

# Rakuten Group Sustainable Procurement Instruction

The Rakuten Group aims to contribute to the realization of a sustainable society through its entire value chain. In advancing sustainability across the supply chains that support the provision of our products and services as well as items, systems and services used in our daily operations, our suppliers play an important role.

Having a shared understanding of what sustainability represents and working together with our suppliers is essential, which explains the formulation of this “Rakuten Group Sustainable Procurement Instruction” (hereinafter “Instruction”).

The Rakuten Group conducts its procurement activities in accordance with the Instruction and requests its suppliers to understand and put into practice the Instruction, and to collaborate with the Rakuten Group for the realization of sustainable supply chains.

## ■ **Scope of Application**

The Instruction applies to the Rakuten Group and its suppliers (hereinafter “we”). The Rakuten Group and its suppliers must comply with the Instruction when engaging in procurement activities.

## ■ **Definition of Supplier**

The term "supplier" means any company, entity, business partner, agent, intermediary, contractor, distributor, and other third parties that provides any service and/or product to Rakuten Group.

## ■ **Definition of Procurement Activity**

Procurement activities refer to the purchase or commission of tangible assets (raw materials, components, devices, printouts), intangible assets (digital content, software, systems), and services (human resources, including temporary staff, consulting development) by the Rakuten Group that are necessary to the provision of its products and services to end users, as well as to its daily operations.

## ■ Ethical Business Practices

The Rakuten Group conducts its business operations as a Global Innovation Company with high ethical values. We respect relevant laws and regulations globally, and social norms, and we demonstrate high ethical standards in our business operations and procurement activities.

### □ Legal Compliance

We comply with the laws and regulations of the countries and regions where our business activities are conducted.

### □ Fair and Proper Transaction

In fulfilling duties, we carry out fair and proper transactions without prioritizing the interests of specific individuals and/or third parties. We are committed to taking the appropriate procedures in case of transactions that may benefit a specific individual and/or third parties, including conflict of interest transaction, and to not conducting unfair and improper transactions that harm the interests of the parties concerned.

### □ Corruption and Bribery

Whether directly or indirectly through third parties, we prohibit all forms of corrupt activities, including but not limited to bribery, facilitation payments, kickbacks, inappropriate gifts and entertainment, and illegal political contributions, donations and sponsorships.

### □ Intellectual Property

We use our intellectual properties appropriately and do not infringe the intellectual property rights of others, including technologies, ideas, know-how and designs.

## ■ Information Security and Privacy Protection

For the Rakuten Group, which provides wide-ranging services over the Internet, ensuring information security and privacy protection is the highest management priority. When outsourcing operations to third parties dealing with Rakuten Group's information assets (including personal data), in order to confirm that their environment ensures appropriate data protection according to the security standards recognized by Rakuten, a mandatory security check takes place beforehand and a proper contract is then concluded. Suppliers handling Rakuten Group's information assets (including personal) must also undergo the security check and once the contract concluded, conduct their activities according to the contract terms.

## ■ Safety and Quality of Products and Services

Since its foundation, the Rakuten Group strives to maximize customer satisfaction. We comply with all applicable laws at every stage of the design, development and production, and ensure high safety and

quality for the creation of products and services.

## ■ **Environmental Protection**

The Rakuten Group strives to reduce the adverse environmental impact of its operations and to provide services that are environmentally friendly to its end users. In our business operations and procurement activities, we demonstrate the highest consideration for the conservation of the environment by complying with environmental laws and regulations, preventing environmental pollution, and reducing our adverse environmental impact.

### □ **Climate Change**

We aim to contribute to the realization of a low-carbon society. We implement climate change mitigation and adaption plans by measuring, disclosing, and reducing our energy usage and greenhouse gas emissions, by improving energy efficiency and adopting clean energy solutions, and by managing climate-related risks and promoting adaptation businesses.

### □ **Resource Management**

We strive to use resources effectively, implement 3R (reduce, reuse, recycle) measures, and dispose waste in a proper manner, across our entire value chains, including packaging, deliveries, etc. To do so, we measure, disclose, and reduce the adverse environmental impact of our activities, including the use of natural resources (wood, fossil fuels, water, etc.), the generation of waste, and the emission of all forms of pollution.

### □ **Biodiversity**

We strive to conduct business activities respectful of ecosystems and to minimize any adverse impact that they may have on biodiversity, in addition to complying with national and international laws and regulations concerning biodiversity conservation.

## ■ **Respect for Human Rights**

The Rakuten Group respects the human rights of all stakeholders for the realization of a brighter future. We conduct our business operations and procurement activities in consideration of human rights and based on appropriate work environments.

### □ **Respect for Internationally Recognized Human Rights Standards**

Human rights are fundamental and universal rights to all human beings regardless of their origin, background, or any other status. We adhere to internationally recognized human rights standards including “The Universal Declaration of Human Rights”, “The International Covenant on Civil and Political Rights”, “The International Covenant on Economic, Social and Cultural Rights”, and “The ILO Declaration on Fundamental Principles and Rights at Work”, and we respect the

human rights of all stakeholders.

**Prohibition of Child Labor**

We prohibit the use of any child labor. Child labor refers to the exploitation of children who are at under 16 years of age or the applicable minimum legal age, whichever is higher, through any form of work that deprives them of their childhood, hinders them from receiving universal education, and is harmful mentally, physically, socially or morally.

**Prohibition of Forced Labor**

We prohibit the use of any forced labor, including, but is not limited to, confinement, restraint, slave labor, coerced overtime work, or human trafficking.

**Equal Opportunities and Non-Discrimination**

We guarantee the same opportunities among our employees and do not discriminate in recruitment, promotion, compensation, or access to training based on ethnicity, nationality, gender, marriage history, presence or absence of children, religious and political beliefs, age, disabilities, sexual orientation, gender identity, or any other factors.

**Working Hours and Wages**

We comply with all applicable laws and regulations of the countries and regions where we do business concerning working hours and wages, and strive to reduce excessive working hours. In addition, we meet appropriate wage levels that satisfy the basic needs of our employees.

**Health and Safety**

We provide healthy, safe and sanitary work environments to employees. We take measures against potential danger and minimize risks for workers.

**Prohibition of Inhumane Treatment and Harassment**

We prohibit bodily, physical, verbal or any other harassment or abuse of a sexual nature between individuals of different genders or the same gender, or bodily, verbal or any other harassment or abuse that takes advantage of the harasser's or abuser's post, position, or employees' categories. We also prohibit any harassment related to pregnancy, childbirth, childcare leave or family-care leave, or any other factors.

■ **Prohibition of Conflict Minerals**

We avoid the use of conflict minerals, which are connected to environmental degradation and human rights violations. In order to procure minerals in a responsible manner, we collaborate, and in the case where concerns are raised, we take action to cease the procurement and use of conflicts minerals.

## ■ **Local Community Contribution**

In accordance with its corporate mission of empowering people and society through innovation, the Rakuten Group strives to revitalize local communities leveraging its assets, hand in hand with its stakeholders. We proactively address social issues and local community development.

## ■ **Management System Structure**

To put the Instruction into practice, we establish a management system that ensures:

- Formulation of commitments and policies
- Establishment of goal setting and execution plan
- Implementation of initiatives towards the goals set (ex: employee training)
- Making and storing of documentation on the management system operations, and if necessary, related information disclosure to stakeholders (Rakuten Group, customers, suppliers...)

## ■ **Reporting Channel**

The Rakuten Group will establish a channel for suppliers to report on actions potentially infringing the law or the Instruction. The employees of the Rakuten Group should use the Rakuten Hotline to report any concern regarding compliance with the law or the Instruction occurring in our procurement activities.