Welcome to your CDP Climate Change Questionnaire 2023

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 the above Corporate Philosophy, 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 all people through our operations in the following business domains:

i) Pregnancy and child-rearing support business: (a) Magazines “Tamago Club” and “Hiyoko Club”, (b) Web services related to pregnancy, childbirth and childcare, (c) Online shopping, (d) “Tamahiyo Photo Studio”, (e) Various App services and events, etc.
ii) Preschool education business: (a) Correspondence course “Kodomo Challenge”, (b) Members-only childcare information site “Shimajiro Club”, (c) Child-rearing information site “Kosodate Info”, (d) Correspondence course in English “Kodomo Challenge English”, (e) English classes “BE Studio”, etc.
iii) Elementary school education business: (a) Correspondence courses “Shinken Zemi Elementary School Courses”, (b) Classroom tutorial “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”, (g) Online training "Challenge School", etc.
iv) Junior high school education business: (a) Correspondence courses “Shinken Zemi Junior High School Courses” and “Shinken Zemi Top-level Private Integrated Junior and Senior High School Courses”, (b) Online learning for top-level high school entrance exams “EVERES”, (c) Classroom tutorials “Shinken Zemi Tutorial Class”, (d) Online learning materials in English “Challenge English”, (e) Online training "Challenge School", etc.

v) High school education business: (a) Correspondence courses “Shinken Zemi High School Courses” and “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-leveloverseas universities “Route H”, (d) High-level online tutoring “EVERES”, etc.
vi) Education business for working adults and schools: (a) Mock examinations “Shinken Moshi”, (b) English certificate examinations “GTEC for STUDENTS” and “GTEC”, (c) Certificate examinations “Literas Logical Language Proficiency Examination” and “P Plus Digital Information Utilization Examination”, (d) Teaching aids for schools “Benesse Dictionary”, “Benesse Elementary School Drill”, “Study Support”, “Academic and Career Path Map”, “ICT Support”, “Tankyu Navi” and “AI-based Speaking Skills Assessment Support Software Speaking Quest”, (e) Information site for academic and career path support “Benesse Manavision”, (f) ICT-based cloud services to support teachers and schools “Classi” and “Tablet-based Learning Platform Mirai Seed”, (g) ICT learning tailored to developmental stage “Marugu Land for School”, (h) On-line learning services “Udemy” and “Udemy Business”, etc.
vii) Lifestyle- and pet-related support business: (a) Direct mail magazines “Dog’s Heart” and “Cat’s Heart”, (b) Lifestyle information magazine “THANK YOU!”, (c) Online lifestyle information forum “Kuchikomi THANK YOU!”, etc.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

April 1, 2021

End date

March 31, 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 2 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 3 emissions data for

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 or committee	Responsibilities for climate-related issues
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 Benesse's environmental protection and climate change initiatives. Environmental protection is an important priority around the world, and we believe that corporations have a duty to play their part in this movement by actively promoting environmental protection efforts. To put its Corporate Philosophy

	"Benesse = Well-Being" into practice, the Benesse Group has positioned "protection of the environment" as a key management priority and works strenuously on environmental protection initiatives, reflecting the fact that many of its business domains 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 the children of the future", since children are our main customers. The CEO takes responsibility for the advancement of environmental protection initiatives and overall sustainability management and decided to publicly endorse the TCFD framework in July 2019. In his role as leader, the CEO also made a decision in December 2021 to revise upward our Scope 1 and 2 CO_2 emissions reduction targets in line with lowering the cap for global temperature rise from well below 2°C to 1.5°C (by setting Scope 1 and 2 emission targets to 100% reduction by 2041). This target was approved after it was resubmitted to the SBTi as an upward revision of our goal. All such decisions are CEO decisions.

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 annual budgets Oversight of major capital expenditures Oversight of acquisitions/mergers/divestitures Screening of innovation/R&D priorities Reviewing and guiding strategy Supervision and guidance in transition planning Monitoring of transition plan execution Supervision and guidance in scenario analysis Oversight of corporate goal setting Monitoring progress toward corporate goals	**Reviewing and Guiding Strategy:** Benesse supports the TCFD framework together with the goals of the Paris Agreement on climate change. We positioned climate change as a serious challenge to be addressed and established the Sustainability Promotion Committee to oversee environmental protection and climate change initiatives with the Representative Director and President, CEO bearing primary responsibility in these areas. Sustainability Promotion Committee meetings are held three times a year; in addition, the CEO submits a report at the end of the fiscal year, and there is consultation, approval, and reporting at management meetings as necessary. The members of the Sustainability Promotion Committee are all full-time Directors, making Board Meetings a forum to review strategies for confronting future

		environmental challenges. Concrete steps are taken under the direction of the Representative Director and President, CEO and are based on the results of the review process, which are drafted by the Environment Promotion Secretariat. In line with TCFD recommendations, Benesse established a mechanism to identify environmental changes happening in the environs of our organization, followed by climate-related scenario analysis, a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, and a materiality analysis to get a grasp of our risks and opportunities. Managers will identify the risks and opportunities of their respective divisions, and those seen as important will be reflected in our business strategy. Our greenhouse gas emissions reduction targets for each year as well as for 2030 and 2050 were revised in line with the SBTi Certification guidelines under the direction of the Representative Director and President, CEO. The targets have been certified by the SBTi. In addition, in the reporting year, a decision was made to raise the 2030 target for reduction of Scope 1 and 2 emissions to be consistent with a target of capping global warming at 1.5°C, and this target was resubmitted to the SBTi for approval. In conjunction with this decision, a goal of 100% reduction by 2041 was also set. Progress in reducing CO_2 emissions is reviewed each year and reported to the CEO, who then gives guidance on the policy for the following fiscal year (FY). As one facet of our internal communication measures, we conduct an in-house survey regarding the materiality of environmental activities Benesse should undertake to which almost all employees give their feedback (Benesse Holdings, Inc. CDP Climate Change Questionnaire 2022 7/25/2022 5). We also conduct a survey of different stakeholders as an external communication

		measure. The results are analysed to create a full picture of the materiality of potential measures and are reported to the CEO for review so that they can be reflected by revising our strategies, 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	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	Benesse supports the TCFD framework together with the goals of the Paris Agreement on climate change. Climate change is positioned as a serious challenge to be addressed and the Sustainability Promotion Committee was established to oversee environmental protection and climate change initiatives with the Representative Director and President, CEO bearing the primary responsibility in these areas. The Sustainability Promotion Committee meetings are held three times a year; in addition, the CEO submits a report at the end of the fiscal year, and there is consultation, approval, and reporting at management meetings as necessary. The members of the Sustainability Promotion Committee are all full-time Directors, making Board Meetings a forum to review strategies for confronting future environmental challenges. Concrete steps are taken under the direction of the Representative Director and President, CEO and based on the results of the review process, which are drafted by the Environment Promotion Secretariat. In line with TCFD recommendations, Benesse established a mechanism to identify environmental changes happening in the environs of our organization, followed by a climate-related scenario analysis, a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, and a materiality analysis to get a grasp of our risks and opportunities. Managers will identify the risks and opportunities of their respective divisions, and those seen as important will be reflected in our business strategy. Our greenhouse gas emissions reduction targets for each year as well as for 2030 and 2050 were revised in line with the SBTi Certification guidelines under the direction of the Representative Director and President, CEO. The targets have been certified by the SBTi. In addition, in the reporting year, a decision was made to raise the 2030 target for reduction of Scope 1 and 2 emissions to be consistent with a target of capping global warming at 1.5°C, and this

		target was resubmitted to the SBTi for approval. In conjunction with this decision, a goal of 100% reduction by 2041 was also set.

C1.2

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

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

Management of annual budgets for climate mitigation activities
Capital expenditure/operational expenditure related to low carbon products/services (including R&D)
Overseeing climate-related acquisitions/mergers/divestments
Preparation of climate transition plans
Implementation of climate transition plans
Incorporation of climate-related issues into strategies
Conducting climate-related scenario analyses
Setting climate-related corporate objectives
Monitoring progress towards climate-related corporate objectives

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

Benesse supports the TCFD framework together with the goals of the Paris Agreement on climate change. Climate change is positioned as a serious challenge to be addressed and the Sustainability Promotion Committee was established to oversee environmental protection and climate change initiatives with the Representative Director and President, CEO bearing the primary responsibility in these areas. The Sustainability Promotion Committee meetings are held three times a year; in addition the CEO submits a report at the end of the fiscal year, and there is consultation, approval, and reporting at management meetings as necessary. The members of the Sustainability Promotion Committee are all full-time Directors, 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 results of the review process, which are drafted by the Environment Promotion Secretariat. In line with TCFD recommendations, Benesse established a mechanism to identify environmental changes happening in the environs of our organization, followed by a climate-related scenario analysis, a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, and a materiality analysis to get a grasp of the risks and opportunities. Managers will identify risks and opportunities of their respective divisions, and those seen as important are reflected in our business strategy. Our greenhouse gas emissions reduction targets for each year as well as for 2030 and 2050 were revised in line with the SBTi Certification guidelines under the direction of the Representative Director and President, CEO. The targets have been certified by the SBTi. In addition, in the reporting year, a decision was made to raise the 2030 target for Scope 1 and 2 emissions to be consistent with a target of capping global warming at 1.5°C, and this target was resubmitted to the SBTi for approval. In conjunction with this decision, a goal of 100% reduction by 2041 was also set.

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	The 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

Chief Executive Officer (CEO)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Approval of the Climate Transition Plan by the Board of Directors
KPIs (Key Performance Indicators) for progress of climate transition plan
Progress towards climate-related targets
Progress towards climate-related targets

Total reduction

Incentive plan(s) this incentive is linked to

Short-term incentive plan

Further details of incentive(s)

・Time line for performance indicators

⇒Yearly assessment

・Quantitative information on incentives and performance indicators

⇒(i) Continued inclusion in FTSE and MSCI indexes (annually), including evaluation of the setting of targets, progress and implementation of measures to address climate change-related issues.
(ii) Active involvement in the Global Compact CoP program, including assessment of the setting of targets, progress and implementation of measures to address climate change-related issues (e.g., continued endorsement and continued improvement of CoP-related endeavors).
(iii) Continued holding of ESG/sustainability briefings (at least once a year), including assessment of the setting of targets, progress and implementation of measures to address climate change-related issues.

・Regional, sectoral and operationally specific content

⇒Overall performance and progress in Japan and Taiwan (China)

・Details of how incentives are linked to incentive plans

⇒The CEO is ultimately responsible for Benesse's environmental protection and climate change initiatives, and our policy, governance structure, risk management, creation of opportunities and setting of indicators and targets are all in his area of responsibility. Progress in achieving these goals is reflected in the CEO's performance-linked remuneration. Specifically, (i) continued inclusion in FTSE and MSCI indexes, (ii) active involvement in the Global Compact CoP program, and (iii) continued holding of ESG/sustainability briefings, including evaluation of the setting of targets, progress and implementation of measures to address climate change-related issues, have an impact of 3% on his total compensation.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

We were instructed to make an upward revision to our Scope 1 and 2 emission reduction targets, which had been set following the agreement on the 2°C global warming cap target of the Paris Agreement at COP21; after the target was revised upwards in line with a goal of global warming Well-Below 2°C, a decision was taken to further increase it in line with a goal of capping global warming at 1.5°C.

Revised targets for Scope 1 and 2 emissions: 3.02% annually, 36.2% in 2030 and 100% in 2050 (carbon neutral), compared to the base year 2018.
Scope 3 emissions: 14.8% in 2030, 39.4% in 2050
(SBTi certified)
In December 2021, our target was revised to a 52.8% reduction in Scope 1 and 2 emissions in 2030 and 100% reduction in 2041 (carbon neutral) at the CEO's discretion,

in line with the goal of capping global warming at 1.5°C for the same base year, and the 2030 target was resubmitted to the SBTi and was approved.

The CEO is ultimately responsible for Benesse's environmental protection and climate change initiatives, and our policy, governance structure, risk management, creation of opportunities and setting of indicators and targets and management of progress are all areas of responsibility of the CEO. Progress in achieving this is reflected in the CEO's remuneration. Therefore, (i) continued inclusion in FTSE and MSCI indexes, (ii) active involvement in the Global Compact CoP program, and (iii) continued holding of ESG/sustainability briefings, including evaluation of the setting of targets, progress and implementation of measures to address climate change-related issues, will have an impact of 3% on his total remuneration.

Entitled to incentive

All employees

Type of incentive

Monetary reward

Incentive(s)

Other, please specify

A cash voucher of JPY 5,000 is offered to all entrants. For the grand prize, an additional cash voucher of JPY 5,000 is offered.

Performance indicator(s)

Implementation of employee awareness campaign and training program on climate-related issues

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

All applicants were offered a cash voucher worth 5,000 JPY for the single year in which they applied, and the winner of the Excellence Award was offered a further 5,000 JPY cash voucher; the award was announced on the company intranet.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

For Employees and Their Children

We host the "My Environment Contest" and offer monetary reward to the winners as an incentive. We have worked on raising awareness of CO_2 emissions reduction by announcing the winning posters internally. There were 11 digital contest entrants in FY2021 (the fiscal year ending March, 2022). Outstanding works were posted on the company's intranet to advertise the company's climate commitments and to attract interest for the following year.

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 each year
Medium-term	1	9	Set as target for 2030 * Scope 1, 2 and 3 emission targts are all SBTi certified
Long-term	9	29	Set as targets for 2041 and 2050 (100% reduction in 2041 due to the increase in Scope 1 and 2 emission targets in line with a goal of capping global waming to 1.5°C） *Scope 1, 2 and 3 emission targets are all SBTi certified

C2.1b

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

Financial impacts for the Benesse Group are classified into three types: major impacts (100 million JPY or more), medium impacts (more than 10 million JPY but less than 100 million JPY), and minor impacts (less than 10 million JPY). Significant impacts are defined to be as 100 million JPY or more.

C2.2

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

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into a 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 related to 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. The following Benesse targets have been approved by the SBTi: Scope 1 and 2 emission reduction targets for 2030 and 2050 in line with a goal of capping global warming Well Below 2°C and a Scope 3 emission reduction target in line with a goal of capping global warming at 2°C. Furthermore, in December 2021, a decision to increase the company's Scope 1 and 2 emission reduction target to 52.8% for 2030 in line with a goal of capping global warming at 1.5°C was made and application for the new target was made to and approved by SBTi. For Scope 1 and 2 emissions, a long-term target of 100% reduction by 2041 has been set. Benesse's analyses and revisions have been based on a target goal in line with a 1.5°C global warming scenario as well as a business-as-usual 4°C global warming scenario. Risk management assessment is carried out four times a year.

Benesse classifies its substantive financial impact levels as major impacts (100 million JPY or more), medium impacts (more than 10 million JPY but less than 100 million JPY) and minor impacts (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 on the value chain of our products and services as well as the 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, and the need to secure 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 for three different 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 as a proportion of the whole Group and sales revenue, as well as costs.
・Recoverability: Necessity of transforming our 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: may occur by 2030, 2: may 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 our 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
・Possibility of allocating resources (R&D costs, capital investment, human resources) to take advantage of opportunities
・Degree of market receptivity (early adopters or expanding to majority)
Impact levels are classified as major (100 million JPY or more), medium (from 10 million JPY or more to less than 100 million JPY) and minor (less than 10 million JPY).

References used for each global warming scenario are as follows. 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 regional authorities and local municipalities, Carbon Tax: set with reference to the World Energy Outlook 2021 (2030 targets for a scenario of capping global warming at 1.5°C were set based on prices of the advanced economies (130 USD/t-CO_2) shown in the WEO2021 Net Zero Emissions by 2050 Scenario. 2030 targets for a scenario of global warming reaching 4°C were set based on EU prices (65 USD/t-CO_2) shown in the WEO2021 Stated Policy Scenario. 2030 targets for a scenario of capping global warming at 1.5°C were set based on prices of the advanced economies (250 USD/t-CO_2) in the WEO2021 Net Zero Emissions by 2050 Scenario. 2050 targets for a scenario of global warming reaching 4°C were set based on EU prices (90 USD/t-CO_2) in the 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 on Scope 1 emissions will lead to cost increases for Scope 1 emissions while an increased rate for purchasing electricity will increase power prices for purchased electricity. Carbon pricing fluctuations were calculated based using the World Energy Outlook 2021 carbon tax rates as parameters: 4680 JPY/t-CO_2 for the 1.5°C global warming in 2030 scenario, 10010 JPY/t-CO_2 for the 4°C global warming in 2030 Scenario, 3120 JPY/t-CO_2 for the 1.5°C global warming in 2050 Scenario, and 11440 JPY/t-CO_2 for the 4°C global

warming in 2050 scenario.

As a result, we identified physical and transition risks, as well as opportunities with large impact and high to 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 products and 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 would cause widespread damage for a few days and require approximately 10 million JPY to manage their impact (probability of occurrence: once under a 1.5°C global warming in 2030 scenario, once under a 4°C global warming in 2030 scenario, once under a 1.5°C global warming in 2050 scenario, and twice under a 4°C global warming in 2050 scenario, (b) A Great East Japan Earthquake level disaster would cause extensive widespread damage for about 3 weeks and require approximately 150 million JPY to manage its impact (probability of occurrence: once under a 4°C global warming in 2050 scenario). Our SCM Division is in charge of making the necessary preparations to secure alternative shipping methods based on the above analysis.

Physical risks are listed below with explanations on how they are to be managed.
① As a short-term plan, 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”, which is dedicated to making 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 a decrease in revenues due to voluntary suspension of sales activities in disaster-affected areas, we plan to work to minimize losses by adjusting the timing of sales and changing sales methods from direct mail to web-based marketing activities.

Furthermore, Business Continuity Planning measures are set forth below, and clarify

necessary steps to be taken to prepare or respond to emergency situations such as torrential rain and largescale 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, they will 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 their emergency response procedures through simulations and drills and revise them as needed.
d) The Environment Promotion Secretariat will work to mitigate adverse environmental impacts and make contact with stakeholders as appropriate in case an accident or emergency situation occurs.
e) Provide relevant information and training related to emergency preparedness and response, as appropriate, to relevant 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 to be managed.
Climate change causes changes in precipitation and exacerbates deforestation, which can lead 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. Long-term risks caused by environmental changes include increases in paper prices caused by deforestation that is exacerbated by changes in precipitation and weather patterns. This would have a great impact on our business, which depends heavily on paper. (Benesse consumes about 0.7% 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 the digitalization of our products and services to mitigate such risks.
・We are digitalizing our learning materials and making 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 are called “Aka Pen Sensei” (red pen teachers) and are assigned to individual students 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 subscribers, leading to improvement of the learning experience, increased added value and enhanced customer loyalty.
・Digitalization of learning materials will enable us to compile large amounts of customer data, including learning records and methods, to improve our understanding of our customers’ needs, seize opportunities by providing suitable products and services, improve the learning experience and increase membership retention rates, and will consequently boost our sales and profits. Membership retention rate is one of our major

KPIs (Key Performance Indicators). An increase of 1% in our retention rate (defined as members of the previous month who do not quit and continue using our products and services) will lead to annual revenue growth of 5%.
Our short-term plan for operations:
・We manage our monthly paper consumption expenditure using an in-house system called BENKEI and review the results at the Management Meeting on a quarterly basis. In case excessive consumption is detected in comparison to our target, we analyze the cause and take due measures.
・We select paper manufacturers through a simultaneous bidding process. Those who can provide paper with lower environmental impact will be selected for annual contracts. We also engage in price negotiation with the paper manufacturers. We are well-versed in future trends of the paper industry, including the outlook for the coming few years. We have continuously renewed our ISO14001 certification since 2004 and established, implemented and maintained an environmental management system based on its requirements. We make continual improvements under a PDCA cycle which includes review by the management on climate-related risks as well as opportunities.

In addition, there is a risk that more stringent restrictions will be imposed on greenhouse gas emissions that adversely cause climate change in case these emissions fail to be reduced as planned. When mid- and long-term renovation plans of company-owned buildings fail to proceed as planned, challenges can arise. Such risks are reviewed and those evaluated to have more serious impacts will be incorporated in our short-, medium- and long-term plans for further management and monitoring (monthly/yearly) by the divisions in charge in light of their respective plans.

Management of energy-related risks and opportunities in our medium- and long-term plans are as seen below:
We have been considering 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 our Tokyo Headquarters building in Tama City, Tokyo. The Naoshima Coordination Division, our SCM Division and the General Affairs Division of Benesse Holdings are in charge of managing these renovations. 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 on each project will be monitored to ensure project goals are met.

We are also working to reduce our environmental impact as well as cut down on utility expenses by installing solar power generation panels at 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 also been upgrading our facilities to promote energy efficiency: high-efficiency air-cooled chiller and multi air conditioning units with motion sensors were installed at Center No. 1 (2018); high-efficiency air-

cooled chiller and multi air conditioning units with motion sensors were installed at Center No. 2, where the lighting throughout the building was also switched to LEDs (2020); renovation work at our Minamigata Headquarters included upgrading the (2018-2019); switching to LED lighting (2018); elevator renovation work in high-rise buildings (2021-2024); installation of thermal blinds in the Tama Building (2020); renewal of lighting equipment in common areas and other areas (2021); elevator renewal work (2021-2023); replacement of transformers in electrical equipment rooms (2022-2025); and maintenance and renewal of ventilation units (2023-2025). We are working towards making climate-related opportunities feed positively into our business operations. Our SCM Division supervises the Logistics Center based on our business plan, while our Headquarters building in Minamigata is under the supervision of the Naoshima Coordination Division of Benesse Holdings. Changes in work styles have also led to a reduction in the number of leased offices.

In addition, at the decision of the President and CEO, additional renewable energy sources will be introduced starting in April 2022, with a renewable energy ratio target of 50% in March of FY2024 and 100% in March of FY2041. At the same time, the company is also considering the introduction of its own solar power generation facilities or off-site PPAs (power purchasing agreements) and other methods.

C2.2a

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

	Relevance & inclusion	Please explain
Current regulations	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 called BENKEI and review the results at the Management Meeting on a quarterly basis. If excessive consumption is detected compared to the previous FY, we take reduction measures. If laws and regulations are tightened to reduce greenhouse gas emissions, this will trigger a rise in our energy costs for our business activities. We have positioned this as a major challenge to be addressed among our climate-related risks and opportunities and are striving to reduce our energy consumption.
Emerging regulations	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 throughout our supply chain if carbon prices rise or new 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 the energy we use is consumed at our company-owned facilities, including our Headquarters building in Okayama City,

		our Tokyo Headquarters building in Tama City, and the Benesse Logistics Center in Setouchi City, Okayama Prefecture. If carbon prices rise or new emission regulations are imposed, there is a risk of increased costs. However, the impact will be limited as our Scope 1 and 2 emissions are small.
Technology	Relevant, always included	We performed scenario analyses on climate-related risks and found that climate change causes increased precipitation along with greater frequency and intensity of typhoons and flooding. This can then exacerbate deforestation and impact our paper procurement costs. We are promoting the digitalization of our products and services to mitigate such risk based on robust research and development related to tablets and the contents to be provided through them. We investigate 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. The majority of them are offices and classrooms that require less electricity with limited greenhouse gas emissions compared with factories. Based on our analysis, 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 us to potential risks of growing uncertainty over market-related indices and cost increases in paper when global warming causes forest loss, since our company is heavily reliant on paper.
Reputation	Relevant, always included	Our main business domains “Kodomo Challenge,” “Shinken Zemi,” and “Shinken Moshi” as well as our magazines “THANK YOU!”, “Dog’s Heart” and “Cat’s Heart” consume nearly 40,000 tons of paper (for the main products) each year. As a company with a large volume of paper consumption, there is a risk of damaging our brand image if we are judged to be taking a passive approach to environmental issues, including forest conservation. Companies perceived to have a “negative impact on the environment” will come under criticism, accompanied by changes in customer values and behaviour, including avoidance of our products.
Acute physical	Relevant, always included	In case major disasters caused by climate-related acute physical risks, including massive typhoons and flooding, occur, it will lead to cost increases, as we will need to change the way we ship our products and services due to the suspension of our 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 ecosystems, accelerates desertification and intensifies unexpected torrential rains and other climate-related extreme weather conditions. Such physical risks will trigger deforestation and forest degradation, leading to increases in paper costs and have a significant impact on our business, which relies heavily on paper. Risks (medium- and long-term) caused by long-term environmental changes include sharp increases in paper prices caused by deforestation that is 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.

ID

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

New regulations

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Climate change is forcing changes in delivery methods due to the shutdown of distribution networks caused by extreme weather events such as large typhoons and floods, as well as relocation of factories and business sites, while environmental changes are forcing supply chain restructuring due to the spread of infectious diseases.

Benesse's main education businesses, such as “Kodomo Challenge” and “Shinken Zemi” (elementary, junior high, high school, junior high and high school courses, etc.), deliver products and services directly to many customers throughout Japan from our Logistics Centre in Setouchi City, Okayama Prefecture.

It is anticipated that delivery costs will increase in the future, 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 45,825 tons for the reporting FY2022.

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, in addition to sending learning materials out on a monthly basis. An increase in shipping costs would have a significant impact on our financial status. Benesse consumes about 0.7% of the total printing and information processing paper produced in Japan, while delivery of paper-based products and services accounts for 15.9% of its sales expenses.

The assumption for the future is that if carbon taxes are imposed in the medium term on a par with those in Europe and the U.S., it is highly likely that this will be passed on to delivery costs in a significant way. Also, if fuel costs rise in the short term, this is likely to lead to similar price increases in delivery costs, leading to higher costs for Benesse.

Changes in the means of transportation, based on the estimate that the ratio of plug-in hybrid vehicles, battery electric vehicles and fuel cell vehicles in Japan will reach 64% in 2030 and 100% in 2050 under the scenario in which global warming is to be capped at 1.5°C, is another factor that could lead to cost increases.

Delivery-related labour costs and wages also 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 there are hurdles to automation, costs can rise. However, these factors were not incorporated into our current assumptions, as they do not fall within 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)

1,280,000,000

Potential financial impact figure – maximum (currency)

3,700,000,000

Explanation of financial impact figure

The potential financial impact of shipping our learning materials is estimated at between 1.28 billion JPY to 3.7 billion JPY based on the assumption that the volume will remain the same.
(However, we are working on reducing the number of items to be shipped.)

Minimum: Learning materials shipment of 28 million items X 10 JPY / item + direct mail 200 million items X 5 JPY / item = 1.28 billion JPY

Maximum: Learning materials shipment of 28 million items X 25 JPY / item + direct mail 200 million items X 15 JPY / item = 3.7 billion JPY

Explanation of the Above Figures

● Our estimates for the impact on 2030 targets for the scenario in which global warming is capped at 1.5°C anticipate advances in decarbonization and automation. ① Fuel Cost: Crude oil price will decrease by approx. 15% from 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 / item

● Our estimates for the impact on 2030 targets for the scenario in which global warming reaches 4°C anticipate business as usual in terms of decarbonization but the same progress in automation as that used in setting 2030 targets for the scenario in which global warming is capped at 2°C.
① Fuel Cost: Crude oil prices will increase approximately 83% over the 2020 level (WEO 2021). This will be reflected in a 3 JPY increase in unit prices.
② Carbon Tax: “Approx. 7,000 JPY/t-CO_2” will be added to the delivery costs (estimated to be an increase of around 2 JPY in unit prices)
⇒ Learning material shipping fee + 10 JPY/ item, direct mail shipping fee + 5 JPY / item

The above delivery cost increase is based on the following assumptions

・Japan Post Co., Ltd. has a monopoly on postal services in Japan, 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 for them to raise prices. (However, Yamato Holdings revised its prices and there is an overall trend of rising unit prices.)
・Against such a backdrop, our calculation of the financial impact of delivery costs is

based on the assumption that “fluctuating factors, such as increases 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 reliance on gig workers. In this situation, ① labour costs can rise in the short term, and ② when there are hurdles to implementing automation, the rise in labour costs can be reflected in prices.
・When carbon taxes are introduced, there is good possibility this cost 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 its low emissions 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 are estimated to result in the ratio of plug-in hybrid vehicles, battery electric vehicles and fuel cell vehicles reaching 64% in 2030 and 100% in 2050 under targets aimed at capping global warming at 1.5°C.

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 costs due to carbon taxes as well as cost increases associated with the switch to EVs and/or the switch to renewable energy sources as we near 2030, when more rigorous policies, laws and regulations are expected to be introduced to address climate change. Benesse consumes about 0.7% of the total printing and information processing paper produced in Japan and delivery of paper-based products accounts for the majority of its shipping volume.

To mitigate such risks, we are promoting the digitalization of our products and services.
・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 are called “Aka Pen Sensei” (red pen teachers) and are assigned to individual students 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 subscribers, leading to improvement of the learning experience, increased added value and enhanced customer loyalty.
・Digitalization of learning materials will enable us to compile large amounts of customer data, including learning records and methods, to improve our understanding of our customers’ needs, seize opportunities by providing suitable products and services, improve the learning experience, and increase membership retention rates, and will consequently boost our sales and profits. Our membership retention rate is one of our major KPIs (Key Performance Indicators). An increase of 1% in our retention rate

(defined as members of the previous month who do not quit and continue using our products and services) will lead to annual revenue growth of 5%.
In terms of our operation as a short-term plan:
・We manage our monthly paper consumption expenditure using an in-house system called BENKEI and review the results at the Management Meeting on a quarterly basis. In case excessive consumption is detected in comparison with our target, we analyze the cause and take due measures.
・We select paper manufacturers through a simultaneous bidding process. Those who can provide paper with lower environmental impact are selected for annual contracts. We also engage in price negotiation with the paper manufacturers. We are well-versed in future trends of the paper industry, including the outlook for the coming few years. We have continuously renewed our ISO14001 certification since 2004 and established, implemented and maintained an environmental management system based on its requirements. We make continual improvements under a PDCA cycle which includes review by the management on climate-related risks as well as opportunities.

The results of these efforts between 2014 and 2021 include approximately 70% of elementary and junior high school students adopting tablet materials and approximately 100% of our high school student subscribers using smartphones to study our learning materials. 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 5.3 billion JPY, 64% are for costed items and 36% 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.

ID

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 depletion of the forests that supply the 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 45,825 tons of paper for the reporting year, or about 0.7% of the total printing and information processing paper produced in Japan. If we can reduce our paper consumption, which accounts for the largest part of our Scope 3 raw material procurement emissions, we can reduce not only our greenhouse gas emissions but also our paper costs. This can be done while working to improve the learning experience and enhance customer satisfaction through the digitalization of our products and services. Thus, Benesse can play an instrumental role in preventing deforestation and alleviating climate change.

We are trying try to cut down on our paper-based products and gradually switch to digitalized products over the next few years as we promote the digitalization of our products and services. This digitalization strategy has reduced our paper consumption by 46.9% between 2014 and 2021. This measure is ongoing.

Our focus is placed on shifting towards digital products, and this also constitutes one of the priority measures in our new Mid-Term Management Plan. We are also accelerating measures to reduce paper consumption by switching to digitalizing documents and information exchanged between our offices, employees, clients, suppliers and customers (Quotations, Purchase Orders, Statements of Delivery, Inspection Documents, Mock Exam Reports etc.) and sending them online.

As we work to reduce the amount of paper we consume, we are also given the opportunity to reduce delivery costs.

Benesse's main education businesses, such as "Kodomo Challenge" and "Shinken Zemi" (elementary, junior high, high school, junior high and high school courses, etc.), deliver products and services directly to many customers throughout Japan from our Logistics Centre in Setouchi City, Okayama Prefecture.

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 as we near 2030, when more rigorous policies, laws and regulations are expected to be introduced to address climate change. Delivery costs will have a significant impact on our business, which depends heavily on paper. (Benesse

consumes about 0.7% of the total printing and information processing paper produced in Japan).

Benesse ships its products nationwide from its own Logistics Centre in Setouchi, Okayama, and although external factors such as climate change may increase transport costs, our digitalization strategy enables a significant reduction in paper use and lower costs for the delivery of our goods 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 instruction for ease of use, to improve the learning experience, and to ensure profitability. Our learning materials are used on tablets by 70% of our elementary and junior high school subscribers, while nearly 100% of our high school customers are using smartphones to study our materials. Through our “Shinken Zemi” home study program for elementary to high school students, we create and deliver a unique program of tablet-based learning materials. In addition, we have also begun a tablet reuse initiative for those who wish to use such tablets, with plans to expand this initiative in the future.

Time horizon

Medium-term

Likelihood

Virtually certain

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)

1,765,800,000

Potential financial impact figure – maximum (currency)

2,059,800,000

Explanation of financial impact figure

Total Reduction of Paper Consumption and Delivery Costs

1.5°C global warming cap scenario as the minimum

Paper consumption reduction effect 1.357 billion JPY + Delivery cost reduction effect 408.8 million JPY = 1.7658 billion JPY

4°C global warming scenario as the maximum

Paper consumption reduction effect 1.357 billion JPY + Delivery cost reduction effect 702.8 million JPY = 2.0598 billion JPY

Breakdown:

Reduction of Paper Consumption

5.9 billion JPY X 0.1 (cost increase accompanying a 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 (cost reduction estimated at 1.357 billion JPY)

※ The basis of a 10% increase in paper procurement costs is as follows:
Review based on the “Paper and Paperboard” index in the Bank of Japan Corporate Goods Price Index.
Paper prices are subject to various factors as listed below. Following the price increase of 10% from 2015 to 2020, this 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 pandemic; 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.

Impact of Reduction on Delivery Costs

1.5°C global warming cap scenario as the minimum
28 million items X 70% X 132 JPY/item – 28 million items x 107 JPY/item = ▲408.8 million JPY (impact of delivery cost reduction estimated at 408.8 million JPY)

4°C global warming scenario as the maximum
28 million items X 70% X 117 JPY/item – 28 million items x 107 JPY/item = ▲702.8 million JPY (impact of delivery cost reduction estimated at 702.8 million JPY)

～**Explanation of Impact of Reduction on Delivery Costs**

● 30% reduction in delivery volume through strategic digitalization of products and services.

● 1.5°C global warming cap scenario for 2030 anticipates advances in decarbonization, automation and efficiency improvement.
① Fuel Cost: Crude oil prices will decrease by approximately 15% of the 2020 level (WEO 2021). About 5% of trucks will be replaced with 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 / item

● Our estimates for the impact on 2030 targets for the scenario in which global warming reaches 4°C anticipate business as usual in terms of decarbonization but the same progress in automation and efficiency improvement as that used in setting 2030 targets for the scenario in which global warming is capped at 1.5°C.
① Fuel Cost: Crude oil prices will increase approximately 83% over the 2020 level (WEO 2021). This will be reflected by a 3 JPY increase in unit prices.
② Carbon Tax: “Approximately 7,000 JPY/t-CO_2” will be added to the delivery costs (estimated around 2 JPY per unit)
⇒ Learning material shipping fee + 10 JPY/ item, direct mail shipping fee + 5 JPY / item

The above delivery cost increase is based on the following assumptions:
・Japan Post Co., Ltd. has a monopoly on postal services in Japan, 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 for them to raise prices. (However, Yamato Holdings revised its prices and there is an overall trend of rising unit prices).
・Against such a backdrop, our calculation of the financial impact of delivery costs is based on the assumption that “fluctuating factors, such as increases 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 reliance on gig workers. In this situation, ① labour costs can rise in the short term, and ② when there are hurdles to implementing automation, the rise in labour costs can be reflected in the prices.
・When carbon taxes are introduced, there is good possibility this cost 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 its low emission 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 targets aimed at capping global warming at 1.5°C, the ratio of plug-in hybrid vehicles, battery electric vehicles and fuel cell vehicles is expected to 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 depletion of the forests that supply the 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 45,825 tons of paper for the reporting year, or about 0.7% of the total printing and information processing paper produced in Japan. If we can reduce our paper consumption, we can curb deforestation, and that, in turn, can alleviate climate change. This, on top of reducing our paper procurement costs, will have a positive impact that will outweigh 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, in addition to sending learning materials out on a monthly basis. A decrease in shipping costs will therefore have a significant impact on our financial status.

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

In response to this challenge, our medium-term plan includes a strategy to digitalize our products and services.
We are trying 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 digitalization of our products and services constitutes one of the top priorities in our new Mid-Term Management Plan.

• We have been reducing paper consumption by digitalizing a portion of our paper-based learning and teaching materials and tapping into AI technology to provide individualized online instruction to enhance usability and profitability and improve the learning experience. We can enhance our competitiveness at the same time. We are also accelerating measures to reduce paper consumption by switching to digitalizing documents and information exchanged between our offices, employees, clients/suppliers, and customers (such as Quotations, Purchase Orders, Statements of Delivery, Inspection Documents, Mock Exam Reports, etc.) and sending them online.
• Benesse offers “Aka Pen” (red pen) services to elementary, junior high and high school students. Our instructors are called “Aka Pen Sensei” (red pen teachers) and are assigned to individual students 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 subscribers, leading to improvement of the learning experience, increased added value and enhanced customer loyalty.

Our short-term plan for operational activities is as follows.
・We manage our monthly paper consumption expenditure using an in-house system called BENKEI and review the results at the Management Meeting on a quarterly basis. In case excessive consumption is detected in comparison with our target, we analyze the cause and take due measures.

・We have continuously renewed our ISO14001 certification since 2004 and established, implemented and maintained an environmental management system based on its requirements. We make continual improvements under a PDCA cycle which includes review by the management on climate-related risks as well as opportunities.

As a result of these efforts between FY 2014 and FY2021, 70% of our elementary and junior high school subscribers adopted tablet-based learning materials, while nearly 100% of our high school student subscribers began using smartphones to study our learning materials. Consequently, paper consumption has been reduced 60% for each elementary and junior high school student who opted for tablet-based learning materials. Of our paper costs that total 5.3 billion JPY, 64% are for costed items and 36% are for non-costed items.

We also select the manufacturers of the paper we use through a bidding process, alongside other considerations. Paper determined to not be associated with illegal logging and with a low environmental impact is selected for our annual contracts, while we also engage in price negotiations with the paper manufacturers. 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 costs per year are calculated as 425 million JPY X 20% = 85 million JPY.

Comment

ID

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

As background, intensifying global warming due to climate change can trigger depletion of 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 in our country. (Benesse consumed about 0.7% of the total printing and information processing paper produced in Japan. Moreover, paper accounts for the largest proportion of our Scope 3 emissions.) If we can reduce our paper consumption, we can curb deforestation, and that, in turn, can alleviate climate change.

We are addressing this challenge by promoting the digitalization of our products and services as part of our medium-term plan.
Digitalization of our learning materials enables us to compile large amounts of customer data, including learning records and methods, to improve our understanding of our customers' needs, seize opportunities by providing suitable products and services, improve the learning experience, and increase membership retention rate, and will consequently boost our sales and profits. Our membership retention rate is one of our major KPIs (Key Performance Indicators). An increase of 1% in our retention rate (defined as members of the previous month do not quit and continue using our products and services) will lead to annual revenue growth of 5%.

The goal of our digitalization strategy is to cut down on paper-based products and gradually switch to digitalized products over the next few years. We have been implementing this strategy continuously since FY2014 and we are still working on it.

Our focus on promoting the shift towards digital products and services constitutes one of the priority measures in our new Mid-Term Management Plan. For example, we are accelerating measures to reduce paper consumption by switching to digitalizing documents and information exchanged between offices, employees, clients/suppliers, and customers (such as Quotations, Purchase Orders, Statements of Delivery, Inspection Documents, Mock Exam Reports, etc.) and sending them online. We have also been reducing paper consumption by digitalizing a portion of our paper-based learning and teaching materials and tapping into AI technology to provide individualized online instruction to enhance usability and profitability and improve the learning experience.

As a result of these efforts between FY2014 and FY2021, 70% of our elementary and junior high school subscribers adopted tablet-based learning materials, while nearly 100% of our high school student subscribers began using smartphones to study our learning materials (according to data from a survey taken using the Benesse Holdings, Inc. CDP Climate Change Questionnaire from July 25 ~ 27, 2022). Consequently, paper consumption has been reduced 60% for each elementary and junior high school student who opted for tablet-based learning materials, while we achieved an increase of just over 0.5% in our sales.

Time horizon

Medium-term

Likelihood

More than 50%

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

5,600,000,000 (JPY)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The Benesse 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 subscriber retention rate will lead to a 5% increase in sales, which is the company's goal.

Sales of 112.3 billion JPY X 5% = 5.6 billion JPY

Cost to realize opportunity

100,000,000

Strategy to realize opportunity and explanation of cost calculation

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

We therefore need to further pursue digitalization, especially the use of tablet-based learning materials, to reduce paper consumption while working to improve the learning experience. This is why we are promoting the digitalization of our products and services.

As a countermeasure to the impact of climate change, we have enhanced the digitalization of our learning materials through the introduction of the Learning Management System (LMS), which keeps track of how the tablet-based “Shinken Zemi” program is used. This system compiles and manages each subscribers’ study record and promotes good study habits, while also encouraging subscribers and supporting their learning experience with the goal of enhancing customer satisfaction and increasing our membership retention rate.

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

The total expenses for implementing this strategy are estimated to be 100 million JPY, including research (qualitative and quantitative) costs for members using tablet-based learning materials, LMS depreciation expenses, and web-based marketing activity fees.

Comment

ID

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

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 aimed at achieving carbon neutrality by 2050. The “Green Growth Strategy” announced by the Japanese government highlights the importance of capacity building. This strategy includes plans to grant academic credits for climate-related activities and increase the enrollment in related university departments as well as enhancing STEAM (Science, Technology, Engineering, the Arts and Mathematics) education at the elementary and secondary education levels. Increasing media coverage on environmental issues has enhanced the 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’s learning materials that promote STEAM education are used in an overwhelming share of Japan’s high schools.For example, “Tankyu Navi" (Inquiry Navigator) materials for schools includes 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 Kyoshitsu” (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 solution 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” and the “National Exploration Contest”.

https://benesse-hd.disclosure.site/ja/themes/150

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

Time horizon

Medium-term

Likelihood

More than 50%

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

Minimum based on a 4°C global warming scenario and assuming 870 million JPY in sales with a 1% share of current high school market X 10% share of future high school market. Maximum based on a scenario in which global warming is capped at 1.5°C and assuming 1.74 billion JPY in sales with a 1% share of current high school market X 20% share of future high school market.

Cost to realize opportunity

40,000,000 JPY

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 aimed at achieving carbon neutrality by 2050. The “Green Growth Strategy” announced by the Japanese government highlights the importance of capacity building. This strategy includes plans to grant academic credits for climate-related activities and increase the enrolment in related university departments as well as enhancing STEAM (Science, Technology, Engineering, the Arts and Mathematics) education at the elementary and secondary education levels. Increasing media coverage on environmental issues has enhanced the eco-awareness of our customers and consumers. Benesse has a significant advantage in promoting environmental education as we aim to achieve carbon neutrality by 2050 and respond to shifting customer awareness through our main business that focuses on education. In particular, Benesse has captured an overwhelming share of sales to high schools in this area by providing advanced products and services to promote STEAM education for high school students with learning materials such as “Tankyu Navi (Inquiry Navigator)” for schools and the “Benesse STEAM Festival communication forum (ongoing since 2018) and the "National Exploration Contest" (ongoing since 2021).

Currently, we are providing environmental education within a framework aimed at fortifying science and social studies education, based on the Curriculum Guidelines issued by the Ministry of Education, Culture, Sports, Science and Technology. However, Japan is still in the early stages of providing STEAM education, and there are not yet enough educational opportunities for students to develop problem-solving skills to address environmental and social issues; this leaves room for Benesse to diversify our educational business activities.

More specifically, Benesse offers “Tankyu Navi (Inquiry Navigator)” learning materials for schools with content designed to help students learn 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 Festa,” where junior and senior high school students from across Japan share inquisitive learning activities on different issues, including SDGs (Sustainable Development Goals), which is a popular theme. Cases presented range from surveys to experimental studies on the development of apps. (For example, students from Aoyama Gakuin Senior High School created the

Benesse Holdings, Inc. CDP Climate Change Questionnaire, which was used in a survey conducted from July 25 through July 31, 2022 as a tool to help learners visualize the amount of greenhouse gas emissions that can be reduced in our daily activities.)
Benesse also 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.

One outcome of our activities can be seen in the success of the Benesse STEAM Festa. In March 2022, teams selected from across the country presented at this online forum and the event is gaining momentum year on year. One outcome indicator will be an increase in the number of customers served when it is held in March 2023 compared to the previous year.

Benesse also continues to implement “B-STAGE”, a system for proposing new business development and operational improvements, which generates a wide range of development of new products and services. This started in FY2021 and is ongoing in FY2023.
The estimated cost to manage this new system totals 40 million JPY, which 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 climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

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

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders on your climate 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.

About 200 briefings and SR (Shareholder Relations) /ESG (Environment, Social, Governance) meetings with investment managers and investors were held during the reporting year (with ESG briefings starting in FY2022), during which dialogue is promoted and we receive feedback about our activities.
Being a relatively small greenhouse gas emitter, we got a limited number of questions that focused on how we had established our goals for reductions in greenhouse gas emissions, how we track and manage progress towards our goals, as well as about specific measures to be implemented to achieve our reductions. We explained a number of concrete steps we have been taking, such as raising our renewable energy targets at the same time as we were revising the targets for Scope 1 and 2 emissions in line with capping global warming at 1.5°C. Additionally, we have been promoting the digitalization of our products and services to work on Scope 3 emission 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 emissions in line with the 1.5°C global warming scenario. The information is published on our website. Renewed approval from the SBTi was also received in September 2022 and a statement was made on the website to that effect.

Frequency of feedback collection

More frequently than annually

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

Results of TCFD scenario analysis consistent with a target of capping global warming at 1.5°C

20220928tcfd_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 warming cap scenario was set based on the estimated prices of the advanced economies published in WEO 2021 NZE. ※ Reference made to the highest figure.

			・The renewable energy price for the 1.5°C warming cap scenario was estimated to be 10,000 JPY/t-CO_2. ・Electricity prices for the 1.5°C warming cap scenario reflect 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 business-as-usual global warming scenario was set based on the estimated prices in the EU published in the WEO 2021 Stated Policies Scenario. ※ Reference made to the highest figure. ・The renewable energy price for the 4°C global warming scenario was estimated at 5,000 JPY/t-CO_2. ・Electricity prices for the 4°C global warming scenario reflect 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		Reference made to a temperature rise is estimated at 1.5°C in the 2030 scenario 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		Reference made to a temperature rise is estimated at 1.6°C in the 2030 scenario 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

In order to understand how climate change would affect our business strategy and financial plans, we needed to clarify the answers to the following questions
(i) In order to achieve a carbon-neutral society, would it be possible to continue our main existing business, the education business, in a world where the average global temperature has risen by 1.5°C or by nearly 4°C since pre-industrial times? If so, what would be the major challenges?
(ii) Could our moves to develop and revise our products and services in line with our digitalization strategy, which is the direction in which our business is being transformed, as well as the changing needs of our customers, who are increasingly concerned about climate change and reducing our impact on the global environmental, be business opportunities for us?
(iii) How can we increase the value we provide to our customers as we strive towards the realisation of a carbon-neutral society, and at the same time, how can we put our Corporate Purpose (“a world where everyone can grow and develop throughout their lives, a world where they can live their own lives as they see fit”) into practice? Benesse will continue to aim to help bring about a world where everyone can live their own life as they see fit.) How should we enhance and develop our product and service development capabilities, marketing and expertise in line with this Purpose (helping make this “a world where everyone can grow and develop throughout their lives and live their own lives as they see fit”)?
(iv) What impact could the risk of natural disasters and new regulations due to global warming have on the company and its supply chain? What would be the economic impact if global warming is capped at 1.5°C? What would it be if global warming rose 4°C? What policies and measures are needed to address these risks?
To answer these questions, an objective analysis based on the TCFD framework was conducted.

When greenhouse gas (GHG) emission regulations are reinforced or more stringent reduction obligations are put into place, there will be financial consequences in terms of 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 members of Generation Z and their families, who constitute our main customer base.

①The surge in delivery costs due to climate change will have a significant impact on our business.
Benesse's main education businesses, such as our “Kodomo Challenge” and “Shinken Zemi” programs (elementary, junior high, high school and junior high/high school courses), deliver products and services directly from the Benesse Logistics Centre in Setouchi City, Okayama Prefecture, to our many customers throughout Japan.
Since we send out our products across the country from the Logistics Center in Okayama Prefecture, it is anticipated that delivery costs will increase to reflect the sharp rise in carbon taxes. We also 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.

②Due to the large volume of paper consumption in our business, there is a risk to our reputation if we're seen as a company that has a negative impact on the environment. Benesse's main educational businesses, our "Kodomo Challenge" and "Shinken Zemi" programs (elementary, junior high, high school, and junior high/high school courses), use a great deal of paper, since their teaching materials are physically delivered to customers' homes. Compared to FY2011, paper consumption was reduced by 53% in FY2021, but even so, Benesse's paper consumption is still high, accounting for approximately 0.7% of the total printing and information paper produced in Japan. Therefore, in terms of our Scope 3 raw material use, it is possible that our reputation will be harmed if the company is regarded as insufficiently responsive or as a company having a high environmental impact. Conversely, if a company is regarded as having an excellent approach to climate change and environmental issues, it could be seen as an opportunity to increase its corporate value.

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 to reflect a sharp rise in carbon taxes. We also anticipate cost increases associated with the switch to EVs and/or renewable energy sources in the lead-up to 2030, when stricter policies, laws and regulations are expected to be introduced to address climate change. Benesse consumes about 0.7% of the total printing and information processing paper produced in Japan and delivery of paper-based products accounts for the majority of its shipping volume.

The results of climate-related scenario analyses are as below:
As deliveries are made directly across Japan from a logistics centre in Setouchi City, Okayama Prefecture, rising oil prices lead to higher petrol costs, which directly translate into higher land transport fares. The expected rise in carbon taxes will also increase delivery fees, and that will push up shipping costs. On the other hand, as decarbonization moves forward, it will push down crude oil prices leading to 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 cannot be successfully implemented, there may be a rise in delivery costs.

The results of these scenario analyses highlight the need to promote decarbonization, curb price hikes in crude oil and further automate our delivery processes.
As countermeasures to deal with the difficulties projected in our scenario analyses, Benesse has reduced the size of its teaching materials and packaging to meet set standards in order to reduce energy use in delivery every month starting in 2021. In addition, it has coordinated its monthly delivery volumes with the shipping companies it uses in advance to ensure that containers and trucks are loaded without waste. This use of containers and trucks has proven successful. The company will further strengthen its

efforts in this area starting in 2023. This will not only reduce energy consumption during delivery, but also delivery costs.

It is assumed that carbon tax and delivery costs will have a larger impact if global warming is to be capped at 1.5°C than if it is allowed to rise 4°C.

②Due to the large volume of paper consumption in our business, there is a risk to our reputation if we're seen as a company having a negative impact on the environment. Benesse's correspondence education businesses, "Kodomo Challenge" and "Shinken Zemi" (elementary, junior high, high school and integrated junior high and high school courses) for students from pre-school through high school age, are paper-intensive, and if the growing environmental awareness of our customers leads to them being deemed to be placing a burden on the environment by using a lot of paper, this could lead to a decrease in sales and a decline in the price of Benesse's stock. Conversely, if the company's efforts to address climate change and environmental issues are highly evaluated, this could provide an opportunity to increase the company's value.

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". In the medium to long term, education has a huge influence on people and society and is recognised as having the power to bring about social change.

The results of climate-change scenario analysis are as below:
Increased environmental awareness among people and society has led to an increase in alternative, environmentally friendly services, a trend that has led to the rise of competitors, and as Benesse's main business is the education business, centering on "Kodomo Challenge" and "Shinken Zemi", if its response to climate change is deemed inadequate, the resulting damage to or decline in its reputation could lead to a decline in customer numbers and sales. This, in turn, could lead to a decline in the price of Benesse's stock. Conversely, if the company is regarded as being proactive in terms of its environmental initiatives, this may lead to opportunities to increase corporate value. Increased environmental awareness among people and society will also lead to increased ESG (Environment, Social, Governance) investment, and if the company's climate change measures are assessed as insufficient, this could also lead to a decline in the price of our stock. Conversely, if the company is assessed as being proactive in terms of its environmental initiatives, this could lead to opportunities to increase corporate value.

These results of our 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 optimize Benesse's social value, thus creating greater economic value as well. The results of an actual customer awareness survey show that the results of this analysis are increasingly reliable, as customer awareness is steadily changing, and our plans to offer contents about climate change

and global environmental protection, such as the concept of “Mottainai” (What a waste!), are highly evaluated.

In order to meet the expectations of our customers, Benesse is not only providing environmental education tailored to our customers’ developmental stages through its education programs such as “Kodomo Challenge” and “Shinken Zemi”, but since 2020, it has also started a program offering Benesse's original tablets for reuse by those who wish to use them, and plans to expand the scale of reuse of these tablets. A campaign to increase the tablet reuse has been implemented starting in 2023. Other environmentally friendly measures that have been taken include the introduction of biomaterials in film envelopes for direct mail from Benesse from November 2022 onwards (switching to all film envelopes). Other measures under consideration include BYOD (bring your own device) for the tablets themselves, and new decisions are exerting their influence one after another and additional measures are being implemented.

It is assumed that the development of eco-friendly alternative services, safeguarding the brand image, and ESG investment will have a larger impact if the goal is capping global warming at 1.5°C than if it is to be allowed to rise 4°C.

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	The biggest risk our company faces in relation to climate change is increased paper costs due to changes in precipitation and other weather patterns. As a medium-term strategy to manage this risk, over the next few years we will strive to cut down on the amount of paper-based products we offer by gradually switching from paper-based learning materials for elementary school through high school students who are studying in our “Shinken Zemi” program to tablet-based digital learning materials called “Challenge Touch”. This strategy is intended to ensure an optimum balance between our concern for the environment and our goal of providing effective learning materials for our customers. Looking ahead to 2030, we estimate that the financial impact of increased paper costs will be approximately 590 million JPY; however, through our shift to digital products and

		services, we are planning to strategically reduce our paper consumption and thus reduce medium-term paper costs by approximately 1.357 billion JPY despite the above-mentioned anticipated increases in the cost of paper.
Supply chain and/or value chain	Yes	It is anticipated that climate change may impact our supply chain and/or value chain for the production of our learning materials and toys. In the event of a major natural disaster that leads to suspension of production by our suppliers or stoppage of the shipping of products and materials from our suppliers to Japan, recovery of our supply chain may need to involve air freight, which would lead to an estimated 100 million JPY increase in cost. We are therefore investigating possible countermeasures such as relocating our production bases and factories.
Investment in R&D	Yes	Global warming due to climate change can affect ecosystems, accelerate desertification and intensify the frequency of unanticipated torrential rains and other extreme weather conditions. It is anticipated that such risks may well lead to deforestation, and as the number of trees decreases, the cost of paper, which is made from trees, will rise. The challenges we face also include the possibility of the need to change shipping methods due to the suspension of logistics networks caused by typhoons, floods and other extreme weather conditions as well as sharp increases in paper prices due to deforestation caused by changes in precipitation patterns resulting from climate change. To deal with these challenges, Benesse has adopted a strategy of digitalizing the products and services in our main lines of business, including “Shinken Zemi”. This strategy is enhancing our customers’ learning experiences while also leading to reduced paper consumption and allowing us to mitigate the impact of price increases. Thus, we are able to provide better products and services and boost our competitiveness. We are expanding our use of information technology in our line-up of products and services for schools, and our research and development in the areas of educational content and programs as well as tools has enabled us to strengthen our line-up of tablet-based products and services. This, in turn, has allowed us to compile a wealth of customer data, which should make it possible to provide products that better meet our customers’ needs, thereby boosting our sales and profits.

		Specifically, digitalization leads to enhanced products and services that build on Benesse's strengths in guiding students and boosting their motivation by deepening their understanding of the learning materials and improving their comprehension through faster confirmation of whether their answers to questions are right or wrong. This enhances the learning experience, thereby improving customer satisfaction and increasing membership retention rates, thus boosting our sales and profits. This is the medium-term strategy which we plan to implement in the next few years. We do not believe that we can completely eliminate our use of paper, however, since we need to find the optimum balance between our ecological goals and our customers' needs. Benesse invests 280 million JPY annually on R&D projects related to the shift to digital products.
Operations	Yes	Benesse faces the risk of being forced to change the methods it uses to deliver its products and services in the event that climate change-induced shifts in precipitation patterns lead to typhoons, flooding and other natural disasters that cause suspension of operations in its logistic networks. Based on past experience, we can estimate that in cases such as (a) logistic suspensions lasting a few days, such as occurred during the shipping stoppage due to torrential rainfall in western Japan, the company would suffer a setback of approximately 10 million JPY; (b) suspensions lasting around three weeks, as in the case of the Great East Japan Earthquake, it would take about 150 million JPY to handle. Our SCM (Supply Chain Management) Division is currently in charge of making preparations to secure alternative shipping methods in such cases. In addition, to mitigate the risk of difficulties arising from shortages of wood pulp due to deforestation caused by climate change-induced changes in precipitation patterns, we have set a medium-term goal of shifting to paperless communication within our group companies, by taking the following measures: ① We are promoting paperless operations through the use of digital invoices and receipts for transactions between group companies (starting in November 2015). We have also begun issuing electronic estimates and purchase orders and plan to extend digitalization throughout the entire Benesse group of companies.

		② Our Operations Division, which serves schools and teachers, has also introduced an electronic ordering system for its clients in order to promote paperless operations. ③ By digitalizing the editing process used in the production of our products and services, we were able to cut back on the use of paper used to print out proofs as well as on delivery costs and outsourcing commissions. Investments for the above three measures was approximately 60 million JPY, while annual savings due to paperless operations reached 57 million JPY.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs	1) Potential impact on revenues ・Opportunities related to products and services Our efforts to reduce CO_2 emissions by digitalizing our “Shinken Zemi” learning materials for students of elementary school through high school have allowed us to compile a wealth of data on our customers’ study history and methods, which should make it possible to provide products that better meet their needs; research has shown that this will improve their learning experience while also boosting our sales. These research results have been reflected in our financial plan as anticipated increases in sales thanks to a rise in our subscriber “retention rate”, a major financial index. The results of research on changes in consumer behaviour due to climate change (awareness of the reduction in paper use and enhanced learning experience thanks to digitalization of the learning materials) are also reflected in our financial plan. Based on past business performance, a 1% rise in our retention rate (defined as the percentage of subscribers from the previous month who continue to use our products and services without cancelling their contracts), which is one of our company’s major KPIs (key performance indicators), will lead to an annual growth in revenues of around 5%. 2) Potential impact on direct spending Risks and opportunities related to climate change may well have an impact on our revenues. The risks that Benesse has identified include those related to changes in consumer behaviour and those resulting from unexpected occurrences such as natural disasters. Identified opportunities include those involving our products and services and

those created by more efficient use of resources. For example, the risks that may arise from unexpected occurrences include the possible need to change the methods we use to deliver materials such as “Kodomo Challenge” and “Shinken Zemi” in case our logistics networks suspend operations.

① Risks arising from unexpected occurrences

Based on past experience, we estimate that costs related to the need to change the methods by which we ship “Kodomo Challenge” and “Shinken Zemi” learning materials to areas affected by natural disasters when our logistics networks have suspended operations would run to approximately 10 million JPY each time a wide area is affected for several days, as in the case of the torrential rains that ravaged western Japan in 2018, or 150 million JPY each time an extremely large region is affected for approximately 3 weeks, as it was after the Great East Japan Earthquake in 2011.

② Possible opportunities

Our strategy of producing more digital products and services such as “Challenge Touch” will minimize the influence of rising paper costs through the reduction of the use of paper, and thus potentially increase our competitiveness. The impact of our reduced paper consumption may potentially lead to medium- to long-term savings of 1.357 billion JPY despite possible increases in paper costs due to paper shortages.

3) Potential impact on indirect costs

4) Risks due to legal restrictions and new policies

A corporate scandal in 2014 had a major negative financial impact on the Benesse Group, including large losses of existing customers, missed opportunities to enroll new customers and new costs incurred in striving to rebuild trust. In the face of such severe financial conditions, it was difficult to switch to renewable energy sources, so we have been relying on 8,062 MWh of electricity generated using fossil fuels annually to keep the financial impact to a minimum. However, given the possibility that a tax on fossil fuel use may be introduced in Japan to counter global warming, this reliance on fossil fuels is accompanied by the risk of increased energy costs.

If the cost of procuring energy rises 5%, our operating costs will rise by about 10 million JPY annually. In the face of new laws concerning climate change and the use of fluorocarbons, our CEO approved the following measures. In FY2020, high-efficiency air-cooled chillers and multiple air conditioning units that can make accurate output adjustments based on motion sensors were installed

		at the Benesse Logistics Center, resulting in an annual reduction of energy equivalent to 67 kiloliters of crude oil a year. In addition, toilet renovation is now underway (2021 ~ 2023). Plumbing work at the Minamigata Headquarters building undertaken in 2020 led to a reduction in water consumption for flushing toilets by 240 m^3/ year (0.6t Co_2/ year). In addition, a shift to LED lights and a reduction in electricity consumption for lighting and air conditioning reduced electricity consumption by 12,696 kwh (3.3 kl/year), while the elevators in our high buildings are undergoing renovation between 2021 and 2024 with the expectation that this will reduce carbon dioxide emissions by 6t/year. At our Tama Office Building, upgrades in the lighting equipment and the installation of insulation film in offices and on glass windows reduced electricity use by an estimated 82.82kl during FY2020, while refurbishment of plumbing and toilets is being undertaken between 2020 and 2023 and is expected to reduce water consumption for flushing toilets by 15,000 m^3/year (7t CO_2/ year). In addition, we are planning on upgrading the voltage transformer and the ventilation and exhaust fans in the electricity generating room to reduce electricity consumption by 6.9 kl.

C3.5

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

	Identification of spending/revenue that is aligned with your organization's climate transition
Row 1	Yes, we have identified spending and revenue that are aligned with our organization's climate transition.

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric

Revenue/Turnover

Type of alignment being reported for this financial metric

Alignment with our climate transition plan

Taxonomy under which information is being reported

Objective under which alignment is being reported

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

87,000,000

Percentage share of selected financial metric aligned in the reporting year (%)

0.01

Percentage share of selected financial metric planned to align in 2025 (%)

0.2

Percentage share of selected financial metric planned to align in 2030 (%)

1

Describe the methodology used to identify spending/revenue that is aligned

The simulation of our increase in sales resulting from environmental education is as follows:

In order to cap global warming at 1.5℃ by 2030, sales for a 1% market share (30 million JPY + 57 million JPY) X our future market share

* For 2050, sales for a 1% market share will be multiplied by the projected decline 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?

We had an 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

Is this a science-based target?

Yes, we understand it to be a science-based target and are committed to seeking an SBTi review of this target within two years.

Target ambition

1.5℃ aligned

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

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

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

Base year total 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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total 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)
75

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
4,502

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

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

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

Total 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)

4,577

Does this target cover any land-related emissions?

No. It does not cover any land-related emissions (for example, non-FLAG SBT).

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

39.752533895

Target status in reporting year

Revised

Please explain target coverage and identify any exclusions

Using 2018 as our base year, the target was revised upward to be a 4.4% annual reduction of the total Scope 1 and 2 amounts. The target for 2041 is a 100% reduction. There are no exclusions.

Emissions for the reporting year (2022) are 4,577t -CO_2, which is 39.8% reduction from base year emissions and significantly ahead of schedule.

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

・Medium-term plan to renovate our offices and distribution center to make them energy-efficient facilities (including some ongoing measures related to air conditioning, the replacement of some lights with LED lights, upgrading elevators, replacing gas equipment with electric equipment in the Tama Office Building's cafeteria and so on)

・Measures to reduce energy consumption (lining glass windows with energy-saving film sheets, adjusting the time when air conditioning is turned on, turning off unnecessary lights, etc., plus "Cool Biz" clothing guidelines for summer time and "Warm Biz" clothing guidelines for the winter months)

・Reducing the amount of office space that is being rented by about 50% through changes in work styles (adjusting the proportion of employees who will work at company offices, giving free addresses, etc.)

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

Target reference number

Abs 2

Is this a science-based target?

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

Target ambition

1.5°C aligned

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

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

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

Base year total 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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total 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)
75

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
4,502

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

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

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

Total 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)

4,577

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

75.2888899526

Target status in reporting year

Revised

Please explain target coverage and identify any exclusions

Using 2018 as our base year, the target is a 4.4% annual reduction of the total Scope 1 and 2 emissions (SBTi-approved target aligned with capping global warming at 1.5℃). The target for 2041 is a 100% reduction. There are no exclusions.

Emissions for the reporting year (2022) were 4,577t -CO_2, which is 39.8% reduction from base year emissions, with reduction proceeding significantly ahead of schedule.

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

・Medium-term plan to renovate our offices and distribution center to make them energy-efficient facilities (including some ongoing measures related to air conditioning, the replacement of some lights with LED lights, upgrading elevators, replacing gas equipment with electric equipment in the Tama Office Building's cafeteria and so on)

・Measures to reduce energy consumption (lining glass windows with energy-saving film sheets, adjusting the time when air conditioning is turned on, turning off unnecessary lights, etc., plus "Cool Biz" clothing guidelines for summer time and "Warm Biz" clothing guidelines for the winter months)

・Reducing the amount of office space that is being rented by about 50% through changes in work styles (adjusting the proportion of employees who will work at company offices, giving free addresses, etc.)

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

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Target reference number

Abs 3

Is this a science-based target?

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

Target ambition

2°C aligned

Year target was set

2021

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
183,759

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
7,772

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
705

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
4,585

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
694

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
6,025

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

641

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

8,055

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

278

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

7,937

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

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

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

Base year total 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)

228,047

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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
100

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total 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]
138,196.482

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, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
162,462

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

6,583

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

883

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

2,834

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

498

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

1,368

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

455

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

8,335

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

347

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

6,216

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

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

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

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

189,981

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

194,558

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

37.2719053217

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Using 2018 as our base year, the target is a 1.23% annual reduction of our Scope 3 emissions.

The target for 2050 is a 39.4% reduction.

Scope 3 emissions for the reporting year were 189,981 t -CO_2, which is a 13.8% reduction from base year emissions, with reduction proceeding significantly ahead of schedule.

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

- Reduce the amount of paper procured, shipped and disposed of through digitalization of the learning materials
- Reduce the use of office supplies, etc. by boosting the efficiency of our operations
- Reduce our commuting and transportation costs by making changes in work styles.

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

Target reference number

Abs 4

Is this a science-based target?

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

Target ambition

2°C aligned

Year target was set

2021

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
183,759

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
7,772

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
705

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
4,585

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
694

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
6,025

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
641

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

8,055

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

278

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

7,937

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

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

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

Base year total 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)

228,047

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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

100

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total 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]
194,296.044

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, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
162,462

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
6,583

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

883

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

2,834

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

498

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

1,368

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

455

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

8,335

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

347

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

6,216

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

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

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

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

189,981

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

194,558

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

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

99.2238560591

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Using 2018 as our base year, the target is a 1.23% annual reduction of the Scope 3 amount.

The target for 2050 is a 39.4% reduction.

Scope 3 emissions for the reporting year were 189,981 t -CO_2, which is a 13.8% reduction from base year emissions, with reduction proceeding significantly ahead of schedule.

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

- Reduce the amount of paper procured, shipped and disposed of through digitalization of the learning materials
- Reduce the use of office supplies, etc. by boosting the efficiency of our operations
- Reduce our commuting and transportation costs by making changes in work styles.

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

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Target reference number

Abs 5

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

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

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

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

Base year total 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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

Base year total 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)

75

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

4,502

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

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

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

Total 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)

4,577

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
39.752533895

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions
Using 2018 as our base year, the target for 2050 is a 100% reduction of the total Scope 1 and 2 emissions (SBTi-approved target). There are no exclusions.

Emissions for the reporting year (2022) are 4,577t -CO_2, which is 39.8% reduction from base year emissions and significantly ahead of schedule.

Plan for achieving target, and progress made to the end of the reporting year
・Medium-term plan to renovate our offices and distribution center to make them energy-efficient facilities (including some ongoing measures related to air conditioning, the replacement of some lights with LED lights, upgrading elevators, replacing gas equipment with electric equipment in the Tama Office Building's cafeteria and so on)
・Measures to reduce energy consumption (lining glass windows with energy-saving film sheets, adjusting the time when air conditioning is turned on, turning off unnecessary lights, etc., plus "Cool Biz" clothing guidelines for summer time and "Warm Biz" clothing guidelines for the winter months)
・Reducing the amount of office space that is being rented by about 50% through changes in work styles (adjusting the proportion of employees who will work at company offices, giving free addresses, etc.)

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) 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
2041

Is this a science-based target?
Yes, we consider this a science-based target, and we have committed to seek validation of this target through the SBTi in the next two years.

Please explain target coverage and identify any exclusions
Using 2018 as our base year, the target for 2041 is a 100% reduction in Scope 1 and Scope 2 emissions. This will equal a 4.4% annual reduction in the total Scope 1 and 2 emissions: the same as for our 2030 target.

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)
Although we have decided on our overall policy, specific measures are still 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
2050

Is this a science-based target?
Yes, and this target has been approved by the SBTi.

Please explain target coverage and identify any exclusions
Using 2018 as our base year, our target is a 100% reduction in Scope 1 and Scope 2 emissions; this target that has been approved by the SBTi.

* This is the initial target that was approved by the SBTi. The target was later revised upward to the NZ1 target shown above.

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

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

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

Although we have decided on our overall policy, specific measures are still 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	429
To be implemented*	1	5.2
Implementation commenced*	3	30.4
Implemented*	4	702
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

Company policy or behavioral change
Change in purchasing practices

Estimated annual CO2e savings (metric tonnes CO2e)

702

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)

300,000,000

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

1,000,000,000

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment
The initiative that has had the largest impact is the substantial reduction in our office space through our “work style reform” strategy (reduction in energy use through reduction in rented office space). In addition, medium-term measures are being taken to improve energy efficiency, concentrating mainly on Benesse’s own facilities (the Logistics Center, the Okayama Headquarters Building, and the Tama Office Building (by upgrading lighting equipment, lining window glass with transparent energy-saving film, upgrading elevators, etc.)

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 comparing investment and recoupment plans and then deciding on priorities for investments in energy reduction and other investments.
Employee engagement	We have adopted a method of collaborating with employees to improve processes that do not involve investment and review plans in accordance with each department’s environmental protection action 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
The digitalization of our learning materials, which were previously mainly paper-based but are now being made available for use on tablets, has led to

a reduction in our use of paper and a corresponding reduction in our Scope 3 emissions target.

Type of product(s) or service(s)

Other

Other, please specify

We plan to reduce paper consumption as well as greenhouse gas emissions during delivery by digitalizing our learning materials.

Description of product(s) or service(s)

Our learning materials, which are targeted at grade levels from pre-school through the end of high school, have been mainly provided in printed form up until now; by digitalizing our materials and shifting to tablet-based programs that reduce the amount of paper consumed as well as the number and weight of product deliveries, we are currently working on reducing not only our paper usage but also our Scope 3 greenhouse gas emissions.

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

By reconsidering the type of products we offer, we were able to reduce emissions in Category 1 (purchased products and services), Categories 4 and 9 (upstream and downstream transport and delivery), and Category 12 (disposal of products we sold). On the other hand, Category 11 emissions (due to use of products that we sold) increased because tablets use electricity when in operation.

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

Cradle-to-grave

Functional unit used

Digitalization of the learning materials that we provide on a monthly basis contributed to a reduction in paper consumption as well as reductions in emissions due to transport, use and disposal; on the other hand, emissions arising from the tablets that are used in place of the paper-based materials had to be subtracted from these projected reductions in emissions in other areas. Although the total number of students taking our courses has increased, we have been able to reduce total emissions by 16,463 t-CO_2 (of which 13,403 t-CO_2 was due to reductions in Category 1 paper-based and tablet-based emissions).

Per capita total monthly emissions were reduced by 14%, from 0.005048 t-CO_2 last year to 0.004337 t-CO_2 in the reporting year.

We are considering trying to achieve further reductions through digitalization by increasing the proportion of students studying tablet-based materials and also, by encouraging them to use their own devices.

Reference product/service or baseline scenario used

Previous year emissions for each category:

Category 1 (Purchased goods and services)：179,397t-CO2

Category 4 (Upstream transportation and distribution)：3,242 t-CO2

Category 9 (Downstream transportation and distribution)：8,340 t-CO2

Category 11 (Use of sold products)：417t-CO2

Category12 (End-of-life treatment of sold products)：7,086t-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

18,288

Explain your calculation of avoided emissions, including any assumptions

Category 1 (Purchased goods and services)：162,462t-CO_2

Category 4 (Upstream transportation and distribution)：2,834 t-CO_2

Category 9 (Downstream transportation and distribution)：8,335 t-CO_2

Category 11 (Use of sold products)：347t-CO_2

Category12 (End-of-life treatment of sold products)：6,216t-CO_2

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

36.6

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?

	Have there been a structural change?
Row 1	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

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

Scope 1

Base year start
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
120

Comment
Direct emissions of greenhouse gasses by Benesse itself.

Scope 2 (location-based)

Base year start
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
7,105

Comment
Indirect emissions due to the use of electricity, heat and steam provided by other companies within Japan and in Taiwan.

Scope 2 (market-based)

Base year start
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
7,477

Comment

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

Scope 3 category 1: Purchased goods and services

Base year start
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
183,759

Comment
Energy consumption X weight of waste calculated using the emission coefficient fuel consumption method and the revised ton-kilometer method X purchase price of goods per standard physical unit X standard unit of emissions

References
① Energy
・Emission coefficient for each provider of electricity (for use in calculating greenhouse gas emissions by specific producers of such emissions) –Records for FY2017– Published 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 countermeasures for reporting "Household and Industrial Water Consumption"
（https://www8.kankyo.metro.tokyo.lg.jp/ondanka/report/pdf/keisuuitiran.pdf）
② Fuel
Emission coefficients for fuel consumption taken from the list of Emission Coefficients and Calculation Methods for Use in the System for Calculating, Reporting and Publishing Fuel Consumption (Reference 1): https://ghg-santeikohyo.env.go.jp/files/about_document/2018/gaiyo_3.pdf
③ Waste
Database of Emissions Unit Values for Use in Calculating an Organization's Greenhouse Gas Emissions Throughout Its Supply Chain (Version 2.5) Ministry of the Environment, Section 8: Unit Values for Emissions According to Waste Type and Disposal Method
Table 8: Unit Values for Emissions According to Waste Type and Disposal Method
For cases in which the disposal method was unknown, we used Table 9: Unit Values for Emissions According to Waste Type
https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2-5.pdf
Database of Emissions Unit Values for Use in Calculating an Organization's Greenhouse Gas Emissions Throughout Its Supply Chain (Version 2.5) Section

5: Unit Values of Emissions According to Industry Based on Input-Output Tables
https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2-5.pdf

Calculations for paper and printing emissions were directly made using data provided by our suppliers.
Emissions unit values for office supplies were calculated using profit and loss data and the Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables data book published 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
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
7,772

Comment

The emissions unit value per unit of capital goods was calculated using the cost of acquisition of tangible fixed assets as shown in the cash flow statement.

The emissions unit values shown on the Green Value Chain Platform jointly established by the Ministry of the Environment and the Ministry of Economy, Trade and Industry were used in this calculation.

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

Base year start
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
705

Comment

(Benesse electricity intake data) X average emissions unit value for all sources of electricity)

(Benesse heat intake data) X emissions unit value

References

① Energy

・Emission coefficient for each provider of electricity (for use in calculating greenhouse gas emissions by specific producers of such emissions) – Records for FY2017 – Published 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 countermeasures for reporting "Household and Industrial Water Consumption"
（https://www8.kankyo.metro.tokyo.lg.jp/ondanka/report/pdf/keisuuitiran.pdf）

② Fuel

Emission coefficients for fuel consumption taken from the list of Emission Coefficients and Calculation Methods for Use in the System for Calculating, Reporting and Publishing Fuel Consumption (Reference 1): https://ghg-santeikohyo.env.go.jp/files/about_document/2018/gaiyo_3.pdf

Emission units for fuel procured from other companies and the procurement of fuel needed to generate electricity, heat, etc. were calculated using the IDEA database.

Scope 3 category 4: Upstream transportation and distribution

Base year start

April 1, 2017

Base year end

March 31, 2018

Base year emissions (metric tons CO2e)

4,585

Comment

Revised kiloton method

The emissions unit values were calculated using the following methods: Figures available in the Greenhouse Gas Emissions Throughout Its Supply Chain database (Version 2.5) developed by the Ministry of the Environment https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2-5.pdf

In calculating the volume of emissions related to upstream and downstream shipping of printed materials and tablets, the emission unit values were determined according to the reporting rules of the individual shippers.

Scope 3 category 5: Waste generated in operations

Base year start

April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
694

Comment

Total emissions from waste generated at company-owned buildings were calculated by multiplying the weight of each type times its emission coefficient.

Manifest data was used to calculate the emissions unit values for industrial waste (based on the unit values shown in the Ministry of the Environment's database).

References
Database of Emissions Unit Values for Use in Calculating an Organization's Greenhouse Gas Emissions Throughout Its Supply Chain (Version 2.5)
Ministry of the Environment, Section 8: Unit Values for Emissions According to Waste Type and Disposal Method
Table 8: Unit Values for Emissions According to Waste Type and Disposal Method
For cases in which the disposal method was unknown, we used Table 9: Unit Values for Emissions According to Waste Type
https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2-5.pdf
Database of Emissions Unit Values for Use in Calculating an Organization's Greenhouse Gas Emissions Throughout Its Supply Chain (Version 2.5) Section 5: Unit Values of Emissions According to Industry Based on Input-Output Tables
https://www.env.go.jp/earth/ondanka/supply_chain/gvc/files/tools/DB_V2-5.pdf

Waste generated at company-owned buildings (paper, plastic, burnable garbage, bottles, cans, PET (polyethylene terephthalate) bottles and other waste)

Scope 3 category 6: Business travel

Base year start
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
6,025

Comment
Calculations of emissions related to business travel were based on total expenditures on business travel as reflected in Benesse's in-house BENKEI system for managing annual domestic and overseas travel and accommodation expenses, as well as management records of actual travel shown in the business travel navigation data system.

Emission unit values were based on the Unit Values of Emissions According to Industry Based on Input-Output Tables, Section 5 of the Database of Emissions Unit Values for Use in Calculating an Organization's Greenhouse Gas Emissions Throughout Its Supply Chain (Version 2.5)
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
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
641

Comment
・Commuting expenses

Amount spent on employee commuting expenses X emissions unit value
・Emissions unit value calculated using the following database:
Database of Emissions Unit Values for Use in Calculating an Organization's Greenhouse Gas Emissions 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
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
0

Comment
Not applicable (due to its inclusion in Scope 1 and 2 calculations)

Scope 3 category 9: Downstream transportation and distribution

Base year start
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
8,055

Comment

Emissions from product shipments (including transport of products from Benesse and downstream thereafter) and warehouse storage.

Fuel consumption method and the revised ton-kilometer method
■ ton-kilometer method: ton-kilometer transport (cargo weight in tons X distance transported in kilometers) X emissions unit value for ton-kilometer fuel consumption [D] X unit value (heating value units [A] X emissions coefficient [B] X 44/129

Emissions unit values were taken from the Database of Emissions Unit Values for Use in Calculating an Organization's Greenhouse Gas Emissions Throughout Its Supply Chain, published by the Ministry for 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
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
0

Comment

Due to the nature of our business, which is selling finished products, there are no Scope emissions in this category

Scope 3 category 11: Use of sold products

Base year start
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
278

Comment
Calculated emissions related to the electricity used by the tablets we sold: Power consumption during tablet use X number of tablets sold X emission coefficient
Emission coefficient for each provider of electricity (for use in calculating greenhouse gas emissions by specific producers of such emissions) – Records for FY2017 – Published 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
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
7,937

Comment

Calculated emissions related to disposal of printed materials, educational toys and mail-order products:

Weight of waste X emissions unit value

Source of emissions unit values used:
・Database of Emissions Unit Values for Use in Calculating an Organization's Greenhouse Gas Emissions Throughout Its Supply Chain, published by the Ministry for the Environment, Version 2.5, Section 8: Unit Values for Emissions According to Waste Type and Disposal Method, Table 8: Unit Values for Emissions According to Waste Type and Disposal Method
・For cases in which the disposal method was unknown, we used Table 9: Unit Values for Emissions According to Waste Type
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
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
0

Comment
We checked, but there are no emissions generated from this type of business.

Scope 3 category 14: Franchises

Base year start
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
0

Comment
We checked, but there are no emissions generated from this type of business.

Scope 3 category 15: Investments

Base year start
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
0

Comment
Since the primary focus of our business is not finance, we excluded this category as irrelevant.

Scope 3: Other (upstream)

Base year start
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
0

Comment
We checked, but since our main business is in the field of education, there were no emissions generated in this category.

Scope 3: Other (downstream)

Base year start
April 1, 2017

Base year end
March 31, 2018

Base year emissions (metric tons CO2e)
0

Comment
We checked, but since our main business is in the field of education, there were no emissions generated in this category.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Japan Ministry of the Environment, Law Concerning the Promotion of the Measures to Cope with Global Warming, Superseded 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
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

C6. Emissions data

C6.1

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

Gross global Scope 1 emissions (metric tons CO2e)
75

Start date
April 1, 2021

End date
March 31, 2022

Comment
These are direct greenhouse gas emissions by Benesse itself.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
76

Start date
April 1, 2020

End date
March 31, 2021

Comment

These are direct greenhouse gas emissions by Benesse itself.

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

We calculated emissions arising from use of electricity, steam and cold water at our facilities within Japan and in Taiwan using location-based and market-based standards.

C6.3

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

Reporting year

Scope 2, location-based

4,169

Scope 2, market-based (if applicable)

4,502

Start date

April 1, 2021

End date

March 31, 2022

Comment

① Location-based standard: 4,169tCO_2 (Use of electricity, steam and cold water at facilities within Japan at our Taipei branch)

② Market-based standard: 4,502tCO_2 (Use of electricity, steam and cold water at facilities within Japan at our Taipei branch)

Past year 1

Scope 2, location-based

4,752

Scope 2, market-based (if applicable)

5,204

Start date

April 1, 2020

End date

March 31, 2021

Comment

① Location-based standard: 4,752tCO_2 (Use of electricity, steam and cold water at facilities within Japan at our Taipei branch)

② Market-based standard: 5,204tCO_2 (Use of electricity, steam and cold water at facilities within Japan at our Taipei branch)

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 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)

162,462

Emissions calculation methodology

Hybrid method
Fuel-based method
Waste-type-specific method

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

99

Please explain

Calculations included emissions related to the procurement of raw materials for our printed materials, water use during the production of printed materials and tablet products, procurement of educational toys and mail order products, repair of and insurance for vehicles used by our sales department, use of water in our offices, and emissions related to our purchase of office supplies and so on.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

6,583

Emissions calculation methodology

Asset-specific method

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

0

Please explain

Tangible fixed assets in cash flow statements

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

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
883

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 the generation of electricity, heat and other power

Emission units were calculated using the IDEA database.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
2,834

Emissions calculation methodology
Fuel-based method
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Calculated emissions related to transportation (both upstream and downstream) during production of printed learning materials and tablets.

Emission unit values based on the reporting rules of individual shippers were used.

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
498

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Waste generated at company-owned buildings (paper, plastic, burnable garbage, bottles, cans, PET (polyethylene terephthalate) bottles and other

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
1,368

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Calculations of emissions related to business travel were based on total expenditures on business travel as reflected in Benesse's in-house BENKEI system for managing annual domestic and overseas travel and accommodation expenses, as well as management records of actual travel shown in our business travel navigation data system.

Employee commuting

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
455

Emissions calculation methodology
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Calculations are made in advance based on annual totals of actual commuting expenses recorded in the human resources management system and Benesse's in-house BENKEI system.

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
Since our main business is in the field of education, there are no emissions generated in upstream leased assets.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
8,335

Emissions calculation methodology
Fuel-based method
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions from product shipments (including transport of products from Benesse and downstream thereafter) and warehouse storage were calculated.

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
Since we only sell finished products, we do not generate emissions in this Scope category.

Use of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
347

Emissions calculation methodology
Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions related to the electricity consumed when the tablets we sell are used were calculated.

End of life treatment of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
6,216

Emissions calculation methodology
Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Emissions related to the disposal of waste from the printed materials, educational toys and mail-order products sold in Japan were calculated.

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
Since our main business is in the field of education, we do not hold any leased downstream assets.

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
We checked, but there are no emissions generated from this type of business.

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

Please explain
Since the primary focus of our business is not finance, we decided that this category is irrelevant and excluded it.

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
We checked, but since our main business is in the field of education, there are no emissions from other (upstream) sources.

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
We checked, but since our main business is in the field of education, there are no emissions from other (downstream) sources.

C6.5a

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

Past year 1

Start date
April 1, 2020

End date
March 31, 2021

Scope 3: Purchased goods and services (metric tons CO2e)
179,397

Scope 3: Capital goods (metric tons CO2e)
7,100

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
987

Scope 3: Upstream transportation and distribution (metric tons CO2e)
3,242

Scope 3: Waste generated in operations (metric tons CO2e)
515

Scope 3: Business travel (metric tons CO2e)
1,098

Scope 3: Employee commuting (metric tons CO2e)
345

Scope 3: Upstream leased assets (metric tons CO2e)
0

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

8,340

Scope 3: Processing of sold products (metric tons CO2e)
0

Scope 3: Use of sold products (metric tons CO2e)
417

Scope 3: End of life treatment of sold products (metric tons CO2e)
7,086

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

Total Scope 3 emissions for the reporting year were 189,981t-CO_2, compared to 208,527t-CO_2 for the previous year, which represents a reduction of 8.9%.

This was a result of our strategy of digitalizing our entire product line by replacing the conventional paper-based educational materials we offer our customers with tablet-based education materials, as well as of our efforts to reduce our overall emissions.

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
0.000024

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
4,577

Metric denominator

Unit total revenue

Metric denominator: Unit total
189,421,511,449

Scope 2 figure used
Market-based

% change from previous year
0.86

Direction of change
Decreased

Reason(s) for change
Other emissions reduction activities

Please explain
Reductions were due mainly to the following measures implemented to reduce Scope 1and 2 emissions:

・Implementation of our medium-term renovation plans for our facilities (including the Logistics Center, the Minamikata Headquarters in Okayama and our Tama Office Building.

・Reduction of total rental office space due to our work style reform measures.

C7.Emissions breakdown

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/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Japan	75
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	56
Use of gasoline for our sales vehicles	19

C7.5

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

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Japan	3,781	4,119
Taiwan, China	383	383

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)
Offices	2,880	3,098
Logistics Center	923	1,005
Scoring sites	227	247
Classrooms	139	152

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

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 in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	There was no change in emissions even though we installed solar panels at the First Logistics Center in Setouchi.
Other emissions reduction activities	712	Decreased	13.5	Efforts to reduce emissions in areas other than renewable energy resulted in reductions of 712t-CO_2. Scope 1 and 2 emissions for the previous year were 5280t-CO_2, so the rate of reduction can be calculated as 712/5280×100=13.5%
Divestment	0	No change	0	No change
Acquisitions	0	No change	0	No change
Mergers	0	No change	0	No change
Change in output	9	Increased	0.17	The use of gasoline for sales vehicles increased. Emissions for the previous year were 10t-CO_2, so the increase was 9t-CO_2. The rate of increase can be calculated as 9/5280×100＝0.017%
Change in methodology	0	No change	0	No change
Change in boundary	0	No change	0	No change
Change in physical operating conditions	0	No change	0	No change

Unidentified	0	No change	0	No change
Other	0	No change	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)	MWh from non-renewable sources (MWh)	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	402	402
Consumption of purchased or acquired electricity		0	8,062	8,062
Consumption of purchased or acquired steam		0	1,567	1,567
Consumption of purchased or acquired cooling		0	1,111	1,111
Consumption of self-generated non-fuel renewable energy		635		635
Total energy consumption		635	11,142	11,777

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

C8.2c

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

Sustainable biomass

Heating value

LHV

Total fuel MWh consumed by the organization
0

Comment
No fuel is used for these purposes.

Other biomass

Heating value
LHV

Total fuel MWh consumed by the organization
0

Comment
No fuel is used for these purposes.

Other renewable fuels (e.g. renewable hydrogen)

Heating value
LHV

Total fuel MWh consumed by the organization
0

Comment
No other renewable fuels are used for these purposes.

Coal

Heating value
LHV

Total fuel MWh consumed by the organization
0

Comment
No fuel is used for these purposes.

Oil

Heating value
LHV

Total fuel MWh consumed by the organization
77

Comment
Gasoline is used.

Gas

Heating value
LHV

Total fuel MWh consumed by the organization
325

Comment
City gas is used.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value
LHV

Total fuel MWh consumed by the organization
0

Comment
No other non-renewable fuels are used for these purposes.

Total fuel

Heating value
LHV

Total fuel MWh consumed by the organization
402

Comment
Calculated in conformity with the Ministry of the Environment's energy conservation law.

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	635	820	635
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.

Country/area of low-carbon energy consumption
Japan

Sourcing method

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

Energy carrier

Low-carbon technology type

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

Tracking instrument used

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

Are you able to report the commissioning or re-powering year of the energy generation facility?

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

Comment

In addition to the solar power generation units installed at Benesse's Logistics Center, we are considering concrete measures to achieve our target of reliance on 100% renewable energy by 2041 (with procurement commencing in 2023). We are currently considering additional measures such as company-owned solar power generation or off-site PPAs (power purchasing agreements).

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

Japan

Consumption of purchased electricity (MWh)

7,492

Consumption of self-generated electricity (MWh)

635

Consumption of purchased heat, steam, and cooling (MWh)

2,641

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

10,768

Country/area
Taiwan, China

Consumption of purchased electricity (MWh)
570

Consumption of self-generated electricity (MWh)
0

Consumption of purchased heat, steam, and cooling (MWh)
37

Consumption of self-generated heat, steam, and cooling (MWh)
0

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

607

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_2021_ja.pdf

Page/ section reference

Independent Third-Party Verification Report issued by Socotec Sustainability Japan, pp. 1 ~ 3.

The above report can be downloaded from the “Our Response to Climate Change” section of Benesse’s website:
https://sustainability-cms-benesse-hd-s3.s3-ap-northeast-1.amazonaws.com/ja/data/download/independent-verification-report_2021_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_2021_ja.pdf

Page/ section reference

Independent Third-Party Verification Report issued by Socotec Sustainability Japan, pp. 1 ~ 3.

The above report can be downloaded from the “Our Response to Climate Change” section of Benesse’s website:

https://sustainability-cms-benesse-hd-s3.s3-ap-northeast-1.amazonaws.com/ja/data/download/independent-verification-report_2021_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_2021_ja.pdf

Page/section reference

Independent Third-Party Verification Report issued by Socotec Sustainability Japan, pp. 1 ~ 3.

The above report can be downloaded from the “Our Response to Climate Change” section of Benesse’s website:
https://sustainability-cms-benesse-hd-s3.s3-ap-northeast-1.amazonaws.com/ja/data/download/independent-verification-report_2021_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?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Energy consumption	ISO14064-3	Independent Third-Party Verification Report issued by Socotec Sustainability Japan, pp. 1 ~ 2, 4. The above report can be downloaded from the “Our Response to Climate Change” section of Benesse’s website: https://sustainability-cms-benesse-hd-s3.s3-ap-northeast-1.amazonaws.com/ja/data/download/independent-verification-report_2021_ja.pdf 1
C6. Emissions data	Waste data	ISO14064-3	Independent Third-Party Verification Report issued by Socotec Sustainability Japan, pp. 1 ~ 2, 4. The above report can be downloaded from the “Our Response to Climate Change” section of Benesse’s website: https://sustainability-cms-benesse-hd-s3.s3-ap-northeast-1.amazonaws.com/ja/data/download/independent-verification-report_2021_ja.pdf 1

[1]independent-verification-report_2021_ja.pdf

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)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Japan's carbon tax

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Japan's Carbon Tax

Period start date:

April 1, 2021

Period end date:

March 31, 2022

% of total Scope 1 emissions covered by tax

18

Total cost of tax paid

21,675

Comment

Scope 1 emissions within Japan (75t-CO_2) ÷ Total Scope 1 & 2 emissions within Japan (4,194) ＝18％

Carbon tax per ton Scope 1 emissions (289 JPY) X Scope 1 emissions within Japan (75t-CO_2) = 21,675 JPY

Due to the fact that all Scope 1 emissions within Japan are due to the burning of fossil fuels.

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 management rules of the Central Environment Council of Japan's Ministry of the Environment, the Subcommittee on the Use of Carbon

Pricing was established and began deliberations. It discussed measures to deal with climate change that were included in the “Green Growth Strategies” published in December 2020 and how they could be used as opportunities for economic growth. The Ministry of Economy, Trade and Industry then published the Basic Concept of the GX (Green Transformation) League and began enlisting endorsements from businesses. Benesse endorsed the Basic Concept of the GX League in March 2022.

Specifically, the GX League supports Japan’s goal of achieving carbon neutrality by 2050 by such measures as developing a vision of a future carbon neutral society, creating new markets and devising rules for them, and establishing a system called “carbon pricing” (developing rules for implementing a voluntary carbon credit exchange scheme). Benesse participated in the GX League as a core member of “The Future Society” platform and made a presentation as a representative team at the GX League Symposium sponsored by the Ministry of Economy, Trade and Industry in November 2022.

Discussion on the rules for the “carbon pricing” carbon credit exchange proceeded with a view to implementation during FY 2023, with actual trading to proceed on a voluntary basis. Activity commenced in full in April 2023, and Benesse is taking part. Since Benesse’s emissions are small, it is included in the group of GX League members with direct emissions of under 100,000 t-CO_2 during FY2021, so its impact will not be large; however, Japan’s environmental policies are expected to be further strengthened in the future, so we believe Benesse’s actions will have some impact down the line.

Trading on the carbon credit exchange began during FY 2023, and work on the development of rules is also scheduled to start, so it is possible that new legal regulations will be applied in the future.

Benesse also endorses the Ministry of the Environment’s climate change measure urging Japan’s people to make “wise choices” under the slogan “Cool Choice”. We are striving to reduce our energy consumption by continuing to communicate the need to set thermostats to appropriate levels and adjust clothing suited to those settings under the slogans “Cool Biz” in summer and “Warm Biz” in winter.

We have also endorsed the TCFD (the Task Force on Climate-Related Financial Disclosures) framework and have gained approval for our goals as SBTs (Science-Based Targets). Benesse’s SBTi-approved targets for Scope 1 and 2 emissions are in line with a goal of keeping warming well below 2℃, with reductions of 36.2% (compared to the base year 2018) in 2030 and 100% (compared to the base year 2018) in 2050, thereby meeting our medium- to long-term reduction goals. In addition, in December 2021 we reapplied for SBTi approval for reductions in line with a goal of capping warming at 1.5℃ through reductions of 52.8% (compared to the base year 2018), and this target was approved in September 2022. At the same time, we reviewed our Scope 3 unit emission value and, although we were unable

to change the reduction target itself, there was a change in our data, so we reapplied for approval. Approval of this target was received at the same time as that for the revised Scope 1 and 2 targets. We also set our target for Scope 1 and 2 emissions in 2041 to a reduction of 100% compared to the base year 2018.

To achieve these targets, we have developed a plan to reduce Scope 1 and 2 emissions and are considering a plan to consult with our customers as we digitalize our products with a view to reducing our Scope 3 emissions.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

Project type

Other, please specify.

We have been using Okayama City's "Local Recycling Carbon Offset Scheme" since 2014. This carbon offset scheme recycles used cooking oil from homes and the cafeterias of local businesses and uses it as fuel for city buses.

Type of mitigation activity

Emissions reduction

Project description

Measures taken at the Benesse general stockholder meetings to reduce our CO_2 emissions to zero:

We have been using Okayama City's "Local Recycling Carbon Offset Scheme" since 2014 and our general stockholder meetings are organized in an environmentally friendly way.

During the reporting year, 27 t-CO_2 were offset at a cost of 1,500JPY/t-CO_2, and this "Write off" was certified (a certificate showing the amount was issued). Carbon offsets were arranged for the following measures:

・Lighting and air conditioning during the stockholder meetings and rehearsals for them.

・The creation and sending of invitations to the stockholder meetings

・Transportation of stockholders and company staff to the stockholder meetings

For information on our use of Okayama City's Carbon Offset Scheme, see:
https://benesse.co.jp/kankyo/office/own_building.html#anc03
Benesse's carbon offset certificate for the reporting year can be seen at:
https://sustainability-cms-benesse-hd-s3.s3-ap-northeast-1.amazonaws.com/ja/pdf/carbon_offset_certificate21.pdf

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)
28

Purpose of cancellation
Voluntary offsetting

Are you able to report the vintage of the credits at cancellation?
Yes

Vintage of credits at cancellation
2021

Were these credits issued to or purchased by your organization?
Purchased

Credits issued by which carbon-crediting program
If other carbon credit programs were used, please specify.
Okayama City's "Local Recycling Carbon Offset Scheme" was used.

Method(s) the program uses to assess additionality for this project
Consideration of legal requirements
Investment analysis

Approach(es) by which the selected program requires this project to address reversal risk
No risk of reversal

Potential sources of leakage the selected program requires this project to have assessed
Upstream/downstream emissions

Provide details of other issues the selected program requires projects to address

・Methods the program used to evaluate the additionality of the project in question
→ Consideration of legal requirements, investment analysis
As criteria used to judge the additionality of the project when it was registered, we confirmed that it was not being planned in view of legal obligations, and that it fulfilled the standard of recovery of investment in 3 years or more (e.g., if the investment recovery period was long and there was no credit incentive, there would have been a high possibility that the project would not have been undertaken.)
***** See the following link for an outline of the results of the evaluation of the project in question:
https://www.japancredit.go.jp/jcdm/items/data/1346_2.pdf

・Potential sources of leakage that entail obligatory evaluation of the project in question in the selected program → upstream/downstream emissions

Because it says “The use of power systems and methanol to power BDF (biodiesel fuel) facilities could be listed as potential sources of leakage, but these are included in our calculations of leakage emissions.” * See the above link.

・If there are other problems with the project in question in the selected program that would entail obligatory measures, please specify them.

→ One of the requirements for registering projects in the J credit system is that “Environmental concerns are taken into account and sustainability is ensured”, so these conditions are requirements for registration in the J credit system.

Comment

C11.3

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

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Shadow price

How the price is determined

Cost of required measures to achieve emissions reduction targets

Objective(s) for implementing this internal carbon price

In-House Operations Changes

Promotion of energy efficiency

Promotion of investment in low-carbon operations

Desires of stakeholders

Reduction in emissions along the supply chain

Scope(s) covered

Scope 3 (upstream)

Pricing approach used – spatial variance

Differentiated

Pricing approach used – temporal variance

Static

Indicate how you expect the price to change over time

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO2e)

1,575

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO2e)

1,575

Business decision-making processes this internal carbon price is applied to

Procurement
Risk management:
Value chain engagement

Mandatory enforcement of this internal carbon price within these business decision-making processes

Yes, mandatory enforcement in a number of decision-making processes.

Please specify.

We made our decision on the plan after calculating the difference in cost and greenhouse gas emissions volume between when biomaterials were used and when they were not.

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

The introduction of biomaterials in film envelopes used in direct mailing of our products could be linked to cost increases; however, priority was placed on changes in in-house operations such as investment in low-carbon activities, reduction in emissions along the supply chain and responding to our customers' expectations, and the CEO himself decided to adopt biomaterials even if this led to higher costs.

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

Engagement and provision of incentives (to promote change in supplier operations)

Details of engagement

Conduct an engagement campaign through which we educate our suppliers about climate change

% of suppliers by number

83

% total procurement spend (direct and indirect)

83

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

77

Rationale for the coverage of your engagement

Benesse has established a procurement policy for the procurement of paper and supplies for the manufacture of learning materials and toys and made it public. This policy is based on the Benesse Group's environmental policy that addresses climate change, among other issues, and strives to ensure that all processes along the supply chain, including procurement and shipping, are conducted with the environment in mind. Our policy promotes low-waste product specifications, procurement that takes the environment, including climate change, into account, and increased accuracy in our production numbers. We are also working with our trading partners to evaluate measures to protect the environment and take climate change into consideration and promote efficient shipping methods.

The Benesse Logistics Center, our main logistics hub, is striving to reduce CO_2 emissions.

Benesse has established a product procurement policy and standards as well as an in-house inspection system. We use only suppliers who fully meet Benesse's standards. In particular, we have implemented a stringent checking system based on rules strictly prohibiting the use of materials that have an adverse impact on the environment. Since paper constitutes the largest proportion of our resource consumption, we have established paper procurement standards and conduct strict screening of the paper we consume. (* Our paper procurement standard is disclosed to our suppliers.)

Benesse provides these standards in writing to all of our primary and secondary agents as well as to the paper manufacturers so that they can confirm them.

To ensure that this type of strict management is carried out on a daily basis, our engagement covers not only suppliers of products and services, but all suppliers, from those who provide marketing tools and packaging to those who handle shipping.

Moreover, we hold monthly meetings with our suppliers and are considering ways to strengthen our measures to protect the environment and control climate change.

Impact of engagement, including measures of success

Benesse's main business is the supply of "Kodomo Challenge" and "Shinken Zemi" learning materials in paper-based and tablet forms. We work with our

suppliers to evaluate the environmental impact of each phase of the work, including by conducting audits and inspections of environmental measures at manufacturing sites and reviewing our shipping methods. By continuing to award contracts to suppliers who meet our standards, we help stabilize their business operations. This collaboration with our suppliers not only helps reduce the impact of our business on climate change and other environmental challenges, but also enables us to offer safe products. We view this consideration of both the environment and product safety as a hallmark of Benesse's business. As a company that outsources the manufacture of learning materials and tablets, we take our responsibility over the supply chain seriously. We therefore view our ability to conduct audits and inspections of environmental initiatives to enable us to provide products that meet rigorous standards as a benchmark of our success.

Approximately 100% of the paper procured by Benesse meets the environmental standards we set.

We are using the ratio of supplier compliance with Benesse environmental standards as the KPI (key performance indicator) to measure our success in engagement. Our target is100% compliance and we are meeting that goal. This is the result of preliminary surveys to ascertain whether suppliers meet our standards and our rule that we will not begin doing business with suppliers whose survey answers show that they do not meet these standards, as well as our system of multiple checks to meet our policy of not shipping out products from suppliers that do not meet our standards.

Comment

There are three main steps involved in the process of going from the procurement of materials and the manufacturing of products to the delivery of these products to our customers: "procurement and manufacturing," "packaging" and "shipping".

Our SCM (Supply Chain Management) Division is involved in all of these steps, collaborating with our Operations Division and affiliated companies and working closely with suppliers to gather and exchange information and verify compliance and thus ensure that environmental initiatives are implemented in a coherent manner.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Conduct a campaign to encourage innovation to reduce the climate impact of our products and services

% of suppliers by number
0.5

% 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
Announcements to students of our correspondence courses are sent via direct mail, web mail and SNS messages, with 90% of the direct mail announcements sent in OPP (biaxially oriented polypropylene) envelopes. It was decided to blend bio-based materials in the material used to manufacture these envelopes, and to that end, we worked with the suppliers to develop a glue to seal these envelopes, because the new vinyl envelopes tore when sealed with the glue we had been using up to that point. We repeatedly developed, improved and tested new glues and were finally able to produce one of the right adhesive strength for the new envelopes.
The reduction in emissions due to this measure is only 5% due to the fact that our use of envelopes for direct mail is low. However, we began work on this measure with the intent of undertaking initiatives to reduce even small amounts of emissions whenever possible. We are planning to continue our efforts to increase such activities with possible collaborators among our business partners in the future.

Impact of engagement, including measures of success
90% of our direct mail announcements delivered in November 2022 were enclosed in vinyl envelopes; we have succeeded in replacing 100% with envelopes made of a film blend that includes bio-based materials. Since 80,100,000 pieces of direct mail are posted by Benesse each year, this will have a major impact. In this way, we intend to reduce our greenhouse gas emissions; we have also been able to confirm through marketing research that our environmental protection initiatives have been received favorably by our clientele.

Comment
This initiative was spearheaded by our CEO, who has primary responsibility for our environmental initiatives and is especially concerned with our measures to ameliorate climate change. Benesse purchases plastic materials from four companies, two of which handle costed items and two of which supply the envelopes for direct mailing. The development and improvement of these new envelopes was undertaken in collaboration with one of the suppliers of direct mailing envelopes.
Of our total procurement costs of 47.5 billion JPY, 720 million JPY was related to this initiative. Out of our 200 suppliers (including those we are planning to use), one collaborated with us on this initiative.

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Offer financial incentives for suppliers who reduce your upstream emissions (Scope 3)

% of suppliers by number
1.4

% total procurement spend (direct and indirect)
3

% of supplier-related Scope 3 emissions as reported in C6.5
2

Rationale for the coverage of your engagement
Paper is normally purchased by the ream, but since we don't need an exact number of reams, we had been asking our paper suppliers to dispose of the leftover paper. We recently changed our procurement contracts so that the leftover fraction would be counted and collected for a half year, with the profit accrued then split between the supplier and Benesse. This not only reduced waste but also reduced paper consumption, thereby contributing to Benesse's climate change measures by reducing our Scope 3 emissions. The total paper used for learning materials and direct mailing resulted in an annual incentive of 2 million JPY for the suppliers.

Impact of engagement, including measures of success
Paper is normally purchased by the ream, but since we don't need an exact number of reams, in the past we asked our paper suppliers to dispose of the leftover paper. However, we recently changed our procurement contracts so that the leftover fraction would be counted and collected for a half year, with the profit accrued then split between the supplier and Benesse. Thus, we were able to achieve a reduction in waste by giving our suppliers a profit.

In order to make this measure successful, we needed to apply it to 100% of the purchases we made from the suppliers targeted by the measure. We actually asked each of our suppliers to give us a detailed annual breakdown containing data for each transaction; we confirmed the incentives with them by attaching documents based on accounting slips at the time payments were made.

Comment

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Facilitate adoption of a unified climate transition approach with suppliers

% of suppliers by number
9.6

% total procurement spend (direct and indirect)

16

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

30.5

Rationale for the coverage of your engagement

Emissions from the use of paper account for the largest portion of Benesse's Scope 3 emissions, so they are very significant.

100% of the paper we procure from all of our paper suppliers is certified by the SGEC (Sustainable Green Ecosystem Council), the Japanese version of PEFC (Program for the Endorsement of Forest Certification).

For an explanation of PEFC/SGFC, see https://sgec-pefcj.jp/

Impact of engagement, including measures of success

Benesse consumes approximately 46,000 tons of paper annually. 100% of this large volume is procured on the condition that it has been certified by SGEC (Sustainable Green Ecosystem Council), the Japanese version of PEFC (Program for the Endorsement of Forest Certification).

The measure of our success involves not relying on imported paper, but instead relying solely on paper produced in Japan for 100% of our supplies. Somewhere over 9% of the paper marketed for printing in Japan is imported from other countries, but Benesse gets 100% its supplies from domestic paper makers, totally eschewing imported paper. The paper type is specified in all our paper procurement operations and we have a system in place to check the paper procured in all of our transactions.

This is an important measure undertaken to promote the absorption and storage of CO_2, which is one cause of global warming, while also conserving forests and making appropriate use of them in order to prevent soil erosion and natural disasters.

Comment

C12.1b

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

Type of engagement / Details of engagement

Cooperation and innovation

Implementation of campaign promoting innovations to ameliorate the impact of climate change

% of customers by number

70

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

65

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

The target of this engagement strategy is elementary, junior high and high school student customers who use tablets and smart phones. This is the generation that will play an instrumental role in protecting the global environment through climate control strategies in the future, and we believe that continuous education on the environment tailored to their developmental stages could be an important strategy in addressing climate change.

We view children as “exchange students from the future” and define the environmental activities we are engaged in as working to bring the earth to a sustainable state so that children can bring about a state of well being that is in keeping with our corporate philosophy: “Benesse = Well-Being.”

Benesse’s environmental activities revolve around the following two points:

① Promoting environmental education in order to increase the number of people who understand environmental issues and can take environmentally aware action.

② Reducing our burden on the environment.

Our collaboration with our customers and other related institutions is based on point ① above.

Impact of engagement, including measures of success

Our biggest success in this area comes through the initiation of tablet-based courses for “Shinken Zemi”, Benesse’s main product for elementary, junior high and high school students. Attendance rates for tablet-based courses, our KPI (Key Performance Indicator) in this area, reached approximately 70% for elementary and junior high school students and 100% for high school students for the reporting year. This increase over the previous year is a sign of the success of this measure.

Furthermore, we were able to reduce paper consumption 5,998 tons (the equivalent of approximately 9500 t-CO_2 Scope 3 greenhouse gas emissions) and in addition, we were able to reduce emissions in the transportation, use and waste categories.

Type of engagement & Details of engagement

Collaboration & innovation

Run a campaign to encourage innovation to reduce climate change impacts

% 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

The target of this engagement strategy is the families of our very young customers who are aware of the “Shimajiro Club Kuru Kuru Recycling” program. We are trying to engage with these customers because we believe that they will play an instrumental role in protecting the global environment through climate

control strategies in the future and that providing continuous education on the environment from early childhood could be an important strategy in addressing climate change.

We view children as “exchange students from the future” and define the environmental activities we are engaged in as working to bring the earth to a sustainable state so that children can bring about a state of well being that is in keeping with our corporate philosophy: “Benesse = Well-Being.” We are conscious of the fact that carrying out environmental education, including education about climate change, is extremely important for Benesse, a company whose main business is education, because we know that it is the role of education to transform society over the medium and long term.

Benesse’s environmental activities revolve around the following two points:

① Promoting environmental education in order to increase the number of people who understand environmental issues and can take environmentally aware action.

② Reducing our burden on the environment.

Our collaboration with our customers and other related institutions is based on point ① above.

Details about the “Shimajiro Club Kuru Kuru Recycling” program are available at:

https://kodomo.benesse.ne.jp/open/project/recycle/

Impact of engagement, including measures of success

We view the measure of the success of our efforts as the increase in the volume of recovered materials over the previous year.

The following is a list of collaborative activities carried out with our customers and related institutions:

i) Method of collaboration: Active participation in efforts to recycle our products. Information on how to participate in this program is provided on our website （https://kodomo.benesse.ne.jp/open/project/recycle/）, in the content of our learning materials, and in flyers distributed at concert halls.

ii) Strategies to prioritize collaborative activities:

a) Students enrolled in the “Kodomo Challenge” program receive educational toys (made of plastic, wood and cloth) and DVDs and CDs every month, so they get more products that could be thrown away (and therefore more that could be recycled) than those enrolled in the “Shinken Zemi” program.

b) We put priority on collaborating with students enrolled in the “Kodomo Challenge” program because there are more chances and venues such as concerts and events at which we can have contact with them.

iii) The collected toys are reprocessed to make oil that is reused as energy sources. It is separated into type A heavy oil and kerosene, with the recycled type A heavy oil used to power forklifts, while the recycled kerosene is used as fuel for heaters in greenhouses where strawberries and other fruits and vegetables are grown.

Through the “Kodomo Challenge Recycling” program, 407 kg of recyclable materials were collected in FY 2022 (the year ending on March 31, 2021). The cumulative total of materials collected since the program began in 2010 reached 16.7 tons. Thus, the program can be seen to be successful in view of the fact that the cumulative total of materials collected rose; however, the volume of materials collected during the reporting year was lower than that of the previous year because concerts and events were cancelled due to the COVID 19 pandemic, and this led to fewer opportunities to collect recyclable materials.

Since the materials used to make the educational toys and DVDs we collect include plastic, wood, cloth and other materials, it is practically impossible to calculate the reduction in CO_2 emissions.

① The educational toys that are collected are reprocessed to make oil that is reused as energy sources. It is separated into type A heavy oil and kerosene, with the recycled type A heavy oil used to power forklifts, while the recycled kerosene is used as fuel for heaters in greenhouses where strawberries and other fruits and vegetables are grown.

② Feedback from customer questionnaire:

・I am happy to see how my child’s consciousness is being raised about wasting things; s/he actually talks about not wasting water and electricity.

・My child talks about being careful with water and grains of rice.

・My child sings the “Mottainai (wasteful) Song” when eating or washing her hands.

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

・My child has learned the importance of food and now understands why I, as a parent, am constantly cautioning him about not wasting it.

・My child has started making sure to eat all of her rice—down to the last grain.

・On bright, sunny days, my child has started turning off lights.

・My child now says “*mottainai*” (What a waste!) when the shower is left running.

・I’m happy that my daughter now talks to me about waste at every opportunity, like when she sees water, electric lights or things like that.

・My child asked me what kind of things are “*mottainai*”.

・My child has begun saving water while taking a bath, saying things like “*mottainai”* if the water is left running. He didn’t seem to get this up until now.

・My child now makes sure to eat all her food.

・I used to think it would be hard to get the concept of “*mottainai”* across, but Shimajiro helped us think about it together.

・The concept of "*mottainai"* is surprisingly difficult, but the explanation was easy to follow.

We see the above customer feedback as indicators of our success in changing children's actions (including expressing ideas through language).

Type of engagement & Details of engagement

Others. Please specify.

We provide customers of a wide age range—from pre-schoolers through high school students—opportunities to learn about environmental issues, the causes and effects of climate change, and strategies for adapting to it and mitigating it.

% of customers by number

100

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

0.2

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

We view children as "exchange students from the future" and define the environmental activities Benesse is engaged in as working to bring the earth to a sustainable state so that children can bring about a state of well being that is in keeping with our corporate philosophy: "Benesse = Well-Being." We are conscious of the fact that carrying out environmental education, including education about climate change, is extremely important for Benesse, a company whose main business is education, because we know that it is the role of education to transform society over the medium and long term.

Our operations are in line with the Paris Agreement on Climate Change. Benesse is striving to help make society carbon neutral, not only through its daily operations, but also through its "Kodomo Challenge" and "Shinken Zemi" programs, by providing products, services and opportunities for children to learn about why climate change is occurring and how it can be adapted to and mitigated now and into the future.

Impact of engagement, including measures of success

We view the measure of the success of our efforts as providing environmental education to 100% of our customers.

We provide environmental education, including education about how to mitigate climate change and adapt to it, that is in conformity with the course guidelines of Japan's Ministry of Education, Culture, Sports, Science and Technology (MEXT) to 100% of our customers, with our own contents and events that are tailored to each stage of a child's development. At our events, we ask participants to make "Eco Friendly Declarations" about energy reduction measures they can put into practice in their daily lives from now on. This consciousness-raising activity encourages them to pledge to make changes in their daily lives to mitigate climate change through measures such as reducing energy consumption in their home, replacing gasoline-driven cars with electric vehicles, driving in an eco-

friendly manner and so on. Customers learn about the environment and climate change not only in our science and social studies materials, but also in the environmental education contents of such products as our “Shimajiro: A World of Wow! Environmental Animation”, “Shimajiro: A World of Wow! “*Mamimume ‘Mottainai’* (Wasteful)!” and “Eco Challenge for Parents and Children”, as well as by participating in such activities as our “Summer Challenge: Contest to Create a Future for Elementary School Students Nationwide”, the Environmental Essay Contest for High School Students, the Benesse STEAM Festival, and the National Exploration Contest, and by viewing the prize-winning entries in these programs. In these ways, Benesse is helping to raise customers’ consciousness about climate change and other environmental concerns.
https://benesse-hd.disclosure.site/ja/themes/150

C12.2

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

Yes, climate-related requirements are 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 Benesse procurement policy clearly states that “we will develop a supply chain that has a reduced environmental impact.”

The SCM (Supply Chain Management) Division of our Operations Headquarters is in charge of developing a supply chain that covers all areas necessary for the provision and sales of our products and services, from the procurement of raw materials and parts through the manufacturing, inventory management and shipping processes.

The SCM Division has the primary responsibility for ensuring that the purchasing processes proceed in accordance with Benesse’s Purchasing Management Regulations and our Authority Regulations.

● **Purchasing Management Regulations**

These regulations determine the basis of all purchasing operations as well as the procedures for managing trading partners and making purchases, to ensure proper and fair management and operations while also promoting enhanced operational efficiency.

● **Authority Regulations**

Policies governing the following areas have been established based on Benesse’s Authority Regulations:

- Policies governing the company’s purchase of materials, manufacturing agreements, shipping and inventory management

- Classification of purchases according to the trading partner and method of purchase
- Supplier, transaction conditions, prices, etc.

● **Value Chain Committee**
Corporate management and Operations Headquarters consider major value chain issues from a medium- to long-term perspective based on our business strategy and select issues that should be prioritized based on risk analysis.

Examples of Priority Issues
- Business Continuity Plans to deal with risks of infectious disease outbreaks or natural disasters
- Enhancing sustainability (by switching to environmentally friendly materials, promotion of recycling, etc.)

Regular Auditing PDCA (Plan-Do-Check-Act) Cycles (e.g., Overseas Manufacturing)
The Benesse Group manufactures its products at factories that are commissioned to do this work.
The main countries in which overseas contract factories are located are China and Vietnam.
Benesse checks the environmental and labor conditions at these factories through regular audits and also requires that they keep sustainability in mind in their procurement practices.

● Initiatives undertaken to reduce environmental impact
Based on the Benesse Group Environmental Policy, we are consistently striving to ensure that our supply chain is environmentally friendly in all processes in terms of procurement and logistics. We promote measures such as low-waste product specifications, environmentally conscious procurement methods and accuracy in production numbers. We also collaborate with our trading partners on such measures as evaluating environmental protection initiatives and developing efficient shipping methods.
At our main logistics hub, the Benesse Logistics Center, we are engaged in measures to reduce CO_2 emissions.

CO_2 Emission Reduction Measures at the Benesse Logistics Center:
https://www.benesse.co.jp/kankyo/office/logistics_center.html

Further details available on the Benesse website:
https://benesse-hd.disclosure.site/ja/themes/159

One fruit of these activities was a plan to reduce greenhouse gas emissions generated during shipping our products by reducing the thickness of our learning materials.

Starting in April 2022, the Shimajiro and Hana-chan puppets that accompany “Kodomo Challenge” materials have been sent in compressed form, thereby improving loading efficiency while also reducing greenhouse gas emissions as well as shipping costs.

Another measure we took a few years ago to reduce the environmental impact of our business was changing the stuffing in the Shimojiro and Hana-chan puppets that accompany “Kodomo Challenge” materials to recycled cotton.

% 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

Suspend and engage

Climate-related requirement

Waste reduction and material circularity

Description of this climate related requirement

Paper is normally purchased by the ream, but since we don’t need an exact number of reams, in the past we asked our paper suppliers to dispose of the leftover paper. However, we recently took measures to have the leftover fraction counted and accumulated for a half year, with the profit accrued then split between the supplier and Benesse. Thus, we were able to achieve a reduction in waste by giving our suppliers an added profit.

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

0.5

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

0.5

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

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers.
Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate.

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

Ministry of Economy, Trade and Industry Announcement of Basic GX League Concept, GX League Endorsement

C12.3 TCGD と GX リーグ賛同表明.pdf (TCGD and GX League Endorsements)

20190723_release.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Benesse sees our climate change measures as an important business topic not only so that we can sustain our business but also to ensure that our customers—who range from preschoolers through high school and college students and on to adults—can carry out their lives in a sustainable society as they see fit, and we have therefore clearly stated this in our environmental policy.

In carrying out our climate change measures, we have set goals that are in line with the Paris Agreement on Climate Change, that is, to keep our Scope 1 and 2 emissions in line with a goal of capping global warming at 1.5℃. We have also endorsed the TCFD (the Task Force on Climate-Related Financial Disclosures) framework and, based on estimates of what society will be like in 2030 and 2050, planned ways to deal with potential impacts, estimated risks and opportunities, analyzed ways to adapt to climate change and also mitigate it, and then developed governance and risk management strategies to actually carry out these measures.

In addition, in order to take measures in line with the Paris Agreement on Climate Change and help achieve a carbon-neutral society, Benesse joined the GX League sponsored by Japan's Ministry of Economy, Trade and Industry (METI) and has begun undertaking concrete measures towards its goals.

● Endorsement of the TCFD framework and disclosure of information in accordance with this framework

In line with the Paris Agreement on Climate Change and in response to a request by Japan's Ministry of Economy, Trade and Industry (METI), Benesse announced its endorsement of the TCFD framework in July 2019 and began disclosing the required information on its website in March 2021. Revisions are being made and the disclosed information updated as necessary, and this process is included in our business strategy.

● Endorsed the Basic Concept of the GX (Green Transformation) League announced by METI in March 2022 and served as a member of the group that prepared for the launch of the GX League; officially joined the League after its establishment in March 2023.

In March 2022, Benesse announced its endorsement of the Basic Concept of the GX League, which aims to achieve carbon neutrality in line with the Paris Agreement on Climate Change. To help achieve carbon neutrality, Benesse joined League discussions on ① developing a vision of a future carbon neutral society, ② creating new markets and devising rules for them, and ③ a voluntary carbon credit exchange scheme, and began preparing for implementation starting in FY2023. Benesse officially joined the GX League and began taking part in League activities in April 2023.

During the GX League's pre-launch preparation period, Benesse served as a core member of the "The Future Society" group that worked on drawing up a vision of a future carbon neutral society, and the Benesse team's proposal was chosen as a representative example for presentation at the GX League Symposium sponsored by METI in November 2022.

In April 2023, Benesse announced its formal participation in the League and began taking part in its activities.

C12.3a

(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?

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

Benesse sees our climate change measures as an important business topic not only so that we can sustain our business but also to ensure that our customers—who range from preschoolers through high school and college students and on to adults—can carry out their lives in a sustainable society as they see fit, and we have therefore clearly stated this in our environmental policy. As one way in which we can help transform society towards carbon neutrality in line with the Paris Agreement on Climate Change, we endorsed METI's Basic Concept of the GX (Green Transformation) League, which has set a goal of achieving carbon neutrality by 2050, and served as a member of the group that prepared for the launch of this league.

Specifically, Benesse announced its endorsement of the Basic Concept of the GX League, which aims to achieve carbon neutrality, in March 2022 and joined discussions leading up to the launch of the league on ① developing a vision of a future carbon neutral society, ② creating new markets and devising rules for them, and ③ a voluntary carbon credit exchange scheme, and began preparing for implementation starting in FY2023.

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Climate transition plans

Policy, law, or regulation geographic coverage
National

Country/area/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, Benesse announced its endorsement of the Basic Concept of the GX League, which aims to achieve carbon neutrality in line with the Paris Agreement on Climate Change and which was announced by Japan's Ministry of Economy, Trade and Industry. Benesse then joined discussions leading up to the launch of the league on ① developing a vision of a future carbon neutral society, ② creating new markets and devising rules for them, and ③ a voluntary carbon credit exchange scheme, and began preparing for implementation starting in FY2023.

In order to be eligible to endorse the Basic Concept of the GX League, companies have to have set emissions targets in line with a goal of capping warming at 1.5℃. and expressed an intent to participate in carbon credit trading and take other measures to achieve these targets, such as supply chain initiatives and active, preferential purchase of green products (and including carbon credit offsets).

In preparation for implementation starting in FY2023, Benesse joined discussions leading up to the launch of the league on ① developing a vision of a future carbon neutral society, ② creating new markets and devising rules for them, and ③ a voluntary carbon credit exchange scheme. In November 2022, Benesse made a presentation as a representative team at the GX League Symposium sponsored by METI. Benesse joined the GX League starting in FY2023 (officially joining in March 2023) and has moved on to the implementation stage.

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 on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated it, and it is aligned with the Agreement's goals.

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
Benesse sees our climate change measures as an important business topic not only so that we can sustain our business but also to ensure that our customers—

who range from preschoolers through high school and college students and on to adults—can carry out their lives in a sustainable society as they see fit, and we have therefore clearly stated this in our environmental policy.

In line with the goals of the Paris Agreement on Climate Change to transform society towards carbon neutrality and in response to a request by Japan's Ministry of Economy, Trade and Industry (METI), Benesse announced its endorsement of the TCFD framework in July 2019, began analysing its activities in line with this framework and began disclosing the required information on its website in March 2021. These disclosures were also included in Benesse's June 2023 financial statement. They explain our analysis of our governance systems, strategies, risks and opportunities, indicators and goals.

These disclosures also comply with Japan's revised Corporate Governance Code and are in practice mandatory for prime market companies.

Benesse's strategy of digitalizing its learning materials has increased customer satisfaction while also helping us make concrete progress in addressing climate change, and is thus aligned with our environmental policy.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or 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 policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

Yes, and they have changed their position.

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Focusing on the shipping industry, which accounts for roughly 20% of all greenhouse gas emissions, the Association for the Promotion of Electric Vehicles (APEV) is striving to combat climate change through the promotion of environmentally friendly vehicles, including electric vehicles, fuel cell vehicles and plug-in hybrid vehicles, with the single-minded goal of "leaving a beautiful global environment for the children of the future."

This organization was founded by Soichiro Fukutake, the Honorary Advisor to Benesse, and Benesse, since its inception, in addition to paying dues, has

continuously donated to APEV, helped sponsor its events and seconded staff through the end of June 2023. From FY2019 (which ended in March 2020) through the end of June 2023, a dispatched Benesse staff member served as a member of APEV's Board of Directors, which focuses on environmental education, primarily concerning climate change, and promotes electric vehicles such as EVs (electric vehicles), FCVs (fuel cell vehicles) and PHVs (plug-in hybrid vehicles).

Founded with the above vision, APEV has striven to promote climate change measures as quickly as possible.

During the reporting year, APEV exchanged views with members of Japan's Ministry of the Economy, Trade and Industry, the Ministry of Land, Infrastructure and Transport, and the Ministry of the Environment about the promotion of electric vehicles, fuel cell vehicles and plug-in hybrids as a climate control measure, held talks for its corporate and group members, and cosponsored APEV-sponsored events. It also collaborated with the Embassies of India and Israel, including by sending speakers to their events.
https://www.apev.jp/aboutus/profile.html

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

5,100,000

Describe the aim of your organization's funding

Benesse is a member of the Association for the Promotion of Electric Vehicles (APEV), and is striving to combat climate change through the promotion of environmentally friendly vehicles, including electric vehicles, fuel cell vehicles and plug-in hybrid vehicles, with the single-minded goal of "leaving a beautiful global environment for the children of the future." Through workshops and other educational activities promoting environmentally friendly vehicles, APEV has been focusing on younger generations, who will play an instrumental role in addressing climate change and protecting the environment in the future. Benesse provides funds to support these activities.

The following is a list of the main activities Benesse conducted during FY2021; due to the COVID-19 pandemic, these were mainly internet-based activities.

・Collaborated in data collection for lectures and TV appearances by the APEV Director which conveyed the importance of the promotion of electric vehicles in addressing climate change.

・Sponsored "Local e-mobility Promotion Committees" and "Technology Committees" four times each (a total of eight times) to promote discussion on the promotion of electric vehicles such as EVs, PHVs and FCVs as a strategy to address climate change.

・Updated the concept of the International Student EV Design Contest (for those 18 years of age and older) and made preparations for the 5th Contest.

・Held the EV X Creation of the Society of the Future Workshop for high school students (hybrid format),

・Gave lectures at, support to and participated in the following events:

→ Super City Smart City Osaka 2021 @ Grand Front Osaka: Lecture: "Proposal for Next-Generation Model Local Community Building Through Next-Generation Mobility"

→ Technology for Cars of the Future (Online)

→ Cosponsored Automechanika Shanghai (conducted in Shanghai and streamed online)

→ Cosponsored and exhibited at MOVE EV 2022 MOBILITY REIMAGINE: Innovation, Tech, Performance for Electric Vehicles in Asia
→ Cosponsored and exhibited at the “Genki ni kuraseru mirai kenko machitsukuri” (Building healthy communities of the future where we can live healthy lives) EXPO 2022 (Online)
・Collaboration with events sponsored by various embassies: Cosponsorship of and lectures at events sponsored by the embassies of India and Israel
・ Support for EV, PHV and FCV promotion activities by APEV corporate members
・ Cooperation with Japan’s Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure and Transport, 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 it, and it is aligned.

Trade association
Other, please specify
Japan Climate Initiative

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

Has your organization attempted to influence their position in the reporting year?
Yes, we publicly promoted their current position.

Describe how your organization’s position is consistent with or differs from the trade association’s position, and any actions taken to influence their position
The Japan Climate Initiative (JCI) clearly stated its stance in its declaration, which is quoted below. Benesse supports this stance and is a member of this network, and supported the statements JCI presented to the Japanese government in 2021, 2022 and 2023.

Japan Climate Initiative Declaration
In response to the 2015 Paris Agreement on Climate Change, companies, local governments, NGOs and other non-state actors have begun fulfilling a vital role in fighting climate change around the world.
Since the publication of the special report on Capping Global Warming at 1.5 ° C 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 even more important.
In July 2018, 105 Japanese companies, local governments, research institutions and NGOs established the Japan Climate Initiative (JCI), a loose network committed to broadcasting information and strengthening the exchange of opinions, strategies and solutions among all actors that are implementing climate actions in Japan. Its membership today is six times its original number.

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

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 it, 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 mainstream reports, incorporating the TCFD framework recommendations.

Status

Complete

Attach the document

202306 有価証券報告書.pdf (June 2023 Financial Statement)

Page/Section references

pp. 15 – 21 in the Financial Statement
https://pdf.irpocket.com/C9783/ba4w/nEvN/vu7O.pdf

Governance: p. 15, p. 19
Strategies: pp. 16 - 19
Risks & Opportunities: p. 20
Emissions Figures: p. 21
Emission Targets: p. 21
Other Metrics (Recyclable Energy Target): p. 21

Content elements

Governance
Strategies
Risks & Opportunities
Emissions Figures
Emission Targets
Other Metrics

Comment

The Financial Statement issued on June 26th, 2023 disclosed information on measures to mitigate climate change in accordance with the TCFD framework. https://pdf.irpocket.com/C9783/ba4w/nEvN/vu7O.pdf

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
ROW1	Task Force on Climate-related Financial Disclosures (TCFD) Other, please specify Japan Climate Initiative (JCI)	● Endorsement of the TCFD Framework and Disclosure of Information in Accordance with This Framework In line with the goals of the Paris Agreement on Climate Change to transform society towards carbon neutrality and in response to a request by Japan's Ministry of Economy, Trade and Industry (METI), Benesse announced its endorsement of the TCFD framework in July 2019, began analysing its activities in line with this framework, integrating measures to address climate change into its business operations, and started disclosing the required information on its website in March 2021. These disclosures explain our analysis of our governance systems, strategies, risks and opportunities, indicators and goals. These disclosures also comply with Japan's revised Corporate Governance Code and are in practice mandatory for prime market companies. Benesse's strategy of digitalizing its learning materials has increased customer satisfaction while also helping us make concrete progress in addressing climate change, and is thus aligned with our environmental policy. ● Japan Climate Initiative (JCI) JCI clearly stated its stance in its declaration, which is quoted below. Benesse supports this stance and is a member of this network, and supported the statements JCI presented to the Japanese government in 2021, 2022 and 2023. **Japan Climate Initiative Declaration** In response to the 2015 Paris Agreement on Climate Change, companies, local governments, NGOs and other non-state actors have begun fulfilling a vital role in fighting climate change around the world. Since the publication of the special report on capping global warming at 1.5°C 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 even more important. In July 2018, 105 Japanese companies, local governments, and NGOs established the Japan Climate Initiative (JCI), a loose network committed to broadcasting information and strengthening the exchange of opinions, strategies and solutions among all actors that are implementing climate actions in Japan. Its membership today is six times its original number. We, the members of the Japan Climate Initiative, invite Japanese companies, municipalities, research institutions and civil society organizations that endorse our declaration to put Japan on the front lines of the global decarbonization effort and are making serious efforts towards the realization of a decarbonized society to participate in the initiative and help build a decarbonized Japanese society.

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
ROW1	Yes, both board-level oversight and executive management-level responsibility.	Environmental issues are a vital global challenge, and Benesse believes that corporations have a duty to play an active role in promoting environmental protection efforts. We are aware that maintaining and enhancing biodiversity will not only support the future lives of children, our main customers, but also help maintain and enhance the foundation of our business operations. Because we know that it is the role of education to transform society over the medium and long term, we have been offering environmental education materials and giving children from preschool age through high school opportunities to learn about biodiversity and other environmental concerns continuously for over thirty years, with the content in this area expanding and creative efforts to devise new ways to present these topics increasing over the years.

		Other initiatives we have implemented that are related to biodiversity besides the content of our educational materials include a shift to the use of recycled cotton for the stuffing of the Shimajiro and Hana-chan toy puppets that are sent to our “Kodomo Challenge” subscribers which was made a few years ago, as well as a decision by our CEO to replace plastic envelopes used in direct mailing with envelopes made with a blend using bio-based materials which is already being implemented.

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 related to biodiversity and publicly endorsed initiatives related to this field.	Net Positive Gain Declaration No Net Loss Declaration **Others. Please specify** 1)Strive to carry out business operations in harmony with nature in order to achieve a sustainable society; 2) Act from a global perspective in considering risks to biodiversity; 3) Voluntarily and steadily take actions to enhance biodiversity; 4) Promote environmental protection measures that are integrated with business operations; 5) Contribute to the development of localities which display a spirit of reverence for nature when utilizing natural resources; 6) Collaborate and work in association with both domestic and international organizations working in this field; 7) Take initiative in offering environmental education and human development activities aimed at building a society that nurtures biodiversity	**Others. Please specify** Helped formulate biodiversity guidelines for Tama City, Tokyo; also, endorsed the Keidanren (Japan Business Federation) Initiative for Biodiversity Conservation.

C15.3

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

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years.

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years.

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity-sensitive areas in the reporting year?

No

C15.5

(C15.5) 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

C15.6

(C15.6) 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 such indicators, but plan to within the next two years.	Response indicators

C15.7

(C15.7) 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		● 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, President and CEO of Benesse Holdings, Inc.	Chief Executive Officer (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.