

August 19, 2016

Name of Listed Company: MS&AD Insurance Group Holdings, Inc.
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Signing to the Natural Capital Declaration proposed by UNEP FI

MS&AD Insurance Group Holdings, Inc. (President ; Yasuyoshi Karasawa) agrees to the effects of the Natural Capital Declaration proposed by the United Nations Environment Programme Finance Initiative (UNEP FI) and has become a signatory to the Natural Capital Declaration.

This declaration was presented at the 2012 UN Conference on Sustainable Development (Rio+20) as a commitment that financial institutions will incorporate ideas of “Natural Capital” in their financial products and services for the twenty-first century. The signing financial institutions are asked to show leadership internationally for conserving and enhancing Natural Capital. As of July 2016, there are 44 financial institutions that have signed on, while we are the first Japanese insurance company to sign this.

Following the signing of this declaration, the MS&AD Group’s risk consulting company, InterRisk Research Institute & Consulting, Inc., developed a “Natural Capital Evaluation Service” which supports conserving of Natural Capital and their sustainable use. This service will be offered from August.

MS&AD Insurance Group will continue to position environmental conservation as a key issue and will contribute to building a sustainable society.

The Natural Capital Declaration

This declares that financial institutions will incorporate the idea of “Natural Capital” into their financial products and services for the twenty-first century and was proposed at the UN Conference on Sustainable Development (Rio+20)held in June 2012.

The signing financial institutions are asked to show leadership internationally for conserving and enhancing Natural Capital through engagement with customers, firms in which they invest, suppliers, and civil society.

<Reference> 4 items in which the signing financial institutions should show leadership

1. Build an understanding of the impacts and dependencies of Natural Capital relevant to our operations, risk profiles, customer portfolios, supply chains and business opportunities;
2. Support the development of methodologies that can integrate Natural Capital considerations into the decision making process of all financial products and services – including in loans, investments and insurance policies.
3. Collaborate, when appropriate, with the International Integrated Reporting Committee and other stakeholders to build a global consensus around the development of Integrated Reporting, which includes Natural Capital as part of the wider definition of resources and relationships key to an organization’s success.
4. Work towards building a global consensus for the integration of Natural Capital into private sector accounting and decision-making; supporting, when appropriate, the related work of the Natural Capital Coalition, and other stakeholders.

“Natural Capital Evaluation Service”

1. Service Overview

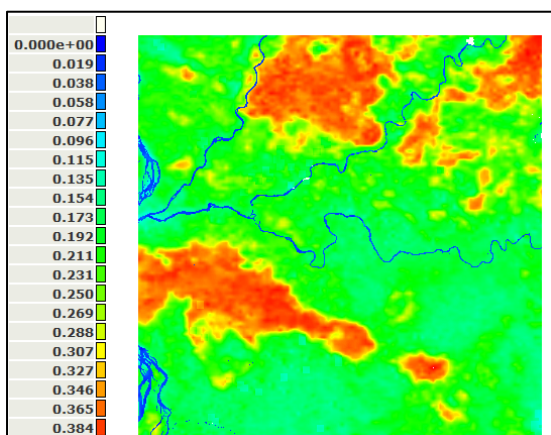
Focusing on domestic and overseas production centers and developmental businesses, we can indicate on a map the distribution of the values the surrounding Natural Capital offer (ecosystem services such as water supply, soil runoff prevention, and carbon storage). This will allow for an estimated valuation of Natural Capital in various places around the world with only location information and will also enable analysis of effects caused by things such as deforestation and climate change.

2. Usage

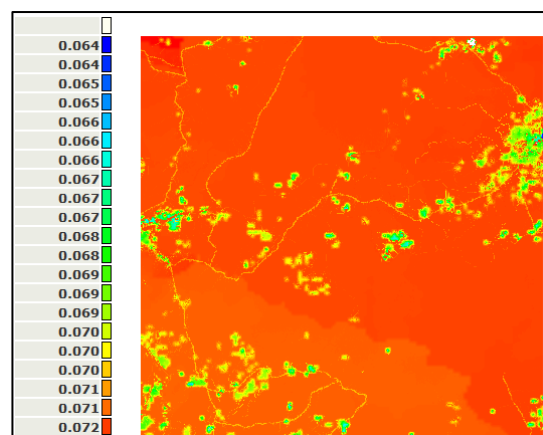
The service can be used to choose sites for new production centers and locations for development operations and conservation activities. In addition, this can be used to understand the current state of the surrounding Natural Capital for existing production centers of our firm and suppliers to use for considering strategic engagement with environmental efforts.

3. Analytic Image

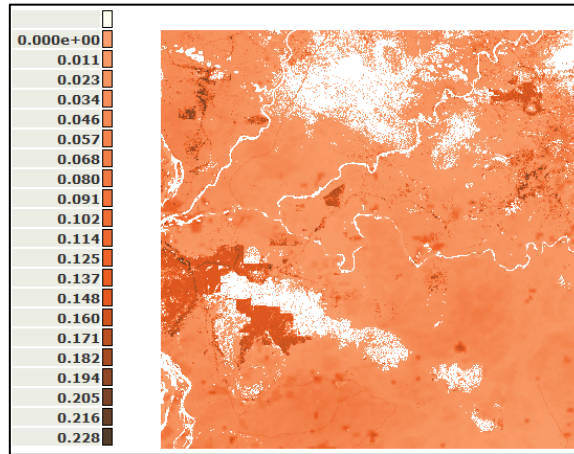
<Carbon storage service>



<Water supply service>



<Development pressure due to deforestation, etc.>



-End-

Attachment : The MS&AD Group's Main Efforts Related to Natural Resources

The MS&AD Group's Main Efforts Related to Natural Capital

Ecosystem services provided by natural capital (biodiversity) are the basis of our lives and economic activities. A business model taking biodiversity into consideration supports the sustainability of the entire society, which includes business activities. At the UN Conference on Sustainable Development in September 2015, “Sustainable Development Goals (SDGs)” were adopted, whose 12 Goals out of 17 are relevant to environment issues including natural capital and climate change.

MS&AD Insurance Group has positioned environmental conservation as an important management issue and promotes “sustainable use of resources” and “conservation of biodiversity.”

Field	Product, service, etc.
Research and promotion of Green Resilience	<ul style="list-style-type: none"> ➤ Disaster prevention and reduction, and regional society revitalization by utilizing natural capital
Leadership concerning private sector participation	<ul style="list-style-type: none"> ➤ Creating opportunities for businesses to share best practices ➤ Participating in Japan Business Initiative for Biodiversity (JBBI)^{※1}” ➤ Signing and participating in “principles of Socially responsible Insurance”
Offering consulting services concerning natural capital	<ul style="list-style-type: none"> ➤ Offering the following consulting services <ul style="list-style-type: none"> ▪ Comprehensive consulting service on biodiversity ▪ Assessment services for natural capital ▪ Water risk assessment service
Reducing usage of paper resources	<ul style="list-style-type: none"> ➤ Introducing the Eco-insurance certificates and the Web policy clauses ➤ Promoting electronic contract procedures ➤ Introducing the CD-ROM for life insurance clauses
Supporting renewable energy businesses through insurance	<ul style="list-style-type: none"> ➤ Offer the following insurance products <ul style="list-style-type: none"> ▪ Comprehensive coverage plan for mega-solar power generation ▪ Comprehensive coverage plan for small and middle-sized water power generation ▪ Comprehensive coverage plan for biomass power generation
Investments and loans that consider the environment, society, and governance	<ul style="list-style-type: none"> ➤ Support the firm’s engagement with ESG issues through investing and loaning activities and offering financial products and services
Conservation of biodiversity (natural capital) through employee activities	<ul style="list-style-type: none"> ➤ A waterside environmental preservation initiatives (MS&AD Ramsar Supporters Initiative^{※2})

※1 The initiative of Japanese companies committed to engage with conserving biodiversity. The initiative was launched in 2008 with 14 companies and now counts 48 participants. JBBI is a member of executive committee of “Global Partnership for Business and Biodiversity” (GPBB), which was created based on the resolution reached at the meeting of the Conference of the Parties to the Convention on Biological Diversity.

※2 A collaborative project with the Japan Committee for United Nations Decade on Biodiversity (UNDB-J).