

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

Recruit Holdings Co., Ltd. (TSE 6098) (“Recruit Holdings”) today announced an annual update regarding its [Commitment to Sustainability](#), a corporate strategy first announced in May 2021. Recruit Holdings and its subsidiaries (hereafter referred to as the Company or Recruit Group) have made solid progress toward its fiscal year (FY) 2030¹ environmental, social and governance goals, with the aim of delivering sustainable growth while also creating equitable social impact.

Social and economic uncertainties are growing as geopolitical tensions persist and key political events are set to unfold around the world. In the face of such challenging circumstances, Recruit Group remains focused on delivering a long-term positive impact on society and the environment through all of its corporate activities along with its stakeholders so that everyone may prosper together.

Environmental (E): Climate Action

The Company anticipates achieving its short-term goal of reaching carbon neutrality throughout its business activities in FY2023, as it did in the past two fiscal years.^{2,3} The Company’s long-term goal is to achieve carbon neutrality across its entire value chain by FY2030.² In order to accelerate its efforts toward this long-term goal, the Company sets a three-year reduction target.⁴ One particular focus was to substantially reduce Scope 3 emissions,^{2,3} which account for more than 95%⁵ of the Company’s greenhouse gas (GHG) emissions. To achieve this, the Company continues working with the partners in its value chain to refine the measurement of GHG emissions and discussing reduction plans.

In recognition of our environmental actions, the Company was selected as a 2023 “A” list company for its leadership in performance on climate change and corporate disclosure transparency by the international nonprofit organization CDP.⁶

Social (S): Shorten Job Search Duration by Half

As a leader in the global two-sided talent marketplace, the Company has made two commitments to create a significant social impact, centered around its business in the area of work. Work is an indispensable foundation for people’s lives, and therefore, the Company is dedicated to expanding employment opportunities for all and reducing the time to get hired.

In order to achieve the long-term goal of reducing the time it takes to get hired by half by FY2030, the Company accelerated its efforts by focusing on employers’ “time to hire.”⁷ Time to hire can be measured at each step of the hiring process, up to and including the hire, by using Indeed data.

Currently, it takes an average of 55 days⁸ to make the first hire for a job posted on the Indeed platform. An employer’s hiring process includes posting a job, receiving applications from job seekers, reviewing resumes and conducting interviews. The Company uses Indeed data to understand this hiring journey and solve challenges throughout the process through product capabilities on its platform; thereby reducing time to hire.

For example, to reduce the time it takes for a candidate who is ultimately hired to find the right job for them, it is important to improve the matching between jobs and suitable candidates, and to facilitate faster connections between them through automation where possible. Indeed’s product feature called [“Matched Candidates”](#)⁹ uses Indeed’s matching AI to provide a list of qualified candidates by combining data found in resumes and the details provided in the job posting. It also allows employers to invite matched candidates to apply for a job, without having to wait for job seekers to act. As a result, out of the job seekers who responded to the invitations, more than half did so in less than 5 hours.¹⁰ Based on this success, since April 2024, the Matched Candidates feature became available to a wider base of business clients by being included in subscriptions of [Smart Sourcing](#), a product enabling faster matching and a cohesive hiring experience.



The Company will continue to reduce the time it takes to get hired by evolving our products with responsible use of technology to improve the matching of job seekers and employers, by simplifying hiring through friction reduction at every step of the job search process and through automation.

Social (S): Help 30 Million Job Seekers Facing Barriers Get Jobs

All too often, traditional hiring practices have the unfortunate potential to reinforce systemic labor market biases and barriers that cannot be solved by speed and matching improvements alone. Therefore, the Company sets a goal of helping 30 million job seekers facing barriers get hired by FY2030. The Company has been working to break down five common barriers that affect job seekers globally, such as education, disabilities, and criminal records.¹¹

In FY2023, the Company decided to add refugee backgrounds to its list of barriers, as geopolitical tensions have increased and a growing number of individuals have been forced to leave their homelands. Indeed provided resources and held job fairs for job seekers with refugee backgrounds¹² in collaboration with international humanitarian aid organizations such as UNHCR¹³ and TENT.¹⁴ Some of its group companies in the Staffing business approached their corporate clients to bring on refugees and provided interpretation for interviews and translation tools to support refugee job seekers and workers.

Through these efforts, the Company is proud to have been able to help a total of approximately 6.9 million job seekers facing barriers get hired.¹⁵ The Company will continue to work on reducing biases and barriers in the job market by promoting inclusive and skills-first hiring.¹⁶

Social (S): Achieve Gender Parity Across the Company

The diversity of Recruit Group's employees has been the source of its value creation from the very beginning. Betting on the passion and ideas of employees has long been the Company's competitive advantage. Therefore, the Company is working to achieve approximately 50% women's representation in senior executive positions, managerial positions, and total employees within the Company by FY2030.¹⁷ To accelerate our efforts, the Company has also set a three-year target.¹⁸ It is working to expand the pool of management candidates by providing employees opportunities to expand their capacity and skills.

Recruit Co., Ltd, primarily operating in Japan where the gender gap is notably wide, is actively addressing this issue by implementing training programs tailored for women employees and managers.¹⁹ Recruit also introduced a program that incorporates coaching methods. In this program, managers and inhouse coaches collaborate to support career building of employees, including women, by enhancing each employee's intrinsic motivation.

Governance (G): Achieve Gender Parity of the Board

Diversity in the boardroom is also critical for high-quality decision-making, transparency, and soundness in a company's governance structure. Recruit Holdings continues to enhance the diversity of skills, experience, and backgrounds of the board members.

In particular, Recruit Holdings commits to achieve approximately 50% women's representation among the members of the Board of Directors and Audit and Supervisory Board by FY2030.²⁰ To achieve the goal, Recruit Holdings continues to consider candidates for the Board of Directors based on the skills and backgrounds needed to realize its medium- and long-term strategies.

The Board of Directors has set mid-term targets over a three-year period for both GHG emissions reduction and gender parity, and Recruit Holdings has linked the achievement of these targets to a percentage of the long-term incentive compensation²¹ for the executive directors and senior vice presidents 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. Led by Ayano "Sena" Senaha — Director, Executive Vice President, and COO, and responsible for Recruit Group's sustainability commitments — 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, and will be monitored by the Board.

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 document, the term “FY” refers to Recruit Holdings’ Fiscal Year. “FY” refers to the 12-month period commencing April 1 of the year indicated, ending on March 31 of the following year.
- 2 GHG emissions throughout the Company’s business activities are the sum of direct emissions from the use of fuels in owned or controlled sources and are referred to as Scope 1. Indirect emissions from the use of purchased electricity, heat, or steam in owned or controlled sources are referred to as Scope 2 GHG emissions from the value chain are referred to as Scope 3, and comprise indirect emissions other than Scopes 1 and 2. The entire value chain represents the sum of Scopes 1, 2, and 3 GHG emissions. The Company aims to achieve carbon neutrality upon completion of the following steps: measurement of GHG emissions, obtaining an accredited third-party assurance on the amount of GHG emissions, and offsetting of those emissions.
- 3 All GHG emission figures are approximate numbers calculated based on the GHG Protocol. Additionally, independent third-party assurances have been obtained from SOCOTEC Certification Japan for GHG emissions.
- 4 The GHG emission reduction target is based on the results from FY2022 to FY2024.
- 5 Based on the emissions of FY2022.
- 6 CDP is a charity-controlled non-governmental organization (NGO) established in 2000. It owns one of the world’s largest environmental databases, working with large global financial institutions to disclose the environmental impact of companies in the areas of climate change, forests and water security. In 2023, more than 400 companies were selected for the A-List out of approximately 23,000 companies that responded to environmental disclosure in the climate change sector. Of these, 111 were Japanese companies, including Recruit Holdings.
- 7 An employer metric defined as the days elapsed between when a job is created on Indeed and when the first hire is reported for that job. There is no change in our goal of “reducing the time it takes to get hired by half” by FY2030. The Company decided to accelerate its product advancement by identifying challenges in the process of hiring by using employer action data “Time to Hire” which can be measured on Indeed.
- 8 55 days is the mean time to hire (starts from a job creation and ends with the first hire) for measured hires on Indeed in December 2023. The calculation excludes a small portion of hires (approximately 1% of the all measured data) with durations greater than 720 days, which are a result of data collection anomalies, rather than true time to hire durations.
- 9 The Matched Candidates feature automates sourcing. In FY2023, Matched Candidates was available to employers who sponsored a job; in FY2024, Matched Candidates will be part of the integrated Smart Sourcing product. In FY2023, Matched Candidates was available in U.S., U.K., and Canada (English only).
- 10 Data from April 2023 - March 2024, based on data from U.S., U.K., and Canada (English only) where Matched Candidates was available.
- 11 In the United States, approximately 79 million people out of 330 million US population have a criminal record of some sort (source: [Prison Policy Initiative, 2024](#)), and the jobless rate of job seekers with a criminal record is approximately five times higher than the US average (source: [Prison Policy Initiative, 2022](#)).
- 12 Refugee [definition from the UNHCR](#): individuals who fled their own country to escape conflict, violence, or persecution and have sought safety in another country.
- 13 UNHCR stands for United Nations High Commissioner for Refugees.
- 14 TENT or Tent Partnership for Refugees is a nonprofit aiming to mobilize the business community to improve the lives and livelihoods of refugees all over the world.
- 15 Represents number of hires made on Indeed reported from both job seeker and employer sources through the Hired Signal measurement, from May 1, 2021 - March 31, 2024 globally for job seekers who faced at least one of the following common job market barriers: education, criminal record, military experience, disability or lack of work essentials such as a computer or internet access. Job seekers with refugee backgrounds will be included in the count from FY2024.
- 16 A method of selecting job candidates based on their skillset at an early stage of the hiring process. Unlike the traditional selection method, which first ‘screens out’ candidates based on their academic background, skills-first hiring ‘screens in’ candidates first by evaluating their skills. The aim is to allow employers to hire people with the right skills and abilities to perform their jobs, all in a shorter period of time.
- 17 Senior executive positions are defined as Senior Vice Presidents and Corporate Professional Officers of Recruit Holdings and Matching & 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 percentages of women in managerial positions and total employees are calculated from Recruit Holdings, SBU Headquarters and the primary operating companies of each SBU. Managerial positions mean those that have subordinate employees.
- 18 The women’s representation target for employees is based on the results from April 1, 2022 to April 1, 2025.
- 19 This includes training programs such as “Career Cafe 28,” which is offered to women employees around the age of 28 as a place to learn to identify their strengths and build their careers ahead of time, “Career Cafe Next Step,” which also supports women employees in their 30s in demonstrating career ownership, and “Career Cafe for BOSS,” which is for managers to learn about managing diverse talents.
- 20 The Board of Directors members are defined as Directors and Audit and Supervisory Board members.
- 21 Compensation based on ESG target achievements is set as a part of board incentive plan (BIP) trust (stock) compensation. Eligibility to receive this compensation and the payout amount will depend on whether or not the three-year target is achieved.

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