Welcome to your CDP Climate Change Questionnaire 2022

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) Web services related to pregnancy, childbirth and childcare, (c) Online shopping, (d) Photo studio “Tamahiyo Photo Studio”, (e) Various App services and events, 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) Correspondence courses in English “Kodomo Challenge English”, (e) English classes “BE Studio”, (f) Educational materials in English “Worldwide Kids”, etc.

iii) Elementary school education business: (a) Correspondence courses “Shinken Zemi Elementary School Courses”, (b) Classrooms “Shinken Zemi Tutorial Class”, (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 “Shinken Zemi Tutorial Class”, (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) English certificate examinations "GTEC for STUDENTS", "GTEC", (c) Certificate examinations "Literas Logical Language Proficiency Examination", "P Plus Digital Information Utilization Examination", (d) Teaching aids for schools "Study Support", "Academic and Career Path Map", "ICT Support", "Tankyu Nabi", "AI-based Speaking Skills Assessment Support Software Speaking Quest", (e) Information site for academic and career path "Benesse Manavision", (f) ICT-based cloud service to support teachers and schools "Classi", "Tablet-based Learning Platform Mirai Seed", (g) On-line learning service "Udemy", "Udemy Business", 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!", 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	4/1, 2020	3/31, 2021	Yes	1 year

C0.3

(C0.3) Select the countries/areas in which you operate.

Japan

Taiwan, 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

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	JP3835620000

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, is currently a member of the Sustainability and ESG Promotion Committee which has oversight of the 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. It is very important for the Benesse Group, a leading company in the education business, to “pass on a rich global environment to children of the future”, who are our main customers. The CEO takes responsibility for the advancement of environmental and overall sustainability management and decided to publicly endorse TCFD in July 2019. The CEO in his role as leader made a decision in December 2021 to revise upward our CO_2 emissions reduction targets for Scope 1 and 2 to limit global temperature rise from WB2°C to 1.5°C (set 100% reduction in 2041 for Scope 1 and 2). He also recommended additional renewable energy sources as well as a target of a 50% renewable energy ratio for 2024.

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 Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives	【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 and ESG Promotion Committee was established to oversee environmental and climate change initiatives with the Representative Director and President, CEO bearing the primary responsibility. The Sustainability and ESG Promotion 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 Representative Director and President, 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. Our GHG emissions reduction targets for each year as well as for 2030 and 2050 were revised in line with the SBT Certification under the direction of the Representative Director and President, CEO. The targets have been certified by SBTi. Currently, for our revised targets we have applied to SBTi for additional certification, based on the decision to raise our reduction targets for Scope 1 and 2 upward in accordance with the 1.5°C level. 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 fiscal year (FY). As part of internal communication measures, we conduct an in-house questionnaire regarding the materiality of environmental activities Benesse should

		undertake to which over 90% of all employees give their feedback. We also carry out a survey among different stakeholders as our external communication measure. The results are analyzed to draw up the materiality, and reported to the CEO for review to be reflected in the strategy with revisions, if necessary.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues
Row 1	Yes

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 fulfil 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 and ESG Promotion 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 Representative Director and President, CEO of Benesse Holdings as final arbiter.

The Sustainability and ESG Promotion Committee is one of the main internal committees for discussing and making decisions regarding climate-related issues. The Representative Director and President, CEO takes part in the Sustainability and ESG Promotion Committee meetings as well as participates in Board Meetings and Group Management Meetings where regular reports on major activities are presented to the Board. To ensure decision-making and oversight take into account the impact of the decisions made on the environment and society, the ESG and Sustainability Division was established to reinforce our strategy.

An “ESG Taskforce Team” was established as a subsidiary body of the Sustainability and ESG Promotion 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 Representative Director and President takes the primary responsibility for ESG issues and works on the solution in a holistic manner.
Under the direct control of the President, 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 Global Reporting Initiative Guidelines (GRIs).

The ESG and Diversity Promotion Department 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 targets for Scope 1 and 2 to limit global warming to 1.5°C in line with the Paris Agreement and take proactive measures for its achievement, based on concrete plans, and tracked through monitoring.

ii) Benesse Group Environmental Policy clarifies as below:
Environmental issues are an important global priority. We believe that corporations should fulfil 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 and global leadership training, as well as senior and 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 Representative Director and President, CEO is to bear responsibility for climate-related initiatives. We have just established a new Division, the ESG and Sustainability Division, with its Executive Director serving as the chair of the “Sustainability and ESG Promotion Committee” along with the Representative Director and President, CEO as well as other full-time officers as members. This newly created division oversees the evaluation and management of climate-related initiatives.

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	Rewards for each target are listed under C1.3a

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 incentivized	Comment
All employees	Monetary reward	Behavior change related indicator	【For employees and their children】 We host the “My Environment Contest” 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 27 contest entrants through digital application in FY 2020 (fiscal year ending March, 2021). 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 CO2 emissions reduction targets for Scope 1 and 2 in line with the Paris Agreement adopted at COP21 to limit global temperature rise to WB2°C. This was followed by the decision to further raise the reduction targets in line with 1.5°C level. Our revised target from the FY 2018 base year is as follows: Scope 1 and 2: 3.02% for every year, 36.2% by 2030, and 100% by 2050 (carbon neutral). Scope 3: 14.8% by 2030 and 39.4% by 2050 (Certified by SBTi). Our further revised target from the FY 2018 base year is as follows: Scope 1 and 2: 4.4% for every year, and 100% by 2041 (carbon neutral). (Reapplied to SBTi for certification). In case of any compliance violation, including environmental pollution, officers’ renumeration will be

			subject to reduction. Evaluation method for superior performance is currently under consideration. The Sustainability and ESG Promotion Committee, comprised of the Representative Director and President, CEO as well as 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	Set per year
Medium-term	1	10	Set as target for 2030
Long-term	11	30	Set as 2041 and 2050 target（100% reduction in 2041 due to the increase to 1.5°C target for Scope 1 and 2.） ※Both Scope 1, 2 and 3 are SBTi certified for 2050 target. 2041 target is being reapplied for SBTi

C2.1b

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

Significant financial impacts for the Group are defined as major impact (100 million yen or more), medium impact (less than 100 million yen to more than 10 million yen), and minor impact (less than 10 million yen). Significant is defined as 100 million yen 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
Upstream
Downstream

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, opportunities and scenario analyses follow the TCFD procedures, taking into account risks on a short to long term basis. Therefore, potential risks and opportunities have been identified in the processes of the entire value chain, ranging from its upstream to downstream activities, as well as the external environment.

There are specific climate-related risks associated with Benesse's wide-ranging businesses resulting from the nature of these businesses that include pregnancy and child-rearing support, preschool education, elementary school education, junior high school education, high school education, and education business for working adults and schools. To ensure regular delivery of products and services to its large number of customers, Benesse taps into its sources of carefully selected suppliers for raw materials both in Japan and overseas.
Benesse has set its goals, which were certified by SBTi, for 2030 and 2050, through its commitment to reduce Scope 1 and 2 GHG emissions in line with the WB2°C Scenario and Scope 3 emissions in line with the 2°C Scenario. Currently, our revised targets, based on the decision to raise our reduction targets for Scope 1 and 2 upward in line with the 1.5°C Scenario and to achieve 100% reduction in 2041, are being applied for to SBTi for additional certification.

Its analyses and revisions were based on a target goal of a 1.5°C Scenario as well as a business-as-usual 4°C Scenario.

Benesse classifies its substantive financial impact levels as Large Impact (100 million JPY or more), Medium Impact (10 million JPY or more) and Small Impact (less than 10 million JPY).

Climate-related risks should be addressed through three steps: ① Identifying the key business bases that can pose a significant impact to the value chain of our products and services as well as estimated level of potential damage; ② Identifying various factors that affect our external environment ranging from human resources and suppliers, changes in customer behaviour and preferences, reinforcement of laws and regulations, requests from investors, securing alternative goods and routes, to the scope of influence

by new market entrants, ③ Identifying potential risks and opportunities on the basis of their level of impact and probability of occurrence.

More specifically, we have evaluated the level of impact and probability of occurrence in three levels.

● Risks: Level of Impact

・Depth of Impact: Sales decrease/increase rate, cost increase/decrease rate, impact on assets, amount of damage, whether life-threatening or not

・Range of Impact: Percentage of departments affected compared to the whole Group, sales revenue, as well as costs.

・Recoverability: Necessity of transforming the business model in the event of a disaster, time required to repair the infrastructure

● Risks: Probability of Occurrence

・Transition Risks: “3: already present / most likely, 2: partially present / likely, 1: potential / least likely”

・Physical Risks: “3: occur by 2030, 2: occur by 2050, 1: lowest probability”

● Opportunities: Level of Impact

・Estimated market size

・Financial Impact: Sales decrease /increase rate, unit price increase/decrease rate

・Necessity of restructuring the business model and value chain

● Opportunities: Probability of Occurrence

In addition to the strength of probability,

・Technology: Ranging from the practical use stage to probably not put into use

・Can allocate resources (R&D costs, capital investment, human resources) to opportunities or not

・Degree of market receptivity (early adopters or expanding to majority)

Impact level is classified as Large (100 million JPY or more), Medium (from 10 million JPY or more to less than 100 million JPY) and Small (less than 10 million JPY).

Reference data used in each scenario definition are as below.
Taken from the IEA World Energy Outlook 2020, 2021, IPCC Fifth Assessment Report, IPCC Sixth Assessment Report and Reports of WG1 and WG2, Physical risks: Hazard maps issued by areas and local municipalities, Carbon Tax: set with reference to the World Energy Outlook 2021 (1.5°C in the 2030 Scenario was set based on prices of the advanced economies (130 USD/t-CO_2) in WEO2021 Net Zero Emissions by 2050 Scenario. 4°C in the 2030 Scenario was set based on EU prices (65 USD/t-CO_2) in WEO2021 Stated Policy Scenario. 1.5°C in the 2050 Scenario was set based on prices of the advanced economies (250 USD/t-CO_2) in WEO2021 Net Zero Emissions by 2050 Scenario. 4°C in the 2050 Scenario was set based on EU prices (90 USD/t-CO_2) in WEO2021 Stated Policy Scenario.)

We have set variables (parameters) to measure the level of financial impact generated for each year and each scenario. For example, an increased carbon tax rate for Scope 1 will lead to cost increases for Scope 1 while an increased rate for purchasing electricity will increase power prices for purchased electricity. Carbon pricing

fluctuations were calculated based on the World Energy Outlook 2021 carbon tax rates as parameters: 4680 JPY/t-CO2 for the 1.5°C in the 2030 Scenario, 10010 JPY/t-CO2 for the 4°C in the 2030 Scenario, 3120 JPY/t-CO2 for the 1.5°C in the 2050 Scenario, and 11440 JPY/t-CO2 for the 4°C in the 2050 Scenario.

As a result, we identified physical and transition risks, as well as opportunities with large impact and high (including medium) probability of occurrence as follows:
・Physical Risks: Climate change exacerbates extreme weather conditions and increases the frequency and intensity of typhoons and flooding. This can cause changes in shipping methods due to the suspension of logistics networks, the relocation of factories and business sites, the restructuring of supply chains due to environmental changes, and the spread of infectious diseases.
・Transition Risks: Climate change causes changes in precipitation patterns and exacerbates deforestation which in turn leads to sharp increases in paper prices. Shipping costs can also increase sharply due to higher delivery fees following carbon tax and shipping fuel price hikes.

The results of the analysis indicate that physical risks will have the largest impact on the 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 the Benesse Group will be the need to change shipping methods due to the suspension of logistics networks as well as the loss of sales opportunities. Put in more concrete terms, costs borne to change shipping methods in the event of disasters of different levels and scenarios are as follows: (a) Torrential rains equivalent to the 2018 West Japan disaster will cause widespread damage for a few days and require 10 million JPY to manage (probability of occurrence: once under a 1.5°C in the 2030 Scenario, once under a 4°C in the 2030 Scenario, once under a 1.5°C in the 2050 Scenario, and twice under a 4°C in the 2050 Scenario, (b) A Great East Japan Earthquake level disaster will cause extensive widespread damage for about 3 weeks and require 150 million JPY to manage (probability of occurrence: once under a 4°C in the 2050 Scenario). The SCM Department is in charge of making necessary preparations to secure alternative shipping methods based on the above analysis.

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 “Contact Center 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 activities.

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).

Transition risks are listed below with explanations on how they are managed.
Climate change causes changes in precipitation and exacerbates deforestation which can lead to sharp increase in paper prices. Shipping costs can also increase sharply due to higher delivery fees following carbon tax and shipping fuel price hikes.
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 consumes about 0.8% of the total printing and information processing paper produced in Japan). Delivery of paper-based products accounts for the majority of our shipping volume.
We are promoting digital transformation (DX) of our products and services 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 continuously renewed our ISO14001 certification since 2004 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.

In addition, there is a risk for a more stringent restrictions imposed on GHG emissions in case GHG emissions that adversely cause climate change fails to be reduced as planned.
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.
Additionally, we are promoting “work style reform” and working on the reduction of electricity consumption by 40% as we cut rented office space by nearly 50%, 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

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The Representative Director and President, CEO decided to take further steps to introduce additional renewable energy sources from the fiscal year starting April 2022, with targets set at a 50% renewable energy ratio for the fiscal year ending March 2024, and 100% by 2041. Plans are underway to take additional measures including installation of solar power generation facilities in-house or opting for on-site power purchase agreements (PPA).

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	The nature of our business creates a situation where 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	We deliver products and services to a large number of customers through our main business domain that centers around education. There is a risk of delivery cost increases through the supply chain if carbon prices rise or emission regulations are imposed. Over 90% of our facilities are located in Japan. There is a risk of cost increases if carbon prices rise or emission regulations are imposed in Japan. A large proportion of energy is consumed at our company-owned facilities, including the Headquarters building in Okayama City, the Tokyo

		Headquarters building in Tama City, and Benesse Logistics Center in Setouchi City, Okayama Prefecture. If carbon prices rise or emission regulations are imposed, it will pose a risk of increased costs. However, the impact will be limited as our Scope 1 and 2 emission is small.
Technology	Relevant, always included	We performed scenario analyses on climate-related risks and identified that climate change causes increased precipitation along with the frequency and intensity of typhoons and flooding. This can then exacerbate deforestation and impact our paper procurement costs. We are promoting the digital transformation (DX) of our products and services to mitigate such risk based on robust research and development of tablets and the contents to be provided. We benchmark advanced technologies and know-how, review and seek alternative delivery methods, contents and energy-efficient merchandise while examining the most energy-efficient specifications for products to be delivered to our customers.
Legal	Not relevant, included	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. Based on our confirmation, we believe the risk of lawsuits from global warming 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 that can expose potential risks of 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. Companies perceived to have a “negative impact on the environment” will come under criticism, with changes in values and behaviour of customers to avoid our products.
Acute physical	Relevant, always included	In the case major disasters caused by climate-related acute physical risks occur, including massive typhoons and flooding, it will lead to cost increases as we need to change the shipping methods of our products and services due to the suspension of logistics networks. There is the additional risk of a decrease in revenues caused by lost sales opportunities when direct mail services, our primary marketing tool, are

		interrupted due to the voluntary suspension of sales activities in disaster-affected areas.
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.

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?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

We deliver products and services directly to a large number of customers through our main business domain that centers around education.
It is anticipated that delivery costs will increase reflecting the sharp rise in carbon taxes as well as cost increases associated with the switch to EVs and/or the switch to renewable energy sources when more rigorous policies, laws and regulations are introduced to address climate change. Delivery costs to our customers have a significant impact on our business which depends heavily on paper. Our paper consumption totalled 51,823 tons for the reporting FY2021.

Our main education business relies on direct mailing as its primary sales method, which makes Benesse the second largest sender of direct mail in Japan, including learning materials sent out on a monthly basis. An increase in shipping costs poses a significant impact on our financial status. Benesse consumes about 0.8% of the total printing and information processing paper produced in Japan while delivery of paper-based products and services accounts for 16.3% of its sales expenses.

It is anticipated that when carbon taxes equivalent to those in Europe and the US are introduced, there is good possibility this will push up delivery prices. In case fuel costs also increase, it can trigger an overall cost rise including delivery costs.
Changes in the means of transportation, estimating that the ratio of plug-in hybrid vehicles, battery electric vehicles and fuel cell vehicles will reach 64% in 2030 and 100% in 2050 under the 1.5°C Scenario, is another factor that could lead to a cost increase.

Delivery-related labour costs and wages tend to keep rising, so businesses are beginning to rely on automation and gig workers. In this situation, labour costs can rise in the short term, while automation and improved efficiency can keep the costs down over the medium to long-term. When automation faces difficulties, costs can rise. However, these factors were not incorporated into the current assumption as they do not fit in the scope of climate change.

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)

1,420,000,000

Potential financial impact figure – maximum (currency)

3,700,000,000

Explanation of financial impact figure

The potential financial impact of learning materials shipped is estimated at between 1.42 billion JPY to 3.7 billion JPY on the basis of the volume remaining the same.
(However, we are working on reducing the number of items to be shipped)

MIN: Learning materials shipment 28 million items × 15 JPY / item + direct mail 200

million x 5 JPY / mail = 1.42 billion JPY

MAX：Learning materials shipment 28 million items × 25 JPY / item + direct mail 200 million x 15 JPY / mail = 3.7 billion JPY

【Explanation of the above figures】
● 1.5°C in the 2030 Scenario anticipates advances in decarbonization and automation.
① Fuel Cost: Crude oil price will decrease by approx. 15% of the 2020 level (WEO 2021). About 5% of trucks will be switched to EVs. Switching to renewable energy sources will push up costs that will be reflected in unit prices.
② Carbon Tax: 3 JPY will be added to learning material shipping fees while 2 JPY will be added to direct mail shipping fees.
⇒ Learning material shipping fee + 25 JPY/ item, direct mail shipping fee +15 JPY / mail

● 4°C in the 2030 Scenario anticipates decarbonization remains as BAU while automation as in the 2°C in the 2030 Scenario.
① Fuel Cost: Crude oil price will increase approx. 83% of the 2020 level (WEO 2021). 3 JPY will be reflected in unit prices.
② Carbon Tax: “Approx. 7,000 JPY/t-CO_2” will be added to the delivery costs (estimated around 2 JPY)
⇒ Learning material shipping fee + 10 JPY/ item, direct mail shipping fee + 5 JPY / mail

【The above delivery cost increase is based on the following assumptions】
・Shipping companies are unlikely to raise prices unless there is a continuing trend upward in gasoline prices. As for Yamato Holdings Co., Ltd., fuel expenses account for 1.5% of the overall revenues, which makes it unlikely for the company to raise shipping prices significantly on the basis of crude oil prices.
・Japan Post Co., Ltd. has a monopoly on the postal services, which makes it easier for the company to raise prices. When it comes to door-to-door parcel delivery service, however, there are multiple operators with similar price ranges which makes it more difficult to raise prices. (Yamato Holdings revised its prices in 2018 and there is an overall trend of rising unit prices).
・Against such a backdrop, the financial impact of delivery costs is based on the assumption that “fluctuating factors, such as an increase in crude oil prices or labour costs, will be reflected in prices”.
・Labour costs and wages tend to keep rising, so businesses are beginning to promote automation and gig workers. In this situation, ① labours costs can rise in the short term, and ② when automation faces difficulties, the rise in labour costs can be reflected in the prices.
・When carbon taxes are introduced, there is good possibility this will be added to delivery prices.
・Yamato Holdings is committed to net zero carbon emissions by 2050.

・Japan Post is promoting the switch to EVs based on low goals. Costs associated with switching to EVs are identified as a risk factor (based on Article 13 of the Act on Japan Post Holdings Co., Ltd.).

Changes in the means of transportation is estimated to reach a ratio of plug-in hybrid vehicles, battery electric vehicles and fuel cell vehicles to reach 64% in 2030 and 100% in 2050 under the 1.5°C Scenario.

Cost of response to risk

85,000,000

Description of response and explanation of cost calculation

It is anticipated that delivery costs will increase reflecting the sharp rise in carbon taxes as well as cost increases associated with the switch to EVs and/or the switch to renewable energy sources towards 2030 when more rigorous policies, laws and regulations are introduced to address climate change. Benesse consumes about 0.8% of the total printing and information processing paper produced in Japan and delivery of paper-based products accounts for majority of its shipping volume.

We are promoting digital transformation (DX) of our products and services 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 continued to achieve ISO14001 certification since 2004 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.

As a result, our learning materials are used on tablets for 70% of elementary and junior high school students while nearly 100% of high school students are using smartphones. Consequently, paper consumption has been reduced 60% per elementary and junior high school student who opted for tablet-based learning materials. Of our paper costs that total 5.9 billion JPY, 71% are for costed items and 29% are for non-costed items (data for the reporting year).

・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

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?

Upstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Reduced direct costs

Company-specific description

As background, intensifying global warming due to climate change can trigger decreases in the forests that supply primary raw material for paper. Learning materials constitute the majority of our products, most of which are provided to schools as material printed on paper. Benesse consumed 51,823 tons of paper for the reporting year or about 0.8% of the total printing and information processing paper produced in Japan. If we can reduce the amount of paper consumption which accounts for the largest part of Scope 3 raw material procurement, we can reduce not only GHG emissions but also paper costs. This can be done while working to improve the learning experience and enhance customer satisfaction through the digital transformation (DX) of our products and services. Benesse can play an instrumental role in preventing deforestation and alleviating climate change.

We try to cut down on paper-based products and gradually switch to digitalized products over the next few years as we promote digital transformation (DX) of our products and services. Our focus is placed on shifting towards digital products, which also constitutes one of the priority measures in the new Mid-term Management Plan. We also accelerate measures to reduce paper consumption by switching to exchanging documents (Quotations, Purchase Orders, Statements of Delivery, Inspection Documents, Mock Exam Reports etc.) and information online among our offices, employees, clients/suppliers, and customers.

As we work to reduce the amount of paper consumption, it brings us an opportunity to reduce delivery costs.
We deliver products and services directly to a large number of customers through our main business domain that centers around education.
It is anticipated that delivery costs will increase reflecting the sharp rise in carbon taxes as well as cost increases associated with the switch to EVs and/or the switch to renewable energy sources towards 2030 when more rigorous policies, laws and regulations are introduced to address climate change. Delivery costs will have a significant impact on our business which depends heavily on paper (Benesse consumes about 0.8% of the total printing and information processing paper produced in Japan).
While delivery costs may increase as we send out our products across the country from the Logistics Center in Okayama Prefecture, we can significantly reduce paper consumption by promoting a strategic digital transformation (DX) and cut the delivery costs of our products and services.

We are working to reduce delivery costs by digitalizing some of our paper-based learning materials and tapping into AI technology to provide individualized online instructions for ease of use, to improve the learning experience, and to achieve profitability. Our learning materials are used on tablets for 70% of elementary and junior high school students while nearly 100% of high school students are using smartphones. Through our home study business “Shinken Zemi” offered to elementary to high school students, we create and deliver our unique tablet-based learning materials.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a estimate range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,744,500,000

Potential financial impact figure – maximum (currency)

2,038,500,000

Explanation of financial impact figure

【Total Reduction Effect of Paper Consumption and Delivery Costs】
1.5°C Scenario as the minimum
Paper consumption reduction effect 1.357 billion JPY + Delivery costs reduction effect 408.8 million JPY = 1.7658 billion JPY

4°C Scenario as the maximum
Paper consumption reduction effect 1.357 billion JPY + Delivery costs reduction effect 702.8 million JPY = 2.0598 billion JPY

Breakdown as below:
【Reduction Effect of Paper Consumption】
5.9 billion JPY x 0.1 (cost increase for 10% increase in paper unit price) – [5.9 billion JPY x 1.1 (10% increase in paper unit price) x 0.3 (paper consumption reduced to 70%) = ▲1.357 billion JPY (reduction effect estimated at 1.357 billion JPY)

※ The basis of a 10% increase in paper procurement costs is as below:
Review based on the Bank of Japan Corporate Goods Price Index “Paper and Paperboard”.
Paper prices are subject to various factors as listed below. Following the price increase of 10% from 2015 to 2020, the calculation is based on the assumption that paper prices will continue to increase at the same rate from 2020 to 2030, thus there will be a “10% price increase up to 2030”.

【Factors affecting paper price volatility】 ・Advances in digitalization; decrease in paper media due to the impact of the novel coronavirus; crude oil price hikes; sharp rise in pulp prices and tight supply in the global pulp market; increase in logistics costs; deterioration of the supply-demand balance; structural factors that affect demand and supply such as an aging society combined with a declining birth rate

https://www.toshibatec.co.jp/products/office/loopsspecial/blog/20201106-49.html

※　Paper consumption reduced to 70% through product and service planning.

【Reduction Effect of Delivery Costs】
1.5°C Scenario as the minimum
28 million items x 70% x 132 JPY/item – 28 million items x 107 JPY = ▲408.8 million JPY
(reduction effect estimated at 408.8 million JPY)

4°C Scenario as the maximum
28 million items x 70% x 117 JPY/item – 28 million items x 107 JPY = ▲702.8 million JPY
(reduction effect estimated at 702.8 million JPY)

～【Explanation of Reduction Effect of Delivery Costs】

● 30% reduction in delivery volume through strategic digital transformation (DX) of products and services.

● 1.5°C in the 2030 Scenario anticipates advances in decarbonization, automation and efficiency improvement.
① Fuel Cost: Crude oil price will decrease by approx. 15% of the 2020 level (WEO 2021). About 5% of trucks will be switched to EVs. Switching to renewable energy sources will push up costs that will be reflected in unit prices.
② Carbon Tax: 3 JPY will be added to learning material shipping fees while 2 JPY will be added to direct mail shipping fees.
⇒ Learning material shipping fee + 25 JPY/ item, direct mail shipping fee +15 JPY / mail

● 4°C in the 2030 Scenario anticipates decarbonization remains as BAU while automation and efficiency improvement as in the 1.5°C in the 2030 Scenario.
① Fuel Cost: Crude oil price will increase approx. 83% of the 2020 level (WEO 2021). 3 JPY will be reflected in unit prices.
② Carbon Tax: “Approx. 7,000 JPY/t-CO_2” will be added to the delivery costs (estimated around 2 JPY)
⇒ Learning material shipping fee + 10 JPY/ item, direct mail shipping fee + 5 JPY / mail

【The above delivery cost increase is based on the following assumptions】
・Shipping companies are unlikely to raise prices unless there is a continuing trend upward in gasoline prices. As for Yamato Holdings Co., Ltd., fuel expenses account for 1.5% of the overall revenues, which makes it unlikely for the company to raise shipping prices significantly on the basis of crude oil prices.
・Japan Post Co., Ltd. has a monopoly on the postal services, which makes it easier for the company to raise prices. When it comes to door-to-door parcel delivery service, however, there are multiple operators with similar price ranges which makes it more difficult to raise prices. (Yamato Holdings revised its prices in 2018 and there is an overall trend of rising unit prices).

・Against such a backdrop, the financial impact of delivery costs is based on the assumption that “fluctuating factors, such as an increase in crude oil prices or labour costs, will be reflected in prices”.
・Labour costs and wages tend to keep rising, so businesses are beginning to promote automation and gig workers. In this situation, ① labours costs can rise in the short term, and ② when automation faces difficulties, the rise in labour costs can be reflected in the prices.
・When carbon taxes are introduced, there is good possibility this will be added to delivery prices.
・Yamato Holdings is committed to net zero carbon emissions by 2050.
・Japan Post is promoting the switch to EVs based on low goals. Costs associated with switching to EVs are identified as a risk factor (based on Article 13 of the Act on Japan Post Holdings Co., Ltd.).

Under the 1.5°C Scenario, the ratio of plug-in hybrid vehicles, battery electric vehicles and fuel cell vehicles will reach 64% in 2030 and 100% in 2050.

Cost to realize opportunity

8,500,000

Strategy to realize opportunity and explanation of cost calculation

As background, intensifying global warming due to climate change can trigger decreases in the forests that supply primary raw material for paper. Learning materials constitute the majority of our products, most of which are provided to schools as material printed on paper. Benesse consumed 51,823 tons of paper for the reporting year or about 0.8% of the total printing and information processing paper produced in Japan. If we can reduce the amount of paper consumption, we can curb deforestation which can lead to alleviating climate change. This, on top of reducing the paper procurement costs, will have a positive impact outweighing the rise in costs caused by tablet-based learning materials.

Our main education business relies on direct mailing as its primary sales method, which makes Benesse the second largest sender of direct mail in Japan, including learning materials sent out on a monthly basis. A decrease in shipping costs will have a significant impact on our financial status.

Paper consumption and delivery accounts for nearly 60% of our Scope 3 emissions (taking into account the increase in tablet-based learning materials).

We are promoting digital transformation (DX) of our products and services to address this challenge.
We try to cut down on paper-based products and gradually switch to digitalized products over the next few years.
Our focus on promoting the shift towards the digital transformation (DX) of our products and services constitutes one of the priority measures in the new Mid-term Management Plan.

- 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. We can enhance our competitiveness at the same time. We also accelerate measures to reduce paper consumption by switching to exchanging documents (Quotations, Purchase Orders, Statements of Delivery, Inspection Documents, Mock Exam Reports etc.) and information online among our offices, employees, clients/suppliers, and customers.
- 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.

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 have continued to achieve ISO14001 certification since 2004 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.

As a result, our learning materials are used on tablets for 70% of elementary and junior high school students while nearly 100% of high school students are using smartphones. Consequently, paper consumption has been reduced 60% per elementary and junior high school student who opted for tablet-based learning materials. Of our paper costs that total 5.9 billion JPY, 71% are for costed items and 29% are for non-costed items.

We also select the paper manufacturer through a bidding process conducted alongside other considerations. Paper determined to not be associated with illegal logging and with a low environmental impact will be selected for our annual contract while we engage in price negotiations with the paper manufacturer. We are able to control costs because we have an understanding of future trends in the paper industry including a forecast for the coming few years.

・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

Opp2

Where in the value chain does the opportunity occur?

direct operation

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased sales due to increased demand for goods and services

Company-specific description

As background, intensifying global warming due to climate change can trigger decreases in the forests that supply primary raw material for paper. Most of our products are delivered every month in printed form, making us one of the largest paper consumers (Benesse consumed about 0.8% of the total printing and information processing paper produced in Japan. Paper accounts for the largest proportion of our Scope 3 emissions). If we can reduce the amount of paper consumption, we can curb deforestation which can lead to alleviating climate change.

We are promoting digital transformation (DX) of our products and services to address this challenge.
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%.

We try to cut down on paper-based products and gradually switch to digitalized products over the next few years through our digital transformation (DX) strategy.
Our focus on promoting the shift towards the digital transformation (DX) of our products and services constitutes one of the priority measures in the new Mid-term Management Plan. For example, we accelerate measures to reduce paper consumption by switching to exchanging documents (Quotations, Purchase Orders, Statements of Delivery, Inspection Documents, 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.

As a result, our learning materials are used on tablets for 70% of elementary and junior high school students while nearly 100% of high school students are using smartphones.

Consequently, paper consumption has been reduced 60% per elementary and junior high school student who opted for tablet-based learning materials while we achieved 3.2% increase in our sales.

Time horizon

Medium-term

Likelihood

More than 50% chance

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single estimate

Potential financial impact figure (currency)

5,600,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The business model is a fixed-cost subscription model, in which a fixed amount is received each month on an ongoing basis.
Based on past results, a 1% increase in the retention rate leads to a 5% increase in sales, which is the company's goal.

Sales of 112.3 billion yen x 5% = 5.6 billion yen

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 a decrease in forests that supply the primary raw material for paper. As our business consumers a large amount of paper, it can lead to an increase in paper procurement costs. Circumstances surrounding education also undergo drastic changes.

We need to enhance digitalization, especially the use of tablet-based learning materials, to replace paper consumption while working to improve the learning experience. We are promoting digital transformation (DX) of our products and services.

As a countermeasure, we have been advancing the digitalization of learning materials through

the introduction of the Learning Management System (LMS) and keeping track of the status of how the tablet-based “Shinken Zemi” is used. We compile and manage learning record, promote good learning habits, while encouraging and supporting the learning experience with the goal to enhance customer satisfaction and increase membership retention rate.

As a result, the use of digitalized learning material for “Shinken Zemi” correspondence courses for elementary and junior high school students increased considerably from 34% in 2018 to about 70% in the reporting year.

The total expenses estimated at 100 million JPY include research (qualitative and quantitative) costs for members using tablet-based learning materials, LMS depreciation expenses, and web-based marketing activity fees.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Ability to diversify business activities

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

As background, global warming will intensify climate-related extreme weather conditions like massive typhoons, while the public and private sectors are accelerating various measures that aim toward carbon neutrality by 2050.
The “Green Growth Strategy” announced by the Japanese government highlights the importance of capacity building. This strategy is accompanied by granting climate-related academic credits and increasing the enrollment in university departments as well as enhancing STEAM education in the elementary and secondary education levels.
Increasing media coverage on environmental issues has enhanced eco-awareness of our customers and consumers.
Benesse has a significant advantage in promoting environmental education with a focus on climate change, and it can respond to shifting customer awareness through its main business that focuses on education. We are working strenuously to achieve carbon neutrality by 2050 to make the earth more sustainable so that children can achieve “well-being” for a better and safer life, apropos of our Corporate Philosophy “Benesse = Well-

Being."
Benesse has taken an overwhelming share of high schools by providing learning materials that promote STEAM education. "Tankyu Nabi (Inquiry Navigator)" for schools has contents such as "will countries in the south be submerged by global warming?" This can attract the interest of students and support learners in practicing inquisitive ways of thinking and deepening their understanding of actual social issues. Benesse also developed content on "STEAM education for disaster prevention and risk reduction" for high school students, as part of the STEAM Library in the "Mirai no Kyoshitu (Future Classroom)," a project of the Ministry of Economy, Trade and Industry. These educational support materials allow high school students to investigate regional disaster prevention and risk reduction based on hazard maps and statistical information from the areas in which they live. At the same time this helps students to understand the state of disasters occurring in Japan and around the world. High school students, in collaboration with universities, private companies, and local government agencies, will also consider the use of technology, such as the role of robots as part of the solutions in disasters and risk reduction.
Furthermore, Benesse has also been providing advanced products and services to support inquisitive learning on different issues to reduce environmental impacts, such as the communication forum "Benesse STEAM Festival".
https://benesse-hd.disclosure.site/ja/themes/150

Currently, we are providing environmental education within a framework to fortify science and social studies education, based on the Curriculum Guideline issued by the Ministry of Education, Culture, Sports, Science and Technology. However, we are still at the early stages of providing STEAM education and there are not yet enough educational opportunities to develop problem-solving skills to address environmental and social issues which leaves enough room to diversify our educational business activities. This creates a significant opportunity for Benesse with its strong content development skills and experience.

Time horizon

Medium-term

Likelihood

More than 50% chance

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)

870,000,000

Potential financial impact figure – maximum (currency)

1,740,000,000

Explanation of financial impact figure

Assuming a 4°C world as MIN.
870 million yen as sales per 1% of high school share x 10% of future high school share
Assuming a 1.5°C world as MAX
1.74 billion yen as sales per 1% share of high school market x 20% share of future high school market

Cost to realize opportunity

40,000,000

Strategy to realize opportunity and explanation of cost calculation

As background, global warming will intensify climate-related extreme weather conditions like massive typhoons, while the public and private sectors are accelerating various measures that aim toward carbon neutrality by 2050.
The “Green Growth Strategy” announced by the Japanese government highlights the importance of capacity building. This strategy is accompanied by granting climate-related academic credits and increasing the enrollment in university departments as well as enhancing STEAM education in the elementary and secondary education levels.
Increasing media coverage on environmental issues has enhanced eco-awareness of our customers and consumers.
Benesse has a significant advantage in promoting environmental education as we aim toward carbon neutrality by 2050 and respond to shifting customer awareness through its main business that focuses on education.
In particular Benesse has taken an overwhelming share of high schools by providing advanced products and services to promote STEAM education for high school students with learning materials such as “Tankyu Nabi (Inquiry Navigator)” for schools and a communication forum “Benesse STEAM Festival.”

Currently, we are providing environmental education within a framework to fortify science and social studies education, based on the Curriculum Guideline issued by the Ministry of Education, Culture, Sports, Science and Technology. However, we are still at the early stages of providing STEAM education and there are not yet enough educational opportunities to develop problem-solving skills to address environmental and social issues which leaves enough room to diversify our educational business activities.

More specifically, Benesse offers learning materials “Tankyu Nabi (Inquiry Navigator),” for schools with content for learning about the “inquiry-based learning process” and “necessary approaches”. It supports learners in practicing inquisitive ways of thinking and deepening their understanding of global warming based on actual social issues that include climate change and marine plastic pollution. We also provide a communication forum, “Benesse STEAM Festival,” where junior and senior high school students from across Japan share inquisitive learning on different issues, including SDGs, which is a popular theme. Cases presented range from surveys to experimental studies on the development of apps (Aoyama Gakuin Senior High School created a

tool to visualize the amount of GHG emissions reduced in our daily activities).
Benesse developed content on the use of technology in disaster prevention and risk reduction, as part of the STEAM Library in the “Mirai no Kyoshitu (Future Classroom),” a project of the Ministry of Economy, Trade and Industry.
As we look ahead into the future, there are opportunities to expand the scope of our educational services in response to the enhanced eco-awareness of our customers.

The “Benesse STEAM Festival” was held online in March 2021 where 60 selected teams from across the country made a presentation. Each year, we are attracting an increasing number of enthusiastic participants. For the Festival scheduled in March 2022, we will evaluate our achievements against whether we have gained more customers from the previous year.

Benesse supports the development of wide-ranging products and services through its newly launched system that encourages proposals for new businesses along with a suggestion scheme for business improvement “B-STAGE”.
The estimated cost to manage this new system totals 40 million JPY that covers fees for training, financial incentives, and outsourcing. It does not include labor costs.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

Yes

Mechanism by which feedback is collected from shareholders on your transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

The IR (Investor Relations) Department engages in dialogue with asset managers and investors.

During the reporting year, in total 201 explanatory meetings and SR/ESG meetings (10 Shareholder Relations and 1 ESG Meetings) were held where we had active exchanges of opinions with asset managers and investors and in return received feedback on our business activities.
Being a relatively small GHG emitter, we got a limited number of questions that focused on how we had established our goals for reductions in GHG emissions, how we track and manage our goals progress, as well as specific measures to be implemented to achieve our reductions. We explained a number of concrete steps we have been taking, such as raising the renewable energy targets at the same time as we were revising the targets for Scope 1 and 2 in line with the 1.5°C Scenario. Additionally, we have been promoting the digital transformation (DX) of our products and services to work on Scope 3 reductions.
We have also reviewed and updated our information disclosure based on the TCFD recommendations for our revised target goal for Scope 1 and 2 in line with the 1.5°C Scenario. The information is published on our website.

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your transition plan (optional)

Results of TCFD scenario analysis consistent with 1.5°C target

202200603tcfd_disclosure.pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA NZE 2050	Company-wide		・A carbon tax price for the 1.5°C Scenario was set based on the estimated prices of the advanced economies in WEO 2021 NZE. ※ Reference made to the highest figure. ・The renewable energy price for the 1.5°C Scenario was estimated at 10,000 JPY/t-CO_2. ・Electricity prices for the 1.5°C Scenario will see no increase in the difference between renewable and non-renewable energy prices in 2030. Power

			from fossil fuels + carbon tax will lead to +4 JPY/kWh in 2030 and +8 JPY/kWh in 2050. ・The crude oil price was estimated at 4,680 JPY/bbl in 2030 and 3,120 JPY/bbl in 2050. (Exchange rate of 1 USD=130 JPY)
Transition scenarios IEA STEPS (previously IEA NPS)	Company-wide		・A carbon tax price for the 4°C Scenario was set based on the estimated prices of the EU in WEO 2021 Stated Policies Scenario. ※ Reference made to the highest figure. ・The renewable energy price for the 4°C Scenario was estimated at 5,000 JPY/t-CO_2. ・Electricity prices for the 4°C Scenario will see a difference between renewable and non-renewable energy prices in 2030 of +4 JPY/kWh. Power from fossil fuel + carbon tax will lead to +2 JPY/kWh in 2030 and +3 JPY/kWh in 2050. ・The crude oil price was estimated at 10,010 JPY/bbl in 2030 and 11,440 JPY/bbl in 2050. (Exchange rate of 1 USD=130 JPY)
Physical climate scenarios RCP 1.9	Company-wide		References made to a temperature rise in the 2030 scenario is estimated at 1.5°C and 1.6°C in the 2050 scenario based on the IPCC：SSP1-1.9 (AR6 WG I,II). ・Exchange rate of 1 USD=130 JPY
Physical climate scenarios RCP 8.5	Company-wide		References made to a temperature rise in the 2030 scenario is estimated at 1.6°C and 2.4°C in the 2050 scenario based on the IPCC：SSP5-8.5 (AR6 WG I,II). ・Exchange rate of 1 USD=130 JPY

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

When greenhouse gas (GHG) emission regulations are reinforced or more stringent reduction obligations are enforced, it can have financial consequences on the delivery and administrative costs of logistics companies which may switch to transportation means with a smaller carbon impact. There is also growing awareness and engagement

in environmental initiatives taken by businesses among Generation Z and their families who constitute our main customer base.

① The surge in delivery costs due to climate change will have a significant impact on our business.
We deliver products and services directly to a large number of customers through our main business domain that focuses on education.
Since we send out our products across the country from the Logistics Center in Okayama Prefecture, it is anticipated that delivery costs will increase reflecting the sharp rise in carbon taxes. We anticipate cost increases associated with the switch to EVs and/or renewable energy sources when stricter policies, laws and regulations are introduced to address climate change.

② Due to the large volume of paper consumption in our business, the risk to our reputation if we're seen as a company having a negative impact on the environment.
The learning materials of our main education business make up the majority of our products, making us one of the largest paper consumers. While paper consumption was reduced by nearly 50% from 2011 to 2021, we consumed as much as 0.8% of the total printing and information processing paper produced in Japan. There is a risk of damage to our brand image if we are judged as a major Scope 3 (purchase of raw materials) emitter that has negative impact on the environment.

Results of the climate-related scenario analysis with respect to the focal questions

① The surge in delivery costs due to climate change

Since we send out our products across the country from the Logistics Center in Okayama Prefecture, it is anticipated that delivery costs will increase reflecting the sharp rise in carbon taxes. We anticipate cost increases associated with the switch to EVs and/or renewable energy sources towards 2030 when stricter policies, laws and regulations are introduced to address climate change. Benesse consumes about 0.8% of the total printing and information processing paper produced in Japan and delivery of paper-based products accounts for majority of its shipping volume.

The results of climate-related scenario analysis are as below:
The rise in crude oil prices will push up the prices of gasoline and lead to higher delivery fees. The rise in carbon taxes will also increase delivery fees that will push up the shipping costs.
On the other hand, as decarbonization moves forward, it will push down crude oil prices with a possible reduction in shipping costs.
A rise in labour costs can be offset with automation and lead to a decrease in delivery costs. However, if automation fails, it can result in a rise in delivery costs.

The results of the scenario analysis highlight the need to promote decarbonization, curb the price hike in crude oil and further automate the delivery processes.

It is assumed that carbon tax and delivery costs will have a larger impact in the 1.5°C world than in the 4°C world.

② Due to the large volume of paper consumption in our business, the risk to our reputation if we're seen as a company having a negative impact on the environment.
Benesse provides paper-based products to students from pre-schoolers up to senior high school, making it one of the largest paper consuming businesses. Environmental awareness has been growing among our customers. This may result in our sales decrease and a fall in stock prices if our paper consumption practice is judged to have a negative impact on the environment.

Our main business focuses on education and our customers are mainly children (from pre-schoolers up to senior high school and university students) or who we call "the exchange students from the future". Our business will have a significant impact to those in the education sector and society as a whole on a medium- to long-term basis.

The results of climate-change scenario analysis are as below:
The growing environmental awareness throughout society will lead to the development of more eco-friendly alternatives. This new trend will invite more competitors which has the potential risks of decreasing the number of our customers and sales. Damage to our brand image and reputation may also undermine customer loyalty and reduce our sales. Eventually they could push the stock price down as well.
Moreover, growing environmental awareness among people will boost ESG investing. If we are judged as taking a passive approach to climate change, it will have an adverse impact on the stock prices.

The results of the scenario analysis highlight the need to switch to more eco-friendly services as well as to improve our brand image by strengthening our climate change countermeasures. A proactive approach can lead to optimize the social value of our thus bringing about greater economic value.

It is assumed that the development of eco-friendly alternative services, safeguarding the brand image, as well as ESG investment will have a larger impact in the 1.5°C world than in the 4°C world.

C3.3

(C3.3) 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-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 590 million JPY of cost increase 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 result in cost reduction of 1.357 billion JPY on a medium- to long-term basis, regardless of the cost increase as above.
Supply chain and/or value chain	Yes	It is anticipated that climate change will impact the supply chain and/or value chain of learning materials and toys. In case there is suspension of production and logistics from overseas suppliers due to major natural disasters, we need to rely on alternative measures including air freight that is estimated to cost 100 million JPY per disaster. Our countermeasures include reviewing the possibility of relocating our production bases and factories.
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. Risks we face include changes in shipping methods due to the suspension of logistics networks caused by extreme weather conditions that will increase the frequency and intensity of typhoons and flooding. Climate change also causes changes in precipitation patterns and exacerbates deforestation which in turn leads to sharp increases in paper prices. Through our main business such as “Shinken Zemi,” we have been promoting the digital transformation (DX) of our products and services, achieving reduced paper consumption, and improving the learning experience, while curbing cost increases to enhance our competitiveness by providing superior products and services. We are expanding IT-based learning materials for schools through our R&D programs, ranging from contents to tools

		development. We have promoted digitalization of our learning materials and expanded lineup of tablet-based products and services that enable us to compile large amounts of customer data, to provide products and services that meet customer needs and to boost our sales and profits. More specifically, digital-based materials can build on the strengths of Benesse in supporting students as they deepen their understanding, facilitating correct-incorrect judgements to improve the learning experience, and stimulating children's appetite for learning. Consequently, we can improve the learning experience and enhance customer satisfaction, which will lead to increased membership retention rates 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	Potential challenges faced by Benesse Group will be the need to change shipping methods to deliver its products and services to customers when climate change causes alterations in precipitation and intensifies typhoons and flooding that can suspend the logistics networks. Our past performance estimates the costs borne in changing shipping methods in the event of disasters of different levels are as follows: (a) Torrential rains equivalent to the 2018 West Japan disaster will require 10 million JPY to manage (for a few days); (b) A Great East Japan Earthquake level disaster will require 150 million JPY to manage (for about 3 weeks). The SCM Department is in charge of making the necessary preparations to secure alternative shipping methods. Climate-related risks include deforestation, which is exacerbated by changes in precipitation patterns. It will have a significant impact on our business which depends heavily on paper. To mitigate such risks, we are going paperless across Benesse group companies in the Operations Division and will promote the following 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 The Operations Division provides services to teachers and schools. We introduced electronic purchase orders and promoted paperless operations. ③ We are promoting the digital transformation (DX) of the editing process and have cut down on printing the first proof as well as delivery. We could reduce costs for paper consumption, delivery and outsourcing (from FY2020). Benesse has invested 60 million JPY to ①, ② and ③ as above. The cost reduction achieved by paperless operations totals 57 million JPY per year.

C3.4

(C3.4) 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 Indirect costs	1) Potential anticipated effect on revenues ・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 have reflected the research results in our financial plan that show a correlation between digitalization and an improved learning experience as we can compile large amounts of customer data, including learning records and methods, to provide products and services that meet customer needs. We can expect sales to increase following an increase in “retention rate,” one of our major KPIs. Research results on climate change-induced consumer behavioural changes (awareness of reduced paper consumption or an improved learning experience by digitalization) are reflected in our financial plan. Our past performance proves that an 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 around 5%. 2) Potential anticipated effect on direct spending 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 changes in shipping methods of "Kodomo Challenge" and "Shinken Zemi" due to the suspension of logistics networks in the event of a disaster.

① Risks caused by unexpected incidents

We will need to change shipping methods for the delivery of "Kodomo Challenge" and "Shinken Zemi" to disaster-affected areas when the logistics networks are suspended due to a disaster. Based on our past performance, the impact on our business is estimated as follows: (a) widespread damage caused by a disaster (equivalent to the Torrential Rain in Western Japan in 2018) will require 10 million JPY to manage in case the logistics network is suspended (for a few days), and (b) extensive widespread damage caused by a disaster (same level as the Great East Japan Earthquake) will require 150 million JPY to manage in case the logistics network is suspended (for about three weeks).

② Potential opportunities

We are promoting strategic digital transformation (DX) of our products and services like "Challenge Touch" to reduce paper consumption, curb cost increase and eventually enhance our competitiveness.

There are opportunities to reduce paper consumption and save 1.357 billion JPY on a medium- to long-term basis, regardless of the possible paper procurement cost increase due to shortages in paper.

3) Potential anticipated effect on indirect spending

・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 (0.6tCO_2/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.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?

Yes

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.

Financial Metric

Revenue

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

0.01

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

0.2

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

1

Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world

Simulation of sales increase due to environmental education is as follows
For a 1.5°C world in 2030, sales per 1% market share (30 million yen + 57 million yen) x future market share
* For 2050, sales per 1% market share is multiplied by the percentage of decrease in the number of schools (61%).

C4. Targets and performance

C4.1

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

aggregate 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

2020

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

120

Base year Scope 2 emissions covered by target (metric tons CO2e)

7,477

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

7,597

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2050

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

76

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

5,204

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

5,280

% of target achieved relative to base year [auto-calculated]

30.4988811373

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain target coverage and identify any exclusions

The target is set at 3.02%/year reduction against the total Scope 1+2 with 2018 as the base year; the target for 2050 is 100% reduction. There are no exclusions.
Emissions in the reporting year (2021) are 5,280 t-CO2, a 30.5% reduction versus the base year, which is significantly ahead of schedule.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 2

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

120

Base year Scope 2 emissions covered by target (metric tons CO2e)

7,477

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

7,597

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

36.2

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

4,846.886

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

76

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

5,204

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

5,280

% of target achieved relative to base year [auto-calculated]

84.2510528654

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain target coverage and identify any exclusions

The target is set for 2018 as the base year and the target for FY2030 is a 36.2% reduction relative to the total Scope 1 amount. There are no exclusions.
Emissions in the reporting year (2021) are 5,280 t-CO2, a 30.5% reduction versus the base year, which is significantly ahead of schedule.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 3

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 9: Downstream transportation and distribution
Category 11: Use of sold products
Category 12: End-of-life treatment of sold products

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3 emissions covered by target (metric tons CO2e)

220,450

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

220,450

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2050

Targeted reduction from base year (%)

39.4

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

133,592.7

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

208,528

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

208,528

% of target achieved relative to base year [auto-calculated]

13.725962009

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

2°C aligned

Please explain target coverage and identify any exclusions

The target is set at 1.23%/year reduction against Scope 3, with 2018 as the base year. The target for 2050 is a 39.4% reduction.
Emissions in the reporting year (2021) were 208,528 t-CO2, a 5.4% reduction compared to the base year, and are being reduced ahead of schedule.

The categories covered are as follows
Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 9: Downstream transportation and distribution
Category 11: Use of sold products
Category 12: End-of-life treatment of sold products

Category 15 (Investment) is excluded because it is not a core business plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 4

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

Scope 3 category(ies)

Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 9: Downstream transportation and distribution
Category 11: Use of sold products
Category 12: End-of-life treatment of sold products

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

Base year Scope 2 emissions covered by target (metric tons CO2e)

Base year Scope 3 emissions covered by target (metric tons CO2e)

100

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

220,450

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

14.8

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

187,823.4

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

208,528

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

208,528

% of target achieved relative to base year [auto-calculated]

36.5407366995

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

2°C aligned

Please explain target coverage and identify any exclusions

The target is set for 2018 as the base year, and the target for 2030 is a 14.8% reduction versus Scope 3.
Emissions in the reporting year (2021) were 208,528 t-CO2, a 5.4% reduction compared to the base year, and are being reduced ahead of schedule.

The target is set at 1.23%/year reduction against Scope 3, with 2018 as the base year.
The target for 2050 is a 39.4% reduction.
Emissions in the reporting year (2021) were 208,528 t-CO2, a 5.4% reduction compared to the base year, and are being reduced ahead of schedule.

The categories covered are as follows
Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)
Category 4: Upstream transportation and distribution
Category 5: Waste generated in operations
Category 6: Business travel
Category 7: Employee commuting
Category 9: Downstream transportation and distribution

Category 11: Use of sold products
Category 12: End-of-life treatment of sold products

Category 15 (Investment) is excluded because it is not a core business plan for achieving target, and progress made to the end of the reporting year
Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number
Abs 5

Year target was set
2021

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)

Base year
2018

Base year Scope 1 emissions covered by target (metric tons CO2e)
120

Base year Scope 2 emissions covered by target (metric tons CO2e)
7,477

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
7,597

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2041

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

76

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

5,204

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

5,280

% of target achieved relative to base year [auto-calculated]

30.4988811373

Target status in reporting year

Underway

Is this a science-based target?

Yes, we are aware that this is a scientifically based goal. We recognize that this is a science-based goal and the goal is currently under review by the SBT Initiative.

Target ambition

2°C aligned

Please explain target coverage and identify any exclusions

The target is set at 4.4%/year reduction against the total Scope 1+2 with 2018 as the base year; the target for 2041 is 100% reduction. There are no exclusions. Emissions in the reporting year (2021) are 5,280 t-CO2, a 30.5% reduction versus the base year, which is significantly ahead of schedule.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Abs 6

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1
Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

120

Base year Scope 2 emissions covered by target (metric tons CO2e)

7,477

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

7,597

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

52.8

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

3,585.784

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

76

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

5,204

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

5,280

% of target achieved relative to base year [auto-calculated]

57.763032457

Target status in reporting year

Underway

Is this a science-based target?

Yes, we are aware that this is a scientifically based goal. We recognize that this is a science-based goal and the goal is currently under review by the SBT Initiative.

Target ambition

1.5°C aligned

Please explain target coverage and identify any exclusions

The target is set at a 4.4%/year reduction relative to the total Scope 1+2 with 2018 as the base year; the target for 2030 is a 52.8% reduction. There are no exclusions.

Emissions in the reporting year (2021) are 5,280 t-CO2, a 30.5% reduction versus the base year, which is significantly ahead of schedule.

Plan for achieving target, and progress made to the end of the reporting year

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

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

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2050

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Please explain target coverage and identify any exclusions

With 2018 as the base year, we have set a 100% reduction in the target year 2050 for Scope 1 and 2, which has been certified by SBTi.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

Planned actions to mitigate emissions beyond your value chain (optional)

Specific measures are under consideration.

Target reference number

NZ2

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs5

Target year for achieving net zero

2041

Is this a science-based target?

Yes, we are aware that this is a scientifically based goal. We recognize that this is a science-based goal and the goal is currently under review by the SBT Initiative.

Please explain target coverage and identify any exclusions

With 2018 as the base year, the target is further increased for Scope 1 and 2, setting a 100% reduction in the target year 2041, which is being reapplied to SBTi.2

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

Planned actions to mitigate emissions beyond your value chain (optional)

Specific measures are under consideration.

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	1,300
To be implemented*	1	7

Implementation commenced*	0	0
Implemented*	2	666
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

Energy efficiency in buildings
Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

666

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-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

21-25 years

Estimated lifetime of the initiative

21-30 years

Comment

Benesse Logistics Center No.2 in Setouchi City completed installation of high-efficiency air-cooled chillers and multi-air conditioners with motion sensors that enable detailed individual output control, as well as the installation of LED lighting throughout the building.

C4.3c

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

Method	Comment

Financial optimization calculations	Decisions are made by prioritizing investments in reduction activities and other investment projects by comparing the investment plan with the payback plan.
Employee engagement	We have adopted a method of collaborating with employees to improve processes and review plans that do not involve investment in accordance with each department's environmental promotion activity plan.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Group of products or services

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

We aim to reduce paper consumption and Scope 3 emissions as we promote digitalization and switch from paper-based learning materials to tablet-based materials.

Type of product(s) or service(s)

Other

Other, please specify

We plan to promote digitalization to reduce paper consumption as well as greenhouse gas emissions generated from product delivery.

Description of product(s) or service(s)

Learning materials make up the majority of our products, most of which have been provided in printed form to meet the academic needs of students, from pre-schoolers up to senior high school students. Currently, we are working on Scope 3 greenhouse gas emission reductions based on our plan, by promoting the digitalization of learning materials as well as switching to tablet-based materials to reduce paper consumption and cut down on the number of deliveries and shipment weight.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Yes

Methodology used to calculate avoided emissions

Other, please specify

The reduction achieved for Category 1 (Purchased goods and services), Category 4 and 9 (Upstream and downstream transportation and distribution), and Category 12 (End-of-life treatment of sold products) by reviewing the product mix. On the other hand, Category 11 (Use of sold products) increased due to the electricity consumption of tablet users.

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Cradle-to-grave

Functional unit used

We achieved a reduction in paper consumption, in transportation, as well as use and end-of-life treatment by the digitalization of learning materials provided on a monthly basis. The addition of tablet-based learning materials also helped the reduction. While the total number of students keeps increasing, we achieved a reduction of 16,463t-CO2 in total emissions (of which Scope 1 paper- and tablet-based was a reduction of 13,403t-CO2).

Per capita monthly total emissions were reduced by 14% from 0.005048t-CO2 in the previous year to 0.004337t-CO2 in the reporting year.

Further reductions are being discussed as we accelerate digitalization and increase the ratio of tablet-based courses while seeking ways to increase the adoption of BYOD.

Reference product/service or baseline scenario used

Emissions of the previous year for each category:

Category 1 (Purchased goods and services): 130,289t-CO2

Category 4 & 9 (Upstream and downstream transportation and distribution): 5,926t-CO2

Category 11 (Use of sold products): 351t-CO2

Category 12 (End-of-life treatment of sold products): 7,528t-CO2

Life cycle stage(s) covered for the reference product/service or baseline scenario

Cradle-to-gate

(From product development to shipping)

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

16,463

Explain your calculation of avoided emissions, including any assumptions

Category 1 (Purchased goods and services): Reduction of 13,403t-CO2

Category 4 & 9 (Upstream and downstream transportation and distribution): Reduction of 2,684t-CO2

Category 11 (Use of sold products): Increase of 66t-CO2

Category 12 (End-of-life treatment of sold products): Reduction of 442t-CO2

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

46.5

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
Row 1	No

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

Scope 1

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

120

Comment

Direct greenhouse gas emissions by ourselves

Scope 2 (location-based)

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

7,105

Comment

Indirect emissions from the use of electricity, heat, and steam provided by other companies in Japan and Taiwan.

Scope 2 (market-based)

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

7,477

Comment

Indirect emissions from the use of electricity, heat, and steam provided by other companies in Japan and Taiwan.

Scope 3 category 1: Purchased goods and services

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

183,759

Comment

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 2017 Actual - Released by the Ministry of the Environment and the Ministry of Economy, Trade and Industry (https://www.env.go.jp/content/900528174.pdf)

・List of Coefficients for Global Warming Countermeasure Reporting “Municipal and industrial water consumption”
（https://www8.kankyo.metro.tokyo.lg.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

Scope 3 category 2: Capital goods

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

7,772

Comment

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

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

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

705

Comment

(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 2017 Actual - Released by the Ministry of the Environment and the Ministry of Economy, Trade and Industry (https://www.env.go.jp/content/900528174.pdf)

・List of Coefficients for Global Warming Countermeasure Reporting “Municipal and industrial water consumption”
（https://www8.kankyo.metro.tokyo.lg.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

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

Emissions unit value based on IDEA

Scope 3 category 4: Upstream transportation and distribution

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

4,585

Comment

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）

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

Scope 3 category 5: Waste generated in operations

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

694

Comment

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) Emissions unit value based on industry categories
https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2-5.pdf

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

Scope 3 category 6: Business travel

Base year start
4/1/2017

Base year end
3/31/2018

Base year emissions (metric tons CO2e)
6,025

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

Database of emissions unit value for calculating GHG emissions of the organization throughout its supply chain (Ver.2.5) Emissions unit value based on industry categories
https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2-5.pdf

Scope 3 category 7: Employee commuting

Base year start
4/1/2017

Base year end
3/31/2018

Base year emissions (metric tons CO2e)
641

Comment
・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/files/tools/DB_V2-5.pdf

Scope 3 category 8: Upstream leased assets

Base year start
4/1/2017

Base year end
3/31/2018

Base year emissions (metric tons CO2e)

0

Comment

Not applicable (because it is included in Scope 1 and 2)

Scope 3 category 9: Downstream transportation and distribution

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

8,055

Comment

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

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

Scope 3 category 10: Processing of sold products

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

0

Comment

Due to the nature of the business, this category does not generate scope because finished goods are sold.

Scope 3 category 11: Use of sold products

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

278

Comment

Calculated emissions relating to power consumption of the tablets sold.
Power consumption from use x Sales quantity x Emission coefficient

Emission Coefficient for Each Electric Power Provider (to be used to calculate GHG emissions of specific entities) - FY 2017 Actual - Released by the Ministry of the Environment and the Ministry of Economy, Trade and Industry
https://www.env.go.jp/content/900528174.pdf）

Scope 3 category 12: End of life treatment of sold products

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

7,937

Comment

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

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

Scope 3 category 13: Downstream leased assets

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

0

Comment

Confirmed, but not occurring as a business.

Scope 3 category 14: Franchises

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

0

Comment

Checked, but not calculated due to lack of relevance.

Scope 3 category 15: Investments

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

0

Comment

Since our primary business is not finance, we exclude this category as not relevant.

Scope 3: Other (upstream)

Base year start

4/1/2017

Base year end

3/31/2018

Base year emissions (metric tons CO2e)

0

Comment

Checked, but not calculated due to lack of relevance.

Scope 3: Other (downstream)

Base year start
4/1/2017

Base year end
3/31/2018

Base year emissions (metric tons CO2e)
0

Comment
Checked, but not calculated due to lack of relevance.

C5.3

(C5.3) 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)
76

Start date
4/1/2020

End date
3/31/2021

Comment
Direct greenhouse gas emissions by ourselves

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

88

Start date

4/1/2020

End date

3/31/2021

Comment

Direct greenhouse gas emissions by ourselves

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 standard: 4,752tCO2 (Japan + electricity and heat used by Taipei office)
(2) Market standard: 5,204tCO2 (Japan + electricity and heat used by Taipei Branch)

C6.3

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

Reporting year

Scope 2, location-based

Start date

4/1/2020

End date

3/31/2021

Comment

(1) Location standard: 4,752tCO2 (Japan + electricity and heat used by Taipei office)
(2) Market standard: 5,204tCO2 (Japan + electricity and heat used by Taipei Branch)

Past year 1

Start date

4/1/ 2019

End date

3/31/2020

Comment

(1) Location standard: 5,204tCO2 (Japan + electricity and heat used by Taipei office)
(2) Market standard: 5,929tCO2 (Japan + electricity and heat used by Taipei Branch)①

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?

No

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

Emissions in reporting year (metric tons CO2e)

179,397

Emissions calculation methodology

Hybrid method
Fuel-based method
Distance-based method

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

99

Please explain

Emissions associated with the procurement of raw materials for printed materials, use of water related to the production of printed materials and tablet products, purchase of instructional toys and mail order products, repair and insurance of sales vehicles, use of water in offices and purchase of office supplies, etc. are calculated.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

7,100

Emissions calculation methodology

Asset-specific method

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

0

Please explain

Property, plant and equipment in the statement of cash flows

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

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

987

Emissions calculation methodology

Fuel-based method

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

0

Please explain

Emissions associated with the procurement of fuels from other companies, and the procurement of fuels required for electricity, heat, and other power generation, etc. Emission intensity uses IDEA

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

3,242

Emissions calculation methodology

Fuel-based method

Distance-based method

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

100

Please explain

Emissions from transportation (including upstream and downstream) related to the production of printed matter and tablet products are calculated.

Emissions intensity is based on specific shipper reporting rules.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

515

Emissions calculation methodology

Waste-type-specific method

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

100

Please explain

Waste from company-owned buildings (paper, plastic, burnable trash, bottles, cans, PET bottles, etc.)

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1,098

Emissions calculation methodology

Spend-based method

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

0

Please explain

Annual domestic and international business trip and accommodation expenses are managed using the internal management system BENKEI and Business Trip Navi. Calculations are based on these amounts.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

345

Emissions calculation methodology

Spend-based method

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

0

Please explain

The results are managed in the human resource management system and the internal management system BENKEI. The annual amount is calculated using the preceding calculation method.

Upstream leased assets

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Asset-specific method

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

0

Please explain

Confirmed, no relevance.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

8,340

Emissions calculation methodology

Fuel-based method
Distance-based method

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

0

Please explain

Calculated for outbound transportation (since we are the shippers) and storage in warehouses.

Processing of sold products

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Spend-based method

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

0

Please explain

No scope in this category is generated because the finished product is sold.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

417

Emissions calculation methodology

Average data method

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

0

Please explain

Calculation of emissions related to electricity consumption during use of tablets sold

End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

7,086

Emissions calculation methodology

Waste-type-specific method

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

0

Please explain

Calculated emissions related to waste disposal of printed materials, educational toys, and mail-order products sold in Japan.

Downstream leased assets

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Spend-based method

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

0

Please explain

No downstream leased assets are held.

Franchises

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Spend-based method

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

0

Please explain

Confirmed, but not relevant due to lack of franchise development.

Investments

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Spend-based method

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

0

Please explain

Since our primary business is not finance, we exclude this category as not relevant.

Other (upstream)

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Spend-based method

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

0

Please explain

Confirmed, but no relevance.

Other (downstream)

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO2e)

0

Emissions calculation methodology

Spend-based method

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

0

Please explain

Confirmed, but no relevance.

C6.5a

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

4/1/2019

End date

3/31/2020

Scope 3: Purchased goods and services (metric tons CO2e)

188,159

Scope 3: Capital goods (metric tons CO2e)

10,774

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

1,041

Scope 3: Upstream transportation and distribution (metric tons CO2e)

5,926

Scope 3: Waste generated in operations (metric tons CO2e)

905

Scope 3: Business travel (metric tons CO2e)

3,756

Scope 3: Employee commuting (metric tons CO2e)

1,011

Scope 3: Upstream leased assets (metric tons CO2e)

0

Scope 3: Downstream transportation and distribution (metric tons CO2e)

9,659

Scope 3: Processing of sold products (metric tons CO2e)

0

Scope 3: Use of sold products (metric tons CO2e)

351

Scope 3: End of life treatment of sold products (metric tons CO2e)

7,528

Scope 3: Downstream leased assets (metric tons CO2e)

0

Scope 3: Franchises (metric tons CO2e)

0

Scope 3: Investments (metric tons CO2e)

0

Scope 3: Other (upstream) (metric tons CO2e)

0

Scope 3: Other (downstream) (metric tons CO2e)

0

Comment

Scope 3 total was 208,528t-CO2 in the reporting year, compared to 229,109t-CO2 in the previous year, a 9% reduction.
This was due to the introduction of tablet-based educational materials for customers, which had been paper-based, and efforts to reduce total emissions, as well as the introduction of a hybrid work style, which drastically reduced business trips and commuting.C6.7

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

No

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

0.000000028

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

5,280

Metric denominator

unit total revenue

Metric denominator: Unit total

188,407,873,586

Scope 2 figure used

Market-based

% change from previous year

0.85

Direction of change

Decreased

Reason for change

Due to the effectiveness of the measures below and other measures to reduce Scope 1 and 2 emissions.
HVAC work and LED conversion at the logistics center in Setouchi City
A set of medium- to long-term repair plans for the head office building in Okayama City
A set of medium- to long-term repair plans for the Tokyo headquarters building in Tama CityC7. 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	76
Taiwan, 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)
Use of city gas on site	66
Use of gasoline in sales vehicles	10

C7.5

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

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Japan	4,341	4,793
Taiwan, China	411	411

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)
Office	3,090	3,234
Logistics Center	1,246	1,571
Scoring place	276	259
Classroom	141	141

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		0	Solar power has been installed at the First Logistics Center in Setouchi City, but no changes have been made.
Other emissions reduction activities	738	Decreased	12.3	Emissions reduction efforts outside of renewable energy reduced 738 t-CO2 Scope 1+2 emissions for the previous year were 6,017t-CO2, so the emission rate was 738/6017 x 100 = 12.3%.
Divestment	0		0	No change
Acquisitions	0		0	No change
Mergers	0		0	No change
Change in output	1.1	Increased	0.018	Increased gasoline use in sales vehicles The previous year's figure was 8.9 t-CO2, an increase of 1.1 t-CO2.

				The ratio is 1.1/6017 x 100 = 0.018%.
Change in methodology	0		0	No change
Change in boundary	0		0	No change
Change in physical operating conditions	0		0	No change
Unidentified	0		0	No change
Other	0		0	No change

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	479	479
Consumption of purchased or acquired electricity		0	8,995	8,995
Consumption of purchased or acquired steam		0	1,914	1,914
Consumption of purchased or acquired cooling		0	2,193	2,193
Consumption of self-generated non-fuel renewable energy		642		642
Total energy consumption		642	13,581	14,223

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	No

Consumption of fuel for co-generation or tri-generation	No

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	820	642	820	642
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 or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

None (no active purchases of low-carbon electricity, heat, steam or cooling)

Energy carrier

Low-carbon technology type

Country/area of low-carbon energy consumption

Tracking instrument used

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

Country/area of origin (generation) of the low-carbon energy or energy attribute

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

Comment

Currently, we are implementing its own consumption of solar power generation installed at its distribution center in Okayama, and are systematically reducing the amount of energy use conducted by the company, resulting in a very high reduction rate of Scope 2 in recent years.
We have set a target of 50% renewable energy in 2024 and 100% in 2041, and we will start procuring renewable energy in 2023, with a projected 25% renewable energy ratio in the same year.
Additional measures, such as additional company-owned solar or on-site PPAs, are currently under consideration.

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

Japan

Consumption of electricity (MWh)

642

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

642

Country/area

Taiwan, China

Consumption of electricity (MWh)

0

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

0

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

independent-verification-report_2020_ja.pdf

Page/ section reference

Japan Quality Assurance Organization “Greenhouse Gas Emissions Verification Report” P1

Benesse Holdings “Our Response to Climate Change”＞ Third-party verification (website) publication

https://sustainability-cms-benesse-hd-s3.s3-ap-northeast-1.amazonaws.com/ja/data/download/independent-verification-report_2020_ja.pdf

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

independent-verification-report_2020_ja.pdf

Page/ section reference

Japan Quality Assurance Organization “Greenhouse Gas Emissions Verification Report” P1

Benesse Holdings “Our Response to Climate Change”＞ Third-party verification (website) publication

https://sustainability-cms-benesse-hd-s3.s3-ap-northeast-1.amazonaws.com/ja/data/download/independent-verification-report_2020_ja.pdf

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
Scope 3: Capital goods
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting
Scope 3: Downstream transportation and distribution
Scope 3: Use of sold products
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

independent-verification-report_2020_ja.pdf

Page/section reference

Japan Quality Assurance Organization “Greenhouse Gas Emissions Verification Report” P1
Benesse Holdings “Our Response to Climate Change”＞ Third-party verification (website) publication
https://sustainability-cms-benesse-hd-s3.s3-ap-northeast-1.amazonaws.com/ja/data/download/independent-verification-report_2020_ja.pdf

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 actively considering conducting verification 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?

Based on Article 8 of the Central Environment Council Rules of Procedures, the “Sub-Committee on Carbon Pricing” was established under the Global Environment Committee, Ministry of the Environment, where extensive discussions have been undertaken. It is in line with the “Green Growth Strategy” announced by the Japanese government in December 2020 which examines climate change countermeasures in the context of their positive impact on economic growth. The Ministry of Economy, Trade and Industry announced the GX (Green Transformation) League Basic Concept in 2022 and called for companies to endorse it. Specific actions to be taken by the GX League include creating a vision of “The Future Society” that can achieve carbon neutrality by 2050. This vision will include setting out rules to promote market creation, as well as introducing the carbon credit exchange scheme (setting rules for voluntary carbon market, etc.). Benesse will initiate a discussion on rule making for a voluntary carbon credit exchange scheme scheduled to be implemented in FY 2023. We anticipate new laws and regulations will be introduced in the coming three 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).
We also endorse the GX (Green Transformation) League Basic Concept and play a leading role as a core member of the Platform for “The Future Vision”.

Benesse endorses TCFD and has been certified by SBT. Our medium-to long-term target has been certified by SBTi, which is in line with WB2°C for Scope 1 and 2 and set reductions of 36.2% in 2030 (2018 as the base year) and 100% in 2050 (2018 as the base year). We have further revised upward our targets in line with the 1.5°C scenario for reductions of 52.8% in 2030 (2018 as the base year) and 100% in 2041 (2018 as the base year), which are reapplied to SBTi for certification.
Reduction plans have been developed for Scope 1 and 2 based on the target, while we are currently working on the plan for Scope 3.

C11.2

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

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Biomass energy

Project identification

In cooperation with the Okayama City “Local Recycling Carbon Offset Scheme”, we have been organizing environmentally friendly general stockholder meetings since FY 2014.
28t of CO_2 has been offset at 1,500 JPY/t during the years covered.

What have been the offset targets?

- Lighting and air conditioning during the stockholder meetings, including rehearsals
- Creating and sending invitations to stockholders
- Transportation of stockholders and staff to the meetings

Details and Certificate of Okayama City Carbon Offset Scheme
https://benesse.co.jp/kankyo/office/own_building.html#anc03

Verified to which standard

Other, please specify

Based on credit set by Okayama City

Number of credits (metric tonnes CO2e)

28

Number of credits (metric tonnes CO2e): Risk adjusted volume

28

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit origination

Project type

Other, please specify

Benesse achieved a greenhouse gas emissions reduction that exceeded the targets set in the framework of the Cap-and-Trade Scheme of the Tokyo Metropolitan Government. We donated this surplus of credits.

Project identification

Before the opening of the 32nd Olympics Games (Tokyo, 2020) and the Tokyo 2020 Paralympic Games, Benesse donated credits to the Tokyo Metropolitan Government to offset the greenhouse gas emissions expected to be generated from hosting the Opening and Closing Ceremonies.

We participated in the “Tokyo Zero Carbon 4 Days in 2020” and played an active role in collaborating on the “Carbon Offset Programme for the Tokyo 2020 Games”. Benesse donated 719t of CO_2 credits.

Please find details in the website as below:
https://www.kankyo.metro.tokyo.lg.jp/climate/large_scale/zc4d2020/index.html

Please find details on the Cap-and-Trade Scheme in the website as below:
https://www.kankyo.metro.tokyo.lg.jp/climate/large_scale/overview/index.html

Verified to which standard

Other, please specify

Realization of "Tokyo Zero Carbon 4 Days in 2020" and cooperation with "Tokyo 2020 Games Carbon Offsetting

Number of credits (metric tonnes CO2e)

719

Number of credits (metric tonnes CO2e): Risk adjusted volume

719

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

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

No, but we 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/clients

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

83

% total procurement spend (direct and indirect)

83

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

76

Rationale for the coverage of your engagement

Benesse has made public its Procurement Policy to ensure the responsible procurement of paper and raw materials, as well as the manufacture of learning materials and toys. We are consistently working from a procurement and logistics point of view in all of our processes to make the supply chain one that is environmentally friendly, based on the Benesse Group's Environment Policies that addresses climate change. We promote actions on low-waste product specifications, environmentally conscious procurement to address climate change, and improvements in the accuracy of production numbers. We also work with our corporate trade partners to evaluate environmental initiatives including climate control and efficient shipping methods, etc.

At our main logistics hub, the Benesse Logistics Center, we are engaged in actions to reduce CO2.

Benesse has stipulated in-house Safety Standard and conducts internal audits. A stringent 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 tighter control on a regular basis, the range of our engagement covers every supplier across our supply chain who provides products and services, marketing tools, packaging as well as shipment.

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 through our strict checking mechanism.

Comment

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

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

2

% total procurement spend (direct and indirect)

1.5

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

5

Rationale for the coverage of your engagement

Benesse sends out information to correspondence course takers via direct mail, web mail and SNS messages. We have chosen OPP (Biaxially Oriented Polypropylene) as a biodegradable plastic to be used for 90% of the envelopes we post. We decided to blend bio-based material with OPP and worked together with our suppliers to develop a new eco-friendly vinyl envelope with the suitable strength that would withstand tearing when conventional glue was used. Conventional glue would tear usual vinyl envelopes when they were opened. After numerous trials and errors, we were able to make a product that could be put to practical use.
Since the volume of direct mail envelopes is small, emission reduction marked a modest ratio of 5% of our business. However, we were determined to work on emission reductions to as low as possible and will continue to pursue our efforts as we seek possible collaboration with other business partners to achieve a further reduction.

Impact of engagement, including measures of success

We will replace plastic envelopes, which account for 90% of direct mail, with biodegradable envelops for mails to be received by our customers from November 2022 onwards. Our aim is to reduce greenhouse gas emissions while raising our customers' awareness of our environmental initiatives.

Comment

This initiative was spearheaded by the CEO who has primary responsibility for our environmental initiatives.
Benesse has business with 2 plastic suppliers for costed items and 2 suppliers for direct mail envelopes. We collaborated with one of the direct mail envelope suppliers to develop the new material.

Procurement cost totalled 47.5 billion JPY, of which related cost was 720 million JPY. Out of our 102 suppliers, 2 suppliers collaborated with us for the new material.

C12.1b

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

Type of engagement & Details of engagement

Education/information sharing

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

% of customers by number

46.5

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

64.8

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 who use tablets and smartphones. 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 focus on 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.

Impact of engagement, including measures of success

We have made a significant achievement by introducing the tablet-based courses and learning materials through our main business domain "Shinken Zemi" for elementary and junior high school students. Tablet-based course attendance rates, one of our KPIs, reached 70% for elementary and junior high school courses and nearly 100% for high school courses for the reporting year. This increase shows a markedly successful achievement from the previous year. We achieved 3,297 tons of reduction in paper consumption from the previous year which led to emission reductions in the categories of procurement, transportation, use and end-of-life treatment.

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. We have been working on raising awareness through these events. We ask participants to make an "eco-friendly declaration" and play an instrumental role in mitigating climate change through behavioral changes in their daily life. The positive feedback we received included such ideas as "reduce energy consumption at home," "switch from gas to

electric vehicles," and "try more eco-friendly driving". The Minister of the Environment also gave a motivating declaration of "realizing a carbon-free society!" We have shared these declarations with all who join our events and try to make environmental concerns a central part of their life.

Type of engagement & Details of engagement

Education/information sharing

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

% of customers by number

5

% 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 and their families who are aware of the "Shimajiro Club Kuru Kuru Recycling" program. 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.

Impact of engagement, including measures of success

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 material for eco bags along with eco pallets in logistics.

Through the “Kodomo Challenge” recycling activities, we collected 414kg during FY2021 (the year ended March 31, 2020), making the cumulative total of 15.9 tons since the activities were launched in FY 2010. The cumulative amount collected has continued to grow each year and showed a markedly successful achievement. However for this particular year, many events and concerts were cancelled due to COVID-19 which had an adverse impact on the recycling activities.

Since educational toys are made of a variety of materials including plastic, wood and cloth, in addition to DVDs, 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 as material for eco bags along with eco pallets in logistics.

④ Feedback from Customer Questionnaire

・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 (what a waste!)” 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.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization’s purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Complying with regulatory requirements

Description of this climate related requirement

The Procurement Policy of Benesse Corporation clearly states that "we will work to create a supply chain with reduced environmental impact."

We take an integrated approach to supply chain management that encompasses raw material and parts procurement, manufacturing, inventory management and shipping. The Supply Chain Management (SCM) Department supervises responsible and sustainable operations to ensure our products and services are provided in a coherent manner.

The SCM Department is in charge of promoting the supply chain management framework based on Benesse Corporation's "Purchasing Management Regulations" and "Authority Regulations".

● Purchasing Management Regulations

The foundation for all purchasing, management of transactions, and procedures in procurement at the Benesse Corporation have been defined. We work for fair and accurate management and operations, and promote improvements in operational efficiency.

● Authority Regulations

We have established the following through decisions based on Authority Regulations:

- Policies for material purchasing, manufacturing agreements, shipping, and storage management for all companies
- Purchase sorting and purchasing methods for transactions
- Purchasing trade partners, transaction conditions, price, etc.

● Value Chain Committee

Management and the main business departments investigate major issues in the value chain to select priority themes based on risk analysis from a medium to long-term perspective based on our business strategy.

【Examples of Priority Themes】

- Business continuity plans for risks of infectious diseases and natural disasters
- Promotion of sustainability (switch to environmentally-conscious materials, promotion of recycling, etc.)

< PDCA for regular audits (ex. overseas manufacturing) >

The Benesse Group manufactures its products at contract factories.

Its major overseas contract manufacturing factories are located in China, Vietnam, and other countries.

Through regular audits, the Benesse Group confirms the environmental and labor practices of its contract manufacturing partners and requires them to respect sustainability-conscious procurement practices.

● Initiatives taken to reduce the environmental impact

We are consistently working from a procurement and logistics point of view in all of our processes to make the supply chain one that is environmentally friendly, based on the Benesse Group's Environment Policies that addresses climate change. We promote actions on low-waste product specifications, environmentally conscious procurement to address climate change, and improvements in the accuracy of production numbers. We also work with our corporate trade partners to evaluate environmental initiatives including climate control and efficient shipping methods, etc.

At our main logistics hub, the Benesse Logistics Center, we are engaged in actions to reduce CO2.

CO2 reduction activities taken at Benesse Logistics Center

https://www.benesse.co.jp/kankyo/office/logistics_center.html

Detailed information is disclosed on our website

https://benesse-hd.disclosure.site/ja/themes/159

We are planning to compress learning materials to reduce the shipping volume for further reductions in greenhouse gas emissions generated from transportation.

Starting from April 2022, we will send the educational toy puppets (Shimajiro and Hana-chan) to Kodomo Challenge subscribers in a compressed form to improve loading efficiency and so reduce greenhouse gas emissions as well as delivery costs.

To reduce the environmental impact, we also switched to recycled cotton a few years ago to be used as batting in the educational toy puppets (Shimajiro and Hana-chan) for Kodomo Challenge subscribers.

% suppliers by procurement spend that have to comply with this climate-related requirement

100

% suppliers by procurement spend in compliance with this climate-related requirement

100

Mechanisms for monitoring compliance with this climate-related requirement

Second-party verification

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

TCFD Endorsement Statement
https://blog.benesse.ne.jp/bh/ja/csr_news/info/2019/07/23_5338.html

METI announces endorsement of GX League basic concept
https://gx-league.go.jp/member/#category14

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

●Endorsement of the TCFD and disclosure of information in accordance with the TCFD
Responding to METI's request, the company announced its endorsement of the TCFD in July 2019 and disclosed information on its website in March 2021.
Revisions are made as necessary and disclosures are updated.
●Participated as a preparatory member for the establishment of the GX League and expressed support for the basic concept of the GX League by the Ministry of Economy, Trade and Industry (METI).
In March 2022, the company announced its endorsement of the GX League's basic concept announced by the Ministry of Economy, Trade and Industry (METI) to achieve carbon neutrality, and has been discussing (1) creation of a future society with carbon neutrality, (2) formation of rules for market creation, and (3) voluntary emissions trading, and is preparing for implementation from FY2023.

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Focus of policy, law, or regulation that may impact the climate

Adaptation and/or resilience to climate change

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Participated as a preparatory member of the METI's GX (Green Transformation) League, which was established to achieve carbon neutrality by 2050, and expressed support for the GX League's basic concept.

⇒In March 2022, the company announced its endorsement of the GX League Basic Concept announced by the Ministry of Economy, Trade and Industry (METI) to achieve carbon neutrality. The company is discussing (1) creation of a future society with carbon neutrality, (2) formation of rules for market creation, and (3) voluntary emissions trading, and is preparing for implementation from FY2023.Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

Japan

Your organization’s position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

In March 2022, the company announced its endorsement of the GX League Basic Concept announced by the Ministry of Economy, Trade and Industry (METI) to achieve carbon neutrality. The company is discussing (1) creation of a future society with carbon neutrality, (2) formation of rules for market creation, and (3) voluntary emissions trading, and is preparing for implementation from FY2023.

Companies that have set a 1.5°C target and are willing to participate in emissions trading and other activities to achieve the target, such as supply chain initiatives and active and preferential purchasing of green products (including offsetting with carbon credits) are eligible to express support.

Preparations are underway for implementation in FY2023, and discussions will focus on (1) creation of a vision for a future society, (2) rule formation for market creation, and (3) voluntary emissions trading. Currently participating as a core member of (1) Creating a Vision for the Future Society.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization’s engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Focus of policy, law, or regulation that may impact the climate

Adaptation and/or resilience to climate change

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Statement of support for the TCFD and disclosure of information in accordance with the TCFD.

Responding to METI's call, the company announced its endorsement of the TCFD in July 2019 and disclosed information on its website in March 2021. Explain governance, strategy, risks and opportunities, indicators and targets.

This disclosure is also in compliance with the revised Corporate Governance Code, which has become practically mandatory for prime market companies.

Policy, law, or regulation geographic coverage

Global

Country/region the policy, law, or regulation applies to

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Statement of support for the TCFD and disclosure of information in accordance with the TCFD.

Responding to METI's call, the company announced its endorsement of the TCFD in July 2019 and disclosed information on its website in March 2021. Explain governance, strategy, risks and opportunities, indicators and targets.

By advancing DX, the company is making concrete progress in addressing climate change while raising customer satisfaction.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify

Association for the Promotion of Electric Vehicles（APEV）

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

The association for the Promotion of Electric Vehicles is an industry organization that works to combat climate change through the promotion of electric vehicles (EV/FCV/PHV), with the single-minded goal of "leaving a beautiful global environment for future generations.

This organization was initiated by Soichiro Fukutake, Honorary Advisor to Benesse. Since its inception, we have continuously made donations and sponsored events in addition to membership fees, and we have also continuously dispatched staff on secondment to the organization. The organization focuses on environmental education and electric vehicles (EV/FCV/PHV), with climate change as its focus.

https://www.apev.jp/aboutus/profile.html

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

5,100,000

Describe the aim of your organization's funding

Benesse joins the Association for the Promotion of Electric Vehicles (APEV) and works to address climate change by promoting the use of electric vehicles (EV/FCV/PHV) with a strong desire to "leave a beautiful Earth for future generations." Through workshops and other educational activities, we have been focusing on the younger generation who will play an instrumental role in addressing climate change and protecting the global environment in the future. We provide funds to support the activities.

Activities for FY 2020 (year ending March, 2021) were mainly done on-line due to COVID-19:

- Collaborated with APEV President Tajima (nicknamed Monster Tajima) in giving lectures, TV appearances and media interviews to promote EV/PHV/FCV as a measure addressing climate change.
- Organized a "Local e-mobility promotion committee" three times to discuss the promotion of EV/PHV/FCV as a measure addressing climate change.
- International Student EV Design Contest (ages 18 and above): Reported the activities of the previous year, preparations for the 5th Contest.

- EV x Future Society Creation Workshop (for high school students): Had the 2nd Workshop.
- Participation in exhibitions: Ministry of the Environment “Eco Life Fair”, “Response VIRTUAL AUTOMOTIVE ENGINEERING EXPO 2020” organized by Response, 1st session of Mirai no Kuruma (future cars) Technology ONLINE, MOVE EV_2021 MOBILITY RE-IMAGINE, 2nd session of Mirai no Kuruma (future cars) Technology ONLINE.
- Supported events organized by embassies: Supported the web-based “Green Mobility Symposium” organized by the Embassy of Switzerland, gave a speech at “India-Japan Webinar on Electric Vehicle sector: Challenges & Emerging Opportunities” organized by the Embassy of India, participated in the “Online Round Table Meeting”.
- Supported EV/PHV/FCV promotion activities of member companies.
- Collaborated with the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of the Environment, and the Tokyo Metropolitan Government.

Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

JAPAN　CLIMATE　INITIATIVE

Is your organization’s position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We publicly endorse the position of industry associations

State the trade association’s position on climate change, explain where your organization’s position differs, and how you are attempting to influence their position (if applicable)

Benesse Holdings supports the Declaration of the JCI (Japan Climate Initiative) as seen below and joined the front line of the global push for decarbonization. We publicly endorsed JCI's statement to call on the Japanese government “for an ambitious 2030 target to realize the Paris Agreement Goal” which was announced in 2021.

【Declaration of Japan Climate Initiative】

Companies, local governments, NGOs and other leaders worldwide have a vital role to play in delivering on the goals of the Paris Agreement by fostering climate action around the world.

Since the publication of the special report on Global Warming of 1.5℃ by the Intergovernmental Panel on Climate Change (IPCC), it has become a universal goal to

realize a decarbonized society by 2050, and the roles that non-state actors such as companies and local governments play has become further important.
In July 2018, over 100 Japanese companies, local governments, research institutions and NGOs established the Japan Climate Initiative (JCI) and the members increased to more than 6 times as of today. JCI is a network committed to strengthening communication and exchange of strategies and solutions among all actors that are implementing climate actions in Japan.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

0

Describe the aim of your organization's funding

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

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 voluntary sustainability report

Status

Complete

Attach the document

2021 Integrated Report　R4gx.pdf

Page/Section reference

Integrated Report 2021　P.59-60

Climate change responses include
https://benesse-hd.disclosure.site/ja/themes/148

The results of the TCFD scenario analysis are as follows: revised from time to time as activities evolve
https://sustainability-cms-benesse-hd-s3.s3-ap-northeast-1.amazonaws.com/ja/pdf/tcfd_disclosure.pdf

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics
Other, please specify

Disclosure of information in line with the TCFD, as well as third-party verification, participation in initiatives to address climate change, and specific initiativesTCFD

Comment

The Benesse website includes information regarding our measures against climate change and its policy (Environmental Policy), governance, climate-related risks and opportunities and their impact on business, future strategies and measures, indicators, targets and results of initiatives, third-party verification, participation in initiatives to address climate change, and results of specific activities. We publicly disclosed information on our decision made in December 2021 to revise upwards our CO_2 emissions reduction targets for Scope 1 and 2 to limit the global temperature rise to 1.5°C. Information based on TCFD procedures was reviewed and declared to be in line with the 1.5°C target as well. We have also decided on other renewable energy sources with the targets (set in December 2021) of a 50% renewable energy ratio for 2024 and 100% in 2041.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity
Row 1	Yes, both board-level oversight and executive management-level responsibility	Environmental issues are an important global priority. We believe that corporations should fulfil their duty by actively promoting environmental efforts. We believe that we can secure a safer future for children, our main customers, as well as maintain and enhance our business foundation by preserving and improving biodiversity/ Over the course of 30 years, Benesse has been continuously providing educational materials and opportunities to students from pre-schoolers up to senior high school to learn about biodiversity and other themes on nature and the environment.

		In other non-educational related initiatives that we took concerned with preserving biodiversity, we switched to recycled cotton a few years ago to be used as batting in the educational toy puppets (Shimajiro and Hana-chan) for Kodomo Challenge subscribers. We are also preparing to replace the plastic material used for direct mail envelopes with bio-degradable plastic (following the decision made by the CEO).

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Commitment to Net Positive Gain Commitment to No Net Loss Other, please specify Provide educational materials and opportunities to learn about the environment and biodiversity by leveraging the characteristics of our business, which is primarily in the area of education.	Other, please specify Participated in the formulation of biodiversity guidelines for Tama City, Tokyo

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	Yes, we assess impacts on biodiversity in both our upstream and downstream value chain

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Education & awareness

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Response indicators

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance Other, please specify	●Environmental management including biodiversity https://benesse-hd.disclosure.site/ja/themes/147 ●Activities to promote environmental and biodiversity education https://benesse-hd.disclosure.site/ja/themes/150

C16. 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.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Representative Director and President, CEO of Benesse Holdings, Inc.	Representative Director and President, CEO

Submit your response

In which language are you submitting your response?

Japanese

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and agree to the terms and conditions