



**SOMPO  
HOLDINGS**


Innovation for Wellbeing

# CSR Communication Report 2017



Sompo Holdings, Inc.

# Top Commitment



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

Kengo Sakurada  
President & CEO  
Sompo Holdings, Inc.

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## Business Conditions—an Era of VUCA

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

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## Transformation—Mid-Term Management Plan

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

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

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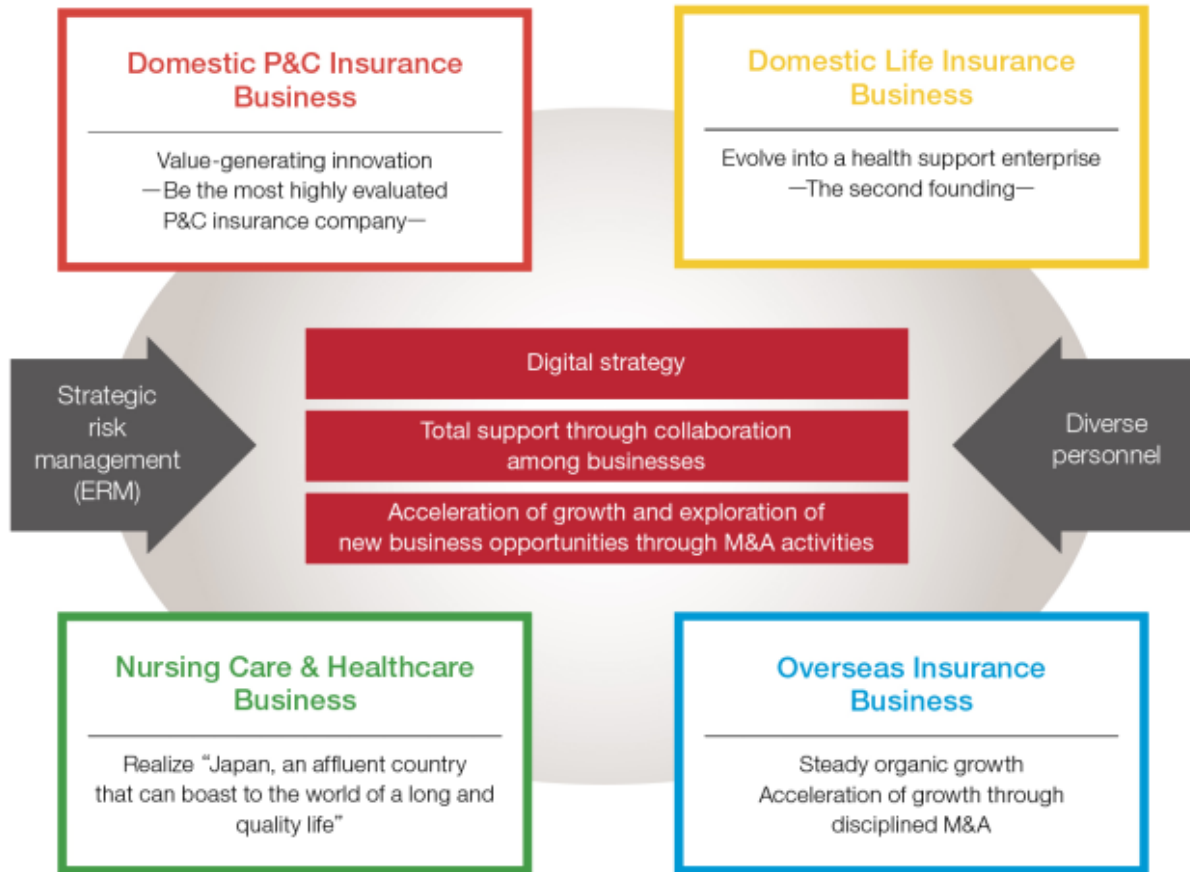
## Toward Enhanced Corporate Value—a "Theme Park for the Security, Health, and Wellbeing of Customers"

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

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

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

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



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

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

### Brand

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

### Acquisition of Sompo International (Endurance Specialty Holdings)

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



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

### **Nursing Care & Healthcare Business**

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

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

### **Digital Strategy**

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

### **Governance**

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

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

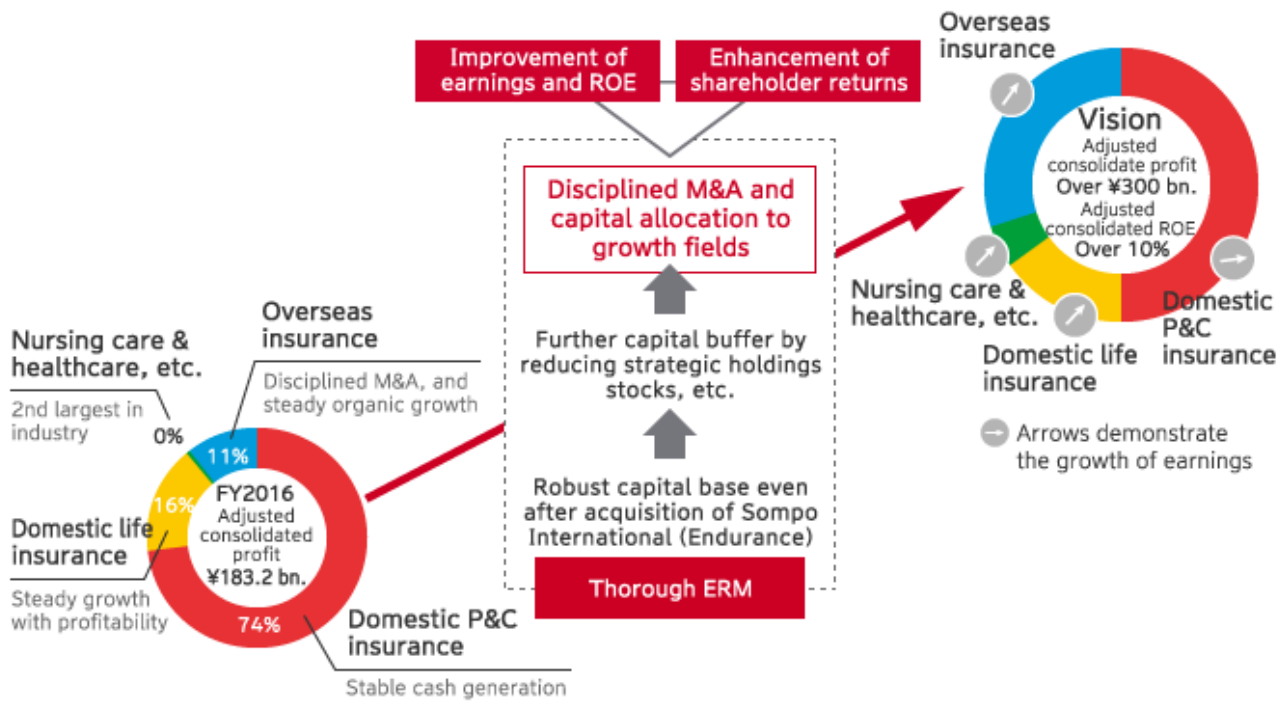
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## **Growth Scenario Going Forward**

### **Aiming to Realize Global Top 10 Level Profit and ROE**

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

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



### Creating New Value for the Future

I believe our transformation can contribute to the SDGs (Sustainable Development Goals), which the United Nations has set as a plan of action for people, the planet, and prosperity. Meeting the expectations of stakeholders is indispensable for the Group's sustained growth. Using the SDGs as a guide to the world's common goals, we have to address emerging social issues as well as create value that anticipates future needs. Further, establishing products and services and business processes that take into account the environment, social, and governance (ESG) will be critical in such forward-looking value creation. For example, the Group develops and markets products and services that mitigate or support adaptation to climate change. In conjunction with these efforts, we tackle ESG-related issues in business processes by setting medium-to-long-term targets for the reduction of greenhouse gas emissions, increasing employee diversity, innovating work styles, and bolstering governance. Moreover, in light of dialogue with stakeholders, we have redefined our CSR Material Issues to make them more forward looking. We believe that anticipating society's growing expectations and providing solutions to social issues through our businesses will bring about social change that leads to the creation of a sustainable society. Accordingly, as part of efforts to tackle ESG-related issues, our insurance business is helping make international society more inclusive by improving access to insurance in developing countries. In addition, we have entered the nursing care business, which has considerable social significance in Japan's aging society. Also, in our view collaborations with

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

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

# About Us

▶ Corporate Profile

▶ Group Employees

▶ Group Businesses

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▶ Strategic Risk Management (ERM)

▶ Risk Management (Business  
Continuity System)

▶ Value Chain



# Corporate Profile

<b>Company name</b>	Sompo Holdings, Inc.
<b>Head office</b>	26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo 160-8338, Japan
<b>Date of establishment</b>	April 1, 2010
<b>Business activities</b>	Management of P&C insurance companies, life insurance companies, and other companies controlled as subsidiaries pursuant to the Insurance Business Law, and other related operations.
<b>Capital</b>	100 billion yen
<b>Group CEO Representative Director, President and Executive Officer</b>	Kengo Sakurada
<b>Exchange listing</b>	Tokyo Stock Exchange (First Section)
<b>Shareholder registry administrator</b>	Mizuho Trust & Banking Co., Ltd.
<b>Employees</b>	514 (As of March 31, 2017)

▶ **Directors, Audit & Supervisory Board Members and Executive Officers**

▶ **Organization Chart**

▶ **History**

# Major ESG Data

## Group Employee Data

### Number of employees (by employment status)

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

### Number of employees (by region)

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

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



**▶ Overview**

We are developing a range of businesses centered on the domestic P&C insurance business, including domestic life insurance, Nursing care&Healthcare, and overseas insurance.

**▶ Vision & Strategy**

Build a "Theme park for the security, health and wellbeing of customers"

**▶ Domestic P&C Insurance**

Providing high-quality P&C insurance products and services that respond to diversifying risks.

**▶ Domestic Life Insurance**

Providing insurance that meets the customer's life stage, such as medical and cancer insurance, life insurance, education endowment insurance, and annuities.

**▶ Nursing care & Healthcare**

Providing a wide range of high-quality nursing care and healthcare services to support the "security, health and wellbeing" of customers.

**▶ Overseas Insurance**

With a global business network covering 228 cities in 32 countries and regions, we are developing business globally, from developed to emerging countries.

**▶ Strategic Businesses**

Going beyond insurance to develop a wide range of businesses that support customer security, health, and wellbeing.

**▶ List of Group Companies**

For further information, please refer to our website.  
<http://www.sompo-hd.com/en/csr/>

# Group Management Philosophy

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## Group Management Philosophy

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

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## Group Action Guidelines

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

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

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



# Corporate Governance

The Group considers continually improving the transparency and fairness of the Group's corporate governance and fulfilling its corporate social responsibility as essential to maintaining strong relations of trust with stakeholders.

The Group formulated its Corporate Governance Policy to clarify basic policies regarding the formation of the overall vision for the governance structure and the governance framework. We continue to improve our corporate governance and aim to establish optimal systems.

▶ **Corporate Governance Overview**

▶ **Management Structure of  
Corporate Governance**

▶ **Corporate Governance Report**

▶ **Business owner system  
Group CxO system**

# Corporate Governance Overview

As of April 1,2017

<b>Organizational structure</b>	Company with an Audit & Supervisory Board
<b>Chairman of the Board of Directors</b>	Kengo Sakurada
<b>Number of Directors</b>	12, of which 4 are Outside Directors
<b>Number of Audit &amp; Supervisory Board Members</b>	5, of which 3 are Outside Audit & Supervisory Board Members
<b>Board of Directors meetings</b>	<p>Held 14 times  Attendance: 98.9% of Directors, 100% of Audit &amp; Supervisory Board Members</p> <ul style="list-style-type: none"> <li>* Orientation meetings for Outside Directors are held in conjunction with Board of Directors meetings to ensure effective Board of Directors meeting operation.</li> <li>* Please refer to Corporate Governance Policy 3 for details regarding Directors and Board of Directors meetings.</li> </ul> <p style="text-align: right;">(Fiscal 2016 Results)</p>
<b>Audit &amp; Supervisory Board meetings</b>	<p>Held 13 times  Attendance: 100%</p> <ul style="list-style-type: none"> <li>* Please refer to Corporate Governance Policy 4 for details regarding Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board meetings.</li> </ul> <p style="text-align: right;">(Fiscal 2016 Results)</p>
<b>Voluntary committee equivalent to Nomination Committee</b>	<p>Nomination and Compensation Committee</p> <ul style="list-style-type: none"> <li>* Comprising 5 committee members (4 Outside Directors, 1 Internal Directors) and chaired by an Outside Director.</li> <li>* Please refer to Corporate Governance Policy 5 for details regarding Nomination and Compensation Committee.</li> </ul>

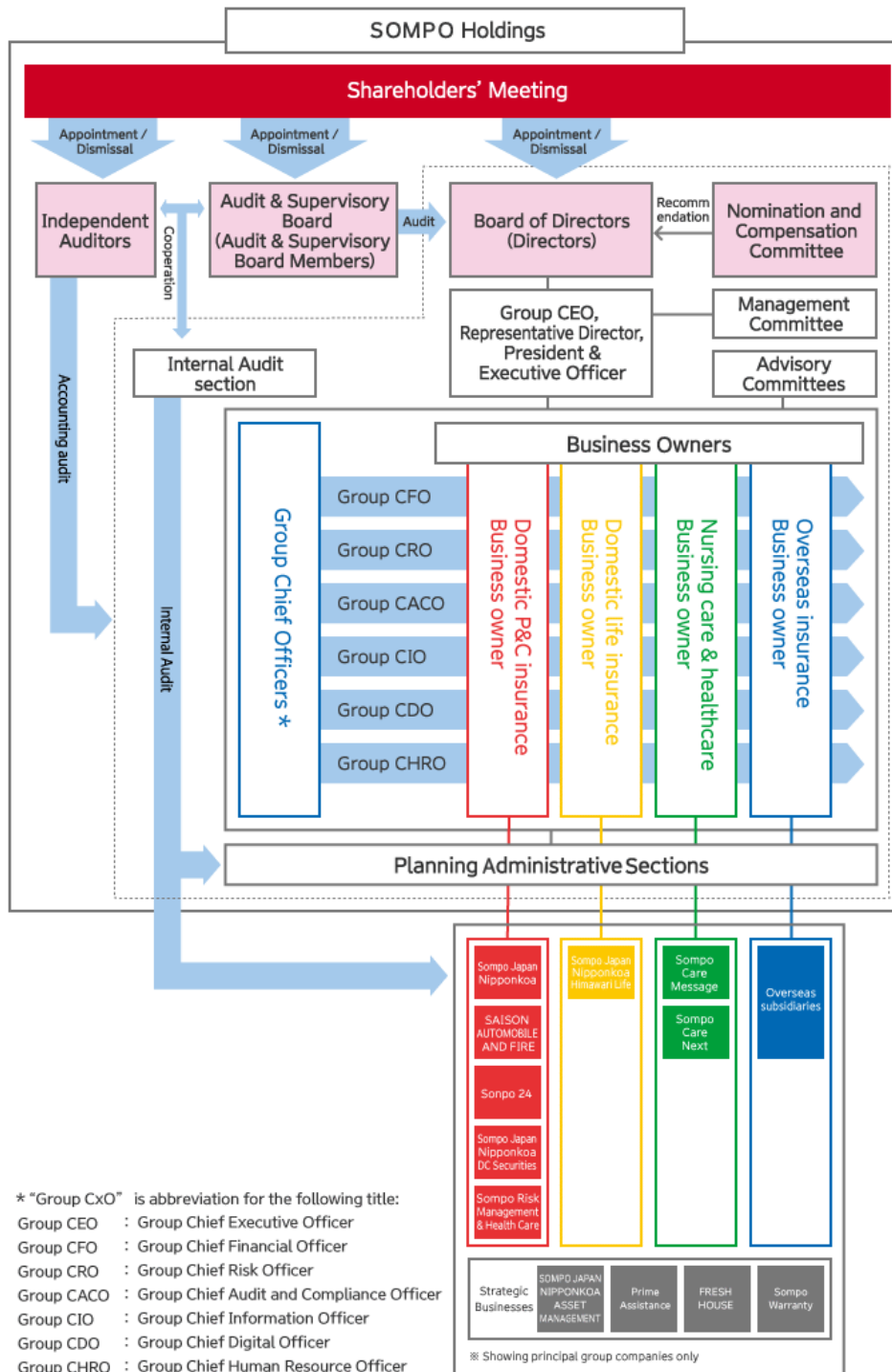
<b>and Compensation Committee</b>	
<b>Appointment of Directors and Audit &amp; Supervisory Board Members</b>	<p>Formulates policies for appointment of officers through the resolution of the Board of Directors in light of advice from the Nomination and Compensation Committee, functioning as an advisory body to the Board of Directors</p> <p>* Please refer to Corporate Governance Policy 7 for details regarding policies for appointment of officers.</p>
<b>Number of Independent Directors and Independent Audit &amp; Supervisory Board Members</b>	<p>4 Outside Directors and 3 Outside Audit &amp; Supervisory Board Members</p> <p>* All Outside Directors and Audit &amp; Supervisory Board Members are independent as defined by the Financial Instruments and Exchange Act.</p> <p>* Standards regarding Independence of Outside Directors and Outside Audit &amp; Supervisory Board Members is disclosed in the Corporate Governance Report.</p>
<b>Determination of compensation, etc.</b>	<p>Formulates policies on decisions pertaining to compensation for officers through the resolution of the Board of Directors in light of advice from the Nomination and Compensation Committee, functioning as an advisory body to the Board of Directors</p> <p>* Please refer to Corporate Governance Policy 9 for details regarding policies on decisions pertaining to compensation for officers.</p>

▶ [Corporate Governance Policy](#)

# Management Structure of Corporate Governance

## Management Structure of Corporate Governance

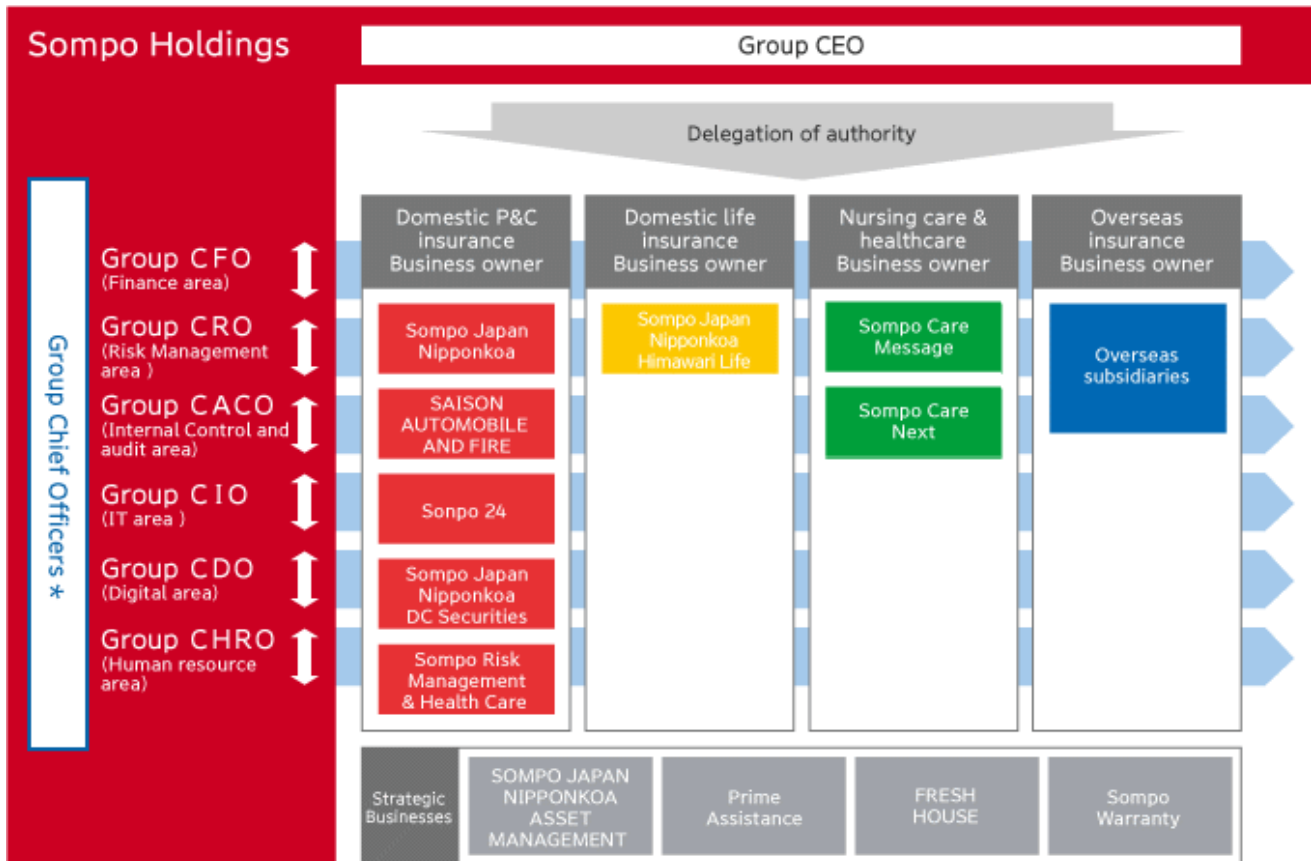
As of July 1, 2017





# Business owner system and Group CxO system

The Group adopts business owner system and Group CxO system to enable agile and flexible decision-making and business execution under the supervision of the Group CEO in the Group's best interest, and increase corporate value of the Group.



Group CEO oversees overall operation of the Group as a Chief Executive Officer of the Group by strategically assigning business owners that are the heads of each business segment and Group CxOs that are the heads of each function of the Group to realize agile and flexible business operation under discontinuous changes in business environment.

The Group adopts the business owner system where the heads of each business segment (domestic P&C insurance, domestic life insurance, nursing care & healthcare, and overseas insurance) are delegated authority as business owners for business strategy proposals, investment decisions, and personnel deployment to enable agile and flexible decision-making and business execution in each business segment that is close to customers.

Under the Group CxO system, each Group CxO oversees group-wide operation of each function (Group CFO (finance), Group CRO (risk management), Group CACO (internal control and audit), Group CIO (IT), Group CDO (digital), and Group CHRO (human resource)) as a head of each

function in the Group to enable agile and flexible decision-making, and group-wide business execution in the Group's best interest.

\* "Group CxO" is abbreviation for the following title:

Group CEO : Group Chief Executive Officer

Group CFO : Group Chief Financial Officer

Group CRO : Group Chief Risk Officer

Group CACO: Group Chief Audit and Compliance Officer

Group CIO : Group Chief Information Office

Group CDO : Group Chief Digital Officer

Group CHRO: Group Chief Human Resource Officer

# Compliance System

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## Sompo Holdings Group's Commitment to Compliance

Sompo Holdings has established this Basic Policy with the aim of being a corporate group trusted by society by remaining constantly aware of the important public mission and social responsibility of its businesses and providing customers with the highest-quality services and sense of security through appropriate corporate activities that comply with laws and regulations, societal norms, and corporate ethics.

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## Sompo Holdings Group Basic Policy on Compliance (Overview)

The Company Group shall comply with laws and regulations in accordance with the following policy and realize corporate activities that are in conformity with social norms and corporate ethics.

1. Compliance as the major premise for business operations  
With the deep awareness that profits gained by disregarding compliance is not sustainable, we will set compliance as the precondition for our business operations.
  2. Nurturing and enhancing compliance awareness of officers and employees  
We will nurture and enhance the awareness that compliance must be taken seriously so that officers and employees will comply with laws and regulations and act in conformity with social norms and corporate ethics.
  3. Systematic efforts to ensure compliance  
With the deep awareness that continuous and perpetual efforts are needed to ensure compliance, we will systematically work toward the realization of it.
  4. Early detection of issues and prompt actions  
We will establish an early detection system in order to be prepared for any occurrence of compliance issues in association with business operations, and take prompt and appropriate actions if any issue occurs.
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## Sompo Holdings Group Compliance Code of Conduct

Officers and employees of Sompo Holdings Group shall conduct themselves in accordance with the following Code of Conduct, which is based on Sompo Holdings Group Basic Policy on Compliance.

1. Act with integrity and good sense in compliance with laws and rules and company rules, and in accord with societal norms and corporate ethics.
2. Refrain from conduct unduly detrimental to the company's interests.
3. Always act based on a clear distinction between public and private.
4. Act in accord with common sense without improperly giving or accepting money, gifts, hospitality or other personal benefits in performing duties.
5. Adequately safeguard and refrain from divulging confidential information and customer information acquired during the course of work.
6. Adequately safeguard nonpublic material information acquired in the performance of duties and refrain from using such information in managing company or personal assets or in other personal financial activities (insider trading).
7. Take appropriate actions in response to other personnel's compliance infractions without overlooking or concealing them.
8. Respond organizationally and with firm resolve to organized crime forces that threaten the safety and order of civil society.
9. Act with respect for people in all situations, never discriminating against or harassing anyone.



# Strategic Risk Management (ERM)

Through value judgements based on the customer’s perspective, the Group maintains financial soundness and aims to improve corporate value to continue providing high-quality services that contribute to customer security, health, and wellbeing.

With the aim of maximizing Group corporate value, SOMPO HOLDINGS engages in Strategic Risk Management\* to improve profitability against risks, augment capital efficiency, and ensure financial soundness through the appropriate control of capital and the risk-return balance. Strategic Risk Management is used to identify significant risks from a variety of sources throughout the Group, which has established an integrated risk control system to analyze, assess, and control risks while maintaining the ability to accurately respond to risks when they occur.

\* Our ERM framework is referred to within the Group as Strategic Risk Management.



▶ Strategic Risk Management(ERM)

▶ Strategic Risk Management(ERM) Development

# Strategic Risk Management(ERM)

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## 1. PDCA Cycle of Strategic Risk Management

The Group implements Strategic Risk Management to maximize the Group's corporate value by minimizing unforeseen losses while effectively utilizing its capital, increasing its profits under appropriately control of risks.

To achieve these objectives, we have formulated our "Group Risk Appetite Statement," which serves as a guideline for risk taking. We have constructed and implement a PDCA cycle (an iterative four-step management plan-do-check-act cycle) for Strategic Risk Management to operate our business based on this guideline.

**Plan:** Each business unit formulates a business plan based on the Group Risk Appetite Statement. The Group conducts quantitative validation of the appropriateness of such factors as Group-wide capital efficiency (ROE), financial soundness (ESR) and return on risk (ROR), thereby determining optimal business plans as the Group. The Group also allocates its capital to each business unit based on growth potential and profitability.

**Do:** Each business unit takes risks within its allocated capital, aiming to achieve the profit targets in its business plan.

**Check, Act:** The Group periodically monitors changes in the business environment and progress on plans, and revises business plans and capital allocation as necessary.

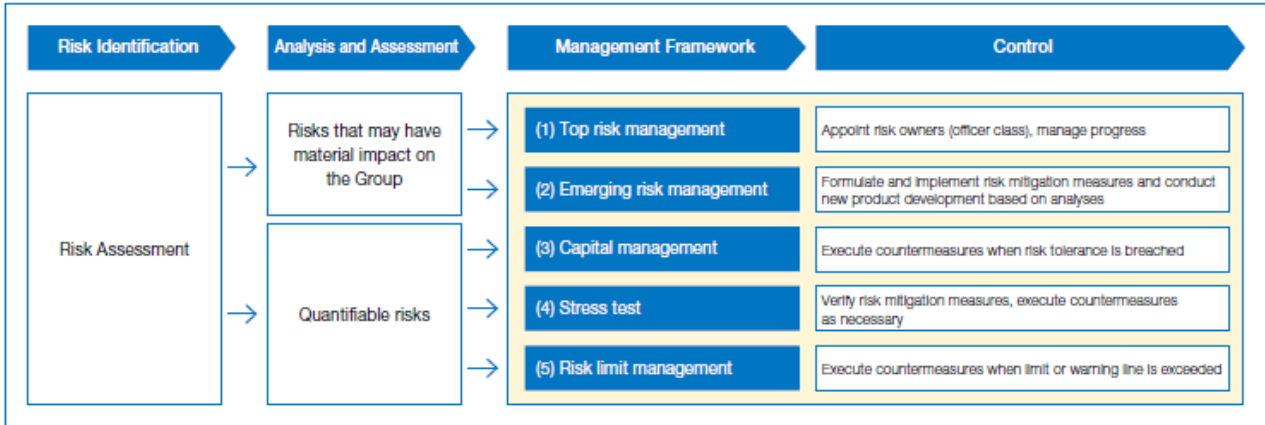
## Group Risk Appetite Statement



## 2. Risk Control System

Sompo Holdings has created and operates a stringent risk control system that enables comprehensive identification of and responses to risks affecting the Group based on risk assessments.

**Stringent Risk Control System Serving as Cornerstone of ERM**



### (1) Top Risk Management

Top risks are defined as "risks that may have significant impact on the Group." A risk owner (officer class) is appointed for each risk and officers are responsible for implementing countermeasures and process management.

Top risks are selected through both a top-down approach, which is based on the recognition of the business environment by management and outside directors, and a bottom-up approach, which is based on risk assessment.

### (2) Emerging Risk Management

Emerging risks are defined as "risks that could materialize or change due to changes in the operating environment and other factors and may exert a significant impact on the Group in the future." Specific risks are identified based on risk assessment, reports from external institutions, and other measures, and appropriate risk management is performed.

It is important to consider emerging risks in terms of not only mitigating losses but also future business opportunities, such as development of new insurance products and services. We are thus monitoring, researching, and studying risks on a Group-wide basis.

### (3) Capital Management

Regarding the risk tolerance for financial soundness necessary for executing Group strategies, the Group uses value at risk (VaR)—a risk indicator—to measure the estimated level of damage that the Group may suffer for a holding period of one year, and manage such risk in order to maintain financial soundness equivalent to an AA rating.

We regularly monitor the status of risk and capital of the Group and each business unit. A

system has been established so that when there is a risk of breaching risk tolerance, the Group will formulate and implement measures aimed at reducing risk or reinforcing capital.

## (4) Stress Test

To accurately understand and manage events having a major impact on Group management, scenario stress tests, reverse stress tests, and sensitivity analyses are conducted on a Group-wide basis to analyze the degree of impact on capital and risk. A system has been established to implement countermeasures as necessary.

<b>Scenario Stress Tests</b>	<p>The Company evaluates the possible impact of stress scenarios with the potential to significantly affect management, such as large-scale natural catastrophes and financial market disruptions, with the aim of verifying the sufficiency of capital and the efficacy of risk mitigation measures. Moreover, Sompo Holdings regularly verifies the appropriateness of stress scenarios to ensure that it is able to respond effectively to changes in the business environment.</p>
<b>Reverse Stress Tests</b>	<p>Reverse stress tests are conducted to identify specific events that breach risk tolerance and prepare actions in advance.</p>
<b>Sensitivity Analyses</b>	<p>Sensitivity analyses are conducted to understand the impact of major risk factor fluctuations on capital and risk and to verify the appropriateness of internal models through comparisons with actual business performance.</p>

## (5) Risk Limit Management

To avoid huge losses due to the occurrence of specific events, we have set Group-wide limits that are consistent with risk tolerance with regard to credit risks, reinsurance counterparty risks, and overseas natural catastrophe risks. Risks are managed to ensure that they do not exceed these limits.

As a preventive management measure, warning lines have been set, and a system for formulating and implementing countermeasures in the event that risks exceed the warning lines has been established.



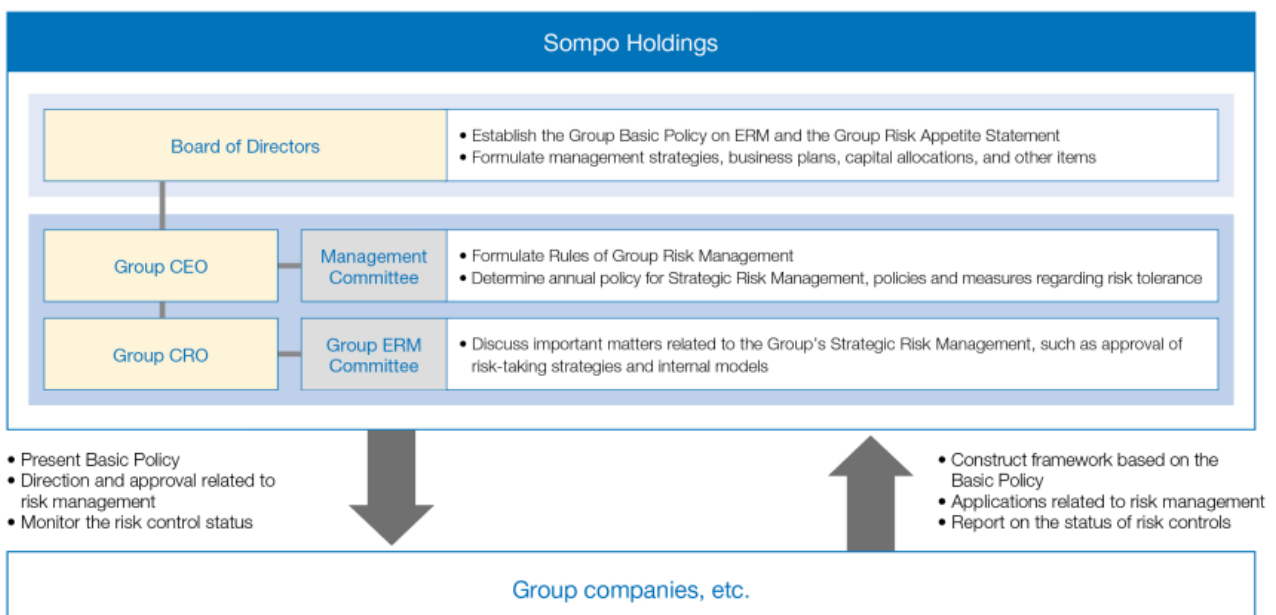
# Strategic Risk Management(ERM) Development

In the volatile, uncertain, complex, and ambiguous (VUCA) world, the Group needs to look forward and address risks continuously. Also, the portfolio of the Group is being transformed by the full-fledged entry into the nursing care business and the expansion of overseas business. In response to increasingly diverse and complex risks, the Group recognizes the need to enhance Strategic Risk Management continuously.

In FY2017, under the Group CxO system, the Group CRO is promoting the practice of Strategic Risk Management and enhancing Strategic Risk Management further in Group-wide basis. In the expanding overseas insurance business, the Group is constructing and enhancing the globally integrated ERM framework by measures such as sending staffs to Sampo International, which manages our European and North American business, and to other major places of operation, fostering close relationships with overseas entities through personnel exchanges, and having management of overseas entities to participate in the Group ERM Committee to incorporate their global expertise. In the nursing care & healthcare business, the Group is enhancing the risk management framework based on the characteristics of the nursing care business and constructing a framework to prevent material risk from occurring. As an initiative to reinforce the cross-segment function, the Group CRO is constructing a system to control the Group's risk portfolio proactively, through coordination with the Group CFO.

Furthermore, to embed ERM culture throughout the Group and strengthen the human resources that underpin Strategic Risk Management, the Group is enhancing the use of the ROR indicator in the performance appraisal system, sending a message from management and providing various training sessions tailored to the roles of employees.

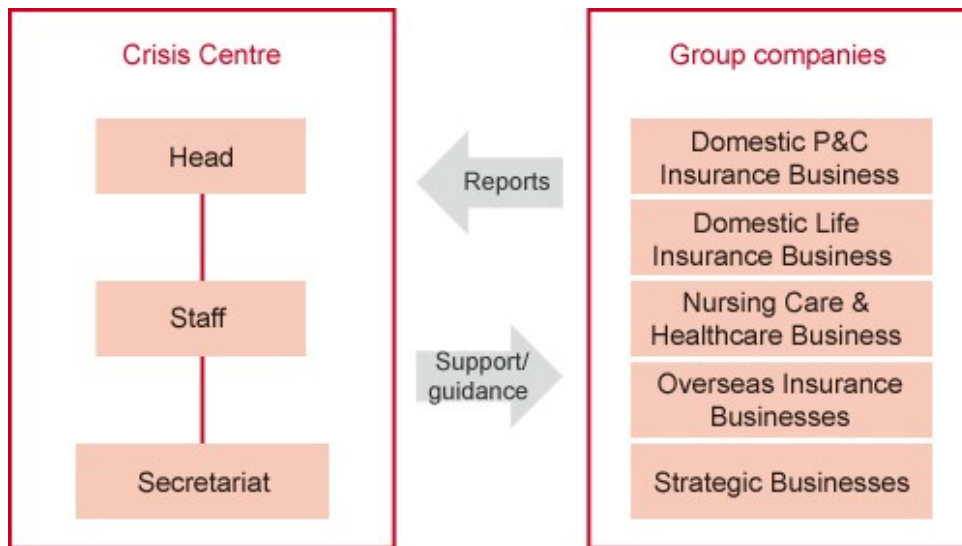
## Strategic Risk Management (ERM) Frameworks



# Our Risk Management (Business Continuity Systems)

The Group has adopted its own basic policy on the establishment of Business Continuity Programs (BCP) to ensure the continuation of critical functions in each business area and fulfill our social mission, even in the event of a major natural disaster or other type of crisis. In accordance with this policy, each Group company establishes its own systems to ensure business continuity and quick recovery after an incident by creating crisis management and response systems, and continuously reviewing them through training and self-monitoring.

Sompo Holdings serves as the supervisory body for critical responses within the Group. In the event of a crisis, it sets up the Crisis Center, headed by the Group CEO. The center gathers and assesses crisis information and makes necessary decisions while working with Group companies to ensure their business continuity.



Sompo Japan Nipponkoa, our core business company, has identified three functions as critical in fulfilling its social responsibility as a property and casualty insurance company: processing of insurance claims, insurance payouts, and policy changes and renewals. The company has adopted business continuity plans aimed at recovering and restoring these critical functions within 24 hours, even in the event of a natural disaster or other crises.

We work to improve the efficiency of business continuity systems through various hands-on trainings, and make improvements as necessary based on self-monitoring as well as evaluations by external consultants.

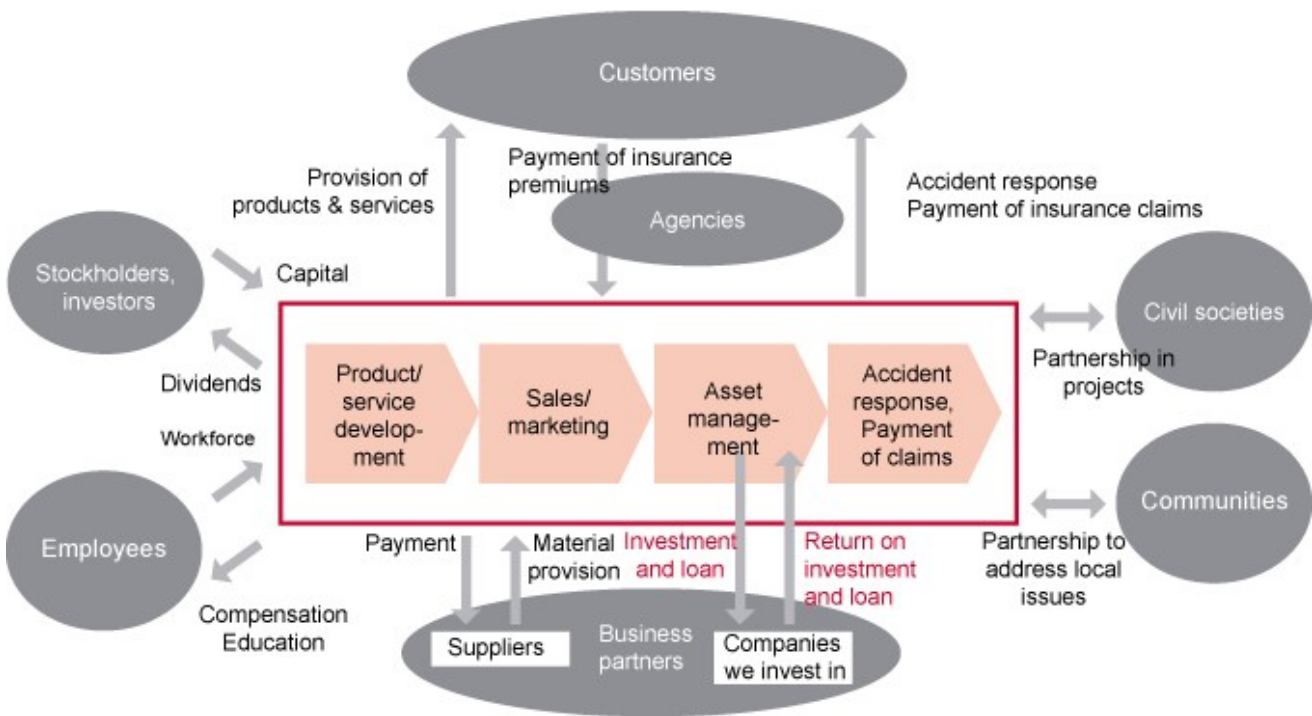
For normal times, Sompo Japan Nipponkoa has established a crisis management promotion headquarters, headed by the President, and it works to further improve business continuity systems. When a crisis occurs, it then becomes the Crisis Center and takes command of the situation.

► [Risk Management \(Business Continuity Systems\)](#) 

# Value Chain

Through engagement with all stakeholders, we aim to provide sustainable value to all them that have an impact on our business activities.

Here we introduce the value chain of the Group insurance-related business activities that account for 95% of revenues (domestic P&C insurance business, domestic life insurance business, overseas insurance business).



## CSR Strategies / Featured Topics

▶ Group CSR Strategies

▶ Featured Topic 1: Climate Initiatives

▶ Featured Topic 2: Nursing & Health Care

▶ Featured Topic 3: Digital Strategies

# Group CSR Strategies

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## Group Management Philosophy

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

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## Group CSR Vision

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

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

▶ [CSR Initiatives](#)

## CSR Material Issues

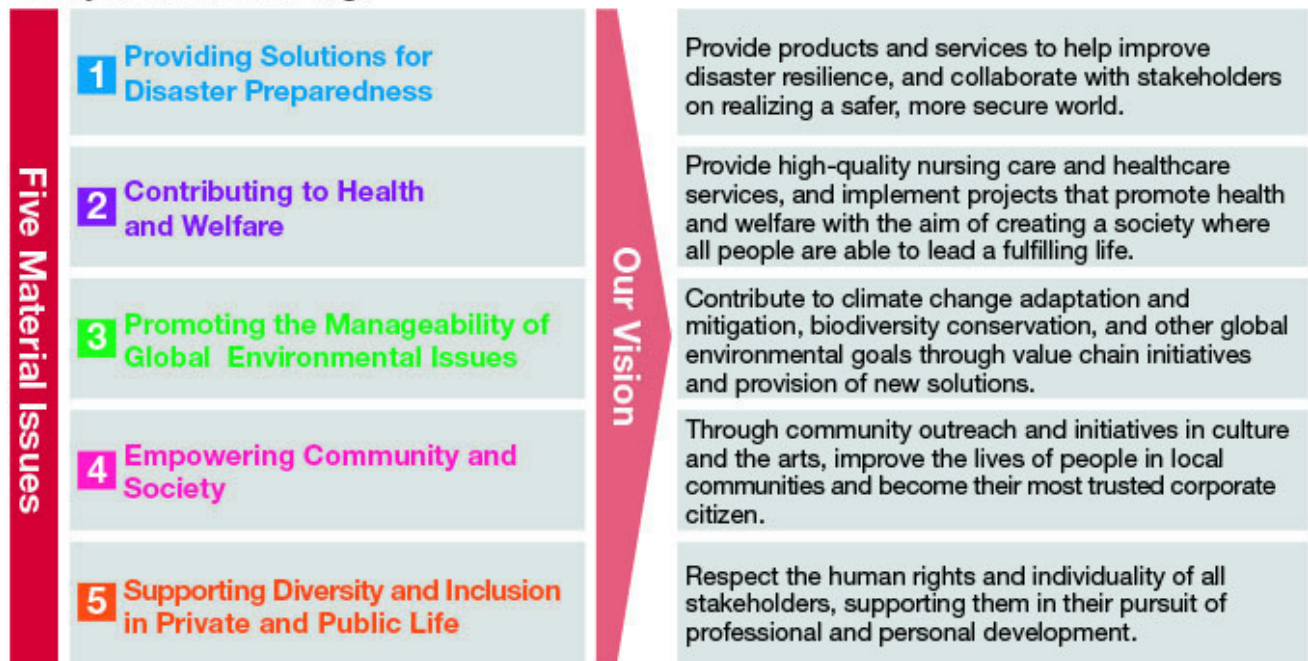
In order to provide our customers the best quality of services that contribute to their security, health, and wellbeing, and to contribute to society, we identified five material issues. To address these material issues, we identified our Three Key Strengths.

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

**Our Key Strengths**

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

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



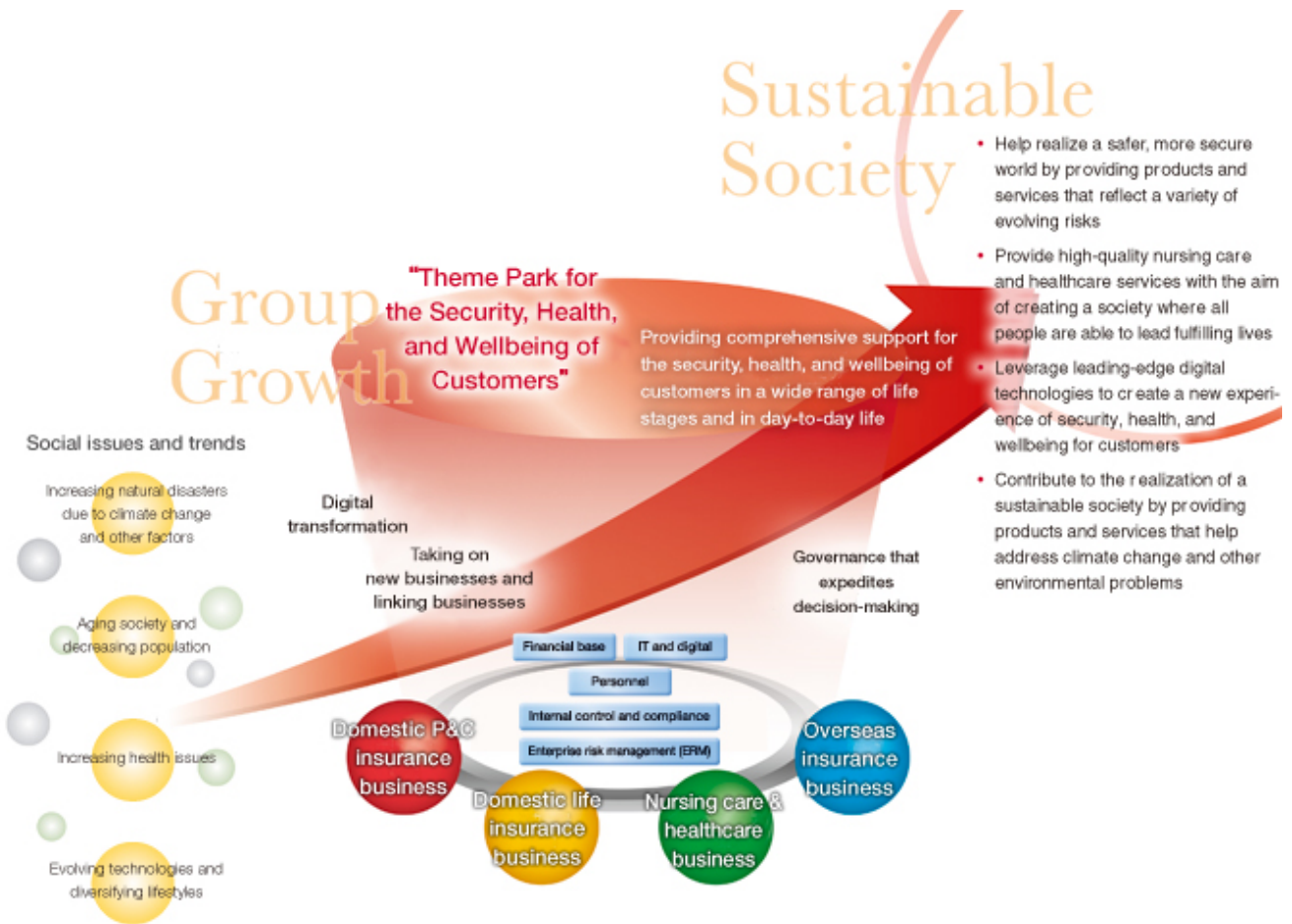
► CSR Materiality



# Value Creation Process

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

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





# Featured Topic 1: Climate Initiatives

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## The Growing Threat of Climate Change

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

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

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## Our Climate Adaptation and Mitigation Efforts

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

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

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

## Milestones in Our Climate Initiatives

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

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



Seeking local input for weather index insurance (Myanmar)

## Our Products and Services to Contribute to Climate Adaptation

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

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

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

## Our Efforts to Contribute to Climate Mitigation through the Value Chain

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

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

## Communicating with Society through Research Activities

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



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

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

## Leadership to Address Climate Change

### Leadership through Various Initiatives

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

#### Caring for Climate

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



▶ [Caring for Climate](#)

#### CDP

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



▶ [CDP](#)

#### COP22 Climate Conference

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



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



## Our Initiatives Introduced in International Reports

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

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



## Featured Topic 2: Nursing and Healthcare Initiatives

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

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### Dialogue: Nursing and Healthcare Initiatives — Future Issues and Expectations

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

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



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

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

▶ [Profile](#)



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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



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



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

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

### ▼ Profile

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



to talk about with you today.

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

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

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

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

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

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

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

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



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

**Kawakita:** Partnerships are essential when developing operations.

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

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

**Shizume:** Thank you for your valuable comments.



## Hideto Kawakita

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

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

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

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

▶ [Third Party Comments](#)

## Key Initiatives for Nursing and Healthcare

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

# Featured Topic 3: Digital Strategies

## Important Theme for Utilizing Digital Technologies

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

1. Business Efficiency in All Segments

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

2. Enhancement of Customer Contacts

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

3. Marketing for Digital Native Generation

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

4. New Business Model Utilizing Digital Technologies

Create new business models based on digital technologies



▶ [SOMPO Digital Lab](#)



## Dialogue: Digital Strategies — Future Issues and Expectations



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

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

▼ [Profile](#)

We have included third party comments from Mr. Hideto Kawakita in our CSR Communication Report since 2001. Mr. Kawakita shared his thoughts on issues facing digital strategies in the future.

### Using Digital Technology to Offer Customers New Experiences

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



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

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

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

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

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

Will you provide services aimed at the global market?

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

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

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

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

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

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

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



## **Hideto Kawakita**

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

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

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

▶ [Third Party Comments](#)

## Key Initiatives That Use Digital Technology

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

# CSR Initiatives and Management System

▶ CSR Initiatives

▶ CSR Management System

# CSR Initiatives

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

## Group CSR Vision

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

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

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## 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.

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## Group Policy for Human Rights

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

### 1. Human rights due diligence for stakeholders

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

### 2. Human rights due diligence for employees

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

### 3. Promotion of human rights in global markets

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

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

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



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## 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.

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## 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

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## 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.

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## Management at Individual Companies (Continuous Improvement)

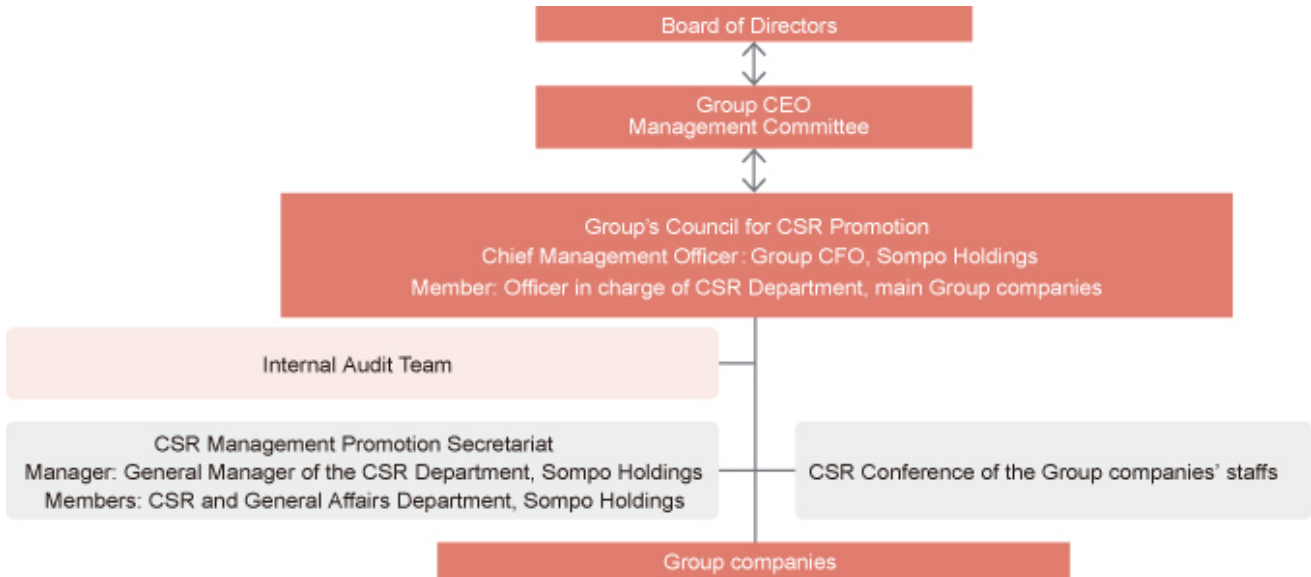
We have expanded the ISO 14001 certification we obtained in 1997 to the entire Group and built a management system that covers all social responsibility initiatives. Each Group company now has its own CSR management organization led by the CEO or other executive officer and run by a team of managers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

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

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

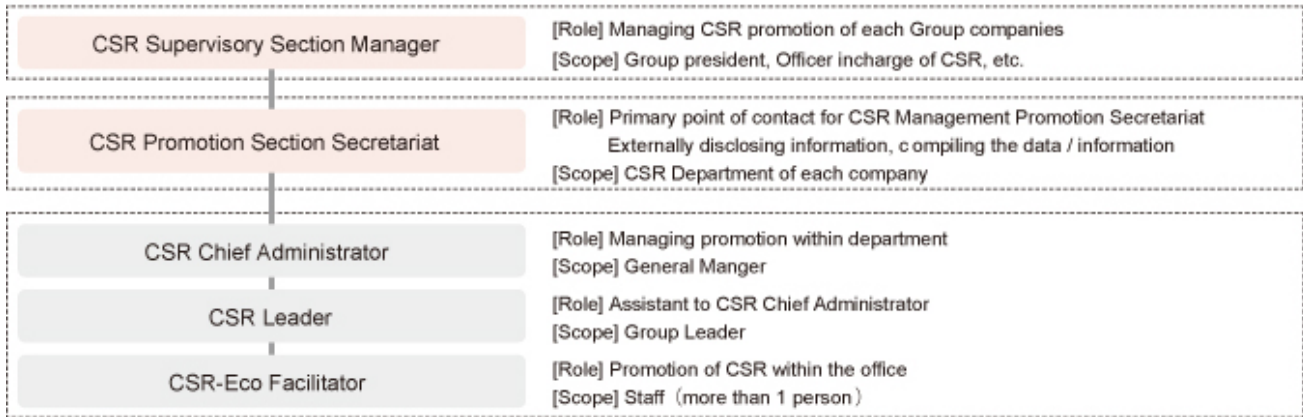
▶ [Major ESG Data](#)

▶ [Stakeholder Engagement](#)



**Example of the promotion framework of each Group companies**

\* Adjusting details according to the company size.



# Group CSR Materiality

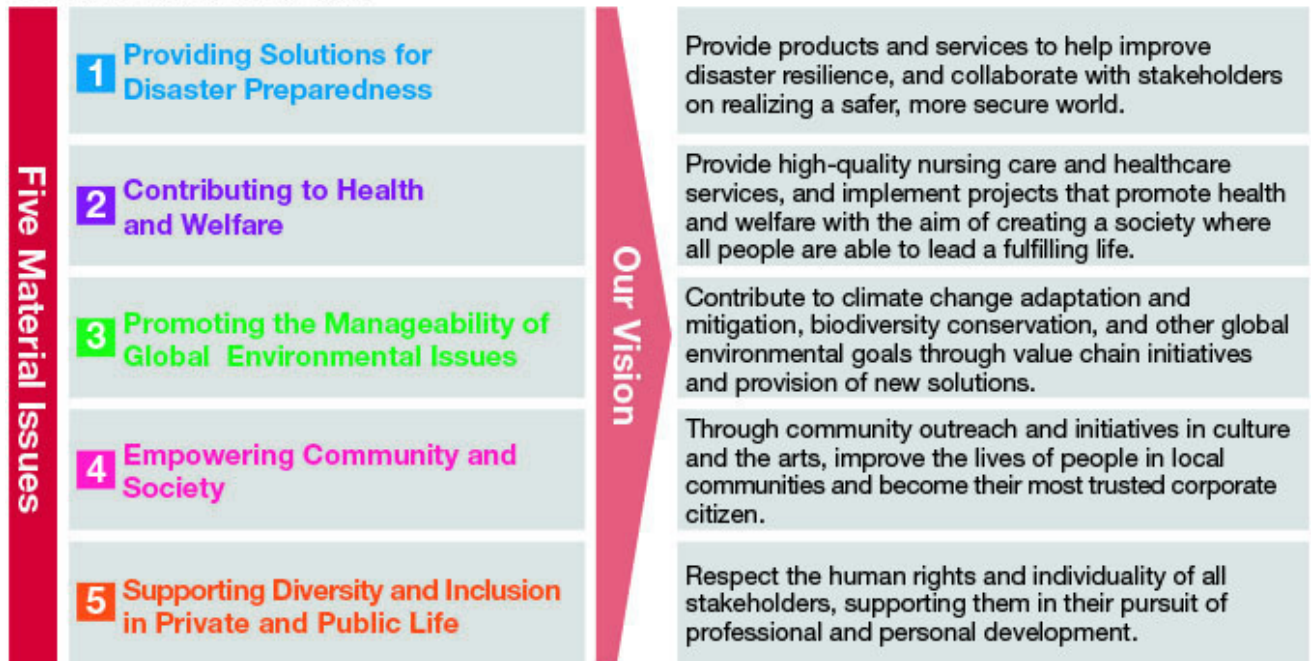
In April 2016, we redefined our Five CSR Material Issues based on the latest international developments and changes in our business environment to realize a resilient and sustainable society by providing products and services that contribute to security, health, and wellbeing. We also reaffirmed the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

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

**Our Key Strengths**

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

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



## Identifying Our CSR Materiality and CSR-KPIs

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

## 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

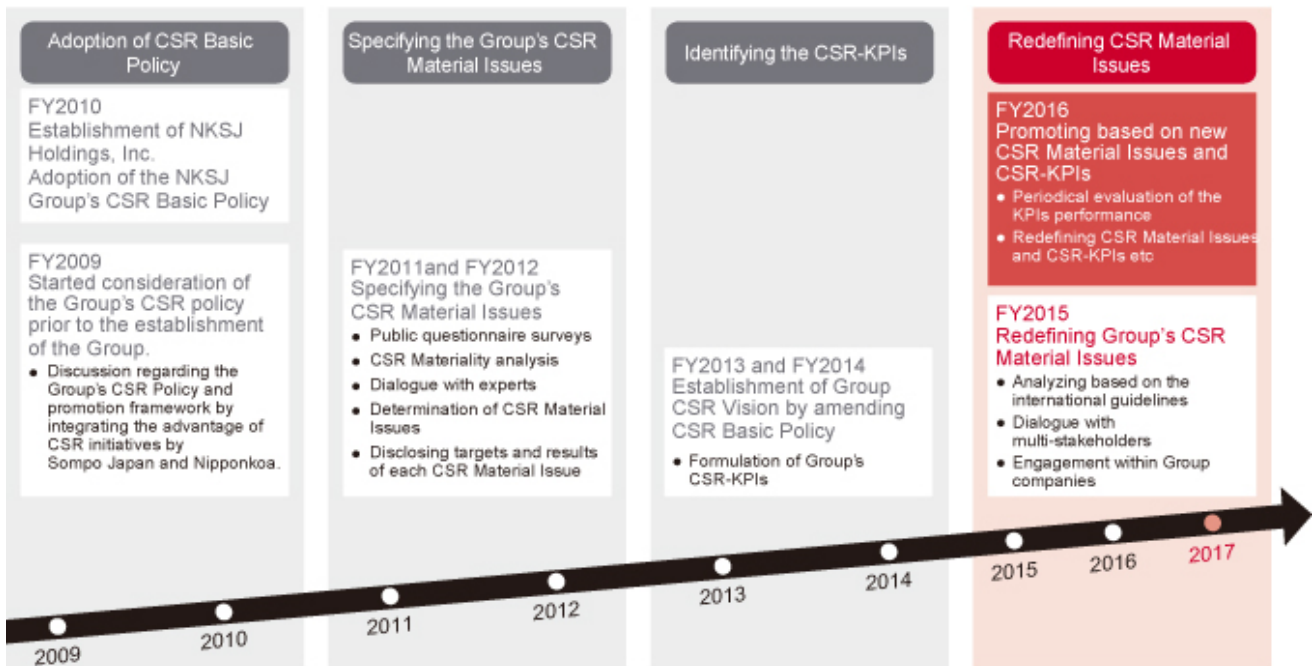


# Redefining Group CSR Materiality

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

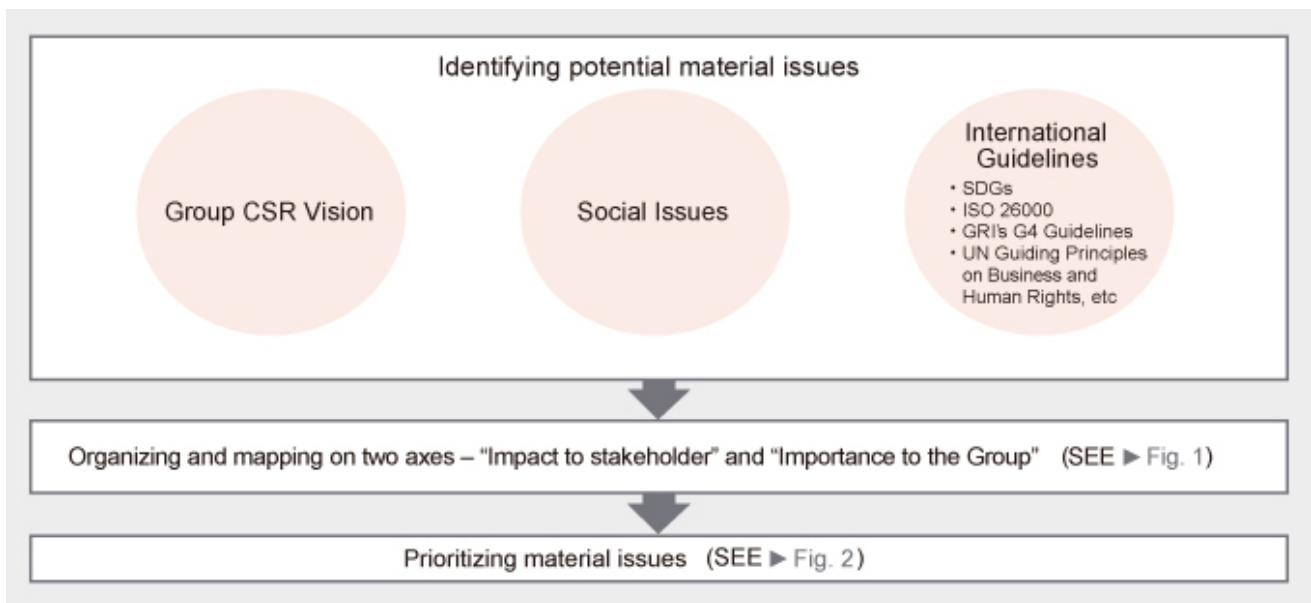
The year 2015 was an important year for setting a new international agenda on sustainability: In September a summit of UN leaders adopted the SDGs\*<sup>1</sup> with a target date of 2030, and in the following December, the COP21\*<sup>2</sup> adopted the Paris Agreement. The following year, fiscal 2016,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

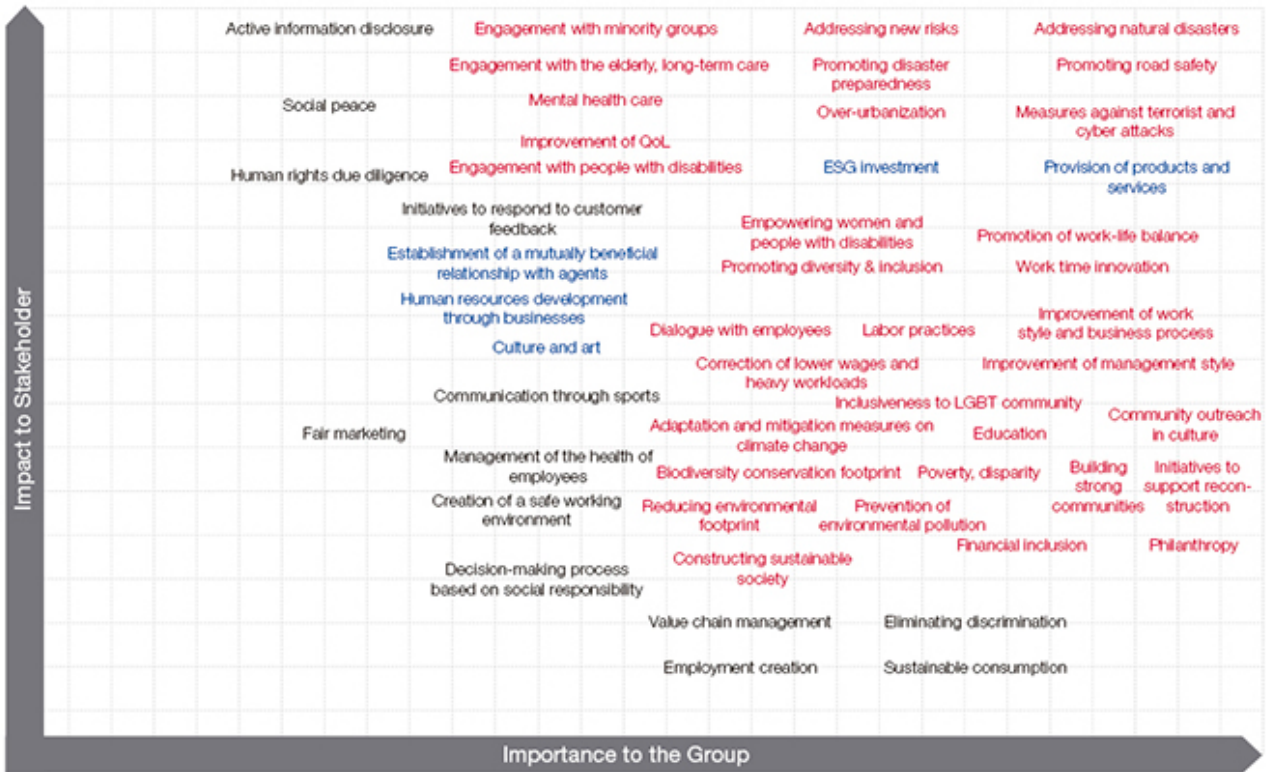
### STEP 1: Materiality Assessment based on International Guidelines

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. ▶ <a href="#">Group's CSR Material Issues</a>
	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. ▶ <a href="#">Our Key Strengths</a>

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

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

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

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



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

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. ▶ <a href="#">Material Issue 5: Supporting Diversity and Inclusion in Private and Public Life</a>

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

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>▶ <a href="#">Offering Services of the Highest Quality</a></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>▶ <a href="#">Major Initiatives: Agencies</a></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"> <li>▶ <a href="#">CSR Milestones</a></li> <li>▶ <a href="#">Group CSR Strategies</a></li> </ul>
Trade Union	President, Sompo Japan Nipponkoa Worker's Union	Mr. Atsushi Miyai	As the Group undergoes business transformation, dialogue with employees becomes more important. We will continuously propose our views for the sound development of the Group. Our goal is to create a workplace where everyone would be proud to work.	We are actively engaged in dialogue with unions and employees, and report on our efforts.

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

### STEP 3: Internal Engagement

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

▶ [CSR Management System](#)



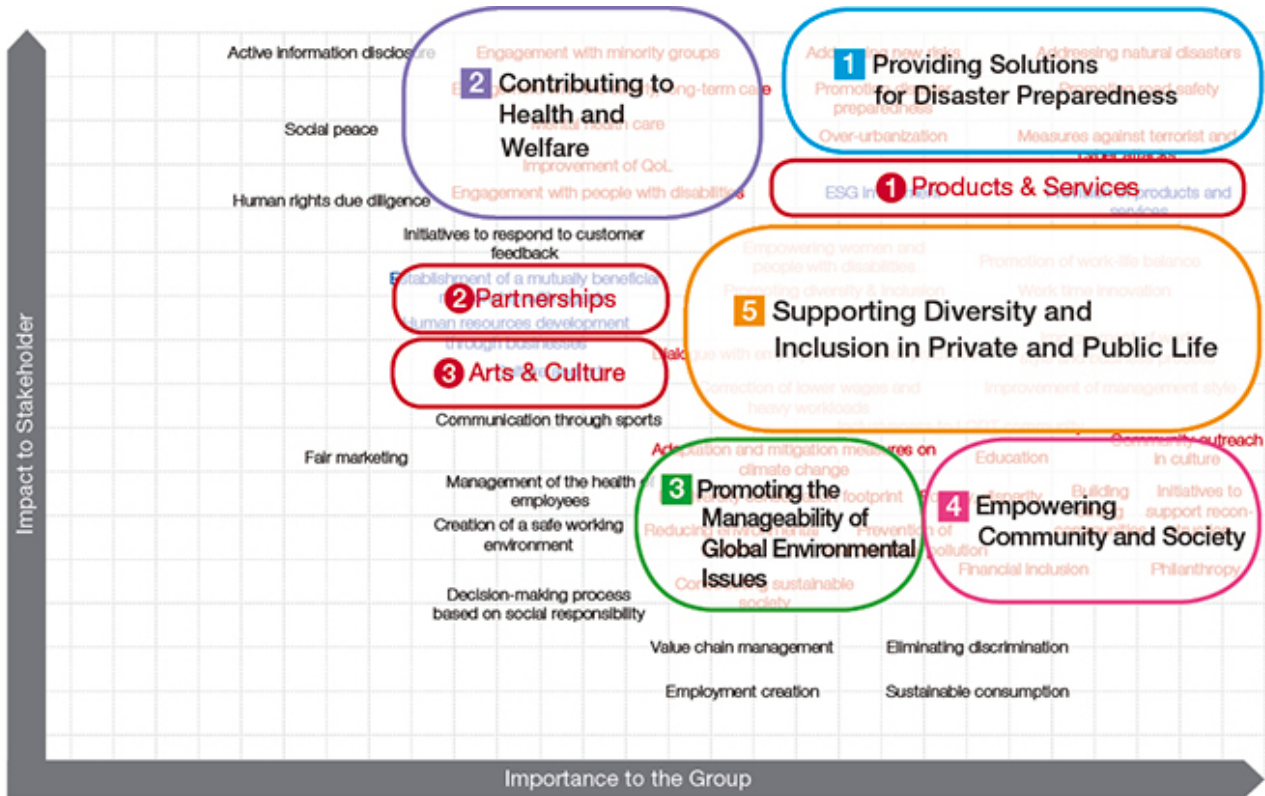


Council for CSR Promotion

## STEP 4: Identification and Action

Based on Steps 1 through 3, we redefined our material issues. We then set new CSR-KPIs based on the new material issues and measures. Directed by a Group-wide CSR management system and an interactive PDCA-cycle process to improve performance, we are implementing various Group initiatives to address social issues and build a more sustainable society. Initiatives based on these CSR-KPIs are regularly reported to our Management Committee. In addition, we will redefine our material issues again whenever necessary based on the latest international developments and changes in our business environment.

- ▶ CSR Key Performance Indicators (CSR-KPIs)
- ▶ CSR Management Organization (System)



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

Fig. 2. Prioritizing the materiality

# CSR Key Performance Indicators (CSR-KPIs)

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

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## Fiscal Year 2017 Targets

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

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

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

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

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## Fiscal Year 2016 Results

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

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

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

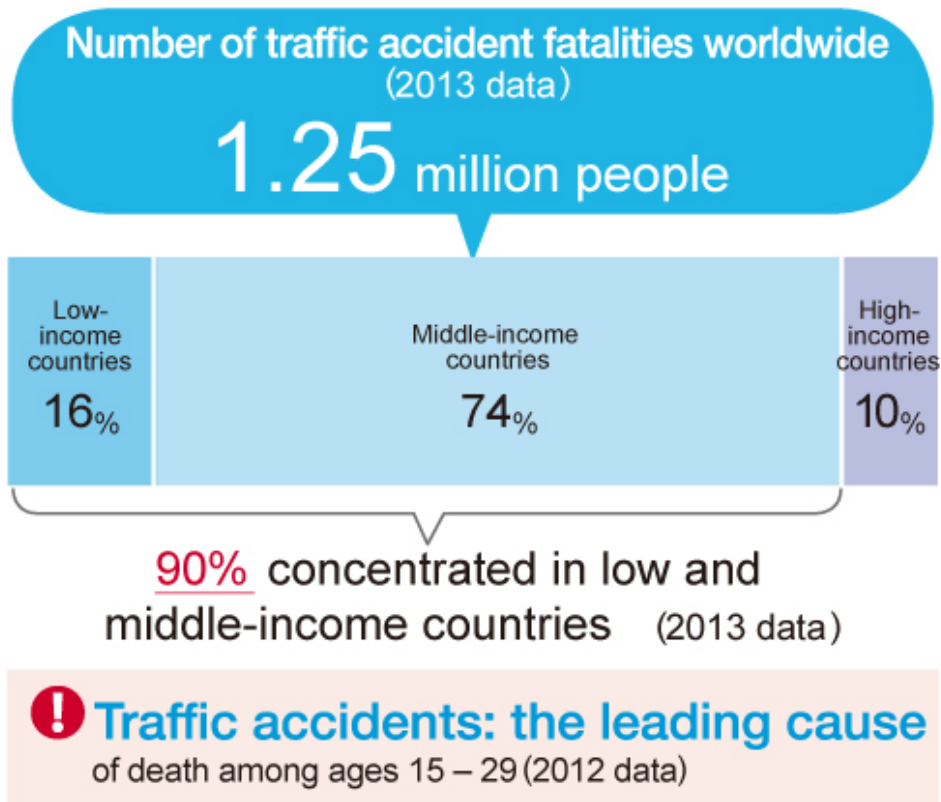
# Providing Solutions for Disaster Preparedness

## Our Vision

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

## The Facts

Global Deaths from Road Traffic Accidents



Source: Prepared from a WHO press release

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

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

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## Basic Policies for Our Action

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

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

▶ [Group CSR Vision](#)

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## Management System

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

▶ [CSR Management System](#)

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## Targets and Results

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

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

## Our Key Strengths

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

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



## Stakeholder Comments

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

<b>Stakeholder Comments</b> <b>(Stakeholder category)</b>	<b>Our Responses and Focus</b>
<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](#)

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## 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.

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## Key Initiatives

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

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

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

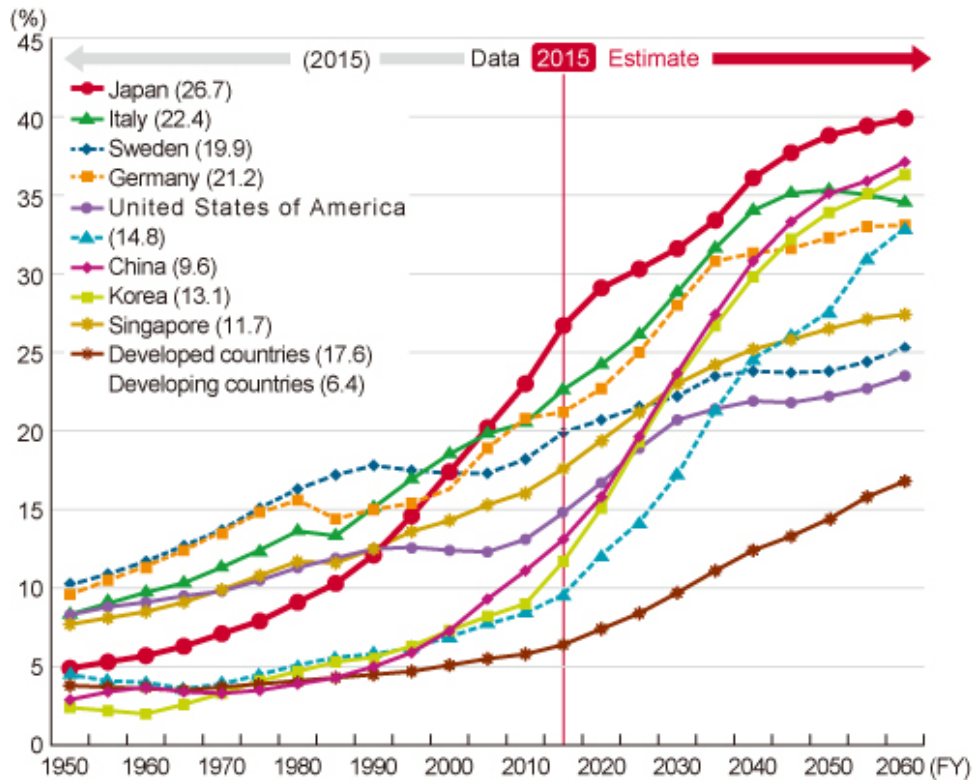
# Contributing to Health and Welfare

## Our Vision

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

## The Facts

Percentage of elderly population\* by country



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

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

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

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## Basic Policies for Our Action

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

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

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

▶ [Group CSR Vision](#)

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## Management System

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

▶ [CSR Management System](#)

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## Targets and Results

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

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



## Our Key Strengths

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

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

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

## Stakeholder Comments

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

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

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

▶ Redefining Group CSR Materiality

## Moving Forward

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

## Key Initiatives

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

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

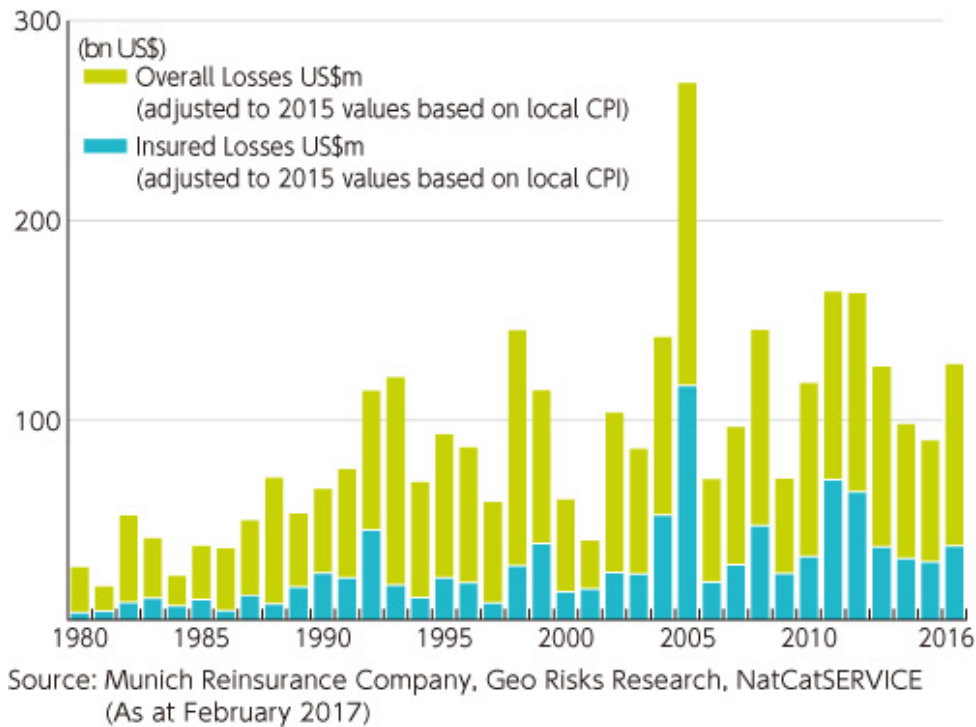
# Promoting the Manageability of Global Environmental Issues

## Our Vision

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

## The Facts

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



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

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## Basic Policies for Our Action

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

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

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

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## Management System

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

- ▶ [CSR Management System](#)

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## Targets and Results

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

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



## Our Key Strengths

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

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

## Stakeholder Comments

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

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

► [Redefining Group CSR Materiality](#)

## Moving Forward

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

## Key Initiatives

- ▶ Group CSR Strategies: Featured Topic 1: Climate Initiatives
- ▶ Expanded Environmental Consulting Services
- ▶ Insurance for Stable Electricity Supply Costs: Support for Electricity Market Liberalization
  
- ▶ Promoting SRI Funds
- ▶ Promoting CSR Communication and ESG Awareness through SRI Funds  
Analysis of Social Responsibility and Environmental Soundness of Companies
- ▶ Integrating ESG into Investing and Financing Processes
- ▶ Group Sustainable Procurement Policy
- ▶ Environmental and CSR Initiatives in Partnership with Business Partners
- ▶ Reducing the Use of Paper
- ▶ SAVE JAPAN Project
- ▶ Human Resources Development for Environmental Protection — Sompo Japan Nipponkoa  
Environment Foundation -
- ▶ Pacific Catastrophe Risk Insurance Pilot Program
- ▶ Weather Index Insurance in Southeast Asia
- ▶ Offering Insurance Products that Encourage and Promote Renewable Energy
- ▶ Development of Flood Risk Assessment Methods for Japan and Asian Countries
- ▶ Our Environmental Impact throughout the Value Chain and Efforts for Environmental  
Conservation
- ▶ Environmental Accounting
- ▶ Cooperation with Agencies to Reduce Environmental Impact

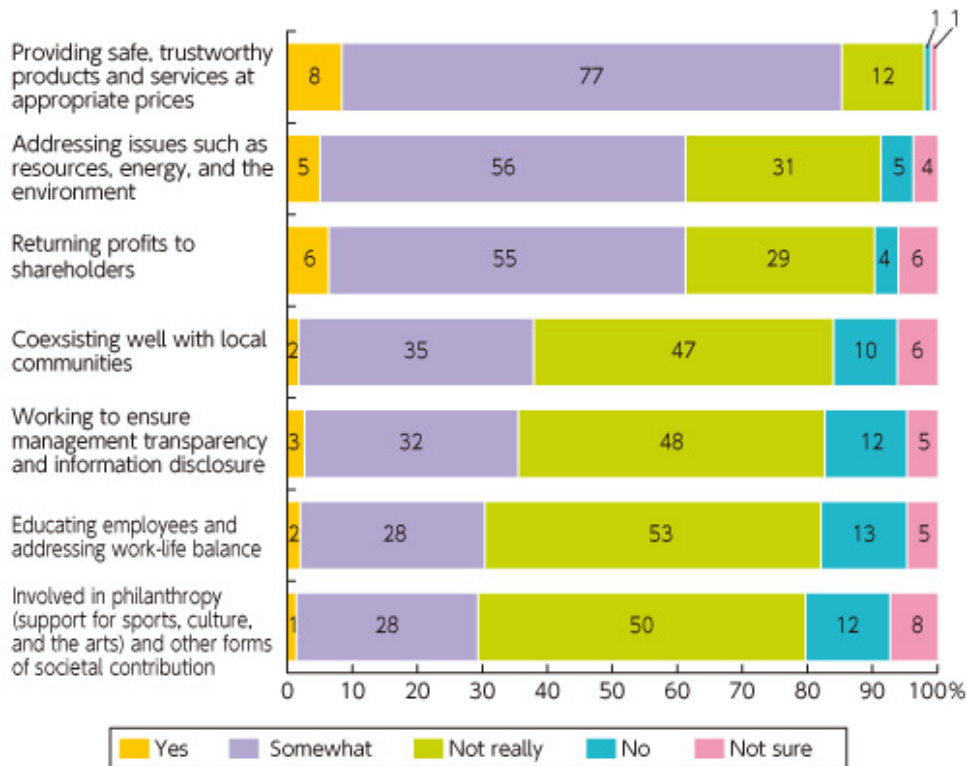
# Empowering Community and Society

## Our Vision

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

## The Facts

### Public Perception of Corporations



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

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

## Basic Policies for Our Action

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

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

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

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

- ▶ [CSR Management System](#)
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## Targets and Results

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

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

## Our Key Strengths

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

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



## Stakeholder Comments

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

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

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

▶ Redefining Group CSR Materiality

## Moving Forward

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

## Key Initiatives

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

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

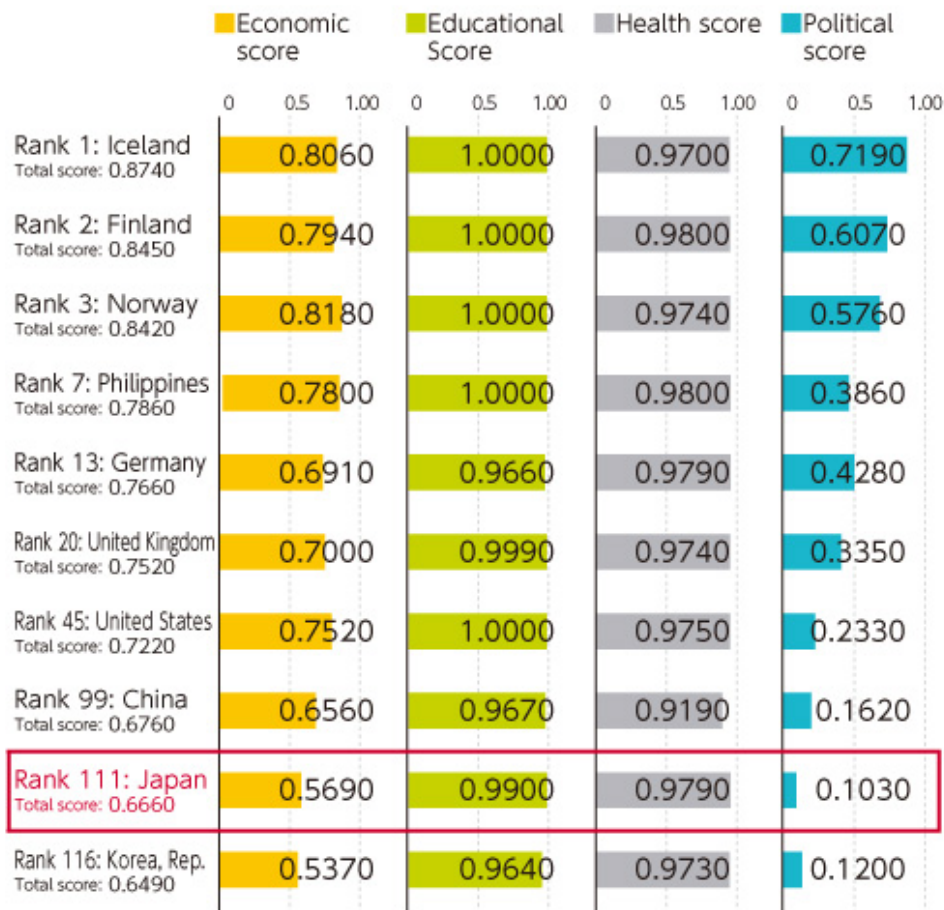
# Supporting Diversity and Inclusion in Private and Public Life

## Our Vision

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

## The Facts

Gender Gap Index (GGI) Country Ranking 2016



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

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

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

## Basic Policies for Our Action

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

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

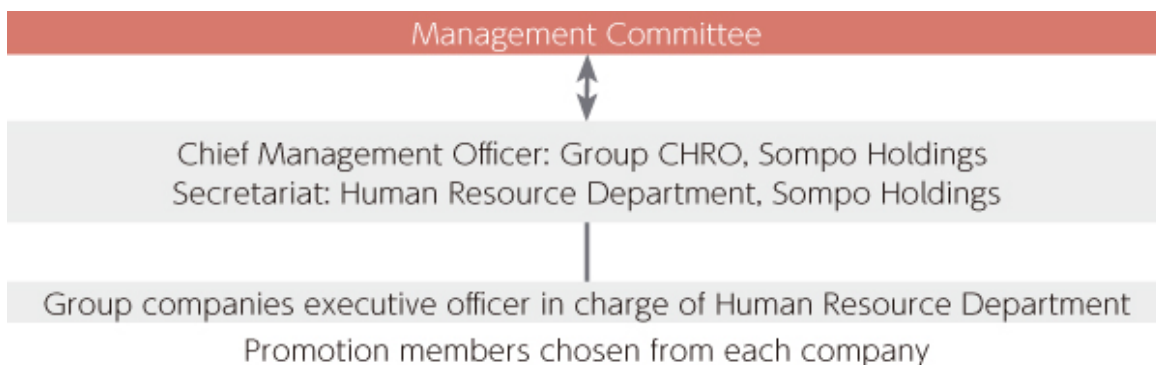
Our respect for human rights and diversity also extends to customers and other stakeholders, as evidenced in our efforts to provide inclusive products and services and to raise awareness around issues of equality.

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

## Management System

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

Diversity Promotion Headquarters



## Targets and Results

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

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

## Our Key Strengths

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

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



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

## Stakeholder Comments

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

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

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

▶ Redefining Group CSR Materiality

## Moving Forward

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

## Key Initiatives

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

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

# Initiatives to Achieve the Sustainable Development Goals (SDGs)

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



▶ **SDGs Integration into Management and Business**

▶ **SDGs Initiatives**

▶ **Leadership to Achieve the SDGs**

# SDGs Integration into Management and Business

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

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

<Five Steps of SDG Compass>

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




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## Our Five Steps

### 1. Understanding the SDGs

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

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

▶ [Group-Wide Engagement on SDGs](#)



CSR Development Seminar

## 2. Redefining material issues

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

▶ [Redefining Group CSR Materiality](#)

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

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

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

## 4. Taking actions to build partnerships

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

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

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

▶ [Stakeholder Engagement](#)

## 5. Disclosing information for stakeholder engagement

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

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



# SDGs Initiatives

We are undertaking many initiatives to help achieve the SDGs.

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## Material Issue 1: Providing Solutions for Disaster Preparedness

### Our Vision

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



### Key Initiatives

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

\* Below are more examples of our initiatives.

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

## Material Issue 2: Contributing to Health and Welfare

### Our Vision

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



### Key Initiatives

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

\* Below are more examples of our initiatives.

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

## Material Issue 3: Promoting the Manageability of Global Environmental Issues

### Our Vision

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



## Key Initiatives

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

\* Below are more examples of our initiatives.

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

## Material Issue 4: Empowering Community and Society

### Our Vision

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



### Key Initiatives

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

\* Below are more examples of our initiatives.

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

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

### Our Vision

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



### Key Initiatives

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

\* Below are more examples of our initiatives.

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

# Leadership to Achieve the SDGs

## Special Dialogue: Challenges to Achieve the SDGs



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

▼ [\\*Profile](#)

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

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

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

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

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

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## Working with a Long-Term Perspective



Facilitator  
Senior Advisor on CSR  
Masao Seki

[▶ Profile](#)

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

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

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



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

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

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

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## Increasing Impact through Partnership



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

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

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

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



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

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

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

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

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

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

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

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

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

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

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## Japanese Companies Need to Show Leadership with the SDGs



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

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

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

international standard for sustainable procurement, was released in 2017.

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

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## Expectations for the Sampo Holdings Group

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

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



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

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

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

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

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

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

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

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

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

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



Futamiya – the second from right side



Futamiya – Presentation in HLPF

## Profiles

### Mr. Hideto Kawakita

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

Publisher, Socio Management Review

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

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

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

▶ [Third Party Comments](#)

### Masaya Futamiya

Chairman and Representative Director of Sampo Japan Nipponkoa

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

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

### **Masao Seki**

Senior Advisor on CSR of Sompo Japan Nipponkoa

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

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

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## **Our Initiatives for Achieving the SDGs**

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



# Stakeholder Engagement

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



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

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



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

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

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

## Declaration to Society and Participation in CSR Initiatives

▶ Declaration to Society and Participation in CSR Initiatives

## Engagement Highlights

▶ FY 2016

▶ FY 2015

▶ FY 2014

# Declarations to Society and Participation in CSR Initiatives

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

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

## United Nations Global Compact (UN GC)

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



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

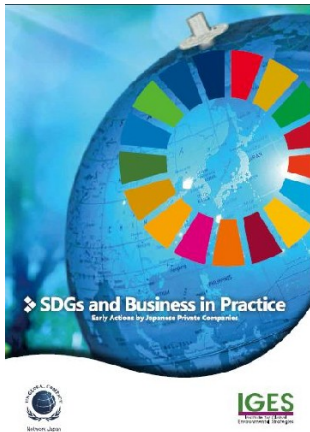
- ▶ [United Nations Global Compact](#)
- ▶ [Sompo Holdings' COP on the UN GC website](#)

## UN GC's SDGs reports

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



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



## Women’s Empowerment Principles (WEPs)

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



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

## Business Call to Action (BCtA)

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



▶ [Business Call to Action](#) 

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## United Nations Environment Programme Finance Initiative (UNEP FI)

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



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

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## United Nations Principles for Responsible Investment (UN PRI)

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



▶ [Principles for Responsible Investment](#) 

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## United Nations Principles for Sustainable Insurance (UN PSI)

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



▶ [Principles for Sustainable Insurance](#) 

## Caring for Climate

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



▶ [Caring for Climate](#) 

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

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



## World Business Council for Sustainable Development (WBCSD)

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




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

▶ World Business Council for Sustainable Development (WBCSD) 

## Contributions to WBCSD reports

▶ Incentives for Natural Infrastructure

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



▶ The Social Capital Protocol


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



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





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



## Participation in WBCSD Council Meeting

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





## CDP

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



▶ [CDP](#) 

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

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

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



## Japan Business Federation (Keidanren)

### Committee on Corporate Behavior & Social Responsibility

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

### Participation in Japan's SDGs roundtable as a Business Leader

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

▶ [Leadership to achieve the SDGs](#)

## Council for Better Corporate Citizenship (CBCC)

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

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

### Leading overseas missions as chair

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

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



Speaking as CBCC chair (Masaya Futamiya)



Participants in dialog session

## Keidanren One Percent Club

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

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

## Keidanren Committee on Nature Conservation (KCNC)

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

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

### Participation in COP13 of the UN Convention on Biological Diversity

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



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

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## Japan Business and Biodiversity Partnership

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

▶ [Japan Business and Biodiversity Partnership](#) 

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## ECO FIRST Program, Japan's Ministry of the Environment

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



▶ [ECO FIRST Commitment](#)(  PDF/489KB)

▶ [ECO FIRST \(Japanese\)](#) 

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

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



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



Steering committee meeting



Insurance working group

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## SDG Stakeholders Roundtable, Japan's Ministry of the Environment

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

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## Group Implementation of ISO 26000

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

▶ [ISO 26000](#) 



# Stakeholder Engagement (Major Topics in Fiscal 2016)

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## Developing and Offering Products and Services

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

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

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



Dialogue for development of weather index insurance (Myanmar)

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## Engaging with Customer Feedback

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



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

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



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

## Group-wide Engagement on SDGs

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

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

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

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

▶ Initiatives to Achieve the SDGs (Sustainable Development Goals)



# Stakeholder Engagement (Major Topics in Fiscal 2015)

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## Japan's Stewardship Code

Sompo Japan Nipponkoa and Sompo Japan Nipponkoa Asset Management declared their endorsement of the Japan's Stewardship Code, called the Principles for Responsible Institutional Investors, and have disclosed detailed policies on their official websites.

The code calls on institutional investors to enhance the corporate value and support the sustainable growth of investee companies. We engage in dialogue with investee companies based on a clear understanding of the significance and importance of this initiative.

Policy on Japan's Stewardship Code (only in Japanese)

▶ [Sompo Japan Nipponkoa Insurance Inc.](#) 

▶ [Sompo Japan Nipponkoa Asset Management Co., Ltd.](#) 

## Civil Societies

In February 2016 we held a joint forum on private sector-civil society partnership with the Japan NPO Center called "Sustainability Partnership in Action: Five Years of the SAVE JAPAN Project." About 100 people attended the forum which presented the collective impact of the rare species conservation initiatives supported by the SAVE JAPAN Project and discussed the future of cooperation between private sector businesses and civil societies. We plan to use feedback gained through the forum in continued efforts to address social issues with civil societies.

▶ [SAVE JAPAN Project website\(only in Japanese\)](#) 



# Stakeholder Engagement (Major Topics in Fiscal 2014)

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## Stakeholder : SRI Experts

In May 2014, We invited Masaru Arai, SRI expert and Chair of the Japan Sustainable Investment Forum (JSIF), to sit down for a discussion on responsible investing with Masaki Hanawa, former Director and Managing Executive Officer of Sompo Japan Nipponkoa Insurance, and a representative of Sompo Japan Nipponkoa Asset Management.

Arai explained global trends and the current state of responsible investing in Japan, and then expressed his expectations of the group. This was followed by an exchange of ideas on SRI efforts being carried out by the two companies.

New insights gained from this engagement are being used in a variety of initiatives, such as implementing the Japanese version of the Stewardship Code and financing and investing in projects in growth fields.



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## Stakeholder : ESG Experts

In September 2014, directors in charge of CSR at 12 group companies gathered for a dialogue with Junko Edahiro, ESG expert and President of the Institute for Studies in Happiness, Economy and Society. Edahiro shared examples of initiatives at companies with high sustainability performance and also expressed her expectations of the group. Group representatives then presented a program at Sompo Japan Nipponkoa Insurance Services that trains employees to serve as volunteer "dementia supporters"\* among other initiatives.

Group companies are using the stimulating examples provided by Edahiro as a model for future initiatives.

\* Members of the public who have undergone specialized training in a nationwide program to better understand and extend support to people with dementia.



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## Stakeholder : CSR Rating Agencies

We also value communication with organizations that evaluate and rank companies on their CSR and ESG performance. Feedback from these agencies is used to improve group initiatives.



Dialogue meeting with Swiss asset management advisor RobecoSAM



# ESG Data Index

▶ Products and Services for a Sustainable Society

▶ Vision, Policies and Guidelines

▶ Assurance by a Third-Party Organization

▶ About Us

▶ Major ESG Data

▶ Management System

▶ Investor Materials

▶ Case Studies

# Products and Services for a Sustainable Society

We offer products and services that contribute to addressing social issues, realizing a sustainable society, and the growth of the Group. Here we introduce our major products and services.

5 Material Issues

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

▶ [Products and Services for a Sustainable Society\( !\[\]\(de95854c7ee024cfadc48187bbb781b2\_img.jpg\) PDF/360KB\)](#)

**Five Material Issues**

- 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

Contribution to 5 Material Issues					Products / Services and Description	Offered by
1	2	3	4	5		
<b>P &amp; C Insurance</b>						
<b>Automobile insurance products / services</b>						
					A telematics service designed to support safe driving by gathering and analyzing motion data from drive recorders	Sompo Japan Nipponkoa
					A new telematics service aimed at individuals designed to navigate users to drive without anxiety, safely, and comfortably using a designated smartphone app downloaded by customers	Sompo Japan Nipponkoa
					A telematics service using drive recorders for elderly drivers	Sompo Japan Nipponkoa
		●			Application of the insurance premium discount for eco-friendly cars that satisfy certain requirements such as hybrid and electric cars	Sompo Japan Nipponkoa Saison Automobile and Fire
		●			Special policy that covers the excess amount of repair costs over the market price of the insured car in an accident to encourage car repairs and reduce the scrap cars	Sompo Japan Nipponkoa Saison Automobile and Fire
		●			Special policy that covers the excess amount of repair costs over the market price of the third party's car damaged by the insured car in an accident to encourage car repairs and reduce the scrap cars	Sompo Japan Nipponkoa Saison Automobile and Fire
		●			Promoting web-based insurance policy and clause and the web-based insurance contracts	Sompo Japan Nipponkoa
		●			Promoting the usage of recycled automobile parts and second hand parts in an incident of a car accident	Sompo Japan Nipponkoa
		●			Contract procedures that can be completed only by online or phone to reduce use of contract paper	Saison Automobile and Fire Sompo 24
		●			Discount on premiums for customers who don't need the delivery of the insurance policy	Saison Automobile and Fire Sompo 24
					Services that gather information from vital sensors and measurement devices and provide information for driver's daily health management and accident prevention, including quick SAS check and health management support for managers and drivers	Sompo Japan Nipponkoa Sompo Risk Management & Health Care
					Service that automatically analyses the video recorded by the drive recorder (full-time recording) to identify incidents at traffic intersections, such as failing to stop at a yellow or red light and failing to stop at stop signs, and that produces a guidance report	Sompo Japan Nipponkoa Sompo Risk Management & Health Care
		●			Standardization of the digital insurance policy (PDF file), reducing paper use	Saison Automobile and Fire
					Services that provide driving report utilizing IoT and analyzing driver's eco-friendly driving, driving score, and rough handling	Saison Automobile and Fire
<b>Fire and new types of insurance products / services</b>						
					Insurance mainly for small and medium-sized enterprises that guarantees prompt insurance payments and supports business continuity after a severe earthquake	Sompo Japan Nipponkoa
					Insurance with a service that provides weather forecasts and countermeasure information from Weathernews Inc. that will be helpful in making appropriate decisions and evacuation warnings, in addition to insurance that compensates for expense paid when a local authority issues an evacuation order	Sompo Japan Nipponkoa
					Insurance for an incident that a third party claims compensation for damage or for loss of profits due to a cyber security accident such as the loss of electronic data, information leaks, or the inability to use networks	Sompo Japan Nipponkoa
					Conducting performance check / inspection service of Boiler and Class-1 Pressure Vessel based on the Industrial Safety and Health Act as a performance inspection agency registered by the Japanese Minister of Health, Labour and Welfare	Sompo Japan Nipponkoa
					Conducting periodic safety management review, safety management inspection on welding and pre-service safety management review concerning thermal power plants, etc. based on the Electricity Business Act as a performance inspection agency registered by the Japanese Minister of Economy, Trade and Industry	Sompo Japan Nipponkoa
		●			The cleaning services of the insured buildings and machinery contaminated by smoke, soot, and other contaminants due to a fire, flood, or other disasters to restore them faster than the replacement with completely new ones	Sompo Japan Nipponkoa
		●			A special fire insurance clause for photovoltaic power generation companies that compensates for reductions in operating profit due to disasters	Sompo Japan Nipponkoa
		●			Fire insurance for wind power generation companies with a special clause that covers costs to prevent a recurrence of accidents	Sompo Japan Nipponkoa
		●			Insurance for inconceivable and unexpected accidents during the construction of offshore wind power generating facilities and their operations	Sompo Japan Nipponkoa Sompo Canopus
	●				Comprehensive legal indemnity liability insurance for designated business operators provided for in the Long-Term Care Insurance Act or the Act on Comprehensive Support for Persons with Disabilities	Sompo Japan Nipponkoa
		●			A special clause for covering rooftop greening and environmental protection costs for buildings	Sompo Japan Nipponkoa
		●			Insurance that covers rooftop greening for buildings and environmental protection costs	Sompo Japan Nipponkoa
		●			Insurance for damages caused by environmental pollution and decontamination costs, which are normally not covered by ordinary liability insurance	Sompo Japan Nipponkoa
		●			Insurance specifically for services gas stations that covers risk of soil pollution and soil remediation costs	Sompo Japan Nipponkoa



		●		Liability insurance for waste generators who are required by law to remove their industrial waste in the event that it is dumped illegally	Sompo Japan Nipponkoa
		●		Liability insurance for medical institutions in the event that their waste is dumped illegally	Sompo Japan Nipponkoa
		●		Support for corporate measures against environmental pollution	Sompo Japan Nipponkoa
		●		Insurance with a special clause that covers soil testing costs (costs of checking whether or not soil on the site premises is contaminated after the spill, overflow, or leak of a contaminant)	Sompo Japan Nipponkoa
		●		Insurance that covers rooftop greening for buildings and environmental protection costs	Sompo Japan Nipponkoa
			●	Insurance for "doulas" — workers who assist women before, during, and after childbirth — that covers their legal liability for damages arising in the course of their work	Sompo Japan Nipponkoa
	●			Lump sum payments when a parent (insured party) requires long-term care and such situation exceeds a fixed period of time	Sompo Japan Nipponkoa
	●			Free-of-charge telephone health counseling for workers, as well as consultation for human resource and labor department personnel, of companies purchasing our comprehensive workers' compensation insurance	Sompo Japan Nipponkoa
	●			Insurance that covers the risk of long-term absence from work due to mental disorder and offers comprehensive services for reducing mental health risks	Sompo Japan Nipponkoa
	●			Comprehensive services for reducing mental health risk	Sompo Japan Nipponkoa
	●			Insurance with comprehensive services for reducing mental health risks of employees in offices outside Japan	Sompo Japan Nipponkoa
	●			Insurance that covers injury and other risks confronting elderly people	Sompo Japan Nipponkoa
		●		A part of the insurance payment to be donated to a greening project when a hole-in-one is achieved at a golf tournament	Sompo Japan Nipponkoa
<b>Other types of insurance products / services</b>					
●		●		A financial product to reduce risks by covering a decrease in corporate revenues and increase in expenditures caused by changes in temperature, wind, precipitation, duration of sunshine, and other climatic conditions	Sompo Japan Nipponkoa
●		●		Support for corporate business continuity	Sompo Japan Nipponkoa
●				Financial instruments that pay a pre-determined lump sum when the Meteorological Agency issues a level 3 or higher volcanic alert for Mt. Fuji or announces that it has erupted	Sompo Japan Nipponkoa
●		●	●	Weather index insurance, a product developed as part of climate change adaptation measures that is aimed at reducing drought damage suffered by rice farmers in Thailand	Sompo Holdings
●		●	●	A joint program of World Bank and the Japanese government which is aimed at reducing the risk of natural disasters in island countries in the Pacific Ocean	Sompo Japan Nipponkoa
●	●		●	Micro insurance packages that combine livestock insurance with illness and injury insurance, or those packages with microfinance for farmers, that cover fire, illness, and injury, provided in India	Sompo Japan Nipponkoa
			●	Insurance for private schools that covers tuition and other fees exempted with the aim of supporting students at elementary, junior high and senior high schools to continue studying until graduation	Sompo Japan Nipponkoa
<b>Life Insurance Products / Services</b>					
	●			The costs for an operation to harvest bone marrow stem cells for bone marrow stem cell transplantation are covered	Sompo Japan Nipponkoa Himawari Life
	●			The costs for cancer treatment are covered even when it does not involve hospitalization and requires only outpatient treatment	
	●			A part or whole of the whole life insurance benefit is paid if the insured is certified care level of 4 or 5 under a public long-term care insurance system	
	●			A special provision that allows the insured to receive a part or whole of the whole life insurance benefit as pension benefits	
	●			Providing a wide range of services from consultation on health, healthcare, care, tax, laws, and introducing home security products provided by security companies	
	●			Lending wearable devices that enable heart rates to be measured to support the promotion of health among policyholders	
		●		Policy applications, including content verification and notification, completed by tablet computers or other devices (paper applications no longer needed)	
		●		Policy documentation and guides offered in CD-ROM format	
			●	Omitting partial confirmation of the relationship between the insured party and the beneficiary for policies in which a same-sex partner is appointed as the beneficiary, to enable procedures to be handled smoothly	
<b>Nursing Care / Healthcare Services</b>					
<b>Long-term care services</b>					
	●			<ul style="list-style-type: none"> <li>Private long-term care center (daily long-term care for residents of specified facilities)</li> <li>Housing for the elderly that provides services</li> </ul>	Sompo Care Message Sompo Care Next Cedar
	●			<ul style="list-style-type: none"> <li>Home visit nursing care</li> <li>Home visit long-term care</li> </ul>	Sompo Care Message Cedar



Physical healthcare services						
	●			A program used by health insurance societies and other medical insurers to prevent lifestyle-related diseases among the insured by providing specific health guidance and other services	Sompo Risk Management & Health Care	
	●			A health support program to prevent the progression of lifestyle-related diseases such as diabetes for people who do not require specific health guidance such as non-obese individuals and people on medication		
	●			A health support program for non-obese individuals, people on medication, and others who do not require specific health guidance		
Mental healthcare services						
	●			Human resource resilience level measurement tool (LLax MRP)	Sompo Risk Management & Health Care	
	●			<ul style="list-style-type: none"> <li>Mental health checkup / counseling (face-to-face / phone / online) (LLax counseling)</li> <li>Mental stress check &amp; counseling package service (LLax check &amp; counseling)</li> <li>Around-the-clock telephone counseling regarding health and long-term care</li> </ul>		
	●			<ul style="list-style-type: none"> <li>Mental health promotion &amp; disease prevention package (LLax seed, LLax seeda)</li> <li>Labor productivity measurement program (LLax WLQ-J)</li> </ul>		
	●			Case management program, reinstatement support program (LLax standard & come-back support)		
	●			Planning, operation, and implementation of mental healthcare training (LLax training)		
	●			Mental healthcare service package for employees before moving and in offices outside Japan and their families (LLax Global)		
Consulting Services						
	●			Providing support for businesses in implementing their health and productivity management by conducting PDCA such as analyzing medical prescription data and health diagnosis data, setting targets based on the results of analysis, offering solutions, and verifying the benefits, in order to improve and maintain employees' health	Sompo Risk Management & Health Care	
	●			Support for global companies risk management framework and measures		
	●			Support for preparing a business continuity plan (BCP) to establish necessary procedures and measures for early business restoration and production substitution in the event of an earthquake or other disaster		
	●			Support for planning, implementation and evaluation of training aimed at improving the level of BCM systems with a focus on motivating management, developing risk management staff and integrating segments / offices		
	●			Support for companies seeking to obtain certification under ISO 22301, the international standard for business continuity management systems (BCMSs)		
	●			Support for food companies (e.g., manufacturers, wholesalers, retailers) in food safety control, proper labeling, response to food accidents, etc. required for food safety and security and consumer trust in food		
	●			Support for companies seeking to obtain certification under ISO 39001, the international standard for road traffic safety management systems (RTSMSs)		
		●		Analysis and diagnosis of potential geographic risks pertaining to the location of photovoltaic, wind, and other renewable energy power plants		
		●		Diagnosis of fire and crime risk at mega solar power plants, conducted in partnership with Sohgo Security Services Co., Ltd.		
		●	●	●		Support for CSR promotion, external evaluation and analysis of CSR, and CSR information disclosure as a whole, including assistance for ISO 26000-based strategic CSR management and development of management systems, CSR marketing using social media, assistance for responding to SRI surveys, and preparing CSR reports and integrated reports
	●		●	●		Consulting service for ISO 20121 certification, the international standard for event sustainability management systems
		●				Support for the calculation of CO <sub>2</sub> emissions throughout the corporate value chain in accordance with GHG Protocol Scope 3 Standard and the guidelines formulated by the Japanese Ministries of the Environment and Economy, Trade and Industry
		●				Both Tokyo Cap-and-Trade (mandatory emissions trading scheme), launched by the Tokyo Metropolitan Government, and the Target-Setting Emissions Trading Program, launched by Saitama Prefecture, require verification by a registered verification agency in determining standard greenhouse gas emissions and accrediting businesses that comply with the standards. Sompo Risk Management & Health Care is a registered verification agency
		●			Assessment of and support for corporate biodiversity conservation activities, provided through partnership with the BirdLife International Tokyo, an international environmental civil society	
Financial Products / Other Services						
Financial products						
		●			Sompo Japan Green Open: SRI fund for investing in Japanese companies that are evaluated highly in both environmental management and financial value	Sompo Japan Nipponkoa Asset Management
		●	●	●	Sompo Japan SRI Open: SRI fund for investing in Japanese companies that are highly evaluated in ESG	
		●			Sompo Japan Eco Open: Japanese stock fund that attaches importance not only to high recognition in environmental management and financial value but also to high dividend yields	
		●	●	●	SNAM Japan ESG Investment Fund: SRI fund for investing in Japanese companies that are highly evaluated in ESG for institutional investors	
		●			SNAM Green Open: SRI fund for investing in Japanese companies that are evaluated highly in both environmental management and financial value for institutional investors	



Assistance services					
•				Arrangements for emergency services such as for a tow truck in response to various car troubles, including a flat battery or being locked out of the vehicle	Prime Assistance
•				Expert emergency repair services are arranged with regard to plumbing, locks, electricity, fittings, and other parts of the house	
•				A program that, under home warranty insurance, offers a combination of administrative services for repairing household equipment (ventilating fan, water heater, air conditioner, etc.) after the expiration of the manufacturer's warranty period and arrangements for home assistance services	
	•			A program developed for companies operating outside Japan that offers temporary payment of medical expenses to a local medical institution on behalf of employees in offices outside Japan; support for claims for health insurance / overseas travel insurance; and information on local medical institutions	



# Major ESG Data

## General Information on ESG Data

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

### ●Organizations surveyed in FY2016

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

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

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

● Coverage ratio

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

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

● Reporting period

- [1] Companies with head office in Japan  
Unless otherwise stated, data reported are for fiscal year 2016 (April 2016 to March 2017).
- [2] Companies other than [1]  
Unless otherwise stated, data reported are for calendar year 2016 (January to December 2016).

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

## Group Employee Data

### Number of employees (by employment status)

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

### Number of employees (by region)

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

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

## Additional Information Concerning Reporting of Greenhouse Gases (GHGs)

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

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

- The table below shows activity items subject to calculation.

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

## Environmental Performance Data

### ● Environmental Data

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

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

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

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

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



## Social Performance Data

### ● Social Performance Data

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

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

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

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

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

## Governance Data

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

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

## ●Nomination and Compensation Committee

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

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

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

- Notes: 1. The number of officers for payment includes two directors and one audit & supervisory board member who resigned at the end of the 6th General Meeting of Stockholders held on June 27, 2016.
2. Total compensation, etc., and total amount per type of compensation, etc., include compensation, etc., of two directors and one Audit & Supervisory Board member who resigned at the end of the 6th General Meeting of Stockholders held on June 27, 2016.
3. The total amount of compensation etc., of directors includes ¥275 million as compensation of executive officers for directors who are serving concurrently as executive officers (¥167 million in monthly compensation, ¥58 million in performance-linked compensation, and ¥49 million in performance-linked stock compensation). The compensation of executive officers is being paid to a total of nine persons.
4. Of the compensation, etc., paid to directors, monthly compensation and performance-linked compensation are paid in cash.
5. Performance-linked compensation is based on the performance of the previous fiscal year.  
The amount of reserve for performance-linked compensation based on the performance of the current fiscal year is ¥73 million.
6. Performance-linked stock compensation is the amount of provision of reserve for stock benefits posted as the portion for the current fiscal year.
7. Officers who receive compensation, etc., of ¥100 million or more in total from the Company and its consolidated subsidiaries are listed as follows.

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

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

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

### ● Briefings for investors and analysts

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

### ● Compliance training


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

▶ [Corporate Governance](#)

## Reference Links

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


# Vision/ Policy/ Code

Item		Vision/Policy/Code
Management		▶ Group Management Philosophy
		▶ Group Basic Management Policies
CSR		▶ Group CSR Vision
Environment		▶ Group Environmental Policy
Social	Human Resource/Human Rights	▶ Group Personnel Vision
		▶ Group Policy for Human Rights
	Sustainable Procurement	▶ Group Sustainable Procurement Policy
	Customer Relation	▶ Sompo Japan Nipponkoa Fiduciary Duty  * In Japanese
	Social Contribution	▶ Sompo Japan Nipponkoa Corporate Citizenship Policy
Governance	Corporate Governance	▶ Corporate Governance Policy
		▶ Basic Policy on Internal Controls * In Japanese
	Compliance	▶ Sompo Holdings Group Basic Policy on Compliance
		▶ Sompo Holdings Group Compliance Code of Conduct
		▶ Sompo Holdings Group Basic Policy on Response to Organized Crime Forces * In Japanese
		▶ Sompo Holdings Group Basic Policy on Managing Conflict-of-Interest Transactions
		▶ Sompo Holdings Group Privacy Policy * In Japanese
		▶ Sompo Holdings Group Declaration on the Protection of Customer Information * In Japanese



Information Disclosure	<p>▶ <a href="#">Basic Disclosure Policy</a></p> <p>* In Japanese</p>
Japan's Stewardship Code	<p>▶ <a href="#">Sompo Japan Nipponkoa Policy on Japan's Stewardship Code</a> </p> <p>* In Japanese</p>
	<p>▶ <a href="#">Sompo Japan Nipponkoa Asset Management Policy on Japan's Stewardship Code</a> </p> <p>* In Japanese</p>

# Management System

Item		Management System
Strategic Risk Management (ERM)		▶ Strategic Risk Management Systems
		▶ Strategic Risk Management
CSR		▶ CSR Management System
Social	Diversity	▶ Diversity Promotion Headquarters
	Human Rights	▶ Sompo Japan Nipponkoa Respecting Human Rights
	Response to Customer	▶ Sompo Japan Nipponkoa Response to Voice of Customer Management System  * only in Japanese
Governance	Corporate Governance	▶ Management Structure of Corporate Governance
		▶ Internal Control System * only in Japanese
	Compliance	▶ Compliance(  PDF/4,208KB)
	Risk Management (Business Continuity Systems)	▶ Risk Management (Business Continuity Systems)

For further information, please refer to our website.

<http://www.sompo-hd.com/en/csr/>

# Assurance by a Third-Party Organization

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## About Third Party Assurance

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

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

▶ [Assurance Statement\( !\[\]\(a03a7eb2f4046e1d3c76772003e549ea\_img.jpg\) PDF/935KB\)](#)

▶ [Major ESG Data](#)

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

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

## Terms of engagement

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

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

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

### Environmental indicators

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

### Social indicator

- Total days lost due to absence

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

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

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

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

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

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

## LRQA's Opinion

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

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

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

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



### LRQA's approach

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

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

### Observations

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

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

### LRQA's standards, competence and independence

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

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

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

Signed

Dated: 22 June 2017



Norihiko Kinoshita  
LRQA Lead Verifier

On behalf of Lloyd's Register Quality Assurance Limited  
Queen's Tower A, 10<sup>th</sup> Floor, 2-3-1, Minatomirai, Nishi-ku, Yokohama 220-6010, Japan

LRQA reference: YKA4005128

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# Investor Materials

▶ Earnings Reports

▶ Solvency Margin Ratio

▶ Investor Presentations

▶ Annual Reports

▶ Archives

For further information, please refer to our website.  
<http://www.sompo-hd.com/en/csr/>

# Third Party Comments/External Recognition

▶ Overview of CSR Communication

▶ CSR Reports

▶ GRI Content Index

▶ Third-Party Comments

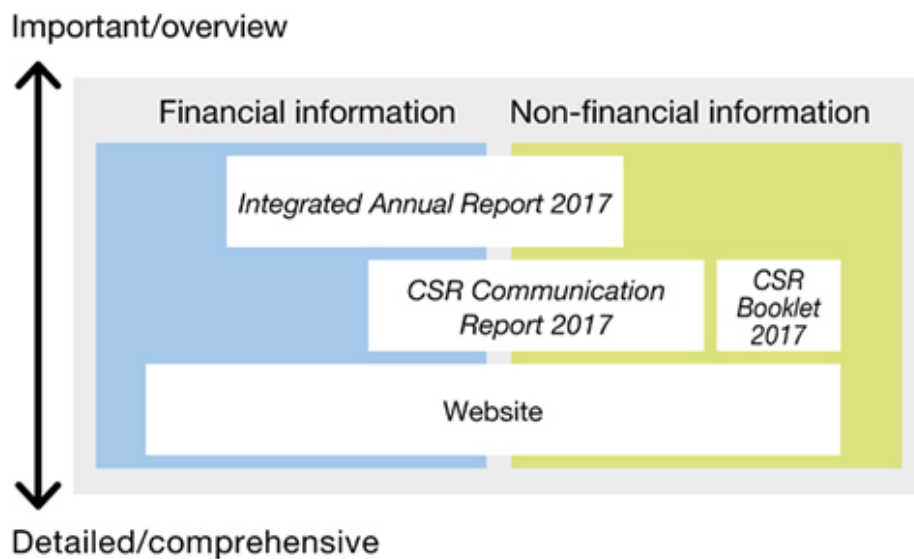
▶ External Recognition



# Overview of CSR Communication

## Overview of CSR Communication

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



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

# Features of the CSR Communication Report 2017

## 1. Initiatives to improve corporate value through social responsibility

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

## 2. Initiatives for Sustainable Development Goals (SDGs)

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

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

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

## 4. Stakeholder engagement

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

## 5. Initiatives to improve information disclosure credibility

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

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

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

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

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

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## Covered Organizations

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

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## Reporting Period

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

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## Publication

Annually

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## Publication Period

Last issue: September 2016

Current issue: September 2017

Next issue: (scheduled for) September 2017

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## Referenced Guidelines

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

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

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

▶ [GRI Content Index](#)

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## Planning and Editing

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## Disclaimer

















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

# CSR Reports

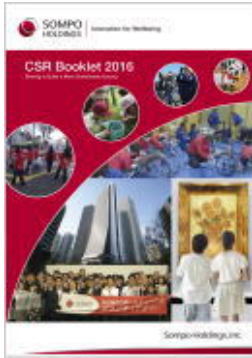
We publish a CSR Communication Report annually on our efforts to fulfill our social responsibilities. This report is crucial for facilitating forward-looking dialogue with stakeholders and improving the way we incorporate social responsibility into our operations. We also publish a CSR Booklet, which shows examples of our CSR initiatives in a simple and understandable manner.

▶ [CSR](#)

## CSR Communication Report

<p style="text-align: center;"><b>FY2016</b></p>	<ul style="list-style-type: none"> <li>▶ <a href="#">CSR Communication Report 2016</a>(  PDF/2,237KB)</li> <li>* The CSR Communication Report 2017 (PDF file) is being prepared. The most up-to-date information is posted on our CSR web pages.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>▶ <a href="#">CSR Communication Report 2016 (Supplementary) – Case Report</a>– (  PDF/3,552KB)</li> <li>▶ <a href="#">GRI Guideline Comparison Chart</a> </li> </ul>
	<p><b>Download by Section</b></p> <ul style="list-style-type: none"> <li>▶ <a href="#">Contents, Editorial Policy / Corporate Data</a>(  PDF/375KB)</li> <li>▶ <a href="#">Top Commitment</a>(  PDF/230KB)</li> <li>▶ <a href="#">Group Overview</a>(  PDF/148KB)</li> <li>▶ <a href="#">Main Achievement in FY 2015</a>(  PDF/138KB)</li> <li>▶ <a href="#">CSR Management</a>(  PDF/541KB)</li> <li>▶ <a href="#">Material Issue 1: Providing Solutions for Disaster Preparedness</a>(  PDF/138KB)</li> <li>▶ <a href="#">Material Issue 2: Contributing to Health and Welfare</a>(  PDF/72KB)</li> <li>▶ <a href="#">Material Issue 3: Promoting the Manageability of Global Environmental Issues</a>(  PDF/122KB)</li> <li>▶ <a href="#">Material Issue 4: Empowering Community and Society</a>(  PDF/224KB)</li> <li>▶ <a href="#">Material Issue 5: Supporting Diversity and Inclusion in Private and Public Life</a>(  PDF/141KB)</li> <li>▶ <a href="#">External Recognition</a>(  PDF/218KB)</li> <li>▶ <a href="#">CSR Milestones of the Group</a>(  PDF/222KB)</li> </ul>

## CSR Booklet



### FY 2016

- ▶ CSR Booklet 2016( [PDF/3,056KB](#))

## Back Numbers

FY 2015	<ul style="list-style-type: none"> <li>▶ Sompo Japan Nipponkoa Holdings Corporate Responsibility Communication 2015( <a href="#">PDF/1,278KB</a>)</li> <li>▶ Sompo Japan Nipponkoa Group's CSR Case Report (Corporate Responsibility Communication 2015, Separate Volume) ( <a href="#">PDF/4,822KB</a>)</li> </ul> <hr/> <ul style="list-style-type: none"> <li>▶ CSR Booklet 2015( <a href="#">PDF/4,287KB</a>)</li> </ul>
FY 2014	<ul style="list-style-type: none"> <li>▶ Sompo Japan Nipponkoa Holdings Corporate Responsibility Communication 2014 (CSR Communication Report) ( <a href="#">PDF/5,392KB</a>)</li> <li>▶ Sompo Japan Nipponkoa Group's CSR Case Report (Corporate Responsibility Communication 2014, Separate Volume) ( <a href="#">PDF/3,583KB</a>)</li> </ul>
FY 2013	<ul style="list-style-type: none"> <li>▶ NKSJ Holdings Corporate Responsibility Communication 2013( <a href="#">PDF/5,576KB</a>)</li> </ul>
FY 2012	<ul style="list-style-type: none"> <li>▶ NKSJ Holdings Corporate Responsibility Communication 2012( <a href="#">PDF/3,834KB</a>)</li> </ul>

For further information, please refer to our website.

<http://www.sompo-hd.com/en/csr/>

# GRI Content Index

The CSR Communication Report 2017 has been prepared in accordance with the Core option of the GRI Sustainability Reporting Standards. The following table shows the page references for each of the Standard's General Disclosures, as well as economic, environmental and social topics, and Financial Services Sector Disclosures.

Core indicators for General Disclosure are indicated with an asterisk (\*). Page references are provided also for other indicators in response to increased requests from stakeholders for disclosure. Page references are provided for economic, environmental and social topics identified as material for the Group.

For information published in the Annual Report 2017 (Integrated Report) and Corporate Governance Report, the relevant documents are indicated.


## Standard Disclosure

\* Core Indicators are identified with an asterisk (\*).

Disclosures No.		Requirements	Page References (or Reasons for Omission)
GRI Standard	G4 Guidelines		
<b>Organizational profile</b>			
102-1*	G4-3	a. Name of the organization.	▶ Corporate Profile
102-2*	G4-4/PR6	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	▶ Group Businesses ▶ Products and Services for a Sustainable Society
102-3*	G4-5	a. Location of the organization's headquarters.	▶ Corporate Profile
102-4*	G4-6	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	▶ Overseas Insurance
102-5*	G4-7	a. Nature of ownership and legal form.	▶ Corporate Profile
102-6*	G4-8	a. Markets served, including: i. geographic locations where products	▶ Group Businesses



		<p>and services are offered;</p> <p>ii. sectors served;</p> <p>iii. types of customers and beneficiaries.</p>	
102-7*	G4-9	<p>a. Scale of the organization, including:</p> <p>i. total number of employees;</p> <p>ii. total number of operations;</p> <p>iii. net sales (for private sector organizations) or net revenues (for public sector organizations);</p> <p>iv. total capitalization (for private sector organizations) broken down in terms of debt and equity;</p> <p>v. quantity of products or services provided.</p>	<p>▶ <a href="#">Corporate Profile</a></p> <p>▶ <a href="#">Integrated Annual Report 2017 p.28-31 (Financial and Non-Financial Highlights)</a> (  PDF/8,401KB)</p>
102-8*	G4-10	<p>a. Total number of employees by employment contract (permanent and temporary), by gender.</p> <p>b. Total number of employees by employment contract (permanent and temporary), by region.</p> <p>c. Total number of employees by employment type (full-time and part-time), by gender.</p> <p>d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.</p> <p>e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries).</p> <p>f. An explanation of how the data have been compiled, including any assumptions made.</p>	<p>▶ <a href="#">Number of Employees</a></p>
102-9*	G4-12	<p>a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.</p>	<p>▶ <a href="#">Value Chain</a></p>
102-10*	G4-13	<p>a. Significant changes to the organization's size, structure, ownership, or supply chain, including:</p> <p>i. Changes in the location of, or changes in, operations, including facility openings,</p>	<p>▶ <a href="#">Group Businesses</a></p> <p>▶ <a href="#">Integrated Annual Report 2017 p.142-148 (Business Combination, Segment</a></p>

		<p>closings, and expansions;</p> <p>ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations);</p> <p>iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.</p>	<p>information) (  PDF/8,401 KB)</p>
102-11*	G4-14	<p>a. Whether and how the organization applies the Precautionary Principle or approach.</p>	<ul style="list-style-type: none"> <li>▶ Top Commitment</li> <li>▶ Management System</li> <li>▶ Declarations to Society and Participation in CSR Initiatives</li> <li>▶ 1. Providing Solutions for Disaster Preparedness</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ Featured Topic 1: Climate Initiatives</li> </ul>
102-12*	G4-15	<p>a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.</p>	<ul style="list-style-type: none"> <li>▶ Declarations to Society and Participation in CSR Initiatives</li> </ul>
102-13*	G4-16	<p>a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.</p>	<ul style="list-style-type: none"> <li>▶ Declarations to Society and Participation in CSR Initiatives</li> </ul>
<b>Strategy</b>			
102-14*	G4-1	<p>a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.</p>	<ul style="list-style-type: none"> <li>▶ Top Commitment</li> </ul>
102-15	G4-2	<p>a. A description of key impacts, risks, and opportunities.</p>	<ul style="list-style-type: none"> <li>▶ Top Commitment</li> <li>▶ Redefining Group CSR Materiality</li> <li>▶ Group CSR Materiality (Major Initiatives on each CSR Material Issue)</li> </ul>
<b>Ethics and integrity</b>			
102-16*	G4-56	<p>a. A description of the organization's values, principles, standards, and norms of behavior.</p>	<ul style="list-style-type: none"> <li>▶ Group Management Philosophy</li> </ul>

102-17	G4-57/58	<p>a. A description of internal and external mechanisms for:</p> <p>i. seeking advice about ethical and lawful behavior, and organizational integrity;</p> <p>ii. reporting concerns about unethical or unlawful behavior, and organizational integrity.</p>	<ul style="list-style-type: none"> <li>▶ Stakeholder Engagement</li> </ul>
<b>Governance</b>			
102-18*	G4-34	<p>a. Governance structure of the organization, including committees of the highest governance body.</p> <p>b. Committees responsible for decision-making on economic, environmental, and social topics.</p>	<ul style="list-style-type: none"> <li>▶ Management System</li> <li>▶ Corporate Governance</li> <li>▶ Corporate Governance Report</li> </ul>
102-19	G4-35	<p>a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.</p>	<ul style="list-style-type: none"> <li>▶ Management System</li> </ul>
102-20	G4-36	<p>a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics.</p> <p>b. Whether post holders report directly to the highest governance body.</p>	<ul style="list-style-type: none"> <li>▶ Management System</li> </ul>
102-21	G4-37	<p>a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.</p> <p>b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.</p>	<ul style="list-style-type: none"> <li>▶ Management System</li> </ul>
102-22	G4-38	<p>a. Composition of the highest governance body and its committees by:</p> <p>i. executive or non-executive;</p> <p>ii. independence;</p> <p>iii. tenure on the governance body;</p> <p>iv. number of each individual's other significant positions and commitments, and the nature of the commitments;</p> <p>v. gender;</p> <p>vi. membership of under-represented social groups;</p> <p>vii. competencies relating to economic,</p>	<ul style="list-style-type: none"> <li>▶ Management System</li> <li>▶ Major ESG Data (Governance Data)</li> <li>▶ Corporate Governance</li> <li>▶ Corporate Governance Report</li> </ul>

		environmental, and social topics; viii. stakeholder representation.	
102-23	G4-39	a. Whether the chair of the highest governance body is also an executive officer in the organization. b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.	<ul style="list-style-type: none"> <li>▶ Management System</li> <li>▶ Corporate Governance</li> <li>▶ Corporate Governance Report</li> </ul>
102-24	G4-40	a. Nomination and selection processes for the highest governance body and its committees. b. Criteria used for nominating and selecting highest governance body members, including whether and how: <ul style="list-style-type: none"> <li>i. stakeholders (including shareholders) are involved;</li> <li>ii. diversity is considered;</li> <li>iii. independence is considered;</li> <li>iv. expertise and experience relating to economic, environmental, and social topics are considered.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Management System</li> <li>▶ Corporate Governance</li> <li>▶ Corporate Governance Report</li> </ul>
102-25	G4-41	a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed. b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ul style="list-style-type: none"> <li>i. Cross-board membership;</li> <li>ii. Cross-shareholding with suppliers and other stakeholders;</li> <li>iii. Existence of controlling shareholder;</li> <li>iv. Related party disclosures.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Management System</li> <li>▶ Corporate Governance</li> <li>▶ Corporate Governance Report</li> </ul>
102-26	G4-42	a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.	<ul style="list-style-type: none"> <li>▶ Management System</li> </ul>
102-27	G4-43	a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.	<ul style="list-style-type: none"> <li>▶ Management System</li> </ul>
102-28	G4-44	a. Processes for evaluating the highest	<ul style="list-style-type: none"> <li>▶ Corporate Governance</li> </ul>

		<p>governance body's performance with respect to governance of economic, environmental, and social topics.</p> <p>b. Whether such evaluation is independent or not, and its frequency.</p> <p>c. Whether such evaluation is a self-assessment.</p> <p>d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.</p>	<p>▶ <a href="#">Corporate Governance Report</a></p>
102-29	G4-45	<p>a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes.</p> <p>b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.</p>	<p>▶ <a href="#">Corporate Governance</a></p> <p>▶ <a href="#">Corporate Governance Report</a></p>
102-30	G4-46	<p>a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.</p>	<p>▶ <a href="#">Management System</a></p>
102-31	G4-47	<p>a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.</p>	<p>▶ <a href="#">Management System</a></p>
102-32	G4-48	<p>a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.</p>	<p>▶ <a href="#">Management System</a></p>
102-33	G4-49	<p>a. Process for communicating critical concerns to the highest governance body.</p>	<p>▶ <a href="#">Management System</a></p> <p>▶ <a href="#">Corporate Governance</a></p> <p>▶ <a href="#">Corporate Governance Report</a></p>
102-34	G4-50	<p>a. Total number and nature of critical concerns that were communicated to the highest governance body.</p>	<p>▶ <a href="#">Corporate Governance</a></p> <p>▶ <a href="#">Corporate Governance Report</a></p>

		b. Mechanism(s) used to address and resolve critical concerns.	
102-35	G4-51	<p>a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration:</p> <p>i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;</p> <p>ii. Sign-on bonuses or recruitment incentive payments;</p> <p>iii. Termination payments;</p> <p>iv. Clawbacks;</p> <p>v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.</p> <p>b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.</p>	<ul style="list-style-type: none"> <li>▶ <a href="#">Major ESG Data (Governance Data)</a></li> <li>▶ <a href="#">Corporate Governance</a></li> <li>▶ <a href="#">Integrated Annual Report 2017 p.83-84 (Corporate Governance (Appendix) Compensation Amounts of Directors and Audit &amp; Supervisory Board Members) ( PDF/8,401KB)</a></li> <li>▶ <a href="#">Corporate Governance Report</a></li> </ul>
102-36	G4-52	<p>a. Process for determining remuneration.</p> <p>b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management.</p> <p>c. Any other relationships that the remuneration consultants have with the organization.</p>	<ul style="list-style-type: none"> <li>▶ <a href="#">Major ESG Data (Governance Data)</a></li> <li>▶ <a href="#">Corporate Governance</a></li> <li>▶ <a href="#">Integrated Annual Report 2017 p.83-84 (Corporate Governance (Appendix) Compensation Amounts of Directors and Audit &amp; Supervisory Board Members) ( PDF/8,401KB)</a></li> <li>▶ <a href="#">Corporate Governance Report</a></li> </ul>
102-37	G4-53	<p>a. How stakeholders' views are sought and taken into account regarding remuneration.</p> <p>b. If applicable, the results of votes on remuneration policies and proposals.</p>	<ul style="list-style-type: none"> <li>▶ <a href="#">Major ESG Data (Governance Data)</a></li> <li>▶ <a href="#">Corporate Governance</a></li> <li>▶ <a href="#">Integrated Annual Report 2017 p.83-84 (Corporate Governance (Appendix) Compensation Amounts of Directors and Audit &amp; Supervisory Board Members) ( PDF/8,401KB)</a></li> <li>▶ <a href="#">Corporate Governance Report</a></li> </ul>
102-38	G4-54	a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant	<ul style="list-style-type: none"> <li>▶ <a href="#">Major ESG Data (Governance Data)</a></li> </ul>

		operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	<ul style="list-style-type: none"> <li>▶ <a href="#">Integrated Annual Report 2017 p.83-84 (Corporate Governance (Appendix Compensation Amounts of Directors and Audit &amp; Supervisory Board Members) ( PDF/8,401KB)</a></li> </ul>
102-39	G4-55	a. Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	<ul style="list-style-type: none"> <li>▶ <a href="#">Major ESG Data (Governance Data)</a></li> <li>▶ <a href="#">Integrated Annual Report 2017 p.83-84 (Corporate Governance (Appendix Compensation Amounts of Directors and Audit &amp; Supervisory Board Members) ( PDF/8,401KB)</a></li> </ul>
<b>Stakeholder engagement</b>			
102-40*	G4-24	a. A list of stakeholder groups engaged by the organization.	▶ <a href="#">Stakeholder Engagement</a>
102-41*	G4-11	a. Percentage of total employees covered by collective bargaining agreements.	▶ <a href="#">Major ESG Data (Social Performance Data)</a>
102-42*	G4-25	a. The basis for identifying and selecting stakeholders with whom to engage.	▶ <a href="#">Stakeholder Engagement</a>
102-43*	G4-26/PR5	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	<ul style="list-style-type: none"> <li>▶ <a href="#">Redefining Group CSR Materiality</a></li> <li>▶ <a href="#">Stakeholder Engagement</a></li> <li>▶ <a href="#">Major ESG Data (Social Performance Data)</a></li> </ul>
102-44*	G4-27/PR5	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	<ul style="list-style-type: none"> <li>▶ <a href="#">Redefining Group CSR Materiality</a></li> <li>▶ <a href="#">Group CSR Materiality (Major Initiatives on each CSR Material Issue)</a></li> </ul>
<b>Reporting practice</b>			
102-45*	G4-17	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial	<ul style="list-style-type: none"> <li>▶ <a href="#">Group Businesses</a></li> <li>▶ <a href="#">Overview of CSR Communication (Covered Organization)</a></li> </ul>



		statements or equivalent documents is not covered by the report.	▶ <a href="#">Integrated Annual Report 2017 p.90-92 (Corporate Data, The Company, Subsidiaries, and Affiliates) ( PDF/8,401KB)</a>
102-46*	G4-18	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	▶ <a href="#">Overview of CSR Communication (Covered Organization)</a> ▶ <a href="#">Redefining Group CSR Materiality</a>
102-47*	G4-19	a. A list of the material topics identified in the process for defining report content.	▶ <a href="#">Redefining Group CSR Materiality</a>
102-48*	G4-22	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	Not applicable
102-49*	G4-23	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	Not applicable
102-50*	G4-28	a. Reporting period for the information provided.	▶ <a href="#">Overview of CSR Communication (Reporting Period)</a>
102-51*	G4-29	a. If applicable, the date of the most recent previous report.	▶ <a href="#">Overview of CSR Communication (Publication Period)</a>
102-52*	G4-30	a. Reporting cycle.	▶ <a href="#">Overview of CSR Communication (Publication Period)</a>
102-53*	G4-31	a. The contact point for questions regarding the report or its contents.	▶ <a href="#">Overview of CSR Communication (Planning and Editing)</a>
102-54*	G4-32-a	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.	▶ <a href="#">The CSR Communication Report 2017 has been prepared in accordance with the Core option of the GRI Sustainability Reporting Standards.</a>
102-55*	G4-32-b	a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include:	This page is the GRI Content Index. ▶ <a href="#">Overview of CSR Communication (Referenced Guidelines)</a>

		<p>i. the number of the disclosure (for disclosures covered by the GRI Standards);</p> <p>ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;</p> <p>iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.</p>	
102-56*	G4-32-c/33	<p>a. A description of the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If the report has been externally assured:</p> <p>i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;</p> <p>ii. The relationship between the organization and the assurance provider;</p> <p>iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.</p>	<p>Have received third-party assurance on some quantitative social and environmental data.</p> <p>▶ Assurance by a Third-Party Organization</p>
<b>Management Approach</b>			
103-1	G4-20/21/DMA-a	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<p>▶ Overview of CSR Communication (Covered Organization)</p> <p>▶ Redefining Group CSR Materiality</p> <p>▶ CSR Key Performance Indicators (CSR-KPIs)</p> <p>▶ Group CSR Materiality (Major Initiatives on each CSR Material Issue)</p>
103-2	G4-DMA-b	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p>	<p>▶ CSR Initiatives</p> <p>▶ Management System</p> <p>▶ Group CSR Materiality (Major Initiatives on each CSR Material Issue)</p>

		<p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> <li>i. Policies</li> <li>ii. Commitments</li> <li>iii. Goals and targets</li> <li>iv. Responsibilities</li> <li>v. Resources</li> <li>vi. Grievance mechanisms</li> <li>vii. Specific actions, such as processes, projects, programs and initiatives</li> </ul>	Issue)
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> <li>i. the mechanisms for evaluating the effectiveness of the management approach;</li> <li>ii. the results of the evaluation of the management approach;</li> <li>iii. any related adjustments to the management approach.</li> </ul>	<ul style="list-style-type: none"> <li>▶ <a href="#">Management System</a></li> <li>▶ <a href="#">Group CSR Materiality (Major Initiatives on each CSR Material Issue)</a></li> <li>▶ <a href="#">CSR Key Performance Indicators (CSR-KPIs)</a></li> <li>▶ <a href="#">Stakeholder Engagement</a></li> <li>▶ <a href="#">Major ESG Data</a></li> <li>▶ <a href="#">Third Party Comments</a></li> <li>▶ <a href="#">Assurance by a Third-Party Organization</a></li> </ul>

## ECONOMIC

Disclosures No.		Requirements	Page References (or Reasons for Omission)
GRI Standard	G4 Guidelines		
<b>Economic Performance</b>			
103-1	G4-20/21/DMA-a	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> <li>▶ Overview of CSR Communication (Covered Organization)</li> <li>▶ Redefining Group CSR Materiality</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ Group CSR Materiality (Major Initiatives on each CSR Material Issue)</li> </ul>
103-2	G4-DMA-b	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<ul style="list-style-type: none"> <li>▶ CSR Initiatives</li> <li>▶ Management System</li> <li>▶ Group CSR Materiality (Major Initiatives on each CSR Material Issue)</li> </ul>
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	<ul style="list-style-type: none"> <li>▶ Management System</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ Stakeholder Engagement</li> </ul>

201-1	G4-EC1	<p>a. Direct economic value generated and distributed (EVG&amp;D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <p>i. Direct economic value generated: revenues;</p> <p>ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;</p> <p>iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.</p> <p>b. Where significant, report EVG&amp;D separately at country, regional, or market levels, and the criteria used for defining significance.</p>	<ul style="list-style-type: none"> <li>▶ <a href="#">Investor Materials</a></li> <li>▶ <a href="#">Major ESG Data (Governance Data)</a></li> <li>▶ <a href="#">Integrated Annual Report 2017 p.28-31 (Financial and Non-Financial Highlights) (  PDF/8,401KB)</a></li> </ul>
201-2	G4-EC2	<p>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:</p> <p>i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;</p> <p>ii. a description of the impact associated with the risk or opportunity;</p> <p>iii. the financial implications of the risk or opportunity before action is taken;</p> <p>iv. the methods used to manage the risk or opportunity;</p> <p>v. the costs of actions taken to manage the risk or opportunity.</p>	<ul style="list-style-type: none"> <li>▶ <a href="#">Identifying Our CSR Materiality</a></li> <li>▶ <a href="#">3. Promoting the Manageability of Global Environmental Issues</a></li> <li>▶ <a href="#">Featured Topic 1: Climate Initiatives</a></li> <li>▶ <a href="#">Case Studies – Customer: Mitigation of Climate Change</a></li> <li>▶ <a href="#">Case Studies – Community: Adaptation to Climate Change</a></li> <li>▶ <a href="#">Case Studies – Agencies: Mitigation of Climate Change</a></li> <li>▶ <a href="#">Assurance by a Third-Party Organization</a></li> </ul>
201-3	G4-EC3	<p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>b. If a separate fund exists to pay the plan's pension liabilities:</p> <p>i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;</p>	<p>Information unavailable. Will collect/ analyze information and work toward its disclosure.</p>

		<p>ii. the basis on which that estimate has been arrived at;</p> <p>iii. when that estimate was made.</p> <p>c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d. Percentage of salary contributed by employee or employer.</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p>	
201-4	G4-EC4	<p>a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including:</p> <p>i. tax relief and tax credits;</p> <p>ii. subsidies;</p> <p>iii. investment grants, research and development grants, and other relevant types of grant; iv. awards;</p> <p>v. royalty holidays;</p> <p>vi. financial assistance from Export Credit Agencies (ECAs);</p> <p>vii. financial incentives;</p> <p>viii. other financial benefits received or receivable from any government for any operation.</p> <p>b. The information in 201-4-a by country.</p> <p>c. Whether, and the extent to which, any government is present in the shareholding structure.</p>	Not applicable
<b>Indirect Economic Impacts</b>			
103-1	G4-20/21/DMA-a	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the</p>	<ul style="list-style-type: none"> <li>▶ Overview of CSR Communication (Covered Organization)</li> <li>▶ Identifying Our CSR Materiality</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ 4. Empowering Community and Society</li> </ul>

		<p>impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	
103-2	G4-DMA-b	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> <li>i. Policies</li> <li>ii. Commitments</li> <li>iii. Goals and targets</li> <li>iv. Responsibilities</li> <li>v. Resources</li> <li>vi. Grievance mechanisms</li> <li>vii. Specific actions, such as processes, projects, programs and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▶ CSR Initiatives</li> <li>▶ Management System</li> </ul>
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> <li>i. the mechanisms for evaluating the effectiveness of the management approach;</li> <li>ii. the results of the evaluation of the management approach;</li> <li>iii. any related adjustments to the management approach.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Management System</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ Stakeholder Engagement</li> </ul>
203-1	G4-EC7	<ul style="list-style-type: none"> <li>a. Extent of development of significant infrastructure investments and services supported.</li> <li>b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</li> <li>c. Whether these investments and services are commercial, in-kind, or pro bono engagements.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Major ESG Data (Governance Data)</li> <li>▶ 4. Empowering Community and Society</li> <li>▶ Case Studies – Stockholders, Investors, Companies we invest in: Contributing Community through Business</li> <li>▶ Case Studies - Civil Societies: Contributing to Community through the Arts and Culture</li> <li>▶ Case Studies – Community: Engagement with Communities</li> <li>▶ Case Studies – Community: Contributing to Community through the Arts and Culture</li> </ul>
203-2	G4-EC8	<ul style="list-style-type: none"> <li>a. Examples of significant identified indirect economic impacts of the organization, including positive and</li> </ul>	<ul style="list-style-type: none"> <li>▶ Featured Topic 1: Climate Initiatives</li> </ul>



		<p>negative impacts.</p> <p>b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.</p>	<ul style="list-style-type: none"> <li>▶ Case Studies – Community: Adaptation to Climate Change</li> <li>▶ Case Studies – Stockholders, Investors, Companies we invest in: Solutions for Environmental Issues</li> </ul>
<b>Anti-corruption</b>			
103-1	G4-20/21/DMA-a	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> <li>i. where the impacts occur;</li> <li>ii. the organization’s involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</li> </ul> <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> <li>▶ CSR as Corporate Value Drivers</li> <li>▶ Overview of CSR Communication (Covered Organization)</li> <li>▶ Redefining Group CSR Materiality</li> </ul>
103-2	G4-DMA-b	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> <li>i. Policies</li> <li>ii. Commitments</li> <li>iii. Goals and targets</li> <li>iv. Responsibilities</li> <li>v. Resources</li> <li>vi. Grievance mechanisms</li> <li>vii. Specific actions, such as processes, projects, programs and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▶ Compliance</li> </ul>
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> <li>i. the mechanisms for evaluating the effectiveness of the management approach;</li> <li>ii. the results of the evaluation of the management approach;</li> <li>iii. any related adjustments to the management approach.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Compliance</li> </ul>
205-1	G4-SO3	a. Total number and percentage of	Information unavailable.

		<p>operations assessed for risks related to corruption.</p> <p>b. Significant risks related to corruption identified through the risk assessment.</p>	<p>Will collect/ analyze information and work toward its disclosure.</p>
205-2	G4-SO4	<p>a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.</p> <p>b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.</p> <p>c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.</p> <p>d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.</p> <p>e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p>	<p>► Major ESG Data (Governance Data)</p>
205-3	G4-SO5	<p>a. Total number and nature of confirmed incidents of corruption.</p> <p>b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.</p> <p>c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.</p> <p>d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.</p>	<p>Information unavailable.</p> <p>Will collect/ analyze information and work toward its disclosure.</p>

## ENVIRONMENTAL

Disclosures No.		Requirements	Page References (or Reasons for Omission)
GRI Standard	G4 Guidelines		
<b>Materials</b>			
103-1	G4-20/21/DMA-a	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> <li>▶ Overview of CSR Communication (Covered Organization)</li> <li>▶ CSR Strategies/Featured Topics</li> <li>▶ Identifying Our CSR Materiality</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ Featured Topic 1: Climate Initiatives</li> <li>▶ Stakeholder Engagement</li> </ul>
103-2	G4-DMA-b	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<ul style="list-style-type: none"> <li>▶ CSR Initiatives</li> <li>▶ Management System</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> </ul>
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	<ul style="list-style-type: none"> <li>▶ Management System</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ Stakeholder Engagement</li> <li>▶ Major ESG Data (Environmental Performance Data)</li> </ul>

301-1	G4-EN1	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.	<ul style="list-style-type: none"> <li>▶ Major ESG Data (Environmental Performance Data)</li> <li>▶ Case Studies – Customer: Mitigation of Climate Change</li> </ul>
301-2	G4-EN2	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	<ul style="list-style-type: none"> <li>▶ Major ESG Data (Environmental Performance Data)</li> </ul>
301-3	G4-EN28	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	<ul style="list-style-type: none"> <li>▶ Major ESG Data (Environmental Performance Data)</li> </ul>
<b>Energy</b>			
103-1	G4-20/21/DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	<ul style="list-style-type: none"> <li>▶ Overview of CSR Communication (Covered Organization)</li> <li>▶ CSR Strategies/Featured Topics</li> <li>▶ Identifying Our CSR Materiality</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ Featured Topic 1: Climate Initiatives</li> <li>▶ Stakeholder Engagement</li> </ul>
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	<ul style="list-style-type: none"> <li>▶ CSR Initiatives</li> <li>▶ Management System</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> </ul>
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach,	<ul style="list-style-type: none"> <li>▶ Management System</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> </ul>

		<p>including:</p> <ul style="list-style-type: none"> <li>i. the mechanisms for evaluating the effectiveness of the management approach;</li> <li>ii. the results of the evaluation of the management approach;</li> <li>iii. any related adjustments to the management approach.</li> </ul>	<ul style="list-style-type: none"> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ Stakeholder Engagement</li> <li>▶ Major ESG Data (Environmental Performance Data)</li> </ul>
302-1	G4-EN3	<ul style="list-style-type: none"> <li>a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.</li> <li>b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.</li> <li>c. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> <li>i. electricity consumption</li> <li>ii. heating consumption</li> <li>iii. cooling consumption</li> <li>iv. steam consumption</li> </ul> </li> <li>d. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> <li>i. electricity sold</li> <li>ii. heating sold</li> <li>iii. cooling sold</li> <li>iv. steam sold</li> </ul> </li> <li>e. Total energy consumption within the organization, in joules or multiples.</li> <li>f. Standards, methodologies, assumptions, and/or calculation tools used.</li> <li>g. Source of the conversion factors used.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Major ESG Data (Environmental Performance Data)</li> </ul>
302-2	G4-EN4	<ul style="list-style-type: none"> <li>a. Energy consumption outside of the organization, in joules or multiples.</li> <li>b. Standards, methodologies, assumptions, and/or calculation tools used.</li> <li>c. Source of the conversion factors used.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Major ESG Data (Environmental Performance Data)</li> </ul>
302-3	G4-EN5	<ul style="list-style-type: none"> <li>a. Energy intensity ratio for the organization.</li> <li>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</li> <li>c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.</li> <li>d. Whether the ratio uses energy</li> </ul>	<ul style="list-style-type: none"> <li>▶ Major ESG Data (Environmental Performance Data)</li> </ul>


		consumption within the organization, outside of it, or both.	
302-4	G4-EN6	<p>a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.</p> <p>b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.</p> <p>c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.</p> <p>d. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> <li>▶ Major ESG Data (Environmental Performance Data)</li> </ul>
302-5	G4-EN7	<p>a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.</p> <p>b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> <li>▶ Major ESG Data (Environmental Performance Data)</li> </ul>
<b>Biodiversity</b>			
103-1	G4-20/21/DMA-a	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> <li>i. where the impacts occur;</li> <li>ii. the organization’s involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</li> </ul> <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> <li>▶ Overview of CSR Communication (Covered Organization)</li> <li>▶ CSR Strategies/Featured Topics</li> <li>▶ Identifying Our CSR Materiality</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ Featured Topic 1: Climate Initiatives</li> <li>▶ Stakeholder Engagement</li> </ul>
103-2	G4-DMA-b	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p>	<ul style="list-style-type: none"> <li>▶ CSR Initiatives</li> <li>▶ Management System</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> </ul>

		<ul style="list-style-type: none"> <li>i. Policies</li> <li>ii. Commitments</li> <li>iii. Goals and targets</li> <li>iv. Responsibilities</li> <li>v. Resources</li> <li>vi. Grievance mechanisms</li> <li>vii. Specific actions, such as processes, projects, programs and initiatives</li> </ul>	
103-3	G4-DMA-c	<ul style="list-style-type: none"> <li>a. An explanation of how the organization evaluates the management approach, including: <ul style="list-style-type: none"> <li>i. the mechanisms for evaluating the effectiveness of the management approach;</li> <li>ii. the results of the evaluation of the management approach;</li> <li>iii. any related adjustments to the management approach.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Management System</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ Stakeholder Engagement</li> <li>▶ Major ESG Data (Environmental Performance Data)</li> </ul>
304-1	G4-EN11	<ul style="list-style-type: none"> <li>a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information: <ul style="list-style-type: none"> <li>i. Geographic location;</li> <li>ii. Subsurface and underground land that may be owned, leased, or managed by the organization;</li> <li>iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas;</li> <li>iv. Type of operation (office, manufacturing or production, or extractive);</li> <li>v. Size of operational site in km<sup>2</sup> (or another unit, if appropriate);</li> <li>vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem);</li> <li>vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).</li> </ul> </li> </ul>	Not applicable
304-2	G4-EN12	<ul style="list-style-type: none"> <li>a. Nature of significant direct and indirect</li> </ul>	<ul style="list-style-type: none"> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> </ul>





		<p>impacts on biodiversity with reference to one or more of the following:</p> <ul style="list-style-type: none"> <li>i. Construction or use of manufacturing plants, mines, and transport infrastructure;</li> <li>ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);</li> <li>iii. Introduction of invasive species, pests, and pathogens;</li> <li>iv. Reduction of species;</li> <li>v. Habitat conversion;</li> <li>vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level).</li> </ul> <p>b. Significant direct and indirect positive and negative impacts with reference to the following:</p> <ul style="list-style-type: none"> <li>i. Species affected;</li> <li>ii. Extent of areas impacted;</li> <li>iii. Duration of impacts;</li> <li>iv. Reversibility or irreversibility of the impacts.</li> </ul>	<p>► Case Studies - Civil Societies: Conservation of Biodiversity</p>
304-3	G4-EN13	<ul style="list-style-type: none"> <li>a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.</li> <li>b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.</li> <li>c. Status of each area based on its condition at the close of the reporting period.</li> <li>d. Standards, methodologies, and assumptions used.</li> </ul>	<p>► 3. Promoting the Manageability of Global Environmental Issues</p> <p>► Case Studies - Civil Societies: Conservation of Biodiversity</p>
304-4	G4-EN14	<p>a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:</p> <ul style="list-style-type: none"> <li>i. Critically endangered</li> <li>ii. Endangered</li> <li>iii. Vulnerable</li> <li>iv. Near threatened</li> <li>v. Least concern</li> </ul>	<p>Not applicable</p>

Emissions			
103-1	G4-20/21/DMA-a	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization’s involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> <li>▶ Overview of CSR Communication (Covered Organization)</li> <li>▶ CSR Strategies/Featured Topics</li> <li>▶ Identifying Our CSR Materiality</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ Featured Topic 1: Climate Initiatives</li> <li>▶ Stakeholder Engagement</li> </ul>
103-2	G4-DMA-b	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<ul style="list-style-type: none"> <li>▶ CSR Initiatives</li> <li>▶ Management System</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> </ul>
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	<ul style="list-style-type: none"> <li>▶ Management System</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ Stakeholder Engagement</li> <li>▶ Major ESG Data (Environmental Performance Data)</li> </ul>
305-1	G4-EN15	<p>a. Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent.</p> <p>b. Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.</p> <p>c. Biogenic CO2 emissions in metric tons of CO2 equivalent.</p>	<ul style="list-style-type: none"> <li>▶ Integrated Annual Report 2017 p.28-31 (Financial and Non-Financial Highlights) (  PDF/8,401KB)</li> <li>▶ Major ESG Data (Environmental Performance Data)</li> <li>▶ Assurance by a Third-Party Organization</li> </ul>



		<p>d. Base year for the calculation, if applicable, including:</p> <p>i. the rationale for choosing it;</p> <p>ii. emissions in the base year;</p> <p>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	
305-2	G4-EN16	<p>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.</p> <p>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.</p> <p>c. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.</p> <p>d. Base year for the calculation, if applicable, including:</p> <p>i. the rationale for choosing it;</p> <p>ii. emissions in the base year;</p> <p>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> <li>▶ <a href="#">Integrated Annual Report 2017 p.28-31 (Financial and Non-Financial Highlights) ( PDF/8,401KB)</a></li> <li>▶ <a href="#">Major ESG Data (Environmental Performance Data)</a></li> <li>▶ <a href="#">Assurance by a Third-Party Organization</a></li> </ul>
305-3	G4-EN17	<p>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent.</p> <p>b. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.</p> <p>c. Biogenic CO2 emissions in metric tons of CO2 equivalent.</p> <p>d. Other indirect (Scope 3) GHG emissions</p>	<ul style="list-style-type: none"> <li>▶ <a href="#">Integrated Annual Report 2017 p.28-31 (Financial and Non-Financial Highlights) ( PDF/8,401KB)</a></li> <li>▶ <a href="#">Major ESG Data (Environmental Performance Data)</a></li> <li>▶ <a href="#">Assurance by a Third-Party Organization</a></li> </ul>

		<p>categories and activities included in the calculation.</p> <p>e. Base year for the calculation, if applicable, including:</p> <p>i. the rationale for choosing it;</p> <p>ii. emissions in the base year;</p> <p>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	
305-4	G4-EN18	<p>a. GHG emissions intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>d. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</p>	<p>▶ Major ESG Data (Environmental Performance Data)</p>
305-5	G4-EN19	<p>a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO<sub>2</sub> equivalent.</p> <p>b. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</p> <p>c. Base year or baseline, including the rationale for choosing it.</p> <p>d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>e. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>▶ Integrated Annual Report 2017 p.28-31 (Financial and Non-Financial Highlights) (  PDF/8,401KB)</p> <p>▶ Major ESG Data (Environmental Performance Data)</p> <p>▶ Assurance by a Third-Party Organization</p>
305-6	G4-EN20	<p>a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.</p> <p>b. Substances included in the calculation.</p> <p>c. Source of the emission factors used.</p> <p>d. Standards, methodologies, assumptions, and/or calculation tools used.</p>	Not applicable
305-7	G4-EN21	<p>a. Significant air emissions, in kilograms or</p>	Not applicable

		<p>multiples, for each of the following:</p> <ul style="list-style-type: none"> <li>i. NOX</li> <li>ii. SOX</li> <li>iii. Persistent organic pollutants (POP)</li> <li>iv. Volatile organic compounds (VOC)</li> <li>v. Hazardous air pollutants (HAP)</li> <li>vi. Particulate matter (PM)</li> <li>vii. Other standard categories of air emissions identified in relevant regulations</li> </ul> <p>b. Source of the emission factors used.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>	
<b>Environmental Compliance</b>			
103-1	G4-20/21/DMA-a	<ul style="list-style-type: none"> <li>a. An explanation of why the topic is material.</li> <li>b. The Boundary for the material topic, which includes a description of: <ul style="list-style-type: none"> <li>i. where the impacts occur;</li> <li>ii. the organization’s involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</li> </ul> </li> <li>c. Any specific limitation regarding the topic Boundary.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Overview of CSR Communication (Covered Organization)</li> <li>▶ CSR Strategies/Featured Topics</li> <li>▶ Identifying Our CSR Materiality</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ Featured Topic 1: Climate Initiatives</li> <li>▶ Stakeholder Engagement</li> </ul>
103-2	G4-DMA-b	<ul style="list-style-type: none"> <li>a. An explanation of how the organization manages the topic.</li> <li>b. A statement of the purpose of the management approach.</li> <li>c. A description of the following, if the management approach includes that component: <ul style="list-style-type: none"> <li>i. Policies</li> <li>ii. Commitments</li> <li>iii. Goals and targets</li> <li>iv. Responsibilities</li> <li>v. Resources</li> <li>vi. Grievance mechanisms</li> <li>vii. Specific actions, such as processes, projects, programs and initiatives</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ CSR Initiatives</li> <li>▶ Management System</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> </ul>
103-3	G4-DMA-c	<ul style="list-style-type: none"> <li>a. An explanation of how the organization evaluates the management approach, including: <ul style="list-style-type: none"> <li>i. the mechanisms for evaluating the effectiveness of the management approach;</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Management System</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ Stakeholder Engagement</li> </ul>

		<p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	<p>▶ Major ESG Data (Environmental Performance Data)</p>
307-1	G4-EN29	<p>a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:</p> <p>i. total monetary value of significant fines;</p> <p>ii. total number of non-monetary sanctions;</p> <p>iii. cases brought through dispute resolution mechanisms.</p> <p>b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.</p>	Not applicable

## SOCIAL

Disclosures No.		Requirements	Page References (or Reasons for Omission)
GRI Standard	G4 Guidelines		
<b>Training and Education</b>			
103-1	G4-20/21/DMA-a	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<p>▶ Overview of CSR Communication (Covered Organization)</p> <p>▶ CSR Strategies/Featured Topics</p> <p>▶ Identifying Our CSR Materiality</p> <p>▶ CSR Key Performance Indicators (CSR-KPIs)</p> <p>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</p> <p>▶ Stakeholder Engagement</p>
103-2	G4-DMA-b	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following,</p>	<p>▶ CSR Initiatives</p> <p>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</p>

		<p>if the management approach includes that component:</p> <ul style="list-style-type: none"> <li>i. Policies</li> <li>ii. Commitments</li> <li>iii. Goals and targets</li> <li>iv. Responsibilities</li> <li>v. Resources</li> <li>vi. Grievance mechanisms</li> <li>vii. Specific actions, such as processes, projects, programs and initiatives</li> </ul>	
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> <li>i. the mechanisms for evaluating the effectiveness of the management approach;</li> <li>ii. the results of the evaluation of the management approach;</li> <li>iii. any related adjustments to the management approach.</li> </ul>	<ul style="list-style-type: none"> <li>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</li> <li>▶ Stakeholder Engagement</li> </ul>
404-1	G4-LA9	<p>a. Average hours of training that the organization's employees have undertaken during the reporting period, by:</p> <ul style="list-style-type: none"> <li>i. gender;</li> <li>ii. employee category.</li> </ul>	<p>Information unavailable. Will collect/ analyze information and work toward its disclosure.</p>
404-2	G4-LA10	<p>a. Type and scope of programs implemented and assistance provided to upgrade employee skills.</p> <p>b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.</p>	<ul style="list-style-type: none"> <li>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</li> <li>▶ Case Studies – Employees: Building Resilient Organizations through Human Resources Development</li> </ul>
404-3	G4-LA11	<p>a. a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.</p>	<ul style="list-style-type: none"> <li>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</li> <li>▶ Case Studies – Employees: Building Resilient Organizations through Human Resources Development</li> </ul>
<b>Diversity and Equal Opportunity</b>			



103-1	G4-20/21/DMA-a	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <ul style="list-style-type: none"> <li>i. where the impacts occur;</li> <li>ii. the organization’s involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</li> </ul> <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> <li>▶ Overview of CSR Communication (Covered Organization)</li> <li>▶ CSR Strategies/Featured Topics</li> <li>▶ Identifying Our CSR Materiality</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</li> <li>▶ Stakeholder Engagement</li> </ul>
103-2	G4-DMA-b	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> <li>i. Policies</li> <li>ii. Commitments</li> <li>iii. Goals and targets</li> <li>iv. Responsibilities</li> <li>v. Resources</li> <li>vi. Grievance mechanisms</li> <li>vii. Specific actions, such as processes, projects, programs and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▶ CSR Initiatives</li> <li>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</li> </ul>
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> <li>i. the mechanisms for evaluating the effectiveness of the management approach;</li> <li>ii. the results of the evaluation of the management approach;</li> <li>iii. any related adjustments to the management approach.</li> </ul>	<ul style="list-style-type: none"> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</li> <li>▶ Stakeholder Engagement</li> <li>▶ Major ESG Data (Social Performance Data)</li> </ul>
405-1	G4-LA12	<p>a. Percentage of individuals within the organization’s governance bodies in each of the following diversity</p>	<ul style="list-style-type: none"> <li>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</li> <li>▶ Major ESG Data (Social Performance Data)</li> </ul>

		<p>categories:</p> <p>i. Gender;</p> <p>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</p> <p>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</p> <p>b. Percentage of employees per employee category in each of the following diversity categories:</p> <p>i. Gender;</p> <p>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</p> <p>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</p>	
405-2	G4-LA13	<p>a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.</p> <p>b. The definition used for 'significant locations of operation'.</p>	<p>Information unavailable.</p> <p>Will collect/ analyze information and work toward its disclosure.</p>
<b>Human Rights Assessment</b>			
103-1	G4-20/21/DMA-a	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> <li>▶ Overview of CSR Communication (Covered Organization)</li> <li>▶ CSR Strategies/Featured Topics</li> <li>▶ Identifying Our CSR Materiality</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</li> <li>▶ Stakeholder Engagement</li> <li>▶ Case Studies – Employees: Respect for Human Dignity and Rights</li> </ul>
103-2	G4-DMA-b	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p>	<ul style="list-style-type: none"> <li>▶ CSR Initiatives</li> <li>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</li> </ul>

		<p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> <li>i. Policies</li> <li>ii. Commitments</li> <li>iii. Goals and targets</li> <li>iv. Responsibilities</li> <li>v. Resources</li> <li>vi. Grievance mechanisms</li> <li>vii. Specific actions, such as processes, projects, programs and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>▶ Case Studies – Employees: Respect for Human Dignity and Rights</li> </ul>
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> <li>i. the mechanisms for evaluating the effectiveness of the management approach;</li> <li>ii. the results of the evaluation of the management approach;</li> <li>iii. any related adjustments to the management approach.</li> </ul>	<ul style="list-style-type: none"> <li>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</li> <li>▶ Stakeholder Engagement</li> <li>▶ Case Studies – Employees: Respect for Human Dignity and Rights</li> </ul>
412-1	G4-HR9	<p>a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.</p>	<p>Information unavailable. Will collect/ analyze information and work toward its disclosure.</p>
412-2	G4-HR2	<p>a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p> <p>b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p>	<ul style="list-style-type: none"> <li>▶ Major ESG Data (Governance Data)</li> <li>▶ Case Studies – Employees: Respect for Human Dignity and Rights</li> </ul>
412-3	G4-HR1	<p>a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.</p>	<p>Information unavailable. Will collect/ analyze information and work toward its disclosure.</p>

		b. The definition used for 'significant investment agreements'.	
<b>Local Communities</b>			
103-1	G4-20/21/DMA-a	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> <li>▶ Overview of CSR Communication (Covered Organization)</li> <li>▶ CSR Strategies/Featured Topics</li> <li>▶ Identifying Our CSR Materiality</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ 4. Empowering Community and Society</li> <li>▶ Stakeholder Engagement</li> </ul>
103-2	G4-DMA-b	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<ul style="list-style-type: none"> <li>▶ CSR Initiatives</li> <li>▶ Management System</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ 4. Empowering Community and Society</li> </ul>
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	<ul style="list-style-type: none"> <li>▶ Management System</li> <li>▶ CSR Key Performance Indicators (CSR-KPIs)</li> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ 4. Empowering Community and Society</li> <li>▶ Stakeholder Engagement</li> <li>▶ Major ESG Data (Environmental Performance Data, Social Performance Data)</li> </ul>

413-1	G4-SO1	<p>a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:</p> <p>i. social impact assessments, including gender impact assessments, based on participatory processes;</p> <p>ii. environmental impact assessments and ongoing monitoring;</p> <p>iii. public disclosure of results of environmental and social impact assessments;</p> <p>iv. local community development programs based on local communities' needs;</p> <p>v. stakeholder engagement plans based on stakeholder mapping;</p> <p>vi. broad based local community consultation committees and processes that include vulnerable groups;</p> <p>vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;</p> <p>viii. formal local community grievance processes.</p>	<ul style="list-style-type: none"> <li>▶ 3. Promoting the Manageability of Global Environmental Issues</li> <li>▶ 4. Empowering Community and Society</li> <li>▶ Case Studies - Civil Societies: Conservation of Biodiversity</li> <li>▶ Case Studies – Community: Evaluation of CSR Programs</li> </ul>
413-2	G4-SO2	<p>a. Operations with significant actual and potential negative impacts on local communities, including:</p> <p>i. the location of the operations;</p> <p>ii. the significant actual and potential negative impacts of operations.</p>	Not applicable
<b>Customer Privacy</b>			
103-1	G4-20/21/DMA-a	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p>	<ul style="list-style-type: none"> <li>▶ CSR Strategies/Featured Topics</li> <li>▶ Overview of CSR Communication (Covered Organization)</li> <li>▶ Redefining Group CSR Materiality</li> </ul>






		<p>ii. the organization’s involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	
103-2	G4-DMA-b	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <ul style="list-style-type: none"> <li>i. Policies</li> <li>ii. Commitments</li> <li>iii. Goals and targets</li> <li>iv. Responsibilities</li> <li>v. Resources</li> <li>vi. Grievance mechanisms</li> <li>vii. Specific actions, such as processes, projects, programs and initiatives</li> </ul>	<p>▶ <a href="http://www.sompo-hd.com/en/company/compliance/privacy/">http://www.sompo-hd.com/en/company/compliance/privacy/</a> (In Japanese)</p>
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ul style="list-style-type: none"> <li>i. the mechanisms for evaluating the effectiveness of the management approach;</li> <li>ii. the results of the evaluation of the management approach;</li> <li>iii. any related adjustments to the management approach.</li> </ul>	<p>▶ <a href="http://www.sompo-hd.com/en/company/compliance/privacy/">http://www.sompo-hd.com/en/company/compliance/privacy/</a> (In Japanese)</p>
418-1	G4-PR8	<p>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <ul style="list-style-type: none"> <li>i. complaints received from outside parties and substantiated by the organization;</li> <li>ii. complaints from regulatory bodies.</li> </ul>	<p>▶ Case Studies – Customer: To Providing the Highest Possible Quality of Service</p>








		<p>b. Total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	
<b>Socioeconomic Compliance</b>			
103-1	G4-20/21/DMA-a	<p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization’s involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> <li>▶ <a href="#">Overview of CSR Communication (Covered Organization)</a></li> <li>▶ <a href="#">Redefining Group CSR Materiality</a></li> </ul>
103-2	G4-DMA-b	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies</p> <p>ii. Commitments</p> <p>iii. Goals and targets</p> <p>iv. Responsibilities</p> <p>v. Resources</p> <p>vi. Grievance mechanisms</p> <p>vii. Specific actions, such as processes, projects, programs and initiatives</p>	<ul style="list-style-type: none"> <li>▶ <a href="#">Compliance</a></li> </ul>
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p>	<ul style="list-style-type: none"> <li>▶ <a href="#">Compliance</a></li> </ul>






















		<p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	
419-1	G4-SO8/PR9	<p>a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:</p> <p>i. total monetary value of significant fines;</p> <p>ii. total number of non-monetary sanctions;</p> <p>iii. cases brought through dispute resolution mechanisms.</p> <p>b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.</p> <p>c. The context against which significant fines and non-monetary sanctions were incurred.</p>	Not applicable

## Social (Human Rights)




Section	Performance Indicators	References
<b>Investment*</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	<ul style="list-style-type: none"> <li>▶ Major ESG Data(P.17)(  PDF/2,294KB)</li> <li>▶ Redefining Group CSR Materiality(P.20-24)(  PDF/2,294KB)</li> <li>▶ Group CSR-KPIs FY2016 Targets(P.25)(  PDF/2,294KB)</li> <li>▶ Stakeholder Engagement(P.26)(  PDF/2,294KB)</li> <li>▶ Supporting Diversity and Inclusion in Private and Public Life(P.49-50)(  PDF/2,294KB)</li> </ul>
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	-




G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	<ul style="list-style-type: none"> <li>▶ Major ESG Data(P.17)(  PDF/2,294KB)</li> <li>▶ CSR Case Report P.131 (  PDF/8,504KB)</li> </ul>
<b>Non-discrimination</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	<ul style="list-style-type: none"> <li>▶ Major ESG Data(P.17)(  PDF/2,294KB)</li> <li>▶ Redefining Group CSR Materiality(P.20-24)(  PDF/2,294KB)</li> <li>▶ Group CSR-KPIs FY2016 Targets(P.25)(  PDF/2,294KB)</li> <li>▶ Stakeholder Engagement(P.26)(  PDF/2,294KB)</li> <li>▶ Supporting Diversity and Inclusion in Private and Public Life(P.49-50)(  PDF/2,294KB)</li> </ul>
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	-
<b>Freedom of Association and Collective Bargaining</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	-
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	-
<b>Child Labor</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	-
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	-
<b>Forced or Compulsory Labor</b>		
G4-DMA	a. Report why the Aspect is material. Report	-

	<p>the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	
G4-HR6	<p>Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.</p>	-
<b>Security Practices</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	<ul style="list-style-type: none"> <li>▶ <a href="#">Major ESG Data(P.17)</a>(  PDF/2,294KB)</li> <li>▶ <a href="#">Redefining Group CSR Materiality(P.20-24)</a>(  PDF/2,294KB)</li> <li>▶ <a href="#">Group CSR-KPIs FY2016 Targets(P.25)</a>(  PDF/2,294KB)</li> <li>▶ <a href="#">Stakeholder Engagement(P.26)</a>(  PDF/2,294KB)</li> <li>▶ <a href="#">Supporting Diversity and Inclusion in Private and Public Life(P.49-50)</a>(  PDF/2,294KB)</li> </ul>
G4-HR7	<p>Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.</p>	<ul style="list-style-type: none"> <li>▶ <a href="#">CSR Case Report P.131</a> (  PDF/8,504KB)</li> </ul>
<b>Indigenous Rights</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	-
G4-HR8	<p>Total number of incidents of violations involving rights of indigenous peoples and actions taken.</p>	-
<b>Assessment</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	<ul style="list-style-type: none"> <li>▶ <a href="#">Major ESG Data(P.17)</a>(  PDF/2,294KB)</li> <li>▶ <a href="#">Redefining Group CSR Materiality(P.20-24)</a>(  PDF/2,294KB)</li> <li>▶ <a href="#">Group CSR-KPIs FY2016 Targets(P.25)</a>(  PDF/2,294KB)</li> <li>▶ <a href="#">Stakeholder Engagement(P.26)</a>(  PDF/2,294KB)</li> <li>▶ <a href="#">Supporting Diversity and Inclusion in Private and Public Life(P.49-50)</a>(  PDF/2,294KB)</li> </ul>

		PDF/2,294KB)
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	-
<b>Supplier Human Rights Assessment</b>		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	<ul style="list-style-type: none"> <li>▶ Major ESG Data(P.19)(  PDF/2,294KB)</li> <li>▶ Stakeholder Engagement(P.26)(  PDF/2,294KB)</li> <li>▶ CSR Case Report P.61 (  PDF/8,504KB)</li> </ul>
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	-
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	-
<b>Human Rights Grievance Mechanisms</b>		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	<ul style="list-style-type: none"> <li>▶ Major ESG Data(P.17)(  PDF/2,294KB)</li> <li>▶ Redefining Group CSR Materiality(P.20-24)(  PDF/2,294KB)</li> <li>▶ Group CSR-KPIs FY2016 Targets(P.25)(  PDF/2,294KB)</li> <li>▶ Stakeholder Engagement(P.26)(  PDF/2,294KB)</li> <li>▶ Supporting Diversity and Inclusion in Private and Public Life(P.49-50)(  PDF/2,294KB)</li> </ul>
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	-

## Social (Society)

Section	Performance Indicators	References
<b>Local Communities*</b>		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	<ul style="list-style-type: none"> <li>▶ Management Strategy(P.8)(  PDF/2,294KB)</li> <li>▶ Major ESG Data(P.17)(  PDF/2,294KB)</li> <li>▶ Redefining Group CSR Materiality(P.20-24)(  PDF/2,294KB)</li> </ul>

		<ul style="list-style-type: none"> <li>▶ <a href="#">Group CSR-KPIs FY2016 Targets(P.25)</a>(  PDF/2,294KB)</li> <li>▶ <a href="#">Stakeholder Engagement(P.26)</a>(  PDF/2,294KB)</li> <li>▶ <a href="#">Enhancing Promotion(P.27-28)</a>(  PDF/2,294KB)</li> <li>▶ <a href="#">Empowering Community and Society(P.45-46)</a>(  PDF/2,294KB)</li> </ul>
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	<ul style="list-style-type: none"> <li>▶ <a href="#">Promoting the Manageability of Global Environmental Issues(P.44)</a>(  PDF/2,294KB)</li> <li>▶ <a href="#">CSR Case Report P.110</a>(  PDF/8,504KB)</li> </ul>
G4-SO2	Operations with significant actual and potential negative impacts on local communities.	not applicable
<b>Anti-corruption*</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	▶ <a href="#">Annual Report (Integrated Report) P.88-89</a> (  PDF/4,208KB)
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	-
G4-SO4	Communication and training on anti-corruption policies and procedures.	▶ <a href="#">Major ESG Data(P.19)</a> (  PDF/2,294KB)
G4-SO5	Confirmed incidents of corruption and actions taken.	-
<b>Public Policy</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	-
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	-
<b>Anti-competitive Behavior</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the</p>	-

	<p>material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	
G4-S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	-
<b>Compliance</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	<p>▶ <a href="#">Annual Report (Integrated Report) P.88-89( PDF/4,208KB)</a></p>
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	-
<b>Supplier Assessment for Impacts on Society</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	<p>▶ <a href="#">Major ESG Data(P.19)( PDF/2,294KB)</a></p> <p>▶ <a href="#">Stakeholder Engagement(P.26)( PDF/2,294KB)</a></p> <p>▶ <a href="#">CSR Case Report P.61 ( PDF/8,504KB)</a></p>
G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society.	-
G4-S010	Significant actual and potential negative impacts on society in the supply chain and actions taken.	-
<b>Grievance Mechanisms for Impacts on Society*</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	<p>▶ <a href="#">CSR Case Report P.20-22( PDF/8,504KB)</a></p>
G4-S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	<p>▶ <a href="#">CSR Case Report P.22( PDF/8,504KB)</a></p>

## Social (Product Responsibility)

Section	Performance Indicators	References
<b>Customer Health and Safety</b>		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	not applicable
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	not applicable
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	not applicable
<b>Product and Service Labeling</b>		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ <a href="#">CSR Case Report P.20-22( PDF/8,504KB)</a>
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	▶ <a href="#">CSR Case Report P.21-22( PDF/8,504KB)</a>
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	-
G4-PR5	Results of surveys measuring customer satisfaction.	▶ <a href="#">CSR Case Report P.22( PDF/8,504KB)</a>
<b>Marketing Communications</b>		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the	-



	<p>material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	
G4-PR6	Sale of banned or disputed products	not applicable
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	-
<b>Customer Privacy*</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	<p>▶ <a href="#">Annual Report (Integrated Report) P.88-89( PDF/4,208KB)</a></p>
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	▶ <a href="#">CSR Case Report P.22( PDF/8,504KB)</a>
<b>Compliance</b>		
G4-DMA	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach.</p>	<p>▶ <a href="#">Annual Report (Integrated Report) P.88-89( PDF/4,208KB)</a></p>
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	not applicable

## SPECIFIC STANDARD DISCLOSURES FOR THE FINANCIAL SERVICES SECTOR

Disclosures No.	Requirements	Page References (or Reasons for Omission)
<b>Product Portfolio</b>		
DMA	<p>FS1: Policies with specific environmental and social components applied to business lines.</p> <p>FS2: Procedures for assessing and screening environmental and social risks in business lines.</p> <p>FS3: Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.</p> <p>FS4: Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.</p> <p>FS5: Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities.</p>	<ul style="list-style-type: none"> <li>▶ CSR Initiatives</li> <li>▶ Management System</li> <li>▶ Redefining Group CSR Materiality</li> <li>▶ Stakeholder Engagement</li> </ul>
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/sme/large) and by sector.	<ul style="list-style-type: none"> <li>▶ Top Commitment</li> </ul>
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	<ul style="list-style-type: none"> <li>▶ Overview of Business Results</li> <li>▶ Products and Services for a Sustainable Society</li> </ul>
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	<ul style="list-style-type: none"> <li>▶ Overview of Business Results</li> <li>▶ Products and Services for a Sustainable Society</li> </ul>
<b>Audit</b>		
DMA	Management Approach FS9: Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	<ul style="list-style-type: none"> <li>▶ Management System</li> </ul>
<b>Active Ownership</b>		

DMA	FS12: Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	▶ <a href="#">CSR Initiatives</a>
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Information unavailable. Will continue our efforts and work toward information disclosure.
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Information unavailable. Will continue our efforts and work toward information disclosure.
<b>Local Communities</b>		
FS13	Access points in low-populated or economically disadvantaged areas by type.	▶ <a href="#">Case Studies – Community: Adaptation to Climate Change</a> ▶ <a href="#">Case Studies – Community: Contributing Community through Business</a>
FS14	Initiatives to improve access to financial services for disadvantaged people.	▶ <a href="#">Case Studies – Community: Adaptation to Climate Change</a> ▶ <a href="#">Case Studies – Community: Contributing Community through Business</a>

For further information, please refer to our website.

<http://www.sompo-hd.com/en/csr/>

# Third Party Comments / Response to the Third Party Comments

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## Third Party Comments on CSR Communication Report 2017

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



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

### **Progress in Deepening CSR**

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

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

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

## **Incorporating Emerging Technologies**

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

## **Responsiveness to Stakeholders; Attentiveness to Diversity**

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

## **Web-Based CSR Report**

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

## Final Comment

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

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## Response to the Third Party Comments

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



### Response to the Third Party Comments

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

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

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

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

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

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

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



# External Recognition

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

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## Awards

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

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



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

- ▶ [Sompo Holdings Receives the Grand Award of Global Warming Countermeasures Report \(Environmental Minister's Award\) at the 20th Environmental Communication Awards\( !\[\]\(49aa2e1da5fe39294864e9598c593810\_img.jpg\) PDF/1,074KB\)](#)

(February 2017)

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

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

(February 2017)

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

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



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

(January 2017)

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

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

(January 2017)

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

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



(June 2016)

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

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

(March 2016)

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

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

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



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

(March 2016)


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

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

(March 2016)

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

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

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

(February 2016)

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

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



(January 2016)

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## Recognition

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

(March 2017)

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

(January 2017)

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

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

(November 2016)

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

Received 4h straight "S" rating

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

(July 2016)

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## Certification

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

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

(2016)



## Inclusion in SRI indices

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

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

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



▶ [Dow Jones Sustainability Indices](#)

(September, 2015)

### FTSE4Good Index Series (Sampo Holdings)

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



▶ [FTSE4 Good Index Series](#)

### FTSE Blossom Japan Index

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



▶ [FTSE Blossom Japan Index](#)

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

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



▶ [MSCI](#)

The inclusion of Sompo Holdings, Inc. in any MSCI Index, and the use of MSCI logos, trademarks, service marks or Index names herein, do not constitute a sponsorship, endorsement or promotion of Sompo Holdings, Inc. by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names and logos are trademarks or service marks of MSCI or its affiliates.

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

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



▶ [ECPI](#)

## STOXX Global ESG Leaders (SOMPO HOLDINGS)

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



▶ [STOXX Global ESG Leaders](#)



## Morningstar Socially Responsible Investment Index (Sompo Holdings)

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

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



# CSR Milestones and Their Impacts

The Group's social responsibility initiatives have evolved with the times. This section shows our major CSR milestones and their impacts to date.

## Milestones

\* ◇ This symbol indicates major events in the world.

1965 Started the "Yellow Badge Donation" program

1976 Established the Yasuda Kasai Fine Art Foundation (now Sompo Japan Nipponkoa Fine Art Foundation)  
Opened the Seiji Togo Memorial Yasuda Kasai Museum of Art (now Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art)

1977 Established the Yasuda Fire & Marine Foundation (now Sompo Japan Nipponkoa Welfare Foundation)

1987 Started to publicly exhibit "Sunflowers" by Van Gogh

1989 Opened Himawari Hall puppet theater in Nagoya

1990 Established Environmental Risk Management Office

1991 Established the Nipponkoa Welfare Foundation (now Sompo Japan Nipponkoa Welfare Foundation)

1992 ◇ United Nations Conference on Environment and Development (Earth Summit) in Rio de Janeiro  
Then President of Yasuda Fire & Marine Insurance Company (now Sompo Japan Nipponkoa) participated as head of the Nippon Keidanren delegation.



1993 Started holding Public Seminars on the Environment  
Established an employee volunteer organization  
Introduced volunteer work leave

- 1995 Signed UNEP FI Statement of Environmental Commitment by the Insurance Industry
- 1996 Volunteer employees established a social contribution fund
- 1997 Acquired ISO 14001 certification (as first Japanese financial institution)
- 1998 Started to publish an environmental report (as first Japanese financial institution)  
Launched consultation services for acquiring ISO 14001 certification  
Started forest management programs
- 1999 Established the Yasuda Fire & Marine Environment Foundation (now Sompo Japan Nipponkoa Environment Foundation)  
Launched Sompo Japan Green Open (SRI fund)
- 2000 Started CSO Learning Scholarship Program
- 2002 ◇World Summit on Sustainable Development held in Johannesburg  
Signed WBCSD Financial Sector Statement  
Held first CSR stakeholder meeting
- 2004 Launched Sompo Japan SRI Open (SRI fund)  
Started BCM (Business Continuity Management) consultation services
- 2005 Established Healthcare Frontier Japan Inc. (now Sompo Risk Management & Health Care Inc.)  
Joined the Carbon Disclosure Project (now CDP)  
Started offering organizational support for civil society groups
- 2006 Joined the United Nations Global Compact  
Signed the UN supported Principles for Responsible Investment (UN PRI)  
Started sponsored-lecture series at universities
- 2007 Established Sompo Japan Healthcare Services Inc. (now Sompo Japan Nipponkoa Healthcare Services Inc.)
- 2008 Started art appreciation through dialogue at the Seiji Togo Memorial Sompo Japan Museum of Art (now Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art)  
Announced the Carbon Neutral Declaration  
Started the Eco-Safe Driving Contest  
Certified as an “ECO FIRST Company” by the Minister of the Environment, Japan
- 2009 Introduced web-based insurance policy access for automobile insurance products
- 2010 NKSJ Holdings, Inc. (now Sompo Holdings, Inc.) established  
Formulated the NKSJ Group’s CSR Basic Policy (now the Group CSR Vision)

Sompo Japan Foundation (now Sompo Japan Nipponkoa Welfare Foundation) started to offer financial support to ASEAN countries

Launched Weather Index Insurance in Thailand

◇10th Conference of the Parties (COP10) to the Convention on Biological Diversity held in Nagoya

37 Group companies participated in the Japan Business and Biodiversity Partnership

Started consultation services on biodiversity

◇ISO 26000 (international standard on social responsibility) published

2011 ◇Great East Japan Earthquake occurred

Started to collect ESG data of the Group

Sompo Japan (China) (now Sompo Japan Nipponkoa (China)) published its first CSR report

Started the SAVE JAPAN Project to conserve biodiversity

Sompo Japan Environment Foundation (now Sompo Japan Nipponkoa Environment Foundation) started research on climate change adaptation

Established Nipponkoa Smile Kids Foundation (now Sompo Japan Nipponkoa Smile Kids Foundation)

10 Group companies (now 7 Group companies) signed the Principles for Financial Action towards a Sustainable Society

Started to organize the NKSJ Volunteer Days (now the Sompo Holdings Volunteer Days)

2012 Specified the Five CSR Material Issues of the Group (now the Group's CSR Materiality)

Established Prime Assistance Inc. to enter the assistance services market

Signed the Women's Empowerment Principles (WEPs)

◇United Nations Conference on Sustainable Development (Rio+20)

Signed the UNEP FI Principles for Sustainable Insurance (PSI)

Purchased shares of Cedar Co., Ltd. as a Group company to enter the elderly care services market

Acquired ISO 39001 certification (international standard for road traffic safety management system)

2013 Started environmental programs for community contribution

Achieved carbon neutrality

Started to consider promoting the Group's CSR by measuring KPIs

2014 Established the Sompo Japan Nipponkoa Group's "Group CSR Vision," "Group Environmental Policy," "Group Policy for Human Dignity and Human Rights" and "Six CSR Material Issues"

KPIs defined for Group CSR initiatives

Signed Japan's Stewardship Code (Sompo Japan Nipponkoa, Sompo Japan Nipponkoa Asset Management)

Special exhibition of "Sunflowers" by Van Gogh held to support restoration of areas affected by the Great East Japan Earthquake

Started the Bosai JAPAN-DA Project

Launched a road safety program in Indonesia and maternal and child health program in

Myanmar

Launched Typhoon Guard Insurance in the Philippines

Business collaboration in long-term care field with Message Co.

2015 Entered home renovation industry by acquiring ownership of FRESHHOUSE CO., LTD.  
 Our weather index insurance was recognized as meeting the requirements for membership in the BCtA  
 ◇SDGs adopted at the UN Summit  
 ◇Paris Agreement adopted at COP21  
 Nationwide distribution of “Smiling Road” (telematics service for businesses to help fleet drivers drive more safely)  
 Started to provide “Portal Smiling Road” smartphone app  
 Expanded nursing care business by acquiring 100% ownership of Sompo Care Next Inc., etc.

2016 Acquired ISO14001 certification for all Group companies in Japan  
 Sompo Japan Nipponkoa Healthcare Services Inc., Sompo Japan Nipponkoa Risk Management Inc., Healthcare Frontier Japan Inc. merged to form Sompo Risk Management & Health Care Inc.  
 Redefined the Group’s CSR Material Issues  
 Announced FY2016-2020 Medium-Term Management Plan  
 Launched arts and culture initiatives—SOMPO Paralym Art Soccer Art Contest, and SOMPO Art Fund

2017 Five Group companies recognized as a 2017 Certified Health and Productivity Management Organization (White 500) (by METI)  
 Acquired Endurance Specialty Holdings Ltd. (Now SOMPO INTERNATIONAL)  
 Launched “Tokyo University of the Arts x Sompo Holdings” Industry-Academia Collaboration Diversity on the Arts Project (DOOR)

## Impacts of Key Initiatives

**64.4 million badges**

**“Yellow Badge Donation” program (Since 1965)**

Each year we donate Yellow Badges that come with traffic accident insurance to students entering their first grade of elementary school in Japan. By April 2017, a total of 64.4 million students had received the badges.



**5.58 million visitors**

**Seiji Togo Memorial Sompō Japan Nipponkoa Museum of Art (Since 1976)**

The art museum, which exhibits Van Gogh’s “Sunflowers” as well as paintings by a number of post-impressionists such as Gauguin and Cezanne, and works by Seiji Togo and Grandma Moses received 5.58 million visitors in total by March 2017.



**1.4 billion yen**

**Financial support for welfare Civil societies (Since 1977)**

Sompō Japan Nipponkoa Welfare Foundation provides financial support for civil societies and other organizations engaged in social welfare activities. By the end of fiscal 2017, the foundation offered a total of 2,286 grants, which sum up to 1.4 billion yen.



**Scholarship Funding for Long-term Care Workers in Training (Since 1992)**

**177.99 million yen**

To promote the development of care workers, the Sompō Japan Nipponkoa Welfare Foundation provides scholarships for students in training to become long-term care workers. As of the end of fiscal 2016, the Foundation had paid a total of 177.99 million yen in funding for 258 students.





**18,948 people**

**Public Seminars on the Environment (Since 1993)**

As of the end of fiscal 2016, 18,948 people had participated in these environmental seminars, jointly held by the Japan Environmental Education Forum (JEEF), the Sompo Japan Nipponkoa Environment Foundation, and Sompo Japan Nipponkoa.



**23.2 billion yen**

**Sompo Japan Green Open (SRI fund) (Since 1999)**

Sompo Japan Nipponkoa Asset Management’s “Sompo Japan Green Open” invests in environmentally friendly Japanese companies whose stocks are expected to be profitable. As of the end of April 2017, 23.2 billion yen were under management by the fund.



**955 students**

**CSO Learning Scholarship Program (Since 2000)**

As of the end of fiscal 2016, a total of 955 university undergraduate and graduate students had participated in this internship program organized by the Sompo Japan Nipponkoa Environment Foundation and were provided with work experience at environmental organizations.





**42.6 million policies**

**Web-based automobile insurance policy (Since 2009)**

An option for policyholders to access their policy via the web was introduced in order to increase customer convenience and reduce our environmental footprint. The option was also introduced for fire insurance policyholders from October 2015. More than 42.6 million customers have chosen web-based policies, forgoing the conventional paper-based format.



**3,000 employees**

**The Great East Japan Earthquake—continuous support for recovery (2011)**

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



**32,175 participants**

**SAVE JAPAN Project (Since 2011)**

From 2011 to the end of March 2017, 32,715 people participated in 647 events of the SAVE JAPAN Project, a community-based biodiversity conservation program implemented in all over Japan in collaboration with environmental and civil society groups.



**51,252 volunteers**

**Sompo Holdings Volunteer Days (Since 2011)**

The Group organizes the Sompo Holdings Volunteer Days every year to raise Group employees' interest in making social contributions and to continue efforts to support the areas affected by the Great East Japan Earthquake. Since the first year, a cumulative 51,252 Group employees in Japan and overseas have engaged in volunteer activities such as environmental conservation and social welfare.



**Over 20,000 participants**

**Road safety project in Indonesia (Since 2014)**

Sompo Japan Nipponkoa and PT. Asuransi Sompo Japan Nipponkoa Indonesia have teamed up with Save the Children Japan, an international civil society that promotes children's rights, to launch a road safety project in Bandung, West Java. Activities include safety education for primary and middle school children, traffic safety improvements near schools in collaboration with local governments, and general awareness-raising about road safety for children. To date there have been more than 20,000 participants.



**Over 9,000 participants**

**Bosai JAPAN-DA Project (Since 2014)**

We have teamed up with the Yumemi Trunk Puppet Theater Troupe and the NPO Plus Arts to offer 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. As of the end of March 2017, more than 9,000 people had participated in a total of 73 events nationwide.



# Key Initiatives

Here we introduce the case reports of our key CSR initiatives involving each of our stakeholder groups, including customers, stockholders/ investors, business partners, civil society groups, communities, agencies, and employees.

## Customers

▶ Prevention of Road Traffic Accidents

▶ Supporting the Disaster Preparedness for Customers

▶ Providing the Highest Possible Quality of Service

▶ Using Digital Technology

▶ Health Promotion

▶ Supporting Japan, a Global Pioneer in Healthy Longevity

▶ Solutions for Environmental Issues

▶ Diversity & Inclusion

▶ Respect for Human Dignity and Rights

# Prevention of Road Traffic Accidents

## Supporting Safer Driving Using Big Data and Telematics

### Products & Service

ISO 39001 (international standard for road traffic safety management systems) certified Smiling Road is a service for businesses that helps corporate vehicle drivers drive safer. Smiling Road was launched in March 2015 as the first telematics service of its kind, and it uses the Internet of Things (IoT) to encourage drivers to continuously be more aware of safety on the road, helping to reduce accident risks by assisting managers in providing effective instructions.

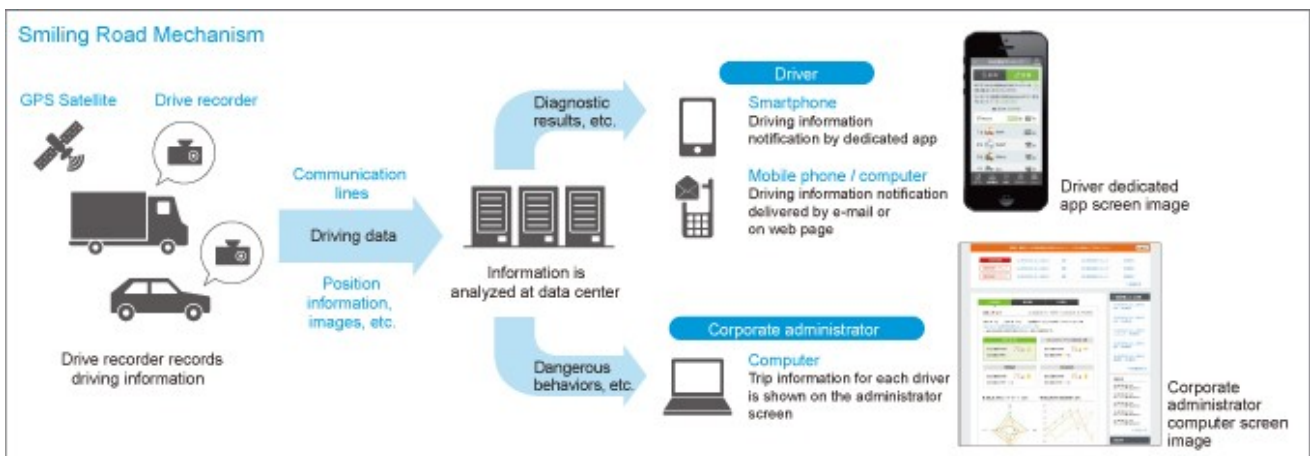
The number of accidents at corporations that have introduced the service has fallen by about 20% due to the synergistic effect of its three features: visibility and understanding of actual driving situations, and feedback to encourage drivers.

Smiling Road’s success in reducing automobile accidents and realizing higher-quality accident response for businesses earned us the top prize in the Nikkei Veritas Award category of the 2015 Nikkei Superior Products and Services Awards for being an innovative and creative service, and an award for excellence (SPRING Award) in the first Nihon Service Award program.

In January 2017 we enhanced the feedback function to further encourage awareness of driving safety and to help prevent accidents, and we launched Truck Navigation Smile, an optional car navigation app for trucks.

Since October 2016 we have been offering the Portable Smiling Road smartphone app for individual drivers to make the concept of Smiling Road service more accessible to even more customers. In March 2017 we added multiple innovative functions, including a frequent accident point alert and a safe route guide that avoids accident prone spots, which utilize our strength as an insurance company.

This service represents our ongoing commitment to using advanced technologies such as big-data analysis, in addition to our expertise in accident response and risk consulting, to offer products and services that contribute to the security, health, and wellbeing of our customers.



## Road Service and Other Assistance Business

### Products & Service

Prime Assistance, a road assistance service company, provides consultation and arranges for towing and/or repair services in the event that a customer has a flat battery, locked out of their vehicle, or other vehicle-related issues. Service is available 24 hours a day, seven days a week. Our service partners can quickly arrive at the scene to solve a wide range of problems. The company has formed partnerships with about 8,000 towing service and repair businesses nationwide service network.

At our three centers in Akita, Tokyo, and Kagoshima we are working to strengthen the system for continuous operation and improved convenience for customer to provide high quality service.

Through our services that range from Home Assistance<sup>\*1</sup> and Overseas Medical Care<sup>\*2</sup> to Business Process Outsourcing,<sup>\*3</sup> we provide customized services to corporate customers to ensure the best possible solutions, thus enhancing customer satisfaction.

- \*1 For developers and housing companies, we provide support for urgent situations of homeowners such as leaking pipes or lost keys. Recently we enhanced our services by combining them with preferential services such as a housekeeping service and house cleaning service for supporting working women.
- \*2 For companies with international operations, we provide coverage of medical expenses payment for their employees outside Japan. On behalf of the client company, we pay medical bills and submit reimbursement claims for health and overseas travel insurance, as well as providing information of local medical institutions.
- \*3 We offer a number of business process outsourcing services based on requests from clients including an extended guarantee system for automobile manufacturers and dealers, a free services for minor repairs, and a multilingual service for tourists from foreign countries.





Helping customers solve problems

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## Acquisition of ISO 39001 and Customer Support for Certification

### Partnerships

Many fatal road traffic accidents and injuries occur around the world and majority of the accidents take place in developing countries. Developed countries, including Japan, are expected to actively share their know-how for road traffic safety with the world. Against this backdrop, the ISO 39001 international standard for road traffic safety management systems was discussed and developed at the international conferences of the International Organization for Standardization (ISO) before it was officially published in October 2012.

Sompo Japan Nipponkoa has a major role in providing P&C insurance to cover road accident damage, and it also has an important mission to offer services that help prevent accidents. The company therefore collaborated with Sompo Risk Management & Health Care and participated in a pilot program implemented in the drafting stage of ISO 39001, and acquired the world's first registration for the standard in October 2012. Our continuous initiatives to improve road traffic safety have been highly recognized by the ISO since then.

Sompo Risk Management & Health Care also offers various consulting services for companies seeking to acquire ISO 39001 certification. While continuing to offer a wide range of customer support services for ISO 39001 acquisition, our Group will also actively help customers develop their systems to help prevent accidents, among other efforts to improve road traffic safety.

▶ [Sompo Risk Management & Health Care Inc.](#) 



### Policies on road traffic safety

Aiming to fulfill its social responsibility and public mission as an insurance and financial business, Sompo Japan Nipponkoa promotes various initiatives aiming for sustainable growth, recognizing its highly transparent governance structure, risk management, and effective compliance program as a major premise of business development. As part of this effort, we actively work on reducing road traffic safety risks in various types of movement and transportation caused by our business operations, and strive to realize a safe, secure and sustainable society.



- (1) We will set up and promote concrete improvement measures after setting the purpose and target for road traffic safety to ensure the mobility and transportation safety.
- (2) With our PDCA process, we will surely check the effectiveness of improvement measures on road traffic safety and further make improvement.
- (3) We will comply with laws and regulations for road traffic safety, our safety requirements when working in offices and outside offices.
- (4) We will establish a management system, mechanisms and procedures to continuously promote road traffic safety.
- (5) We will publicize these policies widely to society as well as to our employees and those working at our affiliated companies.



## Service to Help Prevent Traffic Accidents Caused by a Medical Condition

### Products & Service

As traffic accidents are increasingly being attributed to the driver's medical condition, maintaining drivers' health is essential for businesses that use vehicles in their operations. To prevent such accidents, the Japan's Ministry of Land, Infrastructure, Transport and Tourism has stipulated that the transport operators grasp their drivers' state of health, implement specific measures to judge whether or not their driving is authorized, and also recommend that drivers manage their own health.

With this in mind, Sompo Risk Management & Health Care develops various services that help prevent traffic accidents caused by driver's medical condition. Such services include a day-to-day health support service for drivers that provides information useful on maintaining and improving health on a daily basis and preventing accidents by collecting information from vital sensors and various measuring instruments, a simple sleep apnea syndrome (SAS) check service, and a service that helps educate drivers and managers on health management.

Health Management Required by Operators		Suggested Services	
Grasp drivers' state of health	Understanding health examinations based on the results of periodic health checks (Listening to findings of doctors etc)	Obligation	(Physician's diagnosis)
	Certain diseases etc. that may interfere with driving of cars (Brain, heart disease, etc.) due to apparent omen and subjective symptoms Understanding diseases	Obligation	Drivers' day-to-day health support service Use the service during roll calls
	Screening test for major diseases (A thorough medical checkup, SAS screening test, electrocardiogram)	Recommended	Simple SAS check based on checking of sleeping state * Formal diagnosis requires separate screening.
	Grasp other diseases etc. (hypertension, arrhythmia, digestive system diseases (With loss of consciousness), diabetes, allergic diseases	Recommended	Drivers' day-to-day health support service Use the service during roll calls
Decide measures for safe medical conditions for work	Determination of employment measures	Obligation	(Physician's diagnosis)
	Improvement guidance by doctors etc.	Obligation	(Health guidance from a physician or other professionals)
	Driver's health management (Improvement of health management environment, organization of health information, call record register etc.)	Recommended	Drivers' day-to-day health support service Continuously grasp state of health Use the service during roll calls
Make decisions on driving during roll call prior to starting work (Compare normal state of health to overall length and subjective symptoms related to brain and heart diseases)	Obligation	Promote drivers' health and lifestyle improvements Give advice on operations management	
Support and secure health improvements and management Improve lifestyle habits such as nutrition and diet, physical activity and exercise, rest, drinking alcohol, and smoking	—	Education support services e-learning Use health management support training	

## Driving Diagnosis Service Using an Automated Video Analysis Program

### Products & Service

Commercially available drive recorders include an event recording function and a constant recording function. Both functions have limitations in terms of educating drivers to avoid head-on collisions, which account for 24% of all road traffic accidents.\*

In response, Sompo Japan Nipponkoa and Sompo Risk Management & Health Care Inc. have developed a service that focuses on intersections, automatically analyzing videos recorded using the constant recording function, and extracting incidences of failing to stop at a yellow or red light and failing to stop at stop signs, and that provides a guidance report.

\* Source: "Circumstances Surrounding Traffic Accidents in 2015", Traffic Bureau, National Police Agency.

<Compensation and Service Overview>



- (1) Automated driving insurance for safety that uses accumulated insurance design know-how
- (2) Risk consulting on security by Sompo Risk Management & Health Care
- (3) Dedicated service for realizing more pleasant automated driving using the latest IoT technology

## [Automobile Insurance] Launch of New Protection for Automated Driving Vehicles

### Products & Service

The introduction of automated driving technology is expected to impact society in a number of ways: Securing a means of travel for the elderly and for people in rural areas; eliminating the shortage of workers in the logistics industry; reducing traffic accidents; and alleviating traffic congestion. As a result, research and development is underway in Japan and abroad for the early implementation of such technology, and Japan has seen increasing automobiles fitted with automated driving technology\* and connected-cars.

The automated driving technology currently in practical use is a driving support technology that assumes a human driver is driving the vehicle, and that the driver assumes liability in principle for accidents. Because of this, the likelihood of a human driver not being liable for compensation for damage under the law is low at present, and in the majority of cases, it is possible to provide insurance payments using current bodily injury liability insurance and property damage liability insurance. However, due to diversified risks resulting from the high pace of recent technological developments and increase in cyber-attacks, we anticipate cases in which it is unclear whether a human driver is liable for damages and cases that will take time to settle.

For such cases we have newly added an special endorsement of the injured (provided for all customers) that pays insurance payments even when there is no liability for compensation on the part of the human driver, so as to continue to provide peace of mind to customers who use automobiles fitted with automated driving technology and connected-cars, and ensure prompt injured party relief and early amicable accident settlement.

We have revised our no-fault accident provision (provided for all customers of vehicle insurance) to ensure there is no impact on customers' ongoing automobile insurance policy rating as a result of accidents due to system defects or unauthorized access by a third party in which there is no negligence on the part of the customer.

- \* Vehicles in which the system simultaneously carries out multiple operations relating to the vehicle's accelerator, brakes, and steering wheel that have already been introduced onto the market by automobile manufacturers.

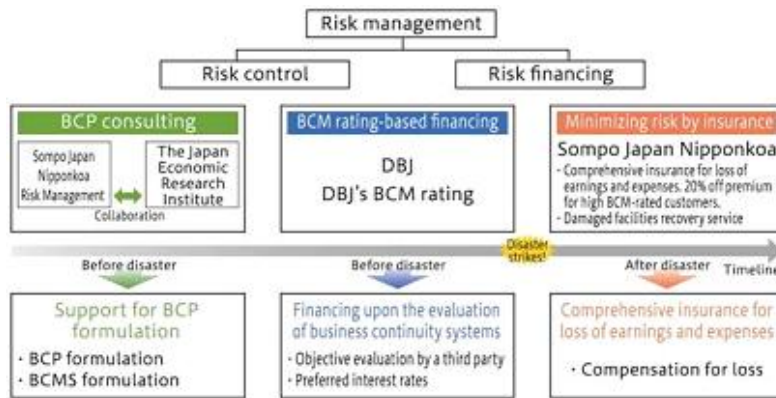


# Supporting the Disaster Preparedness for Customers

## Collaboration with Development Bank of Japan (DBJ)

### Products & Service

Sompo Japan Nipponkoa works with the Development Bank of Japan (DBJ) to support the disaster risk reduction measures of corporate clients. This comprehensive financial service draws upon both the DBJ's accurate rating capabilities and our non-life insurance and risk management expertise. Sompo Japan Nipponkoa offers an insurance service that covers loss of earnings and expenses in the event of operational suspension due to a natural disaster. Companies evaluated by the DBJ as having a high Business Continuity Management (BCM) rating, so called DBJ BCM rating, can receive maximum discount rate of 20% on their premium. Sompo Risk Management & Health Care provides assistance service to DBJ clients who wish to bolster disaster risk countermeasures in their business continuity planning (BCP). We will continue to provide total financial solution services by exploring further opportunities for high-synergy collaboration projects with external partners.



## Volcanic Eruption Derivative and Related Estimating Method

### Products & Service

Sompo Japan Nipponkoa and Sompo Risk Management & Health Care have developed the industry's first kind of weather derivative, "Mt. Fuji Eruption Derivative," along with a method for estimating the probability of a future eruption. The derivative indexes eruption-related

information such as eruption warnings issued by the Japan Meteorological Agency, enabling business people to prepare for potential losses and costs in the event of an eruption. Since the derivative promptly pays out a predetermined amount, it can be used by companies as working capital, and is also effective as a business continuity planning (BCP) strategy. The eruption probability estimation method developed by Sompo Risk Management & Health Care takes the time lapse after an eruption into account and calculates probability based on related global research into the probabilistic forecasting of volcanic eruptions. Sompo Japan Nipponkoa is also involved in the development of “Mt. Bandai Eruption Derivative” as well as “Mt. Zaou Eruption Derivative”, and plans to extend the eruption derivative to target other volcanoes in the future.

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## Risk Assessment and Consulting Services for Natural Disasters

### Products & Service

With large-scale natural hazards such as earthquakes, blizzards, and localized rainstorms growing more destructive in recent years, the need for disaster preparedness and resilience strategies is greater than ever. In Japan, spurred by the devastating March 2011 earthquake and tsunami, a law for national resilience was enacted in December 2013 that requires the national government, local governments, and businesses to cooperate on the development of a national infrastructural and socioeconomic system designed to improve the country’s strength and resilience to natural disasters.

Sompo Risk Management & Health Care, drawing on its time-tested expertise in risk quantification and disaster preparedness consulting, provides customers with case-specific evaluation of potential damages from such events as earthquakes, tsunamis, volcanic eruptions, and storms, along with specific strategies for dealing with them.

These services cover both hard and soft strategies: Proprietary model-based risk quantification; evaluation of seismic resistance and soil liquefaction potential for buildings and facilities; support for minimizing the impacts of operational downtime through business continuity planning (BCP); and assistance with constructing a business continuity management system (ISO 22301).

In August 2015, the company also began offering a service that provides customers with easy access to risk-related information in map and list formats. The new service centrally manages and continually updates information from various sources, including hazard maps and the large quantity of damage prediction data released by national and local governments. The company is also actively supporting local government efforts to improve their disaster resilience.



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## Support for Corporate and Municipal BCP and Disaster Preparedness

### Products & Service

Six years have passed since 2011 earthquake and tsunami, and companies are starting to review their Business Continuity Plans (BCP) or implementing disaster drills.

To meet those customers' needs, Sompo Risk Management & Health Care has been continuously providing the support programs to further improve their Business Continuity Management Systems (BCMS), especially focused on raising awareness of top management, training employees responsible for risk management and building integrated network of departments and offices.

Furthermore, we provide comprehensive consultations for establishing and improving the BCMS, as well as the support for ISO 22301 certification.

Local governments are undertaking various measures including strengthening disaster risk reduction and crisis management in order to prepare for outbreak of infection disease such as a new strain of influenza, storm and flood damage, huge and inland earthquake and tsunami such as the 2011 earthquake and tsunami. They also promote measures for effective management of evacuation centers, support for vulnerable citizens, medical and rescue services at a disaster.

Sompo Risk Management & Health Care supports local governments to build resilient communities in various ways: Helping renewals of the Local Disaster Management Plans and establishment of BCPs; developing measurements for stranded survivors and related training; making documents on disaster response and lessons learned, and planning and researching for the Urban Renaissance Safety Security Plans in which local governments, corporations and citizens' organizations work together.

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## Risk Management for Global Business Operations

### Products & Service

There are increasing number of Japanese companies who start to consider the business expansion in other countries given the severe price battle and shrink of the Japanese market due to the falling birth rate. It is expected that Japanese companies will further expand their businesses to not only Europe, emerging countries in Asia including China and ASEAN countries, but also Latin America and Africa.

Sompo Risk Management & Health Care has started to provide risk consulting service for business in other countries from November 2013. That includes research on local security, risk and compliance training for local staff, and support service for development of risk management system that includes assessment of local offices' risks to support the risk management activities of the Japanese companies that expand their businesses to the world. Sompo Risk Management & Health Care strives to meet customer needs by providing comprehensive service menus for

risk management for global business operations that cover the accidents as well as daily risk management.

## Cyber Insurance

### Products & Service

There has been an increase in insurance-related needs to deal with the risk of cyberattacks, along with a changing social environment, such as the launch of Japan's national identification number system for individuals, amendments to the Act on Protection of Personal Information, and increased sophistication of cyberattacks.

Businesses play a key role in the economy, and in order to support their cybersecurity measures, Sompo Japan Nipponkoa offers Cyber Insurance with expanded coverage for the cost of investigating the causes of leaks as well as lost profits, caused by digital data corruption, information leaks, and disconnection of network. In the event of an information leak or other incident, it is crucial to minimize losses, so urgent responses are increasingly important: Rapid investigation of the source and causes, and efforts to control the extent of losses. We have tied up with specialized businesses that provide this kind of support, and offer services to support smooth business recovery for all Cyber Insurance policy holders.

<p><b>Investigation/ Emergency Support</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Incident detection</li> <li><input type="checkbox"/> Support investigate cause/scope of impact</li> <li><input type="checkbox"/> Damage-control advice, etc.</li> </ul>	<p><b>Emergency Communication Support</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Support for media briefings</li> <li><input type="checkbox"/> Checking/advice for media releases</li> <li><input type="checkbox"/> Support for newspaper announcements, etc.</li> <li><input type="checkbox"/> Support for social media responses (via clients' official accounts)</li> <li><input type="checkbox"/> Web monitoring, urgent alerts (incident response), etc.</li> </ul>		<p><b>Call Center Support</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Call center set-up</li> <li><input type="checkbox"/> Call center operations</li> <li><input type="checkbox"/> Support to close call centers, etc.</li> </ul>
<p><b>Confidence Restoration Support</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Issuance of certificate on implementation of recurrence prevention steps</li> <li><input type="checkbox"/> Support to announce outcomes (as a rating agency), etc.</li> </ul>	<p><b>Coordination</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Coordination of critical support functions</li> <li><input type="checkbox"/> Law firm referrals to assist with legal responses, etc.</li> </ul>	<p><b>finance</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Reporting on use of incident reception &amp; emergency integrated support services</li> <li><input type="checkbox"/> Insurance payments             <ul style="list-style-type: none"> <li>• Costs for public apology event, media announcement, statement writing</li> <li>• Costs of condolence gifts, complaint responses</li> <li>• Consulting costs</li> </ul> </li> </ul>	

Support functions during emergencies

# Cyberattacks Drills/Training Services

## Products & Service

In recent years, a series of new and more sophisticated cyberattacks has occurred, resulting in frequent information security incidents with various organizations, including corporations and public institutions. This situation has led to a growing interest in information security risk, and efforts made to strengthen defenses against cyberattacks: the Basic Act on Cybersecurity was enacted in November 2014, and the Ministry of Economy, Trade and Industry of Japan (METI) enacted the Cybersecurity Management Guidelines with the Information-technology Promotion Agency, Japan (IPA) in December 2015. Some corporations have created a Computer Security Incident Response Team (CSIRT), and are also starting to hold trainings and develop manuals against cyberattacks.

Through a tie-up with LAC Co., a firm highly regarded for its information security solution services, Sompo Risk Management & Health Care offers services such as drills aimed at countering cyberattacks and trainings to support capacity building, to help strengthen corporate information security systems. The role of responses to cyberattacks in a corporation or organization varies with the person’s position and with the organization. These services involve drills and training services appropriate for each role, and we have received positive feedback from our customers.

Key components of our service: drills / training against cyberattacks

Item	Description
<b>(1) Cyberattack simulation</b>	<b>For top management, information security managers, and crisis management managers to check the sequence of responses to hypothetical scenarios of information security incidents..</b>
<b>(2) Cyberattack simulation on computers</b>	<b>Hands-on training in virtual (hypothetical) computer environment to identify the source of a cyberattack within it, deal with containment, coordinate inside and outside the company, and consider business continuity measures.</b>
<b>(3) Training against a targeted e-mail attack</b>	<b>Employees receive e-mail messages designed for training purpose and are trained to immunize themselves to a targeted e-mail attack.</b>
<b>(4) Information security training courses</b>	<b>Multiple courses available.</b>

## Sora One 2.0: Risk Management via a Web-based System

### Products & Service

Since launching Sora One in November 2014, Sompo Risk Management & Health Care has received a wider variety of requests: Requests to receive information on risks other than natural disasters such as terrorism and infectious diseases for employees working in other countries; emergency alert service when a typhoon is approaching, earthquake occurs, or an act of terrorism or riots occur; and tools to promote corporate risk management activities. Based on these requests, we launched in October 2016 a new version, Sora One 2.0, which includes additional and enhanced features.

Sora One 2.0 provides support to customers by systematizing their operations from the day-to-day gathering of information to recording and managing information on long-term business activities. The web-based system enables multiple companies to use it as a tool to jointly promote the management of risks such as supply chain risk management.



Image taken from Sora One 2.0 pamphlet

## Bosai JAPAN-DA Project to Raise Disaster Awareness

### Partnerships

Insurance being one of our core businesses, we at Sompo Japan Nipponkoa believe in the importance of raising public awareness of disasters. In the Bosai JAPAN-DA Project, we 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 2017 these events have been held 73 times across Japan attracting more than 9,000 people.

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## Insurance Package as Online 'Flaming' Countermeasures

### Products & Service

There has been an increase in online flaming incidents in recent years and the handling of such incidents has become a major issue for corporations and organizations, with more and more companies developing and enhancing online monitoring systems. If a company is unable to take an appropriate emergency response to a large-scale incident, despite detecting negative posts, the damage will continue to spread, ultimately affecting stock prices. In such cases it is extremely difficult to estimate the extent to which damage will spread, and the cost of recovery in the long-term could be exorbitant.

Given this situation, Sompo Japan Nipponkoa launched an online flaming insurance in March 2017. The insurance package includes an emergency response service that automatically starts when a flaming incident occurs (online flaming response service support and emergency media response support), and the expenses required for these responses are covered by the insurance package. Online flaming response support is provided by Eltes Co., Ltd., a company specializing in online risks, while emergency media response support is provided by Sompo Risk Management & Health Care.

Enrollment in this insurance assumes that web monitoring is already conducted by a specialist company. Sompo Risk Management & Health Care provides an online flaming insurance package that includes a feature offered by Sompo Japan Nipponkoa that compensates for expenses incurred by Eltes to respond in emergencies when a major flaming incident occurs and a long period of time will be required to recover from the incident.

Through this product we will support corporate online flaming countermeasures.





### ネット炎上の要因と要する費用の例

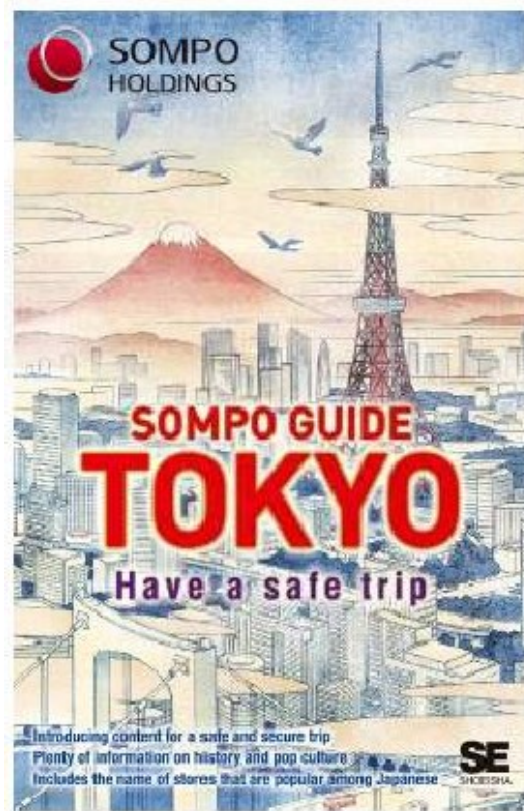
Examples of Costs Resulting from Online Flaming(in Japanese)

## Sompo Guide Tokyo: Travel Guide for Touring Japan with Confidence

### Products & Service

The Japanese government plans to increase the number of visitors from abroad to 40 million by 2020, and the number of inbound tourists is expected to increase. Meanwhile, tourists have a number of concerns, including inadequate communications infrastructure and services, anxieties about Japanese culture and communication with Japanese people, and a lack of information on how to resolve problems encountered with traveling around the country.

Sompo Holdings has released Sompo Guide Tokyo, a travel guide for international visitors to Japan designed to highlight the attractive aspects of Japan to a global audience while providing peace of mind to tourists that visit Japan. Through the travel guide we aim to provide a greater sense of safety, beyond insurance, to tourists.



## For Resilient Risk Management — Anshin Hosho Package to Companies that Grant Privacy Marks

### Products & Service

Incidences of damage from cyberattacks have been steadily increasing. The damage resulting from companies leaking information is also expanding as information databases get bigger and bigger due to technological innovation and the sophisticated telecommunications. January 2016 launch of Japan's national identification number system for individuals and the increasing popularity of IoT products are expected to further raise the risk of information leaks at companies.

Against this background, the revised version of the Personal Information Protection Act, which came into full force on May 30, 2017, changed the definition of entities handling personal information, resulting in virtually all businesses being subject to the law, and making risk management even more crucial to businesses.

Sompo Japan Nipponkoa launched a cyber insurance product in October 2015 as a non-life insurance policy that covers such risks. With the aim of contributing to further improving the level of information security at companies in Japan by promoting the spread of the privacy mark system, Sompo Japan Nipponkoa signed the industry's first comprehensive agreement with Japan Information Processing Development Center (JIPDEC), and on March 18, 2017 started offering a special cyber insurance product, Anshin Hosho Package, to organizations that grant privacy marks.



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## Japan's First Insurance Policy that Covers the Cost of Responding to Online Flaming

### Products & Service

With the spread of the internet and smartphones it has become much easier to transmit information to an unspecified number of people, and so-called “flaming” incidents, in which a deluge of negative comments are made on social media and the like, have been increasing year-on-year. Countermeasures to such flaming are now an issue for companies. Flaming is caused by any number of reasons and preventing flaming in advance is thought to be extremely difficult as social media becomes more and more popular.

Against this backdrop, Sompo Japan Nipponkoa has launched an insurance policy that covers the cost of responding to online flaming, the first of its kind in Japan to cover expenses necessary to quickly and properly respond to minimize the damage caused by flaming incidents.

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## Results of Survey on Disaster Preparedness

### Products & Service

In March 2017, six years after the 2011 earthquake and tsunami, Sompo Japan Nipponkoa published the results of a survey on disaster preparedness.

<Outline of Survey>

Survey period: February 8 – February 11, 2017

Method: Internet (PC/ mobile sites)

Target area: Japan

Target: Men/women aged 20-69

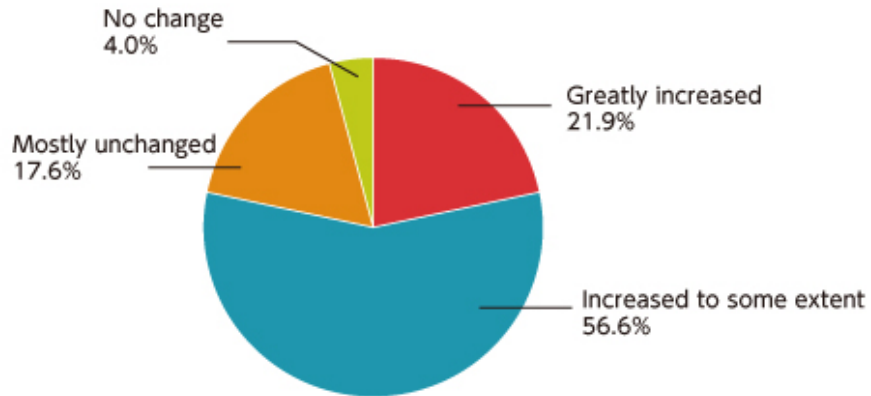
No. of valid responses: 1,112 (men: 555, women: 557)

Points to note from survey

1. Almost 80% of respondents answered that “Awareness of disaster prevention has increased after the 2011 earthquake and tsunami.”

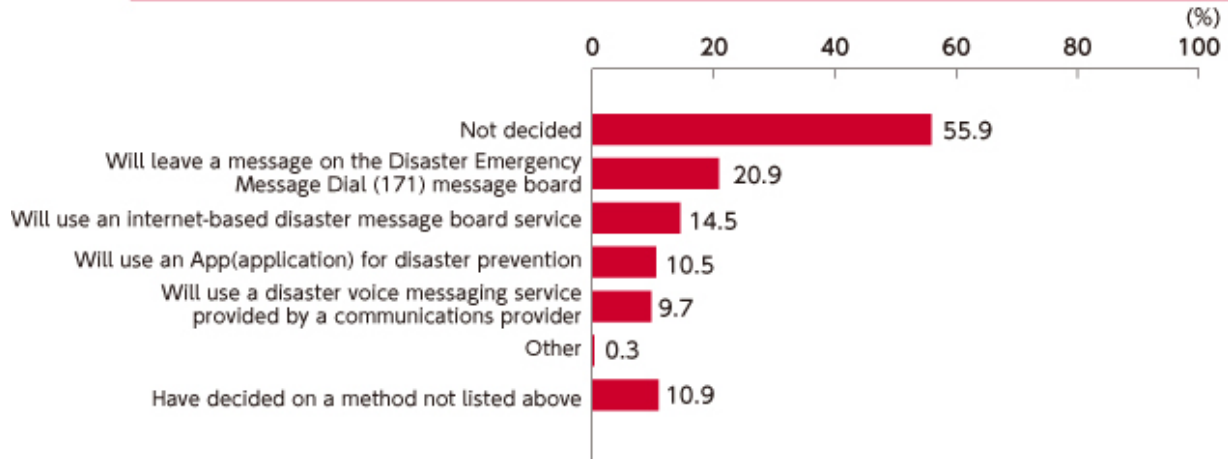
Question: Has your awareness of disaster risk reduction increased since the 2011 earthquake and tsunami? (No. of responses: 1,112)

**Close to 80% of respondents (78.5%) responded, "Yes, it has increased"**



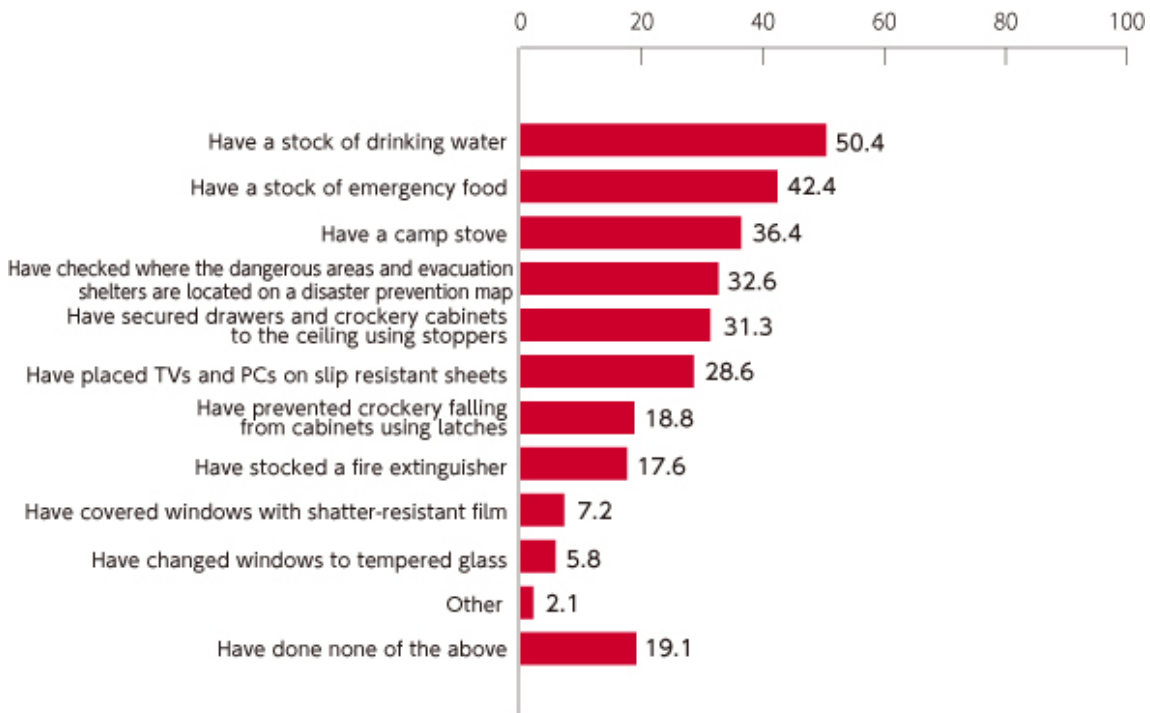
Question: Have you decided how to confirm the safety of family members in the event of a disaster? (No. of responses: 1,112, multiple responses allowed)

**More than half of respondents have not decided how to confirm the safety of family members in the event of a disaster**



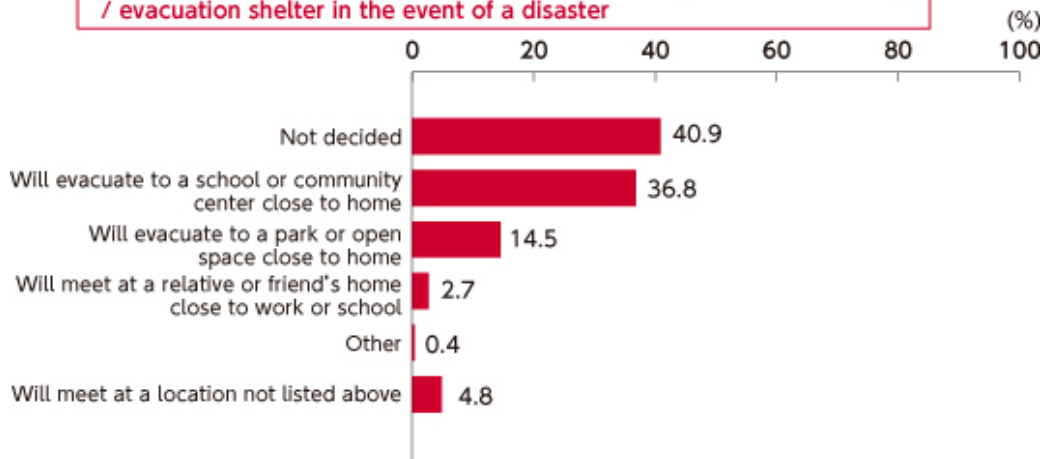
Question: What are you currently doing to prepare for an earthquake (tsunami)?  
(No. of responses: 1,112, multiple responses allowed)

Just over 20% of respondents are not doing anything to prepare for a disaster



Question: Have you decided a place to meet family other than your home / evacuation shelter in the event of a disaster? (No. of responses: 1,112)

More than 40% of respondents have not decided a place to meet family / evacuation shelter in the event of a disaster



There are concerns about a Tokyo metropolitan area earthquake and a massive earthquake in the Nankai Trough, and mobile phones and PC email are expected to be out of action for a while should either occur. There is thus a need to secure multiple means of contacting family. In anticipation of it not being possible to meet at the family home due to tsunami or the risk of the building collapsing, there is also a need to choose a place to meet family other than the family home.

Based on these results of such surveys, we will continue to make efforts for a safer society in which people can live with peace of mind through the products and services that contribute to disaster risk reduction.

## Initiatives to Prevent Maritime Ship Accidents

### Products & Service

Sompo Japan Nipponkoa is promoting initiatives to prevent ship maritime accidents, in addition to responding to ship insurance accidents, our core business. Ship accidents are linked to serious marine pollution from oil spills to accidents involving the lives of multinational crew members. In collaboration with shipping companies and ship management companies, we hold loss prevention seminars in Singapore, Manila and Thailand to raise awareness among ship managers and crew members from other countries.

In 2016 in collaboration with specialized institutions from around the world we started issuing “SOMPO Alarm Whistle (SAW)” and “Marine Engine Newsletter” which are circulars concerning accident prevention based on our accident response know-how, and we offer warnings to sailors around the world as our unique “risk information that reaches the oceans.”





**SOMPO Alarm Whistle** VOL. 2  
(August, 2016) Page 1

**TITLE: Suez Canal Expansion - Incident Records & Measures for Loss Prevention**

**[Contents]**

- **Maximise - Suez Canal Expansion**
- **Incident Records - Outline of Incidents & Geographic Analysis**
- **Measures to be taken by Master**



**● Maximise - Suez Canal Expansion**

The Suez Canal is a major waterway in Egypt connecting the Mediterranean Sea to the Red Sea that allows vessels to travel between Europe South Asia without navigating around The Cape of Good Hope. The enlarged capacity enables vessels to sail in both directions at the same time over much of the canal's length. Beforehand, much of the canal was only one shipping lane wide, with limited width lanes for passing. According to Egyptian officials this is expected to increase the capacity of the Suez Canal from 40 to 97 ships a day by 2023. Nevertheless, H&M underwriter saw a number of incidents after this expansion.

**● Incident Records - Outline of Incidents**

<p><b>INCIDENT 1</b></p> <p>DATE : ● March, 2016</p> <p>OUTLINE : The vessel (Bulk Carrier, 161,000 DWT) was transiting the Suez Canal under the control of pilot. While the pilot tried to alter her course to 109 degrees from 143 degrees, the vessel touched her bottom.</p> <p>LOSS : Over 140M T of steel rebar required in Dry Dock over 40 days of Off-hire (6: Under Water Temporary Repair : 10 days, for Permanent Repair 30 days)</p>	<p><b>INCIDENT 2</b></p> <p>DATE : ● February, 2016</p> <p>OUTLINE : According to the local information, the vessel (Bulk Carrier, 170,000 DWT) was grounded at km 63-69 of Suez Canal, the cause of which may be due to pilot's mistake.</p> <p>LOSS UNKNOWN</p>
<p><b>INCIDENT 3</b></p> <p>DATE : ● May, 2016</p> <p>OUTLINE : The vessel (Bulk Carrier, 163,000 DWT) experienced bottom touch incident under the same situation at the same location as incident 1.</p> <p>LOSS : Almost the same as incident 1.</p>	<p><b>INCIDENT 4</b></p> <p>DATE : ● July, 2016</p> <p>OUTLINE : According to the Lloyd's Casualty Report, the vessel (Container ship, 117,000 DWT) ran ground at km 133-136 of Suez Canal.</p> <p>LOSS UNKNOWN</p>

Copyright Marine Claims Dept., Marine Claims Dept.

Sample - Sompo Alarm Whistle

September 2016

**Marine Engine Newsletter** Hull Claims Div, Marine Claims Dept  
Sompo Japan Nipponkoa Insurance

**#Vol 2. Shaft Grounding Assembly (SGA)**

In our previous issue we have examined cases of exhaust gas turbochargers failure and how to prevent the same. This month we examine and very specifically focus on shaft grounding assembly (SGA) problems and its prevention.

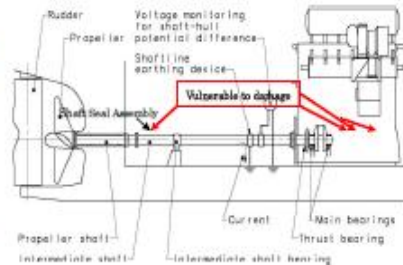
**0. Background Information**

SGA needs to be checked regularly whether it is earthed effectively. See the photograph on the right hand side, the possibility of damage increases when it is fitted in places such as stern side of engine room, which is not a good environment condition with high temperature and moisture contents. In this condition, SGA lack of maintenance as could be seen such as no carbon brushes direct contact with tailshaft or loose earthed cables could ultimately cause loss of propulsion and prolonged off-hire. This article strives to discuss the importance of SGA and its maintenance requirements.



**1. Why is shaft grounding assembly needed?**

On the external shell plating around the vessel's propeller and thruster, zinc is fitted for cathodic protection. This protects hull from electrolyte corrosion. Meanwhile, hull and propeller are each made of different materials.



Sample - Marine Engine Newsletter

# Providing the Highest Possible Quality of Service

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## Initiatives for Building Theme Park for the Security, Health, and Wellbeing of Customers

### Products & Service

Our Group upholds the following Group Management Philosophy: “We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible.” The Group has also stipulated in its Group Basic Management Policies that: “We will constantly aim for the highest possible quality in all our business processes in order to become the best service provider for our customers.”

The Group Vision also states that “Our goal is to always be the best customer service provider both at home and abroad.” In line with these policies, we are implementing various initiatives to improve customer satisfaction by incorporating customer feedback into our products and services.

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## System to Utilize the Voice of Customer (VOC)

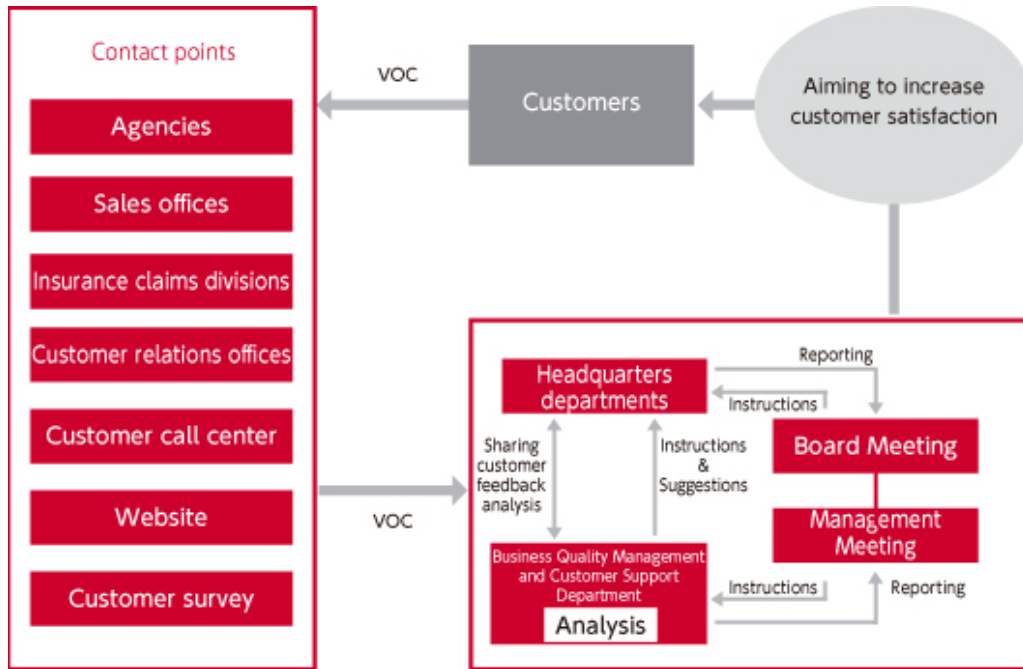
### Products & Service

Sompo Japan Nipponkoa receives appreciation, gratitude, inquiries, opinions, requests, complaints, and other types of customer feedback via our sales offices, agencies, insurance claims department, customer relations office and customer call centers. We value customer feedback and respond with them promptly and appropriately.

We also analyze it to identify issues and needs, which we then address in order to improve our products, services, and operations.

To incorporate our customer feedback into our management, we established a dedicated Business Quality Management Department. The Department is responsible for analyzing the background and causal factors of customer complaints. It then shares with relevant head office departments any information on customer complaints relating to insurance product development, sales, and claims payment. For particularly critical complaints, the department submits suggestions or instructions for preventive and/or quality improvement measures to the relevant head office departments.

Furthermore, these initiatives and improvement are periodically reported to various management meetings including Business Quality / Compliance Committee to further discuss various issues.



## Voice of Customer (VOC) White Paper

### Partnerships

Sompo Japan Nipponkoa has published Voice of Customer (VOC) White Paper from fiscal year 2007 to utilize every customer feedback including appreciation, gratitude, inquiries, opinions, requests, and complaints. The White Paper explains the initiatives to utilize the VOC into management and how we highly value these feedbacks. Our employees and agencies are accepting VOC with sincerity and will contribute to society through providing highest quality products and services to support “security, health, and wellbeing” of our customers.

▶ [White Paper on Customer Feedback \(In Japanese\)](#)





## Analysis Service of Customer Risk and Insurance Clause

### Products & Service

There are many customers who feel concern on the appropriate degree of insurance preparation of the daily life. To meet the customers' needs, our Group provides free service of analyzing and explaining the customers' total insurance coverage and their risks to contribute to the wellbeing of our customers. We provide this service through tools such as booklet and mobile device apps.



Tools that introduces customers' potential risk and insurance Coverage (In Japanese)

## Customer Satisfaction of Insurance Claims Service

### Products & Service

Sompo Japan Nipponkoa is undertaking a company-wide initiative to enable swift insurance claims payment by promoting the Quality of Service improvement campaign (QOS<sup>\*1</sup>) launched in October 2009. The company also provides psychological support to customers involved in accidents through telephone at almost every contact point after the accident.

The company, meanwhile, is working to improve customer contact both in terms of quality and quantity at insurance claims department. It defines mandatory and extra actions for each customer service milestone event or situation in order to implement the SC (Service Center) Credo<sup>\*2</sup> action guidelines stipulated in December 2011.

After fiscal year 2013, all employees of the company are determined to provide service tailored to each customer for greater customer satisfaction by integrating and advancing both the SC Credo, guiding principles for judgment calls, decision-making, and action, and the QOS, which defines our action guidelines.

In fiscal year 2017 we will seek to provide services that cater to customers by further building on our initiatives, strengthening collaboration with non-life insurance agencies who have a close relationship to our customers, paying insurance payments promptly and properly and providing easy-to-understand explanations.

- \*1 Stands for “Quickly, at Once within a Set period!” It aims to enhance Quality Of Service (operational quality) via the QOS initiative. QOS stipulates action guidelines to enable Sompo Japan Nipponkoa's accident response personnel responsible for insurance claims department tasks to provide customers with the best outcomes.
- \*2 Targeting insurance claims department personnel, the SC Credo contains guiding principles for everyday judgment calls, decision-making, and action. It highlights the importance of putting customers as the first priority and providing sincere service to every single customer.



SC Credo Card carried by all personnel of the insurance claims departments

## 24-hour Initial Response Service

**Products & Service**

Initial response service is also available for customers who are involved in a road traffic accident out of regular business hours. Specialist personnel are on hand to immediately contact the other involved party, an automobile repair shop, hospital, or tow truck operator, thus alleviating customer anxiety and providing relief.

## “My Page” Online Service Offering Functions Accessible 24 hours a Day

**Products & Service**

In order to improve the user-friendliness for customers with regard to checking insurance products and various changing procedures, Sompo Japan Nipponkoa provides free online service of “My Page” that is 24 hours/365 days accessible from smartphone and PC. Through the registration of My Page membership, the customers are able to check their insurance agreements, current status of accident response for car insurance and accident insurance, and procedures of address change and insurance change for 24 hours/365 days. Furthermore, the mail delivery system is prepared for customers without insurance agreement.



Image of Sompo Japan Nipponkoa’s “My Page”

# Service Quality Improvements by Enhancing Accident Response on Holidays

## Products & Service

Following the rise in the employment rate among the working-age population thanks to the empowerment of women and the increase in double income earning households, customers increasingly want to consult with insurance companies on holidays as well as on weekdays open hours of insurance companies. In addition to our initial response such as accepting accident reports and arranging medical treatment 24 hours a day, 365 days a year, Sompo Japan Nipponkoa has set up a “holiday assistance”\* center that responds to inquiries relating to road traffic accidents we are currently responding to and makes various arrangements (service enhancement).

\* In response to requests from customers to be able to consult with specialists on holidays and to resolve accidents as soon as possible, we have arranged for approximately 50 experienced experts in three locations (Tokyo, Osaka, Hokkaido) to be available to respond to customers on holidays.

### Examples of Customer Requests

Examples of Customer Requests
I was contacted by the other party involved in the accident and I want the insurance company to contact them.
I went to a hospital close to my workplace on a weekend but I want to change to another hospital and undergo a more detailed examination.
I want to know how to fill out paperwork relating to insurance claims

# Using Digital Technology

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## 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<sup>\*1</sup> and Portable Smiling Road, safe driving support services that use telematics.

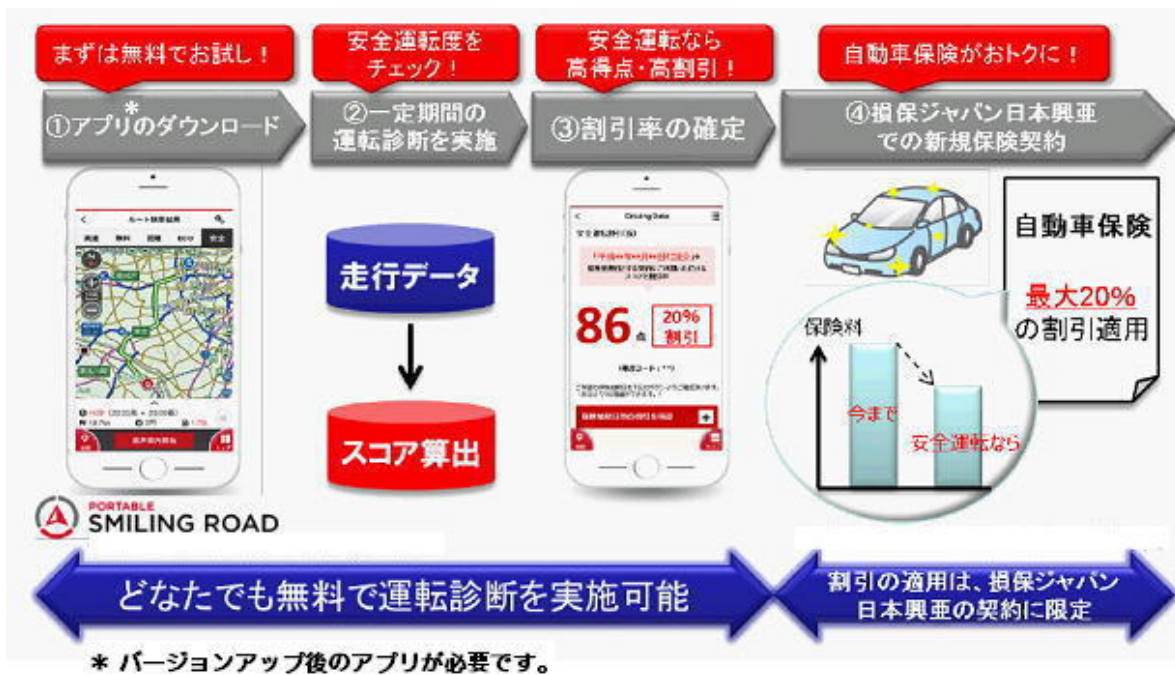
The correlation between driving characteristics of the driver and the likelihood of an accident has become clear as a result of research and analysis into the enormous volume of big data obtained via Portable Smiling Road, using the telematics technology know-how accumulated by providing these services. We became the first insurance company in Japan to develop a telematics insurance product that offers up to a 20% discount on insurance premiums<sup>\*2</sup> 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.



Insurance Premium Discount Image (image of smartphone screen currently being developed)



## New Automobile Insurance Using Internet-of-Things (IoT) for Safer and More Enjoyable Driving

### Products & Service

Saison Automobile and Fire Insurance took on board customer feedback from market research and launched a project that creates new values such as “visible,” “touchable,” “enjoyable driving,” and “accident prevention” that were previously lacking from the automobile insurance. As the first step, the company started offering ALSOK Reliable Accident Site Support Service in April 2016.

Having defined customer contact necessary to provide such values as “new enrollment experience for automobile insurance,” “enjoyable driving,” “reliable support at accident sites,” the company started offering new services that support day-to-day safe driving for contracts effected from July 2017 while enhancing the ALSOK Reliable Accident Site Support Service.

Customer Experiences Provided by New Services

お客さまとの接点	体験の概要
契約時	<ul style="list-style-type: none"> <li>・「つながるキット」を受け取り、スマートフォンに「つながるアプリ」をインストールする。</li> <li>・「つながるボタン」と「つながるアプリ」を接続し車に設置する。</li> </ul> <p style="text-align: center;">【つながるキット】    【つながるボタン】</p> 
日常運転時	<ul style="list-style-type: none"> <li>・「運転スコア」「エコドライブ」「危険挙動」「走行マップ」のドライブレポートを確認することができる。</li> <li>・日常の運転を振り返ることができ、安心してカーライフを楽しむことができる。</li> </ul>
事故時	<ul style="list-style-type: none"> <li>・「つながるボタン」を押すと、アプリ経由で自動的に位置・契約情報がセゾン自動車火災にデータ連携される。</li> <li>※「つながるボタン」が大きな衝撃を感知した場合は、ボタンを押下しなくとも、お客さまのスマートフォンに「衝撃を感知しました」とプッシュ通知が表示されます。</li> <li>・通知タップから「つながるアプリ」が開き、ワンタッチでセゾン自動車火災につながり、同時にお客さまの位置情報が送信される。</li> <li>・「つながるアプリ」からお客さまの位置情報を把握したALSOKの隊員が事故現場にかけつける「ALSOK事故現場安心サポート」などのサービスを受けることができる。</li> </ul>

## Wearable Smart Glasses for Fire Insurance Accident Investigations

### Products & Service

In October 2016 our group company FRESHHOUSE and Sompo Japan Nipponkoa started using wearable devices (smart glasses) for fire accident insurance investigations. FRESHHOUSE carries out repair work for customers involved in accidents covered by fire insurance who are referred by Sompo Japan Nipponkoa. Given that repair work requires specialist fire insurance-related knowledge, wearable devices (smart glasses) were introduced to all offices in June 2017 to increase personnel capable of carrying out repair work and to homogenize service quality by using ICT and digital technology, as well as to expedite insurance payments by Sompo Japan Nipponkoa.

#### <Outline>

- (1) FRESHHOUSE personnel wear smart glasses during on-site investigations into fire insurance accidents, and share images and sound from the property in real-time with a



dedicated operator at FRESHHOUSE's head office.

- (2) The dedicated operator gives instructions using the images and sound filmed using the smart-glasses-based information transmitted in real time.
- (3) Using the transmitted images, the dedicated operator creates and submits estimates necessary for insurance claims to Sompo Japan Nipponkoa.

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## Expanded Use of Drones — First in Industry to Acquire Flight Authorization Nationwide from Japan's Ministry

### Products & Service

Sompo Japan Nipponkoa has prepared a safe operational system internally for using drones, and is the first insurer to obtain a general license to fly drones anywhere in Japan without the need to apply for permission each time from the Ministry of Land, Infrastructure, Transport and Tourism. We aim to get a quicker and more accurate grasp of the extent of damage immediately after accidents or disasters and to pay insurance proceeds more quickly.

In August 2016 we were asked by Kumamoto Prefecture to assist in searching for missing people after the Kumamoto earthquakes. In February 2017 we took part in a joint initiative in Shinjuku, in the heart of Tokyo, to confirm the effectiveness of guiding stranded people using drones. We are using our advanced technology with the aim not only of paying insurance proceeds but also of contributing to society in responding to disasters.

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## Paperless Processing for Insurance Policy Applications — Using ICT to Shorten Approval Procedures to Two Days

### Products & Service

On July 19, 2016 Sompo Japan Nipponkoa Himawari Life started accepting paperless applications for insurance policies via tablets as the first step towards reforming operations using ICT (nicknamed: Himawari Mobile Navi). Himawari Mobile Navi allows application details to be checked and notices to be input hassle-free via screens on mobile devices, enabling application procedures to be completed with just one digital signature.

The results of medical assessments relating to health status conducted using automated assessment functions are instantly displayed on screen, and contracts can take effect the following day at the earliest.

The service is extremely popular with customers, and by March 2017 more than half of all applications for target policies were completed via Himawari Mobile Navi.

Going forward, we aim to be the most innovative insurance company in Japan, using advanced

ICT technology to provide new services focusing on health as well as for insurance procedures, and offering optimal value to all our customers.



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## Introduced the IBM Watson Explorer for Insurance and Benefit Payment Services

### Products & Service

Sompo Japan Nipponkoa Himawari Life aims to be the most innovative life insurance company in Japan by providing unprecedented new value, and to transform itself into a health support enterprise that assists customers in improving their health and wellbeing.

As the first step towards such transformation, in March 2017, with support from IBM Japan, Sompo Japan Nipponkoa Himawari Life completed demonstrations for the introduction of IBM® Watson Explorer, and based on the success of such tests, plans to start making full use of it to process insurance proceeds and benefit claims during fiscal year 2017.

We aim to reduce the time required to process claims, which currently take an average of three business days, by automating payment of insurance proceeds and benefits, and to process and pay approximately 30% of claims\* on the day the claim is received.

\* Excluding claims that require checks with medical institutions.

To date we have continued to work to ensure proper, prompt payment of claims, having already digitalized information such as medical certificates and introduced a system that alerts employees in charge of claim payments. With this recent addition of IBM Watson Explorer, we plan to reform our payment system.

## Safe Driving Support Service “DRIVING!” for Individual Drivers (Especially Seniors)

### Products & Service

While the number of road traffic accidents has continued to fall in recent years following improvements in the safety performance of automobiles, the accident rate among both elderly and young drivers remains high, and it is essential for drivers themselves to take safety measures.

Given this, we at Sompo Japan Nipponkoa believe our mission as a P&C insurance company is to provide peace of mind to inexperienced drivers and those who feel uneasy when driving, the elderly and their families. In March 2017 we began to offer a telematics-based service that uses a drive recorder (DRIVING! Living with a Car, hereinafter, “DRIVING!”).

Through the services we currently offer: Smiling Road<sup>\*1</sup> and Portable Smiling Road<sup>\*2</sup>, we have successfully reduced the number of road traffic accidents by about 20%<sup>\*3</sup> through the telematics services. Drawing on such expertise in applications of digital technology, we plan to provide further peace of mind and safety to all drivers, and to help realize an accident-free society.

\*1 Service for companies that supports safe driving using a dedicated drive recorder.

\*2 Personal car navigation and driving assessment app that uses smartphones.

\*3 Achieved with Smiling Road

<DRIVING! Set up>



## Participated in Blockchain Insurance Industry Initiative B3i

### Products & Service

Sompo Japan Nipponkoa is a member of the Blockchain Insurance Industry Initiative B3i. B3i is a collaborative project led by 15 of the world’s leading insurance and reinsurance companies, and explores the potential use of blockchains (distributed ledger technology), and the possibility of building a shared platform in the global insurance industry.

B3i was launched in October 2016 by five European insurance and reinsurance companies. By December 2016 the number of participants had increased to 15, including our company, achieving a truly global scope that covers Asia, Europe and North America.

We will actively contribute to this global collaborative project, and use our expertise gained through participation in this global initiatives as our digital strategy. We see our digital technologies as one of the pillars of our growth, and will make use of them to develop products and services that contribute to the security, health, and wellbeing of our customers.

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## Japan's First Disaster Response Test in Skyscraper-Dense Area Utilizing Drones

### Products & Service

Central urban areas and surrounding residential areas, as exemplified by the Shinjuku Station Area, are strongly urged to take steps to respond swiftly to a disaster immediately after it occurs, ensure business continuity, and recover from the disaster, in addition to measures for disaster preparedness and resilience. Since 2007, the Council for Measures to Reduce Disaster Risks in the Shinjuku Station Area has continuously worked to carry out locally concerted drills mainly for massive earthquakes and to increase the disaster preparedness literacy of local residents. Through these initiatives, major issues that need to be addressed have emerged, including how to collect information just after the occurrence of a disaster, communicate relevant information to give smooth guidance, and share the information among major bases seamlessly.

Against this backdrop, in order to resolve these issues, Sampo Japan Nipponkoa, Sampo Risk Management & Health Care, Kogakuin University, Rikei Corporation, and Shinjuku Ward, all members of the Council ("Team Shinjuku") teamed up to combine the technology, knowledge, and resources accumulated and utilized in their daily business operations and on February 11, 2017 conducted a test to verify the effectiveness. While promoting applied research into drones and wireless communication networks, we plan to continuously conduct tests going forward.



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## Partnership with Silicon Valley (US) Research Institutions for Automotive AI and Robotics Research

### Products & Service

As digital technology surrounding automobiles rapidly progresses, Sampo Holdings needs to engage in cutting edge research and development in fields such as automobiles, artificial intelligence (AI), and robotics, aiming to create new and exciting customer experiences in insurance and related services. We are the first insurance company in Japan to partner with Stanford University's research institute, CARS\*<sup>1</sup> and Comet Labs\*<sup>2</sup>, an incubator.

Through these research activities we strive to quickly grasp digitalization trends accelerating globally, to promote research and development for innovating products and services at each of our Group companies, and to offer customers further "security, health, and wellbeing."

- \*1 CARS was established to invite competent personnel from educational institutions, automobile and IT industries, and government institutions to research the future of human-centered mobility and to understand how humans and machines work together.
- \*2 Comet Labs is a venture capital fund and startup platform to focus exclusively on AI and robotics technology.

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## Data Science Bootcamp — HR Institute to Provide Training in Big Data and AI

### Products & Service

Sampo Holdings will set up a Data Institute, a training institute, in the first half of fiscal year 2017 in collaboration with G's ACADEMY TOKYO, an engineering training school operated by Digital Hollywood, in an effort to quickly unearth and develop talent responsible for future digital strategies within the Group. As a preliminary offering, we ran a Data Science Bootcamp course providing specialized training for data scientists in April 2017.

<Outline of the Data Institute>

- The Data Institute provides comprehensive interdisciplinary training for data scientists and all persons working with data at our Group.
- In the future, there are plans to offer a wide range of programs, including Data Science Bootcamps for experienced professionals, workshops for our employees, internships for students, and research programs for human resources development through joint research with universities and research institutions.
- The aim is to be a pioneer in developing human resources in Japan with the skills to use big data including data science and AI, and to contribute to making Japanese companies more



competitive in these areas.



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## Virtual Reality in Dementia Care Training

### Partnerships

Sompo Care Next focuses on training personnel with a high level of expertise and on providing education on dementia care through various initiatives such as the establishment of a training center, the use of various sensors and ICT in nursing care records, and encouraging the acquisition of dementia care specialist qualifications. Striving to further advance human resource development relating to dementia care, we incorporated virtual reality (VR) into our recruitment activities in March 2017.

The VR content enables users to experience the core symptoms of dementia and scenes encountered on a daily basis when caring for dementia patients, giving them a sense of what life is like for people suffering from the affliction.

Through such VR experiences, users can have a simulated experience which helps put them in patients' shoes, giving them an idea of the anxiety and confusion associated with dementia. This in turn enables them to better use their knowledge and skills in caring for people with dementia. We believe such initiatives enable us to train more specialized personnel and to further improve the quality of our services in preparation for the continued advance of our super-aging society.





Corporate briefing

# Health Promotion

## Nursing Care Support Services and Health and Life Support Services to Benefit Customers

### Products & Service

#### ●Nursing Care Support Services

Services that offer support to both the person requiring care and their family are available to policyholders and insured parties enrolled in policies with riders for one-time payments for nursing care and their family members. Services include introductions to fee-based nursing homes, remodeling, and food delivery.

#### List of Nursing Care Support Services

Introduction to fee-based nursing homes	Special introductions to our Group's nursing care facilities around the country (excluding certain facilities) <sup>*)</sup>
Remodeling service <sup>*)</sup>	Remodeling homes to make them suitable for nursing care <sup>*)</sup>
Food delivery service <sup>*)</sup>	Home delivery of five varieties of meals planned by nutritionists taking into consideration salt content and calories <sup>*)</sup>

#### ●Health and life support service

This service aims not only to provide life insurance coverage but also to help customers lead healthy and fulfilling lives by preventing health risks. Available to policyholders, insured persons, and their family members, this extensive service includes the following 10-item menu: health and medical consultations; information on medical institutions; counseling service by doctors (reservation only); reservation and referral service for PET (Positron Emission Tomography) scans and complete medical checkups; referral service for postal examination; nursing care-related consultation service; homemaker referral service; life-related consultation service (reservation only); and security support referral service.

List of Health and Life Support Services

Health and medical consultations , ,	Telephone consultation service on health is available 24 hours , ,
Information on medical institutions , ,	Provides information on the nearest medical institutions, etc. , ,
Counseling service by doctors , , (reservation only) , ,	Telephone counseling service provided by doctors , ,
Reservation and referral service for PET scans , ,	Provides reservation and referral service among partnering medical institutions nationwide , ,
Reservation and referral service for complete medical checkups , ,	Provides reservation and referral service among partnering medical institutions nationwide , ,
Referral service for postal examination , ,	Introduces home medical test kit including for cancer , ,
Nursing care-related consultation service , ,	Consultation service for long-term care-related issues , ,
Homemaker referral service , ,	Introduces homemaker service providers , ,
Life-related consultation service (reservation only) , ,	Telephone consultation on public pension plan, tax related issues and legal issues , ,
Security support referral service provided by ALSOK , ,	Introduces security products including home security, management of vacant house, etc., and elderly support service provided by ALSOK , ,

We strive to improve customer satisfaction and engage in closer dialogue with our customers through these services.



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## One-time Nursing Care Payment Rider for Nursing Care Level 1 or Above

### Products & Service

Sompo Japan Nipponkoa Himawari Life offers a one-time nursing care payment rider as an option for medical insurance (2014) and low cancellation refund type whole life insurance policies. This rider entitles customers certified as nursing care level 1 or above under the Japanese public nursing care insurance system to receive a one-time payment towards nursing care.

Approximately 6.06 million people were certified as requiring nursing care or support under the Japanese public nursing care insurance system as of the end of March 2015, a roughly 2.4-fold increase compared to when the system was first introduced in fiscal year 2000. The majority of those certified (1.17 million people or 19.3%) are certified as being level 1 and, while such people only have a minor need for nursing care, certain expenses such as the cost of remodeling and renovating housing are conceivable. As the number of people requiring nursing care is increasing rapidly, we are responding to the needs of a wider range of customers through products that guarantee assistance from nursing care level 1.

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## Corporate Health Promotion: Support Services for Health and Productivity Management

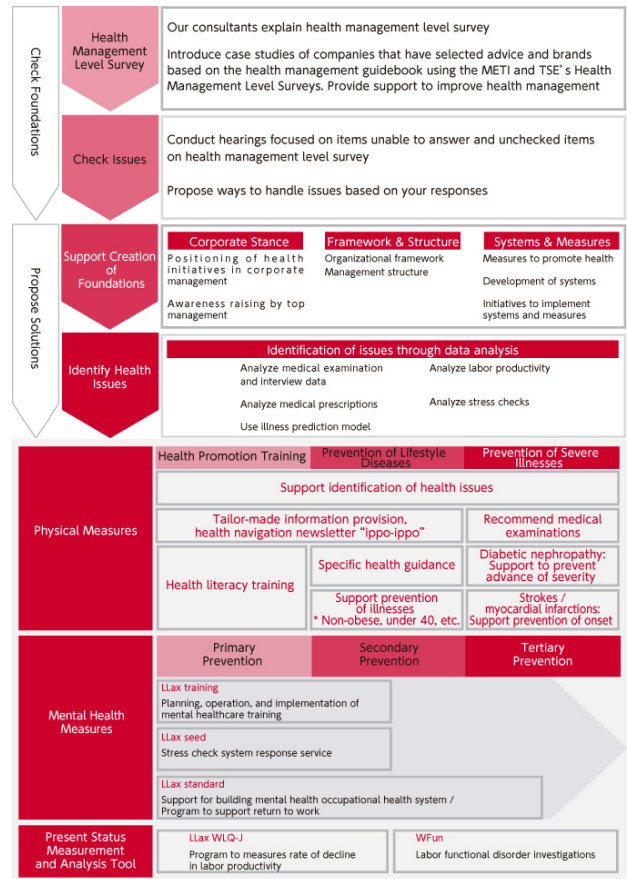
### Products & Service

Japan's emergence as a "super-ageing" society has increased awareness of issues as its rapidly shrinking working population, rising healthcare costs due to lifestyle diseases, and the growing prevalence of mental health issues. As a result, health insurance societies (public bodies charged with providing health insurance) in Japan were asked to prepare and implement Data Health Plans\* in fiscal year 2015, and since December 2015, companies are now required to conduct stress checks in offices that have 50 or more workers. In addition, in fiscal year 2017 the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi, in cooperation with insurers, jointly launched a system that recognizes large enterprises that practice excellent health management known as the Health and Productivity Management Organization Recognition Program – White 500, and expectations in health management are increasing.

Sompo Risk Management & Health Care Inc. provides comprehensive support for businesses and health insurance societies in implementing their health and work productivity management and Data Health Plans. After checking the initiatives relating to health management based on the Health Management Level Survey, solutions for creating the foundations of health management, identifying health issues, and for health guidance and mental measures are provided in line with situation surrounding initiatives.



\* The business plans designed to promote the health of policyholders after conducting analysis of various data including medical prescriptions.



## Launch of Health Service Brand Linkx (Link Cross)

### Products & Service

Sompo Japan Nipponkoa Himawari Life seeks a health support enterprise that assists customers in improving their health as the natural evolution of a life insurance company. Striving to carry out this evolution, we launched our Linkx (pronounced "link cross") brand of services, which we supply as a forerunner in providing new value. Linkx is a concept that helps customers to comfortably and enjoyably maintain good health and it will be developed into a health-related service that focuses on innovative health-centered products and apps.

#### ●Linkx coins

In September 2016 we launched Linkx coins (pronounced "link cross coins"; official name: insurance for advanced medical treatment with organ transplantation medical treatment benefit), an online-only product that customers can enroll in for a monthly premium of 500 yen. The insurance product focuses on covering treatment that puts the greatest financial burden on

the insured. If the insured receives care involving advanced medical treatment, Linkx coins will pay an advanced medical treatment benefit and an advanced lump sum payment. If the insured undergoes a designated organ transplantation, it will pay an organ transplantation medical treatment benefit.

● Linkx app series

- Linkx siru

Linkx siru (pronounced “link cross siru”), launched in October 2016, is a health-related information app that uses the latest analysis technology to learn patterns in the articles read by customers and distribute optimal health-focused articles.



Linkx siru screen

- Linkx Aruku

Linkx aruku (pronounced “link cross aruku”), launched in April 2017, is a walking app for daily, strain-free, enjoyable walking. The app offers over 500 walking courses throughout Japan (as of March 2017) and users can share photographs and make comments on things they discover during their walk. The app records steps taken, calories consumed, and distance walked merely by carrying the device around, and promotes healthy living by encouraging continuous walking.





Linkx aruku screen

Linkx reco (pronounced “link cross reco”), launched April 2017, is an app that encourages users to change to more healthy lifestyle habits by recording steps and meals and to undertake simple tasks everyday with the aim of improving body shape. The app aims to improve the lifestyle habits of users and has a pairing function that allows you to check your partner’s tasks using a special talk function just for the two of you. By tackling tasks together with a partner or a friend, users can continue the program enjoyably. The app gives advice on the optimal time to take meals from the perspective of “time and nutrition,” taking into account the human biorhythm.



Linkx reco screen

\* These apps are available for free to non-policyholders

## Physical Healthcare Support to Help Prevent Lifestyle Diseases

### Products & Service

In line with the increased morbidity of lifestyle diseases such as diabetes, myocardial infarction, and cerebral apoplexy, the associated medical costs are climbing at a disturbing rate. Meanwhile, from April 2008, public health insurance providers have been required for nine years now to provide metabolic syndrome checkups as well as follow-up advice for cases specified by the national government.

From fiscal year 2015, the measures against health issues are becoming increasingly important

for health insurance companies since they must develop and implement Data Health Plan to promote health of the insured based on the data including medical prescriptions.

With a nationwide network of health professionals made up of roughly 1,100 experienced health workers, nurses, and national registered dietitians, Sompo Risk Management & Health Care Inc. provides support to corporate employees mainly in the area as Japan's largest provider of the specified follow-up advice services. One study shows that approximately 39% of employees who received the follow-up advice from us improved to the point that they required no further guidance the following year.

The company also provides follow-up checkups to help prevent the severe diseases for people on medication and non-obese people facing risks related to blood pressure, glucose, lipid levels, and smoking. It also offers health advice visits for people aged between 65–74 aimed at lifestyle improvement and disease management. In all, it provides over 300,000 health support services annually to more than 500 health insurance associations and other organizations.

Sompo Risk Management & Health Care Inc. will continuously provide face-to-face health support that matches each customers' needs, as well as original seminars and technical support on health to professionals nationwide to develop a framework that enables the provision of high quality services.

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## Employee Assistance Program Services Contributing to “Healthy Companies”

### Products & Service

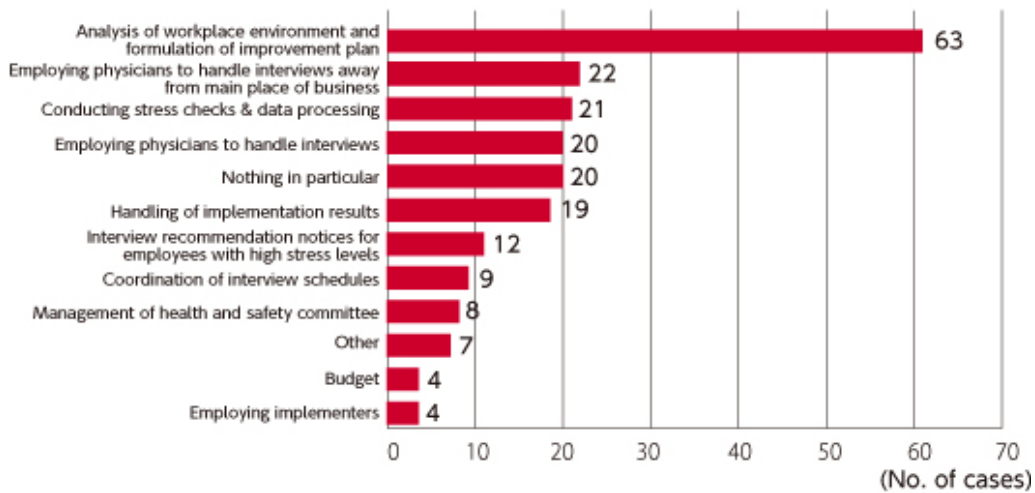
Companies have been obliged to conduct annual stress checks and to offer guidance in interviews since the stress check system was introduced by Japan's Ministry of Health, Labour and Welfare (MHLW) on December 1, 2015. At the same time, companies need to cooperate with management, human resource departments, occupational health staff and each department to improve the environment for individuals and organizations, based on information obtained from stress checks.

Sompo Risk Management & Health Care Inc. has offered services aimed at providing comprehensive solutions to corporate mental health challenges since April 2007. Among these, “LLax seed”, a stress check system compliant service, uses the brief job stress questionnaire recommended by MHLW, offering various services to many customers based on a wealth of know-how and practical experience, including the implementation of stress checks and organizational improvement measures.

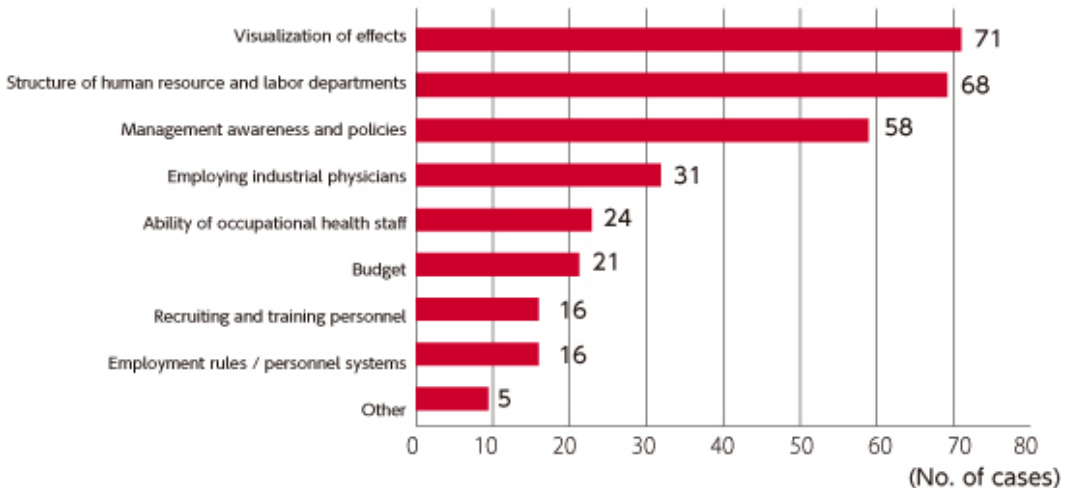
Besides conventional mental health services such as counseling as the countermeasures at companies, we offer different consulting services to resolve customer issues in various sectors: Support for the development of occupational health systems; support for those who are not mentally sound and those returning to work after a period of leave; and the employment of industrial physicians.

Sompo Risk Management & Health Care Inc. will continue to improve the service and strives to develop new services to contribute to the realization of “Healthy Companies” through its business.

Q1. Issues want to resolve



Q2. Problems and troubles when trying to strategically implement mental health measures



Source: Survey by Sompo Risk Management & Health Care Inc.

## Offering Comprehensive Consulting Services for Food Risk Security

### Products & Service

To support food companies in their efforts to secure food safety, Sompo Risk Management & Health Care Inc. offers comprehensive consulting services for food risk. These services include assistance in addressing core risks (such as food safety control, sanitation management, food labeling, and food-related accident response (including online flaming response) and support for the development of halal business structure. Since fiscal year 2010, the company has also held seminars for food companies at 188 locations nationwide to secure consumer trust and build

management systems with a subsidy from the Ministry of Agriculture, Forestry and Fisheries of Japan.

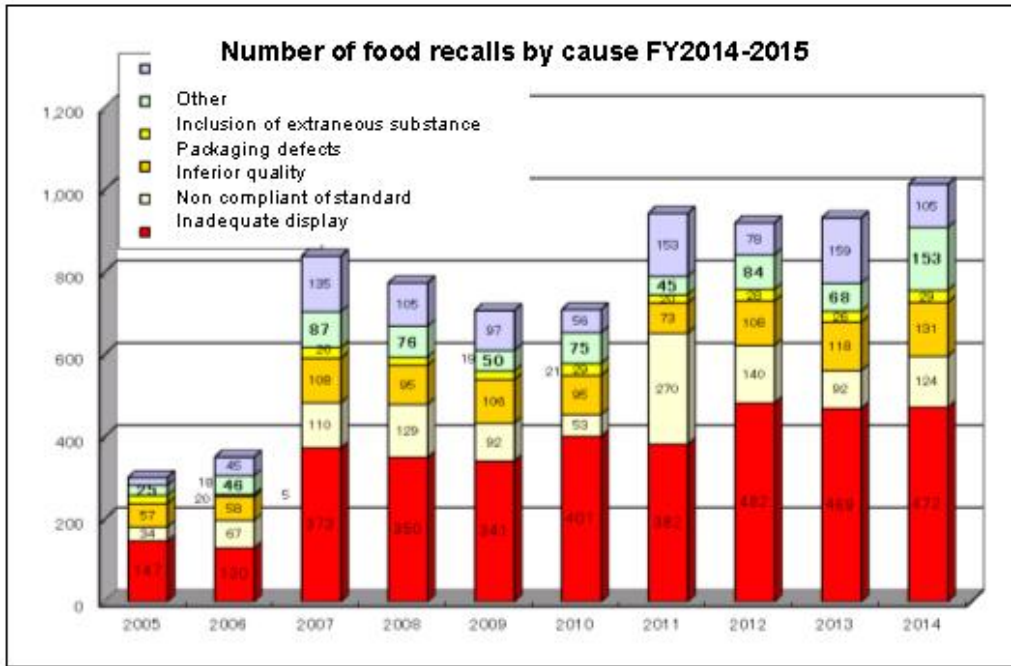


Training

## Offering Comprehensive Support Services in Emergencies to Secure Food Safety and Consumer Trust

### Products & Service

While approximately 1,000 food recalls continue to occur every year, many food companies express concern about whether they can carry out food recalls quickly and properly in the event of an emergency requiring a food recall. In response, Sompo Risk Management & Health Care Inc. developed a comprehensive emergency support service incidental to Sompo Japan Nipponkoa's food recall insurance, and started to offer one-stop support service in October 2011 that includes publication of information, the setting-up of a call center, and recall operations when emergencies occur.



Number of food recalls by cause



Service details available for customers (In Japanese)



# Supporting Japan, a Global Pioneer in Healthy Longevity

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## 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 Message Inc.) in March 2016. In April 2017 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 will open Sompo 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 will work together with universities and specialist institutions, crossing traditional boundaries of corporate training, to create a general research and development center for long-term care with a view to commercialization in the future.

Through these initiatives we will provide the highest quality healthcare services that further contribute to “security, health, and wellbeing.” We 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.



Subsidiary Companies	<p>Sompo Care Message</p> <p>Sompo Care Next</p>	Facility Nursing Care Services	Sompo Care Message operates 298 fee-based economy to mid-range nursing homes under its Sompo Care Sompo no le and Sompo Care La Vie Re brands. In addition, through the brands, the company manages 128 housing complexes for seniors that offer nursing care services to residents.
		<p>At-Home Nursing Care Services</p> <p>Day Nursing Care Services</p>	Sompo Care Message provides home-visit long-term care and other at-home nursing care services out of 398 offices across Japan under its Japan Care and Sompo Care Happy Days brands and is developing 62 offices that provide day nursing care services. In February 2015, this company launched Sompo Care Home-Care Service®, providing a full range of nursing home services to seniors at home. Sompo Care Message is currently expanding its services throughout the Tokyo metropolitan area.
Affiliated Companies	Cedar Co., Ltd.*	Facility Nursing Care Services	Cedar runs 38 La Nassica brand economy and other fee-based nursing homes and provides services centered on rehabilitation.
		<p>At-Home Nursing Care Services</p> <p>Day Nursing Care Services</p>	This company provides home-visit long-term care and other at-home nursing care services out of 17 offices across Japan under its Aozora-no-sato brand and is developing 32 offices that provide day nursing care services.

\* A 34% stake in Cedar Co., Ltd., was acquired in September 2012

## Integrated Service Product: Long-term Care Support Plan

### Products & Service

A growing number of people need long-term care in Japan as the average age in this society continues to rise, and about 100,000 persons of working age leave work annually to provide long-term or nursing care for a parent, which is a growing social concern.

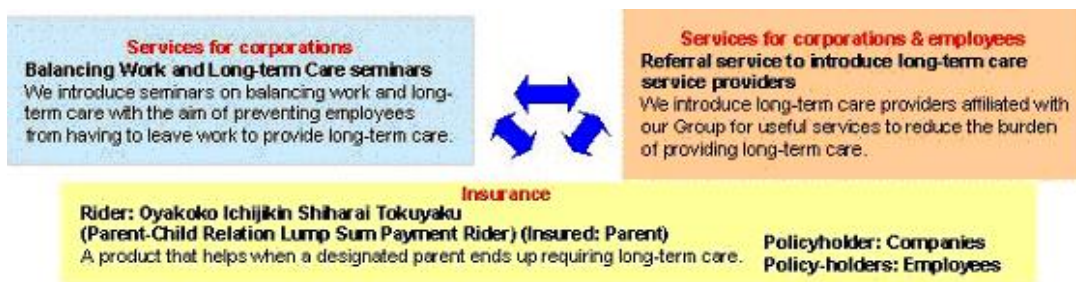
Sompo Japan Nipponkoa offers a Long-term Care Support Plan that provides multi-faceted support to reduce the need for employees of a company to leave work to provide long-term care for a relative through insurance compensation, a referral service to introduce long-term care service providers, and the provision of Balancing Work and Long-term Care seminars for corporations. The Long-term Care Support Plan, a new group health insurance that corporate employees can take out, is a set plan that includes a parent-child relation lump sum payment rider and a long-term care lump sum payment rider. Sompo Risk Management & Health Care

offers the Balancing Work and Long-term Care seminars to corporate clients to assist them in tackling issues relating to long-term care.

Overview of Long-term Care Support Plan

- (1) Overview of parent-child relation lump sum payment rider  
 With this rider, a lump-sum insurance payment will be made when a parent (insured party) requires long-term care and that situation exceeds a fixed period of time. In the event of a parent requiring long-term care, the burden on the employee caring for the parent is reduced by expanding the scope of coverage so that compensation is provided for nursing care levels 2 to 5, which involve a higher burden on the caregiver.
- (2) Overview of long-term care lump sum payment rider  
 With this rider, a lump-sum insurance payment will be made when an employee (insured party) requires long-term care (equivalent to nursing care levels 2 to 5) and that situation exceeds a fixed period of time.
- (3) Long-term care support services  
 In a growing number of cases, employees of a company are facing difficulties balancing work and care-giving when an employee’s parent starts to require long-term care. To address this, we created a new service to make referrals, with preferential conditions, to long-term care providers, including companies in our Group. By having employees utilize services that can reduce the burdens of long-term care, we support balance between work and long-term care giving.
- (4) Balancing Work and Long-term Care seminars  
 We provide information through seminars for employees experiencing anxiety regarding future long-term care, and for employees of a company dealing with challenges in balancing work and long-term care.

Overview of Long-term Care Support Plan



## “Wellbeing Support” Service for Elderly Customers

### Products & Service

Sompo Japan Nipponkoa Insurance Services has started offering “Wellbeing Support,” an unique service that allows elderly customers to use the company’s products with even greater wellbeing. With this service, the company contacts families or other relatives registered by elderly

customers in advance in cases where elderly customers cannot be reached (for example, when they are out for a long period of time or in the case of a disaster) to explain necessary information such as insurance expiry. This service prevents elderly customers' insurance contracts from expiring and terminating during times they cannot be reached, thus bringing wellbeing to them as well as their families living apart. Since its commencement in September 2013, the service has attracted 30,955 registered customers as of the end of March 2017. The company strives to improve its services continuously with the aim of becoming an “elderly-customer-friendly” insurance agency that meets the needs of a super-ageing society.

### ● How “Wellbeing Support” Service Works

\* The service is available free-of-charge to the company’s policyholders. (in Japanese)



## Group-Wide Training Program for Volunteer Dementia Supporters

### Partnerships

The total number of dementia supporters and Caravan-Mates\* among Group employees and agency employees had reached 4,992 by the end of March 2017.

To offer greater peace of mind to elderly customers, Sompo Japan Nipponkoa Insurance Services is engaging the entire company in “dementia supporter” education and activities to support communities.

Dementia supporters program was introduced by the Japan’s Ministry of Health, Labour and Welfare in 2005 as a measure to address dementia. The number of dementia supporters reached 8.82 million by the end of March 2017, under the National Caravan-Mate Coordinating Committee as the parent organization.

Sompo Japan Nipponkoa Insurance Services advocates for an elderly-friendly and locally-rooted society, and sees this program as being closely aligned with the company, so has declared it as its priority CSR initiative. By the end of fiscal year 2016, our 125 Caravan-Mate instructors nationwide had trained 1,972 dementia supporters, surpassing our target. We also strive to raise awareness by designing Guidelines for Serving Customers with Dementia and displaying posters, and having employees wear pin badges, as well as participate in a variety of community activities.

As Japan's population continues to age, we will continue to train dementia supporters and strengthen ties with local communities in an effort to promote insurance agencies that fully meet the needs of our elderly customers.

● Our achievements and initiatives

<b>Training of supporters</b>	<ul style="list-style-type: none"> <li>■ Caravan-Mates*: 125</li> <li>■ Dementia Supporters: 1,972</li> </ul>	
<b>Creation/ use of tools</b>	<ul style="list-style-type: none"> <li>■ Guidelines for Serving Customers with Dementia</li> <li>■ In-branch display of posters showing dementia supporters present</li> <li>■ All employees wear pin badges</li> <li>■ Dementia supporter logo on business cards</li> </ul>	
<b>Community involvement</b>	<ul style="list-style-type: none"> <li>■ Participated in Chiba SSK Project (Chiba Prefecture)</li> <li>■ Registered as Dementia Support Company (Saitama Prefecture) etc.</li> </ul>	

\* Caravan-Mates are certified lecturers of dementia supporter training seminars. To become a Caravan-Mate, one must go through the requisite training and registration process.

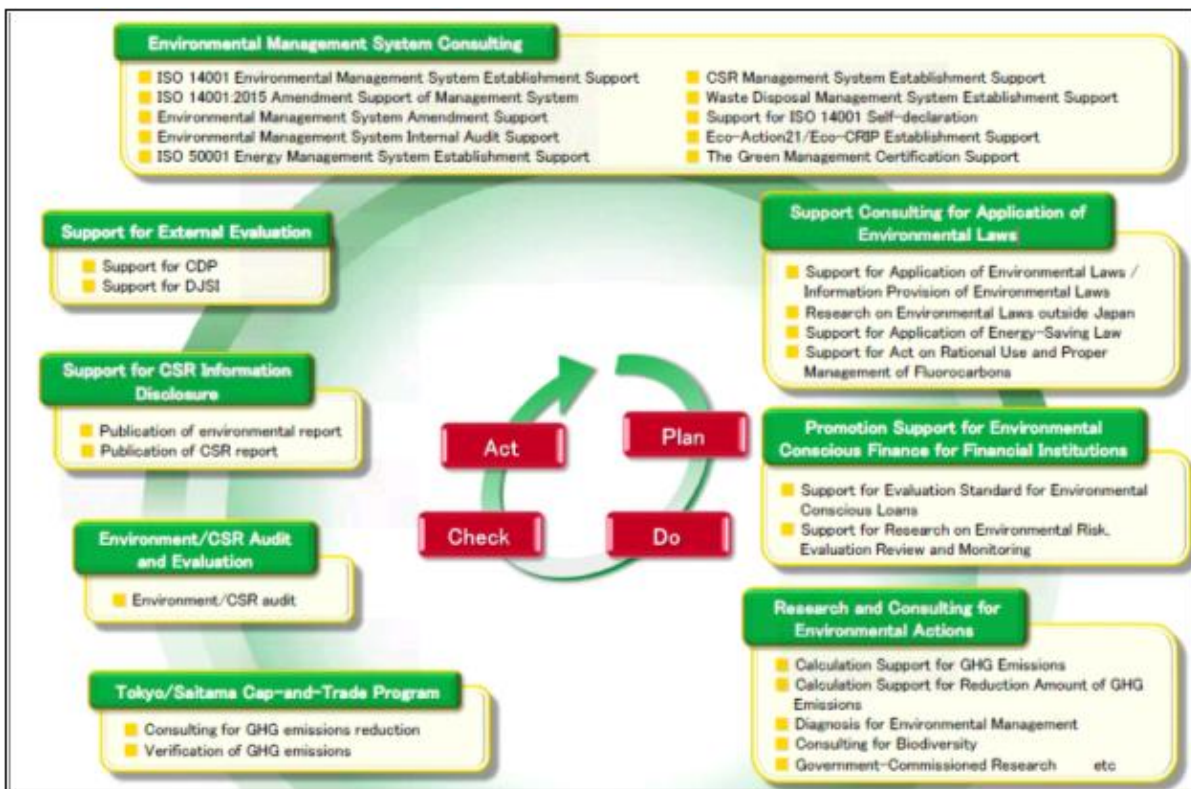


# Solutions for Environmental Issues

## Expanded Environmental Consulting Services

**Products & Service**

Sompo Risk Management & Health Care provides customized consultant services to improve the sustainability of the corporate value while mitigating the risk of environmental issues.



Environmental consulting menus

## Insurance for Stable Electricity Supply Costs: Support for Market Liberalization

**Products & Service**

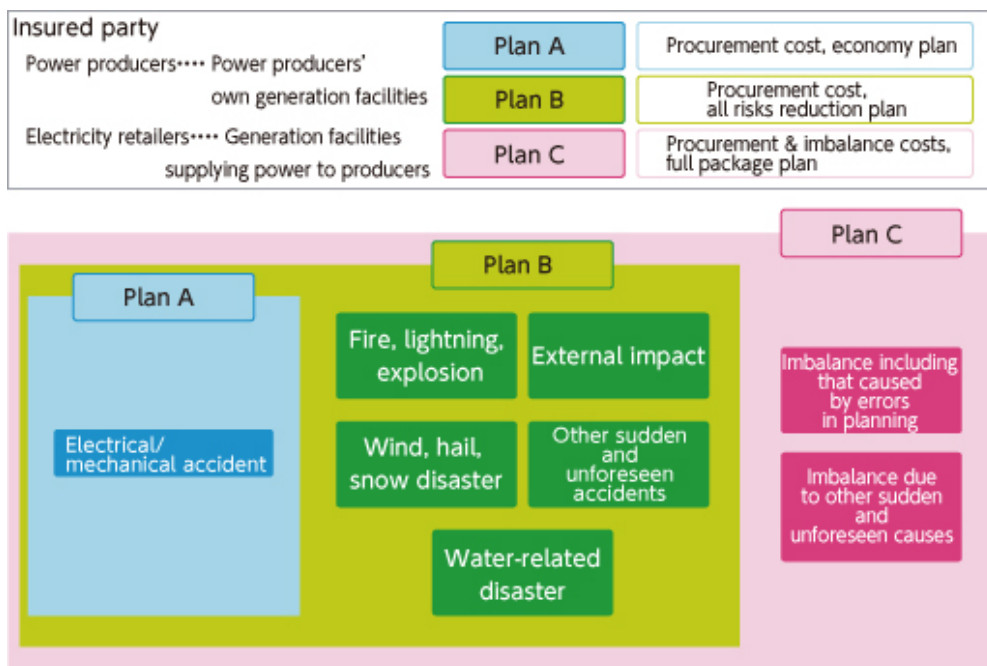
In the event of serious damage or problems caused by disasters at an electricity generation facility, a power producer’s viability can be threatened by higher costs required to procure power from other operators if the producer is unable to generate enough of its own electricity to meet demand. The full liberalization of retail electricity markets has also expanded

management risks for power producers.

In this context, on August 9, 2016, Sompo Japan Nipponkoa started selling insurance to power producers and electricity retailers to cover the costs for a stable supply of electricity by compensating for procurement costs in the event of excess or insufficient power demand and for costs caused by electricity imbalance.

In collaboration with Sompo Canopus in the UK Lloyd's insurance market, which has abundant undertakings of this product in Europe where electricity market liberalization is well under way, Sompo Japan Nipponkoa will facilitate the stability of electricity businesses and promote market liberalization by improving and providing insurance products to match future market trends and power producers' needs.

### Product Outline





# Diversity & Inclusion

## Complying with the Japan's Disabilities Discrimination Act

### Partnerships

The Act for Eliminating Discrimination Against Persons with Disabilities\* took effect in Japan on April 1, 2016. Sompo Japan Nipponkoa had already been using brochures and application forms with a universal design, but the company launched a cross-divisional project team prior to the law to consider and spearhead Group-wide changes to better accommodate elderly people and those with disabilities. These include changes to insurance application and claims payment processes; the physical environment at agencies; consultation services for customers; and internal training curricula. We will continue to provide products and services with due consideration to customers' conditions (impaired cognition, vision, and hearing) by listening attentively to their feedback especially from persons with disabilities and the elderly.

\* This law aims to promote inclusiveness toward people with disabilities by prohibiting unfair discrimination and requiring reasonable consideration of their circumstances.



Sign showing hearing disability assistance posted at the Headquarters Building and other office buildings

## Diversity Advocates for LGBT Persons

### Partnerships

With lesbian, gay, bisexual, and trans-gendered (LGBT) people comprising approximately 7.6% of the Japanese population,\* Japanese society has been moving quickly to address LGBT issues. The Group is working to support LGBT employees in reaching their full potential while delivering products and services that support LGBT customers. We are working to promote an understanding of LGBT issues in an effort to create a workplace where all employees can feel welcome. We hold Group-wide employee seminars and then give participants the stickers to indicate that they are LGBT-friendly and informed supporters, as well as to help LGBT people find their allies and feel peace of mind.

Sompo Japan Nipponkoa amended its benefit programs to enable employees with a same-sex partner to take special leave for weddings and funerals, receive monetary benefits including condolence money, and make use of various welfare services. Also, since fiscal year 2015 we have included content to increase awareness and support for LGBT people in our annual CSR seminars on the environment, social contributions, and human rights. In recognition of our efforts we have received a Silver certification from the volunteer organization “work with Pride,” as an evaluation indicator for our LGBT initiatives as a corporation.

Sompo Japan Nipponkoa Himawari Life provides an abbreviated process for confirming the relationship between insured persons and their same-sex partners when their partners are designated as beneficiaries; the process includes submitting a copy of their certificate of partnership issued by Tokyo’s Shibuya Ward, which recognizes same-sex partnerships. We will continue our work to embrace LGBT and other values as we strive to realize a society that gives everyone equal opportunity.

\* Source: The 2015 LGBT Survey by Dentsu Diversity Lab.



LGBT seminar

# Respect for Human Dignity and Rights

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## Doula Liability Insurance Program

### Products & Service

In February 2013, Sompo Japan Nipponkoa started to offer liability insurance for doulas in collaboration with the Japan Doula Association. The insurance program covers the cost of damages in the case where the insured doula (a professional who assists a woman before and after childbirth) incurs a liability for damages under law as a result of an accident occurring in the course of their work.

The trend of delaying pregnancy and childbirth to a later age has meant that the grandparents are often quite advanced in age. Combined with the decrease in multi-generational households, it is often difficult for an expectant mother to rely on her own parents for support before and after giving birth. Sompo Japan Nipponkoa has developed this program based on input from its female employees, who themselves experienced such difficulties. Through the program, we strive to respond to an increasing social demand for doulas.



A meeting held for the development of the program

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## Supporting Children to Continue Their Education (Insurance that compensates for tuition and other fees)

### Products & Service

A growing number of parents are unable to enroll their children at private school or must switch them from private to public school due to their financial constraints recently.

To support children who wish to remain at the same school until graduation, Sompo Japan Nipponkoa offers a school fees insurance product that covers tuition and other fees. This program is offered through Private School Studentship Study Support Insurance Service, a company established principally by Nichinoken Kanto, Yotsuya Otsuka, and SKG Service to call for private elementary, junior and senior high schools to institute a scheme to reduce or eliminate tuition and other fees for students in financially challenging circumstances. Sompo Japan Nipponkoa provides insurance benefit payments to schools that reduce or eliminate such fees to compensate them for the loss.

## Stockholders / Investors

▶ **Solutions for Environmental Issues**

▶ **Contributing Community through Business**

# Solutions for Environmental Issues

## 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 23.2 billion yen (as of April 30, 2017). 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. We also offer SRI funds that invest in companies that have been rated highly on ESG (Environment, Social and Governance) performance.





# Promoting CSR Communication and ESG Awareness through SRI Funds

## Products & Service

Sompo Japan Nipponkoa Asset Management works on CSR communications through its activities relating to SRI funds. With regard to the Sompo Japan Green Open fund, the company surveys approximately 400 companies each year to evaluate their environmental management performance and after analyzing the results, it provides the respondents with feedback. Furthermore, the fund's monthly performance report for investors features portfolio companies' environmental efforts while the quarterly newsletter includes the latest environmental trends and updates. In addition, the specialized report summarizes all portfolio companies' environmental activities annually.

As described above, the company works to communicate environmental information as well as investment performance to Sompo Japan Green Open's investors and corporate stakeholders. The company also makes similar efforts regarding its other SRI funds. The monthly report of Sompo Japan SRI Open, for instance, introduces the ESG efforts of portfolio companies. Further, the company provides the information services to the targeted companies in "SNAM Japan ESG Investment Fund". The information contains ESG evaluation generated by the cooperation with SOMPO Risk Care Management Inc. The companies also refer other information such as "Evaluated Average" which helps to enhance their environmental policy. The company will continue to promote dialogues with investors and corporations to enhance understandings of ESG investment and more active implementation of CSR financing.



SRI fund News / Sompo Japan SRI Open's monthly investment report

## Analysis of Social Responsibility and the Environmental Soundness of Companies

### Products & Service

Sompo Risk Management & Health Care carries out corporate management analysis of each company's level of contribution to building a sustainable society for the investment decision among six SRI funds, the investment trust products provided by the Sompo Japan Nipponkoa Asset Management.

The company also strives to promote environmental communication by proactively providing environmental information to investors. Good environmental practices of companies listed in the SRI funds are reported in weekly and monthly reports, while quarterly publishing a bulletin providing the latest news on the environment.

Companies that have responded to the company's surveys are given a feedback on the results as well as on their relative status in the industry for each question — important reference data that can be used to improve their environmental management.

Through analysis of corporate social responsibility and environmental soundness, as well as dialogues and engagement with companies and investors, Sompo Risk Management & Health Care continuously promotes corporate social responsibility and environmental initiatives.



## Japan's Stewardship Code

Sompo Japan Nipponkoa and Sompo Japan Nipponkoa Asset Management declared their endorsement of the Japan's Stewardship Code, called the Principles for Responsible Institutional Investors, and have disclosed detailed policies on their official websites.

The code calls on institutional investors to enhance the corporate value and support the sustainable growth of investee companies.

We engage in dialogue with investee companies based on a clear understanding of the significance and importance of this initiative.

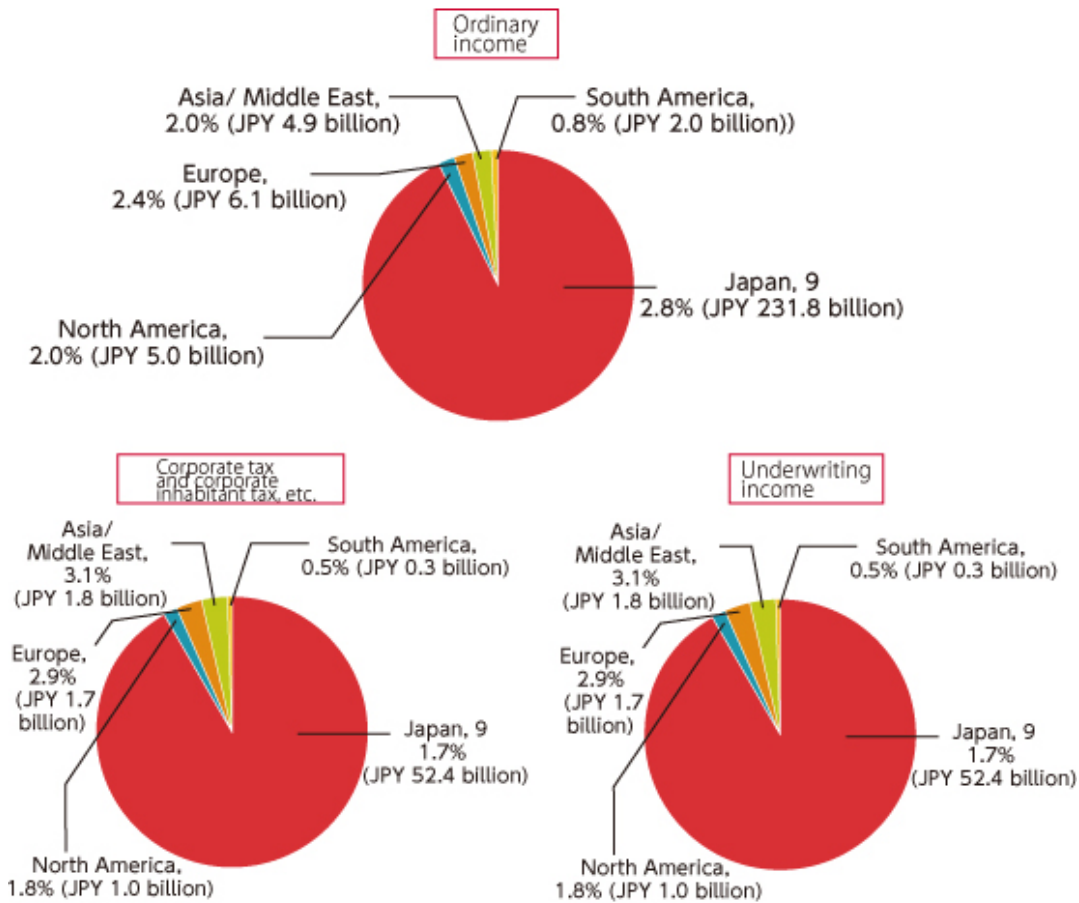
- ▶ Policy on Japan's Stewardship Code, Sompo Japan Nipponkoa Insurance Inc. (In Japanese) 
- ▶ Policy on Japan's Stewardship Code, Sompo Japan Nipponkoa Asset Management Co., Ltd. (In Japanese) 

# Contributing Community through Business

## Global Business Expansion

### Partnerships

Our Group pursues fair profits and pays the appropriate taxes. We boast a global business network encompassing 211 cities in 32 countries and regions, including Europe, the Middle East, North America, Central and South America, Asia, Oceania and Africa. Our employees are engaged in insurance underwriting, claim handling, risk engineering and other services. We aim at further expansion by organic growth and disciplined investments. Furthermore, given that there is no incident of non-compliance with anticorruption policies, there is no staff disciplined or dismissed due to such noncompliance nor paid the cost of fines, penalties or settlements in relation to corruption.



## Business partners

▶ Mitigation of Climate Change

▶ Solutions for Environmental  
Issues

▶ Respect for Human Dignity and  
Rights

# Mitigation of Climate Change

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## Environmental and CSR Initiatives in Partnership with Business Partners

### Partnerships

Sompo Japan Nipponkoa is working on environmental and corporate social responsibility efforts with the entire value chain, in collaboration with all of our business partners.

We communicate and ask for cooperation with our stances toward action by sharing the Group CSR Vision, Environmental Policy, and Sustainable Procurement Policy with business partners, including contractors that provide waste collection, transport and disposal, as well as printing, logistics, and food services. We also communicate to business partners about our efforts to consider the environment, including proper waste management and a ban on hazardous materials being brought into our buildings, as well as a ban on the use of products of international concern, such as products manufactured through child labor or forced labor, or the use of conflict minerals.

Also, in the selection and purchasing of paper, we select suppliers from the perspective of promoting recycled paper, and have established green procurement routes.

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## Group Sustainable Procurement Policy

### Partnerships

There has been growing public pressure on corporations to take measures for sustainable procurement that encompass the supply chain, following the enactment of the Dodd-Frank Act in the United States in 2010<sup>\*1</sup>, the Modern Slavery Act in the United Kingdom in 2015<sup>\*2</sup>, and the release of the ISO 20400 international standard on sustainable procurement in April 2017. In order to respond to social demands as a corporation and further contribute to a sustainable society in collaboration with suppliers and other stakeholders, Sompo Holdings has established the Group Sustainable Procurement Policy, which stipulates fair and equal transactions, compliance with laws and regulations, and consideration of global issues.

\*1 Act that imposes obligations on corporations such as to investigate whether their products contain conflict minerals originated in the Democratic Republic of the Congo.

\*2 Act that imposes obligations on corporations such as to investigate their supply chain for human rights violations such as forced labor or human trafficking.



## Reducing the Use of Paper

### Partnerships

#### ●Sompo Japan Nipponkoa

The company is using the PDCA cycle in its plan to reduce the use of paper based on the Group's CSR-KPIs. It developed management systems that prevent the making of needless copies through computerization and rationalization of insurance procedures. Also, it promotes efforts to go paperless through the introduction of tablet computers for viewing documents during internal meetings.

#### ●Sompo Japan Nipponkoa Himawari Life

CD-ROMs are being used for policy documentation and guides for customers to reduce paper use, consider the environment, and enhance customer convenience.

The CD-ROMs are digital books with functions such as complete text search, comments, memos, and magnified display options. With customer convenience in mind, the CD-ROMs are created for each product so that multiple products not actually being purchased are not included.

#### ●Saison Automobile & Fire

Saison Automobile & Fire offers a discount for customers who apply online, to encourage the reduction of paper use as well as help reduce CO2 emissions by eliminating the need for sales staff to drive to customers' homes. The proportion of discount-eligible contracts processed online out of the total number of applicable automobile insurance contracts sold during fiscal year 2016 was 99.4%. The company has also introduced another discount for customers who opt out of receiving a paper copy of their insurance policy. Of the total number of applicable automobile insurance contracts sold during fiscal year 2016, 68.5% received this discount. Also, for all customers with policies starting on or after July 1, 2017, the company has introduced personal web pages to confirm policy details and obtain printable digital insurance policies (PDF format), and provided electronic files instead of sending paper copies of insurance policy terms and conditions, and accident and trouble support books. These changes are aimed at reducing the use of paper and boosting customer convenience.

#### ●Sonpo 24

The company promotes the reduction of paper use through eliminating the need for policy applications on paper, not only for online but also for phone call applications.

The company also offers a discount on insurance premiums when customers choose not to receive a paper copy of the insurance policy when making an online application, further reducing paper use.

Of the total number of applicable insurance contracts sold during fiscal year 2016, 44.0% received this discount.

# Solutions for Environmental Issues

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## Integrating ESG into Investing and Financing Processes

### Partnerships

Our Group proactively engages in investment and financing in fast-growing areas including infrastructure, such as roads, airports, electric power-generating facilities, water supply, sewerage systems, and, especially, environmentally conscious renewable energy projects. Since such projects are more resilient to economic change, we expect stable profit over the long term. More than 90% of the total energy supply in Japan comes from fossil fuels, which includes oil, coal, and natural gas, most of which are dependent on foreign sources. Recently, the energy market has been destabilizing due to the high volatility of fossil fuel prices and rapid increase in energy demand of emerging countries. Additionally, the reduction of GHG emissions from fossil fuel combustion is becoming a pressing issue. In order to support the expansion of renewable energy generation, we have started to make personal loans from fiscal year 2007 to business alliance with solar energy generation projects with a smaller ecological footprint and no risk of resource depletion. From fiscal year 2014, our Group has been expanding its loans and investment destination and the project size, and has invested in and provided loans to photovoltaic and wind power generation for approximately 2.18 billion yen during fiscal year 2016.

# Respect for Human Dignity and Rights

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## Complying with the UK Modern Slavery Act

### Partnerships

On March 26, 2015, the Modern Slavery Act entered into force in the United Kingdom. The act, which aims to restrict the complicity of UK businesses in modern forms of slavery, which include human trafficking, forced labor, and sexual exploitation, applies to companies that carry on a business in the UK and have an annual global turnover of £36 million or more. It requires such companies to publish an annual slavery and human trafficking statement and report on the steps they have taken, if any, to ensure that slavery is not taking place in their business or supply chain. A contributing factor to these supply chain management requirements is the rising importance of human rights due diligence, the process of measuring, reporting, correcting, and addressing the adverse impacts of a company's business, including its entire supply chain, to proactively prevent human rights violations.

Sompo Japan Nipponkoa Insurance Company of Europe disclosed an anti-slavery statement on its official website in September 2015. The company is taking various steps based on its published policies, including, as supplier due diligence, verifying supplier compliance using a check sheet, as well as holding training for employees and suppliers.

▶ [Sompo Japan Nipponkoa Insurance Company of Europe](#) 

## Civil society groups

▶ **Prevention of Road Traffic Accidents**

▶ **Health Promotion**

▶ **Contributing to Welfare**

▶ **Conservation of Biodiversity**

▶ **Solutions for Environmental Issues**

▶ **Contributing to Community through the Arts and Culture**

# Prevention of Road Traffic Accidents

## Road Safety Project in Indonesia

### Products & Service

Road safety is an important social issue in Indonesia, where the number of traffic fatalities is now the highest in Southeast Asia. Drawing on Japan's expertise in preventing traffic accidents, Sampo Japan Nipponkoa and PT. Asuransi Sampo Japan Nipponkoa Indonesia have teamed up with Save the Children Japan, international civil society specialized in child support, to launch a road safety project in Bandung City, West Java. This joint project aims to enhance a safer mind as well as safer environment related to road safety around the schools liaising with local administration. Over a four-year period, we have provided traffic safety education for teachers and students at 30 elementary and middle schools, improved transportation infrastructure near the schools, and appealed to regional and national governments. Over 20,000 people have participated in this project as of today.



©Save the Children in Indonesia



# Health Promotion

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## Maternal and Child Health Project in Myanmar

### Products & Service

Mortality rates among mothers and children under five are higher in Myanmar than in neighboring countries in Southeast Asia, and about 90% of those deaths are concentrated in rural areas. Against that backdrop, Sampo Japan Nipponkoa has been working in cooperation with Save the Children Japan on a project to improve maternal and child health in rural areas. Efforts are under way through this project to train personnel who can provide improved health services for mothers and children, with the aim of reducing the mortality risk of newborns as well as expectant and nursing mothers.



©Save the Children Myanmar

# Contributing to Welfare

## Supporting Activities and Researches for Social Welfare — Sompo Japan Nipponkoa Welfare Foundation

### Partnerships

The Sompo Japan Nipponkoa Welfare Foundation, established in 1977, conducts various programs, including providing financial assistance to civil society organizations in Japan, ASEAN countries and India; holding academic conferences and funding research on social welfare, social security, insurance, and gerontology; and awarding outstanding academic papers. Aware of the rapid aging of society, it also promotes solutions to increasingly complex social issues, including supporting families who provide home care to an elderly member with dementia or other conditions, and providing scholarships for students studying to become certified care workers. Its programs are designed to meet contemporary needs through both research and practice.

### ●Support for Purchase of Vehicles

Since 1999, the foundation has financially supported organizations that need to purchase vehicles for their welfare activities for people with disabilities. In fiscal year 2016, the foundation invited applications from western Japan and selected ten organizations. Vehicles that these organizations purchased help them expand the geographical area and scope of their activities and have led to the increase in income of people with disabilities and in the number of users of their welfare services.



A truck delivering much-anticipated ponies to children with disabilities

## ● Support for Organizational and Operational Reinforcement of Civil Society Groups

In 2004, the foundation started to provide financial support for organizational and operational reinforcement of civil society organizations that render welfare services to communities. In fiscal year 2016, financial support was provided to 41 organizations in total through programs to strengthen their organizational and operational activities, and to help them acquire official status as approved specified non-profit corporations. The foundation supports the development of high-quality, sustainable nonprofit organization that play key roles in their communities.



A child does a “high five” with CliniClowns in the hospital

## ● Support for Overseas Welfare Activities

The foundation has supported civil society organizations in the field of social welfare in ASEAN countries and India since 2010. In fiscal year 2016, it provided funds to projects by five organizations in five countries, including improvements in kindergartens (Cambodia), and donations of helmets to school children. The donation aims for raising awareness about the dangerous drunk driving of motorcycles and the importance of helmet use (Thailand).



Presentation ceremony in Cambodia



Presentation ceremony in Thailand



● **Sompo Japan Nipponkoa Welfare Foundation Award**

The foundation has awarded outstanding academic literature in the field of social welfare since fiscal year 1999. In fiscal year 2016, the award went to Prof. Kazushige Kinugasa for his work entitled, “Values and Principles in Social Work: A Scientific Approach to Practice, and Its Logical Structure.” In July 2016, the foundation held a commemorative lecture and symposium featuring last year’s recipient, Ms. Yoko Aoyama, where she presented her work to many people.



FY2016 Sompo Japan Nipponkoa Welfare Foundation Award



Symposium and commemorative lecture in July 2016

● **Support for Networking and Learning of Family Caregivers for the Elderly**

Since 1991, the foundation has provided support for networking events and learning programs intended to help reduce the stress of family caregivers caring at home for elderly dementia patients, and improve their care-giving skills. In fiscal year 2016, the foundation started a new grant program to support training seminars, and grants were given out to 18 organizations, including some that support family caregivers.



## ● Scholarships for Students Studying to Become Certified Care Workers

To boost the workforce of caregivers, the foundation offers scholarships for students in two-year vocational school programs. In fiscal year 2016, the foundation gave scholarships to 20 students in total (10 in first grade and 10 in second grade). In the 25 years since this program began in 1992, the foundation has offered scholarships to 258 students and many of them today are playing an active role as care professionals.



Practicum for students to become certified care workers

## ● Financial Support for Gerontology Research

The foundation provides financial support for creative and innovative research in the field of social sciences relating to gerontology. Sixteen recipients received funds in fiscal year 2016. In addition, the foundation organizes study groups on the Insurance Business Act, welfare management, gerontology, and other topics. The foundation also publishes a report series and distributes it widely to libraries and elsewhere to spread information about research findings.



Gerontology research grant presentation ceremony for Tokyo region



Symposium held by study group on welfare management

## Heart & Arts Program: Assistance for Art Activities by Persons with Disabilities

### Arts & Culture

Sompo Chikyu (Earth) Club is a volunteer organization comprised of our employees. Together with the Public Resources Foundation, it is promoting the Heart & Arts Program, which provides funding for art-related activities by persons with disabilities. In fiscal year 2016, it provided a total of six million yen to 12 organizations.

### ● Summary of Funding by Heart & Arts Program

The arts (including visual arts, music, and performing arts activities) have the power to bring out the best in people. This program — by funding art activities by persons with disabilities, as well as programs to support and promote them — aims to increase the opportunities for persons with disabilities to express themselves freely, and to contribute to creating a society where anyone can live a fulfilling life. We invited applications for the following activities. The selection criteria are whether or not the applied activities will contribute to the future expansion of programs relating to art for persons with disabilities in the applicant organization.

[Eligible activities for funding]

- Art activities in which persons with disabilities will participate or be active (crafts, workshops, creations, etc.)
- Activities that support art activities of persons with disabilities (holding lectures, dispatch of lecturers, networking, etc.)
- Activities that promote art activities of persons with disabilities (events, publications, exhibitions, etc.)
- Creation of opportunities to present art activities of persons with disabilities (concerts, stage events, etc.)

\* Note: Art activities include visual arts, music, and performing arts activities.

[Eligible organizations]

Non-profit organizations (incorporated or unincorporated) including social welfare corporations, public interest corporations, general incorporated associations and voluntary organizations, etc.





# Conservation of Biodiversity

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## SAVE JAPAN Project

### Partnerships

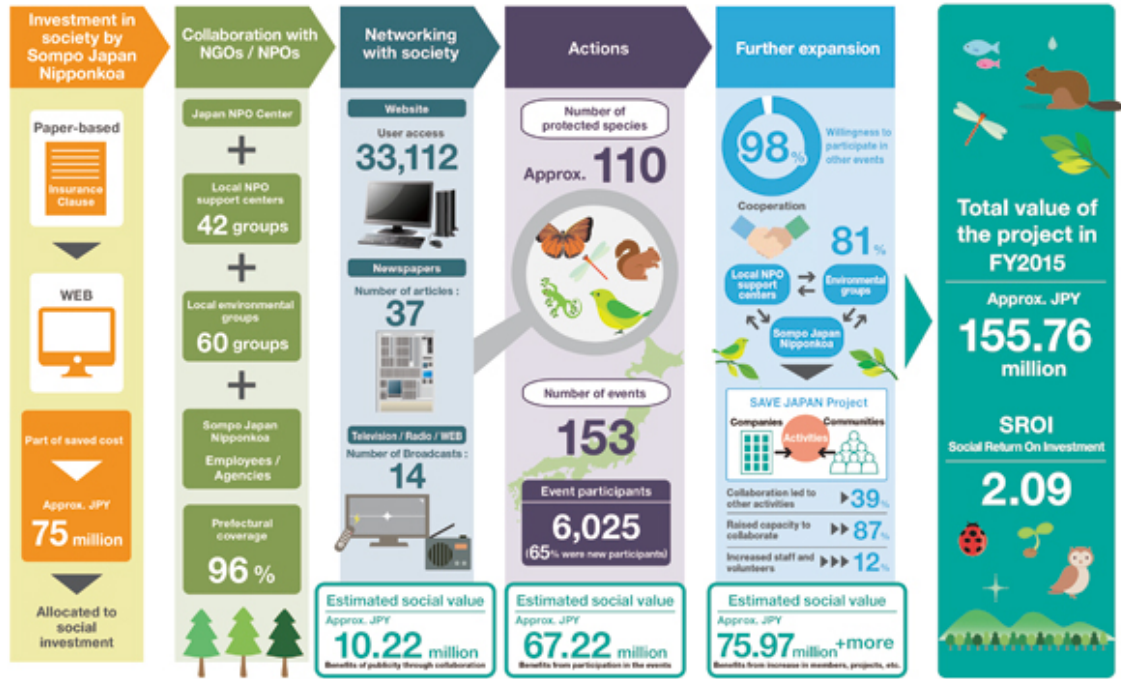
When our customers select web-based insurance policy or terms and conditions, or choose recycled parts for vehicle accident repairs, the cost savings are used to fund projects to conserve the environment inside and outside Japan, and achieve sustainable society while inspiring future leaders. Partnerships with civil society groups provide opportunities for people to take a greater interest in the environment in their local communities and work towards a sustainable society. As of March 31, 2017, 32,175 people have participated in 647 events. In fiscal year 2013 we began quantifying the social value of this project using SROI\* analysis, which drives collective impact of various stakeholders that strive for sustainable solutions, to improve and expand our programs. This three-year initiative represents the first instance in Japan of using SROI analysis in the area of biodiversity conservation. The SROI of the project in fiscal year 2015, the final year, was 2.00, calculated from a social value (total benefit) of 148.83 million yen and costs of 74.55 million yen. The SROI significantly exceeds the value of 1, indicating that the project is effective, and it has increased from 1.12 in fiscal year 2013 and 1.76 in fiscal year 2014, showing a ripple effect over the long term and increasing benefits of social investment.

Since fiscal year 2016, we have been working to provide new opportunities for residents to participate and expand the project on the concept of “creating a good environment for living things,” by making greater use of the uniqueness of local communities in cooperation with various local stakeholders.

\* Social Return on Investment (SROI) is a method of quantifying the effectiveness of a project, and is calculated by dividing the social value (total benefit) an initiative produces by the cost of implementing it.

# SAVE JAPAN Project

Save Rare Species and the Natural Environment in Japan!  
Estimating social value of the project in FY2015



# Solutions for Environmental Issues

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## Human Resources Development for Environmental Protection — Sompo Japan Nipponkoa Environment Foundation

### Partnerships

Sompo Japan Nipponkoa Environment Foundation, based on its philosophy of “raising stewards of the environment,” supports education, capacity building, action and research in conservation and other environmental fields with the goal of contributing to global environmental protection. The foundation, working with the Japan Environmental Education Forum and Sompo Japan Nipponkoa, organizes a series of Public Seminars on the Environment that have attracted more than 18,948 participants since the program’s start in 1993. Its CSO<sup>\*1</sup> Learning Scholarship Program, meanwhile, is an eight-month internship program for undergraduate and graduate students desiring working experience at an environmental organization. As of March 31, 2017, the program has given 955 students opportunities to learn about environmental issues and civil society. In addition, since 2001 the foundation has provided academic research funding for graduate students’ costs of writing PhD papers, to support outstanding young researchers who are inspired to write on environmental themes.

\*1 Civil Society Organization

# Contributing to Community through the Arts and Culture

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## Sompo Art Fund: Building a Creative Future Society

### Arts & Culture

Sompo Japan Nipponkoa established the Sompo Art Fund in June 2016 to contribute to international exchanges and a harmonious society through support for unique art projects and international art festivals around Japan. At our Headquarters Building in Shinjuku and elsewhere, to help build a creative future society, the Sompo Art Fund provides opportunities for recipients to share the vision, and organizes kickoff meetings for networking of people who are involved in arts and cultural activities as well as presentations of good practices. During fiscal year 2016 the fund supported 18 arts and cultural activities across Japan.



Sanriku International Art Festival 2016

## Communities

▶ Prevention of Road Traffic Accidents

▶ Supporting Disaster Preparedness in Communities

▶ Contributing to Welfare

▶ Adaptation to Climate Change

▶ Mitigation of Climate Change

▶ Contributing to Community through Business

▶ Engagement with Communities

▶ Supporting Reconstruction after the Large-Scale Disasters

▶ Contributing to Community through the Arts and Culture

▶ Evaluation of CSR Programs

# Prevention of Road Traffic Accidents

## Yellow Badge Donation

### Partnerships

Every spring, we donate Yellow Badges that come with traffic accident insurance to first-grade students just entering elementary school in Japan. The aim is to raise students' awareness of road traffic safety and enlist cooperation from car drivers and local residents to reduce road traffic accidents. Started in 1965 following a newspaper article featuring an appeal by a mother who lost her child in a road traffic accident, the campaign marked its 53rd anniversary in 2017. This program has been conducted jointly with Mizuho Financial Group, Meiji Yasuda Life Insurance Company, and the Dai-ichi Life Insurance Company. The total number of badges distributed so far reaches to approximately 64.4 million.



Yellow Badge; Approximately 64.4 million badges have been distributed so far

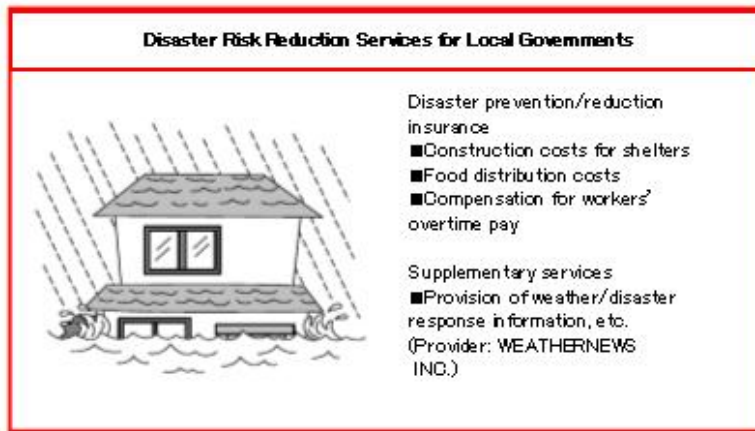


# Supporting Disaster Preparedness in Communities

## Insurance Industry's First Disaster Risk Reduction Service for Local Governments

### Products & Service

To prevent losses for citizens due to natural disasters, local governments need to take timely actions, such as issuing evacuation advisories. Meanwhile, costs may arise (such as costs to open shelters) even if a disaster does not occur at the magnitude that was anticipated, so local governments face challenges in deciding when to issue evacuation advisories or other guidance if they aim to minimize losses for the community. In this context, we have developed services to support local governments in creating rapid response systems, by providing insurance to compensate them for costs associated with the issuance of evacuation advisories and other guidance, and by providing weather and response information.



# Contributing to Welfare

## Sompo Japan Nipponkoa Smile Kids Edogawabashi (Tokyo) Nursery School — Sompo Japan Nipponkoa Smile Kids Foundation

### Partnerships

Sompo Japan Nipponkoa Smile Kids Foundation, established in 2011, operates a nursery school on the first floor of a building owned by the company in Bunkyo Ward, Tokyo.

The Sompo Japan Nipponkoa Smile Kids Edogawabashi (Tokyo) Nursery School, which is accredited as meeting the government standards, accommodates 60 children up to the age of five, whose parents are residing in Bunkyo Ward and both working. On sunny days, the children go out for walks to parks and along a row of cherry trees facing the Kanda River. They also enjoy snacks and lunches prepared by nutritionists, as well as seasonal events including sports day and outings.

The nursery school organizes various events such as summer and fall festivals and a traditional New Year mochi (rice cake) pounding in collaboration with local neighborhood associations not just for its enrolled children but also for local people.

The nursery school also offers a variety of fun educational programs that allow children to learn numbers and characters, music classes, physical education, and reading English picture books to children. Efforts are also made to improve the working environment of childcare workers, and this led us to be recognized by the Tokyo Metropolitan Government as a company working earnestly to promote work-life balance.

Together with highly motivated childcare workers, the nursery school will continue striving to provide even better care for children, support childrearing of parents in the community, and gain the favor of local residents.



## Industry-Academia Collaboration: Diversity on the Arts Project (DOOR)

### Partnerships

Sompo Holdings, in collaboration with Tokyo University of the Arts (TUA), launched a Diversity on the Arts Project (DOOR) (Director: Katsuhiko Hibino, Dean of the Faculty of Fine Arts) from April 2017 aiming to leverage diverse art values in society, to train personnel who contribute to social inclusion and to create a social environment in which diverse people can live together. As specific initiatives, a series of systematic and practical lectures on “art × welfare” were held at TUA from April 10, 2017, and a DOOR base has been established in the suburban area near TUA. The base is a venue for DOOR attendees to interact and engage in autonomous activities and aims to serve as a “door” that opens up DOOR activities to the local community, visualizing the diverse values latent in the community, and creating opportunities to enrich the community.



## Exhibition by Children with Intellectual Disabilities

### Arts & Culture

Every year an exhibition of works by children with intellectual disabilities has been held in our headquarters building in Shinjuku, Tokyo that is home to the Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art.

The exhibition, which we have been involved with since fiscal year 2003, provides those children with an opportunity to exhibit the paintings, embroidery, calligraphy, and handicrafts they have produced over the past year, while enabling visitors to gain a deeper understanding of the diversity of talents found among children.

During the exhibition, we arrange to have the children visit our headquarters to view their works and also spend time with our employees, such as by having lunch together in our employee cafeteria.





Exhibition of works by children



Employees interacting with children

## SOMPO Paralymp Art Contest: Support for Art by Persons with Disabilities to Realize an Inclusive Society

### Arts & Culture

Sompo Japan Nipponkoa agrees with the purport of the Paralymp Art Contest organized by the Shougaisha Jiritsu Suishin Kikou Association to promote social participation by people with special needs and their economic independence, and has participated in the contest as a top sponsor from fiscal year 2016.

In fiscal year 2016, with the cooperation of the Japan Pro-Footballers Association, soccer was chosen as the theme of the contest, and 1,862 paralymp art entries were received from throughout Japan, of which 71 were awarded prizes.

We established the SOMPO Paralymp Art 47 Prefectures Award which was awarded to one entry from each one of Japan's 47 prefectures. Employees from our sales offices around the country presented the award to the winners.

The works by the recipients of the 47 Prefectures Awards were exhibited at our headquarters building in Shinjuku from October 25 to November 6, 2016 to public audience including visitors to the Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art.



# Adaptation to Climate Change

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## Weather Index Insurance in Southeast Asia

### Products & Service

Weather index insurance is an insurance product that pays out a contractually predetermined insurance amount when a weather index — such as for temperature, wind speed, or rainfall — fulfills certain conditions. Using Sampo Risk Management & Health Care's expertise, we provide a weather index insurance aimed at reducing agricultural business risk in Southeast Asian countries, where agriculture is a key industry that is also vulnerable to climate change. We began providing weather index insurance in Northeast Thailand in 2010 to alleviate the losses borne by rice farmers when their crops were damaged by drought. Cooperating with the Thai Bank for Agriculture and Agricultural Cooperatives (BAAC), we developed a scheme for farmers who have loan contracts with BAAC to easily participate in an insurance program, and have been steadily expanding the program's geographical reach. In Myanmar, we developed a weather index insurance that covers drought risk for rice and sesame farmers in the central arid region.

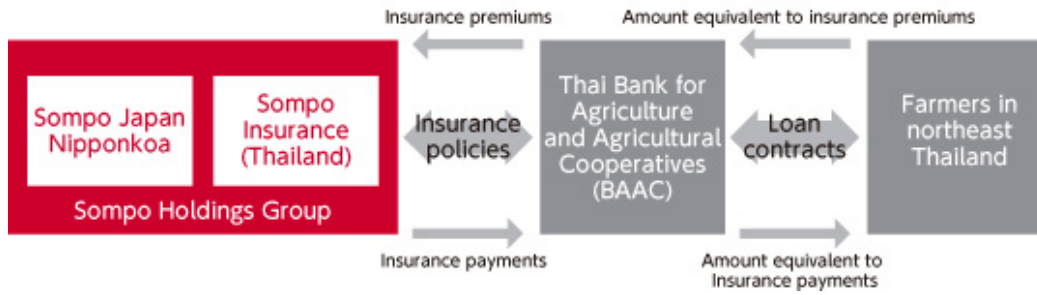
This insurance, developed in partnership with the Remote Sensing Technology Center of Japan (RESTEC), makes use of rainfall data obtained by earth observation satellites. In the Philippines, we offer Typhoon Guard Insurance which pays out a predetermined insurance amount to agricultural producers if the center of a typhoon passes through a specified area. We are also developing a weather index insurance in Indonesia with assistance from the Japan International Cooperation Agency (JICA).

In recognition of these achievements, we have been approved as a member of the Business Call to Action (BCtA) alliance led by the United Nations Development Programme (UNDP), which challenges private companies to develop business models that can achieve both commercial success and sustainable development.

In 2016 we received Japan's Environment Minister's Award for demonstrating the Principles for Financial Action towards a Sustainable Society. For our initiative in Myanmar we received the Minister of State for Space Policy Prize, at the Second Space Development and Utilization Grand Prize presentation.

Aiming to provide weather index insurance to 30,000 farmers in Thailand and other Southeast Asian countries by 2025, we will move forward on our continued efforts in this field.

System for Insurance Sales and Claims Payment



## Pacific Catastrophe Risk Insurance Pilot Program

### Products & Service

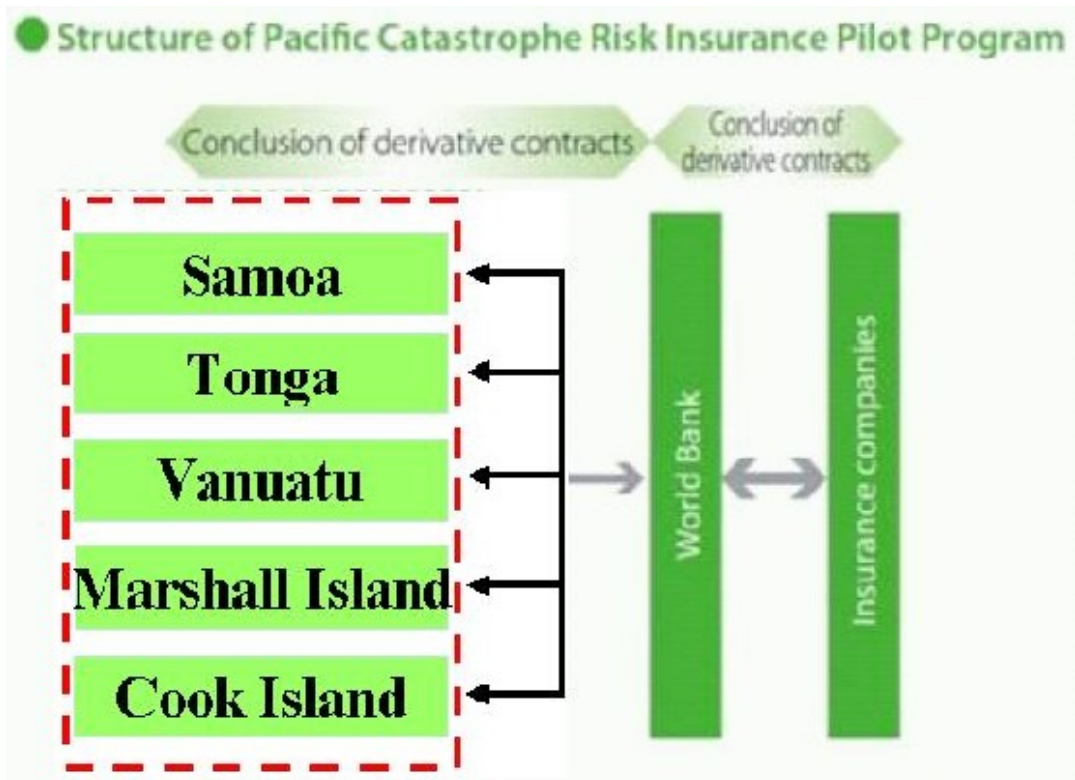
Sompo Japan Nipponkoa has been supporting the Pacific Catastrophe Risk Insurance Pilot Program since it was established in January 2013 by the World Bank and the Japanese government. An action to support Pacific Island countries, which are vulnerable to natural catastrophic damage, has been discussed under the leadership of the World Bank as large-scale natural disasters (e.g. cyclones and tsunamis) are occurring with greater frequency due to a climate change.

Meanwhile, Sompo Japan Nipponkoa has underwritten derivative contracts both in Japan and abroad, and developed advanced financial techniques and know-how for enhancing adaptability to climate changes. We have also been proactively involved in a study project for the Pilot Program since it was proposed at the Pacific Islands Leaders Meeting (PALM) in Hokkaido in May 2009, and took a leading position for launching the program.

### ●Program Outline

Five Pacific Island countries (Samoa, Tonga, Vanuatu, Marshall Islands and Cook Islands) have concluded derivative contracts with the World Bank, which established the Trust Fund to compensate for the loss incurred by the member countries in the event of a natural disaster exceeding a prescribed level. The World Bank has also concluded derivative contracts with insurance companies to transfer risks underwritten from the Pacific Islands countries to private insurance companies.





## Insurance Products that Promote Renewable Energy

### Products & Service

With Japan’s Renewable Electric Energy Feed-In-Tariff system starting to operate in July 2012, and a growing number of companies and other entities have been participating in renewable energy projects. For entrants into the renewable energy electricity market, we offer insurance to cover emergencies as well as risk analysis services for the project facilities’ site environments.

### ●Electricity Revenues Compensation Rider for Photovoltaic Power Generation Businesses

Sompo Japan Nipponkoa has developed an “Electricity Revenues Compensation Rider” to compensate for reduced business profits, considering the features of each project, based on situations associated with a reduction in electricity revenues—having calculated the projected revenues from electricity sales based on per-month and per-site data on hours of sunlight published by the New Energy and Industrial Technology Development Organization (NEDO). If a photovoltaic power generation system suffers damage due to a fire, natural disasters or other cause, the rider reduces the risk for the photovoltaic power generation business by compensating the owner for the reduction in business profits if the project’s planned electricity generation is not achieved. Through this product, we are working to encourage and promote renewable energy businesses.

## ●Fire Insurance for Wind Power Companies: Special Clause Covers Costs to Prevent Recurrence of Accidents

Sompo Japan Nipponkoa offers fire insurance for wind power companies with a rider that covers costs for actions to prevent accidents from recurring. For wind power companies, if accidents occur, the losses can tend to be expensive, and similar accidents are likely to recur. Thus, it is important for the management of wind power companies to identify the causes of an accident, and take measures to prevent recurrence. To address these issues, Sompo Risk Management & Health Care is supporting the stable management of wind power companies by developing this rider, which incorporates our accident recurrence prevention knowhow, to provide insurance and risk management services.

## ●Property and Casualty Insurance for Offshore Wind Power Companies

For offshore wind power projects, insurance coverage was arranged separately for the construction process and project operations after completion. But from the perspective of preventing gaps in insurance coverage and improving the efficiency of project management, many businesses were asking for unified insurance. In response, Sompo Japan Nipponkoa now offers insurance in the event of the occurrence of damage to offshore wind power facilities due to unforeseen or sudden accidents during facility construction and operations.

Also, Sompo Canopus has established a special in-house department and in Europe it offers property and casualty insurance for offshore wind power generation companies. The company shares their knowhow across the Group that has been developed in the European market which has some of the world's leading underwriting techniques in the areas of property and casualty insurance for offshore wind power generation companies. We will conduct insurance underwriting that more closely matches risk in Japan as well.

## ●Risk Diagnosis Services for Renewable Energy

Since September 2012, Sompo Risk Management & Health Care has been offering risk diagnosis services for renewable energy. These services make use of knowledge accumulated through our risk analysis services relating to natural disasters such as earthquakes, flooding, and lightning strikes, as well as the development of risk maps. The services aim for a stable electricity supply from renewable energy, which has a low environmental impact, and involve analysis and diagnosis of site risks for renewable energy facilities such as photovoltaic and wind power electricity generation facilities.

## ●Consulting on Fire and Crime Risk for Mega Solar Installations

Since March 2013 Sompo Risk Management & Health Care has been offering risk consulting services relating to fire and crime prevention for mega solar power plants, in partnership with Sohgo Security Services Co.

## ●Risk Diagnosis Services for Wind Power Businesses at the Planning Stage

Sompo Risk Management & Health Care analyzes and grades various risks during the operation of both land-based and offshore wind power operations when they are at the planning stage. These services are aimed at reducing the potential risks of projects by encouraging the operators to take steps to reduce risks based on assessments, thereby reducing the amount of risk exposure before starting the projects.

## ●Risk Inspections and Diagnosis Services for Wind Power Facilities in Operation

Sompo Risk Management & Health Care selects turbines at power generation sites that have a high probability of major accidents or breakdowns, then conducts third-party inspections and diagnosis of business risk. These are considered to be detailed inspections of critical risks.

## ●Development of Risk Assessment Model for Wind Power Facilities

Sompo Risk Management & Health Care has developed a risk assessment model for wind power facilities. Identifying the risk of electrical or mechanical breakdowns and accidents due to natural disasters and other factors using the risk assessment model enables us to quantitatively ascertain the risk of wind power projects and calculate the appropriate insurance premiums. We will further develop our services that use the risk assessment model and contribute to the spread of wind power.

## ●Financial Impact Analysis Service for Wind Power Projects

Sompo Risk Management & Health Care offers a service for wind power projects that evaluates the probability of losses occurring due to accidents from natural disasters and typical breakdowns, as well as losses due to a halt of operations when a breakdown or accident occurs,

and then quantitatively evaluates the impacts of identified risks on the cash flows of business plans.

## ●Second Opinion Service for Wind Power Companies

Sompo Japan Nipponkoa and Sompo Risk Management & Health Care started offering a second opinion service in November 2016 for wind power companies that have purchased a fire insurance policy from Sompo Japan Nipponkoa. Through this service, we offer advice on how to handle various types of trouble that could occur in operations and maintenance. When consulted on wind power operations and maintenance, Sompo Risk Management & Health Care compiles advice from wind power maintenance companies, experienced engineers and experts, and then provides it to the client.

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## Development of Flood Risk Assessment Methods for Japan and Asian Countries

### Products & Service

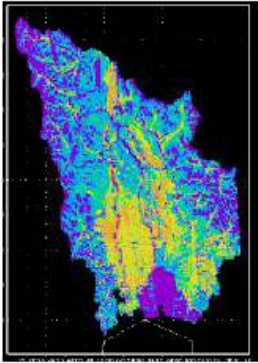
To deal with flood risk, which can be affected by medium- and long-term climate change, Sompo Risk Management & Health Care is engaged in research and development into flood risk assessment methods for Japan and Asian countries to offer new insurance services and risk consulting services that support adaptation to climate change.

In Japan, we are utilizing a flood risk assessment system<sup>\*1</sup>, developed jointly with Kyoto University and Kobe University, for insurance risk management and natural disaster risk consulting.

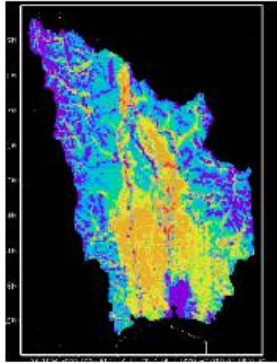
For Thailand, we are using a flood risk assessment system developed jointly with the Foundation of River & Basin Integrated Communications, Japan, to manage insurance risk and develop insurance products. We have also developed new flood scenario risk assessment methods<sup>\*2</sup> for major urban areas in Indonesia, the Philippines, Malaysia, Singapore, and Brazil. With these methods, we now have methods in place that enable us to assess flood scenario risks in seven countries in Asia (methods have already been developed for China, Vietnam, and Thailand), and one country in South America. We plan to steadily expand the area to which we can apply these flood risk assessment systems and methods.

In fiscal year 2015 we started new joint research with the Disaster Prevention Research Institute at Kyoto University and the Research Center for Urban Safety and Security at Kobe University, with the aim of enhancing the precision of flood risk assessments in Japan and Asian countries. Going forward, we intend to actively apply our flood risk assessment expertise to the management of insurance risk in Japan and other countries, the development of insurance and derivative products, and risk consulting services, in order to propose concrete and practical solutions.

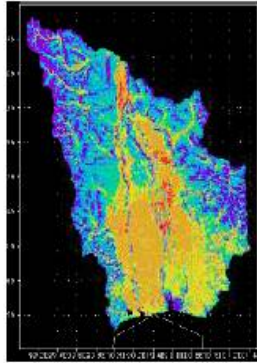
- \*1 Flood risk assessment system: A system to assess flood damage stochastically over year, based on various assumed rainfall scenarios.
- \*2 Flood scenario risk assessment method: A method to assess flood damage under certain pre-set rainfall scenarios, including past heavy rainfall that has been measured, and probable heavy rainfall (e.g., rainfall of a certain intensity with the likelihood of once in 100 years).



10年に1回程度発生  
する浸水状況



100年に1回程度発生  
する浸水状況



1000年に1回程度発生  
する浸水状況

タイの洪水リスク評価システムに組み込まれた浸水想定図。頻発する災害からめったに起きない大規模な災害までの被害を想定し、洪水リスクを評価する。



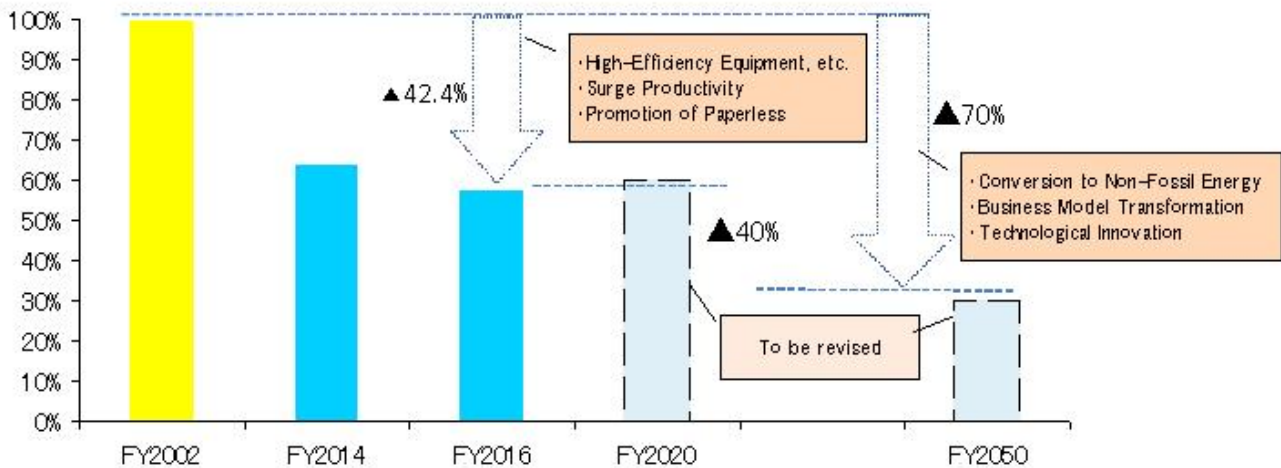
# Mitigation of Climate Change

## Our Environmental Impact throughout the Value Chain and Efforts for Environmental Conservation

### Partnerships

We have set Group-wide GHG emission reduction targets for 2020 and 2050, and strive to reduce our environmental impact throughout the value chain while vigorously promoting sustainable procurement and energy conservation to meet these targets. These activities include not just emissions generated directly from the use of energy but also indirect emissions (Scope 3 emissions) resulting from such business activities as sales, business travel, printing, transport, and disposal.

GHG emissions in fiscal year 2016 were down by 3.6% from the previous year, and by 42.4% from fiscal year 2002, thanks to the introduction of high-efficiency equipment such as LED lighting, a reduction in printing, and ongoing efforts to boost employee productivity. The CSR management system, which covers approximately 40,000 personnel at 27 Group companies in Japan, acquired ISO 14001 certification in January 2017, advancing our efforts in the entire Group.





# Contributing to Community through Business

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## Participating in World Bank's Pandemic Emergency Financing Facility

### Products & Service

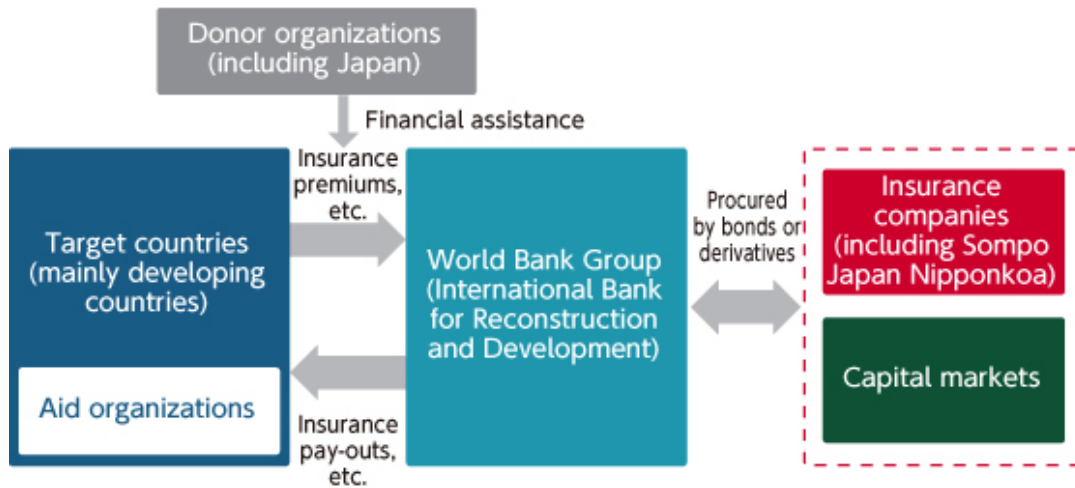
Sompo Japan Nipponkoa participated in the World Bank's Pandemic<sup>\*1</sup> Emergency Financing Facility in June 2017.

The Government of Japan took up the issue of international health as host country for the G7 Ise-Shima Summit in May 2016, and the World Bank cooperated with the World Health Organization to establish this facility as a new financing mechanism to respond to public health threats, based on lessons learned from the 2014 Ebola virus epidemic in West Africa. Besides avoiding the spread of infectious diseases in developing countries, the aim is to mitigate human and economic losses and then to support a speedy recovery when a serious epidemic occurs, by providing emergency response funding to the target countries and aid organizations.

#### ●Outline

The facility will make pay-outs in the event of an outbreak of a pandemic of a certain scale, funded through derivative transactions with the International Bank for Reconstruction and Development (World Bank Group) or the purchase of catastrophe bonds issued by it. Because the size of pay-outs is determined by objective measures such as the number of cases and deaths, there is no requirement to have damage assessments, and this makes it possible for the recipients to receive pay-outs quickly. Funds equivalent to insurance premiums under this system are covered by donor organizations, including the Government of Japan.

- Term: Three years starting July 7, 2017
- Coverage: \$425 million<sup>\*2</sup> (approximately 47 billion yen)
- Covered perils: Pandemic risks from new influenza strains, Coronavirus, etc.
- Underwriting: Derivatives or catastrophe bonds
- Parties covered: Developing countries (77 countries<sup>\*3</sup>), aid organizations including civil society organizations



Using its cumulative experience and knowhow as an insurance company, Sompo Japan Nipponkoa is contributing to solutions for social issues and working to ensure healthy lives and promote wellbeing in developing countries, by participating in the world’s first system to address epidemic and pandemic risk through insurance and capital markets.

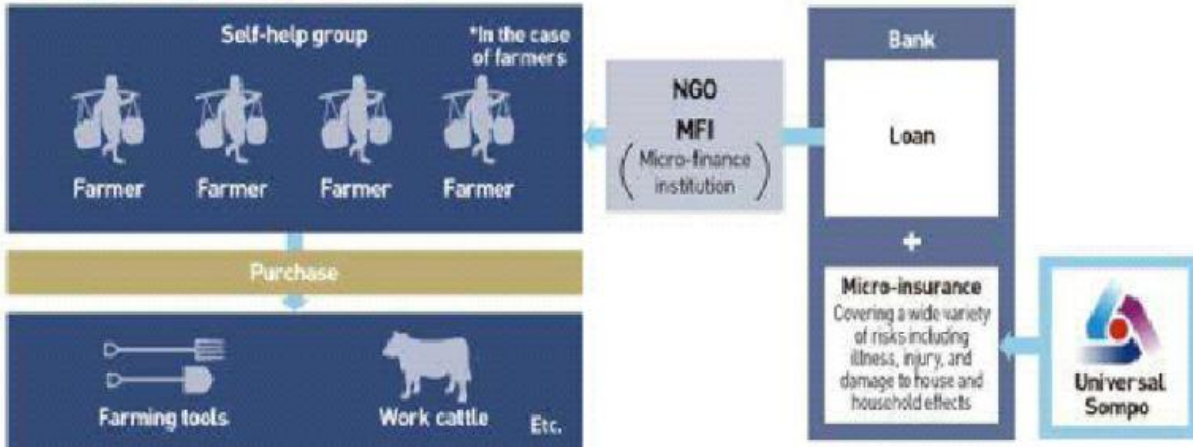
- \*1 A pandemic occurs when an infectious disease (especially in the case of an epidemic) spreads across a large region and is expected to have significant infection and mortality impacts.
- \*2 The World Bank has secured over \$500 million in funding, including funds other than the insurance window.
- \*3 The facility targets countries that are eligible for loans from the International Development Association (World Bank Group).

## Providing Micro-Insurance in India — Contributing to Independence of Economically Vulnerable Sections of Society

### Products & Service

In 2008, Universal Sompo General Insurance (USGI), Sompo Japan Nipponkoa’s subsidiary in India, started to offer micro-insurance services for the protection of low-income individuals who are vulnerable to health risks and have difficulties repaying their loans. USGI’s products include livestock insurance for economically marginalized farmers, insurance packages and accident insurance for farmers, and medical insurance coupled with microfinance offered by banks and other financial institutions covering five major illnesses. These insurance product’s premiums are set low. In order to support independence, poverty reduction and the sustainable development of the country, USGI is thus striving to spread insurance as one of basic social security services among the economically vulnerable sections of society in India, where social divisions are large.

• Mechanism of Micro-insurance



## Invigorating Regional Economies through Local Partnerships

- Products & Service
- Partnerships
- Arts & Culture

To promote community development in ways that increase self-reliance and sustainability based on local strengths, Sampo Japan Nipponkoa works through public-private partnerships with local governments to address issues specific to each region. Numerous and wide-ranging, these partnerships include disaster resilience, traffic safety, corporate risk consulting, gender equality in the workplace, environmental conservation, tourism industry support and tourism promotion, and collaboration with arts and cultural facilities. We also promote employee participation in community development by offering food menus and hosting vendor booths featuring local products in company cafeterias. We also support purchases of local products via the Internet and other means.

Sampo Japan Nipponkoa Himawari Life has signed a Partnership Agreement to Promote Healthy Lifestyles for Citizens of Osaka Prefecture and is working with the Osaka prefectural government on its implementation. Also, the company is participating in the Aizuwakamatsu Smart Wellness City IoT\* Healthcare Platform Project by the Aizuwakamatsu IoT Healthcare Consortium (represented by Hondaya Honten Inc.) as a partner company. This project is supported by the Project for IoT Services Creation under the Japan’s Ministry of Internal Affairs and Communications.

\* Internet of Things

## Investment in Japan's First Social Bonds (JICA Bonds)

### Partnerships

Sompo Japan Nipponkoa has invested in JICA Bonds issued by the Japan International Cooperation Agency, the first social impact bonds in Japan. Intended for the purpose of making social contributions, the bonds are issued as a means of procuring funds for assistance to developing countries and solutions to global issues. Our investment decision was made based on the fact that the Japanese government had declared the mobilization of private sector funding for developing countries through the JICA bonds to be one of its concrete actions to achieve the SDGs\*, and also that the investment would match our Group Management Philosophy of contributing to society through business.

\* Sustainable Development Goals: Goals on themes adopted by the United Nations to be achieved by 2030 by initiatives of the international community. The SDGs consist of 17 goals and 169 targets which cover climate change, natural resources, energy, urban issues, and inequality within and among countries, among others.

# Engagement with Communities

## Sompo Holdings Volunteer Days

### Partnerships

We have been holding Sompo Holdings Volunteer Days annually since fiscal year 2011 for Group employees to get involved in volunteer activities. In fiscal year 2016, 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





Wheelchair maintenance and cleaning



Social welfare efforts (Hong Kong)



Cleanup activities (Los Angeles)





Donation to caring house (Mexico)

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## Community Outreach

### Partnerships

We are proactively taking initiatives to contribute to social welfare as a corporate citizen while working to develop a corporate culture and systems that encourage each employee to voluntarily take part in various activities for the communities we live and work. We also emphasize collaboration with high expertise civil society groups in their respective fields to promote our activities.

### ●Corporate Citizenship Policy

Under its Corporate Citizenship Policy, Sompo Japan Nipponkoa promotes community initiatives from two perspectives: commitment as a corporate citizen and commitment by individual employees. As a corporate citizen, we promote our activities for future generations mainly through our foundations with focus on the following three areas: fine arts, welfare, and the environment. We also support and encourage individual employees to proactively take part in community outreach activities mainly through the Sompo Chikyu (Earth) Club, a volunteer activity organization of which all employees are members.

### Programs to Support and Encourage Employees' Efforts

### ●Sompo Chikyu (Earth) Club

The Sompo Chikyu (Earth) Club, a volunteer activity organization of which all employees are members, plays a pivotal role in conducting volunteer activities in cooperation with agencies on an ongoing basis throughout Japan.

The Club is undertaking various activities including forest conservation, cleanups, cleaning and

maintenance of wheelchairs in welfare facilities, and collection of second-hand books. Each project is tailored according to the needs and characteristics of local communities.

## ●Sompo Chikyu (Earth) Club Social Contribution Fund

The Sompo Chikyu (Earth) Club Social Contribution Fund is financed by voluntary donations by employees — with the amount of one unit of contribution being 100 yen — taken out of their monthly salaries. The funds raised are used primarily for community outreach activities conducted by Sompo Chikyu (Earth) Club, such as the payment of expenses of volunteer activities performed across Japan, support for disaster relief and donations to civil society groups and other organizations supported by the Fund members.

## ●Volunteer Work Leave

At Sompo Japan Nipponkoa, employees are entitled to take short-term volunteer leave (up to 10 days per year) and long-term volunteer leave (from six to 18 months) in addition to annual paid leave. The employees who take these leaves participate in a variety of volunteer activities, including “Smile Caravan” puppet shows for the support of the recovery of earthquake-stricken areas and an interactive art appreciation project.

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# Community Outreach Outside Japan

## Partnerships

All over the world we continuously participate in various activities as a member of communities we live and work. Some examples are shown below.

## ●UK

### ~Sompo Japan Nipponkoa Insurance Company of Europe

As part of our social responsibilities, we lend our boardroom to City Brokerage (a charity) for their annual Working in the City Workshops. It was an opportunity for students to gain an insight into working in the City Brokerage, especially within the Financial Services sector. Most of the afternoon was organized by the charity organization, however there was an opportunity for students to interview “volunteers” from the company.

Also, the company supports the initiatives of BBC Children in Need, the BBC's UK corporate charity and Red Nose Day, the charity event that helps raise much needed funds for projects all over the world. It also participates in the Genes for Jeans Day that donates funds to children who suffer genetic illness.

In July 2015, it decided to support the Suited and Booted organization that helps the unemployed into employment by providing interview clothing and interview advice to create a

positive first impression when seeking employment. Also, at the Christmas party, the company held a charity raffle that gives hampers, champagne, coffee machine, tablet, and other items as prizes.

## ●US

### ~Sompo Japan Insurance Company of America

The company joined a hiking and clean-up event organized by the Japan Business Association of Southern California. The mountain clean-up started as a way of saying thank-you for the donations received from Los Angeles after the 2011 earthquake and tsunami. This year marks the fifth year of the event. In November 2016 the company took part in a clean-up along a trekking course that looks over the ocean near Santa Monica.

## ●Asia

### China ~Sompo Japan Nipponkoa (China)

In order to support the families living in poverty, the Guangdong Province government designated June 30th as a poverty relief day in Guangdong Province. Employees in our Guangdong office have participated in annual donation activities from 2012 and donated 500 RMB to villages in poverty in 2015.

The company also developed scholarship fund in 1999 in collaboration with Dongbei University of Finance and Economics to provide financial support (three million yen per year) to talented teachers and students. We hosted the presentation ceremony in June 2015 to give donations to 61 teachers and students.

### Hong Kong ~Sompo Insurance (Hong Kong) Company Limited

On August 2016, the company joined and made cupcakes with children in the event held by "Family Welfare Association".

## ●Turkey

### ~Sompo Japan Sigorta Anonim Sirketi~

On March 2016, Sompo Japan Sigorta Anonim Sirketi donated bicycles, which were assembled as the part of the volunteers, to families with elementary school students and financial difficulty. Also, on May 2016, the company hold the math contest for local elementary school students and awarded the prize to high scores.

● Mexico

~Sompo Seguros México~

Sompo Seguros México donated to the children protection facilities, the money of which had been collected by holding in-house garage sale and by selling recycling products such as bottles, cans, batteries, paper. On December 2016, bringing own toys, employees interacted with children in the facilities.

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## Social Contribution Initiatives in Japan

### Partnerships

We conduct a diversity of social contribution activities in cooperation with agencies and citizens. The activities include conserving forests, local cleanups, maintaining and cleaning wheelchairs, and collecting and donating used stamps, prepaid cards, and other items.

### <Sompo Japan Nipponkoa>

#### ◆Hokkaido and Tohoku Regions

In July 2016, 30 employees and agency employees participated in the 24th beech tree planting initiative in Nishimeya, a village in Aomori Prefecture.



#### ◆Kanto Region

In November 2016, we helped maintain mountain paths, remove fallen trees, and clean-up the mountain streams in an effort to protect primula kisoana (Japanese primrose) which only grow on Mt. Narukami in Gunma Prefecture. Approximately 40 employees, agency employees and their families — ranging from elementary school students to the elderly — took part in the event and learned about the rare plants growing in the region.



### ◆Tokai and Hokuriku Regions

In June 2016, 18 employees took part in a cleanup event to protect the environment surrounding the Aota River, which flows through Joetsu City in Niigata Prefecture. The slogan adopted for such activities is “Keeping the river clean for salmon to swim up.”



### ◆Kansai Region

In October 2016, 49 employees and agency employees volunteered blood at a blood donating unit set up in front of Wakayama Station. The volunteers not only gave blood but also distributed tissues and novelty goods.





## ◆Chugoku and Shikoku Regions

In September 2016, a total of 56 employees and agency employees participated in the maintenance and cleaning of 64 wheelchairs at Karin no Sato Care House run by Yushinkai in Takamatsu City, Kagawa Prefecture.



## ◆Kyushu and Okinawa Regions

In February 2017, 90 employees and agency employees from the Oita area took part in the Beppu-Oita Mainichi Marathon as volunteers, offering water at aid stations and encouragement to runners.



## <Sompo Japan Nipponkoa Himawari Life>

### ◆Everyone's Sunflowers Project

Everyone's Sunflowers Project is an initiative that aims to spread happiness by sharing the enjoyment of growing sunflowers from seeds with children and giving them an opportunity to experience the joy when the seeds flower.

We set up a special page on our website from which special Himawari Kansatsu Nikki (sunflower observation diary) and reflections forms can be downloaded. Visitors to the website can also see



updates from schools taking part in Everyone's Sunflower Class.

Under our motto "Smiling Children Hold the Key to Community Happiness," we plan to spread the cycle of smiles by planting sunflowers throughout Japan.



**<Sompo Holdings, Saison Automobile and Fire Insurance, Sompo Japan Nipponkoa DC Securities, Prime Assistance, Sompo Communications, Sompo Building Management, Sompo Japan Nipponkoa Himawari Life, Sompo Japan Research Institute>**

**◆Donation of Secondhand Books and CDs**

We are involved in collecting old books and CDs to donate, via the secondhand bookstore chain BOOKOFF, to mobile library projects in areas affected by the 2011 earthquake and tsunami and to Kumamoto earthquake support projects.

# Supporting Reconstruction after the Large-Scale Disasters

## Milestones of Support for Victims of the Great East Japan Earthquake

Products & Service

Partnerships

The earthquake and tsunami that struck eastern Japan on March 11, 2011, caused catastrophic damage. We promptly paid out insurance payments and also provided various forms of reconstruction support based on changing local needs.

[Fiscal Year 2011]

- Dispatched more than 3,000 employees to the disaster area, promptly paid out insurance payment.
- Donated about 120 million yen (from Group employees) via the Central Community Chest of Japan.
- 68 employees volunteered locally to assist in reconstruction.
- Started Sompo Holdings Volunteer Days (donation of money made by selling second-hand books and CDs and other activities)
- Puppet shows in Kamaishi, Iwate Prefecture  
Sompo Japan Nipponkoa has the Himawari Hall puppet theater at the Sompo Japan Nipponkoa Nagoya Building and is undertaking social contribution activities through collaboration with a local group, the Aichi Puppetry Center.

On March 20, 2012, a year after the earthquake and tsunami, Sompo Japan Nipponkoa organized puppet shows in Unosumai-cho, one of the hardest disaster hit areas of Kamaishi City, Iwate Prefecture. The events were held in collaboration with the Aichi Puppetry Center, which operates the Himawari Hall puppet theater in Aichi with the sponsorship of Sompo Japan Nipponkoa.

With the aim of cheering up children across the affected region, the puppet shows were also performed 27 times at performing venues over a broader geographical area from August 2012 to March 2017. Audience also received fabric balls and message cards made by volunteer employees of Sompo Japan Nipponkoa.

[Fiscal Year 2012]

- Launched Farmers Markets to Support Disaster Recovery and Promote Local Products from the Most Heavily Damaged Areas
- Radioactive Decontamination Liability Insurance  
The nuclear power plant accident that followed the 2011 earthquake is still affecting radioactivity levels in extensive surrounding areas and a number of municipalities are working to minimize the contamination. To support such operations, the Japanese government

announced on April 1, 2012, a subsidy program that requires recipient municipalities to carry insurance for third-party liability and for physical damage in the decontamination sites. In response, Sompo Japan Nipponkoa released a new dedicated insurance product in May 2012. The new insurance, covering liabilities arising from accidents during decontamination operations, fully meets the qualification requirements for the national subsidy program. Sompo Japan Nipponkoa will continue to contribute to radioactive decontamination efforts, one of the pressing tasks in the wake of the earthquake and tsunami.

● Fiscal Year 2012: Employee Dispatch Program Highlight (1)

Ten employees were dispatched to General Incorporated Association CANNUS Tohoku during July to September 2012. CANNUS is a volunteer organization specializing in nursery care, active in helping people affected by the earthquake near Ishinomaki City, Miyagi Prefecture. The employee volunteers provided various skills and efforts while dispatched to CANNUS, such as analyzing data and developing manuals to enhance activities and the quality of everyday operations.

▶ [General Incorporated Association CANNUS Tohoku \(In Japanese\)](#) 



Employee volunteers meet with local staff

<Voice of Employee Volunteers>

“I felt the need to let other people in Japan know the current situation of the disaster affected area, how hard people are working for the recovery, and what issues need to be more aggressively addressed in the affected areas.”

“The environment was totally different from our usual working environment. But I believe we could offer our skills, such as (1) the ability to produce a solution based on the understanding of customer needs, which we have developed through sales operations; (2) an attitude of attending carefully to the voice of customers, which we have acquired in insurance claim services; (3) techniques to enhance operational efficiency through data management, which we have gained from administrative work; (4) skills to create tools with a quantitative effect evaluation; and (5) creativity to propose ideas for developing external public relations tools.



Participants in the Employee Dispatch Program

● Made in Sendai Preserved Flower Project

The Made in Sendai Preserved Flower Project was launched in collaboration with Hibiya-Kadan, a Japanese florist, to help create a sense of community among victims of the earthquake and tsunami who live in temporary housing. Over the course of four seminars held between December 2012 and March 2013, residents at Okada Nishimachi Temporary Housing learned how to make artistically preserved flowers under the instruction of a representative of Hibiya-Kadan.

Sompo Japan Nipponkoa employees provided administrative support. After the seminars, the participants formed their own organization and made 300 preserved flower products for Mother's Day for sale at Hibiya-Kadan stores and within Sompo Japan Nipponkoa's office building.



Learning how to make preserved flowers



Preserved flower named Magokoro (Sincerity in Japanese)

● Tohoku Social Entrepreneur Support Fund

We have launched a fund jointly with the Public Resource Foundation for entrepreneurs who start a socially beneficial business in disaster-hit areas by utilizing local human resource, technology, nature, and products. Out of 79 applicants, 11 recipients were selected based on an evaluation of their business model's social benefits, viability, positive impact on local communities, and other criteria.



Over the year to December 2013, we provided support to ensure the launching of new social projects according to plan, through the provision of subsidies and consulting services.



First training seminar for fund recipients



Final presentation of the problem-solving workshop

● “Learn to Create in Tohoku” Projects

We organized a series of programs under the banner of the “Learn to Create in Tohoku (northeast area of Japan, disaster-hit area)” projects in cooperation with an NGO, Japan for Sustainability. These included: (1) Learning Journey in Tohoku, where young people from Japan and abroad visited disaster-affected areas and met with local people; (2) Youth Leadership Development for Disaster Recovery, a leadership program for young people who are working hard to rebuild Tohoku; and (3) Tohoku Kids’ Performance for the Future, a musical play performed in Setagaya, Tokyo by children from disaster-hit areas.



Learning Journey



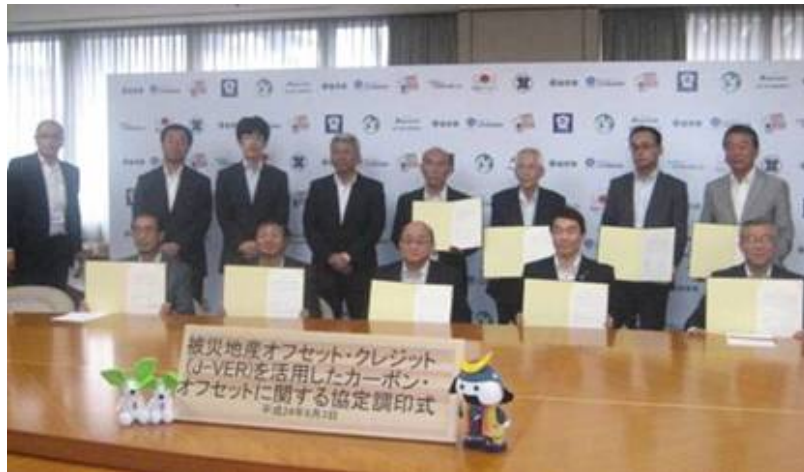
Tohoku Kids’ Performance for the Future (photo by Mr. Joe Takano)

● Supporting Low-Carbon Reconstruction Projects

To support efforts for early reconstruction and eco-friendly community development in areas affected by the earthquake and tsunami, we utilized the J-VER\* scheme and purchased offset credit units generated by projects organized in quake-struck areas. In collaboration with the Japan’s Ministry of the Environment (MOE), a public nomination process was held to identify candidate projects chosen according to level of disaster-related damage, impact on job creation and local economic revitalization, and other predetermined criteria. The total amount of carbon

emissions offset by the projects was 10,000 t-CO<sub>2</sub>, one of the largest offset amounts in Japan (as of end of August 2013).

\* J-VER: Japan Verified Emission Reduction, Japan's carbon offset credit system, under which credits generated through the reduction or absorption of CO<sub>2</sub> by MOE-approved projects in Japan are sold as offset credits.



J-VER projects signing ceremony

[Fiscal Year 2013]

● Stranded Commuter Insurance for Local Governments

The Tokyo Metropolitan Government (TMG) on April 1, 2013 enacted an ordinance that specifies required actions to manage the estimated 5.17 million people who will be stranded in the event of a devastating earthquake striking Tokyo. In this situation, such commuters may be tempted to try to walk home, resulting in a massive crowd, which not only poses a risk of personal injury due to collapsing buildings but could also potentially hinder access by emergency responders. To discourage this, the TMG ordinance requires temporary shelters to be made available for those who would otherwise be out on the streets. TMG has implemented additional measures to alleviate the financial burden on businesses called on to provide such temporary shelter facilities. In response, Sompo Japan Nipponkoa in April 2013 launched the industry's first insurance product that covers a local government's subsidization of such temporary shelters for stranded commuters.

The company believes this product will help save lives and provide safety in the event of a catastrophic earthquake.





Shinjuku Station, Tokyo on the day of the 2011 earthquake and tsunami

● Fiscal Year 2013: Employee Dispatch Program Highlight (2)

Nine employee volunteers were dispatched from July to October 2013 to the Fukushima Recovery Minamisoma Solar Agripark in Minamisoma City, Fukushima Prefecture, a project designed to provide local children with opportunities to experience and learn about renewable energy and agriculture in a photovoltaic power plant and an agricultural factory. The dispatched employees engaged in various tasks, including developing a system that enables continuous improvement in quality with work sheets used by children to ensure more effective learning; preparing documents for grant application; proposing ideas on how to expand the number of solar panel owners; cultivating and listening to opinions of local partners; and planning and taking part in local events.

▶ Minamisoma Solar Agripark 



Children learning on site



Dispatched employees at work

<Voice of Employee Volunteers>

“When I went to the disaster affected areas to support insurance payments immediately after the earthquake, I lost words at the sight of the tremendous damage caused by the disaster and felt that I should do something. This is why I decided to participate in the program.”

“I felt how difficult it is to find issues myself and make achievements in new assignments that are

totally different from my ordinary duties. I also realized that speed and enthusiasm are key to accomplishing something new.”

“I now see the importance of responding to the needs of each individual rather than just following customs and practices.”



Debriefing meeting of the Employee Dispatch Program

[Fiscal Year 2014]

● Fiscal Year 2014: Employee Dispatch Program Highlight (3)

Sompo Japan Nipponkoa dispatched four employees in total to the CANNUS Tohoku (general incorporated association) in Ishinomaki City, Miyagi Prefecture under its fiscal year 2014 Employee Dispatch Program, where it also sent employees under the first program in fiscal year 2012. The volunteer organization of nurses in the fields of medical, nursing care and elderly care and the dispatched employees undertook various tasks, including creation of an advertising catalog covering exhaustive activities and questionnaires to handout in the debrief meeting as well as data aggregation.

The dispatched employees expressed their satisfaction after completing the program, which, they explained, allowed them to broaden their view by having extraordinary valuable experience, and proved very beneficial for future career development.



Members of CANNUS Tohoku and participants of the Employee Dispatch Program

● Bringing People Joy with Van Gogh’s “Sunflowers”

As part of the support efforts to recover from the 2011 earthquake and tsunami, we lent out a Vincent Van Gogh’s “Sunflowers” painting from Sompo Japan Nipponkoa’s art collection to a special exhibition at the Miyagi Museum of Art from July 15 to August 31, 2014.

There are seven Vincent van Gogh’s “Sunflowers” masterpieces dating to his Arles Period in the world and one of the works can only be seen in Japan at our Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art permanent exhibition. As a general rule, this “Sunflower” masterpiece cannot be lent out to other museums due to the difficulties in conservation management.

However, as part of the reconstruction support, we decided to lend out our “Sun Flowers” for the first time to Tohoku district (northeast area of Japan) with the hope of bringing brightness and courage to the disaster-affected area through the dynamic masterpiece of Van Gogh who sought bright colors in Arles, South France.



Opening ceremony



Van Gogh’s “Sunflowers” Special Exhibition at the Miyagi Museum of Art

[Fiscal Year 2015]

● Fiscal Year 2015: Employee Dispatch Program Highlight (4)

A total of five employees were dispatched to work with Replus, an organization in Ishinomaki, Miyagi Prefecture, that is promoting integrated rehabilitation services with the philosophy of creating a society where people can continue to live a healthy life in the community, from children to the elderly, and regardless of whether they have any illnesses or disabilities. Our employees worked with them to establish the management structure and prepare manuals for resident-led initiatives to develop healthy and sustainable community. An example of comments from employees who participated was that they would like to put into practice in the workplace the approach of dealing with issues as soon as they arise, rather than waiting, and have a holistic perspective to find solutions to each individual issue.

The host organization also had positive comments, saying that our employees had helped in developing the organizational structure, “not just from step one to step two, but all the way from step one to step ten.”



Employee volunteers meet with local staff

#### Investment in Solar Power Project in Fukushima

We have invested 420 million yen in solar power development in a district in preparation for the lifting of the evacuation order in Minamisoma City, Fukushima Prefecture. This project aims to generate electricity on farmland that has become difficult to cultivate due to radioactive contamination from the Fukushima Daiichi Nuclear Power Plant. We are working on this important and financially viable form of reconstruction support with other financial institutions and with comprehensive support from the Fukushima prefectural government.



[Fiscal Year 2016]

#### Farmers Markets to Support Disaster Recovery: Ganbappe Fukushima!

With the theme of working together to support Fukushima, we sponsored farmers markets at the Shinjuku Headquarters and in our Saitama and Chugoku regions. The markets were aimed at reversing some negative publicity for local products in disaster-struck areas by bringing products in to sell to Group employees. For the Chugoku markets, products were brought in not only from Fukushima but also Tottori and Kumamoto prefectures, which were hit by earthquakes in 2016. Meanwhile, in the Kansai region, we provided backup support for the purchase of local products from Fukushima.





## Recovery Support for Victims of the 2016 Kumamoto Earthquakes

### Partnerships

A series of large earthquakes struck Kumamoto in Kyushu, Japan, starting on April 14, 2016. We put a special effort into making payouts of insurance as one of our core business function, and also solicited donations from employees in the entire Group, making it possible to donate some 12 million yen to the Central Community Chest of Japan and other organizations. We also sold about 8,000 original-design charity t-shirts and handkerchiefs, and from revenues made a donation (about 4.6 million yen) to a reconstruction support fund for cultural assets including the Aso Shrine, damaged in the earthquakes.



Disaster Response Headquarters



Original-design charity t-shirt



Original-design charity handkerchief

### New Product: Kumamoto Fire Insurance

Sompo Japan Nipponkoa has developed an insurance product that triggers donations of 100 yen from both the agency and Sompo Japan Nipponkoa when a client signs a new fire insurance

policy with an earthquake insurance rider. We started selling the special locally-targeted product as Kumamoto Fire Insurance in October 2016, with the aim of supporting the reconstruction efforts based on a comprehensive cooperation agreement with Kumamoto Prefecture, which suffered damage mainly by the earthquakes that year.

#### Event to Express Hope for Kumamoto Earthquake Reconstruction

On April 14, 2017, a year after the Kumamoto earthquakes struck, we held an event in multiple locations to express hope for the Kumamoto earthquake reconstruction efforts, with a slogan saying “We won’t forget that day! Don’t give up Kumamoto.” On the day of the event, we distributed 3,000 items of disaster preparedness goods such as flashlights with radios and emergency blankets, through the joint efforts of our employees and agency staff in front of our Kumamoto Branch building, agency offices, and department stores in Kumamoto City.



# Contributing to Community through the Arts and Culture

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## Sompo Japan Nipponkoa Fine Art Foundation (Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art)

### Arts & Culture

The Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art, located on the 42nd floor of the Sompo Japan Nipponkoa Headquarters Building in Nishi-Shinjuku, Tokyo, features in its permanent exhibition works by such masters as Gauguin, Cezanne, Seiji Togo, and Grandma Moses, while holding various traveling exhibitions, supporting emerging artists, and promoting art appreciation through dialogue. In 1987, a work from master post-impressionist Vincent Van Gogh's Sunflowers series was added to the permanent collection, making this the only museum in Asia where one can view a work from the series. Approximately 5.58 million people have visited the art museum as of March 31, 2017.

The art museum is cultivating art appreciation in younger generations by providing free entry to junior high school students and below, and through various educational programs in collaboration with Tokyo Shinjuku Ward public schools.

The art museum also contributes to local communities, one example being a special exhibit of Van Gogh's Sunflowers at the Miyagi Museum of Art in 2014 to support post-disaster reconstruction.



## The Puppet Theater “Himawari Hall”

### Arts & Culture

The Himawari Hall puppet theater has been jointly operated by the local NPO Aichi Puppetry Center and our Group since its opening in 1989.

The theater has organized a wide variety of events that draw national attention, such as puppet performances, seminars, workshops, the children’s art festival, and script competition, P New Face Award (contest to discover new talent for future generation, and "P" stands for performance art, including puppet performance, and other performance art using body and/or objects), in the area where puppet shows are very popular.



Puppet Theater “Himawari Hall”

# Evaluation of CSR Programs

## Evaluation of CSR Programs

### Partnerships

We periodically evaluate our CSR programs based on the factors including “contribution to business,” “public interest,” “uniqueness,” “progressiveness,” “expandability.” By making a choice through multilateral evaluation, we implement the PDCA cycle to promote prioritized programs that contribute to the solution of today’s social issues.

Program	public interest	uniqueness	progressiveness	expandability	contribution to business	partnership	human development	contribution to business	required cost	final score	final rank
1 Program A	3	4	4	4	3	3	4	3	5	342	B
2 Program B	3	3	3	3	4	3	3	4	3	303	B
3 Program C	4	2	2	3	5	4	4	3	5	336	B
4 Program D	3	3	4	3	2	2	3	3	3	259	C
5 Program E	3	2	2	2	3	3	2	2	5	233	C
6 Program F	5	4	4	4	5	5	4	4	1	389	B
7 Program G	4	5	4	3	3	5	4	4	3	360	B
8 Program H	3	3	3	3	3	5	4	3		330	B
9 Program I	4	5	4	3	3	5	4	4	3	360	B
10 Program J	3	4	4	4	5	4	4	4	5	400	A
11 Program K	4	4	3	4	5	4	4	4	5	403	A
12 Program L	4	5	4	3	5	5	3	4	5	412	A
13 Program M	4	2	2	2	3	3	4	2	5	269	C
14 Program N	4	3	3	3	3	5	5	4	5	379	B
15 Program O	5	4	3	3	4	4	3	4	3	362	B
16 Program P	4	4	3	3	4	4	5	4	5	394	B
17 Program Q	4	2	2	3	4	4	3	4	5	337	B
18 Program R	4	2	3	3	3	4	3	3	5	309	B
19 Program S	3	2	2	3	5	4	3	3	5	312	B
20 Program T	3	2	2	2	4	3	3	3	5	282	C
21 Program U	2	3	3	2	2	4	4	2	4	263	C
22 Program V	3	4	5	3	4	4	5	5	5	425	A
23 Program W	4	5	4	3	4	4	4	4	5	403	A
24 Program X	3	3	3	2	3	3	3	4	5	316	B
25 Program Y	4	3	3	4	4	3	3	5	5	383	B

Note: In principle, if the final rank of the project become C, we consider discontinue or revision of the program content.

Cost (thousand yen)	Factor
0~5,000	5
5,000~10,000	4
10,000~30,000	3
30,000~50,000	2
50,000~	1

## Agencies

▶ Providing the Highest Possible Quality of Service

▶ Mitigation of Climate Change

# Providing the Highest Possible Quality of Service

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## Agency Services

### Partnerships

Insurance agencies of our Group serve as an intermediary between the customer and our insurance companies to provide information on insurance products and services, and support conducting necessary procedures such as consulting services for a settlement in the event of an accident.

We are working to upgrade agency service levels to ensure that agencies can provide appropriate advice and services to the full satisfaction of our customers. We offer various training opportunities where they can learn about the latest findings and information and further develop skills in the areas of compliance, product knowledge, sales, accident response, and legal and tax affairs. We also provide agencies with management assistance.



Training session to enhance agency service quality

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## Agency Support System

### Partnerships

#### ● Training Program

While our Group provides regular group education and training to improve the quality of agency services, branches and sales offices organize independent, high-quality training sessions that

cater to the specific needs of individual agencies.

Each area has specially-assigned personnel with skills to further promote effective agency work and compliance who provide tailored consulting on agency management and operational supervision.

● Improving Consulting Capabilities

Sompo Japan Nipponkoa offers agencies a paperless system capable of executing the entire insurance transaction process, from policy explanations to the conclusion of contracts, without requiring even a signature or seal. This system can be run on personal computers as well as on tablet computers to enhance customer convenience. The system also has business management functionality that helps agencies improve management efficiency.

● Agency Trainee System

Our Group has implemented the agency trainee system to foster insurance professionals. Under this system, an employee hired as a total life advisor is provided with various training programs on management and insurance canvassing. Sompo Japan Nipponkoa Insurance Services provides more practical education programs by combining group training and on-the-job training to target specific needs.

● Ensuring Service Quality

Sompo Japan Nipponkoa has stipulated action standards for agency reliability to specify basic action guidelines for agencies related to canvassing, managing policies, and processing insurance claims. The standards were developed based on our analysis of customer feedback and customer satisfaction survey results.



Tablet computers used to introduce products



# Mitigation of Climate Change

## Cooperation with Agencies to Reduce Environmental Impact

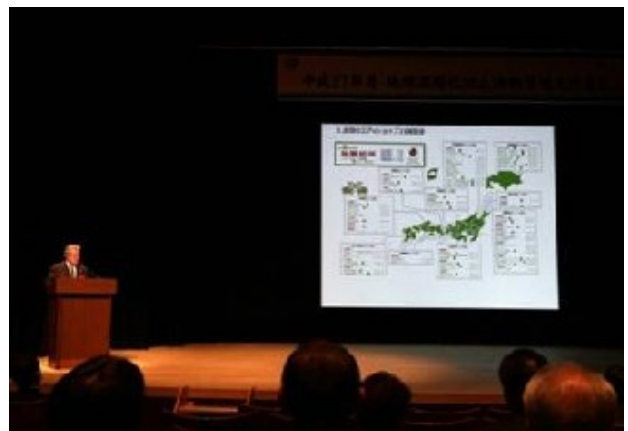
### Partnerships

Cooperating with its agencies nationwide, Sompo Japan Nipponkoa is working to reduce environmental impacts throughout the entire value chain through continuous awareness raising and organizational promotion of environmental protection initiatives in communities.

AIR Autoclub, the company's nationwide association of auto repair shop insurance agencies, provides support including assistance for the agencies to acquire ISO 14001 and Eco-Action 21 certifications by introducing environmental management systems, and offers a recycled parts search system to encourage the repair shops to use recycled parts. The voluntary chain group, known as Air e-Shop 21, is making progress in reducing CO2 emissions, and in fiscal year 2014 achieved a reduction of about 350 tons. These efforts were recognized by Japan's Ministry of the Environment with the Fiscal Year 2015 Environment Minister's Award for Global Warming Prevention Activities, in the category of practices and promotion of actions.

Meanwhile, the national pro agencies' organization, JSA Chukakukai, in partnership with the AIR Autoclub, is promoting green procurement using an Internet-based centralized purchasing system. The organizations have a combined membership of 4,500 registered members (as of March 2017).

Through social contribution activities rooted at the local level, the agency organizations are acting as points for information dissemination and spreading our efforts to customers nationwide.



Award ceremony for the FY2015 Environment Minister's Award for Global Warming Prevention Activities

## Employees

▶ Health Promotion

▶ Building Resilient Organizations  
through Human Resources  
Development

▶ Diversity and Inclusion

▶ Respect for Human Dignity and  
Rights

# Health Promotion

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## Initiatives to Maintain and Promote Employee Health

### Partnerships

Our Group Management Philosophy commits us “to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible.” To that end we implement various health maintenance and promotion initiatives at our Group companies, in recognition of the importance of ensuring health of our employees and their families.

#### Key Initiatives

- Follow-up after medical checkups with persons who have identified risks (special health guidance, prevention of deterioration of diabetes conditions)
- Medical checkups for employees’ dependents
- Anti-smoking strategies (assistance with medical costs, stop-smoking classes, closure of some smoking areas)
- Workstyle innovations (telecommuting, shift work, etc.)
- Distribution of wearable activity-monitoring devices to all employees (Sompo Japan Nipponkoa Himawari Life)
- Regular provision of information to boost employee health awareness

#### External Recognition

Five Group companies have been recognized as a 2017 Certified Health and Productivity Management Organization in the large enterprise category (White 500) by Japan’s Ministry of Economy, Trade and Industry, and Nippon Kenko Kaigi:

- Sompo Holdings, Inc.
- Sompo Japan Nipponkoa Insurance Inc.
- Sompo Japan Nipponkoa Himawari Life Insurance, Inc.
- Sompo Risk Management & Health Care Inc.
- Sompo Business Services, Inc.

#### Future Plans

We are making use of resources such as the support services for health and productivity management offered by Sompo Risk Management & Health Care to continually assess the results and verify the effectiveness of our initiatives. We use the findings of our reviews to address a variety of health-related issues of our Group companies, as well as to maintain and further advance the health of employees and their families.

# Building Resilient Organizations through Human Resources Development

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## Exchange Program for Group Employees Inside and Outside Japan

### Partnerships

We offer the Exchange Program for Group employees to develop new skills and leverage their diverse strengths for Group growth. The program is helping to make the Japan headquarters more international, having begun in fiscal year 2014 with a total of 54 Group employees from outside Japan having worked in various departments in Japan to date.



Exchange Program

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## Development of a Globally Competitive Workforce

### Partnerships

We are confronted with increasingly challenging international competition in global markets, including in emerging economies. It is therefore essential that we develop globally competitive personnel with the ability and motivation to carry out missions in the global arena, to understand and accept different cultures, and to communicate effectively in a multicultural work environment.

Sompo Japan Nipponkoa considers the increase in both the quantity and quality of globally competitive personnel as a priority issue. As such, in fiscal year 2012, the company established the Global Human Resources Development Group for the purpose of developing workforce that can compete effectively on a global basis.

● Founding of SOMPO Global University

The SOMPO Global University is a program launched in fiscal year 2012 to develop future management personnel both in and outside Japan. The program consists of customized training provided in cooperation with the National University of Singapore's Business School and on-the-job training at Group companies outside Japan. Through this program, trainees gain sophisticated management knowledge and have hands-on experience to put it into practical use. In total, 97 selected talents (including those from outside our Group) from 14 countries have participated in this program as of fiscal year 2016. The program produces a globally-competitive workforce with broad perspectives and experience regardless of nationality.

● Improvement of Language Skills

Language skills are essential in an international work environment. To help all Group employees improve their language skills, we encourage them to take the TOEIC IP, an internal English language test. We also provide various programs to help all employees with language learning. These programs include an English skills contest in which teams of employees compete against each other to show how much they have improved, as well as an overseas work program for employees with a certain level of language skills to gain cross-national and multi-cultural experience. We encourage all employees to aim for a TOEIC score of 730 or higher.



SOMPO Global University

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## Reinforcement of Human Resources

### Partnerships

To create a strong team made up of capable, trusted personnel and establish ourselves among customers as the most highly evaluated P&C insurance company, Sompo Japan Nipponkoa is promoting the development of human resources through the cycle of “work, evaluation, remuneration, relocation/transfer, and training” and provides employees various chances to perform to their full potential. Of special mention, the company promotes human development based on individual strengths and fosters the motivation of employees who can be resilient to change.

Furthermore, the company strives to enhance the system and corporate culture to develop

globally-competitive human resources that learn and think independently and continuously aim to create new value.

● Skill development support

In fiscal year 2017 we are working to strengthen management and foster a culture of self-improvement. Support strategies include a Management Academy for managers, and a Business Academy for all employees, using video-based self-directed training systems. Lessons include sections such as problem solving and strategic thinking, marketing, communications, management, and leadership. Starting at an early stage, employees who are training to be future managers can also develop their own management skills.

We are also expanding grade-specific educational support and increasing internal opportunities for peer training.

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## Training for Management

### Partnerships

Reinforcing the management capabilities of managers is essential if they are to change the behavior of staff and maximize their efficiency and productivity in order to lead them to new heights. We have various programs in place to strengthen our managers' abilities, particularly the ability to develop personnel, enhance workplace communication, and improve the work environment.

Sompo Japan Nipponkoa's major training programs planned for fiscal year 2017

- Training for newly appointed general managers
- Support program for newly appointed managers
- National management dialogue
- Training program for department management (continuous peer training among departments)
- Training program for section managers (selective peer training)
- Management Academy (online video training system)
- Multi-dimensional observation

Sompo Japan Nipponkoa Himawari Life sees human resources capacity building as key management issue and is implementing grade-specific training programs. In fiscal year 2016, all section managers and operations managers took management classes (training) where they discussed seriously how to improve management's capacity and how to create dynamic workplaces. Regular meetings are also held between executives and up-and-coming management candidates (for general managers) so that they could benefit from direct guidance from top management.





Support program for newly appointed managers

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## JAPAN-DA EXPO 2018 — Support for Students Seeking Job Opportunities

### Partnerships

As a project to support students seeking job opportunities with Sampo Japan Nipponkoa, the company organized a special three-day, JAPAN-DA EXPO 2018 in March 2017, in which students were able to receive information on their area of interest. To respond to students' diverse needs, the venue was split into eight areas for various special programs to be offered, and about 4,400 students attended over the course of three days. The areas included a Special Area where our directors gave special lectures and we presented our product development projects and responses to large disasters; a Variety Area to communicate our global strategies, opportunities for women, digital strategies, and other initiatives; and a Session Area for discussions with employees working in each department, giving many students the opportunity to learn more about the company.



JAPAN-DA EXPO 2018

## SJNK Business Academy — Support for Students Seeking Job Opportunities

### Partnerships

SJNK Business Academy was offered an internship program aimed at supporting students seeking job opportunities and assisting their career development.

We implemented many types of internships designed to match student needs, including a General Course that helped them understand the business of property and casualty insurance by experiencing processes such as insurance payout services, risk consulting, and product development; a Practicum Course that let them experience the motivation and challenges of working in an actual workplace and think about the working life; and an International Course for globally-minded students. Students who completed the programs commented that they had experienced what it is actually like to work for a company and gained many insights, and that the experiences really helped them in later job searching and career development.



General course at the SJNK Business Academy

# Diversity and Inclusion

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## Initiatives to Boost Human Resource Capacity

### Partnerships

Sompo Japan Nipponkoa is striving to develop a working environment and personnel management programs that are instrumental in achieving our goal of building up the most motivated and skilled workforce based on the four principles of the Group Personnel Vision: Action and Achievement; Impartiality and Fairness; Openness; and Diversity.

### ●Working Environment

We respect the sense of values and working styles of employees, which may be as diverse as pursuing higher career goals, seeking further fulfilling work life, or working with pride while balancing their work and private life. To create a work environment that enhances employee engagement and allows each employee to work energetically and comfortably, we offer a greater number of opportunities for both male and female employees to work on new challenges, and further improve support for childbirth, child rearing, and nursing care among many other measures.

We use employee satisfaction surveys to monitor the current situation and problems of our employees, and feedback the survey results to each work place. The each work place has meetings to review them and discuss how they make improvement and address the problems. We also actively encourage non-regular employees to become regular employees as a way to further improve employee motivation and help stabilize employment.

### ●Personnel Management Programs

Our personnel system focuses on the employees' performance only, regardless of their gender, nationality, or age, to ensure that remuneration and promotion are decided based on the level of performance in each role.

Our personnel management programs include the in-house job posting program, which makes it easy for employees to apply for transfers to their desired different departments. With this program, it is possible even for general area staff (a position for an employee in which the location of residence in principle does not change because of a job transfer) to apply for temporary work outside their designated area. To support the self-directed and autonomous career development of each employee, we have also introduced another two programs: the Dream Ticket Program, under which employees who meet certain criteria can apply for transfer to a position of their choice; and the Job Exchange Program, which gives general area staff an opportunity to work at headquarters departments. These programs are aimed at encouraging employees to actively pursue their desired positions by fully leveraging the knowledge and skills acquired in the course of their work and self-improvement activities.

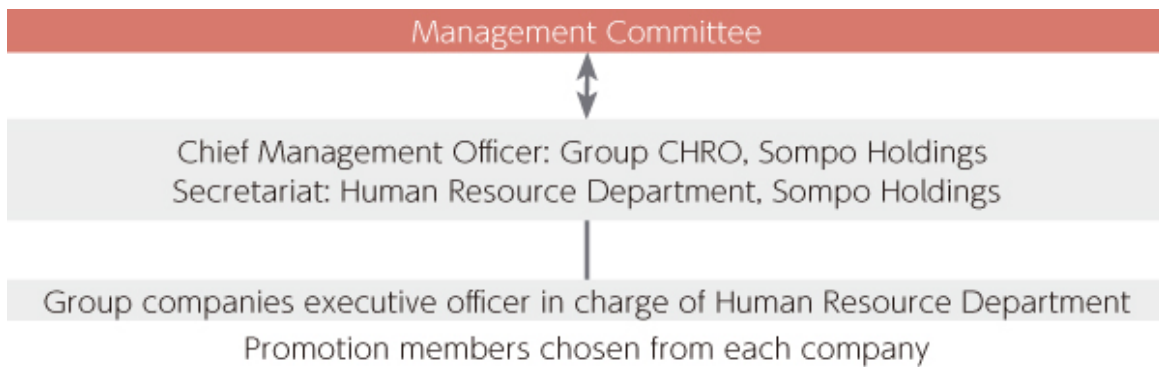
## Establishment of Group Diversity Promotion Headquarters

### Partnerships

Sompo Holdings regards diversity as an important part of its management strategy, and established the Diversity Promotion Headquarters in October 2013.

By making diversity a group-wide issue through the establishment of the dedicated department, we aim to incorporate the views of diverse employees into our various services to offer the highest possible quality products for the security, health and wellbeing of our customers to meet their wide-ranging needs.

Our slogan is “Diversity for Growth”, which expresses our intention to translate diversity into a drive for growth, and we are tackling to improve working styles across the Group to achieve highly productive working styles among our diverse employees.



Members at the time of founding of the Diversity Promotion Headquarters



“Diversity for Growth” logo

## 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 2017 there were 794 female managers, 18.7% of the total. At Sompo Japan Nipponkoa, the largest Group company, "graduates" of such training programs include one director, one executive officer, and five general managers.

Such active efforts to empower women in the workplace were awarded a Corporate Activity Award in January 2015 by the Tokyo Stock Exchange. Sompo Japan Nipponkoa was selected to receive the Prime Ministers Award and the Tokyo Metropolitan Government's Women's Empowerment Award in December 2016, as well as the Second Prize in the Advanced Category of the 2017 J-Win Diversity Award in March 2017, indicating that our initiatives continue to receive external recognition.

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.



Received the Prime Minister's Award



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## Mentor Program

### Partnerships

Sompo Holdings introduced a mentor program throughout the Group from October 2013. Under this program, a manager other than a female employee's own supervisor is appointed as a mentor to regularly support in solving issues regarding mentee's career development on an ongoing basis.

In three years until fiscal year 2016, 181 executives and general managers became mentors to 367 female managers. Mentoring aims to create a culture that helps develop women's careers and to encourage them to raise their aspirations and take on new challenges. The program has proved effective — not only in motivating mentees to pursue a career — but also for mentors in realizing what they need to improve employee engagement.

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## Support for Non-Japanese Employees

### Partnerships

To maintain successful global operations, it is important for our Group to support non-Japanese employees and create and foster an international corporate culture.

Sompo Japan Nipponkoa is developing an international work environment by actively hiring non-Japanese employees both in Japan and for its operations outside Japan. The number of international recruits is increasing, and they are working enthusiastically in their respective workplaces.

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## Employment of People with Disabilities

### Partnerships

An increasing number of companies as a matter of course are employing people with disabilities and value their individual contributions. Sompo Japan Nipponkoa also places a high priority to creating an inclusive work environment for people with disabilities, and organizes recruitment activities throughout Japan.

The company interviewed about 30 supervisors of employees with disabilities in their team and reported their best practices in Diversity News, a monthly newsletter, to share information on how to work with physically challenged employees. The company has also prepared a guide book for managers, while making sure that an assistant for employees with disabilities is appointed at each workplace to provide necessary support.



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## Work-Life Balance

### Partnerships

To improve the quality of employee output, it is essential to focus not only on skill development but also on the physical and mental health of each employee. Good physical and mental health and a fulfilling private life are the foundation of a dynamic workforce. A dynamic workforce means a vitalized company, which is why we make the flexibility to balance work and private life a high priority.

### ●System Supporting Employees during Pregnancy, Post-childbirth and Childcare

We provide various types of leave and flexible work style options, such as maternity leave, childcare leave, and reduced working hours for parents in order to support employee efforts to balance their work and family life. Parents can take advantage of shorter working hours, for example, in several shift patterns until the child completes the third grade of elementary school. Short-term childcare leave has also been turned into a form of paid leave, and delayed the application deadline to the day before, making childcare leave easy to take for both male and female employees.

### ●Support for Employees on Childcare Leave

A forum is organized in Tokyo, Nagoya, Osaka, and Fukuoka every year to support employees who have taken childcare leave to return to work smoothly. In fiscal year 2016, the forum was attended by a total of 560 employees nationwide. Not only employees on childcare leave, but also their supervisors and colleagues attend the forum to address their concerns about returning to work and create a more comfortable workplace for them. At the forum, the updated information about our important policies is communicated to employees on childcare leave.

### ●Support for Employees Engaging in Long-term Nursing Care

Long-term nursing care has become a common issue due to the rapid aging of Japan's population. To help employees balance their work and care responsibilities, we expanded the option to offer long-term family care leave (up to 365 days in total), nursing leave, shift work for nursing care and reduced working hours, and held a seminar for balancing work and care responsibilities that was attended by about 300 employees in fiscal year 2016.

### ●Telecommuting

A home-based telecommuting program is in place to increase productivity and efficiency of employees. Employees are not restricted to working at home but are also allowed to work

outside the home or to telecommute for all or a part of their working day. In an effort to boost diverse working styles among employees working shorter hours to provide family care, we arranged for additional company devices to be available to those who want them so that employees can work away from the office in sudden unexpected situations.

## ●Shift working

We introduced a kind of flextime program that promotes diverse work styles. Employees can choose what time they start their work from nine patterns between 7am and 1pm.

## ●Career Transfer Program

General area staff (a position for an employee in which the location of residence in principle does not change because of a job transfer) can apply for a job for Group companies in other area, if certain conditions are met, to continue work in the case they have to move for a personal reason such as job transfer of their spouse.

## ●Planned Long Vacations and "No Overtime Days"

To increase productivity and efficiency of employees, employees are encouraged to both take planned long vacations and to leave work on time on company-wide "No Overtime Days." Managers of each workplace are also requested to urge their staff to take holidays as well as to submit an annual plan for increasing the operational efficiency of their respective workplaces.

## ●Mental Health

A mental health industrial physician is stationed at our Headquarters Building under a partnership agreement with Sompo Risk Management & Health Care. The physician works together with nurses and other dedicated staff to provide mental health checkups, counseling, and other services.

Self-tests for stress have also been introduced to have individual employees discover any signs of mental health issues at an early stage in order to prevent, alleviate, and treat them. We also established a system that helps our managers to manage and support their staff who are experiencing stress, distress and mental health issues and create a healthier workplace environment.

## Work Style Innovation

### Partnerships

In fiscal year 2015, Sompo Japan Nipponkoa embarked on a series of work style innovations in order to increase productivity and create a more flexible work environment that taps into the wide-ranging talents of its diverse workforce.

Specifically, the company introduced a kind of flextime program that provides nine different patterns to start working, helping employees responsible for childcare or family care, or who communicate regularly with stakeholders outside Japan.

Leveraging improvements in its ICT infrastructure, the company also instituted a telecommuting work policy to provide even more flexibility and boost productivity. These work style innovations are also aimed at maximizing created value and making fundamental improvements to overwork conditions, with specific goals set by each workplace.



Office in the early morning

## Thanks Day — Day for Improving Families' Understanding of the Workplace

### Partnerships

We have been implementing a Thanks Day event from 2007 for the purpose of promoting understanding and communication between employees and their families and raising awareness of the need for work-life balance at each workplace. Children of employees at each Group company are invited to visit their parent's workplace and perform simple work-related tasks such as sorting inter-office mail and receiving mock telephone calls. Other fun events are held such as exchanging business cards with the company President, children's meals in the employee cafeteria, and various booths offering games and exhibitions. These always make the day a memorable one for both employees and their families.



Sompo Japan Nipponkoa Orchestra performing for children

# Respect for Human Dignity and Rights

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## Respecting Human Rights

### Partnerships

As is evident from the inclusion of human rights as one of the seven core issues cited in the ISO 26000 international standards on social responsibility (published November 2010), corporate activities relating to human rights promotion have become the global norm.

In October 2016, we amended our Group Policy for Human Rights to reflect current public concerns about diversity, persons with disabilities, and LGBT issues, where we declare our commitment to respect human rights of all stakeholders.

We have also established the Human Rights Promotion Headquarters. This allows us to involve management in prompt, centralized decision-making on various issues, including human rights training for employees. Through this organization, we deploy a cross-functional and systematic measures aimed at promoting basic code of conduct on human rights issues at each workplace. We have also introduced a hot line as a contact point for employees in all offices and accept inquiries by telephone, e-mail, or by letter. CSR seminars (environment, social contribution, human rights) are also implemented for all employees and workplaces every year with the aim of promoting employees' understanding of human rights and creating a motivating, comfortable, and dynamic work environment.

▶ [Group Policy for Human Rights](#)