



SUSTAINABILITY REPORT 2021

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



Photo: Neeltje Kleijn



GRI 102

GENERAL DISCLOSURES + CEO FOREWORD



We must tackle the major global challenges such as climate change, water scarcity, plastic pollution, democratisation and human rights with courage now and cannot shift the responsibility to future generations.

CEO, WERNER WEBER

Foreword from Werner Weber, Chairman of the Tchibo Management Board

The world around us is changing dramatically. As a company that operates globally, we are confronted with new challenges every day. As you are reading this report, a lot has changed since we compiled this information for you in 2021. The war in Ukraine alone provides horrific news every day, and the long-term global effects can only be speculated about.

In light of this, it is some comfort to see how Tchibo's internal crisis management programme supported us through many critical situations in 2021, allowing us to be able to continue operating.

- The exceptional circumstances brought about by Covid continued, requiring all of us - employees, suppliers and project partners - to adapt to changes quickly, time and again.
- We were also particularly concerned about the military coup in Myanmar with all its consequences.
- At the same time, recurring logistics difficulties and the rising cost of sustainable materials and green coffee are issues that we face on an almost daily basis.
- We have also observed with great concern the many extreme weather events that show how far climate change has already progressed. Heat waves and cold snaps, drought and flood disasters threaten the raw materials we need and the people who make a living from cultivating them. Severe frosts in Brazil in August and September 2021 threaten the current 2022 harvest.
- We were also shocked by the catastrophic flooding in Germany, in which more than 180 people died. Some of our employees and some branches were directly affected.

All these events that shaped the year 2021 have made it very clear to us: we must tackle the major global challenges such as climate change, water scarcity, plastic pollution, democratisation and human rights with courage now and cannot shift the responsibility to future generations.

Partnership and reliability

Reliable partnerships in our supply chains and the passion of our employees were the cornerstones of our crisis management strategy. As a company, we have to earn both of these things again and again through reliability, a non-hierarchical approach and a conscientious attitude to everyday business. For example, we have proven our reliability by fulfilling our obligations to all partners during the Covid pandemic and purchasing ordered goods, as well as by combatting redundancies and promoting safe working conditions in our production facilities through our relationships with global trade unions. We have grown together even more strongly in the past year, both within Tchibo and with our partners around the world.

Focus on sustainability

We are particularly proud of the fact that - despite all the challenges - we continue to pursue our ambitious sustainability strategy and remain on our path to 100% sustainable business activities. In 2021, we have invested increasing amounts in issues such as sustainable coffee growing, human rights in global supply chains, packaging development and circular products. In challenging times more than ever, we see it as our duty as a family business to take responsibility for people and nature and to stand up for our values.

We will continue to build on our commitment to sustainability in 2022, taking into account the current global political upheavals that will bring additional, sometimes even more serious, threats to companies after the pandemic. Despite these distressing events, however, we are confident that we have taken the right path. Our sustainability strategy provides us with additional stability for the already foreseeable - but also for the still uncertain - challenges of the future.

In the following report, we have compiled an overview of the challenges we face in the area of sustainability, the strategies we have adopted to counter these and the milestones we have already achieved in 2021.

Here is a brief summary of the most important successes from 2021:

- We were able to contribute to extending and expanding the Bangladesh Accord with consistent requirements and legal obligations.
- We have improved our complaints procedures. For example, we have permanently and effectively implemented the ACT complaints procedure in Bangladesh after the start of the project in 2020 and strengthened internal complaints procedures in factories in India, Bangladesh and Pakistan through our WE programme.
- We have defined and published our requirements for sustainable cultivation in the Tchibo Human Rights and Environmental Policy for Agricultural Supply Chains. This guideline will be applied from 2022, and sets out Tchibo's principles, goals and expectations, thus serving as the blueprint for the development of new farmer projects.
- We have adopted our 2025 Sustainability Roadmaps for textiles and hard goods. By 2025, we aim to achieve 100% sustainable textiles and 50% sustainable hard goods.
- Since the start of the initiative in 2009, we have reached around 43,300 coffee farmers in Ethiopia, Brazil, Honduras, Kenya, Colombia, Papua New Guinea, Tanzania, Guatemala and Vietnam with the Tchibo Joint Forces!® programme. In 2021, we launched another project in Guatemala.
- We have set up a coffee project in Brazil to promote environmentally friendly growing practices, to reforest native vegetation along bodies of water and to apply climate-friendly cultivation methods.
- We have successfully introduced our new Qbo capsules, which are made of 70% renewable materials.

We would like to thank our dedicated employees and the many partners who support us worldwide for these successes and for overcoming ever new challenges.

WERNER WEBER
CEO TCHIBO GMBH



Werner Weber, 2021

Organisation profile

GRI 102-1

Name of organisation

Tchibo GmbH, established in 1949 in Hamburg

GRI 102-2

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, Cafissimo.

GRI 102-3

Location of headquarters

Tchibo has its headquarters at Überseering 18, 22297 Hamburg, Germany.

GRI 102-4

Location of operations

In 2021, Tchibo operated subsidiaries in: Bulgaria, Germany, Hong Kong, Austria, Poland, Romania, Russia*, Switzerland, Slovakia, the Czech Republic, Turkey and Hungary. At the beginning of 2021, Tchibo also opened a subsidiary in Dubai (United Arab Emirates), which will take over 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 approximately 19,000 concessions in German retail stores. Tchibo operates dedicated online shops in Germany, Austria, Poland, Switzerland, the Czech Republic, Slovakia, Turkey and Hungary.

Tchibo's coffee-roasting facilities are located in Hamburg and Berlin in Germany and in Marki in Poland.

The company has primary logistics sites in Bremen, Neumarkt and Gallin in Germany and also in Cheb in the Czech Republic. We have smaller logistics centres for distribution purposes in Eastern Europe, for example in Senec in Slovakia, and for handling coffee orders in Austria and in Kampinos in Poland.

* At the beginning of 2022, we suspended our business in Russia.

GRI 102-5

Ownership structure and legal form

Tchibo takes the legal form of 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 (for more information, visit 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 - from food and beverage retailers to 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 selection of roasted coffees, its non-food products and its coffee bars. Products are distributed through the 150 or so Tchibo/Eduscho shops, grocery shops and specialist retailers, as well as on the online shop.

Poland: Tchibo has been selling its products in Poland since 1992. After two successful years on the Polish market, Tchibo opened its own coffee-roasting plant in Marki in 1994. In 1999, Gala became the second Tchibo brand to be launched on the Polish market. To date, more than 30 Tchibo shops have opened in the bricks-and-mortar retail sector. Tchibo has been offering its customers the chance to order coffee and non-food products through its online shop since early 2008.

Romania: Tchibo has been operational in the capital city, Bucharest, since 2001. Products are distributed nationwide via the retail trade. Today, Tchibo is active in all market segments in the roasted and instant coffee sector in Romania, with coffee blends that are tailored to the country's unique taste profile.

Russia: Tchibo opened its first Russian branch in St. Petersburg in 1994, with a second outlet in Moscow following a year later. In the space of just a few years, Tchibo made a name for itself in Russia, becoming one of the leading coffee suppliers in the country. We suspended our business in Russia at the beginning of 2022.

Switzerland: In 2001, Tchibo entered the German-speaking market in Switzerland with direct selling. The Tchibo non-food range was initially available over the Internet and from the catalogue. In 2002, Tchibo opened its first shops in Lucerne, Winterthur and Basel. There are now around 39 shops selling all three Tchibo ranges. In addition, Tchibo is represented in the food trade 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. Following the break-up of Czechoslovakia, Tchibo opened a branch in Bratislava in 1993. Since then, coffee has been distributed through 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 segment with its international Tchibo brand and the local Jihlavanka brand. 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 shop in one of Europe's largest shopping centres, Istanbul Cevahir. Following its successful market launch, distribution was expanded to more than 40 Turkish branches. In addition, Tchibo is represented in the food trade with its coffee.

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

Scale of the organisation

Tchibo employs a total of roughly 10,000 people worldwide, about 6,600 of whom are employed in Germany. The total number of sites consists of the headquarters in Hamburg, three roasting facilities, about 900 shops worldwide, 19,000 concessions in Germany and four primary logistics centres. Every year, Tchibo puts more than 5,000 new products to market, selling them in its retail concessions, in its shops and in its online store. In 820 of Tchibo's shops, customers will also find a coffee bar offering a range of food and beverages. 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 a duty of confidentiality vis-à-vis maxingvest, we do not disclose any information about total capital.

Information on employees and other workers

There were no significant changes in the personnel structure, broken down according to age groups. There has been a slight decrease in the number of employees, which is down by 179 compared with 2020.

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 the season and the staffing requirements in logistics - during the Christmas season, for example. Workplace health and safety measures apply both to Tchibo employees and to temporary workers.

All workers are documented systemically. This enables automatic reporting of the absolute numbers of workers based on demographic factors such as gender and employment status. The personnel data in the GRI Report and in the tables are based on a data query for the Sustainability Report and are as at 31 December 2021. Specific details regarding salaried employees and other staff can be found in the [Key Figures](#) table.

There is no significant amount of work done by people not employed by Tchibo.

Personnel structure in 2021

	TOTAL	WOMEN	MEN
NUMBER OF STAFF IN GERMANY	6,582	5,038	1,544
FULL TIME (%)	43.1	51.6	48.4
PART TIME (%)	56.9	95.4	4.6
PERMANENT (%)	93.8	76.0	24.0

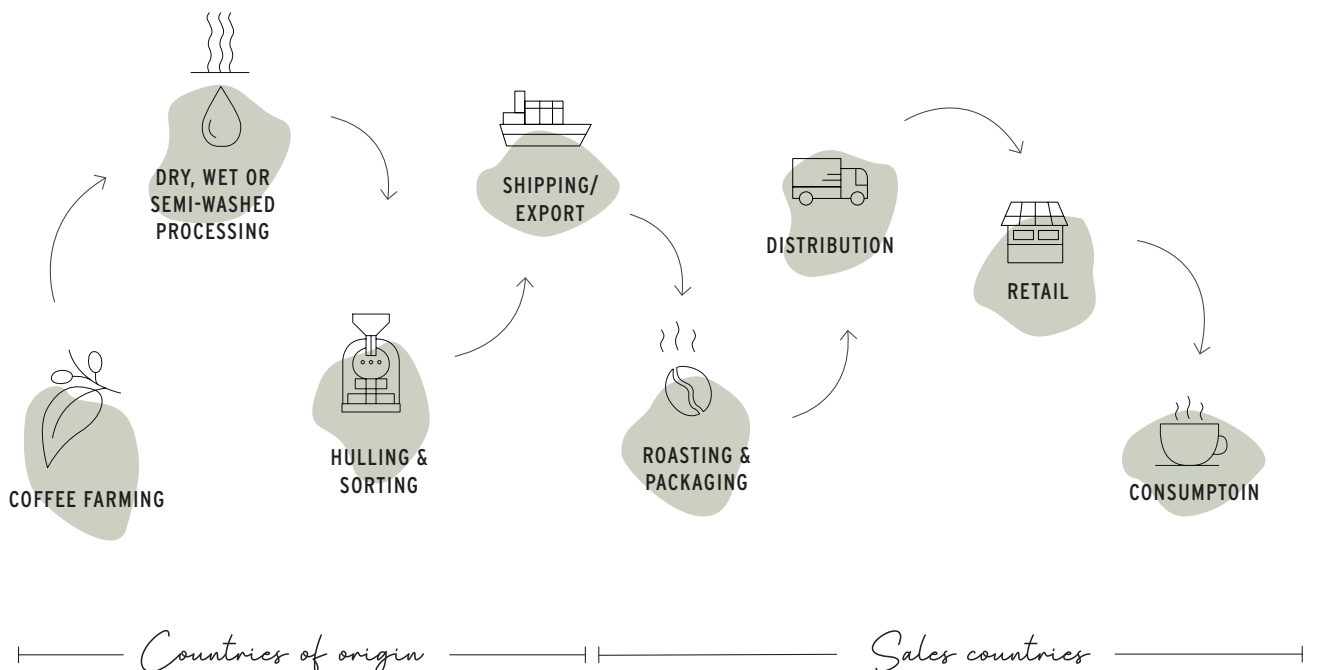
Supply chain

Because the non-food range changes on a weekly basis and the coffee products are constantly being refined, Tchibo's supply chains are subject to annual changes. The supply chain structure underpinning all this is outlined below in a condensed form. For more information, see the sections **Non-Food** and **Coffee**.

In order for supply chains to be sustainable, transparency is key. Yet supply chains are complex, as demonstrated by the examples of coffee and cotton textile supply chains. 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. You can find out more about supply chain transparency [here](#).

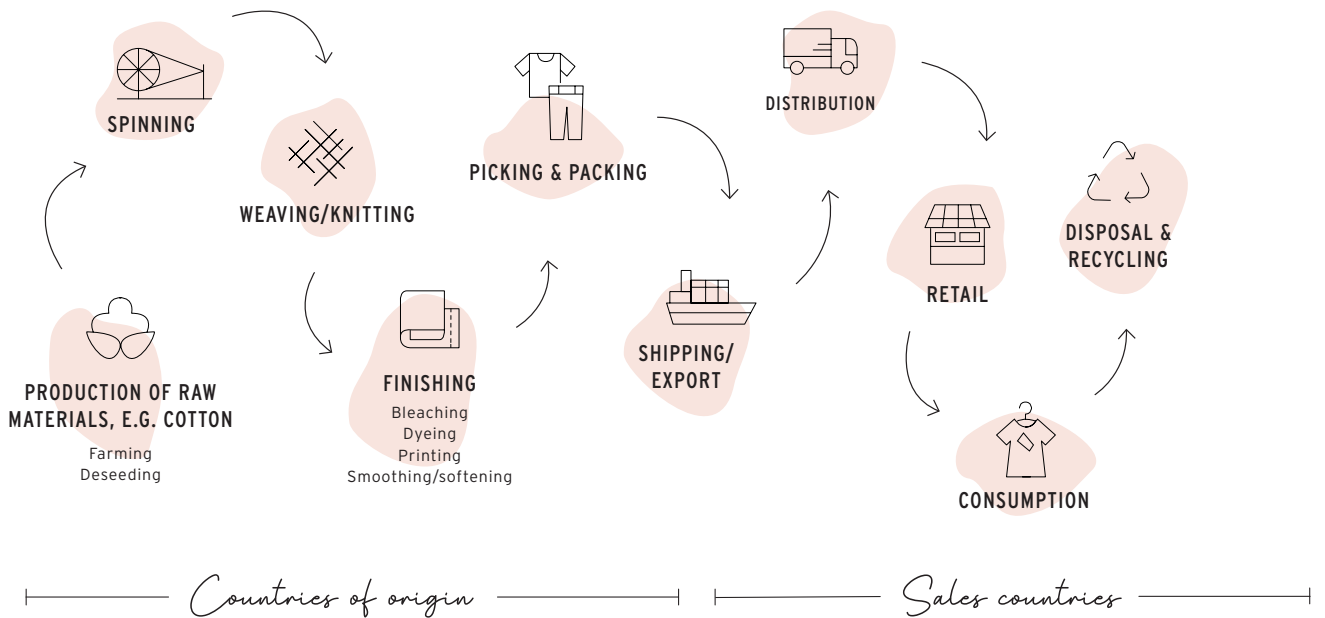
Coffee: After the coffee harvest, the coffee cherries go through the first processing stage locally. This can be done either by the farmer before they leave the farm, or at a processing facility, where the beans are delivered as quickly as possible. It is important that the pulp is removed from the beans 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 (or natural) processing, washed processing and honey processing. In the next stage, the green coffee is sorted according to quality, based on 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 that requires a large proportion of local produce to be sold by auction. The beans are then sold to a roasting facility - Tchibo, for example - and this can involve several steps, too. Once the coffee beans have arrived in Germany, they are checked to make sure they are free of any residues, and are then stored, cleaned again, roasted and packaged. Finally, they then reach the consumer via the retail trade.

Illustration showing the process steps in the coffee supply chain



Non Food: From cotton growing, to harvesting and transporting the raw material, right through to the finished garment, there are many steps (preliminary stages) involved, such as spinning, weaving, knitting, dyeing, washing, making up and packaging, which are often carried out by different supplier companies in different countries. Suppliers of parts such as buttons, zips and appliqué elements are also involved.

Illustration showing the process steps in the textile supply chain



GRI 102-10 Significant changes in the organisation and its supply chain

There were no significant changes in the Tchibo organisation and supply chains in the 2021 reporting year.

GRI 102-11 Precautionary approach or precautionary principle

Doing business responsibly

We consider it our corporate duty to assume responsibility for our actions – along all our global value chains. Because we benefit from the advantages of a globalised world that is based on division of labour, we have an obligation 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 for **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. A detailed overview is provided [here](#).

Key impacts, risks, and opportunities

Risk assessment for the commercial business from the perspective of sustainability

Tchibo's business is vulnerable to a variety of risks, such as currency fluctuations and environmental events that can affect commodity prices. As part of a holistic risk management system, these dangers are identified and mitigated through the implementation of 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 the 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 are increasingly associating their purchasing decisions with a brand's commitment to sustainability. This is especially true for the new generation of consumers. Our programmes and products enable us to respond to changing customer needs and develop our range..
- **Regulatory and ethical Licence to Operate:** We have the foundations and credibility to put sustainability at the core of our brand. With simple product solutions and honest approaches to change in our supply chains, we can establish ourselves as "THE destination for sustainable consumption for all". The forthcoming regulation of the competitive environment (Supply Chain Act from 2023) will benefit us, as will the new German government's anticipated increased focus on sustainability issues. On account of its many years of dedication in this area, Tchibo is in a position to respond effectively to the increasing trend towards legislation governing corporate responsibility (regulatory). In addition, Tchibo is seen by stakeholders, and increasingly by customers, as a pioneer in the mass market and is therefore well supported (ethical).
- **Safeguarding raw materials:** Climate change, extreme weather events, environmental degradation, biodiversity loss, and inadequate wages and farmers' incomes all hamper 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 purchased from external suppliers. In the summer of 2021, the German Supply Chain Act was passed. This will apply to all large companies from 2023. Tchibo had previously joined 42 other companies in publicly calling for legal regulation of corporate and human rights due diligence in Germany.
- At EU level, too, an EU-wide legislative proposal on sustainable corporate governance is planned for 2022.

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

- In the production of non-food articles, there are risks relating to (occupational) health and safety, environmental protection and building safety, especially in the production of textiles and clothing. In producing countries in Asia, there is often a lack of professional, integrative and effective risk management at the factory level, due in part to a lack of government oversight mechanisms. Tchibo is actively involved in preventive measures in its own supply chains and in sector-wide initiatives (e.g. International Accord for Health and Safety in the Textile and Garment Industry, Partnership for Sustainable Textiles) for preventive measures.

Measures to increase profitability

Figures for economic performance and global development will be included in the maxingvest ag consolidated financial statements, which are expected to be published in August 2022.

The Sustainable Development Goals (SDGs)

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

Of the 17 SDGs, nine are directly relevant to us in our 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 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
		Decent Work, Health & Safety		Biodiversity, Chemical Management, Sustainable Farming & Forestry

Values, principles, standards, and norms of behavior

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 10,000 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 is this: 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 people at the heart of everything 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 from an ecological and social perspective as well. We strive to operate efficiently, do what is right and deliver tangible results – for people and the planet, as well as for the Tchibo brand.
- **Fairness and sustainability for all:** We are committed to our customers. We take their wishes, their day-to-day needs and their lifestyle 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.

The 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: It sets out our commitment among other things 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 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 Social and Environmental Code of Conduct (SCoC) forms the basis for cooperation with business partners (except in the coffee sector). It defines binding requirements for the conduct of suppliers, business partners and service providers concerning legally compliant and ethical practices. It is the foundation of all purchasing contracts and among other things defines minimum requirements for working conditions and environmental standards in the production of our non-food articles.

We are continually refining 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*.

GRI 102-18

Governance structure

The management structure at Tchibo is described in the consolidated management approach for **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. In 2020, we made great progress: responsibilities were increasingly handed over to individual departments and there was a collective prioritisation and alignment of the most important sustainability goals and measures across departments. In 2021, we set up a knowledge management system on the topic of sustainability on the Tchibo intranet in order to offer all Tchibo employees the opportunity to find out about sustainability at Tchibo.

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)
UPERVISORY 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	●	●				●	
DEPARTMENT CORPORATE RESPONSIBILITY	●	●	●	●	●	●	●

Stakeholder engagement

GRI 102-40

List of stakeholder groups

Description of 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

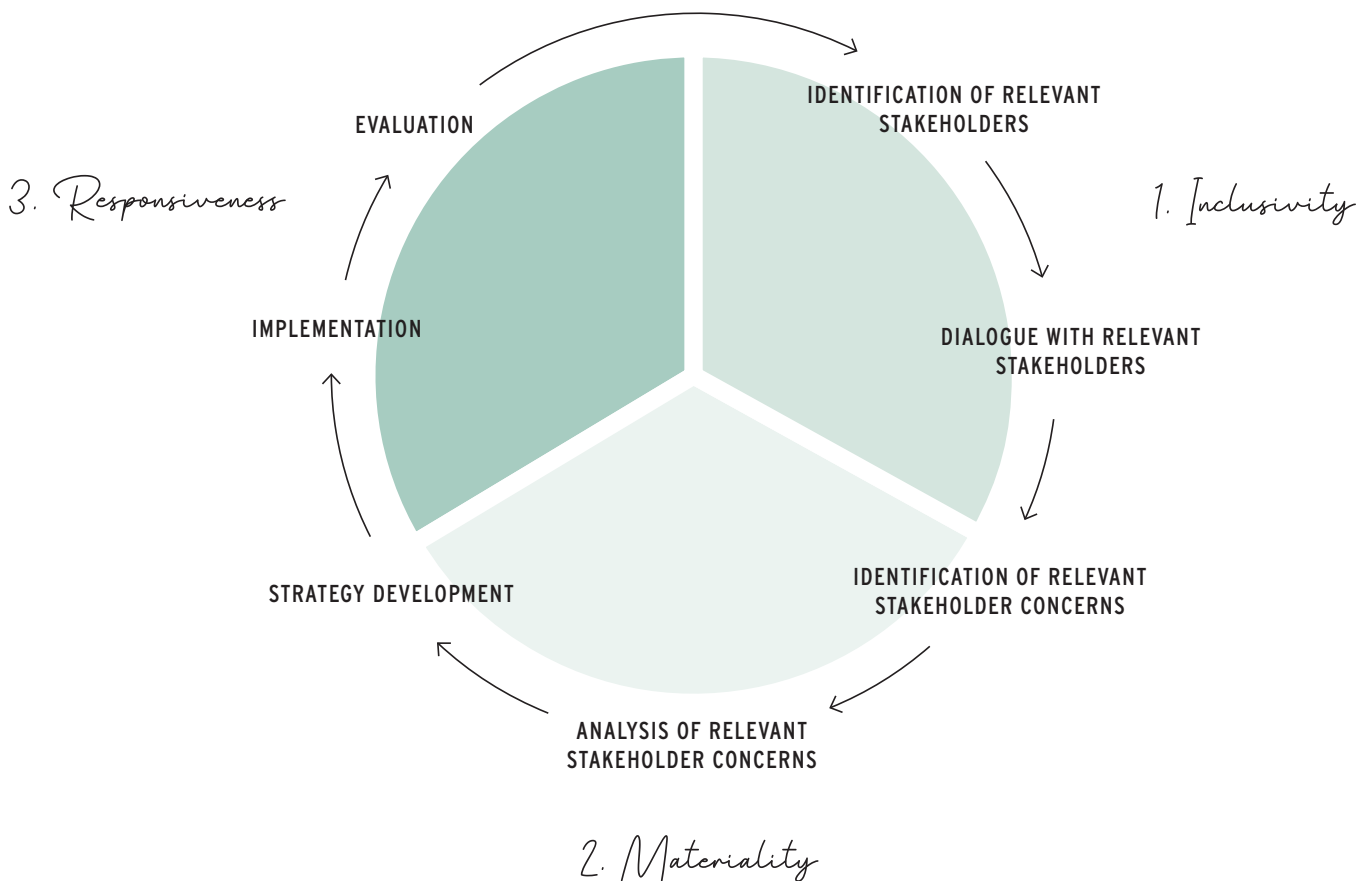
Identification and selection of stakeholders

The identification and selection of stakeholders is based on the relevance of the stakeholder in relation to his or her institution, Tchibo and his or her 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 within 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 in order to identify opportunities and risks for Tchibo's business as early as possible and thus allow us to 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 AND VOLUNTARY COMMITMENTS	PROJECTS	DISCUSSION EVENTS
FORMATS	<ul style="list-style-type: none"> Website & Webshop Blog, social media & forums Newsletter Annual report and sustainability report Press releases Intranet Public controversies Customer service Booklets/magazines Product information Certificates & Copies 	<ul style="list-style-type: none"> Employee surveys Consumer surveys Market research and trend analysis (internal & external) 	<ul style="list-style-type: none"> General meetings Meetings with alliance partners Working groups Workshops Round Table Conferences (e.g. environmental) Sharing best practice Steering committees 	<ul style="list-style-type: none"> Dialogue on specific topics Collaboration projects Working groups Research projects Collaborations with higher education institutions Employee training courses Employee promotions/campaigns Workshops 	<ul style="list-style-type: none"> Press events Sharing best practice Round Table Factory exhibitions Open day Local events Working groups Bilateral meetings Trade fairs Symposiums Training courses
STAKEHOLDERS	<ul style="list-style-type: none"> Media and publicity Communities Competitors Banks & insurance companies Governmental organisations Employees Customer service Consumer protection organisations Suppliers & business partners 	<ul style="list-style-type: none"> Customers Employees Media and publicity Scientific community Competitors Trade unions Consumer protection organisations Suppliers & business partners 	<ul style="list-style-type: none"> NGOs and initiatives Competitors Governmental organisations Trade unions Consumer protection organisations, suppliers & business partners Scientific community 	<ul style="list-style-type: none"> Associations and trade unions Scientific community & experts NGOs and initiatives Competitors Governmental organisations Employees and potential employees Suppliers & business partners Start-ups Technology providers 	<ul style="list-style-type: none"> Media and publicity Communities Competitors Governmental organisations Trade unions Employees and potential employees Customers Consumer protection organisations NGOs and initiatives
EXAMPLES	<ul style="list-style-type: none"> Sustainability reports ARD/ZDF Markencheck (brand check) Coffee report Collaboration with bloggers Participation in Green Fashion Week Position on the Supply Chain Act 	<ul style="list-style-type: none"> Coffee report Customer survey on buying back goods Customer survey on second hand goods Survey about key sustainability issues among customers Sustainability marketing campaign analysis 	<ul style="list-style-type: none"> Global Coffee Platform Fairtrade Rainforest Alliance Aid by Trade Foundation Better Cotton Initiative Partnership for Sustainable Textiles Coffee & Climate Forest Stewardship Council Fur Free Retailer Program ACT on Living Wages 	<ul style="list-style-type: none"> Corporate Volunteering Coffee Mainstreaming Developing transparent supply chains Young Talent Challenge Sustainability training for employees New CR coffee strategy 	<ul style="list-style-type: none"> 'Let's talk' events Tag der offenen Tür WE programme 'International Conferences ITC' Tchibo Share press events Workshops as part of the Partnership for Sustainable Textiles City Nord Sports Week Participation as part of ACT/GFA

Key topics and concerns raised

ISSUE/CONCERN 2021	TCHIBO MEASURE (ALSO IN THE CONTEXT OF REPORTING)	STAKEHOLDER GROUP
Truth & honesty in relation to the communication of sustainability messages (impact communication)	Verifiable calculation and information to support communication made available in a transparent way (Link)	Customers
Market research has shown that the topics of plastic & packaging (coffee) concern customers the most.	<ul style="list-style-type: none"> Avoidance of misleading information on packaging about materials and disposal Goal set: 100% of Tchibo coffee packaging will be recyclable by 2025. 	Customers
In customer inquiries, we were frequently asked about the origin (country of production) of our clothing.	<ul style="list-style-type: none"> Transparent information when answering customer inquiries Inclusion of the topic in the report and establishment of a subsite on the topic on the tchibo-nachhaltigkeit.de website 	Customers
Military coup in Myanmar	<ul style="list-style-type: none"> Measures taken can be found in our Human Rights Report (Non Food) 2021 Consultations on economic and human rights risks with EuroCham Myanmar (Tchibo membership) as well as with the EU Delegation Myanmar and the EU Ambassador to Myanmar Ranieri Sabatucci, SMART Myanmar, Partnership for Sustainable Textiles (Tchibo Membership), ACT on Living Wages (Tchibo Membership), IndustriALL Global Union, Industrial Workers Federation Myanmar, Action Labor Rights 	Politics, trade unions, NGOs, associations, multi-stakeholder initiatives
German Supply Chain Act (LkSG), EU draft Directive on corporate sustainability due diligence	<ul style="list-style-type: none"> In December 2021, we held a bilateral consultation with the Federal Office for Export Control (BAFA), which is responsible for the implementation of LkSG, on the subject of handouts for companies and reporting obligations. In addition, through our membership in the AVE business association, we participated in the drafting of LkSG (April 2021) as well as in the public consultations of the EU Commission on sustainable corporate governance (February 2021) and the EU strategy for sustainable textiles (August 2021). 	Politics
Business activities in the circular economy	<ul style="list-style-type: none"> Evaluation of our business activities in the field of the circular economy in response to an NGO report Execution of a Circularity Gap Analysis including determination of next steps and measures 	NGOs
Ahrtal flooding disaster	<ul style="list-style-type: none"> Fundraising 	Staff
Building knowledge about sustainability in general and sustainability at Tchibo	<ul style="list-style-type: none"> Internal SDG Days Development of a knowledge management system on the intranet 	Staff

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. This includes the company headquarters in Hamburg, its roasting facilities in Hamburg and Berlin, and the warehouses.

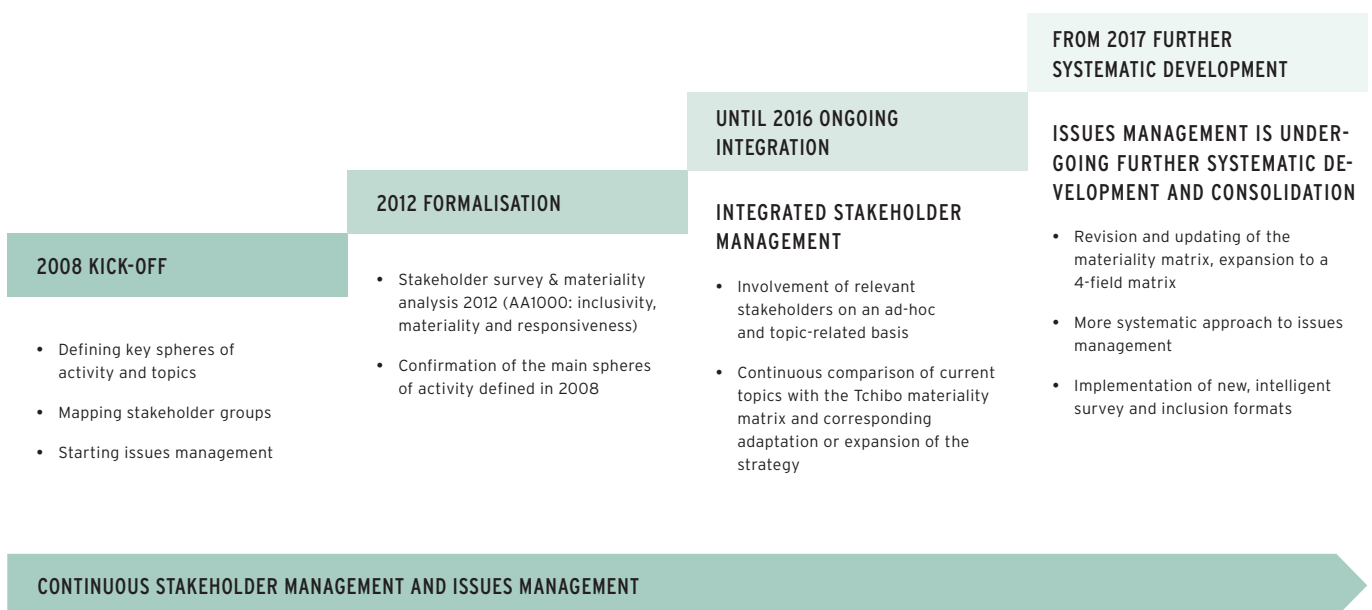
GRI 102-46

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. The list of material issues was then compared with the GRI Standard and the Sustainable Development Goals (SDGs) of the United Nations and the requirements to be reported were identified. For reasons of comprehensibility, selected topics were adapted with regard to their terminology and partly merged.

We are in constant dialogue with sustainability experts and our stakeholders to further develop our corporate responsibility issues and strategies. At the same time, we work closely with our colleagues from all relevant departments to evaluate and select the issues. We use this as the basis for continuously prioritising the issues for our sustainability management and for constantly refining the materiality analysis.

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 can be mapped as follows since 2008:



Material topics newly identified from stakeholder and issues management are reviewed annually with regard to 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 issues to Tchibo's stakeholders was also translated into a materiality matrix.

Revised materiality analysis

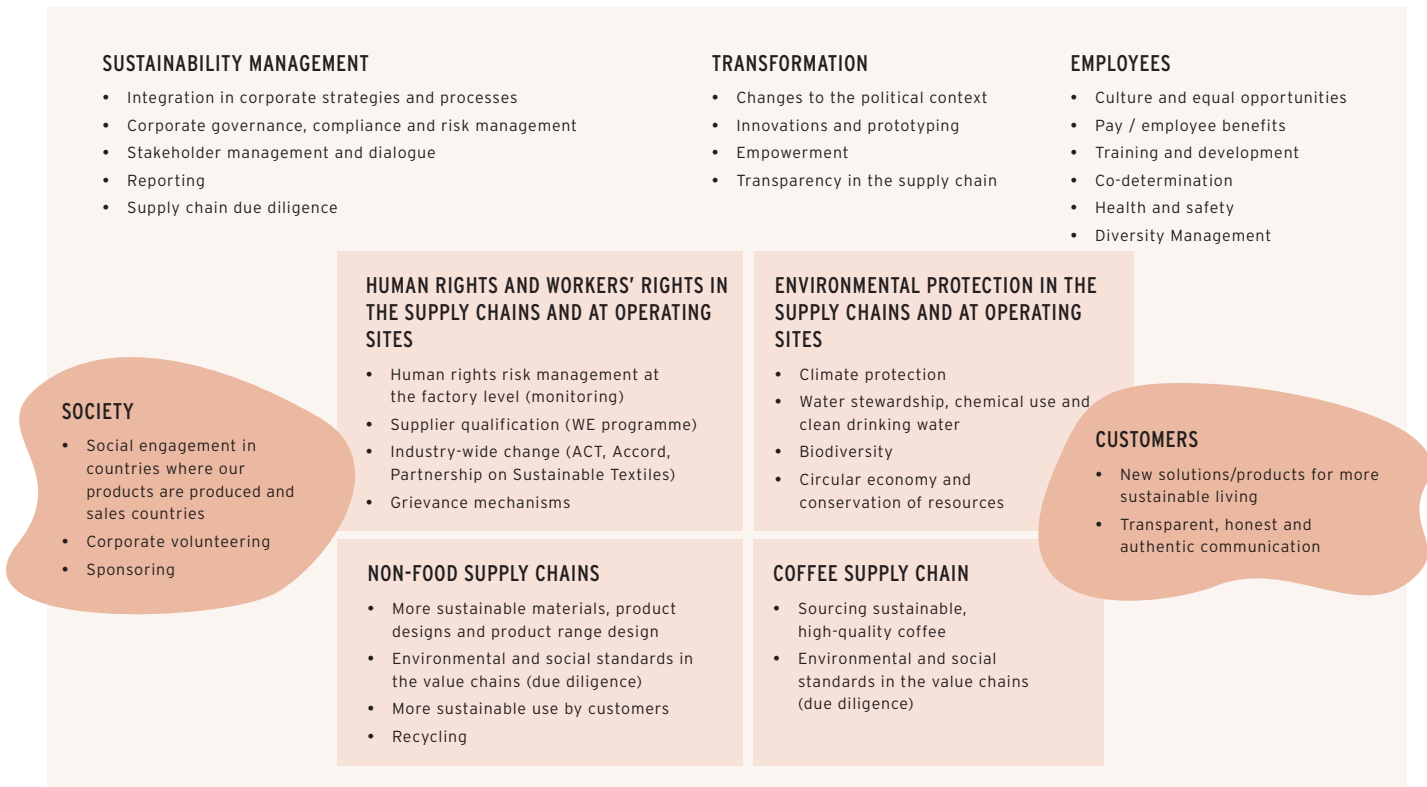
For the 2021 report, the materiality analysis has been revised with regard to the relevance of the topics.



In 2022, we will carry out a complete update of the materiality analysis.

List of material issues

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



Restatement of information & changes in reporting

Change in the 2021 reporting year

In 2021, we engaged a service provider to carry out a gap analysis of our reporting. This showed the extent to which we cover the requirements of the GRI reporting standard in terms of content. The identified gaps have been revised as far as possible for this report. Among other things, new GRI sub-requirements were included, missing or insufficient information was added, information and content were reworked and the GRI content index was created, which creates transparency with regard to the reasons for omission of individual requirements.

The following topics were included:

- Corporate Citizenship (GRI 203)
- Aftersales (GRI 301)

Supplementation following gap analysis:

- 301-1: Materials used by weight or volume
- 302-2: Energy consumption outside the organisation
- 302-3: Energy intensity
- 302-4: Reduction of energy consumption
- 302-5: Reductions in energy requirements of products and services
- 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
- 304-2: Significant impacts of activities, products, and services on biodiversity
- 304-4: Species on the International Union for Conservation of Nature (IUCN) Red List and on national lists of protected species that have their habitat in areas affected by business activities
- 305-4: Intensity of GHG emissions
- 305-5: Reduction of GHG emissions
- 305-6: Emissions of ozone-depleting substances (ODS)
- 305-7: Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions
- 308-1: New suppliers that have been screened using environmental criteria
- 416-1: Assessment of the health and safety impacts of product and service categories

GRI 102-50

Reporting period

This GRI Report includes measures, results and key performance indicators from the 2021 financial year (1 January 2021 to 31 December 2021).

GRI 102-51

Date of last report

The last report (*[Sustainability Report 2020](#)*) was published in April 2021.

GRI 102-52

Reporting cycle

The Sustainability Report is updated annually and published on the sustainability website (www.tchibo-nachhaltigkeit.de). In addition, 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 contact the Corporate Responsibility Department directly.

Anyone who wishes to do so can also contact us by email at. 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 119 to 124.

GRI 102-56 **External assurance**

Due to the change in the sustainability reporting process for the 2019 reporting year, rather than carrying out an audit we have had the previous 2020 Sustainability Report analysed by an external provider to identify gaps and potential for improvement. The identified gaps and potential for improvement have been implemented in this report.

GRI 200

ECONOMIC STANDARDS

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 assume responsibility for our actions – along all our global value chains. Because we benefit from the advantages of a globalised world that is based on division of labour, we have an obligation 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 still is 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 keeping in mind consumer expectations as well.

In August 2011, we formulated our core strategic goal: Tchibo is on its way to becoming a 100% sustainable business. With that in mind, we are continually adapting our business 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 fields of action and that, as a private company, we must at the same time be mindful of economic requirements too.

Sustainability is integrated into Tchibo's organisational model as a whole. The executive bonus system from middle management right up to top management (CEO) is based on the core objectives of the corporate strategy. Sustainability as a strategic priority is therefore closely linked to the Tchibo bonus system, as is the achievement of annual sustainability targets.

We draw on internationally recognised standards and guidelines as the basis for our approach to doing business, in particular:

- the International Human Rights Charter,
- the ILO Declaration on Fundamental Principles and Rights at Work, and
- 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 which 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 10,000 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 is this: 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 people at the heart of everything 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 from an ecological and social perspective as well. We strive to operate efficiently, do what is right and deliver tangible results - for people and the planet, as well as for the Tchibo brand.

Fairness and sustainability for all: We are committed to our customers. We take their wishes, their day-to-day needs and their lifestyle 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.

The 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: It sets out our commitment among other things 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 compliance is monitored.

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

Requirements for suppliers and business partners

The Tchibo Social and Environmental Code of Conduct (SCoC) forms the basis for cooperation with business partners (except in the coffee sector). It defines binding requirements for the conduct of suppliers, business partners and service providers concerning 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.

The Tchibo Social and Environmental Code of Conduct (SCoC) can be found in the [Downloads](#) section under *Supplier Policies & Guidelines*.

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 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 or WhatsApp. The grievances address 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, and this 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*) In addition to covering fire and building safety in Bangladesh, this also includes 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 in 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.
- **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.

The 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.

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
		Decent Work Health & Safety		Biodiversity, Chemical Management, Sustainable Farming & Forestry

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](#).

Indirect economic impact - infrastructure investments, services supported and significant indirect economic impacts

A number of our corporate responsibility activities promote services and investment in infrastructure in our supply chains. The list below contains a selection of relevant projects. Further details can be found in the respective sustainability programmes ([Coffee](#), [WE programme](#)):

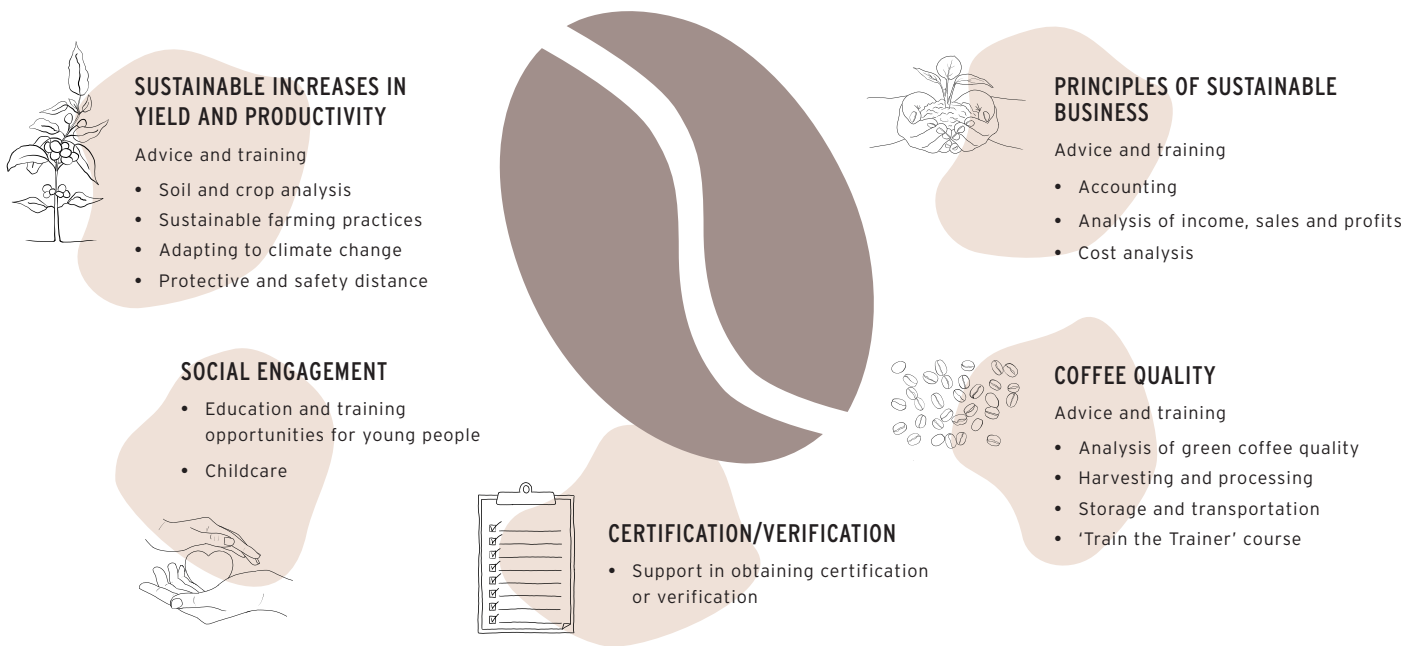
1. Examples of indirect economic impacts in the coffee value chain

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 projects and regional approaches. 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.

a. Certified coffee: We certify our coffees in partnership with the international standards organisations Fairtrade, Rainforest Alliance, UTZ 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. The aim is to improve both the social and environmental impact of growing our green coffees. Today, 100% of our premium coffees and coffees in the higher quality segment are certified. In 2021, certified coffees accounted for 19.6% of the total product range. Certification enables us to support farmers with establishing sustainable farming processes and thus ensure investment in services, such as through local farmer training schemes, for example.

b. Tchibo supports coffee farmers and their families under the [Tchibo Joint Forces!](#)[®] programme: In order to fulfil our responsibilities to the people in our supply chains, we have set up projects to support farmers in a number of coffee-growing countries. A total of 20 projects have been set up, the majority of which have already been completed, while four projects are still actively underway. So far, 43,300 farmers have been reached through the initiatives. For example, we have been actively involved in [Guatemala](#) since 2011 and have supported the construction of a daycare centre and a health clinic there. In 2012, we invested in nurseries and a health clinic in Honduras, which were handed over to the local community for them to manage themselves in 2019.

Tchibo Joint Forces!®



c. Developing sustainable coffee-growing regions: We want to boost sustainable coffee farming. 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. This initiative has reached around 2,400 coffee farmers since 2019. At the same time, we are working in partnership with our suppliers, experimenting with new alternative farming methods that will afford better protection for forests, water and soils. In Vietnam, as in Brazil, our focus is on protecting the environment. One first milestone here is our participation in the Collective Action Initiative of the Global Coffee Platform, which is also concerned with reducing the use of agro-chemicals. We are also researching the water required for farming by comparing different farming systems. We are also a member of the global initiative World Coffee Research. This focuses on developing and disseminating new coffee varieties that have the potential to significantly improve coffee productivity, coffee quality and adaptability to climate change, and therefore the livelihoods of farmers.

d. International cooperation - Tchibo supports coffee farmers and their families: Just as we do in the non-food sector, we also engage actively with coffee at the political level. After all, it is only with the support of policymakers that suitable framework conditions can be put in place 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 together the governments of exporting and importing countries 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 & water stewardship training programmes: It is particularly important to us that we work closely with suppliers and wet-processing companies. We are proud of the fact that 88% of our textile products are already produced in wet-processing plants that have implemented a detox training programme.

The training programme is wide-ranging: in addition to online training, which enables our factory staff to learn about chemistry, water and the climate, we also support them by providing tailor-made training on site at the factories. We also work alongside our partners to implement programmes in critical river basins, for example around the Taihu River in China and the Büyük Menderes river basin in Turkey. By bringing about changes in the way our producers work, we also indirectly trigger the necessary investments in services that are essential if we are to achieve our common goals.

b. People need water - water for drinking, for sanitation and for hygiene (WASH - Water, Sanitation, Hygiene): In accordance with the UN's Global Sustainability Goals, sustainable water management also includes facilitating access to clean drinking water. The target is for everyone on the planet to have access to safe drinking water by 2030. Since 2020, Tchibo has supported this goal with its own project in Ethiopia, the country of origin of our organic coffee. This involves making and generating investments in wells and sanitation facilities. Together with the local non-profit organisation Buna Qela Charity, we have installed two wells approximately 50 to 60 metres deep in a coffee-growing region. The wells are operated with solar pumps and supply water to more than 2,000 families. Due to the weather situation in Ethiopia, the construction of the wells was delayed and was therefore not completed until the beginning of 2021 instead of the end of 2020. As well as constructing the wells, the WASH project was also continued. In 2021, more than 600 households, school pupils and teachers received training on hygiene and safety on coffee farms (with a focus on COVID-19); 10 sanitation facilities were built in schools, offices and training centres; and 1,500 people were provided with hygiene kits.

c. Energy efficiency in production facilities: In 2011, we co-founded the Carbon Performance Improvement Initiative (CPI2) to help our textile producers reduce CO₂ 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. So far, a total of 137 factories have used the new tool.

d. 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. The aim is to continue to narrow the gaps that exist between business practices and human rights. This means optimising WE in each case according to the local challenges. A total of 432 factories have been integrated into the programme since 2008. In 2021, 96 factories took part. Eight of these factories have now been added to the programme. In 2021, 4,900 workers and managers participated in its activities.

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

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. This self-image is the basis of our social activities, and 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. In addition, together with our employees we provide immediate financial assistance in acute crisis situations that occur in the context of our business activities.

Educational projects in our countries of origin

In the countries from which we source our green coffees, access to education is often limited. Tchibo wants to help more people access education through various 'help people help themselves' projects. We consider it of vital importance that local people are involved in order to develop target, needs-oriented action plans. Together, we contribute to improving local living conditions and providing farmers and their families with an improved livelihood.

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. As a founding member of the 'Hamburg packt's zusammen' (Hamburg packs it together) initiative, we have been supporting those who have fallen into economic hardship since 2020 due to the COVID-19 pandemic - together with many other Hamburg companies. Our national and international humanitarian aid is provided through our cooperation with the German Red Cross, which has existed for many years - as was the case last year during the flooding disaster.

In 2021, our employees were actively involved in helping others in the community 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. The value of the donations was at least doubled by Tchibo.

Together we can make children's eyes light up! At the end of 2021, together with our customers, we fulfilled the Christmas wishes of children affected by poverty with this motto. Customers bought donation packages in the online shop, and Tchibo doubled their donations. A total of 130,000 euros was raised, with which Tafel Deutschland bought gifts for children and young people.

With this pooling of the funds available to us for donations, we hope to do due diligence to our social responsibility in the best possible way.

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

All employees are prohibited under the CoC from engaging in any form of corruption, and from the granting or receiving of undue advantage. The Code of Conduct is regularly updated and compliance with it is tracked. 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 behavior - legal actions for anti-competitive behavior, anti-trust, and monopoly practices

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

GRI 300

ENVIRONMENTAL STANDARDS

The 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 for thousands of years had a stabilising role 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. At the same time, for decades we have helped to drive these negative environmental impacts and we 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 or 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 on the climate of CO₂ emissions from our offices, warehouses, shops and roasting facilities.

In pursuit of our goal to make Tchibo a 100% sustainable company, we 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. That is why, for example, 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.
- joined forces with WWF and other companies to find solutions for particularly at-risk water conservation projects.
- joined Biodiversity in Good Company and Textile Exchange, teaming up with other companies to champion biodiversity.
- 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.

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, humanity consumes 1.7 times more resources than it can replenish. At the same time, 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 focus when it comes to materials 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. We must therefore find individual solutions for our many products that will 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, at the outset, innovative new materials are not typically available in the quantities required for the mass market.

Strategy, goals & measures

For our clothing and home textiles, we rely on 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 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. 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 focus in particular 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 48% of all textiles in our range. To reduce the human and environmental impact, 98% of the cotton we use comes from more sustainable sources. Since 2019, we have been monitoring the supply chains for our organic cotton to verify the precise origin and processing of the raw material.

We have been offering various textile products made from recycled materials for several years. We recycled 134 million plastic bottles in our textile products in 2021 and were thus able to save 5,500 tons of CO₂ equivalent¹ [1]. As in previous years, in 2021 we again used ECONYL® for our textiles - a fibre made from nylon waste, such as fishing nets, fabric scraps and carpet offcuts.

In 2021, 31% of our textiles with a synthetic main material came from recycled sources. This proportion is more than double that of the previous year (2020: 14%). 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.

As for our textiles produced from man-made cellulose-based fibres, 95% come from sustainable sources. 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 from cotton scraps left over from garment manufacturing and fresh pulp, among other things.

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. From 2021 onwards, we will only ever use 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. We have also set ourselves the target of sourcing only merino wool that is certified by the Responsible Wool Standard (RWS) for our merino wool products from 2022 onwards.

In the hard goods sector, wood and paper are key materials for us. 45% of our products containing wood and paper are from more sustainable sources (FSC®-certified / FSC® C022597). In 2021, we also offered FSC-certified® products made of cork for the first time. These included a cork foam roller, yoga blocks and children's building blocks made of cork. 5% of plastic hard goods in 2021 contained recycled or bio-based plastic. Synthetic material from recycled sources was used in 24% of synthetic hard goods.

The circular economy

Challenge

Textiles made from recycled plastic bottles and fishing nets are a great intermediate goal. Nevertheless, the real challenge is to close the material cycle for textiles and to produce new textiles from old. Realising this

¹ Textile Exchange, own calculation based on Shen L., et al. (2010), Resour Conserv Recy, 55 (1), 34-52

vision requires innovation in the production, disposal, sorting and recycling of garments and collaboration between various stakeholders along the value chain and product life cycles. In the future, we want to become increasingly involved in this area by conducting pilot tests on the subject of the circular economy in collaboration with our partners.

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 for a long time 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. To do this, we need design guidelines that are taken into account in product design, as well as meaningful end-of-life solutions in the individual sectors. Other levers for long product use that we want to integrate into product design in 2022 are durability and repairability.

Just as important for the closure of material cycles is a consumer-friendly take-back system for our products. With this in mind, we support the recycling of our textiles and in 2017 we joined forces with FairWertung to offer our customers the most consumer-friendly and appropriate method of returning their old clothes. We have found a reliable partner in FairWertung, a company that guarantees the responsible handling of donated clothing and provides transparent information about how the clothing is recycled. Consumers can use FairWertung to find used clothing return points at the 130 non-profit organisations affiliated to the umbrella organisation and thus deposit their used clothes locally.

The circular economy and the conservation of resources are values that are also reflected in the reusable products we offer 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. During an eight-month pilot test in 2019/2020, customers in 32 of our shops in Bavaria were able to borrow a reusable cup to drink their coffee on the go in exchange for a deposit. Customer response to this scheme varied greatly from one branch to another. Having been hampered by the temporary closures of our shops in 2020, we revisited the issue of reusable items in 2021. In Tübingen, we have been testing our own reusable cup deposit system since the introduction of the packaging tax in January 2022. In 2022, the next step will be to introduce a reusable cup deposit system in all German branches with a coffee bar.

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. We also used recycled wool for the first time that year. This is made of recycled wool waste. 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 will take a further step towards closing our fabric cycles, using recycled cotton for the production of textiles for the first time.

We are also continuously expanding our range of hard goods made with recycled material. In 2021, we used recycled plastic in 5% of our hard goods made with plastic. As of 2021 we have also been using more recycled synthetic fibres in our hard goods, such as our hot water bottles which have a cover made of recycled polyester. In 2021, hard goods made with recycled synthetic fibres accounted for 24% of the total number of hard goods made with synthetic materials.

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, 18.91 million tonnes of packaging waste is generated each year (German Federal Environment Agency, 2019). 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. For non-food products, however, we have already succeeded in finding sustainable packaging. The crucial need to protect products, for example, can be met - where necessary - by alternative materials such as FSC-certified® cardboard or recycled plastic.

In the coffee sector, we have for years been faced with the challenge of finding a sustainable packaging solution for our coffee that meets the extremely high quality requirements of roasted coffee. 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 so far mainly used plastic/ aluminium composite foils, which cannot be mechanically recycled and are thus sorted into thermal recycling (waste incineration).

Strategy, goals & measures

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

- we reduce the amount of material used and promote reusable solutions.
- We use materials from certified, responsible sources.
- We make our packaging easier to recycle.
- We are constantly seeking out 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 also seek out reusable solutions. To this end, we have tested a reusable shipping bag. We have joined forces with other companies and retailers in the PraxPack pilot project to collect initial feedback on whether customers return reusable shipping bags to us.

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.

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 for consumer goods is 98% (2022), which we were able to achieve ahead of schedule in 2021. In terms of coffee packaging, our goal is achieve packaging made from 100% recyclable materials by 2025.

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. The main goal is to use an environmentally friendly alternative instead of conventional coffee packaging made of plastic/aluminum composite films.

Progress

A lot of packaging is created behind the scenes, unseen by customers, when the products are transported. We are proud to have reduced not just the amount of material and weight, but also CO₂ emissions and water by using thinner corrugated cardboard for the transport boxes.

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 have 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. For example, by reducing our sock packaging, we are able to save up to 50% cardboard per packaging item.

When it comes to reusable solutions, following the pilot scheme using reusable shipping bags in 2020, we have extended our participation in the PraxPack project until the end of 2022. We are currently working on two further test projects in 2022 in order to answer remaining questions about optimised bag handling and more efficient returns. Since 2021, we have also been working on these operational challenges alongside other retailers in a project supported by GS1. GS1 is a network that develops standards and solutions for cross-company processes worldwide.

We have made progress with using sustainable packaging materials in various packaging components. As a smaller packaging component of non-food packaging, the rubber band that we use in our textile packaging has contained recycled material since 2021. We have achieved our goal for 2021 of increasing the recyclability of our non-food article packaging to 98%. Examples of non-recyclable packaging that we are still working on include upholstery products such as polystyrene for the protection of furniture and packaging for our jewellery.

In the coffee sector, the Cafissimo and Qbo coffee capsules are already recyclable and can be disposed of in Germany via the yellow bag. In addition, we have made important progress with our Qbo capsules in 2021, as the capsules now consist of 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 or wood processing industries are used for the production of the capsule material. This reduces the use of fossil resources, such as crude oil.

In terms of packaging for roasted coffee, we are currently still working on shifting to recyclable packaging materials in order to achieve our goal by 2025. In 2021, we carried out several successful tests. If the current shortage of raw materials permits, the first products with recyclable packaging materials will be launched on the market by the end of 2022.

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, Cafissimo, 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, initially pans, and possibly also textiles in 2023.

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 lamps. We use coffee machines that we cannot repair and send back to customers to obtain spare parts. Non-food items are generally professionally disposed of, and gold jewellery is melted down. However, we are always looking for alternative solutions that will allow us to reuse the defective products in the optimal way. In the past, we have donated certain products to an upcycling start-up, for example.

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. To ensure a smooth service, we work with up to five repair centre partners in different regions of Germany, all of whom handle spare parts for us. Two of the repair centres also specialise in repairing coffee machines and other electronic devices.

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.

In order to operate in an even more sustainable way and save on unnecessary packaging materials, we are working on a solution 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.

We usually have large faulty or damaged furniture picked up and disposed of by a removal firm. For the first quarter of 2022, we plan to supply customers with the necessary spare parts instead so that the furniture can be repaired. In the longer term, we also plan to use returned furniture as a source of spare parts in order

to save resources. In addition, we want to ship spare furniture parts in reusable packaging in the future. This applies particularly to bags for screws, dowels and the like. For decorative parts made of wood, this option does not yet exist. Customers return the reusable bags to us after receiving their spare parts, and after a cleaning process, they can be used again for shipping.

We currently have too high a transport damage rate with our decorative wood veneer parts. This is because the spare parts are delicate or the shipping packaging does not currently absorb the forces on the transport route sufficiently. We are therefore in the process of introducing new packaging. We will be starting to test new packaging in the calendar week 10-22. Compared to the bubble wrap used previously, we will save a significant amount of packaging material and ensure a much higher level of protection for the transported parts.

We are currently working on a service via video call for garden furniture. On the one hand, we want to answer any questions our customers might have before they make a purchase and help them with their decision to buy, and, on the other hand, we want to help them with the assembly of the furniture after they have bought it. We will learn a lot from this test scheme, for example: what questions do customers ask? What information are they missing? How is this service received?

In order to align our service even more closely with the needs of customers, we will conduct continuous customer satisfaction surveys from the second quarter of 2022.

Progress

In the non-food sector, customers used our aftersales services around 20,000 times in 2020. We have worked on a further 10,000 processes in the furniture sector. Around 70,000 aftersales services were used for our own-brand Cafissimo coffee machines.

In order 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. For this purpose, we have created an FAQ section on our website, which can be used to narrow down queries with the help of a few short questions and to show customers the options for action.

For our Esperto coffee machines, the online help even 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.

In October 2021, we launched a pilot phase for remote fault inspection. Customers have the opportunity to show a technician the problem with their device in a video call. The technician can then decide whether it is best for them to send the device in or, if necessary, can assist them to solve the problem. In this way, we avoid unnecessary postage and improve the service experience for our customers.

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: in 2021, 100% of the materials used for our textiles were sourced from external suppliers (and therefore external sources). The data comes from our purchasing contracts and is therefore accurate.

MATERIAL	2021 (IN KG)
GESAMT	28,044,680
NON-RENEWABLE	
SYNTHETIC	11,032,319
OTHER	51,267
RENEWABLE	
COTTON	13,808,952
MAN-MADE CELLULOSE-BASED FIBRES	2,703,140
ANIMAL FIBRES	277,741
OTHER	171,262

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 being able to report this data in the future (within the next five years) through IT system adjustments.

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 2021 at the end of the 3rd quarter of 2022.

			2016	2017	2018	2019	2020	2021
QUANTITY OF PACKAGING MATERIALS PLACED ON THE MARKET BY TCHIBO	TOTAL	T	18,668	17,268	16,770	13,575	14,574	
RENEWABLE	PAPER/CARDBOARD	T	13,606	11,959	11,700	9,317	10,519	
	PLASTIC	T	2,619	2,866	2,984	2,255	1,948	
	COMPOSITE PACKAGING	T	2,024	2,138	1,784	1,713	1,830	
NON-RENEWABLE	GLASS	T	386	275	269	269	261	
	ALUMINIUM	T	13	9	8	3	1	
	TINPLATE	T	9	9	12	16	3	
	OTHER	T	11	12	13	2	12	

GRI 301-2

Recycled input materials used

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

- In 2021, 15% of the fibres in textiles (material weight) were from recycled sources.
- In 2021, 5% of plastic hard goods products contained recycled plastic.
- In 2021, 24% of synthetic hard goods products contained recycled synthetic fibres.

GRI 301-3

Reclaimed products and their packaging materials

In 2021, we did not take back any products or packaging directly after their usage phase.

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. From January 2022, we will take back comparable waste electrical appliances free of charge when a new electrical appliance in category 1, 2 or 4 is purchased (§17 ElektroG). We will then record the number of recycled products through our disposal partners.

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 CO₂-free renewable energy sources is important. These are not yet available in sufficient quantities. Therefore, it is even more important to keep all consumption as low as possible. We consistently reduce 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 were insulated in the outgoing goods area. Furthermore, the lighting was also optimised in many areas and upgraded to LED.

Progress

Progress will be updated at the end of the third quarter of 2022 when we have the data.

Total energy consumption at Tchibo has fallen steadily in recent years. While it was still 194,187 MWh in 2019, it fell to 175,198 MWh in 2020 – a decrease of over 9%.

This was achieved primarily 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 declines were also due to pandemic-related changes in business operations.

Our energy reduction target is to save 10% by 2030 based on 2018 levels. In order 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, and
- 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. As a result, we expect consumption to increase again in 2023 at the latest. We will have to make further efforts in the following years to achieve our regular target.

GRI 302-1

Energy consumption within the organisation

	2019	2020	2021
FUEL CONSUMPTION (NON-RENEWABLE)	109,668 MWh	100,157 MWh	Figures not available until the end of Q3.
FUEL CONSUMPTION (RENEWABLE)	0 MWh	0 MWh	Figures not available until the end of Q3.
ELECTRICITY CONSUMPTION	78,236 MWh	69,901 MWh	Figures not available until the end of Q3.
HEATING ENERGY, COOLING ENERGY, STEAM CONSUMPTION	6,264 MWh	5,145 MWh	Figures not available until the end of Q3.
ELECTRICITY SOLD	0 MWh	0 MWh	Figures not available until the end of Q3.
HEATING ENERGY SOLD	0 MWh	0 MWh	Figures not available until the end of Q3.
COOLING ENERGY SOLD	0 MWh	0 MWh	Figures not available until the end of Q3.
STEAM SOLD	0 MWh	0 MWh	Figures not available until the end of Q3.
TOTAL ENERGY CONSUMPTION	194,187 MWh	175,198 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

So far, no information is available. The heterogeneous product range, consisting of food, hardware, 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 84,369.6 GJ in 2020, which corresponds to almost 12%. 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. However, the decrease in energy consumption in 2020 can be largely attributed to COVID-19-related reduction or relocation of business activities.

GRI 302-5

Reductions in energy requirements of products and services

No information is available. The heterogeneous product range, consisting of food, hardware, 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 fields of action**:

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 standards of Rainforest Alliance, UTZ, Fairtrade or organic
- Wood products certified according to the Forest Stewardship Council® (FSC® CO22597) 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 or 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

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 qualitative 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 program 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 2021:

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

- 98% of our cotton comes from sustainable sources and is certified according to the Organic Content Standard (OCS) or the Global Organic Textile Standard (GOTS), for example.
- 19.6% of our green coffee is certified according to the standards of Rainforest Alliance, UTZ, Fairtrade or organic.
- 45% of our wood products are certified by the Forest Stewardship Council® (FSC® C022597).

2. Farm and factory projects:

- In our cotton project to support farmers in India in the transition from conventional to organic cotton, the second cotton season has now ended: 500 tons (250 tons/year) of sustainable cotton, more than 500 ha of sustainably managed farming land and more than 800 supported farmers.
- Already 88% of our textile products are produced in wet plants that have carried out a detox training program.

3. Stewardship and landscape projects:

- Second year of the WWF Water Stewardship project in the Büyük-Menderes Delta in Turkey: In 2021, 22,240 hectares of wetlands and other ecosystems worthy of protection (e.g. forests) were protected, preserved or rebuilt. Numerous measures, such as a pilot project for regenerative agriculture and the

publication of "Water Stewardship and Regenerative Agricultural Practices Guidelines" including farmer training have contributed to this.

- In the WWF Water Stewardship project in the Taihu river basin in China, an innovation platform to promote green technologies was launched in 2021. 687 users registered on the platform in 2021. This was flanked by numerous high-profile events and PR work.
- In Brazil, a coffee project has been set up to promote environmentally friendly farming practices, such as the sustainable use of pesticides, the reforestation of native vegetation along water bodies and the application of climate-friendly farming methods.

4. 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 program of the Science Based Targets Network
- Various memberships, such as Biodiversity in Good Company, Organic Cotton Accelerator, Textile Exchange
- "5 cups daily" podcast episode on biodiversity
- Biodiversity Action Day for Employees

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, Russia, 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

Our biodiversity analyses have shown that we have the greatest impact on biodiversity 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.

Habitats protected and restored

Tchibo has not designated protected habitats of its own and is not currently carrying out any rewilding projects. Nevertheless, Tchibo is involved in various environmental projects that contribute to rewilding measures, such as projects to improve water quality and use in river basins in collaboration with the WWF. In Turkey's Büyük-Menderes Delta, 22,240 hectares of wetlands and other ecosystems worthy of protection (e.g. forests) are being protected, preserved or rebuilt with the support of WWF and other partner companies.

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, Russia, 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. For coffee and cotton regions, we also compiled a list of all countries and the number of endangered species according to Red List.

COUNTRY	RAW MATERIAL	RED LIST # THREATEND SPECIES
INDONESIA	Coffee	100.0
MEXICO	Coffee	100.0
TANZANIA	Coffee	94.2
CHINA	Coffee	90.1
INDIA	Coffee	87.5
BRAZIL	Coffee	83.7
COLUMBIA	Coffee	70.0
PERU	Coffee	58.8
VIETNAM	Coffee	56.4
KENYA	Coffee	41.2
COSTA RICA	Coffee	28.5
HONDURAS	Coffee	25.8
GUATEMALA	Coffee	25.7
UGANDA	Coffee	18.0
ETHIOPIA	Coffee	14.4
EL SALVADOR	Coffee	7.5

COUNTRY	RAW MATERIAL	RED LIST # THREATEND SPECIES
UNITED STATES	Cotton	100.0
TANZANIA	Cotton	94.2
CHINA	Cotton	90.1
INDIA	Cotton	87.5
BRAZIL	Cotton	83.7
TURKEY	Cotton	32.7
PAKISTAN	Cotton	11.9
UZBEKISTAN	Cotton	5.1
TAJKISTAN	Cotton	3.8
KYRGYZSTAN	Cotton	3.5

GRI 305

Emissionen

GRI 103-1/2/3

Management approach

Challenges

Coffee, cotton and wood are raw materials we use on a daily basis here 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 change course immediately 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 CO₂ 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 CO₂ 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 fertilizers and pesticides

- Making our transport and logistics processes environmentally friendly
- Encouraging suppliers of our products to minimise their energy use and use renewable energy
- For electrical devices: Developing appliances that have good consumption values during use
- Ambitious climate protection at our own sites too. 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 have cut CO₂ emissions by more than half in our own organisational processes (Scope 1 & 2) and by 15% in upstream and downstream stages of the value chain (Scope 3) by 2030.

The Tchibo 2030 Climate Protection Target

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

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. 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. As a result, we expect consumption to increase again in 2023 at the latest. We will have to make further efforts in the following years to achieve our regular target.

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 CO₂ in 2018 to 20,000 tonnes of CO₂ 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.

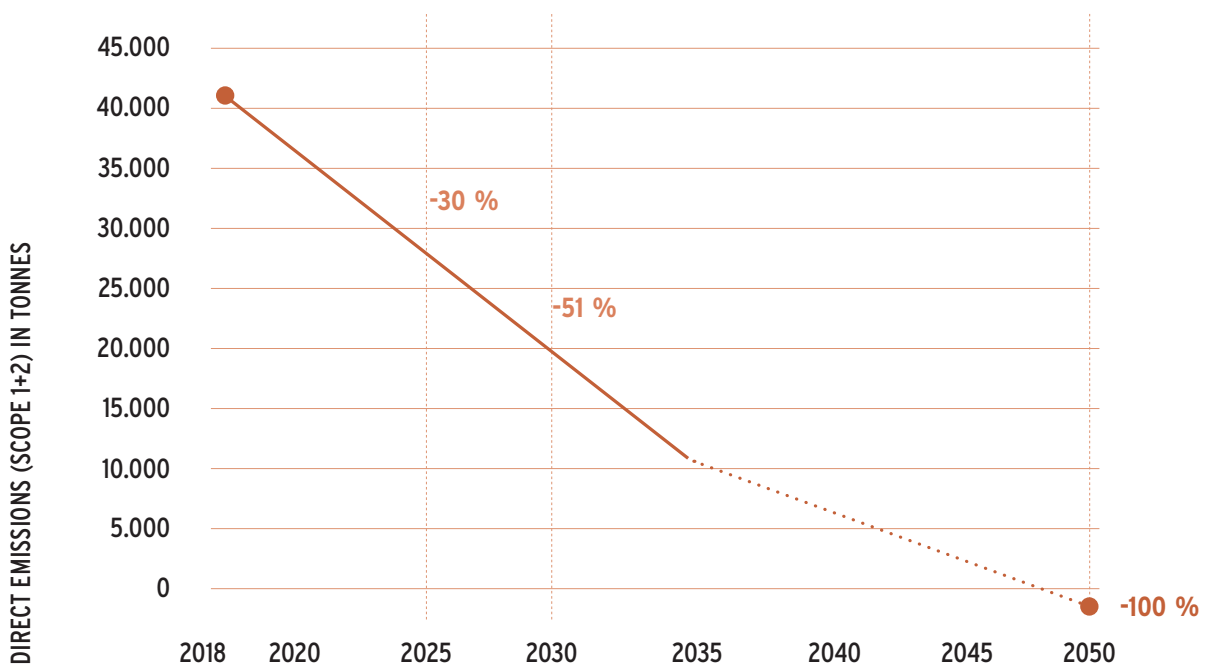
Tchibo 2030 climate change target*

We are helping to limit global warming to 1.5° with three climate protection goals

- 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

REDUCTION IN TCHIBO'S SCOPE 1+2 EMISSIONS REQUIRED ACCORDING TO SCIENCE BASED TARGETS



*according to the Science Based Target Intelligence method: BAse 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, for many years now, we have been working closely 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.

We will report on our progress in 2021 as soon as we have the data.

Progress

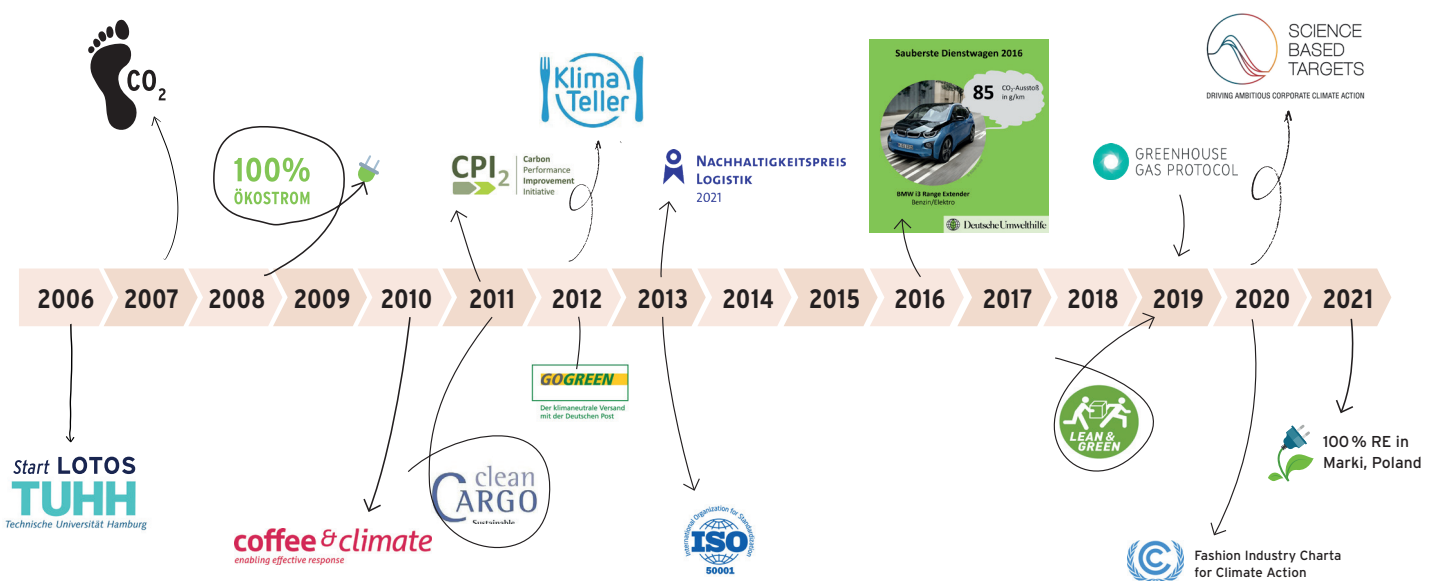
In 2020, Tchibo emitted 34,773 metric tonnes of CO₂ (Scope 1 & 2, market-based) at its own sites, with its own vehicles and through the purchase of grid-bound energy. This is roughly equivalent to the annual emissions of almost 400 private households or over 14,000 long-haul flights. At 65%, roasting facilities account for the largest share of emissions, and here we aim to achieve further savings here 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 CO₂ emissions by over 9,000 tons. Overall, we were able to significantly reduce emissions by almost 12% compared to the baseline year 2018. However, the reductions in the reporting year were also pandemic-related.

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 CO₂ 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 carbon 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
- Tchibo has set itself the target of halving CO₂ emissions at its own sites by 2030.

Tchibo Climate Protection Milestones



Direct (Scope 1) GHG emissions

We will report on our progress in 2021 as soon as we have the data.

The gross volume of direct GHG emissions (Scope 1) in 2020 was equivalent to **21,145 tonnes of CO₂**.

The calculation focuses on CO₂. Other greenhouse gases are not relevant in Tchibo's operational processes. Our materiality analysis showed that only CO₂ emissions are relevant for our operational processes, but not the other greenhouse gases. Nevertheless, strictly speaking, we always mean CO₂ equivalents when we provide information on CO₂ emissions, because the emission factors we use are based on CO₂ equivalents.

Biogenic CO₂ 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

Energy indirect (Scope 2) GHG emissions

We will report on our progress in 2021 as soon as we have the data.

The gross volume of location-based, indirect energy-related GHG emissions (Scope 2) in 2020 was **39,964 tonnes of CO₂**.

The gross volume of market-based, indirect energy-related GHG emissions (Scope 2) in 2020 was **13,628 tonnes of CO₂**. Our climate targets refer to the market-based value.

Our materiality analysis showed that only CO₂ emissions are relevant for our operational processes, but not the other greenhouse gases. Nevertheless, strictly speaking, we always mean CO₂ equivalents when we provide information on CO₂ emissions, because the emission factors we use are based on CO₂ equivalents. The year 2018 is the baseline year for our climate targets.

In 2019, we completely overhauled the way we calculate our carbon footprint. We now also include emissions from all our overseas facilities, as well as the emissions from upstream and downstream value chain stages, such as coffee growing. The carbon footprint is calculated according to the Greenhouse Gas Protocol (GHG), which defines best practice reporting standards.

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)
- The Greenhouse Gas Protocol: Scope 2 Guidance
- Smart Freight Centre: GLEC Framework for Logistics Emissions Methodologies

Other indirect (Scope 3) GHG emissions

We will report on our progress in 2021 as soon as we have the data

The gross volume of other indirect GHG emissions (Scope 3) in 2020 was **888,763 tonnes of CO₂**.

Gases included in the calculation are: CO₂, CH₄, N₂O, HFCs, PFKW, SF₆ and NF₃. The selection of gases included varies depending on the emission factor. Biogenic CO₂ 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:

- 3.1 Purchased goods and services
- 3.2 Capital goods
- 3.3 Fuel and energy-related emissions
- 3.4 Transport and distribution (upstream)
- 3.5 Waste
- 3.6 Business travel
- 3.7 Employee commuting
- 3.11 Use of sold products
- 3.14 Franchises

The 2018 reporting year is the baseline year for our climate targets. In 2019, we completely overhauled the way we calculate our carbon footprint, backdated to 2017. We now also include emissions from all our overseas facilities, as well as the emissions from upstream and downstream value chain stages, 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)
- 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 emissions in Scope 1 & 2 by 5,789 tonnes of CO₂ in 2020, which corresponds to a good 14%. 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. However, the decrease in emissions in 2020 can be partly attributed to COVID-19-related reduction or relocation of business activities.

Compared to the baseline year 2018, our emissions in Scope 3 increased by 24,645 tonnes of CO₂ in 2020, which corresponds to just under 3%. 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.

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 reducing our use of paper and cardboard, for example, 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 four-year waste balance from 2018 to 2021 for the Tchibo sites shows the amount of waste we produce is decreasing overall. The data on waste indicates more variation between 2019 and 2020 for some individual items. There are various reasons for this: The increase in waste from food production and processing can be explained by the increase in the amount of coffee we produce. As a result, more coffee dust and coffee chips were generated as waste during coffee production in 2020. Waste from construction and demolition, on the other hand, fell sharply in 2020. This was due to the completion of a building project at our roasting facility in Hamburg, which generated 170 tonnes of construction waste in 2019. Waste in the “non-hazardous, incinerated waste” category was halved. This drop is the result of a reduction in food waste due to the temporary closure of staff canteens on account of the COVID-19 pandemic. In 2021, there will be further minor deviations in the waste streams. Overall, the total amount of waste at Tchibo sites fell further from 2020 to 2021. The amount of waste at warehouse sites operated by service providers increased slightly in 2021. The increase was mainly caused by a higher volume of waste from paper, cardboard, plastic waste and mixed packaging in compounds.

GRI 306-1

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).

Currently, we cannot 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

Waste generated

We do not yet have the data from 2021.

Our waste disposal service provider provides us with the data on waste generated at our own sites and at the sites operated by service providers 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.

GRI 306-4

Waste diverted from disposal

We do not yet have the data from 2021.

Our waste disposal service provider provides us with the data on waste generated at our own sites and at the sites operated by service providers 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.

GRI 306-5

Waste directed to disposal

We do not yet have the data from 2021.

Our waste disposal service provider provides us with the data on waste generated at our own sites and at the sites operated by service providers 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.

When it comes to the farming of raw materials in particular, 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 whole supply chain.

This is somewhat easier when it comes to the processing stages, since we are able to check our production facilities through environmental audits on the one hand and, on the other hand, through wastewater test reports and inventory lists. However, due to complex, global supply chains and thus limited transparency, this 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 Tchibo Code of Conduct (CoC) and Tchibo Social and Environmental Code of Conduct (SCoC) set out the principles binding of how we do business for our employees and all our business partners. 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) and the Tchibo Social and Environmental Code of Conduct (SCoC) can be found in the [Downloads](#) area under *Tchibo Policies & Commitments and Supplier Policies & Guidelines*.

2. Measures at our own sites

Tchibo has implemented a multi-year investment program to bring its coffee roasting facilities up to date with the latest roasting technologies. By the end of 2020, a total of 20 million euros 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 will turn Tchibo's main plant into one of the most modern roasting plants in Europe, saving more than 1,000 tonnes of CO₂ per year in the future. This means that all our roasting facilities have now been fully modernised.

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 the [Downloads](#) section under *Tchibo Policies & Commitments*.

We conduct social and environmental audits to verify compliance with the standards set out in the contractually binding Tchibo Social and Environmental Code of Conduct (SCoC). New factories are audited before a contract is signed with the suppliers. The outcome of the audit determines the purchasing decision: Only those that meet the minimum requirements are included in our portfolio - no matter what the product or how big the order. Any zero-tolerance violations must be rectified before any orders can be placed with the suppliers. 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 suppliers 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. Factories that 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 factory is suspended. It will not receive any new orders until the shortcomings have been remedied. This sends a clear message that the violations found are unacceptable, whilst at the same time giving our existing business partners time to address them. If we did not do so, factories would conceal shortcomings. Terminating the business relationship should always be the last resort if factories are unwilling to implement improvements.

Factories 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 factories 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 factory can prove that it has its own programme to enforce compliance with human rights and environmental standards.

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](#) area, 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 enlist the help of external and independent expert organisations for the investigation. 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 at Tchibo, WE programme, trade unions (Global Framework Agreement), Bangladesh Accord, whistleblowing for Tchibo employees and business partners.

4. Measures relating to the farming of raw materials

Our biggest challenge is tracing the supply chains for sourcing raw materials like 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.
- When it comes to 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, for example, 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).
- 45% of the products we sell with a wood/pulp component are FSC®-certified or come from European forestry schemes (FSC® C022597).
- In 2020, 98% of the cotton processed for our clothing and home textiles was grown in a sustainable way (Organic Content Standard [OCS], Global Organic Textile Standard [GOTS], Cotton made in Africa [CmiA]).

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

- 43,300 farmers have been helped by Tchibo Joint Forces!® measures.

Objectives

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 when it comes to 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.

Targets for cotton: 100% sustainable cotton by 2022, development of cotton projects involving integration within the supply chain

Long-term target: Introduction of environmental projects in all environmental hotspot regions and in all topic areas

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

In 2021, 14% of new producers were evaluated on the basis of social and environmental audits. In 2021, 18% of new wet processing factories were also tested against wastewater test reports as part of our detox program¹.

We define new producers and wet processing factories as those we first worked with in 2021 and who submitted a social and environmental audit or wastewater test conducted in 2021. While the effluent tests are standardised by the ZDHC, social and environmental audits can either be our own or those of recognised external organisations (for example, amfori or Sedex).

Negative environmental impacts in the supply chain and measures taken

GRI 308-2

One issue that is particularly relevant is the need to reduce the negative environmental impact of using chemicals. To this end, we have implemented the following measures:

Detox Commitment

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 must 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 upstream stages relevant to the detox, such as dyeing plants, laundries and printing plants, in its textile value chains.

¹ Parameter: Orders/order placements in 2021; Period January to mid-November 2021, as our internal reporting had to be stopped by a new system introduction for the period December.

- We have succeeded in increasing transparency in our supply chain year on year since 2015. In 2021, we missed our target of 100% supply chain transparency by five percentage points. While we identified wet processing factories for 99% of our orders in 2020, we were only able to achieve 95% transparency in 2021. This decline is largely due to delays in the supply chain caused by COVID-19 and the timely provision of factory information.
- Nevertheless, we have made great progress in implementing our detox program in our existing factories. 68% of our factories have carried out a wastewater test. 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. By 2021, 86% of our wet processing factories will have already registered on the online platform.
- In addition to the wastewater tests, we can also check the chemical lists of our wet processing factories. In 2021, 53% of our wet processing factories reviewed their chemical list. Comparing this directly against the ZDHC MRSLS gives us concrete information about the conformity of the chemicals. 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.

- Since 2017, selected suppliers have been participating in the Advanced Chemical Management Training (ACMT) (until 2019 the develoPPP programme). In a strategic alliance with REWE Group and GIZ, Tchibo has developed a qualification programme under the umbrella of the ***develoPPP programme by the German Federal Ministry for Economic Cooperation and Development (BMZ)*** for chemical and wastewater-intensive production areas.
- To date, 59 suppliers have participated in the programme. In 2021, the training programme was also introduced in Turkey after China and Bangladesh.

In addition to improving chemical management, we are also further expanding the qualification of our suppliers in the field of energy and water management. In 2021, we tested three further training programmes and tools, such as the ZDHC's Supplier to Zero platform and the BluWin Academy from StS, with 47 wet processing plants and producers. Among the selected suppliers are supply chain partners of the NAH Studio collection. Tchibo gives the selected suppliers access to a variety of courses and qualification measures within a specified period of time, and there is also the option to obtain the ZDHC Chemical Management Training Certificate. On the ZDHC's Supplier to Zero platform, the Resource Efficiency module was recently published, which, in addition to water and chemical management, now also offers development opportunities for the energy management of suppliers. Another qualification programme for suppliers from Bangladesh is offered by the GIZ Project Development Program. The program offers five of our producers a potential analysis for the installation of solar systems.

In 2021, Tchibo worked with 348 different wet processing factories. Effluent analysis was carried out at 68% of these factories to provide transparency around the use of hazardous or prohibited chemicals.

In addition to effluent testing, Tchibo supports its suppliers with the implementation of systems that enable

them to monitor all the chemicals used in production. As of 2021, 53% of all wet processing factories have compiled an inventory list for the chemicals they use and 25% have had the chemical list checked for ZDHC MRSL compliance.

In the event of violations against the ZDHC MRSL, we talk to our suppliers and initiate improvement measures. In this way, we support the wet processing factories in setting up a sustainable chemical management system and environmentally friendly production.

The first step is always to create an improvement plan that analyses the causes of the violation in detail and defines measures for the short-term and long-term remedy of the violation. In addition, our suppliers can consolidate their knowledge of chemical management through various programmes, such as our Advanced Chemical Management Training (ACMT). In 2021, 88% of all textiles produced in 2021 came from a detox-qualified factory. In addition to chemical management, we would also like to take greater account of energy and water management in our training programmes. The offering from the textile industry is already very large. As part of an extensive benchmark, we selected three programmes that we piloted with selected suppliers: In the ZDHC's Supplier to Zero platform, we give 13 wet processing factories and four producers the opportunity to complete the recently developed Resource Efficiency module. In this module, our suppliers are trained in the areas of water, chemical and energy management. In addition, we enable the selected wet factories to obtain the Foundational Level Certificate of the Chemical Module. We invited a total of 76 users from 38 factories on the learning journey with the BluWin Academy from StS. Over a period of eight weeks, users had the opportunity to use over 25 training modules on the topics of chemicals, energy and water management. Subsequently, some particularly successful users have acquired the ZDHC Chemical Module Certificate. In particular, the courses on the topics of "Determination of heavy metals in wastewater" and "Root cause analysis of chemical occurrences" are sought-after contents. The GIZ Project Development Program focuses on the energy management of selected suppliers in Bangladesh. The project includes a potential analysis for the installation of solar systems on the factory premises. In addition to the five factories originally nominated, Tchibo was able to integrate six producers into this project. Subsequent to the potential analysis, the factories can independently convert their energy supply.

In the long term, we would like to offer a holistic environmental qualification concept for all suppliers.

Water stewardship project in China and Turkey

In order to implement sustainable solutions in particularly critical river basins, Tchibo has been participating in sector projects based on the Water Stewardship concept since 2019. Tchibo is currently collaborating with WWF on a project in Turkey, on the Büyük Menderes River, and a project in China, in the Taihu River Basin. In the future, Tchibo plans to expand this work to other water risk areas and hopes that many more companies will join.

Since 2019, we have been collaborating with the WWF on a project to protect the Taihu river basin in China. Taihu is the China's third largest freshwater lake. The river basin is particularly significant for Tchibo, as the wet-processing businesses that are based there are responsible for producing two-thirds of the products we source from China. The aim of the project is to improve the condition of this river basin and in doing so ensure a safe drinking water supply for the more than 30 million people living in the area. To date, 72 Tchibo suppliers have participated in the project. As well as training our suppliers, in this project we go beyond the factory walls and support activities in the river basin (including stakeholder roundtables, writing policy papers and providing sessions at industrial sites, etc.). In the WWF Water Stewardship project in the Taihu river basin in China, an innovation platform to promote green technologies was launched in 2021. 687 users registered on the platform in 2021. This was flanked by numerous high-profile events and press work

Since 2019, we have been collaborating with the WWF on a project for sustainable cotton farming in the Büyük-Menderes river basin in Turkey. The Büyük Menderes is one of the most heavily polluted rivers in Turkey. The river is home to 40% of Turkish leather production, 60% of its textile production for export and 14% of its cotton production. Due to the discharge of polluted water by the textile industry and the farming of raw materials, biodiversity in this river basin is declining sharply and the water quality is deteriorating. The water stewardship project launched by WWF also has the backing of IKEA, Organic Basics, Gina Tricot and Tommy Hilfiger. Tchibo is focusing on more environmentally friendly, ecological cotton farming in the region. It is hoped that the project will serve as a model that can later be applied to other regions. In 2021, among other things, a pilot project on regenerative agriculture was launched.

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, was himself a firm believer that: motivated, skilled employees are a company's most important resource. Today, 70 years later, we go one step further: 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.

A responsibility to 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 the 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 the [Downloads](#) section under *Supply Chain Transparency*.

Globalization 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 & labor/management relations

GRI 103-1/2/3

Management approach

Challenge

Tchibo is a global company with approximately 10,000 employees worldwide, roughly 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 year 2021 continued to be significantly shaped by the challenges brought about by the COVID-19 pandemic. Exceptional commitment was still needed in all areas to get Tchibo through the crisis together. In the first part of the year, our shops were closed again due to another lockdown. Again, up to 3,300 shop workers were affected by months of reduced working hours. Other colleagues have been working exclusively remotely for almost two years. We had to give people in the various areas of the organisation certainty in uncertain times as well as taking all precautions to protect employees and to continuously adapt to the needs and legal requirements.

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.

Direct and smooth digital communication throughout the organisation is becoming increasingly important during the long pandemic period. For this reason, a new digital information and communication platform has been created in the form of the ONE Tchibo Net.

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.

The first Diversity Days were held in 2021. In order to systematically and continuously promote diversity and inclusion at Tchibo, the new position of Diversity Manager has been created in the HR department.

As in 2020, Tchibo has increased the reduced hours allowance for employees in shops and provided assistance with questions about coronavirus in order to reduce the impact of the pandemic on employees. At Hamburg City North, a restrictive and protective presence policy was maintained in order to minimise the risk of infection. Vaccination campaigns organised by Tchibo enabled us to offer employees and their relatives a vaccination. In order to maintain the ability to work in production and logistics, a large number of technical measures for strict compliance with health protection were implemented at the sites.

In the current times of crisis, it is particularly important to us that all employees are supported, without exception. Therefore, resilience training was offered, and employees facing personal difficulties were offered support via the family service.

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 were 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 want our employees to be not just 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. Works meetings, which are held regularly online during the pandemic, provide colleagues with information about the activities of the Works Council, the company's business development and selected current topics. Tchibo employees are given the opportunity to put any pressing questions, which they consider important, to the Works Council and the Tchibo Board of Directors. These questions are then answered at the meetings.

GRI 401-1

New employee hires and employee turnover

Overall, the number of new appointments went down compared with 2020. This is due to our shops in particular, which saw a fall in recruitment of around 50% due to the pandemic.

Employee turnover is also falling for the same reason (by about 20%). There are no significant differences in staff turnover between women and men.

New appointments

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

FIGURES IN ABSOLUTE NUMBERS	2020	2021
TOTAL	774	752
OF WHICH WOMEN	559	563
OF WHICH MEN	215	189
UNDER 30 YEARS OLD	341	327
OF WHICH WOMEN	244	247
OF WHICH MEN	97	80
30-50 YEARS OLD	354	353
OF WHICH WOMEN	253	251
OF WHICH MEN	101	102

FIGURES IN ABSOLUTE NUMBERS	2020	2021
OVER 50 YEARS OLD	79	72
OF WHICH WOMEN	62	65
OF WHICH MEN	17	7
IN STORES	433	400
OF WHICH WOMEN	388	370
OF WHICH MEN	45	30
IN OFFICES	310	330
OF WHICH WOMEN	167	186
OF WHICH MEN	143	144
IN THE FIELD	9	7
OF WHICH WOMEN	4	4
OF WHICH MEN	5	3
IN ROASTING FACILITIES	22	15
OF WHICH WOMEN	0	3
OF WHICH MEN	22	12

Staff turnover

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

FIGURES AS A PERCENTAGE	2020	2021
TOTAL	10.0	9.5
OF WHICH WOMEN	9.8	9.4
OF WHICH MEN	10.6	9.6
UNDER 30 YEARS OLD	25.0	21.5
30-50 YEARS OLD	10.3	10.1
OVER 50 YEARS OLD	3.7	4.1

FIGURES AS A PERCENTAGE	2020	2021
IN STORES	11.7	11.6
OF WHICH WOMEN	11.1	11.1
OF WHICH MEN	33.7	26.6
IN OFFICES	7.7	6.9
OF WHICH WOMEN	6.9	5.6
OF WHICH MEN	9.1	8.8
IN THE FIELD	5.1	7.0
OF WHICH WOMEN	3.7	10.1
OF WHICH MEN	5.8	5.5
IN ROASTING FACILITIES	8.9	7
OF WHICH WOMEN	4.1	3.9
OF WHICH MEN	9.5	7.0

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, with 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. During the pandemic, this offer has unfortunately not been possible at times.

In the case of company (additional) benefits, there is generally no differentiation between full-time employees and part-time employees or temporary employees, with temporary workers only asserting claims to equal pay or equal treatment according to Germany's Temporary Employment Act (AÜG) against their own employer, i.e. the rental companies. We always comply with the associated obligations to provide information to temporary employees and rental companies 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 directed 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 directed 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 shops. It is particularly important for employees in lower income groups to make a contribution towards closing their potential pension gap in old age. Temporary workers may have a claim 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	2020	2021
TOTAL	349	372
OF WHICH WOMEN	306	324
OF WHICH MEN	43	48
IN STORES	162	164
OF WHICH WOMEN	161	163
OF WHICH MEN	1	1

FIGURES IN ABSOLUTE NUMBERS	2020	2021
IN OFFICES	172	196
OF WHICH WOMEN	137	155
OF WHICH MEN	35	41
IN THE FIELD	9	7
OF WHICH WOMEN	5	3
OF WHICH MEN	4	4
IN ROASTING FACILITIES	6	5
OF WHICH WOMEN	3	3
OF WHICH MEN	3	2

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.

FIGURES AS A PERCENTAGE	2020	2021
TOTAL	85	88
OF WHICH WOMEN	86	87
OF WHICH MEN	75	100
IN STORES	90	88
IN-HOUSE SALES	81	91
EXTERNAL SALES	67	100
ROASTING FACILITIES	100	83

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 (§ 106 ff 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 meet 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. During the COVID-19 pandemic, infection control presents a particular challenge.

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. Their aim is 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. Despite the pandemic, attempts were made to continue regular services, such as the weekly 'Active Break' at two Hamburg locations or mobile massages for the employees at the logistics site in Gallin. As far as possible, an extensive Digital Health Week programme was offered in 2021. In a varied programme, employees were able to take part in a range of fitness activities, but also to take classes on nutrition, relaxation and stress management.

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', for example, we encourage our employees to opt for healthy, light meals and to adopt these eating habits in their private lives as well. We also promote this through our podcast 'Five Cups a Day', which regularly deals with the topic of nutrition. If necessary, the in-house diet chef advises on individual questions about nutrition. 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. Emergency 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. Over the past seven years, we have increased the proportion of severely disabled employees to over 6% of the total workforce.

Additional challenges emerged as the COVID-19 pandemic hit. In order to ensure the best possible protection for our staff, COVID safety policies have been developed and measures have been put in place to minimise the risk of infection and help society get the pandemic under control. Measures are implemented at each site under the central control of a crisis team, with legal requirements such as the SARS-CoV-2 Occupational Health and Safety Ordinance and the SARS-CoV-2 Occupational Health and Safety Regulation providing the basis for these activities.

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. Reduced social contact as a result of the pandemic and staff working remotely has provided particular challenges in the last two years, as has the added burden of home-schooling for many families. We realised this early on and have made various forms of support available, including in partnership with our service provider pme Familienservice. We worked with our company medical officer to offer employees COVID-19 vaccinations. In order to be able to continue to guarantee an extensive range of classes and fitness activities, we adapted our approach to the pandemic conditions. For example, classes are also offered online, the structure and organisation of the classes have been changed so that they can be held under pandemic conditions and employees can promote their health happily and safely. Our approach did not focus exclusively on the period of the pandemic, but also took into account what the class requirements were likely to be after the pandemic.

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

GRI 403-1

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 (§ 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.

GRI 403-2

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. Due to the situation in 2020, for example, a risk assessment for remote working was carried out. 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 Human Resources 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 2021, 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 and antigen tests for COVID-19) 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 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.

GRI 403-5

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 for the safety briefing for new employees introduced in 2020 and the COVID-19 briefing were maintained.

In 2021, the annual safety briefing was switched to an e-learning format.

An online Health Week was also held in 2021.

GRI 403-6

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.

GRI 403-7

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

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 straight away on the farm, and sometimes this work is 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.

19.6% of our coffees are certified and meet the requirements of the Rainforest Alliance, UTZ, Organic Certified and Fairtrade labels. These labels formulate clear guidelines for the certified cooperatives and regularly audit compliance with these standards.

We use alternative approaches to ensure we also achieve higher standards across our non-certified supply chains. In Brazil and Vietnam, we work with other roasting companies to provide farmers with specialist training that covers how to work with agrochemicals responsibly, the use of protective clothing and how to store substances properly. Our Tchibo Joint Forces!® projects enable us to take advantage of being close to our producers and provide focused training here as well.

Suppliers for non-food items

Our Social and Environmental Code of Conduct (SCoC) is contractually binding for all our suppliers, service providers and partners in the non-food sector. It explicitly states that workers must be provided with a safe and hygienic working environment, that corresponding concrete 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).

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 the **[Downloads](#)** section of *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.

One of the five focus areas of our dialogue-based WE factory programme is 'Health and safety in the workplace'. The program 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. 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. Since it was first established, there have been no fatal fires or collapses in the approximately 1,600 factories that have signed up. 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 are covered by the Accord and must comply with the standards of the Accord before entering into a business relationship with us or remedy any issues identified within one year. In 2021, 94% of our producers' safety issues were resolved. All Tchibo manufacturers in Bangladesh have been integrated into an Accord programme, which sets up safety

committees in the factories and trains their members. So far, 74% of our 46 factories have successfully completed the programme.

Tchibo has participated in the Advanced Chemical Management Training (ACMT) programme since 2017. In a strategic alliance with REWE Group and the German Society for International Cooperation (GIZ), we have developed the 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. To date, 59 suppliers have participated in the programme. In 2020, the training programme was also introduced in Turkey, in addition to China and Bangladesh.

For more information on chemicals management, see GRI 308-2.

COVID-19 pandemic

We have adapted our WE programme in response to the pandemic: activities with workers and managers of the factories have been carried out online, in a hybrid form (online and on-site) or in strict compliance with national hygiene requirements. In order to maintain contact with the WE factories and WE programme participants in the rapidly changing pandemic conditions, the WE facilitators also increasingly made use of the social media channels typically used in the respective countries. In the second year of the pandemic, COVID-19 prevention is an integral part of the programme's activities.

The Bangladesh Accord swiftly implemented and monitored universal COVID-19 safety measures for manufacturing facilities after the pandemic began in the country. These include safe transport for workers travelling to the workplace, adapted (streamlined) production processes, social distancing, the provision of masks and protective equipment for all factory workers, hygiene measures such as continuous disinfection and ventilation, and paid time off for at-risk groups and people in quarantine. Bangladesh is one of our most important textile-producing countries. 100% of our suppliers there are part of the Accord and are therefore subject to the adapted safety measures.

In 2021, in partnership with the Stockholm International Water Institute (SIWI) and the Sustainable Textile Water Initiative (STWI), the German Society for International Cooperation (GIZ) ran 'train the trainer' courses on occupational health and safety and labour rights during the COVID-19 pandemic in garment factories in Bangladesh. 16 of our local producers took part, each sending two employees to the training sessions, who are now hygiene multipliers for their workplace. At our producers, they have reached 6,249 workers through factory training, 4,124 of them women. The project was extended in October 2021 with a second phase that will run until December 2022. It includes refresher courses for the multipliers and builds on the factory training sessions. 13 of our producers will continue to participate.

Facilitated by the Partnership for Sustainable Textiles, five Tchibo supplier factories in India took part in a free training course on hygiene regulations offered by German Society for International Cooperation (GIZ) in cooperation with the International Association of Natural Textiles (IvN) in 2021; the factories found the course helpful and implemented the findings at their own premises.

A more detailed description of the measures we have taken in response to the COVID-19 pandemic can be found in the 2021 Tchibo Human Rights Report (Non Food).

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 head office 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. Activities and measures relating to the COVID-19 pandemic were centrally managed by the crisis unit in 2021 and implemented accordingly by the responsible employees at each site.

Work-related injuries

In 2021, there were 55 notifiable workplace accidents that resulted in at least three days of absence from work. There were no deaths due to work-related injuries. 21 of the reportable accidents at work are commuting accidents. The commuting accidents occurred off the company premises and are therefore not directly within our sphere of influence.

With an average of 5,499 full-time employees, this corresponds to an accident rate of ten accidents per 1,000 employees.

An evaluation of accidents at work according to the frequency of injuries is not possible on the basis of the available data.

In 2021, 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 only been recorded for our own employees.

After the pandemic reached us in Hamburg in early 2020, a risk assessment was conducted and measures adopted on the basis of that assessment to minimise the risk of infection in our buildings for all employees and all workers not employed by us. The relevant parts of the SARS-CoV-2 Occupational Health and Safety Regulation and the SARS-CoV-2 Occupational Health and Safety Ordinance were implemented in full.

Work-related illnesses

In 2021, we were not notified of any work-related illnesses among our employees.

Training and education

Management approach

Challenge

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 interested. 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.

On some of the training courses, employees can learn about and try out agile working methods, for example. Owing to the current situation and the reality that work is likely to become even more hybrid post-pandemic, there is high demand for our programme aimed at managers who manage scattered teams. A special section of Tchibo CAMPUS is the Coffee Academy. In seminars, employees can learn everything worth knowing about 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 the 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

- Implementation of a new combined vocational training and degree course in IT Management, Consulting & Auditing (B.Sc.)
- Participation in a company-wide programme with a focus on digitalisation and involving 30 employees
- Organisation of a large-scale virtual conference for new employees, at which different departments introduce themselves
- Increased participation by various employees in a range of formats (presentations, workshops)
- Implementation of a pilot project for an agile goal-setting method across different departments
- Introduction of the online video learning platform
- Incorporation of employee presentations into a learning week

Average hours of training per year per employee

Mitarbeiter*innen sind unser wichtigstes Kapital. Deshalb bietet Tchibo vielfältige Aus- und Weiterbildungsmöglichkeiten an. 2021 wurden insgesamt 20.454 Aus- und Weiterbildungsstunden und über 400 Stunden Coaching und Beratung von 5.612 Mitarbeiter*innen in Anspruch genommen. Davon ausgenommen sind Trainings, die direkt in unseren Shops stattfanden, und bereichsspezifische Weiterbildung durch die interne Personalentwicklung. Im Shopbereich wurden während des Lockdowns kontinuierlich digitale Lernangebote gemacht, an denen über 2.000 Kolleg*innen teilgenommen haben.

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 stay 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. This was updated at the beginning of the year.

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

- The annual feedback process was expanded to include more continuous and regular feedback and was introduced at the end of the year.
- In 2021, we were already able to provide a significant number of top potentials with feedback using the new tool.
- The frequency of development discussions with top potentials has been significantly increased.
- Job application training sessions for employees were held at the Gallin site.

Percentage of employees receiving regular performance and career development reviews

All employees at Tchibo are entitled to an annual development review. During the reporting period, 61% of all employees completed a voluntary self-assessment, providing the basis for jointly exploring development opportunities within the company.

Diversity/equal opportunities & non-discrimination

Management approach

Challenge

Tchibo has over 10,000 employees worldwide. These employees come from vastly differing cultures, from different social classes, from different religions and from different generations. People are our focus and we want to meet our social responsibilities as a company and also ensure equal opportunities.

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 fair, polite and respectful treatment by superiors and colleagues. No one shall be discriminated against, i.e. disadvantaged without objective reason, on the grounds of their ethnic origin, skin colour, nationality, ancestry, sex, gender, faith or world view, political opinion, age, physique, sexual orientation, appearance or other personal characteristics.'

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 order to give even more weight to the issues of diversity and inclusion and, in particular, non-discrimination and fair treatment, the new role of 'Diversity Manager' was established in the Human Resources department in 2021. Alongside the functions already required by law, this function complements Tchibo's commitment to diversity and equal opportunities. In addition, initial measures have been taken to promote diversity and inclusion in the organisation and as a cultural factor. As part of Diversity Days, employee awareness was raised through presentations, workshops and discussions.

On the basis of the facts and figures, analyses of the current situation have been carried out and fields of action within Tchibo identified, while the discussion with the Executive Board about a long-term direction and goals has also begun. The first training courses for employees on the subject of 'unconscious bias' have taken place.

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 are also aware that we want to further compensate for existing gender-related differences, for example. In 2021, in connection with the Supply Chain Act, we initially began to carry out a broad-based human rights risk analysis for Germany.

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	2020	2021
LEVEL 7-5	49.6	51.1
WOMEN	55.7	55
MEN	44.3	45
LEVEL 4	41.9	40.8
WOMEN	55.8	54.1
MEN	44.2	45.9
LEVEL 3-2	7.7	7.4
WOMEN	42.2	38.9
MEN	57.8	61.1
HIGHER PAY GRADES	0,8	0.7
WOMEN	22.2	30.8
MEN	77.8	69.2

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

Challenge

Tchibo produces non-food items and coffee and thus maintains trade relations with suppliers worldwide. Every year we buy non-food items from about 800 producers in Asia and Europe, of which about 250 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 the [Downloads](#) section 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 thus the requirements of the [National Action Plan on Business and Human Rights \(NAP\)](#), which was in force until 2020, as well as the upcoming German Supply Chain Due Diligence Act. We are committed to upholding human rights, taking systematic action to prevent violations, and addressing any violations by means of targeted measures and constant improvements.

The principles of human rights due diligence

The NAP and the LkSG implement the 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 German Supply Chain Due Diligence Act (LkSG), which will come into force from 2023.

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 the [Downloads](#) section under *Tchibo Policies & Commitments and 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. This analysis reveals both the specific human rights risks in our supply chains and also leads to guidelines specific to each country and issue. In 2021, we carried out a completely new, more comprehensive analysis, which will be incorporated into our management system and measures from 2022.

Specific human rights risks in our non-food supply chains (2012)

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 that their rights are protected in the workplace - and monitor this - long-term. That is why we 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).

The Global Framework Agreement with IndustriALL can be found in the **Downloads** section 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. 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



More information on our management approach and human rights due diligence strategies and measures can be found in the Tchibo *Human Rights Report (Non Food) 2021*.

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 previous NAP, the future LkSG, the OECD Guidelines for Multinational Enterprises and the corresponding reporting requirements.

- In 2021, we developed a completely new, broad-based human rights risk analysis for our supply chains for non-food items and coffee, our internal procurement and human resources, and will expand this in 2022 in order to incorporate the results into our management system and our measures in the next step.
- The Tchibo human rights and environmental policy in agricultural supply chains was developed in 2021. This guideline will be applied from 2022, formulates principles, goals and Tchibo's expectations and serves as a guideline for the development of new farmer projects. The agricultural policy can be found in the **Downloads** section under *Tchibo Policies & Commitments*.

Progress: GRI 407, 408, 409, 411, 412, 413, 414

Reporting on progress and goals in the areas of freedom of association and collective bargaining (GRI 407), forced or compulsory labour (GRI 409) and social assessment of suppliers (GRI 414) can be found in the respective subsections. There are no reportable goals or progress in the areas of child labour (GRI 408), the rights of indigenous people (GRI 411), respect for human rights

A detailed description of the progress and goals in these areas as well as in relation to the COVID-19 pandemic can be found in the *Tchibo Human Rights Report (Non Food) 2021*.

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 will ensure that this does 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. The same applies to the seals with which we certify our green coffees: Rainforest Alliance, UTZ, 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 seven complaints via our grievance mechanisms relating to violations of the right to freedom of association. All seven grievances related to incidents in the Tchibo supply chain, which we worked to resolve; all of these have been resolved as of 31 December 2021. More information can be found in the ***Tchibo Human Rights Report (Non Food)***, in the section Effective Grievance Mechanisms.

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 membership of ACT on Living Wages, 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. One result of this commitment is the ***Myanmar Freedom of Association Guideline***, adopted in 2019, which is binding for our producers in Myanmar. A grievance and dispute resolution mechanism has been implemented there and in Bangladesh. It contains guidelines and processes for compliance with labour rights on the basis of the ILO's international labour standards. Arbeitsstandards der ILO.

Progress & goals

- Because trade unions tend to come under even more pressure in times of crisis, we have worked closely with them since the beginning of the COVID-19 pandemic. In Turkey, Bangladesh and Myanmar, we specifically sought dialogue with trade union representatives to discuss the challenges arising from the crisis, the demands it places on purchasing companies and the measures Tchibo has taken in these troubled times. The results have been incorporated into our audits, purchasing practices and grievance resolutions.
- In 2021, we began revising our strategy for supporting trade union rights in our non-food supply chains. The focus of the process in 2021 was to enable the WE programme to take an even more structured approach to its field of action 'Freedom of association and employee representation'. The strategy process

will be completed in 2022. It includes our involvement in ACT on Living Wages for social dialogue in the focus countries, as well as purchasing practices and grievance mechanisms. As part of this strategy process, we have given the facilitators of the WE programme intensive training in 2021 on the subject of trade union rights. To this end, we worked with representatives of IndustriALL Global Union, the AWAJ Foundation and the Ethical Trading Initiative (ETI).

- At one of Tchibo's important and long-standing producers in Turkey, our WE programme was able to successfully implement a development plan tailored to the causes of these conflicts. The plan aims to involve the union in communication and decision-making processes in the factory and resulted in the establishment of a committee of union representatives and factory managers under the constant supervision of the WE programme. In 2022, we will explore the potential of this approach as a model for similar conflicts in other factories and countries.
- In Bangladesh, a strategy meeting was held between representatives of IndustriALL, five local member unions, Tchibo and the WE programme to discuss our Global Framework Agreement and planned union organisation at eight Tchibo producers and to partially align these with the WE programme. Here, too, we will determine in 2022 whether we can use this format as a model for other countries in a meaningful way.
- For the first time, our WE team in Bangladesh led a specialist workshop for representatives of IndustriALL and 16 member unions on the subject of gender-based discrimination.
- In Myanmar, we brought the previous form of our social dialogue project, which we implemented in partnership with the German Society for International Cooperation (GIZ), to an early end in December 2020. We planned to work with our project partners with a new approach in 2021. However, the military coup and the massive repression of trade union work that accompanied it, together with the restrictions imposed by the COVID-19 pandemic, made it impossible for us to continue this work for an indefinite period of time. In agreement with the partners, we stopped any further planning for the time being; instead, we invested the planned project budget entirely in humanitarian aid projects on the ground. The handouts created during the project will be published late in 2022.
- The military coup in Myanmar in February 2021 also had a significant impact on our local engagement with ACT on Living Wages and the related measures for the right to freedom of association and collective bargaining. Up until June 2021, we therefore implemented a **framework on the safety and dismissal of workers in Myanmar** with the relevant members of ACT and further developed the existing grievance and dispute resolution mechanism of the Myanmar Freedom of Association Guideline into a **fast-track procedure** that applies to all labour rights. During the reporting period, no violations of freedom of association were observed or reported among our producers in Myanmar.

Myanmar has been a priority country for ACT since 2018. In December 2021, members decided to cease ACT's work in Myanmar. This is a consequence of the withdrawal of local IndustriALL affiliate IWFM from ACT activities, as they are no longer able to work freely under the prevailing circumstances. ACT will review its future commitment as soon as the situation in the country changes.

A more detailed description of progress and goals in this area as well as in relation to the COVID-19 pandemic can be found in the Tchibo Human Rights Report (Non Food) 2021.

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

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 will ensure that this does 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.

Coffee suppliers

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. The same applies to the following seals with which we certify our green coffees: Rainforest Alliance, UTZ, Fairtrade.

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. Since we are unable to inspect every production site and every coffee farm ourselves, we work with our partners as part of Tchibo Joint Forces!® to develop regional projects that take a proactive approach to combatting child labour: since 2011, we have been working alongside our local partner Coffee Care to run daycare centres in Guatemala during the harvest season. The coffee harvest is seasonal and is often carried out by migrant workers. They leave their homes for several months to do this, bringing their families with them. Although children are not usually employed as labourers in the harvest, they follow their parents into the fields or take on family-related work. In Guatemala, Tchibo is in the process of installing a hydroponic agriculture project together with local partners. On the one hand, this can support food security and, on the other hand, save water. In addition, this form of hydroponics can become a second source of income. A feasibility study has already been carried out and adjustments made. The next step will be to implement the project. Another important building block is the education and empowerment of adolescent girls, with Tchibo having built an educational model called Abriendo Oportunidades with local partners. The focus is on the personal development of girls. Their self-esteem is improved and they are encouraged to participate as citizens in asserting their human rights. Participating girls aged 8-17 will also be guided towards greater autonomy and the development of leadership skills will be encouraged. In Tanzania, we founded so-called 'Coffee Clubs' in 2017. Here, the children of coffee farmers are given access to parts of their parents' farm and, once they have finished their daily schooling, they are taught about productive and sustainable coffee farming, including irrigation and environmental protection methods, for example. This gives parents a stronger incentive to keep their children in education for longer and not to put them to work in their fields at an early age or for the majority of the time. 581 young people (316 boys, 265 girls) currently participate in the Coffee Clubs. Together, they have produced a total of 2.6 tons of green coffee.

Further information can be found on our topic pages for [Guatemala](#) and [Tanzania](#).

In Honduras, too, together with our local partners, we have set up childcare facilities during the harvest season, which was made possible despite the COVID-19 pandemic. During the 2020/2021 harvest, a total of 120 children were looked after. By promoting and investing in income diversification, Tchibo helps tackle the causes of child labour and supports farmers in creating additional sources of income. In Honduras, together with our local partners, beehives and processing plants for coffee were set up as a second source of income. With the processing plants, we support the farmers on site in the process of preparing coffee. In Honduras, Tchibo also supports the development of sustainable fertilisers for farmers' own farms and for sale, which leads to another source of income and consequently plays a part in the fight against the causes of poverty. Training to increase productivity and the quality of the coffee was also carried out in Honduras. In addition, Tchibo runs management training courses with our local partners in order to give farmers a better understanding of business administration, for example, which can also lead to a higher income. A total of 1,000 farmers participate in our joint projects, with another 2,500 farmers involved in the training provided by our partner.

We are not aware of any substantiated 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

Our Social and Environmental Code of Conduct (SCoC) is contractually binding for all our suppliers, service providers and partners in the non-food sector. 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).

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.

Our policy for dealing with child labour and the potential risks that may encourage child labour can be found in the [Downloads](#) section under *Tchibo Policies & Commitments and Supplier Policies & Guidelines*.

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.

Through our Global Framework Agreement with IndustriALL Global Union (see GRI 407), 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).

We are not aware of any substantiated violations of the ban on child labour at Tchibo non-food suppliers during the reporting period.

GRI 409-1

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

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 will ensure that this does 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.

Coffee suppliers

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. The same applies to the following seals with which we certify our green coffees: Rainforest Alliance, UTZ, 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

Our Social and Environmental Code of Conduct (SCoC) is contractually binding for all our suppliers, service providers and partners in the non-food sector. It explicitly states that Tchibo does not tolerate 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).

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 the [Downloads](#) section under *Tchibo Policies & Commitments and Supplier Policies & Guidelines*.

We are not aware of any substantiated violations of the ban on modern slavery at Tchibo non-food suppliers during the reporting period.

Recognising and preventing forced labour

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 which does not incentivise the use of modern slavery. 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 forced labour, even if it has not been exposed by an audit. Through our Global Framework Agreement with IndustriALL Global Union (see GRI 407), 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).

Partnership for Sustainable Textiles: Tamil Nadu Partnership Initiative

Under the Tamil Nadu Partnership Initiative of the Partnership for Sustainable Textiles, we actively engage with non-governmental organisations and other companies to combat the form of modern slavery known as 'Sumangali' that is practised in spinning mills in the southern Indian state of Tamil Nadu. Following the end of the first project phase in September 2020, we have been continuing the project with a second phase since November 2021. Details of the 'Tamil Nadu' Partnership Initiative can be found on the [website of the Partnership for Sustainable Textiles](#).

India: Global Fund to End Modern Slavery

The auditing company Elevate audits production capacity in factories in addition to assessing their compliance with social and environmental criteria as part of a project launched by the [Global Fund to End Modern Slavery](#). The aim of this is to eliminate the possibility of production being outsourced to unknown, unaudited production sites where the risk of encountering forms of forced labour and modern slavery is higher. In 2021,

we had three of our textile producers in India audited and in one case we were able to determine that Tchibo production was being passed on. The deficiencies and violations of our SCoC identified there have been addressed in accordance with our approach (see GRI 414) and subcontracting has ended. The project was successfully completed by Elevate in 2021.

A more detailed description of progress and goals in this area as well as in relation to the COVID-19 pandemic can be found in *Tchibo Human Rights Report (Non Food) 2021*.

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

Human rights assessment - Verification of compliance with human rights

Our Social and Environmental Code of Conduct (SCoC) is contractually binding for all our suppliers, service providers and partners in the non-food sector. 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 as well as in the Tchibo Human Rights Report.

GRI 413-1

Local communities - operations with local community engagement, impact assessments, and development programs

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

We champion coffee farmers in our supply chains through stewardship projects and industry-specific activities. We support them as they make the gradual transition from conventional coffee farming to environmentally and socially sustainable and economically viable coffee farming, implementing measures that are tailored to their specific challenges. These include training sessions, educational programmes for the whole family, access to infrastructure and the development of long-term supplier relationships. Our Tchibo Joint Forces![®] qualification programme, for example, involves collaboration with green coffee exporters, green coffee traders, agronomists, international standards organisations, and governmental and non-governmental organisations. Since the programme was launched in 2009, we have reached around 43,300 coffee farmers in Ethiopia, Brazil, Honduras, Kenya, Colombia, Papua New Guinea, Tanzania, Guatemala and Vietnam with the Tchibo Joint Forces![®] programme.

In 2017, we launched three new Tchibo Joint Forces!® projects in Guatemala, Honduras and Tanzania. We launched another project in Guatemala in 2021. We source sustainable, high-quality green coffee from these regions, for our Privat Kaffee range, for example. We work with non-governmental organisations, standards organisations and traders on these projects. Our aim with these projects is to help make coffee farming sustainable and profitable for the farmers in the long term, so that they and their families can improve their living conditions and we can guarantee the quality of our green coffee.

GRI 413-2

Local communities - Operations with significant actual or potential negative impacts on local communities

We have no information on this for 2021. Previously assessed as not applicable in relation to the GRI definition of local communities. Review underway for inclusion in the next report.

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 the [Downloads](#) section 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 Social and Environmental 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 violations found 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 the [Downloads](#) section under *Supply Chain Transparency* and on 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 enlist the help of external and independent expert organisations for the investigation. 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 at Tchibo, WE programme, trade unions (Global Framework Agreement), Bangladesh Accord, ACT on Living Wages, grievances and dispute resolution mechanisms in Myanmar and Bangladesh, and whistleblowing for Tchibo employees and business partners.

Progress & goals

- During the COVID-19 pandemic, we have adjusted our audit processes. In order not to put anyone in danger and to reduce the pressure on suppliers, especially during local lockdowns, we postponed the audit dates after consulting with these companies. We are therefore deviating from our standard processes and, if necessary, ordering goods without available audit results or accepting already completed audit certificates that we do not otherwise recognise, for example BSCI in Bangladesh or SMETA 2-pillar.
- We have developed a tool that combines WE's dialogue approach with auditing in a shorter, end-to-end process for producers: the 'participatory audit'. In 2021, we conducted one test run in Bangladesh and three in China. Two factories have successfully completed the test run, and two others will be given more

time to make the necessary improvements. The experiences and feedback from those involved were so positive that we are planning further tests for 2022 with some process changes in order to then fully integrate and scale the participatory audit into our audit programme.

- A list of grievance cases in Tchibo supply chains for non-food items in 2021 can be found in the **Human Rights Report (Non Food) 2021**.

A more detailed description of progress and goals in this area can be found in the Tchibo Human Rights Report (Non Food) 2021.

Management approach**Challenges**

These days, companies take more responsibility for the way in which their goods and products are manufactured and for the impact this has on people and on the environment. Nevertheless, human rights and environmental protection are still under threat in most producing countries even today 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 welcome the passage of the Supply Chain Due Diligence Act (LkSG) by the Bundestag in June 2021 and see great opportunities for people and companies in global supply chains because this means the relevant market participants will be subject to the same standards for corporate responsibility from 2023. Individual burdens of corporate responsibility compliance are now more evenly distributed, while at the same time systemic progress can be made in producing countries.

In our numerous public statements (see 'Progress' and Sustainability Report 2020, GRI 415), we have always pointed out that a law should above all have a lasting effect for people affected by human rights and environmental risks. The main points of the law offer the potential for this. At the same time, we would also like to point out that, in our opinion, small and medium-sized companies should also be included in the direct sphere of influence of the law. Everyone can make a contribution appropriate to their size, and many are already doing so. The regulation, which only applies to companies with 3,000 or more employees from 2023 and from 1,000 employees from 2024, does not systematically integrate them.

We trust that the Federal Office for Export Control (BAFA), which is entrusted with the implementation of the law, will now take on the task of publishing practice-oriented recommendations for action for companies as quickly as possible. An important aspect will also be the reporting obligations to be defined for the LkSG. 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.

We look forward to the discussions and decisions regarding an EU-wide supply chain directive under the umbrella of the European Green Deal. The legalisation of all companies operating in the EU market offers the opportunity for significant progress for supply chains. Synergies will also relieve the burden on individual companies. Our views on the formulation of the German law also apply to the EU Directive and we will contribute to this if necessary.

Progress

- We took part in two public campaigns by the Business and Human Rights Resource Centre on this issue (*April 2021, November 2021*), published another position paper (*January 2021*) and have participated in numerous meetings.
- In December 2021, we held a bilateral consultation with the Federal Office for Export Control (BAFA), which is entrusted with the implementation of the LkSG, with regard to handouts for companies and reporting obligations.
- In addition, through our membership of the AVE business association, we participated in the drafting of LkSG (April 2021) as well as in the public consultations of the EU Commission on sustainable corporate governance (*February 2021*) and the EU strategy for sustainable textiles (*August 2021*).
- In 2022, we want to continue to contribute to political decision-makers and companies having an honest and results-oriented debate on why and how compliance with human rights and environmental protection in supply chains should be mandatory. We will refer to Germany and Europe. To this end, we will promote public 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 consistent and strict standards. 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

The quality inspection of our coffees plays a special role, as this foodstuff in particular places a very high value on product safety in addition to taste and aroma. This inspection process starts at the very beginning of the coffee cultivation process, when our coffee experts visit plantations, buy rarities from very special farms and carry out a 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, before they are purchased. As part of the quality management process, numerous tests of green coffee are carried out on arrival in Germany with the help of experienced and accredited laboratories in order to ensure that the chemical-physical composition of the coffees is at the desired high level.

The roasted coffees are produced according to precise product development specifications in our coffee factories. The production facilities are inspected in accordance with the IFS certification of the latest 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, great 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 Social and Environmental 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 help to implement warranty and complaint claims and take an accommodating approach.

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

During the reporting period, there was a product recall involving the Tchibo bunny teething ring. Inspections have shown that some of the teething rings produced for Tchibo contain pollutants suspected of being hazardous to health. However, a toxicological experts' report commissioned as a result came to the conclusion that a relevant toxicological risk could be ruled out and that there was therefore no health hazard.

Marketing and labeling

Management approach

Our guiding principles for sustainability communication are honesty, equality, credibility or provability and transparency.

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.

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) and
- 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 position paper section). 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.

Achievements (marketing and communication)

The customer-relevant perception of Tchibo's sustainability commitment was further improved in the 2021 financial year. A central focus of the communication measures was the integration of the topic at numerous Tchibo customer contact points. Examples of these measures include hangtags with sustainability messages on non-food products, impact messages and structures in the stores, introduction of a sustainability newsfeed in the online shop, impact messages on the online shipping box and weekly social media inclusion.

In 2021, around 4,800 'sustainability houses' featuring organic cotton were again set up in stores, which have contributed significantly to the perception of Tchibo as a sustainable company. Tchibo also implemented an out-of-home campaign that made its commitment to sustainability visible through the use of billboards

throughout Germany. In the coffee sector, there were two major campaigns - the Truemorrow campaign for 'FOR BLACK 'N WHITE' and the marketing of the Tchibo Joint Forces!® project in Tanzania together with 'Privat Kaffee'.

Public opinion was also strengthened by further measures in the area of corporate responsibility, which were picked up in the press. For example, Tchibo was a prominent supporter of the German Supply Chain Act, but also increased its visibility with measures such as the reusable shipping bag in online retail and sustainable collaborations with Everdrop and Tesla.

Overall, these measures resulted in the further image enhancement and increased credibility of the Tchibo brand with regard to sustainability. This year, Tchibo was the recipient of the prize for 'Excellent Sustainability' from the F.A.Z.-Institut and Institut für Management- und Wirtschaftsforschung (IMWF) and also received the 'Corporate Content Award 2021 North America' (bronze) for the Tchibo sustainability magazine.

GRI 417-1

Requirements for product and service information and labeling

We make sure that products are correctly labelled with environmental or social product seals and standards at all times, based on our strict monitoring and certification management process.

We try to keep the amount of information as streamlined and customer-friendly as possible: the information about 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. We also include information about the environmental impact of our sustainable materials in our relevant customer communication channels, ensuring it is as easy to understand as possible.

GRI 417-2

Incidents of non-compliance concerning product and service information and labeling

In the 2021 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.

GRI 417-3

Incidents of non-compliance concerning marketing and communication

In the 2021 reporting period, there were isolated violations at Tchibo relating to marketing and communication. 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, extensive 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 multi-level detection of malware or encryption of data and transmission paths, for example. 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.

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 draws on the core labour standards of the International Labour Organization (ILO), among other things, as well as on international guidelines such as those of the OECD and the United Nations Guiding Principles on Business and Human Rights, and prohibits any form of corruption, for example, 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 the [Downloads](#) section 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 reported to the Executive Board immediately as they arise in order to bring potential dangers under control swiftly. Up-to-date 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 passed on to these bodies immediately.

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.

GRI 419-1

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

No significant fines were imposed during the reporting period.

GRI-CONTENT INDEX

GRI-STANDARD	DISCLOSURE	REFERENCE (PAGE NUMBER)	REASON FOR OMISSION
ORGANISATONSPROFIL			
GRI 102: General Disclosures 2016	102-1: Name of the organisation	6	
	102-2: Activities, brands, products, and services	6	
	102-3: Location of headquarters	6	
	102-4: Location of operations	6	
	102-5: Ownership and legal form	6	
	102-6: Markets served	7	
	102-7: Scale of the organisation	8	We do not provide any information on the total capital due to a duty of confidentiality towards maxingvest.
	102-8: Information on employees and other workers	8	
	102-9: Supply chain	9	
	102-10: Significant changes to the organisation and its supply chain	10	
	102-11: Precautionary Principle or approach	10	
102-12 & -13: External initiatives & Membership of associations	<i>Memberships and voluntary commitments</i>		
STRATEGY			
102-15: Key impacts, risks, and opportunities	11		
ETHICS AND INTEGRITY			
102-16: Values, principles, standards, and norms of behavior	13		
GOVERNANCE			
102-18: Governance structure	14		
STAKEHOLDER ENGAGEMENT			
102-40: List of stakeholder groups	16		
102-41: Collective bargaining agreements	16		
102-42: Identifying and selecting stakeholders	16		
102-43: Approach to stakeholder engagement	17		
102-44: Key topics and concerns raised	19		
REPORTING PRACTICE			
102-45: Entities included in the consolidated financial statements	20		
102-46: Defining report content and topic Boundaries	20		
102-47: List of material topics	22		
102-48: Restatements of information	22		
102-49: Changes in reporting	22		
102-50: Reporting period	23		
102-51: Date of most recent report	23		
102-52: Reporting cycle	23		
102-53: Contact point for questions regarding the report	24		
102-54: Claims of reporting in accordance with the GRI Standards	24		
102-55: GRI content index	119		
102-56: External assurance	24		

GRI-STANDARD	DISCLOSURE	REFERENCE (PAGE NUMBER)	REASON FOR OMISSION
ECONOMIC DISCLOSURES			
GRI 201: Economic Performance 2016	Management approach disclosures (GRI 103)	26	
	201-1: Direct economic value generated and distributed	30	
GRI 203: Indirect Economic Impacts 2016	Management approach disclosures (GRI 103)	26	
	203-1: Infrastructure investments and services supported	30	
	203-2: Significant indirect economic impacts	30	
GRI 205: Anti-corruption 2016	Management approach disclosures (GRI 103)	26	
	205-1: Operations assessed for risks related to corruption	34	
	205-2: Communication and training about anti-corruption policies and procedures	34	
	205-3: Confirmed incidents of corruption and actions taken	34	
GRI 206: Anti-competitive Behavior 2016	Management approach disclosures (GRI 103)	26	
	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	34	
ECOLOGIC DISCLOSURES			
GRI 301: Materials 2016	Management approach disclosures (GRI 103)	37	
	301-1: Materials used by weight or volume	44	
	301-2: Recycled input materials used	45	
	301-3: Reclaimed products and their packaging materials	45	
GRI 302: Energy 2016	Management approach disclosures (GRI 103)	46	
	302-1: Energy consumption within the organisation	47	
	302-2: Energy consumption outside of the organisation	48	Currently, no primary data is available from the upstream and downstream value chain that provides information on energy consumption. We are already working on collecting such data in key parts of the value chain. However, this data is currently only available in isolated cases and does not yet meet our data quality requirements. We have therefore decided not to publish it.
	302-3: Energy intensity	48	No information available. The heterogeneous product range consisting of food, hard goods, textiles and services hardly permits condensation to a meaningful organisation-specific parameter, which is why we are currently dispensing with such a key figure.
	302-4: Reduction of energy consumption	48	
	302-5: Reductions in energy requirements of products and services	48	No information available. The heterogeneous product range, consisting of food, hard goods, textiles and services, makes it virtually impossible to condense this to a meaningful product-specific energy requirement, which is why we are currently dispensing with such an indicator.

GRI-STANDARD	DISCLOSURE	REFERENCE (PAGE NUMBER)	REASON FOR OMISSION
GRI 304: Biodiversity 2016	Management approach disclosures (GRI 103)	49	
	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	51	
	304-2: Significant impacts of activities, products, and services on biodiversity	51	
	304-3: Habitats protected or restored	52	
	304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations	52	
GRI 305: Emissions 2016	Management approach disclosures (GRI 103)	53	
	305-1: Direct (Scope 1) GHG emissions	58	
	305-2: Energy indirect (Scope 2) GHG emissions	59	
	305-3: Other indirect (Scope 3) GHG emissions	60	
	305-4: GHG emissions intensity	61	No information available. The heterogeneous product range, consisting of food, hard goods, textiles and services, makes it virtually impossible to condense this to a meaningful energy intensity figure, which is why we do not report such a figure at present.
	305-5: Reduction of GHG emissions	61	
	305-6: Emissions of ozone-depleting substances (ODS)	61	No information available.
GRI 306: Waste 2020	305-7: Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	61	No information available.
	Management approach disclosures (GRI 103)	62	
	306-1: Waste generation and significant waste-related impacts	63	
	306-2: Management of significant waste-related impacts	63	
	306-3: Waste generated	63	
	306-4: Waste diverted from disposal	63	
	306-5: Waste directed to disposal	63	
GRI 307: Environmental Compliance 2016	Management approach disclosures (GRI 103)	64	
	307-1: Non-compliance with environmental laws and regulations	68	
GRI 308: Supplier Environmental Assessment 2016	Management approach disclosures (GRI 103)	64	
	308-1: New suppliers that were screened using environmental criteria	68	
	308-2: Negative environmental impacts in the supply chain and actions taken	68	
SOCIAL DISCLOSURES			
GRI 401: Employment 2016	Management approach disclosures (GRI 103)	73	
	401-1: New employee hires and employee turnover	75	
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	78	
	401-3: Parental leave	78	Disclosures c and e will be recorded for the next Sustainability Report.
GRI 402: Labor/Management Relations 2016	Management approach disclosures (GRI 103)	73	
	402-1: Minimum notice periods regarding operational changes	79	

GRI-STANDARD	DISCLOSURE	REFERENCE (PAGE NUMBER)	REASON FOR OMISSION
GRI 403: Occupational Health and Safety 2018	Management approach disclosures (GRI 103)	80	
	403-1: Occupational health and safety management system	82	
	403-2: Hazard identification, risk assessment, and incident investigation	82	
	403-3: Occupational health services	83	
	403-4: Worker participation, consultation, and communication on occupational health and safety	83	
	403-5: Worker training on occupational health and safety	84	
	403-6: Promotion of worker health	84	
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	84	
	403-8: Workers covered by an occupational health and safety management system	87	
	403-9: Work-related injuries	87	Information on a, b, c, and e will be prepared in more detail for the next report.
GRI 404: Training and Education 2016	Management approach disclosures (GRI 103)	88	
	404-1: Average hours of training per year per employee	90	We do not have the information on the breakdown by gender.
	404-2: Programs for upgrading employee skills and transition assistance programs	90	
	404-3: Percentage of employees receiving regular performance and career development reviews	91	
GRI 405: Diversity and Equal Opportunity 201	Management approach disclosures (GRI 103)	91	
	405-1: Diversity of governance bodies and employees	92	For the year 2021, we cannot disclose any information on diversity in control bodies.
GRI 406: Non-discrimination 2016	Management approach disclosures (GRI 103)	91	
	406-1: Incidents of discrimination and corrective actions taken	93	
GRI 407: Freedom of Association and Collective Bargaining 2016	Management approach disclosures (GRI 103)	93	
	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	97	
GRI 408: Child Labor 2016	Management approach disclosures (GRI 103)	93	
	408-1: Operations and suppliers at significant risk for incidents of child labor	100	
GRI 409: Forced or Compulsory Labor 2016	Management approach disclosures (GRI 103)	93	
	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	102	
GRI 411: Rights of Indigenous Peoples 2016	Management approach disclosures (GRI 103)	93	
	411-1: Incidents of violations involving rights of indigenous peoples	104	
GRI 412: Human Rights Assessment 2016	Management approach disclosures (GRI 103)	93	
	412-1: Operations that have been subject to human rights reviews or impact assessments	104	General information on human rights auditing can be found in our Human Rights Report. The inclusion of explicit information on 412-1, 412-2, and 412-3 will be considered for inclusion in the next report.
	412-2: Employee training on human rights policies or procedures	104	
	412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	104	

GRI-STANDARD	DISCLOSURE	REFERENCE (PAGE NUMBER)	REASON FOR OMISSION
GRI 413: Local Communities 2016	Management approach disclosures (GRI 103)	93	
	413-1: Operations with local community engagement, impact assessments, and development programs	104	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.
	413-2: Operations with significant actual and potential negative impacts on local communities	105	
GRI 414: Supplier Social Assessment 2016	Management approach disclosures (GRI 103)	93	
	414-1: New suppliers that were screened using social criteria	105	For 2021, we do not have quantitative information for statements a, b, d and e. Due to the internal implementation of a new system, the current data are incomplete and distorting.
	414-2: Negative social impacts in the supply chain and actions taken	105	
GRI 415: Public Policy 2016	Management approach disclosures (GRI 103)	108	
	GRI 415-1: Political contributions	109	
GRI 416: Customer Health and Safety 2016	Management approach disclosures (GRI 103)	109	
	416-1: Assessment of the health and safety impacts of product and service categories	111	No information available.
	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	111	
GRI 417: Marketing and Labeling 2016	Management approach disclosures (GRI 103)	112	
	417-1: Requirements for product and service information and labeling	113	
	417-2: Incidents of non-compliance concerning product and service information and labeling	113	
	417-3: Incidents of non-compliance concerning marketing communications	113	
GRI 418: Customer Privacy 2016	Management approach disclosures (GRI 103)	114	
	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	115	
GRI 419: Socioeconomic Compliance 2016	Management approach disclosures (GRI 103)	116	
	419-1: Non-compliance with laws and regulations in the social and economic area	117	

