

## CSR Strategies / Featured Topics

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# Group CSR Strategies

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## Group Management Philosophy

We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible.

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## Group CSR Vision

We, the Sompo Holdings Group, will positively engage our stakeholders in forward-looking dialogue, respect international standards and codes of conduct, and address environmental issues of climate change, biodiversity, and social issues of human rights and diversity in the course of our business operations in a transparent, fair, and open manner.

By constantly maintaining a long-term outlook, and by providing services and products that contribute to security, health, and wellbeing, we will strive as a solution provider to promote the realization of a resilient and sustainable society.

▶ [CSR Initiatives](#)

## CSR Material Issues

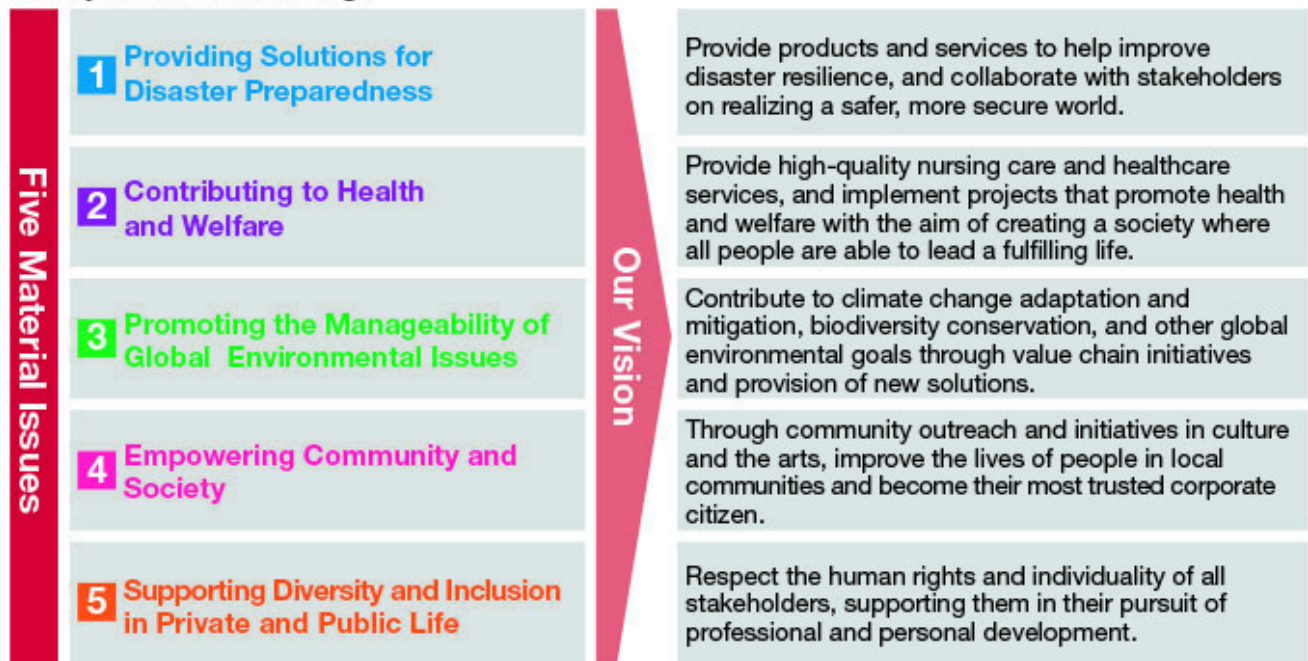
In order to provide our customers the best quality of services that contribute to their security, health, and wellbeing, and to contribute to society, we identified five material issues. To address these material issues, we identified our Three Key Strengths.

Based upon our CSR Group Vision, following Three Key Strengths are of critical importance for us.

**Our Key Strengths**

- 1** Developing and providing innovative products and services using financial expertise and digital technologies to provide innovative solutions for social issues.
- 2** Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society.
- 3** Promoting the quality of life and its enrichment by the application throughout all our operations of our expertise and resources in the arts and culture.

SOMPO HOLDINGS has redefined its Five CSR Material Issues, the Group's framework for achieving its CSR Vision to realize a resilient and sustainable society by providing products and services that contribute to security, health, and wellbeing.

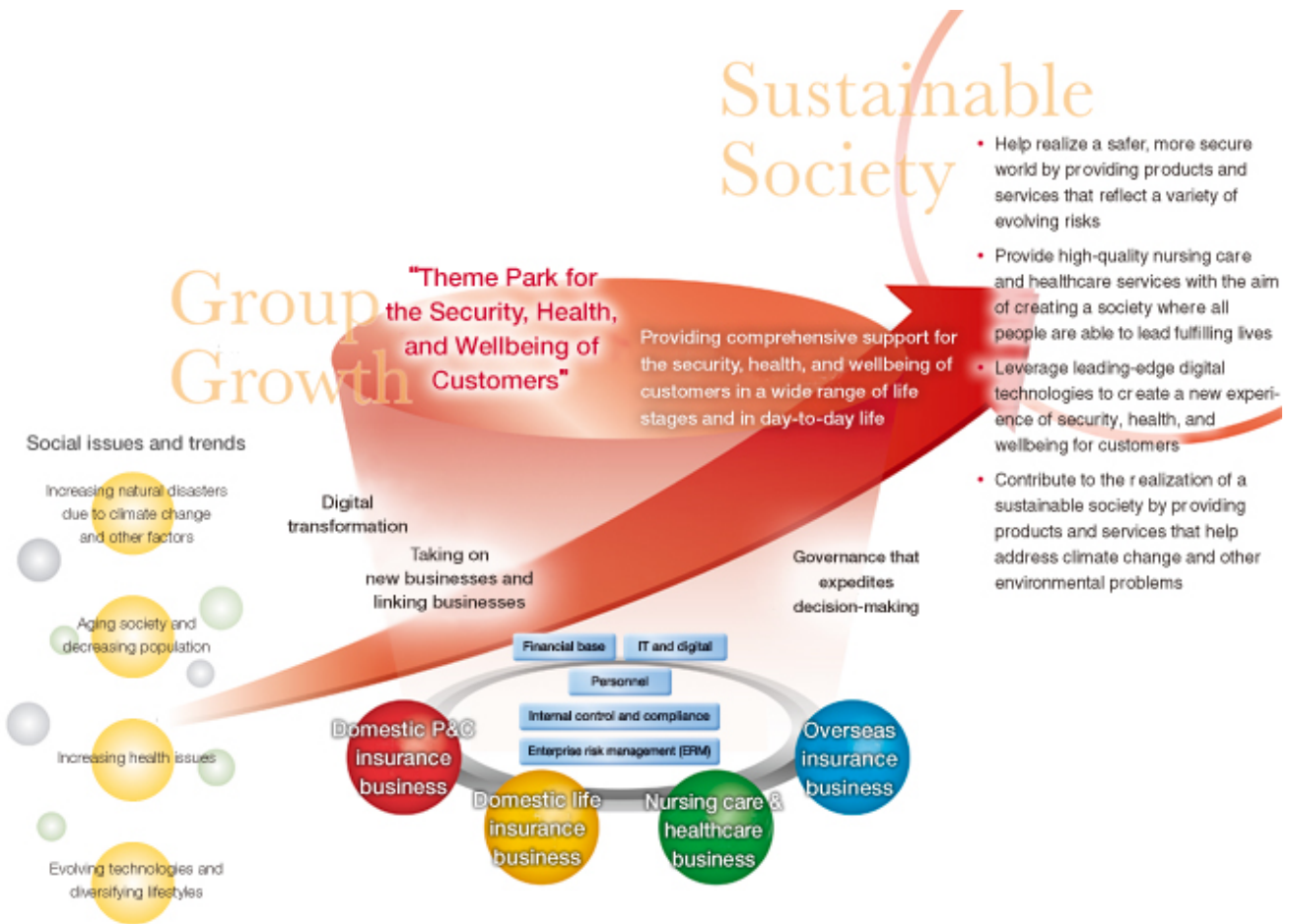


► CSR Materiality

# Value Creation Process

**We aim to create new value and help realize a sustainable society**

The Sompo Holdings Group will reform existing business models as well as its entire business portfolio by leveraging digital technologies and developing new businesses and services. By creating new value through transformation into a “theme park for the security, health, and wellbeing of customers,” we aim to help realize a resilient, sustainable society.



# Featured Topic 1: Climate Initiatives

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## The Growing Threat of Climate Change

There are growing impacts of climate change on society, including more frequent natural disasters and extreme weather events. It was in this context that the Paris Agreement was adopted in December 2015 at the 21st Session of the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change. Also, the UN Sustainable Development Goals (SDGs) adopted by international consensus in September 2015 to address numerous challenges facing global society include Goal 13 (Climate Action), calling on stakeholders to "Take urgent action to tackle climate change and its impacts."

To address climate change to date, we have mostly been working to reduce greenhouse gas emissions in order to "mitigate" the advance of climate change. But it is impossible to avoid the impacts of GHGs that have already been emitted, so there is a growing need for initiatives to "adapt" to the climate change by reducing the impacts of increasing natural disasters and deteriorated water resources, and other measures. In particular, corporations are being called upon to engage in adaptation initiatives, and developed countries are expected to bolster assistance for developing countries.

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## Our Climate Adaptation and Mitigation Efforts

The intensification of natural disasters by climate change can impact the Group's ability to continue providing insurance sustainably, as it causes insurance payments to rise, and with them, higher insurance premiums. Meanwhile, increases in the need for products and services to address climate risks could lead to the emergence and expansion of new insurance markets.

As a corporate group dedicated to providing "security, health, and wellbeing," we have established a Group CSR Vision, Group Environmental Policy, and Group Sustainable Procurement Policy to address climate change. Also, having defined "Promoting the Manageability of Global Environmental Issues" as our Material Issue 3, we are dealing with climate adaptation and mitigation throughout the value chain. By providing new solutions, we will contribute to developing a sustainable society.

- ▶ [Group CSR Vision](#)
- ▶ [Group Environmental Policy](#)
- ▶ [Group Sustainable Procurement Policy](#)
- ▶ [Promoting the Manageability of Global Environmental Issues](#)



## Milestones in Our Climate Initiatives

For climate mitigation, in 1997 we became the first financial institution in Japan to acquire ISO 14001 (environmental management system) certification, and since then have been working on energy saving and conservation efforts through the PDCA cycle for constant improvement, as well as advancing sustainable procurement and other environmental initiatives. In 1998, we started offering consulting services through Group companies to support environmental management systems, making use of our experience and knowhow. In 2013, we established mid- and long-term reduction targets for greenhouse gas emissions. We are aiming to reduce emissions of the entire Group by 40% by 2020 compared to fiscal year 2002, and by 70% by 2050.

As for climate adaptation, we started an innovative effort in the industry in 2007 in cooperation with the Japan Bank for International Cooperation (JBIC) and others, promoting research into climate risk financing mechanisms. Making use of the findings, in 2010 we launched weather index insurance in Northeastern Thailand. Currently the product offering has expanded to the Philippines, Indonesia, and Myanmar, and by 2025 we aim to offer this type of insurance to 30,000 farmers in Southeast Asia. Besides this, in collaboration with research institutions we are developing disaster risk assessment methods that are increasingly important due to climate change, and are working to provide new solutions such as flood risk assessment models for Japan and other Asian countries.



Seeking local input for weather index insurance (Myanmar)

## Our Products and Services to Contribute to Climate Adaptation

Below are some of our products and services designed to help address climate change.

▶ [Weather Index Insurance in Southeast Asia](#)

- ▶ Pacific Catastrophe Risk Insurance Pilot Program
- ▶ Development of Flood Risk Assessment Methods for Japan and Asian Countries
- ▶ Offering Insurance Products that Encourage and Promote Renewable Energy
- ▶ Promoting SRI funds

## Our Efforts to Contribute to Climate Mitigation through the Value Chain

Below are some of our specific climate mitigation initiatives through our value chain.

- ▶ Our Environmental Impact throughout the Value Chain and Efforts for Environmental Conservation
- ▶ Environmental and CSR Initiatives in Partnership with Business Partners
- ▶ Cooperation with Agencies to Reduce Environmental Impact
- ▶ Reducing the Use of Paper

## Communicating with Society through Research Activities

We organize research groups on climate change risks and other topics, in collaboration with research institutes and government bodies. We also take the findings and broadly distribute information that can help address climate change issues, through the publication of materials that summarize adaptation case studies and recommendations on how to promote adaptation, as well as the organization of public symposiums.



How Should We Adapt Climate Change Risks: Smart Adaptation for Businesses, Governments, and Grassroots Organizations

This book covers topics relating to the impacts of climate change, rationale for actions, numerous case studies, and recommendations for climate adaptation actions.

## Leadership to Address Climate Change

### Leadership through Various Initiatives

It is important that many stakeholders work collaboratively to address the challenges of climate change. As climate action is being discussed in numerous initiatives both in Japan and the world, we are making an effort to show leadership in such initiatives. Here we introduce some of our major activities.

#### Caring for Climate

Caring for Climate is an initiative established by the United Nations Global Compact (UN GC), the United Nations Environment Programme (UNEP), and the United Nations Framework Convention on Climate Change (UNFCCC) to advance the role of business in addressing climate change. Masao Seki, Senior Advisor on CSR at Sompo Japan Nipponkoa, is a member of the steering committee



▶ [Caring for Climate](#) 

#### CDP

The CDP is a set of collaborative initiatives by the world's leading institutional investors. It encourages businesses worldwide to adopt climate change strategies and disclose their greenhouse gas emissions. Sompo Japan Nipponkoa has been a member since 2005 as an institutional investor. Sompo Holdings was selected for the 2016 Climate A List in a survey on climate change and among the highest ranked financial institutions in Japan and the world.



▶ [CDP](#) 

#### COP22 Climate Conference

In November 2016, the 22nd Session of the Conference of the Parties (COP22) to the United Nations Framework Convention on Climate Change was held in Marrakesh, Morocco. Masao Seki,



Senior Advisor on CSR at Sompo Japan Nipponkoa, spoke at a session of a side event organized by Japan’s Ministry of the Environment, focusing on Japanese corporations’ efforts for climate resilience. He also participated in a High-Level Meeting on Climate Change organized by Caring for Climate during COP22, as a steering committee member.



## Our Initiatives Introduced in International Reports

Below is a report that covers our weather index insurance in Southeast Asia.

SDG Industry Matrix for Financial Services (Industry Handbook on the SDGs) (UN GC, KPMG International) 



## Featured Topic 2: Nursing and Healthcare Initiatives

In fiscal year 2015 we made a full-fledged entry into nursing care business, as a new pillar for the Group, aiming to make Japan a global pioneer in healthy longevity. We are striving to provide the highest quality nursing and healthcare services in our rapidly aging society. In our Japanese life insurance business, we are also working to evolve into an enterprise that supports the Japanese publics' efforts to be healthier, and we are actively engaged in nursing care and healthcare initiatives as a Group, including initiatives to maintain and improve the health of our employees.

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### Dialogue: Nursing and Healthcare Initiatives — Future Issues and Expectations

We have included third party comments from Mr. Hideto Kawakita in our CSR Communication Reports since 2001. Mr. Kawakita shared his thoughts on issues facing nursing and healthcare initiatives in the future.

## 1. Striving to Create a “Workplace First” Nursing Care Business



Yasuki Kume (Left)  
 Director & Executive Secretary, Sompo Care Inc.  
 General Manager of Nursing and Health Care Business Department, Sompo Holdings, Inc.  
 Executive Officer of CEO Office, Sompo Care Message Inc. and Sompo Care Next Inc.

Hideto Kawakita (Right)  
 CEO, International Institute for Human, Organization and the Earth (IIHOE)  
 Publisher, Socio Management Review

▶ [Profile](#)



**Kume:** The Sompo Care Group strives to contribute to the security, health, and wellbeing of our customers by providing the elderly and their families with the highest quality nursing care services possible (see Long-term Care Business: Supporting Japan, a Global Pioneer in Healthy Longevity).

Our current policies include providing tailor-made care that meets the needs of each and every individual, training personnel and the pursuit of quality services, and building a

dynamic working environment. As people in Japan live longer lives and nursing care needs rise,

we are facing a shortage of nursing care workers and a widening gap between the supply and demand for workers. To tackle these issues we are working on initiatives to strengthen our recruitment activities, enhance personnel training and improve the employee turnover rate. We are focusing on improving workplace skills in particular with the slogan “workplace first.” Specifically, we have introduced a scheme in which our senior management goes into the workplace to talk with frontline workers, and provide advice to resolve workplace-related issues. We also work quickly to investigate solutions at head office and offer proposals for solving issues that cannot be addressed in the workplace alone.

Human resource development is a key issue. In July 2017 we established Sampo Care University, an institution to enhance human resource development. We intend to build on traditional training methods to raise the quality of care offered and plan to enhance our training programs in collaboration with universities and specialized educational institutions. In the future we will strengthen the functions of the institution with an eye to making it a general educational institution for the nursing care industry at large, and not merely to train our own employees. In an effort to create a more vibrant workplace, we have introduced an initiative to strengthen communication in the workplace, in which employees prepare “thank you” cards for each other. We believe this will foster a corporate culture that encourages employees to offer praise.

**Kawakita:** You’re tackling an extremely important aspect of this business. It is becoming more and more difficult to recruit people into nursing care, so it is essential to create a working environment employees want to remain longer.

I’d like to suggest creating and putting up a newsletter on the wall to foster such culture. If the newsletter is put up in a location where various people can read it, such as users and business partners that visit the facility, and not just employees, it should be easy to encourage employees to offer praise.

I am sure you can strengthen the workplace by creating a culture in which someone assists employees who are unsure of how to respond or who have anxieties, in other words, a culture in which employees support each other at work. Expressing gratitude and praise is more effective when doing so for a stance or act of mutual support rather than merely as a good action.

**Kume:** With regard to the use of ICT and digital technology, we are developing and researching technology that we expect will be used in nursing care in collaboration with Sampo Digital Lab, which works on the digital field the Group is strengthening. One such example is an initiative that uses sensors to monitor patient safety. This initiative offers peace of mind to both patients and their families while also improving employee productivity and making their work easier.

**Kawakita:** It is important to work together with various companies with various kinds of technology. To ensure employees remain with the company, it is important not only to introduce technology but also to continue to use and improve such technology.

**Kume:** From a human resource diversity perspective, we decided to investigate recruiting nursing care staff from other countries in the future following the deregulation of the national Technical Internship Training Program in the nursing care business. We will also consider developing our operations outside Japan, and plan to use such program in the future to train personnel who will play a crucial role in the development of our nursing care business in each country.



**Kawakita:** It is extremely important for people from diverse cultural backgrounds, including nationality, to have a program that offers training in the workplace. It is also important to work together with specialist organizations to train personnel who can continue to work in nursing care in Japan, and not just to offer language and cultural training. While the high turnover of employees in the nursing care industry is often cited as an issue, very little research and analysis has been conducted into why workers leave the industry or into the trends. I hope you will consider tackling this issue.

**Kume:** We are aware of the importance of analyzing the cause and will continue to take measures to respond to this issue.

**Kawakita:** There have been times when it has not been possible to recruit personnel such as after large-scale disasters. There is a tendency for non-regular employees in particular to have to relocate following disasters involving family. Securing childcare is virtually impossible which in turn prevents employees from returning to work. Given this, it is important to think about how to enhance the care and support offered to employees' families. I have high expectations in Sampo Care Group's nursing care business.

**Kume:** Thank you so much. We will continue to work towards making Japan a global pioneer in healthy longevity.





## Building a Theme Park for the Security, Health, and Wellbeing of Customers in the Nursing and Healthcare Field



Shinichi Shizume (Left)  
General Manager, Theme Park Promotion  
Group, Management Planning Division  
Sompo Holdings, Inc.

Hideto Kawakita (Right)  
CEO, International Institute for Human,  
Organization and the Earth  
Publisher, Socio Management Review

### ▼ Profile

**Shizume:** Our department is responsible for building a platform to develop new businesses and services, promote collaboration between businesses, and improve quality throughout the Group for realizing a theme park for the security, health, and wellbeing of our customers. We are currently focused on initiatives for the healthcare and elderly, and it is these I would like



to talk about with you today.

Specific initiatives include mental health initiatives that support healthier working styles, initiatives such as Linkx, that help extend customers' healthy life expectancy, a range of driving assistance services for the elderly aiming to contribute to a safer automobile society, and initiatives to improve service quality in the nursing care business aiming to make Japan a society people enjoy longer lives.

**Kawakita:** With regard to products and services for mental health, in addition to providing them to customers, it is crucial to explain the functions and how to use tools, in other words, to show specifically the effects achieved by consultation, products and services. The expertise gained in Japan can be used throughout the world in the future such as in Southeast Asia where a similar situation may well occur.

With products and services to extend healthy life expectancy, it is important to offer proposals from a preventative perspective, in anticipation of risks. Would you tell me about such initiatives?

**Shizume:** We are currently focusing on the use of big data and on gathering healthcare data in particular. We believe that we can create the kind of data which covers from young people to the elderly by using big data collected as part of our Japanese life insurance business operations, health management and mental health consulting, and our nursing care business. It is extremely unusual for a corporate group to achieve this. We aim to generate evidence by accumulating healthcare data and then inform customers of the evidence, and to offer them new proposals. This will be a huge challenge for us.

**Kawakita:** As you say, this will be invaluable evidence.

Looking at driving support services for the elderly, a recent survey shows that about 10% of women aged 75 or over have a driving license. While this percentage is expected to be close to 30% in 2025, looking long-term, it is expected to fall again in the future. Given this, I strongly expect that you will create a system that supports drivers so that they can continue to drive for a long time.

**Shizume:** Reasons cited for handing over drivers licenses include aging, physical issues, and dementia. We are considering offering support to extend the period customers can drive safely in the form of driving technique diagnosis and other driving assistance methods that incorporate new perspectives using various different types of data.

**Kawakita:** I am interested to hear more about your nursing care initiatives. I believe that the user characteristics, such as their experiences and preferences, vary even among the same generation. That said, it should be possible to easily convey the value of your services by indicating that you can provide tailor-made care, and coordinate various products and services the Group offers.

**Shizume:** As a Group, we intend to offer proposals on home remodeling as one of our nursing care support services, and to propose strategies that help resolve issues facing not only the Group but also all care providers.

**Kawakita:** Partnerships are essential when developing operations.

**Shizume:** We are currently collaborating with various partners in different aspects of our business. We plan to continue this policy.

**Kawakita:** I look forward to seeing how you will develop going forward while creating value to customers and society.

**Shizume:** Thank you for your valuable comments.



## Hideto Kawakita

CEO, International Institute for Human, Organization and the Earth (IIHOE)\*  
Publisher, Socio Management Review

After graduating university in 1987, joined Recruit Holdings Co.,Ltd., responsible for international hiring, corporate communications, and management support until 1991. He established IIHOE in 1994, after various positions, including as Japan representative in an international youth exchange NGO, and a policy secretary for a member of the National Diet of Japan. Provides consultation services to improve the management of civil society groups and corporations interested in social responsibility, support for building a hub for collaboration of citizens, businesses and governments, and support for social responsibility initiatives of corporations, civil society and local governments.

\* IIHOE: An NPO established in 1994 "for the democratic and balanced development for all the lives on the Earth."

▶ <http://blog.canpan.info/iihoe/>  (in Japanese)

▶ [Third Party Comments](#)

## Key Initiatives for Nursing and Healthcare

- ▶ Supporting Japan, a Global Pioneer in Healthy Longevity
- ▶ Virtual Reality in Dementia Care Training
- ▶ Industry-Academia Collaboration: Diversity on the Arts Project (DOOR)
- ▶ Integrated Service Product: Long-term Care Support Plan
- ▶ Nursing Care Support Services and Health and Life Support Services to Benefit Customers and Their Families
- ▶ One-time Nursing Care Payment Rider for Nursing Care Level 1 or Above
- ▶ Corporate Health Promotion: Support Services for Health and Productivity Management
- ▶ Launch of Health Service Brand Linkx (Link Cross)
- ▶ Physical Healthcare Support to Help Prevent Lifestyle Diseases
- ▶ Employee Assistance Program Services Contributing to “Healthy Companies”
- ▶ Initiatives to Maintain and Promote Employee Health
- ▶ Supporting Activities and Researches for Social Welfare — Sompo Japan Nipponkoa Welfare Foundation

# Featured Topic 3: Digital Strategies

## Important Theme for Utilizing Digital Technologies

In our digital strategy, we aim to intensively and dynamically utilize digital technologies, which are evolving at an exponential speed, in Group operations. The evolution of technologies could bring about great changes not only in the business processes of insurance companies but also in customers, business models, and the environment. We have set four goals for our digital strategy.

1. Business Efficiency in All Segments

Utilize artificial intelligence (AI) and other new technologies to raise productivity and efficiency

2. Enhancement of Customer Contacts

Develop products and services that enhance customer experience by utilizing the Internet of Things (IoT)

3. Marketing for Digital Native Generation

Develop products and services that will be chosen by the so-called digital natives

4. New Business Model Utilizing Digital Technologies

Create new business models based on digital technologies



▶ [SOMPO Digital Lab](#)



## Dialogue: Digital Strategies — Future Issues and Expectations



Masatomo Nakajima (Left)  
Digital Strategy Planning General Manager  
Sompo Holdings, Inc.

Mr. Hideto Kawakita (Right)  
CEO, International Institute for Human,  
Organization and the Earth (IIHOE)  
Publisher, Socio Management Review

▼ Profile

We have included third party comments from Mr. Hideto Kawakita in our CSR Communication Report since 2001. Mr. Kawakita shared his thoughts on issues facing digital strategies in the future.

### Using Digital Technology to Offer Customers New Experiences

**Nakajima:** Big data and digitalization have created a revolution in which we are discovering things that were previously unexplainable. Risk segments are increasing due to digital technology and we are able to use such data to understand people's actions.



As risk segmentation progresses, customers whose risks are low may be chosen first (cherry-picked). However, as a Group we will continue to place great importance on cooperation and co-existence in society. The Group aims to achieve security, health, and wellbeing, and we intend to use the data we obtain to find solutions to help prevent accidents rather than to measure accidents. We expect the evolution of digital technology to have a significant impact on business, which will

lead to changes in our customers, business models, and the competitive environment. For example, we will eventually reach a stage where most of customers have been familiar with digital technology from birth. How we respond to changes in customers holds the key to our future. Digital technology is a means to an end. We must consider how we can use such technology to provide new valuable experiences to customers. In the insurance business, we aim not only to pay insurance claims when the need arises but also to provide support for their safety and security on a day-to-day basis.

How we use digital technology astutely is important, and in actual fact, we have already incorporated digital technology into various processes of our Group businesses ([see Key Initiatives That Use Digital Technology](#)).

**Kawakita:** I feel it is necessary in the future to specifically indicate whom you will offer cooperation and mutual support systems and the values that use digital technology, and how. Japan, an ageing society, will eventually reach a stage in which improvements in driver assistance technology will enable us to get around easily, including those who cannot drive and find it hard to go shopping or to attend hospital appointments. Considering how to back-up technological developments and its use is the key to Japan achieving a societal development using technology, and this is where insurance will play a vital role. Giving quick and concrete solutions that “encourage development and use of technology” using insurance will be even more important in the future.

When you quantitatively indicate what has evolved and the value produced as a result of digital technology from the customers’ point of view, it will be easy for them to understand and experience the impact on society. This in turn will lead for the Group to be chosen more often and by more people.

Will you provide services aimed at the global market?

**Nakajima:** Taking the customer experience developed in Japan to the world is one of our tasks going forward. We have looked at various case studies throughout the world and have concluded that, given the rising rates of smartphone usage in developing countries, developing countries are one step ahead of industrialized countries in terms of use of digital technology.

**Kawakita:** As you say, the possibilities in developing countries are enormous. Regulations vary from country to country, and it may be possible to create a global market for products and services that could not be implemented in Japan.

I hope the Group will accept a wider range of users, or “changes of your customers” in a positive

light, and inform of interface improvements not just improvements in communication speed and tools.

**Nakajima:** We emphasize the customer's "experience." For example, traditional drive recorders sound an alarm in dangerous situations. Our safe driving support service, Smiling Road emphasizes "praising" safe and responsible driving ([see Supporting Safer Driving Using Big Data and Telematics](#)).

**Kawakita:** I have high expectations in the "universal design of interfaces" that takes various people into consideration such as the elderly, people with special needs, and people from other countries,

**Nakajima:** We will definitely consider this in near future. Thank you so much for your time.



## Hideto Kawakita

CEO, International Institute for Human, Organization and the Earth (IIHOE)\*  
Publisher, Socio Management Review

After university graduation in 1987, joined Recruit, responsible for international hiring, corporate communications, and management support until 1991. He established IIHOE in 1994, after various positions, including as Japan representative in an international youth exchange NGO, and a policy secretary for a member of the National Diet of Japan. Provides consultation services to improve the management of civil society groups and corporations interested in social responsibility, support for building a hub for collaboration of citizens, businesses and governments, and support for social responsibility initiatives of corporations, civil society and local governments.

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▶ [Third Party Comments](#)

## Key Initiatives That Use Digital Technology

- ▶ Supporting Safer Driving Using Big Data and Telematics
- ▶ Japan's First Telematics Insurance Utilizing Smartphones — Safe Driving Automobile Insurance Discount Up to 20%
- ▶ New Automobile Insurance Using Internet-of-Things (IoT) for Safer and More Enjoyable Driving
- ▶ Wearable Smart Glasses for Fire Insurance Accident Investigations
- ▶ Expanded Use of Drones — First in Industry to Acquire Flight Authorization Nationwide from Japan's Ministry
- ▶ Paperless Processing for Insurance Policy Applications — Using ICT to Shorten Approval Procedures to Two Days
- ▶ Data Science Bootcamp — HR Institute to Provide Training in Big Data and AI
- ▶ Introduced the IBM Watson Explorer for Insurance and Benefit Payment Services
- ▶ DRIVING! Safe Driving Support Service for Individual Drivers (Especially Seniors).
- ▶ Participated in Blockchain Insurance Industry Initiative B3i
- ▶ Japan's First Disaster Response Test in Skyscraper-Dense Area Utilizing Drones
- ▶ Partnership with Silicon Valley (US) Research Institutions for Automotive AI and Robotics Research
- ▶ Data Science Bootcamp — Establishment of an HR Institute to Provide Training in Big Data and AI
- ▶ Virtual Reality in Dementia Care Training