



**SOMPO  
HOLDINGS**

Innovation for Wellbeing

## CSR Communication Report 2018



Sompo Holdings, Inc.

# Sompo Holdings

## CSR Communication Report 2018

---

1. Top Commitment	1
2. CSR Strategies / Featured Topics	6
3. CSR Initiatives and Management System	24
4. Initiatives to Achieve the Sustainable Development Goals (SDGs)	84
5. ESG Data Index	120
6. Third Party Comments/External Recognition	133

\* For our key initiatives, please download each PDF file divided by section on our official website.

# Top Commitment



Kengo Sakurada  
President & CEO  
Sompo Holdings, Inc.

---

## The Group's Operating Environment

A variety of social issues are emerging and increasing in complexity. These include the normalization of natural disasters precipitated by climate change, such as the major hurricanes that struck North America last year; geopolitical risks stemming from instability; human rights; growing disparity among regions; and the evolution of digital technology. Japan, our home market, is facing a population decline and the rapid aging of its society. Globally, meanwhile, international society is seeing a widening of the scope of its shared tasks, such as the SDGs that the United Nations has established. The annual meeting of the World Economic Forum, often called the Davos Forum, which I attend every year, discusses solutions to such tasks. This year's discussion was themed on "Creating a Shared Future in a Fractured World." Addressing social issues through individual bodies is no longer practical. Governments, companies, and nonprofit organizations must address issues by transcending existing boundaries and involving and coexisting with new organizations.

In this environment, significant threats to the Group not only include population declines and climate change but also disruption of existing markets caused by digital transformation. For example, in the P&C insurance

business demand for automobile insurance could decrease with the spread of self-driving cars. Also, forays into the insurance industry by ICT-based companies could disrupt it dramatically. Thus, society is in an era of volatility, uncertainty, complexity, and ambiguity, and I believe that the Group's operating environment will change significantly.

---

## The Group's Vision

To win out in such an era, the Sampo Holdings Group will move beyond the confines of its mainstay insurance business and transform into a unique, progressive "theme park for the security, health, and wellbeing of customers" that can "contribute to the security, health, and wellbeing of customers by providing insurance and related services of the highest quality possible."

Stakeholders sometimes ask about the concept behind the vision referred to by a "theme park for the security, health, and wellbeing of customers." I would explain as follow. Basically, the Group's mainstay insurance business allows customers to prepare for emergencies. Under the "theme park for the security, health, and wellbeing of customers" vision, however, our goal is not only to mitigate the effects of accidents or illnesses but also to help customers sustain their present happiness and, if possible, make them even happier. In other words, we will maintain or make a positive contribution to customers' quality of life. Theme parks are places for having fun, being happy, and directly experiencing such things as rides and snacks. In a similar way, we want to give customers a tangible sense of security, health, and wellbeing through the products and services that we provide. For example, requiring nursing care is never a welcome development for a person or his or her family. However, we want to help ensure that, if nursing care is required, customers know that there are reliable places to which they can entrust the care of their loved ones and where these family members can live happily. This is the sense in which we use the phrase "theme park."

---

## Transformation into "Theme Park for the Security, Health, and Wellbeing of Customers"

### Transformation and Ecosystems

What does transformation mean for the Sampo Holdings Group? It does not simply entail increasing scale, becoming robust, or revamping the organization. Transformation means achieving qualitative evolution. Accordingly, we will revolutionize our businesses by creating business models that depart from the past completely. While optimizing digital technologies, capital, and other management resources, the Group will reform its entire business portfolio. Rather than just focusing on collaborations among existing frameworks or Group organizations, we will build ecosystems that link us to external partners with outstanding expertise and potential. By influencing each other and heightening our capabilities as a whole, we will become a "theme park for the security, health, and wellbeing of customers." This will be the Group's qualitative evolution, or transformation.

### **Indispensable elements for Transformation: Digital Technology × Personnel**

We need two elements to realize transformation—digital technology and personnel. To convert the impending digital transformation and disruption into an opportunity, we have to grasp trends in the world of digital technology more quickly and take action beyond existing frameworks and business models. With this in mind, we have established SOMPO Digital Lab in Tokyo and Silicon Valley, the United States. We have also established a lab in Israel, which is in the vanguard of technology development. SOMPO Digital Lab is advancing a range of leading-edge initiatives, such as developing digital technology applications for existing businesses and venturing into the cybersecurity business.

While extremely important, being well informed about the latest technologies is in itself not enough to bring about transformation. In the digital era, personnel are the most significant and the ultimate differentiating factor. No matter how far AI or robotics progress, they will never be able to empathize or make decisions about complex, unresolvable problems while taking into account broad perspectives. To put it another way, I think that the roles of personnel will become even more important in the digital era. Emotional intelligence will be the main attribute, and personnel with well-developed emotional intelligence will be the key drivers of the digital era. Therefore, we will foster many emotionally intelligent personnel while diversifying our workforce by developing or hiring personnel with professional competence or rare talents. These personnel will drive our transformation.

I believe that our initiatives in this regard will create new value, enable us to see social issues as opportunities, enhance long-term corporate value, and help realize a sustainable society.

---

## **Progress under the Mid-Term Management Plan**

Through the five-year Mid-Term Management Plan that began in fiscal 2016, the Sompo Holdings Group will realize transformation into the type of organization that I have been outlining.

The current fiscal year is the plan's third fiscal year. We will further evolve the foundations that we have built, achieve benefits steadily, and accelerate initiatives to realize a "theme park for the security, health, and wellbeing of customers." Also, at an early stage in the period from fiscal 2020 onward we want to attain a business scale and capital efficiency on a par with the level of the top 10 global publicly listed insurance companies. Specifically, we are targeting adjusted consolidated profit of over ¥300.0 billion and adjusted consolidated ROE of over 10.0%. To these ends, with stable earnings generation and a robust capital base as foundations, we will establish a continuous growth cycle by increasing the profitability of existing businesses and realizing investment opportunities through the transformation of and collaboration among businesses.

In fiscal 2017, adjusted consolidated profit declined ¥20.5 billion year on year, to ¥162.7 billion, reflecting the effects of natural disasters, such as the hurricanes in North America, and large-scale accidents in Japan and overseas. In fiscal 2018, however, we expect adjusted consolidated profit to reach a record ¥220.0 billion\* thanks to higher earnings from businesses.

Regarding returns to shareholders, in fiscal 2017 we increased dividends per share by ¥20 year on year and implemented total share buybacks of ¥39.1 billion, thereby realizing our medium-to-long-term target of a total payout ratio of 50% for the fourth consecutive year. Moreover, in line with earnings, we expect to increase dividends for the fifth straight year in fiscal 2018.

During the two fiscal years since launching the Mid-Term Management Plan, the initiatives of each business have made solid progress. Going forward, we will continue to steadily implement strategies aimed at realizing a “theme park for the security, health, and wellbeing of customers.”

### **The Domestic P&C Insurance Business**

We aim to sustain growth by revising business processes developed over many years and reforming a corporate culture that has a 130-year history. We are innovating to grow existing businesses and create new value. As well as using AI, robotic process automation (RPA), and other digital technologies to increase productivity, we are partnering with progressive companies outside the insurance industry to develop mold-breaking products and services.

### **The Domestic Life Insurance Business**

By rolling out “Insurhealth,” which integrates traditional insurance services and health care, we are offering new value and transforming into a health support enterprise that aids people in leading healthy lives. More specifically, we established the health service brand Linkx (pronounced “link cross”). Under this brand, we have launched new type income compensation product, which reduces the premiums of customers whose health improves and provides them with a reimbursement of the difference between the former and reduced premiums dating back to the time of policy enrollment. Through such products and services, we will offer new value in the form of health maintenance and promotion.

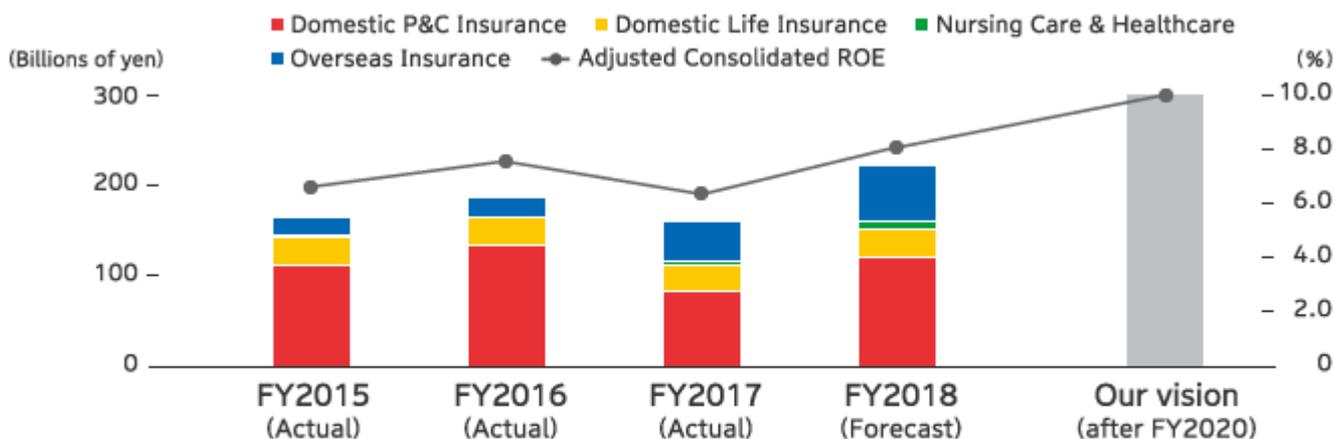
### **The Nursing Care & Healthcare Business**

Thanks to a steady rise in the occupancy rate, this business achieved its goal of moving into the black in fiscal 2017. Also, we will simultaneously heighten service quality and reduce costs through the merger of the two main operating companies, which we began implementing in July 2018<sup>\*</sup>. In addition, anticipating the rapid aging of society, we are taking measures to extend healthy life expectancy. As part of these efforts, we have established the basis for industry–academia–government partnerships tasked with reducing and preventing dementia. Thus, our focus will not just be on growing the Group but on addressing social issues and helping make “Japan, an affluent country that can boast to the world of a long and quality life.”

\* Former Sompo Care Message Inc. and Sompo Care Next Inc. merge to Sompo Care Inc.

### **The Overseas Insurance Business**

In developed countries, we have completed a reorganization centered on Sompo International, acquired in March 2017, and this effort is already bearing fruit. For example, our underwriting has become more sophisticated. Also, we have established AgriSompo, which is rolling out crop insurance globally. Further, we intend to build a platform that encompasses insurance businesses in the retail fields of emerging markets. We are building the world’s first truly integrated global insurance platform.



Adjusted consolidated profit *	164.3 billion yen	183.2 billion yen	162.7 billion yen	220.0 billion yen	▶ Toward global top 10 (300.0 billion yen level) ▶ Over 10.0%
Adjusted consolidated ROE *	6.9%	7.6%	6.4%	8.3%	

The Group's previous numerical targets for fiscal 2018 under the Mid-Term Management Plan announced in November 2016 were adjusted consolidated profit of between ¥220.0 billion and ¥230.0 billion and adjusted consolidated ROE of over 8.0%.

\* For details regarding ROE, please refer to the link below.

▶ [Definition of Adjusted Consolidated Profit, Etc. \( PDF/187KB\)](#)

# CSR Strategies / Featured Topics

▶ **Group CSR Strategies**

▶ **Featured Topic 1: Nursing and Healthcare**

▶ **Featured Topic 2: Realizing a Sustainable Society and Growth through ESG Investment**

▶ **Featured Topic 3: Climate Initiatives**

▶ [back number 2017](#)

# Group CSR Strategies

---

## 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.

---

## Group CSR Vision

We, the Sampo 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

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.

# Realization of "Theme Park for the Security, Health, and Wellbeing of Customers"

Focus Social Issues

Aging society and declining population

Extension of healthy life spans

Enriching technologies and diversifying lifestyles

Increasing natural disasters due to climate change and other factors

Domestic P&C insurance business

Domestic Life Insurance business

Nursing care & healthcare business

Overseas insurance business

Year 2017 Performance

Adjusted consolidated profit: **¥162.7 billion**  
Adjusted consolidated ROE: **6.4%**

Three 2017 Forecasts

Adjusted consolidated profit: **¥220.0 billion**  
Adjusted consolidated ROE: **8.3%**

Worldwide 2017 Level Income

Global Top 10 Level  
Adjusted consolidated profit: **¥300.0 billion level**  
Adjusted consolidated ROE: **10.0%**

Supply products and services that reflect a variety of working styles

Provide high-quality services and maintain services

Enrich leading-edge digital technologies to create a new experience of security, health, and wellbeing for customers

Develop products and services that help address climate change and other environmental problems

Realization of a Sustainable Society

Creation of a society, facing security, health, and wellbeing

Realization of more comfortable lifestyles



## Utilization of Capital

### Strengthening Management Foundation

**ABC Human Capital**  
Utilization of human resources through digital platform  
Group employees\* Approx. 80,000

**DEF Intellectual Capital**  
Proactive adoption of digital technologies  
Incorporation of external insight through open innovation

**GHI Financial Capital**  
Robust financial base  
Adjusted consolidated net assets\*\* **¥2,352.9 billion**

### Relationships with Stakeholders

**JKL Social and Relationship Capital**  
- Customer base  
- Agency networks  
- Strategic partners

\* The number of Group employees as of March 31, 2018.  
\*\* The figure is adjusted consolidated net assets to the average of the periods on April 1, 2017, and March 31, 2018.

# Featured Topic 1: Nursing and Healthcare Initiatives

---

## Our Unique Nursing Care Business Working to Address Social Issues

Nursing Care & Healthcare Business is one of the four main businesses domain involved in our “theme park for the security, health, and wellbeing” strategy. On July 1, 2018, four Group nursing care operating companies merged\*<sup>1</sup> and are working to help make “Japan an affluent country that can boast to the world of a long and quality life” under a new organizational structure. We are striving to provide the highest quality nursing care services taking advantages of the strengths acquired by our insurance business.



Yasuki Kume (Left)  
Sompo Care Inc.  
General Manager, Innovation for Aging & Wellness  
Department , Sompo Holdings, Inc.  
CSO, Executive Officer, Sompo Care Inc.

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

---

## Dialogue: Our Unique Nursing Care Business Contributing to Solving Social Issues

We have included third party comments from Mr. Hideto Kawakita in our CSR Communication Report since 2001. In continuation from last year, we shared our going forward issues in nursing care business initiatives with Mr. Kawakita. (Date of dialogue: July 3, 2018)



**Kume:** On July 1, 2018, four nursing care operating companies in the Sampo Care Group merged to form Sampo Care Inc. Following discussions between frontline workers and management prior to the merger, we formulated a management philosophy that respects the human dignity and rights of the elderly, their families, and all employees. We also established action guidelines based on key words of “support self-reliance and improve QOL through customized care,” “pursue ‘joy of eating’ to ‘boost vitality’,” “build teamwork and trust relationships,” “deepen involvement in communities,” and “compliance.” We made a card that lists our management philosophy and action guidelines and distributed it to all employees so that they can refer to them at any time, promoting their understanding of these basic guidelines and further integration of Group companies.

In advance of the merger, in April 2018, we introduced a regional headquarters system and assigned an employee to take charge of each regional headquarters. We adjusted the organizational structure away from a hierarchical structure for each type of service, such as traditional facility nursing care and home nursing care, to a structure that lets us respond to individual conditions and changes in each region speedily from a customer’s perspective, thus creating an environment that can offer a full range of highest quality nursing care services.

Following the opening of the Sampo Care University in Tokyo, we opened a second university in Osaka in April 2018. Sampo Care University is a place to advance human resource development in an environment that imitates the actual working conditions, providing nursing care training to employees from all perspectives of knowledge, skills and psychology. We have engaged in various initiatives in preparation for the launch of the new company. For example, we established a President’s Award to raise employee motivation while holding joint events, including a welcoming ceremony for new employees, a cooking contest, and a Sampo Care Grand Prix Final (presentation of case studies), that were previously organized separately by each company.

**Kawakita:** It would be good if the criteria for the President’s Award selection are based on the new action guidelines. You need to consider whether to evaluate achievements or enthusiasm, and I think it is also important to award employees who have contributed to making workplace more comfortable.

**Kume:** Next I would like to discuss our measures for dementia. We set up a Dementia Project Office in July 2017 for contributing to solving issues surrounding our super-aging society. In September 2017 we concluded a comprehensive alliance agreement with the National Center for Geriatrics and Gerontology and we are working to realize measures for dementia. One of the projects is joint research to analyze the correlation between the deterioration in cognitive functions among elderly drivers and the incidence of automobile accidents, aiming to understand the relationship between cognitive impairment and accidents. We will continue to engage in research to develop and offer services that contribute to safe driving and extending the driving years of the elderly.

From October 2018, we will offer a SOMPO Egao Club (SOMPO Smile Club) dementia support service that aims to help detect cognitive decline or Mild Cognitive Impairment (MCI) early as well as help prevent cognitive impairment. The main services offered as part of the SOMPO Egao Club will be to provide basic knowledge and information on dementia, to offer checking tools for cognitive capabilities, and to introduce services to prevent cognitive decline and services related to dementia care.

As a Group, we would like to eliminate misunderstandings or prejudice against dementia by promoting a correct understanding and to build a society that strives to prevent dementia and support people, even if diagnosed with dementia, to continue living with dignity as individuals.

**Kawakita:** Focusing on the driving years of the elderly under the comprehensive alliance agreement makes sense to me. There are two points here, using ICT and extending healthy life expectancy. The way you're approaching AI seems quite characteristic of your Group and efforts for the early detection of dementia are also very important. Use of AI will likely become more sophisticated in electronic nursing care records. During a recent dialogue with the Sompo Japan Nipponkoa's administration division, I learned that the introduction of Robotics Process Automation (RPA)<sup>\*2</sup> has cut the time for arranging company housing for employees by about 90%. I want you to create the new standard in Japan by digitalizing nursing care data and using AI to formulate basic care plans, as well as adopting digital ICT and AI technologies in other aspects of your operations.

I also expect you to work harder than any other company in disaster preparedness for nursing care providers by using knowledge and experience you have accumulated from the non-life insurance. I hope you will build a risk management platform through your insurance business to raise business continuity planning (BCP) capabilities of nursing care facilities, such as ensuring the safety of facilities and employees. I look forward to synergy between disaster preparedness and nursing care.

One of your advantages over your competitors is the social interface as an open platform. Why not collaborate and share the knowledge you have accumulated at Sompo Care University with house builders or other companies?



**Kume:** Thank you for your advice. We are also involved in the home nursing care business and I am keen to offer knowledge and experience of our nursing care that can be useful for the general public, so I will certainly consider your suggestion.

Furthermore, we are working with start-ups to develop next-generation services and to create new value. For example, we run a start-up business competition that looks for ideas on nursing and healthcare services for the elderly. The winners are given an opportunity to demonstrate and experiment with their business ideas at Sompo Care Group nursing care facilities.

**Kawakita:** Finally, I'd like to make one more suggestion. I would like to see Sompo Care University has a policy research function. I believe that only you can do this and hope that you will propose policies as a research institution run by a nursing care provider.

**Kume:** Thank you very much.

\*1 Sompo Care Message Inc., Sompo Care Next Inc., Japan Care Service Corporation, Planning Care Corporation

\*2 Automation technology for administrative and other tasks

# Featured Topic 2: Realizing a Sustainable Society and Growth through ESG Investment

## Dialogue: Realizing a Sustainable Society through ESG Investment -- Aiming for a Sustainable Investment Chain

We have included third party comments from Mr. Hideto Kawakita in our CSR Communication Report since 2001. Mr. Kawakita shared his thoughts on ESG investment by Sompo Japan Nipponkoa Asset Management, our Group company, and their underlying responsibility as an institutional investor, as well as on issues to be tackled in the future. (Date of dialogue: June 7, 2018)



Hiroyuki Yamaguchi (Left)  
President and CEO, Sompo Japan Nipponkoa  
Asset Management

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

**Yamaguchi:** Sompo Japan Nipponkoa Asset Management has a history spanning more than 30 years since its establishment in 1986. We started out by offering investment advice to owners of assets such as pension funds, and for many years have been providing investment products with particular emphasis on mid- to long-term focused investment approach that takes ESG (Environment, Society and Governance) elements into consideration.

Looking at the balance of entrusted assets over the past few years, while the balance among retail customers who have strong tendency to seek returns on investments from a short-term perspective is stagnating, we see a steady increase in the balance of those assets of institutional investors in Japan and abroad that focus on a mid- to long-term perspective.

We strive to be the most customer-oriented asset management company in Japan. I believe this implies that we should grow into a company that offers the highest quality investment products and services that contribute to clients' mid- to long-term asset formation.

Of our basic management policies, in addition to the pursuit of service quality, we place particular importance on the fulfillment of our social responsibilities. We strive to promote ESG investment that focuses on the mid- to long-term perspectives, rather than merely offering investment products, and help solve investees' and social issues as well as the sustainable development of the capital markets, society, and the economy as a whole. I think it is fair to say that fulfilling such social responsibilities as an institutional investor will become increasingly important.

**Kawakita:** It is highly likely that as Japanese people live longer more emphasis will be placed on asset formation from a long-term perspective. As with working longer and being healthy, it is important to train people in their 30s and 40s to acquire financial literacy skills to understand corporate value for long-term asset formation.



**Yamaguchi:** Compared to the situation in the U.S. where I used to live, I sense a strong tendency among individual investors in Japan to make decisions and engage in investment activities in the market from a short-term perspective. For example, in the U.S. many parents educate their children that buying stock is akin to participating in corporate management. Encouraging people to take an interest in the investee companies from a young age is said to lead to their continued retainment of stock in the long-term. In Japan, on the other hand, I sense that individual investors often trade for speculation purposes, focusing solely on stock price.

**Kawakita:** I sincerely hope you will transmit ideas on value creation to change that mindset. When the Stewardship Code was revised<sup>\*1</sup>, I started asking company executives their value creation stories for improving the sustainability of their company and society as well. I hope you will have a deeper discussion with investee companies about value creation from an environmental and social perspective through a dialogue with them. Thinking about the market structure in the 2020s, at a time when an aging society and a population decline will be ongoing, value creation will depend on whether you believe that

Japan has too many issues or that Japan has opportunities worth tackling. Also, it is important to consider how you inform the market about such value creation.

**Yamaguchi:** My understanding is that excess earnings<sup>\*2</sup> are not directly created by the management company but occur in the process of convergence in the market price of the investee company with its intrinsic investment value. Consequently, management companies play a role as a bridge between clients and companies in the investment chain. On the other hand, we must consider ESG factors appropriately when evaluating the investment value of the investee company. For example, if an investee company declares CO2 reductions, we ask their IR staff the extent to which such reductions in CO2 will link to corporate value creation and the impact on their key performance indicators (KPIs).

**Kawakita:** This year the world media and other organizations such as the United Nations are focusing on environmental pollution caused by plastic. I expect asset management companies to give high ratings to companies that develop products to help resolve such issues and it will also contribute to raise their stock prices.



**Yamaguchi:** The impact on stock prices will be greater if Japanese companies disseminate information with an awareness of how ESG factors link to the creation of corporate value. I think that the ability of IR staff to offer such explanations will become more and more important in the future.

**Kawakita:** I'm glad I had this opportunity today to ask about the Sompo Holdings Group's initiatives as an institutional investor. I hope you will encourage ESG initiatives by investee companies while disseminating appropriate information so that more and more investors can judge corporate value from a long-term perspective.

\*1 Refers to the revised Japan's Stewardship Code that sets forth various principles as responsible institutional investors, which was published by the Financial Services Agency in May 2017.

\*2 Refers to earnings that exceed the benchmark.

# Featured Topic 3: Climate Initiatives

---

## 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 which global society is facing 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.

---

## 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 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.

▶ [Promoting the Manageability of Global Environmental Issues](#)

### Milestones in Our Initiatives for Climate Change

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 know-how. In 2013, we established mid- to long-term group-wide greenhouse gas (GHG) emission reduction targets of 40% by fiscal year 2020 and 70% by fiscal year 2050 compared to fiscal year 2002 levels, and have strived to reduce our environmental impact throughout the value chain while developing energy and resource conservation initiatives. As a result, due to successfully meeting our target for fiscal year 2020 in fiscal year 2016, we established new mid- to long-term targets that aim for a 21% reduction by fiscal year 2030 and a 51% reduction by fiscal year 2050 compared to fiscal year 2017 levels across the Group. We are committed to further mitigation of climate change.

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. In 2017, Sompo International Holdings announced setting of AgriSompo, an integrated platform to provide agricultural insurance across the globe. AgriSompo delivers a unified underwriting approach with shared expertise and technology across a range of products to farmers, agricultural insurers and a wide variety of other agri-businesses. 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.

## **Our Products and Services to Contribute to Climate Adaptation**

Sompo Japan Nipponkoa Asset Management offers a socially responsible investment (SRI) fund to promote investment in companies that proactively engage in environmental conservation. The Sompo Japan Green Open Fund, launched in September 1999, is a pioneer among SRI funds in Japan. It has one of the largest balance levels among publicly offered SRI funds in Japan, with a net asset balance of 27.3 billion yen (as of April 30, 2018). Promoting investment in environmentally responsible companies is thought to give investors an indirect way to use their capital for environmental conservation. The fund also aims to promote environmental communication by conveying related information to investors and providing feedback to investee companies via surveys on their environmental management performance.

It also offers SRI funds that invest in companies that have been rated highly on Environment, Social and Governance (ESG) performance to meet the needs of individual and qualified institutional investors.



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

- ▶ Development of Flood Risk Assessment Methods for Japan and Asian Countries
- ▶ Offering Insurance Products that Encourage and Promote Renewable Energy

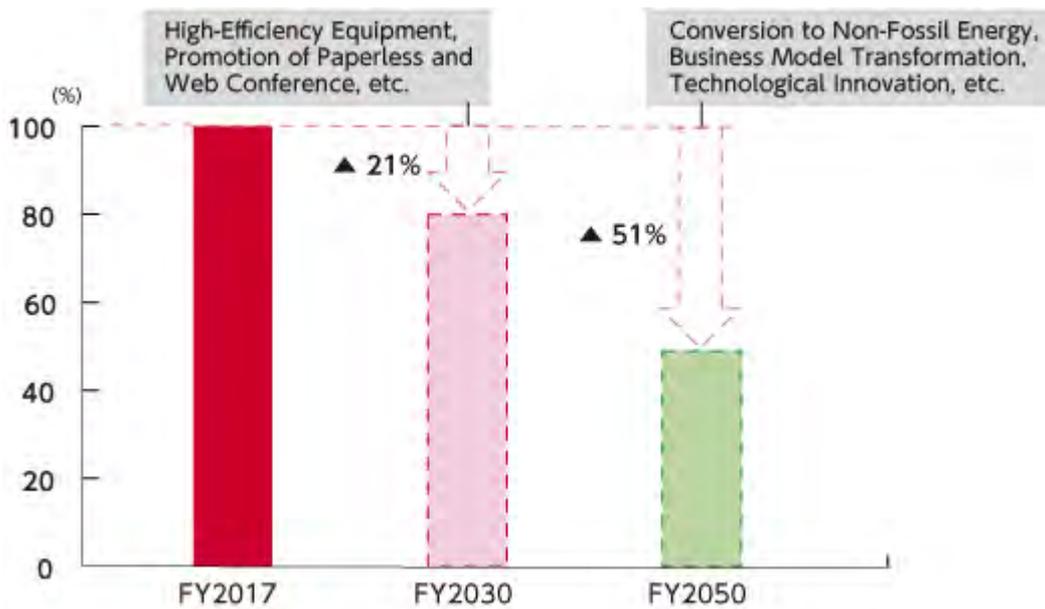
## Environmental Impact throughout the Value Chain and Efforts for Environmental Conservation

We are committed to set the Science Based Targets (SBT), a global initiative that supports achieving the Paris Agreement's 2°C goal, and our new mid- to long-term targets are in line with the SBT recommended reduction level. Our activities covered include GHG emissions generated directly from the use of gasoline and other fuels (Scope 1), indirectly from consumption of electricity and heat (Scope 2), and indirectly from such business activities as sales, business trips, printing and other use of papers, transport, and disposal (Scope 3).

GHG emissions in fiscal year 2017 were down by 4.6% from the previous year (excluding the influence of Sompo International which began to operate as a member of our Group in fiscal 2017), and paper consumption was down by 12.9% from the previous year, thanks to the introduction of high-efficiency equipment such as LED lighting, and encouraging products, services, and internal administrative activities for paperless operations.

The CSR management system, which covers 28 Group companies in Japan, renewed its ISO 14001 certification in January 2018, and going forward, we plan to accelerate our efforts across the entire Group.

## New Group-Wide Mid- to Long-Term GHG Emission Reduction Targets



21% Reduction in FY 2030, 51% Reduction in FY2050 from FY 2017 Levels

Below are some of our other efforts to contribute to climate mitigation through our value chain.

- ▶ Environmental and CSR Initiatives in Partnership with Business Partners
- ▶ Cooperation with Agencies to Reduce Environmental Impact
- ▶ Reducing the Use of Paper

---

## Our Actions to Address Climate Change Risks

### Risk Management System

We have developed a risk management system based on the Group Basic Policy on ERM established by the Board of Directors.

Based on risk assessment implemented on a Group-wide basis, we have created and operated a stringent risk control system that enables comprehensive identification of and response to risks affecting the Group, including climate change issues.

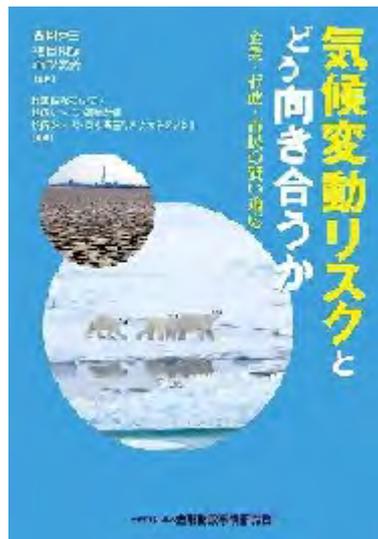
A Risk that may have significant impact on the Group is defined as a top risk. Basically a board member is appointed as a risk owner for each top risk to clearly identify the person responsible for implementing countermeasures and progress management.

To accurately understand and manage events that may have a major impact on Group management, scenario stress tests, reverse stress tests, and sensitivity analyses are conducted on a Group-wide basis. We analyze the degree of impact on capital and risk and establish a system to implement countermeasures as necessary.

---

## 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

### Participation in CDP (Climate Change) and Support for TCFD

The CDP is a set of collaborative initiatives by the world's institutional investors. It encourages businesses worldwide to adopt climate change strategies and disclose their GHG emissions. Sompo Japan Nipponkoa has been a member since 2005 as an institutional investor. As a responding company, Sompo Holdings was selected for the 2016 and 2017 Climate A List in a CDP climate change, and has been recognized as being among the highest ranked financial institutions in the world.

Following the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations Report published in June 2017, the Group declared support for TCFD and started participating in the TCFD insurance working group of the United Nations Environment Programme-Finance Initiative (UNEP-FI) to formulate TCFD standards for the insurance sector.

▶ [List of companies and organizations that support TCFD](#) 

## Signed the Montreal Carbon Pledge

In September 2017, Sompo Japan Nipponkoa Asset Management signed the Montreal Carbon Pledge. The Montreal Carbon Pledge was adopted at the annual general meeting of the Principles for Responsible Investment (PRI) held in Montreal, Canada, in September 2014, aiming to reduce GHG emissions. Signatories are required to measure and disclose GHG emissions associated with some or all of their stock portfolios, and Sompo Japan Nipponkoa Asset Management is committed to regularly disclosing the funds' emissions.



## Paris Agreement: Participation in Initiatives to Achieve 2°C Target

In 2017, we took part in an initiative led by the Ministry of the Environment, Japan aiming to set Science Based Targets (SBT). In 2018, we submitted a letter of commitment to the SBTi (international initiative that certifies companies that set ambitious targets consistent with the Paris Agreement) and declared our participation in the drafting of financial sector guidance\*. In fiscal year 2018, we set new mid- to long-term GHG emission reduction targets for 2030 and 2050 in line with the levels recommended by the SBTi.

\* Guidance on SBT for the financial sector is currently being developed thus it is not yet possible for financial institutions to be certified by SBTi. (As of July 2018)

In July 2018, the Japan Climate Initiative network was established to enhance information dissemination and the exchange of opinions among corporations, local governments, and civil society organizations actively taking measures to combat climate change. We endorse the purpose of this initiative and are participating as a founding member.

▶ [Japan Climate Initiative](#) 

## 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](#) 

## 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.

## COP22 & COP23 - 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. In November 2017, at a side event organized by the Japan International Cooperation Agency (JICA) at the COP23 held in Bonn, Germany, Kiyoshi Fukuwatari, General Manager of the CSR & Environment Consulting Department, Risk Management Business Unit at Sompo Risk Management & Health Care(now Sompo Risk Management) gave a presentation on Private Sector Perspective on Agricultural Insurance.



# CSR Initiatives and Management System

▶ **CSR Initiatives**

▶ **CSR Management System**

# CSR Initiatives

Sompo Holdings Group has established following policies including the “Group CSR Vision” and the Group as a whole implements various initiatives to fulfill its corporate social responsibility.

## Group CSR Vision

We, the Sompo Holdings Group will positively engage our stakeholders in forward looking dialogue, respect international standards and codes of conduct, 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 solutions provider to promote the realization of a resilient and sustainable society.

---

## Group Environmental Policy

We, the Sompo Holdings Group will contribute to developing a resilient, inclusive and sustainable society so that future generations can inherit our irreplaceable Earth, by addressing environmental issues in the course of our core business operations and working proactively to resolve environmental issues through active dialogue and engagement with stakeholders.

### < Action Guidelines >

#### 1. Providing products and services to make a more resilient society

We will provide products and services that increase preparedness against the risk of natural catastrophes in order to contribute to adapting to climate change, building a low carbon society, conserving biodiversity and promoting stakeholders’ eco-consciousness.

#### 2. Promoting resource conservation through the entire value chain

We will assess the environmental impact of our business including the emission of waste and comply with environmental laws and regulations. We will promote resources and energy conservation as well as recycling activities throughout the entire value chain by cooperating with various stakeholders.

#### 3. Raising awareness of environmental issues and corporate citizenship

We will broadly promote environmental education and awareness of environmental conservation by providing environmental information with the unique aspect of a global group engaged in a wide range of business centering on insurance. Furthermore, we will proactively encourage our employees’ individual voluntary efforts as a global citizen to conserve the environment through involving in the local community.

To enable continuous improvements, we will periodically review the above-mentioned activities to reflect our environmental objectives and targets.

---

## Group Policy for Human Rights

We, the Sompo Holdings Group pledge to respect human rights of our all stakeholders in global markets including our group and all value chains. We will respect the international norms of behavior<sup>\*</sup>, and simultaneously act with the highest ethical standards towards an inclusive, resilient, equitable and sustainable society. Based on the perspectives set out below, we will address the human rights impacts of our activities while communicating with our stakeholders, establish an effective company approach and act, and continuously improve our approach and information disclose. We respect human dignity as the foundation of universal human rights

### 1. Human rights due diligence for stakeholders

We will respect human rights of all stakeholders associated with our global business activities, including customers and suppliers. We will avoid, prevent or mitigate indirect adverse impact on human rights of our stakeholders. Should there be any abuse of human rights, we will address it promptly and adequately.

### 2. Human rights due diligence for employees

In all facets of labour practices, we will not discriminate on the basis of race, color, ethnic origin, religion, creed, nationality, birthplace, social status, descent, gender, sexual orientation, gender identity, sexual expression, pregnancy, marital status, age, disability or any other status. We, as a company, will respect every employee's challenging spirit and speedy action, and ensure a dynamic working environment by maintaining and promoting every employee's health.

### 3. Promotion of human rights in global markets

We will comply with the laws and regulations of the countries and regions where our business operations and value chains are based. At the same time, we will conduct our business by taking into consideration the local culture and customs, as well as the environment and society in accordance with the expectations of stakeholders, and take into account local human rights issues. We will conduct the highly transparent business and contribute toward economic and social development and creation of social values of local communities.

This policy does not necessarily replace local laws and regulations. We will actively engage in this policy while complying with local laws and regulations.

\* International norms of behavior refers to the guidelines on human rights including the Universal Declaration of Human Rights, International Covenants on Human Rights(International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights), ILO International Labor Standards, The United Nations Guiding Principles on Business and Human Rights known as "Ruggie Framework", Sustainable Development Goals, The United Nations Global Compact, Women's Empowerment Principles(WEPs), The OECD Guidelines for Multinational Enterprises and ISO26000.

---

## Group Sustainable Procurement Policy

Sompo Holdings strives to maximize its beneficial impacts on the environment, society, and economy through procurement processes aligned with the following sustainability principles:

### 1. Fair and equal transactions

We will conduct fair and equal transactions with all suppliers by engaging in anti-corruption efforts and by giving full consideration to quality, delivery time, economic feasibility, and social issues such as the environment and human rights.

### 2. Compliance with laws and regulations

We will comply with all laws and related regulations in the countries and regions where we operate, and respect relevant social norms and their intent in our procurement practices. We will strictly manage the information obtained through our procurement activities.

### 3. Consideration of global issues

We will collaborate with suppliers and other stakeholders to integrate sustainability into our value chain to maximize our contribution to climate change adaptation and mitigation, biodiversity conservation, and a circular economy; to tackle human rights issues in the global market, such as poverty and unequal opportunities for workers; and to promote better work-life balance and diversity.

---

## Corporate Citizenship Policy (Sompo Japan Nipponkoa)

Our company and its Group companies will make proactive contributions to society with the objective of resolving community and global social issues, while supporting individual employees' voluntary efforts.

### 1. Corporate citizenship activities

We will work proactively to realize a sustainable society for future generations in collaboration with various stakeholders, including NGOs/NPOs, civil society organizations and government, by focusing on three areas: the environment, welfare and fine arts, in which we have accumulated expertise and achievements.

### 2. Support for individual employees' social contribution efforts

We will support and encourage employees' voluntary activities in contributing to society by developing human resources responsive to social issues.

Please click below link for details of Group CSR Materiality

▶ [Group CSR Materiality](#)

# Management System

---

## Group-Wide Management (Council for CSR Promotion)

The Group operates a performance-driven CSR management system to ensure continuous improvement. The Group's Council for CSR Promotion has been established with the aims of sharing exemplary initiatives and updates on the progress by Group companies and promoting non-financial initiatives focusing on ESG (environmental, social, and governance) topics to improve group-wide performance. The council periodically consults with and reports to the Management Committee and Board of Directors to raise awareness of social responsibility among directors.

---

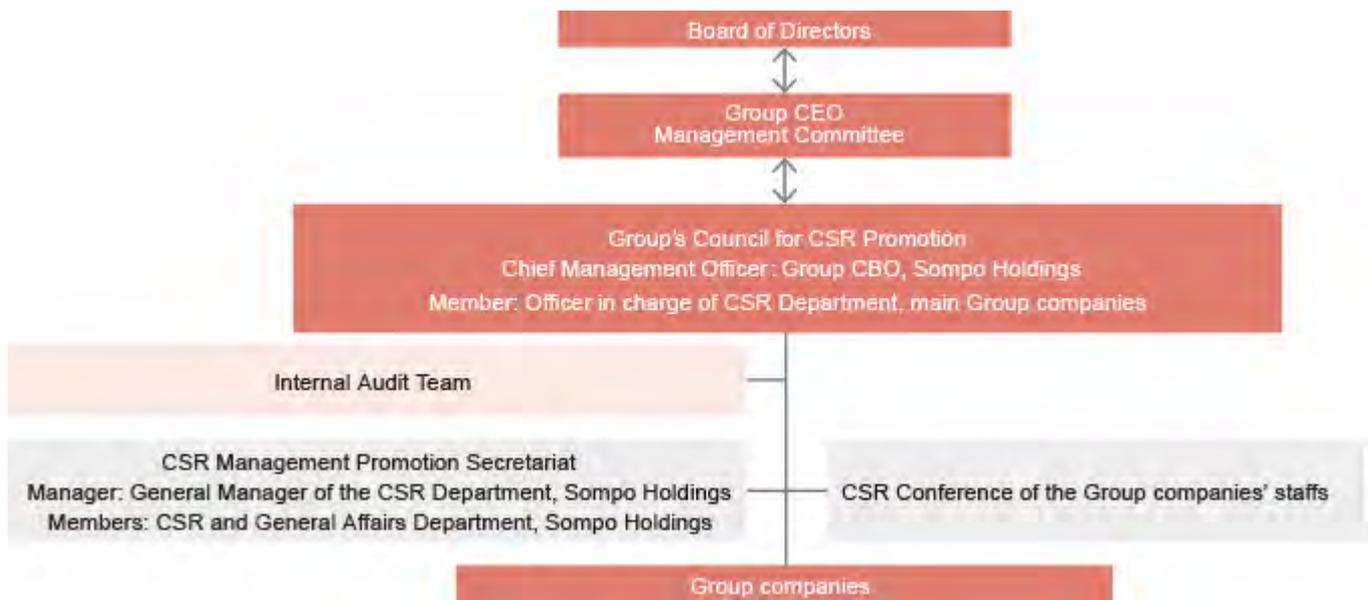
## Management at Individual Companies (Continuous Improvement)

We have expanded the ISO 14001 certification we obtained in 1997 to the entire Group and built a management system that covers all social responsibility initiatives. Each Group company now has its own CSR management organization led by the CEO or other executive officer and run by a team of managers and leaders. Furthermore a CSR-Eco Facilitator is appointed at every worksite in an effort to encourage self-motivated bottom-up action. Currently, 2,881 (as of May 2018) CSR-Eco Facilitators and other staff across the Group are spearheading initiatives relevant to their respective workplaces. Each workplace follows a PDCA cycle to make improvements and accelerate action, a process that involves drafting an annual CSR action plan at the start of the fiscal year and conducting half-year and full-year reviews. We also conduct dialogue-based internal auditing to advance initiatives at each workplace. The operating and management status of initiatives are regularly reported to the Management Committee for review.

We engage in various efforts to boost CSR awareness and understanding. Examples include offering seminars for Group employees with our own training materials covering ISO 26000, the SDGs, and ESG topics; grade-specific seminars for executives, new managers, and newly-hired employees; and annual dialogues with external experts for product development, management, and other departments.

We are integrating CSR into overseas operations through various approaches, including holding meetings to discuss the importance of social responsibility issues and future goals. By holding training sessions for representatives of Group companies outside Japan for instance, we also exchange information on the latest social responsibility trends.

- ▶ [Major ESG Data](#)
- ▶ [Stakeholder Engagement](#)



Example of the promotion framework of each Group companies

\* Adjusting details according to the company size.

CSR Supervisory Section Manager	[Role] Managing CSR promotion of each Group companies [Scope] Group president, Officer incharge of CSR, etc.
CSR Promotion Section Secretariat	[Role] Primary point of contact for CSR Management Promotion Secretariat Externally disclosing information, compiling the data / information [Scope] CSR Department of each company
CSR Chief Administrator	[Role] Managing promotion within department [Scope] General Manger
CSR Leader	[Role] Assistant to CSR Chief Administrator [Scope] Group Leader
CSR-Eco Facilitator	[Role] Promotion of CSR within the office [Scope] Staff (more than 1 person)

# Group CSR Materiality

In April 2016, we redefined our Five CSR Material Issues based on the latest international developments and changes in our business environment to realize a resilient and sustainable society by providing products and services that contribute to security, health, and wellbeing. We also reaffirmed the importance of our Three Key Strengths to work on those material issues, setting new CSR-KPIs to effectively communicate our PDCA process for improving actions on each CSR Material Issue.

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.

<b>Five Material Issues</b>	<b>1</b>	<b>Providing Solutions for Disaster Preparedness</b>	Provide products and services to help improve disaster resilience, and collaborate with stakeholders on realizing a safer, more secure world.
	<b>2</b>	<b>Contributing to Health and Welfare</b>	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.
	<b>3</b>	<b>Promoting the Manageability of Global Environmental Issues</b>	Contribute to climate change adaptation and mitigation, biodiversity conservation, and other global environmental goals through value chain initiatives and provision of new solutions.
	<b>4</b>	<b>Empowering Community and Society</b>	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.
	<b>5</b>	<b>Supporting Diversity and Inclusion in Private and Public Life</b>	Respect the human rights and individuality of all stakeholders, supporting them in their pursuit of professional and personal development.

## Identifying Our CSR Materiality and CSR-KPIs

▶ Identifying Our CSR Materiality	▶ CSR Key Performance Indicators (CSR-KPIs)
-----------------------------------	---

---

## Major Initiatives on each CSR Material Issue

▶ **1. Providing Solutions for Disaster Preparedness**

▶ **2. Contributing to Health and Welfare**

▶ **3. Promoting the Manageability of Global Environmental Issues**

▶ **4. Empowering Community and Society**

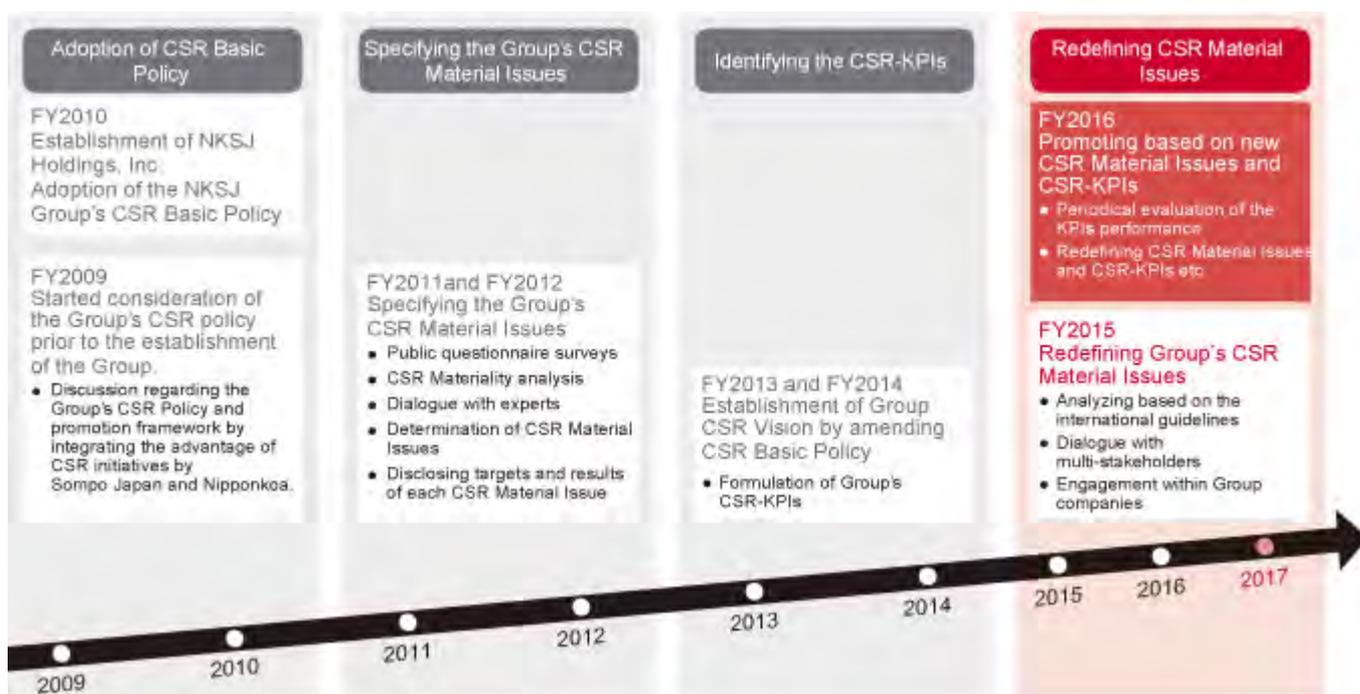
▶ **5. Supporting Diversity and Inclusion in Private and Public Life**

# Redefining Group CSR Materiality

In April 2016 the Group redefined its CSR Material Issues to reflect recent international and business developments. The new material issues are now guiding PDCA-driven efforts to further increase performance in accordance with a new set of CSR key performance indicators (CSR-KPIs).

## Background

On April 1, 2010, Sompo Japan Insurance Inc. and NIPPONKOA Insurance Co., Ltd. merged to form Sompo Holdings, Inc. (initially named NKSJ Holdings, Inc.). The new joint holding company, drawing on the CSR initiatives of the two companies, formulated the Group CSR Vision, which served as the basis for identifying the Group's CSR Material Issues in fiscal 2011 and fiscal 2012, and for advancing initiatives to meet the Group's new CSR-KPIs in fiscal 2013 and fiscal 2014.



## Social and Organizational Context

The year 2015 was an important year for setting a new international agenda on sustainability: In September a summit of UN leaders adopted the SDGs<sup>\*1</sup> with a target date of 2030, and in the following December, the COP21<sup>\*2</sup> adopted the Paris Agreement. The following year, fiscal 2016, also marked the start of the Group's new Medium-Term Management Plan, in which we set out to transform our business structure to provide services under the theme of "security, health, and wellbeing." Based on these international developments and

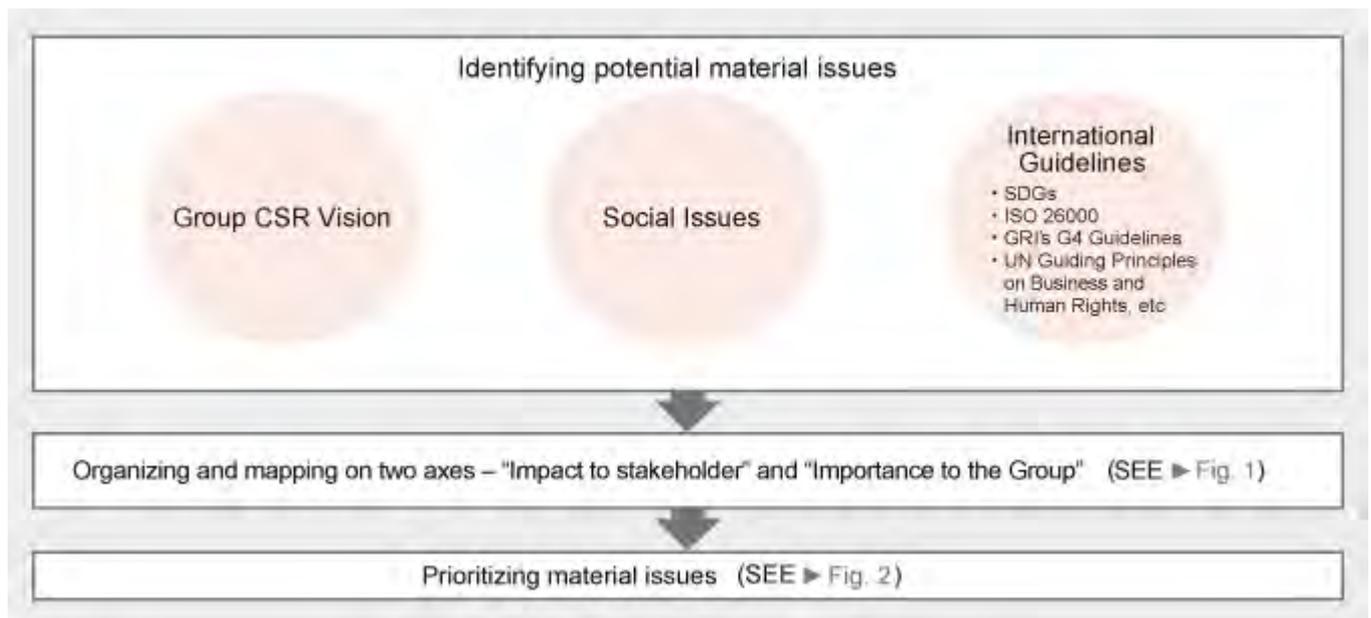
organizational changes, we redefined our material issues with the objective of furthering both social sustainability and Group growth.

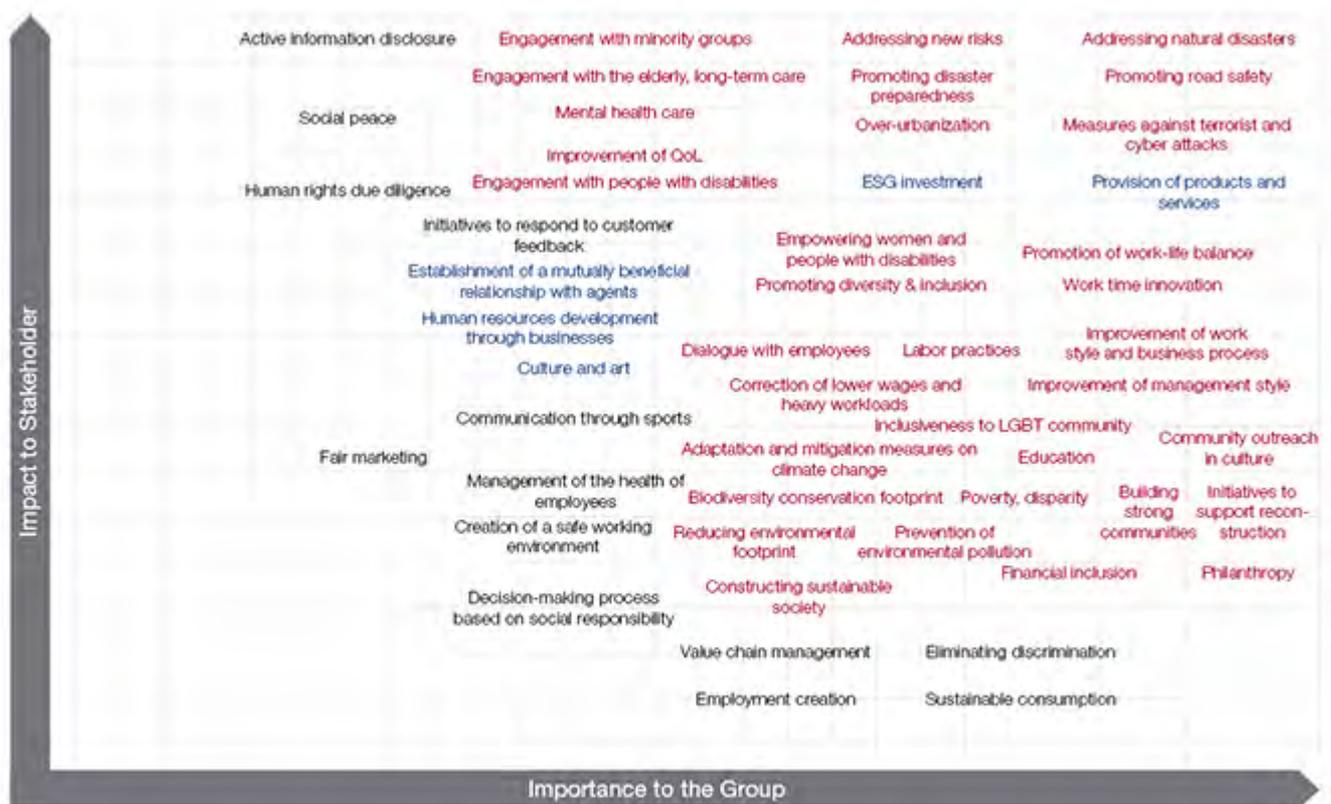
## Four Steps in Redefining Material Issues

### STEP 1: Materiality Assessment based on International Guidelines

Various international guidelines and frameworks have been developed as the international community has sought to address pressing social issues that have global impacts. The Group recognizes the importance of understanding and implementing these guidelines as it expands its global business.

In fiscal 2011 and fiscal 2012, we began the process of identifying and prioritizing our material issues, first by organizing them based on ISO 26000, then by mapping them on two axes — impact to stakeholder on one axis, and importance to the Group on the other — based on international sustainability guidelines, including the SDGs, the Global Reporting Initiative's G4 guidelines, and the UN Guiding Principles on Business and Human Rights (Ruggie Framework).





\* Corporate governance, compliance, and brand-related items are not included in the figure because they are fundamental to our business management and continually a high priority.  
 \* Red font indicates material issues, blue font indicates our key strengths.

Fig. 1 Materiality Matrix

## STEP 2: Multi-Stakeholder Dialogue

We recognize stakeholder engagement as important initiatives for understanding social issues, building relationships of trust and collaboration, and yielding greater results. When redefining our material issues, we exchanged perspectives with 16 different groups of stakeholders, including experts and international institutions specializing in CSR and ESG investment as well as other key stakeholders that impact our business activities, including governments, civil society organizations, consumers, agencies, outside directors, and employees.

### ► Stakeholder Engagement

Stakeholders engaged during the material issues redefinition process

Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
CSR Expert International Institution	CEO, International Institute for Human, Organization and the Earth Publisher, Socio Management Review	Mr. Hideto Kawakita	Risk Management and Stakeholders' Satisfaction are both important at the time of review and assessment of key issues. Value chain management is also in need to review along with the shift of business model portfolio.	For each material issue we summarize the risks and opportunities, and looking to the future, we will redefine the material issues along with the shifts in the business model portfolio to include issues related to the value chain. ▶ <a href="#">Group's CSR Material Issues</a>
	Professor, Department of Environmental Management, Tokyo City University President, Institute for Studies in Happiness, Economy and Society (ISHES) Co-Founder and Chief Executive, Japan for Sustainability (JFS)	Ms. Junko Edahiro	When thinking about strategies for each target, it is important to have external measures for products and services, as well as internal measures for things such as developing corporate structures to achieve them.	Our Key Strengths include consideration of both internal and external measures. ▶ <a href="#">Our Key Strengths</a>

Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
	Managing Director, Redefining Value/ Manager, Redefining Value, Reporting, WBCSD	Mr. Rodney Irwin/ Ms. Anaïs Blasco	It is important to convey the process (story) that led to the selection of the material issues. It is also necessary to explain their relationship with the SDGs.	Our reporting explains the process (story) and relationship with the SDGs. ▶ <a href="#">Initiatives to Achieve the SDGs</a>
	Public Affairs Specialist (at that time), United Nations Development Programme (UNDP), Representation Office in Tokyo,	Mr. Toshiya Nishigori	Their directions correspond well with the three fundamental concepts listed by the UNDP (resilience, sustainability, inclusiveness).	We will also undertake measures that align with the UNDP's three fundamental concepts.
	Vice-President, China WTO Tribune	Mr. Gefei Yin	As for the redefined material issues, issues and approaches are clearly separated, and their contents are convincing. How about emphasizing that the material issues are connected to value creation for the economy, society and environment?	We summarize and explain the linkages with management strategy. ▶ <a href="#">Group CSR Strategies</a>

Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
ESG Investment Expert	Chair, Japan Sustainable Investment Forum (JSIF)	Mr. Masaru Arai	To communicate information to investors, it is important to convey the message that the material issues have been redefined by making the most of the industry and company characteristics (strengths), and the story of what the company is aiming to achieve in the future.	<p>With featured topic articles we report on industry and company characteristics (strengths), and summarize and explain the linkages with management strategies.</p> <ul style="list-style-type: none"> <li>▶ Value Creation / Featured Topics</li> <li>▶ Group CSR Strategies</li> </ul>
	Head of Japan, Global Networks and Outreach UN PRI Japan Director, CDP	Ms. Michiyo Morisawa	It is important to convey the message that tackling the redefined material issues will lead to growth of the company.	<p>We summarize and explain the linkages with management strategy.</p> <ul style="list-style-type: none"> <li>▶ Group CSR Strategies</li> </ul>

Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
Government	Director-General for Disaster Management Cabinet Office, Government of Japan	Mr. Hisayoshi Kato	Because there are limits to what governments working alone can do to deal with disaster preparedness, I expect corporations to play a role in communicating awareness about risk to citizens and society.	Under Material Issue 1: Providing Solutions for Disaster Preparedness, we are working to communicate and raise awareness about risk. ▶ <a href="#">Material Issue 1: Providing Solutions for Disaster Preparedness</a>
	Director and Deputy Director, Global Environmental Bureau, International Strategy Division, Japan's Ministry of the Environment	Ms. Keiko Segawa/ Mr. Keitaro Tsuji	We think you have been actively tackling environmental issues until now, but in the future, we expect you to further strengthen certain initiatives as your core business, such as climate change adaptation measures, and initiatives for human resource development.	For Material Issue 3: Promoting the Manageability of Global Environmental Issues, we are putting an effort into developing and offering products and services that focus on adaptation measures, as well as environmental education. ▶ <a href="#">Featured topic 1: Climate Initiatives</a> ▶ <a href="#">Material Issue 3: Promoting the Manageability of Global Environmental Issues</a>

Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
	Deputy Director and Assistant Director, Economic and Industrial Policy Bureau, Economic and Social Policy Office, Japan's Ministry of Economy, Trade and Industry	Ms. Moe Sakai/ Ms. Mari Seki	We find it good that you are addressing diversity as part of management strategy. As a corporation, it is important that you communicate the context with the stakeholders including investors for management's efforts to address diversity.	For Material Issue 5: Supporting Diversity and Inclusion in Private and Public Life, we are taking actions and reporting on them.  ▶ <a href="#">Material Issue 5: Supporting Diversity and Inclusion in Private and Public Life</a>
NPO/NGO Civil Society	Executive Director, Japan NPO Center	Ms. Eriko Nitta	I would like to see you engage in partnership with civil society continuously to deal with new issues. I also look forward to seeing financial services for people with low income, to lead toward solutions for poverty and inequality.	One of Our Key Strengths is "Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society." We also develop and offer products and services for developing countries, such as our weather index insurance in Southeast Asia. We still recognize the need to develop and offer more financial services for people with low income.  ▶ <a href="#">Our Key Strengths</a>  ▶ <a href="#">Weather Index Insurance in Southeast Asia</a>

Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
Consumer	President, Japan Association of Consumer Affairs Specialists	Ms. Mariko Yoshikawa	Looking from the perspective of the consumer, I expect that they will be able to receive even higher quality services that ensure their "security, health, and wellbeing" through your integrated initiatives with the redefined material issues.	We will continue sincere efforts to address the material issues and to offer services of the highest quality possible. ▶ <a href="#">Offering Services of the Highest Quality</a>
Agency	AIR Autoclub Chairman	Mr. Tsukasa Tanno	It is important to further strengthen partnership with agencies and employees, such as with environmental initiatives and community outreach.	We will step up our efforts with an awareness of partnership with agencies and employees. ▶ <a href="#">Major Initiatives: Agencies</a>

Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
Outside Director	Professor of the Department of Global Business, College of Business, Rikkyo University	Mr. Scott Trevor Davis	It is important to convey the strategies and stories of transformation as you adapt to changes in society and the Group, while taking the details the initiatives you have done into account from the perspective of continuity.	We report on our initiatives to date as well as the strategies associated with changes in the Group. <ul style="list-style-type: none"> <li>▶ <a href="#">CSR Milestones</a></li> <li>▶ <a href="#">Group CSR Strategies</a></li> </ul>
Trade Union	President, Sompo Japan Nipponkoa Worker's Union	Mr. Atsushi Miyai	As the Group undergoes business transformation, dialogue with employees becomes more important. We will continuously propose our views for the sound development of the Group. Our goal is to create a workplace where everyone would be proud to work.	We are actively engaged in dialogue with unions and employees, and report on our efforts.

Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
	General Secretary, The KANTO Regional Federation of Electric Power Related Industry Workers Unions of Japan	Mr. Hitoshi Takezume	To deal with local issues, it is important to prioritize things and conduct sustained activities with a long-term perspective. I also look forward to seeing ESG (environmental, social, governance) considerations in the area of investment and finance.	With Material Issue 4: Empowering Community and Society, we are taking a long-term view. We are also incorporating ESG considerations into investment and finance through the UN PRI principles, Japan's Stewardship Code, and so on. <ul style="list-style-type: none"> <li>▶ <a href="#">Material Issue 4: Empowering Community and Society</a></li> <li>▶ <a href="#">Japan's Stewardship Code</a></li> </ul>

### STEP 3: Internal Engagement

To discuss and promote CSR across the Group based on this stakeholder input, we held meetings with the Group's Council for CSR Promotion, Management Committee, and Board of Directors.

#### ▶ CSR Management System



Council for CSR Promotion

## STEP 4: Identification and Action

Based on Steps 1 through 3, we redefined our material issues. We then set new CSR-KPIs based on the new material issues and measures. Directed by a Group-wide CSR management system and an interactive PDCA-cycle process to improve performance, we are implementing various Group initiatives to address social issues and build a more sustainable society.

Initiatives based on these CSR-KPIs are regularly reported to our Management Committee.

In addition, we will redefine our material issues again whenever necessary based on the latest international developments and changes in our business environment.

- ▶ CSR Key Performance Indicators (CSR-KPIs)
- ▶ CSR Management Organization (System)



Fig. 2. Prioritizing the materiality

# CSR Key Performance Indicators (CSR-KPIs)

We set key performance indicators (KPIs) for each CSR material issue. Actions are taken to achieve targets for each KPI, providing measurable progress on our various sustainability goals.

---

## Fiscal Year 2018 Targets

In fiscal year 2017, we have set Group CSR-KPIs that encompass not only single-year targets but also next-year targets from mid- to long-term perspectives.

The boundaries (scope of impacts) covered for each item include the entire Group.

▶ [Group's CSR Key Performance Indicators \(CSR-KPIs\) Fiscal Year 2018 Targets\( PDF/41KB\)](#)

\* CO2 emissions include "Scope 3" emissions that are generated in any part of the value chain of the Group.

---

## Fiscal Year 2017 Results

The fiscal year 2016 results are presented below. The boundaries (scope of impacts) covered for each item include the entire Group.

▶ [Group's CSR Key Performance Indicators \(CSR-KPIs\) Fiscal Year 2017 Results\( PDF/41KB\)](#)

\* CO2 emissions include "Scope 3" emissions that are generated in any part of the value chain of the Group.

Group's CSR Key Performance Indicators (CSR-KPIs) Fiscal Year 2018 Targets

Five CSR Material Issues	Our Vision	Group's CSR KPIs	FY2018 Targets	Categories of corporate value improvements <sup>1</sup>			
				A	B	C	D
1 Providing Solutions for Disaster Preparedness	Provide products and services to help improve disaster resilience, and collaborate with stakeholders to realize a safer, more secure world.	Development and provision of products and services that contribute to disaster preparedness	Ongoing development and provision of products and services	○	○	○	○
		Number of participants in community outreach activities in collaboration with civil society organizations that contribute to disaster preparedness and resilience. <Aim of Initiative> Promote disaster preparedness education to raise awareness and encourage many people to acquire correct knowledge, and reduce the occurrence of disasters and secondary disasters.	16,000 (14,836 in FY2017)			○	○
2 Contributing to Health and Welfare	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.	Development and provision of products and services that contribute to health and welfare	Ongoing development and provision of products and services	○	○	○	○
		Promotion of employee health and productivity	Continuously implement measures to promote employees' health			○	○
		Number of participants in health and welfare educational opportunities*2 <Aim of initiative> As a Group involved in the nursing care business, promote our business and contribute to society by training human resources to have the correct knowledge and understanding of dementia, which is becoming more common as people live longer, and to respond appropriately. *2. Combined total of Group employees and agency employees	Total 11,000 ( Total 7,672 by the end of FY2017)			○	○
3 Promoting the Manageability of Global Environmental Issues	Contribute to climate change adaptation and mitigation, biodiversity conservation, and other global environmental goals by working through our value chain and providing new solutions.	Development and provision of products and services that contribute to climate change adaptation and mitigation	Ongoing development and provision of products and services	○	○	○	○
		Number of participants in environmental conservation awareness and educational opportunities in collaboration with civil society organizations. <Aim of initiative> By participating in environmental conservation activities and educational opportunities, raise awareness and interest in the environment and increase the number of people capable of acting on their own initiative, thus encouraging the resolution of environmental issues.	7,000 (6,662 in FY2017)			○	○
		CO2 emissions	Reduce by 1.5% from FY2017		○	○	
		Electric power consumption	Reduce by 1.5% from FY2017		○		
		Paper use	Reduce by 1.5% from FY2017		○		
4 Empowering Community and Society	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.	Number of participants in community outreach initiatives*3 <Aim of initiative> By encouraging employees to voluntarily get involved in community outreach activities, develop personnel who are highly sensitive to social issues, contributing to solve such issues on the regional and global scale.	37,000 (35,848 in FY2017)			○	○
5 Supporting Diversity and Inclusion in Private and Public Life	Respect the human rights and individuality of all stakeholders, supporting them in their pursuit of professional and personal development.	Initiatives that foster diversity and inclusion	Continuously implement measures to promote and raise awareness of diversity			○	○
		Ratio of female employees in managerial positions	Promote with the aim of achieving 30% by the end of FY2020			○	○

\*1. CSR initiatives provide various benefits that improve our corporate value. We divide these benefits into four categories so stakeholders can better understand the relationship between our social responsibility activities and changes in our corporate value.

A: Increases revenue and investment income  
 B: Reduces costs  
 C: Increases brand recognition and trust  
 D: Strengthens the organization; enhances employee loyalty

Group's CSR Key Performance Indicators (CSR-KPIs) Fiscal Year 2017 Results

\*Only the same targets as of FY2017 are stated because of the revision of the Group CSR-KPI in FY2016

Five CSR Material Issues	Our Vision	Group's CSR KPIs	FY2017 Targets	Results for the past 3 years			
				FY2017 Results	FY2017 Assessment	FY2016 Results/Assessment	FY2015 Results/Assessment (*)
1 Providing Solutions for Disaster Preparedness	Provide products and services to help improve disaster resilience, and collaborate with stakeholders to realize a safer, more secure world.	Development and provision of products and services that contribute to disaster preparedness	Ongoing development and provision of products and services	<ul style="list-style-type: none"> <li>Achieved 30,000 total sales of Smiling Road, a system that supports safe driving using a dedicated driving monitor.</li> <li>Concluded Agreements with 56 Japanese local governments including 26 comprehensive cooperation agreements.</li> <li>43% of customers who received a new service "Tanagaru-Kit" downloaded the App as a result of improving customer touchpoints.</li> </ul>	○	○	○
		Number of participants in community outreach activities in collaboration with civil society organizations that contribute to disaster preparedness and resilience. <Aim of Initiative> Promote disaster preparedness education to raise awareness and encourage many people to acquire correct knowledge, and reduce the occurrence of disasters and secondary disasters.	11,000 (9,153 in FY2016)	<ul style="list-style-type: none"> <li>Held Bosai JAPAN-DA Project events in 78 locations throughout Japan, attracting 14,836 participants. (Progress rate: 134.8%)</li> </ul>	○	9,153	/
2 Contributing to Health and Welfare	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.	Development and provision of products and services that contribute to health and welfare	Ongoing development and provision of products and services	<ul style="list-style-type: none"> <li>Provided a telematics service for individuals based on a drive recorder called "DRIVING! Living with a Car" (DRIVING) in January 2018 and achieved 18,000 sales in FY2017.</li> <li>Concluded a comprehensive agreement alliance with The National Center for Geriatrics and Gerontology for the purpose of promoting mental and physical independence among the elderly and contributing to the realization of a healthy longevity society.</li> <li>Developed an elderly driver simulated experience program to improve customer services for car dealers.</li> </ul>	○	○	/
		Promotion of employee health and productivity	Continuously implement measures to promote employees' health	<ul style="list-style-type: none"> <li>13 group companies received a silver certification as good standing companies by Tokyo health insurance association</li> <li>6 Group companies were recognized as a Certified Health and Productivity Management Organization (White 500) by Japan's Ministry of Economy, Trade and Industry.</li> <li>Implemented Non-Smoking Policy at the several facilities to improve employee's health condition.</li> </ul>	○	○	/
		Number of participants in health and welfare educational opportunities*2 <Aim of initiative> As a Group involved in the nursing care business, promote our business and contribute to society by training human resources to have the correct knowledge and understanding of dementia which is becoming more common as people live longer, and to respond appropriately. *2. Combined total of Group employees and agency employees	Total: 6,000 (Total during FY2016: 4,992)	<ul style="list-style-type: none"> <li>Held the Caravan-Mate classes for dementia supporters in Tokyo and Osaka (Participants: 252 Group employees)</li> <li>Held a training seminars for dementia supporter candidates throughout Japan. (Participants: 2,428 Group employees and agents)</li> <li>The total number of dementia supporters is 7,672 (Progress rate: 127.8%)</li> </ul>	○	4,992	/
3 Promoting the Manageability of Global Environmental Issues	Contribute to climate change adaptation and mitigation, biodiversity conservation, and other global environmental goals by working through our value chain and providing new solutions.	Development and provision of products and services that contribute to climate change adaptation and mitigation	Ongoing development and provision of products and services	<ul style="list-style-type: none"> <li>The number of the execution of loans for solar power generation system to promote the expansion of renewable energy generation increased by more than 200% compared with last year</li> <li>Promoted initiatives for ESG investment by a participation in Climate Action 100+ as an institutional investor.</li> <li>Worked on environmental issues through consulting on soil contamination and renewable energy and promotion of environmental insurance, etc.</li> </ul>	○	○	○
		Number of participants in environmental conservation awareness and educational opportunities in collaboration with civil society organizations. <Aim of initiative> By participating in environmental conservation activities and educational opportunities, raise awareness and interest in the environment and increase the number of people capable of acting on their own initiative, thus encouraging the resolution of environmental issues.	4,000 (2,331 in FY2016)	<ul style="list-style-type: none"> <li>Held the SAVE JAPAN Project events 92 times throughout Japan (Participants: 5,234 Group employees and local residents)</li> <li>Held Public Seminars on the Environment 11 times. (Participants: 1,428 including 413 Group employee)</li> </ul>	○	2,331	/
		CO2 emissions	Reduce by 1.0% from FY2016	<ul style="list-style-type: none"> <li>Reduced by 4.4% from FY2016 by reducing paper use</li> <li>Reduced by 1.8% when Somo International which does not have a result in FY2016 is included to calculate a result.</li> </ul>	○	Reduced by 3.6% from FY2015	Reduced by 7.6% from FY2014
		Electric power consumption	Reduce by 1.0% from FY2016	<ul style="list-style-type: none"> <li>Reduced by 2.1% from FY2016 by promoting LED lights, sellouting facilities.</li> <li>Increased by 1.9% when Somo International which does not have a result in FY2016 is included to calculate a result.</li> </ul>	○	Reduced by 2.2% from FY2015	Reduced by 2.1% from FY2014
		Paper use	Reduce by 1.0% from FY2016	<ul style="list-style-type: none"> <li>Reduced by 11.4% from FY2016 by promoting web service and paperless meeting.</li> </ul>	○	Reduced by 15.3% from FY2015	Reduced by 18.5% from FY2014
4 Empowering Community and Society	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.	Number of participants in community outreach initiatives*3 <Aim of initiative> By encouraging employees to voluntarily get involved in community outreach activities, develop personnel who are highly sensitive to social issues, contributing to solve such issues on the regional and global scale.	35,000 (32,829 in FY2016)	<ul style="list-style-type: none"> <li>35,848 employees participated in a variety of volunteer activities in Japan and overseas especially on December, recognizing 5th December is "International Volunteer Day". (Progress rate: 102.4%)</li> </ul>	○	32,829	/
5 Supporting Diversity and Inclusion in Private and Public Life	Respect the human rights and individuality of all stakeholders, supporting them in their pursuit of professional and personal development.	Initiatives that foster diversity and inclusion	Continuously implement measures to promote and raise awareness of diversity	<ul style="list-style-type: none"> <li>The company was chosen for the 2017 Nadeshiko List, established jointly by Japan's Ministry of Economy, Trade and Industry in recognition of its efforts to promote women's empowerment in the workplace.</li> <li>Changed the definition of spouse to provide a coverage for same-sex partners as spouses in automobile insurance.</li> <li>Achieved 2.92% of Employment Rate of Person with Disabilities through providing social skills training for employees with disabilities and holding company information sessions at special needs education schools.</li> </ul>	○	○	/
		Ratio of female employees in managerial positions	Promote with the aim of achieving 30% by the end of FY2020	<ul style="list-style-type: none"> <li>Ratio of female employees in managerial positions: 20.7% (as of April 2018)</li> <li>The company expands training programs for female employee such as preparatory management classes and a mentor program.</li> </ul>	○	18.7%	13.2%

# Providing Solutions for Disaster Preparedness

## Our Vision

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

## The Facts

Global Deaths from Road Traffic Accidents



Source: Prepared from a WHO press release

According to the World Health Organization (WHO), some 1.25 million people worldwide had their lives cut short by traffic accidents in 2013. Low and middle-income countries accounted for 90% of these fatalities, despite owning only 54% of the world's automobiles. Traffic accidents are also the leading cause of death among ages 15 to 29. To address this issue, Goal 3 of the 17 Sustainable Development Goals (SDGs), "ensure healthy lives and promote wellbeing for all at all ages," includes the target, "By 2020, halve the number of global deaths and injuries from road traffic accidents."

---

## Basic Policies for Our Action

Increases in traffic accidents and large natural disasters, plus the emergence of new risks such as terrorist and cyberattacks can impact the Group's ability to continue providing insurance sustainably, as they cause insurance payments to rise, and with them, insurance premiums. At the same time, as a group dedicated to providing "security, health, and wellbeing," one of our key missions is to offer various services designed to help prevent accidents and disasters that inflict heavy losses on individuals and society as a whole. Thus, we also see business opportunities in the growing need for products and services to address these risks. One way we do this is by analyzing big data — the enormous volume of accident data collected through our many years in business — and using it to deliver reliable insurance and to develop new products and services. We also utilize our expertise in quantifying risk to offer solutions that help to prevent and minimize losses from accidents and disasters. We will continue to contribute to realizing a sustainable society by providing a wide range of services for averting and reducing emerging risks, and by sharing our disaster resilience and accident-prevention know-how with developing countries, which are especially vulnerable to such risks.

---

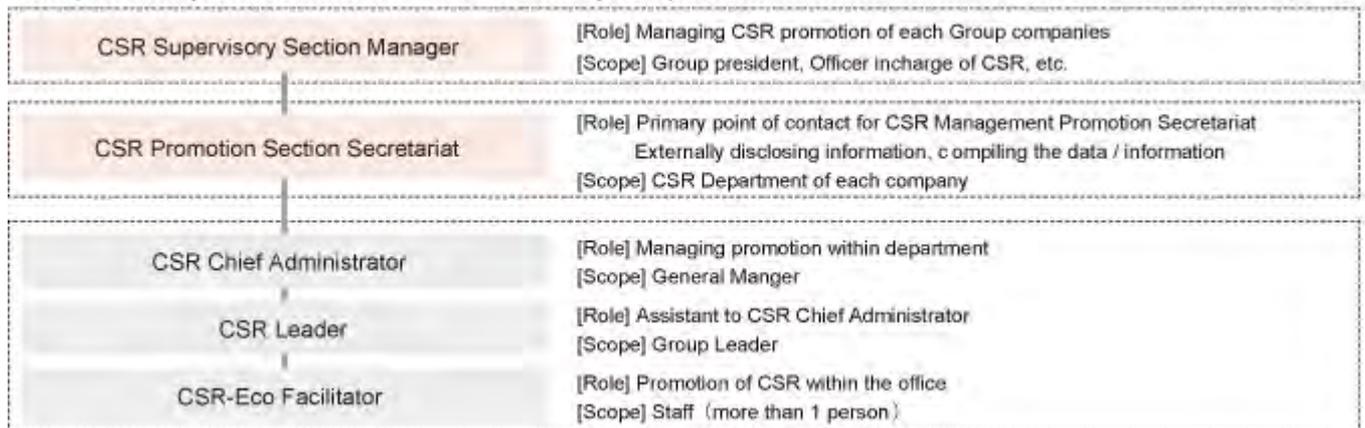
## Management System

The Council for CSR Promotion is a Group-wide committee comprised of Group company officers in charge of social responsibility, headed by the Group CBO (Chief Brand Officer). The Council deliberates and confirms progress on Group CSR measures. Its activities are periodically reported to and discussed by the Management Committee and Board of Directors.



Example of the promotion framework of each Group companies

\* Adjusting details according to the company size.



## Targets and Results

The CSR-KPI results for the past 3 fiscal years and targets for fiscal 2018 are shown below. The boundaries (scope of impacts) for each item are the entire Group.

### CSR-KPIs for Fiscal Year 2018 Targets for Providing Solutions for Disaster Preparedness

Group's CSR KPIs	FY2018 Targets	Categories of corporate value improvement			
		A	B	C	D
Development and provision of products and services that contribute to disaster preparedness	Ongoing development and provision of products and services	○	○	○	○
Number of participants in community outreach activities in collaboration with civil society organizations that contribute to disaster preparedness and resilience.  <Aim of Initiative> Promote disaster preparedness education to raise awareness and encourage	16,000  (14,836 in FY2017)			○	○

A: Increases revenue and investment income

B: Reduces costs

C: Increases brand recognition and trust

D: Strengthens the organization; enhances employee loyalty

► [CSR Key Performance Indicators \(CSR-KPIs\)](#)

## Our Key Strengths

When tackling the material issues, we identify three key strengths of the Group to utilize. Here we introduce our approaches to address this material issue.

Our Key Strengths		Approaches to Address the Material Issue
[1] Products & Services	Developing and providing innovative products and services using financial expertise and digital technologies to provide innovative solutions for social issues.	We fully utilize big data such as by analyzing the enormous volume of vehicle accidents and other data we have collected over our many years in business—and use it to deliver innovative products and services for disaster preparedness and resilience.
[2] Partnerships	Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society.	We continually collaborate with multiple stakeholders to identify and train data scientists and other personnel capable of advancing our digital strategies through proactive initiatives, such as establishing training institutes for people who utilize big data and artificial intelligence.
[3] Arts & Culture	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.	Through initiatives that promote diverse values of the arts, in the development and offering of products and services, and in the running of relevant projects, we endeavor to create a social environment that increases opportunities for social participation by a diversity of individuals, including children, the elderly and others who tend to become more socially vulnerable during times of disaster.

## Stakeholder Comments

Below we introduce selected comments received from stakeholder dialogues held when redefining the Group CSR Material Issues, announced in April 2016, plus our responses.

<b>Stakeholder Comments</b> <b>(Stakeholder category)</b>	<b>Our Responses and Focus</b>
<p>Disaster preparedness and resilience are perhaps the most important issues to the Group given its core business of providing insurance and risk consulting services. (CSR expert international institution)</p>	<p>We are constantly working to develop and offer products and services for disaster preparedness and resilience, and also raise awareness about risks (such as through our Bosai JAPAN-DA Project for disaster preparedness education).</p>
<p>The Group has a critical role to play in covering disaster risk for society as a whole. (Government)</p>	<p>It is also important to work in partnership with a variety of stakeholders in order to cover large-scale disaster risks. We will continue working to develop and offer insurance products and services that respond to disasters, as well as those for disaster preparedness and resilience in collaboration with a variety of stakeholders.</p>
<p>I look forward to the Group's work in raising disaster awareness on a regional level. (Government)</p>	<p>We will continue our efforts to help raise disaster awareness in communities, such as the Bosai JAPAN-DA Project—an educational project to raise awareness about disaster preparedness.</p>
<p>Urbanization is creating new social challenges, such as the risk of panic situations during a traffic jam or disaster event. The Group's perspective on disaster risk reduction in such circumstances is important to the Group and all stakeholders. (Civil society)</p>	<p>We have developed insurance products to offer to municipalities in order to help them secure accommodations for people who cannot return home in the event of a disaster or other incident. However, it is necessary to be conscious of urbanization-related problems when developing products and services that contribute to disaster preparedness and resilience, as well as in educational projects.</p>

### ▶ Redefining Group CSR Materiality

---

## Moving Forward

We will continue to work on developing and providing innovative products that contribute to disaster preparedness by further utilizing big data analysis and other digital technologies. Furthermore, to better leverage our growing expertise in disaster risk reduction for addressing challenges on a global level, we will implement various projects in partnership with civil society organizations and other stakeholders. We will also measure and analyze the impacts of these projects so we can make improvements and take more effective action.

---

## Key Initiatives

### Japan's First Telematics Insurance Utilizing Smartphones — Automobile Insurance Discount Up to 20% for Safe Drivers

#### Products & Service

Telematics insurance, while fairly standard in Europe and the US, has yet to be proactively developed as a product in Japan due to the establishment of a grading system in which applicable grades and insurance premiums change according to whether the insured party has been involved in an accident. However, thanks to recent digital technology innovations and discussion at Japan's Ministry of Land, Infrastructure, Transport and Tourism advisory committee in 2014, research into the effective application of telematics technology is moving forward in Japan.

In recent years the number of young people who own a car has fallen as use of rental and car sharing services has become more widespread. Insurance premiums for first time policyholders do not take safe driving records into account and tend to be high, and this cost is cited as one reason for not owning a vehicle.

To overcome this situation, Sompo Japan Nipponkoa has been engaged in research and development from the perspective of reducing insurance premiums for drivers who drive safely using telematics technology, offering a Smiling Road<sup>\*1</sup> and Portable Smiling Road, Driving which are safe driving support services that use telematics.

The correlation between driving characteristics of the driver and the likelihood of an accident has become clear as a result of research and analysis into the enormous volume of big data obtained via Portable Smiling Road, using the telematics technology know-how accumulated by providing these services. They became the first insurance company in Japan to develop a telematics insurance product that offers up to a 20% discount on insurance premiums<sup>\*2</sup> according to the results of driving diagnosis. The introduction of an insurance premium discount based on the degree of safe driving enables us to offer customers more reasonable insurance premiums and to further encourage safe driving and support the creation of an accident-free society.

- \*1 Service for companies that supports safe driving using a dedicated drive recorder.
- \*2 Targets insurance premiums for new Sampo Japan Nipponkoa policy contracts with new vehicle owners who have not previously taken out a policy.

## Bosai JAPAN-DA Project to Raise Disaster Awareness

### Partnerships

Insurance being one of our core businesses, Sampo Japan Nipponkoa believes in the importance of raising public awareness of disasters. In the Bosai JAPAN-DA Project, they host puppet shows and experience-based workshops to teach children — society's future leaders — and their parents how to protect themselves and others in emergency situations.

The puppet show, performed by the Yumemi Trunk Puppet Theater Troupe, is an original adaptation of The Three Little Pigs. It tells the story of how the three pigs help each other to overcome various calamities (wind, rain, lightning, fire, etc.) caused by the big bad wolf. In the experience-based workshop, provided in partnership with the NPO Plus Arts, participants get to move their bodies in fun ways while gaining useful knowledge and skills for responding to crises.

As of March 2018 these events have been held 151 times across Japan attracting 24,489 people.

## Other Key Initiatives

- ▶ Supporting Safer Driving Using Big Data and Telematics
- ▶ Road Service and Other Assistance Business
- ▶ Service to Help Prevent Traffic Accidents Caused by a Medical Condition
- ▶ Driving Diagnosis Service Using an Automated Video Analysis Program
- ▶ Insurance for Automated Driving Pilot Tests to Support Technical Developments
- ▶ [Automobile Insurance] Launch of New Protection for Automated Driving Vehicles
- ▶ Collaboration with Development Bank of Japan (DBJ)
- ▶ Volcanic Eruption Derivative and Related Estimating Method
- ▶ Risk Assessment and Consulting Services for Natural Disasters
- ▶ Collaborative Research on Sophisticating the Evaluation of Long-Period Ground Motion Risks
- ▶ Support for Corporate and Municipal BCP and Disaster Preparedness
- ▶ Risk Management for Global Business Operations
- ▶ Cyber Insurance

- ▶ Cyberattacks Drills/Training Services
- ▶ New Risk Management Web-based System “ Sora One 2.0” for supporting BCP and Supply Chain Management
- ▶ Insurance Package as Online 'Flaming' Countermeasures
- ▶ SOMPO GUIDE TOKYO: Travel Guide for Touring Japan with Confidence
- ▶ For Resilient Risk Management — Anshin Hosho Package to Companies that Grant Privacy Marks
- ▶ Japan's First Insurance Policy that Covers the Cost of Responding to Online Flaming
- ▶ Results of Survey on Disaster Preparedness
- ▶ Initiatives to Prevent Maritime Ship Accidents
- ▶ Initiatives for Building Theme Park for the Security, Health, and Wellbeing of Customers
- ▶ System to Utilize the Voice of Customer (VOC)
- ▶ Voice of Customer (VOC) White Paper
- ▶ Analysis Service of Customer Risk and Insurance Clause
- ▶ Customer Satisfaction of Insurance Claims Service
- ▶ 24-hour Initial Response Service
- ▶ “My Page” Online Service Offering Functions Accessible 24 hours a Day
- ▶ Service Quality Improvements by Enhancing Accident Response on Holidays
- ▶ New Automobile Insurance Using Internet-of-Things (IoT) for Safer and More Enjoyable Driving
- ▶ Providing High Quality Services and Improving Work Efficiency by Utilizing Digital Technology
- ▶ 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
- ▶ Safe Driving Support Service “DRIVING!” for Individual Drivers (Especially Seniors)
- ▶ Disaster Response Test in Skyscraper-Dense Area Utilizing Drones
- ▶ Partnership with Silicon Valley (US) Research Institutions for Automotive AI and Robotics Research
- ▶ New Entry into the Cyber Security Business—Newly Established Sompo Digital Lab in Israel
- ▶ Road Safety Project in Indonesia
- ▶ Yellow Badge Donation

- ▶ Awarded "Highly Commented Paper 2017" by Journal of Flood Risk Management
- ▶ Insurance Industry's First Disaster Risk Reduction Service for Local Governments
- ▶ Agency Services
- ▶ Agency Support System

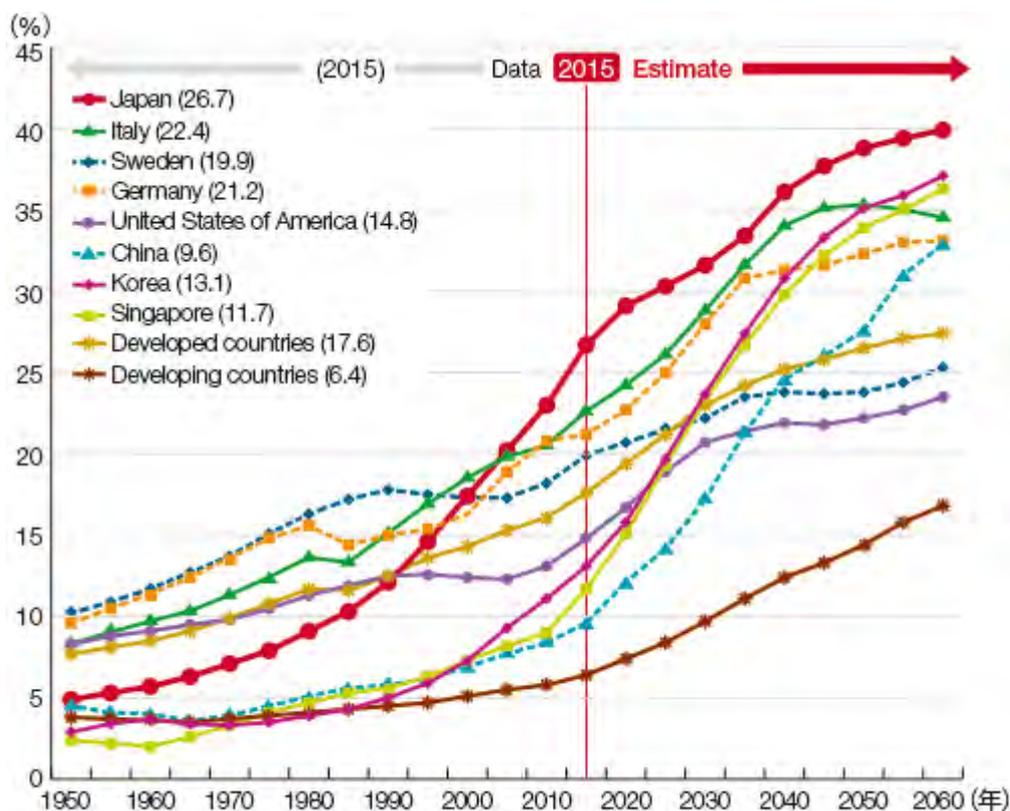
# Contributing to Health and Welfare

## 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.

## The Facts

Percentage of elderly population\* by country



Annual Report on the Aging Society: 2017 Cabinet Office, Government Of Japan

Japan's population is aging at a speed unmatched by other developed countries, the proportion of its elderly having gone from the low range among the world's nations in the 1980s and earlier, to the middle range in the 1990s, to the highest of any country in 2005.

Regionally, developed regions of the world are already experiencing population aging, but the pace is expected to accelerate in developing regions as well.

\* Percentage of elderly population: Ratio of population 65 years of age and over to the total population.

## Basic Policies for Our Action

Japan is quickly becoming a super-aged society, and in the pursuit of making Japan a country of prosperity and long life our Group faces many challenges, including rising insurance payments in the life, medical, and long-term care insurance sectors, and a shortage of workers in the long-term care services sector. At the same time, we also see the growing demand for products and services that respond to these risks as business opportunities to provide "security, health, and wellbeing."

Aware of diverse risks as Japan becomes a super-aged society, we aspire to become the country's most trusted long-term care provider by offering the highest-quality care services and establishing our brand in this field, to realize "Japan, an affluent country that can boast to the world of a long and quality life." Also, to help extend healthy life expectancy, we provide services that promote health and productivity management while also addressing mental health issues and lifestyle-related diseases, and through this we support customers' efforts for "security, health, and wellbeing."

We also contribute to sustainability in developing economies and other parts of the world by implementing projects with civil society organizations and other stakeholders with the aim of addressing local issues using our health and welfare expertise.

## Management System

The Council for CSR Promotion is a Group-wide committee comprised of Group company officers in charge of social responsibility, headed by the Group CBO (Chief Brand Officer) . The Council deliberates and confirms progress on Group CSR measures. Its activities are periodically reported to and discussed by the Management Committee and Board of Directors.



## Example of the promotion framework of each Group companies

\* Adjusting details according to the company size.



## Targets and Results

The CSR-KPI results for the past 3 fiscal years and targets for fiscal 2018 are shown below.

The boundaries (scope of impacts) for each item are the entire Group.

### CSR-KPIs for Fiscal Year 2018 Targets for Contributing to Health and Welfare

Group's CSR KPIs	FY2018 Targets	Categories of corporate value improvement			
		A	B	C	D
Development and provision of products and services that contribute to health and welfare	Ongoing development and provision of products and services	○	○	○	○
Promotion of employee health and productivity	Continuously implement measures to promote employees' health			○	○
Number of participants in health and welfare educational opportunities <sup>*1</sup>  <Aim of initiative> As a Group involved in the nursing care business, promote our business and contribute to society by training human resources to have the correct knowledge and un  <sup>*1</sup> Combined total of Group employees and agency employees	Total 11,000  (Total 7,672 by the end of FY2017)			○	○

- A: Increases revenue and investment income
- B: Reduces costs
- C: Increases brand recognition and trust
- D: Strengthens the organization; enhances employee loyalty

► [CSR Key Performance Indicators \(CSR-KPIs\)](#)

## Our Key Strengths

When tackling the material issues, we identify three key strengths of the Group to utilize. Here we introduce our approaches to address this material issue.

Our Key Strengths		Approaches to Address the Material Issue
[1] Products & Services	Developing and providing innovative products and services using financial expertise and digital technologies to provide innovative solutions for social issues.	We continue the research and development of leading-edge ICT and digital technologies based on the combined strengths of the Group, to achieve innovative service quality and productivity.
[2] Partnerships	Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society.	We adopt systems to regularly secure adequate human resources to provide long-term care services, and seek care level improvements by focusing on education and training, such as by opening training centers that have special equipment. For the issue of care worker turnover, we consider gradual improvements of employment conditions or other policies to sustainably offer high-quality service.
[3] Arts & Culture	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.	By fostering a social appreciation of diversity in the arts and through initiatives to create a social environment that respects diverse groups and produces human resources that can contribute to social inclusion, we work to increase the opportunities for social participation of each individual including the vulnerable, such as the elderly and persons with disabilities. We also help nurture people's sense of fulfillment by developing and offering products and services and by conducting projects in health and welfare through the arts.

## Stakeholder Comments

Below we introduce selected comments received from stakeholder dialogues held when redefining the Group CSR Material Issues, announced in April 2016, plus our responses.

Stakeholder Comments (Stakeholder category)	Our Responses and Focus
Because Japan has the oldest population in the world, I think Japan's initiatives and know-how can offer solutions to global issues of population aging. (ESG investment expert)	We are accumulating knowhow in the nursing care and healthcare businesses in Japan. By putting this knowhow to work in countries and regions experiencing rapid aging of society, we contribute to solutions to global issues.
Like the initiative for speedy payment of insurance claims after the March 2011 earthquake and tsunami, I would also like to see you respond appropriately to stakeholder expectations in the field of health and welfare. (ESG investment expert)	We are promoting dialogue with diverse stakeholders in the health and welfare fields, and collaborative projects between industry and academia. We will further develop and offer products and services and promote joint projects to address social issues that have been identified through dialogue and projects.
The term "welfare" conveys a strong impression of being something that is granted or given, but it is important to promote self-reliance through engagement. (Civil society)	We conduct engagement that emphasizes dialogue, in the context of promoting initiatives through foundations and collaborative projects with diverse stakeholders involved in the area of welfare.
It is important to think about opportunities to contribute to qualitative wellbeing and an improved quality of life. (Outside director)	While fostering an appreciation of diversity in the arts, we promote projects aiming for qualitative wellbeing and QOL improvements for diverse groups including the elderly and persons with disabilities.

▶ [Redefining Group CSR Materiality](#)

## Moving Forward

We will work to develop and provide innovative products that contribute to health and welfare by further utilizing ICT and digital technologies. We will also promote health and productivity among our employees so they can play a crucial role in providing top-quality products and services. Furthermore, to better leverage our expertise in health and welfare for addressing challenges on a global level, we will implement various projects in partnership with civil society organizations and other stakeholders.

---

## Key Initiatives

### Launch of "Linkx: Protection for You and Your Family," Income Compensation Insurance to Support Health (First in the Industry)

#### Products & Service

In April 2018 Sompo Japan Nipponkoa Himawari Life updated its income compensation insurance, Family Protection, a key product, to launch Linkx: Protection for You and Your Family.

This product features a "health challenge" system, which allows policyholders to lower their insurance premiums by measuring improvements in their health (stopping smoking, BMI, blood pressure) over a certain period from enrollment, and to receive the amount equivalent to the difference in the premiums paid from the time of first enrollment in the form of a monetary reward for completing health challenges.

Our customers not only want protection against death but also want to protect their lives if they find themselves unable to work for some reason. To meet this desire, they have increased the options available as added protection against incapacity. These options include: "incapacity rider" that pays customers an annuity if they are certified as having a grade 1 or grade 2 disability and entitled to receive basic disability pension as a guarantee in order to live and "seven major disease rider with mental disease protection" that, in addition to the provision for seven major diseases, allows customers to receive an annuity if corresponding to specific circumstances as a result of a mental illness recognized as a social issue.

Through such products, they will provide new value, Insurhealth, which combines a traditional insurance function with a healthcare function.

### Long-term Care Business: Supporting Japan as Global Pioneer in Healthy Longevity

#### Products & Service

The Group made a full-fledged entry into the long-term care business by acquiring Watami no Kaigo Co. (now Sompo Care Next Inc.) in December 2015 and Message Co. (now Sompo Care Inc.) in March 2016. Through the process of integrating management of both companies, we conducted the merger of our group nursing care operating companies and got off to a start as Sompo Care Inc. in July 2018. Under the new organization, we aim to serve customers in the communities with a full line of nursing care services of the highest quality possible, ranging from at-home services to facility-based services.

We started to work towards integrating management of both companies with the aim of expediting the establishment of a system capable of accumulating know-how from both companies, thus returning group advantages to users and employees. As members of the Sompo Care Group, both companies maintain their existing brands under the motto for elderly customers based upon support for independence and ensuring their dignity, aiming to provide health care services of the highest quality.

Initiatives that set us apart from other long-term care providers include: development and operation of an internal management system that utilizes our know-how in governance, compliance, and risk management; streamlining of documentation and health record sharing procedures using electronic media; and the use of information communication technology (ICT) and digital technologies, such as sensors for patient monitoring. We are also focusing our attention to developing human resources, and in July 2017 we opened Sampo Care University, an institution that will take the lead in human resource development strategies centering on the concept of all employees being able to feel their growth. We also established Sampo Care FOOD LAB to plan and develop services on meals and nutrition in March 2018 for improvement of our service quality.

Through these initiatives we will provide the highest quality healthcare services that further contribute to “security, health, and wellbeing.” The Sampo Care Group will also strive to provide employees with a satisfying and comfortable workplace and make Japan a prosperous aged society that sets an example for the world.

<b>Sampo Care</b>	<b>Facility Nursing Care Services</b>	Sampo Care operates 279 fee-based economy to mid-range nursing homes under its Sampo Care Sampo no Ie and Sampo Care La Vie Re brands. In addition, through the Sampo no Ie brand, the company manages 132 housing complexes for seniors that offer nursing care services to residents.
	<b>At-Home Nursing Care Services</b>	Sampo Care provides home-visit long-term care and other at-home nursing care services out of 646 offices across Japan under its Sampo Care brand and is developing 61 offices that provide day nursing care services. In February 2015, this company launched Sampo Care Home-Care Service <sup>®</sup> , providing a full range of nursing home services to seniors at home. Sampo Care is currently expanding its services throughout the Tokyo metropolitan area.
	<b>Day Nursing Care Services</b>	

## Other Key Initiatives

- ▶ Group CSR Strategies: Featured Topic 1: Nursing and Healthcare Initiatives
- ▶ Nursing Care Support Services and Health and Life Support Services to Benefit Customers
- ▶ 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”
- ▶ Offering Comprehensive Consulting Services for Food Risk Security
- ▶ Offering Comprehensive Support Services in Emergencies to Secure Food Safety and Consumer Trust
- ▶ Integrated Service Product: Long-term Care Support Plan
- ▶ “Wellbeing Support” Service for Elderly Customers
- ▶ Group-Wide Training Program for Volunteer Dementia Supporters
- ▶ Maternal and Child Health Project in Myanmar
- ▶ Supporting Activities and Researches for Social Welfare — Sompo Japan Nipponkoa Welfare Foundation
- ▶ Heart & Arts Program: Assistance for Art Activities by Persons with Disabilities
  
- ▶ Sompo Japan Nipponkoa Smile Kids Edogawabashi (Tokyo) Nursery School — Sompo Japan Nipponkoa Smile Kids Foundation
- ▶ Industry-Academia Collaboration: Diversity on the Arts Project (DOOR)
- ▶ Exhibition by Children with Intellectual Disabilities
- ▶ SOMPO Paralympic Art Contest: Support for Art by Persons with Disabilities to Realize an Inclusive Society
- ▶ Initiatives to Maintain and Promote Employee Health

# Promoting the Manageability of Global Environmental Issues

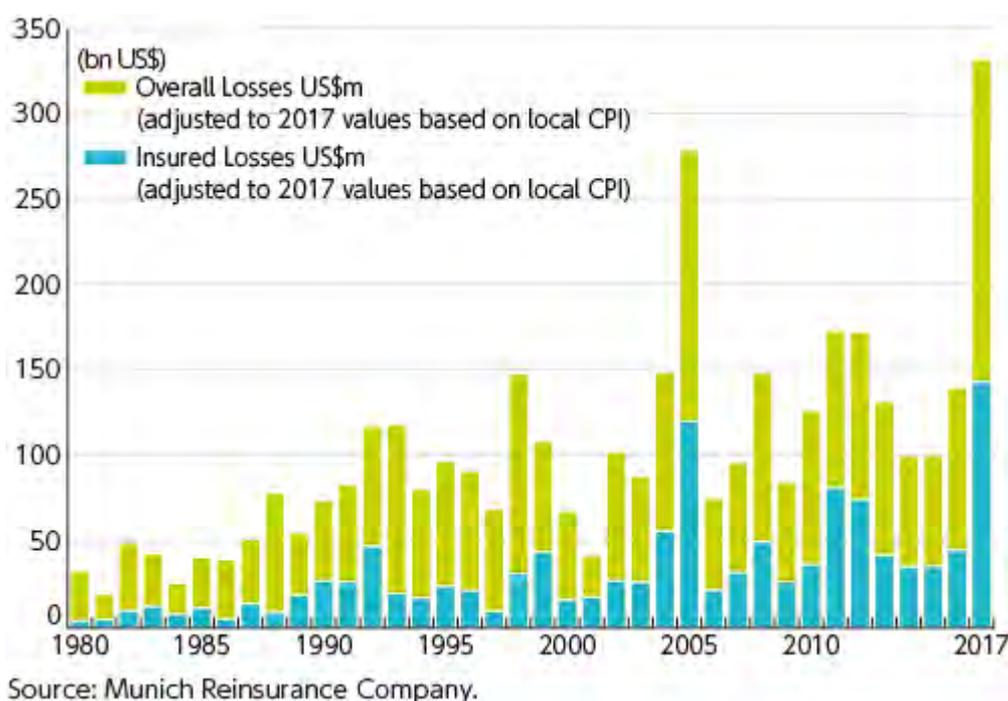
## Our Vision

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

## The Facts

Weather-related loss events worldwide 1980 – 2017

Overall and insured losses



The world faces rising economic and insurance losses from disasters caused by extreme weather events: Hurricane Katrina in the U.S. in 2005, massive flooding in Thailand in 2011, and Hurricane Sandy in the U.S. in 2012, for example. If global warming continues at its current pace, these losses are expected to escalate even further. The global discourse on addressing climate and other environmental issues is gaining momentum, as evidenced by agreements made at COP21 in Paris and the adoption of the Sustainable Development Goals (SDGs) in 2015. These movements call on all stakeholders to step up action.

## Basic Policies for Our Action

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, insurance premiums. At the same time, as a group dedicated to providing “security, health, and wellbeing,” we also see business opportunities in the growing need for products and services to address these risks.

The need for climate adaptation and mitigation can also be perceived in a positive light. By offering insurance products and consulting services that cover the risks of weather disasters and renewable energy businesses, for example, we have the potential to create and expand new markets. We are striving to be leaders in reducing environmental impacts throughout the value chain in collaboration with stakeholders. We have also been working to develop products and services that help reduce the risks and impacts of climate change and disasters, build low-carbon economies, conserve biodiversity, and promote environmentally conscious behavior. Through continued efforts to provide innovative products and services and create partnerships that help reduce impacts, we will contribute to a more resilient and sustainable society.

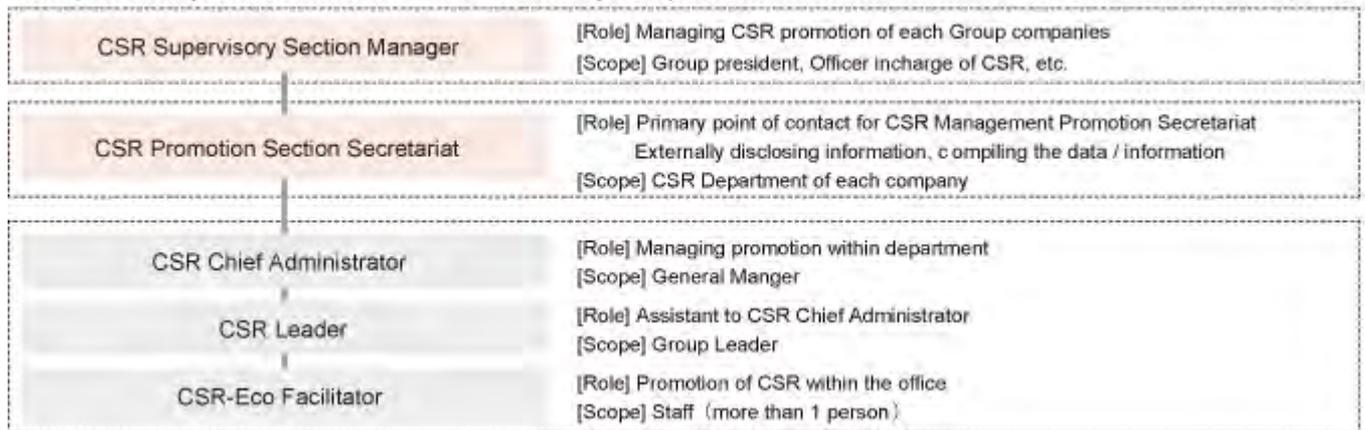
## Management System

The Council for CSR Promotion is a Group-wide committee comprised of Group company officers in charge of social responsibility, headed by the Group CBO (Chief Brand Officer) . The Council deliberates and confirms progress on Group CSR measures. Its activities are periodically reported to and discussed by the Management Committee and Board of Directors.



Example of the promotion framework of each Group companies

\* Adjusting details according to the company size.



## Targets and Results

The CSR-KPI results for the past 3 fiscal years and targets for fiscal 2018 are shown below.

The boundaries (scope of impacts) for each item are the entire Group.

### CSR-KPIs for Fiscal Year 2018 Targets for Promoting the Manageability of Global Environmental Issues

Group's CSR KPIs	FY2018 Targets	Categories of corporate value improvement			
		A	B	C	D
Development and provision of products and services that contribute to climate change adaptation and mitigation	Ongoing development and provision of products and services	○	○	○	○
Number of participants in environmental conservation awareness and educational opportunities in collaboration with civil society organizations.  <Aim of initiative> By participating in environmental conservation activities and educational opportunities, raise awareness and interest in the environment and increase the number of people capable of acting on their own initiative, thus encouraging their solution of environmental issues.	7,000 (6,662 in FY2017)			○	○
CO2 emissions	Reduce by 1.5% from FY2017		○	○	
Electric power consumption	Reduce by 1.5% from FY2017		○		
Paper use	Reduce by 1.5% from FY2017		○		

- A: Increases revenue and investment income
- B: Reduces costs
- C: Increases brand recognition and trust
- D: Strengthens the organization; enhances employee loyalty

▶ [CSR Key Performance Indicators \(CSR-KPIs\)](#)

## Our Key Strengths

When tackling the material issues, we identify three key strengths of the Group to utilize. Here we introduce our approaches to address this material issue.

Our Key Strengths		Approaches to Address the Material Issue
[1] Products & Services	Developing and providing innovative products and services using financial expertise and digital technologies to provide innovative solutions for social issues.	To deal with losses arising from global environmental issues, we will utilize the combined strengths of the Group including our operations around the world and continue the research and development of leading-edge ICT and digital technologies to offer innovative products and services.
[2] Partnerships	Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society.	Through partnership activities such as the SAVE JAPAN Project to conserve biodiversity, we will continue raising environmental motivation in society and contributing to solutions to global environmental issues, in collaboration with diverse stakeholders.
[3] Arts & Culture	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.	We will continue implementing initiatives to address environmental issues through various activities, including the Sompo Chikyū (Earth) Club, a Group employee volunteering platform.

## Stakeholder Comments

Below we introduce selected comments received from stakeholder dialogues held when redefining the Group CSR Material Issues, announced in April 2016, plus our responses.

Stakeholder Comments (Stakeholder category)	Our Responses and Focus
Businesses should face pressure to align their actions to the climate change initiatives and targets set through COP21. (CSR expert international institution)	We review our GHG emission and other targets while conscious of global and domestic developments as well as changes in our business. We endeavor to monitor emissions as the Group business activities grow.
I have high expectations for your contributions to promoting renewable energy. (CSR expert international institution)	To promote renewable energy, we provide insurance coverage in the event of problems and offer risk analysis services for installation sites, etc.
Your support in promoting climate adaptation is especially important. (Government)	We develop and provide products and services that help with adaptation to climate change.
I look forward to seeing the Group continue its track record of developing new products and services that offer solutions to environmental issues. (Government)	We will continue developing products and services that offer solutions to environmental issues, including climate adaptation and mitigation, and biodiversity conservation.

► [Redefining Group CSR Materiality](#)

## Moving Forward

The international community is increasingly looking to insurance companies for the risk assessment expertise they can provide for advancing climate change mitigation and adaptation strategies. We will continue to contribute to sustainable development and, in turn, sustainable Group growth, by providing solutions to the segments of society most vulnerable to climate risk. We set Group-wide greenhouse gas (GHG) emission reduction targets of 40% by fiscal year 2020 and 70% by fiscal year 2050 compared to fiscal year 2002 levels in 2013, and have strived to reduce our environmental impact throughout the value chain while developing energy and resource conservation initiatives. As a result, due to successfully meeting our target for fiscal year 2020 in fiscal year 2016, we reviewed the targets and set new mid- to long-term targets that aim for a 21% reduction by 2030 and a 51% reduction by 2050 compared to fiscal year 2017 levels across the Group. We will accelerate our efforts on mitigation of climate change going forward.

## Key Initiatives

### Promoting SRI funds

#### Products & Service

Sompo Japan Nipponkoa Asset Management offers a socially responsible investment (SRI) fund to meet the needs of individual and institutional investors. The Sompo Japan Green Open fund, launched in September 1999, invests in companies that are proactive on the environment. It has grown to become one of the largest publicly offered SRI funds in Japan, with a net asset balance of 27.3 billion yen (as of April 30, 2018).

Promoting investment in environmentally responsible companies is thought to give investors an indirect way to use their capital for environmental conservation. The fund also aims to promote environmental communication by conveying environmental information to investors, and facilitating feedback to the invested companies via surveys on their environmental management performance.

The Company also offers SRI funds that invest in companies that have been rated highly on ESG (Environment, Social and Governance) performance.

**SOMPO** イノベーションを推進する  
Innovation for Wellbeing

投資信託説明書(交付日議見書)  
使用開始日: 2018年4月13日

# 損保ジャパン・グリーン・オープン

愛称: ふなの森  
追加型投資 / 国内 / 株式

**ご購入に際しては、本書の内容を十分にお読みください。**

- 本書は、金融商品取引法(昭和25年法律25号)第13条の規定に基づき公開投資書です。
- ファンドに関する投資信託説明書(請求日議見書)本文の詳細な情報は右記のインターネットホームページで閲覧、ダウンロードすることができます。また、本書には信託約款の主な内容が含まれておりますが、信託約款の全文は投資信託説明書(請求日議見書)に掲載されております。
- ファンドの運用会社、ファンドの基準価額等については、右記の欄を先までお問い合わせください。

**委託会社** ファンドの運用の信託を行う者  
損保ジャパン日本興亜アセットマネジメント株式会社  
登録住所: 東京都中央区日本橋1-1-1  
〈問合せ〉  
ホームページ: <http://www.sjnk-am.co.jp/>  
電話番号: 0120-69-5432  
(受付時間: 営業日午前9時~午後5時)

**管理会社** ファンドの運用の信託を行う者  
みずほ信託銀行株式会社

## Other Key Initiatives

- ▶ Featured Topic 3: Climate Initiatives
- ▶ Expanded Environmental Consulting Services
- ▶ Insurance for Stable Electricity Supply Costs: Support for Market Liberalization
- ▶ Promoting CSR Communication and ESG Awareness through SRI Funds
- ▶ Analysis of Social Responsibility and the Environmental Soundness of Companies
- ▶ Integrating ESG into Investing and Financing Processes
- ▶ Group Sustainable Procurement Policy
- ▶ Environmental and CSR Initiatives in Partnership with Business Partners
- ▶ Reducing the Use of Paper
- ▶ SAVE JAPAN Project
- ▶ Encouraging People to Develop Skills Needed for Environmental Protection — Sompo Japan Nipponkoa Environment Foundation
- ▶ Pacific Catastrophe Risk Insurance Pilot Program
- ▶ Insurance Products that Promote Renewable Energy
- ▶ Development of Flood Risk Assessment Methods for Japan and Asian Countries
- ▶ Environmental Impact throughout the Value Chain and Efforts for Environmental Conservation
- ▶ Environmental Accounting
- ▶ Cooperation with Agencies to Reduce Environmental Impact

# Empowering Community and Society

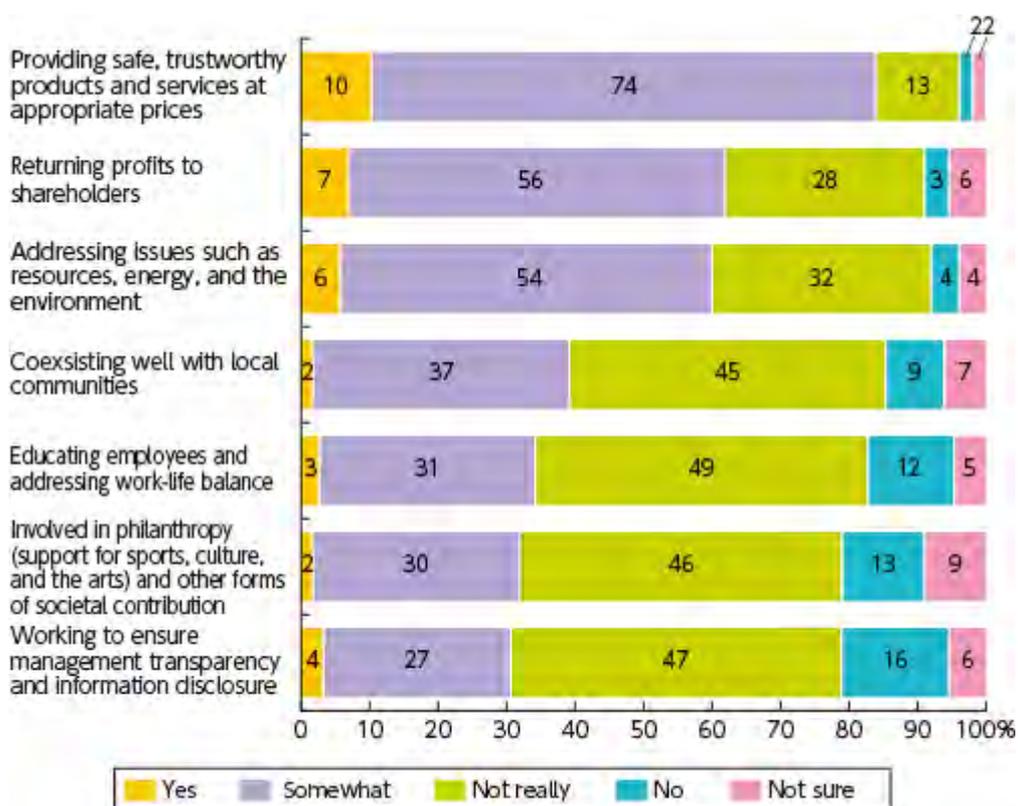
## Empowering Community and Society

### 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.

### The Facts

#### Public Perception of Corporations



Source: Prepared from "Report of 21st Public Opinion Survey on Public Perception of Corporations" (March 2018), Keizai Koho Center (Japan Institute for Social and Economic Affairs).

A public opinion survey on corporate perceptions in Japan found that 84% of respondents believe corporations provide safe, trustworthy products and services at appropriate prices, while 54% believe corporations do not coexist well with local communities and 59% believe corporations are not involved in philanthropy (support for sports, culture, and the arts) or other forms of societal contribution.

---

## Basic Policies for Our Action

We are aware that the ongoing migration to urban centers has impacts such as the further decline of regional populations and the weakening of information flows, which could put constraints on our business expansion and lead to decreased customers. Meanwhile, in the context of these risks, we believe that we have an important responsibility to maintain communication with society — as a corporation and as individual employees — to keep awareness of various social issues and contribute to building a better community and society.

We are engaged in a variety of such social initiatives in partnership with civil society organizations and other stakeholders, while also supporting employee participation to use the skills they develop through work. Addressing community and social challenges in this way serves the dual purpose of realizing a more resilient and sustainable society while building a more deeply trusted and highly valued Group brand. Active involvement in addressing social issues also helps employees and agencies cultivate a deeper sensitivity, improving their skills on and off the job.

---

## Management System

The Council for CSR Promotion is a Group-wide committee comprised of Group company officers in charge of social responsibility, headed by the Group CBO(Chief Brand Officer). The Council deliberates and confirms progress on Group CSR measures. Its activities are periodically reported to and discussed by the Management Committee and Board of Directors.



Example of the promotion framework of each Group companies

\* Adjusting details according to the company size.



## Targets and Results

The CSR-KPI results for the past 3 fiscal years and targets for fiscal 2018 are shown below. The boundaries (scope of impacts) for each item are the entire Group.

### CSR-KPIs for Fiscal Year 2018 Targets for Empowering Community and Society

Group's CSR KPIs	FY2018 Targets	Categories of corporate value improvement			
		A	B	C	D
Number of participants in community outreach initiatives*  <Aim of initiative> By encouraging employees to voluntarily get involved in community outreach activities, develop personnel who are highly sensitive to social issues, contributing to solve such issues on the regional and global scale.  * Combined total of Group employees and agency employees	37,000 (35,848 in FY2017)			○	○

- A: Increases revenue and investment income
- B: Reduces costs
- C: Increases brand recognition and trust
- D: Strengthens the organization; enhances employee loyalty

► [CSR Key Performance Indicators \(CSR-KPIs\)](#)

## Our Key Strengths

When tackling the material issues, we identify three key strengths of the Group to utilize. Here we introduce our approaches to address this material issue.

Our Key Strengths		Approaches to Address the Material Issue
[1] Products & Services	Developing and providing innovative products and services using financial expertise and digital technologies to provide innovative solutions for social issues.	We work in public-private partnership with local governments nationwide to address issues specific to each region, on themes such as disaster resilience, traffic safety, and corporate risk consulting.
[2] Partnerships	Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society.	Agencies and employees across Japan work together in collaboration with other stakeholders, to build a better community and society through activities such as maintenance and cleaning of wheelchairs at social welfare and other facilities across Japan.
[3] Arts & Culture	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.	The Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art is the only venue in Asia where people can view Vincent Van Gogh's "Sunflowers." It supports special and feature exhibitions, emerging artists, and art appreciation through dialogue, and continues to contribute to the enrichment of society through the arts.

## Stakeholder Comments

Below we introduce selected comments received from stakeholder dialogues held when redefining the Group CSR Material Issues, announced in April 2016, plus our responses.

Stakeholder Comments (Stakeholder category)	Our Responses and Focus
<p>As a provider of insurance and long-term care services, you are addressing various risks people face in their daily lives. In that sense, your business is strongly tied to the community. (ESG investment expert)</p> <p>Society does not yet have adequate frameworks for discussing and addressing systemic regional issues. I would like to see your employees be more involved in these issues. (Civil society)</p> <p>Employees should be constantly reminded of the importance of community outreach. (Trade union)</p>	<p>As a corporate group with offices nationwide in Japan and around the world and seeking collaboration with local communities, we work to promote social outreach programs that consider each region's local differences and social issues, through initiatives such as the Sompo Holdings Volunteer Days and the Sompo Chikyu (Earth) Club, which support employees' volunteer activities.</p>
<p>Your connection to a wide range of stakeholders is an important resource. Your direct link to the consumer means you can help spread important ideas. (Government)</p>	<p>We encourage engagement and joint projects with a variety of stakeholders, and believe in the importance of sharing with our customers a common awareness of social issues.</p>
<p>I would like you to consider actions to address poverty and inequality. (CSR expert international institution) (Civil society)</p>	<p>Through initiatives such as the Sompo Holdings Volunteer Days and the Sompo Chikyu (Earth) Club which support employees' volunteer activities, we strive to support developing countries and address inequality in Japan.</p>
<p>Agencies should also participate in initiatives, just like employees. (Agency)</p>	<p>National agency associations (AIR Autoclub and JSA Chukakukai) and Group employees are jointly engaged in activities such as the maintenance and cleaning of wheelchairs at social welfare and other facilities, working to make social contributions that consider each region's local differences and social issues.</p>

### ► Redefining Group CSR Materiality

---

## Moving Forward

To further empower communities around the world, we will continue to partner with civil society organizations in providing frameworks such as Sompo Holdings Volunteer Days and Sompo Chikyu (Earth) Club for our employees and agencies to participate in community service. We will also provide continued recovery assistance to communities heavily impacted by disasters.

---

## Key Initiatives

### Sompo Holdings Volunteer Days

#### Partnerships

We have been holding Sompo Holdings Volunteer Days annually since fiscal year 2011 for Group employees to participate in volunteer activities. In fiscal year 2017, a variety of activities were held over the course of the month of December, with an emphasis on International Volunteer Day on December 5. Group employees participated in training classes for dementia supporters, local cleanups, the sale of fair trade products, donations, and other activities.



Training classes for dementia supporters



Sale of fair trade products



local cleanups



Wheelchair maintenance



Welfare activities (Vietnam)



Local cleanups (Johannesburg)



Holding of math Olympics  
Presentation of souvenirs from professional basketball  
player (Turkey)

## Other Key Initiatives

- ▶ Global Business Expansion
- ▶ Sompo Art Fund: Building a Creative Future Society
- ▶ Providing Micro-Insurance in India — Contributing to Independence of Economically Vulnerable Sections of Society
- ▶ AgriSompo, an Integrated Global Platform for Agricultural Insurance
- ▶ Invigorating Regional Economies through Local Partnerships
- ▶ Investment in Japan's First Social Bonds (JICA Bonds)
- ▶ Community Outreach
- ▶ Social Contribution Initiatives Outside Japan
- ▶ Social Contribution Initiatives in Japan
- ▶ Milestones of Support for Victims of the Great East Japan Earthquake
- ▶ Recovery Support for Victims of the 2016 Kumamoto Earthquakes (Sompo Japan Nipponkoa)
- ▶ Sompo Japan Nipponkoa Fine Art Foundation (Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art)
- ▶ The Puppet Theater "Himawari Hall"
- ▶ Evaluation of CSR Programs

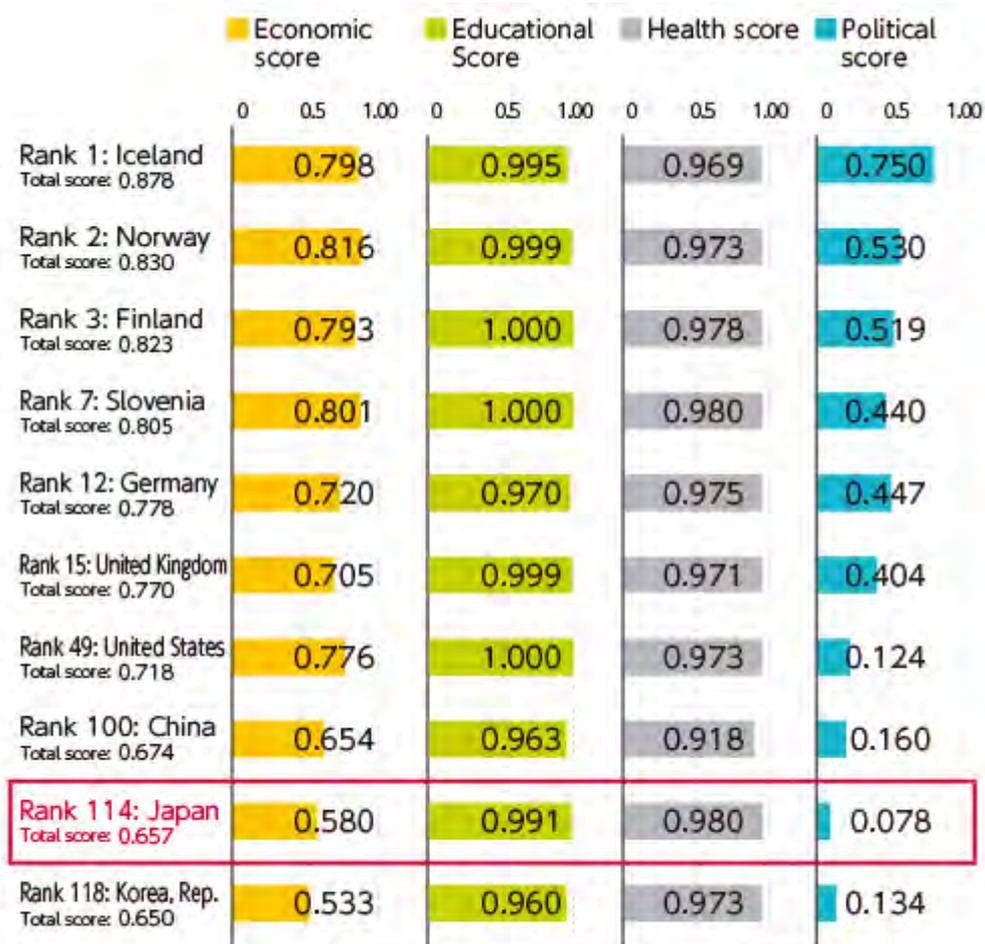
# Supporting Diversity and Inclusion in Private and Public Life

## Our Vision

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

## The Facts

Gender Gap Index (GGI) Country Ranking 2017



Source: Prepared from the Global Gender Gap Report 2017, the World Economic Forum

The World Economic Forum’s Global Gender Gap Index 2017 ranked Japan 114th out of 144 countries worldwide. Its scores for “political empowerment” and “economic participation and opportunity” of women

were especially low. With gender equality being an imperative for Japan, the Act on Promotion of Women's Participation and Advancement in the Workplace took force on April 1, 2016.

---

## Basic Policies for Our Action

The Group believes in the importance of having a diverse sense of values among its employees and making the most of their capabilities to create an innovative and resilient organization so that diversity can lead to its growth.

On that premise, the Group has adopted the slogan "Diversity for Growth" to inspire the development of new products and services based on that diverse sense of values.

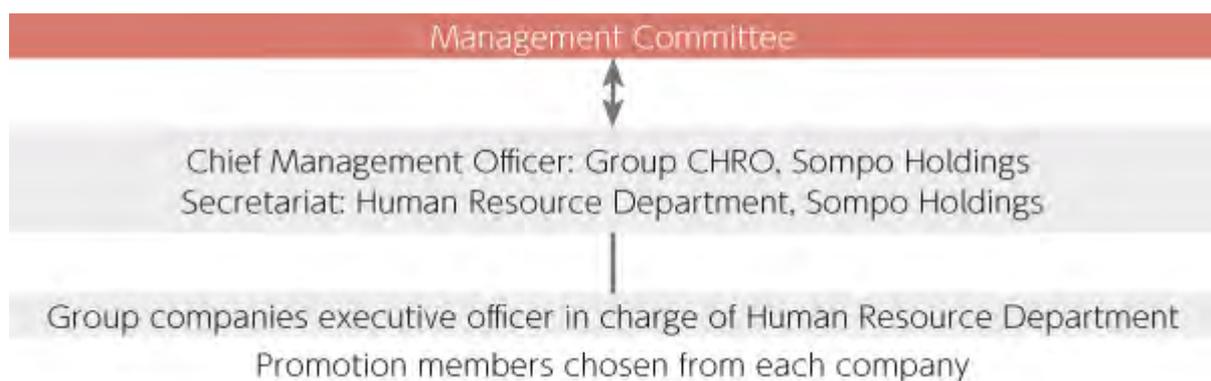
Our respect for human rights and diversity also extends to customers and other stakeholders, as evidenced in our efforts to provide inclusive products and services and to raise awareness around issues of equality.

---

## Management System

The Diversity Promotion Headquarters is a Group-wide committee comprised of Group company officers in charge of human resources, headed by the Sompo Holdings' relevant executive officer. The holding company's HR division serves as its secretariat, and its activities are reported on an ad hoc basis to the Management Committee.

Diversity Promotion Headquarters



---

## Targets and Results

The CSR-KPI results for the past 3 fiscal years and targets for fiscal 2018 are shown below. The boundaries (scope of impacts) for each item are the entire Group.

## CSR-KPIs for Fiscal Year 2018 Targets for Supporting Diversity and Inclusion in Private and Public Life

Group's CSR KPIs	FY2018 Targets	Categories of corporate value improvement			
		A	B	C	D
Initiatives that foster diversity and inclusion	Continuously implement measures to promote and raise awareness of diversity			○	○
Ratio of female employees in managerial positions	Promote with the aim of achieving 30% by the end of FY2020			○	○

A: Increases revenue and investment income

B: Reduces costs

C: Increases brand recognition and trust

D: Strengthens the organization; enhances employee loyalty

### ► [CSR Key Performance Indicators \(CSR-KPIs\)](#)

## Our Key Strengths

When tackling the material issues, we identify three key strengths of the Group to utilize. Here we introduce our approaches to address this material issue.

Our Key Strengths		Approaches to Address the Material Issue
[1] Products & Services	Developing and providing innovative products and services using financial expertise and digital technologies to provide innovative solutions for social issues.	In the development and provision of products and services, we respect human rights and consider diversity.

Our Key Strengths		Approaches to Address the Material Issue
[2] Partnerships	Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society.	We aim to create an innovative and resilient organization by securing employees who have a diverse sense of values, and making the most of their capabilities through capacity building in partnership with stakeholders.
[3] Arts & Culture	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.	We promote diversity by fostering a social appreciation of diversity in the arts and through initiatives to create a social environment that respects diverse groups and produces human resources that can contribute to social inclusion.

## Stakeholder Comments

Below we introduce selected comments received from stakeholder dialogues held when redefining the Group CSR Material Issues, announced in April 2016, plus our responses.

Stakeholder Comments (Stakeholder category)	Our Responses and Focus
Gender equality is currently an important theme in Japan, but it is also necessary to change management styles, work environments, and processes to match more diverse values. (CSR expert international institution)	We aim to maximize the value of the Group's human resources by making the most of a diverse workforce (in terms of nationality, gender, age, experience) and through the optimal placement of employees to the best post at the best timing across the Group.
We need to engage not just businesses but society as a whole in this effort. (CSR expert international institution)	We have various offerings in this regard, including seminars and consulting services relating to diversity.

Stakeholder Comments (Stakeholder category)	Our Responses and Focus
It is important to view diversity as a management strategy. (Government)	We are boosting efforts to promote diversity throughout the entire Group, have adopted the slogan "Diversity for Growth" to inspire the provision of the best possible quality to customers and lead to the entire Group growth, and have established the Diversity Promotion Headquarters.
Businesses need to be inclusive to the LGBT community and others with different values. (Civil society)	To promote better understanding of LGBT issues, we offer seminars for employees to become allies (informed supporters), with the aim of creating a welcoming work environment.

► Redefining Group CSR Materiality

## Moving Forward

We will comply with all national and local human rights laws wherever we operate, while contributing to local economies by conducting our business in line with local cultures, customs, and stakeholder interests. We will also continue to advance initiatives to increase the ratio of female managers to 30% by the end of fiscal 2020 and to be inclusive to LGBT people.

## Key Initiatives

### Female Employee Engagement

#### Partnerships

Our Group has set a goal of increasing the percentage of women in managerial positions to 30% by the end of fiscal year 2020, and is actively recruiting women to managerial positions. Specific measures to produce more female managers include the implementation of various training programs to create a pipeline for women in a range of positions from junior level to management: Management classes; preparatory management classes; and career development training. We have also introduced a mentor program in which a manager other than a female employee's own supervisor provides support as a mentor (adviser) to the employee to create a work culture and environment that supports female employees in their careers. The number of female managers in the Group when the target was set in July 2013 was 305, a mere 5% of

all managers. Thanks to the above-stated initiatives, as of April 2018 there were 931 female managers, 20.7% of the total. At Sompo Japan Nipponkoa, the largest Group company, “graduates” of such training programs include one director, one executive officer, and eleven general managers. As women are empowered, there are more working mothers, and more fathers taking an active role in raising their children, we decided to join the Ikuboss Alliance established by NPO Fathering Japan in April 2015, in the belief that it is important to create a workplace where men and women can continue to work while harmonizing their work-life balance.

●External Recognition

March, 2014	Awarded “Diversity Management Selection 100” by Ministry of Economy, Trade and Industry
January, 2015	Awarded “Corporate Activity Award” by the Tokyo Stock Exchange
December, 2016	Awarded “the Prime Minister’s Award” at Commend Leading Companies Where Empowering Women”
March, 2018	Selected “NADESHIKO BRAND 2018” by Ministry of Economy, Trade and Industry and Tokyo Stock Exchange
April, 2018	Awarded “the Grand Prize” at the 3rd Working Women Empowerment Award by Japan Productivity Center (Working Women’s Empowerment Forum)



**Other Key Initiatives**

- ▶ Complying with the Japan's Disabilities Discrimination Act
- ▶ Diversity Advocates for LGBT Persons
- ▶ Doula Liability Insurance Program

- ▶ Supporting Children to Continue their Education (Insurance that compensates for tuition and other fees)
- ▶ Complying with the UK Modern Slavery Act
- ▶ Exchange Program for Group Employees Inside and Outside Japan
- ▶ Development of a Globally Competitive Workforce
- ▶ Reinforcement of Human Resources
- ▶ Training for Management
- ▶ Establishment of Sompo Care University in Osaka
- ▶ Launch of Overseas Integrated HR Information System
- ▶ Held “SOMPO internship” which can deepen understanding of the P&C Insurance industry and our company, feeling growth in the process of learning.
- ▶ Initiatives to Boost Human Resource Capacity
- ▶ Establishment of Group Diversity Promotion Headquarters
- ▶ Female Employee Engagement
- ▶ Opening of an On-Site Daycare Center
- ▶ Mentor Program
- ▶ Support for Non-Japanese Employees
- ▶ Employment of People with Disabilities
- ▶ Incorporation of SOMPO Challenged Inc. to Boost Jobs for People with Disabilities
- ▶ Work-Life Balance
- ▶ Work Style Innovation
- ▶ Thanks Day — Day for Improving Families’ Understanding of the Workplace
- ▶ Respecting Human Rights

# 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**

▶ **How the Sampo Holdings Group Creates Value in an Era of SDGs**

▶ [back number Leadership to Achieve the SDGs](#)

# SDGs Integration into Management and Business

Our approach to action on the SDGs, started in fiscal year 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 year 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 and February 2018, 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.

- ▶ [Sompo Holdings Group's value creation stories in an era of the SDGs](#)
- ▶ [Overview of CSR Communication](#)
- ▶ [Declarations to Society and Participation in CSR Initiatives](#)

# SDGs Initiatives

We have established Five CSR Material Issues based on our Group CSR Vision and 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

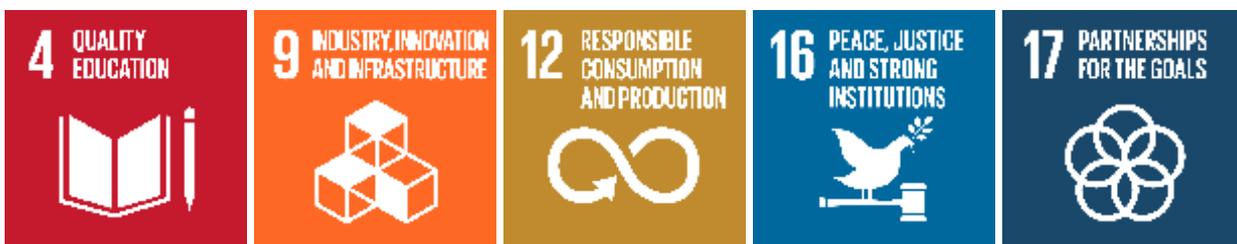
\* Below are more examples of our initiatives.

- ▶ 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 \(Key Initiatives\)](#)

# Sompo Holdings Group's value creation stories in an era of the SDGs

---

## Special Dialogue: Sompo Holdings Group's value creation stories in an era of the SDGs

In November 2017, in response to the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015, the Japan Business Federation (Keidanren) revised its Charter of Corporate Behavior for the first time in seven years, and indicated its aim to achieve the SDGs by realizing "Society 5.0." Then, our Group plans to contribute to a sustainable society the SDGs aim for by using digital strategies to transform ourselves into a leading group in the world that has become a "theme park for the security, health, and wellbeing."

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 between Mr. Kawakita and Kiyoshi Aoki, our Group Chief Brand Officer, Masaya Futamiya, Director-Chairman of Sompo Japan Nipponkoa and Chair of the Keidanren Committee on Corporate Behavior & Social Responsibility, and Masao Seki, Senior Advisor on CSR at Sompo Japan Nipponkoa and Chair of Task Force on Keidanren's Charter of Corporate Behavior, Keidanren that covered diverse perspectives regarding the Group's value creation stories in an era of the SDGs. (Date of dialogue: July 3, 2018)



Masao Seki  
Senior Advisor on CSR, Sompo Japan Nipponkoa

Kiyoshi Aoki  
Group CBO, Executive Officer, General  
Manager of Corporate Communications  
Department and Corporate Social  
Responsibility Department, Sompo Holdings

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

Masaya Futamiya  
Director-Chairman, Sompo Japan Nipponkoa

---

## SDGs and Revisions to the Keidanren's Charter of Corporate Behavior

**Seki:** Today I would like to talk about how our Group can create value in the SDGs era, based on last year's revisions to the Keidanren's Charter of Corporate Behavior which we Sompo Holdings group has been deeply engaged and also based on the latest global trends of sustainability.

First, I would like Mr. Futamiya to explain the Keidanren's role and the expected corporate behavior, as well as how we should interpret the concepts behind the SDGs and provide concrete business solutions, from

your perspective as Chair of the Keidanren Committee on Corporate Behavior & Social Responsibility.

**Futamiya:** The SDGs carry a strong core message of “leaving no one behind.” This actually implies, somewhat strongly, that many people have been left behind in the past. The underlying cause is a misunderstood capitalism which puts too much demand on short-term profits, and the advance of exclusive globalization which fails to respect for human dignity and rights, the backbone of society. These capitalism and globalization have led to poverty and disparity, and I believe them to be responsible for the current spread of narrow-minded nationalism, protectionism, and populism.

As I said last year, the 17 SDGs are the integration of human wisdom. This is the only strategy we must implement so that we can surely pass on a sustainable society to the next generation and we should have no doubt about contributing to these goals. We are all aware that creativity and innovation by business sector are essential to achieve these highly ambitious goals, hence the revisions to the Charter of Corporate Behavior by the Keidanren. More than 1,350 companies and economic organizations are affiliated to the Keidanren and they have all agreed to comply with the behavior principles. We decided to review the Charter to bring it in line with the needs of society.

**Seki:** Could you tell us what points have been revised specifically?

**Futamiya:** The revisions firmly readjusted the position of companies and the way in which they behave. We confirmed that we would revise it based on the SDGs by realizing “Society 5.0,” and that achieving a sustainable society would be the foundation of companies. The preamble states that companies shall play a role as the driving force behind the realization of a sustainable society.



Of the ten principles, Principle 1 clearly states that companies are required to strive for sustainable economic growth and the resolution of social issues through innovation. Principle 4, which states the conducting of business that respects the human rights of all persons, is a new addition to the Charter. Principle 10 strongly demands that top management recognize their role to realize the spirit of the Charter and display leadership. Over the last year, an increasing number of companies have become focused on their business strategy, working back from where they want to be in 2030, and we have seen many cases of innovation contributing to the SDGs.

The Keidanren is currently compiling innovation case studies. The collection will be organized so that it can be accessed not only by Japanese companies but also by companies outside Japan. I hope to announce it at the United Nations High-level Political Forum to be held in New York in July 2018. I believe that one of the roles of the Keidanren, namely to create a platform for cooperation and collaboration, is starting to emerge in a concrete form.

**Seki:** I myself have been involved in revising the Charter of Corporate Behavior a number of times in the past. I believe this revision in 2017 is extremely significant as it defines the basic stance of business corporations to be the most powerful driver toward the realization of a sustainable society.



**Kawakita:** I strongly expect Japanese companies to mention more about compliance with the Charter of Corporate Behavior and the sharing of information internally in their CSR reports, because the Charter of Corporate Behavior is Japanese companies' wisdom, and is the standard for making judgments rooted firmly on the ground, just as the SDGs are the world's wisdom.

This is why I demand more reference to the Charter of Corporate Behavior during internal training sessions on compliance and other topics. I suppose companies have been doing a great job by providing awareness to their employees with textbook examples of "what they should not do," but this awareness has not yet extended to sharing and providing opportunities to learn about "what they should do." I would like not only companies but also the Keidanren to create opportunities to learn about the ideals that companies should be aiming towards.

In this sense, choosing this topic for our dialogue this year carries great significance.

**Seki:** Mr. Futamiya, you are also the chair of the Council for Better Corporate Citizenship (CBCC), an organization affiliated to the Keidanren. I believe that CBCC has played an important role in implementing the latest global trend of sustainability into Keidanren Charter. From this viewpoint, I would like you to explain the initiatives taken by the CBCC to support the revision.

**Futamiya:** The CBCC dispatches a CSR Dialogue Mission outside Japan each year to gather information and act as a hub to disseminate information on the CSR initiatives of companies in Japan, and also makes proposals to the Keidanren. Last year we started to collect examples of each company's effort that contributes to delivering on the SDGs. I believe that this information was well-organized by the Keidanren in a more fitting format.

**Seki:** I agree with you in that there is a huge momentum by the whole of the Keidanren towards the realization of a sustainable society through constructive engagement with various internal and external stakeholders.

**Futamiya:** That's right. We should be more aware that it would not be possible to achieve the SDGs, a set of extremely high ambitions, without the cooperation and collaboration with all stakeholders, not just within individual companies or industries. I hope we can coordinate case studies on initiatives by member corporations and questionnaire survey results to come up with something even better so that companies overseas can get a better understanding of the excellent initiatives being taken by Japanese companies. The United Nations High-level Political Forum in New York will be a great opportunity to share information on such initiatives with the world and I will try my best as a disseminator.

**Seki:** Going forward, what kind of initiatives do you think Japanese companies should take and what are your recommendations?

**Futamiya:** I believe it is important for Japanese companies to expand their options by seeking advice from others and by engaging in dialogue with various stakeholders.

Companies should make their strengths more open, transform them into better value, and use them as opportunities. They should be even more aggressive for that. Nowadays, companies do not believe that they

can do everything entirely on their own. “Open Innovation” is becoming indispensable for Japanese companies, and it is important to seek wisdoms and ideas and to turn them into new value.

I often hear that a culture at Japanese companies that does not permit failure makes innovation difficult. I believe it is important to take action by taking just one or two baby steps without fear of failure. For this reason, Japanese companies should give an environment in which failure is permitted or rather, failure is not simply evaluated negatively but seen as part of the process that generates challenges and results, and such enthusiasm is evaluated.

**Seki:** In building such culture, I strongly believe that the role of top management is critical. What do you think about it?

**Futamiya:** The SDGs will not be achieved without the confidence of top management. Management needs to demonstrate an unwavering stance and to repeatedly put out sympathetic calls, and ultimately needs to have the capability to achieve results. Thus, top management has an extremely important role to play.



---

## How the Sompo Holdings Group Creates Value

**Seki:** I would like to address the next question to Mr. Aoki. As a Group, how should we interpret the SDGs and how can we integrate the SDGs into our Group’s “theme park for the security, health, and wellbeing” strategy? Or how do we create value for society and for SOMPO group by addressing SDGs?

**Aoki:** It is now common to hear the SDGs discussed within the Group. Over the past couple of years, the concept has taken root as the common language throughout the world. I believe that it is extremely important to integrate the concept of the SDGs into our business and management going forward.

On June 29th, Sompo Japan Nipponkoa inherited the tenure of chair of the General Insurance Association of Japan (GIAJ) and President Keiji Nishizawa was appointed as the chairman. In his statement at a press conference shortly after his appointment, he announced two initiatives he would like to focus on. The first being the GIAJ's contribution to achieving the SDGs, and the second being its contribution to realizing "Society 5.0." From a disaster preparedness and accident prevention perspective, our industry is well acquainted with the SDGs and so each company strongly recognizes the incentive and need to address them. We will be the leader in efforts to achieve the SDGs not only as Sompo Japan Nipponkoa, the company that currently chairs the GIAJ, but also as the Sompo Holdings Group.

Our vision is to achieve our management strategy, turning into "theme park for the security, health, and wellbeing." This strategy has been set out and repeatedly advocated by top management, and is currently being developed. Our Group started out as a P&C insurance company and has the ability to restore a negative state to zero in times of need. We are also undertaking, for example, initiatives relating to disaster preparedness to maintain zero at zero. But I feel that this is the most we can do with our P&C insurance products.

To achieve a "theme park for the security, health, and wellbeing," we need to make zeros into positives by ensuring people can live long, healthy and fulfilling lives. To put it another way, we will not be able to realize this theme park unless we come up with a business model that converts zeros and minuses to positives. Specifically, we should focus not just on our P&C insurance business, but also on our life insurance business that can contribute to health promotion, and in our nursing care business, we should help protect against dementia and support patients with dementia to enjoy life as long as possible.

As an example of our specific initiatives, our life insurance business strives to become a health support enterprise. Aiming to provide "Insurhealth," a new value that combines insurance and healthcare, we launched an income compensation insurance product Linkx: Protection for You and Your Family in April 2018. Through this product, we refund insurance premiums (equivalent amount) to customers who are acknowledged as having improved their health by giving up smoking, losing weight or other means, which embodies our efforts to transform into a company that supports customers' health. The nursing care business is working on measures to address dementia from a preventative perspective and is setting up a Group-wide project. Through collaboration between our P&C, life, and nursing care businesses, we plan to provide the services that introduce customers to nursing care facilities, and the counselling services to ease dementia with app-based support.

We recognize that realizing a "theme park for the security, health, and wellbeing" in this way shall be solving social issues and in turn leading to the realization of the world that the SDGs have been aiming to achieve. In



other words, rather than working to achieve the SDGs, we are operating under the awareness that our management strategies in themselves shall contribute to achieving the SDGs.

**Seki:** What are you doing specifically to realize the group vision? What are the main points to be mentioned?

**Aoki:** The use of digital technology is the key to realizing a “theme park for the security, health, and wellbeing,” and we believe the driving force is “Digital x Personnel.” Integrating digital technology into our business successfully is extremely important in order to successfully build a business model to achieve our theme park vision. Focusing on the use of digital technology does not mean we do not involve humans. We should think about how we can generate added value by combining digital technology with personnel. In addition to our labs in Tokyo and Silicon Valley, we opened a new Digital Lab in Israel, seeking opportunities to use the latest digital technology for our Group’s business.

Like Mr. Futamiya said, as SDGs’ Goal 17 (strengthen the means of implementation and revitalize the global partnership for sustainable development) indicates, I believe it is important to solve complicated social issues through partnership and cooperation with various stakeholders, as with industry-academia collaboration.



**Seki:** What are the signature products and services for realizing the “theme park for the security, health, and wellbeing”?

**Aoki:** In our P&C insurance business, examples are the products and services that help improve disaster resilience, such as Smiling Road and Portable Smiling Road (safe driving support services) which use big data analysis and telematics. We also offer “DRIVING!” which uses a drive recorder to provide peace of mind to inexperienced drivers. In our nursing care business, we plan to launch the “Oyako no Chikara” product that supports workers (children) to continue working while looking after their parents in October 2018. This will be the first product in the industry to help promote a better balance between work and family care responsibilities. We developed this product to address the social issue of separation from work in order to give care, and it exhibits synergy in combination with the referral service to introduce long-term care facilities of Sompo Care, our group company.

To address climate change we offer insurance products to photovoltaic and wind power generation companies from a mitigation perspective promoting further use of renewable energy.

**Seki:** Mr. Aoki, as Group CBO, you are responsible for both corporate communications and CSR. I think by overseeing two departments, you have an opportunity for bringing about synergy. Is the synergy actually being produced?

**Aoki:** Regarding corporate communications, I’ve noticed increasing interest from mass media in our ESG and SDGs initiatives. I sense transmitting information on our CSR initiatives in this way greatly helps improve our corporate and brand value, and our efforts are being evaluated positively. We are also engaged in a number of cultural and arts-related activities, which provide education so that a wide variety of people can live fulfilling lives. I feel that, in a broad sense, such activities are also linked to the SDGs and contribute to improving our corporate value.

**Seki:** Judging from my experience, stimulating internal communication is also extremely important for harnessing synergy. Would you agree?

**Aoki:** I think that our internal publicity tools and coordination efforts between the CSR department and the Corporate Communications department are having a positive effect on internal communication.

---

## Recommendation for Creating New Value

**Seki:** We have touched on the sustainability as a value driver from the viewpoint of industry as a whole and our Group. Now I would like to ask Mr. Kawakita to talk about your expectations in our Group going forward.

**Kawakita:** We talked about a culture in which failure is not permitted and I think this is true not only for companies but also for local communities.

From my own experiences, I sense that there are vibrant and not-so-vibrant local communities. The difference between the two types lies in whether residents are willing to express their opinions on what they believe to be important and what they would like to try, and get the ball rolling, regardless of their age and gender. I call this the “give-it-a-go” culture.

For example, older people living in local communities used to deliver large quantities of farm produce to a nearby Agricultural Cooperative, but now they have fewer farming friends and are starting to find it hard to shop. In times like this, these people think to themselves that others in the community must be experiencing similar issues and would surely like to buy this or that. So they have a go at making such things, try selling them, and people in the community give them a try.

This is what I mean by “give-it-a-go markets.” Developing an environment in which local people buy products made by others in the same community will circulate the economy, and help support people with limited access shopping facilities. Economic sustainability depends on whether we can accept this “give-it-a-go” culture.

As an insurance company that has focused on risk management, I suggest your Group should do more to emphasize support for people to take challenges and risks in order to encourage innovation.

**Seki:** The “give-it-a-go” culture concept sounds very thought-provoking. In this regard, what are your views on our communication strategy both internally and externally?

**Kawakita:** I would like to ask Mr. Aoki to use internal publicity tools to introduce SDGs initiatives by your business partners. We can talk a lot about initiatives at major companies in the context of the SDGs but what Japan really needs right now is a collection of case studies on efforts being taken by small and medium-sized enterprises.



**Aoki:** We have featured the SDGs in our (internal) Group newsletter journal. Introducing initiatives by other companies such as business partners and insurance agencies would be both effective and persuasive and, in a broad sense, would be giving something back to our customers and ourselves. I will try out on this idea.

**Seki:** What do you think about possible value creation in our nursing care and healthcare business? Do you have any suggestion?

**Kawakita:** In our dialogue with the Innovation for Aging & Wellness Department, I learned that a Sampo Food Lab has been established. As we experienced in the 2011 earthquake and tsunami as well as in earthquake and flood this year in the west Japan, food supplies are disrupted by disasters. I would like to see nursing care facilities hold regular workshops in which participants experience eating evacuation food. By participating in drills on a daily basis, users as well as staffs at nursing care facilities would be more prepared in the event of an emergency. This is one value creation story to try solving future natural disasters and further population aging. Your Group has knowledge of insurance and a business continuity planning (BCP) consultant company. Combined with your numerous nursing care facilities, that will be of precious future value for other companies and society at large. During this brief dialogue today, I sensed that your Group has created a lot, which are worth sharing with stakeholders to realize a sustainable society.

**Seki:** Thank you. Mr. Aoki, do you have anything to say in response to the comments and suggestions made by Mr. Kawakita?



**Aoki:** Regarding the nursing care BCP, as Mr. Kawakita pointed out, in addition to providing insurance as a value, we excel at providing risk consulting services that support other service and solution providers. I feel that it is part of our work as a Group to encourage the supporters telling such initiative is also one of the efforts to achieve the SDGs.

Either way, we cannot solve all these issues on our own. Going forward we should refer to the case studies collected by the Keidanren and work together with stakeholders such as business and civil society organizations.

Our Group has put forward “transformation” to achieve our vision. Failures are inevitable in order to change. I will offer an environment to take on a variety of challenges, with being tolerate of major failures, not just minor ones. While fostering a corporate culture that tolerates failure, we will take a positive approach to addressing the SDGs.

**Seki:** Finally, I would like Mr. Futamiya to share the thoughts on the future development of Keidanren initiative and our group’s strategy on SDGs.

**Futamiya:** Regarding the Charter of Corporate Behavior, I think the Charter clearly indicates the ideal ways and roles of companies. So as Mr. Kawakita says, we should use it more. It seems that penetrating small and medium-sized enterprises is difficult for any other countries, too. We need to devise how we promote and

how we work together with them going forward.

Because we have also focused on ESG issues from a fairly early stage, I believe it has become a part of our DNA to some extent. However, I also feel that we should try harder to ingrain this ESG-focused mindset into our Group's culture, so that we can naturally turn it into our daily behavior. More than 80,000 employees work for the Group throughout the world, and if all their families are included, we are a major civil society. It would be wonderful if all of us could have our efforts to solve social issues take root in our culture and work as a Group to achieve the SDGs.

**All:** Thank you.



# Stakeholder Engagement

Key stakeholders that influence our business activities are highly diverse. We value stakeholder engagement because we believe communicating with our stakeholders is important for understanding social issues, building relationships of trust and collaboration, and accomplishing greater results. One of our key strengths defined as approaches to the material issues is "Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society."



Stakeholder	Overall objectives	Overall objectives
Customers	As stated in the Group Management Philosophy, carefully consider the interests of our customers when making decisions, and 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.	<ul style="list-style-type: none"> <li>▶ Feedback received at customer centers</li> <li>• Information disclosure on official websites</li> <li>• Interactive communication on Facebook</li> </ul>
Stockholders, investors	Through the timely and appropriate disclosure of information, we aim to ensure that shareholders and investors	<ul style="list-style-type: none"> <li>▶ Investor Materials</li> <li>▶ Disclosure</li> </ul>

	<p>have a suitable understanding of the Group's business conditions and status of each initiative. We also make use of input received through constructive dialogue with shareholders and investors in order to promote sustainable growth and increase corporate value.</p>	
Business partners	<p>Conduct fair and equitable business with partners (suppliers, companies we invest in), observe legislation and regulations, and collaborate with them to address social issues.</p>	<ul style="list-style-type: none"> <li>▶ Environmental and CSR Initiatives in Partnership with Business Partners</li> <li>▶ Consideration of ESG issues</li> <li>▶ Implementation of Japan's Stewardship Code</li> </ul>
Civil societies	<p>Work to address social issues and promote projects and education through partnerships with civil society organization.</p>	<ul style="list-style-type: none"> <li>▶ Major initiatives with civil societies</li> <li>• Collaborative community initiatives</li> <li>• Engagement on social issues</li> <li>• Sponsorship of educational programs</li> </ul>
Local communities	<p>Aim to address local social issues through group-wide initiatives as well as voluntary efforts by individual employees.</p>	<ul style="list-style-type: none"> <li>▶ Major initiatives in local communities</li> <li>• Engagement through industry organizations</li> <li>• Dialogue on ESG</li> <li>• Engagement through local community activities</li> </ul>
Agencies	<p>Strive to provide appropriate advice and adequate service to satisfy customers, and make an effort to consider the environment and local communities through collaboration between agencies and employees.</p>	<ul style="list-style-type: none"> <li>▶ Initiatives to boost quality at agencies</li> <li>▶ Environmental initiatives in our supply chain</li> </ul>
Employees	<p>Conduct capacity building and exchange</p>	<ul style="list-style-type: none"> <li>▶ Capacity building initiatives</li> </ul>

programs across the Group, emphasizing action and achievement, impartiality and fairness, openness, and diversity as stated in the Group Personnel Vision.

- ▶ Initiatives to promote diversity
- ▶ Engagement through CSR Management System

---

## Objectives of Stakeholder Engagement

We engage with stakeholders with two main objectives: The first is to incorporate stakeholders' ideas and opinions into Group decision-making so that we can innovatively improve the quality of our initiatives. The second is to actively pursue deeper levels of understanding and collaboration with our stakeholders so that based on shared values we can take action toward a better society.

Continued engagement informs and influences the identification of our material issues and setting of our CSR-KPIs. Through such engagement, we work to deliver products and services that help address social issues while revising and improving our initiatives.

---

## Declaration to Society and Participation in CSR Initiatives

- ▶ Declaration to Society and Participation in CSR Initiatives

---

## Engagement Highlights

▶ FY 2017

▶ FY 2016

▶ FY 2015

▶ FY 2014

# Declarations to Society and Participation in CSR Initiatives

To solve social issues on a global level, the collaboration of a broad range of stakeholders is indispensable. Our Group participates actively and endeavors to take a leading role in a wide variety of international and domestic initiatives.

---

## United Nations Global Compact (UN GC)

Advocated by the then UN Secretary-General Kofi Annan in July 2000, the UN GC is a partnership initiative between the UN and businesses that motivates companies to enhance corporate citizenship by voluntarily addressing the issues of human rights, labor, the environment, and anti-corruption. Sampo Holdings became a signatory in 2006.



We publish an annual Communication on Progress (COP), which is a regular activity report on the realization of The Ten Principles of the UN Global Compact and on participation in UN partnership programs such as the Sustainable Development Goals (SDGs).

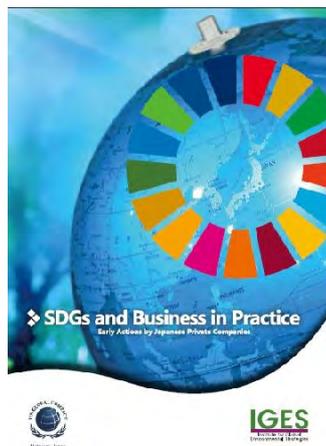
- ▶ [United Nations Global Compact](#) 
- ▶ [Sampo Holdings' COP on the UN GC website](#) 

### UN GC's SDGs reports

- ▶ [SDG Industry Matrix for Financial Services \(Industry Handbook on the SDGs\) \(UN GC, KPMG International\)](#) 



▶ SDGs and Business in Practice: Early Actions by Japanese Private Companies (Global Compact Network Japan, Institute for Global Environmental Strategies) 



---

## Women's Empowerment Principles (WEPs)

The WEPs, a joint initiative between the United Nations Development Fund for Women and the UN Global Compact, offers a framework for business on how to empower women in the workplace, marketplace and community. Its seven principles point the way to best practice in advancing gender equality by elaborating the gender dimension of corporate responsibility and private organizations, the UN Global Compact, and business's role in sustainable development. Sompo Holdings became a signatory of WEPs in June 2012.



▶ Women's Empowerment Principles (WEPs) 

---

## Business Call to Action (BCtA)

The BCtA is a global initiative launched in 2008 by the United Nations Development Programme (UNDP) and five government institutions that challenges companies to develop business models with the potential to achieve both long-term commercial success and sustainable development outcomes.

A weather index insurance provided by our Group company has been recognized as meeting the requirements for membership in the BCtA. This makes us the first financial institution in Japan, and the first property and casualty (P&C) insurance group in the world, to be granted membership.



▶ Business Call to Action 

---

## United Nations Environment Programme Finance Initiative (UNEP FI)

The UNEP FI is an international financial sector network comprising financial institutions that aim to contribute to sustainable development. Since its launch in 1992, it has promoted the integration of environmental considerations into all aspects of the financial sector's operations and services in pursuit of sustainable development that is conducive to both economic progress and environmental protection. Sompo Japan Nipponkoa became a signatory in 1995.



▶ [United Nations Environment Programme – Finance Initiative](#) 

---

## United Nations Principles for Responsible Investment (UN PRI)

The UN PRI was formulated by the UNEP FI as a declaration by financial institutions that take ESG issues into account when making investment decisions. In 2006, Sompo Japan Nipponkoa became the first Japanese insurance company to become a signatory to these principles and Sompo Japan Nipponkoa Asset Management also became a signatory in January 2012.



▶ [Principles for Responsible Investment](#) 

---

## United Nations Principles for Sustainable Insurance (UN PSI)

The UN PSI was formulated by the UNEP FI in June 2012, as a declaration by insurance companies that they will take ESG issues into account through their business operations. Sompo Japan Nipponkoa participated in the development of the principles and became a signatory when it made a statement to promote the principles at the formal launch during the UN Conference on Sustainable Development (Rio+20) in Rio de Janeiro, Brazil, in June 2012.



▶ [Principles for Sustainable Insurance](#) 

---

## Caring for Climate

Caring for Climate is an initiative established by UN GC, UN Environment Programme, UN Framework Convention on Climate Change (UNFCCC) in 2007 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](#) 

### Participation in side meetings during COP22 of the UN Framework Convention on Climate Change

As a steering committee member, Masao Seki participated in the High-Level Meeting on Climate Change of Caring for Climate during the 22nd Session of the Conference of the Parties (COP22) to the United Nations Framework Convention on Climate Change, held in Marrakech in November 2016.



---

## World Business Council for Sustainable Development (WBCSD)

The WBCSD, established in 1995, is a CEO-led global association of companies. Company leaders from around the world provide industry leadership on the environment and sustainable development through lively debate, policy recommendations, and other activities. Sompo Japan Nipponkoa is the only Japanese financial institution participating in the initiatives of the WBCSD. The company is also a board member of



Redefining Value, a cross-cutting WBCSD program focused on advancing the measurement of “True Value,” “True Costs” and “True Profits” in corporate decision-making, disclosure and reporting.

▶ World Business Council for Sustainable Development (WBCSD) 

## Contributions to WBCSD reports

▶ Incentives for Natural Infrastructure

Review of existing policies, incentives and barriers related to permitting finance and insurance of natural infrastructure (May 2017) 



▶ The Social Capital Protocol

Making companies that truly value people more successful (April 2017) 



▶ Landscape Connectivity: A call to action (March 2017) 

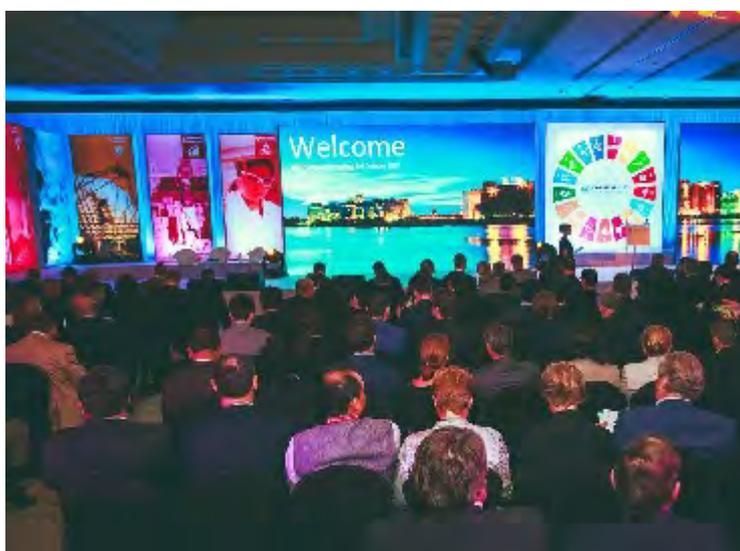


▶ Sustainability and enterprise risk management: The first step towards integration (January 2017) 



## Participation in WBCSD Council Meeting

Masao Seki, Senior Advisor on CSR of Sompo Japan Nipponkoa, participated in a council meeting held in Chennai, India in October 2016. He also joined a plenary panel discussion session on "Enabling a Sustainable 2030: The Transformational Roles of ICT and Finance" to discuss the roles of information and communication technologies (ICT) and finance to accelerate and scale-up innovation, which are all essential to achieve the SDGs and to realize a zero carbon society. In addition, he joined meetings on other topics, including the SDGs, climate change, and corporate information disclosure, and dialogued with local companies.



---

## 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 GHG emissions. Sompo Japan Nipponkoa has been a member since 2005 as an institutional investor.



▶ [CDP](#)

### Selected for "A List" of CDP climate survey of companies

In 2017, Sompo Holdings won the A List of a survey on climate change by the international CDP project two years in a row, under which the world's major institutional investors call upon businesses to adopt climate strategies and disclose their GHG emissions. We were among the highest ranked financial institutions in Japan and the world.



▶ [List of 2017 Climate "A List" companies](#)

---

## Japan Business Federation (Keidanren)

### Committee on Corporate Behavior & Social Responsibility

The Committee on Corporate Behavior & Social Responsibility of Keidanren promotes corporate ethics and social responsibility, and advances and encourages social contribution activities of companies and their employees, including assistance with post-disaster reconstruction. Masaya Futamiya, Chairman and Director of Sompo Japan Nipponkoa, serves as co-chair of the committee.

### Participation in Japan's SDGs roundtable as a Business Leader

Japan's SDGs Promotion Headquarters was established in May 2016 with the entire Cabinet as members and the Prime Minister of Japan as the chair. A multi-stakeholder roundtable was later created in order to develop implementation policies for the SDGs in Japan. Representing the business sector, Masaya Futamiya, Chairman and Director of Sompo Japan Nipponkoa and co-chair of the Committee on Corporate Behavior & Social Responsibility, serves as a member of the roundtable.

▶ [Leadership to achieve the SDGs](#)

## Council for Better Corporate Citizenship (CBCC)

The CBCC is an organization established by Keidanren that is responsible for planning and operating lectures and other events on CSR, promoting exchanges and collaboration with overseas CSR-related organizations, and conducting research and study through sending delegates abroad and other means. Masaya Futamiya, Chairman and Director of Sampo Japan Nipponkoa, serves as the chair of CBCC.

▶ Council for Better Corporate Citizenship (CBCC) 

### Leading overseas missions as chair

The CBCC sends CSR dialogue missions overseas each year, aiming to monitor global CSR trends and examine the innovative CSR efforts of companies and CSR Promoter organizations outside Japan, as well as to promote an understanding of CSR approaches and initiatives in Japan.

In November 2016, Futamiya participated in a CBCC mission to Brussels, Paris and London, three influential cities for European policy-making, and through discussions with the European Commission, international organizations, and local organizations, companies, civil society organizations and investor organizations, he gathered the latest information on social responsibility in Europe and engaged in dialogue with key persons in social responsibility.

In 2017, he visited some Germany cities, Frankfurt, Berlin and Munich and had dialogues with various stakeholders such as the government, companies, investors, and research institutions. Through the dialogues, he grasped the trends and latest information on CSR in Germany and actively disseminated the idea of “achieving SDGs through the realization of Society 5.0” and some specific initiatives by Japanese companies.



## Keidanren One Percent Club

The Keidanren One Percent Club provides information on social contribution activities by companies to promote further corporate involvement in social contribution, while facilitating cooperation between companies and civil society. Masaya Futamiya, Chairman and Director of Sampo Japan Nipponkoa, serves as the chair of the Keidanren One Percent Club.

▶ [Keidanren One Percent Club \(Japanese\)](#) 

## Keidanren Committee on Nature Conservation (KCNC)

The KCNC financially supports civil society working on the conservation of biodiversity and nature through the Keidanren Nature Conservation Fund (KNCF), while promoting companies' awareness of biodiversity and nature conservation as well as communication and cooperation with civil society. Masaya Futamiya, Chairman and Director of Sampo Japan Nipponkoa, serves as the chair of KCNC.

▶ [Keidanren Committee on Nature Conservation \(KCNC\)](#) 

## Participation in COP13 of the UN Convention on Biological Diversity

As the chair of KCNC, Futamiya participated in the 13th Conference of the Parties (COP13) to the Convention on Biological Diversity held in Mexico in December 2016, and gave a speech to represent the business sector at a UN Decade on Biodiversity Day (UNDB Day) side event. The conference itself is held every two years, with the participation of many government representatives and civil sector organizations from around the world, and was an occasion for dialogue with representatives from influential organizations that promote global nature conservation.



Speaking as KCNC chair at a side event (Masaya Futamiya)

---

## Japan Business and Biodiversity Partnership

The Japan Business and Biodiversity Partnership was founded in October 2010 to coincide with the 10th meeting of the Conference of the Parties (COP10) to the Convention on Biological Diversity. The partnership was established by businesses, economic organizations, governments, civil society, and other parties that endorse the Japan Business and Biodiversity Partnership Action Policy. Our Group companies signed up to the partnership when it was established.

▶ [Japan Business and Biodiversity Partnership](#) 

---

## ECO FIRST Program, Japan's Ministry of the Environment

In November 2008 Sompo Holdings became the first companies in the insurance business to be accredited by the Japanese Minister of the Environment as an “ECO FIRST Business.” Under the ECO FIRST program, companies make a commitment to the minister about the environmental conservation initiatives they will take in fields such as combating climate change.



▶ [ECO FIRST Commitment](#)(  PDF/489KB)

▶ [ECO FIRST \(Japanese\)](#) 

---

## Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) (PFA)

These principles were developed to guide the actions of financial institutions to fulfill their roles and responsibilities to create a sustainable society. Sompo Japan Nipponkoa was a member of the drafting committee, and 10 Group companies signed the principles in 2011 (currently 7 Group companies are signatories). Mie Sasaki, Manager, Corporate Social Responsibility Department of Sompo Japan Nipponkoa is serving as a co-chair of the steering committee and chair of the insurance working group.



▶ [Principles for Financial Action towards a Sustainable Society \(Principles for Financial Action for the 21st Century\)](#) 



Steering committee meeting



Insurance working group

---

## SDG Stakeholders Roundtable, Japan's Ministry of the Environment

Masao Seki, Senior Advisor on CSR of Sompo Japan Nipponkoa, is a member of the SDG Stakeholders Roundtable, which promotes environmental aspects for implementation of the SDGs.

---

## Montreal Carbon Pledge

In September 2017, Sompo Japan Nipponkoa Asset Management signed the Montreal Carbon Pledge which was adopted at the annual general meeting of the Principles for Responsible Investment (PRI) held in Montreal, Canada, in September 2014, aiming to reduce GHG emissions.

Signatories are required to measure and disclose GHG emissions associated with some or all of their stock portfolios, and Sompo Japan Nipponkoa Asset Management is committed to regularly disclosing the volume of GHG emissions it has invested.



---

## ICGN

Sompo Japan Nipponkoa Asset Management has joined ICGN (International Corporate Governance Network) since November 2017. Established in 1995 in London, ICGN is a international organization that provides various supports and advice on corporate governance and stewardship activities, and has members

such as institutional investors and asset owners all over the world. Sompo Japan Nipponkoa Asset Management will deepen its insight on these issues both domestically and internationally through ICGN, and make its investment process and stewardship activities improve.



**ICGN**

International Corporate Governance Network

---

## Group Implementation of ISO 26000

ISO 26000, an international standard providing guidance on social responsibility, was published in November 2010. To plan and implement more relevant CSR initiatives, our Group uses the standard as a self-assessment tool for identifying its strengths and weaknesses, while also incorporating elements of the standard into training curricula of all levels and into our CSR management system. As an expert from Japan's business sector, Masao Seki, Senior Advisor on CSR of Sompo Japan Nipponkoa, participated in development of the standard.

▶ [ISO 26000](#) 

# Stakeholder Engagement (Major Topics in Fiscal 2017)

---

## Developing and Offering Products and Services

We work through dialogue and collaboration with a variety of stakeholders to develop and provide products and services.

We will continue through dialogue and collaboration with a variety of stakeholders to provide products and services that contribute to solving social issues.

▶ [Products and Services for a Sustainable Society](#)

---

## Engaging with Customer Feedback

Based on the Group Management Philosophy and Group Basic Management Policies encouraging us to carefully consider the interests of our customers when making decisions, the Group as a whole pays close attention to and makes use of customer feedback to improve products, services, and business operations.

Based on expectations identified through customer input and dialogue with consumer and industry organizations, for example, in fiscal 2016 Sompo Japan Nipponkoa made a voluntary declaration of consumer-oriented management, which summarizes the ideas and aspirations to be a company trusted by its customers. Also, on March 28, 2017, it declared its intention to comply with the ISO 10002 standard (quality management -- customer satisfaction -- guidelines for complaints handling in organizations). In addition, it released the Policy on Customer-Oriented Business Operations, dated June 26, 2017. Moving forward, every employee is going to continue to work with a customer perspective, and strive for even better performance.

▶ [Policy on Customer-Oriented Business Operations \(in Japanese\)](#) 

▶ [Incorporating Customer Input](#)

## お客様の声白書 2017



Sompo Japan Nipponkoa's white paper on customer feedback has been published since fiscal 2007 to incorporate customer input in corporate management.

## Group-wide Engagement on SDGs

We conduct annual CSR Development Seminars to offer hints for Group employees to practice social responsibility through our core business.

Continued from the last year, the theme of the latest seminar held in February 2018 was SDGs (Sustainable Development Goals).

A presentation on social trends was provided by Masaya Futamiya, who serves as Chairman and Director of Sompo Japan Nipponkoa, as well as chair of the Japan Business Federation (Keidanren) Committee on

Corporate Behavior & Social Responsibility, and representative of the business sector on the Japan's SDGs roundtable. Masao Seki, Senior Advisor on CSR of Sompo Japan Nipponkoa and Chair of Task Force on Keidanren's Charter of Corporate Behavior, Keidanren, gave a presentation about SDGs integration into management and business and about Revisions to the Keidanren's Charter of Corporate Behavior. In the seminars, Group employees discussed contributions to SDGs through our business and about 90% of attendees answered they were satisfied with the meaningful seminar. We are going to utilize these seminars for development of products and services going forward.



# ESG Data Index

▶ **Products and Services for a Sustainable Society**

▶ **Major ESG Data**

▶ **Vision, Policies and Guidelines**

▶ **Management System**

▶ **Assurance by a Third-Party Organization**

▶ **Investor Materials**

▶ **About Us**

▶ **Case Studies**

▶ **ESG Initiatives through Our Asset Management Business**

# Major ESG Data

## General Information on ESG Data

To identify our ESG-related issues, we have conducted ESG surveys targeting our Group companies since fiscal year 2011. The tables below show our major ESG data, as obtained from the survey results. The survey is conducted on Sompo Holdings and its consolidated companies in and outside Japan.

### ●Organizations surveyed in FY2017

Company Name
Sompo Holdings, Inc.
Sompo Japan Nipponkoa Insurance Inc.
SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
Sonpo 24 Insurance Company Limited
Sompo Japan Nipponkoa Insurance Services Inc.
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.
Sompo Care Message Inc.
Sompo Care Next Inc.
Sompo Risk Management & Health Care Inc.
Sompo Japan Nipponkoa Asset Management Co., Ltd.
Sompo Japan Nipponkoa DC Securities Inc.
Sompo International Holdings Ltd.<Bermuda, British Overseas Territory>
Endurance Specialty Insurance Ltd. <Bermuda, British Overseas Territory>
Endurance U.S. Holdings Corp <U.S.>
Sompo America Insurance Company <U.S.>
Endurance Worldwide Holdings Limited <U.K.>
Endurance Worldwide Insurance Limited <U.K.>
Sompo International Holdings (Europe) Limited <U.K.>
SI Insurance (Europe), SA <Luxembourg>
Sompo Japan Nipponkoa Insurance Company of Europe Limited <U.K.>
Sompo Japan Sigorta Anonim Sirketi <Turkey>
Sompo Holdings(Asia) Pte. Ltd. <Singapore>
Sompo Insurance Singapore Pte. Ltd.<Singapore>
Berjaya Sompo Insurance Berhad <Malaysia>
PT Sompo Insurance Indonesia <Indonesia>
Sompo Insurance China Co., Ltd. <China>
Nipponkoa Insurance Company(China)Limited <China>

Sompo Insurance(Hong Kong)Company Limited <China>
Sompo Seguros S.A. <Brazil>
Sompo Saude Seguros S.A. <Brazil>
44 other companies

●Coverage ratio

$$\text{Coverage ratio (\%)} = \frac{\text{Total sales revenue of Group companies that responded to survey}}{\text{Total sales revenue of Group companies subject to survey}} \times 100$$

To disclose ESG data that includes our consolidated subsidiaries engaged in various types of businesses (including insurance and financial business, and nursing and healthcare business), this report uses sales revenues as the basis to calculate coverage ratios.

●Reporting period

[1] Companies with head office in Japan

Unless otherwise stated, data reported are for fiscal year 2017 (April 2017 to March 2018).

[2] Companies other than [1]

Unless otherwise stated, data reported are for calendar year 2017 (January to December 2017).

## Group Employee Data

### Number of employees (by employment status)

	Male	Female	Total
Regular employees	21,261	27,283	48,544
Temporary employees	1,775	14,944	16,719
Total	23,036	42,227	65,263

### Number of employees (by region)

	Japan	Asia & Middle East	Europe	North America	Latin America	Total
Regular employees	42,274	2,481	134	1,708	1,947	48,544
Temporary employees	16,643	30	0	18	28	16,719
Total	58,917	2,511	134	1,726	1,975	65,263

\* Sompo International advances into several countries, and is counted in the North America region here.

## Additional Information Concerning Reporting of Greenhouse Gases (GHGs)

- Since fiscal year 2012 we have been receiving annual third-party verification by a certification body.
- Although maximum attention is paid to accuracy and validity, calculation methods that are considered to be reasonable and versatile are adopted for activities for which quantification is difficult.
- The scope of calculation is as indicated by the coverage ratio and the list of reporting companies for each data item.
- Scope 1 emissions, as appearing in the data below, are direct GHG emissions from sources owned or controlled by the Group, such as emissions from the use of gas and gasoline. Scope 2 emissions are indirect GHG emissions resulting from the generation at power stations and other external sites of electricity and heat that are purchased by the Group. Scope 3 emissions are indirect GHG emissions other than Scope 2 emissions that are generated in any part of the value chain of the Group.
- The table below shows activity items subject to calculation.

Scope	Category	Activity items subject to calculation
Scope 1	Direct emissions	City gas consumption, class A heavy oil consumption, kerosene consumption, LPG consumption, fuel consumption by company fleets
Scope 2	Indirect emissions from energy sources	Electricity consumption, heat (steam) consumption
Scope 3	Purchased products and services	Paper consumption, servers, municipal water
	Activities in connection with fuels and energy (other than Scopes 1 and 2)	City gas consumption, class A heavy oil consumption, kerosene consumption, LPG consumption, fuel consumption by company fleets, electricity consumption, heat (steam) consumption
	Transportation / delivery (upstream)	Mail, home delivery, interoffice mail, office relocation, employee residence relocation
	Waste generated from business activities	Industrial waste, general waste
	Business trips	Domestic (sales, trips, new appointments, overnight or longer stays), international (trips, new appointments, overnight or longer stays)
	Commuting of employees	Train, bus, private car

## Environmental Performance Data

### ●Environmental Data

Item		Unit	FY2015	FY2016	FY2017	Coverage ratio	Verified
GHG (Scope 1)		tCO <sub>2</sub>	18,479	21,517	21,164	88.24%	✓
GHG (Scope 2)		tCO <sub>2</sub>	76,552	76,522	75,207	97.97%	✓
GHG (Scope 3)		tCO <sub>2</sub>	57,800	59,227	58,039	100.00%	✓
GHG (Scope 1-3) Total <sup>*1</sup>		tCO <sub>2</sub>	152,831	157,266	154,410	100.00%	✓
Total GHG emissions per employee		tCO <sub>2</sub>	3.87	2.46	2.37	100.00%	
City gas consumption		m <sup>3</sup> -N	1,400,939	1,733,983	1,723,740	84.24%	✓
Class A heavy oil consumption		kℓ	174	201	185	85.42%	✓
Kerosene consumption		kℓ	101	185	157	85.42%	
LPG consumption		t	14	47	46	85.42%	
Fuel consumption by company fleets		kℓ	6,322	7,133	7,046	88.24%	
Electricity consumption		kWh	137,178,856	142,661,366	145,415,814	97.97%	✓
Heat (steam) consumption		MJ	96,907,972	96,176,904	93,195,471	85.15%	✓
Paper consumption		t	7,859	9,970	8,832	76.80%	✓
Clean water usage		kℓ	508,335	368,720	373,126	74.72%	
Wastewater discharge		kℓ	429,821	395,061	442,302	74.87%	
Total waste generation		t	9,154	7,234	7,979	85.02%	
Recycled waste		t	8,310	6,632	6,030	74.95%	
Business trip		km	72,354,921	76,869,498	77,848,495	85.63%	
Total floor space		m <sup>2</sup>	1,631,472	1,696,742	1,673,885	98.59%	
Share of green purchasing		%	87.1%	88.2%	89.4%	88.72%	
Human development of environmental field	Public Seminars on the Environment <sup>*2sup&gt;</sup>	Persons	501	431	1,428	-	
	CSO Learning Scholarship Program	Persons	59	53	59	-	
	SAVE JAPAN Project	Persons	6,025	1,193	5,234	-	

\*1 The Group has been received an annual Assurance Statement by a third-party certification organization. The coverage of the survey is as follows.

FY2015: consolidated subsidiaries and some important subsidiaries in our Group

FY2016–2017: Sompo Holdings and consolidated subsidiaries

\*2 The method of counting number of participants in “Public Seminars on the Environment” was changed in FY2017.

## Social Performance Data

### ●Social Performance Data

Item		Unit	FY2015	FY2016	FY2017	Coverage ratio	Verified
Executive or higher	Male	Persons	171	211	219	100.00%	
	Female	Persons	10	14	15		
	Total	Persons	181	225	234		
Department manager level or higher but lower than executive	Male	Persons	709	754	781	100.00%	
	Female	Persons	80	96	135		
	Total	Persons	789	850	916		
Section manager level or higher but lower than department manager level	Male	Persons	2,213	2,314	2,477	100.00%	
	Female	Persons	365	523	611		
	Total	Persons	2,578	2,837	3,088		
Subsection chief level or higher but lower than section manager level	Male	Persons	6,074	7,192	7,542	100.00%	
	Female	Persons	1,969	2,663	4,052		
	Total	Persons	8,043	9,855	11,594		
Union membership rate		%	96.9%	81.3%	96.4%	99.78%	
Ratio of employees with disabilities		%	2.05%	2.17%	2.12%	88.80%	
Ratio of female employees in managerial positions*1		%	13.2%	18.7%	20.7%	99.64%	
Number of employees who took childcare leave	Male	Persons	361	329	402	95.45%	
	Female	Persons	1,516	2,027	2,048		
	Total	Persons	1,877	2,406	2,450		
Average number of days taken off work for childcare leave by employees	Male	Days	2.9	6.3	4.8	99.53%	
	Female	Days	185.5	186.5	181.1		
Childcare support systems	Number of employees using the shorter work hour system + Number of employees using the earlier / later work hour system	Days	1,185	1,897	1,809	96.50%	
Number of employees who took family care leave	Male	Persons	1	5	23	96.95%	
	Female	Persons	16	40	67		
	Total	Persons	17	45	90		
Telecommuting systems		Persons	2,190	2,797	5,417	96.73%	
Ratio of paid vacation use		%	54.5%	61.5%	61.1%	99.64%	
Occupational accident frequency rate		-	1.06	4.44	4.41	99.87%	
Total days lost due to absenteeism		Days	-	83,801	86,967	99.78%	✓

Ratio of overtime work		%	15.0%	13.2%	11.3%	98.53%	
Annual turnover	Male	%	4.3%	10.2%	7.3%	100.00%	
	Female	%	7.5%	15.9%	11.6%		
	Total	%	5.9%	13.9%	9.9%		
Employee satisfaction	Percent answered "satisfied"	%	73.3%	72.5%	80.6%	84.15%	
	The number of respondents in the employee satisfaction survey	Persons	23,656	23,648	26,485		
	The number of employees who answered "satisfied"	Persons	17,342	17,150	21,355		
Number of volunteers from employees*2		Persons	30,108	32,829	35,848	-	
Amount of money the company contributed to corporate citizenship/ philanthropic activities		JPY	1,627,803,482	1,750,923,536	1,716,137,921	100.00%	

\*1 Figures for overseas consolidated subsidiaries are as of December 31 of the respective fiscal year.  
Figures for domestic operating companies are as of April 1 of the respective fiscal year.

\*2 Total number of Group employees and agency employees.

## Governance Data

### ●Number of meetings held by the Board of Directors and the Board of Corporate Auditors as well as the participation status of the Board Members

	Item	Unit	As of July 1 2016	As of July 1 2017	As of July 1 2018
Board of Directors	Number of meetings	Meetings	15	14	14
	Number of board members	Persons	13	12	12
	(Of which, number of outside directors)	Persons	4	4	4
	Average attendance at meetings by directors	%	97.7%	98.9%	98.5%
Board of Corporate Auditors	Number of meetings	Meetings	13	13	13
	Number of board members	Persons	5	5	5
	(Of which, number of outside directors)	Persons	3	3	3
	Average attendance at meetings by directors	%	100%	100%	98.6%

We maintain a structure comprising eight internal directors involved in the execution of business and appoint an additional four outside directors. At present, the number of independent outside directors is more than one-third of the total.

## ●Nomination and Compensation Committee

	Item	Unit	As of July 1, 2016	As of July 1, 2017	As of July 1, 2018
Nomination and Compensation Committee	Number of board members	Persons	5	5	5
	(Of which, number of outside directors)	Persons	4	4	4

## ●Compensation for Directors and Audit & Supervisory Board Members (FY2017)

Category	Number of officers for payment	Total compensation, etc.	Total amount per type of compensation		
			Basic compensation		Performance-linked stock compensation
			Monthly compensation	Performance-linked compensation	
Directors	11	¥599 million	¥491 million		¥108 million
			¥324 million	¥166 million	
Audit & Supervisory Board members	7	¥104 million	¥104 million		—
			¥104 million	—	
Total	18	¥703 million	¥595 million		¥108 million
			¥429 million	¥166 million	

- Notes: 1. The number of officers for payment includes one director who resigned on March 31, 2017, and two Audit & Supervisory Board members who resigned at the end of the 7th General Meeting of Shareholders held on June 26, 2017.
2. Total compensation, etc., and total amount per type of compensation, etc., include compensation, etc., of one director who resigned on March 31, 2017, and two Audit & Supervisory Board members who resigned at the end of the 7th General Meeting of Shareholders held on June 26, 2017.
3. The total amount of compensation etc., of directors includes ¥487 million as compensation of executive officers for directors who are serving concurrently as executive officers (¥230 million in monthly compensation, ¥140 million in performance-linked compensation, and ¥95 million in performance-linked stock compensation). The compensation of executive officers is being paid to a total of seven persons.
4. Of the compensation, etc., paid to directors, monthly compensation and performance-linked compensation are paid in cash.
5. Performance-linked compensation is based on the performance of the previous fiscal year.  
The amount of reserve for performance-linked compensation based on the performance of the current fiscal year is ¥108 million.
6. Performance-linked stock compensation is the amount of provision of reserve for stock benefits posted as the portion for the current fiscal year.
7. Officers who receive compensation, etc., of ¥100 million or more in total from the Company and its consolidated subsidiaries are listed as follows:

Name	Officer category	Company category	Total amount per type of compensation			Total amount of consolidated compensation, etc.
			Basic compensation		Performance-linked stock compensation	
			Monthly compensation	Performance-linked compensation		
Kengo Sakurada	Director	The Company	¥192 million		¥56 million	¥248 million
	Director	Sompo Japan Nipponkoa Insurance Inc.	¥110 million	¥82 million		
Shiriji Tsuji	Director	The Company	¥83 million		¥18 million	¥101 million
	Director	Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	¥53 million	¥30 million		
Keiji Nishizawa	Director	The Company	—		—	¥160 million
	Director	Sompo Japan Nipponkoa Insurance Inc.	¥133 million			
			¥78 million	¥55 million		

8. The maximum amounts of compensation determined by resolutions of the General Meeting of Shareholders are as set out below.

Category	Maximum amount of compensation
Director	<ul style="list-style-type: none"> <li>Monthly compensation and performance-linked compensation (compensation paid in cash) No more than ¥700 million per year (of which the amount to outside directors shall be no more than ¥100 million per year)</li> <li>Performance-linked stock compensation No more than ¥500 million<sup>*1</sup> in three fiscal years<sup>*2</sup></li> </ul> <p><sup>*1</sup> The maximum amount contributed by the Company as the portion for directors to the Board Benefit Trust for performance-linked stock compensation. <sup>*2</sup> From the fiscal year ended March 31, 2017, to the fiscal year ending March 31, 2019. Note: In each case, the amount of compensation, etc., of directors does not include the portion paid as employee salary to directors serving concurrently as employees.</p>
Audit & Supervisory Board member	<ul style="list-style-type: none"> <li>Monthly compensation (compensation and paid in cash) No more than ¥110 million per year</li> </ul>

●Briefings for investors and analysts

Briefings	Times
Briefings (IR meetings) for institutional investors, analysts	2
Conference calls for institutional investors, analysts	4
Conferences organized by securities companies	5
Individual meetings	249
Briefings for individual investors	8

●Compliance training

Item	Unit	FY2015	FY2016	FY2017	
					Coverage ratio
Ratio of employees who received compliance training	%	99.98%	95.92%	90.74%	96.29%

▶ [Corporate Governance](#)

## Reference Links

- ▶ [Assurance by a Third-Party Organization](#)
- ▶ [Vision, Policies and Guidelines](#)
- ▶ [Management System](#)
- ▶ [Products and Services for a Sustainable Society](#)

# Assurance by a Third-Party Organization

---

## About Third Party Assurance

To ensure the reliability of reported numbers, Sompo Holdings has received third party assurance from Lloyd's Register Quality Assurance (LRQA) for some of the environmental and social performance data for fiscal year 2017.

The relevant numbers are indicated with a checkmark (✓).

▶ [Assurance Statement\( !\[\]\(a738bfbb576011f0ce8d7e7b8a772d3e\_img.jpg\) PDF/935KB\)](#)

▶ [Major ESG Data](#)

## LRQA Independent Assurance Statement

Relating to Sampo Holdings, Inc.'s Environmental and Social data within its CSR Communication Report 2018 for the fiscal year 2017

This Assurance Statement has been prepared for Sampo HD, Inc. in accordance with our contract but is intended for the readers of this Report.

### Terms of engagement

Lloyd's Register Quality Assurance (LRQA) was commissioned by Sampo Holdings, Inc. (Sampo HD) to provide independent assurance on the environmental and social data within its CSR Communication Report 2018 ("the report") for the fiscal 2017<sup>1</sup>, against the assurance criteria below to a limited level of assurance and professional judgement of the verifier using "LRQA's verification procedure and ISO 14064 - Part 3 specifically for greenhouse gas data. LRQA's verification procedure is based on current best practise, is in accordance with ISAE 3000.

Our assurance engagement covered Sampo HD's operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with:
  - ISO14064-1:2006 'Specification with guidance at the organizational level for quantification and reporting of greenhouse gas emissions and removals' and
  - Sampo HD's reporting methodologies
- Evaluating the accuracy and the reliability of data and information for only the selected indicators<sup>2</sup> listed below:

#### *Environmental indicators:*

- Scope 1 GHG emissions (tonnes CO<sub>2</sub>e)
- Scope 2 GHG emissions (tonnes CO<sub>2</sub>e)
- Scope 3 GHG emissions (Category 1,3,4,5,6,7) (tonnes CO<sub>2</sub>e)
- Electricity consumption (kWh)
- City gas consumption (Nm<sup>3</sup>)
- Heavy fuel oil A consumption (kilo-liter)
- Heat (steam) consumption (GJ)
- Paper consumption (tonnes)

*Social indicator:* Total days lost due to absence (days)

Our assurance engagement excluded the data and information of Sampo HD's suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to Sampo HD. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Sampo HD's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Sampo HD.

### LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Sampo HD has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data and information as no errors or omissions were detected
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

**Note:** The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically

<sup>1</sup> The reporting period is based on the fiscal year of domestic and overseas subsidiary companies: (1) domestic subsidiary companies: FY2017 (01/04/2017 – 31/03/2018), and (2) overseas subsidiary companies: CY2017 (01/01/2017 – 31/12/2017)

<sup>2</sup> LRQA undertook a limited assurance engagement of the environmental and social data marked with ✓ within the CSR Communication Report 2018

checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing Sampo HD's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- Visiting the Jimuhonbu building and the headquarter of Sampo Care Inc. in Japan to confirm the data collection processes and record management practices.

### Observations

Sampo HD should further demonstrate the completeness, accuracy and reliability of its future GHG Emissions Inventory. This is particular to establishing robust internal data control systems at both the corporate and member company levels and the accounting of the actual emissions data associated with the activities of some of its consolidated subsidiaries. The estimated emissions data and those associated with the excluded affiliated companies are not considered material.

### LRQA's standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Signed:

Dated: 28 June 2018



Norihiko Kinoshita  
LRQA Lead Verifier

On behalf of Lloyd's Register Quality Assurance Limited  
Queen's Tower A, 10<sup>th</sup> Floor, 2-3-1, Minatomirai, Nishi-ku, Yokohama 220-6010, Japan

LRQA reference: YKA4005128

Lloyd's Register Group Limited, its affiliates and subsidiaries, including Lloyd's Register Quality Assurance Limited (LRQA), and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'Lloyd's Register'. Lloyd's Register assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant Lloyd's Register entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance Statement is the only valid version. Lloyd's Register Group Limited assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.

Copyright © Lloyd's Register Quality Assurance Limited, 2018. A member of the Lloyd's Register Group.

# ESG Investment through Our Asset Management Business

---

## ESG Initiatives through Our Asset Management Business

### The Role of Asset Management Companies as Responsible Investors

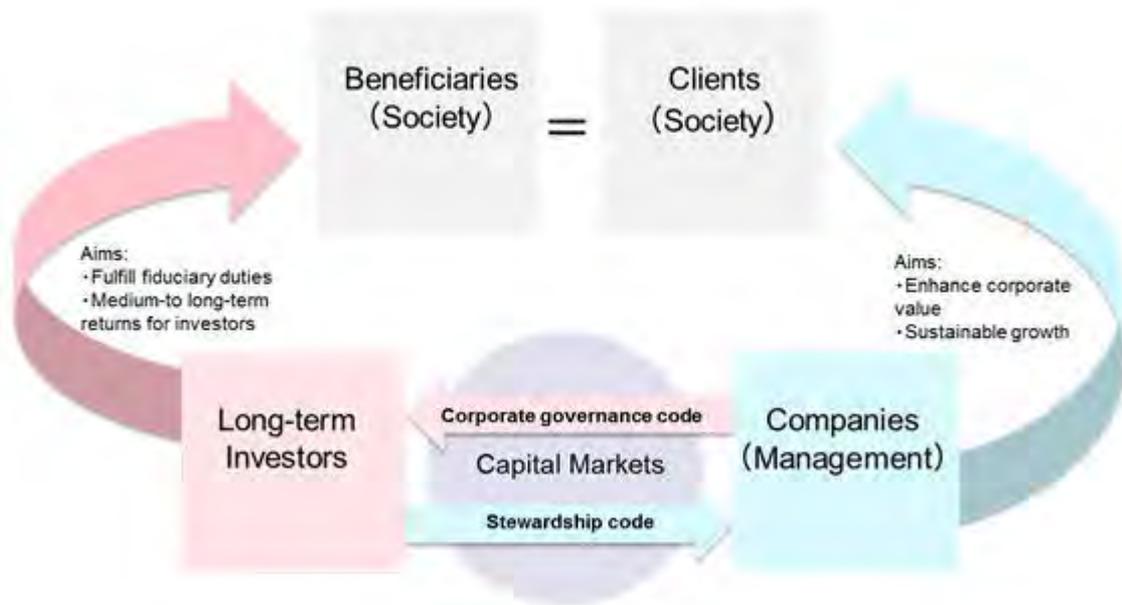
Sompo Japan Nipponkoa Asset Management fully endorses the aims of Japan's Stewardship Code, enacted in 2014, which sets forth principles for responsible institutional investors, and has voluntarily opted to adopt the code. The company believes that stewardship activities such as constructive dialogue with investee companies and the exercising of voting rights will promote the value of investee companies and their sustainable growth, and consequently contribute to the sustainable development of society and the economy as a whole.

Since its founding, Sompo Japan Nipponkoa Asset Management has been systematically developing its operations, focusing on active management that aims to acquire mid- to long-term investment returns. The Company works to expand returns on investments by accurately grasping not only financial information but also other information, including ESG (Environment, Social and Governance) factors, and eliciting appropriate investment value to help our clients build their assets in mid- to long-term.

### Efforts to Establish a Sustainable Investment Chain

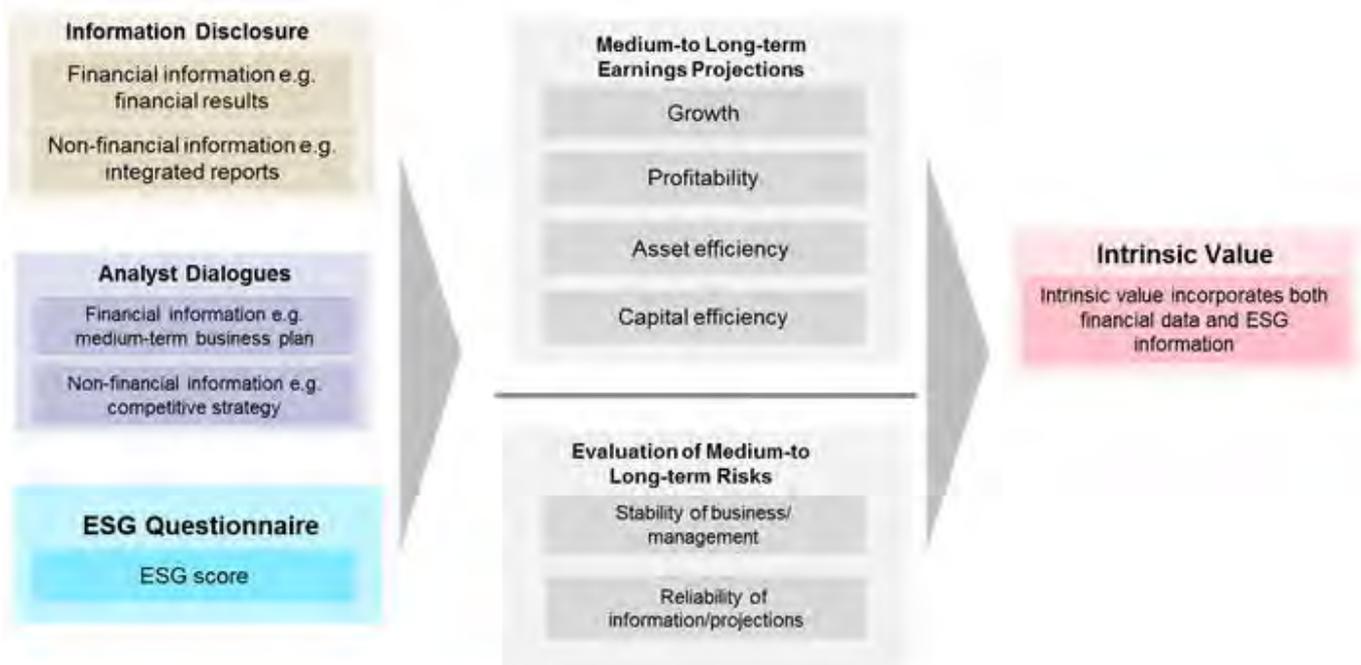
Sompo Japan Nipponkoa Asset Management aims to maximize returns on capital investments by clients through investment in stocks and others. Meanwhile, returns on investment are not generated directly by the asset management company, rather the source of the return is the mid- to long-term revenue generated by the business activities of the investee companies. The Company is merely a bridge in the investment chain that links its clients to those companies. Consequently, they believe that for an asset management company to deliver excellent results, having a deep understanding of the target companies' activities and revenue structure, conducting appropriate value evaluations, and actively selecting companies that are worth investing in are essential as an accountable institutional investor.

The Company's management style contributes to the establishment of sustainable investment chains in which the Japan's Stewardship Code and corporate governance code function organically. The Company believes that thoroughly engaging in activities to provide high quality active management contributes to the sustainable development of the investee companies as well as the wider society and the economy as a whole.



## Relationship between Investment Value Evaluations and ESG Factors (ESG Integration)

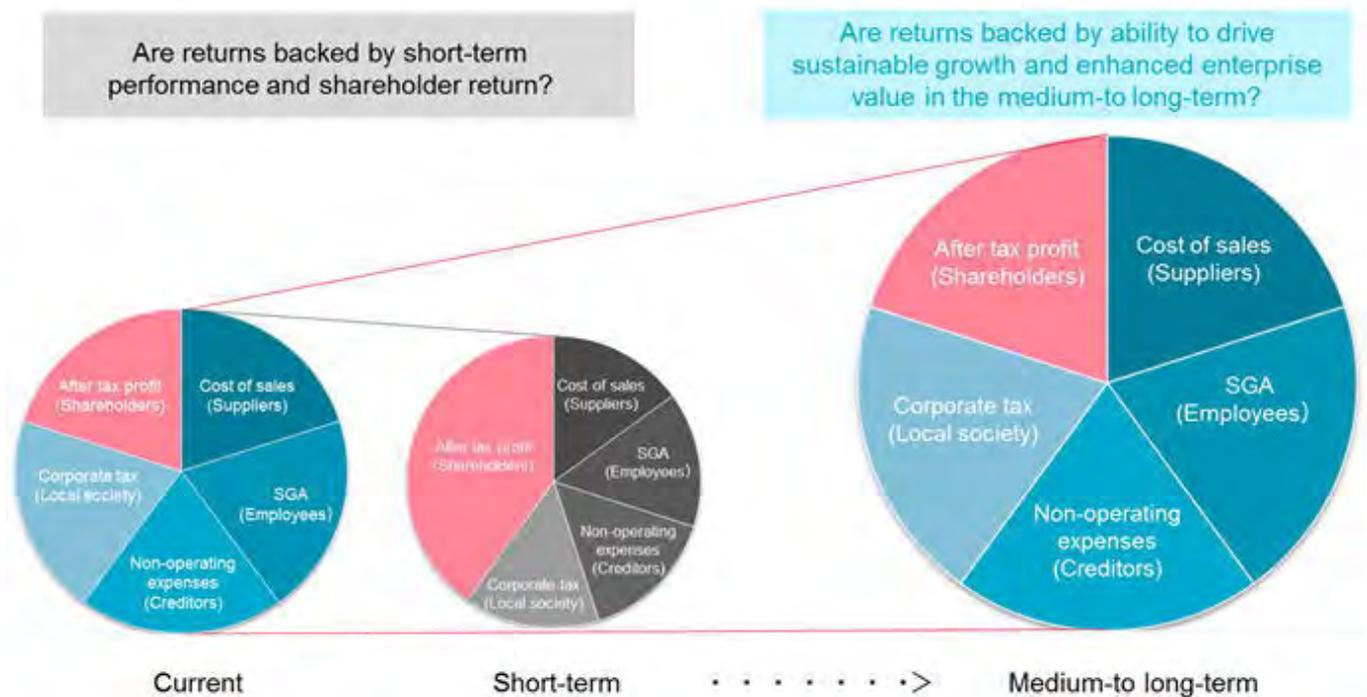
Sompo Japan Nipponkoa Asset Management constantly tracks the situation at and continuously evaluates the investment value of predetermined potential investee companies, regardless of whether currently an investee company. It is important to accurately grasp not only financial information but also non-financial information, including ESG data, as part of active management that aims to acquire mid- to long-term investment revenue, while taking an interest in enhancement of the value of the investee companies and their sustainable growth. The Company integrates ESG factors into its management process by constantly monitoring companies' ESG data and comprehensively evaluating such information as an investment value.



## Dialogue with Companies

For companies and investors to engage in constructive dialogue, both parties need to share the same concerns. Sompo Japan Nipponkoa Asset Management focuses on understanding companies' added value creation and distribution process as a means to accurately grasp investee companies' mid- to long-term profitability, and financial and capital policies. The Company promotes mutual awareness and constructive communication with the investee companies in an effort to solve problems by keeping corporate value enhancement and sustainable growth, both shared aims, at the core of those dialogues.

In fiscal year 2017, the Company identified approximately 700 potential investee companies and, through the research by its analysts, was able to hold 662 individual dialogues and participate in 1,720 briefings, eliciting a total of 2,382 opportunities for dialogue.



## Strengthening the Internal Organization

In April 2017 Sompo Japan Nipponkoa Asset Management established Responsible Investment Office as an organization to promote responsible investment, including stewardship activities, and assigned full-time ESG specialists to the Office.

The concept of responsible investment and ESG investment, advocated by global initiatives such as the United Nations Principles for Responsible Investment (PRI), is becoming a common understanding among institutional investors around the world. The Company will engage in PRI and other related initiatives even more proactively both within Japan and overseas through the work of ESG specialists, and further promote responsible investments.

# Third Party Comments/External Recognition

▶ Overview of CSR Communication

▶ CSR Reports

▶ GRI Content Index

▶ Third-Party Comments

▶ External Recognition

# Overview of CSR Communication

## Overview of CSR Communication

We use the following tools to disseminate information to ensure our stakeholders understand our CSR initiatives. We have investigated and examined the details contained in reports to ensure transparent, active and fair reporting from the perspective of both social requirements for disclosure, and our CSR material issues and other ESG issues.



- The Annual Report 2018 (Integrated Report) serves to provide stakeholders with a clear overview of our group’s transformation into “Theme Park for the Security, Health, and Wellbeing of Customers” based on the group management Philosophy and is prepared pursuant to Article 271-25 of the Insurance Business Act and Article 210-10-2 of the Ordinance for the Enforcement of the Insurance Business Act. The Annual Report includes both financial and non-financial information on our performance and strategies, referring to the International Integrated Reporting Framework <sup>\*1</sup> published by the International Integrated Reporting Council (IIRC) and a Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation <sup>\*2</sup> formulated by Ministry of Economy, Trade and Industry, Japan (METI).
  - \*1 The International Integrated Reporting Framework is an international corporating report framework which provides principles-based guidance for companies and other organizations aiming for preparing an integrated report .
  - \*2 The Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation assists corporate managers in holding dialogues with investors or in disclosing management strategies, non-financial information and other elements for mutual understanding and encouraging collaborative value creation.
- The CSR Communication Report 2018 and our CSR website provide details on our CSR management vision, policies, plans and progress, and serves as communications tools to continuously improve our initiatives.

- \* In an effort to enhance accessibility we have published the details contained in CSR Communication Report 2018 on our CSR website as well as in PDF format.
  - The Booklet 2018 offers a clear and succinct introduction to examples of our CSR initiatives.
- 

## Features of the CSR Communication Report 2018

### 1. Initiatives to improve corporate value through social responsibility

In the Top Commitment, Group CEO & President Kengo Sakurada, as the organization's most senior decision-maker, offers a description of initiatives being taken to improve corporate value and plans for future growth. He indicates the processes for creating value and sets a roadmap for a sustainable society and Group growth.

### 2. Initiatives for Sustainable Development Goals (SDGs)

We publish a dialogue regarding the Group's value creation stories in an era of the SDGs adopted at United Nation Summit September 2015.

The participants of the dialogue were four, Hideto Kawakita, CEO of the International Institute for Human, Organization and the Earth (IIHOE) and Publisher of Socio Management Review, as a representative of civil society organizations, Kiyoshi Aoki, our Group Chief Brand Officer, Masaya Futamiya, Director-Chairman of Sompo Japan Nipponkoa and Chair of the Keidanren Committee on Corporate Behavior & Social Responsibility, and Masao Seki, Senior Advisor on CSR at Sompo Japan Nipponkoa and Chair of Task Force on Keidanren's Charter of Corporate Behavior, Keidanren.

### 3. Three featured topics based on the latest social trends and our strengths

We have prepared features on our initiatives to address climate change which is becoming more serious, as well as nursing and healthcare initiatives that contribute to the creation of a new value by transforming ourselves into the "theme park for the security, health, and wellbeing of customers" and aiming for a sustainable society and its own growth through ESG Investment. We also included an interview with Mr. Kawakita, CEO of IIHOE.

### 4. Stakeholder engagement

We believe that communicating with our diverse stakeholders is important to be aware of social issues, to build relationships of trust and collaboration, and to accomplish greater results. This Report details our progress and focus on comments received from stakeholders in the process of redefining the Group CSR Material Issues announced in April 2016. As mentioned in 2 and 3 above, we have included an interview with an expert.

### 5. Initiatives to improve information disclosure credibility

We refer to various international guidelines when disclosing information and this Report in particular has been prepared in conformity with the Core option of the GRI Sustainability Reporting Standards.

We have received comments from Carolyn Schmidt, Program Director of ECOLOGIA, to help improve our continuous initiatives. Starting in fiscal year 2012 we have obtained assurance by a third-party organization regarding greenhouse gas (GHG) emissions, and are expanding this effort to Group companies each year. Since 2016 we have also obtained assurance regarding the total number of days lost due to absence. We are working on highly transparent information disclosure.

We also include our achievements and future strategies as shown below.

- Descriptions of Basic Policies for Our Action, Management System, CSR Key Performance Indicators (CSR-KPIs), Key Initiatives, and plans for Moving Forward, to effectively communicate our PDCA-driven efforts for each CSR Material Issue.
- ESG Data Index and the list of products and services for a sustainable society. In addition, the major ESG data page shows the performance of Sompo Holdings and its main consolidated subsidiaries compiled on a multi-year basis for easy comparison to report data in detail.
- A Key Initiatives section organized by stakeholder group, which introduces details of our work to address social issues.

---

## Covered Organizations

This Report covers Sompo Holdings, Inc., its affiliated group companies and foundations in and outside Japan. It also features some activities by group company agencies.

---

## Reporting Period

This Report relates mainly to initiatives from April 1, 2017, to March 31, 2018, but also contains some latest initiatives and policies to provide updated information.

---

## Publication

Annually

---

## Publication Period

Last issue: September 2017

Current issue: September 2018

Next issue: (scheduled for) September 2019

---

## Referenced Guidelines

- GRI Sustainability Reporting Standards\*
- ISO 26000: International standard on social responsibility
- SDG Compass: The guide for business action on the SDGs
- Environmental Reporting Guidelines 2012, Japan's Ministry of the Environment
- ISO 14064-1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- Sustainability Reporting Guidelines—SPI Report Guide, Network for Sustainability Communication
- The Ten Principles of the United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- Charter of Corporate Behavior and Its Implementation Guidance, Keidanren (Japanese Business Federation), the 7th version
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation

\* The details published on the Sompo Holdings CSR website and in the CSR Communication Report 2018 have been prepared in conformity with the Core option of the GRI Sustainability Reporting Standards. Please refer to the following GRI Content Index.

▶ [GRI Content Index](#)

---

## Planning and Editing

Sompo Holdings, Inc. Corporate Social Responsibility Department  
26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo  
160-8338, Japan  
E-mail: [csr@sompo-hd.com](mailto:csr@sompo-hd.com)  
TEL: +81-3-3349-3000

---

## Disclaimer

Our CSR reports include forward-looking statements based on the Group's management policies and plans. These statements were created based on information available at the time of compilation. Actual outcomes and results of activities may differ from such statements due to future changes in the business environment.

# Third Party Comments / Response to the Third Party Comments

---

## Third Party Comments on CSR Communication Report 2018

**Ms. Carolyn Schmidt**

**Program Director at ECOLOGIA**

**NGO delegate, ISO 26000 Support Network**

**Graduate of University of Pennsylvania**



Sompo Holdings is to be congratulated this year for achieving CSR Communication Report 2018 that includes financial information, business strategies and acquisitions, and corporate social responsibility within one over-arching framework. The “theme park for the security, health and well-being” concept works well as a vision statement both for business decisions and for corporate programs explicitly designed to reach social responsibility goals. The reader can see how resources are allocated among the themes, and also review outcomes. The four business categories - Domestic P & C Insurance, Domestic Life Insurance, Nursing Care & Healthcare, and Overseas Insurance - are explained in the Group CEO’s Overview, and it is easy to find links to the more specific business information for each category. Through logical organization and the provision of overview charts and links, the reader can move back and forth between policy statements, CSR categories and specific examples.

Key points noted:

- 1) With this 2018 report, Sompo Holdings demonstrates that it continues to strive toward making CSR ever more an integral part of its business decision-making process. When CSR is conducted within the framework of a for-profit multinational corporation, it is logical and instructive to show how the CSR initiatives flow from the core business. Conversely, it is important to show that regular business decisions are made within a socially responsible framework.
- 2) Independence in corporate governance and oversight continue to climb ever higher in the list of shareholder and stakeholder concerns globally. Easy access to information about Sompo Holdings’

corporate governance includes specifics on the independent members of the Board of Directors and Independent Auditors.

- 3) Open discussion of the more chaotic dimensions of our world (“VUCA” - Volatility, Uncertainty, Complexity and Ambiguity” ) indicates a growing consciousness of risk as a consistent factor in our societies and in the business world. Sompo Holdings appears to be positioned well, through its long-established expertise in climate change adaptation and mitigation, to expand into new areas of managing and mitigating risk along socially responsible dimensions. This is indicated in new ventures such as the Agri-Sompo global activities which build on previous climate-related insurance offerings.
- 4) “Dialogue: Realizing a Sustainable Society through ESG Investment” (Featured Topic 2) incorporates the theme of Japanese institutions needing to become less risk-averse as part of long-term planning. In the Special Dialogue on sustainable value creation, the point is made that “Japanese companies should give an environment in which failure is permitted or rather, failure is not simply evaluated negatively but seen as a part of the process that generates challenges and results...” This attitude extends to Sompo Holdings’ work with local community development, supporting efforts to produce and buy locally, encouraging the flexible “give-it-a-go” approach, and thus empowering local communities.
- 5) The report indicates the extent to which its ambitious growth goals are underpinned by its serious commitment to keeping up with evolving global norms, such as the U.N. Sustainable Development Goals. Much of Sompo Holdings’ accumulated experience in CSR connects to many of the SDGs already. In the words of one of the Special Dialogue participants:

“The SDGs carry a strong core message of ‘leaving no one behind.’ This actually implies, somewhat strongly, that many people have been left behind in the past. The underlying cause is a misunderstood capitalism which puts too much demand on short-term profits, and the advance of exclusive globalization which fails to respect human dignity and rights, the backbone of society.”

This type of high-level reflection accompanying work with the SDGs may lead to more long-term and even deeper sustainability initiatives.

- 6) The web-based format has improved and expanded greatly since last year’s report. There is a broader range of categories to explore, with relevant supporting information available. It is easy to switch back and forth between different sections and between the CSR report and the business report. This reviewer, however, misses some of the characteristics of earlier years’ print reports, especially the provision of more detailed and specific information in some of the categories. For example, in the discussion of diversity the growth percentages of managers who are women (from 5% to over 20% in the past three years) are provided, but for another significant dimension of diversity, non-Japanese employees, there are no figures given. Case Studies seem to be briefer and more general. Information on implementation of CSR initiatives in overseas offices is skimpier than in previous years. The interviews with various “stakeholders” and emphasis on two-way communication with workers seem to have diminished this year also. But these critical comments are minor in the overall picture, and could easily be remedied in future years.

I do not think that I will be the only outside observer watching Sompo Holdings’ progress with particular

interest in the coming year. The mergers and acquisitions, the expansion into new fields such as health care, quality of life for older people, the changes driven by CO2 emission reduction goals, increasing overseas involvements - all these ventures involve risk and change. The goal of reducing costs while improving services in some cases will require difficult decisions; tracking this process will be of value both to the business world and to those in the realm of government. On the whole, this 2018 Report positions Sompo Holdings as a dynamic, mature leader who may become a model of what ISO 26000 calls “integrating social responsibility throughout an organization”. The web-based Integrated Report encourages such dialogue.

---

## Working to Realize a “Theme Park for Security, Health, and Wellbeing”

### **Kiyoshi Aoki**

**Chief Management Officer of the Group’s Council for CSR**

**Promotion**

**Group Chief Brand Officer**

**Executive Officer, General Manager of Corporate Communications**

**Department and General Manager of Corporate Social**

**Responsibility Department, Sompo Holdings**



Ms. Carolyn Schmidt has written annual third-party comments on Sompo Holdings Group’s CSR Communication Report since 2005 as a member of global civil society. We are extremely grateful for her long-standing engagement and deep understanding of our CSR initiatives as well as her thought-provoking suggestions.

We are pleased to hear her opinion on our initiatives to achieve our management strategy of becoming a “theme park for security, health, and wellbeing,” based on social demands, including the Sustainable Development Goals (SDGs). We also value her advice on disclosing information on diversity following the expansion of our overseas operations and we will incorporate it to enhance our reporting.

With regard to our “theme park for security, health, and wellbeing,” we are aiming to provide customers with a variety of solutions by organically linking numerous businesses, not only our P&C insurance, but also our nursing care & healthcare, life insurance, and overseas insurance. Through such transformation, we are tackling social issues from a global perspective in the belief that this will lead to the realization of the world the SDGs are aiming for.

Through third-party comments and dialogue, we have renewed our awareness of the importance of partnerships with stakeholders and of a corporate culture that is prepared to take on challenges without fear of failure. We also sense that there are high expectations in our initiatives focused on the nursing care

business, including preventing dementia and supporting for caregivers, and in our further use of digital technology. We will work to incorporate these expectations into our management. Moreover, we will continue our efforts to consider the environment and human rights in our business processes, to increase employee diversity and to create a comfortable workplace.

# External Recognition

The Group has been highly recognized by institutions in Japan and around the world, and Sompo Holdings is included in several socially responsible investment (SRI) indices and funds. The following is a list of some of the recent awards and recognition received by the group.

## Awards

### **The Excellence Award at the Environmental Empowerment Award 2017 (Sompo Japan Nipponkoa)**

Sompo Japan Nipponkoa received the Excellence Award at the Environmental Empowerment Award 2017 by the Ministry of the Environment of Japan and the Environmental Consortium for Leadership Development (EcoLeaD) for our efforts in environmental empowerment.

(May 2018)

### **The Grand Prize at the 3rd Working Women Empowerment Award (Sompo Japan Nipponkoa)**

Sompo Japan Nipponkoa received the Grand Prize at the 3rd Working Women Empowerment Award by Japan Productivity Center(Working Women's Empowerment Forum).

(April 2018)

### **The Award of Merit at the 21st Environmental Communication Awards (Sompo Holdings)**

The CSR Communication Report 2017 of Sompo Holdings has been honored with the Award of Merit in the Environmental Report section at the 21st Environmental Communication Awards sponsored by the Ministry of the Environment in Japan and the non-profit organization Global Environmental Forum.

This report is a communication tool for providing information on the



Sompo Holdings Group's CSR management vision, basic policies, and progress on specific plans and initiatives, as well as for making continuous improvements to group performance.

- ▶ [Sompo Holdings Receives the Award of Merit at the 21st Environmental Communication Awards \( PDF/157KB\)](#)

(February 2018)

## **Bronze Class Distinction in RobecoSAM's Corporate Sustainability Assessment (Sompo Holdings)**

Sompo Holdings received the Bronze Class distinction in RobecoSAM's Corporate Sustainability Assessment.

Sompo Holdings has been listed on the DJSI World for 18 consecutive years, including past years when its subsidiary Sompo Japan Nipponkoa was listed.



- ▶ [Sompo Holdings, Inc. Receives "Bronze Class" Distinction in RobecoSAM's Corporate Sustainability Assessment\( PDF/114KB\)](#)

(February 2018)

## **The First Place in CSR Communicate Association's Ranking for CSR Disclosure on Website in 2018 (Sompo Holdings)**

Sompo Holdings was ranked the first place for its full content of CSR disclosure on the website, which is conducted by CSR Communicate Association.

- ▶ [Sompo Holdings, Inc. Receives the First Place in CSR Communicate Association's Ranking for CSR Disclosure on Website in 2018\( PDF/29KB\)](#)

(January 2018)

## **The MEXT 2017 Award for Companies Promoting Experience-based Learning Activities for the Youth (Sompo Japan Nipponkoa)**

Fun-filled disaster education for children and parents, "Bosai JAPAN-DA Project" received the Judging Committee's Special Award at the 2017 Award for Companies Promoting Experience-based Learning

Activities for the Youth presented by the Japan Ministry of Education, Culture, Sports, Science and Technology (MEXT) in recognition of corporate activities promoting youth-oriented experiential activities.

(January 2018)

### **The Chairman's Award of Ecological Life and Culture Organization 2017 (Sompo Japan Nipponkoa)**

One of our initiatives to conserve biodiversity, "SAVE JAPAN Project" received the Chairman's Award of Ecological Life and Culture Organization 2017 for the effort to create a sustainable society.

(November 2017)

### **The New Insurance Product of the Year-Japan and the Digital Insurance Initiative of the Year-Japan at the Insurance Asia Awards 2018 by Charlton Media Group (Sompo Japan Nipponkoa)**

Sompo Japan Nipponkoa received the New Insurance Product of the Year-Japan for the effort in new insurance product preparing for disaster prevention and mitigation, and Digital Insurance Initiative of the Year-Japan for the effort in weather index insurance at the Insurance Asia Awards 2018 by Charlton Media Group.

(July 2018)

---

## **Recognition**

### **Ranked 1st in the Financial Business Category in the Toyo Keizai CSR Corporate Ranking 2018 (Sompo Holdings)**

(February 2018)

## Ranked 2nd in the Nikkei Inc's 20th Corporate Environmental Management Survey Non-Manufacturers/Financial Business Category (Sompo Holdings)

(January 2018)

## Selected as A-List in the CDP Climate Change Survey (Sompo Holdings)

Sompo Holdings selected A-List, the highest ranking among financial institutions, in the CDP Climate Change survey. CDP is a collaborative initiative by the world's leading institutional investors to encourage businesses worldwide to adopt climate change strategies and disclose their GHG emissions.



▶ [Sompo Holdings Recognised for Leadership on Climate Action\( PDF/116KB\)](#)

(November 2017)

## Received the Highest “S” Rating in the Registered and Certified Institution Evaluations for the Tokyo Cap and Trade Program (Sompo Risk Management & Health Care)

Sompo Risk Management & Health Care received the highest ranked "S" rating for the fifth consecutive year among the registered and certified institutions in the Tokyo Cap-and-Trade Program.

(July 2017)

---

## Certification

## Received Caring Company organized by The Hong Kong Council of Social Services (Sompo Insurance (Hong Kong) Company Limited)

Sompo Insurance (Hong Kong) has been received Caring Company organized by The Hong Kong Council of Social Services since 2009.

(2018)



## Recognition of Six Group Companies as “2018 Certified Health and Productivity Management Organization in the large enterprise category (White 500)”

Six Group companies have been recognized as a 2018 Certified Health and Productivity Management Organization in the large enterprise category (White 500) by Japan’s Ministry of Economy, Trade and Industry, and Nippon Kenko Kaigi.

- Sompo Holdings, Inc. (two consecutive years)
- Sompo Japan Nipponkoa Insurance Inc. (two consecutive years)
- Sompo Systems, Inc.
- Sompo Business Service, Inc. (two consecutive years)
- Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (two consecutive years)
- Sompo Risk Management & Health Care Inc. (two consecutive years)



(February, 2018)

## Inclusion in SRI indices

The Sompo Holdings is included in the following SRI indexes (as of September 28, 2018).

### Ethibel EXCELLENCE Investment Registers (Sompo Holdings)

Sompo Holdings has been selected for inclusion in the Ethibel EXCELLENCE Investment Register since 31/08/2018. This selection by Forum ETHIBEL indicates that the company performs better than average in its sector in terms of Corporate Social Responsibility (CSR).

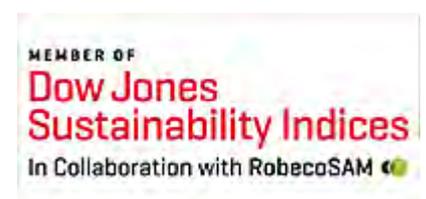


▶ [Forum ETHIBEL](#) 

### Dow Jones Sustainability Indices (DJSI World) (Sompo Holdings)

DJSI World is a leading global SRI index of companies that are leaders in sustainability, as assessed from their approach toward ESG (Environmental, Social and Governance) issues.

Sompo Holdings has now been selected as a member of the indices for 9



consecutive years since the company was founded and 19 consecutive years since the subsidiary company Sompo Japan Nipponkoa was included for the first time.

▶ [Dow Jones Sustainability Indices](#) 

## FTSE4Good Index Series (Sompo Holdings)

The FTSE4Good Index Series is a group of SRI indexes that evaluate the performances of companies that meet globally recognized corporate responsibility standards, including such ESG issues as aspects on environment and human rights.



▶ [FTSE4 Good Index Series](#) 

## FTSE Blossom Japan Index (Sompo Holdings)

Created by the global index provider FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company), the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.



▶ [FTSE Blossom Japan Index](#) 

## MSCI ESG Leaders Indexes / MSCI SRI Indexes (Sompo Holdings)

These indexes comprise companies from various industries that have earned high evaluations in relation to the environment, society, and governance.



▶ [MSCI](#) 

The inclusion of Sompo Holdings in any MSCI Index, and the use of MSCI logos, trademarks, service marks or Index names herein, do not constitute a sponsorship, endorsement or promotion of Sompo Holdings by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names and logos are trademarks or service marks of MSCI or its affiliates.

## ECPI Global Developed ESG Best in class Equity Index(Sompo Holdings)

ECPI Global Developed ESG Best in class Equity Index that are constituted by stocks with high ESG evaluation.

▶ ECPI 



## Morningstar Socially Responsible Investment Index (Sompo Holdings)

The Morningstar Socially Responsible Investment Index was developed as Japan's first socially responsible investment index comprising Japanese companies.

▶ Morningstar Socially Responsible Investment Index (only in Japanese)

