

Rakuten Group – TCFD Index

Recommended Disclosure	Contents	Location of Disclosure
Governance	<p>In 2021, the Rakuten Group Sustainability Committee was established, made up of a cross-border management team and chaired by our CWO (Chief Well-being Officer), with the goal of strengthening the Group's framework for implementing sustainability measures. The Committee discusses targets and monitors its progress, as well as its compliance with international guidelines and laws, with a focus on matters identified by its subcommittees. It reports on all of these matters regularly at Corporate Management Meetings. To accelerate the implementation of initiatives pertaining to Climate Change and Energy, one of Rakuten's materiality, the Environmental Subcommittee was established under the Sustainability Committee. In addition, the Environmental Department was established in January 2021. These dedicated organizations share strategies for climate change mitigation and concrete action plans while monitoring, on a monthly basis, the progress of every organization within the Rakuten Group.</p>	<p>Corporate Report (Fiscal 2021) P24 Sustainability Strategy P34 Climate Change</p>
Strategy	<p>Transition Risks Regarding risks associated with transitioning to a low-carbon society, we need to address factors including laws and regulations, technology, market and reputation risks. Currently, we consider market risks to be of particular importance, as our business activities and infrastructure consume a large amount of electricity, and more than 90% of the CO2 emitted through business activities comes from electricity consumption. There is a possibility that escalating resource prices in Japan and other countries where we do business could increase our power procurement costs and affect our financial position. We will increase our resilience to market risks by carrying out energy-saving activities across the company and building an energy portfolio that can withstand fluctuations in market prices.</p> <p>Physical Risks With regard to ongoing and critical physical risks, we consider the impact of extraordinary events — including natural disasters — on our business to be of particular importance. Specifically, Rakuten General Insurance Co., Ltd. has paid out a significant amount in insurance claims relating to large-scale natural disasters that are considered to be closely connected to global warming. In order to minimize such risks, Rakuten General Insurance comprehensively evaluates risks including natural disasters which relate to its product portfolio, and makes decisions such as whether to hold or transfer those risks. For risks associated with major natural disasters, we are accumulating extraordinary risk reserves to the extent that our capacity allows, and formulating and updating reinsurance schemes annually in order to transfer risks.</p>	<p>Annual Securities Report (Fiscal 2021) P38 Risks Pertaining to Climate Change</p>
Risk Management	<p>We manage risks associated with our diverse business operations in Japan and overseas in an integrated manner through the ERM (Enterprise Risk Management) cycle: We identify risks, determine and carry out appropriate countermeasures and monitor their results. Risks are defined as "uncertainties that could affect our ability to achieve our business goals," which must be managed across the Group to increase the certainty of achieving these goals. Risks facing each business are aggregated and reported to the Group Risk and Compliance Committee, which meets four times a year to discuss Group-wide risks. The most serious risks are reported and discussed at the Board of Directors' meetings. Our framework thus combines bottom-up risk responses by front-line staff and Group-wide risk monitoring by senior executive management. Risks related to Climate Change and Energy are also managed under Rakuten's ERM, as one of the external environmental risks.</p>	<p>Corporate Report (Fiscal 2021) P36 Risk Management</p>
Metrics and Targets	<p>As part of our commitment to combating climate change, Rakuten Group, Inc. joined the international RE100 initiative in 2019 and set the target of adopting 100% renewable electricity for all its business operations by 2025. In FY2021, Rakuten Group, Inc.'s renewable electricity ratio reached 100%, and 20.6% for Rakuten Group including consolidated subsidiaries. Going forward, we are aiming to transition major Group company operations to run on renewable electricity as per the RE100 initiative by 2023.</p>	<p>Corporate Report (Fiscal 2021) P34 Climate Change P60 ESG Data</p>

