



**SOMPO
HOLDINGS**

Innovation for Wellbeing

CSR Communication Report 2017



Sompo Holdings, Inc.

Top Commitment



We will realize transformation into a “theme park for the security, health, and wellbeing of customers” and enhance corporate value.

Kengo Sakurada
President & CEO
Sompo Holdings, Inc.

Business Conditions—an Era of VUCA

Standing for volatility, uncertainty, complexity, and ambiguity, the acronym VUCA best describes today's world. A truly diverse range of social issues are emerging. In Japan, the population is declining and rapidly aging. Globally, large-scale disasters are becoming commonplace, environmental issues such as climate change are arising, and insecurity is increasing due to terrorism and other factors. Other issues include poverty and human rights issues. In addition, issues are surfacing in the technology field. Digital disruption—in other words, the exponential evolution of technology and accompanying changes in customers' behavior—is a destructive type of innovation that is having a major impact on society. I am sure that in the current era the evolution of digital technology, including AI, blockchains, and the Internet of Things (IoT), as well as the spread of mobile devices, is dramatically changing industry structures and creating risks and opportunities globally. Consequently, the Sompo Holdings Group faces business conditions that are changing significantly. And, the pace of this change is expected to increase even further.

Transformation—Mid-Term Management Plan

The current era's unpredictability means that an unshakable belief and vision are all the more important for the achievement of corporate growth. The Group Management Philosophy states that "We will contribute to the security, health, and wellbeing of customers and society as a whole by providing insurance and related services of the highest quality possible." This is the unshakable commitment that Sompo Holdings has consistently maintained since its establishment in April 2010.

Reflecting this commitment, the Mid-Term Management Plan that we began in fiscal 2016 sets out the vision of building a "theme park for the security, health, and wellbeing of customers." The Group will realize transformation into a "theme park for the security, health, and wellbeing of customers" by reforming the business model of each business and reforming the business portfolio of the Group as a whole. I believe that, rather than continuing traditional practices, establishing new business models will enable us to create new value. Realizing these initiatives will require strong leadership from the senior management team and, as such, I intend to drive our transformation.

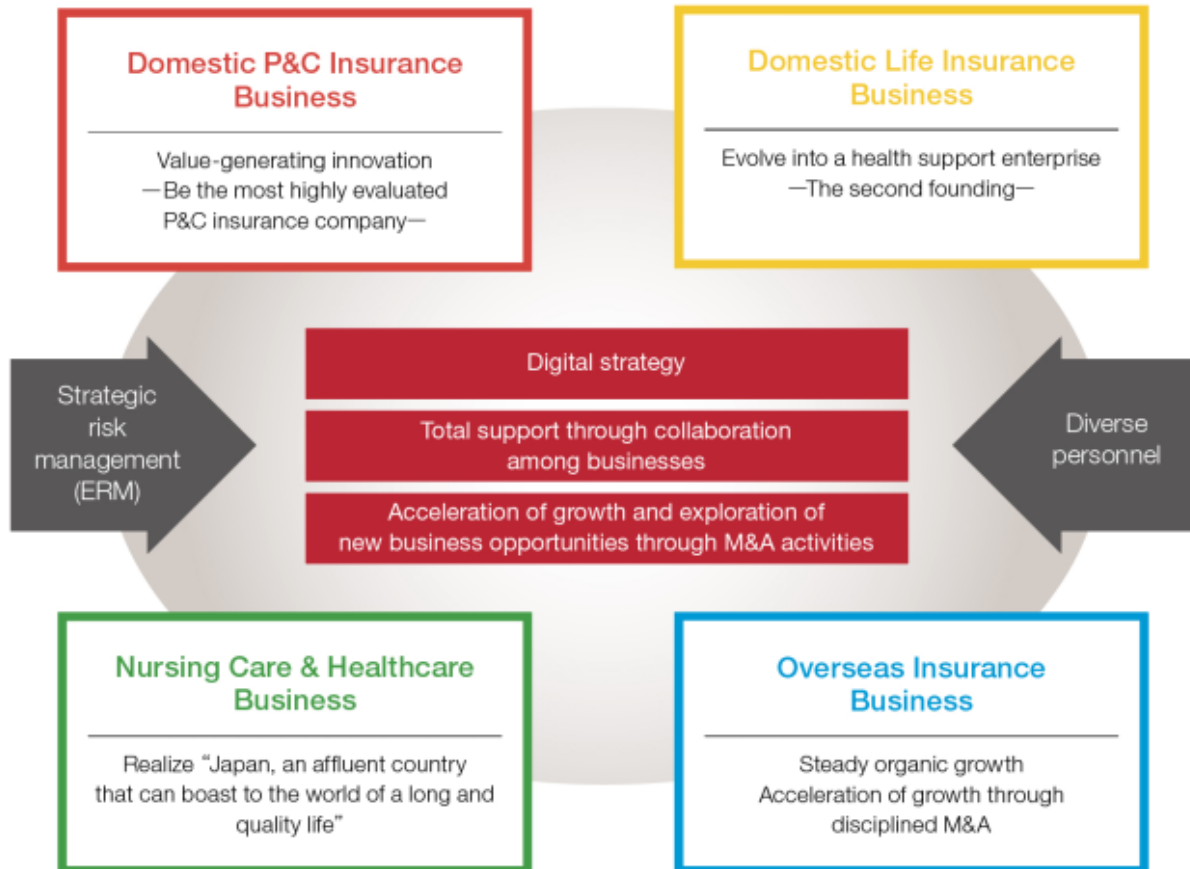
Toward Enhanced Corporate Value—a "Theme Park for the Security, Health, and Wellbeing of Customers"

At this point, I would like to explain the meaning of a "theme park for the security, health, and wellbeing of customers" in terms of our target corporate profile.

We aim to be a corporate group that is based on the theme of "security, health, and wellbeing of customers" and which brings happiness to customers' lives by developing a wide range of businesses beyond the boundaries of insurance and by harnessing digital technologies.

First-rate theme parks provide outstanding services that entertain guests when they are on rides as well as after they get off them. This can serve as a metaphor for the Group's operations. For example, general property and casualty (P&C) insurance policies last for one year and are renewed annually. Meanwhile, most customers are not often involved in the insurable events. The time "on rides," when we have contact with customers, is limited.

The Group will change "off ride" periods, when it does not have contact with customers, into "on ride" periods and continue to offer customers value in the form of "security, health, and wellbeing." New businesses and services, such as the nursing care & healthcare business, and the utilization of digital technology provide new points of contact with customers and new value. Through such initiatives, we will realize a "theme park for the security, health, and wellbeing of customers."



Near-Term Business Conditions—Review of the Mid-Term Management Plan's First Fiscal Year

In fiscal 2016, the first year of the Mid-Term Management Plan, we made a good start, reaching targets for adjusted consolidated profit and adjusted consolidated ROE thanks to steady efforts in each business. Further, in the fiscal year the Group decisively took its first step toward transformation that will sustain growth. The following is an overview of the measures we took in this regard.

Brand

In October 2016, the Company changed its name to Sompo Holdings, Inc. We are changing the names of Group companies in Japan and overseas to names that include "Sompo." Globally, we will strengthen the presence of SOMPO as a brand focused on the "security, health, and wellbeing of customers."

Acquisition of Sompo International (Endurance Specialty Holdings)

We have established significant foundations for growth in the markets of developed countries by acquiring Sompo International (formerly Endurance Specialty Holdings Ltd.) for 683.1 billion yen—our biggest ever investment. Upon completion of the acquisition, we changed the brand to

SOMPO INTERNATIONAL, and we have already begun integrated administration under the SOMPO brand. Going forward, we will integrate human resource systems and establish a common underwriting platform globally. In addition, we will consider reorganization of the direct insurance, reinsurance, and Lloyds businesses through Sompo International Holdings.

Nursing Care & Healthcare Business

In fiscal 2015, the Group entered the nursing care business in earnest with a view to establishing a new mainstay business by realizing the vision “Japan, an affluent country that can boast to the world of a long and quality life.” We are laying foundations for the business through the exploitation of ICT and digital technology, multiple collaborations with academic institutions, and the recently established SOMPO Care University, which is tasked with strengthening internal management capabilities and developing professionals.

We will continue enhancing safety, productivity, and quality to provide the highest-quality nursing care and healthcare services in Japan’s rapidly aging society.

Digital Strategy

As an initiative aimed at converting destructive innovation stemming from digital technology, known as digital disruption, from a risk into an opportunity, we established SOMPO Digital Lab in Tokyo and Silicon Valley, in the United States, in April 2016. We will maintain the high pace of our research on the latest digital technology and our networking with start-ups. As a result, we will grasp developments in the digital field and act in response to them more quickly.

Governance

To coincide with the launch of the Mid-Term Management Plan, in 2016 we introduced a Business Owner system, which establishes a Business Owner for each business. This governance system delegates the authority to plan business strategies, make investment decisions, and deploy personnel. Its aim is to expedite decision-making and operational execution in each business through the leadership of Business Owners. We are implementing strategies that span all businesses and dynamic growth strategies as well as responding promptly and flexibly to a range of different issues. Also, we are steadily advancing initiatives focused on establishing and strengthening our presence and advantages.

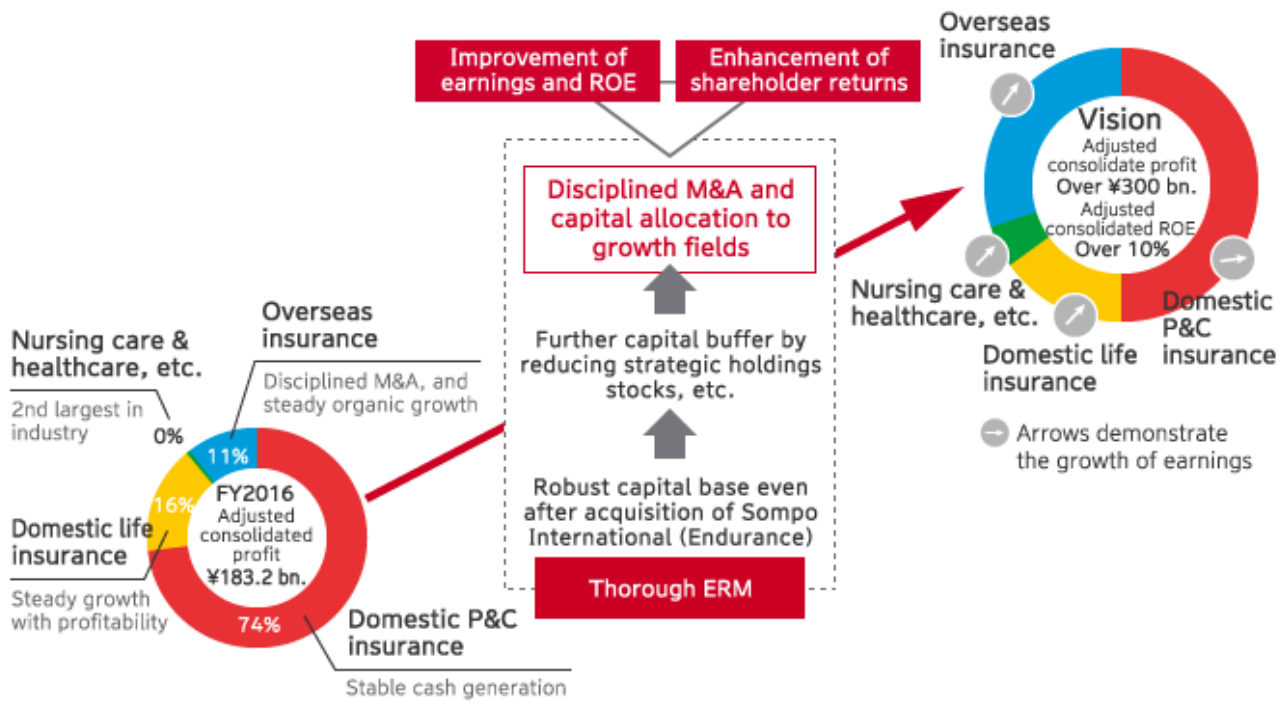
In a separate initiative, we introduced a Group chief officer system in the current fiscal year. This system will enable us to advance cross-segment initiatives, such as the implementation of strategies and the tackling of important tasks on a Group-wide basis and build even stronger governance.

Growth Scenario Going Forward

Aiming to Realize Global Top 10 Level Profit and ROE

Under the direction of their Business Owners, the domestic P&C insurance, domestic life insurance, nursing care & healthcare, and overseas insurance businesses must grow steadily. Further, based on strategic risk management, in other words, ERM (enterprise risk management), we will continue selling strategic-holding stocks and strengthen control of natural disaster risk to

enhance the capital buffer. Through disciplined M&A and the investment of resources in such growth fields as the domestic life insurance and nursing care & healthcare businesses, we will increase profit, ROE, and returns to shareholders and realize global top 10 level profit and ROE. In fiscal 2017, the Mid-Term Management Plan's second year, we will steadily achieve results through measures that we began in fiscal 2016, step up the pace of initiatives in each business, and continue transformation aimed at building a "theme park for the security, health, and wellbeing of customers."



Creating New Value for the Future

I believe our transformation can contribute to the SDGs (Sustainable Development Goals), which the United Nations has set as a plan of action for people, the planet, and prosperity.

Meeting the expectations of stakeholders is indispensable for the Group's sustained growth. Using the SDGs as a guide to the world's common goals, we have to address emerging social issues as well as create value that anticipates future needs. Further, establishing products and services and business processes that take into account the environment, social, and governance (ESG) will be critical in such forward-looking value creation.

For example, the Group develops and markets products and services that mitigate or support adaptation to climate change. In conjunction with these efforts, we tackle ESG-related issues in business processes by setting medium-to-long-term targets for the reduction of greenhouse gas emissions, increasing employee diversity, innovating work styles, and bolstering governance. Moreover, in light of dialogue with stakeholders, we have redefined our CSR Material Issues to make them more forward looking.

We believe that anticipating society's growing expectations and providing solutions to social issues through our businesses will bring about social change that leads to the creation of a sustainable society. Accordingly, as part of efforts to tackle ESG-related issues, our insurance business is helping make international society more inclusive by improving access to insurance in developing countries. In addition, we have entered the nursing care business, which has considerable social significance in Japan's aging society. Also, in our view collaborations with

other companies as well as dialogue and cooperation with our stakeholders, including governments and civil society, can create the large impetus needed to transform society.

As a provider of business solutions for a better future, the Sampo Holdings Group will offer comprehensive support for the "security, health, and wellbeing of customers" in a wide range of life stages and in day-to-day life. While pursuing our unique vision of building a "theme park for the security, health, and wellbeing of customers," we will achieve corporate growth and contribute to the realization of a resilient and sustainable society.

CSR Strategies / Featured Topics

▶ Group CSR Strategies

▶ Featured Topic 1: Climate Initiatives

▶ Featured Topic 2: Nursing & Health Care

▶ Featured Topic 3: Digital Strategies

Group CSR Strategies

Group Management Philosophy

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

Group CSR Vision

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

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

▶ [CSR Initiatives](#)

CSR Material Issues

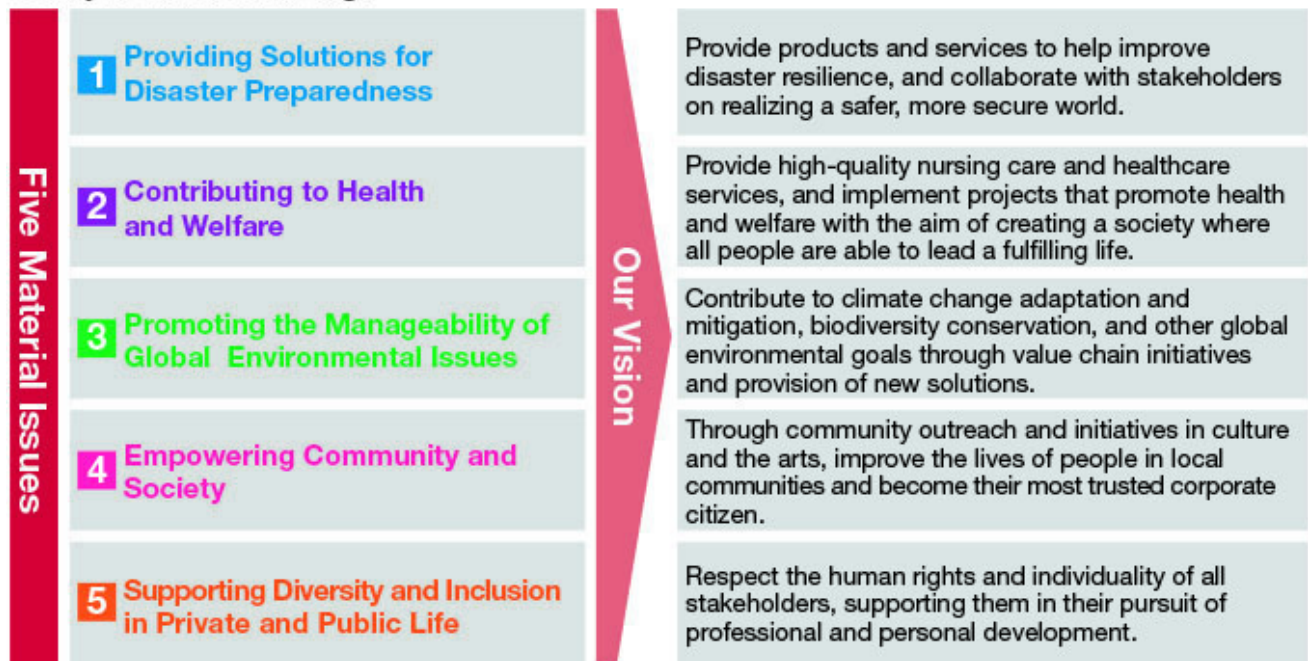
In order to provide our customers the best quality of services that contribute to their security, health, and wellbeing, and to contribute to society, we identified five material issues. To address these material issues, we identified our Three Key Strengths.

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

Our Key Strengths

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

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

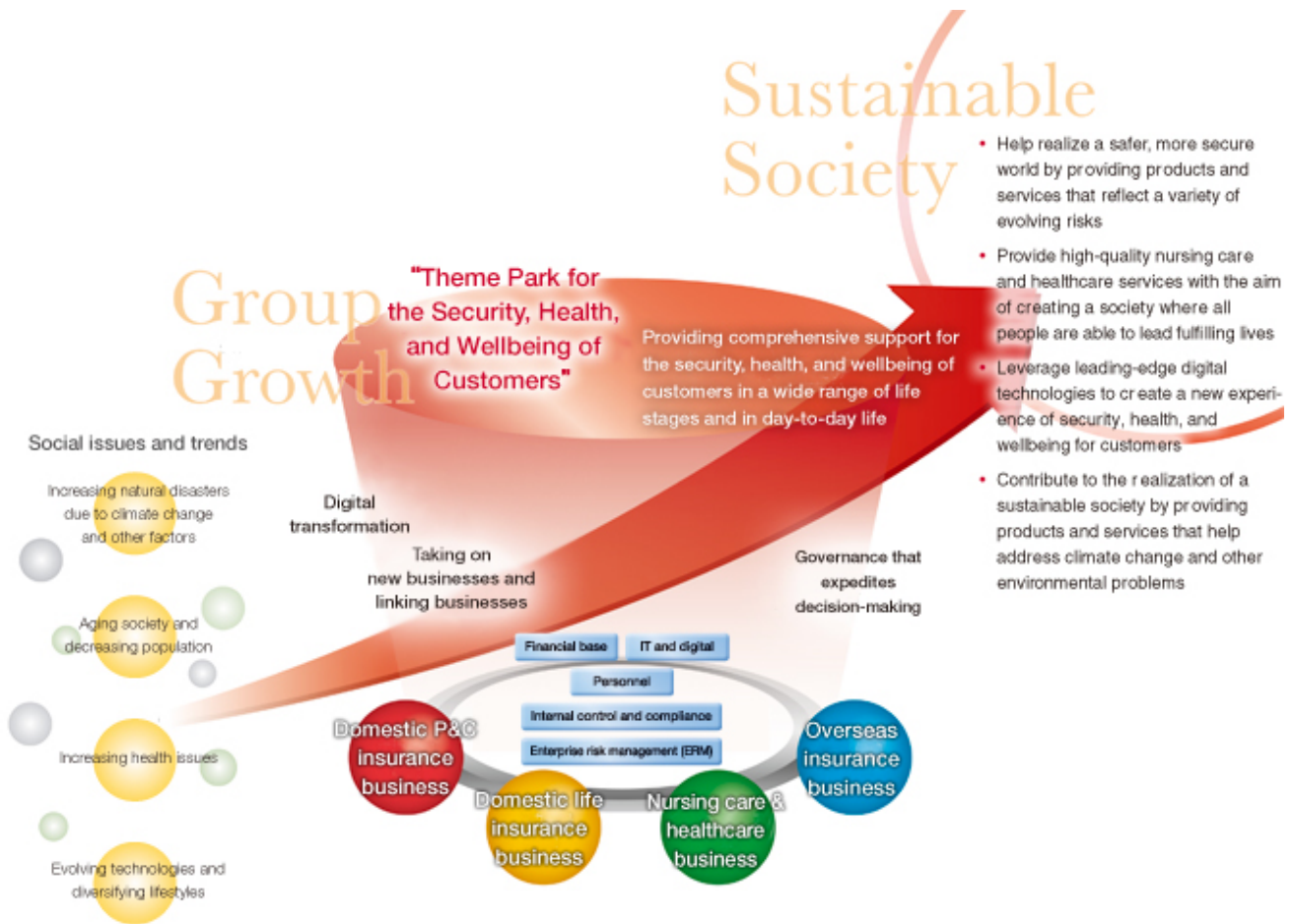


► CSR Materiality

Value Creation Process

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

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



Featured Topic 1: Climate Initiatives

The Growing Threat of Climate Change

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

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

Our Climate Adaptation and Mitigation Efforts

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

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

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

Milestones in Our Climate Initiatives

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

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



Seeking local input for weather index insurance (Myanmar)

Our Products and Services to Contribute to Climate Adaptation

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

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

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

Our Efforts to Contribute to Climate Mitigation through the Value Chain

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

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

Communicating with Society through Research Activities

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



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

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

Leadership to Address Climate Change

Leadership through Various Initiatives

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

Caring for Climate

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



▶ [Caring for Climate](#) 

CDP

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



▶ [CDP](#) 

COP22 Climate Conference

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

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



Our Initiatives Introduced in International Reports

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

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



Featured Topic 2: Nursing and Healthcare Initiatives

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

Dialogue: Nursing and Healthcare Initiatives — Future Issues and Expectations

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

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



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

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

▶ [Profile](#)



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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



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

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

▼ Profile

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



to talk about with you today.

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

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

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

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

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

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

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

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

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

Kawakita: Partnerships are essential when developing operations.

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

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

Shizume: Thank you for your valuable comments.



Hideto Kawakita

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

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

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

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

▶ [Third Party Comments](#)

Key Initiatives for Nursing and Healthcare

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

Featured Topic 3: Digital Strategies

Important Theme for Utilizing Digital Technologies

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

1. Business Efficiency in All Segments

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

2. Enhancement of Customer Contacts

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

3. Marketing for Digital Native Generation

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

4. New Business Model Utilizing Digital Technologies

Create new business models based on digital technologies



▶ [SOMPO Digital Lab](#) 

Dialogue: Digital Strategies — Future Issues and Expectations



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

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

▼ [Profile](#)

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Using Digital Technology to Offer Customers New Experiences

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



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

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

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

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

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

Will you provide services aimed at the global market?

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

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

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

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

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

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

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



Hideto Kawakita

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

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

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

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

▶ [Third Party Comments](#)

Key Initiatives That Use Digital Technology

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

CSR Initiatives and Management System

▶ CSR Initiatives

▶ CSR Management System

CSR Initiatives

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

Group CSR Vision

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

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

Group Environmental Policy

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

< Action Guidelines >

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

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

2. Promoting resource conservation through the entire value chain

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

3. Raising awareness of environmental issues and corporate citizenship

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

will periodically review the above-mentioned activities to reflect our environmental objectives and targets.

Group Policy for Human Rights

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

1. Human rights due diligence for stakeholders

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

2. Human rights due diligence for employees

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

3. Promotion of human rights in global markets

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

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

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

Group Sustainable Procurement Policy

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

1. Fair and equal transactions

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

2. Compliance with laws and regulations

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

3. Consideration of global issues

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

Corporate Citizenship Policy (Sompo Japan Nipponkoa)

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

1. Corporate citizenship activities

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

2. Support for individual employees' social contribution efforts

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

Please click below link for details of Group CSR Materiality

▶ [Group CSR Materiality](#)

Management System

Group-Wide Management(Council for CSR Promotion)

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

Management at Individual Companies (Continuous Improvement)

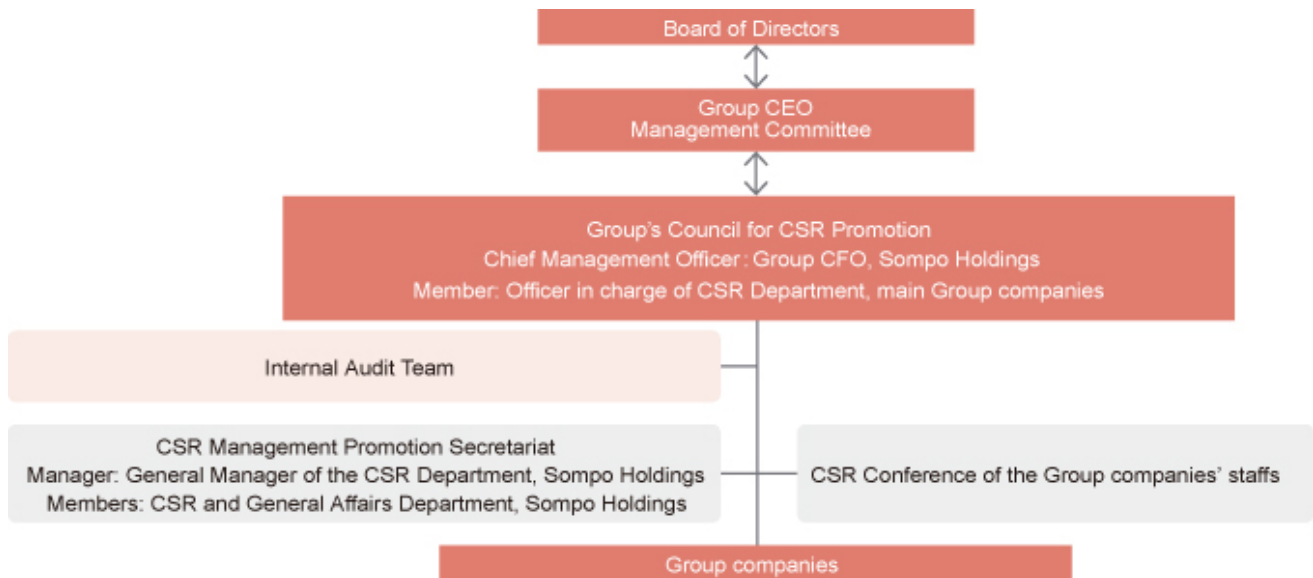
We have expanded the ISO 14001 certification we obtained in 1997 to the entire Group and built a management system that covers all social responsibility initiatives. Each Group company now has its own CSR management organization led by the CEO or other executive officer and run by a team of managers and leaders. Furthermore a CSR-Eco Facilitator is appointed at every worksite in an effort to encourage self-motivated bottom-up action. Currently, 2,669 (as of May 2017) CSR-Eco Facilitators and other staff across the Group are spearheading initiatives relevant to their respective workplaces. Each workplace follows a PDCA cycle to make improvements and accelerate action, a process that involves drafting an annual CSR action plan at the start of the fiscal year and conducting half-year and full-year reviews. We also conduct dialogue-based internal auditing to advance initiatives at each workplace. The operating and management status of initiatives are regularly reported to the Management Committee for review.

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

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

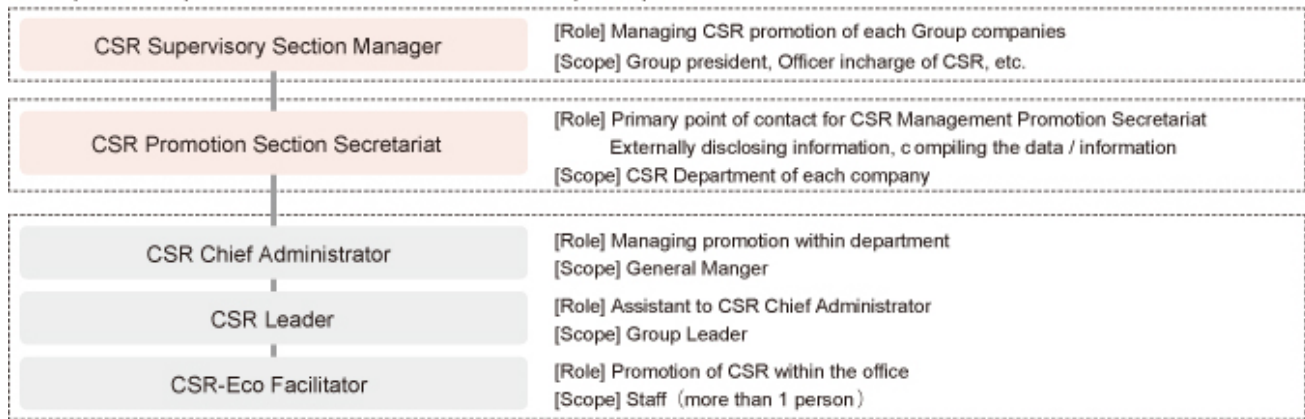
▶ [Major ESG Data](#)

▶ [Stakeholder Engagement](#)



Example of the promotion framework of each Group companies

* Adjusting details according to the company size.



Group CSR Materiality

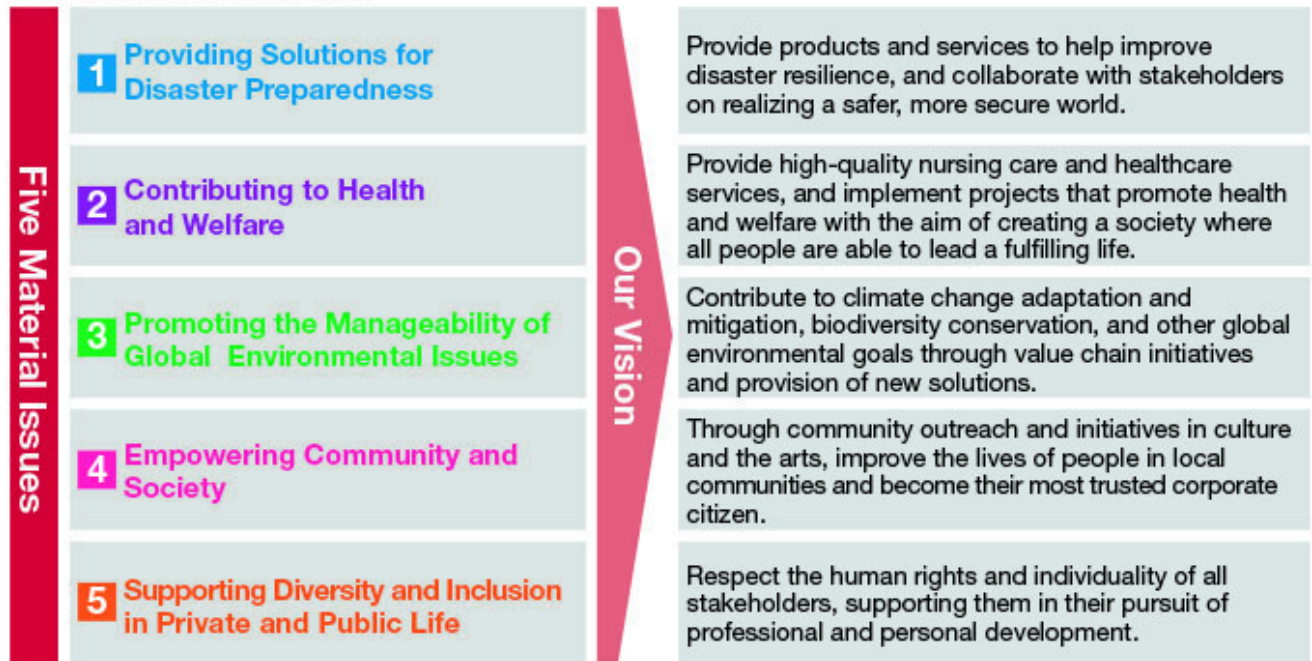
In April 2016, we redefined our Five CSR Material Issues based on the latest international developments and changes in our business environment to realize a resilient and sustainable society by providing products and services that contribute to security, health, and wellbeing. We also reaffirmed the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

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

Our Key Strengths

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

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



Identifying Our CSR Materiality and CSR-KPIs

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

Major Initiatives on each CSR Material Issue

▶ 1. Providing Solutions for Disaster Preparedness

▶ 2. Contributing to Health and Welfare

▶ 3. Promoting the Manageability of Global Environmental Issues

▶ 4. Empowering Community and Society

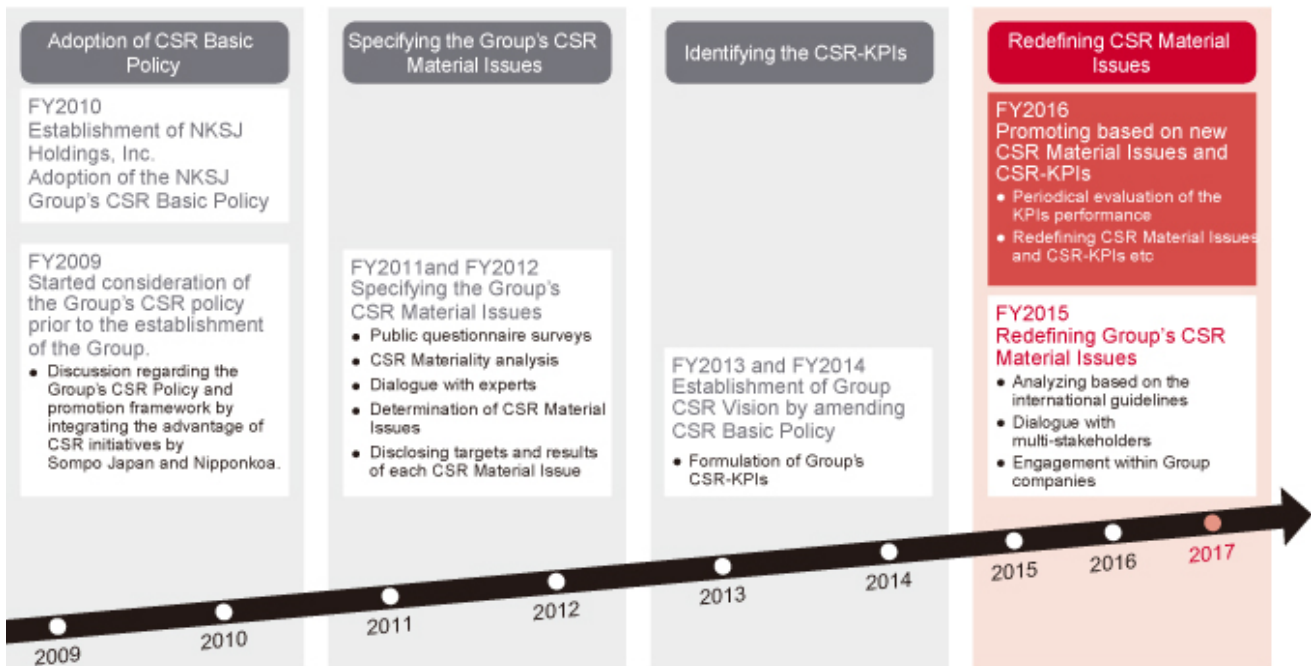
▶ 5. Supporting Diversity and Inclusion in Private and Public Life

Redefining Group CSR Materiality

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

Background

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



Social and Organizational Context

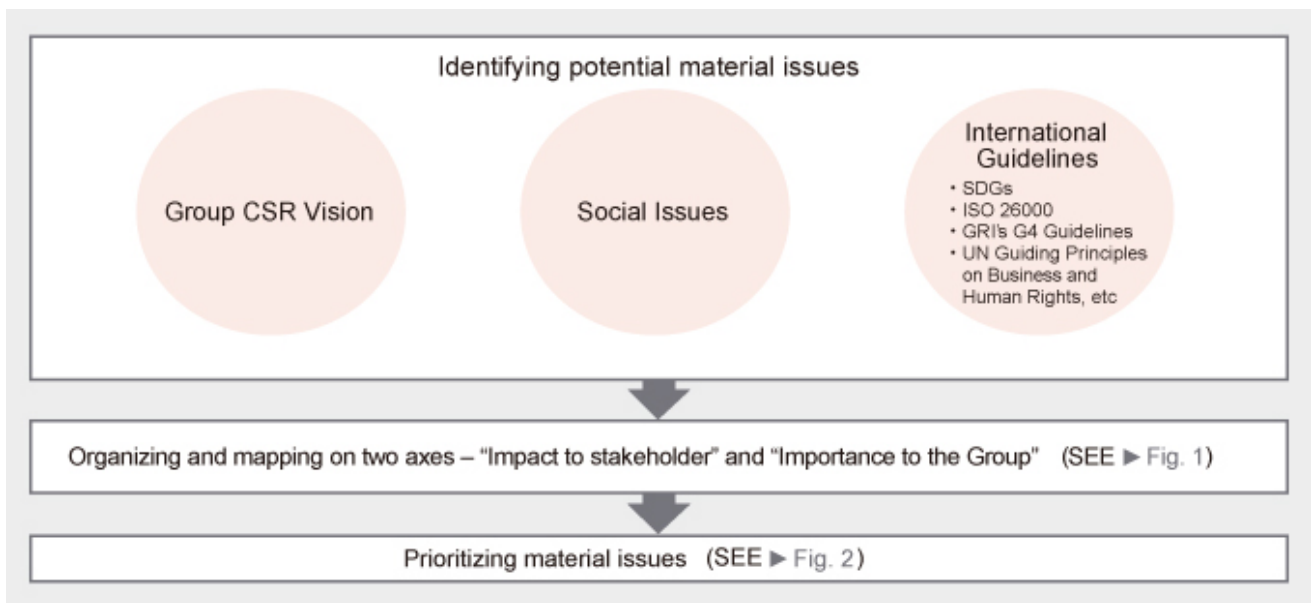
The year 2015 was an important year for setting a new international agenda on sustainability: In September a summit of UN leaders adopted the SDGs*¹ with a target date of 2030, and in the following December, the COP21*² adopted the Paris Agreement. The following year, fiscal 2016, also marked the start of the Group’s new Medium-Term Management Plan, in which we set out to transform our business structure to provide services under the theme of “security, health, and wellbeing.” Based on these international developments and organizational changes, we redefined our material issues with the objective of furthering both social sustainability and Group growth.

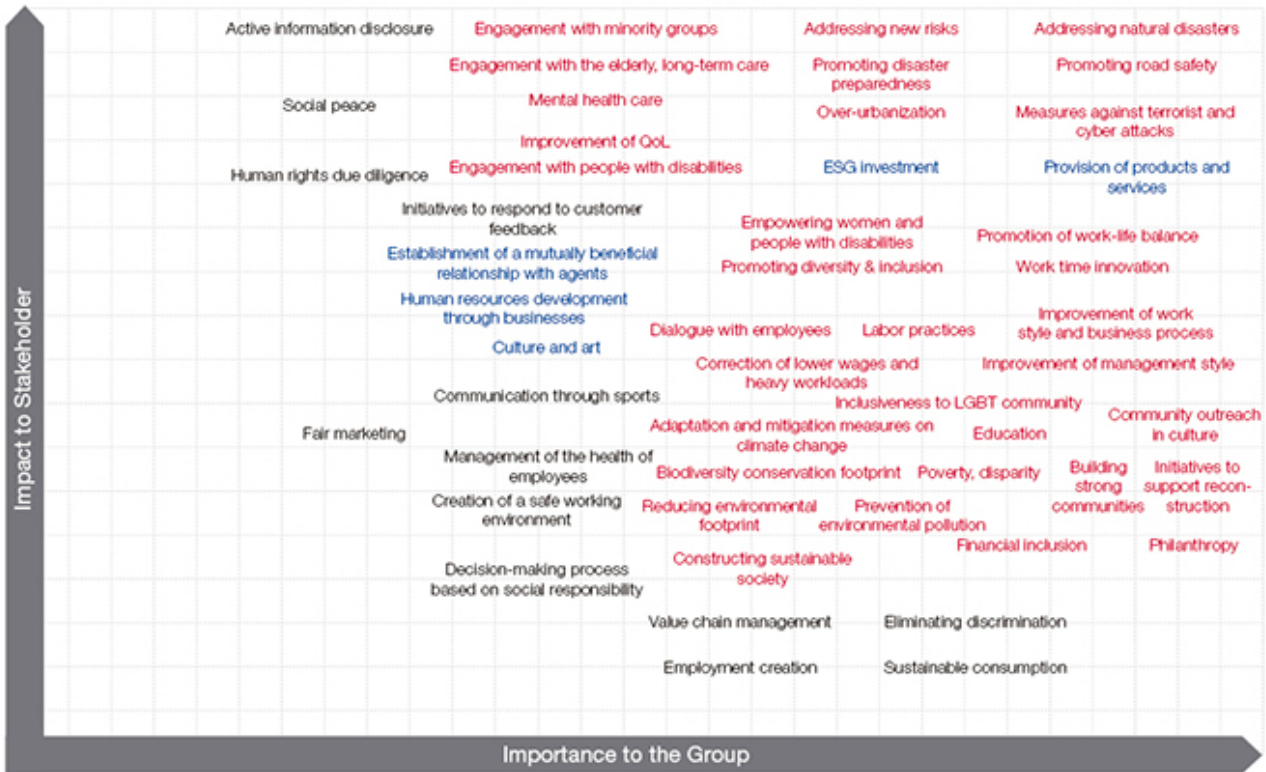
Four Steps in Redefining Material Issues

STEP 1: Materiality Assessment based on International Guidelines

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

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





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

Fig. 1 Materiality Matrix

STEP 2: Multi-Stakeholder Dialogue

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

▶ Stakeholder Engagement

Stakeholders engaged during the material issues redefinition process

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



Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
	Managing Director, Redefining Value/ Manager, Redefining Value, Reporting, WBCSD	Mr. Rodney Irwin/ Ms. Anaïs Blasco	It is important to convey the process (story) that led to the selection of the material issues. It is also necessary to explain their relationship with the SDGs.	Our reporting explains the process (story) and relationship with the SDGs. ▶ Initiatives to Achieve the SDGs
	Public Affairs Specialist (at that time), United Nations Development Programme (UNDP), Representation Office in Tokyo,	Mr. Toshiya Nishigori	Their directions correspond well with the three fundamental concepts listed by the UNDP (resilience, sustainability, inclusiveness).	We will also undertake measures that align with the UNDP's three fundamental concepts.



Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
	Vice-President, China WTO Tribune	Mr. Gefei Yin	As for the redefined material issues, issues and approaches are clearly separated, and their contents are convincing. How about emphasizing that the material issues are connected to value creation for the economy, society and environment?	We summarize and explain the linkages with management strategy. ▶ Group CSR Strategies

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



Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
Government	Director-General for Disaster Management Cabinet Office, Government of Japan	Mr. Hisayoshi Kato	Because there are limits to what governments working alone can do to deal with disaster preparedness, I expect corporations to play a role in communicating awareness about risk to citizens and society.	Under Material Issue 1: Providing Solutions for Disaster Preparedness, we are working to communicate and raise awareness about risk. ▶ Material Issue 1: Providing Solutions for Disaster Preparedness

Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
	<p>Director and Deputy Director, Global Environmental Bureau, International Strategy Division, Japan's Ministry of the Environment</p>	<p>Ms. Keiko Segawa/ Mr. Keitaro Tsuji</p>	<p>We think you have been actively tackling environmental issues until now, but in the future, we expect you to further strengthen certain initiatives as your core business, such as climate change adaptation measures, and initiatives for human resource development.</p>	<p>For Material Issue 3: Promoting the Manageability of Global Environmental Issues, we are putting an effort into developing and offering products and services that focus on adaptation measures, as well as environmental education.</p> <ul style="list-style-type: none"> ▶ Featured topic 1: Climate Initiatives ▶ Material Issue 3: Promoting the Manageability of Global Environmental Issues



Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
	Deputy Director and Assistant Director, Economic and Industrial Policy Bureau, Economic and Social Policy Office, Japan's Ministry of Economy, Trade and Industry	Ms. Moe Sakai/ Ms. Mari Seki	We find it good that you are addressing diversity as part of management strategy. As a corporation, it is important that you communicate the context with the stakeholders including investors for management's efforts to address diversity.	For Material Issue 5: Supporting Diversity and Inclusion in Private and Public Life, we are taking actions and reporting on them. ▶ Material Issue 5: Supporting Diversity and Inclusion in Private and Public Life

Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
NPO/NGO Civil Society	Executive Director, Japan NPO Center	Ms. Eriko Nitta	I would like to see you engage in partnership with civil society continuously to deal with new issues. I also look forward to seeing financial services for people with low income, to lead toward solutions for poverty and inequality.	<p>One of Our Key Strengths is "Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society." We also develop and offer products and services for developing countries, such as our weather index insurance in Southeast Asia. We still recognize the need to develop and offer more financial services for people with low income.</p> <ul style="list-style-type: none"> ▶ Our Key Strengths ▶ Weather Index Insurance in Southeast Asia

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



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

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

STEP 3: Internal Engagement

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

▶ [CSR Management System](#)



Council for CSR Promotion

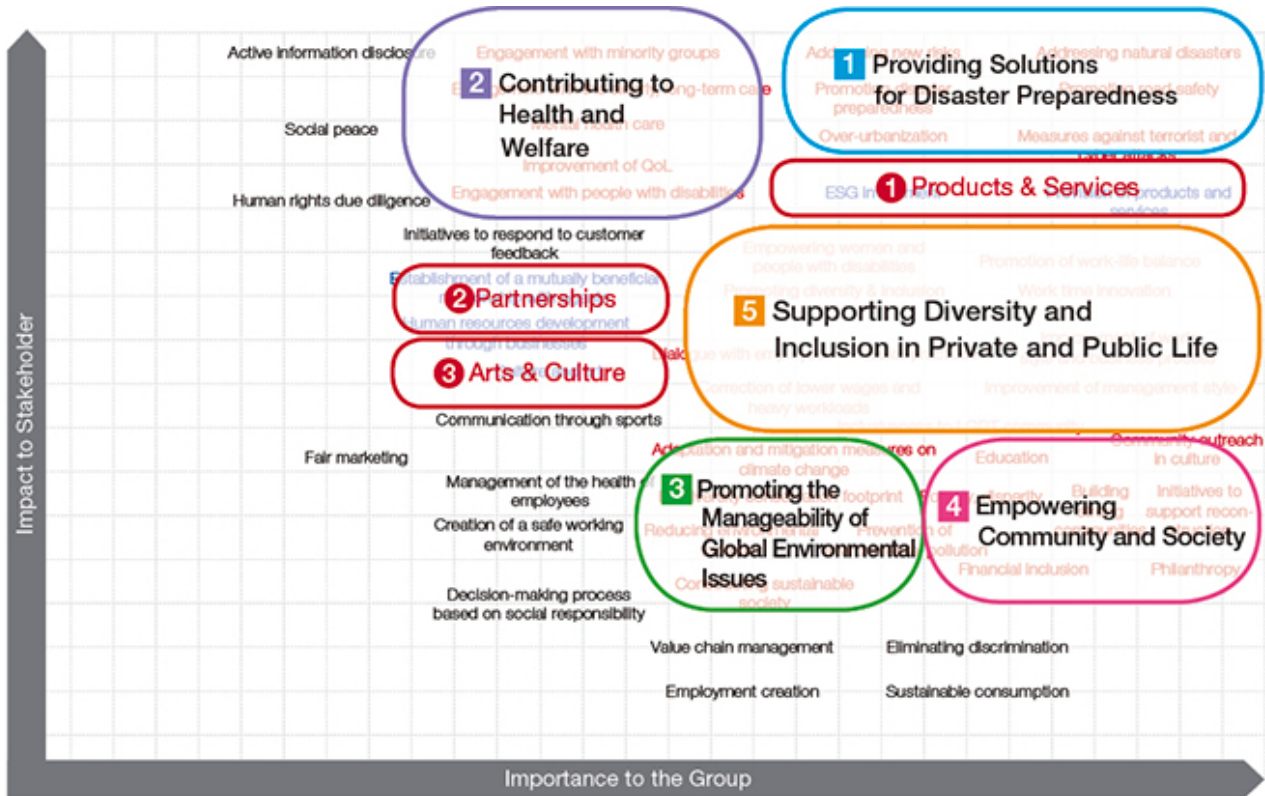
STEP 4: Identification and Action

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

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

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

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



* 1~5 indicates material issues, ①~③ indicates our key strengths.

Fig. 2. Prioritizing the materiality

CSR Key Performance Indicators (CSR-KPIs)

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

Fiscal Year 2017 Targets

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

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

▶ [Group's CSR Key Performance Indicators \(CSR-KPIs\) Fiscal Year 2017 Targets\(PDF/90KB\)](#)

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

Fiscal Year 2016 Results

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

▶ [Group's CSR Key Performance Indicators \(CSR-KPIs\) Fiscal Year 2016 Results\(PDF/190KB\)](#)

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

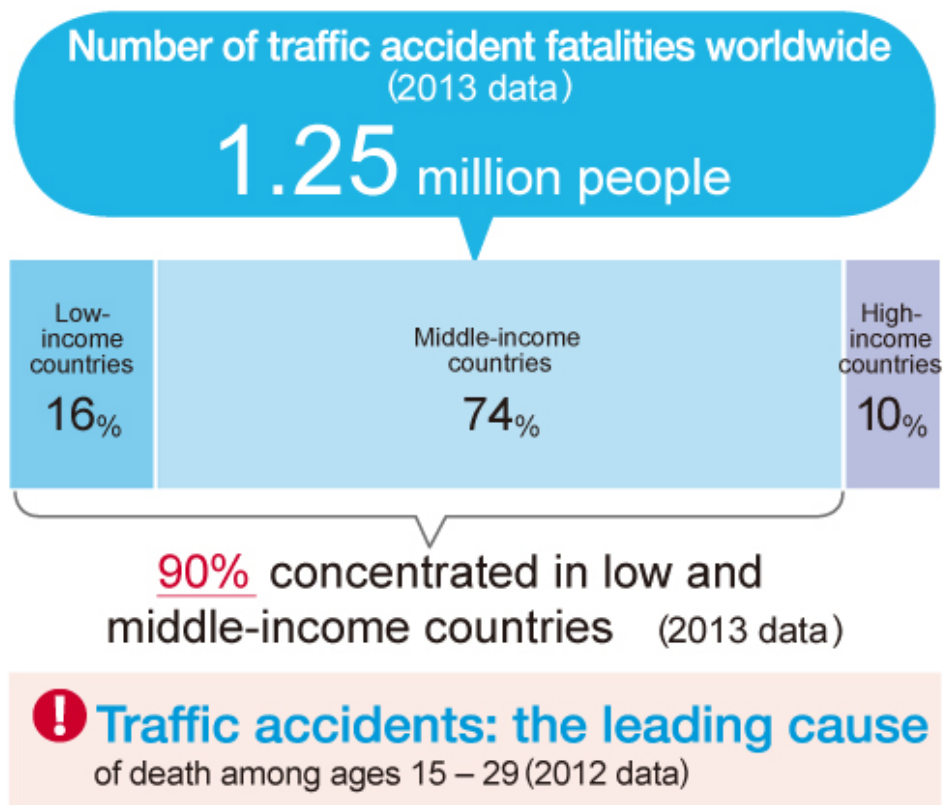
Providing Solutions for Disaster Preparedness

Our Vision

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

The Facts

Global Deaths from Road Traffic Accidents



Source: Prepared from a WHO press release

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

ages,” includes the target, “By 2020, halve the number of global deaths and injuries from road traffic accidents.”

Basic Policies for Our Action

Increases in traffic accidents and large natural disasters, plus the emergence of new risks such as terrorist and cyberattacks can impact the Group’s ability to continue providing insurance sustainably, as they cause insurance payments to rise, and with them, insurance premiums. At the same time, as a group dedicated to providing “security, health, and wellbeing,” one of our key missions is to offer various services designed to help prevent accidents and disasters that inflict heavy losses on individuals and society as a whole. Thus, we also see business opportunities in the growing need for products and services to address these risks.

One way we do this is by analyzing big data — the enormous volume of accident data collected through our many years in business — and using it to deliver reliable insurance and to develop new products and services. We also utilize our expertise in quantifying risk to offer solutions that help to prevent and minimize losses from accidents and disasters. We will continue to contribute to realizing a sustainable society by providing a wide range of services for averting and reducing emerging risks, and by sharing our disaster resilience and accident-prevention know-how with developing countries, which are especially vulnerable to such risks.

▶ [Group CSR Vision](#)

Management System

The Council for CSR Promotion is a Group-wide committee comprised of Group company officers in charge of social responsibility, headed by the Sampo Holdings’ relevant executive officer. The Council deliberates and confirms progress on Group CSR measures. Its activities are periodically reported to and discussed by the Management Committee and Board of Directors.

▶ [CSR Management System](#)

Targets and Results

The CSR-KPI results for fiscal 2016 and targets for fiscal 2017 are shown below. The boundaries (scope of impacts) for each item are the entire Group.

▶ [CSR-KPIs for all material issues](#)

Our Key Strengths

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

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

Stakeholder Comments

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

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

▶ [Redefining Group CSR Materiality](#)

Moving Forward

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

Key Initiatives

- ▶ Supporting Safer Driving Using Big Data and Telematics
- ▶ Road Service and Other Assistance Business
- ▶ Acquisition of ISO 39001 International Standard for Road Traffic Safety Management Systems and Customer Support for Certification
- ▶ Service to Help Prevent Traffic Accidents Caused by a Medical Condition
- ▶ Driving Diagnosis Service Using Automatic Video Analysis Program
- ▶ Automated Driving Special Insurance (order-made type for demonstration testing/trials)Support for technical development of automated driving systems that are safe, secure, and comfortable
- ▶ Automobile Insurance with New Compensation for Automated Driving Vehicles Created New Victim Relief Expenses Rider and Revised Special Provisions for No-fault Accident to Offer Peace of Mind to Customers
- ▶ Collaboration with Development Bank of Japan (DBJ)
- ▶ Volcanic Eruption Derivative and Related Estimating Method
- ▶ Risk Assessment and Consulting Services for Natural Disasters
- ▶ Support for Corporate and Municipal BCP and Disaster Prevention
- ▶ Risk Management for Overseas Business Operations
- ▶ Cyber Insurance
- ▶ Exercises/ Training Services Offered for Cyberattacks
- ▶ Renewed SORA ONE 2.0 Global Risk Information Service Management System Support by Web-based System for Corporate Risk Management Activities
- ▶ Bosai JAPAN-DA Project to Raise Disaster Awareness
- ▶ Package Solutions for Internet Flaming Risk
Jointly Developed New Service to Address Internet Flaming (Backlash) Risks (First in Japan)

- ▶ SOMPO GUIDE TOKYO: Travel Guide for Touring Japan with Confidence
- ▶ Comprehensive Tie-up with JIPDEC: Anshin Compensation Package for Business Clients Certified with Privacy Mark (First in the Industry)
- ▶ Insurance for Costs of Internet Flaming (Backlash) Response (First in Japan)
- ▶ Six years after Great East Japan Earthquake: Reporting on Study on Disaster Preparedness
- ▶ Initiatives to Prevent Maritime Ship Accidents
- ▶ Initiatives for Building “Theme Park for the Security, Health, and Wellbeing of Customers”
- ▶ System to Utilize the Voice of Customer (VOC)
- ▶ Voice of Customer (VOC) White Paper
- ▶ Analysis Service of Customer Risk and Insurance Clause
- ▶ Customer Satisfaction of Insurance Claims Service
- ▶ 24-hour Initial Response Service
- ▶ “My Page” Online Service (24-hour Service, Multiple Functions)
- ▶ Service Quality Improvements by Enhancing Accident Response on Holidays
- ▶ Smartphone-based Telematics Insurance (First in Japan): Up to 20% Safe Driving Discount on Automobile Insurance
- ▶ New Automobile Insurance Using Internet-of-Things (IoT) for Safer and More Enjoyable Driving
- ▶ Wearable Smart Glasses for Fire Insurance Accident Investigations
- ▶ Expand Use of Drones
Acquired Flight Authorization Nationwide from Japan’s Ministry of Land, Infrastructure, Transport and Tourism (First in the Industry)
- ▶ Paperless Processing for Insurance Policy Applications:
Policy Approvals within as Little as Two Days Using ICT
- ▶ Established Training Institute for Personnel Who Utilize Big Data and AI
Started Data Science BOOTCAMP Seminars
- ▶ Introduced the IBM Watson Explorer for Insurance and Benefit Payment Services
- ▶ DRIVING! Safe Driving Support Service for Individual Drivers (Especially Seniors).
- ▶ Participated in Blockchain Insurance Industry Initiative B3i
- ▶ Implemented Drone-based Disaster Response Trial Demonstration in Skyscraper Building District (First in Japan)
- ▶ Collaborate in Automobile AI/ Robotics Research with Silicon Valley Research Institutes
Signed Partnership Agreement with Center for Automotive Research at Stanford (CARS) and Comet Labs Incubator
- ▶ Established Training Institutes for Personnel Who Utilize Big Data and AI
Started Data Science BOOTCAMP Seminars

- ▶ Road Safety Project in Indonesia
- ▶ Yellow Badge Donation
- ▶ Insurance Industry's First Disaster Risk Reduction Service for Local Governments
- ▶ Agency Services
- ▶ Agency Support System

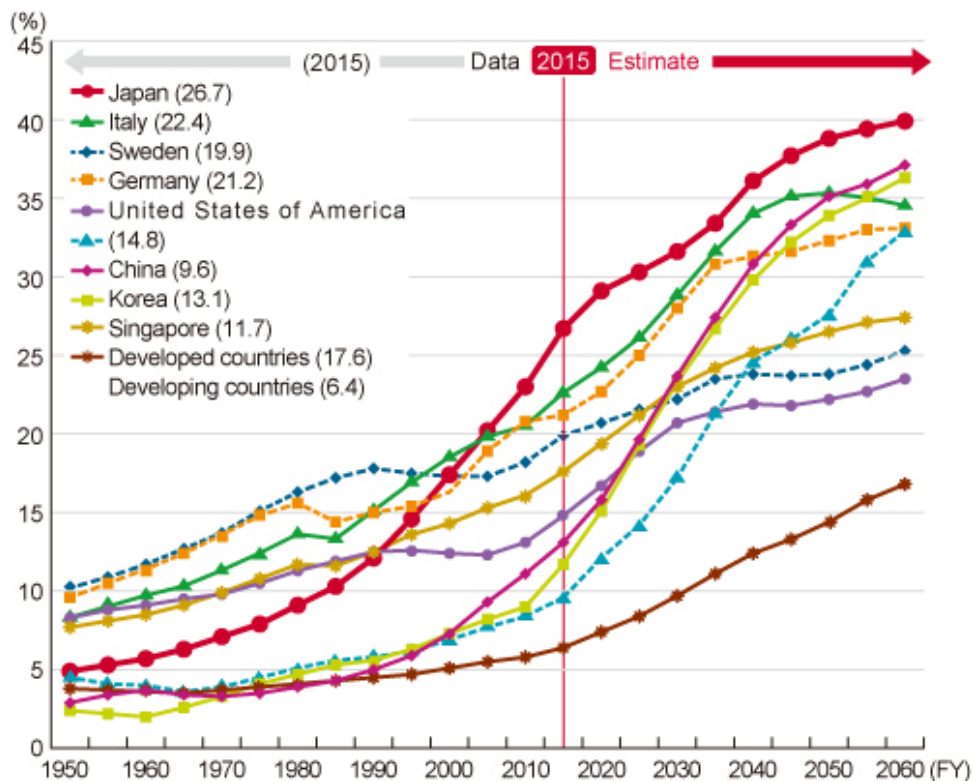
Contributing to Health and Welfare

Our Vision

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

The Facts

Percentage of elderly population* by country



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

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

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

Basic Policies for Our Action

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

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

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

▶ [Group CSR Vision](#)

Management System

The Council for CSR Promotion is a Group-wide committee comprised of Group company officers in charge of social responsibility, headed by the Sompo Holdings' relevant executive officer. The Council deliberates and confirms progress on Group CSR measures. Its activities are periodically reported to and discussed by the Management Committee and Board of Directors.

▶ [CSR Management System](#)

Targets and Results

The CSR-KPI results for fiscal 2016 and targets for fiscal 2017 are shown below. The boundaries (scope of impacts) for each item are the entire Group.

▶ [CSR-KPIs for all material issues](#)

Our Key Strengths

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

Our Key Strengths		Approaches to Address the Material Issue
[1] Products & Services	Developing and providing innovative products and services using financial expertise and digital technologies to provide innovative solutions for social issues.	We continue the research and development of leading-edge ICT and digital technologies based on the combined strengths of the Group, to achieve innovative service quality and productivity.
[2] Partnerships	Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society.	We adopt systems to regularly secure adequate human resources to provide long-term care services, and seek care level improvements by focusing on education and training, such as by opening training centers that have special equipment. For the issue of care worker turnover, we consider gradual improvements of employment conditions or other policies to sustainably offer high-quality service.

Our Key Strengths		Approaches to Address the Material Issue
[3] Arts & Culture	Promoting the quality of life and its enrichment by the application throughout all our operations of our expertise and resources in the arts and culture.	By fostering a social appreciation of diversity in the arts and through initiatives to create a social environment that respects diverse groups and produces human resources that can contribute to social inclusion, we work to increase the opportunities for social participation of each individual including the vulnerable, such as the elderly and persons with disabilities. We also help nurture people's sense of fulfilment by developing and offering products and services and by conducting projects in health and welfare through the arts.

Stakeholder Comments

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

Stakeholder Comments (Stakeholder category)	Our Responses and Focus
Because Japan has the oldest population in the world, I think Japan's initiatives and know-how can offer solutions to global issues of population aging. (ESG investment expert)	We are accumulating knowhow in the nursing care and healthcare businesses in Japan. By putting this knowhow to work in countries and regions experiencing rapid aging of society, we contribute to solutions to global issues.
Like the initiative for speedy payment of insurance claims after the March 2011 earthquake and tsunami, I would also like to see you respond appropriately to stakeholder expectations in the field of health and welfare. (ESG investment expert)	We are promoting dialogue with diverse stakeholders in the health and welfare fields, and collaborative projects between industry and academia. We will further develop and offer products and services and promote joint projects to address social issues that have been identified through dialogue and projects.

Stakeholder Comments (Stakeholder category)	Our Responses and Focus
The term “welfare” conveys a strong impression of being something that is granted or given, but it is important to promote self-reliance through engagement. (Civil society)	We conduct engagement that emphasizes dialogue, in the context of promoting initiatives through foundations and collaborative projects with diverse stakeholders involved in the area of welfare.
It is important to think about opportunities to contribute to qualitative wellbeing and an improved quality of life. (Outside director)	While fostering an appreciation of diversity in the arts, we promote projects aiming for qualitative wellbeing and QOL improvements for diverse groups including the elderly and persons with disabilities.

▶ Redefining Group CSR Materiality

Moving Forward

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

Key Initiatives

- ▶ Group CSR Strategies: Featured Topic 2: Nursing & Health Care Services
- ▶ Virtual Reality in Education for Dementia Care
- ▶ Nursing Care Support Services and Health and Life Support Services to Benefit Customers and Their Families
- ▶ Long-term Care Temporary Funding Rider eligible for People Certified as Care Level 1 and Above
- ▶ Corporate Health Promotion: Support Services for Health and Productivity Management
- ▶ Launch of Health Service Brand Linkx (Link Cross)

- ▶ Physical Healthcare Support to Help Prevent Lifestyle Diseases
- ▶ Employee Assistance Program Services Contributing to “Healthy Companies”
- ▶ Offering Comprehensive Consulting Services for Food Risk to Secure Food Safety and Consumer Trust in Food
- ▶ Offering Emergency Food Risk Consulting Services to Secure Food Safety and Consumer Trust in Food
- ▶ Long-term care business: Supporting Japan as Global Pioneer in Healthy Longevity
- ▶ Integrated Service Product: Long-term Care Support Plan
- ▶ “Wellbeing Support” Service for Elderly Customers
- ▶ Group-Wide Training Program for Volunteer Dementia Supporters
- ▶ Maternal and Child Health Project in Myanmar
- ▶ Supporting “Activities and Researches” for Social Welfare -- Sompo Japan Nipponkoa Welfare Foundation-
- ▶ Heart & Arts Program: Assistance for Art Activities by Persons with Disabilities
- ▶ Sompo Japan Nipponkoa Smile Kids Edogawabashi (Tokyo) Nursery School
-Sompo Japan Nipponkoa Smile Kids Foundation-
- ▶ “Tokyo University of the Arts x Sompo Holdings” Industry-Academia Collaboration Diversity on the Arts Project (DOOR)
- ▶ Exhibition by Children with Intellectual Disabilities
- ▶ SOMPO Paralym Art Soccer Art Contest: Support for Art by Persons with Disabilities to Realize a Society of Coexistence
- ▶ Initiatives to Maintain and Promote Employee Health

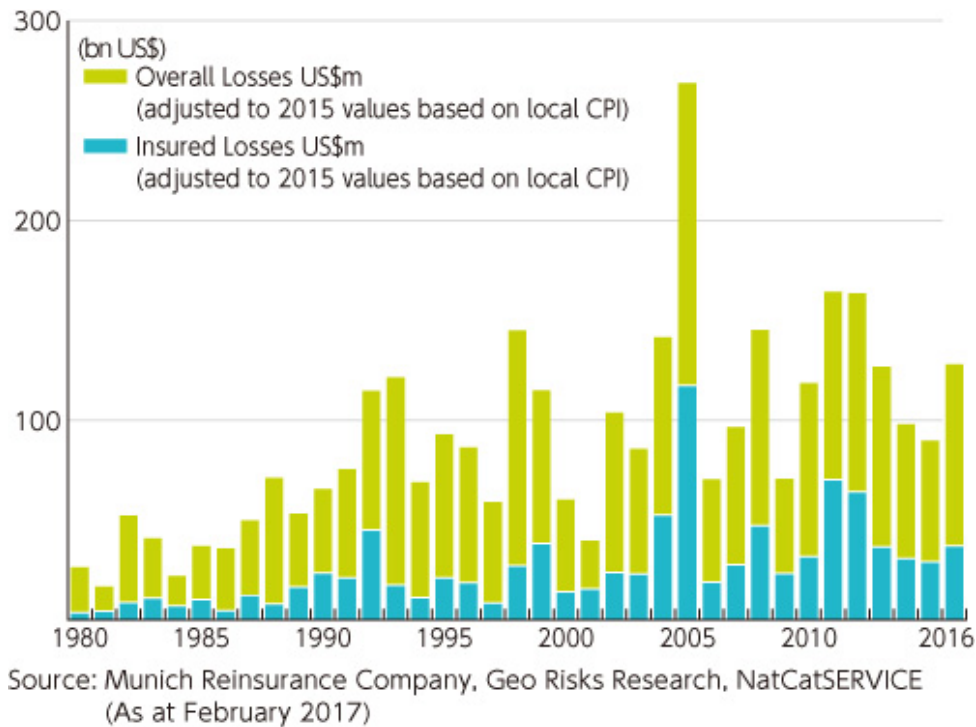
Promoting the Manageability of Global Environmental Issues

Our Vision

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

The Facts

Weather-related loss events worldwide 1980 – 2015
Overall and insured losses



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

Basic Policies for Our Action

The intensification of natural disasters by climate change can impact the Group's ability to continue providing insurance sustainably, as it causes insurance payments to rise, and with them, insurance premiums. At the same time, as a group dedicated to providing "security, health, and wellbeing," we also see business opportunities in the growing need for products and services to address these risks.

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

- ▶ [Group Environmental Policy](#)
 - ▶ [Group CSR Vision](#)
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Management System

The Council for CSR Promotion is a Group-wide committee comprised of Group company officers in charge of social responsibility, headed by the Sampo Holdings' relevant executive officer. The Council deliberates and confirms progress on Group CSR measures. Its activities are periodically reported to and discussed by the Management Committee and Board of Directors.

- ▶ [CSR Management System](#)
-

Targets and Results

The CSR-KPI results for fiscal 2016 and targets for fiscal 2017 are shown below. The boundaries (scope of impacts) for each item are the entire Group.

- ▶ [CSR-KPIs for all material issues](#)

Our Key Strengths

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

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

Stakeholder Comments

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

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

► [Redefining Group CSR Materiality](#)

Moving Forward

The international community is increasingly looking to insurance companies for the risk assessment expertise they can provide for advancing climate change mitigation and adaptation strategies. We will continue to contribute to sustainable development and, in turn, sustainable Group growth, by providing solutions to the segments of society most vulnerable to climate risk. In addition, we are working to reduce our carbon dioxide emissions 40% by fiscal 2020 and 70% by fiscal 2050 (compared to 2002 levels).

Key Initiatives

- ▶ Group CSR Strategies: Featured Topic 1: Climate Initiatives
- ▶ Expanded Environmental Consulting Services
- ▶ Insurance for Stable Electricity Supply Costs: Support for Electricity Market Liberalization

- ▶ Promoting SRI Funds
- ▶ Promoting CSR Communication and ESG Awareness through SRI Funds
Analysis of Social Responsibility and Environmental Soundness of Companies
- ▶ Integrating ESG into Investing and Financing Processes
- ▶ Group Sustainable Procurement Policy
- ▶ Environmental and CSR Initiatives in Partnership with Business Partners
- ▶ Reducing the Use of Paper
- ▶ SAVE JAPAN Project
- ▶ Human Resources Development for Environmental Protection — Sompo Japan Nipponkoa
Environment Foundation -
- ▶ Pacific Catastrophe Risk Insurance Pilot Program
- ▶ Weather Index Insurance in Southeast Asia
- ▶ Offering Insurance Products that Encourage and Promote Renewable Energy
- ▶ Development of Flood Risk Assessment Methods for Japan and Asian Countries
- ▶ Our Environmental Impact throughout the Value Chain and Efforts for Environmental
Conservation
- ▶ Environmental Accounting
- ▶ Cooperation with Agencies to Reduce Environmental Impact

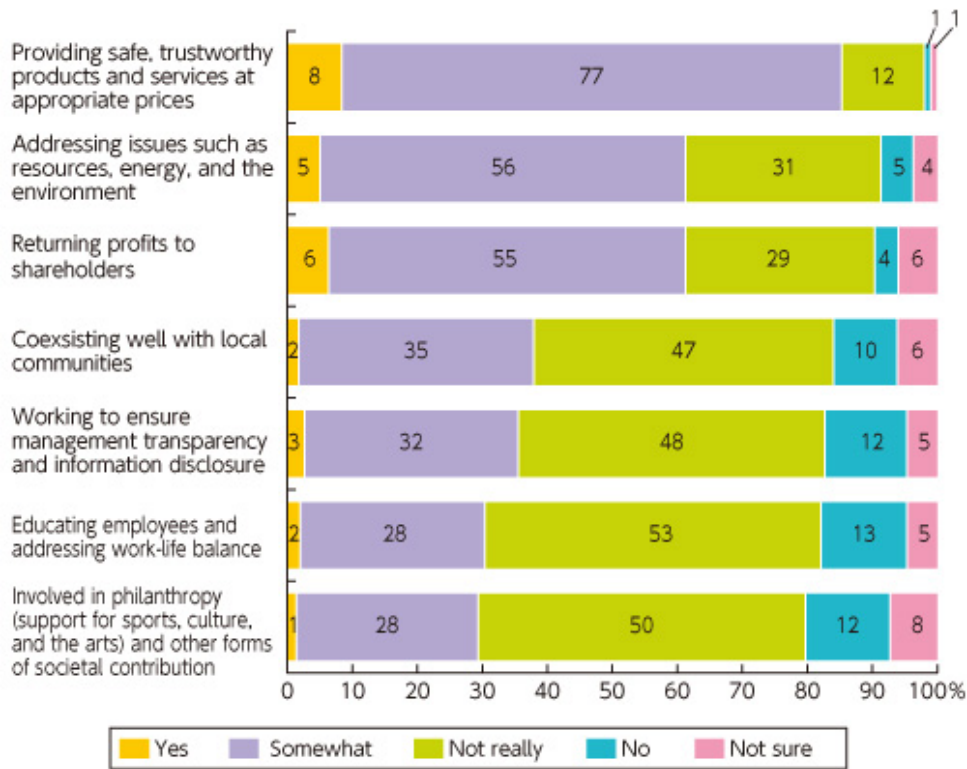
Empowering Community and Society

Our Vision

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

The Facts

Public Perception of Corporations



Source: Prepared from "Report of 19th Public Opinion Survey on Public Perception of Corporations" (February 2016), Keizai Koho Center (Japan Institute for Social and Economic Affairs).

A public opinion survey on corporate perceptions in Japan found that 83% of respondents believe corporations provide safe, trustworthy products and services at appropriate prices, while 54% believe corporations do not coexist well with local communities and 63% believe corporations are not involved in philanthropy (support for sports, culture, and the arts) or other forms of societal contribution.

Basic Policies for Our Action

We are aware that the ongoing migration to urban centers has impacts such as the further decline of regional populations and the weakening of information flows, which could put constraints on our business expansion and lead to decreased customers. Meanwhile, in the context of these risks, we believe that we have an important responsibility to maintain communication with society — as a corporation and as individual employees — to keep awareness of various social issues and contribute to building a better community and society. We are engaged in a variety of such social initiatives in partnership with civil society organizations and other stakeholders, while also supporting employee participation to use the skills they develop through work.

Addressing community and social challenges in this way serves the dual purpose of realizing a more resilient and sustainable society while building a more deeply trusted and highly valued Group brand. Active involvement in addressing social issues also helps employees and agencies cultivate a deeper sensitivity, improving their skills on and off the job.

- ▶ [Group CSR Vision](#)
- ▶ [Sompo Japan Nipponkoa's Corporate Citizenship Policy](#)

Management System

The Council for CSR Promotion is a Group-wide committee comprised of Group company officers in charge of social responsibility, headed by the Sompo Holdings' relevant executive officer. The Council deliberates and confirms progress on Group CSR measures. Its activities are periodically reported to and discussed by the Management Committee and Board of Directors.

- ▶ [CSR Management System](#)

Targets and Results

The CSR-KPI results for fiscal 2016 and targets for fiscal 2017 are shown below. The boundaries (scope of impacts) for each item are the entire Group.

- ▶ [CSR-KPIs for all material issues](#)

Our Key Strengths

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

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

Stakeholder Comments

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

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

Stakeholder Comments (Stakeholder category)	Our Responses and Focus
Agencies should also participate in initiatives, just like employees. (Agency)	National agency associations (AIR Autoclub and JSA Chukakukai) and Group employees are jointly engaged in activities such as the maintenance and cleaning of wheelchairs at social welfare and other facilities, working to make social contributions that consider each region's local differences and social issues.

▶ Redefining Group CSR Materiality

Moving Forward

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

Key Initiatives

- ▶ Global Business Expansion
- ▶ Sampo Art Fund: Building a Creative Future Society
- ▶ Providing Micro-Insurance in India — Contributing to Independence of Economically Vulnerable Sections of Society
- ▶ Invigorating Regional Economies through Local Partnerships
- ▶ Investment in Japan's First Social Bonds (JICA Bonds)
- ▶ Sampo Holdings Volunteer Days
- ▶ Overview of Social Contribution Initiatives
- ▶ Global Social Contribution Initiatives
- ▶ Community Initiatives in Japan
- ▶ Milestones of Support for Victims of the Great East Japan Earthquake
- ▶ Recovery Support for Victims of the Kumamoto Earthquake in April 2016

- ▶ Sompo Japan Nipponkoa Fine Art Foundation (Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art)
- ▶ The Puppet Theater “Himawari Hall”
- ▶ Evaluation of CSR Programs

Supporting Diversity and Inclusion in Private and Public Life

Our Vision

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

The Facts

Gender Gap Index (GGI) Country Ranking 2016



Source: Prepared from the Global Gender Gap Report 2016, the World Economic Forum

The World Economic Forum’s Global Gender Gap Index 2015 ranked Japan 101st out of 145 countries worldwide. Its scores for “political empowerment” and “economic participation and opportunity” of women were especially low. With gender equality being an imperative for Japan,

the Act on Promotion of Women's Participation and Advancement in the Workplace took force on April 1, 2016.

Basic Policies for Our Action

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

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

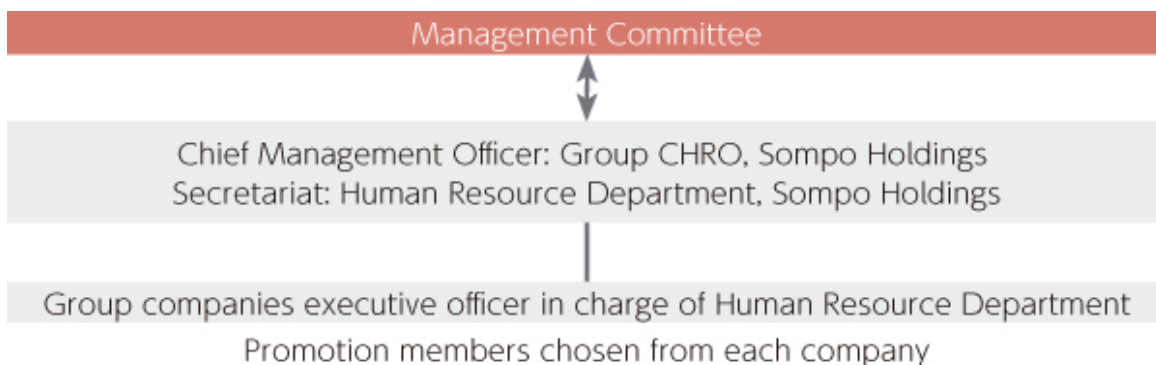
Our respect for human rights and diversity also extends to customers and other stakeholders, as evidenced in our efforts to provide inclusive products and services and to raise awareness around issues of equality.

- ▶ [Group Personnel Vision](#)
- ▶ [Group Policy for Human Dignity and Human Rights](#)

Management System

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

Diversity Promotion Headquarters



Targets and Results

The CSR-KPI results for fiscal 2016 and targets for fiscal 2017 are shown below. The boundaries (scope of impacts) for each item are the entire Group.

▶ [CSR-KPIs for all material issues](#)

Our Key Strengths

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

Our Key Strengths		Approaches to Address the Material Issue
[1] Products & Services	Developing and providing innovative products and services using financial expertise and digital technologies to provide innovative solutions for social issues.	In the development and provision of products and services, we respect human rights and consider diversity.
[2] Partnerships	Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society.	We aim to create an innovative and resilient organization by securing employees who have a diverse sense of values, and making the most of their capabilities through capacity building in partnership with stakeholders.

Our Key Strengths		Approaches to Address the Material Issue
[3] Arts & Culture	Promoting the quality of life and its enrichment by the application throughout all our operations of our expertise and resources in the arts and culture.	We promote diversity by fostering a social appreciation of diversity in the arts and through initiatives to create a social environment that respects diverse groups and produces human resources that can contribute to social inclusion.

Stakeholder Comments

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

Stakeholder Comments (Stakeholder category)	Our Responses and Focus
Gender equality is currently an important theme in Japan, but it is also necessary to change management styles, work environments, and processes to match more diverse values. (CSR expert international institution)	We aim to maximize the value of the Group's human resources by making the most of a diverse workforce (in terms of nationality, gender, age, experience) and through the optimal placement of employees to the best post at the best timing across the Group.
We need to engage not just businesses but society as a whole in this effort. (CSR expert international institution)	We have various offerings in this regard, including seminars and consulting services relating to diversity.
It is important to view diversity as a management strategy. (Government)	We are boosting efforts to promote diversity throughout the entire Group, have adopted the slogan "Diversity for Growth" to inspire the provision of the best possible quality to customers and lead to the entire Group growth, and have established the Diversity Promotion Headquarters.

Stakeholder Comments (Stakeholder category)	Our Responses and Focus
Businesses need to be inclusive to the LGBT community and others with different values. (Civil society)	To promote better understanding of LGBT issues, we offer seminars for employees to become allies (informed supporters), with the aim of creating a welcoming work environment.

▶ Redefining Group CSR Materiality

Moving Forward

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

Key Initiatives

- ▶ Complying with the Japan's Disabilities Discrimination Act
- ▶ Diversity Advocates for LGBT Persons
- ▶ Doula Liability Insurance Program
- ▶ Supporting Children to Continue their Education (Insurance that compensates for tuition and other fees)
- ▶ Complying with the UK Modern Slavery Act
- ▶ Exchange Program for Group Employees Inside and Outside Japan
- ▶ Development of a Globally Competitive Workforce
- ▶ Reinforcement of Human Resources
- ▶ Training for Management
- ▶ JAPAN-DA EXPO 2018—Support for Students Seeking Job Opportunities
- ▶ SJNK Business Academy—Support for Students Seeking Job Opportunities
- ▶ Initiatives to Boost Human Resources Capacity
- ▶ Establishment of Group Diversity Promotion Headquarters
- ▶ Female Employee Engagement

- ▶ Mentoring System
- ▶ Support for Non-Japanese Employees
- ▶ Employment of People with Disabilities
- ▶ Work-Life Balance
- ▶ Work Style Innovation
- ▶ Thanks Day—A Day for Deepening Families' Understanding of the Workplace
- ▶ Respecting Human Rights

Initiatives to Achieve the Sustainable Development Goals (SDGs)

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



▶ **SDGs Integration into Management and Business**

▶ **SDGs Initiatives**

▶ **Leadership to Achieve the SDGs**

SDGs Integration into Management and Business

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

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

<Five Steps of SDG Compass>

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



Our Five Steps

1. Understanding the SDGs

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

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

▶ [Group-Wide Engagement on SDGs](#)



CSR Development Seminar

2. Redefining material issues

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

▶ [Redefining Group CSR Materiality](#)

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

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

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

4. Taking actions to build partnerships

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

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

▶ [CSR Management Organization \(System\)](#)

▶ [Stakeholder Engagement](#)

5. Disclosing information for stakeholder engagement

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

- ▶ [Leadership to Achieve the SDGs](#)
- ▶ [Overview of CSR Communication](#)
- ▶ [Declarations to Society and Participation in CSR Initiatives](#)

SDGs Initiatives

We are undertaking many initiatives to help achieve the SDGs.

Material Issue 1: Providing Solutions for Disaster Preparedness

Our Vision

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



Key Initiatives

- ▶ Supporting Safer Driving Using Big Data and Telematics
- ▶ Volcanic Eruption Derivative and Related Estimating Method
- ▶ Bosai JAPAN-DA Project to Raise Disaster Awareness
- ▶ Road Safety Project in Indonesia

* Below are more examples of our initiatives.

- ▶ Material Issue 1: Providing Solutions for Disaster Preparedness (Key Initiatives)

Material Issue 2: Contributing to Health and Welfare

Our Vision

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



Key Initiatives

- ▶ Participating in World Bank’s Pandemic Emergency Financing Facility
- ▶ Supporting Japan, a Global Pioneer in Healthy Longevity
- ▶ Launch of Health Service Brand Linkx (Link Cross)
- ▶ Maternal and Child Health Project in Myanmar

* Below are more examples of our initiatives.

- ▶ [Material Issue 2: Contributing to Health and Welfare \(Key Initiatives\)](#)

Material Issue 3: Promoting the Manageability of Global Environmental Issues

Our Vision

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



Key Initiatives

- ▶ Weather Index Insurance in Southeast Asia
- ▶ Offering Insurance Products that Encourage and Promote Renewable Energy
- ▶ Promoting SRI funds
- ▶ SAVE JAPAN Project

* Below are more examples of our initiatives.

- ▶ Material Issue 3: Promoting the Manageability of Global Environmental Issues (Key Initiatives)

Material Issue 4: Empowering Community and Society

Our Vision

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



Key Initiatives

- ▶ Investment in Japan's First Social Bonds (JICA Bonds)
- ▶ Sompo Holdings Volunteer Days
- ▶ Supporting Reconstruction after Large-Scale Disasters

* Below are more examples of our initiatives.

- ▶ Material Issue 4: Empowering Community and Society (Key Initiatives)

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

Our Vision

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



Key Initiatives

- ▶ Female Employee Engagement
- ▶ Diversity Advocates for LGBT Persons
- ▶ Work Style Innovation

* Below are more examples of our initiatives.

- ▶ [Material Issue 5: Supporting Diversity and Inclusion in Private and Public Life \(Key Initiatives\)](#)

Leadership to Achieve the SDGs

Special Dialogue: Challenges to Achieve the SDGs



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

▼ [*Profile](#)

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

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

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

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

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

Working with a Long-Term Perspective



Facilitator
Senior Advisor on CSR
Masao Seki

[▶ Profile](#)

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

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

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

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

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

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

Increasing Impact through Partnership



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

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

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

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

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

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

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

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

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

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

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

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

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

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

Japanese Companies Need to Show Leadership with the SDGs



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

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

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

international standard for sustainable procurement, was released in 2017.

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

Expectations for the Sampo Holdings Group

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

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



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

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

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

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

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

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

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

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

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

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



Futamiya – the second from right side



Futamiya – Presentation in HLPF

Profiles

Mr. Hideto Kawakita

CEO, IIHOE* (International Institute for Human, Organization and the Earth)

Publisher, Socio Management Review

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

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

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

▶ [Third Party Comments](#)

Masaya Futamiya

Chairman and Representative Director of Sampo Japan Nipponkoa

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

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

Masao Seki

Senior Advisor on CSR of Sompo Japan Nipponkoa

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

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

Our Initiatives for Achieving the SDGs

- ▶ [SDGs Integration into Management and Business](#)
- ▶ [SDGs Initiatives](#)

Stakeholder Engagement

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



Stakeholder	Overall objectives	Overall objectives
Customers	As stated in the Group Management Philosophy, carefully consider the interests of our customers when making decisions, and contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible.	<ul style="list-style-type: none"> ▶ Feedback received at customer centers • Information disclosure on official websites • Interactive communication on Facebook
Stockholders, investors	Through the timely and appropriate disclosure of information, we aim to ensure that shareholders and	<ul style="list-style-type: none"> ▶ Investor Materials ▶ Disclosure



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

Employees	Conduct capacity building and exchange programs across the Group, emphasizing action and achievement, impartiality and fairness, openness, and diversity as stated in the Group Personnel Vision.	<ul style="list-style-type: none"> ▶ Capacity building initiatives ▶ Initiatives to promote diversity ▶ Engagement through CSR Management System
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Objectives of Stakeholder Engagement

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

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

Declaration to Society and Participation in CSR Initiatives

▶ Declaration to Society and Participation in CSR Initiatives

Engagement Highlights

▶ FY 2016

▶ FY 2015

▶ FY 2014

Declarations to Society and Participation in CSR Initiatives

To solve social issues on a global level, the collaboration of a broad range of stakeholders is indispensable.



Our Group participates actively and endeavors to take a leading role in a wide variety of international and domestic initiatives.

United Nations Global Compact (UN GC)

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



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

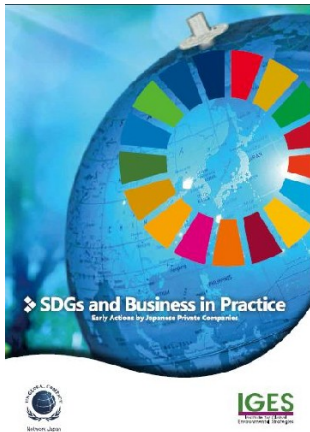
- ▶ [United Nations Global Compact](#) 
- ▶ [Sompo Holdings' COP on the UN GC website](#) 

UN GC's SDGs reports

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



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



Women's Empowerment Principles (WEPs)

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



▶ [Women's Empowerment Principles \(WEPs\)](#) 

Business Call to Action (BCtA)

The BCtA is a global initiative launched in 2008 by the United Nations Development Programme (UNDP) and five government institutions that challenges companies to develop business models with the potential to achieve both long-term commercial success and sustainable development outcomes. A weather index insurance provided by Sompo Holdings in Southeast Asia has been recognized as meeting the requirements for membership in the BCtA. This makes us the first financial institution in Japan, and the first property and casualty (P&C) insurance group in the world, to be granted membership.



▶ [Business Call to Action](#) 

United Nations Environment Programme Finance Initiative (UNEP FI)

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



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

United Nations Principles for Responsible Investment (UN PRI)

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



▶ [Principles for Responsible Investment](#) 

United Nations Principles for Sustainable Insurance (UN PSI)

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



▶ [Principles for Sustainable Insurance](#) 

Caring for Climate

Caring for Climate is an initiative established by UN GC, UN Environment Programme, UN Framework Convention on Climate Change (UNFCCC) in 2007 to advance the role of business in addressing climate change. Masao Seki, Senior Advisor on CSR at Sompo Japan Nipponkoa, is a member of the steering committee.



▶ [Caring for Climate](#) 

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

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



World Business Council for Sustainable Development (WBCSD)

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



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

▶ World Business Council for Sustainable Development (WBCSD) 

Contributions to WBCSD reports

▶ Incentives for Natural Infrastructure

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




▶ The Social Capital Protocol

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



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



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



Participation in WBCSD Council Meeting

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



CDP

The CDP is a set of collaborative initiatives by the world's leading institutional investors. It encourages businesses worldwide to adopt climate change strategies and disclose their GHG emissions. Sompo Japan Nipponkoa has been a member since 2005 as an institutional investor.



▶ [CDP](#) 

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

We were selected for the 2016 Climate A List in a survey on climate change by the international CDP project, under which the world's major institutional investors call upon businesses to adopt climate strategies and disclose their GHG emissions. Sompo Holdings was among the highest ranked financial institutions in Japan and the world.

▶ [List of 2016 Climate "A List" companies](#) 



Japan Business Federation (Keidanren)

Committee on Corporate Behavior & Social Responsibility

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

Participation in Japan's SDGs roundtable as a Business Leader

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

▶ [Leadership to achieve the SDGs](#)

Council for Better Corporate Citizenship (CBCC)

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

▶ [Council for Better Corporate Citizenship \(CBCC\)](#) 

Leading overseas missions as chair

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

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



Speaking as CBCC chair (Masaya Futamiya)



Participants in dialog session

Keidanren One Percent Club

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

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

Keidanren Committee on Nature Conservation (KCNC)

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

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

Participation in COP13 of the UN Convention on Biological Diversity

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



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

Japan Business and Biodiversity Partnership

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

▶ [Japan Business and Biodiversity Partnership](#) 

ECO FIRST Program, Japan's Ministry of the Environment

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



▶ [ECO FIRST Commitment\(!\[\]\(003082e50e3009141f59bd5df831749f_img.jpg\) PDF/489KB\)](#)

▶ [ECO FIRST \(Japanese\)](#) 

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

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



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



Steering committee meeting



Insurance working group

SDG Stakeholders Roundtable, Japan's Ministry of the Environment

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

Group Implementation of ISO 26000

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

▶ [ISO 26000](#) 

Stakeholder Engagement (Major Topics in Fiscal 2016)

Developing and Offering Products and Services

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

In 2016, as part of development of our weather index insurance product, we held engagement sessions with Myanmar farmers and regional agricultural departments to discuss local weather conditions, insurance needs, and product details. We will continue through dialogue and collaboration with a variety of stakeholders to provide products and services that contribute to solving social issues.

- ▶ [Weather Index Insurance for Southeast Asia](#)
- ▶ [Products and Services for a Sustainable Society](#)



Dialogue for development of weather index insurance (Myanmar)

Engaging with Customer Feedback

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

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

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

▶ [Incorporating Customer Input](#)



Our white paper on customer feedback has been published since fiscal 2007 to incorporate customer input in corporate management.

Group-wide Engagement on SDGs

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

The theme of the latest seminar, held in March 2017, was SDGs (Sustainable Development Goals).

A presentation on social trends was provided by Masaya Futamiya, who serves as Chairman and Representative Director of Sompo Japan Nipponkoa, as well as chair of the Japan Business Federation (Keidanren) Committee on Corporate Behavior & Social Responsibility, and representative of the business sector on the Japan's SDGs roundtable. Masao Seki, Senior Advisor on CSR of Sompo Japan Nipponkoa and member of the SDG Stakeholders Roundtable (under Japan's Ministry of the Environment), provided basic information about the SDGs. In the

seminars, Group employees discussed what actions they can take to move toward the SDG targets, and they are putting their ideas into action in their work, particularly for the development and provision of products and services.

▶ Initiatives to Achieve the SDGs (Sustainable Development Goals)



Major ESG Data

General Information on ESG Data

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

●Organizations surveyed in FY2016

Company Name
Sompo Holdings, Inc.
Sompo Japan Nipponkoa Insurance Inc.
SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
Sompo 24 Insurance Company Limited
Sompo Japan Nipponkoa Insurance Services Inc.
Sompo Risk Management & Health Care Inc.
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.
Sompo America Holdings Inc. <U.S.>
Sompo Japan Insurance Company of America <U.S.>
Sompo Canopus AG <Swiss>
Canopus Managing Agents Limited <U.K.>
Sompo Japan Canopus Reinsurance AG <Swiss>
Canopus US Insurance, Inc. <U.S.>
Sompo Japan Nipponkoa Insurance Company of Europe Limited <U.K.>
Sompo Japan Sigorta Anonim Sirketi <Turkey>
Sompo Holdings (Asia) Pte. Ltd. <Singapore>
Sompo Insurance Singapore Pte. Ltd. <Singapore>

Berjaya Sompo Insurance Berhad <Malaysia>
Sompo Japan Nipponkoa Insurance (China) Co., Ltd.* <China>
Sompo Insurance (Hong Kong) Company Limited <China>
Sompo Seguros S.A. <Brazil>
Sompo Saude Seguros S.A. <Brazil>
Sompo Care Message Inc.
Sompo Care Next Inc.
Sompo Japan Nipponkoa Asset Management Co., Ltd.
Sompo Japan Nipponkoa DC Securities Inc.
96 other companies

* Sompo Japan Nipponkoa Insurance (China) Co., Ltd. changed its name to Sompo Insurance China Co., Ltd. as of July 1, 2017.

● Coverage ratio

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

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

● Reporting period

[1] Companies with head office in Japan

Unless otherwise stated, data reported are for fiscal year 2016 (April 2016 to March 2017).

[2] Companies other than [1]

Unless otherwise stated, data reported are for calendar year 2016 (January to December 2016).

* The acquisition process for Sompo International (Endurance) was completed in March 2017, so it is not included in this ESG data.

Group Employee Data

Number of employees (by employment status)

	Male	Female	Total
Regular employees	18,425	20,572	38,997
Temporary workers	4,738	20,128	24,866
Total	23,163	40,700	63,863

Number of employees (by region)

	Japan	Asia & Middle East	Europe	North America	Latin America	Total
Regular employees	34,392	1,964	678	5	1,958	38,997
Temporary workers	24,780	20	40	0	26	24,866
Total	59,172	1,984	718	5	1,984	63,863

* Sampo Canopus is active in several countries, and is counted in the Europe region here.

Additional Information Concerning Reporting of Greenhouse Gases (GHGs)

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

other external sites of electricity and heat that are purchased by the Group. Scope 3 emissions are indirect GHG emissions other than Scope 2 emissions that are generated in any part of the value chain of the Group.

- The table below shows activity items subject to calculation.

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

Environmental Performance Data

● Environmental Data

Item	Unit	FY2014	FY2015	FY2016	Coverage ratio	Verified	
GHG (Scope 1)	tCO ₂	19,244	18,479	17,881	93.44%	✓	
GHG (Scope 2)	tCO ₂	80,738	76,552	71,623	93.02%	✓	
GHG (Scope 3)	tCO ₂	64,082	57,800	57,898	93.65%	✓	
GHG (Total)	tCO ₂	164,063	152,831	147,403	93.65%	✓	
Total GHG emissions per employee	tCO ₂	3.81	3.87	2.31	93.65%		
City gas consumption	m ³ -N	1,513,677	1,400,939	1,371,129	89.96%	✓	
Class A heavy oil consumption	kℓ	193	174	201	91.07%	✓	
Kerosene consumption	kℓ	153	101	50	91.07%	✓	
LPG consumption	t	18	14	14	91.07%	✓	
Fuel consumption by company fleets	kℓ	6,458	6,322	6,102	93.44%		
Electricity consumption	kWh	138,409,604	137,178,856	134,436,861	93.02%	✓	
Heat (steam) consumption	MJ	99,966,355	96,907,972	94,928,580	91.07%	✓	
Paper consumption	t	9,254	7,859	10,306	82.34%	✓	
Clean water usage	kℓ	428,380	508,335	368,720	79.97%		
Wastewater discharge	kℓ	405,403	429,821	395,061	80.34%		
Total waste generation	t	9,371	9,154	7,234	87.47%		
Recycled waste	t	8,332	8,310	6,632	77.31%		
Business trip	km	63,024,473	72,354,921	76,869,498	80.72%		
Total floor space	m ²	1,555,365	1,631,472	1,696,742	94.36%		
Share of green purchasing	%	90.60%	87.10%	88.21%	71.81%		
Human development of	Public Seminars on the Environment	Persons	477	501	431	-	

environmental field	CSO Learning Scholarship Program	Persons	60	59	53	-	
	SAVE JAPAN Project	Persons	6,857	6,025	1,193	-	
	Cumulative total	Persons	7,394	6,585	1,677	-	

* We receive an annual third-party verification by a certification body. The scope for calculations is as follows.

FY2014: Sompo Japan Insurance Inc. and its consolidated subsidiaries and NIPPONKOA Insurance Company, Limited and its consolidated subsidiaries. FY2015: Major consolidated subsidiaries and operating companies of Sompo Holdings, Inc. FY2016: Sompo Holdings, Inc. and its major consolidated subsidiaries.

* Environmental data presented here do not include information from Sompo Care Message Inc. and Sompo Care Next Inc.

Social Performance Data

● Social Performance Data

Item		Unit	FY2014	FY2015	FY2016	Coverage ratio	Verified
Executive or higher	Male	Persons	156	171	211	99.29%	
	Female	Persons	9	10	14		
	Total	Persons	165	181	225		
Department manager level or higher but lower than executive	Male	Persons	686	709	754	99.29%	
	Female	Persons	78	80	96		
	Total	Persons	764	789	850		
Section manager level or higher but lower than department manager level	Male	Persons	2,211	2,213	2,314	94.87%	
	Female	Persons	305	365	523		
	Total	Persons	2,516	2,578	2,837		
Subsection chief level or higher but lower than section manager level	Male	Persons	5,717	6,074	7,192	94.87%	
	Female	Persons	1,721	1,969	2,663		
	Total	Persons	7,438	8,043	9,855		
Union membership rate		%	97.1%	96.9%	81.3%	99.29%	
Ratio of employees with disabilities* ¹		%	2.11%	2.05%	2.17%	94.02%	
Ratio of female employees in managerial positions* ²		%	7.3%	12.9%	17.5%	99.64%	
Number of employees who took	Male	Persons	97	361	329	95.45%	
	Female	Persons	1,297	1,516	2,027		

childcare leave	Total	Persons	1,394	1,877	2,356			
Average number of days taken off work for childcare leave by employees	Male	Days	11.3	2.9	6.3	94.37%		
	Female	Days	156.8	185.5	186.9			
Childcare support systems	Number of employees using the shorter work hour system + Number of employees using the earlier / later work hour system + other systems		Days	-	1,185	1,888	91.36%	
Number of employees who took family care leave	Male	Persons	2	1	4	91.58%		
	Female	Persons	18	16	35			
	Total	Persons	20	17	39			
Telecommuting systems		Persons	683	2,190	2,664	91.58%		
Ratio of paid vacation use		%	55.0%	54.5%	60.2%	98.43%		
Occupational accident frequency rate		-	1.13	1.06	3.45	94.58%		
Total days lost due to absenteeism		Days	-	-	81,127	95.58%	✓	
Ratio of overtime work		%	17.3%	15.0%	13.6%	92.52%		
Annual turnover	Male	%	4.9%	4.3%	10.2%	99.29%		
	Female	%	8.1%	7.5%	15.9%			
	Total	%	6.5%	5.9%	13.9%			
Employee satisfaction	Percent answered "satisfied"	%	66.2%	73.3%	72.5%	86.74%		

	The number of respondents in the employee satisfaction survey	Persons	16,618	23,656	23,648		
	The number of employees who answered "satisfied"	Persons	11,000	17,342	17,150		
Number of volunteers from employees and agencies	Number of employees participating in volunteer	Persons	31,623	30,108	32,829	-	
	Number of employees participating in volunteer fund, "Sompo Chikyu Club Fund"	Persons	11,129	10,798	10,011	-	
	Cumulative total	Persons	42,752	40,906	42,840	-	
Amount of money the company contributed to corporate citizenship/philanthropic activities		JPY	1,479,807,441	1,627,803,482	1,750,925,536	100.00%	

*1 For FY2016, the data indicated are for April 1, 2017.

*2 For FY2014–2016, the data indicated are for July of each fiscal year. The data also include some of our operating companies.

Governance Data

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

	Item	Unit	As of July 1 2015	As of July 1 2016	As of July 1 2017
Board of Directors	Number of meetings	Meetings	16	15	14
	Number of board members	Persons	12	13	12
	(Of which, number of outside directors)	Persons	4	4	4
	Average attendance at meetings by directors	%	100%	97.7%	98.9%
Board of Corporate Auditors	Number of meetings	Meetings	14	13	13
	Number of board members	Persons	5	5	5
	(Of which, number of outside directors)	Persons	3	3	3
	Average attendance at meetings by directors	%	100%	100%	100%

●Nomination and Compensation Committee

	Item	Unit	As of July 1, 2015	As of July 1, 2016	As of July 1, 2017
Nomination and Compensation Committee	Number of board members	Persons	6	5	5
	(Of which, number of outside directors)	Persons	4	4	4

●Compensation for Directors and Audit & Supervisory Board Members (FY2016)

Category	Number of officers for payment	Total compensation, etc.	Total amount per type of compensation		
			Basic compensation		Performance-linked stock compensation
			Monthly compensation	Performance-linked compensation	
Directors	15	¥388 million	¥329 million		¥59 million
			¥260 million	¥68 million	
Audit & Supervisory Board members	6	¥104 million	¥104 million		—
			¥104 million	—	
Total	21	¥493 million	¥433 million		¥59 million
			¥364 million	¥68 million	

Notes: 1. The number of officers for payment includes two directors and one audit & supervisory board member who resigned at the end of the 6th General Meeting of Stockholders held on June 27, 2016.

2. Total compensation, etc., and total amount per type of compensation, etc., include compensation, etc., of two directors and one Audit & Supervisory Board member who resigned at the end of the 6th General Meeting of Stockholders held on June 27, 2016.

3. The total amount of compensation etc., of directors includes ¥275 million as compensation of executive officers for directors who are serving concurrently as executive officers (¥167 million in monthly compensation, ¥58 million in performance-linked compensation, and ¥49 million in performance-linked stock compensation). The compensation of executive officers is being paid to a total of nine persons.

4. Of the compensation, etc., paid to directors, monthly compensation and performance-linked compensation are paid in cash.

5. Performance-linked compensation is based on the performance of the previous fiscal year.

The amount of reserve for performance-linked compensation based on the performance of the current fiscal year is ¥73 million.

6. Performance-linked stock compensation is the amount of provision of reserve for stock benefits posted as the portion for the current fiscal year.

7. Officers who receive compensation, etc., of ¥100 million or more in total from the Company and its consolidated subsidiaries are listed as follows.

Name	Officer category	Company category	Total amount per type of compensation			Total amount of consolidated compensation, etc.
			Basic compensation		Performance-linked stock compensation	
			Monthly compensation	Performance-linked compensation		
Kengo Sakurada	Director	The Company	¥101 million		¥19 million	¥122 million
			¥68 million	¥33 million		
Keiji Nishizawa	Director	Sompo Japan Nipponkoa Insurance Inc.	¥1 million		—	¥104 million
			—	¥1 million		
Keiji Nishizawa	Director	The Company	¥2 million		—	¥104 million
			—	¥2 million		
Keiji Nishizawa	Director	Sompo Japan Nipponkoa Insurance Inc.	¥82 million		¥19 million	¥104 million
			¥62 million	¥20 million		

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

Category	Maximum amount of compensation
Directors	<ul style="list-style-type: none"> Monthly compensation and performance-linked compensation (compensation paid in cash) No more than ¥400 million per year (of which the amount to outside directors shall be no more than ¥100 million per year) Performance-linked stock compensation No more than ¥300 million*1 in three fiscal years*2 <p>*1 The maximum amount contributed by the Company as the portion for directors to the Board Benefit Trust for performance-linked stock compensation. *2 From the fiscal year ended March 31, 2017, to the fiscal year ending March 31, 2019 Note: In each case, the amount of compensation, etc., of directors does not include the portion paid as employee salary to directors serving concurrently as employees.</p>
Audit & Supervisory Board members	<ul style="list-style-type: none"> Monthly compensation (compensation and paid in cash) No more than ¥110 million per year

● Briefings for investors and analysts

Briefings	Times
Briefings (IR meetings) for institutional investors, analysts	2
Conference calls for institutional investors, analysts	3
Conferences organized by securities companies	6
Individual meetings	272
Briefings for individual investors	8

● Compliance training

Item	Unit	FY2014	FY2015	FY2016	
					Coverage ratio
Ratio of employees who received compliance training	%	100.00%	99.98%	95.16%	84.87%

▶ [Corporate Governance](#)

Reference Links

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

Assurance by a Third-Party Organization

About Third Party Assurance

To ensure the reliability of reported numbers, Sompo Holdings has received third party assurance from Lloyd's Register Quality Assurance (LRQA) for some of the environmental and social performance data for fiscal year 2016.

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

▶ [Assurance Statement\(!\[\]\(339a16584d5da0f0a3ca4e9ec17bf6a1_img.jpg\) PDF/935KB\)](#)

▶ [Major ESG Data](#)



LRQA Independent Assurance Statement Relating to Sampo Holdings, Inc.'s Environmental and Social Indicators within the CSR communication report 2017

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

Terms of engagement

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

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

- Verifying conformance with:
 - ISO14064 - Part 1 for GHG emissions data
 - Sampo HD's reporting methodologies
- Evaluating the accuracy and reliability of data for only the selected indicators listed below: ^{1,2,3}

Environmental indicators

- Scope 1 GHG emissions
- Scope 2 GHG emissions
- Scope 3 GHG emissions (Category 1,3,4,5,6,7)
- Electricity consumption
- City gas consumption
- Heavy fuel oil A consumption
- Kerosene consumption
- LPG consumption
- Heat (Steam) consumption
- Paper consumption

Social indicator

- Total days lost due to absence

Note 1 Sampo Holdings Inc. and its domestic and overseas subsidiary companies adopting consolidated accounting

Note 2 Based on fiscal year of domestic and overseas subsidiary companies, the reporting period were as follows:

Domestic subsidiary companies: FY2016 (01/04/2016 – 31/03/2017)

Overseas subsidiary companies: CY2016 (01/01/2016 – 31/12/2016)

Note 3 LRQA undertook a limited assurance engagement of the environmental and social performance indicators marked with ✓ within the CSR communication report 2017

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

LRQA's Opinion

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

- Met the requirements above
- Disclosed accurate and reliable performance data and information

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

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure and ISO 14064 - Part 3. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

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

Observations

Further observations and findings, made during the assurance engagement, are as follows:

- The environmental performance data of Sompo care next Inc. and Sompo Care Message Inc. isn't included in that of Sompo HD Group. For the both companies, Sompo HD Group have integrated the management system from fiscal 2017 and excluded the performance data of the both companies due to technical constraint on collection of credible data at the on-site verification. Considering the scale of both companies, so it is recommended to include their performance data next fiscal year for credible/accurate data collection.

LRQA's standards, competence and independence

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

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

This verification is the only work undertaken by LRQA for Sompo HD and does not compromise our independence or impartiality.

Signed

Dated: 22 June 2017



Norihiko Kinoshita
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

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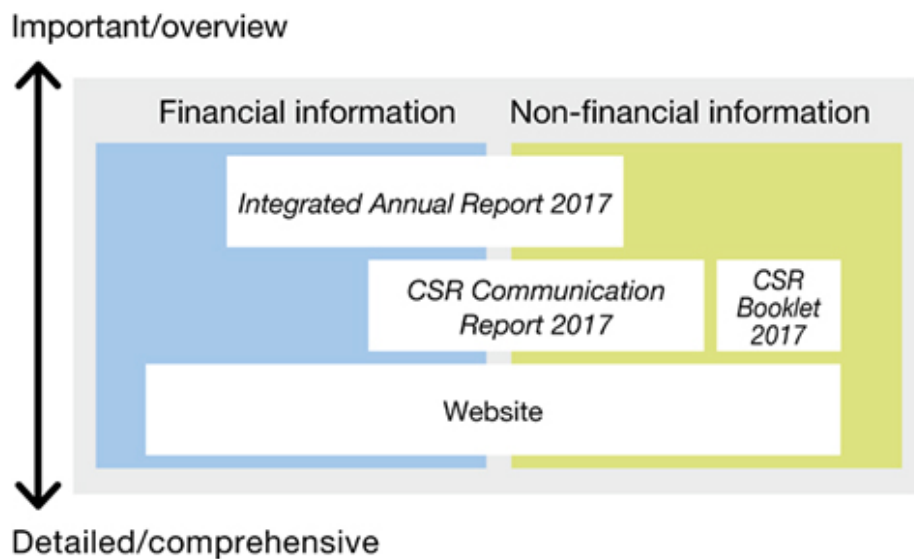
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Overview of CSR Communication

Overview of CSR Communication

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



- The Annual Report 2017 (Integrated Report) serves to provide stakeholders with a clear overview of the Group, our performance, and our management strategies, and is prepared pursuant to Article 271-25 of the Insurance Business Act and Article 210-10-2 of the Ordinance for the Enforcement of the Insurance Business Act. Since fiscal year 2014 we have published an Annual Report (Integrated Report) that includes both financial and non-financial information on our performance and strategies, referring to the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC).
- The CSR Communication Report 2017 and our CSR website provide details on our CSR management vision, policies, plans and progress, and serves as communications tools to continuously improve our initiatives.
 - * In an effort to enhance accessibility we have published the details contained in CSR Communication Report 2017 on our CSR website as well as in PDF format.
- The CSR Booklet 2017 offers a clear and succinct introduction to examples of our CSR initiatives.

Features of the CSR Communication Report 2017

1. Initiatives to improve corporate value through social responsibility

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

2. Initiatives for Sustainable Development Goals (SDGs)

Hideto Kawakita, CEO of the International Institute for Human, Organization and the Earth (IIHOE) and Publisher of Socio Management Review, as a representative of civil society organizations, and Masaya Futamiya, Chair of the Japan Business Federation (Keidanren) Committee on Corporate Behavior & Social Responsibility and Chairman and Representative Director of Sompo Japan Nipponkoa discuss our initiatives for Sustainable Development Goals (SDGs) for the year 2030 adopted by a United Nations summit in September 2015.

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

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

4. Stakeholder engagement

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

5. Initiatives to improve information disclosure credibility

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

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

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

- Descriptions of Basic Policies for Our Action, Management System, CSR Key Performance Indicators (CSR-KPIs), Key Initiatives, and plans for Moving Forward, to effectively communicate our PDCA-driven efforts for each CSR Material Issue.
- ESG Data Index and the list of Products and Services for a Sustainable Society. In addition, the Major ESG Data page shows the performance of Sompo Holdings and its main consolidated subsidiaries compiled on a multi-year basis for easy comparison to report data in detail.

- A Key Initiatives section organized by stakeholder group, which introduces details of our work to resolve social issues.

Covered Organizations

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

Reporting Period

This Report relates mainly to initiatives from April 1, 2016, to March 31, 2017, but also contains some latest initiatives and policies to provide updated information.

Publication

Annually

Publication Period

Last issue: September 2016

Current issue: September 2017

Next issue: (scheduled for) September 2017

Referenced Guidelines

- GRI Sustainability Reporting Standards*
- ISO 26000: International standard on social responsibility
- SDG Compass: The guide for business action on the SDGs
- Environmental Reporting Guidelines 2012, Japan's Ministry of the Environment
- ISO 14064-1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- Sustainability Reporting Guidelines—SPI Report Guide, Network for Sustainability Communication
- The Ten Principles of the United Nations Global Compact

- United Nations Guiding Principles on Business and Human Rights
- Charter of Corporate Behavior and Its Implementation Guidance, Keidanren (Japanese Business Federation), the 6th version

* The details published on the Sompo Holdings CSR website and in the CSR Communication Report 2017 have been prepared in conformity with the Core option of the GRI Sustainability Reporting Standards. Please refer to the following GRI Content Index.

▶ [GRI Content Index](#)

Planning and Editing

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Disclaimer

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

Third Party Comments / Response to the Third Party Comments

Third Party Comments on CSR Communication Report 2017

Ms. Carolyn Schmidt
Program Director, ECOLOGIA
NGO Delegate, ISO 26000 Post Publication Organization
Strategic Advisory Group
Graduate of University of Pennsylvania



The annual Sampo Holdings CSR Communication Report traditionally affirms the Group's commitment to corporate social responsibility, explains key values and goals, and provides examples of their implementation. This year's Report is extremely ambitious –explaining and enumerating a myriad of products and programs across the broad areas of “security, health and well-being”. Two major themes are dynamism – moving forward with new products and services – and management commitment to implementation of global CSR norms throughout the Group.

Progress in Deepening CSR

Some of the strongest sections of the report cover Sampo's top leadership involvement in global policy advocacy in the areas of business action to promote the UN Sustainable Development Goals. This includes a commitment at all levels of operation to climate change mitigation and adaptation. This commitment is made real through specific Group-wide initiatives such as the use of investment in public infrastructure and renewable energy, and documented reductions in greenhouse gas emissions within Sampo's own operations. Note is taken of support for Sustainable Procurement. This is a vital step toward driving social responsibility throughout the value chain, incorporating environmental and social impacts, as well as the traditional business considerations of price and quality, into the core routine business decisions.

An important dimension of Social Responsibility is the realm of financing – how and where money is invested, how broadly does the investment and financing pattern follow the CSR activities, where is money kept, and to what extent are taxes paid. The section of the Report on global business expansion includes easy to read pie graphs showing amounts and percentages

of ordinary income and underwriting income received, and corporate taxes paid, in different regions of the world where Sompo does business. Highlighting this aspect of corporate responsibility – payment of taxes commensurate with corporate income – is a bold and commendable move.

Incorporating Emerging Technologies

Sompo is putting considerable resources into supporting digital products, building on its existing strengths in the fields of insurance, data analysis, and risk management. Much of the change is driven by the need to grow in new directions in response to major ongoing trends, such as an aging population and climate change. This year's Report highlights numerous activities, for example in expanding elder health care and in financing solar energy in the nuclear contaminated areas of Fukushima. The Report shows a rise in the use of emerging technologies: digital delivery for insurance products, drones to assess damage in particular geographic areas, monitoring and treatment of medical conditions, calculation of liability insurance for owners of autonomous cars, etc.

Responsiveness to Stakeholders; Attentiveness to Diversity

This commitment is manifest throughout the Report. For example, the provision of insurance to Doulas (assistants at childbirth) arose from suggestions by female employees. Language programs, the effort to hire non-Japanese employees, and attention to making the workplace supportive of all, regardless of gender, nationality or age, tap into the strength that can arise from diversity.

Web-Based CSR Report

This 2017 Report is the first to be fully web-based, as opposed to previous years' Reports which were uploaded to the Web in .pdf format. Sompo is to be commended for taking this step toward making all of their information more accessible. There are a few areas in which this first-year effort should be fine-tuned in future years, however. First, a Report should be readable and cohesive, highlighting the key areas clearly to the reader/viewer, and indicating their relative importance. This Commenter recommends that in years to come, summaries of achievements in Organizational Governance - including the role of outside members of the Board of Directors, and external audits - be included in the text of the CSR Report itself, not only in links to the detailed information in the Annual Report. Also, the relative length of the different sections should be evaluated, to ensure balance between each of the Five Material issues and its related Case Studies.

Final Comment

As an American living in 2017, I am acutely aware how policies and tone set by the leadership carry down through all the different groups of people affected by them – for better or for worse. The leadership of Sompo is to be congratulated for maintaining their consistent support for social responsibility, and to manifesting it in many ways, one of which is in the thoughtfulness and respect they put into this annual CSR Report.

Response to the Third Party Comments

Shinji Tsuji
Chief Management Officer of Council for CSR Promotion
Representative Director
Deputy President



Response to the Third Party Comments

Ms. Carolyn Schmidt, Program Director of ECOLOGIA, has written annual third-party comments on Sompo Holdings Group's CSR Communication report since 2005 as a member of global civil society. We are extremely grateful for your long-standing engagement and deep understanding of our CSR initiatives, and your thought-provoking suggestions.

To begin with, in regard of our group's CSR progress we are pleased to note that you evaluated our leadership and initiatives to achieve the Sustainable Development Goals (SDGs) and also, most encouraging that you also valued our issuance of sustainable procurement policy as the vital step towards driving social responsibility throughout the group's value chain. We will continuously strive to tackle ESG-related issues worldwide through our business process and to fulfill our social responsibility.

We are also glad to know that you had a positive understanding towards our strategy for "Incorporating Emerging Technologies". Indeed, we established SOMPO Digital Lab in Tokyo and Silicon Valley, in the United States, in April 2016 and proceed to leverage our strength combining leading-edge digital technologies (to create a new experience of security, health, and wellbeing) and to contribute to emerging social issues such as super aging society.

Furthermore, attentiveness to diversity, you appreciate our efforts to empower our human capital in addition to create products and services that meet the needs of a diverse society. We

will actively continue in creating an environment where various personnel can prosper regardless of nationality, gender, age, or experience.

As suggested, we duly receive and recognize the points to be improved in this year's Web-Based disclosure. Your recommendations are highly appreciated as the supreme purpose to launch a full web-based format was with an aim to enhance accessibility to all our stakeholders. In accordance with your recommendations, we will highlight the key contents and adjust the volume among the cases in accordance with their importance and continue to disclose information in a timely manner.

Lastly, we deeply appreciate your warmest comment regarding our leadership in addressing CSR. In response to your further expectations, we will continue to engage with various stakeholders such as governments and civil societies to further enhance our leadership and contribute in realizing a more resilient and sustainable society.

External Recognition

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

Awards

The Grand Award of Global Warming Countermeasures Report (Environmental Minister's Award) at the 20th Environmental Communication Awards (Sompo Holdings Inc.)

The CSR Communication Report 2016 of Sompo Holdings has been honored with the Grand Award of Global Warming Countermeasures Report (Environmental Minister's Award) in the Environmental Report section at the 20th Environmental Communication Awards sponsored by the Japan's Ministry of the Environment and the non-profit organization Global Environmental Forum.



This report is a communication tool for providing information on the Sompo Holdings Group's CSR management vision, basic policies, and progress on specific plans and initiatives, as well as for making continuous improvements to group performance.

- ▶ [Sompo Holdings Receives the Grand Award of Global Warming Countermeasures Report \(Environmental Minister's Award\) at the 20th Environmental Communication Awards\(!\[\]\(b7e1c8bc060ab2af8bc42ce81bfcf3c4_img.jpg\) PDF/1,074KB\)](#)

(February 2017)

2nd ACAP Consumer-Oriented Activity Award (Sompo Japan Nipponkoa Insurance Inc.)

"Bosai JAPAN-DA Project", fun-filled disaster education for children and parents, received with 2nd ACAP Consumer-Oriented Activity Award at ACAP Consumer-Oriented Activity Award.

(February 2017)

Bronze Class Distinction in RobecoSAM's Corporate Sustainability Assessment (Sompo Holdings, Inc.)

Sompo Holdings received the Bronze Class distinction in RobecoSAM's Corporate Sustainability Assessment. Sompo Holdings has been listed on the DJSI World for 17 consecutive years, including years when its subsidiary Sompo Japan Nipponkoa Insurance Inc. was listed.



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

(January 2017)

The Grand Prix Award at 2nd Sustainable Finance Awards (Sompo Japan Nipponkoa Insurance Inc.)

Weather index insurance for Southeast Asian farmers received the Grand Prix Award 2016 at 2nd Sustainable Finance Awards sponsored by Research Institute for Environmental Finance.

(January 2017)

1st Nihon Service Award (Sompo Japan Nipponkoa Insurance Inc.)

Smiling Road, telematics service for businesses that helps corporate vehicle drivers drive safer, received "1st Nihon Service Award" of "Excellence Award (SPRING Award)" organized by Council of Service Productivity & Innovation for Growth (SPRING)



(June 2016)

Minister of State for Space Policy Prize at 2nd Space Development and Utilization Grand Prizes (Sompo Japan Nipponkoa Insurance Inc. , Sompo Risk Management & Health Care Inc.)

Weather Index Insurance developed based on a rainfall index using satellite observation data received the Minister of State for Space Policy Prize, at the Second Space Development and Utilization Grand Prize. This makes us the first financial institution in Japan to be awarded.

(March 2016)

Environmental Minister's Award of Principles for Financial Action Towards a Sustainable Society (Principles for Financial Action for the 21st Century) (Sompo Japan Nipponkoa Insurance Inc.)

Weather index insurance offered by Sompo Holdings, Inc. received the Environmental Minister's Award of Principles for Financial Action Towards a Sustainable Society (Principles for Financial Action for the 21st Century) at the General Assembly held on March 9, 2016 hosted by the Ministry of the Environment.

This time, Sompo Japan Nipponkoa Insurance Inc. received the award as a representative of the Sompo Holdings Group.



▶ [Weather Index Insurance in Southeast Asia Receives Environmental Minister's Award](#) 

(March 2016)


Excellence Award at “Women’s Empowerment Grand Prize Award” (Sompo Japan Nipponkoa Insurance Inc.)

Sompo Japan Nipponkoa received “Excellence Award at “Women’s Empowerment Grand Prize Award” organized by Japan Productivity Center.

(March 2016)

The MEXT 2015 Award for Companies Promoting Experience-based Learning Activities for the Youth (Sompo Japan Nipponkoa Insurance Inc.)

The SAVE JAPAN Project, a biodiversity conservation project received the Judges Panel Special Award of Encouragement at the 2015 Award for Companies Promoting Experience-based Learning Activities for the Youth presented by the Japan Ministry of Education, Culture, Sports, Science and Technology (MEXT) in recognition of corporate activities promoting youth-oriented experiential activities.

- ▶ [SAVE JAPAN Project Receives the MEXT 2015 Award for Companies Promoting Experience-based Learning Activities for the Youth](#) 

(February 2016)

Nikkei Veritas Award for Excellence at 2015 Nikkei Superior Products and Services Awards (Sompo Japan Nipponkoa Insurance Inc.)

Smiling Road, telematics service for businesses that helps corporate vehicle drivers drive safer, received "Excellence of 2015 Nikkei Superior Products and Services Awards" at "Nikkei Veritas Award" organized by Nikkei Inc.



(January 2016)

Recognition

Ranked 1st in the Financial Business Category in the Toyo Keizai CSR Corporate Ranking 2017 (Sompo Holdings Inc.)

(March 2017)

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

(January 2017)

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

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

(November 2016)

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

Received 4h straight "S" rating

Sompo Risk Management & Health Care was the first property and casualty insurance risk consulting company to receive an "S" rating among the registered and certified institutions in the Tokyo Cap-and-Trade Program.

(July 2016)

Certification

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

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

(2016)



Inclusion in SRI indices

The Sampo Holdings, Inc is included in the following SRI indexes (as of October 1, 2016).

Dow Jones Sustainability Indices (DJSI World) (SOMPO HOLDINGS)

DJSI World is a leading global SRI index of companies that are leaders in sustainability, as assessed from their approaches towards ESG (Environment, Social, and Governance) issues based on their economic, environmental and social performances. This is the fifth consecutive year for SOMPO HOLDINGS to be included in the Index, and the 15th consecutive year for Sampo Japan Nipponkoa Insurance.



▶ [Dow Jones Sustainability Indices](#) 

(September, 2015)

FTSE4Good Index Series (Sampo Holdings)

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



▶ [FTSE4 Good Index Series](#) 

FTSE Blossom Japan Index

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



▶ [FTSE Blossom Japan Index](#) 

MSCI Global Sustainability Indexes/MSCI Global SRI Indexes(Sompo Holdings)

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

▶ [MSCI](#) 



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

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

▶ [ECPI](#) 



STOXX Global ESG Leaders (SOMPO HOLDINGS)

The STOXX Global ESG Leaders index offers a representation of the leading global companies in terms of environmental, social and governance criteria, based on ESG indicators provided by Sustainalytics.

▶ [STOXX Global ESG Leaders](#) 



Morningstar Socially Responsible Investment Index (Sompo Holdings)

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



- ▶ Morningstar Socially Responsible Investment Index (only in Japanese) 