daycare centres during the harvest season to provide a safe place for children while their parents harvest the coffee on the farm. They are provided with at least three meals and are looked after and educated in an age-appropriate manner.

However, we are aware that child labour is a structural problem. We can bring about change as an individual company, but there are limits to what we can do. That's why we decided to cooperate with the Child Labour Platform. Different companies from different sectors work together here, all with the same goal of curbing and abolishing child labour. The ILO has also been working with many governments on this issue for almost 20 years. This access to policymakers is essential for achieving the goals.

We are not aware of any proven violations of the ban on child labour at Tchibo coffee suppliers during the reporting period. However, it is likely that this does not reflect the reality.

### **Suppliers for non-food items**

The following certifications and standards, which we use for raw materials of non-food articles, include the prohibition of child labour: Cotton made in Africa (CmiA), Fairtrade, Forest Stewardship Council® (FSC®), Global Organic Textile Standard (GOTS), Organic Cotton Standard (OCS).

If a business partner or its suppliers are found to be using child labour, an improvement plan must be implemented to ensure the long-term protection of the child and its family through remedial action. Such a process is closely overseen by Tchibo.

In many of the countries from which we source our non-food items, there is an increased risk of child labour. This is especially true for the lower levels of the supply chain, in other words in the production of intermediate products and raw materials.

We counter the risk directly and indirectly with a series of preventive measures. In addition to strict auditing in all our audit processes, we are also committed to long-term partnerships with suppliers and producers. This allows our partners to plan with certainty, which in turn provides a stable framework that does not incentivise the use of child labour.

One of the five focus areas of our WE programme is 'Modern slavery and child labour'. Thanks to the programme's many years of experience working with factories, our WE facilitators are able to identify child labour, even if it has not been exposed by an audit.

As part of our involvement with the ILO Child Labour Platform (see above), we are active in the non-food, cotton sector in India.

Through our Global Framework Agreement with IndustriALL Global Union (see GRI 407-1), we support trade unions in our supply chains, which in turn mandate and monitor compliance with human and workers' rights in the workplace.

We have also established multiple grievance channels, by means of which the individuals affected, other employees and third parties can report any violations of workers' rights to Tchibo (see Management Approach for GRI 407-414).

In 2022, no violations of child labour by Tchibo producers of non-food items were reported to us. In 2023, we received one complaint about child labour in cotton fields in India, but the children were not identified. Consequently, we are still in the process of establishing remedial measures for the sub-region.

## Forced or compulsory labour - operations and suppliers at significant risk for incidents of forced or compulsory labour

### Operating sites

Our Code of Conduct applies to all Tchibo employees and operating sites. It explicitly states that human rights and fundamental social standards must be respected, including the prohibition of forced labour. All employees are encouraged to report violations of the Code of Conduct. Tchibo ensures that this will not have any negative consequences for these and other individuals affected.

There was no increased risk relating to forced labour at Tchibo operating sites during the reporting period. We are not aware of any violations of the ban on forced labour at Tchibo operating sites during the reporting period.

### Supply chain

The ban on forced labour is one of the universal human rights, is enshrined in the UN International Covenant on Economic, Social and Cultural Rights, and is covered by the core labour standards of the International Labour Organisation (ILO), which apply worldwide.

Our Supplier Code of Conduct (SCoC) is contractually binding for all our suppliers, service providers and partners. It specifically states that Tchibo does not tolerate any practices of modern slavery, including forced labour. Violations of this constitute a zero-tolerance violation of our SCoC. We verify compliance with these requirements in all quality audits as well as in social and environmental audits (see GRI 414). Our agricultural policy for agricultural supply chains, which has been in force since 2022, also explicitly excludes modern slavery and forced labour.

### Coffee suppliers

The following seals, with which we certify our green coffees, include the prohibition of forced labour: Rainforest Alliance, Fairtrade.

In the areas where we source our green coffee that are dominated by small-scale farming, there is no increased risk of forced labour. On large farms, however, there is an increased risk of forms of modern slavery, such as bonded labour.

We are not aware of any substantiated violations of the ban on forced labour at Tchibo coffee suppliers during the reporting period. However, it is likely that this does not reflect the reality.

### Suppliers for non-food items

The following certifications and standards, which we use for raw materials of non-food items, include the prohibition of forced labour: Cotton made in Africa (CmiA), Fairtrade, Forest Stewardship Council® (FSC®), Global Organic Textile Standard (GOTS), Organic Cotton Standard (OCS).

In some countries, regions and sectors and at certain processing stages of our non-food items, there is an increased risk of forms of modern slavery. This is especially true for the lower levels of the supply chain, in other words in the production of intermediate products and raw materials.

Our specific risks for forms of modern slavery and corresponding instructions for action to be taken can be found in [Downloads](#) under *Tchibo Policies & Commitments* as well as *Supplier Policies & Guidelines*.

For the reporting period, we received two complaints against the ban on modern slavery in 2023, one of which related to labour in cotton fields but could not be upheld.

### **Recognising and preventing forced labour**

We counter the risk directly and indirectly with a series of preventive measures. For details, see GRI 408-1.

GRI 411-1

## **Rights of indigenous peoples - incidents of violations involving rights of indigenous peoples**

We are not aware of any substantiated violations of the rights of indigenous peoples at or by Tchibo operating sites, or at or by our suppliers of green coffee and non-food items, during the reporting period.

For more information on upholding the rights of indigenous peoples, see GRI 414.

GRI 412-1,2 & 3

## **Verification of compliance with human rights**

Our Social and Environmental Code of Conduct (SCoC) is contractually binding for all our non-food item suppliers, service providers and external partners. It includes all human and workers' rights relevant to our sectors, as well as related international conventions.

Further information on this topic can be found in GRI 407, 408, 409 and 411.

GRI 413-1

## **Local communities - operations with local community engagement, impact assessments and development programmes**

There were no company-owned operating sites with a specific negative impact on local communities during the reporting period. Accordingly, there were no significant programmes for their involvement or support.

### **Coffee suppliers**

Our new sustainable coffee programme focuses even more strongly on supporting coffee farmers in our supply chains. With regionally tailored programmes, we support them in diversifying and stabilising their incomes and making their farming methods sustainable. This includes measures such as agroforestry, reforestation, the cultivation of fruit trees and other crops as well as the sowing of new coffee varieties that are better protected against extreme weather conditions. Implementation is carried out in close cooperation with trainers and agronomists from the exporters. To maximise impact, the specific measures are coordinated on a regional basis. In Brazil, for example, the focus is on the protection of biodiversity, climate and water, while in Honduras the focus is on poverty reduction. In this way, each country receives a tailor-made programme.

Tchibo is working with the independent non-profit organisation Enveritas to achieve maximum transparency in the spheres of activity. By the beginning of 2024, Enveritas will present country reports and analyses for all coffee countries (including Brazil and Vietnam) in which Tchibo regularly makes purchases. Based on this data, Tchibo will develop customised solutions together with the people in the regions without imposing a programme on them. Enveritas also checks whether the programmes are being implemented and are having an impact.

Depending on the country and supply chain, Tchibo works together with local partners and NGOs, as well as with other companies and organisations such as World Coffee Research and the German Coffee Association.

GRI 413-2

## Operations with significant actual or potential negative impacts on local communities

There is no data available for this reporting period. Previously assessed as not applicable in relation to the GRI definition of local communities.

GRI 414 - 1&2

## Supplier social assessment

### Suppliers for non-food items: risk management

Every two years, we assess the human rights situation in our manufacturing countries on the basis of recognised indices and publications by expert organisations. The results of these analyses are used to group countries into four categories, which in turn indicate the degree of scrutiny required of producers:

- 1) Low risk: no audit required
- 2) Medium risk: one-day social and environmental audit required (sometimes carried out as part of a quality audit if auditors have the necessary expertise)
- 3) High risk: two-day social and environmental audits, carried out by external auditors
- 4) No purchasing permitted

The risk assessment for our producing countries and the resulting guidelines (Social and Environmental Country Risks and Policies) can be found in [Downloads](#) under *Tchibo Policies & Commitments*. The assessment of significant, potentially negative social impact in Tchibo non-food supply chains can be found in 'Management Approach for GRI 407-414'.

### Suppliers for non-food items: auditing

We conduct social and environmental audits to verify compliance with the standards set out in the contractually binding Tchibo Supplier Code of Conduct (SCoC). New factories are usually audited before a contract is signed with the supplier. The outcome of the audit determines the purchasing decision: only those that meet the minimum requirements are included in our portfolio. Any zero-tolerance violations must be rectified before any orders can be placed with the producer. These include, for example, obstruction of emergency exits, failure to provide employment contracts, payment below the legal minimum wage or discharge of chemicals into the groundwater. For any other violations - such as workers failing to wear the protective clothing provided, missing information in employment contracts, late payments or a lack of safety labelling on chemicals - we give producers more time to rectify them. Orders can be placed once suppliers have submitted their plans for improvement.

We use the WE dialogue programme and our Global Framework Agreement with IndustriALL to assist in the improvement of working conditions at factories we regularly work with. Those producers who are not covered by our WE programme are audited every three years. These factories are given a period of four weeks to rectify zero-tolerance shortcomings.

If this deadline is not met, the producer is suspended. They will not receive any new orders until the shortcomings have been remedied. This sends a clear message that the identified violations are unacceptable, whilst at the same time giving our existing business partners time to address them. If we did not do this, we would run the risk of factories concealing shortcomings; at the same time, we see it as our responsibility not to be too hasty when there are jobs and workers' incomes at stake that may be dependent on Tchibo.



Producers need considerable resources for the audits performed by their customers. This leaves very little time for them to look after the needs of their own employees. We therefore also accept audit results from independent standard organisations, which producers can submit themselves: BSCI, WRAP, SMETA 4-pillar audit, SA8000 with ISO. However, these must cover all the issues that we have categorised as zero-tolerance deficiencies with respect to our SCoC. Where appropriate, we still check specific aspects of our zero-tolerance requirements. Where we have trading partnerships with other reputable brands, we do not carry out our own audits if the producers can prove that they have their own programme for compliance with human rights and environmental standards.

A complete list of Tchibo textile producers and wet-processing companies can be found in [Downloads](#) under *Supply Chain Transparency* and in the [Open Apparel Registry](#).

### **Effective grievance mechanisms (non-food items)**

Grievance mechanisms are important to ensure that human rights and environmental protection are firmly embedded in supply chains. They help us to identify violations of labour and environmental standards and work together with those affected and those responsible to remedy the situation. Tchibo has established a system consisting of multiple grievance channels, which is intended to allow as many people as possible to report grievances. Grievances are logged and investigated by designated Tchibo employees, whenever possible together with members of the local WE programme. We often involve external and independent expert organisations in our investigations. This is used as the basis for an action plan, which is drawn up in collaboration with the relevant Tchibo departments, such as Purchasing. We do everything we can to resolve grievances by working with those affected and those who have caused them. The results are then used to inform our supply chain programmes, training courses and business processes.

The following grievance channels exist: direct grievances to Tchibo, WE facilitators and local Tchibo employees, trade unions (Global Framework Agreement), International Accord, ACT on Living Wages, Ear4U, whistleblowing for Tchibo employees and business partners.

### **Progress & goals**

- During the reporting period, we revised our grievance mechanism and adapted it to the requirements of the German Supply Chain Act (LkSG). We have published the associated rules of procedure on our website in [Downloads](#) under *Policies & Commitments*.
- After a successful pilot phase, we have fully integrated the participatory audit (Collective Change Action - CCA), which combines WE's dialogue approach and verification through audits, into our audit programme. In 2023, five strategically relevant factories in Bangladesh and China were included in this type of audit.

**Challenges**

Human rights and environmental protection are still under threat in most producing countries and are still a long way from becoming something that can be taken for granted. From years of experience on the ground, we know that it is not enough for individual companies to make a voluntary commitment. This approach has reached its limits in view of the complexity of the challenges. As a result, good measures taken by companies, both collectively and individually, fail because a critical mass of partners is not reached or because organisational and financial burdens cannot be shared. Fairness is also a cost issue and still represents a competitive disadvantage for companies. Closing this gap also requires effective political and regulatory interventions.

Corporate responsibility must no longer be an option, but must become the rule.

**Strategy, goals & measures**

In 2019, Tchibo began campaigning for legislation on human rights in supply chains. The aim was and is to compel companies to implement human rights due diligence and, where appropriate, environmental due diligence with their suppliers.

We therefore expressly welcomed the passage of the German Supply Chain Act (LkSG) by the Bundestag in June 2021 and see great opportunities for people and companies in global supply chains when all relevant market participants are subject to the same standards for corporate responsibility. Since 1 January 2023, the law has applied to companies with 3,000 employees or more, and since 1 January 2024, to companies with 1,000 employees. We are eagerly following LkSG implementation and hope that it will have a lasting impact for people at risk from human rights and environmental issues.

The various practical handouts from the German Federal Office for Export Control (BAFA), which is responsible for implementing the law, have helped us to implement the LkSG. However, we hope that the publication of further guidelines will provide further support for fulfilling our due diligence obligations. Given the large number of existing voluntary and mandatory reporting standards for companies, reporting requirements should:

- Overlap significantly with the existing standards to avoid duplication. Ideally, these overlaps should be integrated as fully as possible into LkSG reporting.
- Recognise, in their flexibility, the approaches and programmes in place already in companies and sector-wide cooperation on human rights and environmental due diligence.
- Go beyond the obligation to monitor supply chains through the usual social audits.
- Strengthen the willingness to engage in dialogue and involve those affected.

We believe that a law should primarily have a lasting impact on the people at risk from human rights and environmental issues. The law's key points have the potential to achieve this. In the debate on the law, we have also repeatedly emphasised that the entire value chain must be taken into account, as human rights risks usually lie deep within supply chains. The adopted regulation (LkSG) does not do this.

We are therefore eagerly awaiting the discussions and decisions on an EU-wide Supply Chain Directive (CSDDD) under the umbrella of the European Green Deal. Legalisation for all companies operating in the EU market provides opportunities for significant improvements in supply chains. Our criticism of the German LkSG, of it failing to focus on the entire value chain, has been taken on board under the CSDDD and may lead to companies implementing due diligence obligations in line with their risks and the depth of their supply chains. We are also hoping that plenty of synergy effects will result and that the burden on individual companies will be eased.

### **Progress**

- In 2023, we took part in various discussions and consultations relating to the LkSG and the European Directive and actively contributed to the debate on implementing corporate due diligence.
- For example, we were invited to an exchange between the German Ministry of Labour and Economic Affairs and employer and employee representatives as well as to a working group in the North Rhine-Westphalia state parliament to report on our experience with implementing the LkSG (both in June 2023).
- We also took part in various panel discussions at the German Textiles Partnership and at a political foundation and reported on our human rights work (April and May 2023).
- We reported on our commitment to sustainable fashion as part of an exchange between a working group in the German Bundestag and other companies (November 2023).
- We want to continue to help policy makers and businesses have an honest and results-orientated debate on why and how human rights and environmental protection in supply chains need to be mandatory. We will do this with a focus on Germany and Europe. To this end, we will promote both external and internal formats.

GRI 415-1

## **Political contributions**

No financial contributions or benefits in kind were made to political parties or similar institutions in the reporting period. We do not generally donate to political parties.

GRI 416

## **Customer health and safety**

GRI 103-1/2/3

## **Management approach**

### **Challenges**

At Tchibo, we produce and sell a wide range of products: from coffee to textiles to household goods. This involves production steps in many countries where the standards are not as strictly regulated as in Germany, for example, with regard to the use of chemicals. Despite or precisely because of these difficulties, our top priority is to ensure premium product quality, maximum safety and unrestricted consumer protection. Our customers should be able to rely on our coffees to deliver the best aroma and taste, as well as on the safety and durability of our innovative non-food items.

## Strategy, goals & measures

To ensure the safety and harmlessness of Tchibo products, we always produce according to the highest standards of quality. We consider legal requirements to be minimum requirements, and we go far beyond them in many ways. We test the strict quality specifications of our products both ourselves and with the support of independent, accredited external institutes.

### Coffee

Testing the quality of our coffees is of particular importance, as product safety is very important for this foodstuff in addition to flavour and aroma. The inspection process starts at the very beginning of the coffee cultivation, when our coffee experts visit plantations, buy rarities from very special farms and carry out a pre-purchase visual and sensory assessment of the green coffees from all traders in accordance with defined product specifications, which often go far beyond the purely legal requirements. As part of the quality management process, numerous tests of green coffee are carried out on their arrival in Germany with the help of experienced and accredited laboratories to ensure that the chemical-physical composition of the coffees is at the desired high level.

Roasted coffees are produced in our coffee factories according to precise product development specifications. The production facilities are inspected in accordance with the latest IFS certification standard. These certification processes are carried out by external auditors and have so far been passed at the highest level. In addition to safety-relevant issues in the factory, major emphasis is also placed on the hygienic conditions in coffee production.

The high level of effort and customer orientation involved in the coffee sector at Tchibo is complemented by the professional complaints management team in the Quality department.

### Non-food

We have clear requirements for the safety, functionality, workmanship and material of our products. With the Tchibo Supplier Code of Conduct (SCoC), we also prescribe social and environmental standards for their production - because the Tchibo quality promise applies not only to the product properties, but also to the conditions in which they are produced.

The Tchibo quality management process consists of the following four steps: product development, quality development, quality assurance and ensuring customer information compliance. It therefore covers the entire production and supply chain.

For our non-food items, product developers are involved right from the development stage of new products and specify the requirements for safe and legally compliant products. Inspection of product samples by independent accredited laboratories as part of the manufacturing process and on-site visits to production facilities are essential for product development.

All non-food items are subjected to a final incoming goods inspection according to the 'Acceptable Quality Level' (AQL) method. This ensures that all quality requirements have been implemented and that the goods sold to the customer are free of defects. The final inspection is carried out in an inspection centre in the respective producing country before shipment or on delivery to the main warehouse in Bremen - or in both countries, depending on the product.

Detailed product information and operating instructions are supplied with all our products and are also available in our online shop. Of course, we also observe the relevant standards for the structure and comprehensibility of instruction manuals for non-food items.

Throughout all our non-food supply chains, we implement the EU REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulation, one of the most comprehensive regulations to

date on the registration, authorisation and restriction of hazardous chemicals. As a matter of principle, we contractually exclude chemicals restricted under REACH in our non-food items and ensure that compliance with this is checked regularly by independent laboratories. The excluded chemicals include the 'substances of very high concern' (SVHC) from the REACH Candidate List.

If, despite our high standards, something does not work or a product does not meet our customers' expectations, we assist in processing warranty and complaint claims and act in goodwill.

GRI 416-1

## **Assessment of the health and safety impacts of product and service categories**

No information available.

GRI 416-2

## **Incidents of non-compliance concerning the health and safety impacts of products and services**

In 2022, Tchibo issued a product recall of the 'Tchibo Family Vacu' roasted coffee product for the Hungarian market. The reason was the discovery of foreign matter (aluminium and plastic) during routine testing. A health risk was assessed as 'not very likely', but the products nevertheless failed to meet quality expectations.

In 2022, there was also a product recall for a FREIBEIK brand bicycle saddle component due to air pockets in the cast aluminium part of the product. Tchibo sold the saddle component as a dealer. All customers who had purchased the product from us were identified and informed with the recall letter from FREIBEIK.

There were no product recalls in 2023.

GRI 417

## **Marketing and labelling**

GRI 103-1/2/3

## **Management approach**

**Our guiding principles for sustainability communication are honesty, equality, credibility as well as provability and transparency.**

### **Challenge**

**Honesty is essential for change:** We need the courage to address grievances, to question what we have learned, to welcome innovations and not to turn a blind eye to difficult issues such as child labour and water pollution. If we want to evolve, we need to communicate our successes and our advances in understanding, and we need to develop tools to document the change in our system. We reject greenwashing in any form, because any downplaying of the issues will stand in the way of genuine change.

### **Strategy, goals & measures**

The Tchibo Code of Conduct (CoC) forms the basis for our corporate communication - both internally and externally. It compels us to be honest, fair and respectful. We are committed to the values that are recognised and observed in liberal democracies and respect the personal dignity and privacy of all people, regardless of

their ethnic origin, skin colour, nationality, ancestry, gender, age, religion, physique, sexual orientation or world view, political affiliation, appearance or other personal characteristics.

We also integrate the following international standards and guidelines into our communication work:

- The United Nations Universal Declaration of Human Rights (UN)
- The UN Convention on the Rights of the Child
- The guidelines of the Organisation for Economic Co-operation and Development (OECD) for multinational enterprises
- The fundamental conventions of the International Labour Organization (ILO)
- The United Nations Guiding Principles on Business and Human Rights

We also draw clear frameworks for corporate communications from our own strategic and political stances (see **Downloads** under *position papers*). For example, we pay careful attention to compliance with our animal welfare criteria in the production of our non-food products. This attitude is also reflected in the choice of text and images in all areas of corporate communication.

As another example, we ensure strict observance of data protection and fairness towards people from our supply chains in the production of all communication tools.

## Progress

To maintain customer awareness of Tchibo's commitment to sustainability at the previous year's level, sustainability messages were integrated as part of a 'smart saving - quality at a fair price' campaign. Other focal points in the non-food area in 2023 included raising awareness of product repairs as part of a 'Repair Day' and supporting the international 'BehindTheSeams' campaign of the GOTS standard. In the coffee sector, various campaigns were implemented with the Fairtrade organisation, such as participation in the 'Fair Week'. The Fairtrade-certified Tchibo range was expanded to include the 'BARISTA Espresso Dark' product. Solutions for more sustainable coffee packaging, such as better recyclability or reduced use of materials, were also implemented and communicated to customers.

GRI 417-1

## Requirements for product and service information and labelling

We ensure that products are always correctly labelled with environmental or social product seals and standards, based on our strict monitoring and certification management process.

We try to keep the amount of information as streamlined and customer-friendly as possible: information on the positive and negative economic, environmental and social impacts that is necessary when deciding whether to buy a product is briefly summarised on the packaging. Further information is available on flyers in our shops, for example. We go into more depth on our website.

We also aim to answer all open questions from our customers in direct dialogue via our customer service.

By providing transparent information about the material used in our products and information about how to use and dispose of them correctly, we enable our customers to make informed purchasing decisions. Furthermore, information on the environmental impact of our sustainable materials is included in the relevant customer communication channels, ensuring it is as easy to understand as possible.

## Incidents of non-compliance concerning product and service information and labelling

In the 2022/2023 reporting year, there were only isolated violations at Tchibo relating to information about products and services and labelling. The violations related to labelling; claims and illustrations and were remedied promptly.

## Customer privacy

## Management approach

### Challenges

Delivering an outstanding shopping experience for our customers requires the support of IT systems that store and process data and information. It also requires the support of IT systems used for human resources management and for our internal administrative processes.

The legally compliant handling of data requiring protection is key to our business activities. In addition to data protection for personal data, this also applies to our trade secrets.

### Strategy, goals & measures

As a matter of principle, we protect the personal data of our customers and employees, and comply with national, European and international data protection regulations. We focus our actions on processing personal data only after weighing up the interests of the individual and after assessing all data protection risks. Our security standards are aimed in particular at preventing unlawful access to and use of data by unauthorised parties. Our business partners are also obliged to treat such data carefully.

The EU General Data Protection Regulation (GDPR) and national laws on data protection impose strict rules for companies and powers for authorities when dealing with personal data. At Tchibo, data protection is integrated into all relevant business processes. Responsibilities relating to data protection are clearly defined.

The internal data protection officer within the legal department is responsible for raising awareness and providing advice and training on all matters relating to data protection. The external company data protection officer takes on the legal duties. Responsibility for implementing legal and internal data protection and information security requirements lies directly with individual departments and foreign subsidiaries.

#### **This means:**

each and every employee shares responsibility for compliance with data protection regulations and laws. Compulsory training courses on this topic are held regularly for all staff members.

Processing procedures relating to personal data are designed and implemented with data protection requirements in mind from the outset. In doing so, Tchibo fulfils, among other things, wide-ranging information obligations with regard to the persons concerned (customer, employee, applicant, etc.). Service providers who work on behalf of Tchibo are bound by corresponding data protection agreements.

The security of our IT systems is also essential for effective data protection.

This protects information and systems from a wide range of threats, from simple operating errors to hardware defects and cyber attacks. The information security management system (ISMS) required for this is based on the nationally and internationally recognised standards ISO 27001, BSI Grundschutz and the NIST-SP-800 series, and is constantly being further developed in the area of IT governance.

In the event of any acute data or information security threats or breaches, these are reported directly to, and evaluated and remedied in close cooperation with, the IT governance and data protection departments. If necessary, this is followed by the involvement of supervisory authorities, crisis management teams and/or the Executive Board.

A variety of coordinated technical and organisational measures are used to ensure information security at Tchibo. Technical measures include, for example, multi-level detection of malware or encryption of data and transmission paths. We also bring in specialist service providers, for example, to defend against cyber attacks or to monitor and respond to new threats. Organisational measures include guidelines, access and authorisation policies, standards, works agreements and work instructions.

The interplay of various measures is crucial to achieving an appropriate level of security.

GRI 418-1

## **Substantiated complaints concerning breaches of customer privacy and losses of customer data**

We did not identify any significant violations during the reporting period.

GRI 419

## **Socioeconomic compliance**

GRI 103-1/2/3

## **Management approach**

### **Challenges**

At Tchibo, legally compliant conduct is ensured at all levels within the company. This is rooted in the Tchibo Code of Conduct (CoC), which we updated in 2017. It is binding for all employees of Tchibo GmbH and its national subsidiaries and governs interactions with business partners and customers. The CoC also draws on the core labour standards of the International Labour Organization (ILO), as well as on international guidelines such as those of the OECD and the United Nations Guiding Principles on Business and Human Rights, and, for example, prohibits any form of corruption as well as the granting or acceptance of advantages. Any employee who violates one of these principles may be subject to sanctions under labour law.

We provide our management staff with regular training on how to apply the Code of Conduct. Managers also regularly confirm in writing that they have understood and complied with the rules of the CoC and have reported any violations that have come to their attention. In addition, by providing their signature they confirm that they have explained the CoC to their employees and that they monitor compliance with the CoC. All new employees are given a copy of the CoC.



Compliance with internal and external requirements is assessed by maxingvest ag's Group Internal Audit department via internal audits. We provide employees, suppliers and customers with the opportunity to report any suspected misconduct by telephone via an anonymous contact facility operated by an independent body (whistleblowing).

Any information received is referred to the Compliance Committee as an internal investigative body. The Compliance Committee consists of various divisional heads of maxingvest ag and Tchibo GmbH as well as the chairperson of the Works Council. Grievances can also be reported via the Works Council, the Human Resources department, the Legal department, the Corporate Responsibility directorate and the Group Internal Audit department.

The Tchibo Code of Conduct (CoC) can be found in [Downloads](#) under *Tchibo Policies & Commitments*.

## **Strategy, goals & measures**

We use a compliance management system (CMS) that is based on the PS 980 standard of the Institute of Public Auditors (IDW). The Compliance Office is responsible for the organisation of the CMS. They develop Group-wide standards and guidelines, oversee measures and processes within the various divisions of the company, and provide them with advice.

Our CMS is divided into seven interdependent core elements: compliance culture, compliance goals, compliance risks, compliance programme, compliance organisation, compliance communication, compliance monitoring and compliance improvement. Our CMS creates a solid framework for ensuring that ethically responsible and lawful practices are implemented throughout the Tchibo Group. The compliance programme, as part of the CMS, includes principles and measures designed to reduce compliance risks. It is therefore made up of the following components: preventative measures (regulations and awareness-raising), monitoring of compliant behaviour, response to misconduct and continuous improvement of the system, for example, as a result of self-assessments. Integration into the company's processes is a key aspect of this. Our business is vulnerable to a variety of risks, such as currency fluctuations and environmental events that can affect commodity prices. As part of our holistic risk management system, we identify these dangers and mitigate them by implementing effective preventive measures. We draw a fundamental distinction here between business risks and supply chain risks. We assess all significant risks as part of our risk inventories. This also includes compliance risks that may arise as a result of failure to comply with legal requirements.

We sort risks into risk clusters, broken down into three categories: short-term operational risks, functional risks and strategic risks. Further distinctions are made within these categories. Acute risks are immediately reported to the Executive Board as they arise in order to bring potential dangers swiftly under control. The latest information on risk developments is fed into Tchibo's management and planning systems several times a year. The internal audit department continuously reviews the effectiveness of risk management. It keeps the Executive Board and the Supervisory Board informed about the current risk situation by submitting regular reports. These reports are taken into consideration in the risk-orientated audit planning carried out by the Group Internal Audit department. Information about any threats is immediately passed on to these bodies.

To guard against risks in procurement, we are integrating social and environmental requirements into our purchasing and quality processes. For example, we are gradually reducing the number of our suppliers for non-food items, developing the remaining suppliers into strategic partners and supporting them with the WE (Worldwide Enhancement of Social Quality) qualification programme. We continuously analyse the concerns raised by our stakeholders in the framework of our issues management process. For example, in 2014 we decided to integrate the Greenpeace standards underpinning the Detox Commitment into our purchasing and quality processes. Moreover, we consistently monitor our suppliers as part of our risk management.

The compliance risks identified and assessed as part of the risk analysis are prioritised according to the top risks and form the framework for the Tchibo compliance management system. This provides the basis for our activities, such as training, processes and internal procedures. In addition, the compliance risks identified form the basis for the ongoing development of our compliance programme.

In 2023, we set up a dedicated team responsible for implementing increased ESG regulations across Germany and the EU. The team supports the relevant departments with introducing and implementing new legal provisions and ensures that new requirements are met on time.

GRI 419-1

## **Non-compliance with laws and regulations in the social and economic area**

No significant fines were imposed during the reporting period.

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	102-2: Activities, brands, products and services	7	
	102-3: Organisation headquarters	7	
	102-4: Operating sites	7	
	102-5: Ownership structure and legal form	7	
	102-6: Markets served	8	
	102-7: Scale of the organisation	9	Due to an obligation of confidentiality vis-à-vis maxingvest ag, we do not disclose any information on total capital.
	102-8: Information on employees and other workers	9	
	102-9: Supply chain	10	
	102-10: Significant changes in the organisation and its supply chain	11	
	102-11: Precautionary approach or precautionary principle	11	
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<b>STRATEGY</b>			
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<b>GRI 203: Indirect Economic Impacts 2016</b>	Management approach disclosures (GRI 103)	26	
	203-1: Infrastructure investments and supported services	30	
	203-2: Significant indirect economic impacts	30	
<b>GRI 205: Anti-corruption 2016</b>	Management approach disclosures (GRI 103)	26	
	205-1: Operations assessed for risks related to corruption	33	
	205-2: Communication and training about anti-corruption policies and procedures	33	
	205-3: Confirmed incidents of corruption and actions taken	33	
<b>GRI 206: Anti-competitive Behaviour 2016</b>	Management approach disclosures (GRI 103)	26	
	206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	33	
ENVIRONMENTAL STANDARDS			
<b>GRI 301: Materials 2016</b>	Management approach disclosures (GRI 103)	36	
	301-1: Materials used by weight or volume	43	
	301-2: Recycled input materials used	44	
	301-3: Reclaimed products and their packaging materials	44	
<b>GRI 302: Energy 2016</b>	Management approach disclosures (GRI 103)	45	
	302-1: Energy consumption within the organisation	46	
	302-2: Energy consumption outside the organisation	47	At present, there is no primary data from the upstream and downstream value chain that provides information on energy consumption. We are already working on collecting such data in significant parts of the value chain. Currently, however, this is only available selectively and does not yet meet our requirements for data quality. We therefore do not publish this information.
	302-3: Energy intensity	47	No information available. The heterogeneous product range, consisting of food, hard goods, textiles and services, hardly allows a consolidation into a meaningful organisation-specific parameter, which is why we do not currently use such a key figure.
	302-4: Reduction of energy consumption	47	
	302-5: Reductions in energy requirements of products and services	47	No information available. The heterogeneous product range, consisting of food, hard goods, textiles and services, hardly allows a consolidation into a meaningful product-specific energy requirement, which is why we do not currently use such a key figure.

GRI STANDARD	DISCLOSURE	REFERENCE (PAGE NUMBER)	REASON FOR OMISSION
<b>GRI 304: Biodiversity 2016</b>	Management approach disclosures (GRI 103)	48	
	304-1: Operational Sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	50	
	304-2: Significant impacts of activities, products, and services on biodiversity	50	
	304-3: Habitats protected and restored	50	
	304-4: IUCN Red List Species and national conservation list species with habitats in areas affected by operations	50	
<b>GRI 305: Emissions 2016</b>	Management approach disclosures (GRI 103)	51	
	305-1: Direct (Scope 1) GHG emissions	56	
	305-2: Energy indirect (Scope 2) GHG emissions	57	
	305-3: Other indirect (Scope 3) GHG emissions	57	
	305-4: GHG emissions intensity	58	No information available. The heterogeneous product range, consisting of food, hardware, textiles and services, hardly allows a consolidation into a meaningful energy intensity, which is why we do not currently use such a key figure.
	305-5: Reduction of GHG emissions	58	
	305-6: Emissions of ozone-depleting substances (ODS)	58	No information available.
	305-7: Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	58	No information available.
<b>GRI 306: Waste 2020</b>	Management approach disclosures (GRI 103)	59	
	306-1: Waste generation and significant waste-related impacts	59	
	306-2: Management of significant waste-related impacts	60	
	306-3: Waste generated	60	
	306-4: Waste diverted from disposal	60	
	306-5: Waste directed to disposal	60	
<b>GRI 307: Environmental Compliance 2016</b>	Management approach disclosures (GRI 103)	61	
	307-1: Non-compliance with environmental laws and regulations	64	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	Management approach disclosures (GRI 103)	61	
	308-1: New suppliers that were screened using environmental criteria	64	
	308-2: Negative environmental impacts in the supply chain and measures taken	65	
<b>SOZIALE STANDARDS</b>			
<b>GRI 401: Employment 2016</b>	Management approach disclosures (GRI 103)	68	
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	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	72	
	401-3: Parental leave	73	
<b>GRI 402: Labour/Management Relations 2016</b>	Management approach disclosures (GRI 103)	68	
	402-1: Minimum notice periods regarding operational changes	74	

GRI STANDARD	DISCLOSURE	REFERENCE (PAGE NUMBER)	REASON FOR OMISSION
<b>GRI 403: Occupational Health and Safety 2018</b>	Management approach disclosures (GRI 103)	75	
	403-1: Occupational health and safety management system	77	
	403-2: Hazard identification, risk assessment and incident investigation	77	
	403-3: Occupational health services	78	
	403-4: Employee participation, consultation and communication on occupational health and safety	78	
	403-5: Worker training on occupational health and safety	78	
	403-6: Promotion of worker health	79	
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	79	
	403-8: Employees covered by an occupational health and safety management system	81	
	403-9: Work-related injuries	81	
<b>GRI 404: Training and Education 2016</b>	Management approach disclosures (GRI 103)	81	
	404-1: Average hours of training per year per employee	83	We do not have the information on the breakdown by gender.
	404-2: Programmes for upgrading employee skills and transition assistance programmes	83	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	Management approach disclosures (GRI 103)	84	
	405-1: Diversity of governance bodies and employees	85	We are unable to disclose any information on diversity in governance bodies for the reporting period.
	405-2: Ratio of basic salary and remuneration of women to men	85	
<b>GRI 406: Non-discrimination 2016</b>	Angaben zum Managementansatz (GRI 103)	84	
	406-1: Diskriminierungsvorfälle und ergriffene Abhilfemaßnahmen	85	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	Management approach disclosures (GRI 103)	86	
	407-1: Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	90	
<b>GRI 408: Child Labour 2016</b>	Management approach disclosures (GRI 103)	86	
	408-1: Operations and suppliers at significant risk for incidents of child labour	92	
<b>GRI 409: Forced or Compulsory Labour 2016</b>	Management approach disclosures (GRI 103)	86	
	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour	94	
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	Management approach disclosures (GRI 103)	86	
	411-1: Incidents in which the rights of indigenous peoples have been violated	95	
<b>GRI 412: Human Rights Assessment 2016</b>	Management approach disclosures (GRI 103)	86	
	412-1: Operations that have been subject to human rights reviews or impact assessments	95	
	412-2: Employee training on human rights policies or procedures	95	
	412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	95	

GRI STANDARD	DISCLOSURE	REFERENCE (PAGE NUMBER)	REASON FOR OMISSION
<b>GRI 413: Local Communities 2016</b>	Management approach disclosures (GRI 103)	86	Missing information because the GRI definition of 'local communities' is classified as 'not applicable' for Tchibo. It is being examined whether inclusion of the information in the next report is relevant.
	413-1: Operations with local community engagement, impact assessments, and development programmes	95	
	413-2: Operations with significant actual or potential negative impacts on local communities	96	
<b>GRI 414: Supplier Social Assessment 2016</b>	Management approach disclosures (GRI 103)	86	We do not have any quantitative information for the reporting period.
	414-1: New suppliers that were screened using social criteria	96	
	414-2: Negative social impacts in the supply chain and actions taken	96	
<b>GRI 415: Public Policy 2016</b>	Management approach disclosures (GRI 103)	98	
	GRI 415-1: Political contributions	99	
<b>GRI 416: Customer Health and Safety 2016</b>	Management approach disclosures (GRI 103)	99	No information available.
	416-1: Assessment of the health and safety impacts of product and service categories	101	
	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	101	
<b>GRI 417: Marketing and Labelling 2016</b>	Management approach disclosures (GRI 103)	101	
	417-1: Requirements for product and service information and labelling	102	
	417-2: Incidents of non-compliance concerning product and service information and labelling	103	
	417-3: Incidents of non-compliance concerning marketing communications	103	
<b>GRI 418: Customer Privacy 2016</b>	Management approach disclosures (GRI 103)	103	
	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	104	
<b>GRI 419: Socioeconomic Compliance 2016</b>	Management approach disclosures (GRI 103)	104	
	419-1: Non-compliance with laws and regulations in the social and economic area	106	



