



**PRENTISS  
SMITH & CO**

Sustainable Investment Report for:

# KYOCERA CORP

Kyoto, KT

Ticker: 6971 JP Equity

Website: [www.kyocera.co.jp/](http://www.kyocera.co.jp/)

Last Updated: 1-25-2024

## I. Exclusionary Screening

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Does KYOCERA CORP appear on any of the following lists? In our exclusionary screening, a single appearance disqualifies an investment.

### Fossil Fuels & Precious Metals Mining

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- BICS - Oil, Gas & Coal Industries<sup>1</sup>
- BICS - Precious Metals Mining<sup>1</sup>
- CDP/CAI Carbon Majors Database<sup>2</sup>

2

### Defense & Retail Gun Sales

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- BICS - Defense Primes<sup>1</sup>
- SIPRI Arms Industry Database<sup>5</sup>
- NRA Industry Allies/Gun Retailers<sup>6</sup>

7

### Plastics Production

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- Top 100 Plastic Polymer Producers<sup>3</sup>

### Private Prisons

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- BICS - Security Services<sup>1</sup>

### Agrochemicals & Animal Cruelty

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- BICS - Crop Chemicals & Fertilizers<sup>1</sup>
- Cruelty Free Investing Worst Companies for Animals<sup>4</sup>

### Pornography, Gambling & Tobacco

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- BICS - Casinos<sup>1</sup>
- BICS - Tobacco<sup>1</sup>
- BICS - Pornography<sup>1</sup>

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<sup>1</sup> BICS = [Bloomberg Industry Classification Systems](#)

<sup>2</sup> [CDP/CAI Carbon Majors](#)

<sup>3</sup> [Minderoo Foundation Top 100 Plastic Polymer Producers](#)

<sup>4</sup> [Cruelty Free Investing 10 Worst Companies for Animals](#)

<sup>5</sup> SIPRI = [Stockholm International Peace Research Institute](#)

<sup>6</sup> NRA = [National Rifle Association Top 10 Industry Allies](#)

<sup>7</sup> Prentiss Smith & Company Internal Research



## II. Recognition & Data

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What quantifiable environmental, social and governance data, policies or recognition does KYOCERA CORP exhibit? Positive factors may help support a decision to invest.\*

### General

S&P Sustainability Distinction

# Industry Mover

### Climate Change & Fossil Fuels

Corporate Knights Clean 200

# 196

CDP Climate Change A-List Area(s)

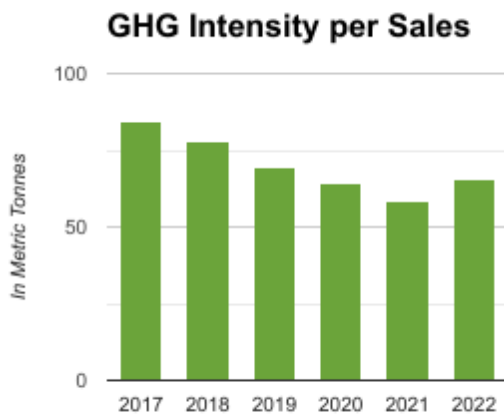
# Climate

TCFD Supporter Since

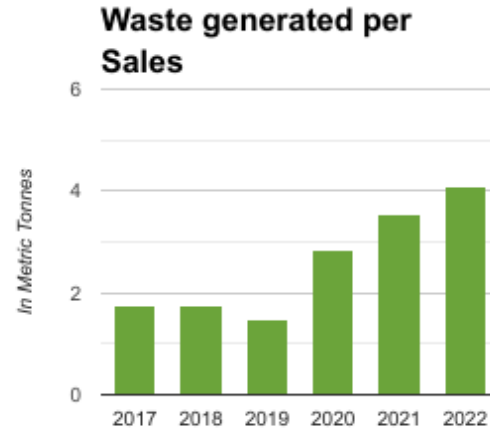
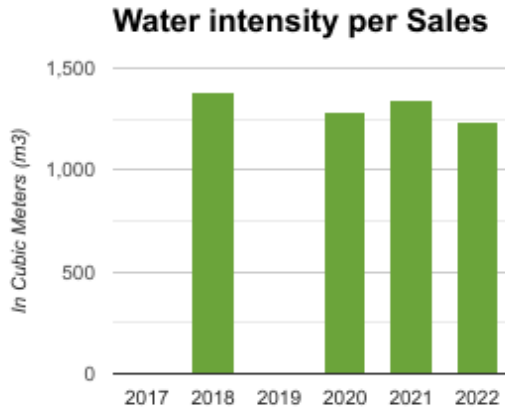
# 2020

°C Reduction Commitment (SBTi)

# 2°C



## Environmental Stewardship



## Human Rights & Well-Being

Corporate Human Rights Benchmark (0-26)

**2.5**

Know The Chain Technology Benchmark (Avg Score: 30)

**10**

\* Data sources may include:

- Corporate SEC filings
- Company sustainability and other reporting.
- Bloomberg LP ESG Data (via Data License).
- [As You Sow Clean 200](#)
- [As You Sow Racial Justice 1000 Scorecard](#)
- [Banktrack Human Rights Benchmark](#)
- [Barron's 100 Most Sustainable US Companies](#)
- [CDP A-List](#)
- [CDP Responses](#)
- [CEO Action for Diversity & Inclusion Pledge](#)
- Climate Group [EP100 Members](#), [EV100 Members](#)
- [Corporate Knights 100 Most Sustainable Corporations](#)
- [CPA-Zicklin Index](#) for Political Accountability
- [Digital Rights Corporate Accountability Index](#)
- [Diversity Inc's Top 50 Companies for Diversity](#)
- [Dow Jones Sustainability Indices \(DJSI\)](#)
- [EPA's Green Power Partners](#)
- [Equileap's Top 100 Companies for Gender Equality](#)
- Forbes [Best Large Employers](#), [Best Midsize Employers](#), [Best Employers for Diversity](#)
- Fortune [100 Best Employers](#), [Best Workplaces for Women](#), [Best Workplaces for Millenials](#)
- [Glassdoor Best Places to Work](#)
- Great Places to Work [World's Best Workplaces](#), [Best Workplaces for Parents](#)
- [HRC's Corporate Equality Index](#)

- [Institute for Clinical and Economic Review \(ICER\) Policy Leadership Forum Members](#)
- [JUST Capital Rankings](#)
- KnowTheChain [Food, Apparel and IT Benchmarks](#)
- [MSCI ESG Ratings](#)
- PEOPLE [Companies That Care](#)
- [Points of Light Civic 50 Honorees](#)
- [RE100 Member List](#)
- [Roundtable on Sustainable Palm Oil \(RSPO\) Supply Chain Certificate Holders](#)
- [S&P Global Sustainability Yearbook](#)
- [Science-Based Targets initiative \(SBTi\) Companies](#)
- [State Street Global Advisors' Gender Diversity Index](#)
- [Task Force on Climate-related Financial Disclosures \(TCFD\) Supporters](#)
- World Benchmarking Alliance [Corporate Human Rights Benchmark](#), [Social Transformation Benchmark](#), [Gender Benchmark](#), [Digital Inclusion Benchmark](#), [Food and Agriculture Benchmark](#), [Auto and Utilities Benchmark](#)

### III. Further Research

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What else has our research process told us about how KYOCERA CORP conducts business, in terms of its products and services, its environmental impact, and its approach to governance?

#### Summary

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Kyocera is a global technology conglomerate whose products serve a wide range of industries, including information and communications, mobility, environment and energy, medical and healthcare, concept cars, technology and innovation, and intellectual property. The company has strong climate-related goals approved by SBTi, and has focused some key product developments on environmental efficiencies such as reducing water usage in printing. The company reports diversity and pay equity statistics for its workforce and leadership, and reports pay parity for men and women in management roles.

While we applaud Kyocera's gender diversity reporting, its percentage of women in management (4.8%) and target (8%) make clear there is work to be done on representation. Pay equity also remains to be achieved for women who are not in management roles. And Kyocera's board of directors, which includes just one woman, is also composed primarily of company insiders, which is not a best practice globally. Increasing waste intensity is a concern and should continue to receive intense focus.

#### Products & Services

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##### Background

- *Brief description of products/services:*  
Kyocera Group has a range of products and services. The company makes products for information and communications, mobility, environment and energy, medical and healthcare, concept cars, technology and innovation, and intellectual property.<sup>1</sup>

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<sup>1</sup> <https://global.kyocera.com/prdct/index.html>

- *Founding date:*  
Kyoto Ceramic Co. Ltd. was founded in 1959, and is now Kyocera Corp.<sup>2</sup>
- *Key historical changes to company structure (e.g. M&A):*  
In 1982, four affiliates merged with Kyoto Ceramic to form Kyocera Corporation. In 2016, Kyocera went through consolidation and turned several companies into Kyocera International Inc., with others being consolidated into Kyocera Corporation.<sup>3</sup>
- *Key historical changes to products:*  
Kyocera considers itself a world leader in technological innovation. Notably their Fine Ceramics/Advanced Ceramics segment has been used in automotive, aerospace, and medical industries that continue to improve as the industries continue to innovate.<sup>4</sup>

## Product Detail

- *Current products/services detail:*  
Kyocera makes mobile phones, kitchen utensils, solar power generating systems, power tools, stationery, printers, medical/dental products, and specific electronic components such as connectors, cutting tools, ceramic components, etc.<sup>5</sup>
- *Significant recent developments or new plans for products/services (in the context of industry developments if applicable):*  
In 2023, Kyocera developed an inkjet textile printer by combining technology from their Printing Devices division and their Document Solutions division.<sup>6</sup>

## Landscape

- *Company size:*  
81,209 group employees.<sup>7</sup>
- *Business segments and revenue:*  
Total consolidated sales revenue in 2023 was \$15.114 million USD. Of that, 29.2% was from the company's Core Components Business (industrial & automotive components unit and semiconductor components unit), 52.8% was from the Solutions Business (industrial tools unit, document solutions unit, and communications unit), and 18.7% of revenue was from the Electronic Components Business.<sup>8</sup>
- ***Industry position/market share:***  
As a large global conglomerate with diverse lines of business, Kyocera's market share as a whole is difficult to establish.

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<sup>2</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 5

<sup>3</sup> <https://global.kyocera.com/company/summary/history/2020yrs.html>

<sup>4</sup> <https://global.kyocera.com/tech/>

<sup>5</sup> <https://global.kyocera.com/prdct/index.html>

<sup>6</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 10

<sup>7</sup> [https://global.kyocera.com/company/summary/company\\_profile.html](https://global.kyocera.com/company/summary/company_profile.html)

<sup>8</sup> [https://global.kyocera.com/company/summary/company\\_profile.html](https://global.kyocera.com/company/summary/company_profile.html)



## Impact

- *Detail on additional social/environmental impacts of products:*  
Their new inkjet printer reduces water requirements in textile printing to “virtually zero,” takes up less space, and is able to make small-quantity prints more economically feasible which conserves waste by eliminating the need for large inventories that often become scrap.<sup>9</sup>

## Environment

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### Goals & Disclosure

- Environmental Commitments
  - *CDP reporting and score:*  
Kyocera submitted for 2023 but has not yet been scored as of this writing. They scored an A- in climate change and a B in water security for 2022.<sup>10</sup>
  - *Emissions target(s)? 1.5-degree SBTi target?*  
Kyocera does have an SBTi-approved 1.5 degree commitment.<sup>11</sup> The company’s emissions target for cope 1 & 2 is 548k tons fewer CO2 by FY2031, a 46% reduction.<sup>12</sup>
  - *Scope 3 targets?*  
The FY2031 Scope 3 emission target of 2882k tons CO2 is also a 46% reduction, from FY2020 base year emissions of 5357k tons CO2.<sup>13</sup>
  - *Water/waste/deforestation goals?*  
Kyocera wants to increase its use of post-consumer recycled materials from 1% in 2023 to 5% in 2024. This is mostly plastics in their printers, toner cartridges, etc.<sup>14</sup>  
Kyocera has an FY2024 target to implement 29 biodiversity conservation projects across all production sites in Japan.<sup>15</sup>
- Environmental Disclosures and Progress
  - *Emissions:*  
In FY2023, Scope 1 & 2 emissions were 923k tons of CO2 and Scope 3 emissions were

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<sup>9</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 10

<sup>10</sup> <https://www.cdp.net/en/responses?queries%5Bname%5D=kyocera>

<sup>11</sup> <https://sciencebasedtargets.org/companies-taking-action>

<sup>12</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 29

<sup>13</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 29

<sup>14</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 30

<sup>15</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 30

4838k tons of CO<sub>2</sub>. The total GHG emissions were 5761k tons of CO<sub>2</sub>, down from 6375k tons of CO<sub>2</sub> in FY2020.<sup>16</sup>

- *Water:*  
FY2023 water consumption was 17,437 (1000/m<sup>3</sup>).<sup>17</sup>
- *Waste, including use of recyclable materials:*  
In Japan, total waste in FY2023 was 38,240 tons, 5,478 tons were recycled, and 2,761 tons were “reclaimed waste”.<sup>18</sup>
- *Deforestation:*  
No deforestation data was found. “Kyocera Group is engaged in activities to regenerate natural greenery on factory grounds and local forests. Our activities mainly involve thinning, weeding, and planting trees in collaboration with forestry associations and local residents.”<sup>19</sup>

## Product & Supply Chain Impacts

- *Further environmental benefits to using products:*  
Nothing specific was found.
- *Significant environmental commitments in supply chain:*  
Kyocera has a policy to not purchase conflict minerals and ensure responsible mineral procurement.<sup>20</sup>
- *Do products help customers reduce emissions? By how much?*  
Kyocera’s digital on-demand printing can produce small lots economically with very quick delivery times, greatly reducing the risk of overstocked apparel, mass disposal, and GHG emissions.<sup>21</sup>
- *Intermediate scope 3 milestones and targets:*  
Nothing significant was found.
- *Significant environmental fines, remediation or controversy:*  
There were no environmental fines or violations reported.<sup>22</sup>

## Operational Initiatives

- *Are scope 1 and 2 commitments 1.5-aligned?*  
Yes, the goals and targets are 1.5 aligned and SBT certified.<sup>23</sup>

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<sup>16</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 29

<sup>17</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 42

<sup>18</sup> [https://global.kyocera.com/sustainability/esg\\_data/index.html](https://global.kyocera.com/sustainability/esg_data/index.html)

<sup>19</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 30

<sup>20</sup> <https://global.kyocera.com/sustainability/social/supplier.html>

<sup>21</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 11

<sup>22</sup> [https://global.kyocera.com/sustainability/esg\\_data/index.html](https://global.kyocera.com/sustainability/esg_data/index.html)

<sup>23</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 29

- *Intermediate scope 1/2 initiatives, milestones and targets:*  
Kyocera has a renewable energy implementation target to increase usage to 20 times FY2014 levels by FY2031.<sup>24</sup>
- *Specific initiatives that could help achieve scope 1/2 targets, or lower emissions if no targets:*  
Kyocera is implementing aggressive efficiency measures to reduce manufacturing times and increase furnace productivity for their ceramics manufacturing. They are using a three pillar strategy of increasing renewable energy usage, installing new and power-efficient equipment, and improving manufacturing productivity.<sup>25</sup>
- *Other specific, internal initiatives in service of water conservation, waste management, etc:*  
“Kyocera has initiated a project to share information on packaging materials used by each department to discuss resource-reduction targets.” The company already began by switching to a new type of material-saving design packaging, with a single multi-folded cardboard container to reduce materials.<sup>26</sup>

## Management Integrity and Ethics

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### Leadership & Diversity

- *Brief profile of CEO and any other notable leaders:*  
Hideo Tanimoto, President, joined Kyocera in 1982, became an executive officer in 2015 and then, after holding a few more advanced leadership positions, became resident in 2017.<sup>27</sup>
- Leadership Composition
  - *Executive team:*  
On the executive team in FY2023, there were two female executive officers. No racial diversity disclosed.<sup>28</sup>
  - *Board:*  
In FY2023, Kyocera had one female director out of nine directors. No racial diversity disclosed.<sup>29</sup>
- Employee/Management Composition and Pay Equity
  - *Employees:*  
9.8% of engineering staff are women and 23% of other staff are women.<sup>30</sup>

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<sup>24</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 29

<sup>25</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 7

<sup>26</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 30

<sup>27</sup> <https://global.kyocera.com/company/summary/directors.html>

<sup>28</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 25

<sup>29</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 25

<sup>30</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 48

- *Management:*  
Kyocera has a goal to have 8% of its management positions held by women by FY2026. In FY2023, it had 143 female managers (4.8%).<sup>31</sup>
- *Pay equity:*  
The reported male to female earnings ratio for managers is male 100 and female 100.4 and for employees male 100 and female 73.1.<sup>32</sup> Kyocera says it is encouraging male employees to take childcare leave, and in FY2023 21.2% of eligible men have taken leave, up from only 3.6% in FY2020.<sup>33</sup>

## Human & Labor Rights

- *Are clear policies in place on forced labor and supply chain monitoring?*  
Kyocera says it is in compliance with all applicable human rights laws and regulations as well as the UN's Universal Declaration of Human Rights and several other frameworks.<sup>34</sup>
- *What % of the supply chain is covered?*  
100% of the supply chain is inferred.
- *Supply chain enforcement mechanisms:*  
Kyocera performs due diligence with human rights surveys and focuses on identifying top areas of human rights risks within its supply chain by working with third-party experts.<sup>35</sup>
- *Employee safety metrics:*  
The work-related accident rate was 0.93 and there were 5 fire incidents. Their targets were 0.56 accident rate and 0 fire incidents.<sup>36</sup>
- *Labor relations disputes or successful agreements:*  
Nothing significant was found.
- *Employee satisfaction metrics:*  
In 2022 and 2023, Kyocera Document Solutions America was a certified "Great Place to Work".<sup>37</sup> On Glassdoor, Kyocera has a 3.3 out of 5 star rating average.<sup>38</sup>
- *Programs requiring diverse hiring practices, professional training in underserved communities, or other equity-focused initiatives:*  
Diversity at Kyocera appears to be focused on the consideration of women's careers and supporting a more balanced parental leave policy for men and women. Nothing about racial diversity was found. Further information about diversity efforts can be found [here](#).

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<sup>31</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 25

<sup>32</sup> <https://global.kyocera.com/sustainability/social/diversity.html>

<sup>33</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 25

<sup>34</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 26

<sup>35</sup> <https://global.kyocera.com/sustainability/catalog/pdf/2023/all.pdf> pg. 26

<sup>36</sup> <https://global.kyocera.com/sustainability/social/safety.html>

<sup>37</sup> <https://www.kyoceradocumentsolutions.us/en/about-us/pr-and-award-certifications/press/kyocera-named-a-great-place-to-work-for-a-second-year-running.html>

<sup>38</sup> [https://www.glassdoor.com/Overview/Working-at-Kyocera-EI\\_IE3530.11.18.htm](https://www.glassdoor.com/Overview/Working-at-Kyocera-EI_IE3530.11.18.htm)

## Political & Charitable Activity

- *Does the company have a policy not to spend anything on lobbying or political contributions?*

Kyocera does not have a policy against political donations with the perspective of supporting “policy-oriented politics and contributing to the sound growth of parliamentary democracy. When we make political donations, we will comply with relevant laws and regulations including the Political Funds Control Act as well as relevant by laws.”<sup>39</sup>

- *Federal lobbying expenditures and political donations:*

In 2023, Kyocera/subsidiaries spent \$360k on political lobbying donations.<sup>40</sup> Political funding and expenditures came to \$98 million yen in FY2023.<sup>41</sup>

- *Is lobbying data voluntarily disclosed, including state and local contributions, trade association memberships, and PACs?*

Political expenditures are disclosed [here](#).

- *How much is spent annually on charitable contributions?*

Kyocera Japan spent 182 million yen on charitable donations in FY2023.<sup>42</sup>

- *How much volunteer time do employees give annually?*

Kyocera Japan employees gave 5 volunteer hours (each) in FY2023.<sup>43</sup>

- *Major charitable or volunteer projects with meaningful long-term impact:*

Since 2008, Kyocera has had a Pink Ribbon movement and donates part of the profits to Breast Cancer charities. Kyocera worked through a solar power company to build and operate a 71.6 megawatt Kagoshima Nanatsujima Mega Solar Power Plant and adjoining Solar Science Museum that has had more than 40,000 visitors since they opened in 2013.<sup>44</sup>

## Legal

- *Outstanding legal disputes with significant reputational and/or financial stakes (including shareholder lawsuits):*

Nothing significant was found.

- *Significant fines paid or in dispute:*

Kyocera was accused of trying to “squeeze out a merger” with AVX in 2020 and AVX shareholders filed a \$1 billion lawsuit that Kyocera settled for \$49.9 million in 2022.<sup>45</sup>

- *Current or recent headline controversies involving the company or its management:*

Nothing significant was found.

<sup>39</sup> <https://global.kyocera.com/sustainability/governance/risk.html>

<sup>40</sup> <https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2023&id=D000086523>

<sup>41</sup> [https://global.kyocera.com/sustainability/esg\\_data/index.html#b](https://global.kyocera.com/sustainability/esg_data/index.html#b)

<sup>42</sup> [https://global.kyocera.com/sustainability/esg\\_data/index.html](https://global.kyocera.com/sustainability/esg_data/index.html)

<sup>43</sup> [https://global.kyocera.com/sustainability/esg\\_data/index.html](https://global.kyocera.com/sustainability/esg_data/index.html)

<sup>44</sup> <https://global.kyocera.com/sustainability/social/contribution/activities.html>

<sup>45</sup> <https://news.bloomberglaw.com/antitrust/kyocera-avx-board-pay-50-million-to-end-1-billion-buyout-case>

## Legal Notice

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