



LEA 02	Disclosures Monetary	Reason for Interaction	Principle PRI 1,2,3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input checked="" type="checkbox"/> To encourage corporate transition for identifying the need to re-evaluate our portfolio</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input checked="" type="checkbox"/> To encourage corporate transition for identifying the need to re-evaluate our portfolio</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input type="checkbox"/> To encourage corporate transition for identifying the need to re-evaluate our portfolio</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p>	<p><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input type="checkbox"/> To encourage corporate transition for identifying the need to re-evaluate our portfolio</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p>	
Service provider engagements	<p><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input type="checkbox"/> To encourage corporate transition for identifying the need to re-evaluate our portfolio</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p>	<p><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input type="checkbox"/> To encourage corporate transition for identifying the need to re-evaluate our portfolio</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p>	

# RI TRANSPARENCY REPORT

## 2014/15

Sompo Japan Nipponkoa Insurance Inc.

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Private							✓
OA 16	ESG issues for externally managed assets not reported in framework	✓	Private							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private	✓						
LEI 02	Description of ESG incorporation	✓	Private	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	🔒	n/a	✓						
LEI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
LEI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
LEI 09	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 10	Description of ESG integration	✓	Private	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Private	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Private		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 06	Objectives for engagement activities	🔒	n/a		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	-	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Private		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	-	n/a		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

# Sompo Japan Nipponkoa Insurance Inc.

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 01.1 Select the category which best represents your primary activity.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation or endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Other, specify

OO 01.2 Additional information. [Optional]

P&C insurance

OO 02	Mandatory	Peering	General
-------	-----------	---------	---------

OO 02.1 Select the location of your organisation's headquarters.

Japan

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

34052

OO 02.4 Additional information. [Optional]

Data is as of April, 2014.

Sompo Japan Nipponkoa Group boasts a global business network encompassing 231 cities in 32 countries and regions, including Europe, the Middle East, North America, Central and South America, Asia, Oceania and Africa.



OO 03	Mandatory	Descriptive	General
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**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 03.3** Additional information. [Optional]

Our group company, Sompo Japan Nipponkoa Asset Management Co.,Ltd., "SNAM", became a signatory of PRI in January 2012.

OO 04	Mandatory	Gateway/Peering	General
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**OO 04.1** Indicate the year end date for your reporting year.

31/03/2014

**OO 04.2** Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM	6	416	822	199	066
Currency	JPY				
Assets in USD		61	469	385	768

**OO 04.5** Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06	Mandatory	Descriptive	General
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**OO 06.1** To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	<10%
Fixed income – corporate	10-50%	<10%

Fixed income – government	10-50%	0
Fixed income – other	<10%	0
Private debt	0	0
Private equity	0	<10%
Property	<10%	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	<10%
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	<10%	0
Other (2), specify	0	0

'Other (1)' specified
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loan

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

### Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

OO 11

Mandatory

Gateway

General

OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Property
- Cash
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

loan

OO 11.2

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Fixed income – corporate
- Private equity
- Hedge funds
- None of the above

OO 12

Mandatory

Gateway

General

OO 12.1

The modules and sections that you will be required to complete are listed below.

*This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.*

**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed Income - Corporate

Direct - Other asset classes with dedicated modules

- Property

**RI implementation via external managers**

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed Income - Corporate
- Private Equity
- Hedge funds

**Closing module**

- Closing module

# Sompo Japan Nipponkoa Insurance Inc.

## Reported Information

## Public version

## Overarching Approach

## PRI disclaimer

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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**OA 01.1** Indicate if you have a responsible investment policy.

- Yes  
 No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes  
 No

**OA 01.3** Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Sompo Japan Nipponkoa Holdings, Inc., the holding company of Sompo Japan Nipponkoa Insurance Inc., established the Group CSR promotion framework, while stipulating Group CSR Vision, Group Environmental Policy, Group Policy for Human Dignity and Human Rights and Group's Six CSR Material Issues. Within the Group's Six CSR Material Issues, we address "Providing Sustainable and Responsible Financial Services - We will promote social responsible investment incorporating ESG issues and develop products and services that contribute to the resolution of social issues by applying our financial and insurance capabilities." as "Material Issue 3".

Our CSR approach including above policies are disclosed on the website. (<http://www.sompo-hd.com/en/csr/system/>) In line with these basic vision, we give extra consideration to environment, social and governance (ESG) issues in our business activities, including our investment process.

Sompo Japan Nipponkoa Insurance Inc. has also set out the policy for the exercise of voting rights under the "Guidelines for Responses to General Meetings of Shareholders."

Sompo Japan Nipponkoa Insurance Inc. declared its intention to accept the Japanese version of the Stewardship Code and announced details of this policy on our official website. This Code is a set of principles aimed at encouraging a wide range of institutional investors to pursue higher mid- to long-term investment returns for their clients and beneficiaries by committing constructive engagement with company management through "purposeful dialogue" and fulfill the stewardship responsibilities.

OA 02	Mandatory	Core Assessed	PRI 6
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**OA 02.1** Indicate if your responsible investment policy is publicly available.

- Yes

**OA 02.2** Provide a URL to your responsible investment policy.

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

No

<b>OA 02.3</b>	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
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Yes

Yes, all

Yes, some

<b>OA 02.4</b>	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
Group CSR Vision	<a href="http://www.sompo-hd.com/en/csr/system/">http://www.sompo-hd.com/en/csr/system/</a>
Group Basic Management Policies	<a href="http://www.sompo-hd.com/en/company/aspiration/policies/">http://www.sompo-hd.com/en/company/aspiration/policies/</a>
Policy for Stewardship Code	<a href="http://www.sjnk.co.jp/company/stewardship/">http://www.sjnk.co.jp/company/stewardship/</a>

No

<b>OA 02.5</b>	Additional information. [Optional]
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Our CSR Vision states that "We, the Sompo Japan Nipponkoa Group will positively engage our stakeholders in forward looking dialogue, respect international standards and codes of conduct, address environmental issues of climate change, biodiversity, and social issues of human rights and diversity in the course of our business operations in a transparent, fair and open manner."

Our Group Basic Management Policies states "5. Fulfillment of Our Social Responsibilities - We use our corporate strengths to address social issues concerning the environment, health and medical care and, by engaging in constructive dialogue, strive to fulfill our social responsibilities and contribute to the realization of a social sustainability."

In line with these basic vision, we give extra consideration to environment, social and governance(ESG) issues in our business activities, including our investment process.

<b>OA 03</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,2</b>
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<b>OA 03.1</b>	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

<b>OA 03.3</b>	Additional information. [Optional]
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Sompo Japan Nipponkoa Insurance Inc. has set out the policy for the exercise of voting rights under the "Guidelines for Responses to General Meetings of Shareholders."  
 Sompo Japan Nipponkoa Holdings, Inc. formulates Corporate Governance Policies through its Board of Directors, endeavor to improve the transparency and fairness of its corporate governance, and strengthen bonds of trust with all stakeholders by fulfilling its societal responsibilities as a company.

<b>OA 04</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>General</b>
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<b>OA 04.1</b>	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

<b>OA 04.2</b>	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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Sompo Japan Nipponkoa Holdings, Inc., the holding company of Sompo Japan Nipponkoa Insurance Inc., has established the "Sompo Japan Nipponkoa Group Basic Policy on Managing Conflict-of-Interest Transactions."

No

<b>Objectives and strategies</b>			
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<b>OA 05</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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<b>OA 05.1</b>	Indicate if your organisation sets objectives for its responsible investment activities.
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Yes



**OA 05.2**

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

**OA 05.3**

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
  - Biannually
  - Annually
  - Every two years or less
  - It is not reviewed
- No

**OA 05.4**

Additional information. [Optional]

Sompo Japan Nipponkoa Insurance Inc. has established the "CSR-Environmental Management System (CSR-EMS)," that covers all of its CSR initiatives based on the international standard ISO14001. Under the system, each business division implements the PDCA cycle by setting goals for business operations taking ESG issues in account on semi-annual basis.

Also, Sompo Japan Nipponkoa Insurance Inc. has identified CSR-KPIs(Key Performance Indicators) in accordance with the Group's Six CSR Material Issues. With regard to the "CSR Material Issue 3", we set targets of CSR-KPIs for "Engagement with investees" and "Promotion of investments and loans that contribute to solving social issues".

## Governance and human resources

**OA 07**

Voluntary

Descriptive

General

**OA 07.1**

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

We are engaged in SRI in accordance with a variety of guidelines on the basis of the "Group's CSR Vision", "Japanese version of the Stewardship Code". and "Group's Six CSR Material Issues".

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

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

**OA 08**

Mandatory

Gateway/Core Assessed

General

**OA 08.1**

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
- Dedicated responsible investment staff
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

OA 09	Voluntary	Additional Assessed	General
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OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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**Board members/Board of trustees**

- Responsible investment included in personal development and/or training plan

OA 09.2	Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.
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In fiscal year 2014, the Council for CSR Promotion with members representing Group companies including directors was established to share information and confirm the progress of initiatives regularly to consolidate the framework of disseminating the CSR initiatives throughout the Group.

- None of the above

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Portfolio managers**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

<b>OA 09.3</b>	Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.
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CSR training is provided to executive officers and general managers of each department to enhance their understanding of CSR. In January 2014, the importance of CSR was shared at the Global Summit, a conference held in Singapore attended by top management from overseas Group companies.

For the purpose of encouraging employees to gain a deeper understanding of CSR and promoting respect for human dignity, we provide all the directors and employees with training through the use of our proprietary teaching materials based on the ISO26000 international social responsibility standard and other resources.

CSR Development Training is provided for employees at all levels and various CSR training programs are provided to new recruits every year.

**Promoting responsible investment**

<b>OA 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>OA 10.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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**Select all that apply**

- Principles for Responsible Investment

	Your organisation's role in the initiative during the reporting period (see definitions)
--	--

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Sompo Japan Nipponkoa Insurance, Inc. is the first Japanese insurance company that became signatory of PRI in 2006.

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Sompo Japan Nipponkoa Insurance, Inc. has been a member of CDP since 2005 as an institutional investor and joined its advisory board of Japan in 2007.

- CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
  - Moderate
  - Advanced
- CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
  - Moderate
  - Advanced
- CFA Institute Centre for Financial Market Integrity
  - Council of Institutional Investors (CII)
  - Eumedion
  - Extractive Industries Transparency Initiative (EITI)
  - Global Investors Governance Network (GIGN)
  - Global Real Estate Sustainability Benchmark (GRESB)
  - Institutional Investors Group on Climate Change (IIGCC)
  - Interfaith Center on Corporate Responsibility (ICCR)
  - International Corporate Governance Network (ICGN)
  - Investor Group on Climate Change, Australia/New Zealand (IGCC)
  - Investor Network on Climate Risk (INCR)/CERES
  - Local Authority Pension Fund Forum
  - Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify JSIF( Japan Sustainable Investment forum)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In 2009, Sompo Japan Nipponkoa Insurance, Inc. became the first Japanese insurance company to become a signatory to JSIF.

- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Sompo Japan Nipponkoa Insurance, Inc. became a signatory of UNEP FI in 1995.

- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Sompo Japan Nipponkoa Insurance, Inc. became UN GC signatories in 2006. Our Senior Advisor on CSR is one of Steering Committee Members of Caring for Climate.

- Other collaborative organisation/initiative, specify

Principles for Sustainable Insurance (UN PSI)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

UN PSI was formulated by the UNEP FI in June 2012, as a declaration by financial institutions that they will take ESG (Environment, Social, and Governance) issues into account through their business operations. Sompo Japan Nipponkoa Insurance, Inc. has participated in the development of the principles and became a signatory in June 2012.

- Other collaborative organisation/initiative, specify

World Business Council for Sustainable Development (WBCSD)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic  
 Moderate  
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The WBCSD, established in 1995, is a CEO-led global association of companies. Currently, approximately 200 company leaders from 35 countries are involved, providing industry leadership on the environment and sustainable development through lively debate, policy recommendations, and other activities. Sompo Japan Nipponkoa is the only Japanese financial institution participating in the initiatives of the WBCSD.

Other collaborative organisation/initiative, specify

Principles for Financial Action towards a Sustainable Society (PFA)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

These principles were formulated in October 2011 as action principles for financial institutions to fulfill their roles and responsibilities to develop a sustainable society. Sompo Japan was actively involved in the formulation, participating as members of the drafting committee. In December 2011, Sompo Japan Nipponkoa and other nine Sompo Japan Nipponkoa Group members became signatories to these principles.

Other collaborative organisation/initiative, specify

**OA 10.2** Additional information. [Optional]

We disclose "Our Commitment and Involvement in Initiatives" on Sompo Japan Nipponkoa Holdings, Inc. website. <http://www.sompo-hd.com/en/csr/communications/declaration/>

**OA 11**

**Mandatory**

**Core Assessed**

**PRI 4**

**OA 11.1**

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

**OA 11.2**

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

We state "Disclosing Transparent Information" as one of the Six CSR Material Issues and promoting mutual communication through proactively disclosing information to stakeholders.

No

**OA 11.3**

Additional information. [Optional]

Sompo Japan Nipponkoa Insurance Inc. discloses our participation in PRI and our initiatives in dealing with ESG issues through CSR Communication reports, etc.  
<http://www.sompo-hd.com/en/csr/communications/report/>

**OA 12**

Voluntary

Additional Assessed

PRI 4,5,6

**OA 12.1**

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

Yes

- Yes, individually
- Yes, in collaboration with others

**OA 12.2**

Select the methods you have used.

- Endorsed written submissions to governments, regulators or standard-setters developed by others
- Drafted your own written submissions to governments, regulators or standard-setters
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

We had dialogues with FSA through the General Insurance Association of Japan with regard to the introduction of Japanese version of Stewardship Code.

**OA 12.3**

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available
- No

No



## ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1
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**OA 13.1**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

Yes

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Other, specify

We have been incorporating ESG issues in the screening process of investment and loan applications by confirming the applicant companies' inclusion of the environment-related funds.

**OA 13.2**

Describe how you apply ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

Sompo Japan Nipponkoa Holdings, Inc., the holding company of Sompo Japan Nipponkoa Insurance Inc., has established the "Group's CSR Vision." In line with this basic vision, we give extra consideration to environment, social and governance (ESG) issues in our business activities, including our investment process.

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

We monitor our external investment management firms and periodically review the organizational structure and investment policy including the contribution to ESG issues.

We confirm the borrower's policy of environment and implementation of the environmental accounting prior to making a investment decision or money lending.

Sompo Japan Nipponkoa Insurance, Inc. pursues investment and loans in fast-growing areas to gain mid-to long-term returns. It covers wide range of sectors that transcendent traditional asset classes, which may include renewable energy, infrastructure, healthcare, and water treatment.

No

Sompo Japan Nipponkoa Insurance Inc.

Reported Information

Public version

Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## ESG incorporation in actively managed listed equities

### Implementation processes


LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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**LEI 03.1**

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies
- Thematic + integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	
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- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed listed equities

100%

**LEI 03.2**

Describe your primary reasons for choosing a particular ESG incorporation strategy.

Due to financial performance and/or ESG implications. To gain mid-to long-term returns.

### (B) Implementation: Thematic

LEI 09	Mandatory	Descriptive	PRI 1
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**LEI 09.1** Indicate the type of sustainability thematic funds or mandates that your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

### (C) Implementation: Integration of ESG issues

**LEI 11** **Mandatory** **Core Assessed** **PRI 1**

**LEI 11.1** Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

### Communication

**LEI 18** **Mandatory** **Core Assessed** **PRI 2,6**

**LEI 18.1** Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly

Provide URL

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

Provide URL

<http://www.sink.co.jp/company/stewardship/>

**LEI 18.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

**LEI 18.3**

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation  
 Detailed explanation of ESG incorporation strategy used

**LEI 18.4**

Indicate how frequently you typically report this information.

- Quarterly or more frequently  
 Between quarterly and annually  
 Less frequently than annually  
 Other, specify  
**We report occasionally.**
- No
- We disclose it to clients and/or beneficiaries only  
 We do not proactively disclose it to the public and/or clients/beneficiaries

# Sompo Japan Nipponkoa Insurance Inc.

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 02	Mandatory	Gateway	PRI 1,2,3
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#### LEA 02.1

Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
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#### LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

☉ Yes

**LEA 03.2**

Describe how you identify and prioritise engagements.

Sompo Japan Nipponkoa Insurance, Inc. identifies KPIs of the "engagement with investees" for the responsible investment in accordance with the Group's CSR Material Issue 3 (Providing Sustainable and Responsible Financial Services), one of the Group's Six CSR Material Issues. The investment department identifies and prioritise engagement activities through the decision process of KPIs of the "engagement with investees" and it will be monitored by CSR department annually.

No

**LEA 04****Mandatory****Core Assessed****PRI 2****LEA 04.1**

Indicate if you define specific objectives for your engagement activities.

Yes

- Yes, for all engagement activities
- Yes, for the majority of engagement activities
- Yes, for a minority of engagement activities

No

**LEA 04.2**

Indicate if you monitor the actions that companies take following your engagements.

Yes

- Yes, in all cases
- Yes, in the majority of cases
- Yes, in the minority of cases

**LEA 04.3**

Describe how you monitor and evaluate the progress of your engagement activities.

According to the KPIs for the engagement with investees of the responsible investment, we monitor and evaluate the progress of the engagement activities.

Engagement with investee companies are held periodically according to the timing of the financial result announcement and updates dialogue checksheet accordingly.

No

**General processes for all three groups of engagers****LEA 10****Mandatory****Gateway/Core Assessed****PRI 2****LEA 10.1**

Indicate if you track the number of engagements your organisation participates in.



Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

## Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
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**LEA 15.1** Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly

provide URL

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

provide URL

<http://www.sjnk.co.jp/company/stewardship/>

**LEA 15.2** Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

**LEA 15.3** Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

**LEA 15.4** | Indicate how frequently you typically report engagements information.

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

**(Proxy) voting and shareholder resolutions**

**Process**

<b>LEA 17</b>	<b>Mandatory</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**LEA 17.1** | Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

**Approach**

- We use our own research or voting team and make our own voting decisions without the use of service providers.

**Based primarily on**

- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) which make voting decisions on our behalf.

<b>LEA 21</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 21.1</b>	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
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- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

## Outputs and outcomes

<b>LEA 22</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 22.1</b>	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

100

	Specify the basis on which this percentage is calculated
--	--

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

## Communication

<b>LEA 26</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
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<b>LEA 26.1</b>	Indicate if your organisation proactively discloses information on your voting activities.
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- We disclose it publicly

	provide URL
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<http://www.sjnk.co.jp/company/stewardship/>

**LEA 26.2**

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

**LEA 26.3**

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

**LEA 26.4**

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
  - Continuously (soon after votes are cast)
  - Quarterly or more frequently
  - Between quarterly and annually
  - Less frequently than annually
  - Other, specify
- No
  - We disclose it to clients/beneficiaries only
  - We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries