Welcome to your CDP Climate Change Questionnaire 2020

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Benesse is about enjoying the process of moving forward step by step, with “resolve,” toward the realization of your dreams and aspirations.

Benesse empowers people to solve issues for themselves and to enjoy life to the full at every stage by offering them the tools and support they need to create “well-being.”

We aim to be a globally respected corporate group that is supported by and indispensable to customers, communities, and society.

United under our Corporate Philosophy as above, we make strenuous efforts as members of a leading company in the fields of education and nursing care to deliver “services that enrich people’s lives” and embody an “indispensable group of companies” that customers, communities, and society as a whole can support.

We support the well-being of everyone through our business domains as below:

i) Pregnancy and child-rearing support business: (a) Magazines “*Tamago Club” “Hiyoko Club”,* (b) Portal site related to pregnancy, childbirth and childcare “Tamahiyo net”, (c) Online shopping “Tamahiyo SHOP”, (d) Photo studio “Tamahiyo Photo Studio”, (e) Japan’s largest internet forum for women, “WOMEN’S PARK”, etc.

ii) Preschool education business: (a)Correspondence courses “Kodomo Challenge”, (b) Members-only childcare information site “Shimajiro Club”, (c) Child-rearing information site “Kosodate Info”, (d) Online courses in English “Kodomo Challenge English”, (e) English classes “BE Studio”, (f) Educational materials in English “Worldwide Kids”, (g) Goods for children online shopping “Sukku”, etc.

iii) Elementary school education business: (a) Correspondence courses “Shinken Zemi Elementary School Courses”, (b) Classrooms “Class Benesse”, (c) Online learning materials in English “Challenge English”, (d) English classes “BE Studio”, (e) Japanese classes “Benesse Grim School”, (f) After school childcare centers “Benesse After School Club”, etc.

iv) Junior high school education business: (a) Correspondence courses “Shinken Zemi Junior High School Courses”, “Shinken Zemi Top-level Private Integrated Junior and Senior High School Courses”, (b) Online learning for top-level high school entrance exams “EVERES”, (c) Classrooms “Class Benesse”, (d) Online learning materials in English “Challenge English”, etc.

v) High school education business: (a) Correspondence courses “Shinken Zemi High School Courses”, “Shinken Zemi Top-level Private Integrated Junior and Senior High School

Courses", (b) Support for studying abroad "Benesse Study Abroad Center", (c) Cram school for top-level overseas universities "Route H", etc.

vi) Education business for working adults and schools: (a) Mock examinations "Shinken Moshi", (b) Certificate examinations "GTEC for STUDENTS", "Vocabulary and Reading Comprehension Examination", (c) Teaching aids for schools "Study Support", "Academic and Career Path Map", "ICT Support," (d) Information site for academic and career path "Benesse Manavision", (e) ICT-based cloud service to support teachers and schools "Classi", etc.

vii) Lifestyle- and pet-related support business: (a) Direct mail magazines "Dog's Heart" "Cat's Heart", (b) Lifestyle information magazine "THANK YOU!", (c) Lifestyle information internet forum "Kuchikomi THANK YOU!", (d) Japan's largest internet forum for women "WOMEN'S PARK", etc.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	April 1, 2018	March 31, 2019	Yes	1 year

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Japan
Taiwan, Greater China

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

JPY

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your

organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	Benesse Holdings Representative Director and President, CEO Chairperson of the Sustainability Committee which has oversight of environmental and climate change initiatives. Environmental issues are an important global priority. We believe that corporations should fulfill their duty by actively promoting environmental efforts. To achieve its Corporate Philosophy “Benesse = Well-Being,” the Benesse Group has positioned “environment” as a key management priority and works strenuously on environmental initiatives by taking into account its business domains that center around education. The CEO takes responsibility for the advancement of environmental and overall sustainability management and decided to publicly endorse TCFD in July 2019.

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain

Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	【Review and Guide Strategy】Benesse supports TCFD together with the goals of the Paris Agreement. Climate change is positioned as a serious challenge to be addressed and the Sustainability Committee was established to oversee environmental and climate change initiatives with the CEO bearing the primary responsibility. The Sustainability Committee is made up of full-time officers, making the Board Meeting a forum to review the strategy for confronting future environmental challenges. Concrete steps are taken under the direction of the CEO and based on the review process drafted by the Environment Promotion Secretariat. In line with TCFD recommendations, Benesse established a mechanism to identify environmental changes that surround the organization, followed by climate-related scenario analysis, SWOT analysis, materiality analysis to work out risks and opportunities. Managers will identify risks and opportunities of their respective divisions and those seen as important are reflected in the business strategy. Based on the above mechanism, our GHG emissions reduction target for each fiscal year (FY) as well as for FY2030 and FY2050 were revised in line with the Paris Agreement under the direction of the CEO. The progress and results of CO_2 emissions reduction are reviewed each year and reported to the CEO who will give guidance on the policy for the following FY. As part of internal communication measures, we conducted an in-house questionnaire and received feedback from over 80% of all employees regarding the materiality of environmental activities Benesse should undertake. We also carried out a survey among different stakeholders as our external communication measure. The results were analyzed to draw up the materiality, and reported to the CEO for review to be reflected in the strategy with revisions, if necessary.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

i) Environmental issues are an important global priority. We believe that corporations should fulfill their duty by actively promoting environmental efforts. To achieve its Corporate Philosophy "Benesse = Well-Being," the Benesse Group has positioned "environment" as a key management priority and works strenuously on environmental initiatives by taking into account its business domains that center around education. To spearhead sustainability initiatives in the Benesse Group, the Sustainability Committee was set up with full-time directors as members to formulate and plan various initiatives to be implemented by organizations in Japan and overseas, with the CEO of Benesse Holdings as final arbiter. The Sustainability Committee is one of the main internal committees for discussing and making decisions. The Chairperson of the Sustainability Committee participates in Board Meetings and Group Management Meetings, in addition to fulfilling its duties as the chair, ensures decision-making and oversight take account of the impact on the environment or society at large. Regular reports on major activities are presented at the Board Meetings.

An "ESG Taskforce Team" was established as a subsidiary body of the Sustainability Committee to undertake a variety of initiatives to address challenges in the areas of the environment, society and corporate governance. Benesse is a unique company where the CEO takes the primary responsibility for ESG issues and works on the solution in a holistic manner. Under the direct control of the CEO, the ESG Taskforce Team holds regular meetings and subcommittee meetings several times a year to plan and advance initiatives that focus on solving ESG-related issues, which are disclosed publicly based on the GRI Guidelines.

The Sustainability Promotion Division is a member of the "ESG Taskforce Team" which plays a pivotal role in monitoring climate-related issues, at least on a quarterly basis, in collaboration with related divisions. Each division selects and evaluates climate-related and other risks in general, out of the overall risks identified by the company, and takes the results into account in its business planning for the following FY. Risk training is provided to directors and those in managerial positions. In line with ISO 14001, we have identified risks and opportunities in the context of explicit environmental aspects adopted by the entire company, based on our business process and office elements that meet the Fifth Environmental Basic Plan stipulated by the Ministry of the Environment. We have also revised upward our target to limit global warming to WB2°C based on the Paris Agreement and take proactive measures for its achievement, tracked through monitoring.

ii) Benesse Group Environmental Policy clarifies as below:
Environmental issues are an important global priority. We believe that corporations should fulfill their duty by actively promoting environmental efforts. To achieve its Corporate Philosophy "Benesse = Well-Being," the Benesse Group has positioned "environment" as a key management priority and works strenuously on environmental initiatives by taking into account its business domains that center around education and childcare, language/global leadership training, and senior/nursing care.
We will adhere to all environmental laws and regulations in our environmental efforts. We will also have every person involved in our business proactively take part in environmental activities while working to continuously upgrade the environmental systems and our environmental performance. Action Guidelines will be set forth.

iii) As stated above in our Environmental Policy, Benesse Group has positioned "environment" as a key management priority to make sure we can "pass on a rich global environment to children of the future." The CEO is to bear responsibility for climate-related initiatives while the "Sustainability Committee", with the CEO as its chairperson and full-time officers as members, oversees the evaluation and management.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
All employees	Monetary reward	Behavior change related indicator	We host the "Environmental Poster Contest" for employees' children and offer monetary reward to the winners as incentives. We have worked on raising awareness of CO_2 emissions reduction by announcing winning posters internally. There were 25 contest entrants in FY 2018. Outstanding works are posted on the intranet for advocacy and to attract interest for the following year.

Chief Executive Officer (CEO)	Monetary reward	Emissions reduction project	We have revised upward our CO_2 emissions reduction target in line with the Paris Agreement adopted at COP21 to limit global temperature rise to WB2°C. Our revised target from the FY 2017 base year is as follows: Scope 1 and 2: 2.5% for every FY, 32.5% by FY 2030, 82.5% by FY 2050. Scope 3: 16.0% by FY 2030, 40.6% by FY 2050. In case of any compliance violation, including environmental pollution, officers' renumeration will be subject to reduction. The Sustainability Committee, comprised of the CEO and full-time officers, will incorporate ESG elements into the evaluation of officers' renumeration.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Defined for each fiscal year
Medium-term	1	10	Defined as target for FY 2030
Long-term	11	30	Defined as target for FY 2050

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Benesse defines substantive financial impact levels classified as Large Impact (500 million JPY or more), Medium Impact (100 million JPY or more) and Small Impact (10 million JPY or more).

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Climate-related risks and other risks are identified based on thorough discussions with the Secretariat and external consulting firm and reported as short-, medium- and long-term risks and opportunities to the CEO for review and approval. Each division selects risks out of the overall risks identified by the company, evaluates their level of impact and takes the results into account in its business planning for the following FY as well as the Medium-term Management Plan. Monitoring is conducted on a quarterly basis on the progress made against the plan of each division.

Based on the scenario analysis recommended by TCFD, we conducted a review on the risks identified based on the direction by the CEO in the context of climate-related risks identification and evaluation. The latest result estimates financial impact of climate-related risks would lead to a decrease of about 16.8 billion JPY in sales, an increase of about 1.5 billion JPY in procurement costs and operational costs, as well as share price decline impact worth 11.9 billion JPY. Benesse defines substantive financial impact levels classified as Large Impact (500 million JPY or more), Medium Impact (100 million JPY or more) and Small Impact (10 million JPY or more).
Risk training is provided to directors and those in managerial positions. In line with ISO 14001, we have identified risks and opportunities in the context of explicit environmental aspects adopted by the entire company, based on our business process and office elements that meet the Fifth Environmental Basic Plan stipulated by the Ministry of the Environment. We have taken further steps to identify and evaluate climate-related risks and opportunities and take countermeasures against risks that can pose more serious impact, and incorporate and manage them in the business plan for the following FY as well as the Medium-term Management Plan.

Physical risks will have the largest impact on Benesse Group.
When climate change increases the frequency and intensity of typhoons and flooding, there will be an increasing number of customers who will not be able to receive our services. Potential challenges faced by Benesse Group will be inability to provide services and losing sales opportunities. Such risks are reviewed and those evaluated to pose more serious impact will be incorporated in the short-, medium- and long-term plans to be further managed and monitored (quarterly) by each division against respective plans.
Physical risks are listed below with explanations on how they are managed.

① Acute physical risks related to disaster response caused by exacerbated extreme weather conditions, including massive typhoons and flooding, will require immediate actions to be taken to ensure seamless services to our customers. Benesse has established the "Customer Service Division" dedicated to make decisions promptly to improve customer experience such as securing alternative means of transport to make sure our products and services are delivered smoothly to our customers. When there is a risk of decrease in revenues due to voluntary suspension of sales activities in disaster-affected areas, we work to minimize losses by adjusting the timing of sales and changing sales methods from direct mail to Web marketing.

② Long-term risks caused by environmental changes include increase in paper prices caused by deforestation exacerbated by changes in precipitation and weather patterns. It will have a great impact on our business which depends heavily on paper. Benesse has stipulated its Product and Service Strategy to mitigate such risks.

・Digitalize learning materials and make them paperless to reduce paper consumption, curb cost increases and eventually enhance our competitiveness.

・Benesse offers "Aka Pen (red pen) services" to elementary, junior high and high school students. Our instructors called "Aka Pen Sensei (red pen teacher)" are assigned to each student to provide advice tailored to the academic progress of every student to encourage them in addition to making corrections to the assignments submitted by post or online. We can reduce shipping costs by switching to web-based distribution of assignments and allocate extra resources to provide additional services to our members, leading to improve the learning experience, increase added value and enhance customer loyalty.

・Digitalization of learning materials will enable us to compile large amounts of customer data, including learning records and methods, to improve understanding customers' needs, seize opportunities by providing suitable products and services, improve the learning experience, increase membership retention rate, and consequently will boost our sales and profits. Retention rate is one of our major KPIs. Increase of 1% in retention rate (defined as members of the previous month will not leave and continue using the products and services) will lead to annual revenue growth of 5%.

In terms of our operation:

・We manage our monthly paper consumption expenditure by an in-house system BENKEI and review the results at the Management Meeting on a quarterly basis. In case excessive consumption is detected against the target, we analyze the cause and take due measures.

・We select the paper manufacturer through a bid process conducted concurrently. Paper with lower environmental impact will be selected for annual contract and we engage in price negotiation with the paper manufacturer. We are well-versed in future trends of the paper industry including outlook over the coming few years.

We have already completed transition to ISO14001:2015 and established an environmental management system based on its requirements, implement and maintain it. We make continual improvement under a PDCA cycle which includes review by the management on climate-related risks as well as opportunities.

Furthermore, BCP measures are set forth as below, which clarify necessary steps to be taken to prepare or respond to emergency situations such as torrential rain and large-scale typhoons:

a) Departments in charge of operations will set up and update procedures to prevent or mitigate adverse environmental impacts in times of emergency. In case the company has already issued a specific document and/or procedure, follow them.

b) Respond to actual emergency situations. Review the procedures and documents, as necessary. In the wake of an emergency, make sure to review them and revise as needed.
c) Related departments will periodically test the emergency response procedures through simulations and drills and revise them as needed.
d) The Secretariat will work to mitigate adverse environmental impacts and make contact with stakeholders as appropriate in case an accident or emergency situation breaks out.
e) Provide relevant information and training related to emergency preparedness and response, as appropriate, to relevant interested parties, including persons working under the control of our company.
Major transition risks include increase in energy costs caused by the introduction of the Global Warming Countermeasure Tax to be imposed on fossil fuels (medium- and long-term).
Benesse has been working on such risks as below:
・We manage our monthly energy consumption expenditure by an in-house system BENKEI and review the results at the Management Meeting on a quarterly basis. In case excessive consumption is detected from the previous FY, we take reduction measures to curb the cost.
・We endorse the COOL CHOICE Campaign initiated by the Ministry of the Environment and the temperature of all the air conditioners throughout the office are set at 28℃ (for cooling) and at 20℃ (for heating).
・We host the “Environmental Poster Contest” for employees’ children and offer monetary reward to the winners as incentives. We have worked on building awareness on CO_2 emissions reduction by announcing winning posters internally. There were 25 contest entrants in FY 2018. Outstanding works are posted on the intranet for advocacy and to attract interest for the following year.

Transition risks are explained as below:
In case GHG emissions that adversely cause climate change fails to be reduced as planned, there is a risk for a more stringent restrictions imposed on GHG emissions.
When mid- and long-term renovation plans of company owned buildings fail to proceed as planned, it can pose a challenge. Such risks are reviewed and those evaluated to pose more serious impact will be incorporated in the short-, medium- and long-term plans to be further managed and monitored (monthly/yearly) by each division against respective plans.

Energy-related risks and opportunities are managed as below:
We have been examining the introduction of energy-saving equipment utilizing the latest technology in our mid- and long-term renovation plans at our Headquarters building in Minamigata, Okayama City, as well as three company-owned buildings in Takayanagi, Okayama City, our Logistics Center in Setouchi City, Okayama Prefecture, and Tokyo Headquarters building in Tama City, Tokyo. Naoshima Coordination Division, SCM Division and General Affairs Division of Benesse Holdings are in charge of its management.

Female employees account for over 60% of our workforce. We are working to reduce the toilet flushing water usage by 50% at our Tokyo Headquarters building in Tama City, Tokyo, which will result in cost saving of 7 million JPY a year, equivalent to 7 tons of CO_2 reduction annually. This project will be part of our mid- and long-term renovation plan to be

implemented together with the plumbing construction scheduled from June 2020 to October 2023, under the supervision of the General Affairs Division. We will get competitive quotes from multiple companies and award the contract after careful consideration. Progress will be monitored by each project to ensure project goals are met.

We also work to reduce environmental impact as well as cut down on utility expenses by installing solar power generation panels to company-owned facilities. At our Logistics Center in Setouchi City, for example, Center No.1 had solar generator installed when it started operation. We have been upgrading our facilities to promote energy efficiency: high-efficiency air-cooled chiller and multi air conditioning unit with motion sensor installed at Center No. 1 (2018); high-efficiency air-cooled chiller and multi air conditioning unit with motion sensor installed at Center No.2 as well as switching to LEDs throughout the building (2020); renovation work at Minamigata Headquarters including plumbing construction (2018-2019); switching to LEDs (2018). We are working towards making climate-related opportunities feed positively into our business operations. SCM Division supervises the Logistics Center based on its business plan, while our Headquarters building in Minamigata is under the supervision of the Naoshima Coordination Division of Benesse Holdings.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Over 90% of our facilities are located in Japan. If a Global Warming Countermeasures Tax is introduced and imposed on fossil fuels in Japan, it will increase our energy costs and become a transition risk. Therefore, we manage our monthly energy consumption expenditure by an in-house system BENKEI and review the results at the Management Meeting on a quarterly basis. In case excessive consumption is detected from the previous FY, we take reduction measures. If laws and regulations are tightened to reduce GHG emissions, it will trigger energy cost rise related to our business activities. We have positioned it as a major challenge to be addressed among climate-related risks and opportunities and strive to reduce energy consumption.
Emerging regulation	Relevant, always included	Over 90% of our facilities are located in Japan. There is a risk of cost increases if the Global Change Adaptation Act is enacted in Japan. A large amount of energy is consumed at company-owned facilities, including the Headquarters building in Okayama City, Tokyo Headquarters building in Tama City and Benesse Logistics Center in Setouchi City, Okayama Prefecture. If carbon pricing scheme is introduced, it will increase manufacturing costs and pose a risk.

Technology	Relevant, always included	There is a risk of reduced productivity in case we fail to build technical capacities for an energy-efficient manufacturing of “Challenge Touch,” a tablet computer-based learning material used by elementary school to high school students. We will benchmark advanced technologies and know-how, review and seek alternative energy-efficient merchandise while examine the most energy-efficient specification for products to be delivered to our customers. We performed scenario analysis on climate-related risks and calculated the financial impact caused by lack of more energy-efficient technologies. Reduced productivity is estimated to increase manufacturing unit cost by 10%.
Legal	Not relevant, explanation provided	Over 90% of our facilities are in Japan. Majority of them are offices and classrooms that require less electricity with limited GHG emissions, compared with factories. We believe global warming related litigation risk is low.
Market	Relevant, always included	We provide learning materials, tablets and publications through our main business domains “Kodomo Challenge” and “Shinken Zemi.” Global warming can trigger massive typhoons and flooding and companies perceived to have a “negative impact on the environment” will come under criticism, with changes in values and behavior of customers to avoid our products. Potential risks also include growing uncertainty over market-related indices and cost increases in paper when global warming causes forest loss being a company heavily reliant on paper.
Reputation	Relevant, always included	Our main business domains “Kodomo Challenge,” “Shinken Zemi,” “Shinken Moshi” as well as magazines “THANK YOU!” “Dog’s Heart” and “Cat’s Heart” consume nearly 40,000 tons (main products) of paper each year. As a company with a large volume of paper consumption, there is a risk of damaging our brand image when we are judged as taking a passive approach to environmental issues, including forest conservation.

Acute physical	Relevant, always included	In case major disasters occur caused by climate-related acute physical risks, including massive typhoons and flooding, it will lead to cost increases due to disaster response measures as well as sales decline from lost sales opportunities following voluntary suspension of sales activities in disaster-affected areas. Acute physical risk related to disaster response caused by exacerbated extreme weather conditions, including massive typhoons and flooding, will push up the cost. There is additional risk of decrease in revenues caused by lost sales opportunities when direct mail services, our primary marketing tool, are interrupted until normal life resumes due to voluntary suspension of sales activities in disaster-affected areas as well as distribution business (postal service) focusing on disaster response measures.
Chronic physical	Relevant, always included	Global warming affects the ecosystems, accelerates desertification and intensifies unexpected torrential rain and other climate-related extreme weather conditions. Such physical risks will trigger deforestation and forest degradation, leading to increase in paper costs and makes a significant impact on our business which relies heavily on paper. Risks (medium- and long-term) caused by long-term environmental changes include sharp increase in paper prices caused by deforestation exacerbated by changes in precipitation and weather patterns. In case paper procurement costs increase 10% from the reporting year, it will result in about 690 million JPY additional cost per year.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Market

Increased cost of raw materials

Primary potential financial impact

Increased direct costs

Company-specific description

Circumstances surrounding education undergo drastic changes such as declining birth rate and entrance examination reform. The main business of Benesse, “Kodomo Challenge,” “Shinken Zemi” and “Shinken Moshi,” relies on paper as paper-based tests and exams are the mainstream at schools. GHG emissions generated from paper consumption accounts for 98% of our total Scopes 1, 2 and 3 emissions. We recognize increased paper procurement costs will present significant risk, which is caused by deforestation due to extreme changes in precipitation and weather patterns that will trigger torrential rain, drought, massive typhoons and flooding more frequently.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

6,900,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In case paper procurement costs increase 10% from the reporting year, it will result in about 690 million JPY additional cost per year.

The financial impact figure is based on increased annual procurement costs (assumed to increase 10%).

Annual paper procurement costs of 6.9 billion JPY x 10% cost increase (0.1) = 690 million JPY

Cost of response to risk

85,000,000

Description of response and explanation of cost calculation

As a background, global warming will intensify climate change and can trigger decrease in forests that supply primary raw material for paper. Shortage of raw material can lead to increase in paper procurement costs as our business consumers a large amount of paper. We take two measures as below against the risk of increased paper procurement costs, which can pose the biggest challenge for our business.

・We select the paper manufacturer through a bid process conducted concurrently. Paper with lower environmental impact will be selected for annual contract and we engage in price negotiation with the paper manufacturer. We are well-versed in future trends of the paper industry including outlook over the coming few years.

・We try to cut down on paper-based products and gradually switch to digitalized products over the next few years.

Our focus is placed on shifting towards digital products, which also constitutes one of the priority measures in the new Mid-term Management Plan "Transform and Grow Benesse 2022." We accelerate measures to reduce paper consumption by switching to exchanging documents (Quotation, Purchase Order, Statement of Delivery, Inspection Document, Mock Exam Reports etc.) and information online among our offices, employees, clients/suppliers, and customers. We have been reducing paper consumption by digitalizing part of our paper-based learning and teaching materials and tapping into AI technology to provide individualized online instructions to achieve usability, profitability and improve the learning experience.

Our learning materials are used via tablet for 61.6% of elementary and junior high school students while nearly 100% of high school students are using their smartphones. Consequently, paper consumption has been reduced 60% per elementary and junior high school student who opted for tablet computer-based learning materials. Of our paper costs that total 6.9 billion JPY, 71% are for costed items and 29% are for non-costed items.

・Annual depreciation of system development costs is calculated based on a 5-year period. Administrative cost per year is calculated as 425 million JPY x 20% = 85 million JPY.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased direct costs

Company-specific description

Benesse suffered severe financial impact caused by the loss of existing customers, significant fall in enrollment, and cost incurred to rebuild trust following the scandal of personal information leakage in 2014. We have been making all-out efforts to reduce costs that include reviewing the contract with power companies on a basis of cost efficiency, which makes renewable energy the least chosen. We purchase about 7.16 million kWh fossil fuel-derived electricity a year, which has relatively low financial impact. We are yet to introduce renewable energy-based electricity, while we are looking into various conditions set forth in the proposals made by renewable energy generators.

Such dependency on fossil fuels is faced with a risk of increased energy costs if a Global Warming Countermeasures tax is introduced in Japan (tax to be imposed on fossil fuels). Currently fossil fuel-derived energy accounts for 86% of the total.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

10,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We have put forth potential financial impact of 10 million JPY.

In case our power purchase costs increase 5% per year, it can lead to additional 10 million JPY per year as calculated below.

Electricity charges of 200 million JPY for FY2018 x 5% = 10 million JPY

Cost of response to risk

53,500,000

Description of response and explanation of cost calculation

As a background, our energy consumption is mainly by office buildings, classrooms, and logistics centers as we do not own factories and other large-scale facilities. Still the Headquarters building in Okayama Prefecture, the building in Tama, Tokyo, as well as the Logistics Center in Setouchi City, Okayama Prefecture, are company owned facilities with relatively large energy usage ratio that will impact global warming.

We must work on reducing energy consumption at these company owned facilities.

・We manage our monthly energy consumption expenditure by an in-house system BENKEI and review the results at the Management Meeting on a quarterly basis. In case

excessive consumption is detected from the previous FY, we take reduction measures to curb the cost.

・We endorse the COOL CHOICE Campaign initiated by the Ministry of the Environment and the temperature of all the air conditioners throughout the office are set at 28℃ (for cooling) and at 20℃ (for heating).

・We host the “Environmental Poster Contest” for employees’ children and offer monetary reward to the winners as incentives. We have worked on building awareness on CO_2 emissions reduction by announcing winning posters internally. There were 25 contest entrants in FY 2018.
Outstanding works are posted on the intranet for advocacy and to attract interest for the following year.

・We have installed solar power generation panels to the Logistics Center in Okayama Prefecture and generate and consume about one-third of the electricity used there. Plans are underway to tap into solar energy at other facilities.
Annual depreciation expenses of solar generation panels at the Logistics Center is as below:
Initial cost 230 million JPY x 1/17 = 13.53 million JPY (Depreciable life 17 years. Straight-line method)

・Planning to work on energy efficiency systematically through our mid- and long-term renovation plans at company owned facilities.

Consequently, we achieved to set the temperatures of all office rooms in all buildings at 28℃ (for cooling) and at 20℃ (for heating) as we work to improve energy efficiency on an ongoing basis such as thinning out the lighting.

・Annual depreciation expenses of the development cost of in-house system BENKEI:
Development cost of 200 million JPY x 20% = 40 million JPY.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Emerging regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

Global warming will intensify climate change and can trigger decrease in forests that will

make paper procurement difficult. At the same time, circumstances surrounding education undergo drastic changes such as declining birth rate and entrance examination reform. The main business of Benesse, “Kodomo Challenge,” “Shinken Zemi” and “Shinken Moshi,” relies on paper as paper-based tests and exams are the mainstream at schools. GHG emissions generated from paper consumption accounts for 98% of our total Scopes 1, 2 and 3 emissions. We recognize increased paper procurement costs will present significant risk and work towards reducing paper consumption by digitalizing part of our paper-based learning and teaching materials and tapping into AI technology to provide individualized online instructions to achieve usability, profitability and improve the learning experience. Our learning materials are used via tablet for 61.6% of elementary and junior high school students while nearly 100% of high school students are using their smartphones. Through our home study business “Shinken Zemi” offered to elementary to high school students, we create and deliver our unique tablet computer-based learning materials and aim to reduce paper consumption which accounts for 98% of our GHG emissions while improving the learning experience.

If energy-related regulations are tightened and require our tablet suppliers to have the technological capabilities to manufacture with reduced energy consumption while limits on energy use is imposed, it can pull down our productivity. Unless we take due measures against such risks, we may suffer from declining revenues caused by increased manufacturing costs and loss of sales opportunities. Another challenge we should address is how to secure stable supply of rare metals, one of the raw materials used in tablets. Some studies point out that we can only use on-the-ground resources towards 2100 (due to depletion of underground resources).

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

850,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

When tablet productivity declines by 10%, manufacturing costs may increase as below:

① 10% decline in productivity will increase manufacturing unit price by 10%

Manufacturing unit price 17,400 JPY x 10% = 1,700 JPY

① × annual manufacturing volume 500,000 = 850 million JPY

Cost of response to risk

15,000,000

Description of response and explanation of cost calculation

As a background, global warming will intensify climate change and can trigger decrease in forests that will make paper procurement difficult. We are promoting the introduction of tablet computer-based digitalized learning materials as an alternative measure which are also beneficial to improve the learning experience in a fast-changing educational environment.

If energy-related regulations are tightened and require our tablet suppliers to have the technological capabilities to manufacture with reduced energy consumption while limits on energy use is imposed, it can pull down our productivity. Unless we take due measures against such risks, we may suffer from declining revenues caused by increased manufacturing costs and loss of sales opportunities. Another challenge we should address is how to secure stable supply of rare metals, one of the raw materials used in tablets. Some studies point out that we can only use on-the-ground resources towards 2100 (due to depletion of underground resources).

We take countermeasures as below:

・We will get competitive quotes from multiple companies to explore new suppliers and make the best possible choice.

If we take an example of tablets, we clarify the quality requirements and contract terms to select the best supplier after assessing the feasibility and cost in a comprehensive manner.

As a result, paper consumption has been reduced 60% per student who opted for tablet computer-based learning materials. While paper consumption totaled 55,948 tons for FY2017, we could curb the total to 55,903 tons for FY 2018 even though our membership grew.

・Administrative expenses calculated at 10%.

Tablet supplier administrative expenses: approx. 150,000,000 JPY / year x 10%= 15 million JPY

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Reputation

Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

Our main business domains are “Kodomo Challenge” for preschoolers, “Shinken Zemi” for elementary to high school students, “Shinken Moshi” for high school students as well as magazines “THANK YOU!” for housewives and pet magazines “Dog’s Heart” and “Cat’s Heart.” Nearly 40,000 tons of paper is consumed by this business each year and account for 98% of GHG emissions. As a company with a large volume of paper consumption, there is a risk of damaging our brand image when we are judged as taking a passive approach to environmental issues, including forest conservation.

While paper consumption totaled 55,948 tons for FY2017, we could curb the total to 55,903 tons for FY 2018 even though our membership grew.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

13,182,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

When our total sales decline 3%, total sales 439.4 billion JPY x 3% = 13.182 billion JPY.

① Education business 248.4 billion JPY x 3% = 7.45 billion JPY

② Nursing care business 116.9 billion JPY x 3% = 3.51 billion JPY

③ Language and lifestyle-related business 74.1 billion JPY x 3% = 2.22 billion JPY

Cost of response to risk

10,000,000

Description of response and explanation of cost calculation

As a background, global warming will trigger massive typhoons, flooding and other climate-related extreme weather conditions, which can reshape our customers’ mindset and make them “select companies based on their environmental impact.”

Environmental education plays an instrumental role for the generation who will be responsible for future GHG emissions so that we can “pass on a rich global environment to

children of the future." We also need to implement various measures to reduce our GHG emissions outlined as below:

・We conduct sales activities of "Kodomo Challenge" for preschoolers and "Shinken Zemi" for elementary to high school students based on new marketing methods that utilize the internet and SNS combined with the traditional methods of direct mail and TV commercials. Such activities lead to reduce paper consumption while build the image as a company taking a proactive approach to environmental management.
・Benesse conducts company-wide brand awareness survey on a regular basis and works on any issues detected.
・Various measures are implemented to further enhance our reputation.
・We developed new marketing methods that utilize the internet and SNS and combined them with the traditional methods of direct mail and TV commercials to conduct sales activities with less paper consumption while build the image as a company taking a proactive approach to environmental management. We try to support children's growth in a positive learning environment and disseminate specific information on how "Shinken Zemi" can support and what you can experience. For example, we use comics to explain and advise on the best way to make "Shinken Zemi" fit in the busy schedule of students with extracurricular activities.
・We conduct brand awareness survey on a regular basis and work on any issues detected.

The brand awareness survey results show that "the ratio of those who find Benesse an attractive company" has increased as below.
(Figures indicate surveys conducted in April, 2018 followed by April, 2019, with a sample size of 5,500)
・"Benesse collects and recycles learning materials of "Kodomo Challenge" and toys at the concert hall of "Shimajiro Concert" to promote environmental education programs where parents and children can join": 10.0% →15.8% (increase of 5.8 points)
・"Benesse organizes 'Environmental Workshops' for children and hosts essay contests on the environment for elementary to high school students.": 7.2% → 12.1% (increase of 4.9 points)

・Calculated as brand awareness survey and questionnaires to stakeholders, which are calculated as the research fee for a research firm under the special contract.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Global warming will trigger massive typhoons, flooding and other climate-related extreme weather conditions which will make a huge impact. While our Scope 1 and 2 emissions are mainly generated by offices buildings and classrooms as we do not own any manufacturing sites, Benesse Logistics Center consumes 3,000 kWh electricity per year for air conditioning etc.

We must seek ways to improve efficiency of the air conditioners which consume a large amount of electricity while tapping into natural energy-based solar power generation.

The measures we take are as follows:

・Benesse does not own any manufacturing sites so our Logistics Center located in Setouchi City, Okayama Prefecture, is one of the facilities that consume a large amount of electricity for air conditioning etc. By installing solar power generation panels, we work to reduce GHG emissions as well as seize the cost-reduction opportunity while mitigate the risk of fluctuation in carbon costs. There are two logistics centers in the premises: At Center No.1, we have installed solar power panels and generate about one-third of the electricity consumed. We have also replaced air conditioners with a more energy-efficient system to curb energy consumption. We have also upgraded the air conditioning system to superior energy efficiency at Center No.2 during FY 2018.

We managed to improve energy efficiency with significant cost reduction. It can be a precautionary measure against carbon taxes.

・We manage our monthly energy consumption expenditure by an in-house system BENKEI and review the results at the Management Meeting on a quarterly basis. In case excessive consumption is detected from the previous FY, we take reduction measures to curb the cost.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

10,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

If we reduce energy costs by 5% per year through energy-saving activities, we may save 10 million JPY a year based on the calculation as below:

Electricity charges of 200 million JPY for FY2018 x 5% = 10 million JPY

Cost to realize opportunity

20,000,000

Strategy to realize opportunity and explanation of cost calculation

As a background, global warming will trigger massive typhoons, flooding and other climate-related extreme weather conditions which will make a huge impact. While our Scope 1 and 2 emissions are mainly generated by offices buildings and classrooms as we do not own any manufacturing sites, Benesse Logistics Center consumes a large amount of electricity for air conditioning etc.

We must seek ways to improve efficiency of the air conditioners which consume a large amount of electricity while tapping into natural energy-based solar power generation.

The measures we take are as follows:

・We manage our monthly energy consumption expenditure by an in-house system BENKEI and review the results at the Management Meeting on a quarterly basis. In case excessive consumption is detected from the previous FY, we take reduction measures to

curb the cost.

・We have also upgraded the air conditioning system to superior energy efficiency at Logistics Center No.2 during FY 2018.。
Depreciation expenses of air conditioning upgrading work at Logistics Center No.2 is about 20 million JPY for the initial year.

・We endorse the COOL CHOICE Campaign initiated by the Ministry of the Environment and the temperature of all the air conditioners throughout the office are set at 28℃ (for cooling) and at 20℃ (for heating).

・We host the “Environmental Poster Contest” for employees’ children and offer monetary reward to the winners as incentives. We have worked on building awareness on CO_2 emissions reduction by announcing winning posters internally. There were 25 contest entrants in FY 2018. Outstanding works are posted on the intranet for advocacy and to attract interest for the following year.

As a result, we achieved 20% energy efficiency which led to cost reduction worth 12 million JPY / year.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced direct costs

Company-specific description

As a background, global warming will intensify climate change and can trigger decrease in forests that can make paper procurement more costly for a company like ours that relies heavily on paper for its main business of “Kodomo Challenge,” “Shinken Zemi” and “Shinken Moshi” as paper-based tests and exams are the mainstream at schools. GHG emissions generated from paper consumption accounts for 98% of our total Scopes 1, 2 and 3 emissions. We recognize increased paper procurement costs will present significant risk.

Circumstances surrounding education also undergo drastic changes.

We must develop products and services that are attractive to customers to reach a widely

diverse range of users while working to reduce our paper consumption.

We implement measures as below in a strategic manner:
We aim to reduce paper consumption by digitalizing part of our paper-based learning and teaching materials and tapping into AI technology to provide individualized online instructions to achieve usability, profitability and improve the learning experience. Our learning materials are used via tablet for 61.6% of elementary and junior high school students while nearly 100% of high school students are using their smartphones. We create and deliver our unique tablet computer-based learning materials for our home study business “Shinken Zemi” offered to elementary to high school students to improve the learning experience. There are opportunities for increased revenues if our tablet suppliers have the technological capabilities to manufacture with reduced energy consumption, which will push up productivity and reduce manufacturing costs.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

107,950,000

Potential financial impact figure – maximum (currency)

1,079,500,000

Explanation of financial impact figure

Calculated as 12.7% decrease in tablet manufacturing unit price and delivery costs

Tablet computer-based learning material manufacturing unit price and delivery costs
17,000JPY x annual manufacturing volume 500,000 units x 12.7%= 1.08 billion JPY (MAX)

Breakdown as below:

・Tablet computer-based learning material manufacturing unit price reduction (1USD=108 JPY): 2,157 JPY x annual manufacturing volume 500,000 units= 1.0785 billion JPY

・Delivery cost: 3 JPY x annual manufacturing volume 500,000 units= 1.5 million JPY

Minimum is calculated as 10%

Cost to realize opportunity

15,000,000

Strategy to realize opportunity and explanation of cost calculation

As a background, tablet computer-based products use rare metals and other underground

resources as raw materials. There are opportunities to make more efficient use of resources by superior designs.

We should be more aware of the need to seek more environmentally conscious designs (=optimize costs).

The measures we take are as follows:
As we develop tablet computer-based learning materials to reduce costs, we examine how to ensure proper quality based on environmentally conscious designs (=optimize costs).
We promote the following three perspectives:

1. Reduce the amount of resin consumption
2. Reduce total weight by optimizing internal structure
3. Review the packaging method

<Individual situation>

1. Reduce the amount of resin consumption
   Optimized the size and reduced weight of internal components used to maintain dropping shock resistance.
   Achieved weight reduction while maintaining dropping shock resistance.
2. Optimize internal structure
   Reduced the number and size of circuit boards by reviewing the position of microphones, connectors, and cameras.
3. Review the packaging method
   Avoided waste space in the carton and achieved efficient packaging by separating the device and power charger, instead of sending them in one box.
   Improved transport efficiency (about 30%) by compact packaging.
   Reduced the total number of outer carton boxes by storing increased number of devices in each box.

As a result, we achieved cost reduction of 20 USD per unit. 20 USD x 500,000 units= 1.08 billion JPY cost reduction (1 USD=108 JPY) became possible.

Breakdown as below:
Manufacturing cost: 2,157 JPY x 500,000 units= 1.0785 billion JPY, Delivery cost: 3 JPY x 500,000 units= 1.5 million JPY

Cost borne: 10% of administrative expenses. Tablet computer-based learning material administrative expenses 150 million JPY x 10%= 15 million JPY

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced direct costs

Company-specific description

Paper consumption accounts for 98% of Benesse's GHG emissions. Through our main business "Shinken Zemi" for elementary to high school students, we made our learning materials digitalized and paperless and achieved reduced paper consumption, improved the learning experience, while curbing cost increases to eventually enhance our competitiveness. We have been reducing paper consumption by digitalized part of our paper-based learning and teaching materials and tapped into AI technology to provide individualized online instructions to achieve usability, profitability and improved the learning experience. Our learning materials are used via tablet for 61.6% of elementary and junior high school students while nearly 100% of high school students are using their smartphones.

While paper consumption totaled 55,948 tons for FY2017, we could curb the total to 55,903 tons for FY 2018 and achieved reduction of 45 tons even though our membership grew.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

690,000,000

Potential financial impact figure – maximum (currency)

345,000,000

Explanation of financial impact figure

In case our paper procurement costs decrease 10%, it will result in about 690 million JPY cost reduction per year (MAX),

Minimum is calculated at 50% of the above

Calculation as below:

Annual paper procurement costs of 6.9 billion JPY x 10% (MAX) = 690 million JPY cost reduction (MAX)

Cost to realize opportunity

100,000,000

Strategy to realize opportunity and explanation of cost calculation

As a background, global warming will intensify typhoons, flooding and other climate-related extreme weather conditions, cause changes in vegetation and trigger decrease in forests that supply primary raw material for paper. As our business consumers a large amount of paper, it can lead to increase in paper procurement costs. Circumstances surrounding education also undergo drastic changes.

We need to enhance digitalization, especially utilization of tablet computer-based learning materials, to replace paper consumption while working to improve the learning experience.

The measures we take are as follows:
We have been advancing digitalization of learning materials through introducing the Learning Management System (LMS) and keep track of utilization status of tablet computer-based "Shinken Zemi." We compile and manage learning record, promote good learning habits, and give encouragement and support to improve the learning experience. We plan to reduce GHG emissions generated from paper consumption, manufacturing, and transport by 50% as we work to shift our customers towards using digitalized learning material.
Direct mail is our major sales method which consumes as much as 16,000 tons of paper per year, besides generating a large amount of CO_2 from delivery. We have long relied on direct mail as the sole and most effective marketing method. Recently, we managed to make concrete results through web-based marketing activities including e-mails that led to reduce paper consumption to a certain level. We plan to halve paper consumption related to direct mail by accelerating our web-marketing activities.

As a result, digitalized learning material usage increased considerably from 34% in FY 2017 to 61.6% in FY 2018.

Total cost estimated at 100 million JPY for research (qualitative and quantitative) conduced to members using tablet computer-based learning materials, LMS depreciation expenses, and web-based marketing activity fees.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its

strategy?

Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
2DS Nationally determined contributions (NDCs)	We selected the scenario that limits global warming to "well below 2℃ (WB2℃)" and that aligns with the long-term temperature goal stipulated in the Paris Agreement, based on its relevance to our business, as well as being consistent and feasible. The scope of this scenario goes beyond our company and covers the supply chain as Scope 3 emissions account for majority of our GHG emissions. In addition, we also conducted analysis on the "NDCs (3℃)" scenario submitted by the Japanese government as it is quite resourceful taking into account country-specific conditions. Again the scenario goes beyond our company and covers the supply chain as Scope 3 emissions account for majority of our GHG emissions. We identified risks and opportunities and chose time horizon in line with the "WB2℃" through the scenario analysis. We used the analysis results to conduct a quantitative evaluation and determine the potential impacts on management strategies and financial status, followed by a sensitivity analysis. We then made an evaluation within the framework of transition risks, physical risks and opportunities based on various perspectives of "what are the current and future (FY2030) predicted climate-related risks and opportunities," "Are they important for our business?" "Are they important information to be disclosed to our stakeholders?". The time horizon is in line with the Paris Agreement.

	We conducted the scenario analysis in the context of intensifying climate change, changes in the market, product development and for the two cases: i) the case where our short-, medium- and long-term adaptation and countermeasures are implemented as planned, ii) the case where they fail to be implemented. Through scenario analysis, the risks identified were: (a) "global warming will intensify natural disasters and impact revenue," (b) "forest loss will increase paper costs," (c) "our reputation will be damaged when we are judged as taking a passive approach to environmental issues," (d) "tightening of laws and regulations," and (e) "technological development." On the other hand, opportunities identified were: (a) "improvements made to products and services," (b) "proactive steps taken to improve energy efficiency will reduce costs," (c) "our reputation will improve when we are judged as taking a proactive approach to environmental issues." We integrated them into our climate-related strategies, and they are reflected in our revised emissions reduction goals. They are in line with the time horizon defined in our emissions reduction goals. Based on the scenario analysis results, we plan to promote digitalization to reduce paper consumption, which accounts for 98% of our GHG emissions, as well as improve the learning experience, the weight reduction of tablets, and the reduction of packaging volume. The scope of the scenario is defined as transition and physical risks as well as opportunities related to our business domains. We used the analysis results to conduct a quantitative evaluation and determine potential impacts on management strategies and financial status, followed by sensitivity analysis. The results of scenario analysis are as below: 1. Risks Physical risks will have the largest impact on the business of Benesse Group. ① Acute physical risks caused by exacerbated extreme weather conditions, including massive typhoons and flooding, will require disaster responses and will push up costs while lost sales opportunities will lead to a decline in revenues (short-term risks). Business will be affected by the reduced number of enrollments due to the suspension of direct mail, damage caused by flooding to learning materials and promotional materials stored in third-party warehouses, relocating goods or resending them, additional cost borne due to delayed shipping, etc., which can result in an operating income loss of 100 million to 300 million JPY. ② Long-term environmental changes will exacerbate changes in precipitation and weather patterns and trigger deforestation, which will push up paper procurement costs (medium- and long-term risks). In case paper procurement costs increase 10% from the reporting year, it will result in about 690 million JPY additional cost per year and pose specific risks to the business of Benesse Group. There are three transition risks as below: ① When a Global Warming Countermeasures tax is introduced and fossil fuels becomes subject to taxation, cost related to energy consumption will increase

	(medium- and long-term risks). ② Enactment of the Climate Change Adaptation Act will lead to additional operational costs (medium-term risks). ③ Benesse offers tablet computer-based learning materials for elementary to high school students. If suppliers of these materials don't have the technological capabilities to manufacture with less energy consumption, there can be a decline in productivity and pose specific risks to our business. (medium-term risks). 2. Opportunities There are three opportunities related to our products and services as below: ① Benesse offers a correspondence course "Aka Pen (red pen) services" to elementary, junior high and high school students. During the reporting year, as many as 80% of the students submitted their assignments by post. If online submissions increase by 5%, we can save shipping costs worth 18 million JPY per year and allocate extra resources for investment to increase added value and enhance customer loyalty. ② By digitalizing our learning materials, we can reduce paper consumption, curb cost increases and eventually enhance our competitiveness. ③ Digitalization of educational materials will enable us to compile large amounts of customer data, including learning records and methods, to improve understanding customers' needs, to seize opportunities by providing suitable products and services, and consequently, will boost our sales and profits. An increase of 1% in retention rates will lead to annual revenue growth of 5%. We reported the above-mentioned results of the scenario analysis to the CEO during the review on environmental issues and sought directions on reinforcing the system and implementing measures to demonstrate the resilience of our company through the activities of the ESG Task Force. As a result, we drew up a strategy to accelerate the digitalization of our products and services and plan to implement it on a medium- and long-term basis.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Changes in precipitation and weather patterns will exacerbate deforestation and lead to increased paper procurement costs, which can pose a significant climate-related risk to our business. "Challenge Touch" is a tablet computer-based learning material, introduced for "Shinken Zemi" users, based on our strategy to try to cut down on paper-based products and gradually switch to digitalized products on a medium-term basis over the next few years. We also try to optimize the learning experience of our customers.

		We estimate its financial impact to be about 690 million JPY associated with paper procurement costs as we look ahead towards 2030. On the other hand, we continue to work on reducing paper consumption in a strategic manner by digitalizing our products and services which is estimated to exceed 2 billion JPY on a medium- to long-term basis.
Supply chain and/or value chain	Yes	It is anticipated that climate change will impact our supply chain and/or value chain. We address the climate-related risk of increased paper procurement costs used for our learning materials including “Kodomo Challenge,” “Shinken Zemi,” and “Shinken Moshi,” our magazines “THANK YOU!”, “Dog’s Heart” and “Cat’s Heart” as well as direct mail used as our sales method. We select the paper manufacturers through a bid process conducted concurrently. Paper with a lower environmental impact will be selected for an annual contract and we engage in price negotiations with the selected manufacturer. We estimate its financial impact to be about 200 million to 300 million JPY associated with paper procurement cost increases as we look ahead towards 2030. On the other hand, we work on reducing paper consumption in a strategic manner by digitalizing our products and services which is estimated to exceed 2 billion JPY on a medium- and long-term basis.
Investment in R&D	Yes	Global warming affects the ecosystems, accelerates desertification and intensifies unexpected torrential rain and other climate-related extreme weather conditions. Such physical risks will trigger deforestation and result in increased paper costs. Benesse has been making bulk purchases of paper to reduce costs, which puts us in a more advantageous position than other companies faced with the risk of cost increases. Through our main business such as “Shinken Zemi,” we have been strategically digitalizing our learning materials making them paperless, achieving reduced paper consumption, and improving the learning experience, while curbing cost increases to enhance our competitiveness. Through our R&D programs, ranging from contents to tools development, we have digitalized our learning materials and compiled large amounts of customer data, including learning records and methods which enable us to provide products and services that meet customer needs and boost our sales and profits. We will push these initiatives forward on a medium-term basis over the next few years. Although we cannot achieve zero paper consumption, we should strike an optimal balance for our customers. Benesse invests 280 million JPY per year in R&D and accelerates the transition to digitalizing our products.

Operations	Yes	Climate-related risks include an increase in paper prices caused by deforestation, which is exacerbated by changes in precipitation patterns. It will have a great impact on our business which depends heavily on paper. We have introduced environmentally friendly learning materials while going paperless across Benesse group companies and in the Operations Division to address the discernable impact of climate on our operations. We will promote these initiatives on a medium-term basis over the next few years. ① We are promoting paperless operations among group companies by switching to an electronic invoicing and payment system (from November 2015). In addition, electronic quotes and purchase orders have been introduced and are planned to expand throughout our group companies. ② Operations Division provides services to teachers and schools. We introduced electronic purchase orders and promoted paperless operations. Benesse has invested 10 million JPY to ① and ② as above. The cost reduction achieved by paperless operations totals 4 million JPY per year.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Assets	1) Potential anticipated effect on revenues Climate-related risks and opportunities identified can impact our revenues. Benesse has identified “risks caused by changes in consumer behaviors,” “risks caused by unexpected incidents (disasters)” as well as “opportunities associated with products and services” and “opportunities related to resource efficiency.” For example, we anticipate a sales decline due to voluntary suspension of sales activities of “Kodomo Challenge” and “Shinken Zemi” in the event of a disaster. One disaster is estimated to reduce revenues by 200 million to 300 million JPY as we look ahead towards 2030. ・Risks caused by unexpected incidents In the case of a disaster, the impact on our business will be worth between 100 million to 300 million JPY caused by a sales decline following the voluntary suspension of sales activities of “Kodomo Challenge” and “Shinken Zemi” in disaster-affected areas as well as an operational cost increase due to disaster response measures. ・Opportunities associated with products and services We can reduce CO_2 emissions by digitalizing our learning materials of “Shinken Zemi” offered to elementary to high school students. We can also expect sales to increase following an increase in “retention rate” as we can provide products and services that meet customers’ needs based on large amounts of data compiled through digitalization. Research results on climate change-induced consumer behavioral changes (awareness of reduced paper consumption or an improved learning experience by digitalization) are reflected to our financial plan.

An increase of 1% in retention rate will lead to an annual revenue growth of 5%.

2) Business spending

① Risks caused by tightening of laws and regulations

Benesse Group suffered a severe financial impact caused by the loss of existing customers, a significant fall in enrollment, and the cost incurred to rebuild trust following the corporate scandal in 2014. Faced with such severe financial conditions, it makes renewable energy the least chosen. We purchase about 7.16 million kWh fossil fuel-derived electricity a year, which has a relatively low financial impact. Such dependency on fossil fuels has a risk of increased energy costs if a Global Warming Countermeasures tax is introduced in Japan (tax to be imposed on fossil fuels).

In case the power purchase costs increase 5%, it can increase business spending by 10 million JPY per year. Following the approval given by the CEO, we have taken measures against the Acts on climate change and fluorocarbons as below:

At our Logistics Center, we installed high-efficiency air-cooled chillers and multi air conditioning units with motion sensors during FY 2020 and reduced the energy equivalent to 67 kiloliters of crude oil per year.

At Minamigata Headquarters Building, we reduced water consumption by 240㎥/year (0.6tCO2/year) in 2020 by implementing plumbing construction work and cutting down on the water usage in toilet flushing. We also switched to LEDs and reduced electricity consumption for lighting and the HVAC system by 12,696kWh (3.3 kl/year).

At the Tama Office Building in Tokyo, we estimate a reduction of 82.82kl for FY 2020 from upgrading the lighting system and installing heat insulation film to offices and windows. We also plan to reduce water consumption by 15000㎥/year (7tCO2/year) from 2020 to 2023 by plumbing construction and renovating bathrooms to cut down on water usage in toilet flushing.

② Risks associated with technological development

“Challenge Touch” are our unique digital learning materials offered to elementary to high school students. If its suppliers fail to build the technological capabilities to manufacture with reduced energy consumption, it can pose a risk of increased manufacturing costs caused by reduced productivity.
When productivity declines by 10%, it can increase business spending by 850 million JPY per year.

③ Risks caused by unexpected incidents

Our company and over 90% of its supply chain facilities are located in Japan. In case a disaster occurs in the country, we must first relocate our products to safe warehouses then arrange for alternative means of transport to make sure our products and services reach our customers by the deadline promised. Depending on the scale of a disaster, such disaster response operations may result in business spending totaling several tens of millions JPY.

		On the other hand, there are opportunities related to products and services. ① Benesse offers “Aka Pen (red pen) services” to elementary, junior high and high school students. Our instructors called “Aka Pen Sensei (red pen teacher)” are assigned to each student to provide advice tailored to the academic progress of that student to encourage them, in addition to making corrections to the assignments submitted by post or online. During the reporting year, as many as 80% students submitted their assignments by post. We encourage students to take photos of their assignments by smartphones or tablets and submit them online. If online submission increases by 5%, we can save shipping costs and allocate extra resources to offer other services to our members, increase added value and enhance customer loyalty. We can also contribute to reduce our environmental impact caused by shipping. ② We are making learning materials like “Challenge Touch” digitalized and paperless to reduce paper consumption, curb cost increase and eventually enhance our competitiveness. In case our paper procurement cost decreases 10%, it will result in about 690 million JPY cost reduction per year. ③ Digitalization of learning materials will enable us to compile large amounts of customer data, including learning records and methods. We can provide products and services that meet customer needs, which can boost our sales and profits. We have reflected the research results in our financial plan that showed a correlation between digitalization and an improved learning experience. Retention rate is one of our major KPIs. Increase of 1% in retention rate (defined as members of the previous month will not leave and continue using the products and services) will lead to annual revenue growth of 5%. 3) Potential anticipated effect on assets We consume as much as 40,000 tons of paper by manufacturing learning materials of “Kodomo Challenge” and “Shinken Zemi.” Many of our teaching materials use plastic and batteries. There is a risk of damaging our reputation when we are judged as taking a passive approach to environmental issues across our value chain, starting from raw material purchases to manufacturing educational materials up to disposal, which will have a significant adverse effect on our stock price. If our stock price falls 3%, it will have the effect of decreasing our market capitalization by 8.3 billion JPY. (Market capitalization totaled 277.1 billion JPY, as of 21 July 2020) On the flip side, there is a positive effect on our business when we are judged as taking a proactive approach to environmental issues. If our stock price rises 3%, it will have the effect of increasing our market capitalization by 8.3 billion JPY. (Market capitalization totaled 277.1 billion JPY, as of 21 July 2020)

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2018

Covered emissions in base year (metric tons CO2e)

7,597

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2050

Targeted reduction from base year (%)

82.5

Covered emissions in target year (metric tons CO2e) [auto-calculated]

1,329.475

Covered emissions in reporting year (metric tons CO2e)

6,665

% of target achieved [auto-calculated]

14.8703036685

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

The target is set for an emissions reduction of 2.5% per year against Scope 1 and Scope 2 total, with the year ended March 31, 2018 (FY 2017) as the base year.

The target for FY 2050 is a reduction of 82.5%.

Emissions for the reporting year (the year ended March 31, 2019 or FY 2018) was 6665t-CO_2, which marked a reduction rate of 12.3% against the base year.

Target reference number

Abs 2

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2018

Covered emissions in base year (metric tons CO2e)

7,597

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

32.5

Covered emissions in target year (metric tons CO2e) [auto-calculated]

5,127.975

Covered emissions in reporting year (metric tons CO2e)

6,665

% of target achieved [auto-calculated]

37.7476939278

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

The target for FY 2030 is set for an emissions reduction of 32.5% against Scope 1 and Scope 2 total, with the year ended March 31, 2018 (FY 2017) as the base year. Emissions for the reporting year (the year ended March 31, 2019 or FY 2018) was 6665t-CO_2, which marked a reduction rate of 12.3% against the base year.

Target reference number

Abs 3

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2018

Covered emissions in base year (metric tons CO2e)

7,597

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2019

Targeted reduction from base year (%)

2.5

Covered emissions in target year (metric tons CO2e) [auto-calculated]

7,407.075

Covered emissions in reporting year (metric tons CO2e)

6,665

% of target achieved [auto-calculated]

490.7200210609

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

The target is set for an emissions reduction of 2.5% every year against Scope 1 and Scope 2 total, with the year ended March 31, 2018 (FY 2017) as the base year. The target for the reporting year (the year ended March 31, 2019 or FY 2018) is a reduction of 2.5%.

Emissions for the reporting year (FY 2018) was 6665t-CO_2, which marked a reduction rate of 12.3%.

Target reference number

Abs 4

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3 (upstream & downstream)

Base year

2018

Covered emissions in base year (metric tons CO2e)

7,874,419

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2050

Targeted reduction from base year (%)

40.6

Covered emissions in target year (metric tons CO2e) [auto-calculated]

4,677,404.886

Covered emissions in reporting year (metric tons CO2e)

7,124,353

% of target achieved [auto-calculated]

23.4614541336

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

The target is set for an emissions reduction of 1.23% per year against Scope 3, with the year ended March 31, 2018 (FY 2017) as the base year.

The target for FY 2050 is a reduction of 40.6%.

Emissions for the reporting year (the year ended March 31, 2019 or FY 2018) was 7,124,353 t -CO_2, which marked a reduction rate of 9% against the base year.

Scope 3 categories include:
Category 1 (purchased products and services), Category 2 (capital goods), Category 3 (fuel- and energy-related activities which are not included in Scope 1 and 2), Category 4 (upstream transportation and distribution), Category 5 (waste generated from operations), Category 6 (business travel), Category 7 (employee commuting), Category 9 (downstream transportation and distribution), Category 11 (use of sold products), and Category 12 (end-of-life treatment of sold products)

Target reference number

Abs 5

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3 (upstream & downstream)

Base year

2018

Covered emissions in base year (metric tons CO2e)

7,874,419

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

16

Covered emissions in target year (metric tons CO2e) [auto-calculated]

6,614,511.96

Covered emissions in reporting year (metric tons CO2e)

7,124,353

% of target achieved [auto-calculated]

59.5334398639

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

The target for FY 2030 is set for an emissions reduction of 16% against Scope 3, with the year ended March 31, 2018 (FY 2017) as the base year.

Emissions for the reporting year (the year ended March 31, 2019 or FY 2018) was 7,124,353 t -CO_2, which marked a reduction rate of 9% against the base year.

Scope 3 categories include:
Category 1 (purchased products and services), Category 2 (capital goods), Category 3 (fuel- and energy-related activities which are not included in Scope 1 and 2), Category 4 (upstream transportation and distribution), Category 5 (waste generated from operations), Category 6 (business travel), Category 7 (employee commuting), Category 9 (downstream transportation and distribution), Category 11 (use of sold products), and Category 12 (end-of-life treatment of sold products)

Target reference number

Abs 6

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3 (upstream & downstream)

Base year

2018

Covered emissions in base year (metric tons CO2e)

7,874,419

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2019

Targeted reduction from base year (%)

1.23

Covered emissions in target year (metric tons CO2e) [auto-calculated]

7,777,563.6463

Covered emissions in reporting year (metric tons CO2e)

7,124,353

% of target achieved [auto-calculated]

774.4187299375

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

The target is set for an emissions reduction of 1.23% every year against Scope 3, with the year ended March 31, 2018 (FY 2017) as the base year. The target for the reporting year (the year ended March 31, 2019 or FY 2018) is a reduction of 1.23%.

Emissions for the reporting year (FY 2018) were 7,124,353 t -CO_2, which marked a reduction rate of 9%.

Scope 3 categories include:
Category 1 (purchased products and services), Category 2 (capital goods), Category 3 (fuel- and energy-related activities which are not included in Scope 1 and 2), Category 4 (upstream transportation and distribution), Category 5 (waste generated from operations), Category 6 (business travel), Category 7 (employee commuting), Category 9 (downstream transportation and distribution), Category 11 (use of sold products), and Category 12 (end-of-life treatment of sold products)

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	4,020
To be implemented*	3	688
Implementation commenced*	2	932
Implemented*	2	132
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Other, please specify
Other, please specify

Replacement of air conditioning systems

Estimated annual CO2e savings (metric tonnes CO2e)

130

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

9,000,000

Investment required (unit currency – as specified in C0.4)

144,016,574

Payback period

>25 years

Estimated lifetime of the initiative

21-30 years

Comment

The HVAC system at our Logistics Center No.1 located in Setouchi City was replaced by multi air conditioning units with motion sensors. We no longer use heavy oil.

We took proactive measures against the phase-out of hydrochlorofluorocarbon in 2020. We reduced our utility costs by 9 million JPY per year as well as the significant repair costs.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	Decisions are taken based on the priorities between investments in emissions reduction activities and other investment projects in the context of our investment and recovery plans.
Employee engagement	We engage with our employees as we review and improve our non-investment related processes and project plans, based on the Environmental Promotion Activities Plan of each division.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

We classify our tablet computer-based “Shinken Zemi” learning materials as low-carbon products because they reduce paper consumption by nearly 60% compared with our regular learning materials used during any given year.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Low-Carbon Investment (LCI) Registry Taxonomy

% revenue from low carbon product(s) in the reporting year

61.6

Comment

We classify our tablet computer-based “Shinken Zemi” learning materials as low-carbon products because they reduce paper consumption by nearly 60% compared with our regular learning materials used during any given year.

We used to offer different models of tablets depending on our customer age groups (elementary, junior high and high school students), but have been switching to a unified device for the convenience of users. Digitalized products are attracting more users each year thanks to the meticulous services offered tailored to the academic progress of each student, leading to an improved learning experience.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

April 1, 2017

Base year end

March 31, 2018

Base year emissions (metric tons CO2e)

120

Comment

Direct GHG emissions generated by Benesse

Scope 2 (location-based)

Base year start

April 1, 2017

Base year end

March 31, 2018

Base year emissions (metric tons CO2e)

7,477

Comment

Scope 2 emissions in Japan and in Taiwan.

Scope 2 (market-based)

Base year start

April 1, 2017

Base year end

March 31, 2018

Base year emissions (metric tons CO2e)

7,477

Comment

Indirect GHG emissions generated in Japan and in Taiwan from the consumption of electricity and heat/steam supplied from other companies

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Act on the Rational Use of Energy

Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superceded by Revision of the Act on Promotion of Global Warming Countermeasures (2005 Amendment)

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

89

Start date

April 1, 2018

End date

March 31, 2019

Comment

Direct GHG emissions generated by Benesse

GHG emissions are being reduced by upgrading the HVAC system at company-owned facilities

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

120

Start date

April 1, 2017

End date

March 31, 2018

Comment

Direct GHG emissions generated by Benesse

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

① Location-based: 6,053tCO2 (electricity and heat consumption in Japan and at Taipei Branch Office)

② Market-based: 6,301tCO2 (electricity and heat consumption in Japan and at Taipei Branch Office)

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

6,053

Scope 2, market-based (if applicable)

6,301

Start date

April 1, 2018

End date

March 31, 2019

Comment

Indirect GHG emissions generated in Japan and in Taiwan from the consumption of electricity and heat/steam supplied from other companies

Past year 1

Scope 2, location-based

6,892

Scope 2, market-based (if applicable)

7,477

Start date

April 1, 2017

End date

March 31, 2018

Comment

I Indirect GHG emissions generated in Japan and in Taiwan from the consumption of nelectricity and heat/steam supplied from other companies
d

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Tutoring and lessons offered at private residences

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

No Scope 1 emissions, Scope 2 emissions is small-scaled and accounts for only 0.05% of the total emissions.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

7,124,353

Emissions calculation methodology

Energy consumption volume x Emission coefficient　Fuel Consumption Method and revised Ton-Kilometer Method　Weight of waste x Emissions unit value　Goods purchasing cost x Emissions unit value

【Sources】

① Energy

・Emission Coefficient for Each Electric Power Provider (to be used to calculate GHG emissions of specific entities) - FY 2018 Actual - Released on 07 Jan. 2020 by the Ministry of the Environment and the Ministry of Economy, Trade and Industry

（https://www.env.go.jp/press/files/jp/107786.pdf）

・List of Coefficients for Global Warming Countermeasure Reporting "Municipal and industrial water consumption"

（http://www8.kankyo.metro.tokyo.jp/ondanka/report/pdf/keisuuitiran.pdf）

② Fuels

Calculation methods and list of coefficients for calculation, reporting and announcement (Ref. 1) Emission coefficient for fuel consumption
https://ghg-santeikohyo.env.go.jp/files/about_document/2018/gaiyo_3.pdf

③ Waste

Database of emissions unit value for calculating GHG emissions of the organization throughout its supply chain (Ver.2.5)

Ministry of the Environment [8] List of emissions unit value by categories of waste and disposal methods

List 8. Emissions unit value by categories of waste and disposal methods
Unidentified disposal is in List 9. Emissions unit value by categories of waste
https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2.5.pdf
Database of emissions unit value for calculating GHG emissions of the organization throughout its supply chain (Ver.2.5) [5] Emissions unit value based on industry categories
https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2.5.pdf

Paper and printing were calculated based on the data provided by suppliers
Emissions unit value for office supplies were based on P/L data and applied the Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables issued by the Center for Global Environmental Research of the National Institute for Environmental Studies
http://www.cger.nies.go.jp/publications/report/d031/jpn/datafile/embodied/2005/403.htm

Percentage of emissions calculated using data obtained from suppliers or value chain partners

99.5

Please explain

Calculated emissions relating to raw material procurement for printed items, water consumption for printing and tablet manufacturing, purchase of teaching materials, toys and mail-order goods, water consumption at offices and purchase of office supplies.

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

11,364

Emissions calculation methodology

Emissions unit value per capital goods price applied to the acquisition cost of tangible fixed assets in the cash flow statement.

Emissions unit value is based on the Green Value Chain Platform calculation tool released by the Ministry of the Environment and the Ministry of Economy, Trade and Industry

http://www.env.go.jp/earth/ondanka/supply_chain/gvc/estimate_tool.html#no00

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain

Tangible fixed assets in the cash flow statement.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

577

Emissions calculation methodology

(Input data of electricity for the reporting company) x (average emissions unit value of all power sources)

(Input data of heat for the reporting company) x (emissions unit value) ｝

【Sources】

① Energy

・Emission Coefficient for Each Electric Power Provider (to be used to calculate GHG emissions of specific entities) - FY 2018 Actual - Released on 07 Jan. 2020 by the Ministry of the Environment and the Ministry of Economy, Trade and Industry

（https://www.env.go.jp/press/files/jp/107786.pdf）

・List of Coefficients for Global Warming Countermeasure Reporting “Municipal and industrial water consumption”

（http://www8.kankyo.metro.tokyo.jp/ondanka/report/pdf/keisuuitiran.pdf）

② Fuels

Calculation methods and list of coefficients for calculation, reporting and announcement

(Ref. 1) Emission coefficient for fuel consumption

https://ghg-santeikohyo.env.go.jp/files/about_document/2018/gaiyo_3.pdf

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions generated from fuels purchased from other companies, purchased fuels for power and heat generation.

Emissions unit value based on IDEA

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

5,081

Emissions calculation methodology

Fuel Consumption Method and revised Ton-Kilometer Method

Emissions unit value based on:
Database of emissions unit value for calculating GHG emissions of the organization throughout its supply chain (Ver.2.5) Ministry of the Environment

https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2.5.pdf

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Calculated emissions relating to transportation (both upstream and downstream) associated with printing and tablet manufacturing.

Emissions unit value based on reporting rules of the specified consigners

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

40

Emissions calculation methodology

The weight of waste generated from company-owned buildings was multiplied by each emission coefficient to calculate the total.

Emissions unit value: Manifest data was used for industrial waste (Ministry of the Environment database was used for unit value)

【Sources】

Database of emissions unit value for calculating GHG emissions of the organization throughout its supply chain (Ver.2.5)

Ministry of the Environment [8] List of emissions unit value by categories of waste and disposal methods

List 8. Emissions unit value by categories of waste and disposal methods
Unidentified disposal is in List 9. Emissions unit value by categories of waste
https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2.5.pdf
Database of emissions unit value for calculating GHG emissions of the organization throughout its supply chain (Ver.2.5) [5] Emissions unit value based on industry categories

https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2.5.pdf

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Waste generated from company-owned buildings (paper, plastic, combustible waste, bottles, cans, pet bottles, etc.)

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2,478

Emissions calculation methodology

Travel expenses x emissions unit value + number of nights stayed X emissions unit value

Emissions unit value based on:

・Database of emissions unit value for calculating GHG emissions of the organization throughout its supply chain

https://www.env.go.jp/earth/ondanka/supply_chain/gvc/business/files/jp2013/calculation/DB5.pdf

・[11] Emissions unit value per travel allowance provided

http://www.env.go.jp/earth/ondanka/supply_chain/gvc/business/files/jp2013/calculation/DB11.pdf

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Domestic and overseas business trips expenses (actual) and accommodation expenses (actual) are managed monthly by the in-house system BENKEI. Calculation based on the annual total.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

661

Emissions calculation methodology

・Travel expenses

Travel allowance provided x emissions unit value

Emissions unit value based on:

・Database of emissions unit value for calculating GHG emissions of the organization throughout its supply chain

https://www.env.go.jp/earth/ondanka/supply_chain/gvc/business/files/jp2013/calculation/DB5.pdf

・[11] Emissions unit value per travel allowance provided

http://www.env.go.jp/earth/ondanka/supply_chain/gvc/business/files/jp2013/calculation/DB11.pdf

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Managed by the HR management system and the in-house system BENKEI.
Calculation based on the annual total.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Included in Scope 1 and 2

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

8,306

Emissions calculation methodology

Fuel Consumption Method and revised Ton-Kilometer Method

■ Ton-Kilometer Method: Transportation ton-kilo (cargo weight t x distance km) x Emissions unit value for ton-kilo method fuel consumption [D] x Unit value (Unit calorific value[A] x Emission coefficient[B] x 44/12)

Emissions unit value based on:

Database of emissions unit value for calculating GHG emissions of the organization throughout its supply chain (Ver.2.5) Ministry of the Environment

https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2.5.pdf

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Shipping transport (after transport is done with the reporting company as a consigner), store in a warehouse.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

No emissions generated in this category as the reporting company sells fished products.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

305

Emissions calculation methodology

Power consumption from use x Sales quantity x Emission coefficient

Emissions unit value is based on the Emission Coefficient for Each Electric Power Provider (to be used to calculate GHG emissions of specific entities) - FY 2018 Actual - Released on 07 Jan. 2020 by the Ministry of the Environment and the Ministry of Economy, Trade and Industry
https://www.env.go.jp/press/files/jp/107786.pdf

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Calculated emissions relating to power consumption of the tablets sold.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

7,842

Emissions calculation methodology

Weight of waste x Emissions unit value

Emissions unit value based on:

・Database of emissions unit value for calculating GHG emissions of the organization throughout its supply chain (Ver.2.5)

・Ministry of the Environment [8] List of emissions unit value by categories of waste and disposal methods

List 8. Emissions unit value by categories of waste and disposal methods

・Unidentified disposal is in List 9. Emissions unit value by categories of waste

https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2.5.pdf

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Calculated emissions relating to waste disposal of printed items, educational toys, and mail-order goods sold in Japan.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

No leased assets owned.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Not calculated due to minimal value

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Since the reporting company is not in the financial services sector, it was judged that this category has no relevance and was excluded.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not calculated because there is no relevance.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

Not calculated because there is no relevance.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000000035

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

6,683

Metric denominator

unit total revenue

Metric denominator: Unit total

183,223.29

Scope 2 figure used

Market-based

% change from previous year

85

Direction of change

Decreased

Reason for change

As explained in C4.3b, the reporting company replaced the air conditioning system of Benesse Logistics Center located in Setouchi City and reduced Scope 1 and 2 emissions while increased its sales.

The company also endorses TCFD and makes continuous efforts to reduce its emissions.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Japan	89
Taiwan, Greater China	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Fuel consumption	79
Gasoline consumption by commercial vehicles	10

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-	Scope 2, market-	Purchased and consumed	Purchased and consumed low-carbon electricity,

	based (metric tons CO2e)	based (metric tons CO2e)	electricity, heat, steam or cooling (MWh)	heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Japan	5,653	5,901	23,611	1,061.68
Taiwan, Greater China	400	400	529	63

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Electricity	5,245	5,493
Steam	388	388
Chilled water	420	420

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	No specific changes

Other emissions reduction activities	940	Decreased	12.3	Achieved reduction of 940t from emissions reduction efforts made other than renewable energy. Since scope 1 and 2 emissions of the previous FY was 7620t, it makes the emissions value of 12.3% (=940/7620×100)
Divestment	0	No change	0	No specific changes
Acquisitions	0	No change	0	No specific changes
Mergers	0	No change	0	No specific changes
Change in output	4	Increased	72	Due to expanded sales opportunities, total travel distance of our commercial vehicles increased and pushed up gasoline consumption by 4t. Since emissions of the previous FY was 5.4t, it marked increase of 3.9t, making the emissions value of 72% (=3.9／5.4×100)
Change in methodology	0	No change	0	No specific changes
Change in boundary	0	No change	0	No specific changes
Change in physical operating conditions	0	No change	0	No specific changes
Unidentified	0	No change	0	No specific changes
Other	0	No change	0	No specific changes

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	3,926	3,926
Consumption of purchased or acquired electricity		1,439	8,921	10,360

Consumption of purchased or acquired steam		0	6,800	6,800
Consumption of purchased or acquired cooling		0	7,043	7,043
Consumption of self-generated non-fuel renewable energy		628		628
Total energy consumption		2,067	26,690	28,757

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	Yes
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Town Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

3,926

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of cooling

0

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.00052

Unit

metric tons CO2e per liter

Emissions factor source

Act on the Rational Use of Energy, Ministry of the Environment

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	817	684	817	684
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Solar

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Japan

MWh consumed accounted for at a zero emission factor

1,061.68

Comment

Total of the electricity with zero emission coefficient purchased from power companies

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

3824_Benesse Corporation_Verification Report_rev.pdf

Page/ section reference

Japan Quality Assurance Organization “Greenhouse Gas Emissions Verification Report” (1 page)

Benesse ESG Data (Website)
https://benesse-hd.disclosure.site/ja/themes/122

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

38244_Benesse Corporation_Verification Report_rev.pdf

Page/ section reference

Japan Quality Assurance Organization “Greenhouse Gas Emissions Verification Report” (1 page)

Benesse ESG Data (Website)
https://benesse-hd.disclosure.site/ja/themes/122

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
38244_Benesse Corporation_Verification Report_rev.pdf

Page/section reference
Japan Quality Assurance Organization “Greenhouse Gas Emissions Verification Report” (1 page)

Benesse ESG Data (Website)
https://benesse-hd.disclosure.site/ja/themes/122

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Capital goods

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

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Page/section reference

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Benesse ESG Data (Website)

https://benesse-hd.disclosure.site/ja/themes/122

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

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Benesse ESG Data (Website)

https://benesse-hd.disclosure.site/ja/themes/122

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

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Page/section reference

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Benesse ESG Data (Website)
https://benesse-hd.disclosure.site/ja/themes/122

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Waste generated in operations

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

38244_Benesse Corporation_Verification Report_rev.pdf

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https://benesse-hd.disclosure.site/ja/themes/122

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

38244_Benesse Corporation_Verification Report_rev.pdf

Page/section reference

Japan Quality Assurance Organization “Greenhouse Gas Emissions Verification Report” (1 page)

Benesse ESG Data (Website)

https://benesse-hd.disclosure.site/ja/themes/122

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

38244_Benesse Corporation_Verification Report_rev.pdf

Page/section reference

Japan Quality Assurance Organization “Greenhouse Gas Emissions Verification Report” (1 page)

Benesse ESG Data (Website)
https://benesse-hd.disclosure.site/ja/themes/122

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Downstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

38244_Benesse Corporation_Verification Report_rev.pdf

Page/section reference

Japan Quality Assurance Organization “Greenhouse Gas Emissions Verification Report” (1 page)

Benesse ESG Data (Website)
https://benesse-hd.disclosure.site/ja/themes/122

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Use of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

38244_Benesse Corporation_Verification Report_rev.pdf

Page/section reference

Japan Quality Assurance Organization “Greenhouse Gas Emissions Verification Report” (1 page)

Benesse ESG Data (Website)

https://benesse-hd.disclosure.site/ja/themes/122

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: End-of-life treatment of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

38244_Benesse Corporation_Verification Report_rev.pdf

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Japan Quality Assurance Organization “Greenhouse Gas Emissions Verification Report” (1 page)

Benesse ESG Data (Website)

https://benesse-hd.disclosure.site/ja/themes/122

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Benesse is playing an active role in making Shinjuku Mitsui Building, where we are one of the tenants, receive certification as an Excellent Business Establishment and gaining the highest S score in the program promoted by the Tokyo Metropolitan Government.
In line with the Tokyo Metropolitan ordinance, the target is set for the next few years.
Benesse endorses the “COOL CHOICE” national movement promoted by the Ministry of the Environment which encourages "wise choices” that contribute to the carbon-free society. We have been working to reduce our energy consumption through continuous energy-saving actions which include optimizing room temperature when using air conditioners or adjusting our clothing behavior to reflect the seasonal temperatures (cool biz / warm biz).
As a result, we have succeeded in limiting GHG emissions even while our rented space has increased. In compliance with the Act on the Rational Use of Energy, the target is set for the next few years.
It is in line with our medium- and long-term reduction goals, based on a more ambitious WB2℃ scenario, with 32.5% reduction by 2030 (against the base year) and 82.5% reduction by 2050 (against the base year).

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

Benesse has a mechanism where suppliers of paper and raw materials, as well as manufacturers of learning materials and toys, are audited against the stipulated in-house Safety Standard. A stringent in-house checking system has set strict rules forbidding use of materials with an adverse environmental impact. As paper constitutes the largest part of our resource consumption, any paper that does not fit our Procurement Standard will go through strict screening on the basis of its quality and purpose of use. (※The Paper Procurement Standard is disclosed to the suppliers)

We have our primary and secondary agencies as well as manufacturers give confirmation in writing.

To ensure tight control on a regular basis, the scope of our engagement covers all the suppliers.

Impact of engagement, including measures of success

Benesse offers learning materials and tablets through its main business “Kodomo Challenge” and “Shinken Zemi.” We engage with our suppliers to evaluate the environmental impact at each manufacturing phase, including audits conducted at manufacturing sites and a review of the shipping methods. We also support stable management of suppliers that meet our standards by awarding continuous contract for a few years. Close collaboration with our suppliers will lead to reducing our impact on climate change and other environmental challenges as well as to provide safe products. Benesse is a unique company where we take both the environmental and safety aspects into consideration. As we outsource the manufacturing of our learning materials and tablets, we place priority on responsible supply chain management. We conduct evaluations and audits on environmental initiatives to ensure the products we offer meet our rigorous standards, which is an essential element to the benchmark of our success. Almost 100% of the paper procured is in compliance with the Environmental Standards.

We have set the KPI to measure the ratio of how far the suppliers meet our Environmental Standards. Our target is set at 100% and the results achieved have been 100%. This is because we abide by our principles not to have business with any suppliers that fail to meet our Standards and we make sure none of their products are shipped.

Comment

Our business operation can be classified into three processes, starting from “purchasing & manufacturing” to “packaging” and “shipment.”

Our Supply Chain Management Division takes an active part throughout the processes to ensure environmental initiatives are implemented in a coherent manner. It engages with the suppliers to collect and exchange information and to verify the status of compliance in collaboration with the Operations Division and our affiliated companies.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number

61.6

% of customer - related Scope 3 emissions as reported in C6.5

2.4

Please explain the rationale for selecting this group of customers and scope of engagement

We aim to engage with a target group consisting of elementary, junior high and high school students. This is the generation who will play an instrumental role in protecting the global environment in the future. We believe continuous environmental education tailored to children's development stages will move the needle on addressing climate change challenges.

We place children as "the exchange students from the future." We define our environmental activities as working towards making the earth sustainable so that children can achieve "well-being" for a better life, apropos of our Corporate Philosophy "Benesse = Well-Being."
Our environmental initiatives center around the following two principles:

① Increase the number of personnel capable of promoting environmental education, understanding environmental issues, and engaging in environmentally-conscious actions.

② Reduce our environmental burden.

We collaborate with our customers and other related parties based on principle ① as above.

We have made a significant achievement by introducing the tablet computer-based courses and learning materials through our main business domain "Shinken Zemi" for elementary and junior high school students. Tablet computer-based course attendance rates, one of our KPIs, was 59% for elementary school courses, 65% for junior high school, and nearly 100% for high school courses. This makes a total ratio of 62% for all the students registered (from preschoolers up to high school students). Tablet computer-based courses have contributed to reducing paper consumption by 60%, making a significant impact on reducing our environmental burden in addition to improving the learning experience.
Furthermore, we follow the Curriculum Guideline issued by the Ministry of Education, Culture, Sports, Science and Technology and provide "environmental education", including our own original contents and events tailored to children's development stages, to 100% of our customers.

Impact of engagement, including measures of success

① Effect of tablet computer-based courses: It is estimated that Scope 3 emissions will be reduced 60% compared with paper-based materials.

Since the students chose tablet computer-based courses, we have succeeded in reducing our Scope 3 GHG emissions while improving the learning experience.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number

19.8

% of customer - related Scope 3 emissions as reported in C6.5

0.01

Please explain the rationale for selecting this group of customers and scope of engagement

Our aim is to engage with early childhood customers. This is the generation who will play an instrumental role in protecting the global environment in the future. We believe continuous environmental education offered from an early age will move the needle on addressing climate change challenges.

We place children as “the exchange students from the future.” We define our environmental activities working towards making the earth sustainable so that children can achieve “well-being” for a better life, apropos of our Corporate Philosophy “Benesse = Well-Being.”
Our environmental initiatives center around the following two principles:

① Increase the number of personnel capable of promoting environmental education, understanding environmental issues, and engaging in environmentally-conscious actions.

② Reduce our environmental burden.

We collaborate with our customers and other related parties based on principle ① as above.

Listed below are collaborative activities with our customers and related parties:

ⅰ) How we collaborate: We gain strong support for recycling the products we deliver. Details are announced through our website as below, learning material content, as well as flyers handed out at concert halls. https://kodomo.benesse.ne.jp/open/project/recycle/

ⅱ) How we strategically prioritize collaborative activities:

a) Members of Kodomo Challenge receive educational toys (made of plastic, wood, cloth), DVDs and CDs every month. These toys use more recyclable materials compared with Shinken Zemi.

b) We place priority on collaboration with Kodomo Challenge members as there are more chances and venues, such as concerts and events, to get in contact with them.

ⅲ) Toys collected will be decomposed to oil to be used as fuels for buses and trucks.

Impact of engagement, including measures of success

Through the “Kodomo Challenge” recycling activities, we collected 1,464kg during FY 2018, making the cumulative total of 15.5 tons since the activities were launched in FY 2010.

Since educational toys are made of a variety of materials including plastic, wood and cloth, there are practical difficulties to convert the amount collected in terms of CO2 emissions.

③ Recycling the collected toys

Toys and learning materials collected are reprocessed into oil to be reused as energy sources. Reprocessed oil is used to operate forklifts or to heat up greenhouses that grow strawberries.

④ Feedback from our customers

We created an educational DVD themed “Let’s find Mottainai (waste)!” offered to Kodomo Challenge members. Our goal is to make children who watch the program take concrete actions to “reduce” waste, by following the behavior of the main character Shimajiro and the child actors. We have received much positive feedback thanks to an effective collaborative effort.

■ Customer Questionnaire Feedback

・I am happy to see my child is becoming more conscious of waste and speaks about not wasting water and electricity.

・My child talks about the importance of caring for water and rice.

・My child sings the “Mottainai Song” when eating or washing hands.

・My child asked me if we should turn off the lights. (It was a dark rainy day so we didn’t actually turn off the lights)

・My child realized the importance of food and the reason why parents keep nagging about not wasting it.

・My child makes sure to finish all his rice.

・My child now turns off the light in a bright sunny day.

・My child now says “mottainai” when the shower is running.

・I am happy because my daughter speaks to me whenever she sees water or electric light.

・My child asked me what can be wasteful.

・My child now says “running water is a waste” and tries to save water when taking a bath. I see how he has changed from before.

・My child now eats all the food on the plate.

・I thought “mottainai” was a difficult concept to get across but Shimajiro gave us a good opportunity to think about it together.

・The concept of “mottainai” seemed difficult to teach but I found the explanation easy to follow.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	We provide web-based training on our Environmental Policy and Strategies to all employees. We received feedback from 80% of our employees on the	In line with ISO14001 requirements, we provide web-based training once a year to all employees around the world related to our Environmental Policy and Strategies, concrete initiatives we take and the current sustainability trends. During the training,

		key environmental challenges Benesse should focus on (materiality). Each division draws up an environmental plan that takes into account specific business conditions. We check the progress of implementation quarterly and strengthen measures if necessary.	we received feedback from 80% of employees on the key environmental challenges Benesse should focus on (materiality), showing our employees have a high level of environmental awareness. Based on Benesse Environmental Policy, every division across the regions sets forth an environmental impact assessment, environmental targets and an environmental plan, taking into account specific business conditions. We check the progress of the environmental plan (quarterly) and report the results for management review.

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Benesse implements its environmental education programs in collaboration with various organizations. During FY 2018, we held workshops in Tama City and in Minato Ward in Tokyo. Over 10,000 participants joined the environmental workshop hosted by Tama City and organized in collaboration with a number of universities. Another workshop (2 sessions) was offered to elementary school children jointly with the University of Tokyo Science Communication/Circle CAST during the “Companies and the Environment Exhibit” hosted by Minato Ward Office. We also gave lectures on environmental issues at Tama University up to FY2018. In addition, we offer environmental education to junior high school and high school students who visit our company.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

The Editor-in-Chief of “THANK YOU!”, a lifestyle information magazine for housewives, joined the “COOL CHOICE Promotion Team” as a member and makes suggestions. Led by the Minister of the Environment, this cross-ministry Team promotes a national movement under the slogan “COOL CHOICE” to encourage low-carbon products, services, and lifestyles in collaboration with the private sectors and local municipalities. Benesse also plays an active role in this working group.

The suggestions made and measures taken are as follows:

【Suggestions】There is much more to do than simply promoting energy-saving home appliances. Each one of us should place ecology at the heart of our life and develop a positive image of our life getting better. Eco-awareness should take root in our life as a core value and not as a one-time trend.

【Measures Taken】The Five-Star Home Appliance Replacement Campaign was initiated in collaboration with manufacturers and retail stores. It aims to make energy-saving practices become the norm as a new value by disseminating messages on the cost-savings achieved by choosing energy-efficient appliances. These appliances are indicated by the universal energy-saving label of 5 stars. The campaign focuses on replacing refrigerators and air conditioners with five-star products and replacing lighting with LEDs.

By fostering environmental awareness in each family, we can take more eco-friendly actions in

our daily life while reducing harmful practices. Such a positive impact on children is what we aim for through our “environmental education” that constitutes the main pillar of Benesse’s environmental activities.

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In other regulatory filings

Status

Complete

Attach the document

Scope Targets.pdf

Page/Section reference

P. 1~2
https://benesse-hd.disclosure.site/ja/themes/122

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures

Comment

The Benesse website includes information regarding our Sustainability Strategies, Environmental Policy, GHG emissions reductions (target and actual), and our environmental activities.
Please click below for Sustainability Strategies:
https://www.benesse-hd.co.jp/ja/sustainability/

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Benesse Holdings Representative Director and President	Board chair

Submit your response

In which language are you submitting your response?

Japanese

Please confirm below