

Rakuten Group – TCFD Index

Recommended Disclosure	Contents	Location of Disclosure
Governance	<p>Rakuten’s business activities and infrastructure rely heavily on electricity, and we recognize our impact on climate change and our responsibility to contribute to the creation of a low-carbon society. “Climate Change & Energy” is identified and evaluated as one of the important issues in Rakuten Group’s materiality matrix. The promotion of climate-related issues and cross-organizational collaboration is led by the Chief Well-Being Officer (CWO). The CWO periodically reports the direction, initiatives, and progress of sustainability efforts including climate-related issues to the Corporate Management and the Board of Directors.</p>	<p>Corporate Report 2020 P14 CEO Message P35 Rakuten’s Sustainability Strategy P37 Sustainability Promotion</p>
Strategy	<p>(2°C Scenario*) Example of identification and response to transition risks & opportunities With the transition to a low-carbon society, there is a possibility that various laws and regulations such as carbon taxes will be imposed without prior notice by the governments of countries where Rakuten operates, including Japan. One of the transition risks we recognize is the possibility that the business activities, financial performance, and financial position of Rakuten may be affected by temporary increases in costs to comply with such taxes and various laws and regulations. More than 90% of the CO₂ emitted by Rakuten in the course of our business activities comes from electricity consumption. To manage its CO₂ emissions, Rakuten Group, Inc. has joined the RE100 (Renewable Electricity 100%) international initiative and committed to utilizing 100% renewable electricity for all its business operations by 2025. In this way, we are promoting the transition to a low-carbon society and reducing transition risk.</p> <hr/> <p>(2°C & 4°C Scenario*) Example of identification and response to physical risks & opportunities We recognize the impact of extreme weather, including the extraordinary disasters that have occurred in Japan for three consecutive years, as one of the physical risks. Specifically, the risk of delays in the dispatch and delivery of products purchased on Rakuten Ichiba and the risk of operational loss due to the increase in the amount of insurance claims paid by Rakuten General Insurance Co., Ltd. have become real. At Rakuten Ichiba, a notice of delay in delivery arising from extreme weather is announced to users on the merchandise purchase screen. In addition, we research flood risks at our self-operated logistics centers mainly based on hazard maps, and thoroughly publicize evacuation bases to be used at the time of disasters. We thus seek to reduce risks of merchandise being damaged at logistics centers and of dispatch and delivery being hindered. Furthermore, Rakuten General Insurance Co., Ltd. is utilizing reinsurance and holding a catastrophe reserve to prepare for the payment of large insurance claims that result from damages caused by large-scale typhoons and torrential rains. In this manner, each business is taking measures to mitigate physical risks.</p>	<p>Annual Securities Report (Fiscal 2020) P38~39 Risks Pertaining to Climate Change Corporate Report 2020 P41 Climate Change</p>
Risk Management	<p>Our business activities are diverse, both in Japan and overseas, and involve a variety of risks. Therefore, it is important to integrate our identification, evaluation and optimization of risk factors for the Rakuten Group as a whole, to ensure that we achieve our business goals. “Climate Change” is recognized as one of the external environment risks under Rakuten’s ERM (Enterprise Risk Management) .</p>	<p>Annual Securities Report (Fiscal 2020) P16 Risk Management Systems of the Group Companies P38~39 Risks Pertaining to Climate Change Corporate Report 2020 P56 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. Rakuten Group, Inc. achieved a renewable electricity ratio of 64.8% in 2020 and intend to maintain annual progress of +10% in upcoming years.</p>	<p>Corporate Report 2020 P41 Climate Change P68 ESG (Environmental, Social, Governance) Data</p>

* 2°C Scenario: a scenario in which necessary measures are taken to keep the global average temperature rise below 2°C above pre-industrial levels

4°C Scenario: a scenario in which no effective measures are taken so that the global average temperature rises by 4°C above pre-industrial levels

