

# SUSTAINABILITY

JER recognizes that efforts to create a sustainable society are an important issue, and is taking the following initiatives to achieve the Sustainable Development Goals (SDGs) adopted at the UN Summit in September 2015.



## ACTIVITIES OF THE SDG PROMOTION PROJECT TEAM



JER established a project team in FY2021 for the purpose of implementing initiatives for achievement of the SDGs, and this team is still active today. The project team is involved in the formulation of JER's ideals in relation to the SDGs and the measurement of greenhouse gas emissions. It is also engaged in activities to promote understanding of the SDGs among officers and employees, such as offering in-house learning opportunities through e-learning and other channels, providing information about the SDGs through internal noticeboards and introducing relevant events.

### ESTABLISHMENT OF THE BASIC POLICY ON SUSTAINABILITY

JER has always been engaged in sustainability activities. However, in recent years, the question of how companies are promoting sustainability in their own business activities and management policies has become increasingly important. As a company that intends to continue contributing to society going forward, JER has, therefore, set out its corporate responsibilities in areas such as governance, human capital, human rights and climate change in a Basic Policy on Sustainability, which also incorporates JER's Medium- to Long-term Corporate Vision formulated in the 6th Medium-Term Management Plan: "Moving into the next stage of security with the strength of an earthquake insurance specialist". The project team responsible for promoting the SDGs played a central role in collecting opinions from a wide range of officers and employees and considering and formulating the policy.

Going forward, JER will use the Basic Policy on Sustainability in business judgments and business management, aiming for the realization of a sustainable society.

**Basic Policy on Sustainability**

JER will work towards the realization of a sustainable society by providing security to society with the strength of an earthquake insurance specialist.

1. Contribution to society  
JER will increase society's resilience to earthquakes and sustainability through its business activities.
2. DE&I (Diversity, Equity and Inclusion)  
JER aims to allow employees to grow and perform to their full potential by being fair-handed and providing an environment in which employees can focus on realizing a sustainable society while respecting each other.
3. Contribution to environment and local communities  
JER will seek to reduce environmental impacts in its business activities and actively engage in environmental conservation activities and activities that contribute to local communities.
4. Governance  
On the premise of compliance with laws and regulations and fairness, JER will exercise management based on prompt and appropriate judgments that reflect an understanding of risks.
5. Response to changes  
JER will respond to changes through the active utilization of digital technologies.



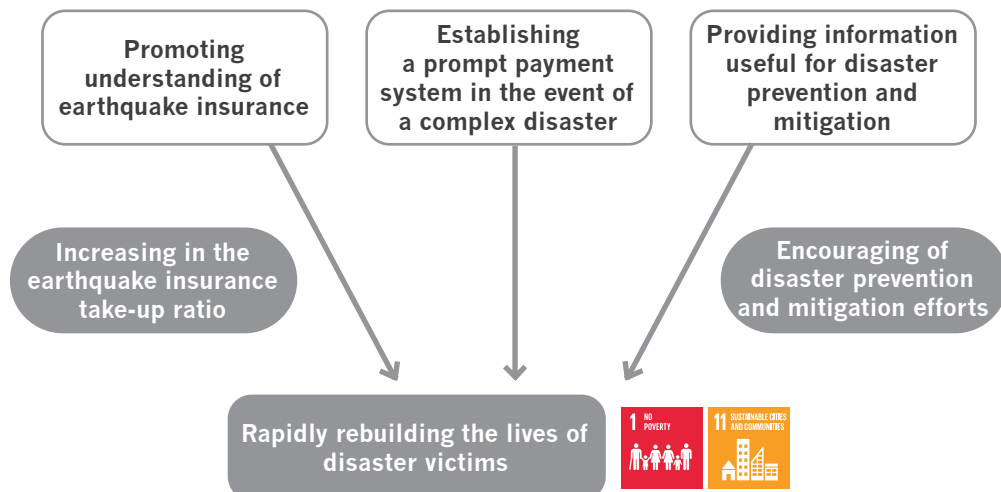
## INITIATIVES THROUGH BUSINESS ACTIVITIES



JER aims to achieve the SDGs by providing safety and security to support the lives of those affected by earthquake disasters through the operation of its earthquake insurance system, as the only company underwriting earthquake reinsurance on dwelling risks in Japan.

In recent years, Japan has experienced frequent natural disasters such as earthquakes, typhoons, and torrential rains. Mean while, the probability of a major earthquake in the near future, such as an earthquake directly under the Tokyo metropolitan area or the Nankai Trough, is increasing. Therefore, JER will contribute to the reconstruction of the lives of disaster victims by developing a system that enables prompt and reliable reinsurance payments even when disasters and infectious diseases occur simultaneously.

JER will also promote understanding of earthquake insurance as a means to support the reconstruction of people’s lives after a disaster, and will use its extensive database to provide useful information on disaster prevention and disaster mitigation. Through these such efforts to increase the earthquake insurance take-up ratio and to contribute to disaster prevention and disaster mitigation, JER will help build “Sustainable Cities and Communities.”



## INITIATIVES TO PROMOTE AND EXPAND EARTHQUAKE INSURANCE AND RAISE AWARENESS OF DISASTER PREVENTION AND DISASTER MITIGATION



JER contributes to the realization of “sustainable cities and communities” by promoting and expanding earthquake insurance and raising awareness of disaster prevention and disaster mitigation. Specifically, JER strives to promote understanding of the earthquake risks faced by Japan and earthquake insurance, which is crucial for supporting rehabilitation in the aftermath of an earthquake disaster, and also to disseminate information based on the various data it possesses.

### SENDING LECTURERS TO SEMINARS AND WORKSHOPS

In FY2023, JER sent lecturers to lecture at various events, including the headquarter training of the Japan Association of Consumer Affairs Specialists, a co-creation research group of the National Research Institute for



Earth Science and Disaster Prevention, the 2023 Toyama Earthquake Insurance Seminar co-hosted by the Hokuriku Branch of the General Insurance Association of Japan and Independent Insurance Agents of Toyama Prefecture, and training for a group visiting Japan from an Indonesian non-life insurance company.

### DECLARING SUPPORT FOR THE CABINET OFFICE’S DISASTER PREPAREDNESS COLLABORATION PROJECT

JER declared its support for the Disaster Preparedness Collaboration Project planned by the Cabinet Office, which plays a central role in the government’s disaster prevention activities.

This Collaboration Project sees 2023, which marks the 100th anniversary of the Great Kanto Earthquake, as an important opportunity to further strengthen Japan’s national preparedness for a potential megaquake such as a Tokyo Inland Earthquake or a Nankai Trough Earthquake. Private companies and organizations that have many contact points with the general public through their business activities will take part in wide-reaching-awareness raising activities as part of their routine business activities, with the aim of raising disaster prevention awareness among the general public, families and businesses and promoting disaster preparedness.

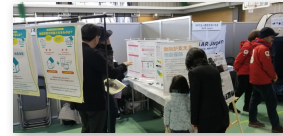
JER is working on various initiatives as part of this Collaboration Project, including promoting understanding of earthquake insurance and raising awareness of disaster prevention through its website and social media, encouraging all its employees to acquire disaster prevention expert qualifications, practice how to get home in the wake of an earthquake, and build emergency stockpiles in their own homes, and promoting earthquake insurance and raising awareness of disaster prevention through IR dialogue with investees and lectures.





### **PARTICIPATING IN DISASTER PREVENTION EVENTS ALL OVER JAPAN**

JER participated in the Aichi Disaster Prevention Festa hosted by Aichi Prefecture and the Shinagawa-ku Disaster Prevention Festa hosted by Shinagawa-ku, and also conveyed to local residents the importance of taking out earthquake insurance and always being prepared through activities such as putting up posters and distributing flyers.



### **SENDING EMPLOYEES TO UNIVERSITIES TO LECTURE**

JER sends employees to universities to lecture about earthquake insurance to promote people's understanding of the earthquake insurance scheme. In FY2023, JER lecturers provided lectures to students enrolled in courses related to non-life insurance at five universities: Hokkaido University, Tohoku University, Nagoya University, Osaka University and Hiroshima University. They provided an overview of the earthquake insurance scheme, reinsurance mechanisms, and the roles of the government, non-life insurance companies and JER in earthquake insurance using charts.



### **PARTICIPATING IN STUDY GROUP ON THE EARTHQUAKE INSURANCE SYSTEM, ETC.**

On May 31, 2023, the 7th study group of the earthquake insurance system, etc. was held and JER also participated as an observer.

Participants in the 7th study group discussed various points with respect to the response to the 2022 Fukushima-Oki earthquake as a “most recent development related to earthquake insurance” and the promotion of enrollment in earthquake insurance as a “recent matter of prime importance.”

This study group has been held under the auspices of the Ministry of Finance since April 2019. Amid changes in the environment surrounding earthquake insurance due to the effects of the 2016 Kumamoto earthquakes and other earthquakes that occurred after the Project Team on Earthquake Insurance System, which was set up as a coordinating body by the Ministry of Finance in the past, as well as its follow-up meetings, the study group is held as an opportunity for experts to once again hold discussions on earthquake insurance.

## ESG INVESTMENT



In light of the public nature as an earthquake reinsurance company, JER aims to generate investment income and solve social issues at the same time. JER engages in environmental, social and governance (ESG) investment to provide funds to bet-

ter companies and businesses using environmental and social criteria. JER chooses investee companies based on the comprehensive assessment of the companies. In addition to financial information, JER considers companies' ESG practices, particularly their handling of environmental and social issues.

Through constructive dialogue with its investee companies, JER encourages the companies to take specific measures, including climate change measures and earthquake countermeasures. JER also asks for their understanding of and support for the promotion of earthquake insurance. In FY2023, JER participated in an ESG interview with the Japan Student Services Organization and disaster prevention events held by local governments such as Aichi Prefecture, in addition to having investees distribute or put up in their offices articles raising awareness about earthquake countermeasures.

The table below shows the number of investments made by JER in SDG bonds (bonds compliant with the International Capital Market Association (ICMA)'s Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, Sustainability-Linked Bond Guidelines and Climate Transition Finance Handbook whose proceeds are used for projects that will contribute to the achievement of the SDGs).

Investments (number of investments) in SDG bonds	FY2021	FY2022	FY2023
Green Bonds	5	7	19
Social Bonds	23	5	11
Sustainability Bonds	7	7	10
Sustainability Linked Bonds	2	2	5
Transition Bonds	-	-	1
Total	37	21	46





## RESPONDING TO CLIMATE CHANGE

JER approaches its environmental conservation activities by operating an environmental management system under its Environmental Policy. JER has identified (1) appropriate use of electricity, (2) appropriate use of paper, and (3) appropriate disposal of waste as priority management items, and is pursuing a number of measures to reduce its environmental impact. Specifically, we are working on energy conservation, resource conservation and recycling of resources by promoting paperless operations, reducing the amount of copier paper used, saving electricity, and promoting green purchasing.



In FY2023, JER used the introduction of hot desking as an opportunity to conduct a review of digital business processes and further promoted the shift to paperless. In addition, JER introduced MIRAI fuel cell vehicles (FCVs) from Toyota Motor Corporation as fleet vehicles. MIRAI is called the ultimate eco-car because it runs on a motor powered by electricity generated by a chemical reaction between hydrogen and oxygen in a fuel cell and, therefore, does not emit CO<sub>2</sub>, which is a major cause of global warming.

JER began measuring greenhouse gas emissions in FY2021 in order to understand the environmental impact of its business activities. We will continue our efforts to realize a low-carbon society by curbing and reducing greenhouse gas emissions. We will also contribute to achieving the goals of the SDGs through our environmental conservation activities.

## PROMOTING DIVERSITY AND INCLUSION



JER acts to enable employees with diverse values to have job satisfaction and fully demonstrate their capabilities.

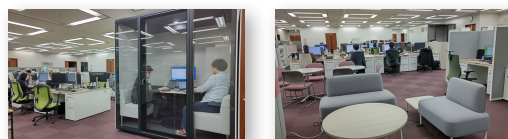
### CATERING FOR DIVERSE WORKSTYLES

JER is implementing the following initiatives to develop an environment that allows diverse workstyles without any constraints.

- Increasing working hour flexibility for all employees through initiatives such as remote working, shift in working start and end time, hourly paid leave and taking leave during working hours (so called “Stepping out”).
- Making hybrid working easier for all employees through measures such as the loan of thin client terminals and smart phones and the introduction of chat tools.

### HOT DESKING

JER introduced hot desking at its offices to effectively use office space that was vacant due to the promotion of remote working and to increase communication between employees when they come into the office. It also introduced web conferencing booths to facilitate information exchange with employees working remotely.



### WORK INTERVAL

JER establishes a work interval of at least 11 hours, in principle, between working end and start times to ensure employees have time for a life outside work and time to sleep.

### PROMOTING WOMEN'S ACTIVE PARTICIPATION

JER formulated a general employer action plan under the Act on the Promotion of Female Participation and Career Advancement in the Workplace in April 2021 and has been implementing the plan.

None of JER's line managers were women in FY2021. Now, 18.2% of line managers are women.

In July 2022, JER achieved the highest, three-star, Eruboshi certification program rating. The Eruboshi certification is given by the Minister of Health, Labour and Welfare to companies with excellent conditions for the promotion of women.



### ENCOURAGING MALE EMPLOYEES TO TAKE CHILDCARE LEAVE

JER introduced special paid leave equivalent in duration to paternity leave, to encourage male employees to take childcare leave. In FY2023, two male employees took childcare leave, in other words, 100% of the male employees eligible to take childcare leave did so. JER also supports childcare by male employees through the utilization of remote work.



### DIVERSITY EDUCATION

JER continuously provides in-house training to instil diversity awareness among its officers and employees. Under the Medium-Term Management Plan which ended in FY2023, JER sought to instil diversity awareness by provided Ikuboss training for managers and diversity training for all employees and by providing them with opportunities to reflect on their training.



## CONTRIBUTING TO LOCAL COMMUNITIES AND SOCIETY



### VOLUNTEER ACTIVITIES

JER participates in Hanasaku Machikado Volunteers in Chuo-ku and plants and grows plants in a flowerbed in front of the head office. JER contributes to the creation of beautiful, clean streets with flowers and greenery.

JER has a volunteer leave system that enables employees to take a month of leave maximum to conduct social contribution activities.



### ALL OFFICERS AND EMPLOYEES ACQUIRING DISASTER PREVENTION EXPERT QUALIFICATIONS

All officers and employees acquired disaster prevention expert qualifications to develop personnel who are conversant in disaster prevention and crisis management and thereby enhance its ability to handle contingencies as an earthquake reinsurance company and to contribute to improving society's disaster prevention capabilities as an entity engaging in local disaster prevention. Going forward, JER's officers and employees will continue leveraging the knowledge they gained through the acquisition of disaster prevention expert qualifications to promote earthquake insurance and implement disaster prevention and disaster mitigation initiatives.