

**Tokio Marine Holdings, Inc.**  
**United Nations Global Compact Communication on Progress**

**General**

Period covered by your COP: From 1/2016 to 12/2016

**Statement of Continued Support by CEO**



Tokio Marine Group is a full-line insurance group comprising non-Life, life, reinsurance companies and others, including its major subsidiaries of Tokio Marine & Nichido Fire Insurance (Tokio Marine & Nichido), Tokio Marine & Nichido Life Insurance, Tokio Marine Kiln Group, Philadelphia Consolidated Holding Corp., Delphi Financial Group, Tokio Marine Asia and Tokio Millennium Re, located in 483 cities, in 38 countries and regions in the world.

Tokio Marine Group has committed to fulfill its corporate social responsibilities (CSR) by implementing it within the Group's management philosophy, so that we may achieve sustainable growth together with the development of society. We seek in our CSR initiatives to collaborate with all of our stakeholders, including members of the corporate, government and civil communities, so as to solve the social issues for the contribution to the sustainable development of society.

The concepts of the 10 principles advocated by the United Nations Global Compact; human rights, labor practices, the environment, and anti-corruption, are in unison with the approach of our CSR initiatives and CSR Charter.

In April 2005, Tokio Marine Holdings announced to support the United Nations Global Compact (hereinafter "UNGC") and became a formal participant. This decision was based upon our ambition to enhance our CSR activities from a global perspective and for the better contribution to the sustainable development of society.

Since 2007, we have worked as a member of the UN Global Compact Network Japan (hereinafter "UNGC-NJ") and supported their operations. We especially collaborate with other members in the studies of sustainability reporting.

In 2013, Tokio Marine Group contributed to the publication of UNGC's report "The UN Global Compact-Accenture CEO Study on Sustainability 2013," and stated that "The impact of corporations on sustainability is currently incremental—but it is a given that together with the public sector, we should contribute to a sustainable society." in the report.

In 2015, Tokio Marine & Nichido became a signatory to the Caring for Climate initiative driven by UNGC, the secretariat of United Nations Framework Convention on Climate Change and United Nations Environment Programme and contributed to the publication of A Caring for Climate Report "The Business Case for Responsible Corporate Adaptation: Strengthening Private Sector and Community Resilience" which contained an article on Tokio Marine's mangrove story "Protecting Natural Resources and Building Local Resilience to Natural Disasters".

"Transforming our World: the 2030 Agenda for Sustainable Development" was adopted unanimously by 193 member countries at the United Nations Sustainable Development Summit in September 2015. Tokio Marine Group is providing a variety of products and services and promotes CSR initiatives that are related to SDGs. We will strive to contribute to the attainment of the SDGs based on four activity themes (1. Contribute to building communities that are strongly resilient to natural disasters, 2. Contribute to health and well-being, 3. Contribute to creating mangrove forests, 4. Contribute to reducing poverty) that have especially deep relationships to the SDGs. (For details, please refer to our "Sustainability Report 2016" [http://www.tokiomarinehd.com/en/sustainability/group\\_csr/sdgs.html](http://www.tokiomarinehd.com/en/sustainability/group_csr/sdgs.html))

In 2016, Tokio Marine Group participated in the 2016 UNGC-Accenture Strategy CEO Study and stated that "Whenever I speak to my employees about our mission, I always emphasize we must "look beyond profit"" in the report.

We support the principles and actions of the UNGC and look forward to maintaining its membership and participation in the future.

January 2017

A handwritten signature in dark ink, appearing to read 'T. Nagano'.

Tsuyoshi Nagano  
President & CEO,  
Tokio Marine Holdings, Inc.

**Human Rights Principles** (For details, please refer to our "Sustainability Report 2016" <http://www.tokiomarinehd.com/en/sustainability/>)

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

**Assessment, policy and goals**

**<Assessment>**

Tokio Marine Group implements the Plan-Do-Check-Act (PDCA) monitoring through the Tokio Marine Global HR Policy, the Basic Policies for Human Resources Management and other fundamental policies to strive for human rights and labor issues.

Every companies of the Group hold human rights training in each office, in which all employees and other co-workers should participate.

**<Policy / Commitment >**

Tokio Marine Holdings has formulated a "Tokio Marine Group CSR Charter" as a guideline of behavior for all the group companies to implement disciplined CSR management.

This "Tokio Marine Group CSR Charter" acknowledges adherence to UN Global Compact, UN Universal Declaration of Human Rights and the ILO core labor areas.

Our Group companies follow this "Tokio Marine Group CSR Charter", along with "Basic Policies for Internal Controls" and other fundamental policies (Board, Audit, Human Resources, IT Governance, Legal, Public Relations, Compliance and others) to ensure appropriate business operations in all of our business firms.

**"Tokio Marine Group CSR Charter" (excerpt)**

Our policy in the protection of human rights is declared as follows. It is followed by all directors, officers and employees (including temporary staff) as our practice of CSR.

**"Respect for Human Rights and Dignity"**

- We respect and actively promote the recognition of human rights for all people.
- We strive to ensure an energetic working environment that is both safe and healthy and to promote training and education of our employees.
- We respect the right to privacy and strive to enforce this right through the management of personal information.

**"Tokio Marine Group Code of Conduct" (excerpt)**

We, the directors, officers and employees of the Tokio Marine Group companies, shall obey applicable laws, rules and regulations and internal rules and conduct fair and equitable business activities within social norms. In order to conduct our business in a fair manner, we shall strive to understand the applicable rules and fully comply with them.

#1: "Compliance" (compliance with laws, ordinances and social norms, etc.)

#1-2 International Rules and Local Laws — The rules which we must obey are not restricted to those applicable in Japan. We shall obey international rules and local laws, rules and regulations in the countries where Tokio Marine Group companies operate. We shall also respect the traditions and cultures in such countries.

#1-7 Working Environment - We shall comply with labor-related laws, rules and regulations and maintain a safe and proper working environment.

#4: "Respect for Human Rights and the Environment" (respect for the basic human rights of all human beings)

#4-1 Anti-discrimination — Human rights are values widely recognized around the world, and any discrimination on grounds of sex, age, profession, nationality, race, thought, creed, religion, social status or birth as well as any act constituting an infringement of human rights should never be tolerated.

#4-2 Anti-harassment — Sexual or any other kind of harassment or intimidation should never be tolerated.

#4-3 Private Information — In compliance with applicable laws, rules and regulations as well as the Tokio Marine Group Privacy Policy, we shall safeguard private information, including customers' information, and we shall not use such information except on a need basis to carry out our business operations, in order to avoid any breach of privacy.

**"Tokio Marine Basic policies for Human Resources Management" (excerpt)**

Based on the Tokio Marine Group's Corporate Philosophy of creating a corporate culture in which every employee can demonstrate his or her creativity in a free and open-minded manner, the Tokio Marine Group shall provide opportunities to employees so that they find it worthwhile and rewarding to work for the Group, and thoroughly promote transparent and fair human resources management, and a merit-based system. Based on these efforts, the Tokio Marine Group aims at improving productivity and corporate value through responses to environmental changes and the appropriate management of human resources and labor risks.

- Explicit policies and procedures that cover the following human resources activities are established, disclosed timely to the employees, periodically reviewed, and revised as necessary. - Recruitment, Training, Performance evaluation, Promotion, Remuneration, Deployment/Job rotation, Succession Planning, Dismissal

- \* We have enhanced management systems by formulating individual guidelines and rules in light of the circumstances at national and regional locations.
  - Employees' grievance/complaint (\*) filing route is established and is properly handled.
- (\*) Including but not limited to any type of harassment, discriminations, problems around working environment and dissatisfaction with working conditions.

Domestic group companies are required to take the following measures in recognition of the importance of human rights promotion.

- Create an organization for human rights promotion overseen directly by the president
- Conduct at least one training session per year on human rights promotion for all directors, officers and employees
- Formulate and rigorously implement guidelines concerning non-discriminatory hiring practices and establish a "Committee on Non-Discriminatory Hiring Practices and Human Rights Promotion"
- Promote normalization (achieve statutory disabled hiring rates and create working environments that are suitable to disabled employees on both the software and hardware sides)

#### <Goals>

- Result on FY 2015 (April 2015- March 2016)
  - Percentage of employees undergoing education and taking courses on human rights (Group companies in Japan): 99.7%
  - Percentage of employees with disabilities (Group companies in Japan) 2.17% (as of June 1, 2016)
- Medium term Plan (2015-2017)
  - Percentage of employees with disabilities (Group companies in Japan) 2.40%

#### **Implementation**

In the case of non-compliance (including doubtful cases) with this Code of Conduct, applicable laws, rules and regulations or internal rules, we, the directors, officers and employees of the Tokio Marine Group companies, shall make a prompt report or consultation in accordance with the applicable internal rules. If, for any reason, it is not appropriate to make use of the regular reporting system, we may contact hotlines including external hotlines (assigned law firm).

The reporter will not be treated disadvantageously because of his or her report. Furthermore, private information of the reporter shall be handled responsibly.

Based on the mechanisms described above, Group companies shall create compliance manuals and shall formulate and implement annual CSR and human rights plans.

#### Principles 1 and 2

Group companies conduct training sessions for all directors, officers and employees every year in order to deepen their understanding and respect regarding human rights and to prevent all forms of discrimination and harassment.

Group companies also hold seminars featuring lecturers invited from outside of our group.

Group companies also provide training tools regarding human rights issues to insurance agents, who are one of our important business partners.

#### **Measurement of outcomes**

Group companies evaluate the results of activities quantitatively every year based on KPIs.

KPI's of domestic companies is including some criteria such as (1) employee satisfaction with corporate ethics and respect for human rights, (2) disabled employment rates and (3) numbers of female employees in management positions.

The data are used for the plan-do-check-act (PDCA) monitoring and for the formulation of new strategies.

KPIs are incorporated into the evaluation criteria for compensation of Executive, General Manager who is in charge of Personnel Planning / Human Resources at Tokio Marine Holdings.

Group companies conduct human rights promotion training (e-learning, lectures) for all directors, officers and employees.

Domestic companies hold the human rights seminars for our executive-level employees by featuring lecturers from outside our group.

Tokio Marine Holdings and Tokio Marine & Nichido (the largest subsidiary) also provides training tools (e-learning, handbooks, and DVDs) of human rights issues for employees and insurance agencies once a year to assist their awareness raising.

\* Percentage of employees undergoing education and taking courses on human rights (Group companies in Japan) : 99.7% (as of March 31, 2016)

Tokio Marine & Nichido formulated a “Code of Conduct in Business Transactions” for business partners which requires the adherence of the national laws, ordinances and social norms, etc

Tokio Marine & Nichido holds approximately 30 meetings each year with the Tokio Marine & Nichido Labor Union to discuss wide ranges of issues related to the protection of human rights (including work environment such as labor safety and sanitation).

Tokio Marine Group also supports the physical and mental health of employees by the management of working hours (including temporary staff) and the health management. (For overviews of FY 2015, see the measurement of outcomes of the following "Labor Practices Principles.")

#### **Labor Practices Principles** (For details, please refer to our "Sustainability Report 2016" <http://www.tokiomarinehd.com/en/sustainability/>)

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labor;

Principle 5: The effective abolition of child labor; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

#### **Assessment, policy and goals**

##### **<Assessment>**

Tokio Marine Group implements the Plan-Do-Check-Act (PDCA) monitoring through the Tokio Marine Global HR Policy, the Basic Policies for Human Resources Management and other fundamental policies to strive for human rights and labor issues.

Every companies of the Group hold human rights training in each office, which all employees and other co-workers should participate.

##### **<Policy / Commitment >**

Tokio Marine Holdings has formulated a “Tokio Marine Group CSR Charter” as a guideline of behavior for all the group companies to implement disciplined CSR management.

This “Tokio Marine Group CSR Charter” acknowledges adherence to UN Global Compact, UN Universal Declaration of Human Rights and the ILO core labor areas.

Our Group companies follow this “Tokio Marine Group CSR Charter”, along with "Basic Policies for Internal Controls" and other fundamental policies (compliance, information security, human resources and others) to ensure appropriate business operations in all of our business firms.

##### **“Tokio Marine Group CSR Charter” (excerpt)**

Our policy in the protection of human rights is declared as follows. It is followed by all directors, officers and employees (including temporary staff) as our practice of CSR.

##### **“Respect for Human Rights and Dignity”**

- We respect and actively promote the recognition of human rights for all people.
- We strive to ensure an energetic working environment that is both safe and healthy and to promote training and education of our employees.
- We respect the right to privacy and strive to enforce this right through the management of personal information.

##### **“Tokio Marine Group Code of Conduct” (excerpt)**

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#1-7 Working Environment - We shall comply with labor-related laws, rules and regulations and maintain a safe and proper working environment.

#4: “Respect for Human Rights and the Environment” (respect for the basic human rights of all human beings)

#4-1 Anti-discrimination — Human rights are values widely recognized around the world, and any discrimination on grounds of sex, age, profession, nationality, race, thought, creed, religion, social status or birth as well as any act constituting an infringement of human rights should never be tolerated.

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**"Tokio Marine Basic policies for Human Resources Management" (excerpt)**

Based on the Tokio Marine Group's Corporate Philosophy of creating a corporate culture in which every employee can demonstrate his or her creativity in a free and open-minded manner, the Tokio Marine Group shall provide opportunities to employees so that they find it worthwhile and rewarding to work for the Group, and thoroughly promote transparent and fair human resources management, as well as a merit-based system. Based on these efforts, the Tokio Marine Group aims at improving productivity and corporate value through responses to environmental changes and the appropriate management of human resources and labor risks.

- Explicit policies and procedures that cover the following human resources activities are established, disclosed timely to the employees, periodically reviewed, and revised as necessary. - Recruitment, Training, Performance evaluation, Promotion, Remuneration, Deployment/Job rotation, Succession Planning, Dismissal
- \* We have enhanced management systems by formulating individual guidelines and rules in light of the circumstances at national and regional locations.
- Employees' grievance/complaint (\*) filing route is established and is properly handled.  
(\*) Including but not limited to any type of harassment, discriminations, problems around working environment and dissatisfaction with working conditions.

Domestic group companies are required to take the following measures in recognition of the importance of human rights promotion.

- Create an organization for human rights promotion overseen directly by the president
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- Promote normalization (achieve statutory disabled hiring rates and create working environments that are suitable to disabled employees on both the software and hardware sides)

**<Goals>**

- Result on FY 2015(April 2015- March 2016)
  - Percentage of employees undergoing education and taking courses on human rights (Group companies in Japan): 100%
  - Percentage of employees with disabilities (Group companies in Japan) 2.17% (as of June 1, 2015)
- Medium term Plan (2015-2017)
  - Percentage of employees with disabilities (Group companies in Japan) 2.40%

**Implementation**

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The reporter will not be treated disadvantageously because of his or her report. Furthermore, private information of the reporter shall be handled responsibly.

Based on the mechanisms described above, Group companies shall create compliance manuals and shall formulate and implement annual CSR and human rights plans.

Group companies adhere to labor-related laws and ordinances under national laws, ordinances and rules of each country. We endeavor to build sound labor-management relationship, maintain safe and healthy working environments, rigorously manage the working hours of employees and promote appropriate and fair employment.

In order to improve the quality of the products and services which Tokio Marine Group provides to the customers worldwide, we believe that it is essential for motivated and capable employees who possess diverse senses of value may show their capabilities to the full, regardless of gender, age, nationality or other attributes. We encourage the employment of the disabled people, provide opportunities for female employees and create a field for knowledgeable, experienced senior employees may actively participate to promote diversity within the group as a whole.

## Measurement of outcomes

Group companies evaluate the results of activities quantitatively every year based on KPIs.

KPI's of domestic companies is including some criteria such as (1) employee satisfaction with corporate ethics and respect for human rights, (2) disabled employment rates and (3) numbers of female employees in management positions.

The data are used for the plan-do-check-act (PDCA) monitoring and for the formulation of new strategies.

KPIs are incorporated into the evaluation criteria for compensation of Executive, General Manager who is in charge of Personnel Planning / Human Resources at Tokio Marine Holdings.

Group companies conduct human rights promotion training (e-learning, lectures) for all directors, officers and employees.

Domestic companies hold the human rights seminars for our executive-level employees by featuring lecturers from outside our group.

Tokio Marine Holdings and Tokio Marine & Nichido (main subsidiary) also provides training tools (e-learning, handbooks, and DVDs) of human rights issues for employees and insurance agencies once a year to assist their awareness raising.

\* Percentage of employees undergoing education and taking courses on human rights (Group companies in Japan) : 99.7%

Tokio Marine & Nichido formulated a "Code of Conduct in Business Transactions" for business partners which requires the adherence of the national laws, ordinances and social norms, etc

Tokio Marine & Nichido holds approximately 30 meetings each year with the Tokio Marine & Nichido Labor Union to discuss about wages, human resources systems, labor safety and sanitation, management programs and policies, and a wide range of issues related to labor.

The Tokio Marine Group also supports the physical and mental health of employees by the management of working hours (including temporary staff) and the health management. (For overviews of FY 2013, see the measurement of outcomes of the following "Labour Principles".)

### \* Overview of Performance Data (FY2015)

Labor union participation rate (Group companies in Japan) 80.2%, Employee health examination rate (Group companies in Japan) 99.8%

Industrial accidents (Group companies in Japan) - Occupational accidents 47 people, Commuting accidents 51 people

The Japanese member companies of Tokio Marine Group have been making efforts to develop a working environment for disabled employees may work comfortably and show their abilities in full extent, through individual counseling or improvements in their infrastructure appropriate for their specific needs. In January 2010, Tokio Marine Holdings established Tokio Marine Business Support Co., Ltd. to provide an even greater scope of opportunities for persons with disabilities by outsourcing several office works throughout the group.

Tokio Marine Group has expanded the work fields to female employees who now occupy approximately half of our Group workforce.

We encourage them to participate actively in these fields to meet the diverse expectations and needs of our customers. Group companies in Japan hold the annual "Tokio Marine Forum - the Women's and Men's Forum", which a total of 250 female employees from domestic group companies participated in FY 2012.

We may add that the female managers rate is slightly increasing at group companies in Japan (see below).

Tokio Marine & Nichido holds regular meetings between executives and female managers to have opportunities of direct communications.

These meetings are an opportunity to listen to the opinions of female employees, which may be utilized for the improvement of the company policies and programs and improve workplaces for the active participation of female employees throughout the company.

Tokio Marine Group considers active employment of elderly members is an important management issue for the sustainable growth of the whole group. Along with the continuous encouragement of self advancement and changes of awareness and behavior, we intend to provide fields which elderly employees may utilize their experiences and strengths and generate new value as well.

### \* Overview of Performance Data (FY2015)

- Percentage of employees with disabilities (Group companies in Japan, as of June 1, 2016): 2.17%
- Number of female managers (Group companies in Japan, as of March 31, 2016): 250
- Number of employees using the sustainable system for continued employment for the elderly (Group companies in Japan, as of March 31, 2016): 645

**Environment Principles** (For details, please refer to our "Sustainability Report 2016" <http://www.tokiomarinehd.com/en/sustainability/>)

Principle 7: Business should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

**Assessment, Policy and Goals**

<Assessment>

Tokio Marine Group has to recognize that climate change and global warming pose major risks to the management of the insurance business hereafter.

The Group has promoted the cross-organizational "Global Warming Research Project" through the joint efforts of Tokio Marine & Nichido, Tokio Marine Research Institute and Tokio Marine & Nichido Risk Consulting Co., Ltd. since FY2006.

The project is engaged in the study of climate change risks and global warming as well as the development of the related products and services.

All principal group companies of the Tokio Marine Group implements the Plan-Do-Check-Act (PDCA) cycle through environmental management systems (EMS), so that they may strive to reduce the environmental impact from their business activities.

<Policy / Commitment >

The Tokio Marine Group endeavors to protect the global environment in all aspects of its business activities.

"Group CSR Charter -Protection of the Global Environment"

Acknowledging that the protection of the global environment is an important responsibility for all corporate entities, we respect harmony with and improving the global environment in all of our activities.

"Group Code of Conduct" -Respect for Human Rights and the Environment" (environment-friendly action)"

Acknowledging that the protection of the global environment is an important responsibility, we shall comply with applicable laws, rules and regulations, and respect the harmonization with and the improvement of the global environment in all of our activities.

"Environmental Philosophy/Environmental Policy"

Tokio Marine adopts the conservation of the global environment as one of its key management policies. We recognize the protection of the environment is currently an important responsibility for all human and companies. Tokio Marine commits to realize a sustainable developing society through the efforts of all employees in improving and keeping harmony with the environment.

- (1) Preservation of the global environment through insurance business
- (2) Efficient use of resources and energy
- (3) Compliance with environmental laws and regulations
- (4) Continuous improvement of the environment and prevention of pollution
- (5) Promotion of environmental awareness-raising and philanthropic activities

<Goals>

- Development of products and services that adapt to and mitigate climate change

e.g. expand and upgrade Tokio Marine & Nichido's "Green Gift" Project (paperless initiative), Upgrading natural disaster risk assessment (typhoon, flood, earthquake and tsunami).

- Reduction in environmental impact at Group companies (Japan/overseas)

Results (FY2015): CO2 emissions: 98,800 tons (Breakdown: Scope1: 14,954t-CO2, Scope2: 77,854t-CO2, Scope3:5,992t-CO2)  
Paper consumption: 9,309 tons  
Tokio Marine Group (Japan/overseas) achieved a carbon-neutral status in FY2014.

Targets (FY2016): CO2 emissions: 97,812 tons (a reduction of 1% from the previous year)  
Paper consumption: 9,215 tons (a reduction of 1% from the previous year)

The entire Tokio Marine Group (Japan/overseas) aims to become carbon-neutral by the end of FY2016.

\*Mid-term target of Tokio Marine & Nichido for FY2020

Tokio Marine & Nichido set a medium-term target of attaining a 40% reduction in CO2 emissions by FY2020 compared with the level of FY2006.

They also set a long-term target of attaining a 60% reduction in CO2 emissions by FY2050 compared with the level of FY2006 and is currently progressing with CO2 reduction measures.

## **Implementation**

### **(1) Risk Research**

In light of the highly public nature of insurance business, insurance companies must provide their customers stable and viable products and services over long term.

In FY2006, the Tokio Marine Group launched a "Global Warming Research Project Team," with Tokio Marine & Nichido and Tokio Marine Research Institute serving as the leading members.

The task of the team is to study and research risk management and product development related to climate change.

[http://www.tokiomarinehd.com/en/sustainability/theme1/risk\\_research.html](http://www.tokiomarinehd.com/en/sustainability/theme1/risk_research.html)

- # In collaboration with the Atmosphere and Ocean Research Institute of The University of Tokyo, Tokio Marine & Nichido and the Tokio Marine Research Institute have been upgrading their natural disaster risk assessment approaches by integrating statistical and engineering techniques into meteorological analysis and utilizing the world's top-class climate models developed by the university.
- # Through a partnership with the Hydrospheric Atmospheric Research Center of Nagoya University, Tokio Marine & Nichido and the Tokio Marine Research Institute have been conducting research on how climate change induced variations in typhoon risks affect the insurance claim payments by employing high spatial resolution models, and analyzing changes in the around Japan.
- # Through a partnership with the Disaster Prevention Research Institute and Graduate School of Engineering of Kyoto University, Tokio Marine & Nichido and the Tokio Marine Research Institute have been conducting research on how water disasters under the future climate affect the insurance claim payments by utilizing the rainfall runoff and river discharge projection models.
- # The Bermuda-based Tokio Millennium Re has been conducting surveys and research on climate change and global warming with a focus on North Atlantic hurricanes. To advance its research, Tokio Millennium Re has regularly held the Summit on Global Warming and Climate Change, to which it invited prominent and out spoken climate risk experts from around the globe.
- # Tokio Marine & Nichido signed an industry-academia collaboration agreement with Tohoku University in July 2011 and endowed a research program, "Earthquake Induced Tsunami Risk Evaluation (Tokio Marine & Nichido)," to the International Research Institute of Disaster Science (IRIDeS), Tohoku University, in April 2012. Tokio Marine & Nichido extended the agreement with Tohoku University in March 2015 for the next three years.

### **(2) Mangrove Planting Project**

Since 1999, Tokio Marine & Nichido has been working on mangrove planting project mainly in South East Asia. The concept of the project is "insurance for the future of the Earth." Mangroves have wide range of effects on Earth. They help to prevent and mitigate global warming by absorbing and storing CO2 and preserve ecosystems and biodiversity. They can also serve as breakwaters to protect people from tsunamis and other natural disasters.

Tokio Marine Group develops and markets products which contribute to climate change mitigation and adaptation and biodiversity conservation as part of our efforts to protect the global environment through insurance business. One of the examples is the "Green Gift Project" initiated by Tokio Marine & Nichido in 2009. We encourage the customers to browse the content of clause through the internet, rather than send paper copies to customers. If the customer agrees in browsing their insurance contract through the website, Tokio Marine & Nichido donates money saved by paper reduction for the above mangrove planting project and environmental protection activities in Japan through collaborating with NPOs.

### **(3) Carbon-Energy Management**

The Board of Directors and CSR Board (a committee organized by the presidents of each group company) formulate an annual plan every year for the protection of global environment, including the reduction of environmental impact of the whole Group. The performances of group companies are periodically monitored. Each group companies nominate a "CSR key person" who promotes the environmental, social and governance (ESG) activities of each company. They coordinate the internal ESG programs according to the group annual plan.

The head office of Tokio Marine & Nichido and Tokio Marine & Nichido Facilities adopted an EMS based on the ISO 14001 environmental management standard from fiscal 1999 and 2006, respectively. According to this ISO 14001 standard, Tokio Marine Group has set an original environmental management system (so called "Green Assist"). We expanded the system to the entire group and have now achieved approximately 100% coverage on a consolidated basis.

Plan-Do-Check-Act (PDCA) cycle is implemented within this management system to reduce the environmental impacts from business activities. Group companies make effort in saving energy by adjusting office air-conditioning to appropriate level, turning off lights during lunchtime etc. We also rearrange our business process to reduce the usage of paper by eliminating forms and ledgers or computerizing the business process.

### **(4) Participate in External Initiatives**

Tokio Marine & Nichido participates in both Japanese/overseas global environmental protection initiatives as one of the leading companies in Japan, and enthusiastically provide information

and advice to those initiatives. We also participate in the meetings of the General Insurance Association of Japan and Nippon Keidanren to involve in the formulation of recommendations regarding the reduction of industrial energy usage, or the research of emissions rights trading. Tokio Marine Group participates in international initiatives related to climate change in order to fulfill its role and responsibility as a global insurance company and to actively propose the plans and means to adapt to and mitigate climate change (see next page for details).

## **Measurement of outcomes**

### **(1) Risk Research**

Tokio Marine Group collaborates with academic institutions such as The University of Tokyo, Nagoya University and Kyoto University to study the impact of climate change on typhoons and other natural disasters since 2006. On July 2011, Tokio Marine & Nichido started the collaboration with Tohoku University by R&D and human resources development in the research related to risk evaluation of earthquakes and tsunami. We aim to use the findings or the results of this research to improve the accuracy of risk management, for the development and marketing of new products and to improve the services and communication efforts to the general public.

In 2007, Tokio Marine & Nichido formulated a "Comprehensive Program concerning Climate Change" as a strategy framework of climate change as well as an action plan for specific business areas. In accordance with the Comprehensive Program, we are now working to improve the level of our activities and contribution to the achievement of a sustainable society.

Thanks to these comprehensive initiatives, Tokio Marine & Nichido was certified as an "Eco-First Company" in 2008 based on the "Eco-First Program" established by the Ministry of the Environment of Japan. Tokio Marine & Nichido was re-certified as an "Eco-First Company" in June 2014,

Group companies conduct quantitative evaluations of activity results based on KPIs which include CO2 emissions and use of paper resources.

KPI's of domestic companies is including some criteria such as (1) employee satisfaction with corporate ethics and respect for human rights, (2) disabled employment rates and (3) numbers of female employees in management positions. The data are used for the plan-do-check-act (PDCA) monitoring and for the formulation of new strategies.

KPIs are incorporated into the evaluation criteria for compensation of Executive, General Manager who is in charge of Corporate Social Responsibility at Tokio Marine Holdings.

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Tokio Marine Group collaborates with academic institutions such as The University of Tokyo, Nagoya University and Kyoto University to study the impact of climate change on typhoons and other natural disasters since 2006. On July 2011, Tokio Marine & Nichido started the collaboration with Tohoku University by R&D and human resources development in the research related to risk evaluation of earthquakes and tsunami. We aim to use the findings or the results of this research to improve the accuracy of risk management, for the development and marketing of new products and to improve the services and communication efforts to the general public. Tokio Marine & Nichido's Industry-Academia Collaborative Research Project on Earthquake-Induced Tsunami Risks was recognized as a "Good Practice" of "Principles for Financial Action for the 21st Century" in March 2015.

### **(2) Mangrove Planting Project**

In 2008, Tokio Marine & Nichido declared a commitment to maintain our involvement in the Mangrove Planting Projects as a protection of the global environment for the next 100 years. We have been promoting the project since 1999, and have planted 9,474 hectares of forest by the end of March 2016.

Tokio Marine & Nichido initiated the Green Gift Project with the support of our customers who cooperate with our project to reduce environmental impact by reducing the use of paper. Customers who agree to this project may refer to the terms and conditions of their insurance contracts through the company's website (Web contracts) instead of paper contract. In addition, Tokio Marine & Nichido donates funds equivalent to two mangrove saplings per each customer switched to Web contracts which contributes to the promotion of the Mangrove Planting Project. By the end of March 2016, approximately 10.1 million contracts had been switched to paperless Web contracts which reduced approximately 2,600 tons (per year) of paper resources in our daily operations. This project is a good practice of how the company collaborates with the customers to reduce paper resources and CO2 emissions, thereby contribute to alleviate global warming and preserve biodiversity.

Tokio Marine & Nichido received the 2013 Environmental Minister's Award for Global Warming Prevention Activity in the Category of International Contribution for mangrove planting activity conducted since 1999. Restoration of mangrove forests contribute to an increase in climate resilience as they help absorb the impact of coastal storms, among other benefits.

According to Mitsubishi Research Institute, Tokio Marine & Nichido's mangrove planting project is worth USD338.8 million and impacted on approximately 1.25 million people (cumulative total from April 1999 to March 2014).

### **(3) Carbon-Energy Management**

Overviews of CO2 emissions and paper usage by Tokio Marine Group in FY2013 are as follows:

|                   |   |  |
|-------------------|---|--|
| Results (FY2015): | CO2 emissions:  | 98,800 tons (Breakdown: Scope1: 14,954 t-CO2, Scope2: 77,854 t-CO2, Scope3:5,992 t-CO2)                        |
|                   | Paper consumption:  | 9,309 tons   |
|                   | CO2 removal volumes:  | 133,447 tons (Breakdown: Removal by Mangrove planting: 130,000 t-CO2, Purchase of renewal energy: 3,447 t-CO2) |
|                   | Tokio Marine Group achieved a carbon neutral status in its global operations in FY2014. |  |

Regarding Tokio Marine & Nichido, internal and external audits based on ISO14001 have detected no major problems or violations of environmental laws, and no complaints from customers regarding the environment issues was filed for any of the companies of Tokio Marine Group.

#### (4) Participate in External Initiatives

Tokio Marine Group addresses the realization of a sustainable society through the participation in various initiatives.

##### a. UNEP FI Insurance Working Group

Tokio Marine & Nichido is participating in surveys, research and advocating activities on sustainability in the insurance industry as a member of the Insurance Commission in the United Nations Environment Programme Finance Initiative (UNEP FI), as well as serving as its Board Member for Asia. In November 2011, Tokio Marine & Nichido and UNEP FI co-hosted the PSI Regional Consultation Meeting for Asia, which was attended by Asian insurance companies, reinsurers, academics and NGOs.

Tokio Marine led discussions on such topics as "The roles and responsibilities that should be fulfilled by the insurance industry toward the realization of a sustainable society" and "Agenda for action considering ESG in the insurance business. In June 2012, Tokio Marine & Nichido became a founding signatory of "Principles for Sustainable Insurance (PSI)" which was launched by UNEP FI during the United Nations Conference on Sustainable Development (Rio+20 Conference). Together with UNEP FI and other insurance companies from around the world, Tokio Marine & Nichido also participated in the drafting committee of the PSI (PSI Team). Later in the year, Tokio Marine & Nichido was elected board member of the PSI Initiative.

##### b. The Geneva Association

Tokio Marine & Nichido is a member of the Geneva Association comprised of approximately 80 executives from major insurance companies around the globe. In September 2008, a number of leading members and climate experts convened and established the Climate Change and Insurance (CC+I) Project (subsequently renamed Climate Risk and Insurance Project - CR+I), which is undertaking research on climate change risk. To date, The Geneva Association has issued reports that include "The Insurance Industry and Climate Change" (2009) and "Global Insurance Industry Statement on Adapting to Climate Change in Developing Countries" (2010). In March 2012, The Geneva Association released a report entitled "Extreme events and insurance: 2011 annus horribilis." This report analyzed the major natural catastrophes (New Zealand earthquake, Great East Japan Earthquake, U.S. tornadoes and Thai floods, etc.) that occurred in 2011, the impact of these natural catastrophes on economies and insurance losses, and summarized the functions and roles fulfilled by risk management. Within this report, under the section entitled "11 March Japanese earthquake, tsunami and nuclear emergency: how insurance responded in post-disaster recovery," Tokio Marine & Nichido reported on the lessons the Japanese insurance industry learned from the Great East Japan Earthquake, and identified issues concerning the insurance system and products in the context of contributing further to the realization of a sustainable society and to disaster resilient community. In June 2013, The Geneva Association released a report entitled "Insurers' contributions to disaster reduction-a series of case studies." This report presents case studies on floods, earthquakes, resilient communities and liability litigation as a tool for disaster remediation. Within the report, under the section Case studies-Topic II: Earthquakes and natural perils, Tokio Marine & Nichido reported on the Tohoku earthquake and tsunami of March 2011. In October 2013, The Geneva Association and Tokio Marine & Nichido jointly hosted the 5th Climate Risk and Insurance Seminar in Sendai, Japan. The objective of the seminar was to deepen the knowledge pool on the impacts of climate and natural disaster risks focusing on "Lessons Learned from the Events of March 11 -the Earthquake and Tsunami and its impacts on Human Life, Terrestrial Infrastructure and Consequential Losses". Around 60 experts convened from public and private sectors around the world, including high-level officials from the United Nations Office for Disaster Risk Reduction (UNISDR), the World Bank, the World Meteorological Organization (WMO), Asia Development Bank, and Cabinet Office, Government of Japan. The seminar provoked constructive discussions on how insurance can better be utilized in reinforcing societal system of disaster risk reduction, thus setting a platform towards post-Hyogo Framework for Action. In March 2015, The Geneva Association and Tokio Marine & Nichido jointly hosted the public forum event "Insurance as contributors to problem solving and impact reduction" at the third United Nations World Conference on Disaster Risk Reduction (UNWCDRR). The 3rd UNWCDRR was held from March 14th to 18th in Sendai and adopted new people-centered "Sendai Framework for DRR." During UNWCDRR, The Geneva Association and Tokio Marine & Nichido jointly held the public forum event "Insurance as Contributors to Problem Solving and Impact Reduction", attended by approximately 100 participants. Chairman Sumi said "I am convinced that insurance will play a more significant role in mainstreaming disaster risk reduction under the new framework." in his opening remarks of the Geneva Association's event. Tokio Marine Group aims to contribute to create a safe, secure and resilient future by proactively enhancing DRR worldwide.

##### c. ClimateWise

In September 2010, Tokio Marine & Nichido became the first Asian member of ClimateWise, a global collaboration of 40 leading insurers focused on reducing the risks of climate change, launched in 2007 by HRH, the Prince of Wales. Under ClimateWise, insurers from around the world jointly carry out studies and research on various risks and opportunities related to climate change and make recommendations toward reducing the risks that climate change imposes on economic and social life.

Tokio Marine & Nichido participates in the annual progress reporting initiative, and utilizes the outcome to identify its strengths and weaknesses, which will be taken into account in planning for its climate related strategies in the following business years.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

### **Assessment, Policy and Goals**

<Assessment>

Tokio Marine Group implements the Plan-Do-Check-Act (PDCA) monitoring through the Tokio Marine Global HR Policy, the Basic Policies for Human Resources Management and other fundamental policies to enlighten the staffs on compliance including corruption issues.

All the employees (including temporary staffs) of Tokio Marine Group attend compliance training which is held at each company.

<Policy / Commitment >

Tokio Marine Group supports and respects the OECD Guidelines for Multinational Enterprises. The Group requires all directors, officers and employees to conduct business in a sincere and fair manner, adhering to all laws, ordinances and social norms, etc.

**"Tokio Marine Group CSR Charter -Compliance"**: While striving to maintain high ethical standards at all times, we will pursue strict compliance in all aspects of our business activities.

**"Tokio Marine Group CSR Charter"** (excerpt)

All directors, officers and employees of the Tokio Marine Group companies, shall obey applicable laws, rules and regulations and internal rules and conduct fair and equitable business activities within social norms.

#### **#1 Compliance**

We shall comply with applicable laws, rules and regulations and internal rules, engage in free and fair competition and conduct fair and equitable business activities in conformity with social norms.

#### **#1-5 Insider Trading**

We shall not buy or sell securities of any company while in possession of material, nonpublic information (known as "inside information") regarding the subject company in violation of securities related laws, rules or regulations. This rule applies not only to the securities of Tokio Marine Holdings, Inc. but also to those of other companies. Without authorization, we shall not pass inside information to any other person.

#### **#2 Social and Political Issues**

In full recognition of our social responsibility, we, together with all Tokio Marine Group companies, shall maintain a firm stand against all anti-social forces, prevent money laundering, respect laws and ordinances concerning political activities and prohibit accepting and giving entertainment and gifts. We shall strive to prevent money laundering by endeavoring to thoroughly identify transaction parties and by responding appropriately to transactions in which we suspect criminal involvement. We shall not accept money, goods and other inappropriate or unlawful profits by taking advantage of our position. Also, we shall not accept or give any gifts or entertainment which are illegal or not considered reasonable by social standards.

### **Implementation**

In the case of non-compliance (including doubtful cases) with this Code of Conduct, applicable laws, rules and regulations or internal rules, the directors, officers and employees of the Tokio Marine Group companies shall make a prompt report or consultation in accordance with the applicable internal rules.

If, for any reason, it is not appropriate to make use of the regular reporting system, one of the hotlines, including the external hotline (assigned law firm) may be used.

The reporter will not be treated disadvantageously because of his or her report. Furthermore, private information of the reporter shall be handled responsibly.

Under the basic rules described above, Tokio Marine Group companies prepare their own compliance manuals and formulate and implement the annual plans for CSR and human rights.

### **Outcome / Evaluation**

Tokio Marine Group takes initiatives based on individually formulated compliance implementation plans.

Group companies conduct quantitative evaluations of activity results based on KPIs which including criteria such as corporate ethics and compliance.

KPIs are incorporated into the evaluation criteria for compensation of Executive, General Manager who is in charge of Internal Control and Corporate Responsibility at Tokio Marine Holdings. Group companies conduct training on corruption within the human rights promotion training (e-learning, lectures) for all directors, officers and employees. We also hold seminars towards our executive-level employees on corruption issues by featuring lecturers from outside our group. The group companies provide training tools (e-learning, handbooks, and DVDs) on corruption issues for employees and agencies once a year to assist the staff education. Tokio Marine Holdings performs monitoring (internal audits) for all Group companies to confirm effectiveness. In 2009, Tokio Marine & Nichido formulated a "Code of Conduct in Business Transactions" towards our business partners as a requirement to adhere to national laws and ordinances, social norms, etc.