

Established January 1, 2021

## **UCC Group Responsible Procurement Principle**

UCC Group Philosophy

"Good Coffee Smile!

Good Coffee Smile! We will continue to challenge everything the UCC Group can do to make our customers smile. "

Since its founding in 1933, the UCC Group has inherited the spirit of "delivering delicious coffee to as many people as possible" driven by our mission to create excellent products and services that bring about a "Good Coffee Smile!"

Our commitment to excellence includes fulfilling responsible and ethical practices beyond legal compliance, which can inspire an open spirit of continuous improvement and support long term and sustainable business.

To ensure our commitment is understood by both our own teams and the supplier we work with, we have set out our UCC Group Responsible Procurement Principles. We believe these principles will guide our efforts and relationships with supplier in our supply chains, helping contribute to the achievement of the UN Sustainable Development Goals and support guidelines and declarations of related international organizations.

### **[Four major principles of responsible procurement of UCC Group]**

- 1. Respect for human rights**
- 2. Business integrity and Fair Business Practices**
- 3. Improvement of quality and safety**
- 4. Protecting the Environment and Respecting Communities**

### **Responsible procurement principles**

#### **1. Respect for human rights**

We strongly recognize the need to respect human rights, aligned to and informed by principles and guidelines enshrined in international standards, such as the United Nations Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

Our approach to respecting human rights is stated in our internal "UCC Group Employee Code of Conduct"(\*), a policy which applies to all UCC Group employees and in the "UCC Group Supplier Code of Conduct" which sets out what is expected from our suppliers, who supply us directly with raw materials, goods and services, and what is encouraged within their upstream



supply chains involved. We understand that our raw materials are sourced from many countries

around the world and through our procurement activities we will strive to take appropriate and effective remedies should any issues be identified.

## **2. Business integrity and Fair Business Practices**

We strive to maintain trust with our customers, suppliers and wider society through operating with integrity. In addition to all legal compliance requirements, we aim to operate as a fair and inclusive partner across our business and with our suppliers, to assure a Good Coffee Smile to our customers.

We do not condone bribery and corruption in any form and do not accept or give inappropriate gifts or entertainment. In addition, we will work to protect and properly use personal and confidential information in accordance with applicable laws, regulations and contracts concerning information protection, confidentiality, ownership and disclosure.

Across UCC, we are proud of the achievements made possible through building long-term relationships of trust with our suppliers and we will continue our collaborative and fair approach. This includes respecting competition practices, transparency in negotiations and offering impartial opportunities, in line with our sourcing strategies and requirements.

## **3. Improving quality and safety**

Delivering excellent products and services that bring about a "Good Coffee Smile!" requires a consistent approach to quality and safety through our business.

Our aim to secure and improve quality throughout the value chain, from raw materials, goods and services we procure, through to the research and development, manufacturing, distribution, and sales activities undertaken. All activities are in accordance with our internal control policies and specifications, to ensure the quality and safety of final products ready for sale.

Safety of employees, visitors and suppliers at our operating sites is also a key priority and we commit to providing a safe, healthy and hygienic working environment in all our Group operations.

## **4. Protecting the Environment and Respecting Communities**

The UCC Group is committed to addressing the most relevant social, environmental and economic challenges in the supply chains we operate. We commit to working with our stakeholders to reduce our impacts on the environment and we strive to be an inclusive societal partner to the communities we impact. We will continue to work with our internal and external stakeholders to help our operations and supply chains support these efforts.

The UCC Group will implement this "UCC Group Responsible Procurement Principles" in the Procurement activities of our business and to those who are directly connected through business operations. In addition, we will continue to provide, as necessary, education to officers and employees who do not belong to the Procurement department.

To support our 'Good Coffee Smile' philosophy and commitment to excellence, we also require our suppliers to acknowledge and commit to the separately established "UCC Group Supplier Code of Conduct" respecting its provisions and working collaboratively to assure adherence. We believe cooperation and collaboration will help drive responsible and ethical practices beyond compliance, facilitating an open spirit of continuous improvement and the long-term, sustainable development of the UCC Group and its suppliers.

(\*) "UCC Group Employee Code of Conduct" applies to all employees in Japan. In parallel, UCC Group overseas companies are working on establishing their regional Codes, respecting local laws and cultures which they will be aligned with.

(We will commence to launch the "UCC Group Responsible Procurement Principles", starting with the green coffee supply business in Japan, and gradually to expand the scope to other operating companies accordingly.)