

# Initiatives for Improving Human Capital

## A personnel system that supports the “Benesse (well-being)” of employees themselves

It is nothing short of rewarding when each of the Benesse Group’s employees feel as though they are helping to solve the problems of customers through their work, if only slightly, which in turn is helping to address social issues. “Management is centered on people,” and “When our employees in the field are bursting with vitality, that is precisely when our business grows.” I believe that it is the responsibility of personnel departments to bring these messages to fruition.



**Yuko Onizawa**  
Executive Officer,  
CHRO (Chief Human  
Resource Officer),  
Executive General Manager  
of Group Human Resources

Topics	Policies	Progress
Improving Employee Engagement	<b>Promoting principle-driven management</b> <ul style="list-style-type: none"> <li>Implementation of events such as morning meetings attended by all employees, company-wide meetings, and Security Day (for the Group, or for Benesse Holdings and Benesse Corporation)</li> <li>Publication of the <i>BATON</i> booklet on our philosophy, and employee engagement                             <ul style="list-style-type: none"> <li>▶ p. 30</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Implementation of morning meetings on the founding date of Benesse, as well as activities to make our principles widespread (nine times in fiscal 2021)</li> <li>Implementation of employee engagement surveys (A rating across the entire company in fiscal 2021)                             <ul style="list-style-type: none"> <li>▶ p. 30</li> </ul> </li> </ul>
	<b>Implementation of the B-Stage internal proposal system (fiscal 2021)</b> ▶ p. 30 <ul style="list-style-type: none"> <li>Launch of a proposal system to embody the “DNA of utilizing voices from the frontlines in management”</li> </ul>	<ul style="list-style-type: none"> <li>Six plans received awards from among 1,782 plans and proposals</li> <li>Three plans were chosen from units proposing new business initiatives and three from units proposing business process reforms, with preparations underway to implement them</li> </ul>
Fostering a Learning Culture	<b>Providing growth opportunities based on individual suitability and career</b> <ul style="list-style-type: none"> <li>Fiscal 2021 “skill development point” system                             <ul style="list-style-type: none"> <li>Granting approximately 200,000 yen for training expenses and other fees annually (Benesse Corporation)</li> </ul> </li> <li>Reskilling leave system: Three days a year (from fiscal 2022, Benesse Corporation)</li> </ul>	<ul style="list-style-type: none"> <li>Revitalizing all generations through improved “feelings of growth” for each individual employee</li> <li>Approximately 20% of skill development points used</li> </ul>
	<b>DX personnel enhancement (from fiscal 2020)</b> <ul style="list-style-type: none"> <li>DX reskilling, fostering of a learning culture</li> </ul>	<ul style="list-style-type: none"> <li>Approximately 800 DX personnel in fiscal 2021</li> <li>DX reskilling: Approximately 2,600 employees at Benesse Corporation who took Udemy seminars in fiscal 2021</li> <li>Received an “Outstanding Performance” Award at the 4th Platinum Career Awards, which recognizes companies that are oriented toward providing career development and career opportunities for their employees. (Organized by Mitsubishi Research Institute, Inc. in cooperation with Toyo Keizai Inc., with support by the Ministry of Health, Labour and Welfare and the Tokyo Stock Exchange)</li> </ul>
Diversity Promotion and Leadership	<b>Promotion of diversity and active participation by female employees</b> <ul style="list-style-type: none"> <li>Launched ESG and Sustainability Division and ESG and Diversity Department (April 2022)</li> <li>Benesse University (training of young human resources)</li> <li>Establishment of an “Instructor and Business Leader Training System” at a special-purpose subsidiary which promotes the employment of persons with disabilities</li> </ul>	<ul style="list-style-type: none"> <li>For female executives, one Outside Director and two Executive Officers</li> <li>35% of all managerial positions held by women (Benesse Corporation)</li> <li>Participants in Benesse University (17 employees in fiscal 2021 / 12 employees in fiscal 2022)</li> <li>Benesse Business-mate, a special-purpose subsidiary, was awarded the “Innovation Award” at the 11th Japan HR Challenge Awards</li> </ul>
	<b>CEO succession training / leadership</b> <ul style="list-style-type: none"> <li>CEO Succession Plan / discussions at the Nomination and Compensation Committee</li> <li>Developing the next generation of management through planned work experience and other measures (The Benesse Leadership Program, a program for training the next generation of leaders)</li> </ul>	<ul style="list-style-type: none"> <li>Six discussions at the Nomination and Compensation Committee</li> <li>Six new employees chosen for the program for training the next generation of leaders (In total, 53 employees chosen in fiscal 2021)</li> </ul>
Working Style Reforms / Productivity Improvements	<b>Promotion of a hybrid working style</b> (Benesse Corporation) <ul style="list-style-type: none"> <li>Office work combined with remote work                             <ul style="list-style-type: none"> <li>→ Renovations to shift offices to an ABW* style (Tokyo area/Osaka/Nagoya)</li> <li>* ABW (Activity-Based Working): A working style where employees can freely choose where and when they work in accordance with their respective jobs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction with office environment up 10.6% over the previous year</li> <li>Maintained an office attendance rate of below 50%</li> <li>Communication space on office floors increased by 2.45 times</li> <li>Communication space on common-use floors increased by 1.87 times</li> <li>Fixed costs reduced by 35.6%</li> </ul>
	<b>Support for balancing work with nursing care and childcare (continually implemented since the 1990s)</b> <ul style="list-style-type: none"> <li>Encouraging male employees to take childcare leave</li> <li>Enhancing support systems</li> <li>Introducing a dual-employment system (with permission) for networking, career development, and skill enhancement purposes</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in turnover rate due to childcare and nursing care reasons</li> <li>Results of introducing the dual-employment system: 72 employees (fiscal 2021)</li> </ul>
Improving Awareness of Management Participation	<ul style="list-style-type: none"> <li>Holding all-employee meetings to explain financial results and share business plans</li> <li>Promoting membership in the employee stock ownership group (incentive payment*)                             <ul style="list-style-type: none"> <li>* Approximately 10% of accumulated amount</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Improvement of each employee’s awareness of management participation</li> <li>Increased interest in stock price and dividends</li> </ul>
Improving Health	<b>Promotion of Benesse health management</b> <ul style="list-style-type: none"> <li>Health management promotion activities for fiscal 2021: (1) Online exercise program, (2) nursing care seminars, (3) women’s health online seminars, (4) mindfulness experiences, (5) a quitting smoking program</li> </ul>	<ul style="list-style-type: none"> <li>Better health for each employee</li> <li>Six certified 2022 Health and Productivity Management Organizations from the Benesse Group (Benesse Holdings, Benesse Corporation, Tokyo Individualized Educational Institute, Benesse Business-mate, Benesse BE studio, Benesse Senior Support)</li> </ul>
COVID-19 Countermeasures	<ul style="list-style-type: none"> <li>Conducting vaccinations at workplaces</li> <li>Promotion of hybrid working styles</li> </ul>	<ul style="list-style-type: none"> <li>Creating an environment in which employees can work without anxiety even in the face of the COVID-19 pandemic (vaccinations were conducted a total of 12 times in Okayama, Osaka, Shinjuku, and Tama)</li> <li>Average office attendance rate of under 30% (Benesse Corporation)</li> </ul>

## Creation of *BATON*, a pamphlet on our philosophy

Amidst the rapid changes occurring to the business environment, our Group is working to make “reform and growth” a reality. In order to continue promoting reform and growth across the entire Group, “Benesse,” our unchanging corporate philosophy, serves as the focal point. How was Benesse born about 30 years ago, and how has it been passed down through our businesses? We produced and distributed approximately 10,000 copies of the *BATON* pamphlet on our philosophy, which incorporates the voices of Group employees, with the aim of helping each individual to understand the philosophy and create a future with Benesse as the starting point.

Furthermore, we held online Benesse Meetups for philosophy-related activities and study sessions, where participants could listen to the actual words of people who appeared in the pamphlet about topics such as their actual feelings in the course of creating businesses, as well as their concerns. We have invited Yumi Narushima (Deputy Head of the Out-of-School Learning Business Company of Benesse Corporation), who has attempted to reform Shinkenzemi’s elementary school courses and Challenge Touch up to this point, Tomonori Iida (General Manager of the Working Adult Education Business Unit of the University and Working Adult Business Company), who was involved with the Japanese business expansion of Udemy, and Gen Yamaguchi (Representative Director of Benesse Socius Co., Ltd.), who has made great efforts to launch a new company for the employment of people with disabilities, as guests. Approximately 1,000 Group employees participated in each Meetup.

These Meetups are a valuable opportunity to have employees actively listen to the guests’ talks, think about how to make the philosophy of “Benesse” a reality in business, and take ownership.



vital. In fiscal 2021, in order for the Benesse Group to remain indispensable to the world, we launched “B-Stage,” a system for making new business and operational reform proposals, as a method for bringing management and frontline workers together to create the next Benesse.

In 2021, the first fiscal year of the system’s operation, there were 1,782 proposals submitted. In the final round of judging, final presentations were made by employees on the submitted six business reform proposals and seven new business proposals that had been chosen through two rounds of selection. The judging panel of 23 people, which included executives from Benesse Holdings and Benesse Corporation as well as outside experts, made incisive points, asking “What is the significance of Benesse doing this?” and “What is your business model?” and making rapid-fire comments with expectant voices.

After discussions and deliberations by the judges, one Grand Prize winner and two Excellence Award winners were selected from the new business proposal category, while one Grand Prize winner and two Excellence Award winners were selected from the business reform proposal category. The six award-winning projects are currently making progress towards commercialization and making the business reforms a reality.



The scene at the final judging

## Introducing a new organizational assessment tool for people-centered management, with the aim of improving employee engagement

The Benesse Group has been conducting organizational assessments for more than 20 years to realize “people-centered” management. Based on the results of organizational “health checkups,” we have incorporated the PDCA cycle into the management structures of the Group and each company in order to improve issues, such as sharing and reporting the current status at Board of Directors meetings and reflecting the results in business plans.

Starting in fiscal 2021, we switched from our original in-house organizational health checkup tool, GAMBAs, which we had previously used up to this point (annual checkups) to Motivation Cloud (Link and Motivation Inc.), one of the biggest organizational assessment tools in Japan (biannual checkups). Results and issues can now be immediately understood, with the most recent results being an A-rating for the entire company. We will boost employee engagement by speedily making the state of the organization visible, comprehending organizational issues, and making improvements.

## B-Stage, an internal proposal system to convey the voices of frontline workers to management, with 1,782 proposals submitted in the first fiscal year

Benesse’s organizational culture and DNA of attempting to achieve solutions to customer issues and business problems through ideas developed in the field has been continuously passed down since it was founded. The awareness of our frontline employees concerning the issues they perceive while interacting with customers, as well as what they think needs to be improved in their work, has been the driving force which has empowered Benesse up to this point.

In recent years, amidst rapid changes to societal demands and the business environment, the importance of the field, which is the front line of our business, has become even more

# Environmental Initiatives

Seeking further growth, Benesse formulates medium- to long-term environmental targets, and we actively strive to reduce our environmental footprint while improving external assessments of our activities.

## Environmental policy

In March 2021, the Benesse Group revised the Environmental Policy which it formulated in 2011. Benesse will not only work to promote climate control and environmental consciousness in products and services, as well as in sales and other activities, but also engage with society to encourage energy conservation and waste reduction for climate control, recycling, the preservation of biodiversity, and the conservation of water resources, including the efficient use of water.

## Promotion systems

The Sustainability and ESG Promotion Committee, with the Managing Executive Officer for Sustainability and ESG as its chair, and whose membership includes full-time directors including the Representative Director and President and the Heads of Business Divisions, meets regularly to make decisions about policies and initiatives concerning ESG issues, including environmental ones, and to monitor the status of activities. The Committee's activities are reported to the Board of Directors.

## Climate control measures

Benesse Corporation had previously set medium- to long-term reduction targets for greenhouse gas emissions, but we have further revised our Scope 1 and 2 targets upward from the WB 2°C level to reduction targets in accordance with the 1.5°C level. In order to meet these targets, in fiscal 2021, we moved forward with measures such as reducing paper consumption by promoting the digitization of products and services, reducing office space by adopting a hybrid working style of office attendance/working at home, and implementing a medium- to long-term repair plan for our own buildings.

## Medium- to long-term reduction targets for greenhouse gas emissions

(Years ended March 31)

		Every year	2030	2041	2050
Reduction rate, based on 2018	Scope 1 and 2 (1.5°C targets)	4.4% <sup>*1</sup>	52.8% <sup>*1</sup>	100%	100% <sup>*2</sup>
	Scope 3 <sup>*3</sup> (2°C targets)	1.23%	14.8%	—	39.4%

<sup>\*1</sup> Updated application pending for SBTi 1.5°C targets (as of July 31)

<sup>\*2</sup> Reduction targets have been certified by SBTi

<sup>\*3</sup> Scope 3 targets have been certified by SBTi as 2°C targets

## Reduction rate for greenhouse gas emissions

(Years ended March 31)

		2019	2020	2021	2022
Reduction rate, based on 2018	Scope 1 and 2	12.0%	20.8%	30.5%	39.8%
	Scope 3	(2.7%)	(3.9%)	5.4%	13.8%

## Assessment and endorsement of initiatives

### Acquired SBT certification

The Benesse Corporation's greenhouse gas emission targets for 2030 and 2050 were certified by the SBT Initiative based on scientific evidence to "keep the global average temperature increase well below 2°C and maintain it below 1.5°C compared to pre-industrial levels" under the Paris Agreement. We also received SBT certification from the Initiative in May 2021. Furthermore, with regard to Scope 1 and 2 emissions, we raised our targets to 1.5°C targets and resubmitted our application in December 2021.



### Evaluation by the CDP

In the CDP's 2021 climate change survey, we were chosen as a company with a leadership level of A-, a grade for companies that conduct excellent activities in areas such as reducing greenhouse gas emissions and implementing measures to mitigate and adapt to climate change. In addition, in the CDP's Suppliers Engagement Valuation, we were chosen as a CDP 2021 Supply Engagement Leader—the highest evaluation—for the third straight year, continuing from last year. Our previous CDP climate change evaluations are as follows.



## CDP climate change evaluations

2017	2018	2019	2020	2021
A-	A	A	A	A-

## Conducted a scenario analysis in accordance with TCFD recommendations

In 2019, the Benesse Group expressed its agreement with the recommendations of The Task Force on Climate-related Financial Disclosures (TCFD), the first education business operator in Japan to do so. With regard to the education business in Japan, we are analyzing scenarios in accordance with TCFD recommendations, and conducting deeper analyses of the risks and opportunities to our business due to climate change.

### Analytical estimation of risks and opportunities

Analysis of the risks and opportunities that affect Benesse is conducted on two key points: probability of occurrence and level of influence.

<b>Transitional Risks</b>	<ul style="list-style-type: none"> <li>Switch to alternative materials (recycled plastics, etc.)</li> <li>Increase in energy costs</li> <li>Increase in shipping costs (by truck)</li> </ul>	<ul style="list-style-type: none"> <li>Risk to Benesse's reputation if we cannot meet consumers' expectations with regard to environmental awareness</li> </ul>
<b>Physical Risks</b>	<ul style="list-style-type: none"> <li>Procurement failures from suppliers</li> <li>Major damage at logistics hubs</li> <li>Changes in shipping methods due to suspension of the logistics network</li> </ul>	<ul style="list-style-type: none"> <li>Restructuring of the logistics network due to environmental changes and the spreading of infectious diseases</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>Changes in the environmental awareness of consumers</li> <li>Competitive advantages through innovations in environmental technology</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives towards global environmental preservation</li> <li>Highly resilient logistics base</li> </ul>

### Future strategies and initiatives

Benesse will promote with the following strategies and initiatives in the future based on the results of our climate change-induced risk-opportunity analysis.

<b>Transitional Risks</b>	Research into alternative materials that take reductions in CO <sub>2</sub> into account, resource circulation initiatives (recycling), reductions in shipping fees through the adoption of digital educational materials, reductions in GHG emissions due to office activities such as energy saving and other initiatives, establishment of targets and promotion of initiatives for the introduction of renewable energy, consideration of a Bring Your Own Device (BYOD) policy for tablets, etc.
<b>Physical Risks</b>	Reduction in risks through the decentralization of production bases, securement of alternate means of transport, strengthening of flood control measures at logistics hubs, etc.
<b>Opportunities</b>	The promotion of new environmental education, and reflecting innovations in environmental technology, etc., on products, services, and marketing activities based on changes in consumer behavior

## Business initiatives Support for environmental education

Benesse is working to provide support for environmental education from an early stage. In fiscal 2021, in addition to holding the Benesse STEAM Festival, an online event where junior high and high school students present research and initiatives that will lead to solving problems in the real world, we also conducted the 2021 National Research Contest for junior high and high school students. There was a diverse array of research report applications from about 1,700 applicants around the country, touching on topics including the SDGs. We have made entries available to the public on our "Research Library for All" (Manavision).



Benesse STEAM Festival

Visit the following website for information on our response to climate change.  
<https://benesse-hd.disclosure.site/en/themes/148#1002>