

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

**General**

Period covered by your COP: From January 2019 to December 2020

**Statement of Continued Support by CEO**



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

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

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

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

Since 2007, we have worked as a member of the Global Compact Network Japan (hereinafter "GC-NJ") and supported their operations. We especially collaborate with other members in the studies of disaster risk reduction, SDGs and ESG.

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

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

"Transforming our World: the 2030 Agenda for Sustainable Development" was adopted unanimously by 193 member countries at the United Nations Sustainable Development Summit in September 2015. Tokio Marine Group is providing a variety of products and services and promotes CSR initiatives that are related to SDGs. We will strive to contribute to the attainment of the SDGs based on four activity themes (1. Contribute to building communities that are strongly resilient to natural disasters, 2. Contribute to health and well-being, 3. Contribute to creating mangrove forests, 4. Contribute to reducing poverty) that have especially deep relationships to the SDGs. (For details, please refer to our "Sustainability Report 2019" [https://www.tokiomarinehd.com/en/sustainability/library/pdf/csr2019\\_web.pdf](https://www.tokiomarinehd.com/en/sustainability/library/pdf/csr2019_web.pdf))

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

January 18, 2020

  
Satoru Komiya  
President & CEO,  
Tokio Marine Holdings, Inc.

**Human Rights Principles** (For details, please refer to our "Sustainability Report 2019" [www.tokiomarinehd.com/en/sustainability/library/pdf/csr2019\\_web.pdf](http://www.tokiomarinehd.com/en/sustainability/library/pdf/csr2019_web.pdf))

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

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

**Assessment, policy and goals**

**<Assessment>**

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

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

**<Policy / Commitment >**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Explicit policies and procedures that cover the following human resources activities are established, disclosed timely to the employees, periodically reviewed, and revised as necessary. - Recruitment, Training, Performance evaluation, Promotion, Remuneration, Deployment/Job rotation, Succession Planning, Dismissal
- \* We have enhanced management systems by formulating individual guidelines and rules in light of the circumstances at national and regional locations.

- Employees' grievance/complaint (\*) filing route is established and is properly handled.  
(\* ) Including but not limited to any type of harassment, discriminations, problems around working environment and dissatisfaction with working conditions.

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

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

### **Response to Slavery and human Trafficking**

Tokio Marine Group regards slave and human trafficking as social issues that must be solved and makes efforts to prevent slave labor and human trafficking in its own businesses and in the value chain. At the same time, the Group is urging its various stakeholders to undertake initiatives toward solutions to these issues.

#### **<Goals>**

- Result on FY 2018 (April 2018- March 2019)
  - Percentage of employees undergoing education and taking courses on human rights (Group companies in Japan): 99.9%
  - Percentage of employees with disabilities (Group companies in Japan): 2.8% (as of June 1, 2019)
- Target (FY2019)
  - Percentage of employees undergoing education and taking courses on human rights (Group companies in Japan): approximately 100%
  - Percentage of employees with disabilities (Group companies in Japan): 2.20%

### **Implementation**

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

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

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

#### Principles 1 and 2

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

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

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

### **Measurement of outcomes**

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

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

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

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

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

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

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

\* Percentage of employees undergoing education and taking courses on human rights (Group companies in Japan) : 99.9% (as of March 31, 2019)

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

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

Tokio Marine Group also supports the physical and mental health of employees by the management of working hours (including temporary staff) and the health management. (For overviews of FY 2018, see the measurement of outcomes of the following "Labor Practices Principles.")

Tokio Marine & Nichido announces the Slavery and Human Trafficking Statement for the fiscal 2018 as a response to the UK Modern Slavery Act 2015.

**Labor Practices Principles** (For details, please refer to our "Sustainability Report 2019" [www.tokiomarinehd.com/en/sustainability/library/pdf/csr2019\\_web.pdf](http://www.tokiomarinehd.com/en/sustainability/library/pdf/csr2019_web.pdf))

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

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

Principle 5: The effective abolition of child labor; and

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

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

#### **<Assessment>**

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

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- \* We have enhanced management systems by formulating individual guidelines and rules in light of the circumstances at national and regional locations.
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The reporter will not be treated disadvantageously because of his or her report. Furthermore, private information of the reporter shall be handled responsibly.

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

Group companies adhere to labor-related laws and ordinances under national laws, ordinances and rules of each country. We endeavor to build sound labor-management relationship, maintain safe and healthy working environments, rigorously manage the working hours of employees and promote appropriate and fair employment. In order to improve the quality of the products and services which Tokio Marine Group provides to the customers worldwide, we believe that it is essential for motivated and capable employees who possess diverse senses of value may show their capabilities to the full, regardless of gender, age, nationality or other attributes. We encourage the employment of the disabled people, provide opportunities for female employees and create a field for knowledgeable, experienced senior employees may actively participate to promote diversity within the group as a whole.

#### **Measurement of outcomes**

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

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

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

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

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

\* Percentage of employees undergoing education and taking courses on human rights (Group companies in Japan) : 99.9%

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

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

The Tokio Marine Group also supports the physical and mental health of employees by the management of working hours (including temporary staff) and the health management. (For overviews of FY 2018, see the measurement of outcomes of the following "Labour Principles".)

\* Overview of Performance Data (FY2018)

Labor union participation rate (Group companies in Japan) 99.6%, Employee health examination rate (Group companies in Japan) 98.8%

Industrial accidents (Group companies in Japan) - Occupational accidents 101 people, Commuting accidents 75 people\*

\* The numbers increased due to expansion of scope of business of domestic major subsidiaries

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

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

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

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

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

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

\* Overview of Performance Data (FY2018)

- Percentage of employees with disabilities (Group companies in Japan, as of June 1, 2019): 2.8%
- Number of female managers (Group companies in Japan, as of March 31, 2018): 368
- Number of employees using the sustainable system for continued employment for the elderly (Group companies in Japan, as of March 31, 2019): 753

**Environment Principles** (For details, please refer to our "Sustainability Report 2019" [www.tokiomarinehd.com/en/sustainability/library/pdf/csr2019\\_web.pdf](http://www.tokiomarinehd.com/en/sustainability/library/pdf/csr2019_web.pdf))

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

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

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

**Assessment, Policy and Goals**

**<Assessment>**

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

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

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

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

<Policy / Commitment >

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

"Group CSR Charter -Protection of the Global Environment"

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

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

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

"Environmental Philosophy/Environmental Policy"

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

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

**<Goals>**

- Development of products and services that adapt to and mitigate climate change  
e.g. expand and upgrade Tokio Marine & Nichido's "Green Gift" Project (paperless initiative), Upgrading natural disaster risk assessment (typhoon, flood, earthquake and tsunami).
- Reduction in environmental impact at Group companies (Japan/overseas)

Results (FY2018): CO2 emissions: 111,509tons (Breakdown: Scope1: 15,007 t-CO2, Scope2: 67,203 t-CO2, Scope3: 29,300 t-CO2)  
Tokio Marine Group (Japan/overseas) achieved a carbon-neutral status in FY2018.

Targets (FY2019): CO2 emissions: 110,394 tons (a reduction of 1% from the previous year)

The entire Tokio Marine Group (Japan/overseas) aims to achieve carbon-neutral by the end of FY2019.

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

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

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

## **Implementation**

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

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

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

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

- # In collaboration with the Atmosphere and Ocean Research Institute of The University of Tokyo, Tokio Marine & Nichido and the Tokio Marine Research Institute have been upgrading their natural disaster risk assessment approaches by integrating statistical and engineering techniques into meteorological analysis and utilizing the world’s top-class climate models developed by the university.
- # Through a partnership with the Hydrospheric Atmospheric Research Center of Nagoya University, Tokio Marine & Nichido and the Tokio Marine Research Institute have been conducting research on how climate change induced variations in typhoon risks affect the insurance claim payments by employing high spatial resolution models, and analyzing changes in the around Japan.
- # Through a partnership with the Disaster Prevention Research Institute and Graduate School of Engineering of Kyoto University, Tokio Marine & Nichido and the Tokio Marine Research Institute have been conducting research on how water disasters under the future climate affect the insurance claim payments by utilizing the rainfall runoff and river discharge projection models.
- # Tokio Marine & Nichido signed an industry-academia collaboration agreement with Tohoku University in July 2011 and endowed a research program, "Earthquake Induced Tsunami Risk Evaluation (Tokio Marine & Nichido)," to the International Research Institute of Disaster Science (IRIDeS), Tohoku University, in April 2012. Tokio Marine & Nichido extended the agreement with Tohoku University until the end of March 2021.

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

Since 1999, Tokio Marine & Nichido has been working on mangrove planting project mainly in 9 countries in the Asia-Pacific region. The concept of the project is “insurance for the future of the Earth.” Mangroves have wide range of positive impacts on Earth. They help to prevent and mitigate global warming by absorbing and storing CO2 and preserve ecosystems and biodiversity. They can also serve as breakwaters to protect people from tsunamis and storm surges.

Tokio Marine Group develops and markets products which contribute to climate change mitigation and adaptation and biodiversity conservation as part of our efforts to protect the global environment through insurance business. One of the examples is the "Green Gift Project" initiated by Tokio Marine & Nichido in 2009. We encourage the customers to browse the content of insurance contract clauses through the internet, rather than unilaterally send paper copies to customers. If the customer agrees in browsing their insurance contract through the website, Tokio Marine & Nichido donates money saved by paper usage reduction for the above mangrove planting project and environmental protection activities in Japan through collaborating with NGOs. In October 2019, Tokio Marine & Nichido refreshes its “Mangrove Planting 100-Year Declaration<sup>\*1</sup>” published in 2007 with its aspiration to continue creating social values and publishes “Mangrove-based Value Co-Creation 100-Year Declaration”.Tokio Marine Group will continue to promote value creation initiatives through providing Mangrove-based Solutions in collaboration with various stakeholders including non-governmental and non-profit organizations<sup>\*2</sup> contribute to the creation of a safe, secure and sustainable future.

(\*1) Tokio Marine & Nichido declared that it aimed to continue its mangrove planting project for 100 years in 2007.

(\*2) Action for Mangrove Reforestation (ACTMANG), OISCA International, and International Society for Mangrove Ecosystems (ISME)

### **Mangrove-based Value Co-Creation 100-Year Declaration**

- Tokio Marine & Nichido has been providing Mangrove-based Solutions as “Insurance for the Future of the Earth” globally since 1999, and has adhered to its “Mangrove Planting 100-Year Declaration.” We hereby refresh the Declaration with our aspiration to continue creating social value with you.
- Tokio Marine & Nichido recognizes a wide range of benefits generated by Mangroves, including mitigation of the threat of climate change and disaster damages, protecting the rich treasures of ocean and land, and making our lives and society safe, secure and sustainable.
- We have also been providing an environmental awareness raising program “Green Lessons,” which features mangroves, and strives to continue it from now on.

Tokio Marine Group strives to resolve social issues through promoting all-employee-participative value creation initiatives in collaboration with various stakeholders and contribute to the achievement of SDGs.



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

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

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

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

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

Tokio Marine & Nichido participates in both Japanese/overseas global environmental protection initiatives as one of the leading companies in Japan, and enthusiastically provide information and advice to those initiatives. It also participates in the meetings of the General Insurance Association of Japan and Nippon Keidanren to involve in the formulation of recommendations regarding the reduction of industrial energy usage, or the research of emissions rights trading. Tokio Marine Group participates in international initiatives related to climate change in order to fulfill its role and responsibility as a global insurance company and to actively propose the plans and means to adapt to and mitigate climate change (see next page for details).

## **Measurement of outcomes**

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

Tokio Marine Group collaborates with academic institutions such as The University of Tokyo, Nagoya University and Kyoto University to study the impact of climate change on typhoons and other natural disasters since 2006. Since July 2011, Tokio Marine & Nichido has promoted the industry-university collaborative risk research, R&D and human resource development projects with Tohoku University mainly focusing on risk evaluation of earthquakes and tsunami. We aim to use the findings or the results of this research to improve the accuracy of Enterprise Risk Management for the development and marketing of new products and to improve the services and communication efforts to the general public.

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

Thanks to these comprehensive initiatives, Tokio Marine & Nichido was certified as an "Eco-First Company" in 2008 based on the "Eco-First Program" established by the Ministry of the Environment of Japan. Tokio Marine & Nichido was re-certified as an "Eco-First Company" in June 2014. Tokio Marine & Nichido's Industry-Academia Collaborative Research Project on Earthquake-Induced Tsunami Risks was recognized as a "Good Practice" of "Principles for Financial Action for the 21st Century" in March 2015. In March 2017, our research on effects of coastal forests to mitigate tsunami damage, which is being conducted since April 2015, won an outstanding achievement award in the Green Resilience Award hosted by the Association for Resilience Japan.

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

In 2008, Tokio Marine & Nichido declared a commitment to maintain our involvement in the Mangrove Planting Projects as a protection of the global environment for the next 100 years. We have been promoting the project since 1999, and have planted 10,930 hectares of forest by the end of March 2019.

Tokio Marine & Nichido initiated the Green Gift Project with the support of our customers who cooperate with our project to reduce environmental impact by reducing the use of paper. Customers who agree to this project may refer to the terms and conditions of their insurance contracts through the company's website (Web contracts) instead of paper contract. In addition, Tokio Marine & Nichido donates funds equivalent to two mangrove saplings per each customer switched to Web contracts which contributes to the promotion of the Mangrove Planting Project. By the end of March 2019, approximately 11.3 million contracts had been switched to paperless Web contracts which reduced approximately 2,820 tons (per year) of paper resources in our daily operations. This project is a good practice of how the company collaborates with the customers to reduce paper resources and CO2 emissions, thereby contribute to alleviate global warming and preserve biodiversity.

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

According to Mitsubishi Research Institute, Tokio Marine & Nichido's mangrove planting project is worth USD1,206 million and impacted on approximately 1.41 million people (cumulative total from April 1999 to March 2019).

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

Overviews of CO2 emissions and paper usage by Tokio Marine Group in FY2018 are as follows:

Results (FY2018): CO2 emissions: 111,509 tons (Breakdown: Scope1: 15,007 t-CO2, Scope2:67,203 t-CO2, Scope3:29,300 t-CO2)  
CO2 removal volumes: 153,335tons (Breakdown: Removal by Mangrove planting: 150,000 t-CO2, Purchase of renewal energy: 3,335t-CO2)  
Tokio Marine Group achieved a carbon neutral status in its global operations since FY2014.

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

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

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

#### **a. UNEP FI Principles for Sustainable Insurance**

Approximately 200 financial institutions around the world participate in the United Nations Environment Programme Finance Initiative (UNEP FI), an initiative that surveys, researches and puts into practice business approaches that consider economic development, the environment and sustainability.

In December 2017, the Asia Pacific Roundtable marking UNEP FI's 25th anniversary was held in Tokyo. Tokio Marine & Nichido provided support for this roundtable as a sponsor and disclosed climate-related financial data, proactively participated in insurance-themed conferences and contributed to the discussions at these conferences.

On June 3, 2019, Tokio Marine sponsored and participated in "Tokyo Dialogue on Sustainable Finance -an event in view of the G20 Summit in Japan-" co-hosted by Japan Climate Initiative and UNEP FI. Ms. Junko Komori, Head of CSR of Tokio Marine, shared Tokio Marine Group's initiatives for achieving SDGs including Mangrove Planting Project with audience at the High-level Panel Session on "Aligning financial industry with societal needs".

The Principles for Sustainable Insurance (PSI) of the UNEP FI is a Working Group that surveys, researches and executes environmental, social and governance (ESG) initiatives in the insurance industry.

Tokio Marine & Nichido also supports the intent and policies of the Principles for Sustainable Insurance (PSI) spearheaded by UNEP FI, and in addition to co-hosting the PSI Regional Consultation Meeting for Asia with UNEP FI in November 2011, the company participated in the formulation of principles of action and became a founding signatory to PSI in June 2012. The company is promoting insurance industry initiatives that consider ESG issues together with insurance companies in regions around the world.

From fiscal 2018, Tokio Marine & Nichido participates in the PSI TCFD Insurer Pilot Working Group and is working to create guidelines of climate-related financial disclosure based on TCFD recommendations related to the global insurance industry.

#### **b. Caring for Climate**

Launched in 2007, Caring for Climate is an international initiative convened by the United Nations Global Compact (UNGC), the United Nations Environment Programme (UNEP) and United Nations Framework Convention on Climate Change (UNFCCC) that is aimed at expanding the roles of business in devising climate change measures. As a member of Caring for Climate, Tokio Marine & Nichido is promoting initiatives for climate change measures.

Tokio Marine & Nichido's Mangrove Planting Project that commenced in 1999 and its Green Gift Project that began in 2009 were incorporated as leading climate change adaptation practices in the Caring for Climate report released in 2015 and entitled "The Business Case for Responsible Corporate Adaptation: Strengthening Private Sector and Community Resilience." This report was made public at the Caring for Climate Business Forum, an event related to COP21 convened in Paris in December 2015.

#### **c. The United Nations Office for Disaster Risk Reduction (UNDRR) — Private Sector Alliance for Disaster Resilient Societies (ARISE)**

In November 2015, The United Nations Office for Disaster Risk Reduction (UNDRR), a strategic framework for disaster risk reduction adopted by United Nations member countries in 2000, launched Private Sector Alliance for Disaster Resilient Societies (ARISE) toward the strengthening and reorganization of the Private Sector Partnership for Disaster Risk Reduction (DRR-PSP) for disaster prevention that Tokio Marine & Nichido joined in 2014.

Tokio Marine & Nichido participated as a member of DRR-PSP in the Third United Nations World Conference on Disaster Risk Reduction held in March 2015 in Sendai and sponsored by UNDRR. Tokio Marine & Nichido contributed to the success of the conference by holding three public forums and operating an exhibition booth in cooperation with Tohoku University and The Geneva Association.

In June 2014, Tokio Marine & Nichido participated in the 6th Asian Ministerial Conference on Disaster Risk Reduction in Bangkok, Thailand, sponsored by UNDRR and the government of Thailand, and in November 2016 participated in the 7th Asian Ministerial Conference on Disaster Risk Reduction held in New Delhi, India, and sponsored by UNDRR and the government of India. In July 2018, Tokio Marine & Nichido participated in the 2018 Asian Ministerial Conference on Disaster Risk Reduction held in Ulaanbaatar, Mongolia, and sponsored by UNDRR and the government of Mongolia. At these conferences, Tokio Marine & Nichido made presentations on its industry-academia collaboration initiatives as well as on the economic value of

mangrove planting.

On March 10, 2017, ARISE Network Japan held a public symposium in Tokyo based on the theme “How businesses meet the challenge of extreme weather events ~ The challenge of companies toward disaster resilience.” Tokio Marine Research Institute held a lecture based on the theme “Modeling flood risks of the Arakawa River valley during global warming under future climate change” and disseminated information that included research outcomes through the promotion of industry-academia collaboration.

Tokio Marine Group will continue to contribute to the creation of a safe, secure and resilient future.

#### **d. The Geneva Association**

The Geneva Association is an insurance industry think tank composed of approximately 80 executives from major insurance companies around the globe. As Vice Chairman of the Geneva Association, Tsuyoshi Nagano, President and Group CEO of Tokio Marine Holdings, leads and supports surveys and research on important insurance industry issues (financial stabilization and regulation, extreme events and climate risk, aging of society, etc.) handled by the association. At the same time, as Joint-Chairman of the “Climate Change and Emerging Environmental Topics” working group, he is taking the lead in undertaking surveys and research on climate change and natural disaster risk and disseminating related information to society.

#### **e. ClimateWise**

ClimateWise is an initiative in which approximately 30 leading insurers from around the world jointly carry out studies and research on various risks and opportunities related to climate change and make recommendations toward reducing the risks that climate change imposes on economic and social life. The initiative is operated by the University of Cambridge Institute for Sustainability Leadership (CISL) and participants from Tokio Marine Group include Tokio Marine & Nichido and Tokio Marine Kiln. Tokio Marine Kiln Group former CEO Charles Franks serves as a member of the ClimateWise Advisory Council. In the future as well, Tokio Marine Group will continue to promote efforts toward mitigating and adapting to climate change.

Tokio Marine & Nichido submits an annual activities report based on ClimateWise Principles to ClimateWise (Secretariat: United Kingdom).

#### **f. Asia-Pacific Financial Forum**

The Asia-Pacific region faces high natural disaster risk and many areas are vulnerable to natural disasters. At the same time, the region is also accumulating assets along with economic growth.

In view of these factors, enhancing economic indemnification against natural disasters in some form is an urgent issue for the sound development of Asia-Pacific Economic Cooperation (APEC) member economies and also from humanitarian and national finance perspectives.

The Asia-Pacific Financial Forum (APFF), established in April 2013 in response to this situation as a platform for public-private sector cooperation under APEC to promote the further integration and development of financial and capital markets and financial services in the Asia-Pacific region, recognizes disaster risk as one principal issue and has established a review team. In September 2015, the Cebu Action Plan (CAP) was adopted at the Asia-Pacific Economic Cooperation’s Finance Ministers Process (FMP). Within CAP, Disaster Risk Financing and Insurance (DRFI\*, Disaster Risk Financing and Insurance) was declared as a priority issue and the importance of collaboration with the private sector was emphasized. To implement the action issues specified under CAP, the Working Group on Disaster Risk Financial Solutions composed of finance authorities from nine APEC member economies and related international organizations was launched and APFF is participating in discussions as a member. As part of such initiatives, Tokio Marine & Nichido held the industry-academia collaboration panel discussion “Building a disaster-resilient community in the Asia-Pacific—The power of science and insurance” at the World Bosai Forum in Sendai, Miyagi Prefecture, in November 2017. At this forum, a discussion was held on the ways scientific knowledge is helpful in designing disaster risk financing from the perspective of the Asia-Pacific region and the points of this discussion were reflected in the chairperson’s summary at this forum. Meanwhile, APFF participated in the APEC Workshop on Financial Management of Public Assets against Disaster Risks, which was held in June 2018 at the World Bank’s Tokyo office and convened practitioners from finance ministries in APEC member economies. At this workshop, APFF demonstrated actual examples of how risk modeling techniques of insurance companies can be used effectively in disaster risk management for public assets and emphasized the effectiveness of participation by private insurance companies in preparing for public asset disaster risk.

Tokio Marine & Nichido (Masaaki Nagamura, Special General Manager of Corporate Planning Dept.) is participating as a member of APFF and is leading discussions on DRFI within APFF. Tokio Marine Group will contribute to the creation of sustainable frameworks that respond to the state of development in each economy through dialogue with finance officials in each country as well as with other finance and insurance related parties.

\* DRFI is a broad concept that bundles multiple countries and offers a wide variation of insurance schemes that range from insurance that covers natural disaster risk, with countries being the insured party, to schemes under which private-sector insurance companies provide earthquake insurance coverage for individual customers possessing regular homes and household goods, with governments serving as reinsurers.

**Anti-Corruption Principles** (For details, please refer to our "Sustainability Report 2019" [www.tokiomarinehd.com/en/sustainability/library/pdf/csr2019\\_web.pdf](http://www.tokiomarinehd.com/en/sustainability/library/pdf/csr2019_web.pdf))

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

## Assessment, Policy and Goals

<Assessment>

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

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

<Policy / Commitment >

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

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

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

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

#1 Compliance

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

#1-5 Insider Trading

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

#2 Social and Political Issues

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

## Implementation

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

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

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

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

## Outcome / Evaluation

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

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

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

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