

RESPONSIBLE PURCHASING PRACTICES - COFFEE

Status: January 2023

We as Tchibo are committed to the below outlined principles which are reflected in our purchasing practices for coffee. The principles are integrated in our day-to-day operations and our contracts, terms, conditions and behaviors are adapted respectively.

FAIR PARTNERSHIP

We are acting on an equal footing and building trust with each other. We have long-term partnerships, also up to the origin and we are committed to our supply chains and our partners.

TRANSPARENT COMMUNICATION

Open and honest communication with our suppliers is important to us. This includes that we inform each other about (potential) risks and supply chain incidents. Further we are communicating transparently about our expectations and our business development.

PLANNING AND FORECASTING

We are striving towards a fair distribution of the risk, which is linked to the trading of coffee. As we have business relationships with suppliers of different sizes and structures, we take the respective risk capacities into account when negotiating future business.

We try to estimate our future demands as best as possible and communicate them to our suppliers, to ensure planning security. We are communicating our demand timely and do not put our business partners under pressure.

PRICING AND FAIR TERMS OF PAYMENT

We pay on time and have short-term payment targets. We do not work with unfair contractual penalties. In cases of late deliveries or deviation from agreed qualities, we reach a consensual agreement with suppliers.

FURTHER COMMITMENTS

In many cases we don't have direct business relationships with smallholder farmers, and we are aware that our purchasing practices itself have limited influence on their working and living conditions. Therefore, we are working together with our suppliers on opportunities to improve the livelihoods and resilience of farmers in collaborative approaches.

Acknowledging the leverage/influence of our business activities, we will further support our business partners to improve the sustainability performance in our common supply chains and encourage them to adopt the principles of responsible purchasing accordingly.