



Corporate Responsibility Communication

2014

CSR Communication Report



Sampo Japan
Nipponkoa

Sampo Japan Nipponkoa Holdings, Inc.

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Editorial Policy

- This report is intended to serve as a tool to communicate with our stakeholders by detailing the Sampo Japan Nipponkoa Group's CSR management vision, basic policies, and specific plans, as well as progress on its initiatives. It has been compiled by incorporating perspectives defined in the Environmental Reporting Guidelines of the Ministry of the Environment, Japan as important factors, namely, hands-on involvement by top management; addressing environmental issues as a matter of strategy; corporate organization and governance; handling stakeholder concerns; and taking a value-chain-oriented business approach.
- To reach a broad range of stakeholders and to introduce to them the Group's CSR initiatives, we have revised the structure of this report and compiled it into a two-volume publication: CSR Communication Report and CSR Case Report.
- The CSR Communication Report comprises an overview of Group's CSR according to material issues and ESG data. The separate volume provides specific examples of the Group's CSR initiatives.
- In the Top Commitment, the Group CEO Kengo Sakurada describes the background and significance of our CSR as well as their objectives and targets from the viewpoint of the top decision-making officer. For each material issue, the Group CEO overviews the current status, outstanding items and future policies with regard to the CSR initiatives.
- This report specifies the Group's CSR-KPIs in line with the Group CSR Vision and Group's Six CSR Material Issues. By setting common objectives throughout Group companies, we aim to scale up Group wide CSR efforts and improve our performances.
- The UNESCO World Conference on Education for Sustainable Development (ESD) will be held in November 2014. This report contains a feature article on the Group's engagement in and initiatives for ESD.
- The section that details the Group's efforts for each material issue highlights priority areas identified through careful theme selection and dialogue with external experts.
- ESG data, comprising environmental, social and governance performance data from 26 of the consolidated subsidiaries, have been tabulated to make year-on-year comparisons easier. The data items subject to this evaluation have been expanded to 41 items from 38 items in fiscal year 2013.
- The separate volume: CSR Case Report is organized around the Group's Six CSR Material Issues and provides specific cases of the Group's efforts to help address them. The CSR Case Report will be updated in tandem with the official website to provide accurate and timely information to stakeholders.
- For third party comments, Ms. Carolyn Schmidt, Program Director of ECOLOGIA provided her view and advice on this report. (See page 43)
- This report is available in PDF format from the official website of Sampo Japan Nipponkoa Holdings, along with the eco-minded management review check sheet of the Environmental Reporting Guidelines of the Ministry of the Environment, Japan and the GRI Sustainability Reporting Guidelines (ver. 3.1) comparison sheet. <http://www.sampo-hd.com/en/csr/>

Covered Organizations

This report covers Sampo Japan Nipponkoa Holdings, Inc., its affiliated Group companies and Foundations in Japan and overseas. It also features some activities by Group company agencies and their national organizations.

Reporting Period

This report relates mainly to initiatives from April 1, 2013 to March 31, 2014 but also contains some latest initiatives and policies to provide updated information.

Publication

Annually

Publication Period

Last issue: August 2013

Current issue: September 2014*

Next issue: (scheduled for) August 2015

* The current report was issued in September to coincide with the change of the company name in September 2014 to Sampo Japan Nipponkoa Holdings, Inc.

Referenced Guidelines

- Environmental Reporting Guidelines (2012 Version), Ministry of the Environment, Japan
- Sustainability Reporting Guidelines (Version 3.1*), Global Reporting Initiative
- ISO26000: International standard on social responsibility
- ISO14064-1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- United Nations Global Compact
- Sustainability Reporting Guidelines—SPI Report Guide, Network for Sustainability Communication
- United Nations Guiding Principles on Business and Human Rights

* Version 4.0 was also partially referred to.

Planning and Editing

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Disclaimer

CSR information presented in this report includes forward-looking statements based on the management policies and plans of the Sampo Japan Nipponkoa Group. 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.

Company Outline

(as of September 1, 2014)

- Company name: Sampo Japan Nipponkoa Holdings, Inc.
- Date of establishment: April 1, 2010
- Capital stock: 100 billion yen
- Head office: 26-1 Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo 160-8338
- Tel: +81-3-3349-3000
- Representative Director, Chairman and Executive Officer: Masaya Futamiya
- Representative Director, President and Executive Officer: Kengo Sakurada
- Number of employees: 346 (as of March 31, 2014)
- Nature of business: Management of P&C insurance companies, life insurance companies, and other companies controlled as subsidiaries pursuant to the Insurance Business Law, and other operations incidental thereto
- Exchanges where shares to be listed: Tokyo Stock Exchange (First section)
- URL: <http://www.sampo-hd.com/en/>

Sompo Japan Nipponkoa Group at a Glance

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 Action Guidelines

To provide the highest possible quality of service to our customers we will:

1. treat each and every customer with sincerity, and act in the knowledge that our every action as an individual shapes our entire reputation as a company;
2. act with initiative, set ourselves the highest goals, and always learn from our actions;
3. strive to be both prompt and clear in our dealings and activities; and,
4. act with the utmost integrity.

Group Vision

Our goal is to always be the best customer service provider both at home and abroad.

Group Basic Management Policies

1. Pursuit of Service Quality

We will constantly aim for the highest possible quality in all our business processes in order to become the best service provider for our customers.

2. Enhancement of Corporate Value through Sustained Growth

We will endeavor to realize our Group Vision by strategically investing business resources in growth areas to enhance our earnings and corporate value.

3. Pursuit of Business Efficiency

We will maximize our strengths through Group wide collaboration in all areas in order to promote efficiency in our operations and stability in our operational base.

4. Highly Transparent Governance Systems

In acknowledgement of our social responsibility and

obligations as an insurance and financial services business, we will base our operations on highly transparent governance, effective risk management, and compliance systems.

5. Fulfillment of Our Social Responsibilities

We use our corporate strengths to address social issues concerning the environment, health and medical care and, by engaging in constructive dialogue, strive to fulfill our social responsibilities and contribute to the realization of a social sustainability.

6. Creation of a Vibrant Workplace

We will strive to create a dynamic and open organizational environment wherein we as individuals and together as a corporate group may thrive and grow together.

Business Domains and Major Group Companies

Domestic P&C Insurance

This is the Sompo Japan Nipponkoa Group's core business, through which we provide high-quality products and services that ensure our customers' security and wellbeing. Sompo Japan Nipponkoa market through insurance agencies, while Sompo 24 sells policies directly to customers marketed by agencies, and Saison Automobile and Fire sells directly to customers.

Sompo Japan and Nipponkoa merged on September 1, 2014 to form a new company, Sompo Japan Nipponkoa Insurance Inc. (hereinafter, Sompo Japan Nipponkoa). Going forward, we will strive to maximize our profitability by leveraging the strengthened operating base of the new company. Simultaneously, we will accelerate efforts to develop the full potential of the new company by combining the strengths accumulated at both companies.

Overseas Insurance

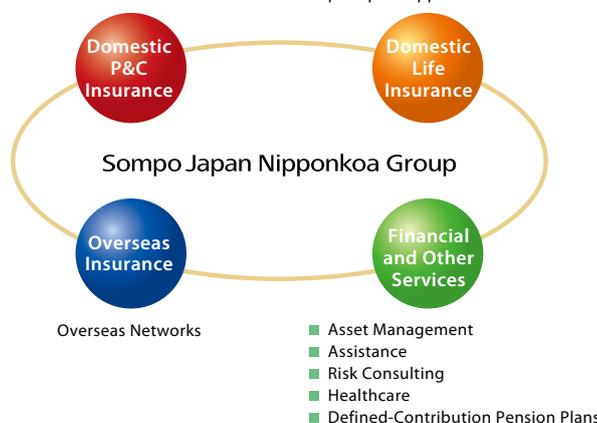
We position overseas insurance as a key business to bolster the Group's growth strategy. We concentrate our management resources on countries and regions that are strategically selected, thereby striving to increase the Group's earnings power. While continuing with the provision of high-quality insurance services for Japanese companies expanding overseas operations, which has constituted the core of this business segment, we are expanding into local markets abroad.

In May 2014, we acquired Canopus Group Limited, the parent company of the Canopus group which is engaged in underwriting a diversified portfolio of business from its operations at Lloyd's and around the world. With this acquisition, we will further expand our overseas insurance business by entering into the overseas specialty market on a full scale.

Sompo Japan Nipponkoa
Sompo 24

Saison Automobile & Fire

Sompo Japan Nipponkoa Himawari Life



Domestic Life Insurance

We position domestic life insurance as a major business pillar second only to the domestic P&C insurance business. Boasting particularly high-growth potential, we are striving to spur its growth even further.

Sompo Japan Nipponkoa Himawari Life markets its services mainly through P&C insurance agencies and promotes cross-sales of life insurance products targeted to P&C insurance policyholders. Its lineup of unique insurance products includes "Shin Kenko no Omamori" medical insurance and "Kazoku no Omamori," an income protection insurance that offers premium discounts for policyholders who have met prescribed standards with regard to maintaining healthy lifestyles, such as abstaining from smoking.

Financial and Other Services

We are striving to expand our field of business beyond the traditional boundary of the insurance business. To this end, we are assisting customers with asset formation through the asset management and defined contribution pension businesses, providing policyholders with road assistance and other services through the assistance business, supporting customers with risk management through the risk consulting business, and helping them maintain and promote physical and mental health through the healthcare business.

Refer to pages 52-54 for Sompo Japan Nipponkoa Holdings' consolidated financial data.

Aiming to Solve Social Issues to Develop a Sustainable Society

Various social issues on a global scale, including the increase of natural disasters, an aging population and road traffic accidents are becoming evermore apparent. The Sompo Japan Nipponkoa Group is confronting these social issues and striving to solve them through its core business. As part of our effort to build a globally competitive Group, we aim to establish our position to be trusted and valued among customers as the most highly evaluated service company.

A portrait of Kengo Sakurada, President and Group CEO of Sompo Japan Nipponkoa Holdings, Inc. He is a middle-aged man with dark hair, wearing glasses, a dark suit jacket, a white shirt, and a patterned tie. He is standing with his arms crossed, looking directly at the camera. The background is a blurred office setting with light-colored curtains.

Kengo Sakurada

President and Group CEO
Sompo Japan Nipponkoa Holdings, Inc.

We will further strengthen CSR initiatives Group wide by developing Group CSR Vision and CSR-KPIs

To Resolve Social Issues and Achieve Growth

Today, meeting expectations of a wide variety of stakeholders and social needs is crucial for any company that aims to be trusted and valued by customers. Businesses are strongly expected to fulfill their CSR. Meanwhile, businesses indisputably need to operate in harmony with the environment and society to achieve their sustainable growth.

We understand that the purpose of CSR is to address social issues through business operations, as well as through philanthropy, and social contribution activities, with the goal of building an affluent and sustainable society.

Our Group is promoting CSR not only to solve social issues but also to achieve our own growth.

Developed CSR-KPIs for Group & Global Level Efforts

Sompo Japan Nipponkoa, as the core company of our Group, officially launched social contribution activities in 1960s, and started to work on philanthropy in 1970s. Since the early 1990s, the company has proactively tackled global environmental issues. I directly instructed heads of overseas subsidiaries to enhance CSR initiatives this January when they all gathered in Singapore, and having set a challenge to further permeate CSR initiatives at the "Group and Global" levels from this fiscal year on, Sompo Japan Nipponkoa Holdings, Inc. established CSR Department in July 2014.

In stepping up efforts at the "Group and Global" levels, we developed the Group CSR Vision this fiscal year. We have also established the "Group Environmental Policy" and "Group Policy for Human Dignity and Human Rights" and reviewed the Group's CSR materiality to newly identify the "Group's Six CSR Material Issues" in response to stakeholders' expectations. As we have communicated the vision and material issues throughout our Group, all Group companies have set their original CSR measures and goals. Additionally, we developed new KPIs (key performance indicators) with regard to CSR and reconstructed PDCA(plan-do-check-act) cycles. We are currently making Group wide efforts to achieve the KPIs.

Working together with NGOs/NPOs to Resolve Complex Social Issues

Recent years have seen the ongoing emergence of social issues related to natural disasters, aging population, road traffic accidents, poverty, infection, and human rights. Meanwhile, the world population is projected to increase from the seven billion of today to over nine billion by 2050. Various issues are intertwined beyond national borders, and becoming increasingly and rapidly serious. While there is a growing expectation for businesses to play a role in solving these issues, the sole efforts of one company cannot be enough to solve these complex issues. It is imperative to cooperate with various sectors, including

NGOs/NPOs. Our Group has accumulated experience in cooperating with many NGOs/NPOs, particularly in the field of the environment, since the early 1990s. Following the Great East Japan Earthquake, we have provided support for recovery efforts by working together with NGOs/NPOs and other corporations.

We will leverage these networks and experience in our continued efforts to solve intertwining social issues through collaboration with various entities.

Providing Products and Services for Security, Health, and Wellbeing

Our Group clearly states in our Group Management Philosophy that "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."

The Japanese population is aging at the fastest rate in the world, posing the serious social issue of a super-aging society. Developing countries are also facing the problem of aging populations, primarily due to improved medical standards. I believe, it would be highly significant for the future of human beings if Japan could build a longevity society where people can live a long, healthy and vibrant life and presents a solution to the world.

With that belief, our Group is providing products and services that contribute to the resolution of aging issues, particularly in the areas of life insurance that provides medical insurance against future illnesses and injuries, healthcare business that helps customers maintain and promote physical and mental health, and care service business. We will continue to develop and provide progressive products and services.

Leading in Addressing Global Environmental Issues

A report issued by the Intergovernmental Panel on Climate Change in April 2014 warns that without additional efforts to reduce GHG emissions beyond those in place today, the global mean surface temperature may increase in 2100 by up to 4.8°C compared to pre-Industrial Revolution levels. Some predict that if global warming continues at the current rate it will not only increase natural disasters caused by extreme weather but also inflict enormous damage on human beings, including infections affecting people's health. That could have a grave impact on the insurance business.

Our Group has been taking a lead in reducing environmental impacts throughout our value chains, from the upstream to the downstream of the business.

Meanwhile, climate change adaptation and mitigation measures may lead to the creation and expansion of our business. For example, we are offering a weather index insurance in Thailand. We developed the insurance for rice farmers in Thailand to mitigate damage caused by drought as a natural disaster. The insurance is effectively functioning as an adaptation measure in a region vulnerable to climate change. In

We value “diversity” in our Group Personnel Vision

Japan, we are supporting popularization and expansion of renewable energy by developing and providing new insurance products and services for power plant operators, which enable operators to feel secure in launching and continuing their business.

We will continue to take initiatives in developing and providing products and services that contribute to the realization of a low-carbon society.

Providing Sustainable and Responsible Financial Services

Sompo Japan Nipponkoa Asset Management Co., Ltd. (SNAM) offered the second-in-Japan SRI fund product, Sompo Japan Green Open, in September 1999. The fund has grown into one of Japan's largest publicly offered SRI (Socially Responsible Investment) funds. Sompo Japan Nipponkoa was the first Japanese insurance company to sign the United Nations Principles for Responsible Investment (UN PRI) in 2006, and SNAM followed suit in 2012. We will remain committed to integrating ESG (Environment, Society and Governance) into investing and financing processes.

In February this year, the Financial Services Agency of Japan formulated the Principles for Responsible Institutional Investors as the Japanese version of the Stewardship Code. In agreement on the objective of the principles, our Group expressed its acceptance of the Code in May. We will make continued efforts to expand responsible investment, which includes dialogues with investee firms with consideration of mid- to long-term corporate value, for the development of a sustainable society.

Furthering Collaboration with Civil Society

Our Group has carried out social contribution activities jointly with NGOs/NPOs and other companies. We launched the “Yellow Badge Donation” program in 1965 to provide yellow badges that come with traffic accident insurance to students entering their first grade of elementary school in Japan. This year, upon its 50th anniversary, the number of badges we have donated totaled more than 60 million. We started to hold the Public Seminars on the Environment in 1993, which last year marked their 20th anniversary. More than 18,000 citizens participated over the past three years in the SAVE JAPAN Project, under which we carry out activities to conserve rare species in all of the 47 prefectures in Japan through collaboration with environmental NGOs/NPOs.

We are also continuing to support efforts to recover from the Great East Japan Earthquake. This summer, we loaned Van Gogh's “Sunflowers” in Sompo Japan Nipponkoa's collection to an exhibition held at The Miyagi Museum of Art, as part of disaster area reconstruction support activities, and many people enjoyed the vibrant sunflower painting.

With regard to a new initiative from this fiscal year, we are planning to officially launch a social contribution program to solve social issues in developing countries through collaboration with NGOs/NPOs.



Increasing Female Managers across the Group

To satisfy ever diversifying needs and values of customers, workplace diversity is crucial. Having set “diversity” in our Group Personnel Vision, we established the Diversity Promotion Headquarters in October 2013 under Sompo Japan Nipponkoa Holdings to strengthen involvement of the management. We initiated management classes for the development of female employees toward senior management as part of our effort to enhance support for women's career development.

Additionally, in fiscal year 2012, Sompo Japan Nipponkoa started to establish sales offices comprising mainly female staff, and there are now more than 50 of these offices to date. Our Group has set the goal of increasing the percentage of females in management positions to more than 10% of the entire workforce by the end of fiscal year 2015, and more than 30% by the end of fiscal year 2020, by steadily implementing these initiatives. With the labor shortage due to the declining birthrate and aging population, promoting the empowerment of the female workforce is a major challenge to Japanese society. I would like to contribute to solving this issue beyond corporate frameworks.

This year marks the fifth anniversary of Sompo Japan Nipponkoa Group. It is my belief that facing up to social issues through business operations, rather than pursuing only economic rationality, is of key importance for any company in contributing as a corporate citizen to the development of a sustainable society. As a solution provider, our Group will continue to disclose highly transparent information and provide products and services that contribute to the security, health, and wellbeing of our customers and society, with the goal of building a resilient and sustainable society.

CSR Milestones of the Sompo Japan Nipponkoa Group

Continuous Evolution of the Sompo Japan Nipponkoa Group's CSR

This section shows our major CSR milestones to date.

- 1965** • Started the "Yellow Badge Donation" program
- 1976** • Established the Yasuda Kasai Fine Art Foundation (now Sompo Japan Nipponkoa Fine Art Foundation)
 - Opened the Seiji Togo Memorial Yasuda Kasai Museum of Art (now Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art)
- 1977** • Established the Yasuda Fire & Marine Foundation (now Sompo Japan Foundation)
- 1987** • Started to publicly exhibit "Sunflowers" by Van Gogh
- 1989** • Opened Himawari Hall, a puppet theater, in Nagoya
- 1990** • Established the Environmental Risk Management Office
- 1991** • Established the Nipponkoa Welfare Foundation
- 1992** ◇ United Nations Conference on Environment and Development (Earth Summit) held in Rio de Janeiro



Participation in the Earth Summit

In this 1992 United Nations conference, which adopted the Framework Convention on Climate Change and the Convention on Biological Diversity, the then President of Yasuda Fire & Marine Insurance Company (now Sompo Japan Nipponkoa) participated as head of the Nippon Keidanren delegation.
- 1993** • Started holding Public Seminars on the Environment
 - Established an employee volunteer organization
 - Introduced volunteer work leave
- 1995** • Signed the UNEP FI Statement of Environmental Commitment by the Insurance Industry
- 1996** • Volunteer employees established a social contribution fund
- 1997** • Acquired ISO14001 certification (as the first Japanese financial institution)
- 1998** • Started to publish an environmental report (as the first Japanese financial institution)
 - Launched consultation services for acquiring ISO14001 certification
 - Started forest management programs
- 1999** • Established the Yasuda Fire & Marine Environment Foundation (now Sompo Japan Nipponkoa Environment Foundation)
 - Launched Sompo Japan Green Open (SRI fund)
- 2000** • Started the CSO Learning Scholarship Program
- 2002** ◇ World Summit on Sustainable Development held in Johannesburg
 - Signed the WBCSD Financial Sector Statement
 - Held the first stakeholder meeting
- 2004** • Launched Sompo Japan SRI Open (SRI fund)
 - Started BCM (Business Continuity Management) consultation services
- 2005** • Established Healthcare Frontier Japan Inc.
 - Joined the Carbon Disclosure Project (now CDP)
 - Started offering foundational support for NGOs/NPOs
- 2006** • Joined the United Nations Global Compact
 - Signed the UN supported Principles for Responsible Investment (UN PRI)
 - Started endowing chairs at universities
- 2007** • Established Sompo Japan Healthcare Services Inc. (now Sompo Japan Nipponkoa Healthcare Services Inc.)
- 2008** • Started interactive guided tours at the Seiji Togo Memorial Sompo Japan Museum of Art (now Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art)
 - Announced the Carbon Neutral Declaration
 - Started the Eco-Safe Driving Contest
 - Certified as an "Eco First Company" by the Minister of the Environment, Japan

1965~



61.11 million badges
"Yellow Badge Donation" program

Each year we donate Yellow Badges that come with traffic accident insurance to students entering their first grade of elementary school in Japan. By April 2014, a total of 61.11 million students had received the badges.

1976~



5.13 million visitors
Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art

The museum, which exhibits Van Gogh's "Sunflowers" as well as paintings by a number of post-impressionists such as Gauguin and Cezanne, and works by Seiji Togo and Grandma Moses received 5.13 million visitors in total by March 2014.

1977~



1,298.79 million yen
Financial support for welfare NGOs/NPOs

Sompo Japan Foundation provides financial support for NGOs/NPOs and other organizations engaged in social welfare activities. By the end of fiscal year 2013, the foundation offered a total of 2,104 grants, which sum up to 1,298.79 million yen.

1991~



14,235 people
Support for family caregivers of senile dementia patients

Nipponkoa Welfare Foundation supports socializing and learning programs by Alzheimer's Association Japan to assist family caregivers of senile dementia patients. To date, it has provided 187.4 million yen to programs with a total of 14,235 participants.

1993~



17,500 people
Public Seminars on the Environment

As of the end of fiscal year 2013, approximately 17,500 people have participated in these environmental seminars, jointly held by the Japan Environmental Education Forum (JEEF), the Sompo Japan Nipponkoa Environment Foundation, and Sompo Japan Nipponkoa with the aim of addressing environmental issues and taking concrete action.

1999~



18.66 billion yen
Sompo Japan Green Open (SRI fund)

Sompo Japan Nipponkoa Asset Management's "Sompo Japan Green Open" invests in environmentally friendly Japanese companies whose stocks are expected to be profitable. As of March 31, 2014, 18.66 billion yen is under management by the fund.

2000~



783 students
CSO Learning Scholarship Program

As of the end of fiscal year 2013, total of 783 university undergraduate and graduate students had participated in this internship program organized by the Sompo Japan Nipponkoa Environment Foundation and were provided with work experience at environmental Organizations.

- 2009**
 - Introduced web-based insurance policy access for automobile insurance products
- 2010**
 - **NKSJ Holdings, Inc. (now Sompo Japan Nipponkoa Holdings, Inc.) established**
 - Formulated the NKSJ Group's CSR Basic Policy
 - Sompo Japan Foundation started to offer financial support to ASEAN countries
 - Launched Weather Index Insurance in Thailand
 - ◇ 10th Conference of the Parties (COP10) to the Convention on Biological Diversity held in Nagoya
 - 37 Group companies participated in the Japan Business and Biodiversity Partnership
 - Started consultation services on biodiversity
 - ◇ ISO26000 (international standard on social responsibility) published
- 2011**
 - ◇ **Great East Japan Earthquake occurred**
 - Started to collect ESG data of the Group
 - Sompo Japan (China) (now Sompo Japan Nipponkoa (China)) published its first CSR report
 - **Started the SAVE JAPAN Project to conserve biodiversity**
 - Sompo Japan Environment Foundation (now Sompo Japan Nipponkoa Environment Foundation) started research on climate change adaptation
 - Established Nipponkoa Smile Kids Foundation (now Sompo Japan Nipponkoa Smile Kids Foundation)
 - Signed the Principles for Financial Action towards a Sustainable Society
 - **Started to organize the NKSJ Volunteer Days (now the Sompo Japan Nipponkoa Group's Volunteer Days)**
- 2012**
 - Specified the Five CSR Material Issues of the Group
 - Established Prime Assistance Inc. in order to enter the assistance services market
 - Signed the Women's Empowerment Principles (WEPS)
 - ◇ United Nations Conference on Sustainable Development (Rio+20) held in Rio de Janeiro



Participation in Rio+20
Then Chairman Masatoshi Sato of Sompo Japan attended the conference, Rio+20, held also as the 20th anniversary of the 1992 Earth Summit, in order to sign the Principles for Sustainable Insurance (PSI) and introduce the Group's CSR initiatives.

 - Signed the UNEP FI Principles for Sustainable Insurance (PSI)
 - Purchased shares of Cedar Co., Ltd. as a Group company in order to enter the elderly care services market
 - Acquired ISO39001 (international standard for road traffic safety management system) certification
- 2013**
 - Started environmental programs for community contribution
 - Achieved carbon neutrality (Nipponkoa, Sompo Japan Nipponkoa Risk Management)
 - Started to consider promoting the Group's CSR by measuring KPIs
- 2014**
 - Revised the CSR Basic Policy and established the Sompo Japan Nipponkoa Group's "Group CSR Vision," "Group Environmental Policy," "Group Policy for Human Dignity and Human Rights" and "Six CSR Material Issues"
 - KPIs defined for Group CSR initiatives
 - **Released unique medical insurance, "Shin Kenko no Omamori"**
 - Signed Japanese version of the Stewardship Code (Sompo Japan Nipponkoa, Sompo Japan Nipponkoa Asset Management)
 - Special exhibition of "Sunflowers" by Van Gogh held in an effort to support restoration of the areas affected by the Great East Japan Earthquake
 - **Sompo Japan Nipponkoa Insurance Inc. established as a result of the merger between Sompo Japan and Nipponkoa**
 - Started to conduct programs for community contribution overseas

CSR highlights in recent years

2009~



24.6 million policies

Web-based automobile insurance policy

An option for policyholders to access their policy via the web was introduced in order to increase customer convenience and reduce our environmental footprint. More than 24.6 million customers have chosen web-based policies, forgoing the conventional paper-based format.

2011~



3,000 employees

The Great East Japan Earthquake—continuous support for recovery

More than 3,000 employees were sent to the areas affected by the Great East Japan Earthquake to facilitate prompt insurance payments. We are also providing continuous support through our core business and other activities to meet the evolving needs of disaster-hit areas.

2011~



18,000 participants

SAVE JAPAN Project

During the three years from 2011 to 2013, more than 18,000 people raised their environmental awareness by joining this community-based biodiversity conservation program implemented in all prefectures in Japan in collaboration with environmental and other NGOs/NPOs.

2011~



10,000 volunteers

Sompo Japan Nipponkoa Group's Volunteer Days

The Group organizes the Sompo Japan Nipponkoa Group's Volunteer Days every year to raise the group employees' awareness of social contribution and to continue its efforts to support the areas affected by the Great East Japan Earthquake. Every year, approximately 10,000 group employees in Japan and overseas engage in volunteer activities such as environmental conservation and social welfare.

2014~



100,000 policies

Unique medical insurance, "Shin Kenko no Omamori"

In May 2014, Sompo Japan Nipponkoa Himawari Life Insurance revised the Medical Insurance (08) that was purchased by 1.2 million policyholders and released the Medical Insurance (2014), the upgraded lifelong medical insurance product. The product provides both wider coverage and lower insurance premiums. The number of sales surpassed 100,000 policies within less than three months and half from the launch.

2014~



Sompo Japan Nipponkoa

September 2014

Establishment of the Sompo Japan Nipponkoa Group

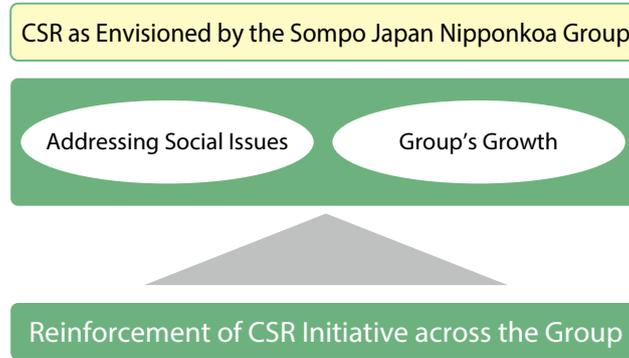
In September 2014, Sompo Japan Nipponkoa Insurance Inc. was established through the integration of Sompo Japan Insurance Inc. and Nipponkoa Insurance Co., Ltd. and changed its holdings company name into Sompo Japan Nipponkoa Holdings, Inc.

The Sompo Japan Nipponkoa Group will endeavor to combine the CSR initiatives promoted respectively by the former two companies since the establishment of NKSJ Holdings, Inc. in April 2010 and to expand such activities throughout the Group.

Management Strategies and CSR

To scale up Group wide CSR efforts, the Sompo Japan Nipponkoa Group established the Group CSR promotion framework, while stipulating Group CSR Vision, Group Environmental Policy, Group Policy for Human Dignity and Human Rights and Group's Six CSR Material Issues. The Group continues to evolve its on-going CSR initiative, which is one of the Group's strengths, by addressing social issues and drive the Group's growth (brand value enhancement, customer evaluation improvement and contribution to business performance). (Please see page 49 for the Group Environmental Policy and page 50 for the Group Policy for Human Dignity and Human Rights.)

Management Strategies and CSR



Group CSR Vision

We, the Sompo Japan Nipponkoa 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.

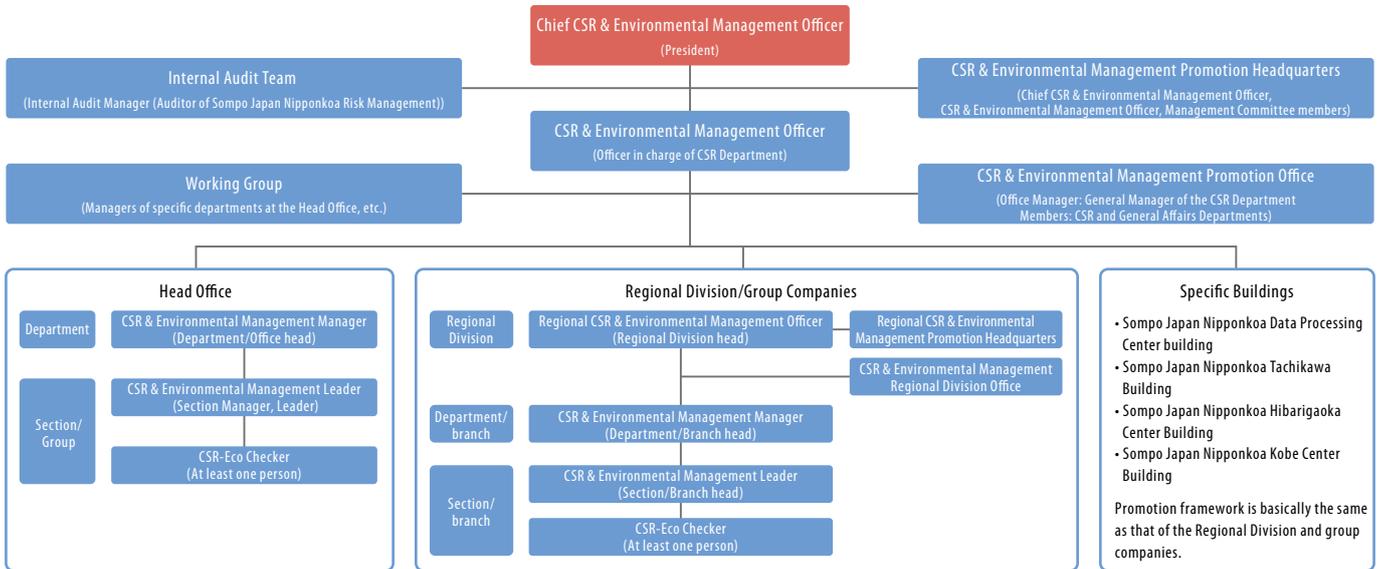
By constantly maintaining a long-term outlook, and by providing services and products that contribute to security, health, and wellbeing, we will strive as a solutions provider to promote the realization of a resilient and sustainable society.

Group's Six CSR Material Issues

- Material Issue 1** **Providing Products and Services that Contribute to Security, Health, and Wellbeing**
 We will provide products and services that furnish protection from various risks in society and contribute to the security, health, and wellbeing of our customers.
- Material Issue 2** **Tackling Global Environmental Issues**
 We will develop and provide new solutions to help solve global environmental issues including biodiversity loss and will address the risks of climate change through dual approaches of adaptation and mitigation.
- Material Issue 3** **Providing Sustainable and Responsible Financial Services**
 We will promote social responsible investment incorporating ESG issues and develop products and services that contribute to the resolution of social issues by applying our financial and insurance capabilities.
- Material Issue 4** **Community Involvement and Development—Partnership with NGOs/NPOs**
 Through collaboration with citizens, governments, NGOs/NPOs, and other principals aimed at the resolution of regional issues, we will contribute to the building of sustainable communities.
- Material Issue 5** **Respect Human Rights and Promoting the Development of Human Resource and Diversity**
 We will respect the basic human rights of all stakeholders. We will provide dynamic work environments that support our diverse employees to realize their full potential and develop human resources that contribute to society through our business.
- Material Issue 6** **Disclosing Transparent Information**
 We will establish a governance structure that enables sustainable growth and proactively disclose corporate information including non-financial information in a fair and transparent manner.

CSR and Environmental Management Framework

The Sompo Japan Nipponkoa Group has established and is operating an effective CSR and environmental management promotion system to ensure continuous improvement. The Group also possess a Group wide consultative body to ensure shared understanding of the good practices of Group companies, confirm the progress of initiatives and improve the CSR and environmental management performance throughout the Group.



PDCA Cycle for Continuous Improvement

The Sompo Japan Nipponkoa Group, under the initiative of the Group's core operating company Sompo Japan Nipponkoa, is working to obtain ISO14001 certification and has established a management system that covers all of its CSR initiatives. Specifically, this promotion framework is presided over by the President, who serves as Chief CSR and Environmental Management Officer. For example, at Regional Divisions (16 Regional Divisions throughout Japan), a respective Regional CSR & Environmental Management Promotion Headquarters is established and a Regional Division head (Executive Officer) serves as a Regional Management Officer. Under the Regional Officer, a Manager and Leader are appointed. Furthermore, a CSR-Eco Checker is appointed to every work site in an effort to promote CSR including environmental management activities and to reinforce self-motivated, bottom-up initiatives. Currently, approximately 2,100 CSR-Eco Checkers are active in Japan, who are leading the implementation of unique initiatives that reflect workplace characteristics. At the same time, Sompo Japan Nipponkoa Risk Management, which provides ISO14001 accreditation support service as its business, fulfills an internal auditing function. The company conducts dialogue-based internal auditing in order to boost the initiatives of each work site.

Operating and management status of the CSR initiatives are regularly reported to the Management Committee for review by management.

Council for CSR Promotion

The Sompo Japan Nipponkoa Group, led by Sompo Japan Nipponkoa Holdings, strives to build CSR promotion systems by drawing upon their respective strengths and experiences.

In fiscal year 2013, a Group company CSR dialogue meeting was held with employees from 14 companies of the Sompo Japan Nipponkoa Group in attendance. (See page 16.) In fiscal year 2014, the Council for CSR Promotion with members representing Group companies was established to share information and confirm the progress of initiatives regularly to consolidate the framework of disseminating the CSR initiatives throughout the Group. At overseas business sites, CSR

Framework of Council for CSR Promotion



meetings were held, where the significance of CSR initiatives, issues unique to each region and future visions were discussed, to entrench CSR across the Group. (See pages 16 and 18.) Furthermore, the Group's CSR initiatives and up-to-date CSR trends were reported at the meetings and seminars attended by top management and senior staff of overseas Group companies. (See page 17.)

Obtaining Group ESG Information

Recognizing the greater importance of disclosure of non-financial information of the entire Group in order to promote CSR initiatives, the Sompo Japan Nipponkoa Group gathers and discloses quantitative data on ESG (Environment, Social, and Governance) performance. Keeping track of the ESG performance of the Group companies in Japan and abroad allows us to identify issues for the Group and to take carefully tailored actions for each Group company.

In fiscal year 2013, the ESG data were collected and disclosed for 26 consolidated subsidiaries. (See pages 48 to 51, "ESG Data.")

Sompo Japan Nipponkoa Group's CSR Promotion

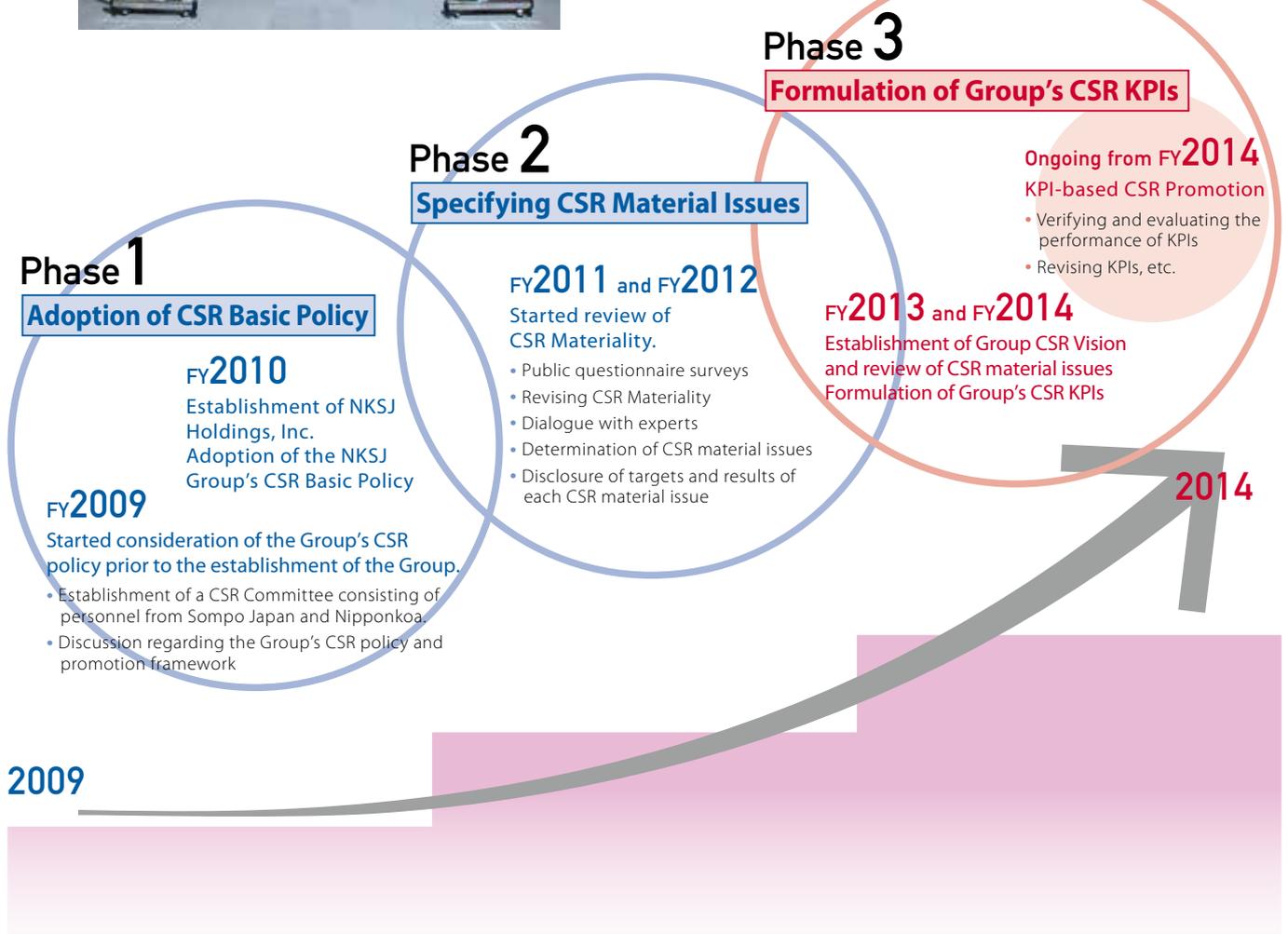
The Sompo Japan Nipponkoa Group has evolved its CSR throughout all Group companies since its establishment in April, 2010. In July 2014 a new CSR division was set up in Sompo Japan Nipponkoa Holdings, and we are further accelerating CSR initiatives.

Sompo Japan Nipponkoa Group's CSR promotion process

FY 2012 dialogue with experts to identify the five CSR material issues



FY 2013 dialogue with experts on setting Group's CSR KPIs.



Phase 1 Adoption of CSR Basic Policy*

Sompo Japan and Nipponkoa integrated their management and established NKSJ Holdings, Inc. (the name of the company at the time) in April, 2010. Prior to the integration, in April 2009, the two companies organized 16 committees, each working on a specific theme such as the administrative system, human resources management, and compliance, as well as four information exchange groups. This was done to pave the way for the establishment of the new corporate group. The main task of the CSR Committee was to discuss how to improve communication

between employees and agencies through CSR initiatives as well as the NKSJ Group's CSR basic policy and management framework.

From these discussions, various new ideas for cooperation emerged based on the different experiences and know-how of the two companies. These ideas culminated in the NKSJ Group's CSR Basic Policy* in April 2010.

*Currently the Group CSR Vision

Phase 2 Specifying the Group's CSR Material Issues

In accordance with the CSR Basic Policy, the material issues faced separately by Sompo Japan and Nipponkoa were reviewed in fiscal year 2011. Through three steps comprising a public questionnaire survey, materiality analysis, and dialogue with experts, new CSR material issues were determined for the NKSJ Group as a whole.

The first step, the public questionnaire survey, was conducted on more than 1,000 members of the public through an external research company. In the second step, we analyzed general public

Three steps to identify material issues



expectations of the Group based on the survey results, as well as the expected degree of influence of each of the core subjects of ISO26000 on the Group. In the third step, Ms. Junko Edahiro, Chief Executive of Japan for Sustainability (JFS), and Mr. Hideto Kawakita, CEO of International Institute for Human, Organization and the Earth (IIHOE), were invited to present their opinions on what we should take into consideration when specifying CSR material issues. The three key considerations pointed out by the experts are: ongoing dialogue with a wide range of stakeholders; setting issues from a broad and deep future perspective; and creating new value to actively contribute to society.

Based on the results of these three steps, issues were mapped out on a grid, with the vertical axis representing the degree of expectation among the NKSJ Group's stakeholders and the horizontal axis representing the degree of importance to the NKSJ Group. The issues of highest priority in terms of these two axes were then selected as the five CSR material issues. (The company and Group names are as of when this identification process was conducted.)

Phase 3 Formulating the Group CSR Vision and Reviewing CSR Material Issues

To strengthen our CSR commitments and develop a Group wide framework, the Group, in fiscal year 2014, reviewed the existing CSR Basic Policy and five CSR material issues and formulated the new Group CSR Vision and policies.

The Group CSR Vision represents our most fundamental CSR concept that specifies a determination shared by all Group employees to realize the Group Management Philosophy. With regard to the environment and human rights, two issues that our stakeholders expect us to ascribe particular importance to, we have created two

separate policies called the "Group Environmental Policy" and the "Group Policy for Human Dignity and Human Rights." Based on the vision and policies, we also reviewed existing CSR material issues and restructured them into six CSR material issues.

Each of the Group companies has planned specific CSR measures based on these vision, policies, and material issues, and is currently implementing the plans.

(Please see page 9 for the Group CSR Vision and the Group's Six CSR Material Issues. See page 49 for the Group Environmental Policy and page 50 for the Group Policy for Human Dignity and Human Rights.)

Phase 3 Identifying the Group's KPIs (Key Performance Indicators)

The KPIs identified in accordance with the Group's Six CSR Material Issues will enable all Group companies to share the same goals and exert unified efforts toward CSR, allowing the Group to achieve greater non-financial performance. The KPIs will also allow us to evaluate the progress and impact of our actions, and disclosure of the results will lead to enhancing trust among stakeholders and promoting dialogue.

As the first step in the process of identifying the KPIs, we organized a dialogue with two external experts, Ms. Junko Edahiro, Chief Executive of Japan for Sustainability (JFS), and Mr. Hideto Kawakita, CEO of International Institute for Human, Organization and the Earth (IIHOE) to share information on KPIs adopted by other global companies and best KPI practices, to obtain their opinions on what we should

take into consideration when selecting KPIs and to determine their expectations of the Group. Executives and heads of the relevant units of Group companies attended the dialogue and exchanged views. After the dialogue, we collected information on what KPIs are being used at other companies through interviews and extracted KPIs that we consider important for the Group from the viewpoints of solving social issues and promoting the Group's growth. The extracted KPIs were then discussed within the Group to select our own KPIs for each of the Group's Six CSR Material Issues, and specific numerical targets were set for each KPI.

We will further commit ourselves to CSR initiatives while regularly checking the progress of these activities in relation to the KPIs.

■ Sompo Japan Nipponkoa Group's Key Performance Indicators (CSR-KPIs)

Six CSR Material Issues	Item	Group's CSR-KPIs	FY2014 Targets
1. Providing Products and Services that Contribute to Security, Health, and Wellbeing	Products and services	Development and provision of products and services that contribute to solving social issues	•R&D of new products and services
	Compliance	Prevention of material legal violations (Ratio of employees who receive compliance training)	•100%
2. Tackling Global Environmental Issues	Climate change	Development and provision of products and services that contribute to climate change adaptation and mitigation	•R&D of new products and services
		Promotion of the use of Web-based insurance clauses (Ratio of Web-based insurance clauses issued)	•At least 70%
		Promotion of the use of recycled parts etc. (Ratio of eco-friendly parts used; ratio of bumpers repaired; ratio of outer panels repaired)	•Ratio of eco-friendly parts used: 4.0% •Ratio of bumpers repaired: 13.5% •Ratio of outer panels repaired: 85.0%
		CO ₂ emissions (t-CO ₂)	•Reduce by at least 3% vs. FY2013.
		Electric power consumption (kwh)	•Reduce by at least 3% vs. FY2013.
		Paper use (t)	•Reduce the level vs. FY2013.
	Biodiversity	Promotion of green purchasing (Ratio of green purchasing)	•At least 90%
		Conservation of biodiversity	•Implement the SAVE JAPAN Project in all 47 prefectures.
	Social return on investment (SROI)	•SAVE JAPAN Project SROI: at least the same level (1.12) as in FY2013	
3. Providing Sustainable and Responsible Financial Services	Products and services	Development and Provision of products and services that contribute to solving social issues	•Increase sales and review of existing SRI funds. •R&D of new products and services
	Responsible investment	Engagement with investees	•Build an internal system that will facilitate engagement.
Promotion of investments and loans that contribute to solving social issues		•Offer loans developed in collaboration with other organizations to promote the use of renewable energy, such as photovoltaic/wind power generation system projects. •Promote investments and loans for the development of social infrastructure and other growing fields.	
4. Community Involvement and Development—Partnership with NGOs/NPOs	Employees	Promotion of the Sompo Japan Nipponkoa Group's Volunteer Days (Number of projects implemented; number of employee participants)	•Number of projects implemented: 300 •Number of employee participants: 10,000
	Contribution to local communities	Implementation of social contribution programs	•Contribute to society through the implementation of various programs. •Develop and implement overseas programs and disaster prevention education programs.
Support for the areas severely affected by the Great East Japan Earthquake		Provide reconstruction support that meets the needs of each affected area. •Organize the Sun Flower exhibition. •Plan and implement puppet road shows.	
5. Respect Human Rights and Promoting the Development of Human Resource and Diversity	Work-life balance	Ratio of male employees who take childcare leave	•Promote with the aim of achieving 100%.
	Diversity	Ratio of female employees in managerial positions	•Promote with the aim of achieving 10% by the end of FY2015.
6. Disclosing Transparent Information	Information disclosure	Active disclosure of non-financial information	•Issue a CSR report. •Publish a Voice of Customer (VOC) White Paper. •Improve the official website.

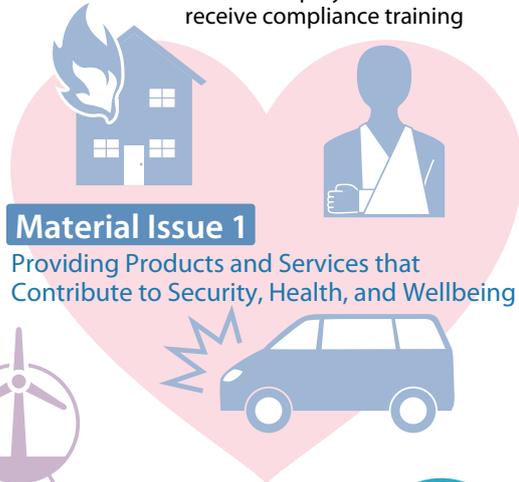
■ Sompo Japan Nipponkoa Group's CSR Key Performance Indicators (FY2014 Targets)

Reduce by at least **3%** vs. the previous year CO₂ emissions

100% Ratio of employees who receive compliance training

Material Issue 2

Tackling Global Environmental Issues



Material Issue 1

Providing Products and Services that Contribute to Security, Health, and Wellbeing

Reduce by at least **3%** vs. the previous year Electric power consumption

At least **70%** Ratio of Web-based insurance clauses issued



Material Issue 3

Providing Sustainable and Responsible Financial Services



Material Issue 6

Disclosing Transparent Information

At least **90%** Ratio of green purchasing

10% 

Ratio of female employees in managerial positions by the end of FY2015

Material Issue 5

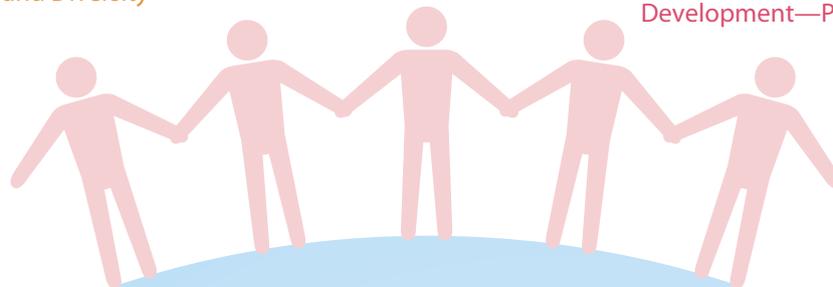
Respect Human Rights and Promoting the Development of Human Resource and Diversity

10,000

Number of employee Participants in Sompo Japan Nipponkoa Group's Volunteer Days

Material Issue 4

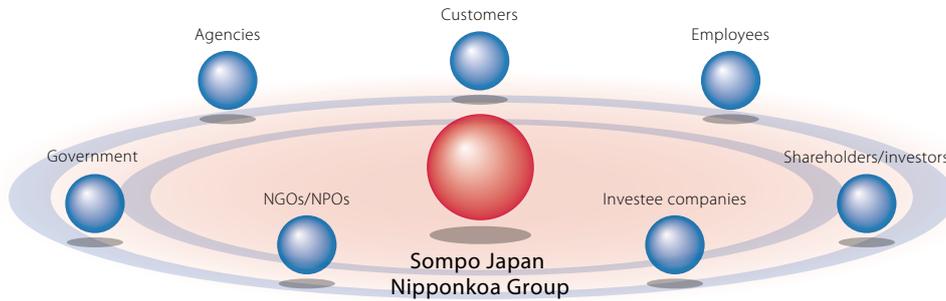
Community Involvement and Development—Partnership with NGOs/NPOs



Stakeholder Engagement

The ISO26000 international social responsibility standard emphasizes the importance of the identification of and engagement with stakeholders as a fundamental part of social responsibility.

The Sompo Japan Nipponkoa Group regards communication with various stakeholders as an essential activity for identifying social issues, building trust and cooperative relationships with stakeholders, and making greater CSR achievements. We make sure to maintain effective stakeholder engagement at all times when conducting CSR initiatives.



Examples of Communication with Stakeholders

We maintain dialogue and cooperation with stakeholders on a variety of occasions to further deepen our CSR. The following are some examples of how we communicate with stakeholders.

Stakeholders

We utilize Facebook to maintain ongoing and interactive communication with stakeholders. Sompo Japan Nipponkoa, Saison Automobile & Fire Insurance, and other companies report their latest CSR initiatives on their Facebook pages.

Seminars, Symposiums, and Forums

We contribute to the creation of a sustainable society through activities such as holding seminars and lectures on various social issues including the environment, welfare, and disaster prevention, as well as through participation in dialogue meetings held both in Japan and abroad. The seminars and lectures include the Public Seminars on the Environment organized by the Sompo Japan Nipponkoa Environment Foundation and various other seminars planned by Sompo Japan Nipponkoa Risk Management. Presentations that we make in symposiums, forums, and other meetings also play an important role in maintaining communication with stakeholders.



The Public Seminars on the Environment organized jointly by the Japan Environmental Education Forum, Sompo Japan Nipponkoa Environment Foundation, and Sompo Japan Nipponkoa

External Experts

We are working to strengthen our CSR by maintaining dialogue with external experts. This dialogue includes periodic meetings with experts from academia, government agencies, and industry.

Shareholders and Investors

We make sure that financial information such as statements and stock prices that is necessary for assessing the value of the Group is posted in a timely manner on our official website as well as provided at various meetings and through statutory financial reports. It is also ensured that the latest news on our ESG (Environment, Social, and Governance) is provided along with those financial information.



Dialogue meeting with the California Public Employees' Retirement System (CalPERS)

CSR Research and Rating Organizations

We also attach importance to communicate with CSR assessment and ESG rating organizations, actively seeking feedback from and exchanging opinions with these organizations to further strengthen the Group's CSR.



Dialogue meeting with Swiss asset management advisor RobecoSAM

Value Chain

As part of our efforts to ensure CSR commitments by our business partners throughout the value chain, we request their cooperation in the areas of environmental protection, compliance, and respect for human rights, and conduct surveys on how they deal with those issues.

CSR Dialogue

We hold CSR dialogue meetings with stakeholders every year and discuss how we can further enhance our CSR.

Fiscal Year 2013 CSR Dialogue Meetings

Overseas

Sompo Japan Nipponkoa Insurance (China) Co., Ltd. (November 2013)

A CSR dialogue meeting was held in the Dalian Office in November 2013. Mr. Yin, Vice-President of WTO Tribune, was invited as an external lecturer to talk about the latest CSR trends in China and what Sompo Japan Nipponkoa (China) is expected to do. About 30 employees who attended the meeting ardently discussed how CSR can be practiced in China.

Sompo Japan Nipponkoa (China), Sompo Japan Nipponkoa's local subsidiary in China, is undertaking a project to develop a CSR Committee to meet the growing demand for CSR information disclosure in China. As part of this project, Sompo Japan Nipponkoa (China) published a local CSR report in 2011, making it the first Japanese financial institution operating in China to introduce its CSR initiatives.



Cooperation with NGOs/NPOs

SAVE JAPAN Project (January 2014)

A dialogue meeting entitled "Future Forms of Cooperation between Business and NGOs/NPOs for the SAVE JAPAN Project" based on its three year history was held in the Sompo Japan Nipponkoa's Head Office building in Shinjuku, Tokyo in January 2014.

The SAVE JAPAN Project, a program in which more than 100 environmental organizations across Japan and Sompo Japan Nipponkoa work together for the conservation of biodiversity in each region, celebrated its third anniversary at the end of fiscal year 2013. The dialogue meeting was intended to share the achievements of the project over the past three years and discuss how business and NGOs/NPOs can cooperate with each other in the future. Approximately 150 participants, mainly NGOs/NPOs staff and CSR representatives from companies, attended the meeting.

In the first section, the representatives from NPO Support Centers, environmental organizations, and companies reported the achievements of the project, while in the second section, a panel discussion was held to answer questions from the audience on cooperation between NGOs/NPOs and business. The meeting provided an opportunity to share achievements and realizations brought about by the project over the past three years.



Joint Meeting with Group Companies

The Sompo Japan Nipponkoa Group (February 2014)

In February 2014, a Group company CSR dialogue meeting was held with 33 employees from 14 companies of the Sompo Japan Nipponkoa Group in attendance.

The keynote speech was made by the Assistant Director of Environment and Economy Division, Environmental Policy Bureau, and a session where Group company representatives make remarks in succession were followed throughout the dialogue each companies discussed on how they can contribute to society through products, services, and operational processes.

The meeting provided the representatives of the various Group companies with a chance to exchange opinions with each other, generating new perspectives and ideas such as the possibility of new collaborations.



Sompo Japan Nipponkoa Group's CSR Training

The Sompo Japan Nipponkoa Group endeavors to promote the dissemination of CSR across the entire Group through a wide variety of education and training programs.

Group wide CSR Training

Through education and training, the Sompo Japan Nipponkoa Group provides employees of every rank with opportunities to understand society's expectations of the Group and the role it is expected to play as well as to promote each employee's active participation in CSR initiatives.

Human Esteem Training

For the purpose of encouraging employees to gain a deeper understanding of CSR and promoting respect for human dignity, the Group provides all its directors and employees with training through the use of its proprietary teaching materials based on the ISO26000 international social responsibility standard and other resources. Training programs offer opportunities for participants to discuss and share ideas about how they should tackle specific issues regarding human rights, the environment, and other social issues when they arise at their workplaces. The program's focus is placed on enabling participants to regard social issues as relevant to their own lives.

CSR Training for Employees at All Levels

CSR Training for Management

CSR training is provided to executive officers and general managers of each department to enhance their understanding of CSR. In January 2014, the importance of CSR was shared at the Global Summit, a conference held in Singapore attended by top management from overseas Group companies.



Global Summit

CSR Training for New Recruits

Various CSR training programs are prepared and provided to new recruits every year. For new recruits who joined the companies in April 2014, a CSR dialogue meeting facilitated by Mr. Hideto Kawakita, CEO



Training for new graduates (CSR dialogue meeting)

of the International Institute for Human, Organization and the Earth (IIHOE), was organized. An exercise that simulates the difficulties faced by people with hearing or vision disabilities as part of a training program focusing on experience and awareness is also implemented.

Internal CSR Audit Based on Dialogue

Prior to their merger, in April 2013, Sompo Japan and Nipponkoa integrated their environment management systems and, in November 2013, acquired the ISO14001 international standard certification for the integrated system.

Under the system, internal audits that emphasize importance to dialogue are conducted, and based on these audits, CSR is promoted in a manner that matches the characteristics of each department.

In fiscal year 2013, 18 departments at the Head Office and five regional head offices were audited.

CSR Development Seminar

CSR development seminars, which are organized for employees of the Group companies, is a highly technical program designed to share ideas on how to fulfill the company's CSR through its core business.

In fiscal year 2013, a debriefing meeting of the Employee Dispatch Probono Program—a support program aimed at sending the company's employees to NGOs/NPOs to engage in the reconstruction of areas severely affected by the Great East Japan Earthquake—was organized in December under the theme of "How can corporate human resources contribute to the reconstruction of disaster affected areas?" The meeting was attended by approximately 180 employees and others involved. Dispatched employees presented reports on their activities and a panel discussion was held with experts to share their insights and knowledge with participants.

In Part 1, members who were dispatched to support the Minamisoma Solar Agripark gave relay-style presentations on the activities they carried out on-site. In Part 2, a panel discussion was held where experts, including Mr. Haruo Miyagi, Executive Director of the NPO Entrepreneurial Training for Innovative Communities (ETIC.) held discussions with participants.



Panel discussion

CSR Meeting in Overseas

Since fiscal year 2010, CSR meetings have been held in the Group's overseas offices as well. CSR issues were discussed in the United Kingdom, Turkey, the United States, Singapore, and China in fiscal year 2011; Brazil, the United States, and India in fiscal year 2012; the United Kingdom, Turkey, Thailand, China, and Hong Kong (headquarters of our Asian business) in fiscal year 2013.

In the meetings, the significance of fulfilling CSR, along with issues and future visions of each region are discussed and information is shared to further advance the Group's CSR efforts.



CSR meeting participants in Turkey

Insurance Seminar of SJNK (ISSJNK)

The Insurance Seminar of SJNK (ISSJNK), a training program for overseas Group company representatives, was held in February 2014 to share the Group's commitments to CSR.

Internal Communication

The Group actively shares the latest CSR news across the Group through e-mail, the intranet, newsletter, video, a server for sharing information among overseas Group companies, and other means.

"Around the World," an English information tool for Japanese and overseas offices published approximately bimonthly, also includes a CSR section to report the latest news and activities conducted across the Group.



CSR section of "Around the World"

VOICE

CSR Promotion by Sompo Japan Nipponkoa Insurance Company of Europe Limited (UK)

At Sompo Japan Nipponkoa Insurance Company of Europe Limited (SJNKE), a local subsidiary of Sompo Japan Nipponkoa in the United Kingdom, 10 CSR Committee members meet four times a year to discuss their initiatives.

To promote environmental conservation, SJNKE ensures that garbage is sorted out by type, that paper is printed on both sides and recycled, and that all fixtures and fittings purchased are environmentally and socially considerate products.

SJNKE also actively engages in social contribution activities such as on-going fundraising and donations and support for workshops geared toward students.



Patricia Cross
Corporate Services Manager
CSR Committee member

TOPICS

ISO14001 Accreditation for All Offices —The Largest-class CSR-EMS Ever Developed by Japanese Financial Institutions—

Before their merger, in fiscal year 2013, Sompo Japan and Nipponkoa integrated their environmental management systems, for which they had separately obtained the ISO14001 international standard, to develop a new CSR-Environmental Management System (CSR-EMS), which covers 400 offices nationwide (including some offices of their Group companies). While a CSR & Environmental Management Promotion Headquarters is established in each of the 16 head offices across Japan, about 2,100 employees are appointed as CSR-Eco Checkers for their respective workplaces to promote CSR initiatives that match the characteristics of each region.

One major feature of the CSR-EMS is to cover not only environmental issues such as energy and resources conservation but also social responsibility issues such as human rights and consumer issues addressed in the ISO26000 international social responsibility standard.

The United Nations Decade of ESD

Highlights of the Sompo Japan Nipponkoa Group's Achievements

The United Nations Decade of ESD (Education for Sustainable Development), spanning from 2005 to 2014, is aimed to empower people with new values and behavior that will lead to solving social issues as well as developing a sustainable society through educational activities. Under this initiative, focus is placed on education not only at schools but also in various locations including companies. The ESD world conference will take place in Japan in November 2014.

The Involvement of the Sompo Japan Nipponkoa Group in ESD

The World Conference 2014 will Take Place in Japan

The world is being confronted with various social issues such as the environment, human rights, and poverty.

Based on a proposal from Japan at the World Summit on Sustainable Development held in Johannesburg in 2002, the years 2005 to 2014 were declared the Decade of Education for Sustainable Development. Furthermore, the outcome document of the United Nations Conference on Sustainable Development (RIO+20) held in Rio de Janeiro in 2012 included a commitment to ongoing ESD after 2014.

In 2014, the last year of the decade, the UNESCO World Conference on ESD will take place in Nagoya City in Aichi Prefecture and Okayama City in Okayama Prefecture in November.

Involvement of the Sompo Japan Nipponkoa Group in ESD

The Sompo Japan Nipponkoa Group had implemented various programs aimed at educating younger generations about sustainability even before the decade started. Sompo Japan Nipponkoa and the Sompo Japan Nipponkoa Environment Foundation will also participate in the UNESCO World Conference on ESD to be held in Japan. Masao Seki, Senior Advisor on CSR of Sompo Japan Nipponkoa, will serve as a member of the Decade of ESD Round Table, which is a liaison and adjustment meeting for the relevant government agencies, in addition to serving as a board member of the approved nonprofit organization Japan Council on the United Nations Decade of Education for Sustainable Development (ESD-J), thus bolstering his commitment to the dissemination of ESD in Japan.



A dialogue meeting organized by ESD-J

Case 1 | Public Seminars on the Environment

The Public Seminars on the Environment were initiated in 1993 as a joint project of Sompo Japan Nipponkoa, Sompo Japan Nipponkoa Environment Foundation, and the Japan Environmental Education Forum, and celebrated their 20th anniversary in 2013. Approximately 10 seminars were held annually in the hope that they encourage every participant to deepen consciousness and understanding of environmental issues and to take action toward solving them.

The Public Seminars on the Environment, which started as one of the first partnership projects between companies and NGOs/NPOs in Japan, has attracted a wide variety of participants including businesspersons, NGOs/NPO staff, local government officials, and students, etc. Up to the end of fiscal year 2013, a total of 351 seminars were held, with the topics covered varying widely, including nature protection, climate change, biodiversity, food education, environmental education, and many others. The total number of lecturers and participants rose to as many as 410 and

approximately 17,500, respectively. The seminar sometimes took place outdoors as an opportunity for participants to experience nature.

In February 2014, the 20th anniversary commemorative symposium entitled "Business and Environmental Issues" was organized, attended by an audience of about 130. At this event, where the publication of a book by the Environmental Issues Research Group of the Sompo Japan Nipponkoa Environment Foundation was also celebrated, representatives of citizens, government administration, NGOs/NPOs, and other stakeholders discussed issues and prospects concerning companies' contributions to solving environmental issues.



Outdoor seminar nature experience program



Seminar in 1993



20th anniversary commemorative symposium "Business and Environmental Issues"

2013

20th anniversary

Total number of participants

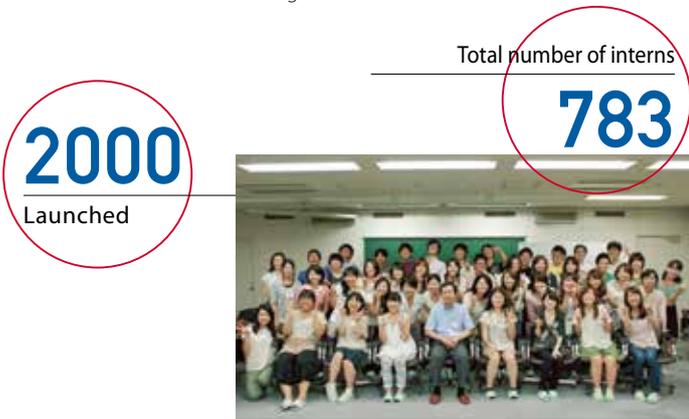
17,500

Education for Sustainable Development

Case 2 | CSO Learning Scholarship Program

The CSO Learning Scholarship Program is an eight-month internship program launched in 2000 that offers undergraduate and graduate students work experience at civil society organizations (CSOs), in the area of the environment. The program is intended to offer the young generation an opportunity to consider about environmental issues and what a civil society should entail while working with CSO staff, thereby helping them to harbor a broad vision.

The total number of alumni reached 780 by the end of fiscal year 2013. In recent years, the number of those who decide to continue to be involved with environmental and social challenges even after the completion of the program has increased, with many working actively for the environmental departments of central and local governments, environmental NGOs/NPOs, and companies and organizations concerned with food and agriculture.



Voice of a Participant



Ms. Chisato Ikariya

Participated in fiscal year 2012; then at Hosei University
Worked for: The Organization for Industrial, Spiritual and Cultural Advancement-International (OISCA)

What I learned from this internship program was the importance of challenging in what I want to achieve. In the organization I worked for, I was given chances at a variety of jobs, including not only clerical work but also planting trees and planning and operation of an exhibition at an environmental event. All of these were precious experiences for me. Initially, I did not have the confidence but thanks to the advice and support from the staff, I was able to carry out these jobs more proactively. During the program, there were also monthly meetings where I could meet other intern participants working in other organizations. The other interns that I met at the meetings were working hard toward their goals and inspired me with a lot of energy.

The CSO Learning Scholarship Program gave me an opportunity to experience various new activities, meet inspirational friends. Thank you for this wonderful opportunity.



Case 3 | SAVE JAPAN Project

The SAVE JAPAN Project is a program in which Sompo Japan Nipponkoa makes donations to the Japan NPO Center each time a customer enrolls in automobile insurance, and selects the "web-based insurance clause" option, or when a customer chooses to use a recycled part after accident repairs. Part of the reduced costs are donated to the Japan NPO Center, and more than 100 local environmental organizations, and Sompo Japan Nipponkoa jointly organize biodiversity conservation events in all 47 prefectures across Japan. The project provides opportunities for the local community to actively take part in nature protection activities.

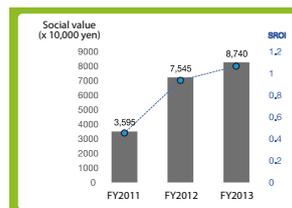
A total of 325 events have been held, with more than 18,000 citizens taking part as of the end of March 2014 since the program's launch in fiscal year



2011. In January 2014, a symposium was organized to review and discuss the achievements of the program over the past three years, attended by about 150 participants mainly from NGOs/NPOs and companies.

To complete the three-year project, the social value of the SAVE JAPAN Project was evaluated using a Social Return On Investment (SROI) analysis, an evaluation method for project efficiency that compares the social value a project produces and its cost. This is the first time for an SROI analysis to be employed in the field of biodiversity conservation in Japan.

Three-year social value arising from the SAVE JAPAN Project



Social return on investment (SROI) by year

FY2011	SROI = 0.46
FY2012	SROI = 0.97
FY2013	SROI = 1.12

*SROI: Social Return on Investment

Declarations to Society and Participation in CSR Initiatives

To solve social issues on a global level, the collaboration of multiple organizations is indispensable.

The Sampo Japan Nipponkoa Group actively participates 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 better corporate citizenship by voluntarily addressing the issues of human rights, labor, the environment, and anticorruption. Sampo Japan Nipponkoa Group became a signatory in 2006.



Women's Empowerment Principles (WEPs)

The Women's Empowerment Principles (WEPs), a joint initiative between UN Women and the UN GC, offer a framework for business on how to empower women in the workplace, marketplace and community. The 7 WEPs Principles seek to point the way to best practice in advancing gender equality by elaborating the gender dimension of corporate responsibility, the UN GC, and business' role in sustainable development. Sampo Japan Nipponkoa Holdings became a signatory of WEPs in June 2012.

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. Sampo Japan Nipponkoa is a member of the steering committee.



United Nations Environment Programme Finance Initiative (UNEP FI)

UNEP FI is an international financial sector network. Since its launch in 1992, the initiative 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. Sampo Japan Nipponkoa became a signatory in 1995.



United Nations Principles for Responsible Investment (UN PRI)

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



United Nations Principles for Sustainable Insurance (UN PSI)

UN PSI was formulated by the United Nations Environment Programme Finance Initiative (UNEP FI) in June 2012, as a declaration by financial institutions that they will take ESG (Environment, Social, and Governance) issues into account through their business operations. Sampo Japan Nipponkoa has participated in the development of the principles and became a signatory in June 2012.



CDP

CDP is a collaborative initiative by the world's leading institutional investors. This international initiative encourages businesses worldwide to adopt climate change strategies and disclose their GHG emissions. Sampo Japan Nipponkoa has been a member since 2005 as an institutional investor.



World Business Council for Sustainable Development (WBCSD)

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



ECO FIRST Business

In November 2008 the Sampo Japan Nipponkoa Group became the first companies in the insurance business to be

accredited by the Minister of the Environment, Japan as an "ECO FIRST Business." Under the ECO FIRST system, companies make a commitment to the Minister of the Environment, Japan about the environmental conservation initiatives they will take in fields such as combating global warming.

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

These principles were formulated in October 2011 as action principles for financial institutions to fulfill their roles and responsibilities to develop a sustainable society. Sampo Japan Nipponkoa was actively involved in the formulation, participating as members of the drafting committee. In December 2011, seven Sampo Japan Nipponkoa Group companies including Sampo Japan Nipponkoa became signatories to these principles.

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 to the Convention on Biological Diversity (COP10). The partnership was established by businesses, economic organizations, governments, NGOs/NPOs, and other parties that endorse the Japan Business and Biodiversity Partnership Action Policy. The Sampo Japan Nipponkoa Group companies signed up to the partnership when it was established.

Keidanren Committee on Nature Conservation (KCNC), Keidanren One Percent Club, Council for Better Corporate Citizenship (CBCC)

KCNC financially supports NGOs/NPOs 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 NGOs/NPOs. The Keidanren One Percent Club provides information on social contribution activities conducted by companies to promote companies' further involvement in social contribution, while acting as a coordinator for the cooperation between companies and NGOs/NPOs. 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. Sampo Japan Nipponkoa has been the chairman of the Keidanren One Percent Club, KCNC, and CBCC since 2008, 2012, and 2013, respectively.

TOPICS

The initiatives in which the Group participates are published and introduced as CSR best practices around the world through various media. Our initiatives are also reported by these initiatives. The following are few examples.



United Nations Global Compact (UN GC)

The UN GC-Accenture CEO Study on Sustainability 2013—Architects of a Better World

An interview article with President and Group CEO Sakurada appears in the CEO Study on Sustainability 2013 published jointly by UN GC and Accenture.

<http://www.accenture.com/microsites/ungc-ceo-study/Pages/home.aspx>



World Business Council for Sustainable Development (WBCSD)

Reporting Matters
—WBCSD 2013 Baseline Report

The Baseline Report, compiled with WBCSD acting as secretariat, is the first report that introduces the best practices of member companies. In this report, our 2012 CSR Communication Report is introduced as a good example in selecting process model for CSR material issues.

<http://www.wbcd.org/reportingmatters.aspx>

■ Aiming to be a leading company in CSR, we are launching global activities.

Europe



London, U.K.
(June 2013) **1**

Participated in the **G8 Social Impact Investment Forum**, in which government officials and senior figures from the worlds of finance, business and philanthropy gathered from across the G8 countries, introducing Japan and initiatives undertaken by the Group



Amsterdam, Netherlands
(April 2013) **2**

Attended a conference of the **Global Reporting Initiative (GRI)**, with the Group's representatives speaking on "Sustainability in the Era of Resilient Growth in Japan," a session featuring Japanese business leaders



London, U.K.
(G8 Social Impact Investment Forum)



Warsaw, Poland
(November 2013) **3**

Participated in the "**Caring for Climate Business Forum**" held at the 19th United Nations Framework Convention on Climate Change (**COP19**), taking part in discussions over countermeasures against climate change



Istanbul, Turkey
(November 2013) **4**

Attended the **WBCSD Council Meeting** as a core member of the "Action2020" project aimed at setting an action agenda for business on sustainable development to 2020 and beyond



Amsterdam, Netherlands
(GRI Global Conference on Sustainability and Reporting 2013)



Hanoi, Vietnam
(Visit to Vietnam's Ministry of Nature Resources and Environment as a member of KCNC)



Naypyidaw, Myanmar
Seminar on weather index insurance jointly hosted with Myanmar's Ministry of Finance



Beijing, China
(UN PSI annual meeting)



Hong Kong, China
(Asia Ethics Summit)

Asia



Beijing, China
(November 2013) **5**

Attended "Global Roundtable" of the UN Environment Programme Finance Initiative (UNEP FI), as well as annual meetings of **UNEP FI** and **UN Principles for Sustainable Insurance (UN PSI)**



Beijing, China
(December 2013) **5**

Gave a presentation on initiatives undertaken by the Group at the **Sixth International Conference on CSR Reporting in China** hosted by WTO Tribune



Hong Kong, China
(December 2013) **6**

Attended **Asia Ethics Summit** sponsored by Ethisphere Institute to participate in a panel discussion



Bangkok, Thailand
(September 2013) **7**

Took a rostrum at the **CSR Asia Summit 2013** to introduce the Group's approach to countering climate change



Indonesia/Vietnam
(October 2013) **8**

Participated in a tour organized by the **Keidanren Committee on Nature Conservation (KCNC)** to observe nature conservation projects undertaken in Indonesia and Vietnam while taking part in dialogue with local governments and NGOs/NPOs



Naypyidaw, Myanmar
(February 2014) **9**

Hosted the **Weather Index Insurance Seminar** jointly with the Ministry of Finance and Revenue of Myanmar, with the attendance of Minister of Agriculture and Irrigation Myint Hlaing and Deputy Minister of Finance and Revenue Maung Maung Thein



Tokyo, Japan
(March 2014) **10**

Took a rostrum at **RI Asia 2014**, with the Group's representatives speaking on a platform at a session entitled "The Case for ESG Integration"

America



New York, San Francisco, the United States
(February 2014) **11**

Participated in "CSR Dialogue Mission to the U.S." hosted by **Council for Better Corporate Citizenship (CBCCC)**, taking part in dialogue with **United Nations Global Compact** and U.S. companies while introducing initiatives undertaken by the Group



New York, the United States
(Visit to UN GC as a member of CBCCC mission)

External Recognition

CSR initiatives by the Sampo Japan Nipponkoa Group have won many accolades, including from research organizations and others.

●Prior to August 31, 2014

NKSJ Holdings
Sampo Japan and Nipponkoa
Sampo Japan Fine Art Foundation



●After September 1, 2014

Sampo Japan Nipponkoa Holdings
Sampo Japan Nipponkoa
Sampo Japan Nipponkoa Fine Art Foundation

Major CSR Awards and Recognitions in Fiscal Year 2013

Company names as of fiscal 2013

- NKSJ Holdings received the Bronze Class 2013 of the RobecoSAM Sustainability Award by RobecoSAM, a Swiss asset management company. 
- NKSJ Holdings received the Environmental Reporting Award and Global Environmental Forum President's Award under the Ministry of the Environment Japan's Environmental Communication Awards.
- Nipponkoa and Sampo Japan were ranked 1st and 3rd, respectively, in the Non-Manufacturing Financial Business category in the 17th Nikkei Inc.'s "Corporate Environmental Management Survey."
- Nipponkoa and Sampo Japan were ranked 1st and 3rd, respectively, among financial institutions in the 8th Toyo Keizai Inc.'s CSR Corporation Ranking (Category of Financial Business).
- SAVE JAPAN Project of Sampo Japan and Nipponkoa received a Judges' award of the 2013 Biodiversity Action Awards.
- Sampo Japan was listed in Ministry of Economy, Trade and Industry, Japan's Diversity Management Selection 100.
- Sampo Japan was ranked 1st overall in the overseas travel insurance category in the 2013 Oricon Customer Satisfaction Ranking.
- Sampo Japan received the Universal Communication Design Association's UCDA Award 2013 in two categories: the automobile insurance claim category, due to the clarity of the company's claim forms; and the P&C insurance payment procedure information webpage category, due to its easy-to-understand way of presenting information.
- Sampo Japan received authorization from the Director-General of the Tokyo Labour Bureau for the fourth time to use a certification mark as an enterprise that meets the requirements of the Act on Advancement of Measures to Support Raising Next-Generation Children.
- Sampo Japan was selected among the 2014 World's Most Ethical Companies by Ethisphere Institute for the 4th consecutive year.
- Sampo Japan and the Sampo Japan Fine Art Foundation received the 2013 Japan Mécénat Award for their art appreciation program based on dialogue. 
- Nipponkoa received the Environment Minister's Award in the 2013 Environment Minister's Award for Global Warming Prevention Activity.
- Nipponkoa received the Environment Minister's Award in the 3rd Carbon Offset Award sponsored by the Ministry of the Environment, Japan.
- Saison Automobile & Fire Insurance was ranked the highest among direct-type insurers in the 2013 Japan Auto Insurance Shopping Satisfaction StudySM and the 2013 Japan Auto Insurance Satisfaction StudySM conducted by J.D. Power.
- Sampo Japan Nipponkoa Risk Management was awarded "S," the highest rank in the evaluation of registered certification organizations for the Tokyo Cap-and-Trade Program.
- Sampo Japan Nipponkoa Risk Management's consulting service to support the development of an automobile accident prevention management system was approved by the Ministry of Land, Infrastructure, Transport and Tourism, Japan for which a subsidy is provided to service users as part of the Ministry's 2013 accident prevention support project.

Inclusion in Socially Responsible Investment (SRI) Indices

Sampo Japan Nipponkoa Holdings is included in the following SRI Indices (as of April 2014).

Dow Jones Sustainability Indices (DJSI World)

DJSI World is a leading global SRI index of companies that are leaders in sustainability, as assessed from their approaches towards ESG (Environment, Social, and Governance) issues based on their economic, environmental and social performances. This is the fourth consecutive year for NKSJ Holdings to be included in the Index, and the 14th consecutive year for Sampo Japan. 

FTSE4Good Index Series

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

Ethibel EXCELLENCE Investment Registers

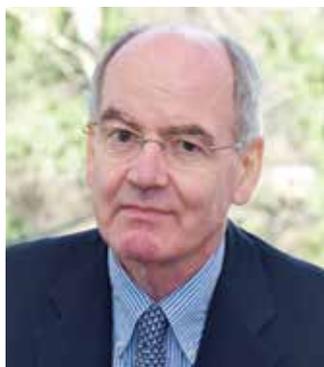
The Ethibel Investment Register is an investment universe that selects and includes companies which are highly recognized in terms of the performance in fulfilling their corporate social responsibility. 

Morningstar Socially Responsible Investment Index

The Morningstar Socially Responsible Investment Index was developed as Japan's first SRI index covering Japanese companies. 

Received "Prime" Rating from Oekom Research AG

Oekom Research AG is a global rating agency that evaluates corporate performance using unique standards which focus on the social and environmental perspectives. NKSJ Holdings received a "Prime" rating, a status awarded only to companies that are especially highly assessed. 



Mr. John Elkington
Co-Founder and Executive Chairman of Volans

Mr. John Elkington is co-founder and Executive Chairman of Volans (<http://www.volans.com>). He also co-founded SustainAbility and Environmental Data Services (ENDS). His latest book *The Breakthrough Challenge*, will be published by Jossey-Bass in September. His personal website is at <http://www.johnelkington.com> and he tweets as @volansjohn.

The evolution of the insurance industry has been one of mankind’s most extraordinary adventures at the interface between business, society and the wider world. So it is a particular pleasure to contribute a perspective to this report from one of the most thoughtful solution provider I have come across, Sompo Japan Nipponkoa Group.

Looking back, it is clear that disasters have played a crucial role in spurring the sector’s evolution. In my home city of London, for example, the property insurance industry got a big boost when much of the city burned to the ground in 1666.

More recently, losses associated with natural disasters have been a growing concern. Whether you think of the devastation of the Indian Ocean and the Great East Japan Earthquake Tsunamis, or the impact of Hurricane Katrina on New Orleans and of Hurricane Sandy on New York, the world is getting riskier.

One response has been for insurers to boost their premiums, though there is a limit to how far this can go. A second has been for cities to focus on their resilience to shocks, as when the

Rockefeller Foundation recently allocated funding for 100 cities to appoint Chief Resilience Officers. And a third has involved financial institutions—including insurers—joining initiatives designed to bring their collective influence to bear on issues like climate, water or human rights. Sompo Japan Nipponkoa Group, for example, is a member of the UN Environment Programme’s Finance Initiative.

Still, as the world works towards the UN Sustainable Development Goals, and with the UN COP21 climate summit looming next year, I hope major insurance groups that aspire to be good global citizens will be reviewing their contributions to society. These can range from providing so-called micro-insurance services to poorer communities through to lobbying governments to ensure that their climate change policies are both ambitious and effective.

Some leading insurers are already expressing public concern that climate-related risks will shrink their markets by making some types of risk uninsurable. Less principled competitors may decide that their role is limited to softening some of the impact of demographic, societal and environmental problems, at least for those who can pay.

But I hope to see Sompo Japan Nipponkoa Group evolving its leadership in these challenging times—and demonstrating the opportunities for the insurance industry to drive change, both through insurance itself and through the intelligent investment of the income earned from insurance premiums.

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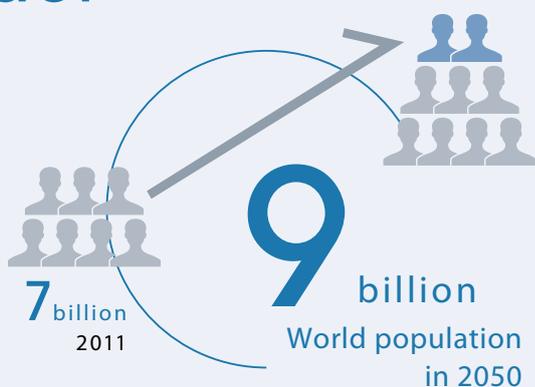
Material Issue 6 Disclosing Transparent Information ... p. 41–42

Material
Issue 1

Providing Products and Services that Contribute to Security, Health, and Wellbeing

Increasing Customer Satisfaction by Providing Products and Services that Meet Consumer Needs

Fact



Source: United Nations World Population Prospects: The 2012 Revision

According to the United Nations, the world population, which reached over 7 billion in 2011, is forecast to exceed 9 billion by 2050. Japan is facing rapid aging of the population resulting from the decline in the birth rate while the consumer needs are becoming increasingly diversified. Recently, more companies are striving to grasp the latest business trends and changes in consumer needs by analyzing so called "big data" and utilizing the results for their marketing activities. Understanding diversified consumer needs and promptly responding to their needs in a detailed manner are probably now keys to the future growth of companies.

Our Action

The Sompo Japan Nipponkoa Group's Management Philosophy declares that the Group will "at all times carefully consider the interests of our customers when making decisions that shape our business" and "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."

The Group CSR Vision also states that the Group will constantly maintain a long-term outlook and provide services and products designed to address various risks and contribute to the security, health, and wellbeing of our customers and society. Under this vision, the Group is carrying out a wide range of activities in the course of its business operations that will help to solve various social issues while at the same time promoting the Group's growth.

The Group will constantly aim for the highest possible quality in all its business processes in order to become the best customer service provider both at home and abroad.

|| Becoming the Best Customer Service Provider

Sompo Japan Nipponkoa believes that being the country's best insurance company both in name and reality is synonymous with being the best evaluated company by customers. Based on this belief, we have set a goal of becoming the best customer service provider as our most important strategic target.

To achieve this goal, we do our best to provide the highest possible quality of services to our customers to satisfy their needs at every contact point, including the timing of signing the agreements, contacting our agency or company after an accident, and inquiring with our call centers and sales offices.

With the aim of creating business solutions to achieve our strategic target of becoming the best customer service provider, we have also established a Best Customer Service Provider Promotion Headquarters whose members consist of the President and Head Office Executives and set targets and indicators under the proactive initiatives of management while implementing a PDCA (plan-do-check-act) cycle at each department level.

In fiscal year 2013, the sales division focused mainly on ensuring sales agencies to fully comply with the action standards for agency reliability in order to establish Japan's best sales operational base in terms of both size and quality. The insurance claims division strives to further implement the practice of basic actions necessary to meet customer expectations, while the headquarters division committed itself to make continuous improvements in the company's services based on the voice of customers (VOC) and employees on the front-line.

|| Utilization of VOC (Voice of Customers)

We receive inquires, complaints, opinions, requests, concerns and other types of VOC via our customer call centers, agencies, sales division, insurance claims division, Customer Relation Office, and other customer contact points. We take the customer feedback seriously, review each



Takeshi Oide General Manager
Service Quality Management and
Enhancement Department
Sompo Japan Nipponkoa Insurance Inc.

voice, and analyze the causes of major problems in order to reflect the analyzed results in our business activities. Voices of customers received via customer questionnaires are also shared with relevant front-line agencies to make further improvements in their services.

|| VOC White Paper

We have put an independent external monitoring system in place to obtain opinions from qualified consumer counselors and utilize their views for continuous improvement of our products and services.

We have also been publishing the VOC White Paper annually since fiscal year 2007 as part of our efforts to become the best customer service provider. This White Paper reports comments received from customers and the implemented improvement measures based on VOC.

We will continue to provide the highest quality of services that exceeds customer's expectations and aim to be the customers' number one choice by striving to contribute to the security, health, and wellbeing of our customers as the best solution provider.

VOICE

Fulfilling the Role of a Solution Provider on Consumer Issues



Ms. Yukiko Furuya

Executive Advisor
Nippon Association of Consumer
Specialists (NACS)
President
Consumer Conference for Sustainability

I highly appreciate that Sompo Japan Nipponkoa Group set "Providing products and services that contribute to security, health, and wellbeing" as one of the Group's CSR material issues and aims to be the customer's number one choice as "security, health, and wellbeing" are important social issues of our time. I expect the publication of the VOC White Paper, the independent external monitoring system based on the VOC and improvement measures taken by the sales division, insurance claims division, etc under the initiative of the company's management to continue and further improve.

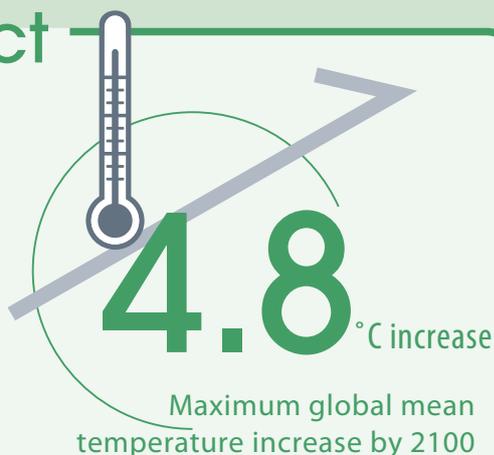
Furthermore, I expect the Group to not only pursue the target of being the best customer service provider from the customer's view point but also aim to become the solution provider for the social issues behind the customers. By doing so, I believe it will further promote the efforts toward the solution of material issues and the realization of the best customer service provider as well. Insurance is a very important social infrastructure and I hope that the Group will continue and enhance your efforts while considering both the positive and negative impact of insurance on consumers and society.

Material
Issue **2**

Tackling Global Environmental Issues

Adapting to Climate Change Based on a Backcasting Approach

Fact



Source: Report of Working Group III (Mitigation of Climate Change) in the IPCC Fifth Assessment Report (AR5)

The IPCC (Intergovernmental Panel on Climate Change) published the IPCC Working Group III Fifth Assessment Report "Mitigation of Climate Change" in April 2014 and it warns that without additional efforts to reduce GHG emissions beyond those in place today, the global mean surface temperature may increase in 2100 up to 4.8°C compared to pre-industrial levels. Since it is becoming clear that climate change is affecting nature and ecosystems, the Group is required to work closely together with other companies and various stakeholders to address global environmental issues.

Our Action

Sompo Japan Nipponkoa established the Environmental Risk Management Office in 1990, and the President of Yasuda Fire & Marine Insurance Company (now Sompo Japan Nipponkoa) participated in the United Nations Conference on Environment and Development ("Earth Summit") held in Rio de Janeiro in 1992 as head of the Japan Business Federation.

In order to hand down the precious global environment to future generations, the Sompo Japan Nipponkoa Group has set mid- to long-term goals of reducing GHG emissions to 40% compared to the fiscal year 2002 levels by 2020 and 70% by 2050.

The Group will contribute to promote the realization of a resilient and sustainable society by addressing environmental issues in the course of its business operations and proactively engage its stakeholders in forward looking dialogue.

Dr. Shuzo Nishioka, Senior Research Advisor to the Institute for Global Environmental Strategies (IGES), and Masao Seki, Senior Advisor on CSR, Sompo Japan Nipponkoa and Executive Director of the Sompo Japan Nipponkoa Environment Foundation, had a dialogue on the theme of "Adaptation to Climate Change" in May 2014.

During the dialogue, Dr. Nishioka has given his feedback on the activities of the Environmental Issue Research Group as a chairman of the research group since 2011. Furthermore, Dr. Nishioka gave us his expectations and advice on the Group based on the latest trends in global warming.



Masao Seki Senior Advisor on CSR, Sampo Japan Nipponkoa Insurance
Executive Director, Sampo Japan Nipponkoa
Environment Foundation



Dr. Shuzo Nishioka Senior Research Advisor, Institute for Global
Environmental Strategies (IGES)

Activities of the Environmental Issue Research Group

Seki Thank you for your continued contribution as the chairman of the Environmental Issue Research Group since 2011. I'd also like to take this opportunity to thank you for undertaking the editorial supervision of the book titled *How Should We Adapt to Climate Change Risks?*, which we published in March 2014. We were able to introduce the book in a symposium on "Business and Environment Issues" organized by our foundation.

The group has been researching on the theme of "adaptation to climate change." Would you share your thoughts looking back on the past three years as the chairman of the research group?

Nishioka I very much appreciated that the research group provided me with opportunities to be involved in very interesting, pioneering work. I'd also like to thank everyone who has participated in our activities.

During the last three years, many events occurred which made us realize that climate change is an imminent risk. This indicates that the impact of human activities on the environment is posing an increasingly serious

risk. In the past three years, there has been a feeling of momentum that an increasing number of people realize that they themselves must do something to inhibit climate change and feel strongly that adaptation is the way to cope with imminent risk of climate change.

With regard to the publication of the book titled *How Should We Adapt to Climate Change Risks?* in particular, people from various sectors—such as academia, local government officers, international negotiation experts, and staff from NGOs—became involved, allowing us to have very meaningful discussions. Since the book covered timely topics about what adaptation is, why it is so important, how effective it is on a global scale, and what specific measures can be taken, I believe it was a frontier in the field of adaptation.

Seki Thank you. As you have mentioned, since people from various sectors took part in the production of the book, it made the book so unique that it covered efforts of a wide range of sectors comprehensively. I also heard from the participants of the research group that they highly appreciated how the group had been helping them connect with other researchers and provided them opportunities to communicate with business, local governments, NGOs, and other organizations. I thought this was quite impressive.

VOICE

Initiatives of Sampo Japan Nipponkoa Environment Foundation



Tokuko Sarai
Secretary General
Sampo Japan Nipponkoa
Environment Foundation

Sampo Japan Nipponkoa Environment Foundation has been holding the Environmental Issue Research Group since 1993 and dealt with the social issues of "land pollution," "waste material" and "the precautionary principle." The research group has undertaken further study on devising solutions to each of the timely social issues with experts in various fields and has been publishing the research results in the form of books as their outcome.

The latest study theme of the research group is "Adaptation to Climate Change"—a topic of a close concern to the non-life insurance business—and it has currently published a book based on the study results during fiscal year 2011 through fiscal year 2013.

The main feature of the book is "multi stakeholders." In order to increase effectiveness of the adaptation practices, it is inevitable for multi stakeholders to incorporate the practices into their decision making and practical actions within each sector. Therefore, we compiled the book in a collective view of the latest knowledge and the actual conditions by focusing not only on the methodological outcome of the research group but incorporating the practical approach undertaken among the business sector, local government and international NGOs/NPOs. We hope that the book will widely reach out to both academia and the general public, to provide a good opportunity for stimulating interest in "Adaptation to Climate Change."



*How Should We Adapt to
Climate Change Risks?*
(Published in March 2014)



Impact of Climate Change

Seki When I visited New York in February 2014, thousands of flights were cancelled in the eastern United States due to the unusually heavy snow. On the same trip, in San Francisco, I heard news that the western area was hit by the worst drought in 500 years, which caused severe damage to agriculture. This kind of extreme weather and natural disasters is taking place not just in the United States but everywhere in the world. The Japanese government is planning to formulate a climate change adaptation plan by summer of 2015, and I think that the research group could play a constructive role by providing valuable inputs.

Nishioka I cannot say for sure that all those natural disasters are caused by climate change, but it is apparent that the frequency of the occurrence of extreme weather events is increasing. Adaptation cannot be an ultimate solution to climate change. It is something that we have no choice but to pursue. However, needless to say, we cannot keep adapting ourselves to climate change forever and we must stop the rise of the global temperature at some point in the future.

It is important for us to keep in mind that we are dealing with nature. Dr. Thomas Stocker, Co-Chair of IPCC Working Group I (The Physical Science Basis) Fifth Assessment Report, pointed out that limiting climate change is the best measure for adaptation. Climate change is an issue that needs to be addressed in a hundreds of year perspective and Japan must figure out what it can do about climate change seriously.

However, as a matter of fact, GHG emissions in Japan between 2008 and 2012, the first commitment period of Kyoto Protocol, increased by about one percent on an annual average basis over the base year of 1990. Although Japan is often noticed for its advancement in energy conservation, Japan, in fact, has been outstripped by Germany and the United Kingdom among OECD countries in terms of energy consumption compared to GDP. The United States and China are catching up quickly, so we must eliminate our delusion that Japan is doing well in energy conservation.

Expected Leadership of Business

Seki Amid that situation, the business role is becoming increasingly important. I also think having a long-term perspective is a key to addressing the situation. The world population is forecasted to reach over 9 billion by 2050. Business needs to think first about what the world will be like in 2050 and then what to do now to solve expected issues—in other words, adopt a so-called back-casting approach. This approach is used by the World Business Council for Sustainable Development (WBCSD), of which our company is a member. For example, if the world's urban populations doubled as predicted, we should have totally new and innovative urban plans to realize smart, low-carbon

and resilient cities. Business usually works with government only in the implementation phase, but WBCSD strongly encourages its member companies to become involved as early as in the upstream design phase to provide their know-how and technologies in formulating strategic long-term plans for future sustainable cities.

Having a long-term perspective is also important in the world of investment. The Financial Services Agency published the Japanese version of the Stewardship Code in February 2014 with the aim of promoting sustainable growth of companies through dialogue with institutional investors. This implies the relationship between business and investor should be restructured from the viewpoint of companies' long-term growth.

Nishioka If we continue to invest in infrastructure that requires huge amounts of energy consumption as they do now, the infrastructure has to be used for more than 50 years due to a "lock-in" effect. Investments must be selected from a long-term perspective based on a back-casting approach.

Seki In addition to having a long-term perspective, it is also important for business to involve the value chain players in the process of sustainable and equitable growth. For example, Unilever, a consumer-goods giant, is involving the company's 2 billion users around the world in the *Unilever Sustainable Living Plan* with an attempt to spread sustainable lifestyles. The company is exploring what it can do in every phase of the value chain from procurement of raw materials to final consumption, setting ambitious goals, and involving everyone in the chain. The interesting thing is that many NGOs sympathized with Unilever's policy and willingly started to work with the company to attain its goals.

Expectations toward the Sampo Japan Nipponkoa Group

Seki We have discussed the importance of leadership of business. Could you tell us what role you would expect the Sampo Japan Nipponkoa Group to play?

Nishioka While generating short-term wins is necessary to sustain the business, it is also important to care about future generations when making investment decisions in order to pursue sustainable development. What I would expect of the Sampo Japan Nipponkoa Group is to continue to provide products and services that contribute to social security, such as the weather index insurance provided in Thailand. I would also like to see the Group contributing to the expansion of renewable energy through its asset management business. Japan lags behind Europe in the usage of renewable energy sources and Japan must put more effort into realizing zero emissions. I would like the Group to play a leading role in this effort by supporting the stabilization of global environmental issues.

Seki Thank you. We are well aware that the most important role of a private insurance company is to offer insurance, financial products and services that meet the needs of customers and society, such as weather index insurance you mentioned. We will make further efforts to integrate sustainability into our product development process.

Trend of Global Industrial Circles

Seki With regard to the Conference of the Parties (COP), an international negotiation on global warming, the industry sector was

previously hosting its own events outside of the official conference venues. But in COP19 held in Warsaw, Poland in 2013, the industry sector was successful in organizing an event within the official venue for the first time in the history of the conference. This literally marked industry's first step into the circle of deliberation. This was a result of the long efforts of WBCSD and United Nations Global Compact (UN GC) that had been continuously proposing their opinions as the businesses sector and it led COP to acknowledge that policy discussions must involve business as a solution provider.

Nishioka Is the movement of business sector evolving against climate change?

Seki In the case of WBCSD, its member companies are only about 200 worldwide, and the movement has not yet gone as far as proposing on respective government policies. The UN GC, a partnership initiative between the United Nations and business, has over 12,000 corporates and organizations from more than 140 countries, but among them, the number of companies taking part in "Caring for Climate," an initiative aimed specifically at climate change, is as small as a few hundred. Both of these initiatives have stronger impacts than before, but still they are not expanding sufficiently.

GHG Emissions in Developing Countries May Become Three Times Higher than Those of Developed Countries

Seki We have discussed the trend of industrial circles. Now would you share your idea of what Japan can contribute to the sustainable growth of developing countries?

Nishioka Without additional efforts to reduce GHG emissions beyond those in place today, emissions growth in developing countries is expected to be more than three times higher than those of developed countries by 2100. Emissions from developed countries are expected to be in remission by 2100, but even when developed countries reduce their emissions by 80%, the climate will not be stabilized unless something is done about emissions in developing countries. It is estimated that 50% of economy, energy consumption, and GHG



emissions globally will be attributable to energy use in Asian countries by 2050. We researchers are providing various research materials and information on systems in Japan to Asian countries in order to encourage them to shift their current policies to more low-carbon-oriented policies. As a country advanced in energy conservation, Japan has been making a great effort and possesses technologies that underpin low-carbon growth of countries. I think that Japan should further support developing countries in Asia to back up their efforts to reduce GHG emissions without disrupting economic growth and development. China is currently the best country in the world for renewable energy generation as well as renewable energy technology, and other Asian countries should also pursue low-carbon development by taking the climate change issue as a good opportunity.

Creating a Resilient Society

Nishioka If the ecosystem itself loses its balance, human society, which is only a part of the ecosystem, will also be affected severely. The climate can be described as the "mother of the global environment." It is the climate that controls the creation of all kinds of natural capital, ecosystems, and natural resources including water and air. Therefore, the current serious climate change is something that we all should be alert about. In Japan, it is necessary for the industrial sector, public agencies, NGOs, etc to cooperate with each other and implement cross-sectoral measures. I believe that these efforts will eventually lead to a significant contribution to international sustainability.

Seki A recent issue of the *Harvard Business Review* refers to companies integrating climate change into their corporate strategy as "resilient companies," and I think "resilience" has become a key word. Companies must enhance resilience, which means that companies must both strengthen themselves and help strengthen society as a whole. In other words, companies need to work on climate change not as a social license to operate but as an integral part of their business strategy. Only a handful of companies have this kind of mindset, but I think this is something that all companies should embrace and place greater focus on. The Sampo Japan Nipponkoa Group will also continue to strive to address the issue from a global perspective and through cooperation with the government, NGOs, and other stakeholders.

Thank you very much.



Material
Issue **3**

Providing Sustainable and Responsible Financial Services

Promoting SRI Incorporating ESG Factors and Addressing Social Issues through Financial and Insurance Services

Fact



Relative proportion of ESG assets in total assets under management in Japan

Source: 2012 Global Sustainable Investment Review, Global Sustainable Investment Alliance

The United Nations supported Principles for Responsible Investment (UN PRI) were formulated in 2006 under the United Nations Environment Programme Finance Initiative (UNEP FI) launched in 1992, in which insurance and reinsurance companies that are highly concerned about natural disasters and other imminent hazards are core members. The UN PRI goal is to support institutional investors signatories to incorporate ESG (environment, social, and governance) issues into their investment decision-making processes, ownership practices, and analysis of each investment from a long-term perspective for their clients and beneficiaries. The size of the global assets taking into account ESG considerations have been increasing as Europe and Africa reaching approximately 8,750 billion and 230 billion US dollars respectively while in Japan was 10 billion US dollars in 2012. The relative proportion of ESG assets in total assets under professional management in Japan only represents 0.2%.

Our Action

Global ESG investment is one of the seven strategies of SRI categorized by "Global Sustainable Investment Review 2012." During the last few years, such assets that incorporate ESG concerns into their investment selection and management are representing as much as approximately 1.4 times higher than the total market capitalization of the Tokyo Stock Exchange as of fiscal year 2012.

Sompo Japan Nipponkoa and Sompo Japan Nipponkoa Asset Management became signatories of UN PRI in 2006 and 2012, respectively. The companies also announced in May 2014 that they would adopt the Japanese version of the Stewardship Code, which was announced to define the "Principles for Responsible Institutional Investors" in February 2014.

The Sompo Japan Nipponkoa Group promotes SRI by incorporating ESG factors into the investment selection process, and continues its efforts to develop insurance and financial products and services that contribute to solving social issues.

Masaki Hanawa, Director, Managing Executive Officer of Sompo Japan Nipponkoa, and Makiko Murakata, Investment Manager of Sompo Japan Nipponkoa Asset Management, had a dialogue on the theme of SRI with Mr. Masaru Arai, Chair of the nonprofit organization Japan Sustainable Investment Forum (JSIF) in May 2014.

Mr. Arai described for the latest global trends of SRI and the importance of the ESG investments as well as his expectations of the Sompo Japan Nipponkoa Group, and provided advice on the Group's efforts to promote SRI.

Current Status of SRI in Japan

Arai The global trends of SRI have changed significantly in the last few years. In Japan, the publication of the Japanese version of the Stewardship Code has been crucially important for future SRI. These

two changes both suggest that the boundary between ordinary investments and SRI is beginning to blur and I think this is an important point that we shall comprehend.

The most prominent change seen in the last few years is the ESG investments—also known as responsible investments—that incorporate the ESG issues that have been growing mainly in Europe and the United States.

While SRI outstanding amounts in Japan remain comparatively small at 10 billion US dollars, those in Europe and the United States are several hundred times higher at 8,758 billion US dollars and 3,740 billion US dollars, respectively. SRI assets are also growing in emerging countries, such as those in Africa and Asia excluding Japan reaching 229 billion US dollars and 64 billion US dollars, respectively, far exceeding the figure of Japan. I regret to say that SRI in Japan is lagging far behind other countries.

The “Global Sustainable Investment Review 2012” report categorizes SRI into seven strategies. Among these, the greatest issue for Japan is the “integration of ESG factors.” ESG investments have been increasing around the world in the last few years and their total assets are currently the second largest in all the types of SRI at 6,176 billion US dollars. This figure is quite large considering that the total market capitalization of the Tokyo Stock Exchange is about 4,500 billion US dollars.

One factor that has prompted this fast global increase of ESG investments is the United Nations-supported Principles for Responsible Investment (UN PRI) Initiatives, which is an investor-led coalition in partnership with the United Nations Environment Programme Finance Initiative (UNEP FI) and the United Nations Global Compact (UN GC) that developed with the contributions of multi-stakeholder group including public pension funds, financial institutions, asset management companies, and other entities. UN PRI Initiatives encourage signatories to publicly demonstrate their commitment to responsible investment by incorporating ESG factors into their investment decision making and ownership practices. Since the launch of the principles in 2006, the number of signatories of the UN PRI Initiatives has been increasing steadily to reach 1,259.



Masaki Hanawa
Director, Managing Executive Officer
Sompo Japan Nipponkoa Insurance Inc.

Commitments by the Sompo Japan Nipponkoa Group

Hanawa Sompo Japan Nipponkoa became the first signatory of the UN PRI principles among Japanese insurance companies in 2006, followed by Sompo Japan Nipponkoa Asset Management, which adopted the principles in 2012. We have been incorporating ESG issues in the screening process of investment and loan applications by confirming the applicant companies’ inclusion of the environment-related funds and indices, and their actual effort for the environment issues.



Mr. Masaru Arai Chair
Japan Sustainable Investment Forum (JSIF)

Seven Classifications of SRI

Classification	
1	Negative/exclusionary screening
2	Integration of ESG factors
3	Corporate engagement and shareholder action
4	Norms-based screening
5	Positive/best-in-class screening
6	Impact/community investing
7	Sustainability themed investing

Source: 2012 Global Sustainable Investment Review, Global Sustainable Investment Alliance

We also monitor our external investment management firms and periodically review the organizational structure and investment policy including the contribution to ESG issues. We saw growing number of cases that our private equity funds we invest also adopt more rigorous governance standards and focus more on environmentally considerate operations as part of the investees’ management strategies. I’m beginning to feel in recent years that we are advancing in terms of the integration of ESG factors.

Murakata Sompo Japan Nipponkoa Asset Management launched the “Sompo Japan Green Open” in September 1999 as Japan’s second SRI fund product offered publicly to individual investors who wish to invest in environmentally sound companies. The Sompo Japan Green Open is developed as one of the Sompo Japan Nipponkoa Group’s advanced CSR initiatives and the product has grown into one of Japan’s largest publicly offered SRI funds.

We also launched the “Sompo Japan SRI Open” in March 2005 that invests in corporations with high ESG performance on a broad basis and the “Sompo Japan Eco Open” in April 2008, the SRI fund that selects stocks based on forecasted dividend yields as well as the



Makiko Murakata
Investment Manager
Sompo Japan Nipponkoa Asset Management Co., Ltd.

results of environmental surveys and equity valuations. Furthermore, we launched the "SNAM Sustainable Investment Fund" in August 2012, which offered to qualified institutional investors only. This fund invest in corporations with high ESG performance and seeks a stable return over the long term under buy-and-hold strategy. Its managed assets are growing rapidly by attracting large pension funds as well.

Arai The Sompo Japan Nipponkoa Group launched the Sompo Japan Green Open in 1999, the very first year in which SRI was started in Japan, and became one of the initial signatories of UN PRI. I recognize the Group as one of the financial institutions that have been at the leading edge in the area of sustainable investments in Japan consistently throughout the history.

There has been one movement since late 2013 that indicated SRI in Japan may have finally changed significantly. The Japanese government's growth strategy aimed at stimulating private investment had made major progress under the Japan Revitalization Strategy often referred to as "Abenomics," and it led the Financial Services Agency to introduce the Japanese version of the Stewardship Code. This is a set of principles aimed at encouraging a wide range of institutional investors to pursue higher mid- to long-term investment returns for their clients and beneficiaries by committing constructive engagement with company management through "purposeful dialogue" and fulfill their stewardship responsibilities.

A series of meetings by the panel of experts were also organized by the Cabinet Secretariat to discuss more sophisticated investment and risk management of public and quasi-public funds including the Government Pension Investment Fund (GPIF), while the Council on Economic and Fiscal Policy (CEFP) and other advisory bodies proposed that the adoption of the Japanese version of the Stewardship Code and the communication of both financial and non-financial information should be promoted as part of the conduct expected to the responsible institutional investors in order to enhance mid- to long-term corporate value and capital efficiency, and support the sustainable growth of investee companies.

These government activities suggest that SRI, whose domain is considered globally to be rapidly overlapping with that of ordinary mid- to long-term investments, is becoming increasingly important for Japan's economic growth strategy.

Declaration to Accept the Japanese Version of Stewardship Code

Hanawa Sompo Japan Nipponkoa declared its intention to accept the Japanese version of the Stewardship Code in May this year and is planning to announce details of this policy on our official website in September. We also ensure that our products and services contribute to the security, health, and wellbeing of our customers as stated in the Group Management Philosophy.

In Japan, growing demand for facility-based nursing care for senior citizens currently outstrips the supply of healthcare facilities and is currently a serious issue. While the government is promoting the supply of risk money aiming to increase the healthcare facilities, Sompo Japan Nipponkoa agreed in April this year to establish a real estate investment trust (REIT) that specializes in investment in senior healthcare and nursing facilities jointly with other firms, and established Japan Senior Living Partners Co., Ltd. as an asset management company which will

manage the Healthcare REIT.

Japan Senior Living Partners seeks to establish an investment corporation for acquiring fee-paying nursing homes, service-added housing for the elderly, hospitals and other assets to be incorporated into the REIT, take that REIT public by the latter half of 2014, and expand the amount of assets it manages to approximately 100 billion yen at an early stage. By leveraging the expertise of each partner company, the REIT is expected to broadly support the growth of the healthcare industry through funding from capital markets and thereby contribute to the steady supply of high-quality senior healthcare and nursing facilities.

Under the growth strategy aimed at stimulating private investment, or the "third arrow" of Abenomics, the promotion of renewable energy and infrastructure investment is encouraged. Sompo Japan Nipponkoa has set aside 30 billion yen for investments and loans in fast-growing areas to gain mid- to long-term returns in the company's new investment plan for this fiscal year. We are planning to invest in a wide range of sectors that transcend traditional asset classes, which may include renewable energy, infrastructure, healthcare, and water treatment.

We also confirm the borrower's policy of environment and implementation of the environmental accounting prior to making a investment decision or money lending. We will continue to strive to expand SRI and incorporate ESG concerns into our investment and loan decision-making processes.

Murakata Sompo Japan Nipponkoa Asset Management announced its decision to accept the Japanese version of the Stewardship Code in May this year, and will publish the details of the policy on our official website. The common discussion theme under the government's growth strategy with regard to the investor's asset management seems to generally focus on how to contribute to macroeconomic growth. And as a methodology to achieve this goal, it seems that the "non-financial information" and "dialogue" are the key words for company side and "long-term investment" is the key word for the market side. The GPIF reform, which is currently a topic of great interest, can also be understood as a process of not just changing the consciousness of pension funds but also reforming asset management companies and investee companies as well.

Sompo Japan Nipponkoa Asset Management will strive further to enhance its daily stewardship activities including dialogue with investee companies—which we have traditionally focused on—with the view of mid- to long-term stock value and support the expansion of SRI.

Importance of ESG Factors

Arai I think that the integration of ESG factors into investment and lending processes, investing in newly growing areas, and the establishment of the REIT are quite good examples of how Sompo Japan Nipponkoa makes the most of its distinctive advantages in the promotion of SRI.

Let me explain here why ESG investments are becoming so important. It is because global investors who prefer mid- to long-term investments have begun to realize that ESG information is effective mainly in the pursuit of mid- to long-term growth and returns as well as in the avoidance of risks. Traditional SRI tended to be conducted only by research firms and

investment companies specializing in SRI, and it was not always clear as to how financial status and returns should be treated in traditional SRI. However, the idea of ESG investing is quite different from that of traditional SRI. The basic idea of ESG investing is to incorporate non-financial information into ordinary investing processes—in other words, the integration of ESG factors. The reason behind the fast increase of ESG investments is because pension funds and asset management companies have started to realize that they need to incorporate ESG factors into their ordinary investment methodologies.



|| Trends of ESG Information

Arai As the importance of ESG investments and mid- to long-term investments rise, the companies are required to disclose non-financial information including CSR in a more easily comprehensive way for the investors.

In the future, companies are expected to integrate financial and non-financial information as proposed by the International Integrated Reporting Council (IIRC) and report in a way that matches their industry sector by following the U.S. Sustainability Accounting Standards Boards (SASB) and the latest G4 guidelines of the Global Reporting Initiative (GRI). These new trends require each company to focus on particular items of non-financial information that they considers important—rather than simply providing information on an item-by-item basis—and clearly explain how financial information and non-financial information provided in the report such as ESG issues are related to each other.

Another important trend is the increasing availability of ESG information for investors. For example, Bloomberg, a well-known online investment information source, offers ESG information for each company in the similar format with regard to financial information; the content of information provided has also improved further in the last few years. FTSE4Good Index Series, which is one of the world's best SRI indices, started to publish ESG ratings in 2011. As these examples indicate, the availability of ESG data and rating information that assist decision-making of investors has been increasing, and platforms for providing such information have also been developed rapidly. ESG information was previously very difficult to obtain, but investors now can obtain and utilize it as much as they wish.

Along with this fast increase of the availability of ESG information, it is also expected that companies will expand their ESG initiatives. I would like to expect the Sompo Japan Nipponkoa Group to further advance its efforts to integrate ESG factors that support mid- to long-term returns and corporate growth into its investments.

|| ESG Disclosure of the Sompo Japan Nipponkoa Group

Hanawa Sompo Japan Nipponkoa has been actively disclosing information by issuing the Environmental Report in 1998 for the first time among Japanese financial institutions. We have also made clear

our commitment to disclose transparent information in the Group CSR Vision established in April this year and have included it in the Group's Six CSR Material Issues. We will continue to make efforts to proactively disclose information on our ESG initiatives to meet the demand of investors.

|| Expectations toward the Sompo Japan Nipponkoa Group

Arai With regard to investee companies in which you hold shares, I believe it will be important to exercise your voting rights and engage with them through dialogue by applying the Japanese version of the Stewardship Code.

For example, if your SRI evaluation system finds social responsibility efforts of a particular investee company insufficient in certain areas compared with other companies in the same industry, you can ask questions to the company regarding such shortfalls. These questions may give the company a chance to learn and you can also share best practices of other companies that have been highly evaluated.

With the introduction of the Japanese version of the Stewardship Code, institutional investors are expected more than ever to encourage investee companies to maintain mid- to long-term sustainable value. I believe it is important for you as an investor to have constructive engagement through dialogue with the investee companies to encourage them to disclose ESG information and discuss their strengths and weaknesses.

Through such dialogues you can give important suggestions to investee companies and help them grow, while at the same time fulfilling your responsibility as an investor.

Hanawa Thank you for your invaluable advice. As you have just suggested, we are well aware of the importance of having constructive engagement through dialogue with investee companies. We will have your advice in mind when signing the Japanese version of the Stewardship Code.

As a responsible institutional investor, the Sompo Japan Nipponkoa Group will continue to promote the integration of ESG factors, as well as the use of financial information, into its investing processes.

Thank you very much.

Material
Issue **4**

Community Involvement and Development—Partnership with NGOs/NPOs

“Pro Bono” Program for Supporting Reconstruction after the Great East Japan Earthquake

Fact



Fiscal year 2012 expenditure for employment creation, skill development, and support for job assistance

Source: Fiscal year 2012 Social Contribution Activity Expenditure Survey Results P. 1-7 “Figure 8: Social Contribution Activity Expenditure by Segment” (Japan Federation of Economic Organizations/One-Percent Club)

As concern from companies for social contributions and support for the areas severely affected by the Great East Japan Earthquake mounts, more companies are undertaking unique activities that leverage their expertise and knowledge. According to a survey on social contribution activity expenditures by segment, Fiscal year 2012 expenditures for the segment of “employment creation, skill development, and job assistance” showed a sharp increase, more than doubling compared to the previous year. Pro bono—volunteer activities by professionals with unique knowledge, skills, and experiences in their respective fields—have been expanding and will likely continue to expand in the future.

Our Action

Assistance needed for reconstruction efforts in disaster-affected areas has shifted from short-term volunteer work to mid- to long-term support, with growing demand for corporate human resources with management skills and experience. Sampo Japan Nipponkoa Group has been participating in the Michinoku Recovery Project Partners* and dispatching the company’s personnel to the affected areas to assist leaders engaging in reconstruction activities under its Employee Dispatch Pro Bono Program.

The Group will continue to conduct a variety of activities in and outside of Japan to help solve social issues both at a regional and global level, while supporting employees’ voluntary social contribution activities.

* Michinoku Recovery Project Partners: A corporate consortium established to aid the self-help-based recovery process in disaster-affected areas. As of March 2014, the consortium is made up of Sampo Japan Nipponkoa and six other companies: Ajinomoto Co., Inc., Benesse Holdings, Inc., Dentsu Inc., Isuzu Motors limited, Kao Corporation, and Toshiba Corporation (in alphabetical order).

Employee Dispatch Pro Bono Program to Support Reconstruction after the Great East Japan Earthquake

In addition to the prompt payment of earthquake insurance claims, the Sampo Japan Nipponkoa Group has been involved in various support activities for the affected areas, since the occurrence of the disaster. Under its Employee Dispatch Pro Bono Program, in fiscal year 2012 the Group sent 10 employees to the disaster victim support team CANNUS, a volunteer organization of nurses, as well as 9 employees to the Fukushima Solar and Agriculture Experience Association—Minamisoma Solar Agripark in fiscal year 2013. The dispatched employees worked closely together with the leaders and local staff of the respective organizations to help solve a variety of issues.

For CANNUS, dispatched employees engaged in work such as the management and analysis of data necessary for home-visit long-term care, cooperation with administrative authorities, and development of

public relations tools. The work undertaken for the Minamisoma Solar Agripark involved the preparation of subsidy application documents and support for the planning of local events. The program proved effective not only as a supporting tool for reconstruction of the disaster-affected areas but also for the personal growth of each dispatched employee.

In December 2013, a final report meeting was organized to report the achievements of the Employee Dispatch Pro Bono Program, with

approximately 180 attendees from within and outside of the Group. Through listening to the program participants' experiences and engaging in a panel discussion, the attendees were able to share what was learned from the program, a new style of social contribution that capitalizes on the expertise of human resources.

My Experience in the Employee Dispatch Pro Bono Program

Participation in the Program Led to My Personal Growth

There were two main reasons why I decided to participate in the program. First, I wanted to become involved in reconstruction of the disaster-affected areas. Second, I heard from one of my colleagues who had participated in the fiscal year 2012 program that it was a valuable experience one could never have had anywhere else.

What I actually felt after being dispatched was the strong will power of the local people in Fukushima and Minamisoma to recover and revitalize their hometowns that were devastated by the disaster. This positive intent could also be felt among the staff of the Minamisoma Solar Agripark where I worked as well as the



At the Minamisoma Solar Agripark



Utaka Saito

Deputy Manager, Business Process Planning Department
Sompo Japan Nipponkoa Insurance Inc.



intern students I worked with. I was greatly encouraged by the participating students who sincerely consider and discuss how they can contribute to the recovery of Fukushima and the future of the affected children.

During the two-week dispatch period, I supported agricultural experience and summer school programs in the Minamisoma Solar Agripark. I worked closely with the leaders and local staff of organizations to address various issues through dialogue, but things didn't always go smoothly. When I face some difficulties in my daily work at my company, I can receive advice from other members in my workplace. However, the difficulties we faced in the disaster-affected areas were all very new and no one knew how to deal with them while facing an approaching deadline. It became a very precious experience for me to figure out what I can do on a zero base and it helped me to develop myself. Through the extraordinary experience in both success and challenges in this program, I was able to rediscover myself and find a challenging task. It became truly an important experience in my life.

VOICE

We Look Forward to Continuously Working Together in Various Activities Including the Employee Dispatch Pro Bono Program



Mr. Haruo Miyagi

Michinoku Recovery Project
Partners Secretariat
Executive Director
Entrepreneurial Training for
Innovative Communities (ETIC)

The Sompo Japan Nipponkoa Group provided us with support twice through its Employee Dispatch Pro Bono Program. We received grateful comments from the disaster victim support team CANNUS, a volunteer organization of nurses who appreciated the dispatched personnel, who were able to create a mechanism for operational management and efficiency optimization, which CANNUS staff, who are busy with daily nursing activities had no time to undertake.

Also, the Fukushima Solar and Agriculture Experience Association—Minamisoma Solar Agripark appreciated the dispatched personnel for their great contributions mainly in the training of local young entrepreneurs, liaisons with local communities, and other operations that will help reinforce the foundation of the organization's future growth. Skills developed in the business field proved very effective in promoting the disaster-recovery projects of leaders as well.

On the other hand, it appeared that the experiences gained in the disaster-affected areas gave the dispatched personnel an opportunity to recognize the worth of their daily work, reevaluate their skills, and feel gratitude to their workplaces, which supported their decision to participate in the program and their experience of working in difficult environments also helped them to achieve further personal growth.

We look forward to continuously working with the Sompo Japan Nipponkoa Group in the various activities including the Employee Dispatch Pro Bono Program.

Material
Issue **5**

Respect Human Rights and Promoting the Development of Human Resource and Diversity

Diversity for Growth —Integrating Diversity into Management Strategy

Fact



Position of Japan in the Global Gender Gap Index Ranking by Country 2013

According to the Global Gender Gap Report 2013, Japan was ranked 105th, with its position declining for the third consecutive year since 2010. The scores for political empowerment and economic participation and opportunity are both particularly low. The promotion of women's social and political advancement is imperative, and the government has set a goal of achieving "202030"—increasing the percentage of women in leadership positions to 30% by 2020.

Our Action

The corporate group image that the Sompo Japan Nipponkoa Group aims for is to be the most highly evaluated service company. In order to meet the diverse needs of customers in a social environment facing a declining birthrate, aging population, and women's social advancement, it is inevitable for the Group to develop a diverse talented human resources. Also, each employee must be enthusiastic to achieve our goals. The Sompo Japan Nipponkoa Group has established the Group Personnel Vision to develop a highly competitive workforce.

◆ Group Personnel Vision

Action and Achievement

- We value achievement, factual understanding and action in our work.
- We value prompt action in our people.

Impartiality and Fairness

- We value workplaces wherein all people are treated fairly and impartially and wherein everyone may have the opportunity to realize their potential.
- We value people who demonstrate initiative and take challenges, not those who rest only on past achievements.

Openness

- We value frank discussions and debate within transparent work environments based upon clear rules and procedures.

Diversity

- We value all our people as individuals, regardless of their gender, nationality, previous careers or other characteristics.

Sompo Japan Nipponkoa has been promoting diversity and established a dedicated unit for diversity promotion. Furthermore, in order to strengthen the initiative of the management, the Diversity Promotion Headquarters was founded within Sompo Japan Nipponkoa Holdings in October 2013. Under the slogan of "Diversity for Growth," headquarters are promoting the following four initiatives as important pillars.

- (1) developing products and services, as well as implementing measures, that reflect women's sensitivity;
- (2) increasing the percentage of women in managerial positions in the Group to over 10% by the end of fiscal year 2015 and over 30% by the end of fiscal year 2020;
- (3) introducing a mentoring system for female employees; and
- (4) allocating non-Japanese employees to the suitable workplace and facilitate interaction.

Sanae Suyama, Executive Officer, General Manager, Call Center Planning Department, Sompo Japan Nipponkoa, and Mariko Fujinaka, Manager, Human Resources Development Office, Sompo Japan Nipponkoa Holdings, had a discussion in May 2014 on the promotion of the Group's diversity.

They looked back at the history of the Group's actions toward promotion of diversity, and Suyama, Sompo Japan Nipponkoa's first female executive officer, talked about difficulties she experienced. The discussion provides hints as to what will be necessary for promotion in the future.

Establishment of the Diversity Promotion Headquarters

Fujinaka We established a dedicated unit for diversity promotion in 2003 for the first time among the major Japanese financial institutions. Furthermore, by establishing the Diversity Promotion Headquarters within Sompo Japan Nipponkoa Holdings in October 2013, the promotion activities were expanded throughout the Group under the slogan of "Diversity for Growth."

The members of the Diversity Promotion Headquarters consist of each Group companies' director in charge of human resources and female employees (promotion representatives) appointed from among Group companies. This enables the taking of both a top-down approach from the executives and a bottom-up approach from the promotion representatives. The promotion representatives are responsible for (1) sharing information on activities conducted at each Group company; and (2) planning and implementing promotion measures for the Group as a whole as well as for the individual Group companies.

Suyama I believe we can strengthen our initiatives by setting diversity under the Group Personnel Vision. By sharing issues on personnel exchange and human resource development among Group companies, we can ensure the continuity of the activities and mutually provide adequate support. Sharing best practices among Group companies will also facilitate our diversity promotion efforts. I expect that the vision will help us to develop diverse Group wide human



Sanae Suyama Executive Officer
General Manager, Call Center Planning Department
Sompo Japan Nipponkoa Insurance Inc.

resources and will act as a driving force to become the most highly evaluated service company.

With regards to the government policy, the Abe administration, under the strong leadership of the Prime Minister, states women's social advancement as one of the most important keys for boosting the Japanese economy, and has set a goal of achieving "202030"—increasing the percentage of women in leadership positions to 30% by 2020. The average percentage of women in managerial positions at 1,150 Japanese listed companies in all 33 industries is 4.9%. Although the percentage is relatively high in insurance, air transport, and financial service industries, at more than 10%, the figure still lags behind that of Western developed countries. In order to secure a labor force population and vitalize Japan, it is an urgent task to build an environment that enables both men and women to balance work and child-rearing. The Sompo Japan Nipponkoa Group must also play its part to promote the change.

Increasing Women in Managerial Positions

Fujinaka The Group has set a goal of increasing the percentage of women in managerial positions to over 10% by the end of fiscal year 2015 and over 30% by the end of fiscal year 2020.

As specific measures to achieve these targets, Sompo Japan Nipponkoa has implemented various training programs including a women's management training course, a preparatory management training course, and career development training in order to provide a career pipeline for women in management, middle management, and junior level positions.

The women's management training course is a one-year program specifically for female employees who are selected as candidates for corporate management or department management positions. Some of the "graduates" of the training course have already been promoted to general managers and Group company executive officers. The women's management training course started being offered across the Group in fiscal year 2013.

A mentoring system was also introduced throughout the Group in October 2013. Under this system, a superior other than a reporting supervisor is appointed as a mentor for each female employee to regularly support them in solving problems in their career development. In fiscal year 2013, 50 Group companies' executives



Mariko Fujinaka Manager
Human Capital and General Affairs Department
Sompo Japan Nipponkoa Holdings, Inc.



and department managers became mentors of 94 female managers, and provided support to create a culture that helps develop women's career advancement and encourages them to face new challenges. The system has already proven to be effective in increasing their motivation to pursue career advancement.

Furthermore, a total of 40 female employees have participated in programs offered by the nonprofit organization Japan Women's Innovative Network (J-WIN)* which are aimed at strengthening leadership of women to become company executives. The J-Win programs have provided the participants with networking opportunities with other female employees from different industries and inspired each other for further career development.

Would you share with us your thoughts on the challenges toward achieving the Group's target percentages of women in managerial positions while various activities have been carried out across the Sampo Japan Nipponkoa Group?

Suyama The top management has a clear view and strives to promote diversity, but a corporate culture that naturally allows female employees access to management opportunities has not yet firmly taken root. There must be many female employees who are struggling in the unsteady work environment caught between the "tailwind" of the new wave of women's participation and the "headwind" of the traditional, male-dominated society. To overcome the conditions, we need to address three issues.

Firstly, we need to carefully plan long-term educational milestones and curriculums to accomplish the goals, rather than focusing merely on achieving the numerical targets. It is important to provide a career development program that fits each female employee based on their past careers and characteristics. We need to develop a working environment for the management candidate female employee that equally provides opportunities, authority and scope of job categories regardless of gender. We need to provide training programs that support female employees to achieve necessary skills and that compensate for a lack of experience in order to compete with men on equal terms, rather than being given special treatment compared to men.

Secondly, every employee needs to further increase their awareness about diversity. Particularly, the employees in leadership positions, who are at the core of company management, should cultivate their sensitivity to diversity.

Thirdly, each workplace needs to strengthen its system that enables the staff to inspire each other. Each regional head office and department have already arranged some assemblies to share good role model experiences, and we need to make sure that each employee has a deep understanding of diversity. In addition, women must be prepared to think, act, and try by themselves within each workplace to proactively promote diversity.

*Japan Women's Innovative Network (J-Win): A nonprofit organization that supports diversity and inclusion (D&I) of its member companies through various activities. There are 97 member companies including Sampo Japan Nipponkoa as of May 2013. J-Win focuses mainly on networking activities for about 250 women participants from their member companies and providing programs aimed at promoting D&I of member companies.

|| Work-Life Balance

Fujinaka Would you share your own experiences with us?

I heard that you joined the company initially as a General Area*1 staff. What made you decide to switch your career to the General Global*2 career path and pursue a managerial position?

Suyama I decided to switch to a General Global career in my late 30s. It was because my superior recommended me to do so, and I myself wanted to fully concentrate on career advancement since the busiest period of my child-rearing was over.

Furthermore, I liked the job and could achieve personal growth through work while pursuing my career dream.

I also would like to mention about the enactment of the Equal Employment Opportunity Act for Men and Women and other movements that provided women with opportunities to work proactively and this change in social consciousness made me realize that I can change the company by taking responsibility for the outcome in decision-making positions. I knew my ability was limited, but I decided to take a first step to do my best.

Of course, everything did not always go well. There were some instances in which I was not invited to join a meeting or information sharing was delayed, but I realized that it happened not because I'm a woman, but because I was considered not important enough among managers due to my lack of effort. Therefore I decided to work much

harder to become an indispensable staff member in the company.

Fujinaka I see, to promote women's participation, it is important for the female employees to feel their personal growth and feel rewarded in pursuit of their dream.

Would you elaborate on other difficulties you have experienced?

Suyama When I started a General Global career, there was no special training for women's management such as those that are currently provided. So I learned the skills of the General Global career through on-the-job training provided by my General Global career superior, and accumulated hands-on experiences as I struggled with a number of difficulties. I would be lying if I said I felt no gender gap. However, it was not always because of gender differences, but rather it was often due to the difference in social standing.

When it comes to work-life balance, I believe the most important thing is that we ourselves need to be in good health, both physically and mentally.

I also tried not to think about business matters when spending time with my family, and before returning back home, I tried to switch myself from businessperson to mother by having a 20-minute coffee break. I tried to use time as efficiently as possible every day and made the most of the time during commuting and housekeeping to consider my business and check my schedule so that I could achieve 120% performance while working at the office.

Fujinaka I was impressed to know that you have tried various measures to maintain work-life balance. Would you comment on the things that you kept in mind in your career to date?

Suyama This may sound a little abstract, but I always tried to have a dream for my work irrespective of my role or career position. I believe a dream is something that you must realize for yourself based on your autonomy and self-realization, rather than simply waiting for someone's help. Work will look more "real" to you when exciting challenges are combined with responsibility for your own actions.

*1 General Area: A position for an employee in which the location of residence in principle does not change because of a job transfer

*2 General Global: A position for an employee who pursues an assignment either in Japan or abroad, without specifying the location to be transferred

Toward the Future

Suyama The Sampo Japan Nipponkoa Group is ahead of other companies in terms of women's participation, but the efforts are still far from complete. We have systems in place, and employees are beginning to realize and utilize these systems, but we are still in a period of transition.

Some people say that setting numerical targets for women's participation is gender discrimination and I think we are approaching a critical stage. We are at a crucial point in deciding whether the Group will grow into an energetic, global corporate group. All employees must understand this situation and I firmly believe that our efforts to promote diversity will succeed.

Currently, we are promoting diversity by focusing on strategies and systems, but in order to achieve the numerical target, each employee needs to have an ideal vision of the future Group after those systems are entrenched. We need to develop a culture that will enable us to bring out the best of and fully take advantage of diversity.

Fujinaka I agree with you. We have to change the mindset of each employee to create an environment and culture that truly embraces diversity.

Do you have any views in mind about how you would promote diversity from now on?

Suyama I would like to give women a supportive push by promoting dialogue and by sharing how rewarding work can be and what the necessary preparations are. I believe that this will give back what I have experienced and learned to young people.

As a member of the J-Win Executive Network (JEN)*, I have been given opportunities to deepen the exchange with women from other companies. I feel strongly that it is my responsibility to share activities of other companies throughout the Group so that I can play my role in accelerating diversity not just from the viewpoint of the Group but also from broader aspects in supporting the Group to fulfill its corporate responsibility and mission.

*J-Win Executive Network (JEN): A network of female executives from various industries and types of business aimed at providing the members with an opportunity to inspire each other

VOICE

Diversity Is a Source of Innovation for Corporate Sustainable Development



Ms. Yukako Uchinaga
Board Chair
Japan Women's Innovative Network
(J-Win)

In today's world where the economy is globalized and the market is constantly and rapidly changing, it is essential for a company to think outside the existing framework and keep transforming itself in order to pursue sustainable development, and diversity is a source of such innovation.

The Sampo Japan Nipponkoa Group is well aware that diversity is indispensable for its sustainable innovation and increased competitiveness, and has been promoting diversity consistently as part of its management strategies under the strong commitment of the top management. I truly admire the Group for its commitment to diversity. The Group also adopted a new structure to facilitate the promotion of Group wide diversity and has set numerical targets for women's participation. In order to achieve the goal, the Group has been steadily and promptly carrying out various measures to re-form staff consciousness toward diversity and to create career pipelines for female managers that are considered essential for the promotion of diversity within the organization. I look forward to seeing the Group further accelerate the promotion of diversity through strong leadership under Group wide collaboration while keeping the PDCA (plan-do-check-act) cycle in motion.

Material
Issue **6**

Disclosing Transparent Information

Promoting Mutual Communication through Proactively Disclosing Information to Stakeholders

Fact



The European Parliament, the legislative body of the European Union, adopted the revised directive on disclosure of non-financial information by certain large companies, which was submitted in February 2014 by the European Commission (the EU's policy-implementation organization). The main scope of the directive is large public-interest entities and financial institutions with more than 500 employees. Companies subject to the directive will need to disclose non-financial information on policies, risks and outcomes regarding environmental matters, social aspects, respect for human rights, and governance-related practice, in their management reports. Companies may use international, European or national guidelines that they consider appropriate such as the United Nations Global Compact and ISO26000. The scope is expected to cover approximately 6,000 companies and groups across the EU. Similarly, in the United States, the Sustainability Accounting Standard Board (SASB) was set up in July 2011 by an alliance composed of the financial industry, investors and environmental organizations to develop and disseminate sustainability accounting standards that help public-listed corporations disclose non-financial company information. The SASB is in the process of setting industry-by-industry standards for disclosing non-financial information and the task is slated for completion in early 2015. It is expected that increasing demand for the disclosure of non-financial information will become a big international trend.

Our Action

To provide our shareholders, investors and other stakeholders with a deeper understanding of Sampo Japan Nipponkoa Group's operating business conditions and other initiatives, the Group offers various information on a timely basis under the Disclosure Policy. The Group proactively discloses information by defining "disclosing transparent information" as one of the six material issues for the Group CSR.

In fiscal year 2011, the Group began to compile ESG (environment, social and governance) data from Group companies. Each year, the Group expands the scope of domestic and overseas Group companies as well as the data items. Moreover, this year, the Group has developed and disclosed the Group's CSR-KPIs in an effort to provide a wider range of information to our stakeholders. The Group continuously strives to reach more stakeholders by leveraging a variety of communication media.

* Refer to pages 13 and 14 for the Group's CSR-KPIs.

Materials for CSR Information

In 1998, the Sampo Japan Nipponkoa Group issued an environmental report for the very first time among Japanese financial institutions. Our main communication media includes the CSR Communication Report, Annual Report, official website and CSR Booklet, etc. The Group continues to promote proactive disclosure of corporate information to encourage mutual communication with stakeholders.

Annual reporting

Since its first report published in 1998, the Group has published various types of reports to facilitate disclosure of information on its CSR initiatives in each respective year.

1998



The first Environmental Report was issued

2003



Sampo Japan Social and Environmental Report 2003 - Sustainability Report (Japanese)
Awarded prize of excellence for sustainability reporting of the 7th Environmental Communication Awards (Japanese)

2011



Nipponkoa Insurance Group CSR Report 2011 (Japanese)
Awarded grand prize for global warming countermeasures reporting of the 15th Environmental Communication Awards

2013



CSR Communication Report 2013 (Japanese, English)
Awarded prize of excellence of the 17th Environmental Communication Awards

2014



CSR Communication Report 2014 (Japanese, English)
Provides detailed information on CSR and ESG* data of the Sampo Japan Nipponkoa Group.
* ESG: Environment, Social and Governance

Introducing the Group's CSR through various methods

In order to provide a simplified explanation, we compiled CSR reports in various formats: a summary version and theme-based materials.



CSR Booklet (Japanese)



CSR Initiatives (CSR Quick Guide) (Japanese)



Voice of Customer White Paper (Japanese)

Annual reports on business activities

Describes operating performance, managerial strategies and business activities in detail and provides non-financial information.



Disclosure Report (Japanese)



Annual Report (English)

Disclosing detailed, timely information

The following official websites provide detailed information on activities of the core Group companies.



Sampo Japan Nipponkoa Holdings, Inc.
Its official website offers information on Group companies' CSR in a timely manner. Its CSR portal provides a collection of Sampo Japan Nipponkoa Group's CSR cases in PDF format.
<http://www.sampo-hd.com/en/csr/communications/report/> (English)



Sampo Japan Nipponkoa Insurance Inc.
Official website:
<http://www.sjnk.co.jp/english/csr/> (English)



Sampo Japan Nipponkoa Himawari Life Insurance, Inc.
Official website:
<http://www.himawari-life.co.jp/company/csr/> (Japanese)



Sampo Japan Nipponkoa Asset Management Co., Ltd.
Official website:
http://www.sjnk-am.com/our_strength/responsible_investing_corporate_social_responsibility.html (English)

VOICE

Expecting the Group to lead the evolvement of corporate reporting



Mr. Kiyoshi Ichimura
Senior Partner,
Integrated Services
Ernst & Young ShinNihon LLC

I acknowledge the Sampo Japan Nipponkoa Group as a leading company on information disclosure who strives to disclose operating performance and the progress of various initiatives in a timely manner under its Disclosure Policy. It also expanded the scope of its CSR material issues to include "disclosing highly transparent information" on ESG issues and formulated CSR-KPIs to promote further disclosure.

In addition to expanding the scope of disclosure, I would encourage the Group to clearly illustrate how the sustainable corporate growth and creation of long-term corporate value are connected to disclosed information as well as ESG information related to the Group's business conditions and other initiatives. I believe this effort will help stakeholders to understand the Group further. I certainly look forward to seeing the Group's advanced effort toward information disclosure will lead to the evolution of corporate reporting practices in Japan and around the world.



Third Party Comments on Sompo Japan Nipponkoa Group's CSR Communication Report 2014

Ms. Carolyn Schmidt

Program Director at ECOLOGIA since 2000
Member of ISO26000 Working Group on Social Responsibility, 2005–2010;
NGO delegate to ISO26000 Post Publication Organization Stakeholder
Advisory Group, 2010–present
Graduate of University of Pennsylvania

This year's CSR Communication from Sompo Japan Nipponkoa Group sets major organizational medium and long-term goals, with CSR an increasingly significant driver at the heart of the Group's business model. Reporting works in tandem with goal-setting and measurement. This report demonstrates why the Group is recognized as a growing global presence, advocating for leadership roles for business in the evolution toward sustainability.

Significant Achievements

The most striking achievement of the 2014 CSR Report is its organization and clarity. Although the Group's organizational structure has become increasingly complex through merger and acquisition, the report manages to be focused and coherent. Those who have read past reports will recognize familiar Material Issues; in each Material Issues section, the "big picture" is developed through specific examples, interviews, and statistics. Each section starts with a sobering global "Fact" followed by "Our Action" linked to that "Fact." This approach grounds the Group's CSR efforts by putting them into perspective, recognizing pressing global problems that hit close to home—an unusual degree of honesty.

Valuable discussions between Group leaders and/or outside experts frame each section of the Material Issues. Environment and Financial Services discussions demonstrate the relevance of the Group's decisions and programs, as well as honest appraisal of challenges in these fields. In the Human Rights/Diversity and Community Involvement sections, first-person accounts of employees' experiences (working on earthquake relief projects, expanding managerial opportunities for women) demonstrate commitment to employee training and advancement through CSR-inspired programs.

The new Material Issue section, Disclosing Transparent Information, signals management's commitment to increasing disclosure of non-financial information, in line with national Japanese and global CSR trends. The Group has developed and is using its own CSR-EMS (Environmental Management System) combination of ISO14001 and ISO26000 Social Responsibility to gauge its performance. Data collection and transparency are used systematically to drive decision-making and increase positive societal impacts.

Questions and Suggestions

Expansion into overseas markets is a key part of the Group's long-term strategy. The coverage of activities in different regions of the world poses challenges concerning application of global standards, data gathering and disclosure. That said, more explanation of the extent to

which Group programs such as CSR-EMS are used by overseas offices, and of the extent to which foreign-owned factories insured by the Group are held to standards in environment, human rights and financial transparency, would be useful both to readers and to management.

Innovative programs such as weather insurance for Thai farmers should be evaluated for their impact on the conditions of the farmers themselves. Does this insurance only cover the farmers' indebtedness to the banks but not necessarily providing a cushion for farmers (protecting the banks but not necessarily providing a cushion for farmers)? Is this insurance only available to farmers who have loans through the banks, thus potentially encouraging farmer indebtedness? Such questions would get to the root of the insurance impact on sustainability, the extent to which such financial instruments can mitigate the impacts of climate-related events, and their connection to poverty reduction. As these programs mature, answers will indicate the extent to which they can be scaled up and applied elsewhere.

Leadership in Global Context

Positioning oneself as a global leader in CSR requires a public commitment to continuous improvement. The Timeline shows Sompo Japan Nipponkoa Group's organizational CSR development over almost 50 years. Starting from its first traditional public-spirited business related efforts (traffic safety badges), it expanded to broader societal philanthropic goals (museum, biodiversity). Most recently, the Group's global involvement has progressed from implementing United Nations initiatives to taking leadership roles in designing them.

The Group is tackling pressing global issues, attempting to use its insurance and financial businesses to deal with climate change, protect environmental resources, and improve economic opportunities for those living in poverty. Group actions which show world-class leadership include investment strategies for the medium and long terms, which incorporate non-financial, ESG (environment, social and governance) indicators in investment decisions. This provides capital for businesses deemed to be contributing to sustainability, as opposed to those seeking short-term returns.

Conclusion

The Group is explicitly linking itself to global issues, to progressing on all CSR fronts (financial disclosure, environmental impacts, human rights and diversity at work) and to documenting how its core business activities can contribute to future societal resilience. Judging from this report, the Group is well-equipped to continue this ambitious project in the year ahead.



Response to the Third Party Comments

Shinji Tsuji

Representative Director
Deputy President and Senior Managing Executive Officer

We would like to express our sincere appreciation to Ms. Carolyn Schmidt, Program Director of ECOLOGIA, who has been continuously reviewing our CSR for Sampo Japan Nipponkoa Group since 2005.

This year, we set a new material issue on disclosing transparent information and established Group wide CSR-KPIs. Furthermore, to enhance a Group wide governance structure, we have established a counsel for CSR promotion that consists of executive officers from Group companies.

To clearly demonstrate our major organizational targets and measurements, we have revised the structure of this report to compile it into two publications: CSR Communication Report and CSR Case Report. We believe this revision makes the reports more focused and coherent.

As suggested in the third party comments, we also recognize the importance of the application of global standards, data gathering and disclosure as we expand into overseas markets. We have been continuously collecting ESG data of the Group worldwide and disclosing the result from 2011. Also, we set the Group CSR Vision this year to promote the Group's standard. Through these initiatives, we will continuously strive to maximize synergy across the entire Group while addressing global challenges in the course of our business operations in a transparent, fair and open manner.

We have been striving to provide the highest quality services that offer effective measures for adaptation to the risk of climate change and started to provide the world first weather index insurance in Thailand from 2010 to mitigate damage caused to farmers by drought. In developing this product, the research group has carried out careful field surveys and it became apparent that most of the farmers in Thailand's agricultural regions borrow money from banks prior to commencing farming operations. There has been a serious problem with farmers being unable to repay their loans due to damage caused by drought. Therefore, this product is designed to meet the local needs. Furthermore, in response to emerging local needs to mitigate damage caused by typhoons, the Group started providing an insurance product for agricultural producers on the island of Mindanao in the southern Philippines. We will continue to examine developing new insurance products to be offered in other countries as well.

In order to provide innovative programs, it is essential to evaluate their impact. This year, we started to utilize "Social Return On Investment (SROI)" as a globally rare analysis to calculate the social value of the biodiversity conservation activities conducted by the "SAVE JAPAN Project." We will continue to strive to evaluate the effectiveness of our programs at both home and abroad to further improve our approaches.

Sampo Japan Nipponkoa Group will continuously contribute to the realization of a resilient and sustainable society, and further broaden dialogue with diverse stakeholders to explicitly link ourselves to global issues as a global leader in CSR.

United Nations Global Compact: Communication on Progress 2014

The Ten Principles	Pages
1. Businesses should support and respect the protection of internationally proclaimed human rights.	9, 10, 21, 37-40, 50
2. Businesses should make sure they are not complicit in human rights abuses.	9, 21, 37-40, 50
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	21, 37-40, 48-51
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	50
5. Businesses should uphold the effective abolition of child labour.	50
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	37-40, 50
7. Businesses should support a precautionary approach to environmental challenges.	9, 27-30, 49
8. Businesses should undertake initiatives to promote greater environmental responsibility.	27-30
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	45-46
10. Businesses should work against corruption in all its forms, including extortion and bribery.	9, Annual Report 41-45

Insurance and Financial Products/Services for Contributing to a Sustainable Society

* ESG stands for Environment, Social, and Governance.

P&C Insurance			
Contribution to ESG		Products/Services and Description	Offered by
Automobile insurance products/services			
	S	A free smartphone app designed to support safe driving	Sompo Japan Nipponkoa
E	S	Promoting web-based insurance policy and clause and the web-based insurance contracts.	Sompo Japan Nipponkoa
E		Application of the insurance premium discount for eco-friendly cars that satisfy certain requirements such as hybrid and electric cars.	Sompo Japan Nipponkoa/Saison Automobile and Fire
E	S	Promoting the usage of recycled automobile parts and second hand parts in an incident of a car accident.	Sompo Japan Nipponkoa
E		Special policy that covers the excess amount of repair costs over the market price of the insured accident car in order to encourage car repairs and reduce the scrap cars.	Sompo Japan Nipponkoa
E		Special policy that covers the excess amount of repair costs over the market price of the third party's car damaged by the insured car in an accident in order to encourage car repairs and reduce the scrap cars.	Sompo Japan Nipponkoa
E		Contract procedures that can be completed only by online or phone to reduce use of contract paper	Saison Automobile and Fire Sonpo 24
E		Discount on premiums for customers who don't need the delivery of the insurance security	Saison Automobile and Fire
Fire and new types of insurance products/services			
E	S	The cleaning services of the insured buildings and machinery contaminated by smoke, soot, and other contaminants due to a fire, flood, or other disasters to restore them faster than replacement with completely new ones.	Sompo Japan Nipponkoa
E		A special clause for covering rooftop greening and environmental protection costs for buildings	
	S	G Insurance mainly for small and medium-sized enterprises that guarantees prompt insurance payments and supports business continuity after a severe earthquake	
E	S	G A special clause for photovoltaic power generation companies that covers a decrease in operating income caused by a disaster	
E	S	Insurance for damages caused by nuclear decontamination work conducted by local governments	
E	S	Insurance for damages caused by environmental pollution and decontamination costs, which are normally not covered by ordinary liability insurance	
E	S	Insurance specifically for services gas stations that covers risk of soil pollution and soil remediation costs	
E	S	Liability insurance for waste generators who are required by law to remove their industrial waste in the event that it is dumped illegally	
E	S	Liability insurance for medical institutions in the event that their waste is dumped illegally	
	S	Insurance for doulas—workers who assist women before, during, and after childbirth—that covers their legal liability for damages arising in the course of their work	
E	S	Insurance with a special clause that covers soil testing costs (costs of checking whether or not soil on the site premises is contaminated after the spill, overflow, or leak of a contaminant)	
	S	Insurance for local governments that aimed to facilitate smooth implementation of the measures by local governments under the ordinance enacted by Tokyo Metropolitan Government with regard to measures for disaster victims unable to return home.	
E		Insurance that covers rooftop greening for buildings and environmental protection costs.	
	S	Free-of-charge telephone health counseling for workers, as well as consultation for human resource and labor department personnel, of companies purchasing our comprehensive workers' compensation insurance	
	S	Insurance that covers the risk of long-term absence from work due to mental disorder and offers comprehensive services for reducing mental health risks	
	S	Comprehensive services for reducing mental health risks	
	S	Insurance with comprehensive services for reducing mental health risks of expatriate employees appointed overseas	
	S	Insurance that covers injury and other risks confronting elderly people	
	S	Insurance that supports preparing for self-managed retirement fund	
E		A part of the insurance payment to be donated to a greening project when a hole-in-one is achieved at a golf tournament.	
E	S	G Services for local financial institutions that promote initiatives to combine agriculture with other industries	
E	S	G Support for corporate measures against environmental pollution	
	S	G Comprehensive compensation for recipients' risks in asset based lending and account receivable lending by financial institutions	
E	S	Fire insurance for wind power generation companies with a special clause that covers costs to prevent a recurrence of accidents	
	S	Conducting performance check / inspection service of Boiler and Class-1 Pressure Vessel based on the Industrial Safety and Health Act as a performance inspection agency registered by the Ministry of Health, Labour and Welfare	
	S	Conducting periodic safety management review and safety management inspection on welding concerning thermal power plants, etc. based on the Electricity Business Act as a performance inspection agency registered by the Minister of Economy, Trade and Industry	
Other types of insurance products/services			
	S	Insurance for private schools that covers tuition and other fees exempted with the aim of supporting students at elementary, junior high and senior high schools to continue studying until graduation	Sompo Japan Nipponkoa
E	S	Weather index insurance, a product developed as part of climate change adaptation measures that is aimed at reducing drought damage suffered by rice farmers in Thailand	Sompo Japan Nipponkoa Group
E	S	G Support for corporate business continuity	Sompo Japan Nipponkoa
E		A financial product to reduce risks by covering a decrease in corporate revenues and increase in expenditures caused by changes in temperature, wind, precipitation, duration of sunshine, and other climatic conditions	
E	S	A joint program of World Bank and the Japanese government which is aimed at reducing the risk of natural disasters in island countries in the Pacific Ocean	Sompo Japan Nipponkoa Group
	S	In India, we built a business model of combining insurance with microfinance for farmers. Micro insurance packages with a wide range of cover, including illness, injury cover, fire and livestock insurance are sold in low prices.	

Life Insurance Products/Services			
Contribution to ESG	Products/Services and Description		Offered by
S		The costs for an operation to harvest bone marrow stem cells for bone marrow stem cell transplantation are covered.	Sompo Japan Nipponkoa Himawari Life
S		The costs for treatment of a cancer are covered even when it does not involve hospitalization and requires only outpatient treatment.	
S		A part or whole of the whole life insurance benefit is paid if the insured is certified care level of 4 or 5 under a public long-term care insurance system.	
S		A special provision that allows the insured to receive a part or whole of the whole life insurance benefit as pension benefits	
S		Providing a wide range of services from consultation on health, healthcare, care, tax, laws, and introducing home security products provided by security companies	
E		Policy documentation and guides offered in CD-ROM format	

Financial Products				
Contribution to ESG	Products/Services and Description		Offered by	
E		Eco-fund for investing in Japanese companies that are evaluated highly in both environmental management and financial state	Sompo Japan Nipponkoa Asset Management	
E	S	G		SRI fund for investing in Japanese companies that are highly evaluated in the field of environmental, social, and corporate governance standards
E		Japanese stock fund that attaches importance not only to high recognition in environmental management and financial state but also to high dividend yields		
E	S	G		SRI fund aimed at ensuring long-term, stable profitability and geared toward institutional investors that is designed to invest in Japanese companies that are recognized as fulfilling high environmental, social, and corporate governance standards
E		Eco-fund geared toward institutional investors that is designed to invest in Japanese companies that are evaluated highly for their environmental management and financial state		

Other Services			
Contribution to ESG	Products/Services and Description		Offered by
Assistance services			
S		Arrangements for emergency services such as for a tow truck in response to various car troubles, including a flat battery or being locked out of the vehicle	Prime Assistance
S		Expert emergency repair services are arranged with regard to plumbing, locks, electricity, fittings, and other parts of the house.	
S		A program that, under home warranty insurance, offers a combination of administrative services for repairing household equipment (ventilating fan, water heater, air conditioner, etc.) after the expiration of the manufacturer's warranty period and arrangements for home assistance services	
S		A program developed for companies operating overseas that offers temporary payment of medical expenses to a local medical institution on behalf of expatriate employees; support for claims for health insurance/overseas travel insurance; and information on local medical institutions	
Physical healthcare services			
S		A program used by health insurance societies and other medical insurers to prevent lifestyle diseases among the insured by providing specific health guidance and other services	Healthcare Frontier Japan
S		A health guidance program used by health insurance societies and other medical insurers to support the health improvement of, and reduce payments to, "young-old" people	
S		A health support program for non-obese individuals, people on medication, and others who do not require specific health guidance	
Mental healthcare services			
S		Human resource resilience level measurement tool (LLaxMRP)	Sompo Japan Nipponkoa Healthcare Services
S		• Mental health checkup/counseling (face-to-face/phone/online) (LLax counseling) • Mental stress check & counseling package service (LLax check & counseling) • Around-the-clock telephone counseling regarding health and long-term care	
S		• Mental health promotion & disease prevention package (LLax seed, LLax seed α) • Labor productivity measurement program (LLax WLQ-J)	
S		Case management program, reinstatement support program (LLax standard & come-back support)	
S		Planning, operation, and implementation of mental healthcare training (LLax training)	
Long-term care services			
S		• Private long-term care center (daily long-term care for residents of specified facilities) • Group home (communal daily long-term care for dementia patients) • Short stay (short-term admission for daily long-term care) • Multifunctional long-term care in a small group home	Cedar
S		Support for motor function improvement through rehabilitation (outpatient day long-term care)	
S		• Home-visit nursing care • Home-visit long-term care • Care plan preparation service (in-home long-term care)	

Consulting Services				
Contribution to ESG	Products/Services and Description		Offered by	
S	G	Support for global companies risk management framework and measures.	Sompo Japan Nipponkoa Risk Management	
S	G	Support for preparing a business continuity plan (BCP) to establish in advance necessary procedures and measures for early business restoration and production substitution in the event of an earthquake or other disaster		
S	G	Support for planning, implementation and evaluation of training aimed at improving the level of BCM systems with a focus on motivating management, developing risk management staff and integrating segments/offices		
S	G	Support for companies seeking to obtain certification under ISO22301, the international standard for business continuity management systems (BCMSs)		
S	G	Support for food companies (e.g., manufacturers, wholesalers, retailers) in food safety control, proper labeling, response to food accidents, etc. required for food safety and security and consumer trust in food		
S	G	Support for companies seeking to obtain certification under ISO39001, the international standard for road traffic safety management systems (RTSMSs)		
E		Analysis and diagnosis of potential geographic risks pertaining to the location of photovoltaic, wind, and other renewable energy power plants		
E		Diagnosis of fire and crime risk at mega solar power plants, conducted in partnership with Sohgo Security Services Co., Ltd.		
E	S	G		Support for CSR promotion, external evaluation and analysis of CSR, and CSR information disclosure as a whole, including assistance for ISO26000-based strategic CSR management and development of management systems, CSR marketing using social media, assistance for responding to SRI surveys, and preparing CSR reports and integrated reports
E		Support for the calculation of CO ₂ emissions throughout the corporate value chain in accordance with GHG Protocol Scope 3 Standard and the guidelines formulated by the Japanese Ministries of the Environment and Economy, Trade and Industry		
E		Both Tokyo Cap-and-Trade (mandatory emissions trading scheme), launched by the Tokyo Metropolitan Government, and the Target-Setting Emissions Trading Program, launched by Saitama Prefecture, require verification by a registered verification agency in determining standard greenhouse gas emissions and accrediting businesses that comply with the standards. Our company is a registered verification agency.		
E		Assessment of and support for corporate biodiversity conservation activities, provided through partnership with the BirdLife International Tokyo, an international environmental NGO.		

For the outlines and details of other risk consulting services, visit the website of Sompo Japan Nipponkoa Risk Management Inc. <http://www.sjnk-rm.co.jp/english/index.html>

Assurance by a Third Party Organization

Sompo Japan Nipponkoa calculated the amount of greenhouse gasses emitted in fiscal year 2013 by the company as well as from some overseas consolidated subsidiaries. We calculated direct GHG emissions (Scope 1), indirect GHG emissions from energy purchased (Scope 2) and other indirect GHG emissions (Scope 3), and were issued an Assurance Statement from the third party organization, Lloyd's Register Quality Assurance Limited (LRQA).

Lloyd's Register LRQA

Assurance Statement related to GHG Inventory 2013 prepared for Sompo Japan Insurance Inc. and NipponKoa Insurance Co., Ltd.

Terms of Engagement
This Assurance Statement has been prepared for Sompo Japan Insurance Inc. and NipponKoa Insurance Co., Ltd.

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Sompo Japan Insurance Inc. (SJ) and NipponKoa Insurance Co., Ltd. (NK) (collectively called as NKSJ) to assure its GHG Inventory for the fiscal year 2013, that is, from 1 April 2013 to 31 March 2014, (hereafter referred to as "the Report").

The Report relates to direct GHG emissions (Scope 1¹), energy indirect GHG emissions (Scope 2²) and other indirect GHG emissions (Scope 3³). The other indirect GHG emissions include the categories³ of purchased goods and services, fuel and energy related activities (not included in Scope 1 or Scope 2), upstream transportation and distribution, waste generated in operations, business travel, and employee commuting.

Management Responsibility
NKSJ's management was responsible for preparing the Report and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the Report in accordance with our contract with NKSJ.

Ultimately, the Report has been approved by, and remains the responsibility of NKSJ.

LRQA's Approach
Our verification has been conducted in accordance with ISO 14064-3:2006 Specification with guidance for validation and verification of greenhouse gas assertions to provide limited assurance that GHG data as presented in the Report have been prepared in accordance with ISO 14064-1:2006 Specification with guidance at the organizational level for quantification and reporting of greenhouse gas emissions and removals and that its Scope 3 emissions have been prepared by taking into consideration Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

To form our conclusions the assurance engagement was undertaken as a sampling exercise and covered the following activities:

- Reviewed processes related to the control of GHG emissions data and records;
- Interviewed relevant staff of the organization responsible for managing GHG emissions data and records; and
- Verified historical GHG emissions data and records at an aggregated level for the fiscal year 2013.

Level of Assurance & Materiality
The opinion expressed in this Assurance Statement has been formed on the basis of a limited level of assurance and at a materiality of the professional judgment of the Verifier.

LRQA's Opinion
Based on LRQA's approach nothing has come to our attention that would cause us to believe that the total direct GHG emissions and energy indirect GHG emissions and other indirect

¹ Scope 1 and 2 emissions are as defined in The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard.
² The categories of Scope 2 emissions are as defined in the Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Table 5.3.

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Lloyd's Register LRQA

GHG emissions disclosed in the Report as summarized in Tables 1 and 2 below are not materially correct and that the Report has not been prepared in accordance with ISO 14064-1:2006 or by taking into consideration Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

LRQA's Recommendations
NKSJ should further strengthen the internal data verification functions to increase accuracy, completeness and credibility of the disclosed GHG data.

Signed:  Dated: 19 June 2014

Michiaki Chiba
LRQA Lead Verifier
On behalf of Lloyd's Register Quality Assurance Limited
Queen's Tower A, 10th Floor, 2-3-1, Minatomirai, Nishi-ku, Yokohama, 220-6010, Japan

LRQA reference: YKA4005128 and YKA4005129

Table 1. Summary of Sompo Japan Insurance Inc.'s GHG inventory 2013

Scope	Tonnes CO ₂ e
Direct GHG emissions	12,476.4
Energy indirect GHG emissions	45,307.5
Other indirect GHG emissions	36,353.0
Total	94,136.9

Table 1. Summary of NipponKoa Insurance Co., Ltd.'s GHG inventory 2013

Scope	Tonnes CO ₂ e
Direct GHG emissions	5,412.9
Energy indirect GHG emissions	21,941.3
Other indirect GHG emissions	18,244.8
Total	45,599.0

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Due to inherent limitations in any internal control, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weaknesses or errors in internal controls so far as they relate to the requirements set out above as the verification has not been performed continuously throughout the period and the verification carried out on the relevant internal controls were on a test basis. Any projection of the evaluation of control to future periods is subject to the risk that the processes may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.
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TOPICS

Achieving Carbon Neutrality

Carbon neutral is a term used to describe the action of the company removing as much carbon dioxide from the atmosphere as it put in by buying carbon offsets for emissions that are difficult to eliminate through such action alone in order to achieve closer to net zero emissions. Funds allocated to carbon offsetting are invested in CO₂ emissions reduction and other projects in Japan and developing countries.

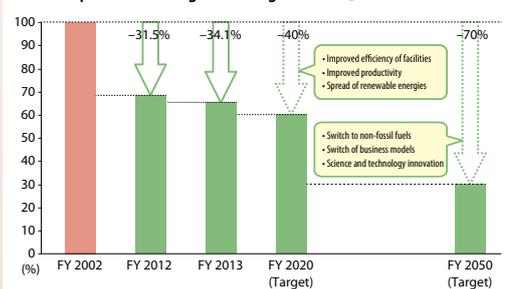
To fulfill its mission of providing insurance on a stable basis, Sompo Japan Nipponkoa works to reduce its greenhouse gas emissions and aims to achieve a carbon neutral status to raise awareness. Prior to corporate integration, in fiscal year 2012, Nipponkoa achieved net zero CO₂ emissions, thus becoming carbon neutral. Sompo Japan Nipponkoa Risk Management also achieved net zero CO₂ emissions in fiscal year 2012 to achieve carbon neutrality.

Group wide Efforts to Reduce CO₂ Emissions

The Sompo Japan Nipponkoa Group has set targets to reduce CO₂ emissions by 40% in 2020 from the fiscal year 2002 level, and by 70% in 2050. Besides environment-friendly procurement and energy-saving initiatives by the Group as a whole, the Group is making efforts for the alleviation of environmental burdens throughout the value chain. The Group aims to reduce not only direct carbon emissions from energy use, but also indirect emissions (Scope 3) associated with business activities such as sales, business trips, paper use, printing, distribution and disposal.



The Group's Mid- to Long-Term Targets for CO₂ Emissions Reduction



General Information on ESG Data

To identify our ESG-related issues, we have conducted ESG surveys targeting our Group companies and overseas offices since fiscal year 2011. The tables below show our major ESG data, as obtained from the survey results.

The survey is conducted on below 26 consolidated subsidiaries of Sompo Japan Nipponkoa Holdings, Inc.

● Organizations surveyed in fiscal year 2013

Company names as of March 31, 2014

1	Sompo Japan Insurance Inc.	10	SOMPO JAPAN NIPPONKOA RISK MANAGEMENT, INC.	19	Sompo Japan Nipponkoa Insurance (China) Co., Ltd. (China)
2	Nipponkoa Insurance Co., Ltd.	11	Prime Assistance Inc.	20	NIPPONKOA Insurance Company (China) Limited (China)
3	Sonpo 24 Insurance Co., Ltd.	12	Sompo Japan Nipponkoa Insurance Services Inc.	21	Sompo Japan Nipponkoa Insurance (Hong Kong) Co., Ltd. (China)
4	Saison Automobile and Fire Insurance Co., Ltd.	13	Sompo Japan Nipponkoa Holdings (Americas) Inc. (United States)	22	NIPPONKOA Insurance Company (Asia) Limited (China)
5	NKSJ Himawari Life Insurance, Inc.	14	Sompo Japan Nipponkoa Insurance Company of Europe Limited (United Kingdom)	23	Yasuda Seguros S.A. (Brazil)
6	Sompo Japan DC Securities Inc.	15	Sompo Japan Sigorta Anonim Sirketi (Turkey)	24	Marítima Seguros S.A. (Brazil)
7	Sompo Japan Nipponkoa Asset Management Co., Ltd.	16	Sompo Japan Asia Holdings Pte. Ltd. (Singapore)	25	Sompo Japan Nipponkoa Insurance (Thailand) Public Company Limited (Thailand)
8	Healthcare Frontier Japan Inc.	17	Tenet Sompo Insurance Pte. Ltd. (Singapore)	26	PT. Asuransi Sompo Japan Nipponkoa Indonesia (Indonesia)
9	Sompo Japan Nipponkoa Healthcare Services Inc.	18	Berjaya Sompo Insurance Berhad (Malaysia)		

● Coverage ratio

Coverage ratio (%) = $\frac{\text{the total number of employees of Sompo Japan Nipponkoa Group companies that responded to the corresponding question}}{\text{the total number of employees of Sompo Japan Nipponkoa Group companies subject to the questionnaire}} \times 100$

Here, employees mean full-time employees, re-hired employees, and part-time and temporary employees.

The number of data items collected and disclosed via the questionnaire is increasing each year. For this reason, coverage ratios and reporting companies differ accordingly each year.

● Reporting period

Unless otherwise stated, data reported herein are those of fiscal year 2013 (April 2013 to March 2014).

Additional Information Concerning Reporting of Greenhouse Gases (GHGs)

- 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 Sompo Japan Nipponkoa 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
Own company (Scope 1)	Direct emissions	City gas, LPG, kerosene, heavy fuel oil, gasoline
Own company (Scope 2)	Indirect emissions from energy sources	Electricity, heat
	Purchased products and services	Office paper, printing, servers, water service
Upstream of value chain (Scope 3)	Activities in connection with fuels and energy (other than Scopes 1 and 2)	Electricity
	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, ship, private car
Downstream of value chain (Scope 3)	Transportation/delivery (downstream)	Mailing of insurance policies, etc.
	Other	Event (venue, traffic, overnight or longer stays)

Environmental Data

Group Environmental Policy

We, the Sompo Japan Nipponkoa 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 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.

Environmental Performance

Item	Unit	FY2011	FY2012	FY2013	Coverage ratio	Reporting companies
GHG (Scope 2)	tCO ₂	60,820	74,082	70,509	89.2%	1,2,3,4,5,6,7,10,14,15,19,20,22,23
GHG (Scope 3)	tCO ₂	48,183	56,914	56,275	76.8%	1,2,10,14
GHG (Total)	tCO ₂	130,565	154,429	148,607	96.6%*	The same reporting companies as GHG (Scope 1)
Electricity	kWh	150,941,902	145,517,021	139,390,644	89.2%	1,2,3,4,5,6,7,10,14,15,19,20,22,23
City gas	m ³ -N	1,897,283	1,706,000	1,546,314	97.2%	1,2,3,5,6,7,9,10,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26
Heavy fuel oil A	kℓ	251	206	221	100%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26
Heat (steam)	MJ	110,095,574	85,294,251	119,100,200	99.7%	1,2,3,4,5,6,7,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26
Fuel used for company cars	kℓ	6,919	7,008	7,335	96.6%	1,2,3,4,5,6,7,8,9,10,11,12,14,15,16,19,20,21,22,23,24
Costs of GHG emissions reduction	Million yen	1,106	3,311	3,139	100%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26
Renewable energy purchased through Renewable Energy Certificates	kWh	4,460	5,867	3,000	98.7%	1,2,3,4,5,6,7,8,9,10,12,13,14,15,16,17,18,19,20,22,23,24,25,26
Total waste generation	t	4,875	4,455	4,886	85.3%	1,2,5,6,10,14,22,23
Recycled waste	t	3,315	3,086	2,807	80.3%	1,2,7,10,12,14,21,22,23
Tap water consumption	kℓ	499,040	471,685	459,803	78.6%	1,2,10,14,19,22,23
Wastewater discharge	kℓ	491,416	443,476	448,946	77.6%	1,2,10,14,19,22
Paper consumption	t	10,003	11,813	12,531	83.5%	1,2,3,4,7,10,14,19,22,24
Green purchasing rate	%	—	87.3%	67.5%	87.2%	1,2,5,7,10,12,14,19

Social Performance Data

Employees

Item	Unit	FY2011	FY2012	FY2013	Coverage ratio	Reporting companies	
							Total number of regular employees (subject to ESG questionnaires)
	Female	Persons	—	—	14,748		
	Total	Persons	—	—	31,489		
Executive or higher	Male	Persons	—	—	227	99.2%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,16,17,18,19,20,21,22,23,24,25,26
	Female	Persons	—	—	12		
	Total	Persons	—	—	239		
Department manager level or higher but lower than executive	Male	Persons	—	—	1,037	99.2%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,16,17,18,19,20,21,22,23,24,25,26
	Female	Persons	—	—	90		
	Total	Persons	—	—	1,127		
Section manager level or higher but lower than department manager level	Male	Persons	—	—	2,858	99.2%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,16,17,18,19,20,21,22,23,24,25,26
	Female	Persons	—	—	234		
	Total	Persons	—	—	3,092		
Subsection chief level or higher but lower than section manager level	Male	Persons	—	—	5,060	97.6%	1,2,3,4,5,6,7,8,10,11,12,13,14,16,17,19,20,21,22,23,24,25,26
	Female	Persons	—	—	1,083		
	Total	Persons	—	—	6,143		
Number of new graduates recruited	Male	Persons	—	—	106	94.3%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,16,17,18,19,20,25,26
	Female	Persons	—	—	309		
	Total	Persons	—	—	415		
Number of reemployed employees	Male	Persons	283	315	263	99.2%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,16,17,18,19,20,21,22,23,24,25,26
	Female	Persons	13	37	38		
	Total	Persons	296	352	301		
Union membership rate	%	97.6%	95.1%	94.6%	97.1%	1,2,3,4,5,6,7,8,10,11,12,13,14,16,17,19,20,21,22,23,24,25	
Employee satisfaction	%	77.7%	78.1%	75.4%	84.0%	1,2,5,10,14	
Total number of respondents	Persons	27,044	26,254	19,788			
Employees who answered "satisfied"	Persons	21,003	20,507	14,919			

Social Performance Data

Diversity & Inclusion

Item	Unit	FY2011	FY2012	FY2013	Coverage ratio	Reporting companies	
Ratio of female employees in managerial positions	%	4.01%	5.77%	7.54%	100%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26	
Ratio of employees with disabilities	%	2.08%	2.19%	2.15%	95.3%	1,2,3,4,5,6,7,8,9,10,12,13,14,16,19,20,22,23,24,25	
Number of employees who took maternity leave	Persons	—	—	746	97.2%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,16,17,19,20,21,22,23,24,25	
Number of employees who took childcare leave	Male	Persons	49	61	68	93.2%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,16,17,19,20,21,22,23
	Female	Persons	964	1,057	1,154		
	Total	Persons	1,013	1,118	1,222		
Number of employees who took family care leave	Male	Persons	6	2	0	93.1%	1,2,3,4,5,6,7,8,10,11,12,13,14,16,17,19,20,21,22,23
	Female	Persons	17	15	14		
	Total	Persons	23	17	14		
Ratio of overtime work	%	8.01%	8.27%	16.58%	92.7%	1,2,3,4,5,6,7,8,10,11,13,14,17,18,19,20,22,23,25	
Annual turnover	Male	%	4.30%	4.62%	4.33%	99.0%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,24,25,26
	Female	%	6.60%	7.48%	9.01%		
	Total	%	5.43%	6.04%	6.73%		

Respect for Human Rights

Group Policy for Human Dignity and Human Rights

We, the Sampo Japan Nipponkoa Group pledge to respect the "fundamental human rights" of our all stakeholders, including the rights of our employees worldwide. We will respect the international norms of behavior*, 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 disclose information. We respect human dignity as the foundation of universal human rights

1. Human rights considerations for stakeholders

We will respect the human rights of all stakeholders associated with our business activities, including customers and suppliers.

We will avoid, prevent or mitigate indirect adverse impact on the human rights of our stakeholders.

Should there be any abuse of human rights, we will address it promptly and adequately.

2. Human rights considerations for employees

In all facets of labour practices, we will not discriminate on the basis of gender, nationality, religion, social status, place of registry, family origin, or any other status. We, as a company having a global perspective, will respect every employee's personality, individuality and diversity, and ensure a dynamic working environment that will encourage the challenging spirit and motivation of our employees.

3. Human rights considerations in the global market

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

* International norms of behavior include the Universal Declaration of Human Rights, ISO26000, United Nations Global Compact, OECD Guidelines for Multinational Enterprises, ILO International Labour Standards, United Nations Guiding Principles on Business and Human Rights, and International Covenants on Human Rights (International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights).

Social Contribution

Corporate Citizenship Policy (Sampo 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.

Social Performance Data

Volunteer Activities Support System

Item	Unit	FY2011	FY2012	FY2013	Coverage ratio	Reporting companies
Number of employees who took short volunteer work leave	Persons	—	30	54	99.2%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,16,17,18,19,20,21,22,23,24,25,26
Number of employees who took long volunteer work leave	Persons	—	0	0	99.2%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,16,17,18,19,20,21,22,23,24,25,26

Efforts to respond to “Voice of Customers”

Please visit Sampo Japan Nipponkoa's official website for improvement examples based on customer feedback and complaints. (Japanese only)

Governance Data

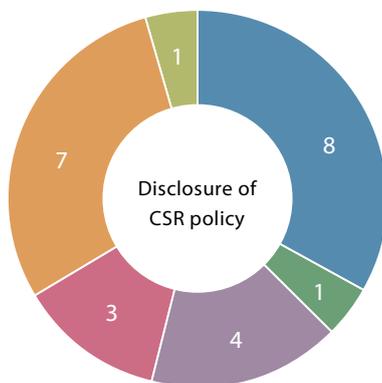
Number of meetings held by the Board of Directors and the Board of Corporate Auditors as well as the participation status of the Board Members (Sampo Japan Nipponkoa Holdings)

	Item	Unit	FY2011	FY2012	FY2013
Board of Directors	Number of meeting	Meetings	16	15	15
	Number of board member	Persons	12	12	17
	(Of which, number of outside directors)	Persons	6	6	6
	Average attendance at meetings by outside directors	%	94.8%	98.9%	(After Jun. 24, 2013) 3 100%
Board of Corporate Auditors	Number of meeting	Meetings	14	14	13
	Number of board member	Persons	5	5	5
	(Of which, number of outside directors)	Persons	3	3	3
	Average attendance at meetings by outside directors	%	100%	100%	100%

Training on Compliance

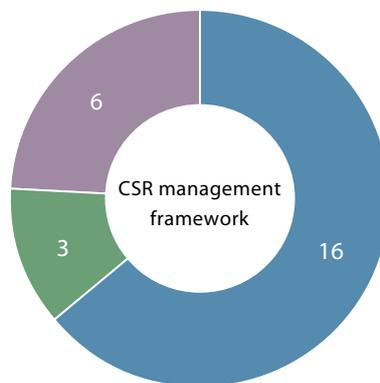
Item	Unit	FY2011	FY2012	FY2013	Coverage ratio	Reporting companies
Ratio of employees who received compliance training	%	92.98%	89.19%	86.38%	97.0%	1,2,3,4,5,6,7,8,9,10,11,12,14,15,17,19,20,21,22,24,25,26

Disclosure of CSR policy, CSR management framework, and selection criteria of suppliers



- The policy is disclosed on official website
- The policy is mentioned in management policies or top messages
- Information on CSR initiatives is provided on official website
- Under consideration
- Not disclosed
- Other

Coverage ratio	Reporting companies
97.7%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,16,17,19,20,21,22,23,24,25,26



- CSR committee or CSR department is established and CSR personnel are appointed
- It is planned that a CSR department and the appointment of CSR personnel will be implemented
- Not planned

Coverage ratio	Reporting companies
98.5%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,19,20,21,22,23,24,25,26



- Criteria on environmental protection, human rights, and labor are included
- Criteria on human rights and labor are included
- Planning to examine the possibility to set criteria
- Not planned

Coverage ratio	Reporting companies
97.7%	1,2,3,4,5,6,7,8,9,10,11,12,13,14,16,17,19,20,21,22,23,24,25,26

Consolidated Balance Sheet

(Millions of yen)

Item	As of March 31, 2013		As of March 31, 2014		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
(Millions of yen)					
Assets:		%		%	
Cash and deposits	513,739	5.60	471,481	4.96	(42,257)
Call loans	66,700	0.73	75,000	0.79	8,300
Receivables under resale agreements	80,483	0.88	126,984	1.34	46,500
Monetary receivables bought	21,969	0.24	16,951	0.18	(5,018)
Money trusts	69,179	0.75	97,850	1.03	28,671
Securities	6,596,246	71.87	6,896,907	72.60	300,660
Loans	635,239	6.92	606,541	6.38	(28,697)
Tangible fixed assets:	355,792	3.88	349,968	3.68	(5,823)
Land	192,387		184,801		
Buildings	129,178		125,115		
Leased assets	6,146		6,595		
Construction in progress	2,562		5,370		
Other tangible fixed assets	25,519		28,085		
Intangible fixed assets:	56,896	0.62	66,904	0.70	10,007
Software	6,855		8,483		
Goodwill	49,311		54,431		
Other intangible fixed assets	729		3,988		
Other assets	643,596	7.01	720,934	7.59	77,338
Net defined benefit asset	—	—	240	0.00	240
Deferred tax assets	107,938	1.18	63,095	0.66	(44,842)
Customers' liabilities for acceptances and guarantees	35,200	0.38	12,299	0.13	(22,900)
Allowance for possible credit losses	(4,783)	(0.05)	(5,360)	(0.06)	(576)
Total assets	9,178,198	100.00	9,499,799	100.00	321,601
Liabilities:					
Underwriting funds:	7,081,082	77.15	7,301,760	76.86	220,678
Reserve for outstanding losses and claims	1,001,993		1,100,613		
Underwriting reserves	6,079,088		6,201,146		
Corporate bonds	261,560	2.85	261,560	2.75	—
Other liabilities	352,898	3.84	371,054	3.91	18,155
Reserve for retirement benefits	103,244	1.12	—	—	(103,244)
Net defined benefit liability	—	—	95,814	1.01	95,814
Reserve for retirement benefits to directors	53	0.00	58	0.00	5
Reserve for bonus payments	23,088	0.25	22,195	0.23	(893)
Reserve for bonus payments to directors	290	0.00	185	0.00	(104)
Reserves under the special laws:	35,519	0.39	43,790	0.46	8,270
Reserve for price fluctuation	35,519		43,790		
Deferred tax liabilities	1,772	0.02	926	0.01	(846)
Acceptances and guarantees	35,200	0.38	12,299	0.13	(22,900)
Total liabilities	7,894,710	86.02	8,109,646	85.37	214,935
Net assets:					
Shareholders' equity:					
Common stock	100,045	1.09	100,045	1.05	—
Capital surplus	438,567	4.78	438,536	4.62	(31)
Retained earnings	181,149	1.97	188,087	1.98	6,938
Treasury stock	(1,122)	(0.01)	(9,825)	(0.10)	(8,702)
Total shareholders' equity	718,640	7.83	716,845	7.55	(1,795)
Accumulated other comprehensive income:					
Unrealized gains and losses on securities available for sale	579,284	6.31	659,375	6.94	80,091
Deferred gains and losses on hedges	7,653	0.08	7,205	0.08	(448)
Foreign currency translation adjustments	(29,309)	(0.32)	(4,341)	(0.05)	24,968
Remeasurements of defined benefit plans	—	—	3,120	0.03	3,120
Total accumulated other comprehensive income	557,628	6.08	665,360	7.00	107,731
Stock acquisition rights	2,027	0.02	1,851	0.02	(176)
Non-controlling interests	5,191	0.06	6,096	0.06	905
Total net assets	1,283,488	13.98	1,390,153	14.63	106,665
Total liabilities and net assets	9,178,198	100.00	9,499,799	100.00	321,601

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

Consolidated accounting year Item	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)		Increase (Decrease)
	Amount	% of ordinary income	Amount	% of ordinary income	
Ordinary income:	2,843,226	100.00	3,008,339	100.00	165,112
Underwriting income:	2,605,798	91.65	2,744,636	91.23	138,837
Net premiums written	2,062,606		2,268,967		
Deposits of premiums by policyholders	146,309		140,943		
Interest and dividend income on deposits of premiums, etc.	51,359		48,983		
Life insurance premiums written	264,732		277,230		
Reversal of reserve for outstanding losses and claims	30,978		—		
Reversal of underwriting reserves	42,689		—		
Other underwriting income	7,122		8,510		
Investment income:	223,709	7.87	248,906	8.27	25,196
Interest and dividend income	154,789		161,257		
Investment gains on money trusts	1,700		5,060		
Investment gains on trading securities	334		2,524		
Gains on sales of securities	112,139		112,625		
Gains on redemption of securities	88		2,287		
Investment gains on special account	2,019		2,252		
Other investment income	3,998		11,881		
Transfer of interest and dividend income on deposits of premiums, etc.	(51,359)		(48,983)		
Other ordinary income:	13,717	0.48	14,796	0.49	1,078
Investment gains on the equity method	713		—		
Other ordinary income	12,934		14,740		
Ordinary expenses:	2,738,443	96.31	2,895,947	96.26	157,503
Underwriting expenses:	2,241,571	78.84	2,420,220	80.45	178,648
Net claims paid	1,336,201		1,339,253		
Loss adjustment expenses	138,019		136,112		
Net commissions and brokerage fees	376,994		412,344		
Maturity refunds to policyholders	322,292		285,504		
Dividends to policyholders	60		109		
Life insurance claims paid and other payments	63,521		73,730		
Provision for reserve for outstanding losses and claims	—		67,862		
Provision for underwriting reserves	—		100,269		
Other underwriting expenses	4,481		5,032		
Investment expenses:	58,269	2.05	20,665	0.69	(37,603)
Investment losses on money trusts	54		235		
Losses on sales of securities	7,395		5,597		
Impairment losses on securities	37,755		1,169		
Losses on redemption of securities	1,133		146		
Losses on derivatives	8,315		7,867		
Other investment expenses	3,614		5,649		
Operating, general and administrative expenses	426,216	14.99	439,382	14.61	13,165
Other ordinary expenses:	12,385	0.44	15,678	0.52	3,293
Interest paid	7,563		11,692		
Losses on bad debt	9		13		
Investment losses on the equity method	—		159		
Other ordinary expenses	4,812		3,812		
Ordinary profit	104,783	3.69	112,391	3.74	7,608

Consolidated Statement of Income

(Millions of yen)

Consolidated accounting year Item	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)		Increase (Decrease)
	Amount	% of ordinary income	Amount	% of ordinary income	
Extraordinary gains:		%		%	
Gains on disposal of fixed assets	3,058	0.11	4,284	0.14	1,225
Gains on negative goodwill	2,774		3,926		
Other extraordinary gains	184		—		
Other extraordinary gains	99		358		
Extraordinary losses:					
Losses on disposal of fixed assets	37,662	1.32	47,518	1.58	9,856
Losses on disposal of fixed assets	760		3,240		
Impairment losses	3,962		4,021		
Provision for reserves under the special laws:	7,861		8,270		
Provision for reserve for price fluctuation	7,861		8,270		
Other extraordinary losses	25,076		31,985		
Net income before income taxes and non-controlling interests	70,179	2.47	69,157	2.30	(1,022)
Income taxes	7,118		9,319		
Deferred income taxes	19,145		14,921		
Total income taxes	26,263	0.92	24,240	0.81	(2,022)
Net income before non-controlling interests	43,916	1.54	44,916	1.49	1,000
Income attributable to non-controlling interests	298	0.01	746	0.02	448
Net income	43,618	1.53	44,169	1.47	551

Consolidated Statement of Comprehensive Income

(Millions of yen)

Consolidated accounting year Item	Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	Fiscal year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
	Amount	Amount
Net income before non-controlling interests	43,916	44,916
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	252,794	80,280
Deferred gains and losses on hedges	1,993	(448)
Foreign currency translation adjustments	20,104	24,425
Share of other comprehensive income of affiliates accounted for under the equity method	239	790
Total other comprehensive income	275,131	105,048
Comprehensive income	319,047	149,965
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	318,126	148,781
Comprehensive income attributable to non-controlling interests	921	1,183



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