

Tchibo GmbH, Hamburg (DE), 26 July 2022

## **Business & Human Rights Resource Centre Survey Questions**

### **For companies operating or investing in Ukraine**

Tchibo did neither operate nor invest in Ukraine in recent years.

#### **Nature of involvement**

1. How long has your company or subsidiary been operating or investing in Ukraine? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?

#### **Assessing risks**

2. How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?
  - a. What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?

#### **Mitigating risks and tracking effectiveness**

3. What measures is your company or subsidiary taking to ensure that your business relationships, products, services, operations, or other actions do not contribute to Russian military activities or occupation in Ukraine (including Crimea and occupied parts of Donetsk and Luhansk Oblasts)?
4. Is your company or subsidiary planning to scale-down or suspend your operations in Ukraine? If so, what are the immediate and longer-term steps that your company has taken or is prepared to take to mitigate the negative impacts of this decision on affected communities and your workers?
5. What steps is your company or subsidiary taking to ensure that your risk prevention and/or mitigation measures do not negatively impact Ukrainian civilians?

#### **Exercising leverage**

6. Is your company or subsidiary taking any other actions to promote respect for humanitarian law, human rights, democracy, and peace in Ukraine?

### **For companies operating or investing in Russia**

#### **Nature of involvement**

1. How long has your company or subsidiary been operating or investing in Russia? In summary, can you briefly describe the nature, sector, scale, and geographic area of these operations or investments?

Tchibo had been operating in Russia since 1994, selling coffee products in retail outlets in Russia not owned by Tchibo. Our only physical presence was a small sales office in Moscow, which was additionally responsible for coffee sales in CIS countries. The Russian business accounted for less than 1% of the global sales of Tchibo.

## Assessing risks

2. How is your company enhancing its due diligence to identify, prevent, and mitigate heightened human rights risks and comply with international humanitarian law?
  - a. What measures is your company taking to ensure it relies and acts upon robust monitoring of the situation, including through consultation with your workers, affected communities, human rights groups, and/or humanitarian organizations?

We are relying on an extensive human rights due diligence management system according to the UN Guiding Principles, the OECD Guidelines and the German Supply Chain Due Diligence Act / German National Action Plan for Business and Human Rights. For details please see the [Tchibo Sustainability Report 2021 \(GRI\)](#) and our [Human Rights Report \(Non Food\) 2021](#) under [tchibo-nachhaltigkeit.de/en](https://tchibo-nachhaltigkeit.de/en).

## Mitigating risks and tracking effectiveness

3. As the situation in Ukraine unfolds, is your company or subsidiary planning to cease operations in or divest from Russia?

Immediately after the beginning of the war, the supply of coffee to Russia had been discontinued. The roasting of Tchibo coffee at a contract manufacturer in Russia was stopped and all marketing activities and the online presence were terminated. Our business entity in Russia has been sold as a reaction to the Ukraine crisis and thus we have ended our involvement in Russia.

4. If so:
  - a. What have been the key considerations informing this decision and did you consult with your workers and/or other affected stakeholders as part of your decision-making process?

The general works council of Tchibo was closely involved in the decision and its implementation.

- b. What are the immediate and longer-term steps that your company has taken or is prepared to take to mitigate any negative impacts of your exit on affected communities and your workers, including addressing any loss of income?

Tchibo has deliberately placed the fate of the former business entity and its employees in trustworthy, experienced hands, which will continue the core business and employment under changed conditions in line with the situation in Russia, but completely detached from Tchibo and its supply chains since the sale. The sale has been agreed on the basis of the continuation of employment. The few employees who have had to be or will be laid off will receive their benefits and severance payments in accordance with Russian law.

5. If your company or subsidiary chooses to continue operating in Russia, what human rights due diligence has been undertaken and how are you planning to mitigate harm in Ukraine?

Not applicable.

6. What kind of due diligence measures does your company use to ensure that it does not have any business relationships with sanctioned Russian individuals and entities? Beyond sanctions compliance, how does your company ensure that it does not have any business relationships with individuals or entities with a track record of rights violating conduct?

We are relying on an extensive human rights due diligence management system that includes a detailed monitoring system with risk assessment and desk research before any order placement. This involves a verification with the international sanctions lists prior to the business relationship.

Tchibo products are not manufactured in Russia. The only product group and resource relevant to Tchibo with potential links to Russia is wood. Approximately 45% of the wood resources for our paper and products are FSC-certified. In the wake of the Ukraine crisis, FSC stopped certifying wood from Russia and Ukraine. We have full confidence in FSC's due diligence management system and transparency measures. Non-certified wood from Russia that was procured for Tchibo products before the invasion was processed by our production partners as planned. Since then, no more wood has been sourced from Russia or Ukraine.

### **Exercising leverage**

7. How does your company intend to use your leverage to protect the rights of your workers and communities affected by your operations in Russia, including freedoms of association and expression?

Not applicable/see above.

8. Is your company providing any support to Russian activists who are taking action against the war and in support of democracy and peace in Ukraine?

No answer.