

**United Nations Environment Programme  
- Finance Initiative (UNEP FI)  
Principles for Sustainable Insurance (PSI)**

**Tokio Marine's Progress Report for FY2019**


**August 2020**

**Tokio Marine & Nichido Fire Insurance Co., Ltd.**



## UNEP FI PSI – Tokio Marine’s Progress Report for FY2018

### ■ Company Profile

Company Name	Tokio Marine & Nichido Fire Insurance Co., Ltd.
Contact Person	Miki Hijikata
Position	Assistant Manager, Sustainability Division, Corporate Planning Department
E-mail	miki.hijikata@tmnf.jp
Corporate information	 <p>Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.(TMNF) is the core company of Tokio Marine Group, a Japan-based group active in 47 countries and regions worldwide, operating non-life insurance, life insurance, re-insurance, and financial and general businesses.</p> <ul style="list-style-type: none"> <li>• Established: August 1879</li> <li>• Net premiums written: 2,247.5 billion yen (for fiscal 2019)</li> <li>• Number of employees: 17,077 (as of March 31, 2020)</li> </ul>

### ■ Description of Activities

The following is a report of our activities as they relate to the Principles for Sustainable Insurance.

#### ■ What are your aspirations and targets for this principles?

In recent years, there are calls for corporate activities to pay greater attention to the environmental, social and governance (ESG) elements, which are relevant to running sustainable business.

Tokio Marine Group addresses a host of these issues, including responses to climate change and intensifying natural catastrophe risk, dealing with the aging of society, and promoting workplace diversity.

TMNF signed the Principles for Sustainable Insurance launched by UNEP FI in June 2012.

We will continually consider the roles expected of insurance companies and actively offer solutions to challenges that exist in communities around the globe, based on dialogue and cooperation with a diverse range of stakeholders.

#### ■ How do you plan to achieve them?

Based on the mid-term business plan “To Be a Good Company 2020 (FY2018-FY2020),” Tokio Marine Group set “Providing Safety and Security”, “Protecting the Earth”, and “Supporting People” as our core sustainability themes in consideration of our responsibilities to society as a global insurance group and the expectations of our stakeholders. We continuously promote initiatives focusing on these three core sustainability themes in response to various social issues such as the frequent occurrence of natural disasters and changing demographics.

With the aim of raising the centripetal force of stakeholders in sustainability initiatives, we established the Tokio Marine Group’s Sustainability Approach. As a result, our self-motivated employees have been acting with integrity and compassion, and as this spreads throughout organizations and the Group, we believe that it will create a virtuous cycle of developing innovative products and services

along with contributing to local communities and society. Additionally, we seek to transform risks into opportunities and create value for a safe, secure and sustainable future for children, who will be tomorrow's leaders.

While recognizing that the three core sustainability themes will be integrated into business activities, we will implement sustainability activities with the participation of all employees based on the above sustainability approach across a wide range extending from the provision of products and services to corporate citizenship activities.

[https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability\\_web\\_2019.pdf](https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_web_2019.pdf) (P6-10)

## ■What key actions have you taken to date to achieve them(i.e. Demonstrate progress)?

### (1) Providing Safety and Security

The world is now facing various social issues, inflicted by frequent large-scale natural disasters, demographic shifts, income disparities, poverty and technological innovation. In Japan as well, issues are becoming prevalent also in relation with technological innovation as well as community resiliency (disaster prevention and mitigation) and the country's declining birthrate and aging population. These issues may induce drastic changes in risks surrounding the insurance business. Tokio Marine Group regards these changing risks also as opportunities. Accordingly, we have selected "Providing Safety and Security" as one of our three core themes and are making efforts toward a safe, secure and sustainable future throughout our entire business operations from providing products and services to undertaking corporate citizenship activities.

[https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability\\_web\\_2019.pdf](https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_web_2019.pdf) (P52)

### Climate change and Disaster Risk Research with the University of Tokyo

TMNF and the Tokio Marine Research Institute (TMRI) are undertaking joint research with The University of Tokyo to develop a novel stochastic typhoon model that estimates future changes in typhoons. In FY2015, TMRI advanced its research to explore how global warming would affect certain area of the ocean where the strongest typhoons occur and how this would affect Japan in the future. TMRI also proceeded with our joint efforts with the Japan Meteorological Agency to formulate methodologies to forecast short-term change in climate patterns. We have been disseminating our findings in these research projects throughout Japan and overseas by means of presentations at academic conferences and research papers. As many aspects of future changes in typhoon patterns and other weather disasters remain unknown, researchers all over the world are engaged in ongoing research. Tokio Marine & Nichido and the Tokio Marine Research Institute keep a wide-ranging eye on these research activities to advance our research into climate change.

[https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability\\_web\\_2019.pdf](https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_web_2019.pdf) (P59-60)

### Disaster Risk Research with Nagoya University

With the aim of analyzing climate change impacts on weather phenomenon, TMRI are performing detailed analyses of how climate phenomenon such as typhoons, "bomb" cyclones and localized



torrential downpours are changing along with climate change as part of efforts to promote research on future natural disaster risk, with a particular focus on changes in precipitation in collaboration with Nagoya University.

An accurate understanding of problems surrounding environmental changes in the hydrosphere and atmosphere calls for research from an integrated perspective involving physics, chemistry, biology and other sciences. The Institute for Space-Earth Environmental Research at Nagoya University, our partner in this joint research, conducts diversified research into the processes in water cycle systems. As part of this research, Nagoya University Professor Kazuhisa Tsuboki has developed a high spatial resolution model able to perform detailed simulation of clouds and precipitation, and is advancing research into the structure and mechanisms of heavy rain, typhoons, tornadoes and other phenomena.

In July 2018, heavy rain hit and caused enormous damage in the entire western Japan. The charts in the article titled Joint Research with Nagoya University: Typhoon and Precipitation Simulation Using High Spatial Resolution Model in the following link show the results using Nagoya University's high spatial resolution model to simulate rainfall. Comparing the chart on the left showing the simulation results and the chart on the right showing the actual observed rainfall amounts, we can see that the simulation has recreated rain-hit areas and precipitation volume very accurately.

The results also reveal that global warming in the future will likely cause an increase in the number of heavy rainfall events that may result in large-scale disasters. We will promote research on how global warming affects precipitation volume.

[https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability\\_web\\_2019.pdf](https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_web_2019.pdf) (P60)

### **Water Disaster Risk Research with Kyoto University**

In 2012, TMNF and TMRI launched joint research with Kyoto University into the assessment of water disaster risk under future climate conditions and are developing methods for the quantitative assessment of the flood risk of rivers.

TMRI is engaging in joint research with Kyoto University with the aim of quantitatively assessing changes in water disaster risk under future climate conditions. By also leveraging know-how for estimating precipitation volume under future climate conditions, which has been gained through joint research with Nagoya University, we are developing methods to assess water disaster risk under future climatic conditions.

The Disaster Prevention Research Institute and the Graduate School of Engineering at Kyoto University have top-class researchers in the area of water disaster risk, including Professor Eiichi Nakakita and Professor Yasuto Tachikawa. They have developed a river flow volume model for Japan's rivers, using such factors as rainfall totals as well as short-term rainfall amounts to simulate and forecast river flow volume following rain.

TMRI conducted risk flood simulations on the Arakawa River in Japan and Red River in Viet Nam based on river flow volumes calculated by using precipitation data from the Database for Policy Decision-Making for Future Climate Change ("d4PDF"), a database created through a large-scale

ensemble experiment. The chart on the right simulates a flood under future climate conditions.

[https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability\\_web\\_2019.pdf](https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_web_2019.pdf) (P60)

### **Earthquake and Tsunami Risk Research in Collaboration with the International Research Institute of Disaster Science at Tohoku University**

In July 2011, TMNF signed an industry-academia collaborative agreement with Tohoku University and began research and development and human resource development initiatives in disaster science.

The initiatives drew upon Tohoku University's knowledge and data concerning tsunami risk assessment and other areas of disaster science, and TMNF's knowledge and data concerning earthquake-induced tsunami risk accumulated through its insurance business.

In April 2012, an endowed research division named the Earthquake Induced Tsunami Risk Evaluation Field (Tokio Marine & Nichido) was established within the International Research Institute of Disaster Science (IRIDeS) at Tohoku University. This laboratory performs risk assessment research on earthquakes and tsunamis; analyzes tsunamis (wave height distribution, arrival time and other aspects) following major past earthquakes such as the Great East Japan Earthquake; develops more reliable damage estimates (simulations) that take into consideration vulnerabilities and disaster readiness capabilities in society both in Japan and overseas as well as tsunami risk assessment methods that factor in the probability of occurrence; studies coastal forests' (pine forests in Japan and mangroves in the Asia Pacific Region) impacts on disaster risk reduction in coastal areas (ECO-SYSTEM based Disaster Risk Reduction (ECO-DRR)); and promotes disaster prevention education and awareness activities (activities for disseminating information and providing recommendations for raising disaster readiness and mitigation for society as a whole). Additionally, this laboratory announces research outcomes at academic conferences in Japan and overseas and performs risk assessment studies on major disasters that have occurred overseas.

[https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability\\_web\\_2019.pdf](https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_web_2019.pdf) (P61-64)

### **Sendai City's "Sendai Bosai Mirai Forum"**

TMNF participated in "Sendai Bosai Mirai Forum" at Sendai International Center in collaboration with Tohoku University on March 10, 2019. TMNF exhibited its initiatives toward Disaster Risk Reduction at the exhibition Booth of "Earthquake-induced Tsunami Risk Evaluation (Tokio Marine) Endowed Research Division, International Research Institute of Disaster Science, Tohoku University.

<https://sendai-resilience.jp/mirai-forum2019/booth.html> (in Japanese)

### **UNEPFI/Japan Climate Initiative's "Tokyo Dialogue on Sustainable Finance – an event in view of the Japan G20 Summit"**

As a PSI signatory, TMNF co-sponsored and participated in "UNEPFI/JCI Tokyo Dialogue on Sustainable Finance -an event in view of the Japan G20 Summit" on June 3, 2019. Ms. Junko Komori, General Manager, Head of Corporate Social Responsibility of TMNF gave a speech on Tokio Marine Group's initiatives on Sustainable Finance at the High-level Panel Session".

[https://japanclimate.org/english/news-topics/sustainablefinance\\_tokyodialogue\\_en/](https://japanclimate.org/english/news-topics/sustainablefinance_tokyodialogue_en/)

### **World Bosai Forum/International Disaster Risk Conference 2019**

TMNF co-sponsored (as Platina Level sponsor) and participated in "World Bosai Forum 2019/International Disaster Risk Conference 2019" in Sendai on November 9-12, 2019. On November 10, TMNF and Tohoku University jointly hosted an oral session "Creating a disaster resilient society through industry-academia collaboration" disseminating its research outputs to society. Mr. Hiroo Shimada, Deputy General Manager, Corporate Planning Department of TMNF gave a speech on Tokio Marine Group's initiatives including Mangrove Planting Project for creating a disaster-resilient society. <http://www.worldbosaiforum.com/2019/english/report/>

### **Disaster Prevention Lessons**

Based on the lessons learned from the Great East Japan Earthquake, employee volunteers from Tokio Marine Group, including its agents, conduct Disaster Prevention Lessons to convey knowledge on disaster prevention to children and help them prepare for a next disaster. Disaster Prevention Lesson is a program to raise readiness for disaster prevention among elementary school children. Employee volunteers from Tokio Marine & Nichido Risk Consulting developed educational materials, which were then supervised by the Earthquake-induced Tsunami Risk Evaluation (Tokio Marine & Nichido) Research Division of the International Research Institute of Disaster Science (IRIDeS) at Tohoku University, with which Tokio Marine & Nichido entered into an industry-academia collaborative agreement concerning the evaluation of earthquake and tsunami risk. In the lessons, children learn about the mechanisms that cause earthquakes and tsunamis and think about how to protect themselves in an earthquake and what preparations should be made in advance, including what to take with them in an emergency, through a quiz and group discussion. The aim is to cultivate a proper understanding of earthquakes among children and the ability to prepare themselves for an impending disaster. Disaster Prevention Lessons began in FY 2012, and as of March 31, 2020, have been held at about 680 elementary schools across Japan, with approximately 48,900 children attending. Since 2016, the program has been extended beyond Japan. Tokio Marine & Nichido Fire Insurance Company (China) Limited in China developed its unique educational materials to meet the disaster landscape in China. Having started its original lessons for elementary schools and junior high schools in Shanghai in 2017, it extended its geographical outreach beyond Shanghai.

### **Early Disaster Recovery Support Service through a Tie-Up with BELFOR**

Following the Great East Japan Earthquake, there has been a growing recognition of the need to consider both "local recovery strategies" as well as "substitution strategies" and promote essential countermeasures to ensure business continuation. With "local recovery strategies," in particular, it is necessary to consider beforehand the methods for quick restoration of business. TMNF formed a partnership with BELFOR (Japan) Co., Ltd., a company possessing highly specialized technologies in the disaster recovery support field, and has been providing the Early Disaster Recovery Support

Service for customers. BELFOR uses its precision cleaning techniques to restore the condition and functions of contaminated equipment and facilities, for which replacement was the only option available in the past. This helps reduce the business interruption period significantly and is particularly effective in case of customized facilities that require considerable amount of time to replace.

### **One Day Auto Insurance**

TMNF provides *One Day Auto Insurance* (driver insurance available in the unit of days), which can be purchased anytime and anywhere via mobile phone. It is the first of its kind in the insurance industry in Japan, allowing infrequent drivers using cars owned by their parents or friends to purchase insurance at the cost of 500 yen a day for just the number of days needed. The product was launched in January 2012, and the cumulative number of subscriptions exceeded 5 million (as of January 20, 2020). Since April 2017, TMNF has upgraded its product scope to include insuring maximum four persons as insured and its policy period to cover 24 hours a day from the inception time of the policy.

Our *One Day Auto Insurance* received the Nikkei Veritas Award for Superiority at the Nikkei Excellent Products & Services Award 2011, an annual award organized by Nikkei Inc. to recognize exceptional new products and services. In addition to the novelty of enabling customers to buy the auto insurance at a reasonable price, with greater ease and when and where needed, the product was highly acclaimed for its ability to counter the social issue of increasing traffic accidents involving uninsured drivers.

Currently, the number of traffic accidents by uninsured drivers is estimated to exceed 100,000 a year. Through this product, Tokio Marine & Nichido will continue to contribute to the reduction of uninsured drivers involved in traffic accidents and offer safety and security by providing products and services that are useful in people's daily lives and business activities.

### **Drive Agent Personal**

For the first time as a major insurance company in Japan, TMNF started providing Drive Agent Personal, an advanced service for individual customers utilizing its original driving recorder, as a rider for auto insurance in April 2017.

The company lends its driving recorder to each policyholder and provides a set of leading-edge services as follows.

(i) The recorder automatically sends a video of an accident to TMNF and releases, when appropriate, the customer from the burden of explaining how the accident has occurred. This video is also used for resolution of the accident case. In addition, upon detecting a serious collision, the recorder also reports the incident automatically to a partner company, allowing the customer to have a voice call with an operator and eliminating his or her anxieties immediately following the accident. The operator also calls an ambulance depending on the situation.

(ii) The recorder provides safe driving diagnosis reports, which are created by using TMNF's original



algorithm, based on each customer's tendency toward reckless driving (sudden acceleration, braking and steering).

(iii) Using Pioneer Corporation's map-based accident prediction platform, a voice or other form of warning is issued in real time to the customer when he or she approaches an accident-prone area, which is estimated based on the external conditions (weather and time of day) and driving status (traveling speed and reckless driving tendency).

We will continue to bring greater safety and security to customers' car life through the provision of this telematics-based service.

### **Facilitate Advancement of Regenerative Medicine**

At the timing of the enforcement of a new act to ensure the security of regenerative medicine in 2014, Tokio Marine & Nichido developed new insurance products related to regenerative medicine, namely, insurance for clinical research on regenerative medicine and liability insurance for cell-cultivating companies.

Regenerative medicine, causing less side effects and burden on patients as compared with other conventional treatment methods, is expected to improve the quality of life (QOL) of elderly people and ensure a longer healthy life. In Japan, however, regenerative medicine is still in the process of developing into an industry and practical applications.

To accelerate the process, many players are waited to enter the field. One drawback is the cost and risk involved in regenerative medicine. The solution, we believe, is insurance.

If new players and researchers can leverage insurance as a means to provide compensation for negative effects in patients undergoing regenerative medicine treatments, and thus reduce the said cost and risk, there will be a better chance that more players would take on the challenge of developing regenerative medicine into an industry and practical applications. By providing such insurance products, Tokio Marine & Nichido will contribute to the advancement of regenerative medicine in Japan.

## **(2) Protecting the Earth**

Having stated "Protecting the Earth" as a core theme, Tokio Marine Group constantly undertakes steps toward global environmental protection through its products and services, including the Green Gift Project. Moreover, we work to provide products and services that are designed to mitigate or adapt to climate change such as weather insurance and the Mega-Solar Package Program, to realize a reduction in environmental footprint and become carbon neutral (net zero emissions) in our business operations, and to conduct global environmental protection activities around the world that include mangrove planting. Besides this, we contribute to global environmental protection by promoting environmental awareness and education as part of efforts to contribute to local communities and societies, which includes Green Lessons run by employees and agents, and the Children's Environmental Award, an environment-themed picture and essay contest for elementary school children.



### **Global Environmental Protection through Products and Services**

Damage caused by climate change has escalated globally. Tokio Marine Group companies are cultivating know-how concerning climate change and global warming and promoting the development of products and services that mitigate and adapt to climate change, reduce natural disaster damage, preserve biodiversity and contribute to the development of local communities.

With the support of its customers, in 2009 TMNF initiated the Green Gift Project based on the concept of undertaking eco activities. Under this project, when a customer chooses Web-based insurance contracts (clauses) on its website rather than a paper-based contract in brochure form, the company donates funds corresponding to a portion of the value of the reduction in paper used to NPOs and other organizations involved in environmental protection activities to support costs of mangrove planting and other environmental protection activities in Japan and overseas

- FY2019 Results: Approx. 11.8 million policyholders have chosen web-based contracts.  
Approx. 2,837 tons of reduction in annual paper consumption.

### **Tree-Planting Together with Customers ~PHLY 80K Trees initiative~**

In the United States, several million trees have been destroyed by unprecedented forest fires in recent years and natural disasters such as destructive storms, driving the increased importance of mitigating such damage by planting more trees.

U.S.-based Philadelphia Insurance Companies (PHLY) announced the start of the PHLY 80K Trees initiative launching on Earth Day 2015 (April 22) in conjunction with the environmental NPO Arbor Day Foundation with the aim of protecting the global environment, preserving biodiversity and minimizing disaster damage together with customers and agents. PHLY planned to plant a total of 80,000 trees in 2016 through support of the Arbor Day Foundation, with the slogan of "Replanting Our Nation's Forests and Community Tree Recovery," and achieved its planting target of 80,000 trees for fiscal 2016. To achieve the goal of planting 80,000 trees, PHLY is shifting to digital transactions (payment settlement) and taking on a paperless initiative together with its customers, brokers, independent agents and employees. PHLY takes those cost savings and funds the planting 80,000 trees each year.

### **Environmentally Friendly Auto Repairs**

TMNF encourages customers to accept repair over replacement to deal with physical damage resulting from automobile accidents. If replacement parts are required, we urge customers to accept recycled parts. In FY2019, approximately 41,007 recycled parts were used in this way.

### **Insurance & Consulting Package Program for Solar Power Plant**

TMNF launched a package program which combines insurance coverage (e.g. property, liability and

warranty) and risk consulting services for solar power plant facilities in July 2012. TMNF has been providing more than thousands of customers with insurance products for solar power facilities (including Insurance & Consulting Package Program) since then.

### **Supporting Offshore Wind Power Generation**

Japan has set the ambitious goal of reducing greenhouse gases by 80% by 2050, thereby proceeding with the challenges of energy conversion and decarbonization to meet this goal. The 5th Strategic Energy Plan approved by the Cabinet on July 3, 2018 states the lofty "3E + S" (Energy security, Economical efficiency, Environment + Safety) objective and expresses the energy mix the country would like to achieve by 2030. This was the first time for Japan to specify the shift to renewable energy as its main source of power, with the aim of 22% to 24% of power generation to come from renewable energy by 2030, up from 16% in 2017. Offshore wind power generation is expected to be one of the pillars of renewable energy. The revised Port and Harbor Act of July 2016 and the enforcement of the Act of Promoting Utilization of Sea Areas in Development of Power Generation Facilities Using Maritime Renewable Energy Resources in April 2019 have raised expectations for offshore wind power generation in Japan.

Beginning with underwriting insurance for a project in the Netherlands in 2013 that the customer has acquired rights for, Tokio Marine & Nichido has been supporting a total of 24 offshore wind power generation projects in seven countries and regions including Japan, with total power generation capacity of 8GW. In fiscal 2018, while taking on seven new projects, we have provided support to the wind power generation industry in Japan by presenting and sharing the know-how we have gained by underwriting these projects, particularly in terms of loss prevention, at international conferences and seminars.

### **Reducing the Environmental Footprint of our Business**

TMNF continues working to reduce the environmental footprint arising from its business activities. TMNF installed or upgraded energy efficient equipment and devices in offices, and applied energy-saving practices for lighting and air conditioning, installed teleconferencing systems in major locations, converted to "thin client" ICT system network design for in-house intranet, introduced smaller, fuel-efficient, hybrid and electric vehicles to company fleet, and purchased renewable energy certificates (Wind Power, etc.).

In addition, not only TMNF but also the entire Group achieved a carbon neutral status for the fiscal 2019 by having the CO<sub>2</sub> absorbed and fixed through mangrove planting in the Asia Pacific Region and the purchase and use of green electricity certificates to offset CO<sub>2</sub> emissions arising from its business activities. Tokio Marine Group's total CO<sub>2</sub> fixed and reduced amounted to 133,617tons-CO<sub>2</sub> for FY2019.

TMNF/Tokio Marine Group achieved a carbon neutral status for eleven/seven consecutive years.

Energy usage in FY2019:

- TMNF (Japan): 99,085 MWh (7.3% reduction from the previous year)
- TM Group (Global): 206,240 MWh (1.0% increase from the previous year)

CO2 emissions (Scope 1+2) in FY2019

- TMNF (Japan): 39,199 tons (7.8% reduction from the previous year)
- TM Group (Global): 79,578 tons (3.2% reduction from the previous year)

As TMNF reduced its energy usage in FY2019 by 7.3%, its CO2 emissions in FY2019 decreased by 7.8%.

Although TM Group slightly increased its energy usage in FY2019 by 1.0% mainly due the acquisition of Safety Insurance (Thailand), its CO2 emissions in FY2019 decreased by 3.2% mainly due to improvements in emission coefficient and its effectiveness of group-wide environmental footprint reduction initiatives.

Please note that the above carbon emissions and fixation and reduction impact data were verified by a third party, EY ShinNihon LLC.

[https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability\\_web\\_2019.pdf](https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_web_2019.pdf) (P151)

### **Mangrove Planting Project**

Since FY1999, TMNF has been conducting its Mangrove Planting Project primarily in Southeast Asia. During the 20-year period leading up to FY2019, we have planted approximately 11,240 hectares of mangrove forests in nine countries in the Asia Pacific Region: Indonesia, Thailand, The Philippines, Vietnam, Myanmar, Fiji, India, Bangladesh and Malaysia. (The Central Research Institute of Electric Power Industry (CRIEPI) has been engaged to evaluate the status of mangrove development and CO<sub>2</sub> absorption and fixation in planted areas, and a report on the findings has been published.)

[https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability\\_web\\_2019.pdf](https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_web_2019.pdf) (P81-83, 125)

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

TMNF refreshes its "Mangrove Planting 100-Year Declaration" 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\* and contribute to the creation of a safe, secure and sustainable future. This declaration is also registered as Tokio Marine's voluntary commitment for Communities of Ocean Action to support the implementation of United Nations Sustainable Development Goal 14 in October 2019.

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

[https://www.tokiomarinehd.com/en/release\\_topics/topics/2019/h10q7e00000r71a-att/20191008\\_Mangrove100years\\_e.pdf](https://www.tokiomarinehd.com/en/release_topics/topics/2019/h10q7e00000r71a-att/20191008_Mangrove100years_e.pdf)

<https://oceanconference.un.org/commitments/?id=34206>

### **Economic value of ecosystem services by Mangrove Planting Project**

TMNF commissioned a survey to Mitsubishi Research Institute, Inc. and received a survey report that the cumulative total value of ecosystem services generated by TMNF's mangrove planting project for 20 years (from April 1999 to March 2019) amounted to approximately US\$1,206 million according to an internationally recognized methodology. 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 and contribute to the creation of a safe, secure and sustainable future.

[https://www.tokiomarinehd.com/en/release\\_topics/topics/2019/h10q7e00000r72z-att/20191008\\_Economic\\_value\\_by\\_Mangrove\\_Planting\\_Project\\_e.pdf](https://www.tokiomarinehd.com/en/release_topics/topics/2019/h10q7e00000r72z-att/20191008_Economic_value_by_Mangrove_Planting_Project_e.pdf)

### **Green Lessons: Mangrove Story**

As part of its efforts to raise environmental awareness, since FY2005 Tokio Marine Group has been offering "Green Lessons: The Mangrove Story", an environmental education program for children in elementary and special needs schools. Employee and agent volunteers visit these schools and give lectures on the theme of "prevention of global warming and preservation of biodiversity," in which they tell stories about mangrove planting. Children participating in these lessons receive flowerpots made from recycled uniforms.

As of March 31, 2020, the Group conducted around 860 times of lessons to approx. 57,300 elementary and special needs schools children (cumulative total) throughout Japan. We will continue conducting these lessons nationwide to encourage children, the leaders of tomorrow, to think for themselves about the environment.

[https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability\\_web\\_2019.pdf](https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_web_2019.pdf) (P189)

### **G20 Global Summit on Financing Energy Efficiency, Innovation and Clean Technology**

Insurance functions as an enabler of investment by reducing risk factors that hamper financial institutions and investors from financing or investing in innovative and energy efficient technologies. At the G20 Global Summit on Financing Energy Efficiency, Innovation and Clean Technology, which was held on 12 June, 2019 in Tokyo, to substantiate the G20 Ministerial Meeting on Energy Transitions and Global Environment for Sustainable Growth, TMHD/TMNF contributed to the discussions by presenting case studies of how it effectively exercised "de-risking" of solar PV systems, geothermal power generation projects and offshore wind power generation facilities.

### **Participating in Japan's national strategy discussion under the Paris Agreement**

Japan's Prime Minister Shinzo Abe called a Meeting on a Long-term Strategy under the Paris Agreement as Growth Strategy between August 2018 and April 2019, to craft national strategy to meet the Paris Agreement. TMHD/TMNF participated in the high-level meeting as a member, and contributed to the discussion. The set of recommendations was largely incorporated in the national strategy which was authorized by the Cabinet on 11 June, 2019.

### **Supporting the national efforts to promote TCFD implementation.**

TMHD/TMNF contributed to the discussion leading to the publishing of the “TCFD Guidance” by the Ministry of Economy, Trade and Industry. The workstream culminated in the “TCFD Consortium,” which was launched on 27 May, 2019, as an industry-led initiative. TMHD/TMNF was among the founders of the Consortium, and serves as its Steering Committee member. The Consortium has so far released two substantial reports; “Guidance for Utilizing Climate-related Information to Promote Green Investment” and “Guidance on Climate-related Financial Disclosures 2.0.” Tokio Marine actively contributed to the drafting processes of the reports, most notably through the inclusion of sector-specific disclosure guidance for non-life insurance companies in the latter.

### **Climate-Related Financial Disclosure Based on the Recommendations of the TCFD**

The Task Force on Climate-related Financial Disclosures (TCFD) had been entrusted by the Financial Stability Board (FSB) to formulate voluntary recommendations for consistent, comparable, reliable, clear and efficient climate-related disclosures by companies in the financial sector and released its final recommendations in June 2017.

Climate change and natural disasters represent a global issue and have a significant impact on Tokio Marine Group as we engage in the insurance and financial services businesses. As such, Tokio Marine Holdings is supporting the activities of the TCFD and is working toward the formulation of policy recommendations to encourage disclosure that will help investment decisions by engaging in discussions and exchanging opinions with relevant government and private-sector parties in Japan and overseas. The Company made disclosure based on the TCFD’s recommendations for the first time in its Integrated Annual Report 2017 and has expanded the content in Sustainability Report 2018/2019 and the Integrated Annual Report 2018/2019/2020.

Since July 2018, TMNF has participated in UNEP-FI TCFD Insurer Pilot Group for formulating a climate-related financial disclosure methodologies for insurers.

Please see the following link for details.

[https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability\\_web\\_2019.pdf](https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_web_2019.pdf) (P27, 39-42)

## **(3) Supporting People**

### **Room to Read**

Participating in Room to Read’s Educational Support Program in Developing Countries, TMNF has been participating in the educational support effort led by the international NGO Room to Read since FY2010. From FY2010 to FY2019, the company donated approx. USD100,000 annually, providing educational support for a total of 2,555 girls to help them attain independence in the future and offering a learning environment for children by opening 23 reading facilities (reading rooms or literacy education support units) in India, Bangladesh and Vietnam.

### **Course to Foster Support for Dementia Care –Properly Understanding Dementia and**

### **Providing Support Activities**

Tokio Marine Group provides support for the Million-Supporter Caravan for Dementia, which is promoted by the Ministry of Health, Labour and Welfare and the nationwide Caravan Mate Liaison Council, and conducts courses to foster support for dementia care as a volunteer activity to support the safety and security of local communities and families. With the ultimate goal of creating neighborhoods where people with dementia and their families can live with peace of mind, the program is designed so that employees who take the course have an adequate knowledge about dementia to share with friends and families as well as support and give compassionate consideration to people with dementia and their families in work and private life.

### **Promoting Health & Productivity Management**

TMNF continues to enhance Health & Productivity Management (H&PM) not only internally but also externally, by way of reaching out to its corporate customers, especially those categorized as SMEs, to assist their qualification process to become recognized champions of H&PM. In January 2019, TMNF's practice was presented at the Asia-Pacific Financial Forum (APFF), which is an official subset of the Asia-Pacific Economic Cooperation (APEC)'s Finance Ministers' Process (FMP) to promote public and private sector collaboration, as a role model for other APEC economies.

### **The Guide for SDG Business Management**

As part of its efforts to promote the integration of the SDGs in corporate strategy, the Ministry of Economy, Trade and Industry convened business leaders, including TMHD/TMNF, investors and academia to exchange best practices and views on SDG Business Management, between November 2018 and June 2019. TMHD/TMNF contributed to the discussion by sharing its initiatives, including the promotion of Health & Productivity Management, as described above. The discussion was compiled as the "Guide for SDG Business Management," which was published in May 2019.

### **Collaboration with the Special Olympics Nippon Foundation**

In support of the Special Olympics Nippon Foundation's vision of creating a society where people with and without disabilities understand and respect each other's differences and live and grow together, Tokio Marine & Nichido became an official sponsor of the foundation in fiscal 2005 and has been supporting its activities by providing funds and volunteers. Additionally, Tokio Marine Group undertakes a year-round volunteer activity to create good luck bracelets to show our support to athletes of the foundation. In FY2019, a total of approximately 1,764 employees joined this activity.

In addition, around 250 employees took part in the Special Olympics Nippon National Summer Games held in Fukuoka in November 2014 as volunteers and around 28 employees took part in the Special Olympics Nippon National Winter Games held in Niigata in February 2016 as volunteers. In September 2018, the Special Olympics Nippon National Summer Games were held in Aichi and 130 employee volunteers took part in the games.



[https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability\\_web\\_2019.pdf](https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_web_2019.pdf) (P108)

### **Supporting sports for persons with disabilities**

In 2016, TMNF began supporting the Japanese Para-Sports Association, which has 67 sports associations and more than 59,000 members with disabilities (as of January 2019), as well as the Japan Inclusive Football Federation. By encouraging its employees to “learn about,” “watch” and “experience” sports for persons with disabilities, TMNF nurtures a corporate culture where people mutually respect diversity.

### **Empowering Female Employees**

Women account for more than 40% of the employees at Tokio Marine Group consolidated companies in Japan. In keeping with the Group’s Corporate Philosophy, by further empowering and promoting the growth of female employees, we aim to provide customers with products and services that achieve even greater customer satisfaction. In addition, we believe that active participation of female employees in business would promote the diversity and make workplaces more resilient. For instance, the president of Tokio Marine & Nichido has been advocating the active promotion of diversity as his top message since assuming his current post, and delivers this message at Tokio Marine Senior Managers meeting and other venues to share his expectations. To put this into practice, TMNF established the Diversity Promotion Team within the Human Resources Planning Department in February 2013, as the company accelerated initiatives for promoting diversity as one of its growth strategies.

We also provide a variety of opportunities to every female employee at each Group company such as giving a responsibility that is based on their individual career vision, providing year-round OJT, optional training programs, and applying job rotation as part of a larger environment that allows women to take on challenges according to their intentions and abilities. In implementing these initiatives, we especially value the communication with each female employee to understand their needs so that we could maximize their ability, which eventually help them foreseeing their careers by themselves. As for practicing the communication, use of internal assessments called ‘Self-motivated Role Setting System’ is quite effective. Through this System and other communication methods, female employees themselves have opportunities to plan their career vision in our company.

Fostering female employees in the managerial position is one of the challenges we meet. Because of these initiatives, the number of women in management-level positions (excluding executive officer) rose from 157 in 2016 (167 in FY2017/188 in FY2018) to 192 in FY2019 at TMNF (consolidated basis). Many of them are taking on active roles as managers on the frontline of sales and/or claims service.

Appointing women in executive position is also strongly encouraged as well from the perspective of incorporating more female opinions and perspectives in management. At TMNF, there are two



female executive officers. In addition, one of the five Outside Directors and one of the three Outside Audit & Supervisory Board Members at Tokio Marine Holdings are women while two of the three Outside Audit & Supervisory Board Members at Tokio Marine & Nichido are female in order to ensure that a more diverse range of opinions is reflected in management.

At Tokio Marine Group companies, we hope to foster more female candidates for management-level positions and accelerate initiatives to produce more women in management. At the same time, we continue to place importance on communication with each female employee to help finding out their career path.

### **Environmental Disclosures**

The above activities are disclosed mainly through Tokio Marine Group's Sustainability Report and Sustainability Booklet.

Sustainability Report 2019

[https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability\\_web\\_2019.pdf](https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_web_2019.pdf)

Sustainability Booklet 2019

[https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability\\_booklet\\_2019.pdf](https://www.tokiomarinehd.com/en/sustainability/pdf/sustainability_booklet_2019.pdf)

End