

# TCHIBO SUPPLIER CODE OF CONDUCT

Status: January 2023

## PREAMBLE

As a globally sourcing company, Tchibo commits to the protection of human rights and the environment. The international standards and principles we are acknowledging as well as the Tchibo due diligence process are described in our Policy Statement. When shaping and managing our business relationships, we are committed to ensuring that our supply chains meet fundamental social and environmental standards.

## SCOPE OF THIS CODE OF CONDUCT

Our business partners (i.e., contractors, suppliers, producers and service providers engaged in manufacturing and/or providing goods and/or services to Tchibo) are required to comply with the fundamental social and environmental standards outlined in this Code of Conduct, as well as to comply with all applicable national and international employment, social and environmental laws and regulations. Tchibo is entitled to verify the business partners' compliance with the Code of Conduct.

The following social and environmental standards apply to all employees, whether they are employed directly or indirectly by our business partners. The obligations outlined in this Code of Conduct, national legislation and international guidelines must not be circumvented, for example, by agency work, subcontracting, fake apprenticeship programmes or working from home. Whenever laws, regulations, specific industry standards, applicable collective agreements and this Code of Conduct contain similar provisions, the provision that provides greater protection for employees and/or the environment shall apply. Vulnerable workers, such as migrant and seasonal workers, young workers, contract, contingent and temporary workers, homeworkers, pregnant or disabled workers, must be given special protection. All workers shall be informed of the contents of this Code of Conduct and applicable national legislation in a manner accessible to them, including the provision of all information in their national language and, in the case of illiteracy, by means of oral instruction and training.

## OUR PRINCIPLES

### 1. NO FORCED LABOUR AND RESPONSIBLE RECRUITMENT PRACTICES

All forms of forced labour, slavery or other forms of involuntary labour, as well as the production of goods through prison labour, are strictly prohibited. The ILO [general principles for fair recruitment](#), including the "employer pays principle", must be observed. Workers shall not be

subject to any regulations which limits their personal freedom of movement. Employers shall not require workers to lodge deposits or identification papers. Workers are free to leave their employer after reasonable notice as mandated by law. The ILO Conventions 29 and 105 apply.

## **2. NO CHILD LABOUR AND PROTECTION OF YOUNG WORKERS**

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Children of compulsory school age and children under 15 years of age (or 14 years of age if permitted by national legislation pursuant to ILO Convention 138) must not be employed. If evidence of child labour is detected in the business partner's supply chain, corrective measures must be implemented and documented in writing. Adequate financial and other support must be provided to enable the child involved in the production of goods for Tchibo to attend school as required by law. In small-scale, family-run agricultural enterprises, children are allowed to work on their family's farm, provided that the work does not affect their health, safety, welfare, education or development, that they are supervised by adults and that they receive an appropriate education. In this case, business partners shall endeavour to provide children with access to care facilities.

Young workers between the ages of 15 and 18 may only be employed in compliance with the applicable legal provisions. Under no circumstances must they work at night, nor perform any work that could harm their health, safety or morals. Young workers must have the opportunity to participate in education and training programmes. Young workers of compulsory school age may only work outside school hours and for a maximum of eight hours per day. School, work and commuting time must not exceed a total of ten hours per day. The ILO Conventions 79, 138, 182 and ILO Recommendations 146 and 190 apply.

## **3. NO DISCRIMINATION**

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It shall be guaranteed that all employees are treated equally and with dignity and respect and have access to the same opportunities. Discrimination based on gender, age, religion, race, caste, social background, health status, disability, ethnic and national origin, nationality, membership of workers' organisations (including trade unions), political views or opinions, sexual orientation, family responsibilities, marital status or other personal characteristics is forbidden. The ILO Conventions 100, 111 and 159 apply.

## **4. NO ABUSE OR HARASSMENT**

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All forms of physical, psychological, sexual, verbal or other harassment, abuse or disciplinary action, as well as all forms of intimidation, are prohibited. Unwelcome sexual advances, unwanted hugs and touching, lewd or obscene remarks or requests for sexual favours are prohibited in the workplace and in all facilities associated with the workplace, including transportation and dormitories. Disciplinary action may only be taken in accordance with national legislation and internationally recognised human rights. Arbitrary penalties in case of sickness or pregnancy are forbidden. Workers who complain of discrimination, abuse or harassment shall not be subjected to any form of disciplinary measures or reprisal.

## **5. ADEQUATE WORKING CONTRACTS**

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Where required by law, Tchibo's business partners shall provide their employees with written employment contracts in a language and form that they understand. The minimum elements of employment contracts, to the extent required by law or customary by industry standards, are: name, address and photograph of the employee, date and place of birth, function, date of commencement of employment, hours of work, salary and remuneration, probationary period, holiday entitlement, details of termination of employment (by the employee and by the employer), signatures of employee and employer and date of each signature. In the case of contract work, it must be ensured that the business partner complies with the above. Oral, rather than written, employment contracts are acceptable on agricultural businesses for short-term and seasonal workers (less than three months), provided they are documented and permitted under the applicable legislation.

## **6. WAGES AND REMUNERATION**

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Wages paid for standard working hours, as well as overtime with bonuses, shall in each case at least meet the legal, industry-specific minimum standards and/or applicable collective agreements, whichever is higher. Wages should always cover the basic needs of workers and their families and provide some discretionary income (living wage) if statutory minimum wages are not sufficient to do so. Employees must receive at least all legally required social benefits from their employer, as well as written, complete and understandable information about the composition of their wages, including deductions, overtime pay and fringe benefits. Wage deductions as a disciplinary measure are not permitted. The ILO Conventions 26 and 131 apply.

## **7. DECENT WORKING HOURS**

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Working hours shall comply with applicable legislation and industry standards, whichever is stricter. In no case may workers be required to work more than 48 hours per week on a regular basis. The maximum working time per day must not exceed 12 hours. Overtime must be voluntary and not required on a regular basis. Employees are entitled to at least one day off after six consecutive working days. Exceptions to this rule are only permitted if both of the following conditions are met: a) national legislation permits working hours in excess of this maximum limit; and b) a freely negotiated collective bargaining agreement is in force which permits averaging including adequate rest periods. The ILO Conventions 1 and 14 and ILO Recommendation 116 apply.

## **8. RESPECT FOR FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

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The right of employees to form and join workers' organizations including unions of their own choice, the right to collective bargaining, and the right to strike shall be recognised and respected. Business partners are encouraged to adopt a positive approach towards the right to freedom of association and collective bargaining by actively informing their workforces of these rights and adopting an open attitude towards trade unions including their organising activities. Business partners shall ensure that trade unions can operate in accordance with the law applicable to the

workplace. In situations where the rights to freedom of association and collective bargaining are restricted by law, parallel means of independent and free association and bargaining shall be allowed. Workers' representatives shall be protected from discrimination, harassment, intimidation or retaliation and shall be provided with free access to workers to ensure they can exercise their rights in a lawful and peaceful manner. The ILO Conventions 87, 98 and 135 and ILO Recommendation 143 apply.

## **9. OCCUPATIONAL HEALTH AND SAFETY**

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Workers must be provided with a safe and hygienic working environment. Industry-specific knowledge and sector-specific hazards shall be considered. Occupational health and safety measures shall be taken to prevent accidents and injuries. Workplaces, work processes, machinery and equipment shall be secured by signs, guards and coverings. Occupational safety exercises and procedures shall be communicated to employees and regular training must be provided. Personal protective equipment, in appropriate sizes, must be provided and workers must be trained in its proper use. Adequate rest breaks and access to clean sanitary facilities and drinking water must be provided. The same requirements apply to all social facilities and worker accommodation, if provided by the employer. All workers must have the right to leave dangerous situations without seeking permission. All pregnant women and parents with newborns shall be provided with all protections in accordance with applicable legislation. Business partners shall assign a senior manager with responsibility for occupational health and safety and shall involve workers in the analysis of health risks and hazards. The ILO Convention 155 and ILO Recommendation 164 apply.

## **10. RESPECT FOR LAND RIGHTS**

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Legitimate property rights, ownership, rights of use, as well as the corresponding rights to natural resources, such as forests and water bodies, must be respected. This includes unwritten public, private, communal or collective rights, including indigenous or customary rights. Farmers and/or communities shall not be subject to land grabbing, lose their rights or be removed from land they have regularly used as farming grounds. If the applicable law clearly provides otherwise, the process set out in the [FAO/OECD Guidelines](#) should be followed. In particular, prompt, adequate and effective compensation must be provided. If indigenous peoples or communities are involved, the acquisition of new land must be clarified through due diligence by an external, neutral party. All negotiations must respect the principles of free, prior and informed consent in accordance with the UN Declaration on the Rights of Indigenous Peoples. The ILO Convention 169 apply.

## **11. RESPONSIBLE BEHAVIOUR OF SECURITY FORCES**

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Whenever security personnel are assigned to protect the company or company property, adequate instruction, training and supervision shall be provided. Security personnel must not violate the prohibition of torture, treat people in an inhuman or degrading manner or act against the right to freedom of association.

## **12. ADEQUATE ENVIRONMENTAL PROTECTION**

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All applicable legal requirements for environmental protection shall be complied with and all relevant environmental approvals, certificates and permits shall be obtained and maintained. Business partners shall continuously strive to minimize any adverse impact that their business activity has on the environment. This means especially that no hazardous substances are released into the environment or harm people, and that environmental standards for soil changes, wastewater treatment, emissions and waste management must be met. Business partners are obliged to make an appropriate contribution towards climate protection. In particular, this concerns the improvement of energy efficiency and the minimisation of resource consumption (including water, mineral raw materials, agricultural raw materials and fossil fuels). National regulations on the protection of forests must be complied with. Business partners are required to implement an adequate and effective environmental management system. The principles laid down in the Minamata Convention on Mercury, the Stockholm Convention on Persistent Organic Pollutants and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes must be observed.

## **13. ADEQUATE CHEMICAL MANAGEMENT**

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Business partners must implement, continuously monitor and, if necessary, improve an effective chemical management system (CMS). This CMS must encompass the entire life cycle of the chemicals used, including the purchase, storage, transport, use and safe disposal/ discharge of these chemicals. The CMS must define a clear chemicals policy, including roles and responsibilities, as well as detailed work instructions for each step in the use of chemicals for all parties involved. Business partners must implement appropriate monitoring measures and regular training/ communication on CMS requirements for all workers who handle or are exposed to chemicals. Procedures for emergency situations (e.g., spills, leaks) must be defined. The ILO Convention 170 and ILO Recommendation 177 apply.

The ZDHC Chemical Management System Framework must be implemented for the production of consumer goods. Business partners must ensure that no chemicals are used that contain substances listed on the Tchibo Restricted Substances List (RSL) and the ZDHC Manufactured Restricted Substances List (MSL).

For agricultural enterprises, all agrochemicals must be stored away from food, water and children in locked, well-ventilated areas. In addition, empty pesticide containers must not be reused for food or beverage storage, rather they must be returned or disposed of safely.

## **14. NO CORRUPTION**

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Business partners must refrain from committing any kind of criminal acts, in particular corruption, as well as acts that could be construed as such. Business partners undertake not to accept or make any payments or benefits in their relations with their suppliers and public officials that are intended to influence or could appear to influence business decisions or otherwise obtain an improper advantage.

## **15. GRIEVANCE MECHANISM**

Complaints should be addressed to: Tchibo GmbH, CR, Überseering 18, 22297 Hamburg, [socialcompliance@tchibo.de](mailto:socialcompliance@tchibo.de)

Business partners are obliged to inform their workers about the options to submit complaints via the grievance mechanism on a regular basis and in an accessible manner. Workers must be able to submit complaints without fear of discrimination, reprisals, intimidation or harassment. Business partners must work to ensure that their direct suppliers also inform their workers about the options available to them via the Tchibo grievance mechanism and must not take reprisals against workers who lodge a complaint.

## **MONITORING COMPLIANCE WITH THE SUPPLIER CODE OF CONDUCT**

Tchibo is entitled to verify the contractual partner's compliance with the Supplier Code of Conduct (SCoC). This may be done at the discretion of Tchibo, for example by means of its own on-site inspections or written requests for information by Tchibo, by third parties commissioned with process and compliance audits or by using an audit system (hereinafter referred to as "control measures"). The Contractual Partner shall be notified in text form of the implementation of the control measure as well as its nature and subject matter with a notice period of one month. The maintenance of a recognized, relevant certification shall also be deemed to be proof of compliance with the SCoC by the contractual partner, insofar as this guarantees the performance of independent, regular and appropriate controls.

Tchibo and the contractual partner shall each bear half of the costs of the control measure by third parties. The contractual partner shall fully support the implementation of the control measure and, in particular, provide access to all information including the associated processes and control systems that are useful for verifying compliance with the SCoC. The contractual partner shall accompany the control measure and be available for inquiries. The employees deployed to provide the service may be questioned during the implementation of the control measure, whereby they must be given the opportunity to refuse to provide the information and without this resulting in disadvantages for them.

The control measures are always carried out in compliance with data protection requirements. If and insofar as Tchibo itself is not permitted to process data to be collected in connection with the control measures for legal reasons, the check must be carried out by commissioned third parties, who must also undertake to maintain confidentiality towards Tchibo. Information not relevant to the performance of the contract and business secrets of the contractual partner are not the subject of a control measure.