

# Initiatives to Achieve the Sustainable **Development Goals (SDGs)**

In September 2015 the Sustainable Development Goals (SDGs) were adopted by the consensus of 193 member countries at a United Nations summit in New York, with 17 goals and 169 targets as the global sustainability agenda for 2030. Paragraph 67 of the official agenda document calls on "all businesses to apply their creativity and innovation," stating clearly the role expected of businesses in achieving the SDGs.









































- **SDGs Integration into Management** and Business
- SDGs Initiatives
- Leadership to Achieve the SDGs



# SDGs Integration into Management and Business

Our approach to action on the SDGs, started in fiscal 2015, is based on "SDG Compass: The guide for business action on the SDGs" and other guidelines.

Developed by the Global Reporting Initiative (GRI), United Nations Global Compact (UNGC) and the World Business Council for Sustainable Development (WBCSD), "SDG Compass" provides guidance for companies on how to align their strategies and also measure and manage their contributions to the SDGs. This guidance is broken down into the following five steps.

<Five Steps of SDG Compass>

- 1. Understanding the SDGs
- 2. Defining priorities
- 3. Setting goals
- 4. Integrating
- 5. Reporting and communicating



# **Our Five Steps**

## 1. Understanding the SDGs

As the first step toward integrating the SDGs into our business, in fiscal 2015 we started to disseminate information on the SDGs using internal communications tools to raise awareness and promote understanding within the Group. The SDGs were also the theme of a meeting of the Group's Council for CSR Promotion and a study session for management.

In fiscal 2016, the SDGs were introduced during CSR seminars taken by all Group employees. In March 2017, we also held CSR Development Seminars on the SDGs.

Group-Wide Engagement on SDGs





CSR Development Seminar

## 2. Redefining material issues

We redefined our CSR Material Issues based on the 17 goals and 169 targets of the SDGs and defined five material issues and three key strengths.

Redefining Group CSR Materiality

## 3. Setting CSR key performance indicators (CSR-KPIs)

We set CSR-KPIs for the Group in accordance with the new CSR Material Issues, and review them every year.

CSR Key Performance Indicators (CSR-KPIs)

# 4. Taking actions to build partnerships

Directed by an iterative PDCA-cycle process to improve performance and achieve the new CSR-KPIs based on the SDGs, we are implementing various Group initiatives to address social issues and build a more sustainable society.

One of our three key strengths, "fostering partnerships with stakeholders representative of broad sectors of civil society," remains a priority for us in addressing complex social issues of a global scale.

- CSR Management Organization (System)
- Stakeholder Engagement



# 5. Disclosing information for stakeholder engagement

By disclosing the progress and results of measures to achieve the new material issues and CSR-KPIs, we strive to improve performance while communicating with various stakeholders. In our communications, we make a point of not only covering our own initiatives, but also working in partnership with governments and organizations that promote social responsibility to advance the SDGs in society as a whole.

- ▶ Leadership to Achieve the SDGs
- Overview of CSR Communication
- Declarations to Society and Participation in CSR Initiatives



# **SDGs Initiatives**

We are undertaking many initiatives to help achieve the SDGs.

# Material Issue 1: Providing Solutions for Disaster Preparedness

#### **Our Vision**

Provide products and services to help improve disaster resilience, and collaborate with stakeholders on realizing a safer, more secure world.









### **Key Initiatives**

- Supporting Safer Driving Using Big Data and Telematics
- Volcanic Eruption Derivative and Related Estimating Method
- ▶ Bosai JAPAN-DA Project to Raise Disaster Awareness
- ▶ Road Safety Project in Indonesia
- \* Below are more examples of our initiatives.
- ▶ Material Issue 1: Providing Solutions for Disaster Preparedness (Key Initiatives)

# Material Issue 2: Contributing to Health and Welfare

### **Our Vision**

Provide high-quality nursing care and healthcare services, and implement projects that promote health and welfare with the aim of creating a society where all people are able to lead a fulfilling life.







### **Key Initiatives**

- Participating in World Bank's Pandemic Emergency Financing Facility
- Supporting Japan, a Global Pioneer in Healthy Longevity
- ▶ Launch of Health Service Brand Linkx (Link Cross)
- Maternal and Child Health Project in Myanmar
- \* Below are more examples of our initiatives.
- Material Issue 2: Contributing to Health and Welfare (Key Initiatives)

# Material Issue 3: Promoting the Manageability of Global Environmental Issues

#### **Our Vision**

Contribute to climate change adaptation and mitigation, biodiversity conservation, and other global environmental goals by working through our value chain and providing new solutions.











#### **Key Initiatives**

- ▶ Weather Index Insurance in Southeast Asia
- ▶ Offering Insurance Products that Encourage and Promote Renewable Energy
- ▶ Promoting SRI funds
- ► SAVE JAPAN Project
- \* Below are more examples of our initiatives.
- ▶ Material Issue 3: Promoting the Manageability of Global Environmental Issues (Key Initiatives)

## Material Issue 4: Empowering Community and Society

#### **Our Vision**

Through community outreach and initiatives in culture and the arts, improve the lives of people in local communities and become their most trusted corporate citizen.











## **Key Initiatives**

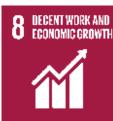
- Investment in Japan's First Social Bonds (JICA Bonds)
- Sompo Holdings Volunteer Days
- Supporting Reconstruction after Large-Scale Disasters
- \* Below are more examples of our initiatives.
- ▶ Material Issue 4: Empowering Community and Society (Key Initiatives)

# Material Issue 5: Supporting Diversity and Inclusion in Private and Public Life

### Our Vision

Respect the human rights and individuality of all stakeholders, supporting them in their pursuit of professional and personal development.









### **Key Initiatives**

- Female Employee Engagement
- Diversity Advocates for LGBT Persons
- ▶ Work Style Innovation
- \* Below are more examples of our initiatives.
- Material Issue 5: Supporting Diversity and Inclusion in Private and Public Life (Key Initiatives)



# Leadership to Achieve the SDGs

Special Dialogue: Challenges to Achieve the SDGs



Hideto Kawakita<sup>\*</sup>
CEO, International Institute for Human,
Organization and the Earth
Publisher, Socio Management Review

\*Profile

Masaya Futamiya\*
Chairman and Representative Director of
Sompo Japan Nipponkoa
Chair of the Japan Business Federation
(Keidanren)
Committee on Corporate Behavior & Social
Responsibility

To achieve the UN Sustainable Development Goals (SDGs), all stakeholders need to be involved and work together. Corporations in particular are called on to become drivers of change through their creativity and innovation.

In Japan, the Sustainable Development Goals Promotion Headquarters was established in May 2016. It is chaired by the Prime Minister and composed of all cabinet ministers. A multistakeholder roundtable was later created to develop policies for implementation of the SDGs. Masaya Futamiya, Chairman and Representative Director of Sompo Japan Nipponkoa, as well as Chair of the Japan Business Federation (Keidanren) Committee on Corporate Behavior & Social



Responsibility, has participated in the roundtable to represent the business sector. Another participant is Masao Seki, Senior Advisor on CSR with Sompo Japan Nipponkoa and member of the SDG Stakeholders Roundtable (under Japan's Ministry of the Environment), which promotes efforts to achieve the SDGs from the environmental perspective.

We believe that it is important not only to advance our own initiatives, but also to collaborate with governments and relevant organizations to promote and disseminate the SDGs in society as a whole, while communicating with various stakeholders. Hideto Kawakita, CEO of the International Institute for Human, Organization and the Earth (IIHOE) and publisher of the Socio Management Review, has been providing third-party comments for our CSR Communication Reports every year since 2001. Below is a dialogue we had with him representing the civil society sector, on social issues that need to be addressed to achieve the SDGs as well as challenges facing the Group.

# Working with a Long-Term Perspective



Facilitator Senior Advisor on CSR Masao Seki

Profile

**Seki**: Today I would like us to talk about challenges and leadership for achieving the SDGs.

Futamiya: I think the adoption of the SDGs in 2015 could be described as an integration of human wisdom. In the context of the SDGs and Paris Agreement, nothing is more important than implementation. I feel it is crucial not to focus too much on short-term profits and losses, and move ahead with a sense of urgency toward achievement. Corporations need to integrate solutions of social issues into their business activities, citizens need to move from awareness to action in their daily lives, and governments need to incorporate these topics into their national strategies. It is already clear what each sector needs to do, so the key is for each sector to show leadership and take action. I am participating in the SDGs Roundtable to represent the business sector, and there I emphasize the importance of citizens' movements and the active involvement of each sector, including business. For the third SDGs Roundtable meeting, held in May 2017, on behalf of the Japan Business Federation I mentioned the idea of "Society 5.0" as a new economic growth model, and said we are moving toward a vision for 2030, which

has much in common with the SDGs. Also, from a recent CSR study conducted by the Council for Better Corporate Citizenship (CBCC), of which I am chair, I see two types of companies emerging: one type that is acting on the SDGs and the other that is not. We need to boost awareness for urgent actions. To promote the SDGs, it is also indispensable to have good communication among all sectors.



Kawakita: All of the things you mentioned are extremely important. I think it is crucial to interpret "development" in the SDGs as "growth" or "advancement." The key is how corporations can contribute to future society and with what kinds of growth strategies. To promote such growth, the message from top management is important, and it is essential to clarify what kinds of engagement you have with each group of stakeholders. I also sense that civil society organizations (CSOs) must also fully utilize their capabilities.

**Futamiya**: As public awareness about the SDGs increases, corporate management teams must realize the risks involved if they do not deal with the SDGs and take serious action now for their sustainable growth.

**Kawakita**: Corporations face big risks if they don't show some responsibility for the future. They need to shift gears, to go from passive to proactive. And management should be committed to the long-term trends and design their strategies accordingly.

# Increasing Impact through Partnership



**Seki**: I think that partnership among stakeholders, including corporations and CSOs, is essential for initiatives to address the SDGs. The Japan Business Federation's committee where you serve as chair is putting some effort into this aspect as well, correct?

Futamiya: Yes, I am putting my attention into corporate-CSO partnerships in my role as chair of the Keidanren Committee on Nature Conservation (KCNC). The importance of these partnerships was emphasized repeatedly through a number of dialogues with local CSOs when we visited Myanmar and Vietnam in 2016 on our annual study mission overseas. The KCNC and Keidanren Nature Conservation Fund were established in 1992 and for 25 years have been supporting Japanese and overseas CSOs working for nature conservation. To commemorate the 25th anniversary, we

implemented the Special Fund Support Program to provide 150 million yen (about U.S.\$1.5 million) in funding over three years for one project. We chose to support not just one organization but a project comprised of multiple organizations, based on the idea of "partnership" as emphasized by the SDGs. In the selection process we also paid a lot of attention to collaboration and partnership.

Kawakita: I have been in contact with the KCNC since it was established, and I know it has been prioritizing support for CSOs and international partnerships. I also expect the organization to promote partnerships between global corporations and the CSOs active in each region. Lately,



an increasing number of Japanese corporations are conducting environmental conservation projects in their business regions worldwide in collaboration with international CSOs. In such projects, I also like to see local company employees participating, and support for opportunities for local citizens to learn about the projects.

**Seki**: Regarding the CSO Learning Scholarship internship program for environmental CSOs, run by the Sompo Japan Nipponkoa Environment Foundation, until now we operated only within Japan, but we are considering working overseas as well in the future.

Kawakita: The challenge when Japanese CSOs are implementing projects outside Japan is finding ways to expand their networks. Western CSOs are very skillful at collaborating with regions where they are doing projects, and they train local people and offer capacity building that results in expansion of later initiatives. I hope you will support opportunities for making links between Japanese companies and CSOs outside Japan. For example, when there is a large disaster, it is often difficult to know which CSOs to partner with, so connections through collaborative projects are very useful in times like that.

**Seki**: The Social Contribution Activity Performance Survey by the Keidanren One Percent Club found that about 80% of respondent companies have contacts with CSOs, but I sense that not many corporations have actually developed relations with local CSOs as they expand their business globally. I hope they realize this can be one component of a business expansion strategy.

**Futamiya**: Also, CBCC conducts an annual CSR study mission outside Japan and has dialogue with various stakeholders, including local CSOs, CSR organizations, governments, investors and other companies. When Japanese corporations go overseas for business expansion, they are not the best at creating opportunities for that kind of dialogue, so I sense that the CBCC dialogues are very important opportunities.

Kawakita: I sense that Western companies are good at taking the approach of deepening their engagement with local CSOs by encouraging their local employees to form volunteer or community outreach groups in the region where they are expanding their business. I would like to see this kind of know-how expanded using the CBCC as a platform.

**Futamiya**: As you say, I too believe that organizations like CBCC should play a valuable role in connecting the overseas offices of Japanese corporations with local organizations.

**Kawakita**: Also, Japanese corporations have strong connections within the same industry or corporate family, but I think it would be good to be more active in sharing topics such as compliance, risk management, and community outreach, by creating their own open platforms like we see Western companies doing. I also think that more corporations should create long-term partnerships with individual CSOs for ongoing dialogue.

As more Japanese corporations expand their business globally in the future, it is really important in terms of risk management to support them having dialogue with industry organizations,



consumer groups, and CSOs that are active in Europe or other regions that are making advances in environmental conservation and human rights protection.

**Futamiya**: I would certainly like to make use of your comments and put them to work in our future initiatives, including at the CBCC.

# Japanese Companies Need to Show Leadership with the SDGs



**Seki**: According to a survey by the Business Policy Forum, Japan, management-level awareness of the SDGs in Japan is at about 25%, a big gap from 65% in Europe.

**Futamiya**: With each organization of the Japan Business Federation as well, I would like to promote further discussion about how to see the SDGs as business opportunities, and to encourage awareness-raising activities targeting corporate executives.

Kawakita: That is very important. When I talk with corporate personnel, I sense that their management awareness of environmental, social and governance (ESG) topics is rising. American investors also ask about the SDGs, and that has made it easier to explain that things are different from what they were five or ten years ago. Also, ISO 20400, the

international standard for sustainable procurement, was released in 2017.

I have received more requests to talk about what positions should be taken on the global perspective for 2030 in training sessions for corporate management. For awareness-raising targeting the management level, I think it is important to show short-term and long-term risks specifically.

## **Expectations for the Sompo Holdings Group**

Kawakita: The Sompo Holdings Group has experienced various dialogues with stakeholders such as through participation in the development of the ISO 26000 standard, and I look forward to seeing you share that knowledge and know-how as a pioneering corporation.

Also, regarding initiatives through your business activities, we know that Japan will have about 10 million people aged 85 or older in 2035, or about one in every ten people. Rather than thinking of this situation as "limits to growth," it is important for you to develop insurance products and services that can lead to the realization of a society in which, for example, the



elderly can drive electric cars by using driver assistance technology and use artificial intelligence to facilitate judgement based on their intellectual capacity and enjoy a good quality of life. I hope you will be committed to supporting efforts and experimentation to solve social issues and find ideal outcomes.

**Futamiya**: Absolutely, these are things an insurance provider can do. These are topics where we should apply our expertise to look at

what kinds of services we should provide in the future, over the course of time.

**Kawakita**: The SDGs are not only targets. They also provide excellent material for training to develop a future vision for society. I encourage you, particularly the young generation employees that will be active in their careers in 2030, to strengthen the ability for active thinking.

**Seki**: At the CSR Development Seminars we held in March 2017, Mr. Futamiya held group discussions and shared with employees his own experiences with the SDGs Roundtable and the Japan Business Federation.

Futamiya: Without the capacity to think and then act, a business will not grow. It is certainly important to encourage more employees to debate and articulate their own opinions.

Kawakita: Japan has falling birthrates and an aging society, so the nature of local communities will have to change and evolve. Of course, the products and services provided by corporations must also adapt to the new challenges. It will be important to apply know-how about developing products and services in Japan — which precedes the rest of the world in taking on these challenges of demographic issues — in regions like China and Southeast Asia, which will experience the same in the future. In this, I have high expectations for Sompo Holdings and other Japanese corporations.

**Futamiya**: We will keep today's discussions in mind. And looking toward achieving the SDGs, we will move steadily ahead in our efforts and share them with the world (see Topics). Thank you for joining us today.

# Topics: Presentation to the United Nations High-level Political Forum on Sustainable Development

During the United Nations High-level Political Forum on Sustainable Development held in New York in July 2017, Masaya Futamiya made a presentation for the global audience on Sompo Japan Nipponkoa initiatives such as weather index insurance, at an official side event jointly organized by the government of Japan and United Nations Development Program (UNDP).



Futamiya - the second from right side



Futamita - Presentation in HLPF

#### **Profiles**

#### Mr. Hideto Kawakita

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

After university graduation 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

#### Masaya Futamiya

Chairman and Representative Director of Sompo Japan Nipponkoa

Entered Nippon Fire & Marine Insurance (which has become Sompo Japan Nipponkoa) in 1974. Became an Executive Officer of NIPPONKOA Insurance in June 2003, Representative Director, President and Executive Officer in June 2011, and then Representative Director, President and Executive Officer of Sompo Japan Nipponkoa in September 2014, and has served in his current position since April 2016. Past Chairman of the General Insurance Association of Japan (2013). Current positions also include Chair of the Japan Business Federation (Keidanren) Committee on



Corporate Behavior & Social Responsibility, Chair of the Keidanren Committee on Nature Conservation (KCNC), Chair of the Council for Better Corporate Citizenship (CBCC), and member of Japan's SDGs Promotion Roundtable.

#### Masao Seki

Senior Advisor on CSR of Sompo Japan Nipponkoa

Since 2001 has been involved in CSR promotion, and after serving as Director and CSR General Manager, now serves as Senior Advisor on CSR with Sompo Japan Nipponkoa, and as Associate Professor at the School of Business Administration, Meiji University.

Has served as Steering Committee Chairman of the Council for Better Corporate Citizenship (CBCC), expert for the ISO 26000 Working Group, and member of advisory bodies on sustainability for various government ministries. Steering committee member of the UN Global Compact Caring for Climate initiative. Publications (in Japanese) include "Understanding ISO 26000" (author), "Environmental Risk Management and the Precautionary Principle" (co-author), "How Should We Adapt Climate Change Risks" (co-author), etc.

# Our Initiatives for Achieving the SDGs

- ▶ SDGs Integration into Management and Business
- SDGs Initiatives