

Coffee Bean Procurement Policy

ITOCHU Corporation (hereinafter “ITOCHU”) has established its sustainability approach based on the original spirit of “*Sampo-yoshi*” in its Sustainability Policy, which aims to bring about and lead towards a sustainable society. To achieve sustainable procurement of coffee beans and fulfill our corporate social responsibility, we have established this procurement policy for ITOCHU and our subsidiaries.

The production of coffee beans is mostly carried out by small-scale producers in developing countries, and the negative impact on the environment and human rights associated with the development and production of coffee plantations has been pointed out. Although ITOCHU is not engaged in the plantation business, it conducts coffee bean trading and therefore connects producers and consumers. As such, we have established the ITOCHU Group Environmental Policy, the ITOCHU Group Human Rights Policy, and the Sustainability Action Guidelines for Supply Chains to fulfill our corporate social responsibility to ensure that our business activities do not have a negative impact on human rights or the environment. ITOCHU will promote the sustainable procurement of coffee beans through collaboration with stakeholders.

ITOCHU will fulfill its corporate social responsibility by carrying out verification of the supply chain based on the following priority items and identifying and improving issues (i.e., conducting supply chain due diligence). In addition to complying with the laws and regulations of the countries and regions where coffee beans are produced, we will respect the international standards set forth by the International Labor Organization (ILO) and engage in stable procurement activities for coffee beans that take into consideration human rights and the global environment and that follow appropriate procedures.

Priority Items

Improvement of traceability

We will promote transparency and certified materials in the supply chain of coffee beans, which involves many stakeholders such as small-scale producers, intermediaries, and washing stations, and improve traceability through the introduction of Farmer Connect (*1).

*1 Farmer Connect: A platform that contributes to the visualization of the supply chain from producer to consumer by using blockchain technology. This platform also allows consumers to donate to and participate in producer support programs.

• Environmentally conscious procurement

We will take the environment into consideration by using water resources appropriately, conserving ecosystems, and using and managing agricultural chemicals as well as encouraging suppliers to make improvements as necessary.

• Prohibition of child labor and forced labor:

We will aim to prohibit the employment of children under the minimum working age as stipulated not only by the laws of the countries in which we operate, but also by the international standards set by the International Labor Organization (ILO). In addition, we will work to prohibit the use of forced or compulsory labor without the free will of the individual.

• Prohibition of discrimination and harassment:

We will respect the human rights of employees and promote the prohibition of inhumane treatment, including discrimination, harassment, and abuse including corporal punishment, as well as the prohibition of discrimination in employment on the basis of gender, race, religion, etc.

• Ensuring sound working conditions and working environments

We will aim to comply not only with the laws of the countries in which we operate, but also with the international standards set forth by the International Labor Organization (ILO) and other international norms regarding working hours (in accordance with ILO Convention No. 1). We will promote the provision of safe and hygienic working environments, including access to clean restroom facilities and drinking water, and the provision of equipment and training to reduce accidents and workplace injuries.

• Ongoing dialogue with stakeholders and continuous improvement of supply chain management:

We will strive to improve our supply chain management by preventing problems from occurring through continuous dialogue with our stakeholders, and when problems are discovered, we will cooperate with our stakeholders to promptly resolve them.

Target

- 50% procurement of sustainable coffee beans by 2030 (*2)

*2 Sustainable coffee beans: Coffee beans certified as sustainable by such organizations as Rainforest Alliance, UTZ, Fairtrade, 4C, etc. or according to criteria defined by the customer.

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