

30June, 2011

Mr. Andrew Torrance  
Chairman  
ClimateWise  
51 Gresham Street, London EC2V 7HQ UK

Response to Activity Report for Fiscal 2010

Dear Mr. Torrance,

Thank you for your interest.

We are pleased to send you to our activity report for 2010.

Pleased find attached file.

If you have any questions, please don't hesitate to contact us.

Best Regards,



Kunio Ishihara

Chairman of the Board

Tokio Marine & Nichido Fire Insurance Co., Ltd.

CC: Mr. Andrew Voysey (ClimateWise Secretary)

Mr. Mitsuru Muraki (Tokio Marine)

Mr. Ken Iwama (Tokio Marine)

## **Activity Report for Fiscal 2010**

### **I. Company Outline**

#### **1. Company Name**

Tokio Marine & Nichido Fire Insurance Co.

#### **2. Corporate Overview**

Tokio Marine & Nichido Fire Insurance (TMNF), based in Japan, is the core company of the Tokio Marine Group, a Japan-based group of full-line insurance companies active in 38 countries and regions worldwide (Asia, North and Central America, Europe), handling non-life insurance, life insurance, re-insurance, and more.

#### **3. The Significance of Climate Risk for Management**

For the world to develop sustainably while balancing economic growth and environmental protection, the activities of governments, corporations, and citizens need to shift away from mass consumption and waste of fossil fuels and resources, toward a low-carbon, resource-recycling society.

In the insurance industry, new risks may arise from climate change-induced natural disasters (typhoons, heavy rains, etc.), such as increased frequency of insurance claims and more costly insurance payouts. On the other hand, new business opportunities may arise for the provision of new products and services associated with climate change adaptation and mitigation.

The Tokio Marine Group faces the challenges of climate change based on this awareness and aims to fulfill its role in society as an insurance provider, by consistently and continuously offering a variety of insurance products and services to clients around the world, while managing risks in an appropriate way.

More specifically, seeing climate change as one of the biggest risks facing humanity, TMNF has established the Global Warming Research Project Team and is studying global warming and climate change risk, particularly through work at TMNF and the Tokio Marine Research Institute. We also established the Integrated Program on Global Warming in fiscal 2007, which created a strategy framework and action program on climate change, and are tackling global warming and climate change from a variety of angles.

Top management regularly receives reports on and reviews these climate change initiatives.

#### **4. Scope of This Report**

This report mainly covers fiscal 2010 (April 2010 to March 2011) activities of the Tokio Marine Group, with a focus on TMNF.

#### **5. Main Focus in Activities on ClimateWise Principles**

In its activities, TMNF focuses especially on ClimateWise Principles 1, 2, 3, and 5.

## II. Description of Activities

The following is a report of our activities in fiscal 2010 as they relate to each ClimateWise principle.

### **Principle 1: Lead in risk analysis**

#### **1. Cooperation in Risk Analysis**

- (1) TMNF and its think tank, the Tokio Marine Research Institute, working together with institutes such as the Atmosphere and Ocean Research Institute at The University of Tokyo and the Hydrospheric Atmospheric Research Center of Nagoya University, have been engaged in typhoon risk assessments and other studies of medium-term (to 2035) and long-term (2001-2100) climate risks. In the medium term, we aim to contribute to the creation of a society resilient to disasters, by broadly sharing our research findings, and by sharing information with researchers, risk modeling companies and so on, and by making use of our findings in insurance underwriting and risk management within the Tokio Marine Group.

- a. Risk Analysis with The University of Tokyo

Using climate change projection simulations by Climate Models and supercomputers at The University of Tokyo, and Monte Carlo simulations using statistical models and high-speed computers, we are scientifically analyzing how typhoon risks will be affected by future global warming.

- b. Risk Analysis with Nagoya University

Using simulations by Nagoya University's cloud resolution models and supercomputers, we are scientifically analyzing how typhoon risk will be affected by changes in typhoon risk trends (scale and frequency of occurrence) in the vicinity of Japan due to future global warming.

The Tokio Marine Research Institute and The University of Tokyo have reported their research findings to the Meteorological Society of Japan. The Institute has also reported its findings at media briefings and climate change seminars attended by climate risk researchers from various countries.

- (2) The Tokio Marine Group provides support to The University of Tokyo, with the belief that global-level research into climate systems at the university's Atmosphere and Ocean Research Institute will lead to further progress in research on projections of climate change, including global warming. More specifically, in addition to the research costs in item (1) above, over the five years from fiscal 2007 to 2011, we have provided 10 million yen in research assistance per year to The University of Tokyo through the Tokio Marine Research Institute.

#### **2. Reflecting Climate Risk in Corporate Management**

- (1) The Tokio Marine Group established the Climate Change Business Research Working Group (CCWG) in fiscal 2008 under the Global Warming Research Project established in fiscal 2006, in order to conduct qualitative and quantitative analysis of climate change risk, clarify the risks and opportunities for business by climate change, and evaluate the extent of impacts on business.
- (2) TMNF sees risks associated with natural disasters, including climate change, as an important risk factor in insurance underwriting risk.

TMNF has also established risk management policies and is working for the quantitative understanding of business operation risks.

Based on integrated risk management at the Tokio Marine Group, we work to control risk appropriately by allocating management resources in a way that matches net assets (i.e., keeping the level of insured risk within allowable limits), in order to adequately absorb losses within the scope of our net assets even in the event of greater risks. Standard & Poor's evaluates enterprise risk management (ERM) practices as part of creditworthiness rating processes, and TMNF is the only Japanese insurer that has received a "strong" rating. Through initiatives such as those mentioned above, we strive to maintain high ratings, and to boost profits in a consistent and efficient way.

- (3) When underwriting catastrophic risks, Tokio Millennium Re uses respected international risk models. Also, Tokio Marine Technologies conducts careful technical reviews of models developed by modeling companies, and supports Tokio Millennium Re's provision of sound underwriting. The two companies hold an annual "Global Warming and Climate Change Summit." Internationally-respected researchers and modeling companies are invited to the Summit so that participants may have the opportunity to exchange their views about risk research, in the interest of facilitating improvements in risk modeling.

### **3. Provision of Insurance Products and Services for Development and Spread of New Technologies Relating to Climate Change**

We are offering the following insurance products relating to climate change:

- Errors and omissions (E&O) insurance for companies responsible for verification relating to certifications of reduction of greenhouse gas emissions from business activities
- Property insurance and general liability insurance, etc., for energy related businesses operated by Japanese companies overseas
- Property insurance, etc., for solar panels and energy conservation equipment and devices for households, etc.

## **Principle 2: Inform public policy making**

### **1. Consideration of Assistance Programs for Developing Countries through Public Private Partnerships**

#### **(PPP)**

Intergovernmental negotiations (Conferences of the Parties to the UNFCCC) have been giving some attention to climate change adaptation using insurance functions as a climate change response in developing countries. In this context, TMNF has been in discussions with the Japanese government and governmental bodies (Ministry of Foreign Affairs, Ministry of the Environment, Ministry of Economy, Trade and Industry, Ministry of Finance, Japan International Cooperation Agency, etc.) regarding creation of “natural disaster risk insurance systems” for island states in the Pacific and elsewhere, and for developing countries in Asia, Africa, and so on. The concept involves public-private partnerships (PPP) involving international institutions such as the World Bank and International Finance Corporation, as well as developing country governments, nongovernmental organizations, and so on.

### **2. Commentary on Climate Risk at Climate Change Summit for Asian Region**

At the 1st Climate Change Summit for Asia’s Insurance Industry (organized by Asia Insurance Review and The Geneva Association) in Singapore in January 2011, under the topic of “What Role Can and Should the Insurance Industry Play,” TMNF reported on its climate change activities, including climate risk research, provision of products and services (insurance, investments) in the environmental field, and provision of climate change adaptation measures for developing countries by insurance programs through public private partnerships.

### **3. Policy Recommendations to Government of China at High-Level Forum on China Development**

In March 2011, prior to the China Development Forum 2011 held in Beijing, in the name of TMNF’s Chairman of the Board, Kunio Ishihara, we submitted to the Chinese government authorities “A Proposal to Strengthen Societal Risk Resilience.” The document made suggestions to promote initiatives that contribute to the reduction of damage from climate change and natural disasters, as well as to the creation of an environmentally friendly society.

### **4. Research and Recommendations on Climate Risk, at The Geneva Association**

TMNF is a member of The Geneva Association. The Climate Change and Insurance (CC+I) Project, started in 2008 and co-chaired by TMNF’s Chairman of the Board, Kunio Ishihara, carried out studies from various perspectives including climate change and its economic impacts on insurance. The General Assembly of The Geneva Association in May 2009, held in Kyoto, adopted and released the Kyoto Statement, based on the studies mentioned above. It was the first declaration from the insurance industry about the roles this industry should fulfill with regard to climate risk.

A seminar at the Association’s June 2010 annual meeting discussed CC+I, and TMNF’s Chairman of the Board, Kunio Ishihara, made a presentation as co-chair of the project.

In September 2010, the “Global Insurance Industry Statement on Adapting to Climate Change in Developing Countries” was released in cooperation with ClimateWise, Munich Climate Insurance Initiative (MCII), the United Nations Environment Programme’s Financial Initiative (UNEP FI), and The Geneva Association. It stressed that the knowledge and expertise of the insurance industry has a major role to play in risk management for developing countries, and that government action is required in order for this industry to be effective. TMNF contributed to the drafting of that statement, translated it into Japanese, and provided it for publication on The Geneva Association’s website.

In October 2010, as co-chair of the CC+I Project, TMNF’s Chairman of the Board, Kunio Ishihara, released a report entitled “Contributing to the Global Debate on Climate Change.” The report mainly displayed the discussions of the CC+I Project, and summarized recent trends in governmental activities and local situations around the world that are relevant to the insurance industry. The report was distributed to the Association members and international organizations related to climate change, and was subsequently covered by the *Insurance Daily News* (in Japanese, November 9, 2010), *Insurance Day* (November 23, 2010), *The Geneva Papers* (December), and *Asia Insurance Review* (January 2011).

#### **5. Recommendations on Climate Risk, for Japan-CLP**

TMNF is also participating in the Japan Climate Leaders Partnership (Japan-CLP). This is an initiative of Japanese companies that agree with the concept that a low-carbon society must become the basis of economic activity, and aim to make a sustainable low-carbon society become a reality. Besides communicating with government and governmental authorities to exchange opinions and make recommendations about environmental policy, Japan-CLP also engages in regular dialogue with academics, NGOs, and others.

In December 2010, Japan-CLP held the Climate Change Initiative in the Asian Region (Korea CCBF and Hong Kong CCBF), and also the Asia Climate Leaders’ Symposium (Tokyo), together with Chinese companies.

Through this symposium, TMNF and other Japan-CLP member companies, decided to establish strong partnerships in the private sector in the Asian region, to cooperate in making policy recommendations toward reduction of climate risk and realization of a sustainable low-carbon society, and to share best practices in terms of climate change responses.

#### **6. Best Practices Report on Biodiversity Conservation Issued to UNEP FI**

We have participated in UNEP FI since 1997, and are active as the only Asian member in the Insurance Commission. (We had been the only Asian member until fiscal 2009 and are serving as co-chair in fiscal 2010.

In September 2010, TMNF participated in a side event of COP 10 of the UN Convention on Biodiversity (held in Nagoya), under the title of “The Role of Financial Institutions in Addressing Biodiversity and Ecosystem Services,” and announced the Green Gift Project (see Principle 3 below for details), an initiative to conserve biodiversity through our offering of products and services.

[http://www.tokiomarinehd.com/en/social\\_respon/news/e20101110.html](http://www.tokiomarinehd.com/en/social_respon/news/e20101110.html)

## **7. Achieving Carbon Neutrality in Business Activities**

The Tokio Marine Group aims to achieve carbon neutrality during fiscal 2011 by using the amount of carbon dioxide (CO<sub>2</sub>) sequestered through mangrove tree planting in Southeast Asia to offset CO<sub>2</sub> emissions arising from our business activities. Tokio Marine's subsidiaries in countries and regions worldwide are working to reduce CO<sub>2</sub> emissions arising from their business activities.

In December 2010 we announced that our Medium- and Long-Term Targets for CO<sub>2</sub> Emissions from Domestic Business Activities are reductions of 40% (by 2020) and 60% (by 2050) from base year fiscal 2006.

<http://www.tokiomarine-nichido.co.jp/en/new/pdf/101201.pdf>

## **8. Supporting the Creation of Business Continuity Plans (BCPs) for National Government, Governmental Bodies, and Local Governments**

Tokio Marine & Nichido Risk Consulting offers consulting services to support the creation of business continuity plans for the national government in Japan as well as governmental bodies and local governments.

Many of the company's suggestions are being incorporated into these BCPs.

## **9. Recovery Assistance for Corporations**

In partnership with BELFOR (Japan), TMNF offers disaster recovery support services for corporations as part of its portfolio of corporate consulting services. (160cases in fiscal 2010)

In addition to the consulting portfolio mentioned above, in January 2010, TMNF developed a mortgage insurance cost stabilization rider for comprehensive property insurance for corporations.

Under this rider, in the event a client suffers damage, BELFOR immediately dispatches personnel to the site, takes steps to protect property (i.e., protecting equipment and facilities, including measures to minimize rust damage, and so on), and TMNF pays out insurance payments to cover the costs for the restoration of the equipment and facilities. Through this service, after the March 2011 Great East Japan Earthquake (also known as the Tohoku earthquake), TMNF provided support for many corporations for the early recovery of their business activities (about 50companies as of 31 May 2011).

## **10. TMNF's Business Continuity Plan for Major Disasters**

TMNF has also established its own business continuity plan for major natural disasters.

The BCP is activated under the following conditions:

- Earthquakes: (a) Metropolitan area (including Tokyo) – Intensity 5 or greater, (b) Other areas – Intensity 6 or greater (on Japanese seismic intensity scale)
- Typhoons: Core atmospheric pressure of 960 hectopascals or less, in cases where a typhoon has made landfall on a major island in Japan
- Influenza pandemic: Cases of phase 4 or greater (WHO criteria) outbreaks in Japan
- Other: Accidents, fires, etc., on company premises, or other cases equivalent to any of the above.

The following fiscal 2010 activities in specific departments (particularly in Emergency Response Office) are of special mention:

#### Trainings

- Comprehensive training for many employees in senior management and headquarters (September 2010)
- BCP simulation training by core members of disaster response headquarters (normally once every two months)

#### Activities

- Review of business continuity plans and business sustainability plans (BCP/BSP) (action plans, risk scenarios, manuals) for natural disasters (typhoons, earthquakes) and influenza pandemic
- Trial use of safety confirmation system for employees and staff

### **11. Response to Great East Japan Earthquake**

TMNF established a Disaster Response Headquarters at its head office (at 3 pm, March 11, 2011) immediately after the Great East Japan Earthquake hit Japan and initiated the following measures based on our BCP:

- Confirmed safety of employees and their families, provided assistance for employees unable to return home.
- Confirmed the status of physical damage to offices, supply of essential services, and systems infrastructure operations.
- Made arrangements (including securing adequate funds) for underwriting, signing of policies, making insurance claim payments.

TMNF has also increased staffing by about 2,000 persons to prevent customer service disruptions, in order to provide timely processing of insurance claims by policyholders in the disaster area (about 120,000 claims).

### **Principle 3: Support climate awareness amongst our customers**

#### **1. Global Warming Seminars**

In partnership with Tokio Marine Research Institute, TMNF each year holds a Global Warming Seminar for business persons. In February 2011, we offered a corporate seminar entitled “Climate Change Strategy and Carbon Management Strategy for Japanese Companies,” and stressed the need for corporate strategies based on Japan’s national strategy to promote “green innovation.” The Seminar was supported by The Asahi Shinbun Company and cooperated by Atmosphere and Ocean Research Institute of The University of Tokyo.

##### Seminar Presenters

- Dr. Masahide Kimoto, Professor, Vice Director, Atmosphere and Ocean Research Institute, The University of Tokyo
- Mr. Ikuro Sugawara, Director-General, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry
- Ms. Machiko Miyai, Associate Director, Environmental Affairs Division, Panasonic Corporation
- Mr. Takayuki Yasui, Senior Staff Writer, Editorial Writer, The Asahi Shimbun Company

#### **2. Climate Change Consulting Services**

Tokio Marine & Nichido Risk Consulting offer climate change consulting services to a diverse range of corporations.

##### Examples:

- Integrated consulting in the environmental field  
(Consulting on environmental risk analysis, support to develop ISO environmental management systems, soil contamination and environmental liability)
- Consulting relating to environmentally friendly and safe driving
- Consulting relating to carbon management (lifecycle assessment) for products and services
- Publication of *Talisman* magazine, organization of environmental seminars

#### **3. Provision of Insurance Products Linked with Climate Change Adaptation and Mitigation**

TMNF provides insurance products linked with climate change adaptation and mitigation, as described below.

- “Green Gift” Project

Since May 2009, TMNF has been promoting a shift to the paperless approach (online viewing by Internet) for customer policies, including automobile insurance, fire insurance, and more. When a customer selects the Internet option instead of receiving documents printed on paper, the company donates the cost of planting two mangrove trees for each policy (this is the “Green Gift” project).

Results for fiscal 2010

- Ratio of automobile insurance policies now paperless: 73.9%
- Ratio of fire insurance policies now paperless: 57.1%

The concept of this project is that TMNF can support customers' common desire to live more environmentally-friendly lifestyles, and to plant mangrove forests, by initiatives based on our traditional functions as an insurance company. TMNF is implementing this initiative from the desire to work together with customers to protect the global environment.

- **Eco Mark Acquired for Automobile Insurance**

In December 2010, TMNF became Japan's first financial institution to acquire certification for the Japan Environment Association's Eco Mark (see Note) for automobile insurance.

Note: Eco Mark is an eco-label managed by the Japan Environment Association (JEA), based on ISO 14020 and ISO 14024 standards, and granted to products and services that have an environmental protection effect in the product lifecycle.

In granting this certification the JEA recognized TMNF's efforts to consider the environment in our insurance business, through initiatives such as the Green Gift project and our efforts to promote the use of recycled parts. In the future we will continue to promote products that have acquired the Eco Mark certification, and to provide products and services to our society that lead to protection of the global environment.

- **Offering of Weather Derivatives**

TMNF also offers "weather derivatives" for beverage makers, clothing makers, and other businesses as a hedging approach to deal with climate change risk.

#### **4. Promoting the Use of Recycled Parts in Claims Services**

- We encourage customers to accept repairs as a first choice to deal with damage from automobile accidents. If replacement parts are required, we urge customers to accept recycled parts. In fiscal 2010, about 27,000 parts were recycled in this way.
- The services of BELFOR mentioned above contribute to the reduction of waste by promoting the cleaning and repair of buildings and facilities as a part of support for disaster recovery.

#### **5. Weather Insurance and Microinsurance for Developing Countries**

- Since 2004, IFFCO-TOKIO General Insurance (India) has been offering weather insurance to compensate farmers for the risk of revenue losses due to drought. (This is a type of microinsurance. There were about 70,000 policyholders of this in fiscal 2009.)

The activities of The Geneva Association are one contribution toward addressing the issue of climate change in developing countries.

## **Principle 4: Incorporate climate change into our investment strategies**

### **1. Input on UNEP FI PSI Principles**

TMNF participates as a team member in the Principles for Sustainable Insurance (PSI) initiative of UNEP FI, and has contributed to various reports issued by the initiative. Recent examples include the following:

- The Global State of Sustainable Insurance (2009)
- The PSI-Global Consultation Edition: Case Studies from Around the World (2010)

The UNEP FI PSI team reported on 53 cases of best practices relating to PSI around the world, under the title of “The Principles in Action” at PSI regional meetings around the world. The following TMNF initiatives were introduced among the case studies:

- “Green Gift” Project  
Creating client value, environmental and social value by planting mangroves
- Risk Research for Climate Change Risks  
Looking ahead: Upgrading natural disaster risk assessment

In cooperation with the UNEP FI Secretariat, TMNF also held the PSI Consultation Meeting in Asia (November 2011) to promote PSI initiatives in the Asian region.

### **2. Carbon Disclosure Project (CDP) Investor and Water Disclosure Initiatives Endorsed**

TMNF supports the concept of the Carbon Disclosure Project, and endorsed CDP3 in 2005 as an institutional investor. TMNF endorsed CDP Water as an institutional investor in 2010.

### **3. Investing in Clean Energy**

TMNF is investing in environmental venture businesses such as clean energy development projects, industrial waste treatment businesses, and so on. Our total investment in this area since 2000 has amounted to several billion yen.

### **4. Signing of UN PRI**

Since fiscal 2006 Tokio Marine Asset Management has offered “domestic equity SRI” (socially responsible investments in Japanese equities) to corporations and pension funds, etc., based on independent analysis and evaluation of environmental, social, governance, and risk management (ESGR) factors. In March 2010, the company began offering “foreign SRI investment trusts” to overseas institutional investors.

In July 2010 the company established a Responsible Investors’ Group internally to strengthen the research and analysis capacity of specialists on ESG issues. The company supports the UN PRI concept and principles and endorsed them as an institutional investor in April 2011.

<http://www.tokiomarineam.com/press/pdf/news20110401.pdf>

## **Principle 5: Reduce the environmental impact of our business**

### **1. Environment, Social and Governance Considerations in Context of Supplier Management**

In April 2009, TMNF publicly announced its basic approach to the procurement of products and services, through its Code of Conduct for Business Partners. The Code of Conduct covers the promotion of green purchasing, and the objective of creating a recycling-oriented society, in cooperation with our suppliers. Office copy papers purchased by the company are required to be environmentally friendly products.

### **2. Reducing the Environmental Impact of our Business, and Purchasing Renewable Energy Certificates**

TMNF continues working to reduce greenhouse gas emissions arising from its business activities. Emissions in fiscal 2010 were 45,559 tons (unchanged from previous year).

Major emission sources included (1) buildings (electricity, natural gas), (2) company vehicles (gasoline), and (3) business trips by air travel.

• Scope 1: 2,783 t-CO<sub>2</sub>, • Scope 2: 34,665 t-CO<sub>2</sub>, • Scope 3: 8,111 t-CO<sub>2</sub>

TMNF takes measures to reduce environmental impacts in the following priority sequence: (1) reduce consumption, (2) switch to better alternatives, and (3) offset (in the case of emissions).

In December 2010, TMNF announced its Medium- and Long-Term Targets for Greenhouse Gas (CO<sub>2</sub>) Emission from Japanese operations: reductions of 40% (by 2020) and 60% (by 2050), from the base year of fiscal 2006.

<http://www.tokiomarine-nichido.co.jp/en/new/pdf/101201.pdf>

In fiscal 2010, we installed energy efficient equipment and devices in our offices and applied energy-saving practices to lighting and air conditioning, but our energy consumption actually increased due to the extremely hot summer that year. The net result was about the same level of emissions as the previous year. Measures taken during fiscal 2010 to reduce environmental impacts are outlined below.

- Established targets (10% reduction from previous year), and implemented environmental impact reduction management (using the plan-do-check-act cycle, or PDCA) at each of our premises.
- Implemented corporate social responsibility (CSR) trainings for all employees (using e-learning).
- Installed teleconferencing systems and promoted their use in major company locations.
- Converted to “thin client” systems (a type of computer network design) for in-house intranet.
- Introduced smaller vehicles to the company fleet, introduced fuel-efficient vehicles, hybrid vehicles, electric vehicles.
- Purchased renewable energy certificates (wind, biomass electricity generation), amounting to four million kilowatt-hours, a 400% increase over the previous year.

Sidebar: Responses to electricity supply constraints in Japan in spring and summer 2011

Due to electrical power shortages that arose from the Great East Japan Earthquake in March 2011, the government is imposing strict controls on the areas supplied by Tokyo Electric Power Company and

Tohoku Electric Power Company.

For the period from July to September 2011 in the supply areas mentioned, TMNF has been requested to reduce electrical consumption by 15% from the peak electrical consumption levels of last year. TMNF intends to comply by implementing the following measures.

**1. Energy conservation in buildings and facilities**

Set office room temperatures at 28 degrees Celsius, control temperatures appropriately in computer server rooms, etc., reduce the operation of elevators and escalators, reduce office lighting (by 50%), install energy-efficient lighting equipment, close training facilities, etc.

**2. Boost efficiency and work productivity**

- As a special measure, encourage employees to take (five) consecutive days off for summer vacation (July to September).
- Adopt summer work schedules by banning overtime work at night (after 8 pm).
- Promote “free address” style at offices (free seating in offices so that people can work anywhere any time).
- Encourage casual business wear every day and permit more flexible dress codes.

**3. Third-Party Verification of Environmental Impact Data**

TMNF calculated its fiscal 2010 greenhouse gas emissions in June 2011. We intend to have them independently verified (by Ernst & Young ShinNihon Sustainability Institute Co., Ltd.) based on ISO 14064-1. Results of the third-party verification will be published in our CSR report and on our website.

## **Principle 6: Report and be accountable**

### **1. Reporting to Management**

Progress reports on our corporate strategy relating to climate change are given regularly to corporate management.

### **2. Our Public Commitment to Address Climate Risk**

The following examples represent TMNF corporate management's public commitment to proactively tackle climate change.

- In its medium-term plan of November 2008, entitled "Innovation and Execution 2011," the Tokio Marine Group declared that proactive initiatives for the adaptation and mitigation of climate change and global warming would be major topics of the Group's corporate social responsibility efforts.
- Under the concept of "Insurance for the Future of the Earth," since 1999, TMNF has implemented a mangrove plantation project in Southeast Asia (total planted area as of 31 March 2011 was 6,400 hectares). Mangroves are efficient at absorbing CO<sub>2</sub>, but besides playing a role in preventing and mitigating global warming, they also conserve ecosystems in planted areas and help to mitigate disasters from tsunamis. TMNF declared in November 2007 that it intended to continue its mangrove planting project for 100 years.
- TMNF was recognized in November 2008 by Japan's Ministry of the Environment as an "Eco-First Corporation."
- TMNF's President, Shuzo Sumi, in May 2010 issued the Eco-First Corporation Commitment to Japan's Minister of the Environment, and declared the company's intention to work proactively to tackle climate change.

Eco-First: A certification system for corporations that exercise environmental leadership and make a commitment to Japan's Minister of the Environment to actively undertake efforts to protect the global environment.

- In May 2009, TMNF's Chairman, Kunio Ishihara, acting as co-chair of the CC+I Project of The Geneva Association, led the drafting team of the Association's Kyoto Statement, took a leading role in the discussions of the Association to adopt the Statement, and signed the Statement himself.