

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.



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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

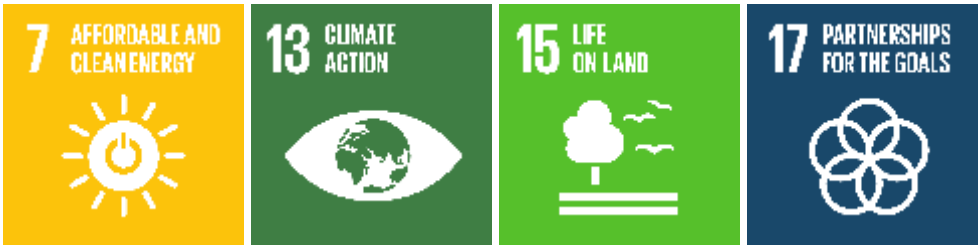
* Below are more examples of our initiatives.

- ▶ [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)



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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.

