

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 employees of the Rakuten Group engaging in procurement activities are to respect the Instruction and to request their suppliers to understand and put into practice the Instruction. The actions we expect our suppliers to take and the matters we expect them to manage with their own suppliers are described in detail in the [“Rakuten Group Sustainable Procurement Code of Conduct for Suppliers”](#) (hereinafter “Code of Conduct”).

The correspondence between the Code of Conduct and the Instruction are indicated for each section.

■ 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 and Respect for International Norms**

We comply with the laws and regulations of the countries and regions where our business activities are conducted, and respect international norms

*Code of Conduct: 1-1

☐ **Fair and Proper Conduct of Business**

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.

*Code of Conduct: 1-2

☐ **Corruption, Bribery, Inappropriate Provision and Improper Benefit**

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. In addition, we must not give or receive improper benefits in the relationships with our various stakeholders.

*Code of Conduct: 1-3, 1-4

☐ **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.

*Code of Conduct: 1-5

■ **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.

*Code of Conduct: 2-1, 2-2, 2-3

■ **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.

*Code of Conduct: 3-1, 3-2

■ **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.

*Code of Conduct: 4-1, 4-8

□ **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.

*Code of Conduct: 4-2, 4-3, 4-5, 4-6, 4-7, 4-8

□ **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.

*Code of Conduct: 4-4, 4-8

■ **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.

*Code of Conduct: 5-1

☐ **Prohibition of Child Labor, Respect for Young Workers**

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. In addition, we give appropriate consideration to children under 18 years of age (young workers).

*Code of Conduct: 5-2

☐ **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.

*Code of Conduct: 5-3

☐ **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.

*Code of Conduct: 5-4

☐ **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.

*Code of Conduct: 5-5, 5-6

☐ **Health and Safety**

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

*Code of Conduct: 5-7, 5-8, 5-9, 5-10, 5-11, 5-12, 5-13, 5-14, 5-15

☐ **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.

*Code of Conduct: 5-16

☐ **Freedom of Association and Collective Bargaining**

We respect employees' freedom of association and the right to collective bargaining. We will build sound labor-management relations by promoting dialogue based on mutual understanding and trust.

*Code of Conduct: 5-17

■ **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.

*Code of Conduct: 6-1

■ **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.

*Code of Conduct: 7-1

■ 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...)

*Code of Conduct: 8-1, 8-2, 8-3, 8-4

■ Reporting Channel

The Rakuten Group has a channel for suppliers to report on actions potentially infringing the law or the Instruction. Please contact us using the form [here](#).

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.

*Code of Conduct: 9-1