

CSR Management

T&D Life Group aims for the realization of the Group's sustained growth by confronting the changing social issues and creating value to society through providing insurance products and services necessary for the society.

T&D Life Group's Corporate Philosophy

With our "Try & Discover" motto for creating value,
we aim to be a group that contributes to all people and societies.

Group CSR Charter

[Preamble]

The T&D Life Group is firmly committed to fulfilling the public mission of life insurance and other businesses and to undertaking its corporate social responsibilities based on its management philosophy and by achieving sustainable growth along with society.



Providing Better
Products and Services



Strict Compliance



Respect for Human Rights



Communication



Contribute to Communities
and Society

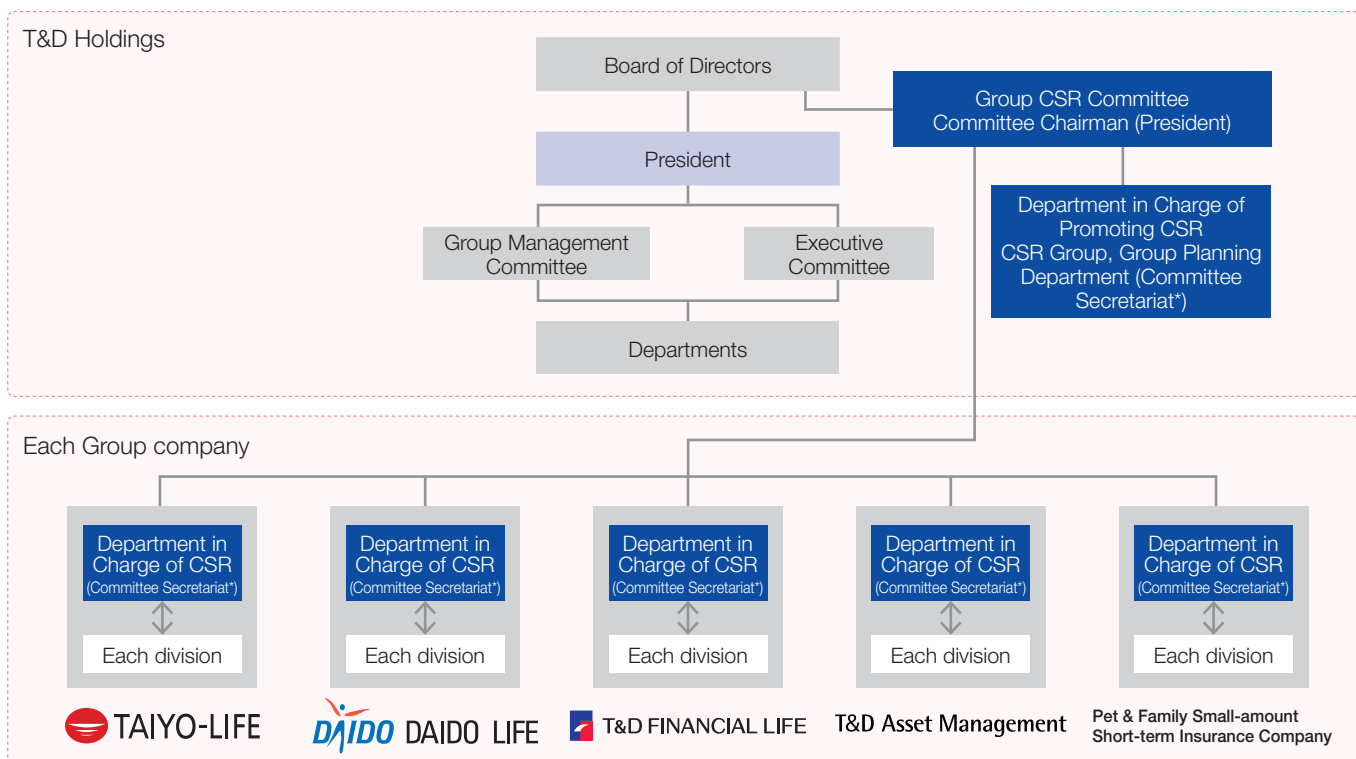


Global Environmental
Protection

CSR Promotion Framework

The T&D Life Group has established the Group CSR Committee of which the members include the directors in charge of CSR at each Group company. The Committee serves as the cornerstone for promoting the Group's CSR activities. It will decide basic policies for the Group's CSR activities and select priority areas, along with formulating annual plan and regularly confirming the implementation status of the plan.

The T&D Life Group's CSR Promotion Framework (as of July 31, 2017)



* Committee Secretariat = Group CSR Committee Secretariat

- **Group CSR Committee:** The committee is chaired by the president of T&D Holdings (Representative Director and Chairman of the Board of Directors), and vice-chaired by the executive officer in charge of the Group Planning Department. In fiscal 2016, meetings of the committee were held four times. Issues discussed/considered and information shared have been reported to the Board of Directors.

The department in charge of CSR at T&D Holdings and each Group company comprises the Group CSR Committee Secretariat. The Secretariat promotes CSR activities by sharing information on the CSR activities of each Group company, in conjunction with assisting with the management and activities of the Group CSR Committee.

- **Departments in Charge of CSR at T&D Holdings:** CSR Group, Group Planning Department, T&D Holdings
- **Departments in Charge of CSR at Group Companies:** Establishment of departments in charge of CSR in planning departments of Group companies

CSR Priority Areas

The T&D Life Group is promoting the Group's CSR activities by identifying CSR priority areas from the various fields of CSR activity related to its business activities, which should be prioritized from both the magnitude of the impact on stakeholders and the steady and sustainable improvement of the Group's corporate value, as "Providing Better Products and Services," "Respect for Human Rights" and "Global Environmental Protection."



● Process for Selecting Priority Areas

[Categorize fields of activity]

Referencing the ISO 26000 standard and the GRI guidelines, the Group has categorized its CSR activities into 15 areas.

[Prioritize each field]

The three fields were selected as choices of priority areas based on a quantitative assessment of both their impact on stakeholders*¹ and their impact on the Group's steady and sustainable improvement of the corporate value*².

*¹ Assessed based on findings from stakeholder dialogues, criteria of SRI assessment organizations, and the status of other companies' CSR efforts.

*² Assessed based on relevance to the T&D Life Group's corporate philosophy, management vision and Group CSR Charter, and the nature of the Group's CSR activities.

[Evaluate and select priority areas]

The three choices for priority areas were confirmed as relatively high priority in terms of social concern and the degree of intensity of demand for initiatives, realization of the Group's corporate philosophy, management vision and the Group CSR Charter, and in terms of contribution to SDGs*³, were then selected as priority areas.

*³ "Sustainable Development Goals" refers to the goals adopted at the United Nations Sustainable Development Summit 2015, for the realization of sustainable development at the global level through the cooperation of the global community.

[Verify the appropriateness of priority areas]

- The Group had a hearing and a verification check of the evidence of the priority area selection process from the third-party organization and received a report on the results of the review.
- The Group CSR Committee (chaired by the president of T&D Holdings) deliberated and approved the selection of priority areas, which were reported to the Board of Directors.

Priority Area (1) Providing Better Products and Services

T&D Life Group believes that the most fundamental social responsibility the Group must fulfill is to offer products and services which address the constantly changing needs of society and customers due to the ongoing aging of society and low birth rate.

1 Examples of initiatives by the three life insurance companies

Examples of initiatives by Taiyo Life, Daido Life, and T&D Financial Life are shown on the following pages.

Taiyo Life: P.30–33

Daido Life: P.34–37

T&D Financial Life: P.38–41

2 Examples of initiatives by T&D Asset Management

[Products that Contribute to the Formation of a Sustainable Society]

T&D Asset Management has established and manages the Japanese Equity ESG Research Fund. The fund selectively invests in companies with an outstanding ESG (Environmental, Social and Governance) performance based on ESG research which seeks to generate investment returns that outperform the medium- to long-term market average while contributing to the formation of a sustainable society by investing in companies which contribute to the reduction of environmental impact and the achievement of a sound society.



3 Examples of initiatives with Pet & Family Small-amount Short-term Insurance

[Insurance Protection for Precious Family Members]

As more pet owners recognize their pets as family members, interest in pet healthcare and its associated costs is increasing.

Pet & Family Small-amount Short-term Insurance provides *Genki Number One* and *Genki Number One Slim*, products that compensate for a portion of the costs of treatments for pets at veterinary clinics due to illness or injury. These products help to ensure that pet owners can obtain veterinary treatment for their pets with peace of mind.



CSR Priority Areas

Priority Area (2) Respect for Human Rights

The T&D Life Group believes that supporting and showing respect for the protection of internationally declared human rights, and promoting the creation of a comfortable working environment where employees are able to respond to the needs of society, will lead to the growth of the company and the vitalization of society, and are important corporate responsibilities which the Company must fulfill.

1 Work-life Balance Initiatives

Each of the T&D Life Group companies has been strengthening various efforts such as enhancing systems such as childcare leave and a reduction of total working hours, aimed at enabling employees to demonstrate their capabilities and improve their performance at work while at the same time fulfilling their responsibilities at home including housework, childcare and nursing care.

● Acquisition of Maternity and Childcare Leave

	FY2014	FY2015	FY2016
Number of employees taking maternity leave	234	290	328
Number of employees eligible to take childcare leave	410	432	462
Male	176	142	134
Female	234	290	328
Number of employees taking childcare leave	366	406	450
Male	153	140	133
Female	213	266	317
Number of employees taking nursing care leave	6	8	12
Male	0	0	0
Female	6	8	12

* The acquisition of maternity and childcare leave at the three life insurance companies.
 * The number of administrative personnel at the three life insurance companies who have returned to work after taking childcare leave is as follows.
 Fiscal 2014 220 (97.8%) [Men 143 (100%), Women 77 (93.9%)]
 Fiscal 2015 230 (97.5%) [Men 142 (99.3%), Women 88 (94.6%)]
 Fiscal 2016 228 (99.6%) [Men 133 (100%), Women 95 (99.0%)]

● Acquisition of Paid Leave

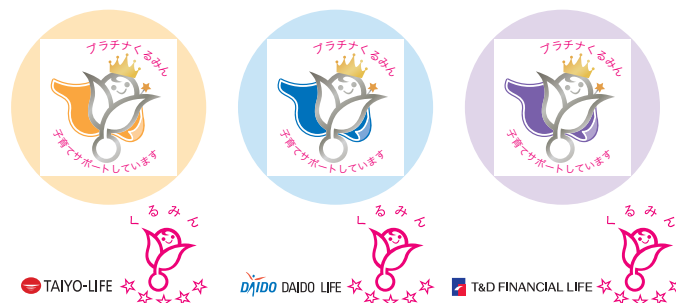
	FY2014	FY2015	FY2016
Average number of paid leave days taken	11.0	11.8	12.4

* The number of administrative personnel of the three life insurance companies taking paid leave.

● Supporting Parents Raising the Next Generation of Children

The Platinum Kurumin System was initiated on April 1, 2015. This certification is awarded by the Ministry of Labor, Health and Welfare to Kurumin-certified companies which have satisfied certain requirements by undertaking even more advanced activities.

All three of the Group's life insurance companies obtained the "Platinum Kurumin" mark in recognition of their proactive initiatives.



2 Initiatives to Support Active Roles for Women

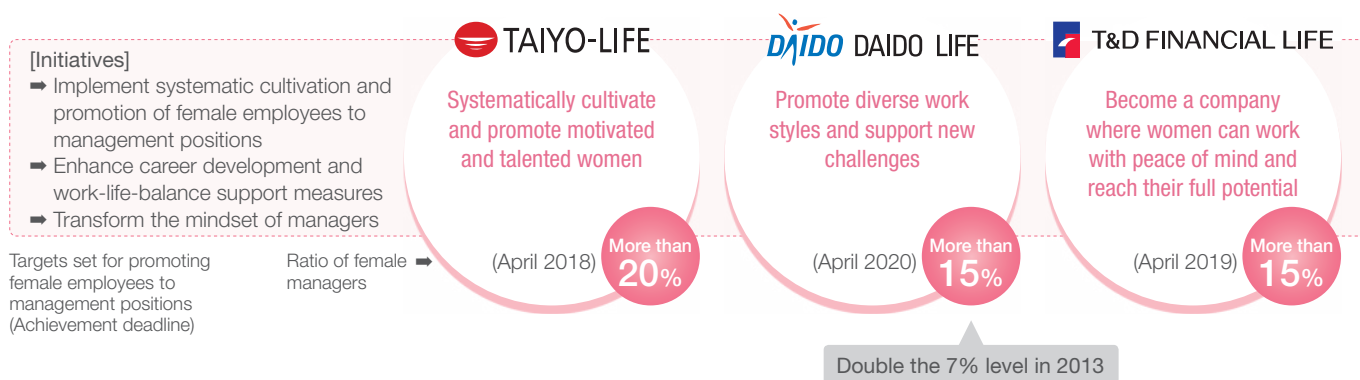
In T&D Life Group, where women account for a significant portion of the total workforce, it is a key driver for corporate value creation and sustainable growth to enable women to further demonstrate their abilities. Therefore, the Group duly recognizes that promoting the active participation of women is a crucial management priority for the Group. With this in mind, the three life insurance companies have revised their respective personnel and remuneration systems, as well as introducing various support systems to enhance work-life balance.

To steadily advance these measures to promote the active participation of women, the three life insurance companies formulated their action plans based on their respective business models.

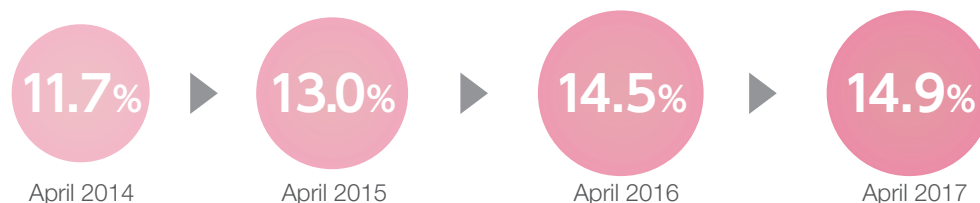
● Action Plan Promotion of the Active Participation of Women at the Three Life Insurance Companies

The T&D Life Group discloses action plan for promoting the active participation of women and targets for promoting female employees to management positions. The ratio of female managers has been steadily increasing.

[Action Plan]



[Ratio of Female Managers (Total of the Three Companies)]



3 Initiatives for Employment of People with Disabilities

As of the end of March 2017, a total of 328 employees with disabilities, including 35 new recruits for fiscal 2016, worked at the three life insurance companies, which account for 2.22% of the total number of employees. We will continue working to create a workplace environment which encourages and supports people with disabilities to work comfortably and promote employment of the disabled.

● Employment of People with Disabilities at the Three Life Insurance Companies

	FY2014	FY2015	FY2016
Employment rate of people with disabilities (%)	2.20	2.27	2.22

CSR Priority Areas

4 Health and Productivity Management Initiatives

T&D Life Group Companies are aiming for the realization of workplaces where all employees can work enthusiastically with sound mind and body under the principles of health and productivity management.

Taiyo Life and Daido Life was certified as one of the “White 500” organizations for the large enterprise category of the Ministry of Economy, Trade and Industry’s Certified Health and Productivity Management Organization Recognition Program.

The program has been set up to recognize companies which practice health and productivity management to promote employee health.

By promoting the “Taiyo’s GENKI Project” at Taiyo Life and the “DAIDO COCO KARA” program at Daido Life, the two companies are implementing various initiatives for promoting employee health, with the goal of realizing workplaces where all employees can work enthusiastically with sound mind and body.


Priority Area (3) Global Environmental Protection

The T&D Life Group has set Group-wide targets related to environmental protection with cooperation from Group companies, and is working to achieve these targets in the course of its daily business activities. The Group’s three targets are to reduce electricity consumption, reduce office paper consumption and improve the green purchasing ratio.

● Electricity Consumption

Baseline: FY2009 value (Electricity consumption per unit of floor space) (119 kWh/m²)

Target: Five-year average of FY2013 to FY2017 at least 10% below baseline value

★Indicates limited verification has been carried out by a third party.

	Baseline	FY2013	FY2014	FY2015	FY2016*2	Progress made (Average value of FY2013–FY2016)
Electricity consumption*1	72,163,000 kWh	57,873,000 kWh	56,340,000 kWh	56,573,000 kWh	58,508,000 kWh★	57,324,000 kWh
Total floor space	606,000 m ²	583,000 m ²	578,000 m ²	605,000 m ²	589,000 m ²	589,000 m ²
Per unit of floor space	119 kWh/m ²	99 kWh/m ²	97 kWh/m ²	93 kWh/m ²	99 kWh/m ²	97 kWh/m ²
Compared to baseline	—	83.3%	81.9%	78.5%	83.4%	81.8% (18.2% reduction from baseline value)

The average floor space of the fiscal year shall be used in cases where the total floor space changes during the year.

*1 Total electric power consumption excludes the portion of electric power used by tenants in Group-owned buildings.

*2 Some figures for the previous year are adjusted to reflect additional values.

● Office Paper Consumption

Baseline: Five-year average from FY2009 to FY2013 (183.6 t)

Target: Cut five-year average from FY2014 to FY2018 by 9% compared to the baseline value.

★Indicates limited verification has been carried out by a third party.

FY2013	FY2014	FY2015	FY2016★	Progress made (Average value of FY2014–FY2016)
163.2 t	160.2 t	151.8 t	123.1 t	79.0% (21.0% reduction from baseline value)

Total amount of office paper purchased.

● Green Purchasing Ratio

Target: Keep the green purchasing ratio for office stationery and supplies at a minimum of 80%.

FY2014	FY2015	FY2016
96.0%	95.9%	96.0% (Target exceeded by 16.0%)

Applies to purchases through online purchasing systems.

Contribution to Communities and Societies

T&D Life Group is working on social contribution activities as a Group engaged in the life insurance business which is highly social and public in nature. Reports on the main activities are as follows.

Improving Health and Welfare

● Blood Drive

The T&D Life Group cooperates with blood drives hosted by the Japanese Red Cross Tokyo Metropolitan Blood Center. The head office departments (Tokyo) of each company hold biannual blood drives in summer and winter, and executives and employees are encouraged to donate blood. In fiscal 2016, a cumulative total of 314 people in the Group participated in the drive.



● Friends of Taiyo Life Goodwill Circle

The Friends of Taiyo Life Goodwill Circle (“Friends”) established in December 2005 comprises executives and employees of Taiyo Life and its affiliates, which has 8,632 members as of March 31, 2017. To support social contribution activities, the members contribute every month odd amounts under 100 yen, or any amount from 100 yen to 1,000 yen, integral multiple of 100 yen, from their take-home salary.



Photograph source: JOICFP

<Main Activities in FY2016>

- Contribution to Local Communities: Support for those affected by the Kumamoto Earthquakes, collection and donation of pull tabs, aluminum cans and PET bottle caps and a wooden flute club paying visits to nursing home (assisting transportation cost).
- Educational support: Donation of school bags to children in Afghanistan through JOICFP (a public interest incorporated associations)

● Daido Life Social Contribution Club

The Daido Life Social Contribution Club established in 1992 as a voluntary organization for corporate citizenship activities, which comprises Daido Life’s executives and employees, works to promote and support fundraising activities and volunteer activities. In addition, the club has been implementing the One-day Outing Volunteer Activity for the Physically Disabled since 1994. Under this program, employees take volunteer work leave to help people with physical disabilities to take part in an outing, who rarely have the opportunity to go outside in everyday life.



<Main Activities in FY2016>

- Fundraising and donation: Proceeds from donations from executives and employees and revenues from the charity calendar exhibitions were used as funds to make contributions to organizations that support social charitable activities and facilities for the disabled, including those facilities affected by the 2011 Great East Japan Earthquake and 2016 Kumamoto Earthquakes.
- Volunteer activities: Participating as volunteers in the National Sports Festival for People with Disabilities, conducting the One-day Outing Volunteer Activity for the Physically Disabled, and participating in clean-up activities in the areas surrounding the Osaka and the Tokyo head office.

Contribution to Communities and Societies

● Support for the Japan Down Syndrome Society

Taiyo Life and Friends of Taiyo Life Goodwill Circle support the Japan Down Syndrome Society.

<Main Activities>

- The company supports activities as a co-sponsor of the society
- Provide Taiyo Life conference rooms for venues for seminars held by the society and for meetings of its Board of Trustees and Board of Directors
- Executives and employees of branches and head office departments of the company participate as volunteers in the society's activities



● Supporting Sports for People with Disabilities

Daido Life has been a special sponsor of the National Sports Festival for People with Disabilities for over 20 years since the first National Sports Games for the Mentally Handicapped (Yuaipic)* was held in 1992.

In fiscal 2016, the Kibokyo Iwate National Sports Festival of Japan, was attended by around 300 volunteers who support the event by observing ceremonies and operating booths, including executives and employees of Daido Life together with members of their alliance partners, and executives and employees of Taiyo Life.

Since January 2015, the company has been undertaking initiatives to further spread and develop sports for people with disabilities in our capacity as an official partner of the Japanese Para-Sports Association.



* The National Sports Games for the Mentally Handicapped merged with the National Sports Games for the Physically Disabled in 2001, and has been held as the National Sports Festival for People with Disabilities since then.

Developing a Sound Society

● Nationwide Clean Campaign

Since 1982, Taiyo Life has carried out clean-up activities in the vicinity of its head office as part of its social contribution to local communities. Since 2004, these activities have been expanded as the Nationwide Clean Campaign, with branches across the country undertaking clean-up activities in their own local communities.

In fiscal 2016, 5,722 employees (including family members) from the head office, affiliates and branches took part in this campaign.



● Endowed Open Courses at Universities

Daido Life has been endowing open courses at universities every year, beginning with the company's centenary celebrations in 2002. The courses set lecture themes that interweave theories and practical examples. The courses provide owners of small- to medium-sized businesses and their successors, as well as local residents, with opportunities for acquiring knowledge and skills concerning management, business and other subjects. The courses have been attended by over 13,000 people in total over the past 15 years.

In fiscal 2016, courses were held at nine universities across Japan, including Japan Women's University. Asako Hirooka (a female industrialist in Japan's Meiji and Taisho periods who was one of the founders of Daido Life) was involved in the founding of Japan Women's University.



Responsible Institutional Investor

The T&D Life Group operates the life insurance business as its core business, which is highly social and public in nature. Accordingly, we believe that it is one of our most fundamental obligations to fulfill our social responsibilities as an institutional investor and contribute to the realization of a sustainable society through our investment and lending activities.

1. Examples of Socially Responsible Investment Initiatives

Taiyo Life

- ▶▶▶ Investment and lending which can contribute to the environment, such as investment in Green Bonds
- ▶▶▶ Real estate investment which gives consideration to the environment and the aging society, including the construction of care homes for seniors utilizing owned real estate
- ▶▶▶ Investment which can contribute to the realization of a sustainable society, including investment in EYE Bonds and the fund supporting good health

Daido Life

- ▶▶▶ Investment and lending in infrastructure business, including the renewable energy field
- ▶▶▶ Investment in funds which support the growth and development of the SMEs underpinning the Japanese economy
- ▶▶▶ Investment in social bonds
- ▶▶▶ Contribution to the global environment and local communities through company-owned buildings

T&D Asset Management

- ▶▶▶ Evaluation of investees incorporating ESG research information

Group collaboration

- ▶▶▶ Investment in T&D Japan Equities ESG Research Fund
- ▶▶▶ Investment in the Japan Growth Strategy Fund

2. The Principles for Responsible Institutional Investors

Three of the Group's companies, Taiyo Life, Daido Life and T&D Asset Management, endorsed and expressed their commitment to the Principles for Responsible Institutional Investors (the Japanese version of the Stewardship Code) in May 2014.

Details of each company's basic policies with respect to the Principles for Responsible Institutional Investors, policy on exercising voting rights and status of exercising voting rights by company, by agenda, etc. are disclosed on the companies' respective websites (Japanese).

Taiyo Life	https://www.taiyo-seimei.co.jp/company/activity/ssc.html https://www.taiyo-seimei.co.jp/company/activity/exercise.html
Daido Life	https://www.daido-life.co.jp/company/info/ssc.html https://www.daido-life.co.jp/company/info/voting.html
T&D Asset Management	http://www.tdasset.co.jp/company/principles/stewardship/ http://www.tdasset.co.jp/company/principles/voting/

* T&D Financial Life does not operate with listed stocks, and does not plan to do so in the future. Therefore, there are no plans to announce support for the Stewardship Code.

Participation in Initiatives

In order to actively play its part in the maintenance and development of a sustainable world through its businesses, the T&D Life Group supports and publicly endorses a variety of initiatives.

● UN Global Compact

The T&D Life Group has signed up to the United Nations (UN) Global Compact (UNGC), a cooperative framework between the UN and corporations to realize sustainable growth advocated by the UN.

The UNGC proposes ten principles applying to the four areas, which are “the protection of human rights,” “the elimination of unfair labor practices,” “the protection of the environment,” and “the prevention of corruption,” and encourages companies to act in a responsible manner. The T&D Life Group endorses the UNGC’s philosophy, and T&D Holdings, representing the Group, has signed a memorandum declaring its support for the ten principles.



● Principles for Responsible Investment (PRI)

In the T&D Life Group, Taiyo Life, Daido Life and T&D Asset Management have endorsed and signed the Principles for Responsible Investment (PRI)*1. PRI are guidelines that encourage global financial institutions and institutional investors to promote investment activities in consideration of Environmental, Social and Governance (ESG) issues.

Signatory of:



*1 The UN Principles for Responsible Investment (PRI) were formulated by the UNEP Finance Initiative and the UN Global Compact as a set of principles that would facilitate the reflection of the ESG viewpoint in the decision-making processes of financial investors.

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

T&D Holdings and its five direct subsidiaries have endorsed and signed the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)*2, which are the voluntary initiative organized by Japanese financial institutions.



*2 The Principles for Financial Action for the 21st Century were formulated as guidelines for financial institutions which wish to fulfill their social responsibilities and play a role in the formation of a sustainable society. The principles were formulated by the Ministry of the Environment’s Drafting Committee for Environmental Finance Principles, which consists of financial institutions from wide-ranging areas within the sector.