

Rakuten's Materiality - 2021 progress

Materiality	Objectives	Progress and Achievement as of end 2021
<p>Growing with our employees</p> <ul style="list-style-type: none"> ● Diversity, Equality, Inclusion ● Talent Attraction, Development, Retention ● Responsible Labor Practices ● Workplace Safety & Employee Wellness 	<ul style="list-style-type: none"> • Increase % of female managers. • Maintain employment rate for people with disabilities higher than the legal requirement. 	<ul style="list-style-type: none"> • Manager gender ratio: Male 71.2% Female 28.8% (% of female manager in FY2020 = 28.2) • Ratio of employees with disabilities: 2.47%. (legal requirement = 2.3%) • Selected as constituent of MSCI Japan Empowering Women Index (WIN) and MSCI Japan Empowering Women (WIN) Select Index, and recognized as Gold Level in PRIDE Index of “Work with Pride”, for LGBT diversity promotion activities. • Total number of employee fatalities, lost-time injury frequency rate, and occupational disease frequency rate all 0. • Designated White 500 company through 2022 Certified Health & Productivity Management Organization Recognition Program.
<p>Providing sustainable platforms & services</p> <ul style="list-style-type: none"> ● Sustainable Production and Consumption ● Responsible Advertising, Marketing, Labeling ● Internet Governance, Freedom of Speech 	<ul style="list-style-type: none"> • Implement sustainable procurement initiatives for all Rakuten-branded products and other critical suppliers • Promote sustainable consumption at scale leveraging Rakuten's platforms 	<ul style="list-style-type: none"> • Sustainable procurement at Rakuten Mobile: <ul style="list-style-type: none"> ➢ Briefings on Rakuten Group Sustainable Procurement Instruction and guidelines specific to Rakuten Mobile conducted for suppliers chosen according to product category and transaction amount. ➢ 100% of targeted suppliers signed written pledges indicating understanding of guidelines and commitment to adherence,

and answered detailed assessment questionnaire.

- Based on questionnaire results, concrete improvement areas identified, and on-site audits conducted as required.
- Sustainable consumption:
 - Earth Mall with Rakuten: in 2021, GMS growth by around 3.9 times and traffic increase by around 4.5 compared to previous year.
- Responsible ad & marketing
 - Online Ad Instructions, standards for posting and receiving orders for online advertising, in place prohibiting language or visual information that could be perceived as discriminatory or could constitute breach of privacy or human rights.
 - Assignment of company representatives for each service to maintain oversight of advertisements and ensure that advertising operations adhere to aforementioned instructions and other company-wide regulations.

Addressing global challenges

- **Climate Change and Energy**
- **Risk and Crisis Management**
- **Innovation and Entrepreneurship**

- Switch to 100% renewably sourced electricity for all Rakuten Group business operations

- Adoption of renewable electricity for 100% of Rakuten Group, Inc.'s operations and 20.6% at Group level in 2021.
 - Strengthening of incident management
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through QCC and of Business Continuity Plan in response to natural disasters.

- Approximately 300 patent registrations in 2021, for cumulative number of about 6,000 in last 20 years.

Business foundations

- **Ethical Business Practices**
- **Information Security & Privacy**
- **Product and Service Quality**

- Maintain high ethical standards and ensure thorough compliance with all applicable laws and regulations.
- Maintain appropriate information security management system.
- Maintain Group NPS above competitors’.

- Compliance taken by 100% of Japan-based employees.
 - 22 Group Companies covering 24,000 employees globally certified with ISO/IEC 27001.
 - Completion of adaptation program to amended Act on the Protection of Personal Information (APPI).
 - Strengthening of privacy governance with launch of Privacy Dashboard, a visual report of data protection metrics.
 - Group NPS 11.5 points higher than nearest competitor in Q4 2021.
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