



SOCIAL AND ENVIRONMENTAL COUNTRY RISKS AND POLICIES

1 Country Risk Assessment

We constantly analyse our supply chains to identify risks for SCoC* violations in (potential) sourcing markets

2 Country Policies

We adapt our processes to specific country risks

3 Issue-related Policies

We adapt our processes to issue-related risks

4 Vulnerable Stakeholders & Groups

We identify vulnerable groups and their needs

1 Country Risk Assessment

Different social, political and environmental indicators are considered to evaluate the risk for Tchibo Supplier Code of Conduct* violation in all (potential) sourcing markets.

Country Risk Score

Status: July 2026

Scope: potential sourcing markets for Tchibo

Country	Risk	Country	Risk	Country	Risk
Austria	Low Risk	China** / ***	High Risk	Bangladesh	No Sourcing allowed
Belgium	Low Risk	Laos	High Risk	Cambodia	No Sourcing allowed
Czech Republic	Low Risk	Poland	High Risk	India***	No Sourcing allowed
Germany	Low Risk	Sri Lanka	High Risk	Pakistan	No Sourcing allowed
Italy***	Low Risk	Taiwan	High Risk	Belarus, Iran, North Korea, Myanmar, Russia, Turkmenistan	No Sourcing allowed
Netherlands	Low Risk	Thailand	High Risk		
Slovenia	Low Risk	Tunisia	High Risk		
Switzerland	Low Risk	Turkey	High Risk		
		Vietnam	High Risk		

Risk Grading and Minimum Audit Requirements

Low Risk	No Audit
Risk	1-day Social and Environmental Audit ** as part of Tchibo Quality Audit, if expertise allows
High Risk	2-day Social and Environmental Audit
No Sourcing allowed	

Indicators and Sources for Country Risk Score

All dimensions are evaluated based on international indices as well as supply chain data.

Labour	Environment
e.g. Human Development Index (United Nations), Workers Rights Index (International Trade Union Confederation), Children's Rights in the Workplace Index (UNICEF and Global Child Forum), Global Slavery Index (Walk Free Foundation)	e.g. Storm Risk Index (EM-DAT & The World Bank), Water Stress Index (World Resources Institute), Air Quality Index, Electricity Carbon Intensity Index, Solid Waste Management Index, Wastewater Index (Yale and Columbia University)
Business Ethics	Management systems
e.g. Corruption Perceptions Index (Transparency International), Corporate Governance Index (World Bank), Fundamental Rights Index (World Justice Project)	e.g. Regulatory Quality Index, Transparency of Government Policymaking Index (The World Bank)
Health & Safety	Sector/ Product Risk
e.g. Life Expectancy (UNDP HDR), Technological Disaster Index (EM-DAT & The World Bank), Sanitation & Drinking Water Index (Yale and Columbia University)	Social and environmental risks in apparel, footwear and textiles & hard goods sector

* Tchibo Supplier Code of Conduct: [tchibo.com](https://www.tchibo.com); *** regional policies apply

2 Country Policies

Beyond audit requirements, the country risk analysis results in specific country and/or issue-related policies which are detailed requirements additional to the SCoC* provisions that are already in place.

Country	Risk	Policy for Tchibo products**
All risk and high risk countries		- No sourcing in case of Zero Tolerance findings at new factories. - No sourcing in case Zero Tolerance remediation is not started after four weeks at factories with established buying relationship.
Bangladesh	High risk in regard to fire and building safety in textile, garment and footwear factories throughout the country.	- Every factory to be assessed on overall suitability according to Tchibo SCoC in a pre-visit by qualified Tchibo staff. - Every RMG factory to be assessed on fire and building safety according to requirements of International Accord on Health and Safety in the Garment Industry ("Accord"). Every non-RMG factory to undergo and/or prove structural and fire safety engineering inspection in line with Accord requirements. - Every factory to be added to the Tchibo portfolio needs to be registered with Accord. 100% of initial Accord findings to be corrected within one year.
Great Britain	Textile and garment factories in and around the city of Leicester are alleged to violate labour law in the form of informal work, below-minimum wage remuneration, inadequate health and safety standards and other.	No production in/sourcing from Leicester.
India	High risk of forced labour in the textile and garment sector of the state of Tamil Nadu	Sourcing from textile or cotton processing factories in Tamil Nadu (Tier 1 or 2) is only possible after diligent desk research and initial compliance plus audit with extended forced labour scope.
Italy	A high number of Chinese-owned textile and garment workshops in and round the town of Prato and Florence, Tuscany, allegedly employ vast numbers of undocumented immigrants and are suspected to conduct forced labour, violate labour laws and standards as well as other laws notoriously.	Factories located in and around Prato and Florence need to be assessed through diligent desk research and an external audit (see risk score 2 in country risk analysis), indicating suitability with Tchibo SCoC.

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2 Country Policies

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Country	Risk	Policy for Tchibo products**
Myanmar	Systematic violation of civic and human rights since military coup in February 2021.	No sourcing from Myanmar from January 2022.
Turkey	- Number of refugees working in the textile, garment and footwear sector increases across the country, resulting in a high risk of informal work, child labour and subsequent labour rights violations. - Businesses are allowed to employ Syrian refugees if they do not represent more than 10% of the total workforce of the company.	- Suppliers and producers in Turkey are to be informed about the Tchibo policy on refugees in Turkey: no child labour, no discrimination, equal pay for equal work, provide translations into Arabic, compliance with national regulation (including 10% quota). - The regular Tchibo child labour policy applies. - Each new supplier and producer must undergo a diligent desk research.
Pakistan	High risk in regard to workplace/health & safety in textile, garment industry .	- In January 2023, Tchibo signed Pakistan Accord to respect workplace safety/Human Rights. - Suppliers and producers are to be informed about Pakistan Accord incl. Pakistan Accord Building Standard which outlines the minimum requirements and criteria for fire safety, structural safety, electrical hazards, and other potential dangers within garment and textile factory environments. - Suppliers and producers are expected to have openness and willingness to participate in upcoming Pakistan Accord inspections

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3 Issue-related Policies

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Issue	Risk	Policy for Tchibo products**
Abrasive Blasting	- For certain garments and other products, abrasive blasting in the form of sand- or chemical blasting is applied. - Exposure to dust from blasting techniques is a serious health hazard, which can damage the respiratory system and may be lethal.	- Abrasive blasting processes is checked as part of internal and external audits. - No sourcing from manufacturers that apply sandblasting or chemical blasting in textile production. - Sourcing from non-textile factories that apply abrasive blasting methods only if required safeguards are in place. - If audits reveal risks associated with abrasive blasting processes, an in-depth "Risk Check Abrasive Blasting" is mandatory.
Child Labour	- Child Labour refers to work that is, with exceptions, carried out by children aged below 16. - It also refers to work that is mentally, physically, socially or morally dangerous and harmful to children (below 16 years) or young workers (16-18 years), interferes with their schooling and deprives them of their childhood.	- No sourcing from factories that employ children - Remediation in cases of Child Labour: - The worker below the legal minimum age must be immediately released from work. - The factory is expected to send the child back to his/her family and transportation cost must be covered by the factory. - The open position is to be offered to a family member who has reached the legal minimum age for admission to work. - The factory is expected to provide adequate financial and other support to enable such children to attend and remain in school. - When reaching the minimum age for admission to work, the child is to be offered re-employment in his/her earlier position.
Home and Cottage Work	- In some countries (e.g. Bangladesh, India) and/or industries (e.g. weaving, hand-made craft goods), home-based work or homework is common practice and widespread. - Risk issues include child labour, no payment of minimum wages, excessive overtime etc. - However, homeworkers may have advantages such as flexible working hours, saving on childcare etc., and thus may prefer this work.	- Homework is only accepted if it is known to Tchibo and if all requirements of the Tchibo SCoC are met. - In case of homework, suppliers must provide detailed information on - exact place(s) of the homework (i.e. regions, villages, buildings etc.), - the entire value chain from raw materials to finished product, including all intermediaries involved, - the suppliers'/factories' system to monitor working conditions in those homes. - Orders can only be placed if the evaluation of all information shows that SCoC minimum requirements are met.

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4 Vulnerable Stakeholders & Groups

We identify vulnerable groups, that are particularly relevant in our supply chains, as well as their and their needs.

Vulnerable stakeholder / group	Key needs / risks	Approach
Children & young workers	Protection of childhood and education; no child labour; no hazardous, harmful or night work; age-appropriate working hours	SCoC Principles: Child Labour and Protection of Young Workers, Working Hours, Occupational Health and Safety; Auditing; WE Program; ACT
Migrant, seasonal, temporary & contract workers	Fair recruitment; freedom of movement; clear contracts; no circumvention of labour rights; equal treatment and access to opportunities	SCoC Principles: Forced Labour and Responsible Recruitment, Adequate Working Contracts, No Discrimination, Wages, Working Hours; Auditing; WE Program
Women, pregnant workers & parents with newborns	Equal treatment; no abuse, harassment or discrimination; no disciplinary action linked to pregnancy; legal maternity and newborn-related protections	SCoC Principles: No Discrimination, No Abuse or Harassment, Occupational Health and Safety; Auditing; WE Program
Workers with disabilities or health-related vulnerabilities	Equal treatment and dignity; no discrimination based on disability or health status; access to safe and suitable working conditions	SCoC Principles: No Discrimination, Occupational Health and Safety; Auditing; WE Program
Workers' representatives & union members	Protection from discrimination, harassment, intimidation or retaliation; free and lawful exercise of representation rights	SCoC Principles: Freedom of Association and Collective Bargaining, No Discrimination; WE Program; Global Framework Agreement with IndustriALL
Homeworkers	No circumvention of labour rights regarding contracts, wages, working hours, workers' age and other SCoC protections	All SCoC Principles; Auditing; WE Program
Indigenous peoples & local communities	Protection against land grabbing, displacement and adverse impacts on land rights and livelihoods	SCoC Principle: Respect for Land Rights