

Group CSR Materiality

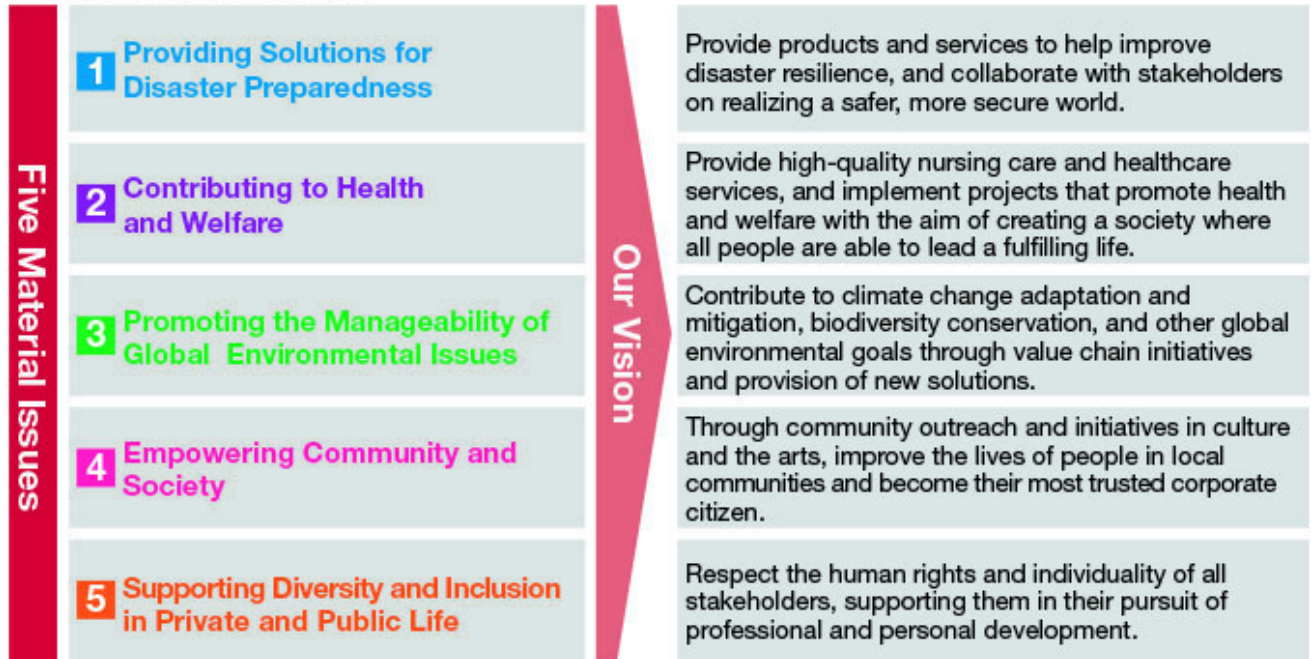
In April 2016, we redefined our Five CSR Material Issues based on the latest international developments and changes in our business environment to realize a resilient and sustainable society by providing products and services that contribute to security, health, and wellbeing. We also reaffirmed the 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

<p>▶ Identifying Our CSR Materiality</p>	<p>▶ CSR Key Performance Indicators (CSR-KPIs)</p>
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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

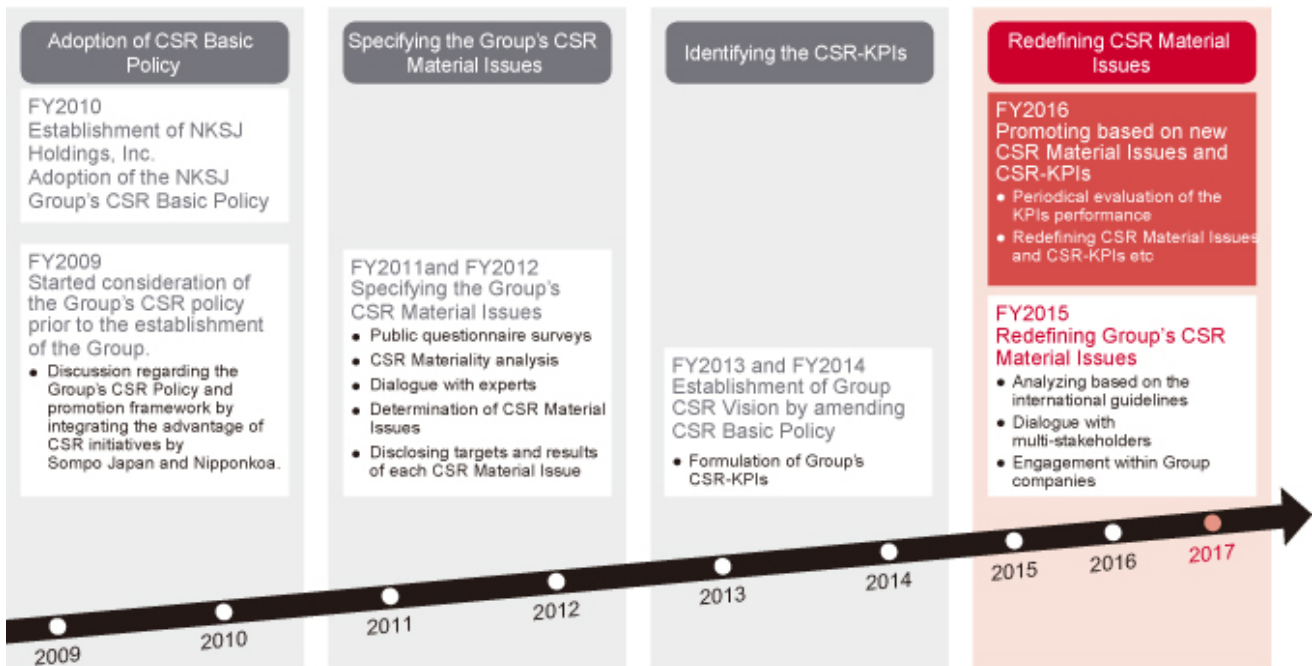
▶ 5. Supporting Diversity and Inclusion in Private and Public Life

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

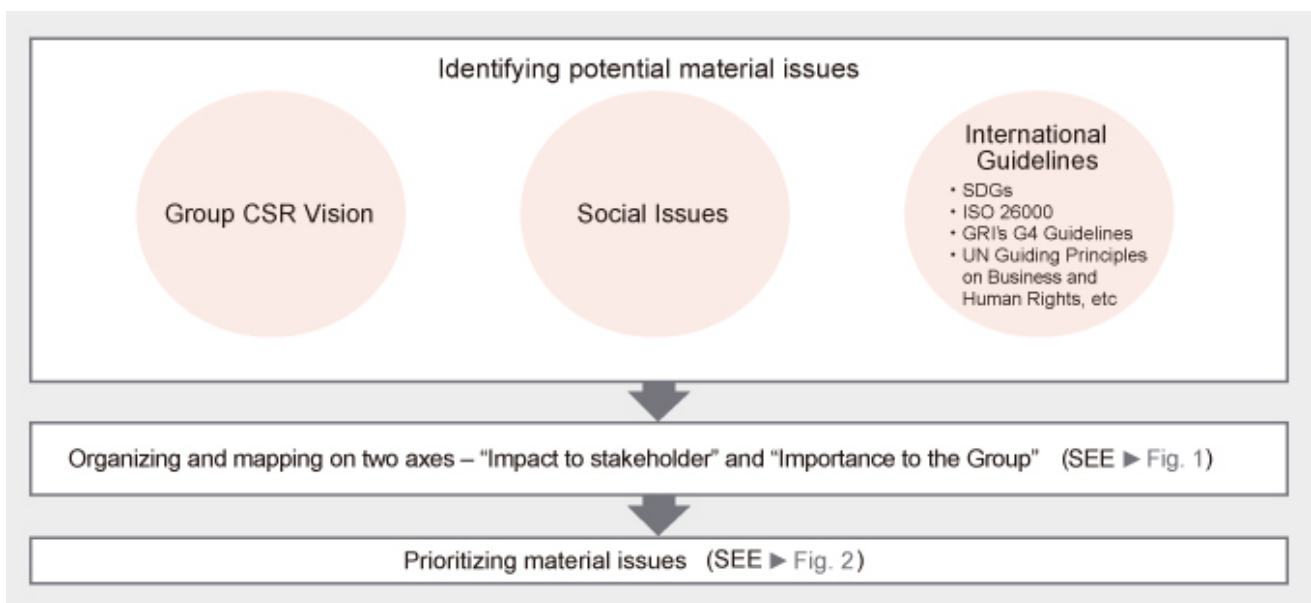
The year 2015 was an important year for setting a new international agenda on sustainability: In September a summit of UN leaders adopted the SDGs*¹ with a target date of 2030, and in the following December, the COP21*² adopted the Paris Agreement. The following year, fiscal 2016, also marked the start 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.

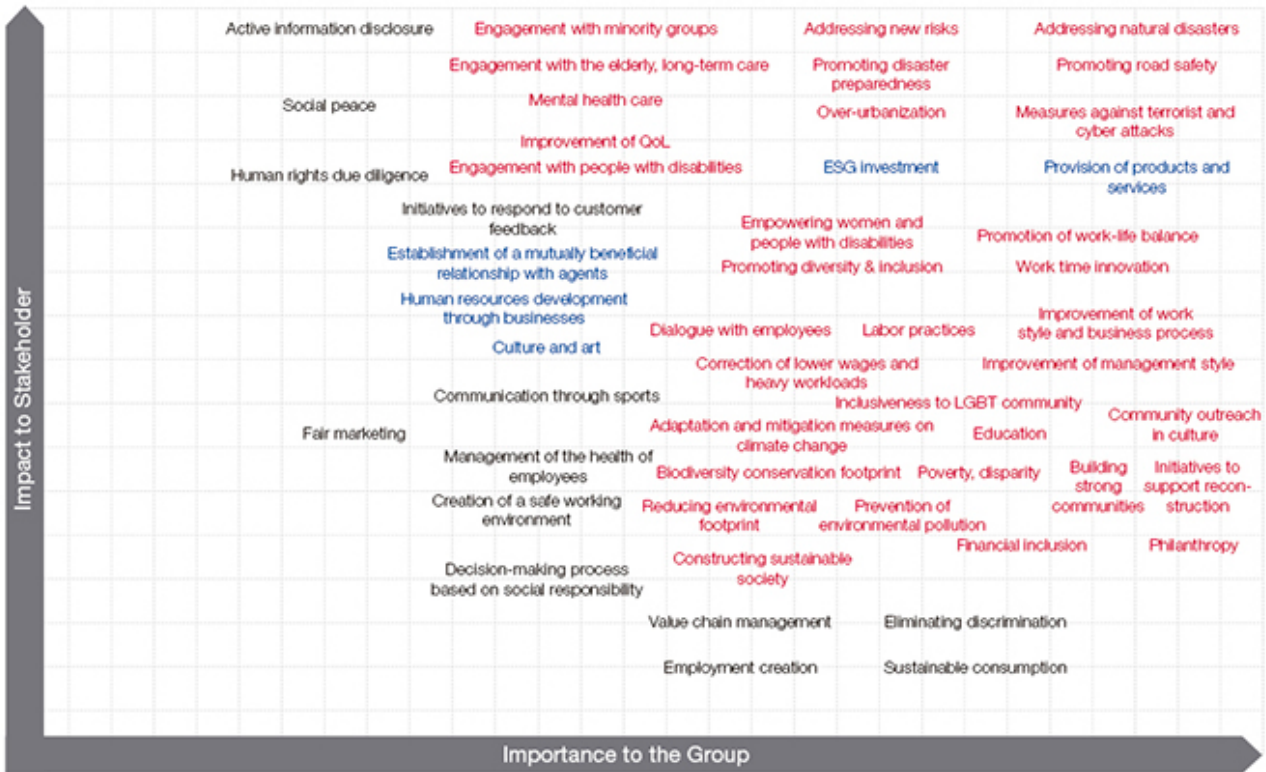
Four Steps in Redefining Material Issues

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?	<p>We summarize and explain the linkages with management strategy.</p> <p>▶ Group CSR Strategies</p>

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.	<p>Under Material Issue 1: Providing Solutions for Disaster Preparedness, we are working to communicate and raise awareness about risk.</p> <p>▶ Material Issue 1: Providing Solutions for Disaster Preparedness</p>

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.	We are actively engaged in dialogue with unions and employees, and report on our efforts.

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

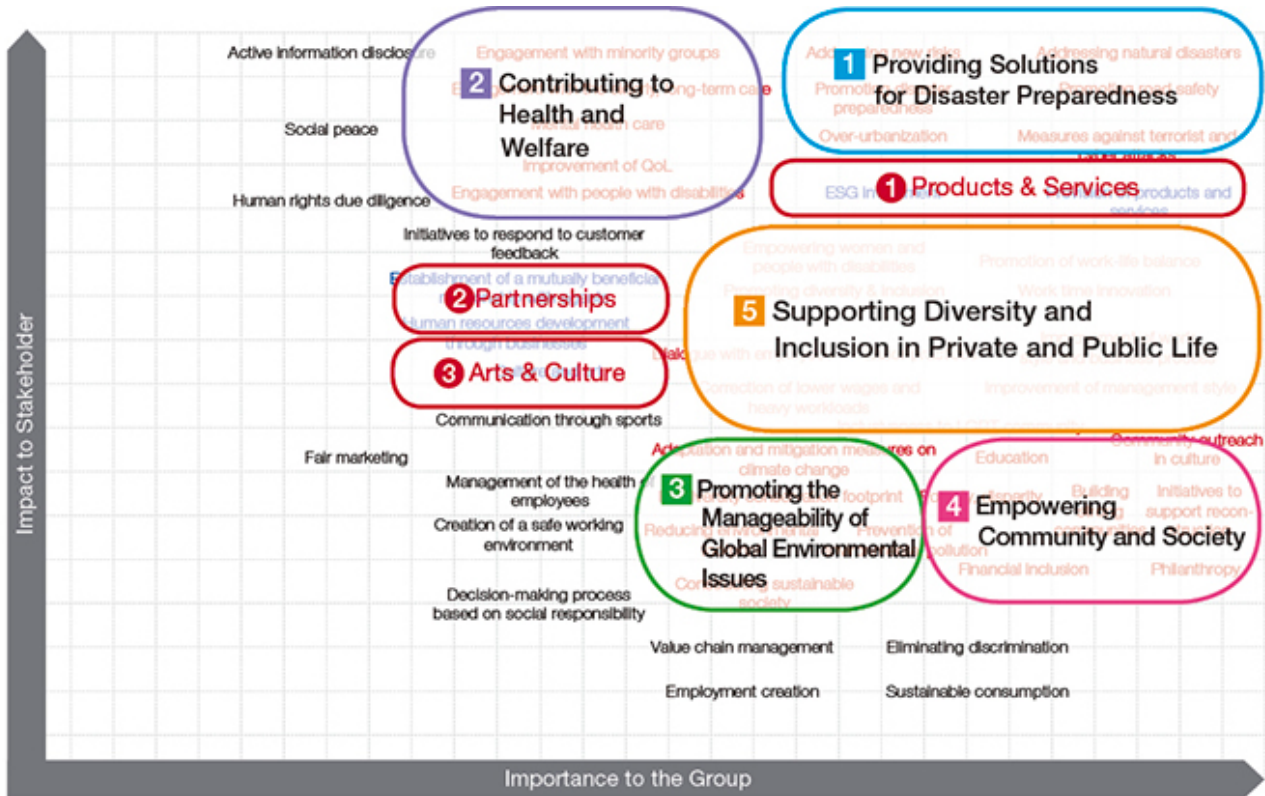
STEP 4: Identification and Action

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.

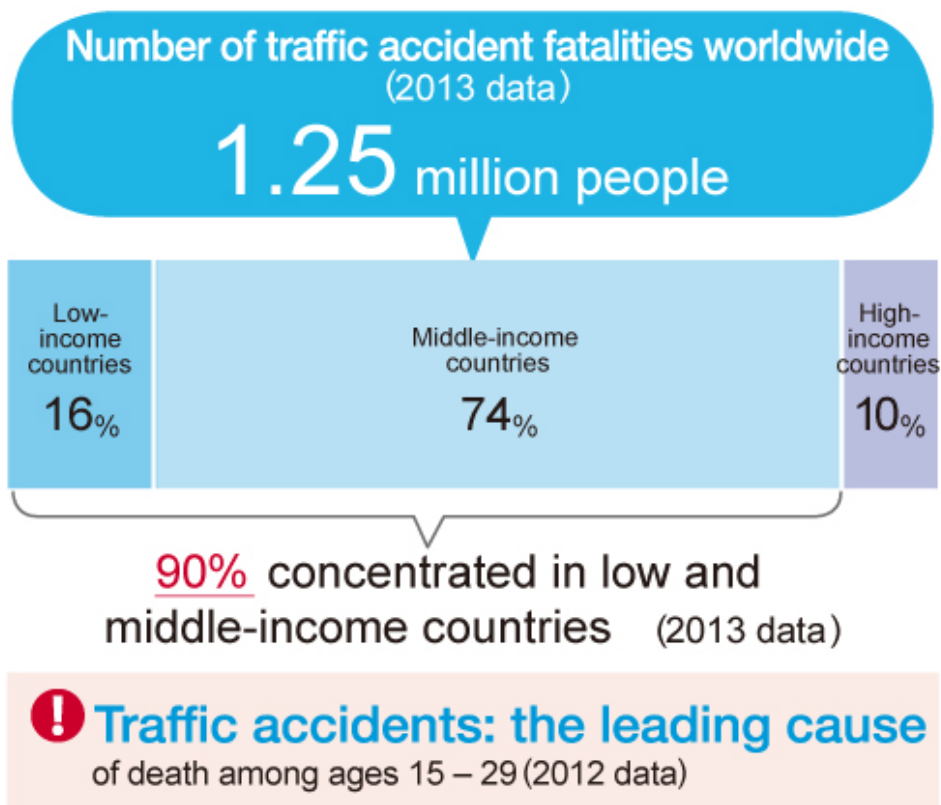
Providing Solutions for Disaster Preparedness

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

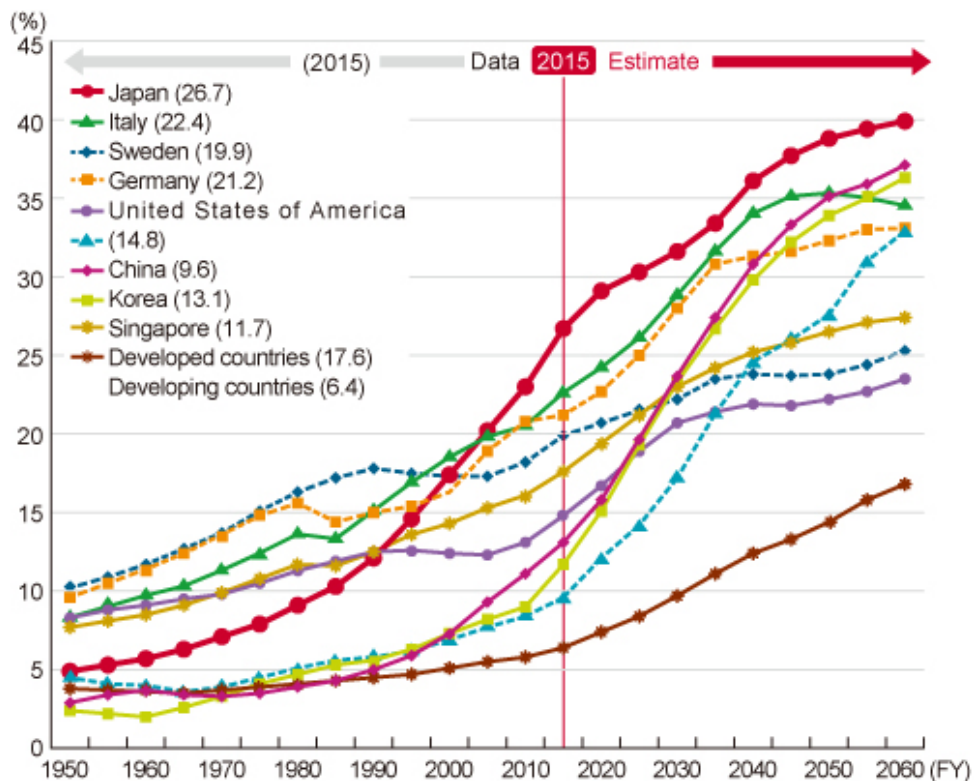
Contributing to Health and Welfare

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

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▶ [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

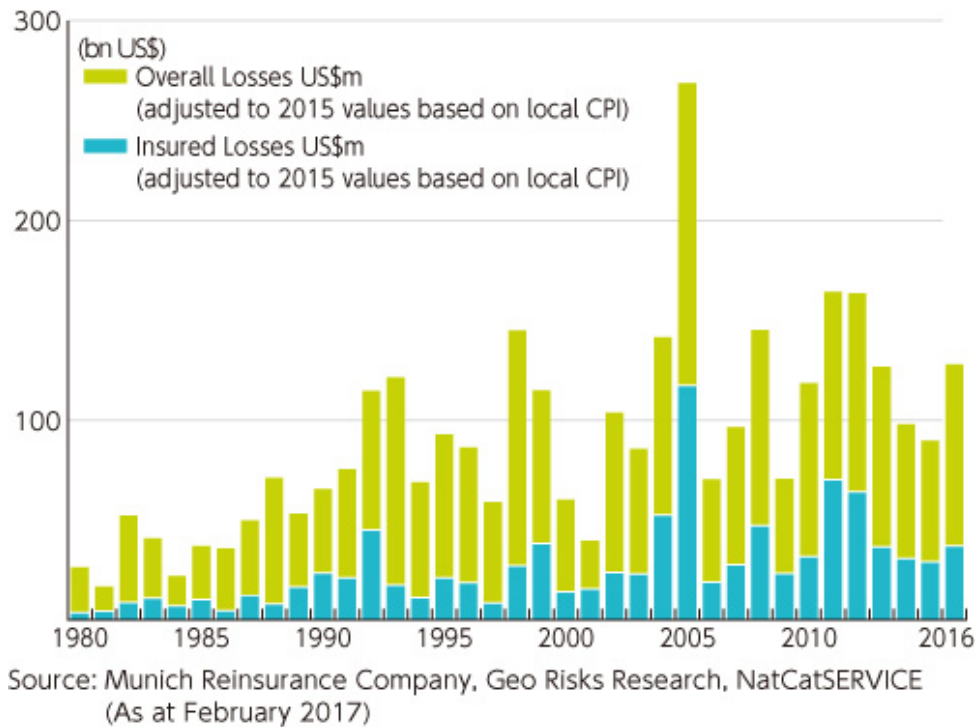
Promoting the Manageability of Global Environmental Issues

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](#)

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

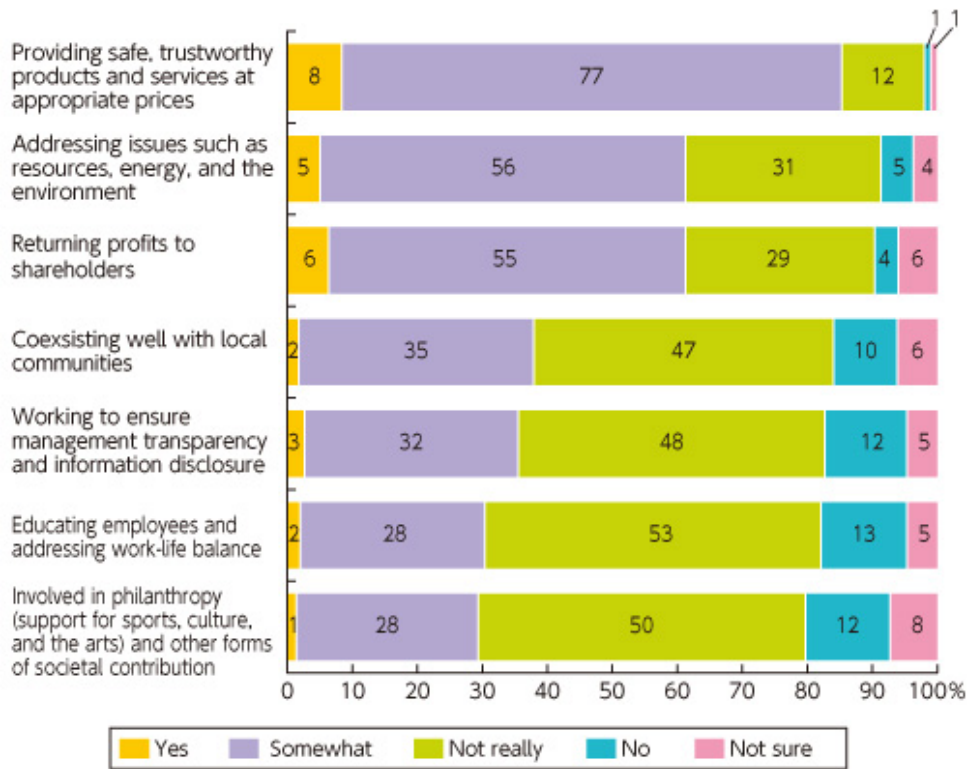
Empowering Community and Society

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.

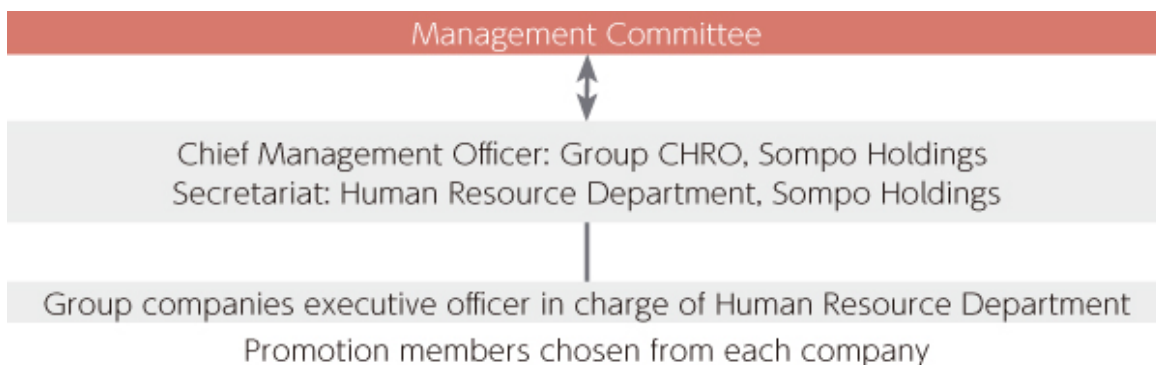
Our respect for human rights and diversity also extends to customers and other stakeholders, as evidenced in our efforts to provide inclusive products and services and to raise awareness around issues of equality.

- ▶ [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