

CSR Initiatives and Management System

▶ **CSR Initiatives**

▶ **CSR Management System**

CSR Initiatives

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

Group CSR Vision

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

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

Group Environmental Policy

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

< Action Guidelines >

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

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

2. Promoting resource conservation through the entire value chain

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

3. Raising awareness of environmental issues and corporate citizenship

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

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

Group Policy for Human Rights

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

1. Human rights due diligence for stakeholders

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

2. Human rights due diligence for employees

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

3. Promotion of human rights in global markets

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

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

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

Group Sustainable Procurement Policy

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

1. Fair and equal transactions

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

2. Compliance with laws and regulations

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

3. Consideration of global issues

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

Corporate Citizenship Policy (Sompo Japan Nipponkoa)

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

1. Corporate citizenship activities

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

2. Support for individual employees' social contribution efforts

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

Please click below link for details of Group CSR Materiality

▶ [Group CSR Materiality](#)

Management System

Group-Wide Management (Council for CSR Promotion)

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

Management at Individual Companies (Continuous Improvement)

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

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

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

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



Example of the promotion framework of each Group companies

* Adjusting details according to the company size.

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

Group CSR Materiality

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

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

Our Key Strengths

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

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

Five Material Issues	1	Providing Solutions for Disaster Preparedness	Provide products and services to help improve disaster resilience, and collaborate with stakeholders on realizing a safer, more secure world.
	2	Contributing to Health and Welfare	Provide high-quality nursing care and healthcare services, and implement projects that promote health and welfare with the aim of creating a society where all people are able to lead a fulfilling life.
	3	Promoting the Manageability of Global Environmental Issues	Contribute to climate change adaptation and mitigation, biodiversity conservation, and other global environmental goals through value chain initiatives and provision of new solutions.
	4	Empowering Community and Society	Through community outreach and initiatives in culture and the arts, improve the lives of people in local communities and become their most trusted corporate citizen.
	5	Supporting Diversity and Inclusion in Private and Public Life	Respect the human rights and individuality of all stakeholders, supporting them in their pursuit of professional and personal development.

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**

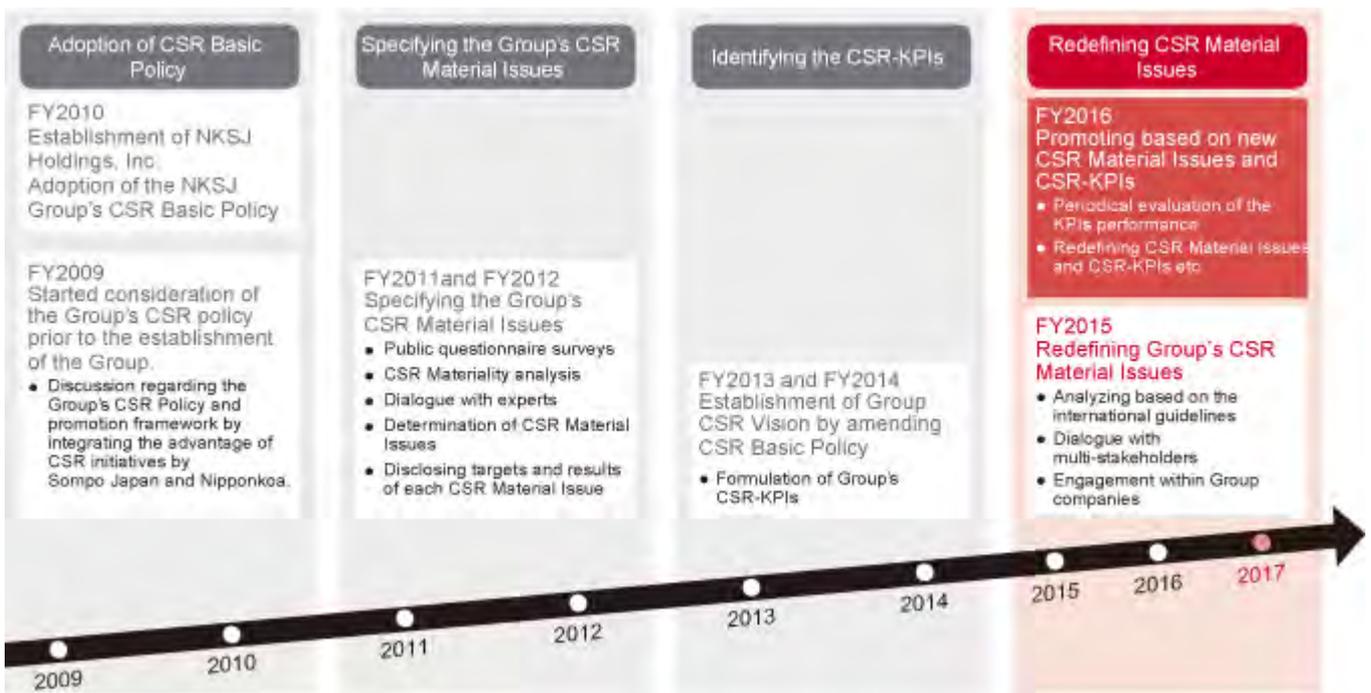
▶ **5. Supporting Diversity and Inclusion in Private and Public Life**

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

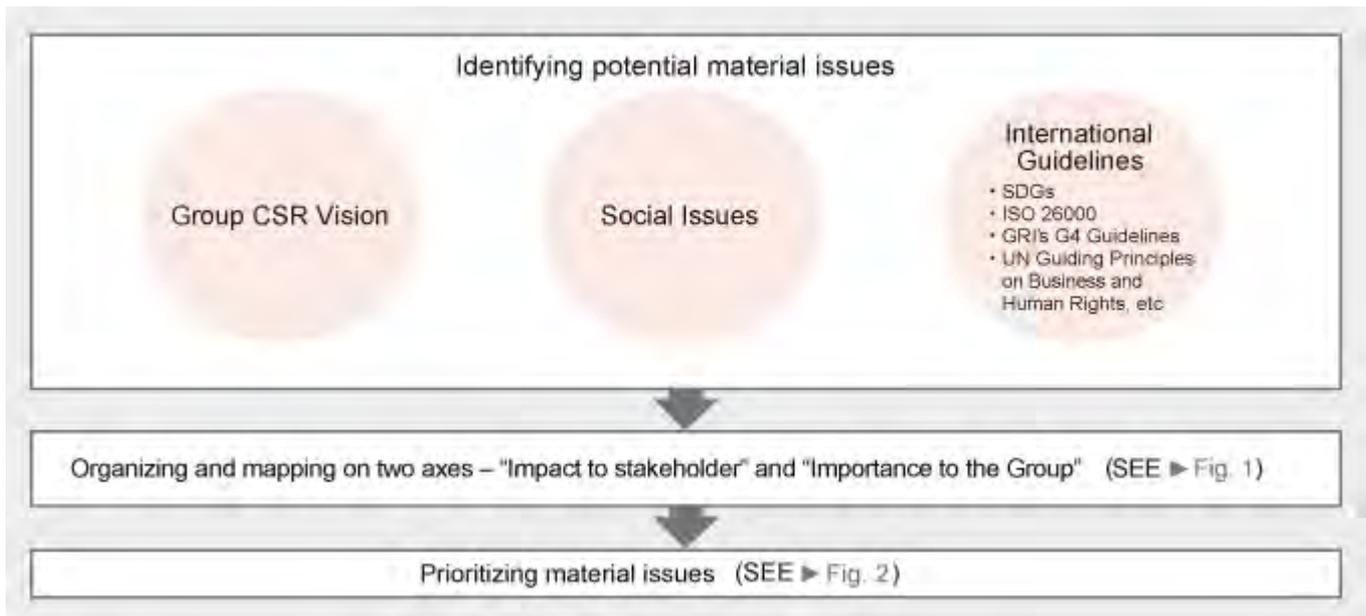
organizational changes, we redefined our material issues with the objective of furthering both social sustainability and Group growth.

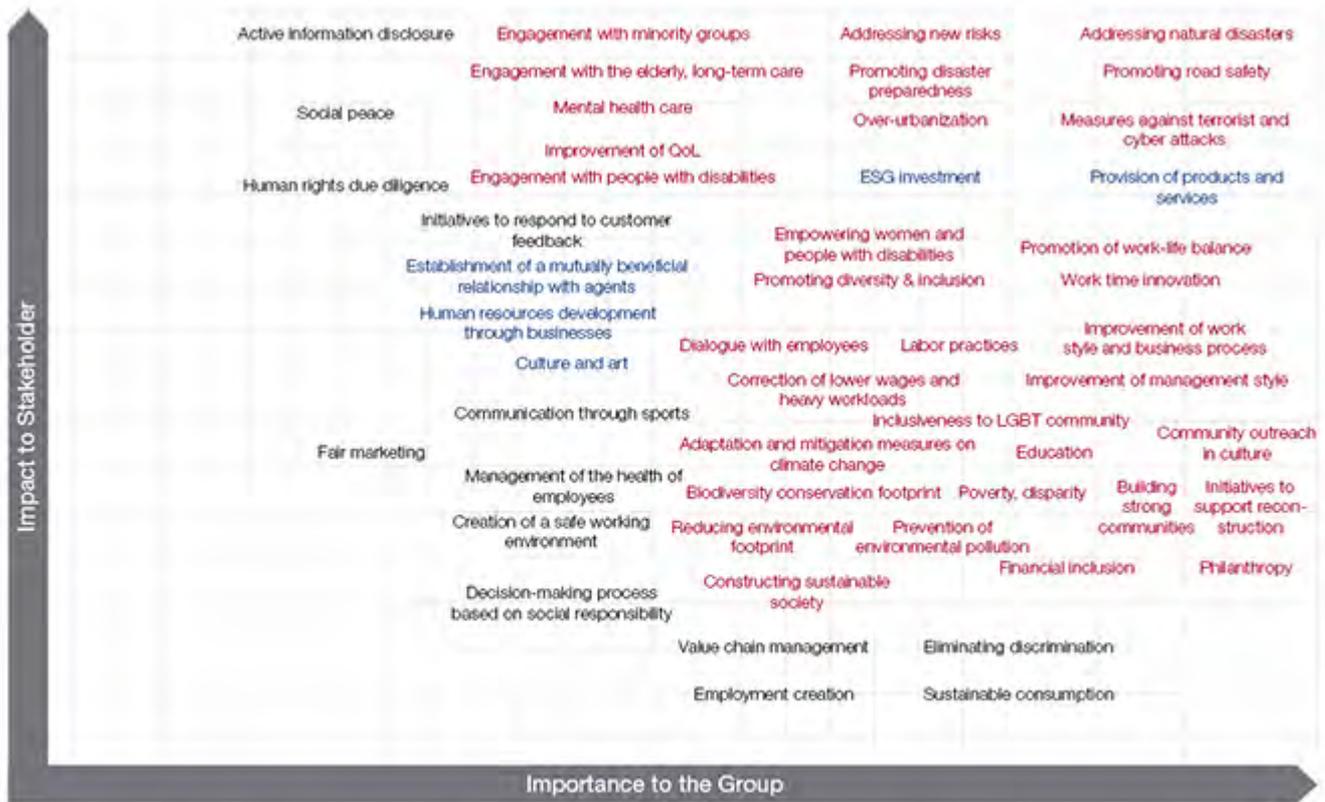
Four Steps in Redefining Material Issues

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.
	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
	Director and Deputy Director, Global Environmental Bureau, International Strategy Division, Japan's Ministry of the Environment	Ms. Keiko Segawa/ Mr. Keitaro Tsuji	We think you have been actively tackling environmental issues until now, but in the future, we expect you to further strengthen certain initiatives as your core business, such as climate change adaptation measures, and initiatives for human resource development.	For Material Issue 3: Promoting the Manageability of Global Environmental Issues, we are putting an effort into developing and offering products and services that focus on adaptation measures, as well as environmental education. ▶ 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
NPO/NGO Civil Society	Executive Director, Japan NPO Center	Ms. Eriko Nitta	I would like to see you engage in partnership with civil society continuously to deal with new issues. I also look forward to seeing financial services for people with low income, to lead toward solutions for poverty and inequality.	One of Our Key Strengths is "Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society." We also develop and offer products and services for developing countries, such as our weather index insurance in Southeast Asia. We still recognize the need to develop and offer more financial services for people with low income. ▶ 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)



Fig. 2. Prioritizing the materiality

CSR Key Performance Indicators (CSR-KPIs)

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

Fiscal Year 2018 Targets

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

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

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

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

Fiscal Year 2017 Results

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

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

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

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

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

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

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

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

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

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

Providing Solutions for Disaster Preparedness

Our Vision

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

The Facts

Global Deaths from Road Traffic Accidents



Source: Prepared from a WHO press release

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

Basic Policies for Our Action

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

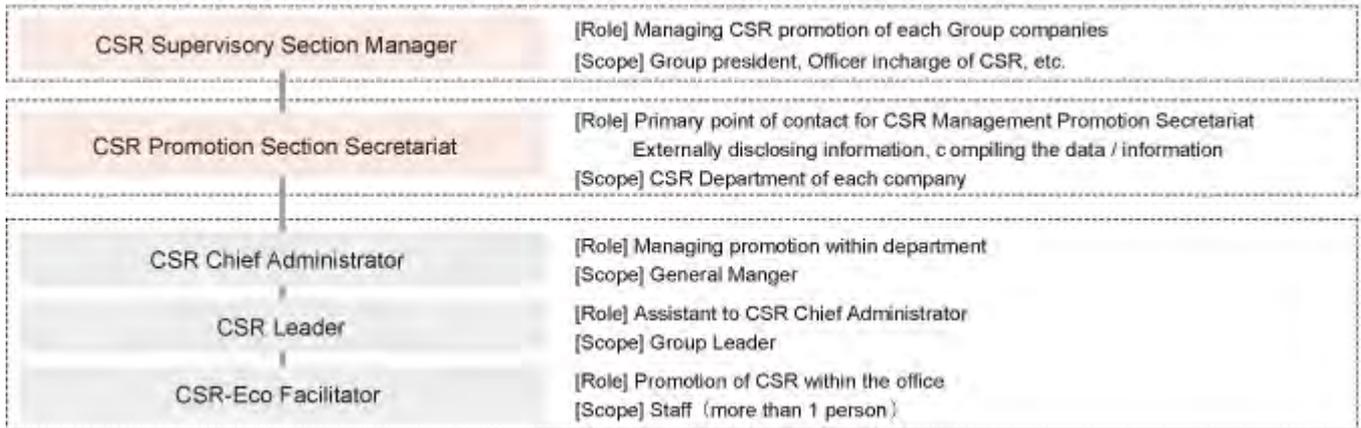
Management System

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



Example of the promotion framework of each Group companies

* Adjusting details according to the company size.



Targets and Results

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

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

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

A: Increases revenue and investment income

B: Reduces costs

C: Increases brand recognition and trust

D: Strengthens the organization; enhances employee loyalty

► **CSR Key Performance Indicators (CSR-KPIs)**

Our Key Strengths

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

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

Stakeholder Comments

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

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

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

Products & Service

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

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

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

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

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

Bosai JAPAN-DA Project to Raise Disaster Awareness

Partnerships

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

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

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

Other Key Initiatives

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

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

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

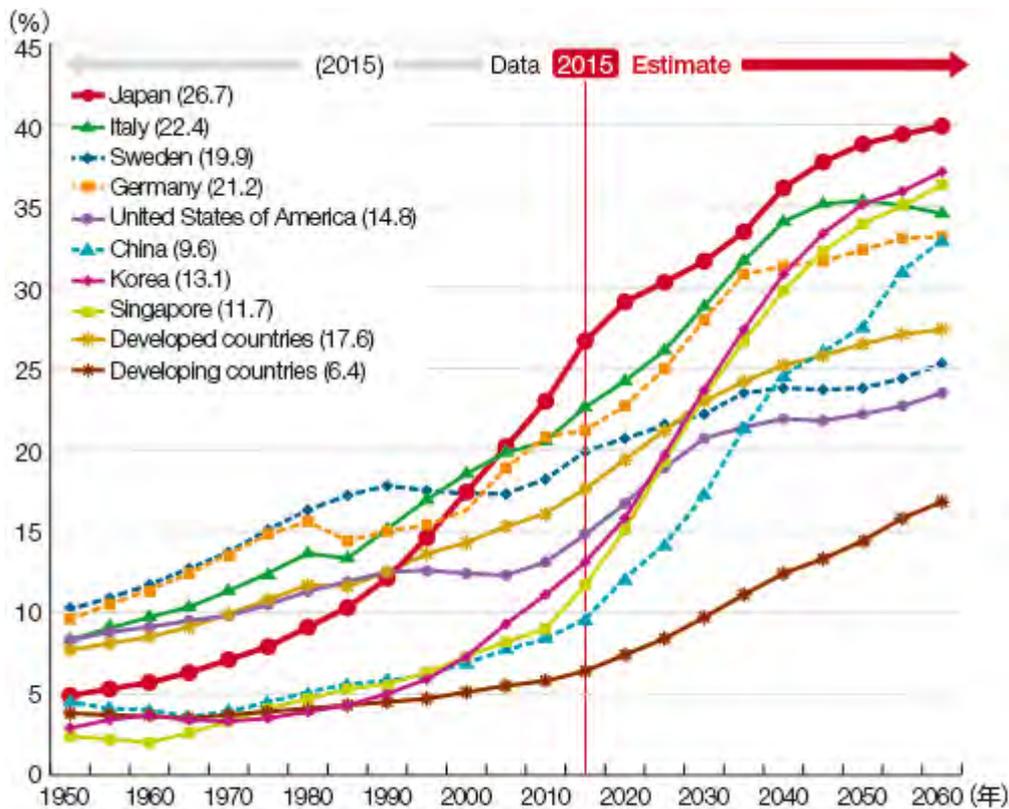
Contributing to Health and Welfare

Our Vision

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

The Facts

Percentage of elderly population* by country



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

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

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

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

Basic Policies for Our Action

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

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

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

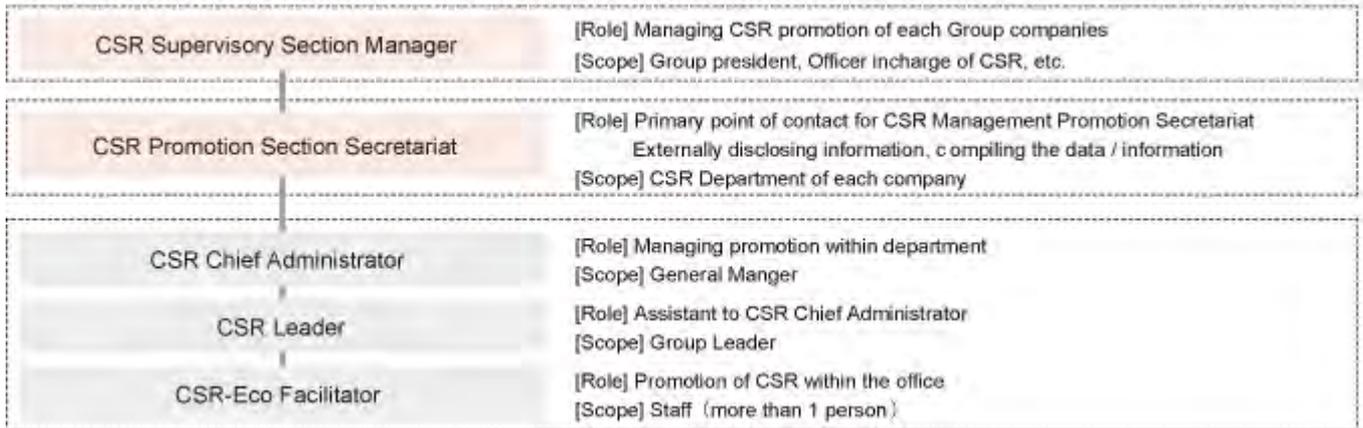
Management System

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



Example of the promotion framework of each Group companies

* Adjusting details according to the company size.



Targets and Results

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

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

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

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

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

Our Key Strengths

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

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

Stakeholder Comments

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

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

▶ [Redefining Group CSR Materiality](#)

Moving Forward

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

Key Initiatives

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

Products & Service

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

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

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

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

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

Products & Service

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

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

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

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

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

Other Key Initiatives

- ▶ Group CSR Strategies: Featured Topic 1: Nursing and Healthcare Initiatives
- ▶ Nursing Care Support Services and Health and Life Support Services to Benefit Customers
- ▶ One-time Nursing Care Payment Rider for Nursing Care Level 1 or Above
- ▶ Corporate Health Promotion: Support Services for Health and Productivity Management
- ▶ Launch of Health Service Brand Linkx (Link Cross)

- ▶ Physical Healthcare Support to Help Prevent Lifestyle Diseases
- ▶ Employee Assistance Program Services Contributing to “Healthy Companies”
- ▶ Offering Comprehensive Consulting Services for Food Risk Security
- ▶ Offering Comprehensive Support Services in Emergencies to Secure Food Safety and Consumer Trust
- ▶ Integrated Service Product: Long-term Care Support Plan
- ▶ “Wellbeing Support” Service for Elderly Customers
- ▶ Group-Wide Training Program for Volunteer Dementia Supporters
- ▶ Maternal and Child Health Project in Myanmar
- ▶ Supporting Activities and Researches for Social Welfare — Sompo Japan Nipponkoa Welfare Foundation
- ▶ Heart & Arts Program: Assistance for Art Activities by Persons with Disabilities

- ▶ Sompo Japan Nipponkoa Smile Kids Edogawabashi (Tokyo) Nursery School — Sompo Japan Nipponkoa Smile Kids Foundation
- ▶ Industry-Academia Collaboration: Diversity on the Arts Project (DOOR)
- ▶ Exhibition by Children with Intellectual Disabilities
- ▶ SOMPO Paralympic Art Contest: Support for Art by Persons with Disabilities to Realize an Inclusive Society
- ▶ Initiatives to Maintain and Promote Employee Health

Promoting the Manageability of Global Environmental Issues

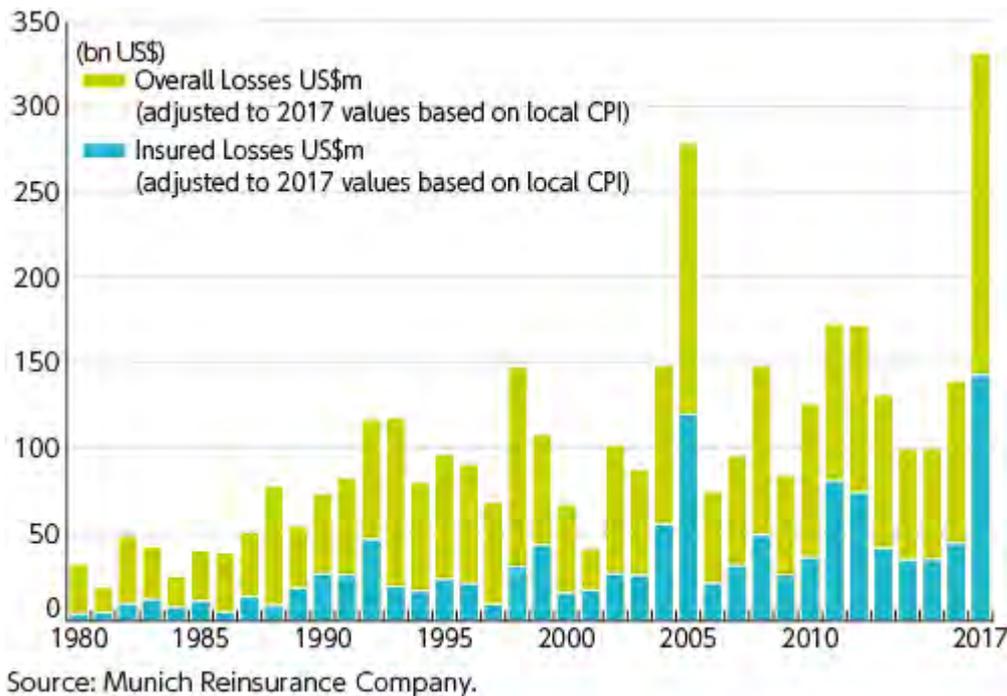
Our Vision

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

The Facts

Weather-related loss events worldwide 1980 – 2017

Overall and insured losses



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

Basic Policies for Our Action

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

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

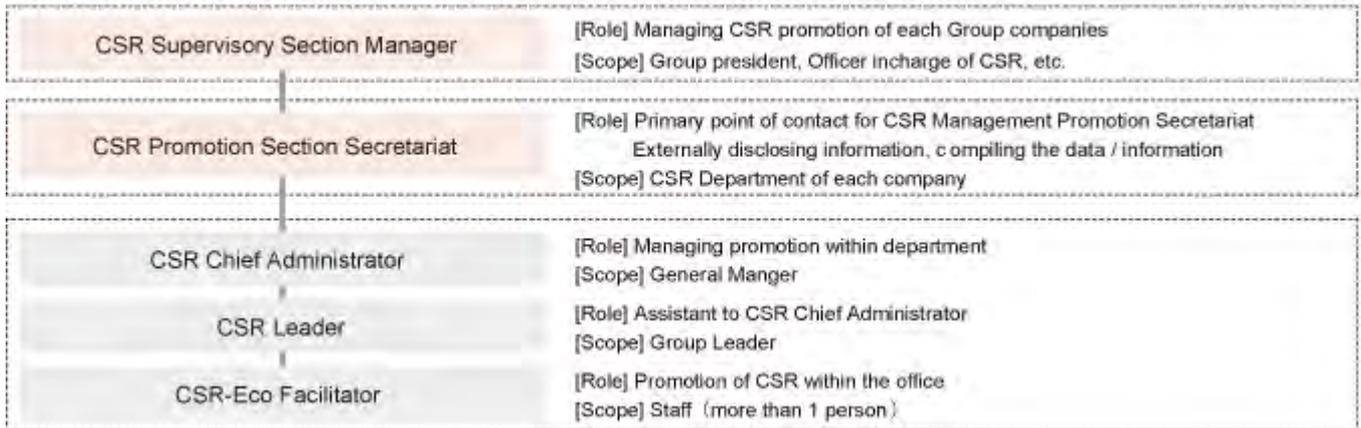
Management System

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



Example of the promotion framework of each Group companies

* Adjusting details according to the company size.



Targets and Results

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

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

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

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

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

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

Our Key Strengths

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

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

► [Redefining Group CSR Materiality](#)

Moving Forward

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

Key Initiatives

Promoting SRI funds

Products & Service

Sompo Japan Nipponkoa Asset Management offers a socially responsible investment (SRI) fund to meet the needs of individual and institutional investors. The Sompo Japan Green Open fund, launched in September 1999, invests in companies that are proactive on the environment. It has grown to become one of the largest publicly offered SRI funds in Japan, with a net asset balance of 27.3 billion yen (as of April 30, 2018). Promoting investment in environmentally responsible companies is thought to give investors an indirect way to use their capital for environmental conservation. The fund also aims to promote environmental communication by conveying environmental information to investors, and facilitating feedback to the invested companies via surveys on their environmental management performance. The Company also offers SRI funds that invest in companies that have been rated highly on ESG (Environment, Social and Governance) performance.



Other Key Initiatives

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

Empowering Community and Society

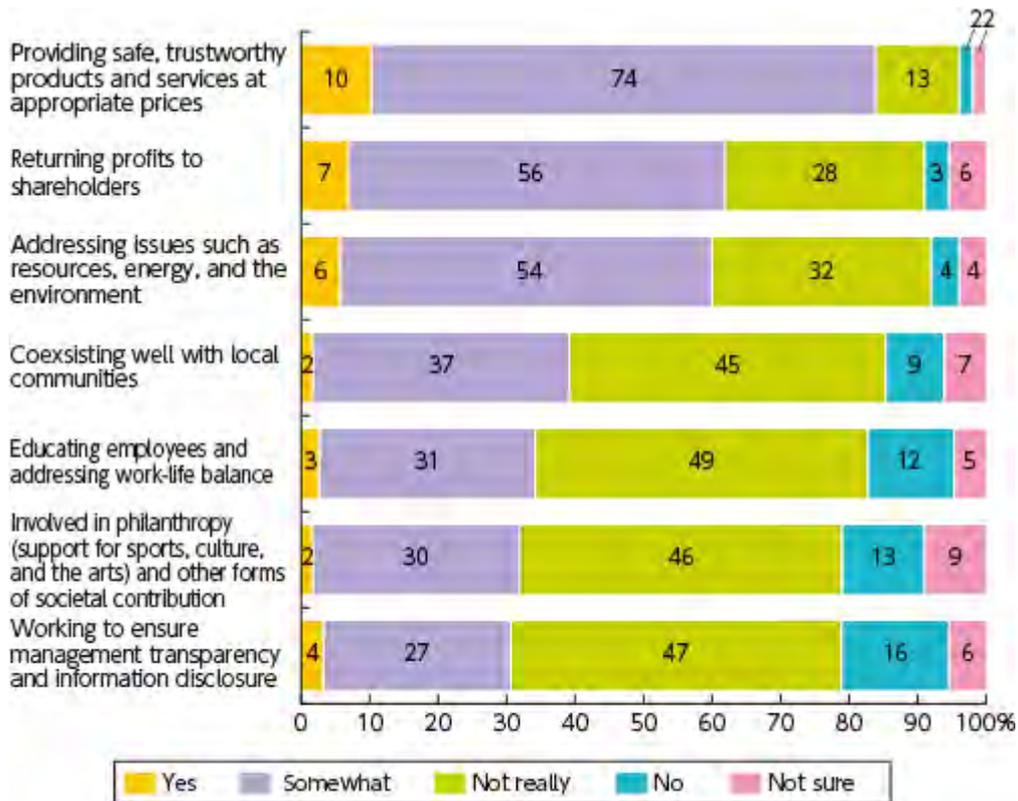
Empowering Community and Society

Our Vision

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

The Facts

Public Perception of Corporations



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

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

Basic Policies for Our Action

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

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

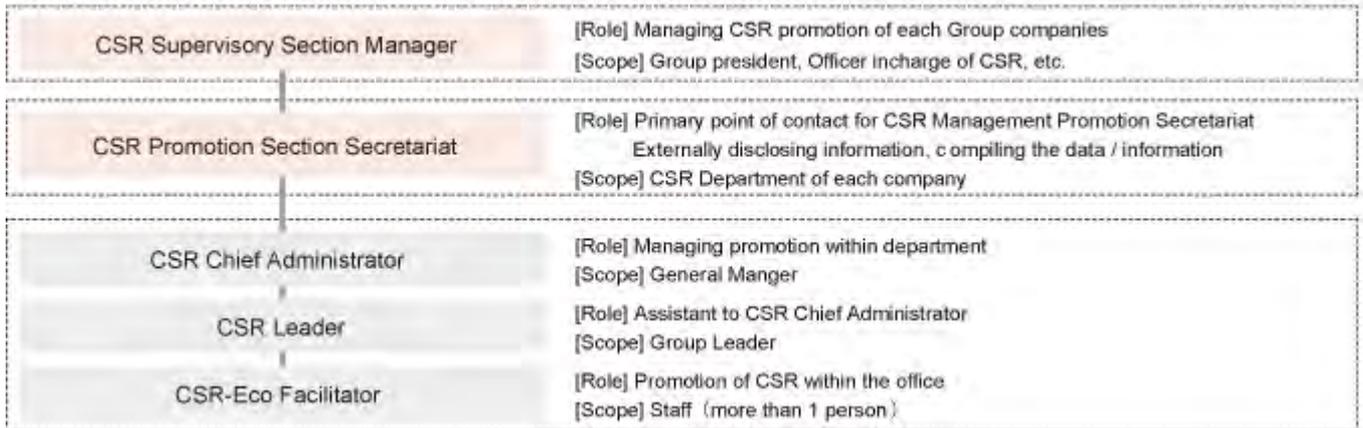
Management System

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



Example of the promotion framework of each Group companies

* Adjusting details according to the company size.



Targets and Results

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

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

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

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

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

Our Key Strengths

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

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

Stakeholder Comments

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

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

► [Redefining Group CSR Materiality](#)

Moving Forward

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

Key Initiatives

Sompo Holdings Volunteer Days

Partnerships

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



Training classes for dementia supporters



Sale of fair trade products



local cleanups



Wheelchair maintenance



Welfare activities (Vietnam)



Local cleanups (Johannesburg)



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

Other Key Initiatives

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

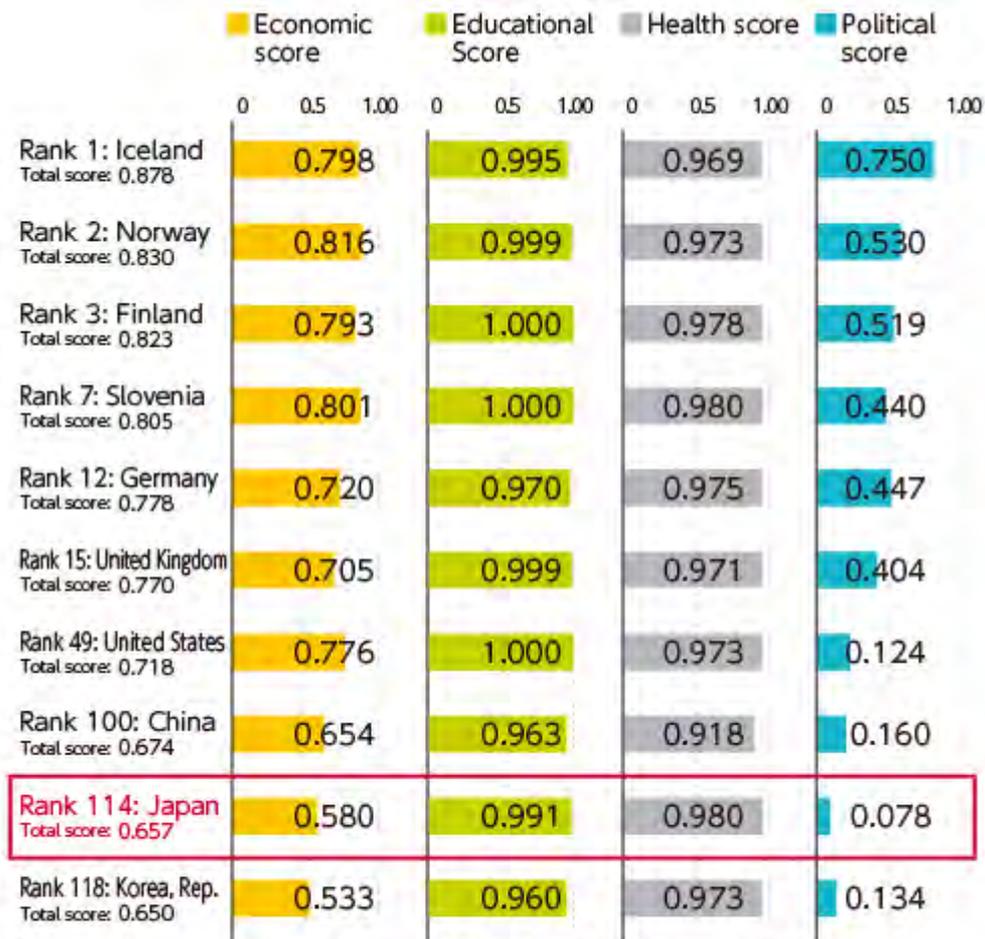
Supporting Diversity and Inclusion in Private and Public Life

Our Vision

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

The Facts

Gender Gap Index (GGI) Country Ranking 2017



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

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

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

Basic Policies for Our Action

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

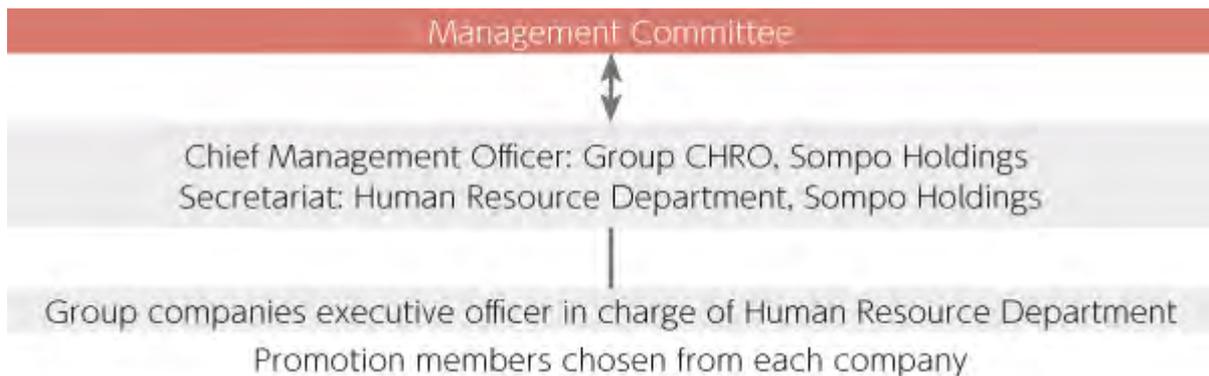
On that premise, the Group has adopted the slogan "Diversity for Growth" to inspire the development of new products and services based on that diverse sense of values.

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

Management System

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

Diversity Promotion Headquarters



Targets and Results

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

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

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

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

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

Our Key Strengths

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

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

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

Stakeholder Comments

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

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

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

► Redefining Group CSR Materiality

Moving Forward

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

Key Initiatives

Female Employee Engagement

Partnerships

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

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

●External Recognition

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



Other Key Initiatives

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

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