



**SOMPO
HOLDINGS**

Innovation for Wellbeing

CSR Communication Report 2018



Sompo Holdings, Inc.

Sompo Holdings

CSR Communication Report 2018

1. Top Commitment	1	10. Key Initiatives	
2. About Us	5	(1) Customers	230
3. CSR Strategies / Featured Topics	33	(2) Stockholders/investors	287
4. CSR Initiatives and Management System	51	(3) Business partners	293
5. Initiatives to Achieve the Sustainable Development Goals (SDGs)	111	(4) Civil society groups	298
6. Stakeholder Engagement	129	(5) Communities	310
7. ESG Data Index	154	(6) Agencies	349
8. Third Party Comments/ External Recognition	171	(7) Employees	353
9. CSR Milestones and Their Impacts	221		

Top Commitment



Kengo Sakurada
President & CEO
Sompo Holdings, Inc.

The Group's Operating Environment

A variety of social issues are emerging and increasing in complexity. These include the normalization of natural disasters precipitated by climate change, such as the major hurricanes that struck North America last year; geopolitical risks stemming from instability; human rights; growing disparity among regions; and the evolution of digital technology. Japan, our home market, is facing a population decline and the rapid aging of its society. Globally, meanwhile, international society is seeing a widening of the scope of its shared tasks, such as the SDGs that the United Nations has established. The annual meeting of the World Economic Forum, often called the Davos Forum, which I attend every year, discusses solutions to such tasks. This year's discussion was themed on "Creating a Shared Future in a Fractured World." Addressing social issues through individual bodies is no longer practical. Governments, companies, and nonprofit organizations must address issues by transcending existing boundaries and involving and coexisting with new organizations.

In this environment, significant threats to the Group not only include population declines and climate change but also disruption of existing markets caused by digital transformation. For example, in the P&C insurance

business demand for automobile insurance could decrease with the spread of self-driving cars. Also, forays into the insurance industry by ICT-based companies could disrupt it dramatically. Thus, society is in an era of volatility, uncertainty, complexity, and ambiguity, and I believe that the Group's operating environment will change significantly.

The Group's Vision

To win out in such an era, the Sampo Holdings Group will move beyond the confines of its mainstay insurance business and transform into a unique, progressive "theme park for the security, health, and wellbeing of customers" that can "contribute to the security, health, and wellbeing of customers by providing insurance and related services of the highest quality possible."

Stakeholders sometimes ask about the concept behind the vision referred to by a "theme park for the security, health, and wellbeing of customers." I would explain as follow. Basically, the Group's mainstay insurance business allows customers to prepare for emergencies. Under the "theme park for the security, health, and wellbeing of customers" vision, however, our goal is not only to mitigate the effects of accidents or illnesses but also to help customers sustain their present happiness and, if possible, make them even happier. In other words, we will maintain or make a positive contribution to customers' quality of life. Theme parks are places for having fun, being happy, and directly experiencing such things as rides and snacks. In a similar way, we want to give customers a tangible sense of security, health, and wellbeing through the products and services that we provide. For example, requiring nursing care is never a welcome development for a person or his or her family. However, we want to help ensure that, if nursing care is required, customers know that there are reliable places to which they can entrust the care of their loved ones and where these family members can live happily. This is the sense in which we use the phrase "theme park."

Transformation into "Theme Park for the Security, Health, and Wellbeing of Customers"

Transformation and Ecosystems

What does transformation mean for the Sampo Holdings Group? It does not simply entail increasing scale, becoming robust, or revamping the organization. Transformation means achieving qualitative evolution. Accordingly, we will revolutionize our businesses by creating business models that depart from the past completely. While optimizing digital technologies, capital, and other management resources, the Group will reform its entire business portfolio. Rather than just focusing on collaborations among existing frameworks or Group organizations, we will build ecosystems that link us to external partners with outstanding expertise and potential. By influencing each other and heightening our capabilities as a whole, we will become a "theme park for the security, health, and wellbeing of customers." This will be the Group's qualitative evolution, or transformation.

Indispensable elements for Transformation: Digital Technology × Personnel

We need two elements to realize transformation—digital technology and personnel. To convert the impending digital transformation and disruption into an opportunity, we have to grasp trends in the world of digital technology more quickly and take action beyond existing frameworks and business models. With this in mind, we have established SOMPO Digital Lab in Tokyo and Silicon Valley, the United States. We have also established a lab in Israel, which is in the vanguard of technology development. SOMPO Digital Lab is advancing a range of leading-edge initiatives, such as developing digital technology applications for existing businesses and venturing into the cybersecurity business.

While extremely important, being well informed about the latest technologies is in itself not enough to bring about transformation. In the digital era, personnel are the most significant and the ultimate differentiating factor. No matter how far AI or robotics progress, they will never be able to empathize or make decisions about complex, unresolvable problems while taking into account broad perspectives. To put it another way, I think that the roles of personnel will become even more important in the digital era. Emotional intelligence will be the main attribute, and personnel with well-developed emotional intelligence will be the key drivers of the digital era. Therefore, we will foster many emotionally intelligent personnel while diversifying our workforce by developing or hiring personnel with professional competence or rare talents. These personnel will drive our transformation.

I believe that our initiatives in this regard will create new value, enable us to see social issues as opportunities, enhance long-term corporate value, and help realize a sustainable society.

Progress under the Mid-Term Management Plan

Through the five-year Mid-Term Management Plan that began in fiscal 2016, the Sompo Holdings Group will realize transformation into the type of organization that I have been outlining.

The current fiscal year is the plan's third fiscal year. We will further evolve the foundations that we have built, achieve benefits steadily, and accelerate initiatives to realize a "theme park for the security, health, and wellbeing of customers." Also, at an early stage in the period from fiscal 2020 onward we want to attain a business scale and capital efficiency on a par with the level of the top 10 global publicly listed insurance companies. Specifically, we are targeting adjusted consolidated profit of over ¥300.0 billion and adjusted consolidated ROE of over 10.0%. To these ends, with stable earnings generation and a robust capital base as foundations, we will establish a continuous growth cycle by increasing the profitability of existing businesses and realizing investment opportunities through the transformation of and collaboration among businesses.

In fiscal 2017, adjusted consolidated profit declined ¥20.5 billion year on year, to ¥162.7 billion, reflecting the effects of natural disasters, such as the hurricanes in North America, and large-scale accidents in Japan and overseas. In fiscal 2018, however, we expect adjusted consolidated profit to reach a record ¥220.0 billion* thanks to higher earnings from businesses.

Regarding returns to shareholders, in fiscal 2017 we increased dividends per share by ¥20 year on year and implemented total share buybacks of ¥39.1 billion, thereby realizing our medium-to-long-term target of a total payout ratio of 50% for the fourth consecutive year. Moreover, in line with earnings, we expect to increase dividends for the fifth straight year in fiscal 2018.

During the two fiscal years since launching the Mid-Term Management Plan, the initiatives of each business have made solid progress. Going forward, we will continue to steadily implement strategies aimed at realizing a “theme park for the security, health, and wellbeing of customers.”

The Domestic P&C Insurance Business

We aim to sustain growth by revising business processes developed over many years and reforming a corporate culture that has a 130-year history. We are innovating to grow existing businesses and create new value. As well as using AI, robotic process automation (RPA), and other digital technologies to increase productivity, we are partnering with progressive companies outside the insurance industry to develop mold-breaking products and services.

The Domestic Life Insurance Business

By rolling out “Insurhealth,” which integrates traditional insurance services and health care, we are offering new value and transforming into a health support enterprise that aids people in leading healthy lives. More specifically, we established the health service brand Linkx (pronounced “link cross”). Under this brand, we have launched new type income compensation product, which reduces the premiums of customers whose health improves and provides them with a reimbursement of the difference between the former and reduced premiums dating back to the time of policy enrollment. Through such products and services, we will offer new value in the form of health maintenance and promotion.

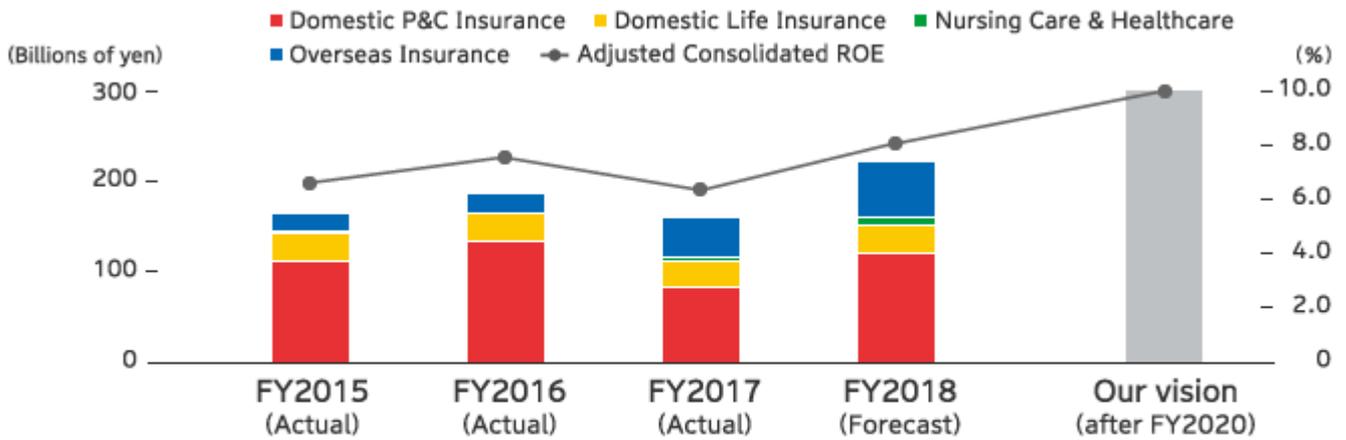
The Nursing Care & Healthcare Business

Thanks to a steady rise in the occupancy rate, this business achieved its goal of moving into the black in fiscal 2017. Also, we will simultaneously heighten service quality and reduce costs through the merger of the two main operating companies, which we began implementing in July 2018^{*}. In addition, anticipating the rapid aging of society, we are taking measures to extend healthy life expectancy. As part of these efforts, we have established the basis for industry–academia–government partnerships tasked with reducing and preventing dementia. Thus, our focus will not just be on growing the Group but on addressing social issues and helping make “Japan, an affluent country that can boast to the world of a long and quality life.”

* Former Sompo Care Message Inc. and Sompo Care Next Inc. merge to Sompo Care Inc.

The Overseas Insurance Business

In developed countries, we have completed a reorganization centered on Sompo International, acquired in March 2017, and this effort is already bearing fruit. For example, our underwriting has become more sophisticated. Also, we have established AgriSompo, which is rolling out crop insurance globally. Further, we intend to build a platform that encompasses insurance businesses in the retail fields of emerging markets. We are building the world’s first truly integrated global insurance platform.



Adjusted consolidated profit *	164.3 billion yen	183.2 billion yen	162.7 billion yen	220.0 billion yen	▶ Toward global top 10 (300.0 billion yen level) ▶ Over 10.0%
Adjusted consolidated ROE *	6.9%	7.6%	6.4%	8.3%	

The Group's previous numerical targets for fiscal 2018 under the Mid-Term Management Plan announced in November 2016 were adjusted consolidated profit of between ¥220.0 billion and ¥230.0 billion and adjusted consolidated ROE of over 8.0%.

* For details regarding ROE, please refer to the link below.

▶ [Definition of Adjusted Consolidated Profit, Etc. \(PDF/187KB\)](#)

About Us

▶ **Corporate Profile**

▶ **Group Employees**

▶ **Group Businesses**

▶ **Group Management Philosophy**

▶ **Corporate Governance**

▶ **Compliance**

▶ **Strategic Risk Management (ERM)**

▶ **Risk Management (Business Continuity System)**

▶ **Value Chain**

Corporate Profile

Company name	Sompo Holdings, Inc.
Head office	26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo 160-8338, Japan
Date of establishment	April 1, 2010
Business activities	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.
Capital	100 billion yen
Group CEO Representative Director, President and Executive Officer	Kengo Sakurada
Exchange listing	Tokyo Stock Exchange (First Section)
Shareholder registry administrator	Mizuho Trust & Banking Co., Ltd.
Employees	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	21,261	27,283	48,544
Temporary employees	1,775	14,944	16,719
Total	23,036	42,227	65,263

Number of employees (by region)

	Japan	Asia & Middle East	Europe	North America	Latin America	Total
Regular employees	42,274	2,481	134	1,708	1,947	48,544
Temporary employees	16,643	30	0	18	28	16,719
Total	58,917	2,511	134	1,726	1,975	65,263

* Sampo International advances into several countries, and is counted in the North America region here.

Group Businesses



► 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 218 cities in 30 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

Group Management Philosophy

Group Management Philosophy

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

Group 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.
-

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	▶ Group Tax Policy
▶ Business owner system Group CxO system	

Corporate Governance Overview

As of June 25,2018

Organizational structure	Company with an Audit & Supervisory Board
Chairman of the Board of Directors	Kengo Sakurada(Group CEO, Representative Director, President and Executive Officer)
Number of Directors	12, of which 4 are Outside Directors
Number of Audit & Supervisory Board Members	5, of which 3 are Outside Audit & Supervisory Board Members
Board of Directors meetings	<p>Held 14 times Attendance: 100% of Directors, 98.6% of Audit & Supervisory Board Members</p> <ul style="list-style-type: none"> * Orientation meetings for Outside Directors are held in conjunction with Board of Directors meetings to ensure effective Board of Directors meeting operation. * Please refer to Corporate Governance Policy 3 for details regarding Directors and Board of Directors meetings. <p style="text-align: right;">(Fiscal 2017 Results)</p>
Audit & Supervisory Board meetings	<p>Held 13 times Attendance: 98.5%</p> <ul style="list-style-type: none"> * Please refer to Corporate Governance Policy 4 for details regarding Audit & Supervisory Board Members and Audit & Supervisory Board meetings. <p style="text-align: right;">(Fiscal 2017 Results)</p>
Voluntary committee equivalent to Nomination Committee and Compensation Committee	<p>Nomination and Compensation Committee</p> <ul style="list-style-type: none"> * Comprising 5 committee members (4 outside directors, 1 internal director(Group CEO)) and chaired by an Outside Director. * Please refer to Corporate Governance Policy 6 for details regarding Nomination and Compensation Committee.



<p>Appointment of Directors and Audit & Supervisory Board Members</p>	<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>
<p>Number of Independent Directors and Independent Audit & Supervisory Board Members</p>	<p>4 Outside Directors and 3 Outside Audit & Supervisory Board Members</p> <p>* All Outside Directors and Audit & 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 & Supervisory Board Members is disclosed in the Corporate Governance Report.</p>
<p>Determination of compensation, etc.</p>	<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](#)

Corporate Governance Policy

This policy establishes the framework and operational policy underpinning the basic views on corporate governance of the Sompo Holdings Group (hereinafter “the Group”).

1. Basic Views on Corporate Governance

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.

Following the principles of the Group management philosophy, the Group considers value creation for stakeholders in the administration of its business and maintains and enforces the Group Action Guidelines as the standard of behavior for the Group employees in Japan and worldwide with the business objectives of realizing sustainable business growth to increase corporate value and fulfilling its mission to be the best customer service provider both at home and abroad.

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 Board of Directors has accordingly established the 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.

2. Overall Governance Organization

The Group has elected to be a company with an Audit & Supervisory Board and maintains and promotes effective oversight and auditing functions using a system of corporate governance comprising the Board of Directors, which makes important management decisions and oversees business execution, and Audit & Supervisory Board members and an Audit & Supervisory Board that are independent from the Board of Directors.

The Board of Directors sets the Basic Policy on Internal Controls, which serves as the foundation for the Basic Policy for Group Management. These policies provide the framework for a highly transparent governance structure for the Company and Group companies.

The Group also utilizes business owner system, Group Chief Officer (hereinafter “Group CxO”) system, and executive officer system under the supervision of the Group CEO to enable agile and flexible decision-making and operation as well as ensuring the clarity of authority and responsibility.

To ensure transparency in the appointment and treatment of directors, the chairman and a majority of the

members of the Nomination and Compensation Committee, an advisory organ to the Board of Directors, are outside directors.

3. Directors and the Board of Directors

(1) Role of directors and the Board of Directors

The Board of Directors performs its duties as stipulated by law, establishes important items for management, and serves a supervisory function overseeing the conditions of business execution.

The Board of Directors meeting, in principle, convenes on a monthly basis and comprises an appropriate number of members to realize swift decision-making.

Preliminary briefing sessions are held with outside directors to provide details about the discussion agenda with specific emphasis on the key agenda items. The integration of the Board of Directors meeting and preliminary briefing session, which includes communicating the opinions, questions, and other comments expressed by the outside directors at the preliminary briefing sessions to all attending directors before the Board of Directors meeting, is intended to facilitate constructive deliberations at the Board of Directors meeting and ensure the effectiveness of the Board of Directors operations. Steps including convening meetings of the outside directors and the Group CEO are implemented to facilitate open exchange of opinions between the outside directors and the chief executive.

The directors apply their accumulated knowledge and experience to the key issues for the Company to realize the proper execution of fair and effective executive management.

(2) Directors numbers, composition, and term of office

The number of directors shall not exceed 15, as stipulated in the Articles of Association. When establishing the stipulation that the number of directors shall not exceed 15, the Group took into account the need for swift and appropriate decisionmaking and the scope of duties to be performed by the Board of Directors. Outside directors are corporate managers or other people with extensive experience and a wide range of perspectives able to apply outside viewpoints to various issues, including legal affairs, consumer needs, and overseas business development.

To ensure full clarity of responsibility related to business matters in each fiscal year, a director's tenure ends at the close of the Ordinary General Meeting of Shareholders held within the latest fiscal year that is within one year of the appointment.

4. Audit & Supervisory Board Members and Audit & Supervisory Board

(1) Role of the Audit & Supervisory Board members and Audit & Supervisory Board

Audit & Supervisory Board members audit the work performance of the directors through such activities as auditing the construction and maintenance conditions of the Group internal control system and providing effective advice and recommendations to senior management that promotes the Group's sustainable growth and increases the corporate value over the medium- and long-term.

The Audit & Supervisory Board establishes the audit standards, basic policy on audits, and auditing programs to make the above auditing activities functional and effective and systematically conduct auditing operations.

The Audit & Supervisory Board sets an annual meeting schedule and endeavors to realize full participation of all members and coordinates activities. Such endeavors include distributing information materials before meetings to ensure members are fully prepared to conduct thorough reviews and deliberations.

(2) Audit & Supervisory Board members numbers, composition, and term of office

The number of Audit & Supervisory Board members shall not exceed seven, as stipulated in the Articles of Association. The majority of Audit & Supervisory Board members are outside directors, which strengthens their independence from management.

The Group enhances effectiveness of monitoring by ensuring diversity among Audit & Supervisory Board members through the organic combination of informationgathering capabilities, Audit & Supervisory Board member independence, and full-time employment as well as stronger cooperation with accounting auditors and the inclusion of Audit & Supervisory Board members with accounting-related knowledge.

To ensure independence from management, and in accordance with the Companies Act, Audit & Supervisory Board members' term of office expires at the conclusion of the General Meeting of Shareholders in the final fiscal year that ends within four years of their appointment.

5. Business Execution structure

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

(1) Group CEO

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.

(2) Business owner

The Group adopts a Group management 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.

(3) Group CxO

Each Group CxO oversees group-wide operation of each function (Group CFO (finance), Group CRO (risk management), Group CIO (IT), Group CDO (digital), Group CHRO (human resource), Group CSO (strategy) and Group CBO (brand)) 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.

6. Nomination and Compensation Committee

The Nomination and Compensation Committee is established as an advisory body to the Board of Directors intended to improve transparency and fairness regarding director and executive officer nomination and compensation.

(1) Role of the committee

The committee sets director and executive officer appointment policy and appointment standards, determines individuals to propose as candidates, conducts director and executive officer evaluations and submits recommendations to the Board of Directors for director compensation amounts and the compensation structure, and contributes to the appointment and treatment of subsidiary directors based on the subsidiary business content and scope.

In addition, the committee conducts the Group CEO performance evaluation to improve the transparency of corporate governance.

(2) Committee structure

The committee is comprised of members appointed from the Company's directors with outside directors representing the majority of members in order to ensure the independence and neutrality of the members. The committee chairperson is an outside director elected by the committee members.

7. Policies for Appointment of Officers

The appointment of directors, executive officers, and Audit & Supervisory Board members is conducted in accordance with the following policies for appointment of officers. Directors and executive officers are nominated by the Board of Directors based on discussions with the Nomination and Compensation Committee.

Furthermore, in the event that the Board of Directors' appointment of an Audit & Supervisory Board member is determined by resolution at the General Meeting of Shareholders, an opportunity will be provided in advance for the Board of Directors to discuss the candidate with the Audit & Supervisory Board to seek its approval.

(1) Policies for appointment of directors and Audit & Supervisory Board members

The Company supervises and guides its subsidiaries, formulating management strategies for subsidiaries engaged mainly in the P&C insurance business, as well as comprehensive management strategies for the entire Group. The Company is responsible for the execution and realization of these strategies.

From this perspective, the Board of Directors appoints directors based on familiarity with the Company's business, ensuring a balance between experience and achievements without bias for an area of specialization. To facilitate objective decision making with respect to management issues from a diverse and independent focus and perspective, the Board of Directors includes multiple outside directors with a wide range of knowledge and experience having backgrounds in corporate management, academia, and the legal profession.

The Audit & Supervisory Board consists of Audit & Supervisory Board members appointed on the basis of their solid knowledge of finance and accounting and in consideration of an overall balance of backgrounds in corporate management experience and the legal profession. Furthermore, the appointment of directors and Audit & Supervisory Board members is based on appointment criteria in consideration of Comprehensive Guidelines for Supervision of Insurance Companies.

The Group formulated outside director independence criteria as a standard for the appointment of outside directors and outside Audit & Supervisory Board members.

(2) Policies for appointment of executive officers

The Group formulated a “desired image for executive officers” and “Policies for appointment of executive officers” to identify the basic skills and qualifications required and define the balance between experience and achievements when appointing executive officers. In compliance with the policies, executive officers are appointed.

8. Policies for Training of Officers

To facilitate a detailed understanding of the business environment surrounding the Company, training is conducted for newly appointed outside directors and outside Audit & Supervisory Board members covering a variety of topics, including the current state of the Company and the P&C insurance industry, risk management, overseas businesses, and the life insurance business. Outside directors also continuously and practically enrich their understanding of our businesses through the various opportunities of communication with business departments. In addition, corporate officer study groups are held regularly for executive directors so they can acquire knowledge outside their areas of responsibility. Executive directors and Audit & Supervisory Board members also attend seminars and meetings held by various associations and organizations and participate in executive training.

In addition to executive officers, the aforementioned training cultivates management-oriented thinking and leadership through education programs in conjunction with outside specialized companies with the intent of cultivating the next generation of managers.

9. Policies on Decisions pertaining to Compensation for Officers

The Group regards compensation for officers as important matters from the viewpoints of improvement in business performance and corporate value, and sets policies on compensation for officers as follows:

(1) Basic policy on Compensation for Officers (Common to Group Companies)

- a. The form and level of compensation for officers shall enable recruiting and retaining superior human resources as management of the Group.
- b. Compensation structure shall be consistent with business strategy and promote officers' incentive to improve performance for the sake of the Group's growth.
- c. Compensation shall reflect medium to long-term results and initiatives by officers as well as single-year results.

- d. Objectiveness, transparency and fairness that can fulfill accountability to stakeholders shall be achieved in compensation structure for the Company and major subsidiaries through deliberation process in the Nomination and Compensation Committee inside the Group.

(2) Compensation structure for Officers

The Group sets policies on compensation for officers as follows. However, in cases there are reasonable grounds to believe that those policies should not be applied, the amount and composition of compensation are determined by the Board of Directors based on the recommendation of the Nomination and Compensation Committee.

The Nomination and Compensation Committee examines compensation budget for all directors and executive officers and makes recommendations to the Board of Directors on an annual basis. The amount of compensation for directors and executive officers are determined by the Board of Directors within the budget.

- a. Composition of compensation for directors and how it is determined

Compensation for directors shall consist of monthly compensation, performance-linked compensation and performance-linked stock compensation.

With regard to monthly compensation, performance-linked compensation and performance-linked stock compensation, fixed amount shall be determined for monthly compensation, while a base amount and the number of standard point (one point = one common share) shall be determined for performance-linked compensation and performance-based stock compensation depending on whether the person is an outside or internal director, or does or does not have authority to represent the Company.

Nevertheless, performance-linked compensation and performance-linked stock compensation will not be paid to outside directors.

Compensation as a director and compensation as an executive officer shall be totaled and paid together to those directors who are serving concurrently as executive officers.

Overview of performance-linked compensation and performance-linked stock compensation are described in d. and e. below.

- b. Composition of compensation for executive officers and how it is determined

Compensation for executive officers shall consist of monthly compensation, performance-linked compensation and performance-linked stock compensation. The amount and composition of compensation for the group CEO are examined and recommended by the Nomination and Compensation Committee, and determined by the Board of Directors based on the business environment and market level of compensation for executive officers, and group CEO's achievements and skills. The amount and composition of compensation for executive officers other than group CEO are determined based on the business environment and market level of compensation for executive officers and shall reflect the significance of duties, strategic positioning, achievements and skills. Fixed amount shall be determined for monthly compensation, while a base amount and the number of standard point (one point = one common share) shall be determined for performance-linked compensation and performance-linked stock compensation.

Overview of performance-linked compensation and performance-linked stock compensation are described in d. and e. below.

- c. Composition of compensation for Audit & Supervisory Board members and how it is determined

The form and level of compensation for Audit & Supervisory Board members shall commensurate with their duties and responsibilities and determined at a fixed amount through discussion between the Audit & Supervisory Board members depending on whether the Audit & Supervisory Board member is full-time or part-time while giving due consideration to their independence.

d. Performance-linked compensation

The Company has introduced performance-linked compensation system in order to align compensation for officers and business strategy and promote officer's incentive to improve performance for further growth of the Group. Below is overview of the system:

- Performance-linked compensation shall be determined by reflecting single-year corporate performance and individual performance to the base amount of performance-linked compensation.
- Performance metrics to evaluate corporate performance are adjusted consolidated profit and adjusted consolidated ROE, and coefficient is determined as a ratio of actual figures to targeted figures (projected figures in business plan). For performance metrics to evaluate individual performance, coefficient is determined depending on evaluation result in individual performance evaluation of officers.
- Coefficient for performance-linked compensation is calculated by multiplying the above-mentioned coefficient for company performance by coefficient for individual performance, and the amount of payment is calculated by multiplying base amount of performance-linked compensation by the coefficient for performance-linked compensation.
- For officers who serve as business owners or in charge of those businesses, sales and profit of the business are used as performance metrics to evaluate corporate performance.

e. Performance-linked stock compensation

The company had introduced performance-linked stock compensation system in order to increase the linking between compensation and increases in corporate value over the medium to long-term. Below is overview of the system:

- Performance-linked stock compensation shall be determined by reflecting the medium to long-term stock value and consolidated performance to the number of performance-linked stock compensation standard point in comparison to the market.
- Coefficient for stock value shall be determined by comparing 3-year growth rate of our stock value to the TOPIX growth rate.
- Coefficient for consolidated performance shall be determined by comparing our growth rate of consolidated net income over the past 3 business years to the growth rate of peer group (global companies centering around insurance companies).
- Coefficient for performance-linked stock compensation is calculated by adding on the above-mentioned coefficient for stock value with coefficient for consolidated performance, and the point to provide is calculated by multiplying the number of performance-linked stock compensation standard point by the coefficient for performance-linked stock compensation.

10. Information Disclosure

The Company fulfills its responsibility to explain financial and non-financial information, including management strategies, risks, and governance, through timely, appropriate, equitable, and accurate disclosure. Disclosure systems, including internal rules, shall be established to ensure that essential information is supplied appropriately and promptly.

11. Supervision Policies for Group Companies

To improve the entire Group's corporate value, the Company shall take steps to supervise the entire Group under the business owner system and group CxO system. To achieve the above, SOMPO HOLDINGS shall establish structures, including internal rules, to ensure its ability to conduct appropriately the business management of companies within the Group.

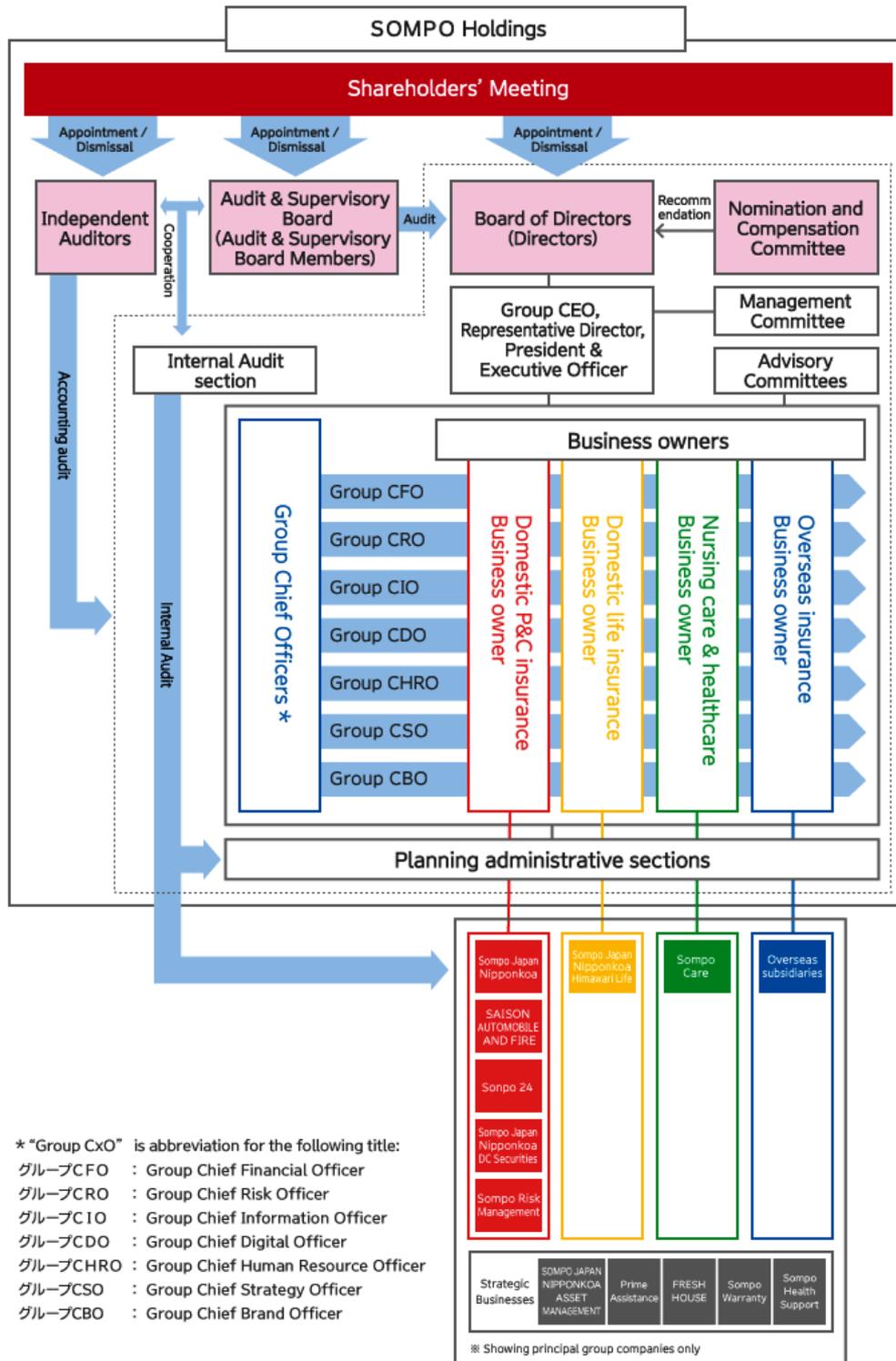
The Company shall formulate a common management vision and basic policies for the Group and notify these among Group companies. It shall supervise Group companies' management through monitoring and other means. The Company shall also establish appropriate systems, including risk management systems, regulatory compliance systems, conflict of interest control systems, customer information management systems, and internal audit systems, in order to ensure effectiveness of the internal control systems of Group companies.

Group companies shall adhere to basic policies for the Group and formulate their own basic policies and business plans on the basis of the Group's basic policies and plans.

Management Structure of Corporate Governance

Management Structure of Corporate Governance

As of October 1, 2018



Corporate Governance Report

This is a translation of the Japanese language original for convenience purposes only, and in the event of any discrepancy, the Japanese language original shall be valid.

▶ [Corporate Governance Report \(PDF/508KB\)](#)

Group Tax Policy

1.Regulatory Compliance

The SOMPO Holdings Group sets out a basic principle of “Compliance with applicable laws and regulations relevant to the business activities in each country.” It aims to maintain and improve tax compliance in accordance with tax related laws, regulations and standards, such as OECD, EU and UN guidelines, published by international organizations as well as by each country and region, and fulfills its corporate social responsibility by properly paying its taxes.

2.Approach to International Taxation

The SOMPO Holdings Group strives to mitigate any risk of damaging corporate value from tax penalties and/or double taxation, based on understanding the purpose of the BEPS initiative led by the OECD. International transactions between intra-group entities are conducted at an arm’s length price. The SOMPO Holdings Group also ensures international income is allocated between parties on an appropriate basis.

3.Optimization of Tax Burden

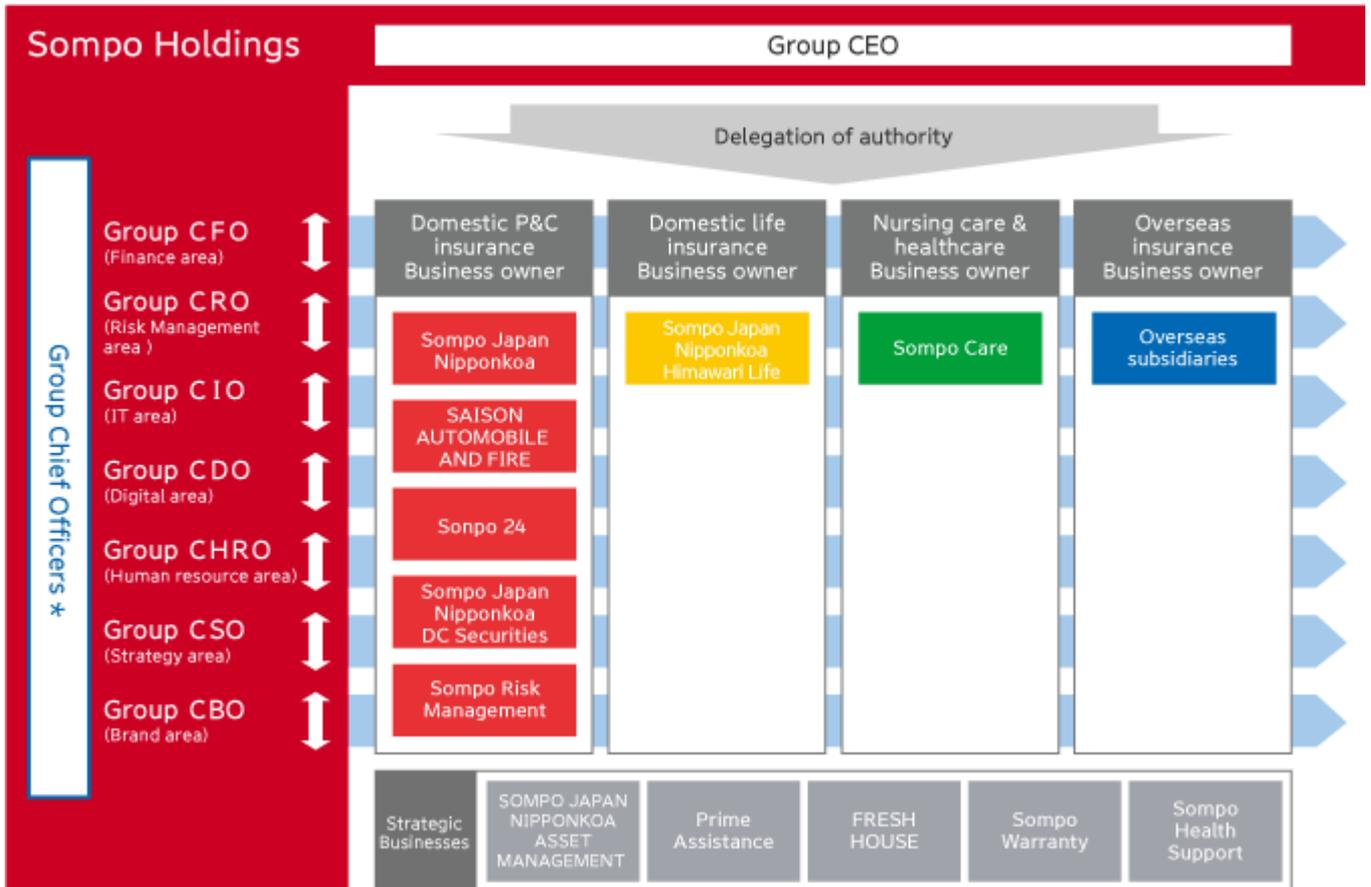
In order to maximize corporate value, the SOMPO Holdings Group aims to minimize tax risks and to make appropriate and effective use of tax mitigation measures in accordance with jurisdiction’s laws and morals. The SOMPO Holdings Group does not perform tax avoidance by, for example, utilizing excessive tax saving practices based on interpretations and/or applications that deviate from the content, meaning and intention of the relevant laws and regulations.

4.Relationship with the Tax Authorities

The SOMPO Holdings Group seeks to maintain a positive relationship with the tax authorities by always ensuring its explanations of its positions are sincere, transparent and based on true facts. The SOMPO Holdings Group keeps proper and timely manners of filing tax returns, paying taxes and submitting information with regard to tax when requested by the tax authorities. Furthermore it will undertake measures for improvement of matters which are subject to the advice of the tax authorities to be agreed.

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 CIO (IT), Group CDO (digital), Group CHRO (human

resource), Group CSO (strategy) and Group CBO (brand)) 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 Chief Officers" 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 CIO : Group Chief Information Office
- Group CDO : Group Chief Digital Officer
- Group CHRO : Group Chief Human Resource Officer
- Group CSO : Group Chief Strategy Officer
- Group CBO : Group Chief Brand Officer

Compliance System

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.

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.
-

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.

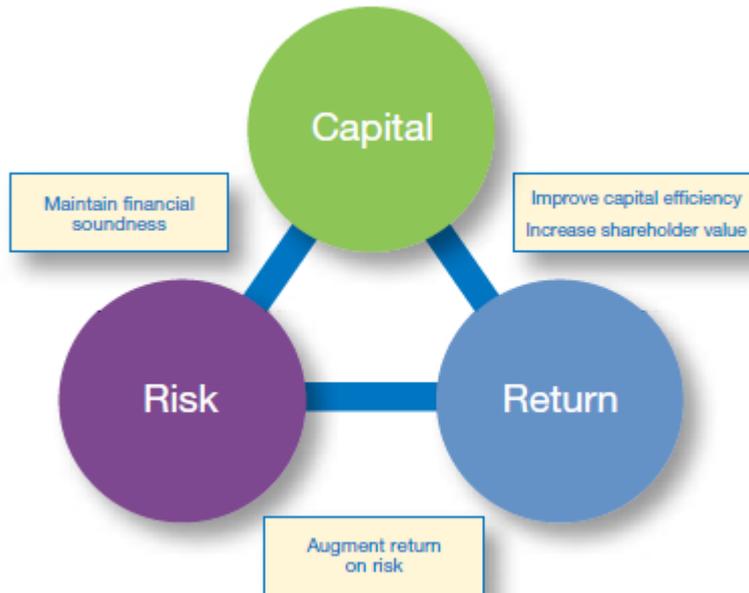
Strategic Risk Management (ERM)

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.



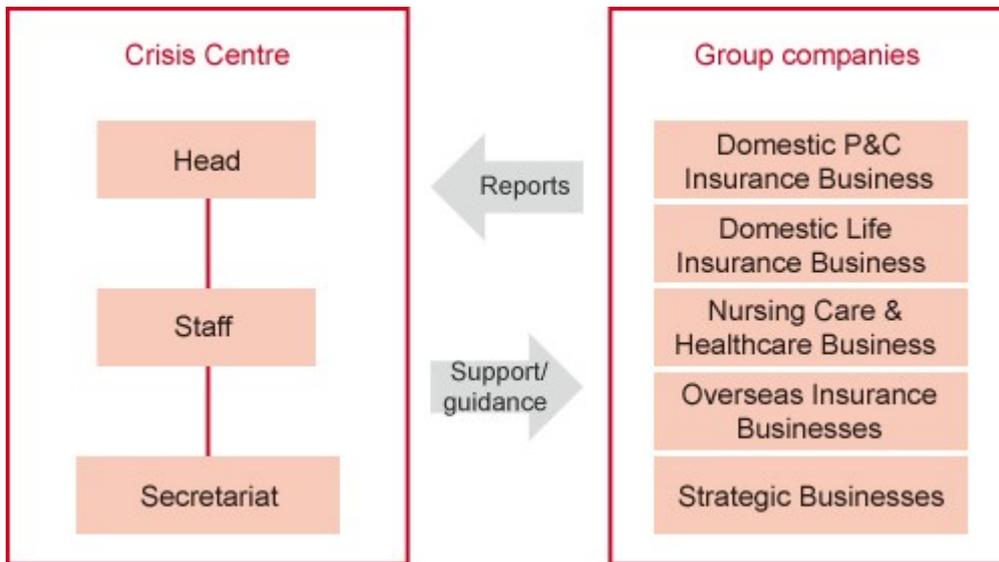
▶ **Strategic Risk Management(ERM)**

▶ **Strategic Risk Management(ERM) Development**

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.

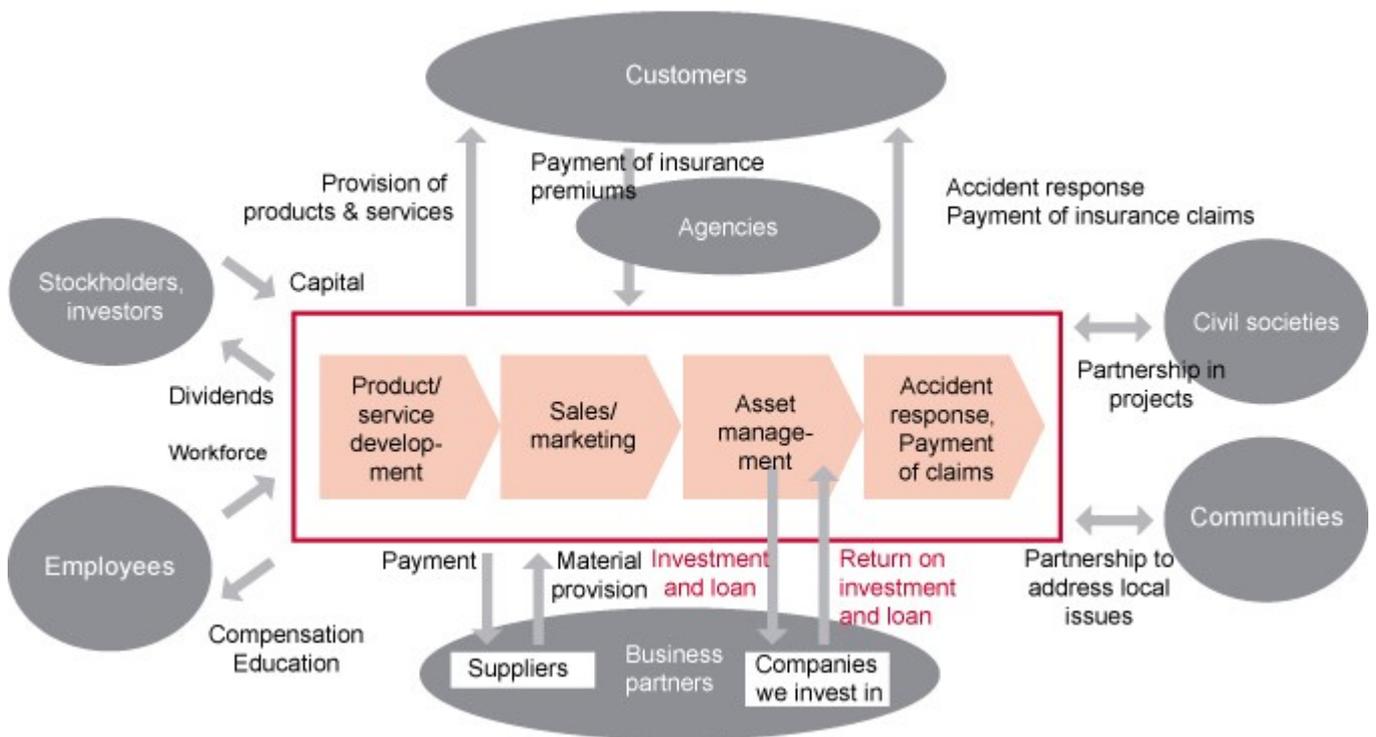
For normal times, Sompo Japan Nipponkoa has established a crisis management promotion headquarters, headed by the President, and it works to further improve business continuity systems. When a crisis occurs, it then becomes the Crisis Center and takes command of the situation.

► 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 96.2% of revenues (domestic P&C insurance business, domestic life insurance business, overseas insurance business).



CSR Strategies / Featured Topics

▶ **Group CSR Strategies**

▶ **Featured Topic 1: Nursing and
Healthcare**

▶ **Featured Topic 2: Realizing a
Sustainable Society and Growth through
ESG Investment**

▶ **Featured Topic 3: Climate Initiatives**

▶ [back number 2017](#)

Group CSR Strategies

Group Management Philosophy

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

Group CSR Vision

We, the Sampo 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.

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

► CSR Materiality

Value Creation Process

The Sampo Holdings Group will reform existing business models as well as its entire business portfolio by leveraging digital technologies and developing new businesses and services.

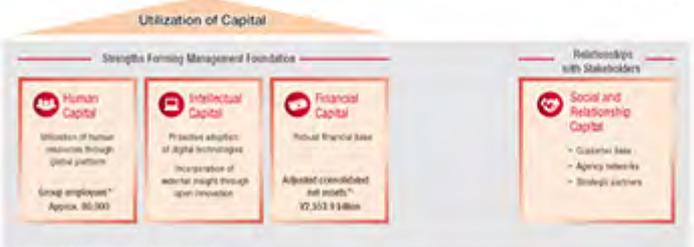
By creating new value through transformation into a “theme park for the security, health, and wellbeing of customers,” we aim to help realize a resilient, sustainable society.

Realization of "Theme Park for the Security, Health, and Wellbeing of Customers"

- Focus Social Issues
- Aging society and declining population
 - Extension of healthy life spans
 - Cracking technologies and diversifying lifestyles
 - Increasing natural disasters due to climate change and other factors



- Supply products and services that reflect a variety of insuring risks
- Realization of a Sustainable Society
- Creation of a society, fering security, health, and wellbeing
- Realization of more comfortable lifestyles
- SUSTAINABLE DEVELOPMENT GOALS**
- Enhance leading edge digital technologies to create a new experience of security, health, and wellbeing for customers
- Develop products and services that help customers climate change and other environmental problems



* The number of Group employees as of March 31, 2018.
 ** The figure is adjusted consolidated net assets to the strength of the company as of April 1, 2017, and March 31, 2018.

Featured Topic 1: Nursing and Healthcare Initiatives

Our Unique Nursing Care Business Working to Address Social Issues

Nursing Care & Healthcare Business is one of the four main businesses domain involved in our “theme park for the security, health, and wellbeing” strategy. On July 1, 2018, four Group nursing care operating companies merged*¹ and are working to help make “Japan an affluent country that can boast to the world of a long and quality life” under a new organizational structure. We are striving to provide the highest quality nursing care services taking advantages of the strengths acquired by our insurance business.



Yasuki Kume (Left)
Sompo Care Inc.
General Manager, Innovation for Aging & Wellness
Department , Sompo Holdings, Inc.
CSO, Executive Officer, Sompo Care Inc.

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

Dialogue: Our Unique Nursing Care Business Contributing to Solving Social Issues

We have included third party comments from Mr. Hideto Kawakita in our CSR Communication Report since 2001. In continuation from last year, we shared our going forward issues in nursing care business initiatives with Mr. Kawakita. (Date of dialogue: July 3, 2018)



Kume: On July 1, 2018, four nursing care operating companies in the Sampo Care Group merged to form Sampo Care Inc. Following discussions between frontline workers and management prior to the merger, we formulated a management philosophy that respects the human dignity and rights of the elderly, their families, and all employees. We also established action guidelines based on key words of “support self-reliance and improve QOL through customized care,” “pursue ‘joy of eating’ to ‘boost vitality’,” “build teamwork and trust relationships,” “deepen involvement in communities,” and “compliance.” We made a card that lists our management philosophy and action guidelines and distributed it to all employees so that they can refer to them at any time, promoting their understanding of these basic guidelines and further integration of Group companies.

In advance of the merger, in April 2018, we introduced a regional headquarters system and assigned an employee to take charge of each regional headquarters. We adjusted the organizational structure away from a hierarchical structure for each type of service, such as traditional facility nursing care and home nursing care, to a structure that lets us respond to individual conditions and changes in each region speedily from a customer’s perspective, thus creating an environment that can offer a full range of highest quality nursing care services.

Following the opening of the Sampo Care University in Tokyo, we opened a second university in Osaka in April 2018. Sampo Care University is a place to advance human resource development in an environment that imitates the actual working conditions, providing nursing care training to employees from all perspectives of knowledge, skills and psychology. We have engaged in various initiatives in preparation for the launch of the new company. For example, we established a President’s Award to raise employee motivation while holding joint events, including a welcoming ceremony for new employees, a cooking contest, and a Sampo Care Grand Prix Final (presentation of case studies), that were previously organized separately by each company.

Kawakita: It would be good if the criteria for the President’s Award selection are based on the new action guidelines. You need to consider whether to evaluate achievements or enthusiasm, and I think it is also important to award employees who have contributed to making workplace more comfortable.

Kume: Next I would like to discuss our measures for dementia. We set up a Dementia Project Office in July 2017 for contributing to solving issues surrounding our super-aging society. In September 2017 we concluded a comprehensive alliance agreement with the National Center for Geriatrics and Gerontology and we are working to realize measures for dementia. One of the projects is joint research to analyze the correlation between the deterioration in cognitive functions among elderly drivers and the incidence of automobile accidents, aiming to understand the relationship between cognitive impairment and accidents. We will continue to engage in research to develop and offer services that contribute to safe driving and extending the driving years of the elderly.

From October 2018, we will offer a SOMPO Egao Club (SOMPO Smile Club) dementia support service that aims to help detect cognitive decline or Mild Cognitive Impairment (MCI) early as well as help prevent cognitive impairment. The main services offered as part of the SOMPO Egao Club will be to provide basic knowledge and information on dementia, to offer checking tools for cognitive capabilities, and to introduce services to prevent cognitive decline and services related to dementia care.

As a Group, we would like to eliminate misunderstandings or prejudice against dementia by promoting a correct understanding and to build a society that strives to prevent dementia and support people, even if diagnosed with dementia, to continue living with dignity as individuals.

Kawakita: Focusing on the driving years of the elderly under the comprehensive alliance agreement makes sense to me. There are two points here, using ICT and extending healthy life expectancy. The way you're approaching AI seems quite characteristic of your Group and efforts for the early detection of dementia are also very important. Use of AI will likely become more sophisticated in electronic nursing care records. During a recent dialogue with the Sompo Japan Nipponkoa's administration division, I learned that the introduction of Robotics Process Automation (RPA)^{*2} has cut the time for arranging company housing for employees by about 90%. I want you to create the new standard in Japan by digitalizing nursing care data and using AI to formulate basic care plans, as well as adopting digital ICT and AI technologies in other aspects of your operations.



I also expect you to work harder than any other company in disaster preparedness for nursing care providers by using knowledge and experience you have accumulated from the non-life insurance. I hope you will build a risk management platform through your insurance business to raise business continuity planning (BCP) capabilities of nursing care facilities, such as ensuring the safety of facilities and employees. I look forward to synergy between disaster preparedness and nursing care.

One of your advantages over your competitors is the social interface as an open platform. Why not collaborate and share the knowledge you have accumulated at Sompo Care University with house builders or other companies?

Kume: Thank you for your advice. We are also involved in the home nursing care business and I am keen to offer knowledge and experience of our nursing care that can be useful for the general public, so I will certainly consider your suggestion.

Furthermore, we are working with start-ups to develop next-generation services and to create new value. For example, we run a start-up business competition that looks for ideas on nursing and healthcare services for the elderly. The winners are given an opportunity to demonstrate and experiment with their business ideas at Sompo Care Group nursing care facilities.

Kawakita: Finally, I'd like to make one more suggestion. I would like to see Sompo Care University has a policy research function. I believe that only you can do this and hope that you will propose policies as a research institution run by a nursing care provider.

Kume: Thank you very much.

*1 Sompo Care Message Inc., Sompo Care Next Inc., Japan Care Service Corporation, Planning Care Corporation

*2 Automation technology for administrative and other tasks

Featured Topic 2: Realizing a Sustainable Society and Growth through ESG Investment

Dialogue: Realizing a Sustainable Society through ESG Investment -- Aiming for a Sustainable Investment Chain

We have included third party comments from Mr. Hideto Kawakita in our CSR Communication Report since 2001. Mr. Kawakita shared his thoughts on ESG investment by Sompo Japan Nipponkoa Asset Management, our Group company, and their underlying responsibility as an institutional investor, as well as on issues to be tackled in the future. (Date of dialogue: June 7, 2018)



Hiroyuki Yamaguchi (Left)
President and CEO, Sompo Japan Nipponkoa
Asset Management

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

Yamaguchi: Sompo Japan Nipponkoa Asset Management has a history spanning more than 30 years since its establishment in 1986. We started out by offering investment advice to owners of assets such as pension funds, and for many years have been providing investment products with particular emphasis on mid- to long-term focused investment approach that takes ESG (Environment, Society and Governance) elements into consideration.

Looking at the balance of entrusted assets over the past few years, while the balance among retail customers who have strong tendency to seek returns on investments from a short-term perspective is stagnating, we see a steady increase in the balance of those assets of institutional investors in Japan and abroad that focus on a mid- to long-term perspective.

We strive to be the most customer-oriented asset management company in Japan. I believe this implies that we should grow into a company that offers the highest quality investment products and services that contribute to clients' mid- to long-term asset formation.

Of our basic management policies, in addition to the pursuit of service quality, we place particular importance on the fulfillment of our social responsibilities. We strive to promote ESG investment that focuses on the mid- to long-term perspectives, rather than merely offering investment products, and help solve investees' and social issues as well as the sustainable development of the capital markets, society, and the economy as a whole. I think it is fair to say that fulfilling such social responsibilities as an institutional investor will become increasingly important.

Kawakita: It is highly likely that as Japanese people live longer more emphasis will be placed on asset formation from a long-term perspective. As with working longer and being healthy, it is important to train people in their 30s and 40s to acquire financial literacy skills to understand corporate value for long-term asset formation.



Yamaguchi: Compared to the situation in the U.S. where I used to live, I sense a strong tendency among individual investors in Japan to make decisions and engage in investment activities in the market from a short-term perspective. For example, in the U.S. many parents educate their children that buying stock is akin to participating in corporate management. Encouraging people to take an interest in the investee companies from a young age is said to lead to their continued retainment of stock in the long-term. In Japan, on the other hand, I sense that individual investors often trade for speculation purposes, focusing solely on stock price.

Kawakita: I sincerely hope you will transmit ideas on value creation to change that mindset. When the Stewardship Code was revised^{*1}, I started asking company executives their value creation stories for improving the sustainability of their company and society as well. I hope you will have a deeper discussion with investee companies about value creation from an environmental and social perspective through a dialogue with them. Thinking about the market structure in the 2020s, at a time when an aging society and a population decline will be ongoing, value creation will depend on whether you believe that

Japan has too many issues or that Japan has opportunities worth tackling. Also, it is important to consider how you inform the market about such value creation.

Yamaguchi: My understanding is that excess earnings^{*2} are not directly created by the management company but occur in the process of convergence in the market price of the investee company with its intrinsic investment value. Consequently, management companies play a role as a bridge between clients and companies in the investment chain. On the other hand, we must consider ESG factors appropriately when evaluating the investment value of the investee company. For example, if an investee company declares CO2 reductions, we ask their IR staff the extent to which such reductions in CO2 will link to corporate value creation and the impact on their key performance indicators (KPIs).

Kawakita: This year the world media and other organizations such as the United Nations are focusing on environmental pollution caused by plastic. I expect asset management companies to give high ratings to companies that develop products to help resolve such issues and it will also contribute to raise their stock prices.



Yamaguchi: The impact on stock prices will be greater if Japanese companies disseminate information with an awareness of how ESG factors link to the creation of corporate value. I think that the ability of IR staff to offer such explanations will become more and more important in the future.

Kawakita: I'm glad I had this opportunity today to ask about the Sompo Holdings Group's initiatives as an institutional investor. I hope you will encourage ESG initiatives by investee companies while disseminating appropriate information so that more and more investors can judge corporate value from a long-term perspective.

*1 Refers to the revised Japan's Stewardship Code that sets forth various principles as responsible institutional investors, which was published by the Financial Services Agency in May 2017.

*2 Refers to earnings that exceed the benchmark.

Featured Topic 3: Climate Initiatives

The Growing Threat of Climate Change

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

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

Our Climate Adaptation and Mitigation Efforts

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

As a corporate group dedicated to providing "security, health, and wellbeing," we have established 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.

▶ [Promoting the Manageability of Global Environmental Issues](#)

Milestones in Our Initiatives for Climate Change

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 know-how. In 2013, we established mid- to long-term group-wide greenhouse gas (GHG) emission reduction targets of 40% by fiscal year 2020 and 70% by fiscal year 2050 compared to fiscal year 2002 levels, and have strived to reduce our environmental impact throughout the value chain while developing energy and resource conservation initiatives. As a result, due to successfully meeting our target for fiscal year 2020 in fiscal year 2016, we established new mid- to long-term targets that aim for a 21% reduction by fiscal year 2030 and a 51% reduction by fiscal year 2050 compared to fiscal year 2017 levels across the Group. We are committed to further mitigation of climate change.

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. In 2017, Sompo International Holdings announced setting of AgriSompo, an integrated platform to provide agricultural insurance across the globe. AgriSompo delivers a unified underwriting approach with shared expertise and technology across a range of products to farmers, agricultural insurers and a wide variety of other agri-businesses. 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.

Our Products and Services to Contribute to Climate Adaptation

Sompo Japan Nipponkoa Asset Management offers a socially responsible investment (SRI) fund to promote investment in companies that proactively engage in environmental conservation. The Sompo Japan Green Open Fund, launched in September 1999, is a pioneer among SRI funds in Japan. It has one of the largest balance levels among publicly offered SRI funds in Japan, with a net asset balance of 27.3 billion yen (as of April 30, 2018). Promoting investment in environmentally responsible companies is thought to give investors an indirect way to use their capital for environmental conservation. The fund also aims to promote environmental communication by conveying related information to investors and providing feedback to investee companies via surveys on their environmental management performance.

It also offers SRI funds that invest in companies that have been rated highly on Environment, Social and Governance (ESG) performance to meet the needs of individual and qualified institutional investors.



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

- ▶ Development of Flood Risk Assessment Methods for Japan and Asian Countries
- ▶ Offering Insurance Products that Encourage and Promote Renewable Energy

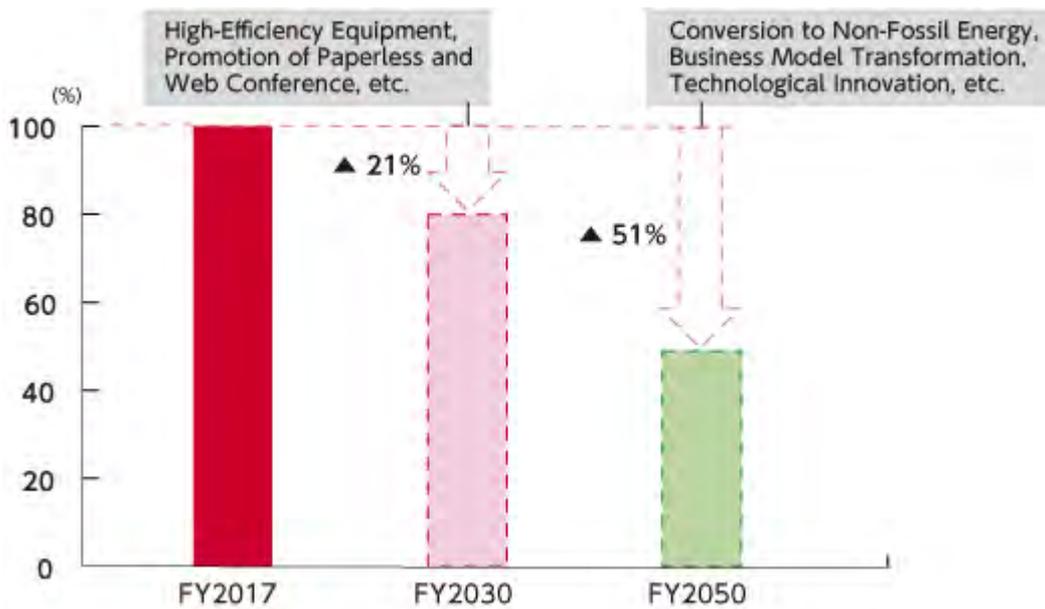
Environmental Impact throughout the Value Chain and Efforts for Environmental Conservation

We are committed to set the Science Based Targets (SBT), a global initiative that supports achieving the Paris Agreement’s 2°C goal, and our new mid- to long-term targets are in line with the SBT recommended reduction level. Our activities covered include GHG emissions generated directly from the use of gasoline and other fuels (Scope 1), indirectly from consumption of electricity and heat (Scope 2), and indirectly from such business activities as sales, business trips, printing and other use of papers, transport, and disposal (Scope 3).

GHG emissions in fiscal year 2017 were down by 4.6% from the previous year (excluding the influence of Sompo International which began to operate as a member of our Group in fiscal 2017), and paper consumption was down by 12.9% from the previous year, thanks to the introduction of high-efficiency equipment such as LED lighting, and encouraging products, services, and internal administrative activities for paperless operations.

The CSR management system, which covers 28 Group companies in Japan, renewed its ISO 14001 certification in January 2018, and going forward, we plan to accelerate our efforts across the entire Group.

New Group-Wide Mid- to Long-Term GHG Emission Reduction Targets



21% Reduction in FY 2030, 51% Reduction in FY2050 from FY 2017 Levels

Below are some of our other efforts to contribute to climate mitigation through our value chain.

- ▶ Environmental and CSR Initiatives in Partnership with Business Partners
- ▶ Cooperation with Agencies to Reduce Environmental Impact
- ▶ Reducing the Use of Paper

Our Actions to Address Climate Change Risks

Risk Management System

We have developed a risk management system based on the Group Basic Policy on ERM established by the Board of Directors.

Based on risk assessment implemented on a Group-wide basis, we have created and operated a stringent risk control system that enables comprehensive identification of and response to risks affecting the Group, including climate change issues.

A Risk that may have significant impact on the Group is defined as a top risk. Basically a board member is appointed as a risk owner for each top risk to clearly identify the person responsible for implementing countermeasures and progress management.

To accurately understand and manage events that may have a major impact on Group management, scenario stress tests, reverse stress tests, and sensitivity analyses are conducted on a Group-wide basis. We analyze the degree of impact on capital and risk and establish a system to implement countermeasures as necessary.

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

Participation in CDP (Climate Change) and Support for TCFD

The CDP is a set of collaborative initiatives by the world's 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. As a responding company, Sompo Holdings was selected for the 2016 and 2017 Climate A List in a CDP climate change, and has been recognized as being among the highest ranked financial institutions in the world.

Following the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations Report published in June 2017, the Group declared support for TCFD and started participating in the TCFD insurance working group of the United Nations Environment Programme-Finance Initiative (UNEP-FI) to formulate TCFD standards for the insurance sector.

▶ [List of companies and organizations that support TCFD](#) 

Signed the Montreal Carbon Pledge

In September 2017, Sompo Japan Nipponkoa Asset Management signed the Montreal Carbon Pledge. The Montreal Carbon Pledge was adopted at the annual general meeting of the Principles for Responsible Investment (PRI) held in Montreal, Canada, in September 2014, aiming to reduce GHG emissions. Signatories are required to measure and disclose GHG emissions associated with some or all of their stock portfolios, and Sompo Japan Nipponkoa Asset Management is committed to regularly disclosing the funds' emissions.



Paris Agreement: Participation in Initiatives to Achieve 2°C Target

In 2017, we took part in an initiative led by the Ministry of the Environment, Japan aiming to set Science Based Targets (SBT). In 2018, we submitted a letter of commitment to the SBTi (international initiative that certifies companies that set ambitious targets consistent with the Paris Agreement) and declared our participation in the drafting of financial sector guidance*. In fiscal year 2018, we set new mid- to long-term GHG emission reduction targets for 2030 and 2050 in line with the levels recommended by the SBTi.

* Guidance on SBT for the financial sector is currently being developed thus it is not yet possible for financial institutions to be certified by SBTi. (As of July 2018)

In July 2018, the Japan Climate Initiative network was established to enhance information dissemination and the exchange of opinions among corporations, local governments, and civil society organizations actively taking measures to combat climate change. We endorse the purpose of this initiative and are participating as a founding member.

▶ [Japan Climate Initiative](#) 

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](#) 

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.

COP22 & COP23 - 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. In November 2017, at a side event organized by the Japan International Cooperation Agency (JICA) at the COP23 held in Bonn, Germany, Kiyoshi Fukuwatari, General Manager of the CSR & Environment Consulting Department, Risk Management Business Unit at Sompo Risk Management & Health Care(now Sompo Risk Management) gave a presentation on Private Sector Perspective on Agricultural Insurance.



CSR Initiatives and Management System

▶ **CSR Initiatives**

▶ **CSR Management System**

CSR Initiatives

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

Group CSR Vision

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

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

Group Environmental Policy

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

< Action Guidelines >

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

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

2. Promoting resource conservation through the entire value chain

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

3. Raising awareness of environmental issues and corporate citizenship

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

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

Group Policy for Human Rights

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

1. Human rights due diligence for stakeholders

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

2. Human rights due diligence for employees

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

3. Promotion of human rights in global markets

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

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

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

Group Sustainable Procurement Policy

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

1. Fair and equal transactions

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

2. Compliance with laws and regulations

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

3. Consideration of global issues

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

Corporate Citizenship Policy (Sompo Japan Nipponkoa)

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

1. Corporate citizenship activities

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

2. Support for individual employees' social contribution efforts

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

Please click below link for details of Group CSR Materiality

▶ [Group CSR Materiality](#)

Management System

Group-Wide Management (Council for CSR Promotion)

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

Management at Individual Companies (Continuous Improvement)

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

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

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

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



Example of the promotion framework of each Group companies

* Adjusting details according to the company size.

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

Group CSR Materiality

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

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

Our Key Strengths

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

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

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

Identifying Our CSR Materiality and CSR-KPIs

► Identifying Our CSR Materiality

► CSR Key Performance Indicators (CSR-KPIs)

Major Initiatives on each CSR Material Issue

▶ **1. Providing Solutions for Disaster Preparedness**

▶ **2. Contributing to Health and Welfare**

▶ **3. Promoting the Manageability of Global Environmental Issues**

▶ **4. Empowering Community and Society**

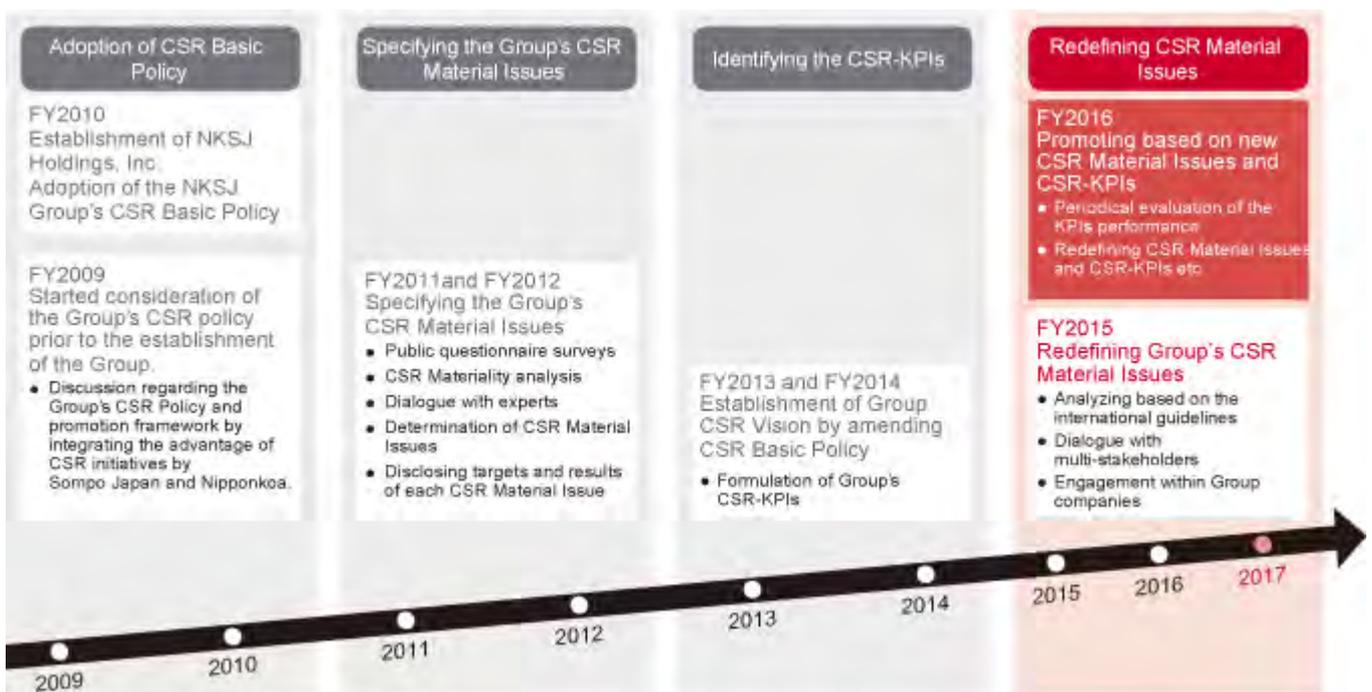
▶ **5. Supporting Diversity and Inclusion in Private and Public Life**

Redefining Group CSR Materiality

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

Background

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



Social and Organizational Context

The year 2015 was an important year for setting a new international agenda on sustainability: In September a summit of UN leaders adopted the SDGs^{*1} with a target date of 2030, and in the following December, the COP21^{*2} adopted the Paris Agreement. The following year, fiscal 2016, also marked the start of the Group's new Medium-Term Management Plan, in which we set out to transform our business structure to provide services under the theme of "security, health, and wellbeing." Based on these international developments and

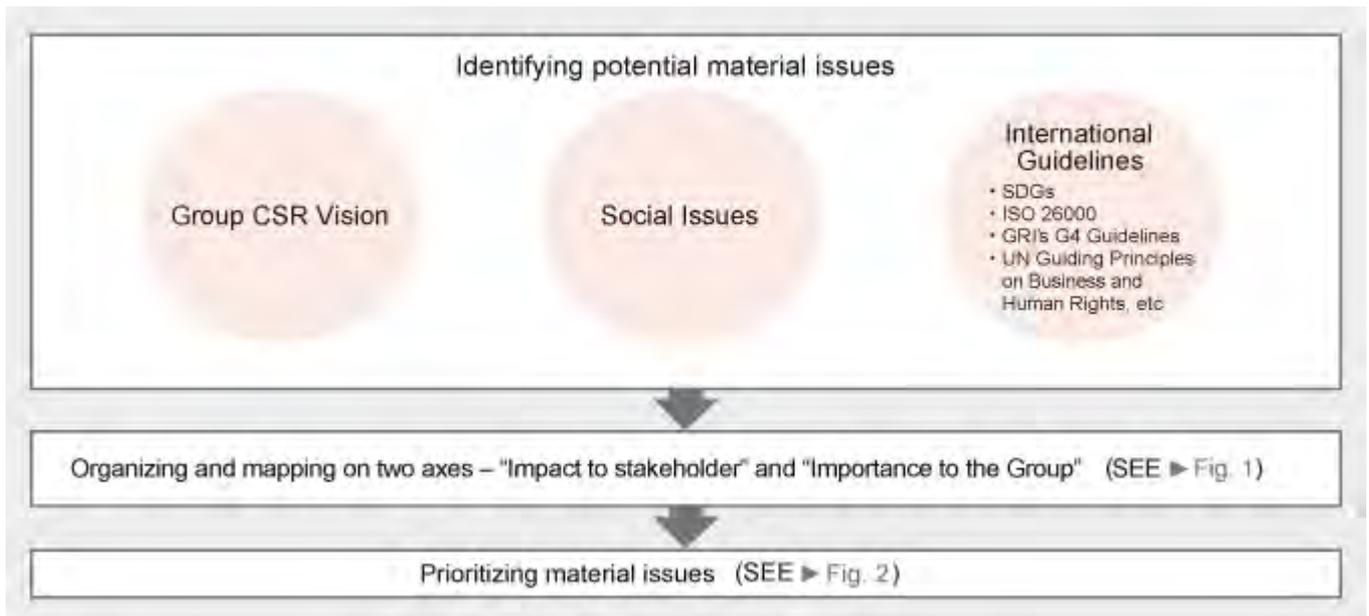
organizational changes, we redefined our material issues with the objective of furthering both social sustainability and Group growth.

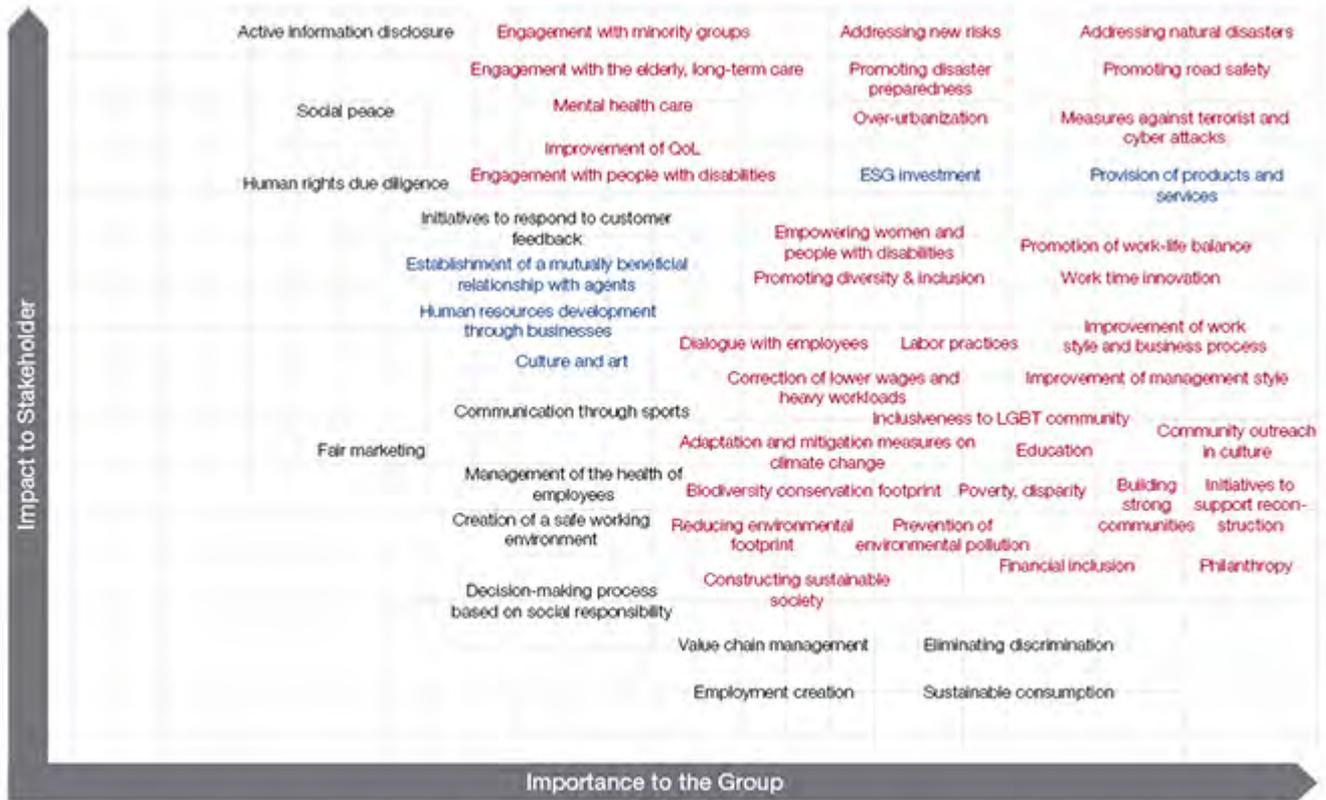
Four Steps in Redefining Material Issues

STEP 1: Materiality Assessment based on International Guidelines

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

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





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

Fig. 1 Materiality Matrix

STEP 2: Multi-Stakeholder Dialogue

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

▶ Stakeholder Engagement

Stakeholders engaged during the material issues redefinition process

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

Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
	Managing Director, Redefining Value/ Manager, Redefining Value, Reporting, WBCSD	Mr. Rodney Irwin/ Ms. Anaïs Blasco	It is important to convey the process (story) that led to the selection of the material issues. It is also necessary to explain their relationship with the SDGs.	Our reporting explains the process (story) and relationship with the SDGs. ▶ Initiatives to Achieve the SDGs
	Public Affairs Specialist (at that time), United Nations Development Programme (UNDP), Representation Office in Tokyo,	Mr. Toshiya Nishigori	Their directions correspond well with the three fundamental concepts listed by the UNDP (resilience, sustainability, inclusiveness).	We will also undertake measures that align with the UNDP's three fundamental concepts.
	Vice-President, China WTO Tribune	Mr. Gefei Yin	As for the redefined material issues, issues and approaches are clearly separated, and their contents are convincing. How about emphasizing that the material issues are connected to value creation for the economy, society and environment?	We summarize and explain the linkages with management strategy. ▶ Group CSR Strategies

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

Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
Government	Director-General for Disaster Management Cabinet Office, Government of Japan	Mr. Hisayoshi Kato	Because there are limits to what governments working alone can do to deal with disaster preparedness, I expect corporations to play a role in communicating awareness about risk to citizens and society.	Under Material Issue 1: Providing Solutions for Disaster Preparedness, we are working to communicate and raise awareness about risk. ▶ Material Issue 1: Providing Solutions for Disaster Preparedness
	Director and Deputy Director, Global Environmental Bureau, International Strategy Division, Japan's Ministry of the Environment	Ms. Keiko Segawa/ Mr. Keitaro Tsuji	We think you have been actively tackling environmental issues until now, but in the future, we expect you to further strengthen certain initiatives as your core business, such as climate change adaptation measures, and initiatives for human resource development.	For Material Issue 3: Promoting the Manageability of Global Environmental Issues, we are putting an effort into developing and offering products and services that focus on adaptation measures, as well as environmental education. ▶ Featured topic 1: Climate Initiatives ▶ Material Issue 3: Promoting the Manageability of Global Environmental Issues

Stakeholder Category	Affiliation (at the time of dialogue)	Name	Key Comments	Our Actions
	Deputy Director and Assistant Director, Economic and Industrial Policy Bureau, Economic and Social Policy Office, Japan's Ministry of Economy, Trade and Industry	Ms. Moe Sakai/ Ms. Mari Seki	We find it good that you are addressing diversity as part of management strategy. As a corporation, it is important that you communicate the context with the stakeholders including investors for management's efforts to address diversity.	For Material Issue 5: Supporting Diversity and Inclusion in Private and Public Life, we are taking actions and reporting on them. ▶ Material Issue 5: Supporting Diversity and Inclusion in Private and Public Life
NPO/NGO Civil Society	Executive Director, Japan NPO Center	Ms. Eriko Nitta	I would like to see you engage in partnership with civil society continuously to deal with new issues. I also look forward to seeing financial services for people with low income, to lead toward solutions for poverty and inequality.	One of Our Key Strengths is "Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society." We also develop and offer products and services for developing countries, such as our weather index insurance in Southeast Asia. We still recognize the need to develop and offer more financial services for people with low income. ▶ Our Key Strengths ▶ Weather Index Insurance in Southeast Asia

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

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

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

STEP 3: Internal Engagement

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

▶ [CSR Management System](#)



Council for CSR Promotion

STEP 4: Identification and Action

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

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

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

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



Fig. 2. Prioritizing the materiality

CSR Key Performance Indicators (CSR-KPIs)

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

Fiscal Year 2018 Targets

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

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

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

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

Fiscal Year 2017 Results

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

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

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

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

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

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

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

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

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

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

Providing Solutions for Disaster Preparedness

Our Vision

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

The Facts

Global Deaths from Road Traffic Accidents



Source: Prepared from a WHO press release

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

Basic Policies for Our Action

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

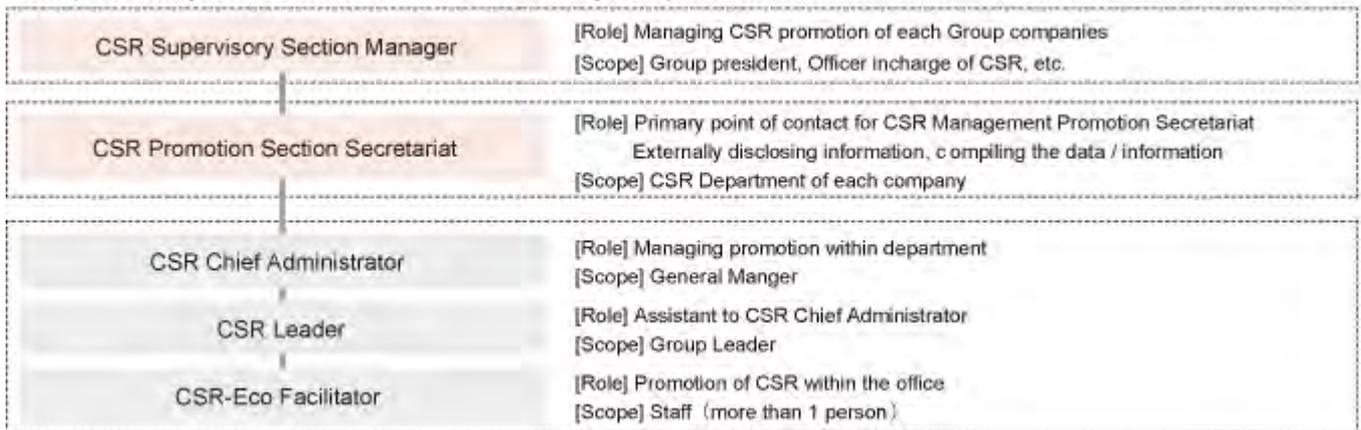
Management System

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



Example of the promotion framework of each Group companies

* Adjusting details according to the company size.



Targets and Results

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

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

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

A: Increases revenue and investment income

B: Reduces costs

C: Increases brand recognition and trust

D: Strengthens the organization; enhances employee loyalty

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

Our Key Strengths

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

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

Stakeholder Comments

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

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

▶ [Redefining Group CSR Materiality](#)

Moving Forward

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

Key Initiatives

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

Products & Service

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

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

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

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

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

Bosai JAPAN-DA Project to Raise Disaster Awareness

Partnerships

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

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

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

Other Key Initiatives

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

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

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

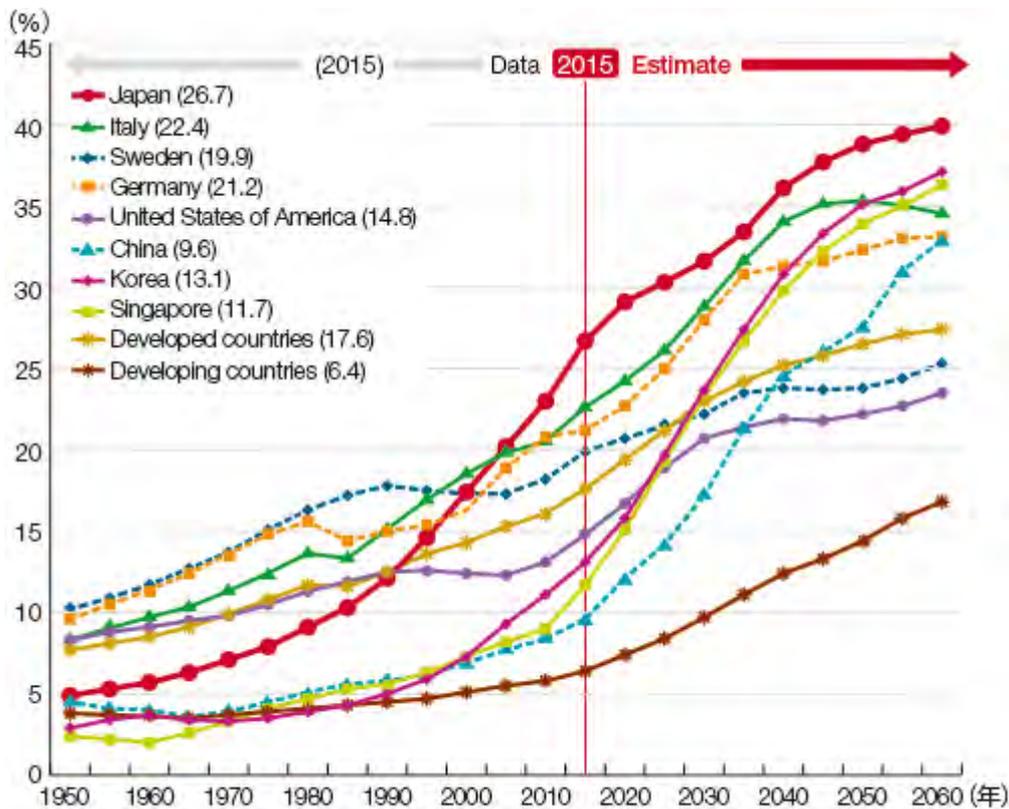
Contributing to Health and Welfare

Our Vision

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

The Facts

Percentage of elderly population* by country



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

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

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

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

Basic Policies for Our Action

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

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

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

Management System

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



Example of the promotion framework of each Group companies

* Adjusting details according to the company size.



Targets and Results

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

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

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

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

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

Our Key Strengths

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

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

Stakeholder Comments

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

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

▶ [Redefining Group CSR Materiality](#)

Moving Forward

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

Key Initiatives

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

Products & Service

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

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

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

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

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

Products & Service

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

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

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

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

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

Other Key Initiatives

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

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

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

Promoting the Manageability of Global Environmental Issues

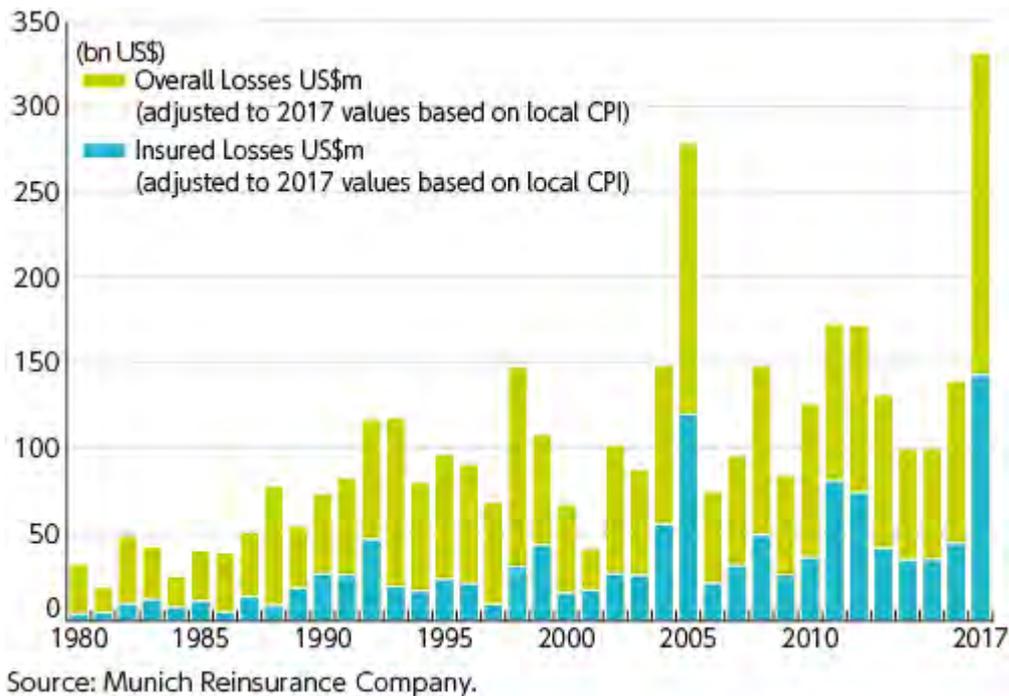
Our Vision

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

The Facts

Weather-related loss events worldwide 1980 – 2017

Overall and insured losses



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

Basic Policies for Our Action

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

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

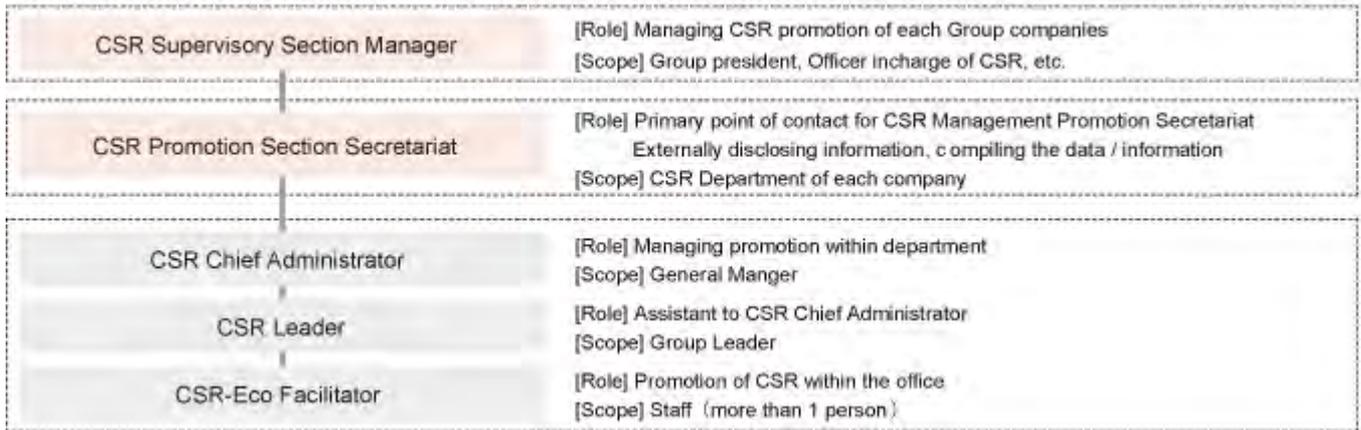
Management System

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



Example of the promotion framework of each Group companies

* Adjusting details according to the company size.



Targets and Results

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

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

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

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

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

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

Our Key Strengths

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

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

Stakeholder Comments

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

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

► [Redefining Group CSR Materiality](#)

Moving Forward

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

Key Initiatives

Promoting SRI funds

Products & Service

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



Other Key Initiatives

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

Empowering Community and Society

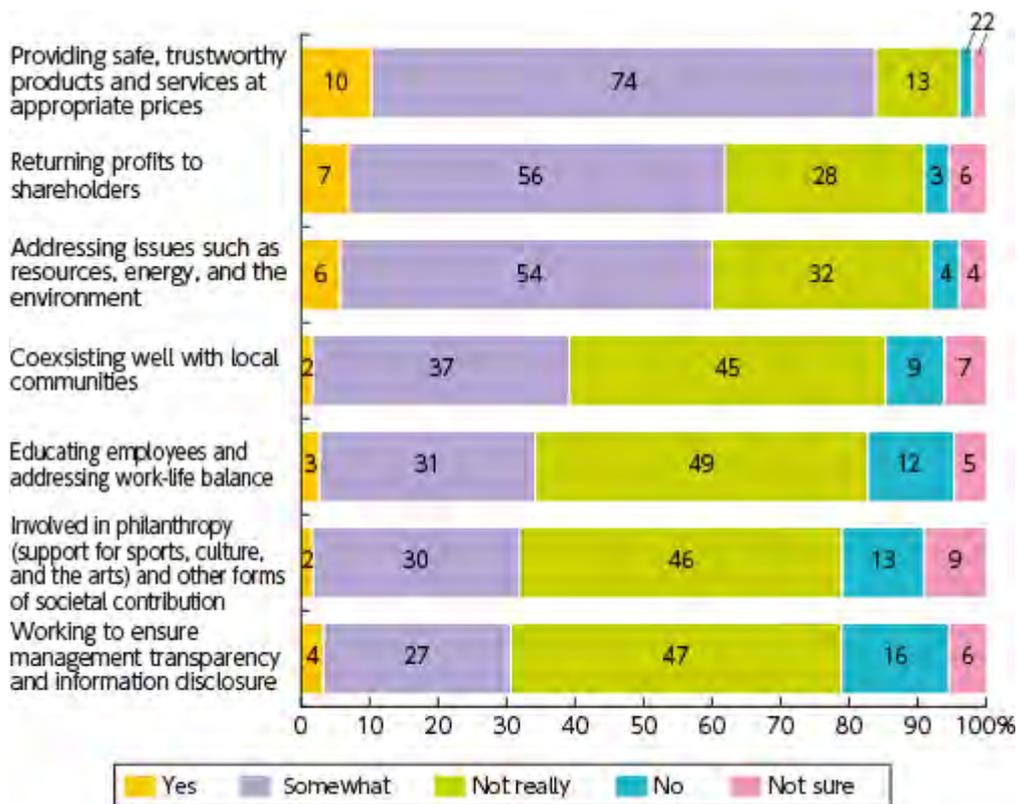
Empowering Community and Society

Our Vision

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

The Facts

Public Perception of Corporations



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

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

Basic Policies for Our Action

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

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

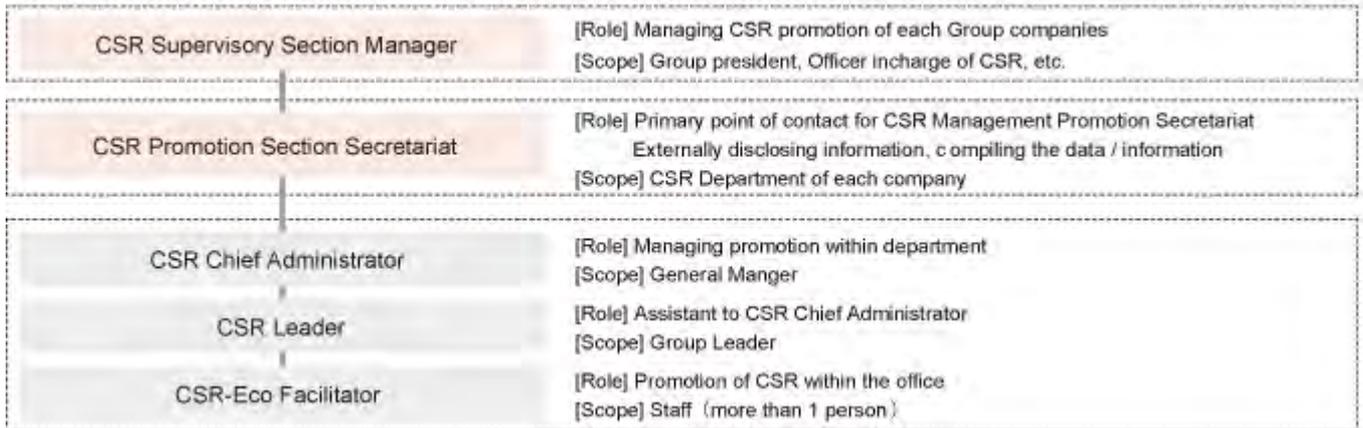
Management System

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



Example of the promotion framework of each Group companies

* Adjusting details according to the company size.



Targets and Results

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

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

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

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

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

Our Key Strengths

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

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

Stakeholder Comments

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

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

► [Redefining Group CSR Materiality](#)

Moving Forward

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

Key Initiatives

Sompo Holdings Volunteer Days

Partnerships

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



Training classes for dementia supporters



Sale of fair trade products



local cleanups



Wheelchair maintenance



Welfare activities (Vietnam)



Local cleanups (Johannesburg)



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

Other Key Initiatives

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

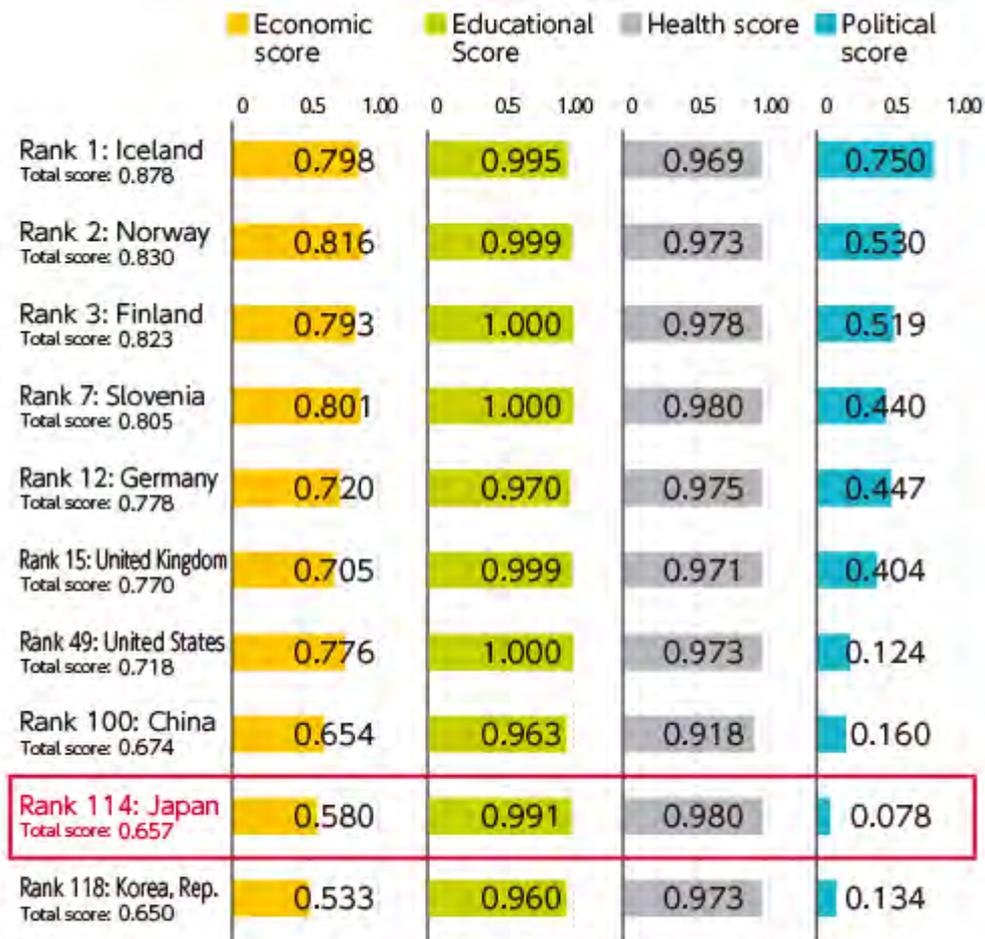
Supporting Diversity and Inclusion in Private and Public Life

Our Vision

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

The Facts

Gender Gap Index (GGI) Country Ranking 2017



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

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

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

Basic Policies for Our Action

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

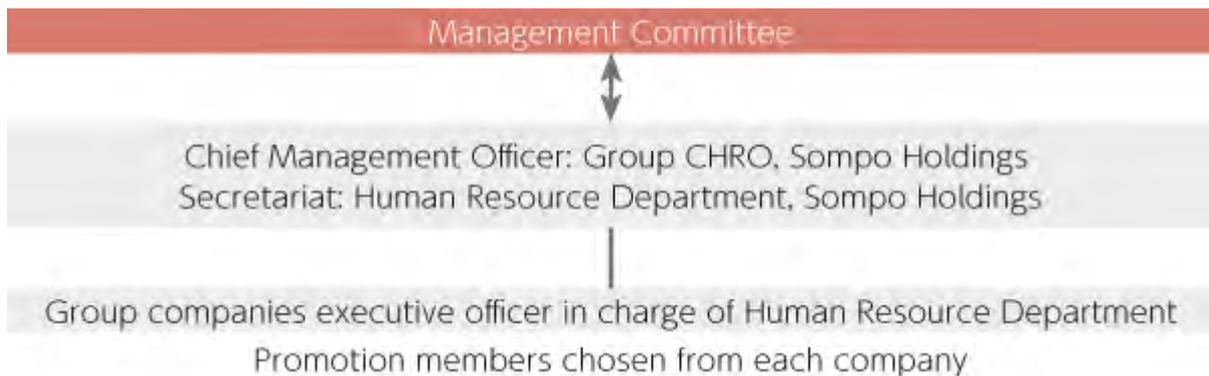
On that premise, the Group has adopted the slogan "Diversity for Growth" to inspire the development of new products and services based on that diverse sense of values.

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

Management System

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

Diversity Promotion Headquarters



Targets and Results

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

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

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

A: Increases revenue and investment income

B: Reduces costs

C: Increases brand recognition and trust

D: Strengthens the organization; enhances employee loyalty

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

Our Key Strengths

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

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

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

Stakeholder Comments

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

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

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

► Redefining Group CSR Materiality

Moving Forward

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

Key Initiatives

Female Employee Engagement

Partnerships

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

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

●External Recognition

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



Other Key Initiatives

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

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

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**

▶ **How the Sompoo Holdings Group Creates Value in an Era of SDGs**

▶ [back number Leadership to Achieve the SDGs](#)

SDGs Integration into Management and Business

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

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

<Five Steps of SDG Compass>

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



Our Five Steps

1. Understanding the SDGs

As the first step toward integrating the SDGs into our business, in fiscal year 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 and February 2018, 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.

- ▶ [Sompo Holdings Group's value creation stories in an era of the SDGs](#)
- ▶ [Overview of CSR Communication](#)
- ▶ [Declarations to Society and Participation in CSR Initiatives](#)

SDGs Initiatives

We have established Five CSR Material Issues based on our Group CSR Vision and are undertaking many initiatives to help achieve the SDGs.

Material Issue 1: Providing Solutions for Disaster Preparedness

Our Vision

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



Key Initiatives

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

* Below are more examples of our initiatives.

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

Material Issue 2: Contributing to Health and Welfare

Our Vision

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



Key Initiatives

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

* Below are more examples of our initiatives.

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

Material Issue 3: Promoting the Manageability of Global Environmental Issues

Our Vision

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



Key Initiatives

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

* Below are more examples of our initiatives.

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

Material Issue 4: Empowering Community and Society

Our Vision

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



Key Initiatives

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

* Below are more examples of our initiatives.

▶ [Material Issue 4: Empowering Community and Society \(Key Initiatives\)](#)

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

Our Vision

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



Key Initiatives

- ▶ [Female Employee Engagement](#)
- ▶ [Diversity Advocates for LGBT Persons](#)
- ▶ [Work Style Innovation](#)

* Below are more examples of our initiatives.

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

Sompo Holdings Group's value creation stories in an era of the SDGs

Special Dialogue: Sompo Holdings Group's value creation stories in an era of the SDGs

In November 2017, in response to the Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015, the Japan Business Federation (Keidanren) revised its Charter of Corporate Behavior for the first time in seven years, and indicated its aim to achieve the SDGs by realizing "Society 5.0." Then, our Group plans to contribute to a sustainable society the SDGs aim for by using digital strategies to transform ourselves into a leading group in the world that has become a "theme park for the security, health, and wellbeing."

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 between Mr. Kawakita and Kiyoshi Aoki, our Group Chief Brand Officer, Masaya Futamiya, Director-Chairman of Sompo Japan Nipponkoa and Chair of the Keidanren Committee on Corporate Behavior & Social Responsibility, and Masao Seki, Senior Advisor on CSR at Sompo Japan Nipponkoa and Chair of Task Force on Keidanren's Charter of Corporate Behavior, Keidanren that covered diverse perspectives regarding the Group's value creation stories in an era of the SDGs. (Date of dialogue: July 3, 2018)



Masao Seki
Senior Advisor on CSR, Sompo Japan Nipponkoa

Kiyoshi Aoki
Group CBO, Executive Officer, General
Manager of Corporate Communications
Department and Corporate Social
Responsibility Department, Sompo Holdings

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

Masaya Futamiya
Director-Chairman, Sompo Japan Nipponkoa

SDGs and Revisions to the Keidanren's Charter of Corporate Behavior

Seki: Today I would like to talk about how our Group can create value in the SDGs era, based on last year's revisions to the Keidanren's Charter of Corporate Behavior which we Sompo Holdings group has been deeply engaged and also based on the latest global trends of sustainability.

First, I would like Mr. Futamiya to explain the Keidanren's role and the expected corporate behavior, as well as how we should interpret the concepts behind the SDGs and provide concrete business solutions, from

your perspective as Chair of the Keidanren Committee on Corporate Behavior & Social Responsibility.

Futamiya: The SDGs carry a strong core message of “leaving no one behind.” This actually implies, somewhat strongly, that many people have been left behind in the past. The underlying cause is a misunderstood capitalism which puts too much demand on short-term profits, and the advance of exclusive globalization which fails to respect for human dignity and rights, the backbone of society. These capitalism and globalization have led to poverty and disparity, and I believe them to be responsible for the current spread of narrow-minded nationalism, protectionism, and populism.

As I said last year, the 17 SDGs are the integration of human wisdom. This is the only strategy we must implement so that we can surely pass on a sustainable society to the next generation and we should have no doubt about contributing to these goals. We are all aware that creativity and innovation by business sector are essential to achieve these highly ambitious goals, hence the revisions to the Charter of Corporate Behavior by the Keidanren. More than 1,350 companies and economic organizations are affiliated to the Keidanren and they have all agreed to comply with the behavior principles. We decided to review the Charter to bring it in line with the needs of society.

Seki: Could you tell us what points have been revised specifically?

Futamiya: The revisions firmly readjusted the position of companies and the way in which they behave. We confirmed that we would revise it based on the SDGs by realizing “Society 5.0,” and that achieving a sustainable society would be the foundation of companies. The preamble states that companies shall play a role as the driving force behind the realization of a sustainable society.



Of the ten principles, Principle 1 clearly states that companies are required to strive for sustainable economic growth and the resolution of social issues through innovation. Principle 4, which states the conducting of business that respects the human rights of all persons, is a new addition to the Charter. Principle 10 strongly demands that top management recognize their role to realize the spirit of the Charter and display leadership. Over the last year, an increasing number of companies have become focused on their business strategy, working back from where they want to be in 2030, and we have seen many cases of innovation contributing to the SDGs.

The Keidanren is currently compiling innovation case studies. The collection will be organized so that it can be accessed not only by Japanese companies but also by companies outside Japan. I hope to announce it at the United Nations High-level Political Forum to be held in New York in July 2018. I believe that one of the roles of the Keidanren, namely to create a platform for cooperation and collaboration, is starting to emerge in a concrete form.

Seki: I myself have been involved in revising the Charter of Corporate Behavior a number of times in the past. I believe this revision in 2017 is extremely significant as it defines the basic stance of business corporations to be the most powerful driver toward the realization of a sustainable society.



Kawakita: I strongly expect Japanese companies to mention more about compliance with the Charter of Corporate Behavior and the sharing of information internally in their CSR reports, because the Charter of Corporate Behavior is Japanese companies' wisdom, and is the standard for making judgments rooted firmly on the ground, just as the SDGs are the world's wisdom.

This is why I demand more reference to the Charter of Corporate Behavior during internal training sessions on compliance and other topics. I suppose companies have been doing a great job by providing awareness to their employees with textbook examples of "what they should not do," but this awareness has not yet extended to sharing and providing opportunities to learn about "what they should do." I would like not only companies but also the Keidanren to create opportunities to learn about the ideals that companies should be aiming towards.

In this sense, choosing this topic for our dialogue this year carries great significance.

Seki: Mr. Futamiya, you are also the chair of the Council for Better Corporate Citizenship (CBCC), an organization affiliated to the Keidanren. I believe that CBCC has played an important role in implementing the latest global trend of sustainability into Keidanren Charter. From this viewpoint, I would like you to explain the initiatives taken by the CBCC to support the revision.

Futamiya: The CBCC dispatches a CSR Dialogue Mission outside Japan each year to gather information and act as a hub to disseminate information on the CSR initiatives of companies in Japan, and also makes proposals to the Keidanren. Last year we started to collect examples of each company's effort that contributes to delivering on the SDGs. I believe that this information was well-organized by the Keidanren in a more fitting format.

Seki: I agree with you in that there is a huge momentum by the whole of the Keidanren towards the realization of a sustainable society through constructive engagement with various internal and external stakeholders.

Futamiya: That's right. We should be more aware that it would not be possible to achieve the SDGs, a set of extremely high ambitions, without the cooperation and collaboration with all stakeholders, not just within individual companies or industries. I hope we can coordinate case studies on initiatives by member corporations and questionnaire survey results to come up with something even better so that companies overseas can get a better understanding of the excellent initiatives being taken by Japanese companies. The United Nations High-level Political Forum in New York will be a great opportunity to share information on such initiatives with the world and I will try my best as a disseminator.

Seki: Going forward, what kind of initiatives do you think Japanese companies should take and what are your recommendations?

Futamiya: I believe it is important for Japanese companies to expand their options by seeking advice from others and by engaging in dialogue with various stakeholders.

Companies should make their strengths more open, transform them into better value, and use them as opportunities. They should be even more aggressive for that. Nowadays, companies do not believe that they

can do everything entirely on their own. “Open Innovation” is becoming indispensable for Japanese companies, and it is important to seek wisdoms and ideas and to turn them into new value.

I often hear that a culture at Japanese companies that does not permit failure makes innovation difficult. I believe it is important to take action by taking just one or two baby steps without fear of failure. For this reason, Japanese companies should give an environment in which failure is permitted or rather, failure is not simply evaluated negatively but seen as part of the process that generates challenges and results, and such enthusiasm is evaluated.

Seki: In building such culture, I strongly believe that the role of top management is critical. What do you think about it?

Futamiya: The SDGs will not be achieved without the confidence of top management. Management needs to demonstrate an unwavering stance and to repeatedly put out sympathetic calls, and ultimately needs to have the capability to achieve results. Thus, top management has an extremely important role to play.



How the Sompo Holdings Group Creates Value

Seki: I would like to address the next question to Mr. Aoki. As a Group, how should we interpret the SDGs and how can we integrate the SDGs into our Group’s “theme park for the security, health, and wellbeing” strategy? Or how do we create value for society and for SOMPO group by addressing SDGs?

Aoki: It is now common to hear the SDGs discussed within the Group. Over the past couple of years, the concept has taken root as the common language throughout the world. I believe that it is extremely important to integrate the concept of the SDGs into our business and management going forward.

On June 29th, Sompo Japan Nipponkoa inherited the tenure of chair of the General Insurance Association of Japan (GIAJ) and President Keiji Nishizawa was appointed as the chairman. In his statement at a press conference shortly after his appointment, he announced two initiatives he would like to focus on. The first being the GIAJ's contribution to achieving the SDGs, and the second being its contribution to realizing "Society 5.0." From a disaster preparedness and accident prevention perspective, our industry is well acquainted with the SDGs and so each company strongly recognizes the incentive and need to address them. We will be the leader in efforts to achieve the SDGs not only as Sompo Japan Nipponkoa, the company that currently chairs the GIAJ, but also as the Sompo Holdings Group.

Our vision is to achieve our management strategy, turning into "theme park for the security, health, and wellbeing." This strategy has been set out and repeatedly advocated by top management, and is currently being developed. Our Group started out as a P&C insurance company and has the ability to restore a negative state to zero in times of need. We are also undertaking, for example, initiatives relating to disaster preparedness to maintain zero at zero. But I feel that this is the most we can do with our P&C insurance products.

To achieve a "theme park for the security, health, and wellbeing," we need to make zeros into positives by ensuring people can live long, healthy and fulfilling lives. To put it another way, we will not be able to realize this theme park unless we come up with a business model that converts zeros and minuses to positives. Specifically, we should focus not just on our P&C insurance business, but also on our life insurance business that can contribute to health promotion, and in our nursing care business, we should help protect against dementia and support patients with dementia to enjoy life as long as possible.

As an example of our specific initiatives, our life insurance business strives to become a health support enterprise. Aiming to provide "Insurhealth," a new value that combines insurance and healthcare, we launched an income compensation insurance product Linkx: Protection for You and Your Family in April 2018. Through this product, we refund insurance premiums (equivalent amount) to customers who are acknowledged as having improved their health by giving up smoking, losing weight or other means, which embodies our efforts to transform into a company that supports customers' health. The nursing care business is working on measures to address dementia from a preventative perspective and is setting up a Group-wide project. Through collaboration between our P&C, life, and nursing care businesses, we plan to provide the services that introduce customers to nursing care facilities, and the counselling services to ease dementia with app-based support.

We recognize that realizing a "theme park for the security, health, and wellbeing" in this way shall be solving social issues and in turn leading to the realization of the world that the SDGs have been aiming to achieve. In



other words, rather than working to achieve the SDGs, we are operating under the awareness that our management strategies in themselves shall contribute to achieving the SDGs.

Seki: What are you doing specifically to realize the group vision? What are the main points to be mentioned?

Aoki: The use of digital technology is the key to realizing a “theme park for the security, health, and wellbeing,” and we believe the driving force is “Digital x Personnel.” Integrating digital technology into our business successfully is extremely important in order to successfully build a business model to achieve our theme park vision. Focusing on the use of digital technology does not mean we do not involve humans. We should think about how we can generate added value by combining digital technology with personnel. In addition to our labs in Tokyo and Silicon Valley, we opened a new Digital Lab in Israel, seeking opportunities to use the latest digital technology for our Group’s business.

Like Mr. Futamiya said, as SDGs’ Goal 17 (strengthen the means of implementation and revitalize the global partnership for sustainable development) indicates, I believe it is important to solve complicated social issues through partnership and cooperation with various stakeholders, as with industry-academia collaboration.



Seki: What are the signature products and services for realizing the “theme park for the security, health, and wellbeing”?

Aoki: In our P&C insurance business, examples are the products and services that help improve disaster resilience, such as Smiling Road and Portable Smiling Road (safe driving support services) which use big data analysis and telematics. We also offer “DRIVING!” which uses a drive recorder to provide peace of mind to inexperienced drivers. In our nursing care business, we plan to launch the “Oyako no Chikara” product that supports workers (children) to continue working while looking after their parents in October 2018. This will be the first product in the industry to help promote a better balance between work and family care responsibilities. We developed this product to address the social issue of separation from work in order to give care, and it exhibits synergy in combination with the referral service to introduce long-term care facilities of Sompo Care, our group company.

To address climate change we offer insurance products to photovoltaic and wind power generation companies from a mitigation perspective promoting further use of renewable energy.

Seki: Mr. Aoki, as Group CBO, you are responsible for both corporate communications and CSR. I think by overseeing two departments, you have an opportunity for bringing about synergy. Is the synergy actually being produced?

Aoki: Regarding corporate communications, I’ve noticed increasing interest from mass media in our ESG and SDGs initiatives. I sense transmitting information on our CSR initiatives in this way greatly helps improve our corporate and brand value, and our efforts are being evaluated positively.

We are also engaged in a number of cultural and arts-related activities, which provide education so that a wide variety of people can live fulfilling lives. I feel that, in a broad sense, such activities are also linked to the SDGs and contribute to improving our corporate value.

Seki: Judging from my experience, stimulating internal communication is also extremely important for harnessing synergy. Would you agree?

Aoki: I think that our internal publicity tools and coordination efforts between the CSR department and the Corporate Communications department are having a positive effect on internal communication.

Recommendation for Creating New Value

Seki: We have touched on the sustainability as a value driver from the viewpoint of industry as a whole and our Group. Now I would like to ask Mr. Kawakita to talk about your expectations in our Group going forward.

Kawakita: We talked about a culture in which failure is not permitted and I think this is true not only for companies but also for local communities.

From my own experiences, I sense that there are vibrant and not-so-vibrant local communities. The difference between the two types lies in whether residents are willing to express their opinions on what they believe to be important and what they would like to try, and get the ball rolling, regardless of their age and gender. I call this the “give-it-a-go” culture.

For example, older people living in local communities used to deliver large quantities of farm produce to a nearby Agricultural Cooperative, but now they have fewer farming friends and are starting to find it hard to shop. In times like this, these people think to themselves that others in the community must be experiencing similar issues and would surely like to buy this or that. So they have a go at making such things, try selling them, and people in the community give them a try.

This is what I mean by “give-it-a-go markets.” Developing an environment in which local people buy products made by others in the same community will circulate the economy, and help support people with limited access shopping facilities. Economic sustainability depends on whether we can accept this “give-it-a-go” culture.

As an insurance company that has focused on risk management, I suggest your Group should do more to emphasize support for people to take challenges and risks in order to encourage innovation.

Seki: The “give-it-a-go” culture concept sounds very thought-provoking. In this regard, what are your views on our communication strategy both internally and externally?

Kawakita: I would like to ask Mr. Aoki to use internal publicity tools to introduce SDGs initiatives by your business partners. We can talk a lot about initiatives at major companies in the context of the SDGs but what Japan really needs right now is a collection of case studies on efforts being taken by small and medium-sized enterprises.



Aoki: We have featured the SDGs in our (internal) Group newsletter journal. Introducing initiatives by other companies such as business partners and insurance agencies would be both effective and persuasive and, in a broad sense, would be giving something back to our customers and ourselves. I will try out on this idea.

Seki: What do you think about possible value creation in our nursing care and healthcare business? Do you have any suggestion?

Kawakita: In our dialogue with the Innovation for Aging & Wellness Department, I learned that a Sampo Food Lab has been established. As we experienced in the 2011 earthquake and tsunami as well as in earthquake and flood this year in the west Japan, food supplies are disrupted by disasters. I would like to see nursing care facilities hold regular workshops in which participants experience eating evacuation food. By participating in drills on a daily basis, users as well as staffs at nursing care facilities would be more prepared in the event of an emergency. This is one value creation story to try solving future natural disasters and further population aging. Your Group has knowledge of insurance and a business continuity planning (BCP) consultant company. Combined with your numerous nursing care facilities, that will be of precious future value for other companies and society at large. During this brief dialogue today, I sensed that your Group has created a lot, which are worth sharing with stakeholders to realize a sustainable society.

Seki: Thank you. Mr. Aoki, do you have anything to say in response to the comments and suggestions made by Mr. Kawakita?



Aoki: Regarding the nursing care BCP, as Mr. Kawakita pointed out, in addition to providing insurance as a value, we excel at providing risk consulting services that support other service and solution providers. I feel that it is part of our work as a Group to encourage the supporters telling such initiative is also one of the efforts to achieve the SDGs.

Either way, we cannot solve all these issues on our own. Going forward we should refer to the case studies collected by the Keidanren and work together with stakeholders such as business and civil society organizations.

Our Group has put forward “transformation” to achieve our vision. Failures are inevitable in order to change. I will offer an environment to take on a variety of challenges, with being tolerate of major failures, not just minor ones. While fostering a corporate culture that tolerates failure, we will take a positive approach to addressing the SDGs.

Seki: Finally, I would like Mr. Futamiya to share the thoughts on the future development of Keidanren initiative and our group’s strategy on SDGs.

Futamiya: Regarding the Charter of Corporate Behavior, I think the Charter clearly indicates the ideal ways and roles of companies. So as Mr. Kawakita says, we should use it more. It seems that penetrating small and medium-sized enterprises is difficult for any other countries, too. We need to devise how we promote and

how we work together with them going forward.

Because we have also focused on ESG issues from a fairly early stage, I believe it has become a part of our DNA to some extent. However, I also feel that we should try harder to ingrain this ESG-focused mindset into our Group's culture, so that we can naturally turn it into our daily behavior. More than 80,000 employees work for the Group throughout the world, and if all their families are included, we are a major civil society. It would be wonderful if all of us could have our efforts to solve social issues take root in our culture and work as a Group to achieve the SDGs.

All: Thank you.



Stakeholder Engagement

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



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

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

programs across the Group, emphasizing action and achievement, impartiality and fairness, openness, and diversity as stated in the Group Personnel Vision.

- ▶ Initiatives to promote diversity
- ▶ Engagement through CSR Management System

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 2017

▶ 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).

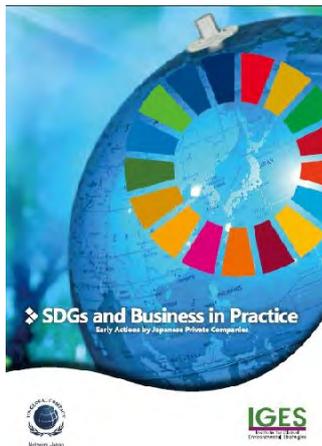
- ▶ [United Nations Global Compact](#) 
- ▶ [Sompo Holdings' COP on the UN GC website](#) 

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, offers a framework for business on how to empower women in the workplace, marketplace and community. Its 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 our Group company has been recognized as meeting the requirements for membership in the BCtA. This makes us the first financial institution in Japan, and the first property and casualty (P&C) insurance group in the world, to be granted membership.



▶ [Business Call to Action](#) 

United Nations Environment Programme Finance Initiative (UNEP FI)

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



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

United Nations Principles for Responsible Investment (UN PRI)

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



▶ [Principles for Responsible Investment](#) 

United Nations Principles for Sustainable Insurance (UN PSI)

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



▶ [Principles for Sustainable Insurance](#) 

Caring for Climate

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



▶ [Caring for Climate](#)

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

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



World Business Council for Sustainable Development (WBCSD)

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



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

▶ [World Business Council for Sustainable Development \(WBCSD\)](#) 

Contributions to WBCSD reports

▶ [Incentives for Natural Infrastructure](#)

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



▶ [The Social Capital Protocol](#)

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



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



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



Participation in WBCSD Council Meeting

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



CDP

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



▶ [CDP](#) 

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

In 2017, Sompo Holdings won the A List of a survey on climate change by the international CDP project two years in a row, under which the world's major institutional investors call upon businesses to adopt climate strategies and disclose their GHG emissions. We were among the highest ranked financial institutions in Japan and the world.



▶ [List of 2017 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 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 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 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.

In 2017, he visited some Germany cities, Frankfurt, Berlin and Munich and had dialogues with various stakeholders such as the government, companies, investors, and research institutions. Through the dialogues, he grasped the trends and latest information on CSR in Germany and actively disseminated the idea of “achieving SDGs through the realization of Society 5.0” and some specific initiatives by Japanese companies.



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



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

Japan Business and Biodiversity Partnership

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

▶ [Japan Business and Biodiversity Partnership](#) 

ECO FIRST Program, Japan's Ministry of the Environment

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



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

▶ [ECO FIRST \(Japanese\)](#) 

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

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



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



Steering committee meeting



Insurance working group

SDG Stakeholders Roundtable, Japan's Ministry of the Environment

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

Montreal Carbon Pledge

In September 2017, Sompo Japan Nipponkoa Asset Management signed the Montreal Carbon Pledge which was adopted at the annual general meeting of the Principles for Responsible Investment (PRI) held in Montreal, Canada, in September 2014, aiming to reduce GHG emissions.

Signatories are required to measure and disclose GHG emissions associated with some or all of their stock portfolios, and Sompo Japan Nipponkoa Asset Management is committed to regularly disclosing the volume of GHG emissions it has invested.



ICGN

Sompo Japan Nipponkoa Asset Management has joined ICGN (International Corporate Governance Network) since November 2017. Established in 1995 in London, ICGN is a international organization that provides various supports and advice on corporate governance and stewardship activities, and has members

such as institutional investors and asset owners all over the world. Sompo Japan Nipponkoa Asset Management will deepen its insight on these issues both domestically and internationally through ICGN, and make its investment process and stewardship activities improve.



ICGN
International Corporate Governance Network

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 2017)

Developing and Offering Products and Services

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

We will continue through dialogue and collaboration with a variety of stakeholders to provide products and services that contribute to solving social issues.

▶ [Products and Services for a Sustainable Society](#)

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, it declared its intention to comply with the ISO 10002 standard (quality management -- customer satisfaction -- guidelines for complaints handling in organizations). In addition, it released the Policy on Customer-Oriented Business Operations, dated June 26, 2017. Moving forward, every employee is going to continue to work with a customer perspective, and strive for even better performance.

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

▶ [Incorporating Customer Input](#)



Sompo Japan Nipponkoa's 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.

Continued from the last year, the theme of the latest seminar held in February 2018 was SDGs (Sustainable Development Goals).

A presentation on social trends was provided by Masaya Futamiya, who serves as Chairman and 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 Chair of Task Force on Keidanren's Charter of Corporate Behavior, Keidanren, gave a presentation about SDGs integration into management and business and about Revisions to the Keidanren's Charter of Corporate Behavior. In the seminars, Group employees discussed contributions to SDGs through our business and about 90% of attendees answered they were satisfied with the meaningful seminar. We are going to utilize these seminars for development of products and services going forward.



Stakeholder Engagement (Major Topics in Fiscal 2016)

Developing and Offering Products and Services

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

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

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



Dialogue for development of weather index insurance (Myanmar)

Engaging with Customer Feedback

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

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

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 Sompo Japan Nipponkoa 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. Sompo Japan Nipponkoa plans 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)

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.



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.



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	▶ Major ESG Data
▶ Vision, Policies and Guidelines	▶ Management System
▶ Assurance by a Third-Party Organization	▶ Investor Materials
▶ About Us	▶ Case Studies
▶ ESG Initiatives through Our Asset Management Business	

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\(!\[\]\(d0105f5c6cbf66430aebe75c1be90206_img.jpg\) PDF/200KB\)](#)

Products and Services for a Sustainable Society

P & C Insurance						
Contribution to 5 Material Issues*					Products / Services and Description	Offered by
①	②	③	④	⑤		
Automobile insurance products / services						
●					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 Insurance
		●			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 Insurance
		●			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 Insurance Sonpo 24
		●			Promoting web-based insurance policy and clause and the web-based insurance contracts	Sompo Japan Nipponkoa Saison Automobile and Fire Insurance
		●			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 Sonpo 24
		●			Discount on premiums for customers who don't need the delivery of the insurance policy	Sonpo 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 guide	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
				●	Confirmation of the relationship between insured persons and their same-sex partners when their partners are designated as beneficiaries	Sompo Japan Nipponkoa
●					Offering an automated driving insurance that compensates for various risks related to automatic driving and risk consulting and dedicated service that supports the realization of pleasant automated driving by analyzing Sompo Japan Nipponkoa's driving data.	Sompo Japan Nipponkoa

Fire and new types of insurance products / services

•				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 for Internet of Things (IoT) based Smart Houses that compensates for reductions in operating profit due to disasters and expenses dealing with illegal access or personal information leakage due to a cyber security accident	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 for local governments that compensates for damages third party suffers caused by removing radioactive materials	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 that cover expenses for long-term care so that people can keep working and prevent them from leaving their job to look after their parents.	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
Other types of insurance products / services						
●		●			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
●	●		●		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
	●				Service that the company would contact customer's family who was registered in advance to notify the situations, in case of a disaster or long-term absence in which the company cannot contact the customer	Sompo Japan Nipponkoa Insurance Services
●		●			Insurance for local governments that alleviates the expenses accompanying the evacuation recommendation for residents, in order to promote early evacuation and management system for a disaster in early stage by providing information such as weather information	Sompo Japan Nipponkoa
●	●				Offering the World Bank's Pandemic Emergency Financing Facility (PEF) the funds through the derivative insurance	Sompo Japan Nipponkoa
Life Insurance Products / Services						
	●				The costs for an operation to harvest bone marrow stem cells for bone marrow stem cell transplantation are covered	
	●				The costs for cancer treatment are covered even when it does not involve hospitalization and requires only outpatient treatment	
	●				Specialized service for women, which provides total support for breast cancer from early detection to morbidity	
	●				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 temporary insurance amount for nursing care is paid if the insured is certified care level of 1 or above 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	Sompo Japan Nipponkoa Himawari Life
	●				Providing a wide range of services from consultation on health, healthcare, care, tax, laws, and introducing home security products provided by security companies	
	●				Services to introduce renovation of nursing homes, meal service, support for customers and their families who needs nursing care service	
			●		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	
	●				Products receiving refunds on insurance premium and lower premium afterwards, as a health challenge celebration, when there are some improvements on health condition such as smoking habits, BMI, and blood pressure within a certain period	
	●				<ul style="list-style-type: none"> App "Linkx (pronounced "Link cross") siru", information app, for increasing awareness of day-to-day health activities App "inkx aruku", walking app, for making users' daily walking more enjoyable by sharing photographs App "Linkx reco", weight control app, for encouraging users to change to more healthy lifestyle habits by recording steps and meals with partner or friend 	

Nursing Care / Healthcare Services

Contribution to 5 Material Issues					Products / Services and Description	Offered by
①	②	③	④	⑤		

Long-term care services

	●				<ul style="list-style-type: none"> Private long-term care center (daily long-term care for residents of specified facilities) Housing for the elderly that provides services 	Sompo Care Cedar
	●				<ul style="list-style-type: none"> Home visit nursing care Home visit long-term care 	Sompo Care 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	
	●				<ul style="list-style-type: none"> A health support program for non-obese individuals, people on medication, and others who do not require specific health guidance (For enterprises) Total support plan after medical checkup (employment decision support etc) 	
	●				Training program on health maintenance / promotion	

Mental healthcare services

	●				Human resource resilience level measurement tool (LLax MRP)	Sompo Risk Management & Health Care
	●				<ul style="list-style-type: none"> Mental health checkup / counseling (face-to-face / phone / online) (LLax counseling) Around-the-clock telephone counseling regarding health and long-term care 	
	●				<ul style="list-style-type: none"> Mental health promotion & disease prevention package (LLax seed, LLax seedα) Labor productivity measurement program (LLax WLQ-J) 	

	●				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)	
●					A Service that supports for companies seeking to obtain certification under ISO 45001, the international standard for occupational health and safety management systems	
		●			Analysis and diagnosis of potential geographic risks pertaining to the location of photovoltaic, wind, and other renewable energy power plants	
		●	●	●	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 ₂ 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	
		●			<ul style="list-style-type: none"> • 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 SRI Open: SRI fund for investing in Japanese companies that are highly evaluated in ESG	Sompo Japan Nipponkoa Asset Management
		●			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 Sustainable Investment Fund: SRI fund for investing in Japanese companies that are highly evaluated in ESG for institutional investors	
		●			SJAM 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 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	
		●			Support foreign customers staying in Japan to find hospitals in needs	
●					<ul style="list-style-type: none"> • An Emergency service collaborating with partner companies for handling with troubles in private lodgings • An Assistance service for foreign customers using internet chats and phone calls 	
		●			<ul style="list-style-type: none"> • Support for small and medium-sized enterprises to be certified in Health and Productivity Management Organization Recognition Program by Ministry of Economy, Trade and Industry, Japan and the Nippon Kenko Kaigi. • Visualizing employee's health conditions 	
Cyber security services (One-Stop)						
●					Security diagnostic services for WEB applications and network server	Sompo Risk Management & Health Care
●					Services that reports issues and the results of assessments for customer's information security system and management	
●					Services that formulate information security policies and enhance management system considering present situations	
●					Evaluating present CSIRT (Computer Security Incident Response Team) system and support for its improvement	
●					A Service that supports rapid response to a security incident by establishing a Contingency Plan and Business Continuity Plan	
●					A Service that supports a management of CSIRT by a vulnerability research, gathering information, and an exercise for cyber attacks	
●					Upgrading information security by supporting for acquiring a certification under ISMS (Information Security Management System)	
●					A service that supports for being qualified in PrivacyMark System which assess private enterprises that take appropriate measures to protect privacy information	
●					A service that provides internal auditor training programs in line with ISO 19011 which is a guideline for a management system audit	
●					Auditing customer's information security systems from the perspective of the third party for effective improvements	
●					Supporting initiatives for customer information security by solving issues in building and managing customer information security systems	
●					An information security training program for executives, managers, and other employees	
●					A drill against advanced persistent threats protecting from targeted email attacks	
●					A service that provides exercises to consider necessary procedures in time series for a cyber incident and to handle with actual environment on the assumption that real incident occurs	
●					Supporting customer's response to its information leakage caused by a cyber attack such as press release and apology to victims	
●					A service that detects illegal access to customer's website and network by using security monitoring devices such as Web Application Firewall (WAF) and Unified Threat Management (UTM)	
●					Comprehensive services for the accidental issues due to information leakage caused by cyber-attacks, such as a press release and apology to victims, attached with insurance	

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 FY2017

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 Japan Nipponkoa Himawari Life Insurance, Inc.
Sompo Care Message Inc.
Sompo Care Next Inc.
Sompo Risk Management & Health Care Inc.
Sompo Japan Nipponkoa Asset Management Co., Ltd.
Sompo Japan Nipponkoa DC Securities Inc.
Sompo International Holdings Ltd.<Bermuda, British Overseas Territory>
Endurance Specialty Insurance Ltd. <Bermuda, British Overseas Territory>
Endurance U.S. Holdings Corp <U.S.>
Sompo America Insurance Company <U.S.>
Endurance Worldwide Holdings Limited <U.K.>
Endurance Worldwide Insurance Limited <U.K.>
Sompo International Holdings (Europe) Limited <U.K.>
SI Insurance (Europe), SA <Luxembourg>
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>
PT Sompo Insurance Indonesia <Indonesia>
Sompo Insurance China Co., Ltd. <China>
Nipponkoa Insurance Company(China)Limited <China>

Sompo Insurance(Hong Kong)Company Limited <China>
Sompo Seguros S.A. <Brazil>
Sompo Saude Seguros S.A. <Brazil>
44 other companies

●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 2017 (April 2017 to March 2018).

[2] Companies other than [1]

Unless otherwise stated, data reported are for calendar year 2017 (January to December 2017).

Group Employee Data

Number of employees (by employment status)

	Male	Female	Total
Regular employees	21,261	27,283	48,544
Temporary employees	1,775	14,944	16,719
Total	23,036	42,227	65,263

Number of employees (by region)

	Japan	Asia & Middle East	Europe	North America	Latin America	Total
Regular employees	42,274	2,481	134	1,708	1,947	48,544
Temporary employees	16,643	30	0	18	28	16,719
Total	58,917	2,511	134	1,726	1,975	65,263

* Sompo International advances into several countries, and is counted in the North America 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	FY2015	FY2016	FY2017	Coverage ratio	Verified
GHG (Scope 1)		tCO ₂	18,479	21,517	21,164	88.24%	✓
GHG (Scope 2)		tCO ₂	76,552	76,522	75,207	97.97%	✓
GHG (Scope 3)		tCO ₂	57,800	59,227	58,039	100.00%	✓
GHG (Scope 1-3) Total ^{*1}		tCO ₂	152,831	157,266	154,410	100.00%	✓
Total GHG emissions per employee		tCO ₂	3.87	2.46	2.37	100.00%	
City gas consumption		m ³ -N	1,400,939	1,733,983	1,723,740	84.24%	✓
Class A heavy oil consumption		kℓ	174	201	185	85.42%	✓
Kerosene consumption		kℓ	101	185	157	85.42%	
LPG consumption		t	14	47	46	85.42%	
Fuel consumption by company fleets		kℓ	6,322	7,133	7,046	88.24%	
Electricity consumption		kWh	137,178,856	142,661,366	145,415,814	97.97%	✓
Heat (steam) consumption		MJ	96,907,972	96,176,904	93,195,471	85.15%	✓
Paper consumption		t	7,859	9,970	8,832	76.80%	✓
Clean water usage		kℓ	508,335	368,720	373,126	74.72%	
Wastewater discharge		kℓ	429,821	395,061	442,302	74.87%	
Total waste generation		t	9,154	7,234	7,979	85.02%	
Recycled waste		t	8,310	6,632	6,030	74.95%	
Business trip		km	72,354,921	76,869,498	77,848,495	85.63%	
Total floor space		m ²	1,631,472	1,696,742	1,673,885	98.59%	
Share of green purchasing		%	87.1%	88.2%	89.4%	88.72%	
Human development of environmental field	Public Seminars on the Environment ^{*2sup>}	Persons	501	431	1,428	-	
	CSO Learning Scholarship Program	Persons	59	53	59	-	
	SAVE JAPAN Project	Persons	6,025	1,193	5,234	-	

*1 The Group has been received an annual Assurance Statement by a third-party certification organization. The coverage of the survey is as follows.

FY2015: consolidated subsidiaries and some important subsidiaries in our Group

FY2016–2017: Sompo Holdings and consolidated subsidiaries

*2 The method of counting number of participants in “Public Seminars on the Environment” was changed in FY2017.

Social Performance Data

•Social Performance Data

Item		Unit	FY2015	FY2016	FY2017	Coverage ratio	Verified
Executive or higher	Male	Persons	171	211	219	100.00%	
	Female	Persons	10	14	15		
	Total	Persons	181	225	234		
Department manager level or higher but lower than executive	Male	Persons	709	754	781	100.00%	
	Female	Persons	80	96	135		
	Total	Persons	789	850	916		
Section manager level or higher but lower than department manager level	Male	Persons	2,213	2,314	2,477	100.00%	
	Female	Persons	365	523	611		
	Total	Persons	2,578	2,837	3,088		
Subsection chief level or higher but lower than section manager level	Male	Persons	6,074	7,192	7,542	100.00%	
	Female	Persons	1,969	2,663	4,052		
	Total	Persons	8,043	9,855	11,594		
Union membership rate		%	96.9%	81.3%	96.4%	99.78%	
Ratio of employees with disabilities		%	2.05%	2.17%	2.12%	88.80%	
Ratio of female employees in managerial positions ^{*1}		%	13.2%	18.7%	20.7%	99.64%	
Number of employees who took childcare leave	Male	Persons	361	329	402	95.45%	
	Female	Persons	1,516	2,027	2,048		
	Total	Persons	1,877	2,406	2,450		
Average number of days taken off work for childcare leave by employees	Male	Days	2.9	6.3	4.8	99.53%	
	Female	Days	185.5	186.5	181.1		
Childcare support systems	Number of employees using the shorter work hour system + Number of employees using the earlier / later work hour system	Days	1,185	1,897	1,809	96.50%	
Number of employees who took family care leave	Male	Persons	1	5	23	96.95%	
	Female	Persons	16	40	67		
	Total	Persons	17	45	90		
Telecommuting systems		Persons	2,190	2,797	5,417	96.73%	
Ratio of paid vacation use		%	54.5%	61.5%	61.1%	99.64%	
Occupational accident frequency rate		-	1.06	4.44	4.41	99.87%	
Total days lost due to absenteeism		Days	-	83,801	86,967	99.78%	✓

Ratio of overtime work		%	15.0%	13.2%	11.3%	98.53%	
Annual turnover	Male	%	4.3%	10.2%	7.3%	100.00%	
	Female	%	7.5%	15.9%	11.6%		
	Total	%	5.9%	13.9%	9.9%		
Employee satisfaction	Percent answered "satisfied"	%	73.3%	72.5%	80.6%	84.15%	
	The number of respondents in the employee satisfaction survey	Persons	23,656	23,648	26,485		
	The number of employees who answered "satisfied"	Persons	17,342	17,150	21,355		
Number of volunteers from employees*2		Persons	30,108	32,829	35,848	-	
Amount of money the company contributed to corporate citizenship/ philanthropic activities		JPY	1,627,803,482	1,750,923,536	1,716,137,921	100.00%	

*1 Figures for overseas consolidated subsidiaries are as of December 31 of the respective fiscal year.
Figures for domestic operating companies are as of April 1 of the respective fiscal year.

*2 Total number of Group employees and agency employees.

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 2016	As of July 1 2017	As of July 1 2018
Board of Directors	Number of meetings	Meetings	15	14	14
	Number of board members	Persons	13	12	12
	(Of which, number of outside directors)	Persons	4	4	4
	Average attendance at meetings by directors	%	97.7%	98.9%	98.5%
Board of Corporate Auditors	Number of meetings	Meetings	13	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%	98.6%

We maintain a structure comprising eight internal directors involved in the execution of business and appoint an additional four outside directors. At present, the number of independent outside directors is more than one-third of the total.

●Nomination and Compensation Committee

	Item	Unit	As of July 1, 2016	As of July 1, 2017	As of July 1, 2018
Nomination and Compensation Committee	Number of board members	Persons	5	5	5
	(Of which, number of outside directors)	Persons	4	4	4

●Compensation for Directors and Audit & Supervisory Board Members (FY2017)

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	11	¥599 million	¥491 million		¥108 million
Audit & Supervisory Board members	7	¥104 million	¥104 million		-
			¥104 million	-	
Total	18	¥703 million	¥595 million		¥108 million
			¥429 million	¥166 million	

- Notes: 1. The number of officers for payment includes one director who resigned on March 31, 2017, and two Audit & Supervisory Board members who resigned at the end of the 7th General Meeting of Shareholders held on June 26, 2017.
2. Total compensation, etc., and total amount per type of compensation, etc., include compensation, etc., of one director who resigned on March 31, 2017, and two Audit & Supervisory Board members who resigned at the end of the 7th General Meeting of Shareholders held on June 26, 2017.
3. The total amount of compensation etc., of directors includes ¥487 million as compensation of executive officers for directors who are serving concurrently as executive officers (¥230 million in monthly compensation, ¥140 million in performance-linked compensation, and ¥95 million in performance-linked stock compensation). The compensation of executive officers is being paid to a total of seven 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 ¥108 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	¥192 million		¥56 million	¥248 million
	Director	Sompo Japan Nipponkoa Insurance Inc.	¥110 million	¥82 million		
Shiriji Tsuji	Director	The Company	¥83 million		¥18 million	¥101 million
	Director	Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	¥53 million	¥30 million		
Keiji Nishizawa	Director	The Company	-		-	¥160 million
	Director	Sompo Japan Nipponkoa Insurance Inc.	¥133 million			
			¥78 million	¥55 million		

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

Category	Maximum amount of compensation
Director	<ul style="list-style-type: none"> Monthly compensation and performance-linked compensation (compensation paid in cash) No more than ¥700 million per year (of which the amount to outside directors shall be no more than ¥100 million per year) Performance-linked stock compensation No more than ¥500 million^{*1} in three fiscal years^{*2} <p>^{*1} The maximum amount contributed by the Company as the portion for directors to the Board Benefit Trust for performance-linked stock compensation. ^{*2} From the fiscal year ended March 31, 2017, to the fiscal year ending March 31, 2019. Note: In each case, the amount of compensation, etc., of directors does not include the portion paid as employee salary to directors serving concurrently as employees.</p>
Audit & Supervisory Board member	<ul style="list-style-type: none"> Monthly compensation (compensation and paid in cash) No more than ¥110 million per year

● **Briefings for investors and analysts**

Briefings	Times
Briefings (IR meetings) for institutional investors, analysts	2
Conference calls for institutional investors, analysts	4
Conferences organized by securities companies	5
Individual meetings	249
Briefings for individual investors	8

● **Compliance training**

Item	Unit	FY2015	FY2016	FY2017	
					Coverage ratio
Ratio of employees who received compliance training	%	99.98%	95.92%	90.74%	96.29%

▶ [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	
	Tax	▶ Sompo Holdings Group Tax Policy
	Information Disclosure	▶ Basic Disclosure Policy * In Japanese
Japan's Stewardship Code	▶ Sompo Japan Nipponkoa Policy on Japan's Stewardship Code  * In Japanese	
	▶ Sompo Japan Nipponkoa Asset Management Policy on Japan's Stewardship Code  * In Japanese	

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)

Assurance by a Third-Party Organization

About Third Party Assurance

To ensure the reliability of reported numbers, Sompo Holdings has received third party assurance from Lloyd's Register Quality Assurance (LRQA) for some of the environmental and social performance data for fiscal year 2017.

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

▶ [Assurance Statement\(!\[\]\(d9fe643615bb204fb65a4ac8ea28b213_img.jpg\) PDF/935KB\)](#)

▶ [Major ESG Data](#)

LRQA Independent Assurance Statement

Relating to Sampo Holdings, Inc.'s Environmental and Social data within its CSR Communication Report 2018 for the fiscal year 2017

This Assurance Statement has been prepared for Sampo HD, 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 within its CSR Communication Report 2018 ("the report") for the fiscal 2017¹, against the assurance criteria below to a limited level of assurance and professional judgement of the verifier using "LRQA's verification procedure and ISO 14064 - Part 3 specifically 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 operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with:
 - ISO14064-1:2006 'Specification with guidance at the organizational level for quantification and reporting of greenhouse gas emissions and removals' and
 - Sampo HD's reporting methodologies
- Evaluating the accuracy and the reliability of data and information for only the selected indicators² listed below:

Environmental indicators:

- | | |
|---|---|
| - Scope 1 GHG emissions (tonnes CO ₂ e) | - City gas consumption (Nm ³) |
| - Scope 2 GHG emissions (tonnes CO ₂ e) | - Heavy fuel oil A consumption (kilo-liter) |
| - Scope 3 GHG emissions (Category 1,3,4,5,6,7) (tonnes CO ₂ e) | - Heat (steam) consumption (GJ) |
| - Electricity consumption (kWh) | - Paper consumption (tonnes) |

Social indicator: Total days lost due to absence (days)

Our assurance engagement excluded the data and information of Sampo HD's suppliers, contractors and any third-parties mentioned in the report.

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 that Sampo HD has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data and information as no errors or omissions were detected
- Covered all the issues that are important to the stakeholders and readers of this report.

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

¹ The reporting period is based on the fiscal year of domestic and overseas subsidiary companies: (1) domestic subsidiary companies: FY2017 (01/04/2017 – 31/03/2018), and (2) overseas subsidiary companies: CY2017 (01/01/2017 – 31/12/2017)

² LRQA undertook a limited assurance engagement of the environmental and social data marked with ✓ within the CSR Communication Report 2018

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. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing Sampo 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 Jimuhonbu building and the headquarter of Sampo Care Inc. in Japan to confirm the data collection processes and record management practices.

Observations

Sampo HD should further demonstrate the completeness, accuracy and reliability of its future GHG Emissions Inventory. This is particular to establishing robust internal data control systems at both the corporate and member company levels and the accounting of the actual emissions data associated with the activities of some of its consolidated subsidiaries. The estimated emissions data and those associated with the excluded affiliated companies are not considered material.

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.

Signed:

Dated: 28 June 2018



Norihiko Kinoshita
LRQA Lead Verifier

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

LRQA reference: YKA4005128

Lloyd's Register Group Limited, its affiliates and subsidiaries, including Lloyd's Register Quality Assurance Limited (LRQA), and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'Lloyd's Register'. Lloyd's Register assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant Lloyd's Register entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance Statement is the only valid version. Lloyd's Register Group Limited assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.

Copyright © Lloyd's Register Quality Assurance Limited, 2018. A member of the Lloyd's Register Group.

Investor Materials

▶ **Earnings Reports**

▶ **Solvency Margin Ratio**

▶ **Investor Presentations**

▶ **Annual Reports**

▶ **Archives**

ESG Investment through Our Asset Management Business

ESG Initiatives through Our Asset Management Business

The Role of Asset Management Companies as Responsible Investors

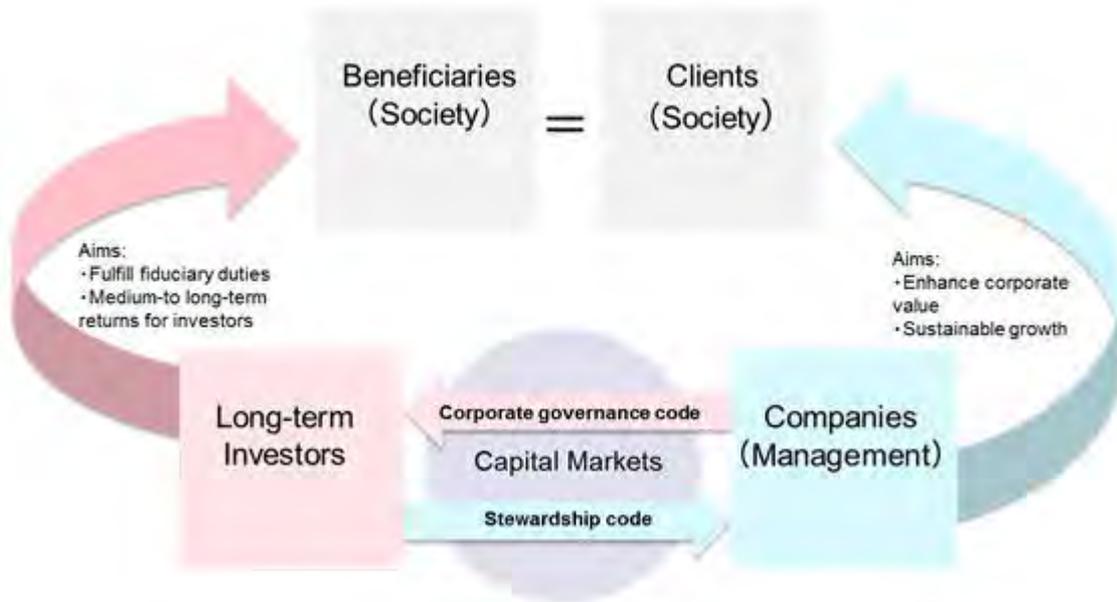
Sompo Japan Nipponkoa Asset Management fully endorses the aims of Japan's Stewardship Code, enacted in 2014, which sets forth principles for responsible institutional investors, and has voluntarily opted to adopt the code. The company believes that stewardship activities such as constructive dialogue with investee companies and the exercising of voting rights will promote the value of investee companies and their sustainable growth, and consequently contribute to the sustainable development of society and the economy as a whole.

Since its founding, Sompo Japan Nipponkoa Asset Management has been systematically developing its operations, focusing on active management that aims to acquire mid- to long-term investment returns. The Company works to expand returns on investments by accurately grasping not only financial information but also other information, including ESG (Environment, Social and Governance) factors, and eliciting appropriate investment value to help our clients build their assets in mid- to long-term.

Efforts to Establish a Sustainable Investment Chain

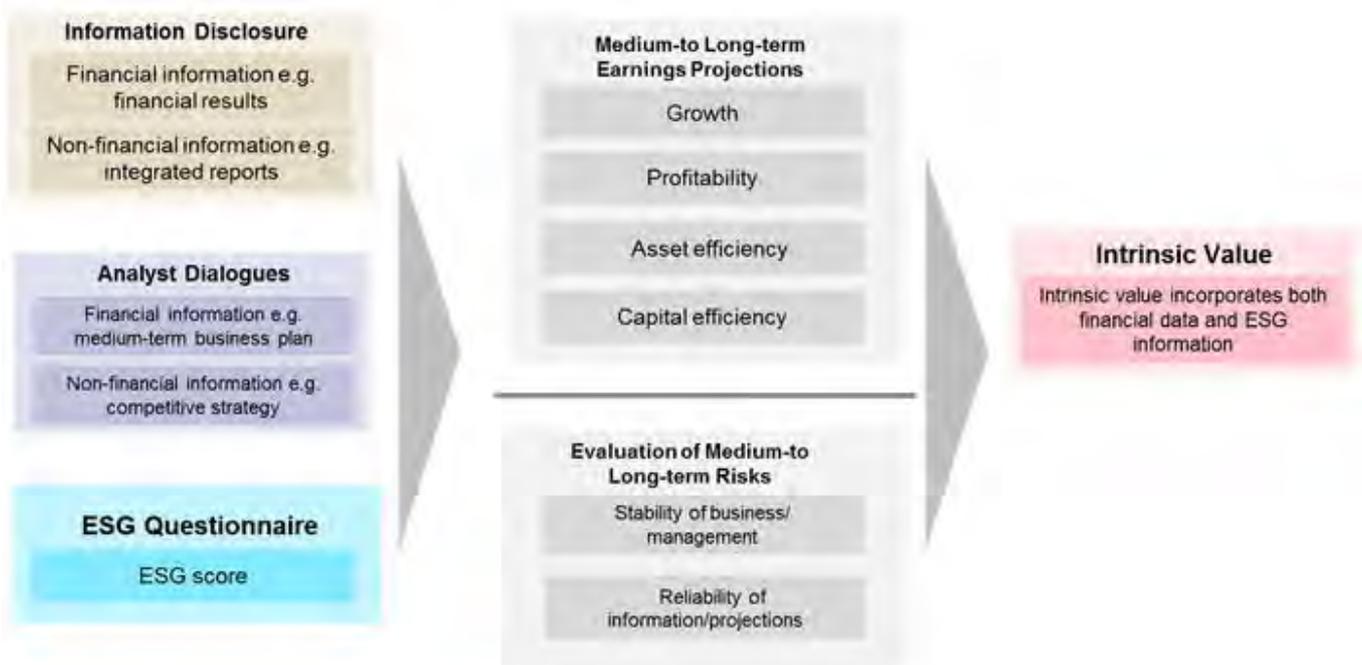
Sompo Japan Nipponkoa Asset Management aims to maximize returns on capital investments by clients through investment in stocks and others. Meanwhile, returns on investment are not generated directly by the asset management company, rather the source of the return is the mid- to long-term revenue generated by the business activities of the investee companies. The Company is merely a bridge in the investment chain that links its clients to those companies. Consequently, they believe that for an asset management company to deliver excellent results, having a deep understanding of the target companies' activities and revenue structure, conducting appropriate value evaluations, and actively selecting companies that are worth investing in are essential as an accountable institutional investor.

The Company's management style contributes to the establishment of sustainable investment chains in which the Japan's Stewardship Code and corporate governance code function organically. The Company believes that thoroughly engaging in activities to provide high quality active management contributes to the sustainable development of the investee companies as well as the wider society and the economy as a whole.



Relationship between Investment Value Evaluations and ESG Factors (ESG Integration)

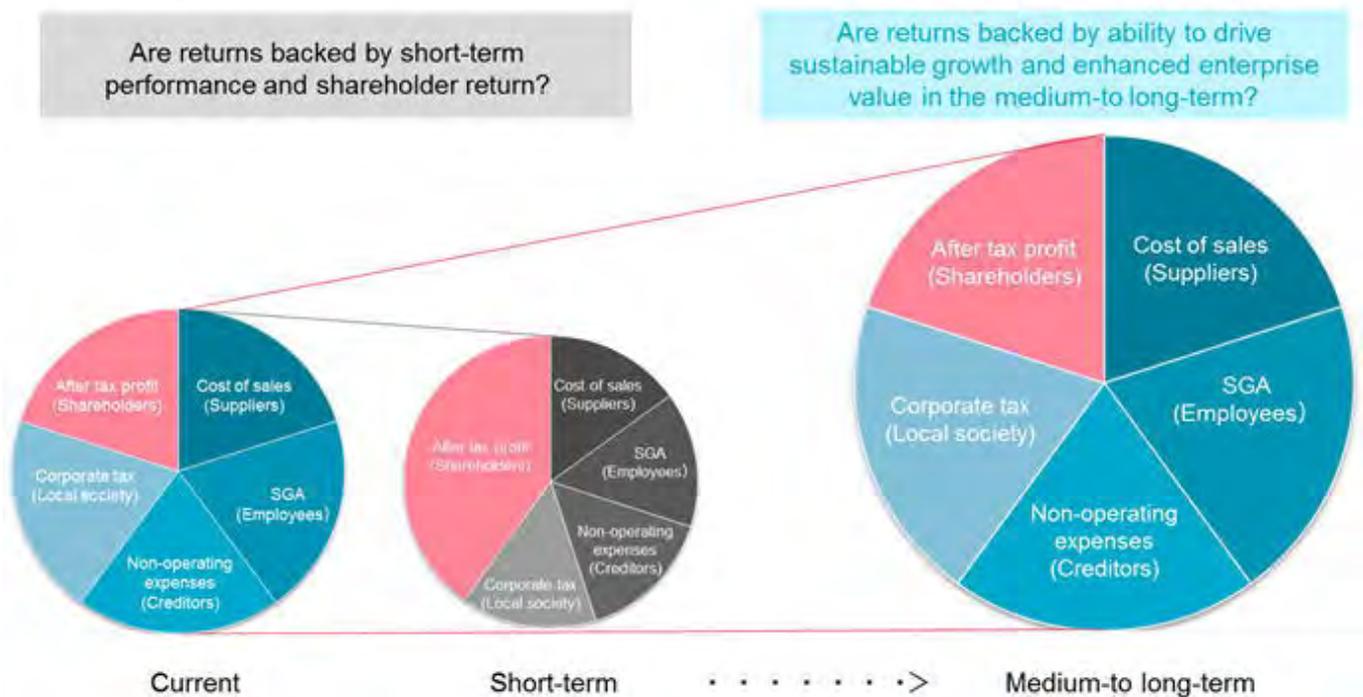
Sompo Japan Nipponkoa Asset Management constantly tracks the situation at and continuously evaluates the investment value of predetermined potential investee companies, regardless of whether currently an investee company. It is important to accurately grasp not only financial information but also non-financial information, including ESG data, as part of active management that aims to acquire mid- to long-term investment revenue, while taking an interest in enhancement of the value of the investee companies and their sustainable growth. The Company integrates ESG factors into its management process by constantly monitoring companies' ESG data and comprehensively evaluating such information as an investment value.



Dialogue with Companies

For companies and investors to engage in constructive dialogue, both parties need to share the same concerns. Sompo Japan Nipponkoa Asset Management focuses on understanding companies' added value creation and distribution process as a means to accurately grasp investee companies' mid- to long-term profitability, and financial and capital policies. The Company promotes mutual awareness and constructive communication with the investee companies in an effort to solve problems by keeping corporate value enhancement and sustainable growth, both shared aims, at the core of those dialogues.

In fiscal year 2017, the Company identified approximately 700 potential investee companies and, through the research by its analysts, was able to hold 662 individual dialogues and participate in 1,720 briefings, eliciting a total of 2,382 opportunities for dialogue.



Strengthening the Internal Organization

In April 2017 Sompo Japan Nipponkoa Asset Management established Responsible Investment Office as an organization to promote responsible investment, including stewardship activities, and assigned full-time ESG specialists to the Office.

The concept of responsible investment and ESG investment, advocated by global initiatives such as the United Nations Principles for Responsible Investment (PRI), is becoming a common understanding among institutional investors around the world. The Company will engage in PRI and other related initiatives even more proactively both within Japan and overseas through the work of ESG specialists, and further promote responsible investments.

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 2018 (Integrated Report) serves to provide stakeholders with a clear overview of our group’s transformation into “Theme Park for the Security, Health, and Wellbeing of Customers” based on the group management Philosophy 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. The Annual Report includes both financial and non-financial information on our performance and strategies, referring to the International Integrated Reporting Framework ^{*1} published by the International Integrated Reporting Council (IIRC) and a Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation ^{*2} formulated by Ministry of Economy, Trade and Industry, Japan (METI).
 - *1 The International Integrated Reporting Framework is an international corporating report framework which provides principles-based guidance for companies and other organizations aiming for preparing an integrated report .
 - *2 The Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation assists corporate managers in holding dialogues with investors or in disclosing management strategies, non-financial information and other elements for mutual understanding and encouraging collaborative value creation.
- The CSR Communication Report 2018 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 2018 on our CSR website as well as in PDF format.
- The Booklet 2018 offers a clear and succinct introduction to examples of our CSR initiatives.

Features of the CSR Communication Report 2018

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)

We publish a dialogue regarding the Group's value creation stories in an era of the SDGs adopted at United Nation Summit September 2015.

The participants of the dialogue were four, 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, Kiyoshi Aoki, our Group Chief Brand Officer, Masaya Futamiya, Director-Chairman of Sompo Japan Nipponkoa and Chair of the Keidanren Committee on Corporate Behavior & Social Responsibility, and Masao Seki, Senior Advisor on CSR at Sompo Japan Nipponkoa and Chair of Task Force on Keidanren's Charter of Corporate Behavior, Keidanren.

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 that contribute to the creation of a new value by transforming ourselves into the "theme park for the security, health, and wellbeing of customers" and aiming for a sustainable society and its own growth through ESG Investment. We also included an interview with Mr. Kawakita, CEO of IIHOE.

4. Stakeholder engagement

We believe that communicating with our diverse stakeholders is important to be aware of social issues, to build relationships of trust and collaboration, and to accomplish 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. Since 2016 we have 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 address social issues.

Covered Organizations

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

Reporting Period

This Report relates mainly to initiatives from April 1, 2017, to March 31, 2018, but also contains some latest initiatives and policies to provide updated information.

Publication

Annually

Publication Period

Last issue: September 2017

Current issue: September 2018

Next issue: (scheduled for) September 2019

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 7th version
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation

* The details published on the Sampo Holdings CSR website and in the CSR Communication Report 2018 have been prepared in conformity with the Core option of the GRI Sustainability Reporting Standards. Please refer to the following GRI Content Index.

▶ [GRI Content Index](#)

Planning and Editing

Sampo Holdings, Inc. Corporate Social Responsibility Department
26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo
160-8338, Japan
E-mail: csr@sampo-hd.com
TEL: +81-3-3349-3000

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.

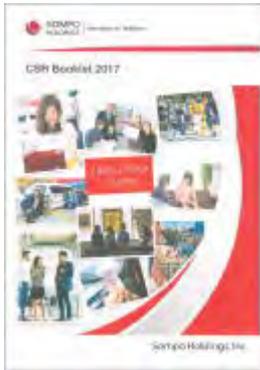
CSR Reports

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 Communication Report

<p>FY2017</p>	<p>▶ CSR Communication Report 2017( PDF/7,099KB)</p> <p>* A PDF version of “CSR Communication Report 2018” will be available at the beginning of October. The latest information is released in each CSR page of our official website.</p>
	<p>Download by Section</p> <ul style="list-style-type: none"> ▶ Top Commitment[p1~p6]( PDF/506KB) ▶ About Us[p7~p27]( PDF/1,172KB) ▶ CSR Strategies/Featured Topics[p28~p49]( PDF/1,261KB) ▶ CSR Initiatives and Management System[p50~p55]( PDF/280KB) ▶ Group CSR Materiality[p56~p104]( PDF/2,088KB) ▶ Initiatives to Achieve the Sustainable Development Goals(SDGs) [p105~p120]( PDF/687KB) ▶ Stakeholder Engagement[p121~p141]( PDF/1,324KB) ▶ ESG Data Index[p142~p166]( PDF/1,732KB) ▶ Third Party Comments/External Recognition[p167~p231]( PDF/940KB) ▶ CSR Milestones and Their Impacts[p232~p239]( PDF/303KB) ▶ Key Initiatives for Customers[p240~p300]( PDF/3,411KB) ▶ Key Initiatives for Stockholders/Investors[p301~p306]( PDF/291KB) ▶ Key Initiatives for Business partners[p307~p312]( PDF/158KB) ▶ Key Initiatives for Civil society groups[p313~p324]( PDF/976KB) ▶ Key Initiatives for Communities[p325~p365]( PDF/1,867KB) ▶ Key Initiatives for Agencies[p366~p369]( PDF/206KB) ▶ Key Initiatives for Employees[p370~p385]( PDF/505KB)

CSR Booklet



FY 2017

- ▶ CSR Booklet 2017(PDF/6,020KB)

- ▶ CSR Booklet 2017(e-Book)

Back Numbers

FY2016	<ul style="list-style-type: none"> ▶ CSR Communication Report 2016(PDF/2,237KB) ▶ CSR Communication Report 2016 (Supplementary) – Case Report – (PDF/3,552KB) ▶ GRI Guideline Comparison Chart
	<ul style="list-style-type: none"> ▶ CSR Booklet 2016(PDF/3,056KB)
FY 2015	<ul style="list-style-type: none"> ▶ Sompo Japan Nipponkoa Holdings Corporate Responsibility Communication 2015(PDF/1,278KB) ▶ Sompo Japan Nipponkoa Group's CSR Case Report (Corporate Responsibility Communication 2015, Separate Volume) (PDF/4,822KB)
	<ul style="list-style-type: none"> ▶ CSR Booklet 2015(PDF/4,287KB)
FY 2014	<ul style="list-style-type: none"> ▶ Sompo Japan Nipponkoa Holdings Corporate Responsibility Communication 2014 (CSR Communication Report) (PDF/5,392KB) ▶ Sompo Japan Nipponkoa Group's CSR Case Report (Corporate Responsibility Communication 2014, Separate Volume) (PDF/3,583KB)
	<ul style="list-style-type: none"> ▶ NKSJ Holdings Corporate Responsibility Communication 2013(PDF/5,576KB)
FY 2012	<ul style="list-style-type: none"> ▶ NKSJ Holdings Corporate Responsibility Communication 2012(PDF/3,834KB)

GRI Content Index

The CSR Communication Report 2018 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 2018 (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		
Organizational profile			
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 and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	▶ Group Businesses
102-7*	G4-9	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations)	▶ Corporate Profile ▶ Integrated Annual Report 2017 p.28-31 (Financial and Non-Financial Highlights) ( PDF/8,401KB)

		broken down in terms of debt and equity; v. quantity of products or services provided.	
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>	▶ Number of Employees
102-9*	G4-12	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.	▶ Value Chain
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, 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>▶ Group Businesses</p> <p>▶ Integrated Annual Report 2017 p.142-148 (Business Combination, Segment information) ( PDF/8,401KB)</p>
102-11*	G4-14	a. Whether and how the organization applies the Precautionary Principle or approach.	<p>▶ Top Commitment</p> <p>▶ Management System</p> <p>▶ Declarations to Society and Participation in CSR Initiatives</p> <p>▶ 1. Providing Solutions for Disaster Preparedness</p> <p>▶ 3. Promoting the Manageability of Global Environmental Issues</p> <p>▶ Featured Topic 3: Climate Initiatives</p>
102-12*	G4-15	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	▶ Declarations to Society and Participation in CSR Initiatives
102-13*	G4-16	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	▶ Declarations to Society and Participation in CSR Initiatives
Strategy			
102-14*	G4-1	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	<p>▶ Top Commitment</p> <p>▶ Somo Holdings Group's value creation stories in an era of the SDGs</p>

		the organization and its strategy for addressing sustainability.	
102-15	G4-2	a. A description of key impacts, risks, and opportunities.	<ul style="list-style-type: none"> ▶ Top Commitment ▶ Redefining Group CSR Materiality ▶ Group CSR Materiality (Major Initiatives on each CSR Material Issue)
Ethics and integrity			
102-16*	G4-56	a. A description of the organization's values, principles, standards, and norms of behavior.	▶ Group Management Philosophy
102-17	G4-57/58	a. A description of internal and external mechanisms for: <ul style="list-style-type: none"> i. seeking advice about ethical and lawful behavior, and organizational integrity; ii. reporting concerns about unethical or unlawful behavior, and organizational integrity. 	▶ Stakeholder Engagement
Governance			
102-18*	G4-34	a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	<ul style="list-style-type: none"> ▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-19	G4-35	a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.	▶ Management System
102-20	G4-36	a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics. b. Whether post holders report directly to the highest governance body.	▶ Management System
102-21	G4-37	a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics. b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.	▶ Management System
102-22	G4-38	a. Composition of the highest governance body and its committees by: <ul style="list-style-type: none"> i. executive or non-executive; ii. independence; iii. tenure on the governance body; iv. number of each individual's other significant positions and commitments, and the nature of the commitments; v. gender; vi. membership of under-represented social groups; vii. competencies relating to economic, environmental, and social topics; viii. stakeholder representation. 	<ul style="list-style-type: none"> ▶ Management System ▶ Major ESG Data (Governance Data) ▶ Corporate Governance ▶ Corporate Governance Report
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"> ▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-24	G4-40	a. Nomination and selection processes for the highest	▶ Management System



		<p>governance body and its committees.</p> <p>b. Criteria used for nominating and selecting highest governance body members, including whether and how:</p> <p>i. stakeholders (including shareholders) are involved;</p> <p>ii. diversity is considered;</p> <p>iii. independence is considered;</p> <p>iv. expertise and experience relating to economic, environmental, and social topics are considered.</p>	<ul style="list-style-type: none"> ▶ Corporate Governance ▶ Corporate Governance Report
102-25	G4-41	<p>a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed.</p> <p>b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:</p> <p>i. Cross-board membership;</p> <p>ii. Cross-shareholding with suppliers and other stakeholders;</p> <p>iii. Existence of controlling shareholder;</p> <p>iv. Related party disclosures.</p>	<ul style="list-style-type: none"> ▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-26	G4-42	<p>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.</p>	<ul style="list-style-type: none"> ▶ Management System
102-27	G4-43	<p>a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.</p>	<ul style="list-style-type: none"> ▶ Management System
102-28	G4-44	<p>a. Processes for evaluating the highest 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>	<ul style="list-style-type: none"> ▶ Corporate Governance ▶ Corporate Governance Report
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>	<ul style="list-style-type: none"> ▶ Corporate Governance ▶ Corporate Governance Report
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>	<ul style="list-style-type: none"> ▶ Management System
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>	<ul style="list-style-type: none"> ▶ Management System
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>	<ul style="list-style-type: none"> ▶ Management System
102-33	G4-49	<p>a. Process for communicating critical concerns to the</p>	<ul style="list-style-type: none"> ▶ Management System



		highest governance body.	<ul style="list-style-type: none"> ▶ Corporate Governance ▶ Corporate Governance Report
102-34	G4-50	<p>a. Total number and nature of critical concerns that were communicated to the highest governance body.</p> <p>b. Mechanism(s) used to address and resolve critical concerns.</p>	<ul style="list-style-type: none"> ▶ Corporate Governance ▶ Corporate Governance Report
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"> ▶ Major ESG Data (Governance Data) ▶ Corporate Governance ▶ Integrated Annual Report 2017 p.83-84 (Corporate Governance (Appendix) Compensation Amounts of Directors and Audit & Supervisory Board Members) ( PDF/8,401KB) ▶ Corporate Governance Report
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"> ▶ Major ESG Data (Governance Data) ▶ Corporate Governance ▶ Integrated Annual Report 2017 p.83-84 (Corporate Governance (Appendix) Compensation Amounts of Directors and Audit & Supervisory Board Members) ( PDF/8,401KB) ▶ Corporate Governance Report
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"> ▶ Major ESG Data (Governance Data) ▶ Corporate Governance ▶ Integrated Annual Report 2017 p.83-84 (Corporate Governance (Appendix) Compensation Amounts of Directors and Audit & Supervisory Board Members) ( PDF/8,401KB) ▶ Corporate Governance Report
102-38	G4-54	<p>a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.</p>	<ul style="list-style-type: none"> ▶ Major ESG Data (Governance Data) ▶ Integrated Annual Report 2017 p.83-84 (Corporate Governance (Appendix) Compensation Amounts of Directors and Audit & Supervisory Board Members) ( PDF/8,401KB)
102-39	G4-55	<p>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</p>	<ul style="list-style-type: none"> ▶ Major ESG Data (Governance Data) ▶ Integrated Annual Report 2017 p.83-84 (Corporate Governance (Appendix)

		compensation for all employees (excluding the highest-paid individual) in the same country.	Compensation Amounts of Directors and Audit & Supervisory Board Members) ( PDF/8,401KB)
Stakeholder engagement			
102-40*	G4-24	a. A list of stakeholder groups engaged by the organization.	▶ Stakeholder Engagement
102-41*	G4-11	a. Percentage of total employees covered by collective bargaining agreements.	▶ Major ESG Data (Social Performance Data)
102-42*	G4-25	a. The basis for identifying and selecting stakeholders with whom to engage.	▶ Stakeholder Engagement
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.	▶ Redefining Group CSR Materiality ▶ Stakeholder Engagement ▶ Major ESG Data (Social Performance Data) ▶ ESG Initiatives through Our Asset Management Business
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.	▶ Redefining Group CSR Materiality ▶ Group CSR Materiality (Major Initiatives on each CSR Material Issue)
Reporting practice			
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 statements or equivalent documents is not covered by the report.	▶ Group Businesses ▶ Overview of CSR Communication (Covered Organization) ▶ Integrated Annual Report 2017 p.90-92 (Corporate Data, The Company, Subsidiaries, and Affiliates) ( PDF/8,401KB)
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.	▶ Overview of CSR Communication (Covered Organization) ▶ Redefining Group CSR Materiality
102-47*	G4-19	a. A list of the material topics identified in the process for defining report content.	▶ Redefining Group CSR Materiality
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.	▶ Overview of CSR Communication (Reporting Period)
102-51*	G4-29	a. If applicable, the date of the most recent previous report.	▶ Overview of CSR Communication (Publication Period)
102-52*	G4-30	a. Reporting cycle.	▶ Overview of CSR Communication (Publication Period)

102-53*	G4-31	a. The contact point for questions regarding the report or its contents.	<ul style="list-style-type: none"> ▶ Overview of CSR Communication (Planning and Editing)
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'.	<ul style="list-style-type: none"> ▶ The CSR Communication Report 2018 has been prepared in accordance with the Core option of the GRI Sustainability Reporting Standards.
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: i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	<p>This page is the GRI Content Index.</p> <ul style="list-style-type: none"> ▶ Overview of CSR Communication (Referenced Guidelines)
102-56*	G4-32-c/33	a. A description of the organization's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: 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; ii. The relationship between the organization and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	<p>Have received third-party assurance on some quantitative social and environmental data.</p> <ul style="list-style-type: none"> ▶ Assurance by a Third-Party Organization
Management Approach			
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"> ▶ Overview of CSR Communication (Covered Organization) ▶ Redefining Group CSR Materiality ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ Group CSR Materiality (Major Initiatives on each CSR Material Issue)
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	<ul style="list-style-type: none"> ▶ CSR Initiatives ▶ Management System ▶ Group CSR Materiality (Major Initiatives on each CSR Material Issue)

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

ECONOMIC

Disclosures No.		Requirements	Page References (or Reasons for Omission)
GRI Standard	G4 Guidelines		
Economic Performance			
103-1	G4-20/21/DMA-a	<ul style="list-style-type: none"> a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ul style="list-style-type: none"> 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"> ▶ Overview of CSR Communication (Covered Organization) ▶ Redefining Group CSR Materiality ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ Group CSR Materiality (Major Initiatives on each CSR Material Issue)
103-2	G4-DMA-b	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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"> ▶ CSR Initiatives ▶ Management System ▶ Group CSR Materiality (Major Initiatives on each CSR Material Issue)
103-3	G4-DMA-c	<ul style="list-style-type: none"> a. An explanation of how the organization evaluates the management approach, including: <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of 	<ul style="list-style-type: none"> ▶ Management System ▶ CSR Key Performance Indicators (CSR-KPIs)



		<p>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>	<p>▶ Stakeholder Engagement</p>
201-1	G4-EC1	<p>a. Direct economic value generated and distributed (EVG&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&D separately at country, regional, or market levels, and the criteria used for defining significance.</p>	<p>▶ Investor Materials</p> <p>▶ Major ESG Data (Governance Data)</p> <p>▶ Integrated Annual Report 2017 p.28-31 (Financial and Non-Financial Highlights) ( PDF/8,401KB)</p>
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>	<p>▶ Identifying Our CSR Materiality</p> <p>▶ 3. Promoting the Manageability of Global Environmental Issues</p> <p>▶ Featured Topic 3: Climate Initiatives</p> <p>▶ Case Studies – Customer: Mitigation of Climate Change</p> <p>▶ Case Studies – Community: Adaptation to Climate Change</p> <p>▶ Case Studies – Agencies: Mitigation of Climate Change</p> <p>▶ Assurance by a Third-Party Organization</p>
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>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>	<p>Information unavailable.</p> <p>Will collect/ analyze information and work toward its disclosure.</p>
201-4	G4-EC4	<p>a. Total monetary value of financial assistance received by the organization from any government</p>	<p>Not applicable</p>

		<p>during the reporting period, including:</p> <ul style="list-style-type: none"> i. tax relief and tax credits; ii. subsidies; iii. investment grants, research and development grants, and other relevant types of grant; iv. awards; v. royalty holidays; vi. financial assistance from Export Credit Agencies (ECAs); vii. financial incentives; viii. other financial benefits received or receivable from any government for any operation. <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>	
Indirect Economic Impacts			
103-1	G4-20/21/DMA-a	<ul style="list-style-type: none"> a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ul style="list-style-type: none"> 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"> ▶ Overview of CSR Communication (Covered Organization) ▶ Identifying Our CSR Materiality ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ 4. Empowering Community and Society
103-2	G4-DMA-b	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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"> ▶ CSR Initiatives ▶ Management System
103-3	G4-DMA-c	<ul style="list-style-type: none"> a. An explanation of how the organization evaluates the management approach, including: <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Management System ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ Stakeholder Engagement
203-1	G4-EC7	<ul style="list-style-type: none"> a. Extent of development of significant infrastructure investments and services supported. b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. Whether these investments and services are commercial, in-kind, or pro bono engagements. 	<ul style="list-style-type: none"> ▶ Major ESG Data (Governance Data) ▶ 4. Empowering Community and Society ▶ Case Studies – Stockholders, Investors, Companies we invest in: Contributing Community through Business

			<ul style="list-style-type: none"> ▶ Case Studies - Civil Societies: Contributing to Community through the Arts and Culture ▶ Case Studies – Community: Engagement with Communities ▶ Case Studies – Community: Contributing to Community through the Arts and Culture
203-2	G4-EC8	<p>a. Examples of significant identified indirect economic impacts of the organization, including positive and 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"> ▶ Featured Topic 3: Climate Initiatives ▶ Case Studies – Community: Adaptation to Climate Change ▶ Case Studies – Stockholders, Investors, Companies we invest in: Solutions for Environmental Issues
Anti-corruption			
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> <ol style="list-style-type: none"> 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. <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> ▶ CSR as Corporate Value Drivers ▶ Overview of CSR Communication (Covered Organization) ▶ Redefining Group CSR Materiality
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> <ol style="list-style-type: none"> 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"> ▶ Compliance
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ol style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Compliance
205-1	G4-SO3	<p>a. Total number and percentage of operations assessed for risks related to corruption.</p> <p>b. Significant risks related to corruption identified through the risk assessment.</p>	<p>Information unavailable.</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</p>	<ul style="list-style-type: none"> ▶ Major ESG Data (Governance Data)

		<p>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>	
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		
Materials			
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"> ▶ Overview of CSR Communication (Covered Organization) ▶ CSR Strategies/Featured Topics ▶ Identifying Our CSR Materiality ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ Featured Topic 3: Climate Initiatives ▶ Stakeholder Engagement
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"> ▶ CSR Initiatives ▶ Management System ▶ 3. Promoting the Manageability of Global Environmental Issues



		<ul style="list-style-type: none"> 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 	
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"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Management System ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)
301-1	G4-EN1	<p>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:</p> <ul style="list-style-type: none"> i. non-renewable materials used; ii. renewable materials used. 	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data) ▶ Case Studies – Customer: Mitigation of Climate Change
301-2	G4-EN2	<p>a. Percentage of recycled input materials used to manufacture the organization’s primary products and services.</p>	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data)
301-3	G4-EN28	<ul style="list-style-type: none"> 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"> ▶ Major ESG Data (Environmental Performance Data)
Energy			
103-1	G4-20/21/DMA-a	<ul style="list-style-type: none"> a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ul style="list-style-type: none"> 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"> ▶ Overview of CSR Communication (Covered Organization) ▶ CSR Strategies/Featured Topics ▶ Identifying Our CSR Materiality ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ Featured Topic 3: Climate Initiatives ▶ Stakeholder Engagement
103-2	G4-DMA-b	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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"> ▶ CSR Initiatives ▶ Management System ▶ 3. Promoting the Manageability of Global Environmental Issues

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"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Management System ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)
302-1	G4-EN3	<ul style="list-style-type: none"> a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used. 	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data)
302-2	G4-EN4	<ul style="list-style-type: none"> a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used. 	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data)
302-3	G4-EN5	<ul style="list-style-type: none"> a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both. 	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data)
302-4	G4-EN6	<ul style="list-style-type: none"> a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used. 	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data)
302-5	G4-EN7	<ul style="list-style-type: none"> a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. 	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data)

		c. Standards, methodologies, assumptions, and/or calculation tools used.	
Biodiversity			
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> <ol style="list-style-type: none"> 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. iii. Any specific limitation regarding the topic Boundary. 	<ul style="list-style-type: none"> ▶ Overview of CSR Communication (Covered Organization) ▶ CSR Strategies/Featured Topics ▶ Identifying Our CSR Materiality ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ Featured Topic 3: Climate Initiatives ▶ Stakeholder Engagement
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> <ol style="list-style-type: none"> 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"> ▶ CSR Initiatives ▶ Management System ▶ 3. Promoting the Manageability of Global Environmental Issues
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ol style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Management System ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)
304-1	G4-EN11	<p>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:</p> <ol style="list-style-type: none"> i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; 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; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km² (or another unit, if appropriate); 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); 	Not applicable

		vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).	
304-2	G4-EN12	<p>a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:</p> <ul style="list-style-type: none"> i. Construction or use of manufacturing plants, mines, and transport infrastructure; ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); iii. Introduction of invasive species, pests, and pathogens; iv. Reduction of species; v. Habitat conversion; vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). <p>b. Significant direct and indirect positive and negative impacts with reference to the following:</p> <ul style="list-style-type: none"> i. Species affected; ii. Extent of areas impacted; iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts. 	<ul style="list-style-type: none"> ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ Case Studies - Civil Societies: Conservation of Biodiversity
304-3	G4-EN13	<p>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.</p> <p>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.</p> <p>c. Status of each area based on its condition at the close of the reporting period.</p> <p>d. Standards, methodologies, and assumptions used.</p>	<ul style="list-style-type: none"> ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ Case Studies - Civil Societies: Conservation of Biodiversity
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"> i. Critically endangered ii. Endangered iii. Vulnerable iv. Near threatened v. Least concern 	Not applicable
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> <ul style="list-style-type: none"> 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. <p>c. Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> ▶ Overview of CSR Communication (Covered Organization) ▶ CSR Strategies/Featured Topics ▶ Identifying Our CSR Materiality ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ Featured Topic 3: Climate Initiatives

			<ul style="list-style-type: none"> ▶ Stakeholder Engagement
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> <ol style="list-style-type: none"> 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"> ▶ CSR Initiatives ▶ Management System ▶ 3. Promoting the Manageability of Global Environmental Issues
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ol style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Management System ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)
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> <p>d. Base year for the calculation, if applicable, including:</p> <ol style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. <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"> ▶ Integrated Annual Report 2017 p.28-31 (Financial and Non-Financial Highlights) ( PDF/8,401KB) ▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
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> <ol style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. <p>e. Source of the emission factors and the global</p>	<ul style="list-style-type: none"> ▶ Integrated Annual Report 2017 p.28-31 (Financial and Non-Financial Highlights) ( PDF/8,401KB) ▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization



		<p>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>	
305-3	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 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>	<ul style="list-style-type: none"> ▶ Integrated Annual Report 2017 p.28-31 (Financial and Non-Financial Highlights) (PDF/8,401KB) ▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
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 CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.</p>	<ul style="list-style-type: none"> ▶ Major ESG Data (Environmental Performance Data)
305-5	G4-EN19	<p>a. GHG emissions reduced as a direct result of reduction initiatives, 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. 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>	<ul style="list-style-type: none"> ▶ Integrated Annual Report 2017 p.28-31 (Financial and Non-Financial Highlights) (PDF/8,401KB) ▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
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 multiples, for each of the following:</p> <p>i. NOX</p> <p>ii. SOX</p> <p>iii. Persistent organic pollutants (POP)</p> <p>iv. Volatile organic compounds (VOC)</p> <p>v. Hazardous air pollutants (HAP)</p> <p>vi. Particulate matter (PM)</p>	Not applicable

		<p>vii. Other standard categories of air emissions identified in relevant regulations</p> <p>b. Source of the emission factors used.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>	
Environmental Compliance			
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"> ▶ Overview of CSR Communication (Covered Organization) ▶ CSR Strategies/Featured Topics ▶ Identifying Our CSR Materiality ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ Featured Topic 3: Climate Initiatives ▶ Stakeholder Engagement
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"> ▶ CSR Initiatives ▶ Management System ▶ 3. Promoting the Manageability of Global Environmental Issues
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"> ▶ Management System ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)
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		
Training and Education			
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"> i. where the impacts occur; ii. the organization's involvement with the impacts. <p>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"> ▶ Overview of CSR Communication (Covered Organization) ▶ CSR Strategies/Featured Topics ▶ Identifying Our CSR Materiality ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 5. Supporting Diversity and Inclusion in Private and Public Life ▶ Stakeholder Engagement
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"> 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"> ▶ CSR Initiatives ▶ 5. Supporting Diversity and Inclusion in Private and Public Life
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"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ 5. Supporting Diversity and Inclusion in Private and Public Life ▶ Stakeholder Engagement
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"> i. gender; ii. employee category. 	<p>Information unavailable.</p> <p>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"> ▶ 5. Supporting Diversity and Inclusion in Private and Public Life ▶ Case Studies – Employees: Building Resilient Organizations through Human Resources Development
404-3	G4-LA11	<p>a. a. Percentage of total employees by gender and by employee category who received a regular</p>	<ul style="list-style-type: none"> ▶ 5. Supporting Diversity and Inclusion in Private and Public Life

		performance and career development review during the reporting period.	▶ Case Studies – Employees: Building Resilient Organizations through Human Resources Development
Diversity and Equal Opportunity			
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, 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>	<p>▶ CSR Initiatives</p> <p>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</p> <p>▶ Diversity and Inclusion</p>
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>	<p>▶ CSR Key Performance Indicators (CSR-KPIs)</p> <p>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</p> <p>▶ Stakeholder Engagement</p> <p>▶ Major ESG Data (Social Performance Data)</p>
405-1	G4-LA12	<p>a. Percentage of individuals within the organization’s governance bodies 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> <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>	<p>▶ 5. Supporting Diversity and Inclusion in Private and Public Life</p> <p>▶ Major ESG Data (Social Performance Data)</p>
405-2	G4-LA13	a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	Information unavailable. Will collect/ analyze information and work toward its disclosure.

		b. The definition used for 'significant locations of operation'.	
Human Rights Assessment			
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> <ol style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. <p>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"> ▶ Overview of CSR Communication (Covered Organization) ▶ CSR Strategies/Featured Topics ▶ Identifying Our CSR Materiality ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 5. Supporting Diversity and Inclusion in Private and Public Life ▶ Stakeholder Engagement ▶ Case Studies – Employees: Respect for Human Dignity and Rights
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> <ol style="list-style-type: none"> 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"> ▶ CSR Initiatives ▶ 5. Supporting Diversity and Inclusion in Private and Public Life ▶ Case Studies – Employees: Respect for Human Dignity and Rights
103-3	G4-DMA-c	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <ol style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ 5. Supporting Diversity and Inclusion in Private and Public Life ▶ Stakeholder Engagement ▶ Case Studies – Employees: Respect for Human Dignity and Rights
412-1	G4-HR9	a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	Information unavailable. Will collect/ analyze information and work toward its disclosure.
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"> ▶ Major ESG Data (Governance Data) ▶ Case Studies – Employees: Respect for Human Dignity and Rights
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>b. The definition used for 'significant investment agreements'.</p>	Information unavailable. Will collect/ analyze information and work toward its disclosure.

Local Communities			
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"> i. where the impacts occur; ii. the organization's involvement with the impacts. <p>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"> ▶ Overview of CSR Communication (Covered Organization) ▶ CSR Strategies/Featured Topics ▶ Identifying Our CSR Materiality ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ 4. Empowering Community and Society ▶ Stakeholder Engagement
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"> 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"> ▶ CSR Initiatives ▶ Management System ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ 4. Empowering Community and Society
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"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach. 	<ul style="list-style-type: none"> ▶ Management System ▶ CSR Key Performance Indicators (CSR-KPIs) ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ 4. Empowering Community and Society ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data, Social Performance Data)
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> <ul style="list-style-type: none"> i. social impact assessments, including gender impact assessments, based on participatory processes; ii. environmental impact assessments and ongoing monitoring; iii. public disclosure of results of environmental and social impact assessments; iv. local community development programs based on local communities' needs; v. stakeholder engagement plans based on stakeholder mapping; vi. broad based local community consultation committees and processes that include vulnerable groups; vii. works councils, occupational health and safety 	<ul style="list-style-type: none"> ▶ 3. Promoting the Manageability of Global Environmental Issues ▶ 4. Empowering Community and Society ▶ Case Studies - Civil Societies: Conservation of Biodiversity ▶ Case Studies – Community: Evaluation of CSR Programs

		committees and other worker representation bodies to deal with impacts; viii. formal local community grievance processes.	
413-2	G4-SO2	a. Operations with significant actual and potential negative impacts on local communities, including: i. the location of the operations; ii. the significant actual and potential negative impacts of operations.	Not applicable
Customer Privacy			
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"> ▶ CSR Strategies/Featured Topics ▶ Overview of CSR Communication (Covered Organization) ▶ Redefining Group CSR Materiality
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"> ▶ http://www.sompo-hd.com/en/company/compliance/privacy/ (In Japanese)
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	<ul style="list-style-type: none"> ▶ http://www.sompo-hd.com/en/company/compliance/privacy/ (In Japanese)
418-1	G4-PR8	a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by: i. complaints received from outside parties and substantiated by the organization; ii. complaints from regulatory bodies. b. Total number of identified leaks, thefts, or losses of customer data. c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.	<ul style="list-style-type: none"> ▶ Case Studies – Customer: To Providing the Highest Possible Quality of Service
Socioeconomic Compliance			
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:	<ul style="list-style-type: none"> ▶ Overview of CSR Communication (Covered

		<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>Organization)</p> <p>▶ Redefining Group CSR Materiality</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> <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>	<p>▶ Compliance</p> <p>▶ Global Business Expansion</p>
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>	<p>▶ Compliance</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>	<p>Not applicable</p>

Social (Human Rights)

Section	Performance Indicators	References
Investment*		
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>▶ Major ESG Data(P.17)( PDF/2,294KB)</p> <p>▶ Redefining Group CSR Materiality(P.20-24)( PDF/2,294KB)</p> <p>▶ Group CSR-KPIs FY2016 Targets(P.25)( PDF/2,294KB)</p>

		<ul style="list-style-type: none"> ▶ Stakeholder Engagement(P.26)( PDF/2,294KB) ▶ Supporting Diversity and Inclusion in Private and Public Life(P.49-50)( PDF/2,294KB)
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"> ▶ Major ESG Data(P.17)( PDF/2,294KB) ▶ CSR Case Report P.131( PDF/8,504KB)
Non-discrimination		
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"> ▶ Major ESG Data(P.17)( PDF/2,294KB) ▶ Redefining Group CSR Materiality(P.20-24)( PDF/2,294KB) ▶ Group CSR-KPIs FY2016 Targets(P.25)( PDF/2,294KB) ▶ Stakeholder Engagement(P.26)( PDF/2,294KB) ▶ Supporting Diversity and Inclusion in Private and Public Life(P.49-50)( PDF/2,294KB)
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	-
Freedom of Association and Collective Bargaining		
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.	-
Child Labor		
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.	-
Forced or Compulsory Labor		
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-HR6	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.	
Security Practices		
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"> ▶ Major ESG Data(P.17)( PDF/2,294KB) ▶ Redefining Group CSR Materiality(P.20-24)( PDF/2,294KB) ▶ Group CSR-KPIs FY2016 Targets(P.25)( PDF/2,294KB) ▶ Stakeholder Engagement(P.26)( PDF/2,294KB) ▶ Supporting Diversity and Inclusion in Private and Public Life(P.49-50)( PDF/2,294KB)
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	▶ CSR Case Report P.131( PDF/8,504KB)
Indigenous Rights		
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	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	-
Assessment		
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"> ▶ Major ESG Data(P.17)( PDF/2,294KB) ▶ Redefining Group CSR Materiality(P.20-24)( PDF/2,294KB) ▶ Group CSR-KPIs FY2016 Targets(P.25)( PDF/2,294KB) ▶ Stakeholder Engagement(P.26)( PDF/2,294KB) ▶ Supporting Diversity and Inclusion in Private and Public Life(P.49-50)( PDF/2,294KB)
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	-
Supplier Human Rights Assessment		
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"> ▶ Major ESG Data(P.19)( PDF/2,294KB) ▶ Stakeholder Engagement(P.26)( PDF/2,294KB) ▶ CSR Case Report P.61( PDF/8,504KB)
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.	-
Human Rights Grievance Mechanisms		
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</p>	▶ Major ESG Data(P.17)( PDF/2,294KB)

	Aspect or its impacts. c. Report the evaluation of the management approach.	<ul style="list-style-type: none"> ▶ Redefining Group CSR Materiality(P.20-24)(PDF/2,294KB) ▶ Group CSR-KPIs FY2016 Targets(P.25)(PDF/2,294KB) ▶ Stakeholder Engagement(P.26)(PDF/2,294KB) ▶ Supporting Diversity and Inclusion in Private and Public Life(P.49-50)(PDF/2,294KB)
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	-

Social (Society)

Section	Performance Indicators	References
Local Communities*		
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"> ▶ Management Strategy(P.8)(PDF/2,294KB) ▶ Major ESG Data(P.17)(PDF/2,294KB) ▶ Redefining Group CSR Materiality(P.20-24)(PDF/2,294KB) ▶ Group CSR-KPIs FY2016 Targets(P.25)(PDF/2,294KB) ▶ Stakeholder Engagement(P.26)(PDF/2,294KB) ▶ Enhancing Promotion(P.27-28)(PDF/2,294KB) ▶ Empowering Community and Society(P.45-46)(PDF/2,294KB)
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	<ul style="list-style-type: none"> ▶ Promoting the Manageability of Global Environmental Issues(P.44)(PDF/2,294KB) ▶ CSR Case Report P.110(PDF/8,504KB)
G4-SO2	Operations with significant actual and potential negative impacts on local communities.	not applicable
Anti-corruption*		
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"> ▶ Annual Report (Integrated Report) P.88-89(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.	<ul style="list-style-type: none"> ▶ Major ESG Data(P.19)(PDF/2,294KB)
G4-SO5	Confirmed incidents of corruption and actions taken.	-
Public Policy		
G4-DMA	a. Report why the Aspect is material. Report the	-

	<p>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.	-
Anti-competitive Behavior		
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-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	-
Compliance		
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>	▶ Annual Report (Integrated Report) P.88-89(PDF/4,208KB)
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	-
Supplier Assessment for Impacts on Society		
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>▶ Major ESG Data(P.19)(PDF/2,294KB)</p> <p>▶ Stakeholder Engagement(P.26)(PDF/2,294KB)</p> <p>▶ CSR Case Report P.61(PDF/8,504KB)</p>
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	-
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	-
Grievance Mechanisms for Impacts on Society*		
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>	▶ CSR Case Report P.20-22(PDF/8,504KB)
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	▶ CSR Case Report P.22(PDF/8,504KB)

Social (Product Responsibility)

Section	Performance Indicators	References
Customer Health and Safety		
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
Product and Service Labeling		
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.	▶ CSR Case Report P.20-22 ( PDF/8,504KB)
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.	▶ CSR Case Report P.21-22 ( PDF/8,504KB)
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.	▶ CSR Case Report P.22 ( PDF/8,504KB)
Marketing Communications		
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.	-
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.	-
Customer Privacy*		
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.	▶ Annual Report (Integrated Report) P.88-89 ( PDF/4,208KB)

G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	▶ CSR Case Report P.22 (PDF/8,504KB)
Compliance		
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.	▶ Annual Report (Integrated Report) P.88-89 (PDF/4,208KB)
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)
Product Portfolio		
DMA	FS1: Policies with specific environmental and social components applied to business lines. FS2: Procedures for assessing and screening environmental and social risks in business lines. FS3: Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions. FS4: Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines. FS5: Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities.	<ul style="list-style-type: none"> ▶ CSR Initiatives ▶ Management System ▶ Redefining Group CSR Materiality ▶ Stakeholder Engagement ▶ ESG Initiatives through Our Asset Management Business
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/sme/large) and by sector.	▶ Top Commitment
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"> ▶ Overview of Business Results ▶ Products and Services for a Sustainable Society
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"> ▶ Overview of Business Results ▶ Products and Services for a Sustainable Society
Audit		
DMA	Management Approach FS9: Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	▶ Management System
Active Ownership		
DMA	FS12: Voting policy(ies) applied to environmental or	▶ CSR Initiatives

	social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	
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.
Local Communities		
FS13	Access points in low-populated or economically disadvantaged areas by type.	<ul style="list-style-type: none"> ▶ Case Studies – Community: Adaptation to Climate Change ▶ Case Studies – Community: Contributing Community through Business
FS14	Initiatives to improve access to financial services for disadvantaged people.	<ul style="list-style-type: none"> ▶ Case Studies – Community: Adaptation to Climate Change ▶ Case Studies – Community: Contributing Community through Business

Third Party Comments / Response to the Third Party Comments

Third Party Comments on CSR Communication Report 2018

Ms. Carolyn Schmidt

Program Director at ECOLOGIA

NGO delegate, ISO 26000 Support Network

Graduate of University of Pennsylvania



Sompo Holdings is to be congratulated this year for achieving CSR Communication Report 2018 that includes financial information, business strategies and acquisitions, and corporate social responsibility within one over-arching framework. The “theme park for the security, health and well-being” concept works well as a vision statement both for business decisions and for corporate programs explicitly designed to reach social responsibility goals. The reader can see how resources are allocated among the themes, and also review outcomes. The four business categories - Domestic P & C Insurance, Domestic Life Insurance, Nursing Care & Healthcare, and Overseas Insurance - are explained in the Group CEO’s Overview, and it is easy to find links to the more specific business information for each category. Through logical organization and the provision of overview charts and links, the reader can move back and forth between policy statements, CSR categories and specific examples.

Key points noted:

- 1) With this 2018 report, Sompo Holdings demonstrates that it continues to strive toward making CSR ever more an integral part of its business decision-making process. When CSR is conducted within the framework of a for-profit multinational corporation, it is logical and instructive to show how the CSR initiatives flow from the core business. Conversely, it is important to show that regular business decisions are made within a socially responsible framework.
- 2) Independence in corporate governance and oversight continue to climb ever higher in the list of shareholder and stakeholder concerns globally. Easy access to information about Sompo Holdings’

corporate governance includes specifics on the independent members of the Board of Directors and Independent Auditors.

- 3) Open discussion of the more chaotic dimensions of our world (“VUCA” - Volatility, Uncertainty, Complexity and Ambiguity”) indicates a growing consciousness of risk as a consistent factor in our societies and in the business world. Sompo Holdings appears to be positioned well, through its long-established expertise in climate change adaptation and mitigation, to expand into new areas of managing and mitigating risk along socially responsible dimensions. This is indicated in new ventures such as the Agri-Sompo global activities which build on previous climate-related insurance offerings.
- 4) “Dialogue: Realizing a Sustainable Society through ESG Investment” (Featured Topic 2) incorporates the theme of Japanese institutions needing to become less risk-averse as part of long-term planning. In the Special Dialogue on sustainable value creation, the point is made that “Japanese companies should give an environment in which failure is permitted or rather, failure is not simply evaluated negatively but seen as a part of the process that generates challenges and results...” This attitude extends to Sompo Holdings’ work with local community development, supporting efforts to produce and buy locally, encouraging the flexible “give-it-a-go” approach, and thus empowering local communities.
- 5) The report indicates the extent to which its ambitious growth goals are underpinned by its serious commitment to keeping up with evolving global norms, such as the U.N. Sustainable Development Goals. Much of Sompo Holdings’ accumulated experience in CSR connects to many of the SDGs already. In the words of one of the Special Dialogue participants:

“The SDGs carry a strong core message of ‘leaving no one behind.’ This actually implies, somewhat strongly, that many people have been left behind in the past. The underlying cause is a misunderstood capitalism which puts too much demand on short-term profits, and the advance of exclusive globalization which fails to respect human dignity and rights, the backbone of society.”

This type of high-level reflection accompanying work with the SDGs may lead to more long-term and even deeper sustainability initiatives.

- 6) The web-based format has improved and expanded greatly since last year’s report. There is a broader range of categories to explore, with relevant supporting information available. It is easy to switch back and forth between different sections and between the CSR report and the business report. This reviewer, however, misses some of the characteristics of earlier years’ print reports, especially the provision of more detailed and specific information in some of the categories. For example, in the discussion of diversity the growth percentages of managers who are women (from 5% to over 20% in the past three years) are provided, but for another significant dimension of diversity, non-Japanese employees, there are no figures given. Case Studies seem to be briefer and more general. Information on implementation of CSR initiatives in overseas offices is skimpier than in previous years. The interviews with various “stakeholders” and emphasis on two-way communication with workers seem to have diminished this year also. But these critical comments are minor in the overall picture, and could easily be remedied in future years.

I do not think that I will be the only outside observer watching Sompo Holdings’ progress with particular

interest in the coming year. The mergers and acquisitions, the expansion into new fields such as health care, quality of life for older people, the changes driven by CO2 emission reduction goals, increasing overseas involvements - all these ventures involve risk and change. The goal of reducing costs while improving services in some cases will require difficult decisions; tracking this process will be of value both to the business world and to those in the realm of government. On the whole, this 2018 Report positions Sompo Holdings as a dynamic, mature leader who may become a model of what ISO 26000 calls “integrating social responsibility throughout an organization”. The web-based Integrated Report encourages such dialogue.

Working to Realize a “Theme Park for Security, Health, and Wellbeing”

Kiyoshi Aoki

Chief Management Officer of the Group’s Council for CSR

Promotion

Group Chief Brand Officer

Executive Officer, General Manager of Corporate Communications

Department and General Manager of Corporate Social

Responsibility Department, Sompo Holdings



Ms. Carolyn Schmidt 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 her long-standing engagement and deep understanding of our CSR initiatives as well as her thought-provoking suggestions.

We are pleased to hear her opinion on our initiatives to achieve our management strategy of becoming a “theme park for security, health, and wellbeing,” based on social demands, including the Sustainable Development Goals (SDGs). We also value her advice on disclosing information on diversity following the expansion of our overseas operations and we will incorporate it to enhance our reporting.

With regard to our “theme park for security, health, and wellbeing,” we are aiming to provide customers with a variety of solutions by organically linking numerous businesses, not only our P&C insurance, but also our nursing care & healthcare, life insurance, and overseas insurance. Through such transformation, we are tackling social issues from a global perspective in the belief that this will lead to the realization of the world the SDGs are aiming for.

Through third-party comments and dialogue, we have renewed our awareness of the importance of partnerships with stakeholders and of a corporate culture that is prepared to take on challenges without fear of failure. We also sense that there are high expectations in our initiatives focused on the nursing care

business, including preventing dementia and supporting for caregivers, and in our further use of digital technology. We will work to incorporate these expectations into our management. Moreover, we will continue our efforts to consider the environment and human rights in our business processes, to increase employee diversity and to create a comfortable workplace.

External Recognition

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

Awards

The Excellence Award at the Environmental Empowerment Award 2017 (Sompo Japan Nipponkoa)

Sompo Japan Nipponkoa received the Excellence Award at the Environmental Empowerment Award 2017 by the Ministry of the Environment of Japan and the Environmental Consortium for Leadership Development (EcoLeaD) for our efforts in environmental empowerment.

(May 2018)

The Grand Prize at the 3rd Working Women Empowerment Award (Sompo Japan Nipponkoa)

Sompo Japan Nipponkoa received the Grand Prize at the 3rd Working Women Empowerment Award by Japan Productivity Center(Working Women's Empowerment Forum).

(April 2018)

The Award of Merit at the 21st Environmental Communication Awards (Sompo Holdings)

The CSR Communication Report 2017 of Sompo Holdings has been honored with the Award of Merit in the Environmental Report section at the 21st Environmental Communication Awards sponsored by the Ministry of the Environment in Japan 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 Award of Merit at the 21st Environmental Communication Awards \(PDF/157KB\)](#)

(February 2018)

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

Sompo Holdings received the Bronze Class distinction in RobecoSAM's Corporate Sustainability Assessment.

Sompo Holdings has been listed on the DJSI World for 18 consecutive years, including past years when its subsidiary Sompo Japan Nipponkoa was listed.



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

(February 2018)

The First Place in CSR Communicate Association's Ranking for CSR Disclosure on Website in 2018 (Sompo Holdings)

Sompo Holdings was ranked the first place for its full content of CSR disclosure on the website, which is conducted by CSR Communicate Association.

- ▶ [Sompo Holdings, Inc. Receives the First Place in CSR Communicate Association's Ranking for CSR Disclosure on Website in 2018\(PDF/29KB\)](#)

(January 2018)

The MEXT 2017 Award for Companies Promoting Experience-based Learning Activities for the Youth (Sompo Japan Nipponkoa)

Fun-filled disaster education for children and parents, "Bosai JAPAN-DA Project" received the Judging Committee's Special Award at the 2017 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.

(January 2018)

The Chairman's Award of Ecological Life and Culture Organization 2017 (Sompo Japan Nipponkoa)

One of our initiatives to conserve biodiversity, "SAVE JAPAN Project" received the Chairman's Award of Ecological Life and Culture Organization 2017 for the effort to create a sustainable society.

(November 2017)

The New Insurance Product of the Year-Japan and the Digital Insurance Initiative of the Year-Japan at the Insurance Asia Awards 2018 by Charlton Media Group (Sompo Japan Nipponkoa)

Sompo Japan Nipponkoa received the New Insurance Product of the Year-Japan for the effort in new insurance product preparing for disaster prevention and mitigation, and Digital Insurance Initiative of the Year-Japan for the effort in weather index insurance at the Insurance Asia Awards 2018 by Charlton Media Group.

(July 2018)

Recognition

Ranked 1st in the Financial Business Category in the Toyo Keizai CSR Corporate Ranking 2018 (Sompo Holdings)

(February 2018)

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

(January 2018)

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

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.



▶ [Sompo Holdings Recognised for Leadership on Climate Action\(PDF/116KB\)](#)

(November 2017)

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

Sompo Risk Management & Health Care received the highest ranked "S" rating for the fifth consecutive year among the registered and certified institutions in the Tokyo Cap-and-Trade Program.

(July 2017)

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.

(2018)



Recognition of Six Group Companies as “2018 Certified Health and Productivity Management Organization in the large enterprise category (White 500)”

Six Group companies have been recognized as a 2018 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. (two consecutive years)
- Sompo Japan Nipponkoa Insurance Inc. (two consecutive years)
- Sompo Systems, Inc.
- Sompo Business Service, Inc. (two consecutive years)
- Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (two consecutive years)
- Sompo Risk Management & Health Care Inc. (two consecutive years)



(February, 2018)

Inclusion in SRI indices

The Sompo Holdings is included in the following SRI indexes (as of September 28, 2018).

Ethibel EXCELLENCE Investment Registers (Sompo Holdings)

Sompo Holdings has been selected for inclusion in the Ethibel EXCELLENCE Investment Register since 31/08/2018. This selection by Forum ETHIBEL indicates that the company performs better than average in its sector in terms of Corporate Social Responsibility (CSR).



▶ [Forum ETHIBEL](#) 

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 approach toward ESG (Environmental, Social and Governance) issues.

Sompo Holdings has now been selected as a member of the indices for 9



consecutive years since the company was founded and 19 consecutive years since the subsidiary company Sompo Japan Nipponkoa was included for the first time.

▶ [Dow Jones Sustainability Indices](#) 

FTSE4Good Index Series (Sompo 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 environment and human rights.



▶ [FTSE4 Good Index Series](#) 

FTSE Blossom Japan Index (Sompo Holdings)

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 ESG Leaders Indexes / MSCI 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 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 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 



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 Health Support 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 Health Support 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)
- 2018 “Tokyo University of the Arts x Sompo Care Inc.” Industry-Academia Collaboration
Launch of 『Artist in “Sompo no le S” in Ojikamiya』

Impacts of Key Initiatives

65.5 million badges

“Yellow Badge Donation” program (Since 1965)

Each year Sompo Japan Nipponkoa donates Yellow Badges that come with traffic accident insurance to students entering their first grade of elementary school in Japan. Until April 2018, a total of 65.5 million students have received the badges.



5.76 million visitors

Seiji Togo Memorial Sompo 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 5.76 million visitors in total by March 2018.



1.8 billion yen

Financial support for welfare Civil societies (Since 1977)

Sompo 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 2,865 grants, which sum up to 1.8 billion yen.



185 million yen

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

To promote the development of care workers, the Sompo Japan Nipponkoa Welfare Foundation provides scholarships for students in training to become long-term care workers. As of the end of fiscal 2017, the Foundation had paid a total of 185 million yen in funding for 268 students.



20,376 people

Public Seminars on the Environment (Since 1993)

As of the end of fiscal 2017, 20,376 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.



27.3 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 2018, 27.3 billion yen were under management by the fund.



1,014 students

CSO Learning Scholarship Program (Since 2000)

As of the end of fiscal 2017, a total of 1,014 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.



48.7 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 48.7 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.



37,409 participants

SAVE JAPAN Project (Since 2011)

From 2011 to the end of March 2018, 37,409 people participated in 739 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.



56,096 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 56,096 Group employees in Japan and overseas have engaged in volunteer activities such as environmental conservation and social welfare.



Over 30,000 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 30,000 participants.



Over 24,000 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 2018, more than 24,000 people had participated in a total of 151 events nationwide.



Over 7,600 participants
Caravan-Mate Training for Dementia Supporters (Since 2016)

Our Group provides internal Caravan-Mates training to effectively train dementia supporters who have appropriate knowledge of the disease, and watch out for and support patients and their families. Once trained, Caravan-Mates go on to provide training for dementia supporters in various workplaces. Through this initiative, we strive to be more considerable when engaging with the elderly and those suffering from dementia.

As of the end of March 2018, the total number of dementia supporters and Caravan-Mates among Group employees and agency employees had reached 7,672.

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 provided by Sompo Japan Nipponkoa 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.

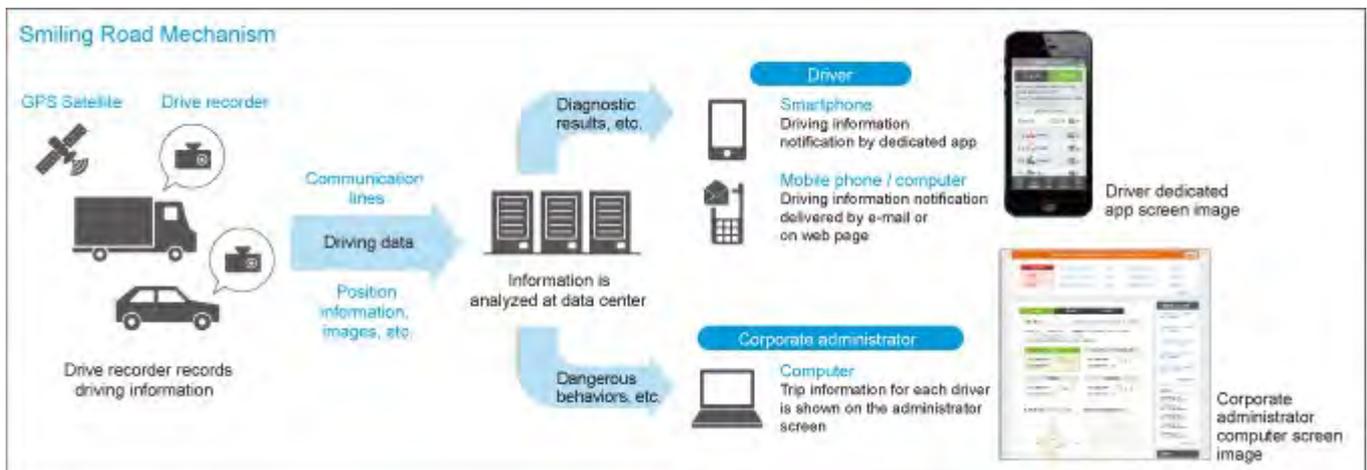
The number of accidents at corporations that have introduced the service has fallen by about 20% due to the synergistic effect of its three features: visibility and understanding of actual driving situations, and feedback to encourage drivers.

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

Since October 2016 they 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. They added multiple innovative functions, including a frequent accident point alert and a safe route guide that avoids accident prone spots, which utilize their strength as an insurance company.

This service represents their ongoing commitment to using advanced technologies such as big-data analysis, in addition to their 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, 7 days a week. Their 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 their three centers in Akita, Tokyo, and Kagoshima they are working to strengthen the system for continuous operation and improved convenience for customer to provide high quality service.



Through their services that range from Home Assistance,^{*1} Overseas Medical Care,^{*2} Business Process Outsourcing^{*3} and Services for private residence,^{*4} they provide customized services to corporate customers to ensure the best possible solutions, thus enhancing customer satisfaction.

- *1 For developers and housing companies, they provide support for urgent situations of homeowners such as leaking pipes or lost keys. Recently they enhanced their 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, they provide coverage of medical expenses payment for their employees outside Japan. On behalf of the client company, they pay medical bills and submit reimbursement claims for health and overseas travel insurance, as well as providing information of local medical institutions.
- *3 They 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.
- *4 They utilize chat and message correspondence using the smart phone with guests visiting Japan from all over the world, and also use video calling in order to confirm their identity for checking in. They offer accident site support service through diverse partnerships corresponding to various troubles surrounding private residences.



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 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 25% of all road traffic accidents.*

In response, Sompo Japan Nipponkoa and Sompo Risk Management 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 2017", Traffic Bureau, National Police Agency.

Outline of Services (in Japanese)

Item	Details
(1) Video analysis service	Automatically extracts videos of dangerous driving from submitted recording media and creates teaching materials that describe the correct way to drive and pinpoint areas for guidance, as well as an analysis report.
(2) <Option> Responsible driving seminars	Seminars for drivers given by experts using extracted videos. The seminars use actual records to provide a sense of realism and encourage interactive discussion.
(3) <Option> Effectiveness verification consulting	Changes in accident incidence rates are checked several months after (1) the video analysis service or (2) a responsible driving seminar, and advice is provided to prevent accidents, including effectiveness verifications.

Insurance for Automated Driving Pilot Tests to Support Technical Developments

Numerous driving automation demonstrations and pilot tests on public roads have been conducted both within Japan and abroad, and technological innovation for practical use and to encourage adoption is underway around the world. In Japan, a Public-Private ITS Initiative/ Roadmaps 2016 has been formulated. As research and development is accelerating, the National Policy Agency issued in May 2016 the guidelines for testing automated driving systems on public roads that require the securing of proper ability to compensate.

To respond to various risks relating to pilot tests, Sompo Japan Nipponkoa offers an automated driving insurance (tailor-made for pilot tests) using the insurance design know-how they have accumulated so far. It is an insurance policy exclusive to companies involved in automated driving demonstrations and pilot tests, to support their research and development that links to a safe and secure automobile society.

The insurance product incorporates automated driving insurance for safety that comprehensively compensates for various risks relating to automated driving, risk consulting that supports security using Sompo Risk Management's know-how, and a dedicated service that supports the realization of pleasant automated driving by analyzing Sompo Japan Nipponkoa's driving data.

<Participation in Automated Driving Pilot Tests>

Sompo Japan Nipponkoa, participated as a cooperating company, in pilot tests held by JAPAN POST Co., Ltd. to realize the application of automatic driving vehicles to the field of logistics, and implemented risk assessment for safe automatic driving in March 2018.



Sato Director , Deputy President and Senior Managing Executive Officer (Sompo Japan Nipponkoa)



Ceremony for the automated driving pilot tests

[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, Sompo Japan Nipponkoa anticipates 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 they 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.

They have revised their 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 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 20% discount at a maximum on their insurance premium. Sompo Risk Management 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 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 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.

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, 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.

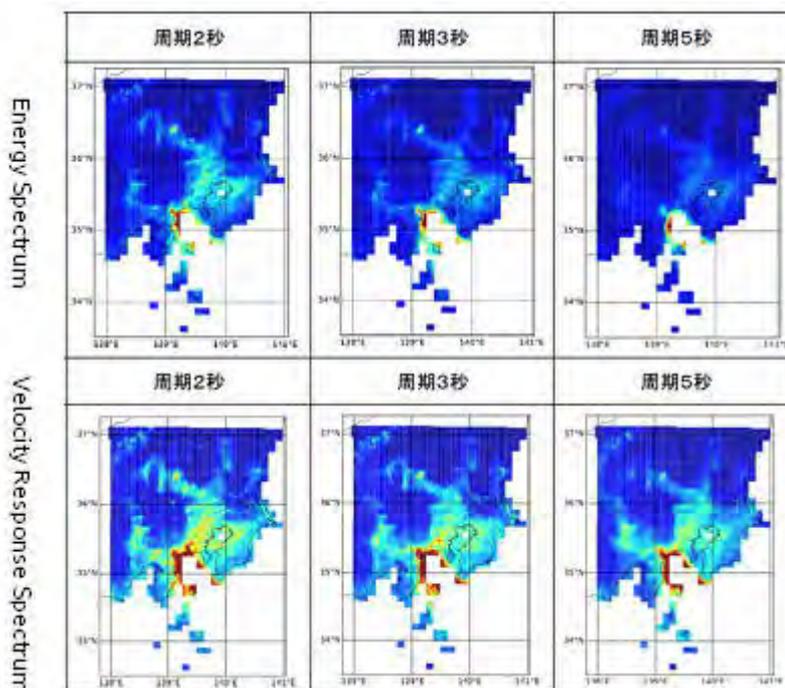
Collaborative Research on Sophisticating the Evaluation of Long-Period Ground Motion Risks

Products & Service

Sompo Risk Management aims to provide new insurance services and risk consulting services as countermeasures against earthquake risks, one of the major types of natural disaster, and has been researching and developing ways to evaluate such risks in Japan and throughout the world. In fiscal year 2017 they started collaborative research with the National Research Institute for Earth Science and Disaster Resilience and Kobori Research Complex Inc., aiming to improve the accuracy of long-period ground motion^{*1} risk evaluations. Long-period ground motion has attracted attention as the cause of damage to high-rise buildings and large-scale structures in plains and basins far from the epicenter, such as ceiling boards collapsing in skyscrapers in Osaka City during the Tohoku-Pacific Ocean Earthquake in 2011. Similar damage to high-rise buildings concentrated in the Kanto, Nobi, and Osaka plains is likely to occur in the event of a long-anticipated Nankai Trough or Sagami Trough earthquake, and in fiscal year 2007 the government started to investigate and research long-period ground motion. This research is mainly focused on sophisticating monetary risk evaluations of relevant damage to high-rise buildings, based on long-period ground motion generation and transmission simulations by the National Research Institute for Earth Science and Disaster Resilience and high-rise building response analysis by Kobori Research Complex.

Going forward, they will use the results of this research to develop insurance and derivative products and enhance risk consulting services, including business continuity planning (BCP), contributing to the creation of their customers' risk management systems.

*1 Ground motion cycles for a period lasting approximately two seconds or more



Results of analysis of energy spectrum (VE) distribution and velocity response spectrum (SV) distribution, indicators of long-period ground motion (Sagami Trough Earthquake)

Support for Corporate and Municipal BCP and Disaster Preparedness

Products & Service

Seven 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 started the project targeting at each company's problem and made programs of study and training for the new person in charge of BCP in 2017.

Also, Sompo Risk Management 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, they 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 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.

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.

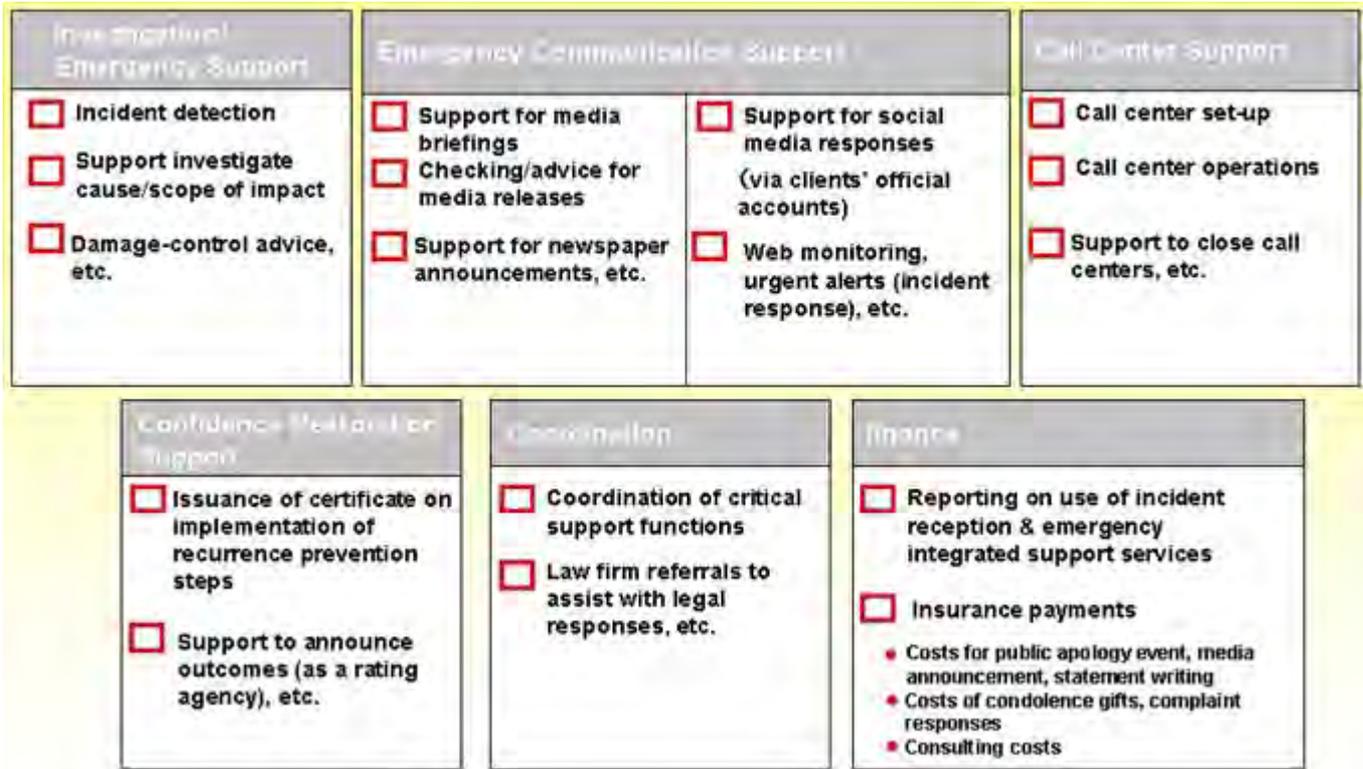
Sompo Risk Management has started to provide risk consulting service for business in other countries from November 2013. That includes research on local security, risk and compliance training for local staff, and support service for development of risk management system that includes assessment of local offices' risks to support the risk management activities of the Japanese companies that expand their businesses to the world. Sompo Risk Management 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. They 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.



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 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 they have received positive feedback from our customers.

Key components of their service: drills / training against cyberattacks

Item	Description
(1) Cyberattack simulation	For top management, information security managers, and crisis management managers to check the sequence of responses to hypothetical scenarios of information security incidents..
(2) Cyberattack simulation on computers	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.
(3) Training against a targeted e-mail attack	Employees receive e-mail messages designed for training purpose and are trained to immunize themselves to a targeted e-mail attack.
(4) Information security training courses	Multiple courses available.

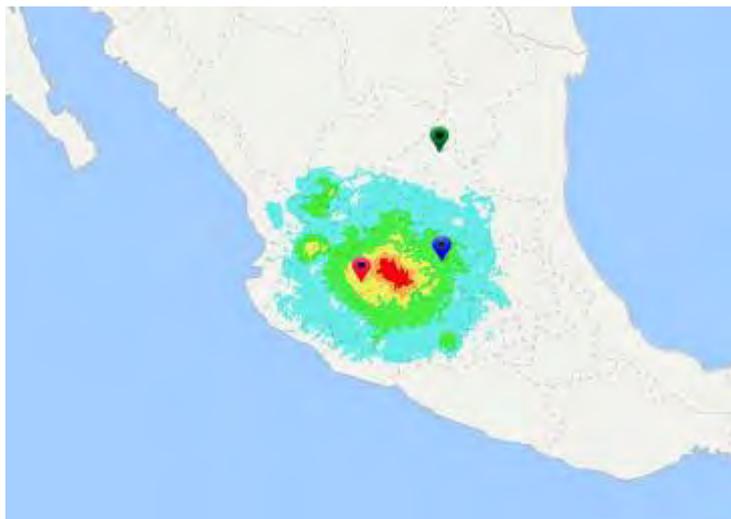
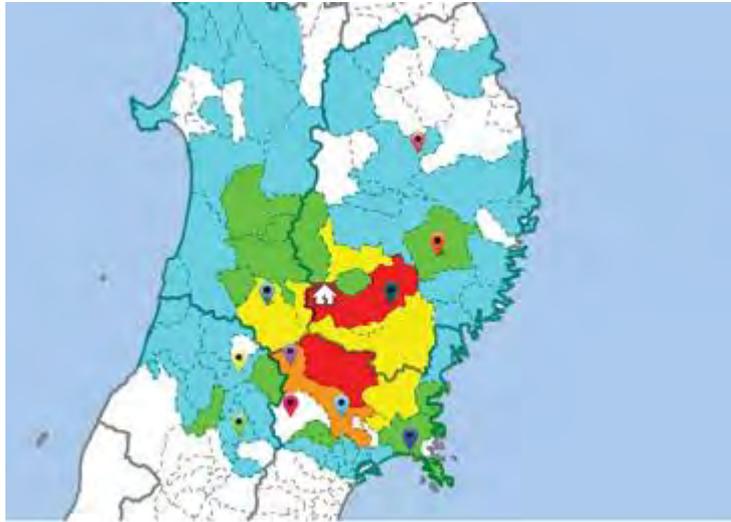
New Risk Management Web-based System “ Sora One 2.0” for supporting BCP and Supply Chain Management

Products & Service

In October 2016, Sompo Risk Management launched a new version of risk management web-based system, Sora One 2.0, which includes following five additional and enhanced features.

- ① Alert function for gathering worldwide risk information
- ② Viewing function for mapping natural disasters information
- ③ Risk comparison function on the designated location
- ④ Linking with “Sompo Japan Nipponkoa Global Intelligence”
- ⑤ Editing function on electronic cabinet for users

From November 2017, they also added a function of “New Earthquake alert (for domestic)” utilizing information provided by Japan Meteorological Agency and a function to view a list of factories and suppliers which will be affected by disasters and terrorism when SORA alert. These additional functions enable users to activate their business continuity planning and supply chain management.



Images of the new function

Bosai JAPAN-DA Project to Raise Disaster Awareness

Partnerships

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

The puppet show, performed by the Yumemi Trunk Puppet Theater Troupe, is an original adaptation of The Three Little Pigs. It tells the story of how the three pigs help each other to overcome various calamities (wind,

rain, lightning, fire, etc.) caused by the big bad wolf. In the experience-based workshop, provided in partnership with the NPO Plus Arts, participants get to move their bodies in fun ways while gaining useful knowledge and skills for responding to crises.

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

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.

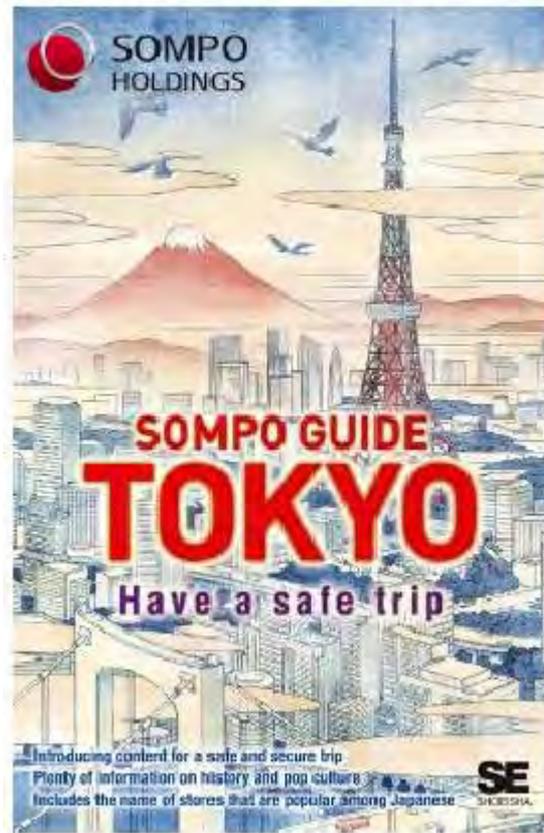
The insurance package includes an emergency response service that automatically starts when a flaming incident occurs (online flaming response service support and emergency media response support), and the expenses required for these responses are covered by the insurance package. Online flaming response support is provided by Eltes Co., Ltd., a company specializing in online risks, while emergency media response support is provided by Sompo Risk Management. Enrollment in this insurance assumes that web monitoring is already conducted by a specialist company, therefore Sompo Risk Management also provides web monitoring services. Through this product they will support corporate online flaming countermeasures.

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 Hoshō 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 Hoshō Package, to organizations that grant privacy marks.

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.

Results of Survey on Disaster Preparedness

Products & Service

In March 2018, seven 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 6 – February 7, 2018

Method: Internet (PC/ mobile sites)

Target area: Japan

Target: Men/women aged 20-69

No. of valid responses: 1,107 (men: 723, women:384)

<Points to note from survey>

1. Almost 70% of respondents answered that “Awareness of disaster prevention has increased after the 2011 earthquake and tsunami.”
2. More than half of respondents have not decided how to confirm the safety of family members in the event of a disaster
3. More than half of respondents have not decided a place to meet family/evacuation shelter in the event of a disaster
4. Just over 40% of respondents are not doing anything to prepare for a disaster

Many Local governments publish hazard map and Disaster prevention map in their websites. In these maps, it is written the degree of the influence of the disaster such as earthquake, tsunami, flood, landslide disaster, and where to evacuate. It is necessary to investigate disaster risks at home, work place, school in advance.

It is important not only to rely on “public assistance” by public institutions but also to think about “self-help” that protects themselves, and “mutual assistance” to help each other in the region.

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, their 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, they 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 they started issuing “SOMPO Alarm Whistle (SAW)” and “Marine Engine Newsletter” which are circulars concerning accident prevention based on our accident response know-how, and they offer warnings to sailors around the world as their 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]

- **Introduction - Suez Canal Expansion**
- **Incident Records - Outline of Incidents & Geographic Analysis**
- **Measures to be taken by Master**

● Introduction - 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. Furthermore, much of the canal was only one shipping lane wide, with limited under-basins for passing. According to Egyptian officials this is expected to increase the capacity of the Suez Canal from 49 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>INCIDENT ①</p> <p>DATE : ● March, 2016</p> <p>OUTLINE : The vessel (Bulk Carrier, 181,000 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 140MT 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>INCIDENT ②</p> <p>DATE : ● February, 2016</p> <p>OUTLINE : According to the local information, the vessel (Bulk Carrier, 110,000 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>INCIDENT ③</p> <p>DATE : ● May, 2016</p> <p>OUTLINE : The vessel (Bulk Carrier, 181,000 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>INCIDENT ④</p> <p>DATE : ● July, 2016</p> <p>OUTLINE : According to the Flag's Casualty Report, the vessel (Container ship, 117,000 DWT) ran ground at km 133-136 of Suez Canal.</p> <p>LOSS : UNKNOWN</p>

Issued Name: Cairo Erc, Name: Cairo Dept.

Providing the Highest Possible Quality of Service

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.

System to Utilize the Voice of Customer (VOC)

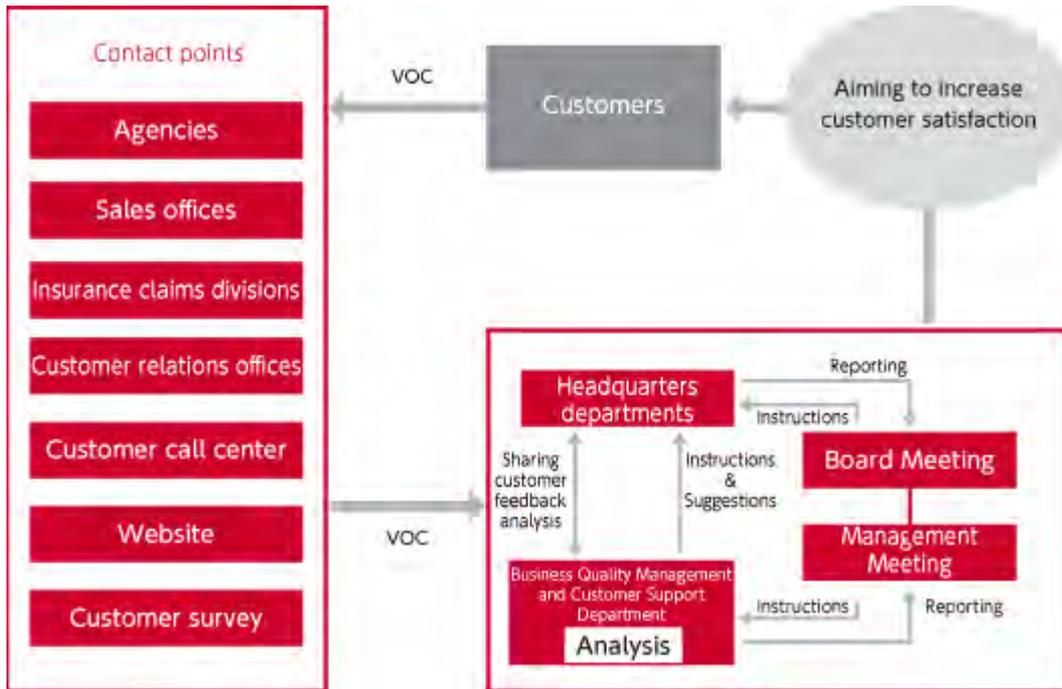
Products & Service

Sompo Japan Nipponkoa receives appreciation, gratitude, inquiries, opinions, requests, complaints, and other types of customer feedback via their sales offices, agencies, insurance claims department, customer relations office and customer call centers. They value customer feedback and respond with them promptly and appropriately.

They also analyze it to identify issues and needs, which they then address in order to improve their products, services, and operations.

To incorporate their customer feedback into their management, They 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 they highly value these feedbacks. Their 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 their 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 striving to provide a swift and qualified claim service and an added value that meets the needs of each customer to be the most reliable service provider, recognizing that each claim services shall embody each insurance. It has the following basic concept. “For customers who have just encountered accidents, we would provide an added value that let them feel relieved by quick responses and providing the prospects of returning to their dairy lives,” and “For customers in progress of insurance claim service, we would give simple procedure and relief to end the accidents quickly and smoothly.”

It established the SC Credo ^{*1}, the code of conduct for the insurance claim departments in December 2011. Every staff at the department is giving highly qualified and truly sincere service based on the Credo to let all the customers feel relieved.

In December 2017, the contest named “Credo Grand Prix” was held with the aim for the claims department staff to compete with each to enhance their skill of responding to customers by role playing presentations. Approximately all 11,000 staffs at the claims department participated in the contest striving to strengthen professional skills such as 'response capabilities' and 'tele-communication' through initiatives aimed at this event and also through daily customer response.

Since November 2015, their call centers which operate 24 hours every day started to receive insurance claims in five languages to improve their claim service. By the end of April 2018, the language was expanded to 15 languages ^{*2} as the industry largest, and also able to respond to foreign customers who need interpreters.

Going forward, to provide customers with relief, they will strengthen efforts in swift responses and understandable explanation with collaboration with insurance agents who are the most familiar with their customers.

*1 Targeting insurance claims department staff, the SC Credo contains guiding principles for everyday judgment, decision-making and action. It highlights the importance of putting customers as the first priority and providing sincere service to every single customer.

*2 15 languages : English / Chinese / Spanish / Portuguese / Korean / Thai / Indonesian / Vietnamese / German / French / Italian / Russian / Tagalog / Nepali / Malay

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.

In addition, interpreter service * in 15 languages for customers who cannot speak Japanese, and accident acceptance / initial response by sign language interpretation service for people with disabilities are also being implemented.

* Supported Language : English / Chinese / Spanish / Portuguese / Korean / Thai / Indonesian / Vietnamese / German / French / Italian / Russian / Tagalog / Nepali / Malay

“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 (in Japanese)” 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 personal 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.



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 a 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 they 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, they 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

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

Products & Service

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

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

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

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

*1 Service for companies that supports safe driving using a dedicated drive recorder.

*2 Targets insurance premiums for new Sompo Japan Nipponkoa policy contracts with new vehicle owners who have not previously taken out a policy.

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.

* ALSOK (SOHGO SECURITY SERVICES CO.,LTD.) is one of the largest security service providers in Japan.

Providing High Quality Services and Improving Work Efficiency by Utilizing Digital Technology

Products & Service

FRESHHOUSE strive to improve customer evacuation by offering high-quality housing renovation services, using wearable devices (smart glasses) for fire insurance accident investigations and utilization of drone for building diagnosis.

Investigations into fire insurance accidents using wearable devices (from October 2016)	Expansion into all sales offices in 2017 in order to homogenize service quality and speed up payment of fire insurance accidents
Building diagnosis utilizing drone (from May 2018)	Realization of high-precision building diagnosis in a short time for places which is difficult to confirm from the ground

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. They 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 they were asked by Kumamoto Prefecture to assist in searching for missing people after the Kumamoto earthquakes.

In 2017, collaborating with Shinjuku ward, in the heart of Tokyo, they have conducted a demonstration experiment related to leader evacuation using drone several times.

Fuethermore, in May 2018, they assisted the search victims in mountain based on the request from Niigata Prefecture. The Group is utilizing advanced technology possessed by Sompo Japan Nipponkoa in various fields not only for payment purpose of insurance payment but also for social contribution concerning disaster.

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 May 2018 more than 60% of all applications for target policies were completed via Himawari Mobile Navi.

Going forward, they 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 their customers.



Data Science Bootcamp — HR Institute to Provide Training in Big Data and AI

Partnerships

Sompo 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.

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 began full-scale utilization of payment for insurance proceeds from February 2018. By introducing Watson, about 40% of the double checks that more than two people have done so far become possible to check with one person, and payment for insurance and benefit are expected to be shortened about 1 day by substituting AI judgment and support functions for some processes in payment assessment. They aim to realize optimal procedures for claim according to customer's needs by combining partnerships with medical institutions that utilize ICT, and paperless claims processing schemes.

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.

Sompo Japan Nipponkoa believes their mission as a P&C insurance company is to provide peace of mind for inexperienced drivers and those who feel uneasy when driving, the elderly and their families. In March 2017 they began to offer a telematics-based service that uses a drive recorder (DRIVING! Living with a Car, hereinafter, “DRIVING!”).

From January 2018, they started to offer this service as a rider for automobile insurance so that the service can be used at the same time as applying for automobile insurance, aiming to improve convenience for customers.

“DRIVING!” provides safety for drive by using drive recorder with safety driving support function and communication function. After driving, it supports self-maintenance of driving skills by safe driving diagnosis and visual function training.

Also, in the event of an accident, they provide "accident reporting function" utilizing impact detection and "accident site rushing service" cooperating with ALSOK, which is the first in the domestic major P&C insurance company, supporting total safe car life.

Sompo Japan Nipponkoa will continue to utilize digital technology to provide further safety and security to all drivers and aim to help realize "a society without accidents".

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, which Sompo Japan Nipponkoa and Sompo Risk Management are being members, continually work on community collaboration training mainly for large-scale earthquakes, working on improving regional disaster reduction literacy. Also the council formulated "Action Guidelines for Shinjuku Rule Practice" in June 2016, and business operators in the area cooperating with local headquarters follow the guideline in large-scale earthquake occur, aiming to minimize regional confusion by conducting activities according to their respective roles.

However, it was left as a big problem with information dissemination and information gathering, and smooth information sharing among stakeholders immediately after the occurrence of a disaster for smooth. Based on this background, in order to solve such problems by combining technologies, wisdom and resources accumulated and utilized in normal operations, they are working with Kogakuin University, which is a member of the Council for Measures to Reduce Disaster Risks in the Shinjuku Station Area, and Rikei Corporation and Shinjuku-ku for demonstration experiments using drone from 2016.

In December 2017, they carried out a demonstration experiment that newly incorporates the following points based on the tasks extracted in the demonstration experiment of last year.

- ① By making a connection via the Internet, they also made the communication network wider
- ② Shinjuku Central Park, which is supposed to be an evacuation site, was introduced in a real-time at Nishiguchi Local Headquarters (Kogakuin University) and Shinjuku Ward Office by introducing a TV conference system. In addition to grasp the safety of the evacuation site, appropriate instructions to the manager and information dissemination to people by voice were carried out.
- ③ This demonstration experiment is "participatory type demonstration experiment" that the attendance participate in the experiment while grasping the situation at the local headquarters. Experiments are planned to be carried out continuously while continuing application research on drone and wireless communication networks.



Partnership with Silicon Valley (US) Research Institutions for Automotive AI and Robotics Research

Products & Service

As digital technology surrounding automobiles rapidly progresses, Sompo 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 company in Japanese insurance industry to partner with Stanford University's research institute, CARS^{*1} and Comet Labs^{*2}, 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.

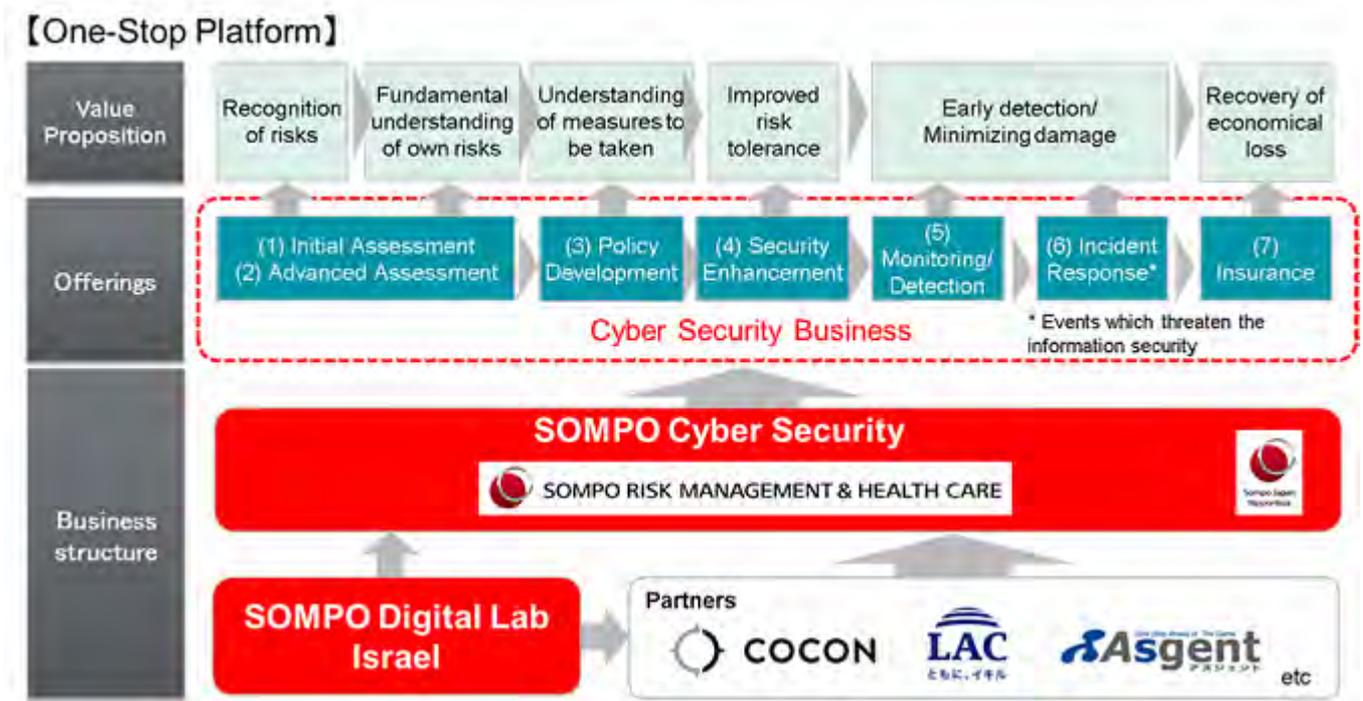
*2 Comet Labs is a venture capital fund and startup platform to focus exclusively on AI and robotics technology.

New Entry into the Cyber Security Business—Newly Established Sompo Digital Lab in Israel

Partnerships

Sompo Risk Management has been developing its cyber security business since fiscal year 2017 to offer customized solutions, based on a full lineup of services as a group, to cyber security-related issues faced by businesses. These issues were identified through Sompo Japan Nipponkoa’s services of underwriting cyber security insurance.

They have built a “One-Stop Platform” that offers one-stop services described in (1) to (7) below to support customers’ cyber security in an integrated manner through collaboration with cyber security companies offering advanced services.



Furthermore, in an effort to continuously support customers with state-of-the-art technologies against ever-evolving cyber-attacks, Sompo Holdings has newly established the Sompo Digital Lab in Israel, following the establishment of sites in Tokyo and Silicon Valley in the United States as a base for collecting information and seeking new partners.

Going forward, we will continue expanding alliances with Japanese and overseas businesses that have advanced technologies and know-how, in order to offer optimum services for our customers.

Health Promotion

Nursing Care Support Services and Health and Life Support Services to Benefit Customers

Products & Service

- Nursing Care Support Services

Sompo Japan Nipponkoa Himawari Life offers services that support both the person requiring care and their family. The services are available to policyholders and insured parties enrolled in policies with riders for one-time payments for nursing care and their family members. The 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) ¹⁾
Remodeling service	Remodeling homes to make them suitable for nursing care ²⁾
Food delivery service	Home delivery of five varieties of meals planned by nutritionists taking into consideration salt content and calories ³⁾

- 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

They strive to improve customer satisfaction and engage in closer dialogue with customers through these services.



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 6.4 million people were certified as requiring nursing care or support under the Japanese public nursing care insurance system as of the end of March 2018, a roughly 2.5-fold increase compared to when the system was first introduced in fiscal year 2000. The majority of those certified (4.6 million people or 72.5%) 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, they are responding to the needs of a wider range of customers through products that guarantee assistance from nursing care level 1.

Japan's First Insurance Dedicated to Encouraging People Requiring Care to Improve their Condition: Asu e no Chikara

Products & Service

As Japan's population ages, the number of people certified as requiring assistance or care is increasing, along with the amount of insurance benefits being paid under the public long-term care insurance system. Consequently, steps to foster independence for the elderly to live their lives their own way and to reduce the degree of care or assistance are becoming increasingly important. Against this backdrop, Sompo Holdings conducted joint research with Aiaru Syougakutankihoken Corporation ("Aiaru") on how insurance products can contribute to preventative care, and Aiaru has developed Asu e no Chikara insurance that can help reduce the required level of assistance or care, promote independence, and curb care benefit payments made by the government. Going forward, the product will gradually be expanded to residents and users of Sompo Care, and we will contribute to encouraging independence and reducing the degree of care or assistance by utilizing insurance.

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 Health Support 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.

Innovation for Wellbeing
SOMPOリスクマネジメント

健康経営推進支援サービス

～コンサルティングからソリューションまで
企業の健康経営をトータルでサポートします。～

当社がこれまで、メンタル・フィジカルに関するサービス提供の中で培ってきたノウハウをもち、健康経営の推進や推進づくりに必要のコンサルティングからシステムヘルス対策や健康経営の立派なソリューションまで、健康経営をPDCAの全ての場面でトータルでサポートいたします。

健康経営とは?

「健康経営」とは、従業員等の健康増進を戦略的視点で考え、具体的に実施することです。企業価値に結び、従業員への健康投資を行うことは、従業員の生産性や生産性の向上への促進の期待がもたらされ、結果的に業績向上や利益向上につながることを期待されます。

経営者視点では、健康経営に関する取り組みに関する指標として、2015年まで「健康経営銘柄」を2017年まで「健康経営優良法人」に認定されています。

年次	件数
2014	44
2015	67
2016	108
2017	129

健康経営の推進に貢献するサービス

- 健康経営の推進に貢献するサービス
- 健康経営の推進に貢献するサービス
- 健康経営の推進に貢献するサービス
- 健康経営の推進に貢献するサービス
- 健康経営の推進に貢献するサービス

健康経営 効果の検証

健康経営の推進に貢献するサービス

- 健康経営の推進に貢献するサービス
- 健康経営の推進に貢献するサービス
- 健康経営の推進に貢献するサービス
- 健康経営の推進に貢献するサービス
- 健康経営の推進に貢献するサービス

サービスメニュー一覧

健康経営推進に関するサービス		対応するサービス
1. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
2. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
3. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
4. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
5. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
6. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
7. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
8. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
9. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
10. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
11. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
12. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
13. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
14. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
15. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
16. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
17. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
18. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
19. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	
20. 健康経営の推進支援	健康経営の推進支援 （コンサルティング・システムヘルス対策）	

SOMPOリスクマネジメント株式会社 | 健康経営推進支援サービス

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, they launched their Linkx (pronounced “link cross”) brand of services, which they 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 they 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 1,000 walking courses throughout Japan (as of March 2018) 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

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

Products & Service

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

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

time of first enrollment in the form of a monetary reward for completing health challenges.

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

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

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 ten 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 1,300 experienced health workers, nurses, and national registered dietitians, Sompo Health Support 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 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 Health Support Inc. will continuously provide face-to-face health support that matches each customer's need, 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.

Employee Assistance Program Services Contributing to “Healthy Companies”

Products & Service

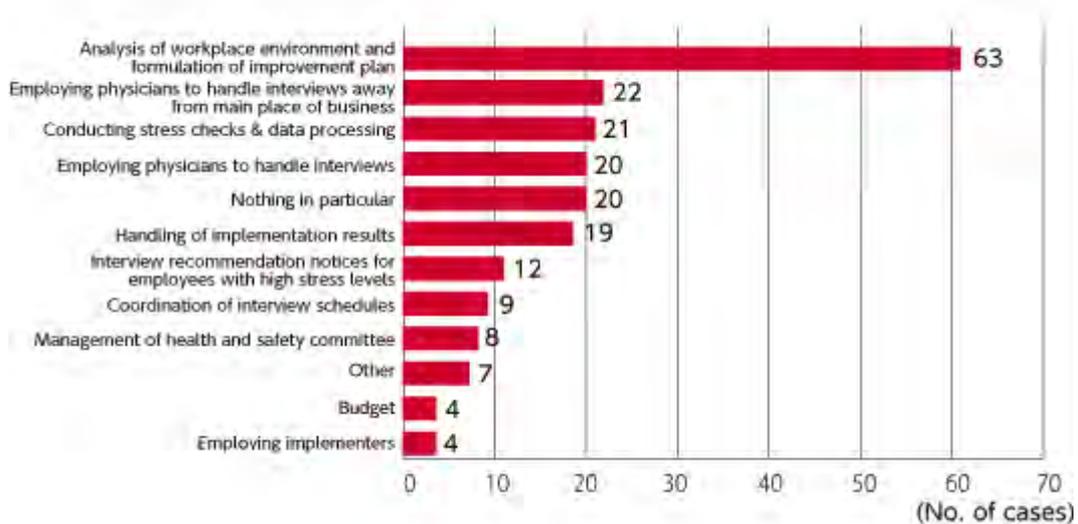
Companies have been obliged to conduct annual stress checks and to offer guidance in interviews since the stress check system was introduced by Japan's Ministry of Health, Labour and Welfare (MHLW) on December 1, 2015. At the same time, companies need to cooperate with management, human resource departments, occupational health staff and each department to improve the environment for individuals and organizations, based on information obtained from stress checks.

Sompo Health Support 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, Sompo Health Support Inc. offers 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 Health Support 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



Source: Survey by Sompo Health Support 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 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 2017, the company has also held seminars for food companies to comply with HACCP (Hazard Analysis and Critical Control Point) system which will be compulsorily introduced in the near future, and is planning to hold seminars in 5 major large Japanese cities in fiscal year 2018.

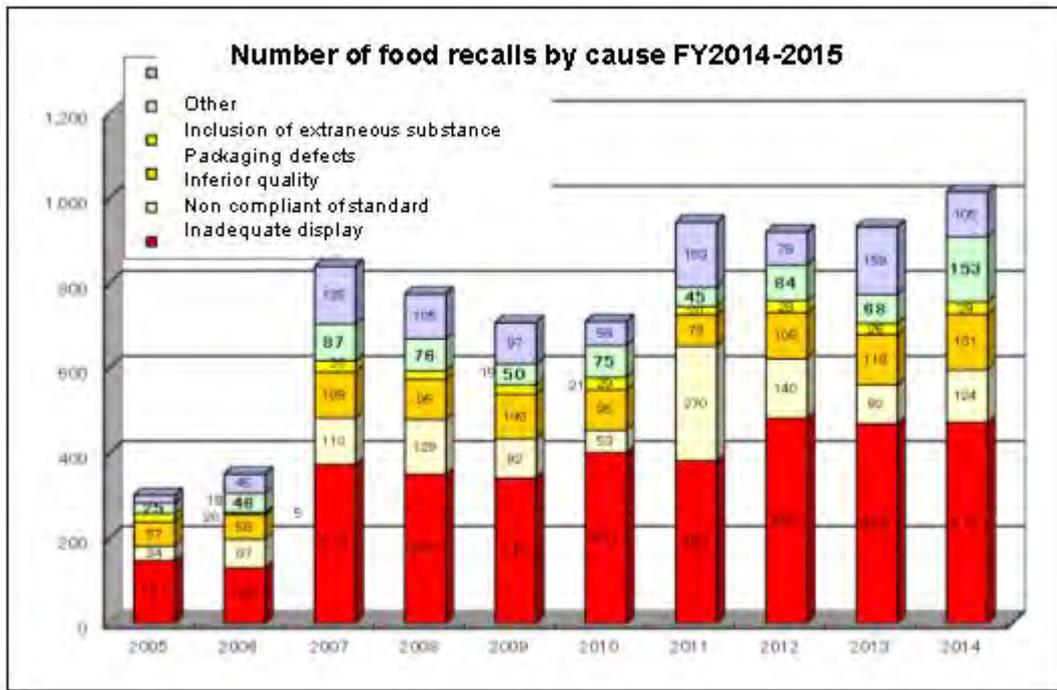


seminar

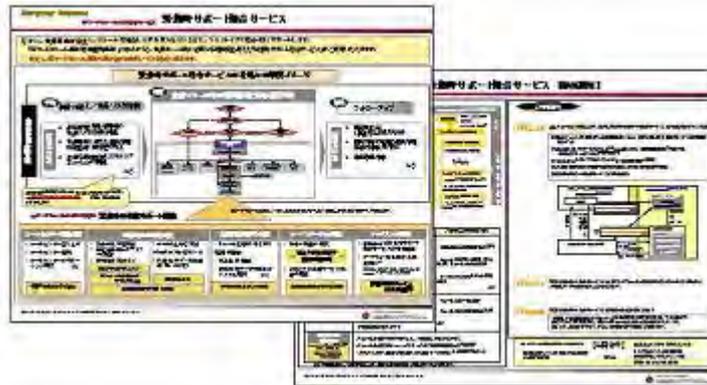
Offering Comprehensive Support Services in Emergencies to Secure Food Safety and Consumer Trust

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 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

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

Products & Service

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

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

Initiatives that set us apart from other long-term care providers include: development and operation of an internal management system that utilizes our know-how in governance, compliance, and risk management; streamlining of documentation and health record sharing procedures using electronic media; and the use of information communication technology (ICT) and digital technologies, such as sensors for patient monitoring. We are also focusing our attention to developing human resources, and in July 2017 we opened 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 also established Sompo Care FOOD LAB to plan and develop services on meals and nutrition in March 2018 for improvement of our service quality. Through these initiatives we will provide the highest quality healthcare services that further contribute to “security, health, and wellbeing.” 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.

Sompo Care	Facility Nursing Care Services	Sompo Care operates 279 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 Sompo no le brand, the company manages 132 housing complexes for seniors that offer nursing care services to residents.
	At-Home Nursing Care Services	Sompo Care provides home-visit long-term care and other at-home nursing care services out of 646 offices across Japan under its Sompo Care brand and is developing 61 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 is currently expanding its services throughout the Tokyo metropolitan area.
	Day Nursing Care Services	

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 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, Sompo Japan Nipponkoa 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, they support balance between work and long-term care giving.
- (4) Balancing Work and Long-term Care seminars
 Sompo Risk Management provides 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 37,089 registered customers as of the end of March 2018. 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 7,672 by the end of March 2018.

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 10.15 million by the end of March 2018, 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 2017, our 150 Caravan-Mate instructors nationwide had trained 2,222 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

Training of Supporters	<ul style="list-style-type: none"> ■ Caravan-Mates*: 150 ■ Dementia Supporters: 2,222
Creation/ Use of Tools	<ul style="list-style-type: none"> ■ Guidelines for Serving Customers with Dementia ■ In-branch display of posters showing dementia supporters present ■ All employees wear pin badges ■ Dementia supporter logo on business cards
Community Involvement	<ul style="list-style-type: none"> ■ Participated in Chiba SSK Project (Chiba Prefecture) ■ Registered as Dementia Support Company (Saitama Prefecture) etc.



* 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.

Activities for World Alzheimer’s Day (September 21) --Events to Promote a Deeper Understanding of Dementia

Partnerships

We held the following events on World Alzheimer’s Day (September 21) to deepen understanding of dementia, with the aim of creating a society where we can live better together with dementia.

●Light-up of the Sompo Japan Nipponkoa headquarters building

We lit-up the northern side of their headquarters building in orange, the theme color adopted in Japan to indicate support for dementia and its awareness raising activities.

●Seminar for Thinking about Dementia

In cooperation with Alzheimer’s Association Japan, we invited family of dementia sufferers and experts from research institutions to talk at a seminar, Living Together: Seminar for Thinking about Dementia.

● Sponsorship and participation in RUN TOMO 2017

We sponsored an event called RUN TOMO 2017, in which dementia sufferers and their families, supporters, and other members of the general public took part in a relay to complete a single task aiming for a goal. Our employees and directors participated as runners.



Sale of Fire Insurance in Response to the Super-Aging Society

Partnerships

As the society ages and the trend toward nuclear family evolves, the number of cases of elderly people living alone in rented housing being found dead has been increasing. Such cases present a major managerial risk to rental unit owners as their revenue falls due to such units subsequently being left vacant or leased at a lower rent, and they are required to pay cleaning and other restoration costs. As a result, single elderly people are also finding it harder to rent housing.

Against such backdrop, in August 2018 Sompo Japan Nipponkoa launched a new insurance product which compensates rental unit owners for lost rental revenue and cleaning costs to alleviate managerial risks for owners and encourage an environment in which single elderly people find it easier to rent housing.

Solutions for Environmental Issues

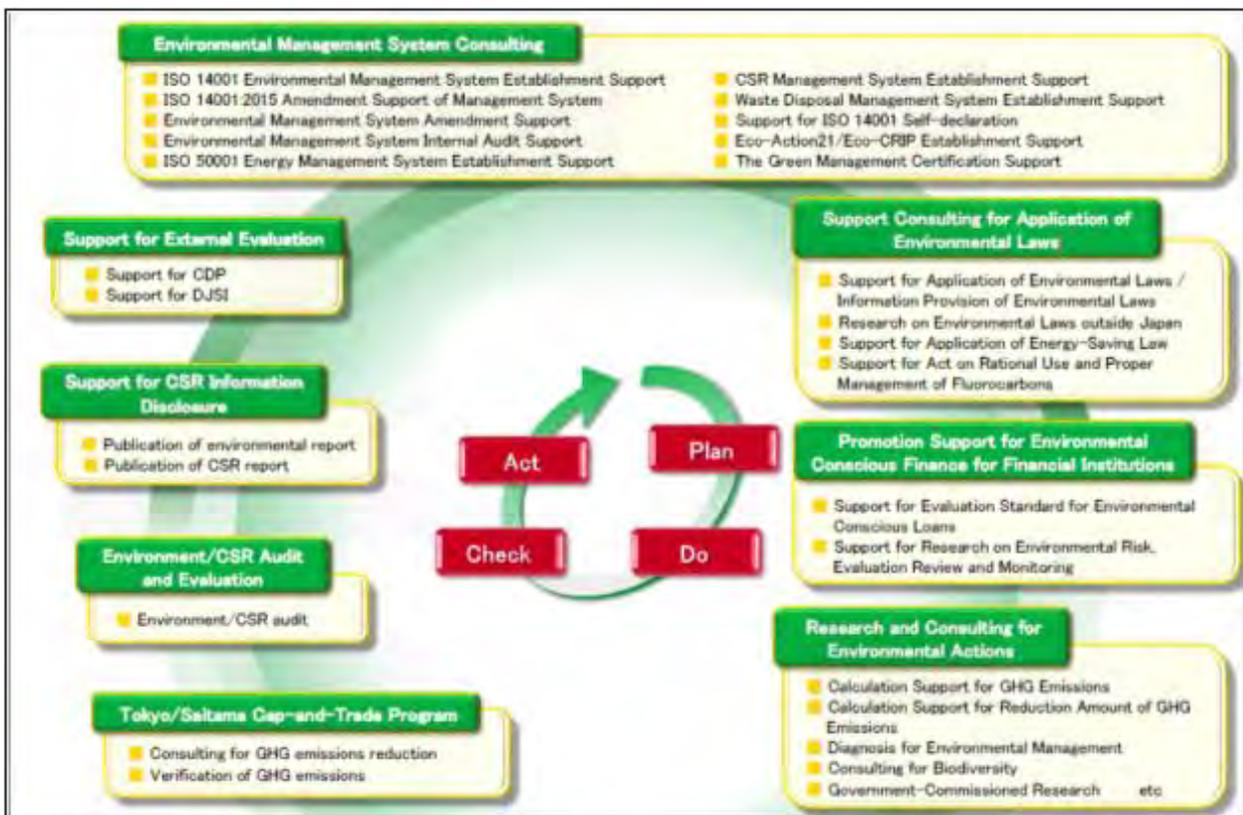
Expanded Environmental Consulting Services

Products & Service

Sompo Risk Management provides customized consultant services to improve the sustainability of the corporate value while mitigating the risk of environmental issues.

The company offers a variety of consultant services such as providing information on environmental laws, supporting for complying with individual laws, and building a management system to promote solutions for environmental issues that are bases for the risk management of environmental issues.

The company also provides services for strategy and policy formulation and information disclosure.



Environmental consulting menus

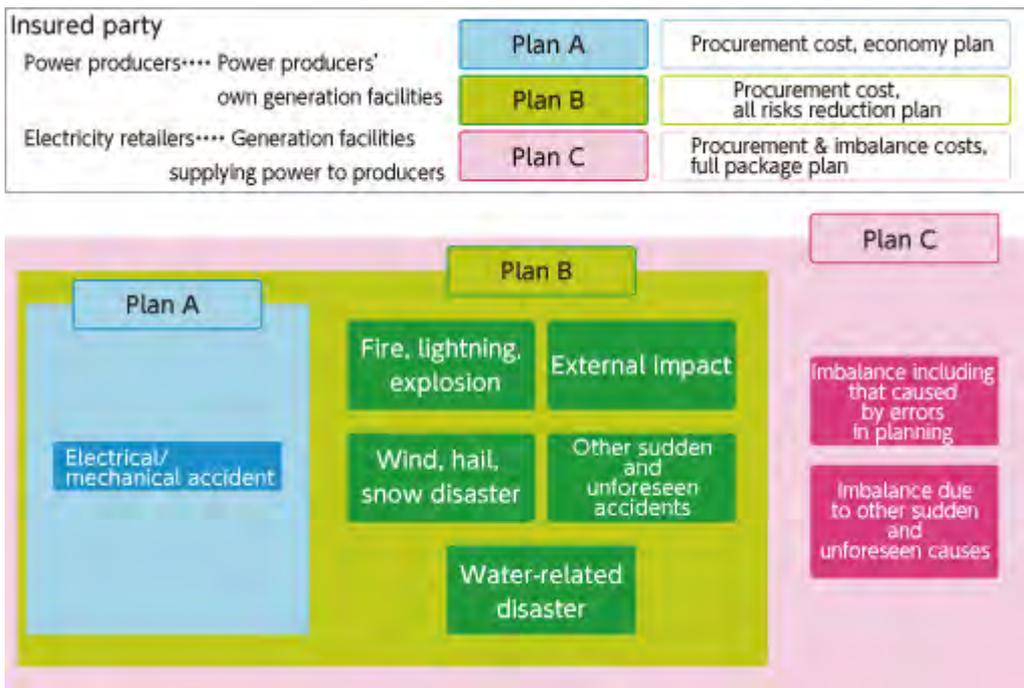
Insurance for Stable Electricity Supply Costs: Support for Market Liberalization

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 offering 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. 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.

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, in order to deepen the understanding of the employees, the company distributed the booklet about LGBT to all workplaces and also held seminars. Through these efforts, employees who acquired the basic knowledge of LGBT and became a good understanding person (ALLY) in the workplace are positively posting ALLY declaration cards. By visualizing the declaration, we aim to promote the understanding of LGBT in the workplace as well as leading to peace of mind for the parties. 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 such as a certification issued by Tokyo's Shibuya Ward, which recognizes same-sex partnerships. Also, Sompo Japan Nipponkoa reexamined the definition of spouse in automobile insurance products and included "same-sex partner" as spouse from January 2018.

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.



ALLY declaration cards

Respect for Human Dignity and Rights

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, Sompo Japan Nipponkoa strives to respond to an increasing social demand for doulas.



A meeting held for the development of the program

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 27.3 billion yen (as of April 30, 2018). Promoting investment in environmentally responsible companies is thought to give investors an indirect way to use their capital for environmental conservation. The fund also aims to promote environmental communication by conveying environmental information to investors, and facilitating feedback to the invested companies via surveys on their environmental management performance. It also offers 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 800 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 introduces companies’ environmental efforts, while the quarterly newsletter includes the latest environmental trends and updates. In addition, the company issues specialized report summarizing environmental activities of the all incorporated companies annually.

As described above, the company works to provide environmental information as well as investment performance to Sompo Japan Green Open’s investors and corporate stakeholders.

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 Management & Health Care Inc. The companies also refer other information such as “Evaluated Average” which helps to enhance their environmental policy.

The company also makes similar efforts regarding its other SRI funds. The monthly operation report of “mirai no chikara” introduces efforts towards environment, society, and governance of incorporated stocks, and offers environmental comments at the monthly operation report of “Sompo Japan Eco Open”.

The company will continue to promote dialogues with investors and corporations to enhance understandings of responsible 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 a level of contribution to building a sustainable society for the investment decision among SRI funds provided by Sompo Japan Nipponkoa Asset Management.

Sompo Risk Management & Health Care asked cooperation for its web questionnaire to listed and environmental advanced companies which issue sustainability reports, obtain ISO 14001 or operate an environmental management system equivalent to ISO 14001.

Based on the collected data and disclosed information provided by these companies through dialogs, Sompo Risk Management & Health Care evaluates their environmental management.

In addition, Sompo Risk Management & Health Care provides analytical materials such as the results of the questionnaire survey and the competitive level within the industry to enhance and promote environmental management.

Also environmental related information is provided to investors. With the monthly reports of the SRI funds, “Sompo Japan Green Open” introduces efforts on environmental contributions of the companies whose stocks are included in the fund and also issues the latest news on the environment information four times a year.

Through the analysis, dialogues and engagement with companies and investors, Sompo Risk Management & Health Care is going to continuously promote corporate social responsibility and environmental initiatives.

Japan’s Stewardship Code

Partnerships

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

The each code calls on institutional investors to enhance the corporate value and support the sustainable growth of investee companies.

They 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

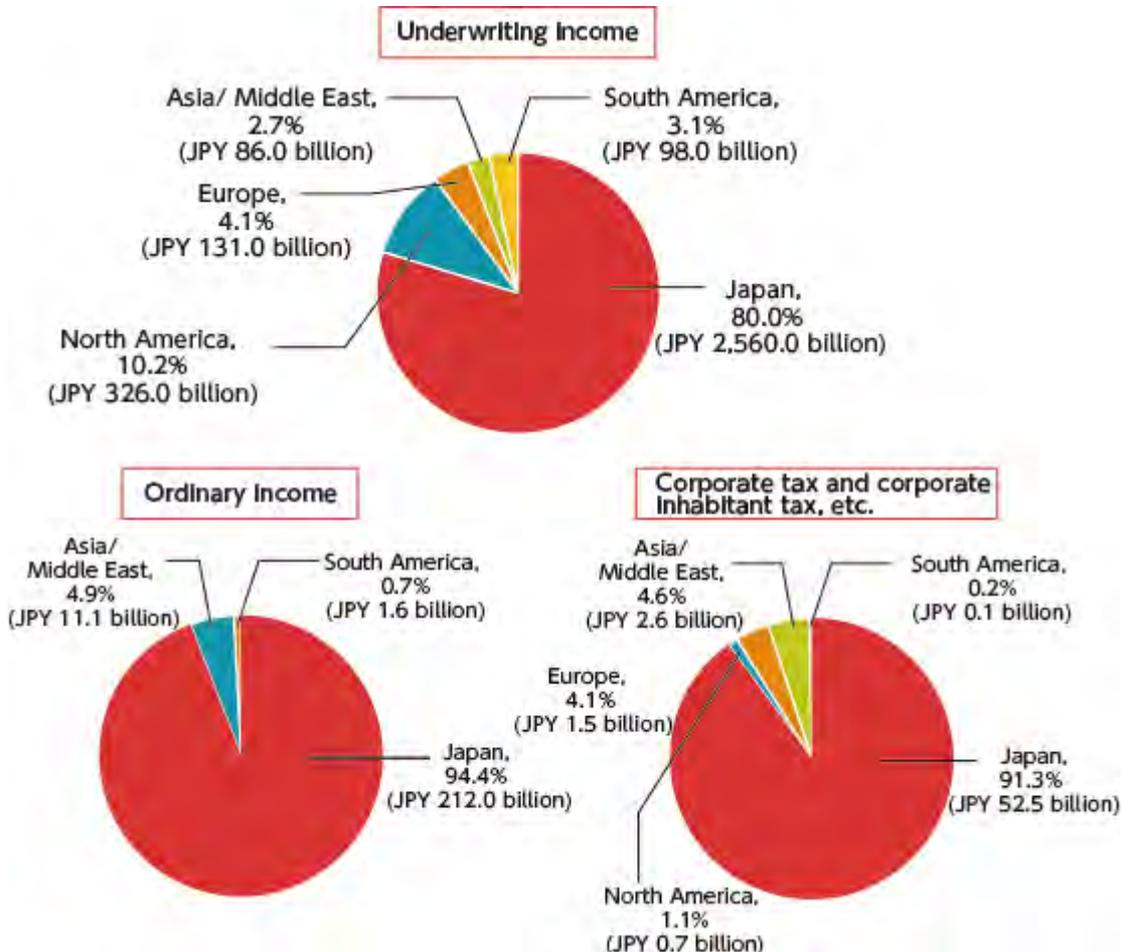
Partnerships

Our Group pursues fair profits and pays the appropriate taxes.

Fulfilling our social responsibility through paying the appropriate taxes.

We will respect the position of all stakeholders and strive to fulfill our social responsibility as a company by achieving the appropriate tax burden under the tax laws applied to countries and regions where our business activities are developed.

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. In addition to by our organic growth we aim at sustainable development and improvement of values for shareholders by the disciplined investments.



Business partners

▶ **Mitigation of Climate Change**

▶ **Solutions for Environmental Issues**

▶ **Respect for Human Dignity and Rights**

Mitigation of Climate Change

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.

They 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. They 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, they select suppliers from the perspective of promoting recycled paper, and have established green procurement routes.

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^{*1}, the Modern Slavery Act in the United Kingdom in 2015^{*2}, 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 has introduced personal web pages to confirm policy details and obtain printable digital insurance policies (PDF format) for all customers with policies starting on or after July 1, 2017 and provided electronic files instead of sending paper copies of insurance policy terms and conditions, and accident support books. Also, the company adopts the digitization of materials by tablet devices for in-house conferences. 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 2017, 47.0% received this discount.

Solutions for Environmental Issues

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 taken the lead in making 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. Since then, our Group has been expanding its loans and investment destination to the businesses in photovoltaic and wind power generation.

Respect for Human Dignity and Rights

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 International Holdings which has a base in the UK undertakes several measures including disclosing an anti-slavery statement on its official website.

▶ [Sompo International Insurance](#) 

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, Sompo Japan Nipponkoa and PT Sompo Insurance 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, they 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

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, Sompo 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 2017, the foundation invited applications from Eastern Japan and selected ten organizations. These supports make it possible to expand the range and scale of their activities and to increase the income of people with disabilities and the number of users of their welfare services.



Delivering collared shirts after the laundry

● **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 2017, financial support was provided to 61 organizations in total through programs to strengthen their organizational and operational activities, to help them acquire official status as approved specified non-profit corporations and to support local residents for their efforts in comprehensive local issues. The foundation supports the development of high-quality, sustainable nonprofit organization that play key roles in their communities.



A first cooking experience with their mothers

● **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 2017, it provided funds to projects by six organizations in five countries, including a project providing transport service using specialized vehicles for people with muscular dystrophy so that they could go to school and attend medical appointments periodically, and a project providing nutritious food and lunches to street children, children living in disputed areas and public school students to support underprivileged people's independence.



Presentation ceremony in Singapore



Presentation ceremony in Philippines

● **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 2017, the award went to Prof. Takuji Tanaka for his work entitled, “History of Welfare Politics – Democracy Against the Disparity .” In July 2017, the foundation held a commemorative lecture and symposium featuring last year’s recipient, Mr. Kazushige Kinugasa , where he presented his work to many people.



FY2017 Sompo Japan Nipponkoa Welfare Foundation Award



Symposium and commemorative lecture in July 2017

● **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.



Training for improving their care-giving skills

● 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 2017, the foundation gave scholarships to 20 students in total (10 in first grade and 10 in second grade). In the 26 years since this program began in 1992, the foundation has offered scholarships to 268 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. 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.



Study groups on the Insurance Business Act

Heart & Arts Program: Assistance for Art Activities by Persons with Disabilities

Arts & Culture

Sompo Chikyu (Earth) Club is a volunteer organization comprised of the group 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 2017, it provided a total of three million yen to 7 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

SAVE JAPAN Project

Partnerships

When Sompo Japan Nipponkoa's 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, 2018, 37,409 people have participated in 739 events.

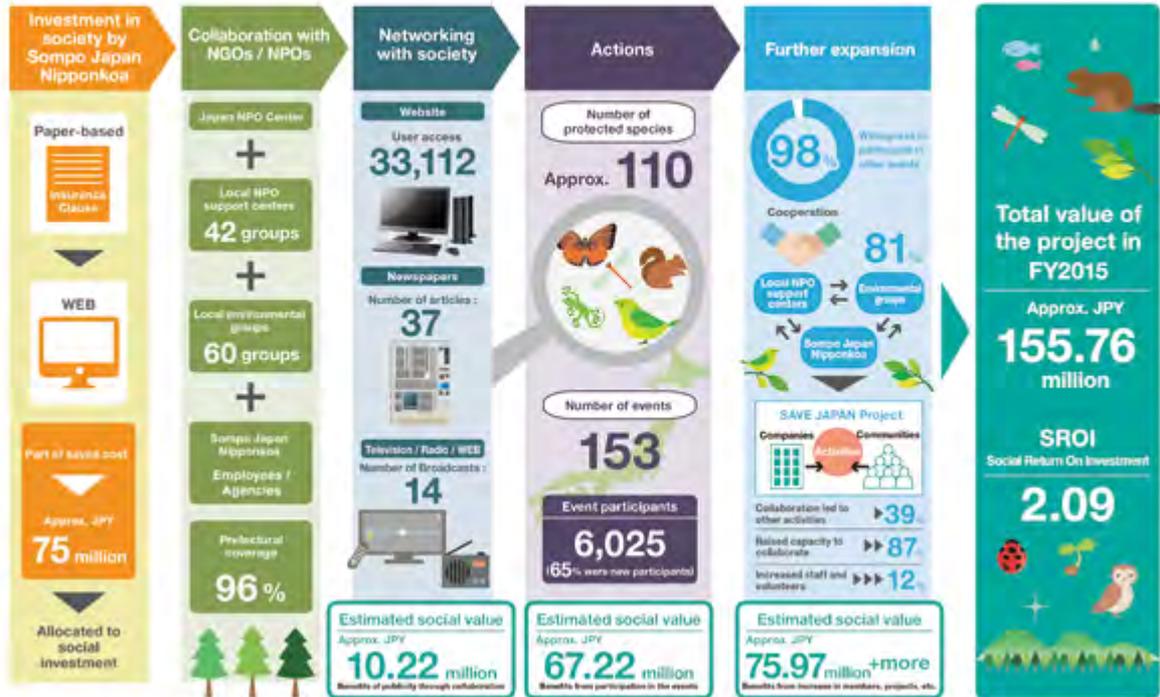
In fiscal year 2013 Sompo Japan Nipponkoa began quantifying the social value of this project using SROI* analysis, which drives collective impact of various stakeholders that strive for sustainable solutions, to improve and expand our programs. This three-year initiative represents the first instance 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, the company has 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

Encouraging People to Develop Skills Needed for Environmental Protection — Sompo Japan Nipponkoa Environment Foundation

Partnerships

Sompo Japan Nipponkoa Environment Foundation, based on its philosophy of “Fostering people who plant trees,” 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, a national NGO consisting of varieties of people who are engaged or interested in promoting environmental education, and Sompo Japan Nipponkoa, organizes a series of Public Seminars on the Environment that have attracted more than 20,376 participants since the program’s start in 1993. Its CSO^{*1} 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, 2018, the program has given 1,014 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

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 2017 the fund supported 20 arts and cultural activities across Japan.



Kumamoto Castle × Special Effects Art Castle Tower Reproduction Project
(Participants and citizen intern)

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, Sompo Japan Nipponkoa donates 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 54th anniversary in 2018. 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 65.5 million.



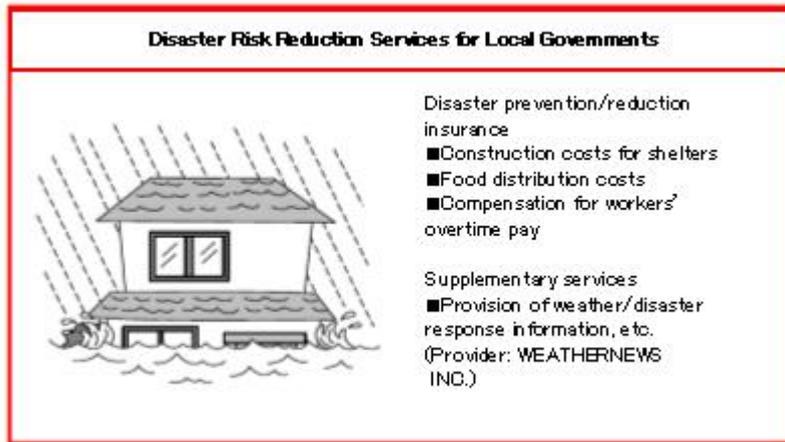
Yellow Badge; Approximately 65.5 million badges have been distributed so far

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, Sompo Japan Nipponkoa has 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. More than 100 local governments have already purchased the insurance since they launched. They will keep developing and expanding this product and service to improve disaster resilience, and collaborate with stakeholders to realize a safer, more secure world.



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 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. In addition, the nursery school host 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 everyone in the local child rearing household. 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 Paralympic 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 Paralympic 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 2017, with the cooperation of the Japan Pro-Footballers Association and Japan Basketball Players Association, football and basketball were chosen as the theme of the contest. 758 paralympic art entries were received from throughout Japan, and of which 60 were awarded prizes that adding celebrities in the the examination who succeed in various fields including art and sports.

Sompo Japan Nipponkoa established the SOMPO Paralympic Art 47 Prefectures Award which was awarded to one entry from each one of Japan's 47 prefectures. Employees from its 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 December 13 to 25, 2017 to public audience including visitors to the Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art.



Adaptation to Climate Change

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.

●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 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.

●Risk Diagnosis Services for Renewable Energy

Since September 2012, Sompo Risk Management 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.

●Risk Diagnosis Services for Wind Power Businesses at the Planning Stage

Sompo Risk Management 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 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 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. They will further develop their 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 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 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, they 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 compiles advice from wind power maintenance companies, experienced engineers and experts, and then provides it to the client.

●Insurance Due Diligence Service for Wind Power Companies

Sompo Risk Management offers insurance design services, with comprehensive risk assessment in consideration of the risk reduction effect by preventive maintenance efforts on operation and maintenance (O & M) of wind power companies, before arranging insurance for wind power facilities.

Development of Flood Risk Assessment Methods for Japan and Asian Countries

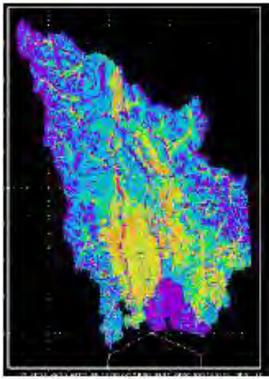
Products & Service

To deal with flood risk, which can be affected by medium- and long-term climate change, Sompo Risk Management 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.

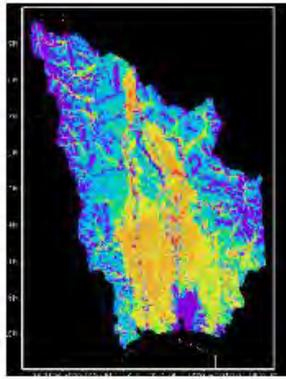
In Japan, Sompo Risk Management is utilizing a flood risk assessment system^{*1}, developed jointly with Kyoto University and Kobe University, for insurance risk management and natural disaster risk consulting. For Thailand, They are using a flood risk assessment system developed jointly with the Foundation of River & Basin Integrated Communications, Japan, to manage insurance risk and develop insurance products. They have also developed new flood scenario risk assessment methods^{*2} for major urban areas in Indonesia, the Philippines, Malaysia, Singapore, and Brazil. With these methods, They now have methods in place that enable them 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. They plan to steadily expand the area to which they can apply these flood risk assessment systems and methods.

In fiscal year 2015 they 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, they intend to actively apply their 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.

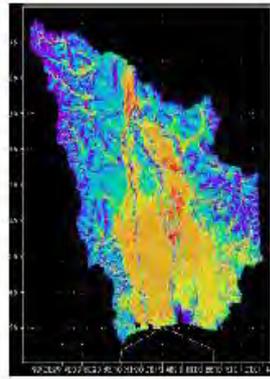
- *1 Flood risk assessment system: A system to assess flood damage stochastically over year, based on various assumed rainfall scenarios.
- *2 Flood scenario risk assessment method: A method to assess flood damage under certain pre-set rainfall scenarios, including past heavy rainfall that has been measured, 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。

Awarded "Highly Commented Paper 2017" by Journal of Flood Risk Management

Sompo Risk Management conducts joint research with the Research Center for Urban Safety and Security at Kobe University and Disaster Prevention Research Institute at Kyoto University from 2010 in order to develop the flood risk assessment method.

In this joint research, they developed a method to calculate economic damage due to flood by combining engineering rainfall outflow and flood simulation technology with technology to estimate stochastic insurance loss amount.

Sompo Japan Nipponkoa and Sompo Risk Management developed flood risk assessment methods in FY2015, and they utilize the method for risk management of insurance and risk consulting for enterprises.

Also, the academic papers for this basic model won Highly Commended Paper of Outstanding Paper Award 2017* by Journal of Flood Risk Management(hereafter, "JFRM"), which published by Wiley in the UK.

* Outstanding Paper Award 2017 by JFRM

JFRM is a specialized academic journal in the field of flood disasters, and the influence in this research field is large worldwide and has received high praise from researchers all over the world. Outstanding Paper Award is an especially excellent paper that is honored from all the papers published in this academic journal over the course of a year.

Mitigation of Climate Change

Environmental Impact throughout the Value Chain and Efforts for Environmental Conservation

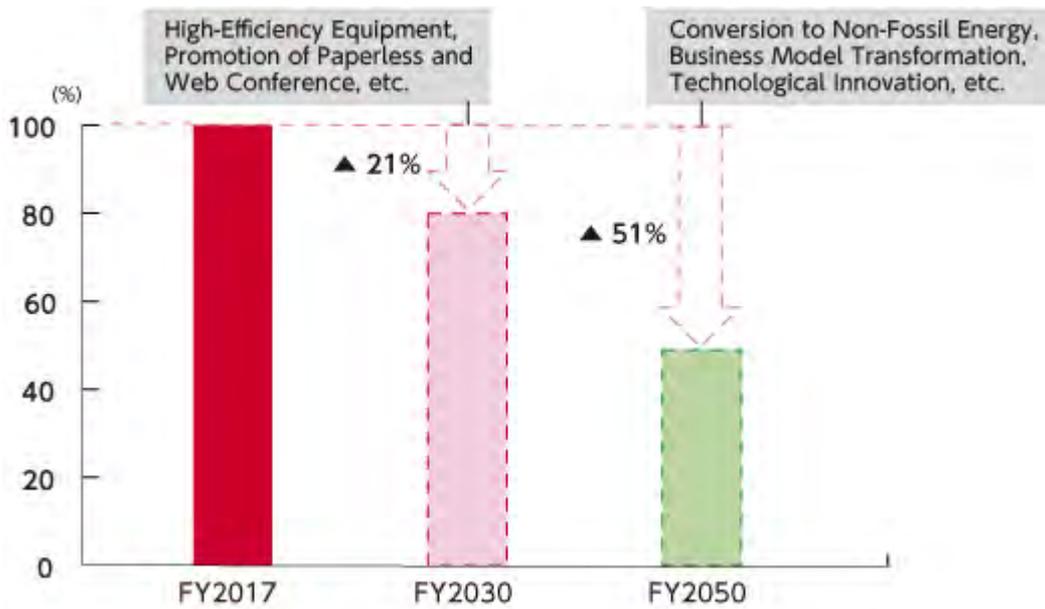
Partnerships

We have in the past set Group-wide greenhouse gas (GHG) emission reduction targets of 40% by fiscal year 2020 and 70% by fiscal year 2050 compared to fiscal year 2002 levels, and have strived to reduce our environmental impact throughout the value chain while developing energy and resource conservation initiatives. As a result, due to successfully meeting our target for fiscal year 2020 in fiscal year 2016, we reviewed the targets and set new mid- to long-term targets that aim for a 21% reduction by 2030 and a 51% reduction by 2050 compared to fiscal year 2017 levels across the Group. We are committed to set the Science Based Targets (SBT), a global initiative that supports achieving the Paris Agreement's 2 °C goal, and our new mid- to long-term targets are inline with the SBT recommended reduction level. The range of GHG emissions to reduce includes emissions generated directly from the use of gasoline and other fuels (Scope 1), emissions, indirectly from consumption of electricity and heat (Scope 2), and indirectly from such business activities as sales, business trips, printing and other use of papers, transport, and disposal (Scope 3).

GHG emissions in fiscal year 2017 were down by 4.6% from the previous year (excluding the influence of Sompo International which began to operate as a member of our Group in fiscal 2017), and paper consumption was reduced by 12.9% from the previous year, thanks to the introduction of high-efficiency equipment such as LED lighting, and encouraging products, services, and internal administrative activities for paperless operations.

The CSR management system, which covers 28 Group companies in Japan, renewed its ISO 14001 certification in January 2018, and going forward, we plan to accelerate our efforts across the entire Group.

New Group-Wide Mid- to Long-Term GHG Emission Reduction Targets



21% Reduction in FY 2030, 51% Reduction in FY2050 from FY 2017 Levels

Environmental Accounting

Partnerships

The Group has set mid- to long-term GHG emission reduction targets and considered the environment in the course of business operations, such as using renewable energy in Japan and throughout the world. We will contribute to the realization of a resilient, sustainable society by actively working to address environmental issues through dialogue and cooperation with stakeholders.

FY2017 GHG Reduction Investment Cost and Effect

Item	Amount Invested (JPY)	Investment Effect (JPY)	Reduction in CO ₂ (mtCO ₂ e)
Scope 2	1,055,279,168	17,776,956	1,315

Note: The amount invested in FY2017 is mainly the total cost of energy-saving construction work, such as work to upgrade air conditioning equipment in our Group-owned buildings. The investment effect is calculated based mainly on the reduction in the consumption of electricity as a result of energy-saving construction work on our Group-owned buildings.

Environmental Performance

Item	FY2015	FY2016	FY2017
GHG emissions (Scope 1)(t)	18,479	21,517	21,164
GHG emissions (Scope 2)(t)	76,552	76,522	75,207
GHG emissions (Scope 3)(t)	57,800	59,227	58,039
Total waste generation (t)	9,154	7,234	7,979
Clean water usage (kℓ)	508,335	368,720	373,126
Wastewater discharge (kℓ)	429,821	395,061	442,302
Business trips (km)	72,354,921	76,869,498	77,848,495
Share of green purchasing (%)	87.1%	88.2%	89.4%

Contributing to Community through Business

Participating in World Bank's Pandemic Emergency Financing Facility

Products & Service

Sompo Japan Nipponkoa participated in the World Bank's Pandemic^{*1} 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^{*2} (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^{*3}), 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

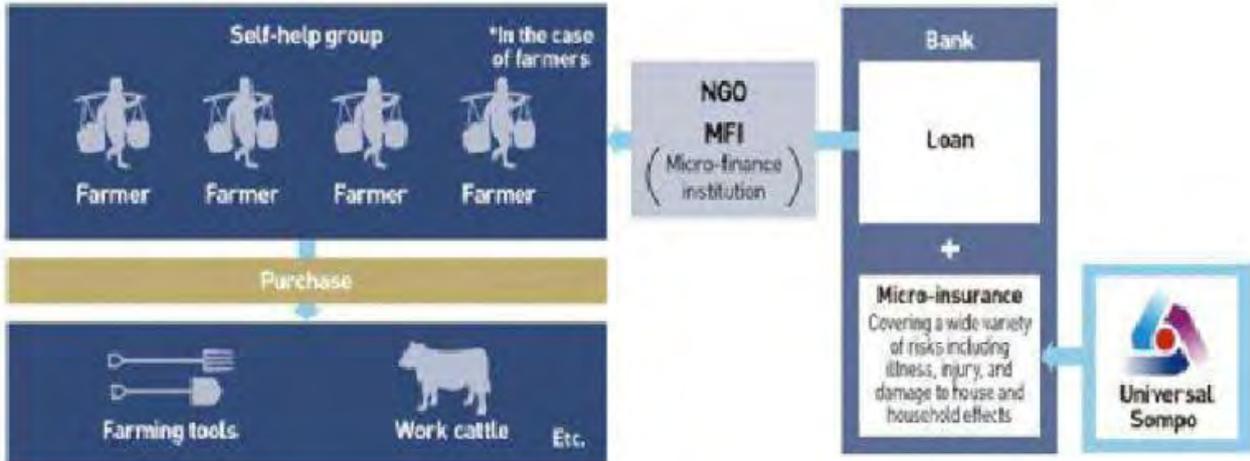
Products & Service

In 2008, Universal Sompo General Insurance (USGI), a Group company 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



AgriSompo, an Integrated Global Platform for Agricultural Insurance

Products & Service

Sompo International Holdings announced AgriSompo, an integrated platform to provide agricultural insurance across the globe. Based on this strategy, in March 2018 we completed acquisition procedures for A&A, S.r.l., the leading agricultural insurance agency in Italy since 1996. AgriSompo delivers a unified underwriting approach with shared expertise and technology across a range of products to farmers, agricultural insurers and a wide variety of other agri-businesses. In the future, through the use of AgriSompo, we will work to provide solutions to agricultural risks specific to each country and contribute to the development of the agriculture sector around the world.

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, Sompo 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. Sompo Japan Nipponkoa also promotes employee participation in community development by

offering food menus and hosting vendor booths featuring local products in company cafeterias. Sompo Japan Nipponkoa also supports purchases of local products via the Internet and other means.

Sompo Japan Nipponkoa Himawari Life signed an "Agreement on Comprehensive Collaboration Utilizing Kaminoyama Hotspring Kurort (Health Recreation Area)" in agreement with Kaminoyama-shi, Yamagata Prefecture, with the aim of maintaining and promoting the health of our employees. Kurort means a health resort area in German. In 2017, half of our employees participated in the kurort program which includes hot springs, meals and walking for two days and one night.

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. Their 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 participate in volunteer activities. In fiscal year 2017, a variety of activities were held over the course of the month of December, with an emphasis on International Volunteer Day on December 5. Group employees participated in training classes for dementia supporters, local cleanups, the sale of fair trade products, donations, and other activities.



Training classes for dementia supporters



Sale of fair trade products



local cleanups



Wheelchair maintenance



Welfare activities (Vietnam)



Local cleanups (Johannesburg)



Holding of math Olympics

Presentation of souvenirs from professional basketball player (Turkey)

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, the company promotes their activities for future generations mainly through their 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 Sampo Chikyu (Earth) Club, a volunteer activity organization of which all employees are members.

Programs to Support and Encourage Employees' Efforts

●Sampo Chikyu (Earth) Club

The Sampo Chikyu (Earth) Club, a volunteer activity organization of which all group 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.

●Sampo Chikyu (Earth) Club Social Contribution Fund

The Sampo Chikyu (Earth) Club Social Contribution Fund is financed by voluntary donations by employees taken out of their monthly salaries. The funds raised are used primarily for community outreach activities conducted by Sampo 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 Sampo 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.

Social Contribution Initiatives 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.

●Asia

Sompo Insurance (Thailand) Public Company Limited

In Thailand, there are many people suffering from myasthenia gravis and muscle paralysis, and we are implementing initiatives to support them.

The company recruited staff that worked as volunteers for “DIY an elephant for Hand in Hand” , and created an elephant stuffed animal in January 2018.

The stuffed toys of the elephants was sent to the patients in the hospital to help improve symptoms of muscle paralysis.

●Turkey

~Sompo Japan Sigorta Anonim Sirketi~

On May 2017, the company held a Mathematical Olympic Games as part of educational support for children in Turkey, inviting 3rd grade and 4th grade elementary school in Istanbul. Approximately 450 elementary school students and many parents and school teachers visited, and prizes were awarded to those with excellent grades by players of the professional basketball team whose the company is sponsored.

●Brazil

~Sompo Seguros~

In August 2017, The company donated wheelchairs to disabled children.

The donated wheelchair was specially made for each disability, and five wheelchairs were donated.

In October 2017, they donated head scarfs to those who are treating breast cancer, and also donated wigs to those who had their hair lost by chemotherapy. 33 women donated their hair to make wigs with 7,895 head scarves.

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 2017, 58 employees and agency employees participated in the 25th beech tree planting initiative in Nishimeya, a village in Aomori Prefecture.



◆Kanto Region

In December 2017, the company held a sale of products made by those working at the disabled people's local workshop in Yokohama, as part of "Comprehensive Agreement on Regional Revitalization" concluded with Yokohama City,



◆Tokai and Hokuriku Regions

In August 2017, 49 employees volunteered at a blood donating unit set up in Shizuoka.



◆Kansai Region

In November 2017, the company volunteered at the "7th Osaka Marathon". A total of 62 people including employees in Osaka district participated and sent hot cheers to the players while performing water supply activities.



◆Chugoku and Shikoku Regions

In September 2017, the company cleaned up at Tottori Sand Dunes and total of 32 people including employees and agents Tottori district joined.



◆ Kyushu and Okinawa Regions

In November 2017, employees and agencies totaled 59 people participated in maintenance and cleaning activities of about 80 wheelchairs, at the special nursing home for senior citizen.



<Each company of Sampo Holdings>

◆ Clean-up activities

Each group company is working together to contribute to the region, such as cleaning up local communities, donating unused items and holding sales associations at welfare workshops.

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. (Sompo Japan Nipponkoa)
- 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 (Sompo Japan Nipponkoa)

Sompo Japan Nipponkoa has 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 (Sompo Japan Nipponkoa)

Sompo Japan Nipponkoa 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 (Sompo Japan Nipponkoa)

To support efforts for early reconstruction and eco-friendly community development in areas affected by the earthquake and tsunami, Sompo Japan Nipponkoa 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-CO₂, 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 CO₂ 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 (Sompo Japan Nipponkoa)

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 (Sompo Japan Nipponkoa)

● 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)

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" (Sompo Japan Nipponkoa)

As part of the support efforts to recover from the 2011 earthquake and tsunami, the company 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) (Sompo Japan Nipponkoa)

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 (Sompo Japan Nipponkoa)

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. The company 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, Sompo Japan Nipponkoa 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, the company distributed 3,000 items of disaster preparedness goods such as flashlights with radios and emergency blankets and themal sheet, through the joint efforts of our employees and agency staff in front of their Kumamoto Branch building, agency offices, and department stores in Kumamoto City.

Contributing to Community through the Arts and Culture

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 5.76 million people have visited the art museum as of March 31, 2018.

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.

In spring 2020, a new museum will be open on the property of the Sompo Japan Nipponkoa Headquarter. The new art museum will aspire to become an "art landmark" in Shinjuku and works on making art museums with visitors which have a wide range of generations from home and abroad.



Exterior design



Sunflowers Vincent Van Gogh in 1888
Seiji Togo Memorial
Sompo Japan Nipponkoa Museum of Art

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,” “uniqueness,” and “SDGs”. 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.

No.	Program	uniqueness	group encouragement	contribution to the local community	partnetships	SDGs	contribution to business	exposure	evaluation from society	final score	evaluation
1	Program A	10	5	10	10	10	10	25	20	100	A
2	Program B	5	5	10	10	3	10	20	20	83	B
3	Program C	5	10	5	5	10	3	5	20	63	B
4	Program D	5	10	5	5	10	5	10	10	60	B
5	Program E	3	10	5	5	3	5	10	0	41	C
6	Program F	10	5	3	10	5	5	65	10	113	A
7	Program G	3	3	5	10	3	3	10	0	37	C
8	Program H	3	3	3	5	3	3	0	0	20	C
9	Program I	3	3	5	5	10	3	0	0	29	C
10	Program J	3	10	5	5	5	5	10	0	43	C
11	Program K	3	3	3	5	3	3	0	0	20	C
12	Program L	3	5	5	5	10	3	15	0	46	C
13	Program M	10	3	5	5	5	5	35	10	78	B
14	Program N	10	5	10	5	5	5	20	20	80	B
15	Program O	10	5	5	5	5	5	60	20	115	A
16	Program P	5	3	10	10	10	5	25	20	88	B
17	Program Q	5	3	3	10	10	5	10	10	56	B
18	Program R	10	3	5	5	10	5	40	20	98	B

Note: In principle, if the final rank is C, we consider discontinuing or revising the project.

Agencies

▶ **Providing the Highest Possible
Quality of Service**

▶ **Mitigation of Climate Change**

Providing the Highest Possible Quality of Service

Agency Services

Partnerships

Sompo Japan Nipponkoa supports its agencies to improve their qualities of customer services offering insurance products and services and conducting necessary procedures such as consulting services for a settlement in the event of an accident.

They are working to upgrade agency service levels to ensure that agencies can provide appropriate advice and services to the full satisfaction of our customers. They 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. They also provide agencies with management assistance.



Training session to enhance agency service quality

Agency Support System

Partnerships

- Training Program

While Sompo Japan Nipponkoa provides regular group education and training to improve the quality of agency services, its 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

Sompo Japan Nipponkoa 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 2016 achieved a reduction of about 180tons. 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 4,400 registered members (as of March 2018).

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.



リサイクル部品を使うと地球が喜ぶ!!

リサイクル部品を使った場合、新品部品と比べ販売店に届くまでの工程が減り、CO₂を削減できます。

例えばフロントアの場合

ステップ	工程	CO ₂ 削減
1	海外の鉱山で鉄鉱石を採掘	削減
2	船で日本まで運搬	削減
3	製鉄所で鉄(鋼鉄)を製造	削減
4	運搬	削減
5	自動車製造工場でドアに加工	削減
6	運搬	削減
7	販売店	削減

削減できるCO₂はなんと約100kg!

100kgのCO₂は、ブナの木5本が1年間に吸収する量と同じ

リサイクル部品の使用に限りだけでなく、新品部品に比べてもリースタイル!詳しくはスタッフにおたずね下さい!

新品部品を使った場合 vs. リサイクル部品を使った場合

エアショップ21についての詳細は、こちらへ <http://www.alreshop21.jp/>

ISO14001環境取得 | 加盟店 | ISO 14001 | JSA | CM99

Employees

▶ **Health Promotion**

▶ **Building Resilient Organizations
through Human Resources
Development**

▶ **Diversity and Inclusion**

▶ **Respect for Human Dignity and Rights**

Health Promotion

Initiatives to Maintain and Promote Employee Health

Partnerships

Our Group Management Philosophy is “We will contribute to the security, health, and wellbeing of our customers by providing insurance and related services of the highest quality possible”. In order to implement it, we emphasize the importance of ensuring the health of our employees and their families, and implement various health maintenance and promotion initiatives at our Group companies.

In order to improve the quality of services, we believe that it is more important to maintain mental and physical health as the foundation of anything, as well as to improve abilities. We also believe that working lively and actively by keeping mental and physical health in addition to living a fulfilling life is fundamental to the health of the corporation. With this in mind, Sompo Japan Nipponkoa works on improving employees' awareness of health.

Mental Health

Sompo Japan Nipponkoa has industrial physicians specializing in mental health at the head office, with the cooperation of Sompo Risk Management & Health Care. The company offers a constant mental health checkup, consultation service and counseling by medical staff such as doctors and nurses. In order to catch the signs of mental sickness earlier and to prevent mental health problems, the company also provides stress level evaluation service as a form of self-care which promotes understanding and prevention of mental illness. The system which managers acknowledge as "Line Care", improves the workplace environment and offers consultation of their subordinates with regard to mental health, has been established.

Key Initiatives

- Telecommuting and sift work for work style innovations
- Issuing the report about health to recognize health conditions and problems of employees (Sompo Japan Nipponkoa)
- The Seminar for improving both work and health for the employees to value health (Sompo Japan Nipponkoa)
- Industrial physicains specializing in mental health at the head office and system for constant mental health checkups (Sompo Japan Nipponkoa)
- Stress level evaluation service as a form of self-care and Line Care system for managers (Sompo Japan Nipponkoa)
- Activating internal sports activities (Sompo Business Service)
- Stress checkup service offered twice a year (Sompo Systems)
- Prohibited smoking all day (Sompo Japan Nipponkosa Himawari Life Insurance)
- Program for improving lifestyle by using an application (Sompo Risk Management & Health Care)

External Recognition

Six Group companies have been recognized as a 2018 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. (two consecutive years)
- Sompo Japan Nipponkoa Insurance Inc. (two consecutive years)
- Sompo Systems, Inc.
- Sompo Business Service, Inc. (two consecutive years)
- Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (two consecutive years)
- Sompo Risk Management & Health Care Inc. (two consecutive years)

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

Exchange Program for Group Employees Inside and Outside Japan

Partnerships

We provide the Exchange Program for the Group employees to develop new skills and to leverage their diverse strengths for the Group's growth. This program began in fiscal year 2014; since then, a total of 45 Group employees from outside Japan have worked in various departments in Japan.



Exchange Program

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, 119 selected talents (including those from outside our Group) from 15 countries have participated in this program as of fiscal year 2017. 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, Sompo Japan Nipponkoa encourage them to take the TOEIC IP, an internal English language test. They 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. They encourage all employees to aim for a TOEIC score of 730 or higher.



SOMPO Global University

Reinforcement of Human Resources

Partnerships

To be the most highly evaluated P&C insurance company in Japan, Sompo Japan Nipponkoa is promoting the development of human resources through the cycle of “work, evaluation, remuneration, relocation/transfer, and training” based on Group Personnel Vision and human resources sought, and provides employees various chances to perform to their full potential.

Of special mention, in addition to providing the environment in which individual workers could grow

spontaneously and stick at their duties continuously, it promotes human resource development and corporate culture to foster the workers who can create new value and think outside the box on their own initiative.

- Skill development support

In fiscal year 2018, the company is improving interactive and supporting managing style for managers and providing them with seminars to learn the method. It is promoting this managing style because it believes that it would be necessary not to manage uniformly but to understand individual diversity and extract their strength under in the greatly changing era.

The business academy, using video-based self-directed training systems has been provided for all employees to foster a culture of self-improvement. 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.

They are also expanding grade-specific educational support and increasing internal opportunities for peer training.

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 2018

- 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)
- Dialogue-supported management training
- Vision training for section managers (selective peer training)
- Business 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. They hold "Management School (training)" for all section managers every year since 2015. In 2017, serious discussion about job assignment and evaluation (Personnel appraisal) was held in order to prepare for the new personnel system, while making a discussion on the universal theme "Improvement of management skills required for managerial personnel" and "Creating a dynamic workplace"



Support program for newly appointed managers

Establishment of Sampo Care University in Osaka

Partnerships

On April 1 2018, Sampo Care and Sampo Care Next opened Sampo Care University Osaka as an institute that will take the lead in our human resource development strategies, centering on the concept of all employees being able to feel their growth based on our basic management policy of respecting human rights. More than 500 employees from Kyushu through to the Chubu region have already visited the institute to take part in training activities. In April 2016 they opened Sampo Care Next Step Center in Shibaura, Tokyo and in July 2017 they opened Sampo Care University. This time, they aim to further expand the scope of our activities to western Japan, as well as to develop and provide more advanced training programs in collaboration with universities and specialist educational institutions under the catchphrase "working together to create the future of long-term care!!"

Through these activities, they will offer the highest quality healthcare services that further contribute to "security, health, and wellbeing," and provide our employees with a satisfying and comfortable workplace, aiming to make Japan as a global pioneer in healthy longevity.



Facilities at Sompo Care University Osaka

Launch of Overseas Integrated HR Information System

Partnerships

Through a group-wide talent assignment process that allocates “the right people to the right positions at the right time” we are promoting transformation into an organization that is capable of demonstrating its strengths in each country and business. To this end, we have introduced the Integrated Overseas HR Information System at nine major Group companies overseas with approximately 4,200 employees.

The implementation of the system enables us to (i) centrally manage information on personnel (e.g., competencies, skills and experiences) responsible for overseas business and (ii) strategically facilitate group-wide talent assignment and talent development.

Held “SOMPO internship” which can deepen understanding of the P&C Insurance industry and our company, feeling growth in the process of learning.

Partnerships

Sompo Japan Nipponkoa held SOMPO internship that can touch the P&C insurance business and operations through workshops and exchanges with employees.

They conducted multiple types of internships according to the needs of the students, for example, “Comprehensive course” is to understand P&C insurance business by experiencing business such as insurance benefit service · risk consulting · product development. Also, there are “practical course” that can experience the challenges of work in the actual workplace and thinking about working, and the “international course” for global oriented students.

Students who finished the program stated “There are many awareness and learning experiencing the work and it has been extremely useful for future job hunting and career design” .



Comprehensive course

Diversity and Inclusion

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 the 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

Sompo Japan Nipponkoa respects the sense of values and work 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 better working environment that allows each employee to work energetically and comfortably, the company offers a number of opportunities for both male and female employees to work on new challenges, and further improves supports for workers with childbirth, child rearing, or nursing care matters to work efficiently.

The company uses employee satisfaction surveys to monitor the current situation and problems of employees, and feedback the survey results to each work place. The each work place has meetings to review them and discuss how they improve and address the problems. The company also actively encourages non-regular employees to become regular employees as a way to further improve employee motivation and help stabilize employment.

●Personnel Management Programs

Personnel system of Sompo Japan Nipponkoa 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. In addition, for the employees who are outstandingly active companywide, the company has set up an "Express ticket" system that enables career advancement of 2 ranks or more, offering a place of further activity. since 2018. Personnel management programs of the company 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, the company has 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.

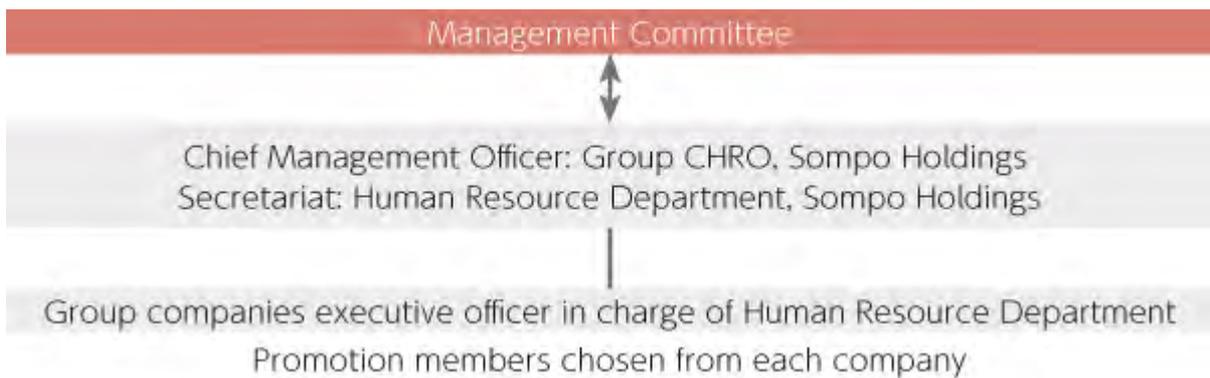
Establishment of Group Diversity Promotion Headquarters

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 2018 there were 931 female managers, 20.7% of the total. At Sompo Japan Nipponkoa, the largest Group company, “graduates” of such training programs include one director, one executive officer, and eleven general managers.

As women are empowered, there are more working mothers, and more fathers taking an active role in raising their children, we decided to join the “Ikuboss Alliance” established by NPO Fathering Japan in April 2015, in the belief that it is important to create a workplace where men and women can continue to work while harmonizing their work-life balance.

●External Recognition

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

女性が輝く
先進企業
2016



Opening of an On-Site Daycare Center

Partnerships

On March 1 2018, Sompo Japan Nipponkoa opened an on-site daycare facility, SOMPO Kids Park, at the headquarters in Shinjuku, Tokyo. This facility enables employees whose children are waiting for daycare to continue working and fulfill their career potential. The company has introduced a contact system that allows parents and childcare workers to input and view daily communications on their smart phones, enabling them to maximize the effective use of their time. Parents can input and view messages exchanged daily with childcare workers using their smart phones when they have a free moment, which makes it possible to manage the details of communications as digital data. The company is aiming to make this facility unique to Sompo Japan Nipponkoa, the leading company for work style innovation.



SOMPO
KIDS
PARK
そんぽきっずぱーく



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 four years until fiscal year 2017, 203 executives and general managers became mentors to 417 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.

Support for Non-Japanese Employees

Partnerships

To maintain successful global operations, it is important for our Group to support non- Japanese employees 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. Through such efforts, we aim to transform into an organization that the diversity of personnel serves as a driving force for our business.

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.

Incorporation of SOMPO Challenged Inc. to Boost Jobs for People with Disabilities

Partnerships

Based on an idea that diversity is the driving force of our business growth, the Group are striving to promote personnel diversity, with a catchphrase "Diversity for Growth" and aiming to become the group where diversified workers can demonstrate their strengths through active participation.

As part of this effort, we have established SOMPO Challenged Inc. (SOMPO Challenged) to create an environment in which people with disabilities can work by capitalizing on their strengths. The new company will not only provide more job opportunities but also facilitate growth and job satisfaction for a greater number of disabilities.

SOMPO Challenged is certified as a special-purpose subsidiary* in line with the Act on Employment Promotion, etc. of Persons with Disabilities.

- * A company approved by the Japanese Minister of Health, Labor and Welfare as satisfying certain conditions, that gives special consideration to the employment of people with disabilities.

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.

●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.

●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. In addition, if inevitable or approved by the company due to their child's illness or disability, employees are entitled to select short-time work within the range until the end of the year in which their child reaches 18 years old. 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 2017, the forum was attended by a total of 600 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.

Also, we are utilizing support tools such as guides for pregnancy, childbirth, childcare and the manual for bosses of child care workers to create a workable environment for all of them and workplace members.

●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 590 employees in fiscal year 2017.

Work Style Innovation

Partnerships

Sompo Japan Nipponkoa has been promoting work style innovation since 2015, in order to keep easy-to-work places for diversified workers in the company to be efficiently and productively under their limited time.

●Telecommuting and Mobile Work

Sompo Japan Nipponkoa has been working on diversified work styles including unlimited work place and work time, and on development of infrastructure such as ICT, to do a job more productively. The company also has adopted telecommuting system to work everywhere, throughout the day or not. Short time worker for child-care or family-care is allowed to use two devices for their flexible work style.

Mobile work by using their own device (BYOD) or smart phone given by the company is also operated. Thus, workers are able to work efficiently in a short time such as on the move, on an outing.

●Shift Work System

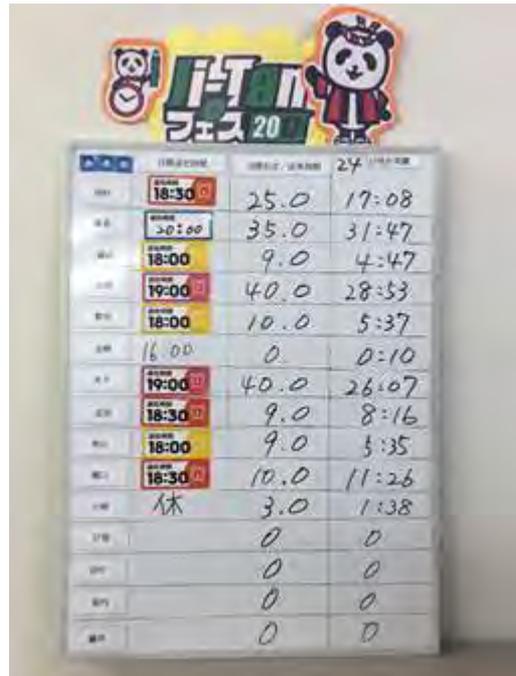
Sompo Japan Nipponkoa has started shift work system that offers employees nine options to realize smooth job operation and diversified work style for better response to customers and employees' lives. They can decide when they will start to work between 7am and 1pm. Under this system, they would work for seven hours a day without working overtime basically and be required to become aware of their closing time and to plan to work more efficiently.

●Ji-Tan Fes

In order to promote work style innovation at each work place, "Ji-Tan fes" was held in 2017. This event was a form of contest to publish work places carrying out both reducing work time and improving performance or quality, which were introduced on in-house broadcasting or its information board.



Poster for "Ji-Tan fes"



Declaration of monthly overtime

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

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.

Sompo Japan Nipponkoa has 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, they deploy a cross-functional and systematic measures aimed at promoting basic code of conduct on human rights issues at each workplace.

They 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](#)