

## **Recruit Holdings Shares Progress on its Commitment to Sustainability — “Prosper Together”**

Recruit Holdings Co., Ltd. (TSE 6098) (“Recruit Holdings”) announced an annual update today regarding its Commitment to Sustainability, a corporate strategy first announced in May 2021. Recruit Holdings and its subsidiaries — hereafter referred to as the Company, Recruit Group, We, or Us — has made solid progress toward its fiscal year (FY) 2030<sup>1</sup> environmental, social, and governance (ESG) goals that are aimed at achieving a better future.

Ayano “Sena” Senaha — Chief Operating Officer, Managing Corporate Executive Officer, Director of the Board, and responsible for Recruit Group’s sustainability commitments and ESG goals — is confident regarding the Company’s drive for integrating a transformative approach to sustainability. She states, “The world has been facing continued turmoil brought about by major events such as the pandemic and Russia’s invasion of Ukraine. At Recruit Group, we remain focused on delivering a long-term positive impact on society and the environment through our corporate activities. Along with our stakeholders, we believe we can and should all be able to prosper together.”

### **Environmental: Reach Carbon Neutrality**

We only have one planet, and everyone has a responsibility to protect the health and longevity of our home. Recruit Group is committed to protecting our environment by focusing on reducing greenhouse gas (GHG) emissions — a key issue we need to address to take action against climate change.

We expect to have achieved our short-term goal as we planned by reaching carbon neutrality throughout our business activities in FY2021<sup>2</sup>. Our long-term goal is to achieve carbon neutrality across our entire value chain by FY2030<sup>2</sup>. In order to accelerate our efforts toward the long-term goal, we have set a three-year reduction target<sup>3</sup> that aligns with the science-based 1.5°C pathway<sup>4</sup> — which aims to limit the increase in global average temperature to less than 1.5°C compared to the pre-industrial era.

Alongside this drive toward carbon neutrality, we have conducted scenario analysis of the Company’s key risks and opportunities associated with climate change, in line with the TCFD<sup>5</sup> framework, and plan to disclose the findings within our FY2021 annual report, translated from “Yukashouken Houkokusho.”

### **Social: Shorten Job Search Duration by Half**

Having a job is one of the most important facets of life for many people. According to an OECD study, approximately 40% of people could fall into poverty by not having income for three months<sup>6</sup>. As a leading global HR matching company, Recruit Group wants to help eliminate poverty and economic vulnerability by reducing the time it takes job seekers to get hired. We aspire to make the hiring process simpler and faster.

Over the past year, as part of its commitment to halve the time it takes to get jobs by FY2030, Recruit Group has worked to better define job search duration. While the time it takes for individual job seekers to get hired varies, analysis of job seeker data on Indeed indicates that it takes approximately 15 weeks until most job seekers get hired<sup>7</sup>. We have also found that there are specific segments of job seekers who need more help than others to find a job faster. Our proprietary global labor force research on jobs and employment conducted across 30 countries revealed that approximately 50% of survey respondents reported that their job search duration was longer than the amount of time that they could pay and cover their personal expenses<sup>8</sup>. To address this problem, Recruit Group will further work to improve its products on Indeed to identify and understand the job seekers who need the most help. In turn, we will develop and execute plans that shorten the job search and make it easier to access jobs.



### **Social: Help 30 Million Job Seekers Facing Barriers Get Jobs**

Job seekers from underrepresented or vulnerable groups face various barriers to securing a job. These barriers are difficult to remove through improved matching efficiency alone. For this reason, Recruit Group is committed to leveling the playing field for 30 million job seekers<sup>9</sup> by reducing the barriers to entry through our technology and partnerships by FY2030.

Progress to date includes placing a particular focus on barriers such as criminal records<sup>10</sup> and lack of access to resources such as transportation and technology that are critical to finding a job<sup>11</sup>. With increased clarity on barriers to entry, we are able to identify and engage in beneficial partnerships, develop and strengthen technology-based support, and engage with enterprise clients to support their growing inclusive hiring needs<sup>12</sup>.

### **Social: Achieve Gender Parity Across the Employee Base**

Recruit Group's diverse employee base has been the source of our value creation from the very beginning. Betting on passion and ideas of our employees has been our competitive advantage, and the reason why our management prioritizes and continues to roll out further initiatives to promote a diverse, equitable and inclusive (DEI) workforce that empowers individuals and fosters innovation. We are focusing on diversifying our management and assigning roles regardless of factors such as gender, nationality, age, and recruitment route.

To strengthen our ongoing DEI efforts, we have set ourselves an ambitious target — to achieve an approximately 50% representation of women in senior executive positions, in managerial positions, and total employees within the Company by FY2030. During FY2021, each SBU<sup>13</sup> studied their gender gap and analyzed the respective root causes of this gap, and is proactively hiring to address any imbalances. This bold and proactive stance is already bearing fruit. The ratio of senior executives, which represents the ratio among CEOs of main subsidiaries as well as executive officers of SBUs, has increased from approximately 10% to 21%<sup>14</sup> as of April 1, 2022. As we drive toward the FY2030 goal, we have set a three-year target<sup>3</sup> to accelerate growth in this area.

### **Governance: Achieve Gender Parity of the Board**

Diversity in the boardroom is also critical to ensure higher quality decision-making, greater transparency and soundness in a company's governance structure. To this end, Recruit Holdings continues to enhance its diversity in skills, experience, and background and is committed to achieving approximately 50% women representation among the members of the Board of Directors and Audit & Supervisory Board by FY2030. In FY2022, Recruit Holdings aims to propose candidates for election at its Annual General Meeting of Shareholders to be held in June 2022, and if the proposed candidates are elected, women will account for approximately 27%<sup>15</sup> of the members of the Board — up from 20% the previous year. Recruit Holdings has set a three-year target<sup>3</sup> to accelerate growth.

The Board of Directors has resolved to set mid-term targets over a three-year period for both GHG and gender parity, and beginning in FY2022 Recruit Holdings has linked the achievement of these targets to a percentage of the long-term incentive compensation<sup>16</sup> for the executive directors and corporate officers in charge of driving and realizing these ESG goals.

In addition to the above, the Company positions data security and privacy, corporate ethics and compliance, human rights, and employee engagement as material foundations for its corporate activities and will prioritize related initiatives. As the Company makes progress toward these ESG goals, it will be monitored by the Board. Led by Sena, the Company will advance related initiatives based on dialogue with various stakeholders and through advisory bodies to the Board of Directors, such as the Sustainability Committee.

Please refer to the website below for more details regarding our commitment to sustainability and related initiatives. <https://recruit-holdings.com/en/sustainability/>

- \*1 In this press release, the term “FY” refers to Recruit Holdings’ fiscal year, and references to “FY” are to 12-month periods commencing in each case on April 1 of the year indicated and ending on March 31 of the following year.
- \*2 GHG emissions throughout business activities are the sum of direct emissions from the use of fuels in owned or controlled sources (Scope 1) and indirect emissions from the use of purchased electricity, heat, or steam in owned or controlled sources (Scope 2). GHG emissions from the value chain are indirect emissions other than Scope 1 and 2 (Scope 3). The entire value chain represents the total of Scopes 1, 2 and 3. Carbon neutrality includes reducing GHG emissions as well as offsetting the remaining emissions. The Company will have achieved its FY2021 goal of carbon neutrality throughout its business activities upon completion of the following steps: Conducted measurement of FY2021 GHG emissions, obtained an accredited third-party assurance on the amount by November 2022, and offsetting of those emissions.
- \*3 The GHG emission reduction target is based on the results from FY2022 to FY2024, the women representation target for employees is based on the results from April 1, 2022 to April 1, 2025, while the women representation target for members of the Board is based on the results from July 1, 2022 to July 1, 2025.
- \*4 The GHG emission reduction target established in line with the science-based decarbonizing level of limiting global temperature rise to 1.5 °C compared to the temperature before the Industrial Revolution, which was reported by the Intergovernmental Panel on Climate Change (IPCC).
- \*5 A framework indicating climate change-related risks and opportunities created by the Task Force on Climate-related Financial Disclosures (TCFD).
- \*6 The figure is based on data compiled in 28 countries (source: OECD (2020), How’s Life? 2020: Measuring Well-Being).
- \*7 Baseline job search duration calculated as of March 31, 2022. Calculated as the period from the time users started an active job search on the Indeed job platform to the time that 90% of such users had received a job offer (assuming for this purpose that the period it takes for 90% of users to receive a job offer represents a statistically significant value). The job search duration is calculated based on surveyed user data collected between September 2021 and March 2022.
- \*8 A global labor force survey conducted by Indeed between September to December 2021. The survey targeted respondents in 30 countries where Indeed has its business footprint and in 17 languages.
- \*9 The initiative as of today includes providing assistance through the Company’s online job platform, and through partnerships with NPOs and other organizations with whom the Company collaborates. The Company may also aim to reduce other various barriers, including newly emerging issues in the labor market by FY2030.
- \*10 In the United States, approximately 70 million people (source: The Sentencing Project) have a criminal record, and the unemployment rate of job seekers with a criminal record is approximately five times higher than the US average (source: Prison Policy Initiative). However, recidivism rates have been found to drop significantly if an individual finds a job that pays above minimum wage within two months of release (source: The Urban Institute).
- \*11 This indicates barriers that hinder job hunting, such as being unable to connect to the Internet, access to a job platform, and/or lack of transportation to interviews and work.
- \*12 Inclusive hiring indicates a company’s efforts to realize improved fairness in recruitment in order to achieve a workplace that reflects the diversity of society, as well as ensuring all people have access to economic opportunities.
- \*13 SBU is an abbreviation of “Strategic Business Unit,” a denomination of the Company’s business segments.
- \*14 Senior executive positions are defined as Corporate Executive Officers and Corporate Professional Officers of Recruit Holdings and Media & Solutions Strategic Business Unit (SBU), and CEOs of the Company’s major subsidiaries and heads of key functions in the HR Technology and Staffing SBUs. The respective percentage of women in managerial positions and total employees are calculated from Recruit Holdings, SBU Headquarters, and primary operating companies of each SBU. Managerial positions mean all of those that have subordinate employees.
- \*15 The Board of Directors members are defined as Directors of the Board and Audit & Supervisory Board members. The ratio of women among the Board of Directors members was 20% as of May 16, 2022.
- \*16 Compensation based on ESG target achievements is set as a part of BIP trust (stock) compensation. Eligibility to receive this award and the payout amount will depend on whether or not the three-year target is achieved.

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