SOMPO HOLDINGS

A Theme Park for Security, Health & Wellbeing







SOMPO Holdings
Sustainability Report 2021







Sompo Holdings, Inc.

Group Management Philosophy

We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible.

SOMPO's Purpose

With "A Theme Park for Security, Health and Wellbeing," create a society in which every person can live a healthy, prosperous and happy life in one's own way.

Social value delivered by SOMPO

- Protect people from future risks facing the society
- Create a future society for healthy and happy lives
- Foster the ability to change the future society with diverse talents and connections

Brand Slogan

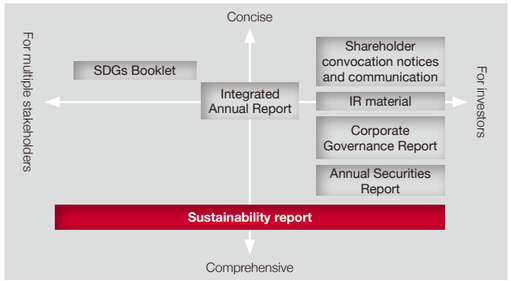
A Theme Park for Security, Health & Wellbeing

Sompo Group intends to give visible form to the abstract concepts of safety, security, and health, and to realize a vision of the Group that solves social problems through its businesses and contributes to society as a presence that continuously supports the lives and happiness of its customers by appropriate use of advanced technologies, including digital technologies, while remaining close to the lives of "people," who are the heart of society. We therefore adopted this Brand Slogan so that the Sompo Group can be united in our efforts to further accelerate our transformation into "A Theme Park for Security, Health & Wellbeing."

Overview of Sustainability Communication

Overview of Sustainability Communication

We use the following tools to disseminate information to ensure our stakeholders understand our sustainability initiatives.



Features of the Sustainability Report 2021

1. Initiatives of SDGs in business management toward the realization of SOMPO's Purpose

In the Top Commitment, Group CEO & President Kengo Sakurada describes his thoughts on "SOMPO's Purpose" and the Real Data Platform (RDP), and the new mid-term management plan for its realization. In the new mid-term management plan, "SDGs in Business Management" is newly positioned as a Group Business Foundation, and materiality which is priority management issues for the realization of Purpose, its specific process, materiality KPI are introduced.

2. Efforts that take advantage of the characteristics of our company and the latest trends in society

Expectations for companies are rising for its concrete actions in response to climate change. In our new mid-term management plan, we introduce "adapt to climate change," "mitigate climate change," and "contribute to societal transformation" as SOMPO Climate Action and concrete initiatives are disclosed in the report. In addition, we continue to quantitatively disclose climate change risks and opportunities and specific countermeasures in line with the TCFD framework. Furthermore, in addition to diversity & inclusion, health and productivity management and human rights, we also introduce initiatives through our core business, such as the products and services that utilize digital technology.

3. Initiatives to improve information disclosure credibility

We refer to various international guidelines when disclosing information and this Report in particular has been prepared in conformity with the Core option of the GRI Sustainability Reporting Standards.

In addition, since 2001, when the approach of third party comments on sustainability reports was not common, we have received third party comments from Mr. Hideto Kawakita, CEO of International Institute for Human, Organization and the Earth and the publisher of Socio Management Review, which has led to continuous improvement of our efforts. Starting in fiscal year 2012 we have obtained assurance by a third-party organization regarding greenhouse gas (GHG) emissions, and are expanding this effort to Group companies each year. Since 2016 we have also obtained assurance regarding the total number of days lost due to absence. We are working on highly transparent information disclosure.

We also include our achievements and future strategies as shown below.

- ESG Data Index and the list of products and services for a sustainable society. In addition, the major ESG data page shows the performance of Sompo Holdings and its main consolidated subsidiaries compiled on a multi-year basis for easy comparison to report data in detail.
- A Key Initiatives section organized by stakeholder group, which introduces details of our work to address social issues.

Covered Organizations

This Report covers Sompo Holdings, Inc., its affiliated group companies and foundations in and outside Japan. It also features some activities by group company agencies.

Reporting Period

This Report relates mainly to initiatives from April 1, 2020, to March 31, 2021, but also contains some latest initiatives and policies to provide updated information.

Publication

Annually

Publication Period

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Next issue: (scheduled for) October 2022

Referenced Guidelines

- GRI Sustainability Reporting Standards*
- ISO 26000: International standard on social responsibility
- SDG Compass: The guide for business action on the SDGs
- Environmental Reporting Guidelines 2012, Japan's Ministry of the Environment
- ISO 14064-1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- Sustainability Reporting Guidelines—SPI Report Guide, Network for Sustainability Communication
- The Ten Principles of the United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- Charter of Corporate Behavior and Its Implementation Guidance, Keidanren (Japanese Business Federation), the 7th version
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation

*The details published on the Sompo Holdings sustainability website and in the Sustainability Report 2021 have been prepared in conformity with the Core option of the GRI Sustainability Reporting Standards. Please refer to the following GRI Content Index.

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Disclaimer

Our sustainability reports include forward-looking statements based on the Group's management policies and plans. These statements were created based on information available at the time of compilation. Actual outcomes and results of activities may differ from such statements due to future changes in the business environment.

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PURPOSE

What kind of value do we provide and what kind of society are we aiming for?

The COVID-19 pandemic has brought about changes in social values and “contributing to a sustainable society” as represented by the SDGs is now considered an essential priority for companies in this age. With this in mind, the Sompo Group has returned to the very basis of management and clarified what it aims to achieve and what kind of social value it will provide over the long term of 20 to 50 years. This is the essence of SOMPO’s Purpose. By leveraging our three strengths and continuously providing value to society with “A Theme Park for Security, Health & Wellbeing,” we aim to create a society in which every person can live a healthy, prosperous, and happy life in one’s own way.











Delivering SOMPO's Purpose:

Start of a new Mid-Term Management Plan (FY2021-2023)

Kengo Sakurada
Group CEO, Director,
President and Representative Executive Officer
Sompo Holdings, Inc.



Introduction

Following last year, the novel coronavirus (COVID-19) disease continues to have an overwhelming influence on people's lives around the world. I would like to express my deepest sympathy to everyone who has been infected, and my sincere respect and gratitude to all medical, healthcare and other frontline workers who are making strenuous efforts every day despite the risk of infection. Also in the Sompo group, many employees are working in various frontlines every day. Especially in frontline nursing care where challenging conditions continue, positive minded employees with strong sense of mission literally use their bodies to protect the happiness and meet expectations of people needing support. I feel proud of such colleagues and renewed my determination to be responsible for contributing to society as a Group even in the current difficult environment.

Huge paradigm shifts are occurring in the mind and behavior of conventional society and people. The increasing frequency and severity of natural disasters due to climate change and the prolonged low interest rate environment, which have substantial effects on the Group's insurance business, are already the new normal.

In addition, the serious problem of low birthrate and population aging in Japan facing the nursing care and other businesses, is indeed a reality from which we cannot turn our eyes away. Our daily lives have also changed. The wide use of remote work and digital transformation (DX), which were expected to occur sometime in the near future, have advanced rapidly, and new work and life styles are becoming rooted in the Group as well. I believe that these trends are essentially irreversible. The Group will continue to take on the challenge of realizing "A Theme Park for Security, Health & Wellbeing" which has been our goal, while proactively making change happen and adopting ourselves to change rather than being reactive to it. A new fiscal year has started and we announced "SOMPO's Purpose" and a new 3-year Mid-Term Management Plan. We will work to steadily grow existing businesses and expand new businesses in the digital domain, etc. and surely implement measures to create further value and enhance corporate value.

“A Theme Park for Security, Health & Wellbeing” and “SOMPO’s Purpose”

I have many opportunities to discuss with diverse people in Japan and abroad, including political and business leaders, executives of startups, and students, at the World Economic Forum annual meetings (Davos) and through activities as Executive Director of the Japan Association of Corporate Executives (Keizai Doyukai). And I strongly feel that the tide of multi-stakeholder capitalism, sustainability, and digitalization, which are big waves engulfing society, lose no time. The society became unworkable with conventional capitalism, and companies have to rethink the pursuit of short-term profits and management biased toward shareholder supremacy. I also think that the management approach represented by the SDGs, which is long-term oriented, attentive to all stake-holders, and enhances diversity and sustainability, is now a prerequisite. The Group has also decided to make further advances in living together with society and collaboration with stakeholders, which we have been working on over many years through the insurance and nursing care businesses, incorporate priority issues (materiality) in management framework, and strategically implement these as the Group’s business foundation. And the potential of digital technologies that the Group has been focusing on is clearly accelerating changes in the world, and traditional financial businesses are no exception of being affected. The current situation is entirely different from a few years ago. As I have been saying, I believe that the unpredictable era of VUCA will continue and that the business environment surrounding the Group will continue to change and transform at a tremendous speed.

Amid the COVID-19 pandemic, a 100-year historic disaster, people’s desire for “security,” “health,” and “wellbeing” that everyone in the world has as a basic desire, and hope for the realization of a society that ensures these have become even stronger. Companies in the future will be asked based on such common values which challenges they address and how they solve them to contribute to society. However, this is not a new realization for the Group, but rather a path that we have been following. I am convinced again that our management strategy aimed at realizing “A Theme Park for Security, Health & Wellbeing” based on the management philosophy of making all value judgments from the customer’s perspective and providing the highest quality services that contribute to the security, health, and wellbeing of customers was not wrong. Even in the current difficult environment, the Group aims to maintain a robust business foundation and continue to grow with solid strategies.

In light of the external environment, “SOMPO’s Purpose” was newly established to communicate both internally and externally in an easy to understand manner the approach to what the Group aspires to accomplish in the long term, such as in the next 20 and 50 years, which challenges we will address, and what kind of value we should aim to deliver by returning to the core of business management. SOMPO’s Purpose is to create a society in which every person can live a healthy, prosperous and happy life in one’s own way with “A Theme Park for Security, Health & Well-being.” Specifically, we will protect people from future risks facing the society, create a future the society for healthy and happy lives, and foster the ability to change the future society with diverse talents and connections. We decided to place “SOMPO’s Purpose” at the core of business management and aim for sustainable growth as a Group.

SOMPO’s strengths

In conducting business, I am strongly aware of “fluidity and immutability,” that is, there are essential things that should not be changed, and things that should be changed many times. As an insurance group with a history of 130 years, we will fulfill our role of supporting customers in “unforeseen circumstances.” As a nursing care provider, we will fulfill our role of “always” supporting all users of facilities. Thus, continuously protecting everyday lives which matter to people through business activity as a social infrastructure, while addressing various challenges with diverse services and talent delivering these is an important DNA and strength of SOMPO. I believe that this attitude will not change in the future and should not be changed. The roles and responsibilities of Sompo are large in the “new normal” world where changes in the natural environment threaten people’s daily lives and require adaptation to new risks, such as cyber risks, and in the “low birthrate and aging society” that all countries in the world will experience starting with Japan. In formulating the new Mid-Term Management Plan announced recently, management discussions were held many times



being acutely aware of this.

And what will change is the future of SOMPO. We will thoroughly think through a growth story, such as how to deliver “SOMPO’s Purpose” by making the most of our strengths, and how to engage with society with what kind of partners, determine what choices we need to make and take actions.

SOMPO’s value creation using Real Data Platform

The Group is able to obtain various data from the frontline on a daily basis through the insurance and nursing care businesses. The most important feature of the data is that it is an accumulation of real information related to the behavior and daily life of customers, residents and users, in other words, “real data.” This real data with clear sources obtained from the actual society and people’s daily lives is necessary for addressing social challenges, and the real data is a “vast repository” for realizing the extremely unique and new business potential of Sompo. The Real Data Platform (hereinafter “RDP”) is a unique system of Sompo to create new solutions that contribute to security, health, and wellbeing by integrating and analyzing the extensive and vast amount of real data as the following examples demonstrate. I think that RDP is the most important key for

the Group to realize sustainable and dramatic growth. I believe that the new solutions and ecosystems created by SOMPO by making full use of RDP are certain to deliver unprecedented size of value and con-tribute to society. Therefore, it is absolutely necessary to have a partner with high technological capabilities to turn free thinking into reality and understands the future direction of the Group's businesses to realize RDP.

We expect that Palantir Technologies Inc. (hereinafter "Palantir") in the U.S. with which we are deepening relationships will fulfill such needs. Palantir is a group of professionals with the highest level of data analytics capability in the world and has provided advanced technology and services to organizations with highly complex and confidential data environments. What blew my mind more than their magnificent achievements was the encounter with Co-Founders Peter Thiel and Alexander Karp. I strongly empathized with their philosophy that superior technology should be used to make the world and people happy, and became convinced that there is no other way than to partner with such player and create new values for the Group to continue growing. Therefore, we formed a business alliance with Palantir, established a joint venture, and decided to carry out concrete initiatives.



Press conference on the establishment of a new company (November 2019)
From left to right, Koichi Narasaki, Group CDO of Sompo Holdings,
Peter Thiel, Co-Founder and Chairman of Palantir Technologies Inc.,
Kengo Sakurada, Group CEO of Sompo Holdings

As a result, the Group is finally ready to start full-scale development of RDP, a solution for delivering new values that can only be created by SOMPO by combining Palantir's technology and valuable real data. In Japan, I believe that data utilization at the national level, including the My Number system, will steadily advance in the future. The Group will capture such trends and take on the challenge of building a unique business model by enhancing the quality and resilience of existing businesses while delivering new values through RDP. At the same time, it is important for management to draw a path for this business model using RDP to substantially contribute to Group profit. Contributing to addressing social challenges through business will generate profit for the Group in the future, which will be returned to society. By creating trends and markets for new values and supporting them with solid evidence, we will raise expectations and earn the trust of stakeholders, and eventually enhance the Group's corporate value.

Realizing happiness through nursing care

One of the areas in which we are carrying out concrete initiative is the nursing care. Needless to say, nursing care is important and necessary, and it is definitely one of the social challenges that will become increasingly serious in the future. Nursing care costs continue to increase year by year, and have swollen to exceed 10 trillion yen recently. And it is estimated that this will reach 25 trillion yen by 2040, and the tight fiscal situation is a major concern in the future. Even more problematic is the supply-demand gap in frontline nursing care. The nursing care business has been facing labor shortage and the demand for nursing care is expected to increase further such that we may see demand for caregivers reach around 3 million in 2040, while the actual aggregate number was only 2.1 million in 2019, leading to a fairly serious situation. It is safe to say that this is an important topic and we must take action now to enable the people needing support as well as the people providing support to lead happy lives, and ensure future prosperity and happiness. Therefore, SOMPO decided first to take on the challenge of changing frontline nursing care. I think that one aspect of frontline nursing care has been a difficult place to work for employees with high principles having to rely heavily on their experience and skills to support residents and users through various ingenuity and hardship. However, if "visible nursing care" and "predictable nursing care" are realized by converting the accumulated valuable experience and daily detailed information of around 100,000 people, including employees working at facilities, residents and users, into data, it should help, for example, inexperienced employees in effectively providing the services needed. While adopting advanced technology in this way, we will create an environment where we can fully focus on providing warm services that only humans can and are truly needed in frontline nursing care. The vision of the Group is to support the realization of the mission of delivering happiness to residents and users as we should. PoC of a business model using RDP is already being carried out at facilities within the Group, and we aim to introduce it to all facilities by the end of FY2023. These know-how should be useful not only for the Group but also for many other nursing care providers suffering from labor shortages. I think it is possible to contribute to raising the level of the whole industry while expanding our business by proposing the Group's business model as a service on a subscription-basis (member) to other providers supporting frontline nursing care for joint use.

Utilization of RDP in various areas, such as disaster prevention & mitigation

We are also making advance in the area of disaster prevention & mitigation which has high affinity with P&C insurance. Many earthquakes, heavy rains, and typhoons struck Japan in recent years and employees all over the country are working hard to fulfill our responsibilities as an insurance group. Also, we are preparing ahead in normal times at frontline nursing care for safety assurance and emergency evacuation to protect residents, and making thorough preparations so that we can respond promptly in the event of an emergency that is expected to affect the facility. And one of the most important things in dealing with disasters is to detect the danger as soon as possible and take effective measures. One Concern, Inc., a business partner of Sompo Japan, develops simulation technology that enables prediction of floods up to 72 hours in advance. The combination of this technology with the vast amount of data obtained through the Group's approximately 20 million insurance policies should be a huge boost for practical application. Concrete plans are already being implemented, such as aiming to develop a flood prediction model for about 50 cities within this fiscal year. If cooperation with many local governments and companies realizes, evacuation instruction to local residents, damage prediction, disaster prevention planning in normal times, and sign detection will be enhanced and lead to better protection of invaluable lives and property.

In developing RDP, we will continue to bring service ideas into shape by assuming various situations, such as responding to the evolving society of autonomous driving and mobility, a mechanism to support farmers through global climate analysis, etc., and efforts to realize "healthy aging" where many people can live long and happily until the end of their lives.

“My Mission” motivating each employee and SOMPO’s Core Values

It is definitely people that support Sompo’s business strategy. I believe that human resources are treasure of a company and important asset. During the COVID-19 pandemic, we promoted work from anywhere (WFA) to ensure employee safety first of all, and then made continuous efforts to improve work efficiency in the frontline. From now on, I would like to put a lot of effort into aligning the job satisfaction of each employee with “SOMPO’s Purpose.” I will encourage employees to think about what motivates them at work or in life, face “My Mission” derived from these, and think about how they want to work and live. To support this as the Group CEO, I held a virtual roundtable discussion in front of about 1,000 employees who participated voluntarily. I was able to hear from employees with different jobs, background, and gender about their thoughts on each job and sympathy for focusing on “My Mission.” I expressed my honest feelings about the enthusiasm to serve the society and wanting to feel happy and grow through work, and felt that time passed in the blink of an eye. I will continue to communicate to employees the thinking behind “A Theme Park for Security, Health & Wellbeing” and “SOMPO’s Purpose.” And I will try to make each employee understand how they want to work, that is, what it means to deliver “SOMPO’s Purpose” when one sees the company and work as part of one’s life, and consider it as one’s own issue. This should increase job satisfaction and productivity in the frontline, and increase engagement. The Sompo Group aims to become a corporate group with the core values that each employee is driven by My Mission and produces maximum results by leveraging professionalism and diversity. True diversity and inclusion, and an inquiring mind fostered by it, are the sources of innovation and the driver to transform SOMPO’s corporate culture. With that driver, we can engage others, form various partnerships and grow together with society, which I am convinced of the mission SOMPO must fulfill.



New Mid-Term Management Plan (FY2021-2023)

Based on the above, we formulated a new 3-year Mid-Term Management Plan starting in FY2021. As for financial performance, we aim to achieve “adjusted consolidated profit of 300 billion yen or more and adjusted consolidated ROE of 10% or higher” which were set as a Mid-term targets in the prior Mid-Term Management Plan. To enhance the Group’s real profitability and capital efficiency, we thoroughly strengthened the business foundation of existing businesses and executed a large M&A with the Endurance Group (current Sompo International) in the overseas insurance business during the prior Mid-Term Management Plan period. We also decided to make a full-scale entry into the nursing care business, which was a difficult decision at the time, and vigorously worked on various transformations, such as being among the first Japanese companies to have a base in Silicon Valley and promoting digital business initiatives. As a result, adjusted consolidated profit hit a record high of 202.1 billion yen and adjusted consolidated ROE was 8.0% in FY2020, the final year of the Plan, and I believe that the Group’s foundation for growth to make a leap forward is finally established. We aim to bring out the earning power of the Group to the maximum while improving capital efficiency in each business. We will also make concrete efforts, such as “new customer value creation” by building ecosystems across the boundaries of existing businesses and evolving into a solution provider making full use of RDP, and “new work style” continued from last year.

How the three years of this Mid-Term Management Plan are spent is extremely important for the future. It’s not just about achieving Group management targets and KPIs. I think it is important to make stakeholders fully understand through the accomplishment of this Plan how SOMPO will grow in the future, what makes SOMPO stand out in the market, and what expectations they can have, as well as enhance corporate value for the future. The Plan also incorporates strategies to unlock corporate value of the Group. While accumulating as much concrete evidence as possible, I will take the lead in efforts to garner empathy for SOMPO’s future and growth story, and to construct a narrative that is convincing to the society and market.

Conclusion

The Group is at a major turning point. Since becoming the Group CEO, I have always wanted to be told later on that “SOMPO used to be an insurance company” and I think we are at a crossroad. The Group will make a concerted effort to evolve from a traditional insurance group to a corporate group that delivers value to society through “A Theme Park for Security, Health & Wellbeing.” By delivering “SOMPO’s Purpose” in this way, we aim to become one of a kind “SOMPO regarded as a valuable and indispensable entity” that will be needed in the future world. I would appreciate the continued support of all stakeholders.

August 2021

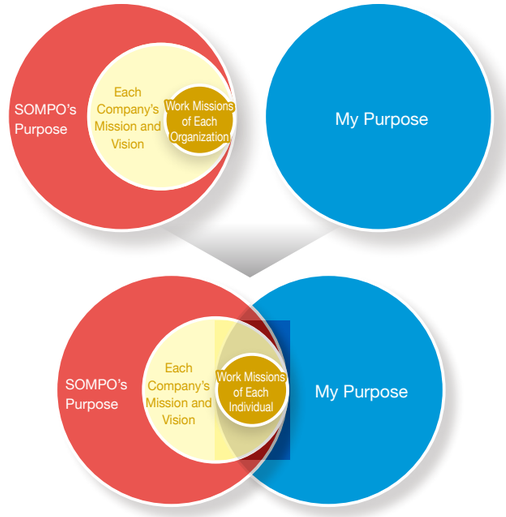
Efforts to deliver the SOMPO's Purpose on the Basis of "My Purpose"

"My Purpose" which spurs each employee, and SOMPO's Purpose

It is "each employee" who supports SOMPO's management strategy and serve as the driver for the realization of Purpose. We at Sompo Group believe that it is essential for each employee to work autonomously, spurred by his or her own "My Purpose" in life, in order to deliver the SOMPO's Purpose. This requires each of us to think deeply about what kind of person we are, what makes us happy, what we want to achieve with our lives, and which parts of SOMPO's Purpose resonate with our own "My Purpose." We are communicating the importance of the deep thinking and awareness of them, trying to permeate it.

In order to deliver "SOMPO's Purpose," each Group company has formulated its own mission and vision. Each company's mission and vision contain the work missions of each organization. In addition, the areas of overlap between the individual's "My Purpose" and these missions are the work missions of each individual. Each individual achieving their work mission will ultimately lead to the realization of "SOMPO's Purpose" and each individual's "My Purpose."

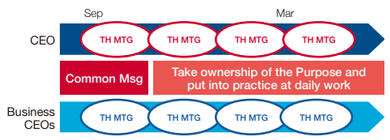
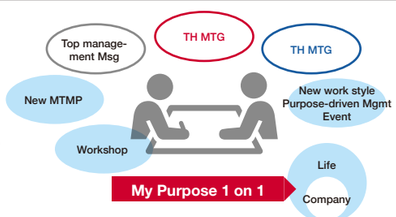
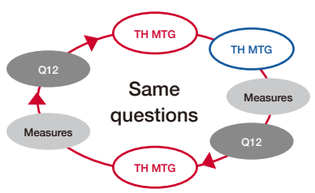
Relationship between "My Purpose" and SOMPO's Purpose



SOMPO's efforts to permeate the Purpose

With this in mind, the Group aims to ensure that each and every employee is aware of, understands, and empathizes with the importance of SOMPO's Purpose and My Purpose, and to make it a practice and a habit. In addition to the dissemination of information by top management and the promotion of efforts in the workplace, we are also working to measure the permeation of the program through questionnaires and engagement surveys.

Overall picture of efforts for permeation of the Purpose

(1) Top management communication (Top down)	Town hall meeting	• The Group CEO and each Business CEO hold town hall meetings • Send out common message for the permeation of the Purpose • CEOs speak by themselves and communicate with employees for better permeation	
(2) Practical efforts (Middle/Bottom)	My Purpose 1 on 1	• Based on top management communication, My Purpose 1 on 1 which started from FY2021 is used as a framework in practice • Supervisors and subordinates have enough communication for permeation and ownership	
	Other measures	• Implement measures/events that facilitate permeation (New MTMP video, My Purpose setting workshop, events, measures, etc. for new work style, purpose-driven management, and corporate culture change)	
(3) Permeation measurement	Questionnaire (TH Mtg, etc.)	• Conduct questionnaires each time after the town hall meeting held by the Group CEO and Business CEOs • Use the same questions for coherent measurement and application to subsequent measures	
	Engagement (Q12)	• Engagement is measured by Q12 twice a year (in Jun. & Dec.) • Evaluate and improve by cross-checking the questionnaires and engagement survey	

Town hall meetings* with Mr. Sakurada, Group CEO

*Town hall meetings are venues for direct dialogue between management and employees regarding various themes.

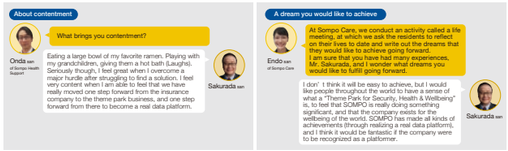
We hold town hall meetings with Mr. Sakurada, Group CEO as an opportunity for top management to personally convey to each Group employee the importance of having SOMPO's Purpose and My Purpose. In 2021, a total of seven meetings were held online from September to November for executives and employees of Group companies in Japan, with approximately 10,000 people participating.



At the town hall meeting, Mr. Sakurada talked about the background of the need for a Purpose, how to create My Purpose, his own My Purpose and the original experiences that form the basis of it, and his thoughts on SOMPO's Purpose. In addition, employees selected as panelists from each business had a dialogue with Mr. Sakurada about their My Purpose.

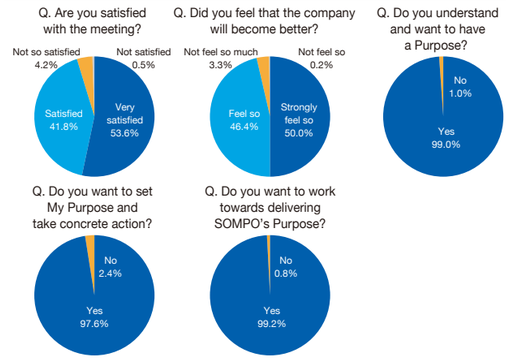
Many participants made positive comments such as "I was able to understand and accept the concept of Purpose," "I felt really uplifted by listening to CEO whom I don't usually hear from." "It was a great opportunity to think about my own purpose and my life." "I was glad to see how many lovely people there are working with me in the Sompo Group."

Dialogue between Mr. Sakurada, Group CEO and panelists



Questionnaire for Town hall meeting Participants

[Survey results (Day 1-7 total)]



Each Group company also holds town hall meetings to discuss the relationship between SOMPO's Purpose and each company's mission, vision, as well as their thoughts on My Purpose as head of each company in their own words, in an effort to deliver SOMPO's Purpose.

Initiative in the workplace

In order for all employees of the Group to feel a sense of mission and fulfillment with My Purpose as the driving force, and to work with a sense of ownership toward the realization of SOMPO's Purpose, we believe it is important not only to promote awareness, understanding and empathy to each employee, but also to practice and make it a habit.

Regular dialogue based on My Purpose between supervisors and subordinates in each workplace is indispensable to make it a practice and a habit. Starting in FY2021, we sequentially hold "My Purpose training programs" and "My Purpose workshops" at each Group company. Through these trainings and workshops, we keep encouraging each and every employee to work toward delivering SOMPO's Purpose by conveying how to confront My Purpose, the necessity of shifting the way of thinking from "myself in the company/work" to "the company/work in me," and the importance of dialogue.

<How to face My Purpose>

★ Reflect on your own life and career and think about "WANT," "MUST" and "CAN."

[WANT (internal motivation)]

What moments in your life and work to date have been the most moving (moments of excitement, fascination, fulfillment, joy) and why?

[MUST (social obligation)]

What have you experienced or heard about in your life and work to date that has made you feel moments of frustration, anger, or sadness? What social issues do you feel should be resolved?



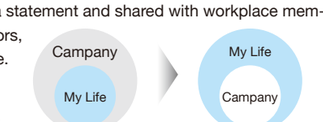
[CAN (inherent capabilities)]

An experience of success /A scene of conflict / A last-minute situation / A critical moment

What did you gain from that experience (knowledge, ability, awareness)? What abilities have you gained through your destiny (experience) in your life and work to date?

★ The overlapping part of these three circles is "My Purpose," which is summarized in a statement and shared with workplace members and supervisors, leading to dialogue.

<Paradigm shift to the company in me>







STRATEGY

How should we create value?

Starting with our value creation story that aims to achieve our purpose, we employed a backcasting process to formulate a new Mid-term Management Plan that sets out how the Sompo Group intends to deliver value to society over the next three years. By leveraging three core strategies that encompass our evolution towards a Real Data Platform developer, as well as an SDGs in Business Management that is geared towards achieving our purpose, the Sompo Group will materialize the vision of becoming “A Theme Park for Security, Health & Well-being” over the next three years.

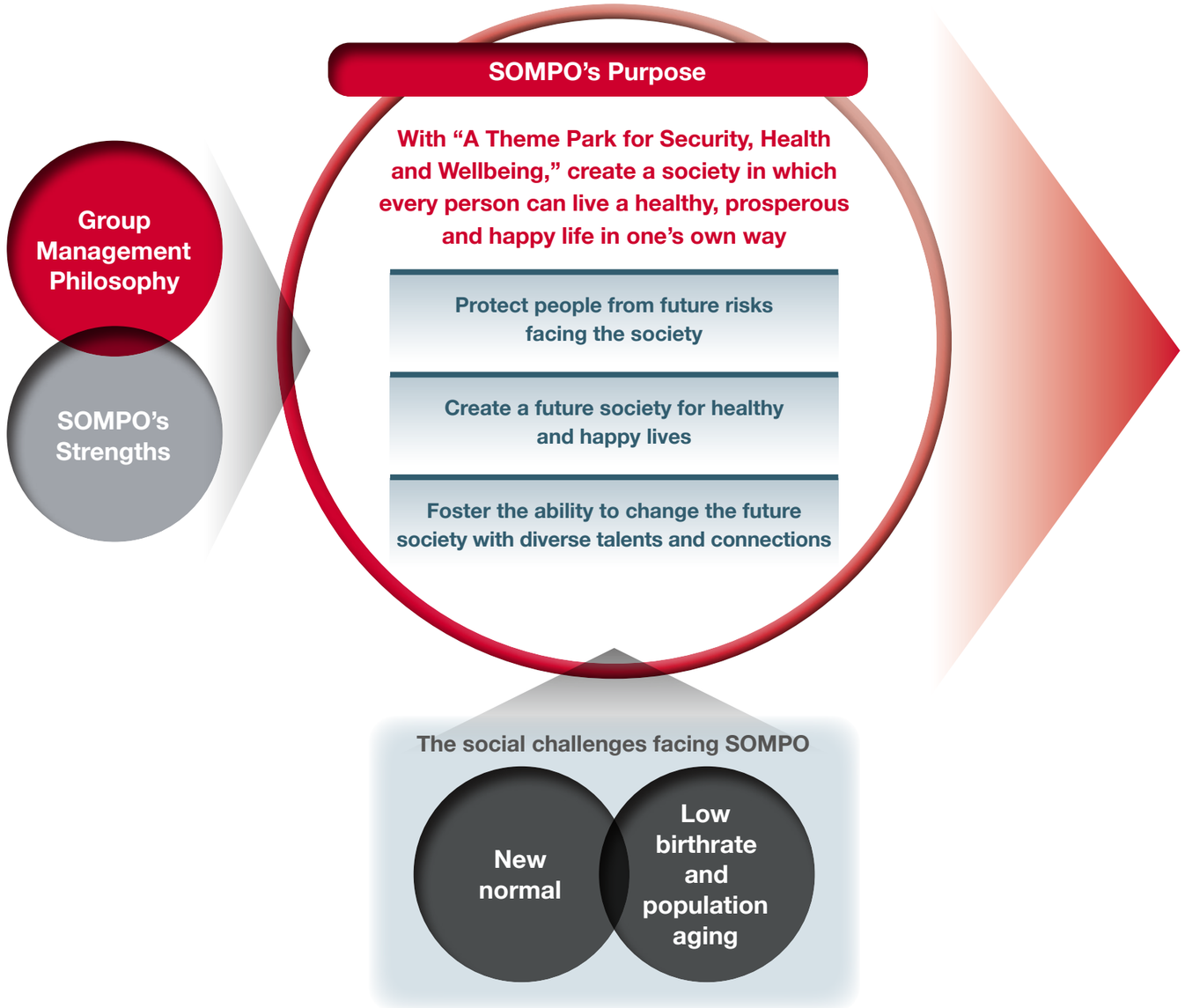


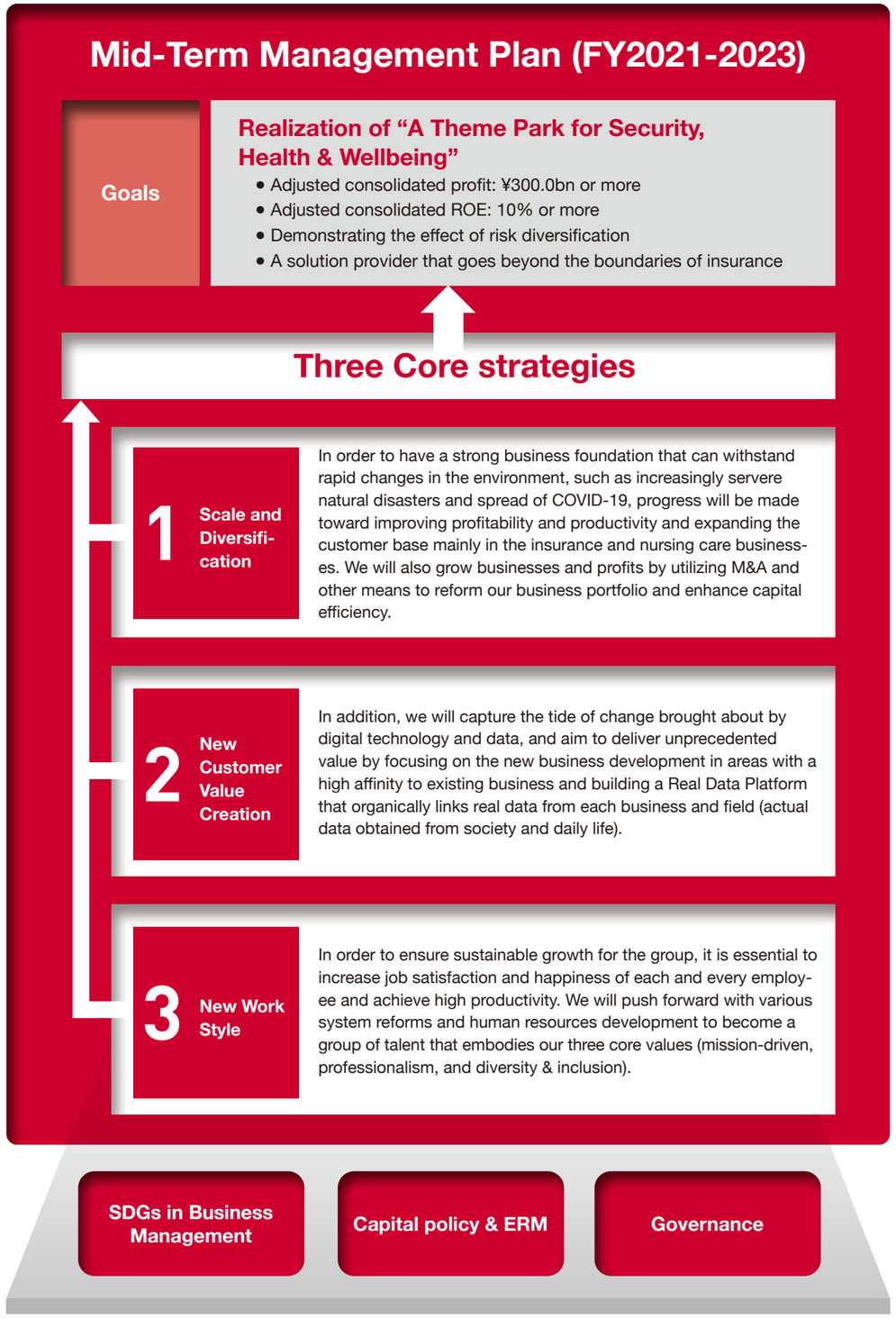


Towards achieving SOMPO's Purpose

A new Mid-Term Management Plan started in FY2021. Since it is difficult to predict the future with certainty in the VUCA age, this plan covers a three-year period through FY2023.

The new Mid-Term Management Plan describes in detail the initiatives that will be undertaken over the next three years based on the vision for society and value delivered to society as outlined in SOMPO's Purpose. By making steady progress on the three core strategies derived from SOMPO's Purpose—Scale and Diversification, New Customer Value Creation, and New Work Style—the company aims to achieve the goals of adjusted consolidated profit of ¥300.0bn or more and adjusted consolidated ROE of 10% or higher.





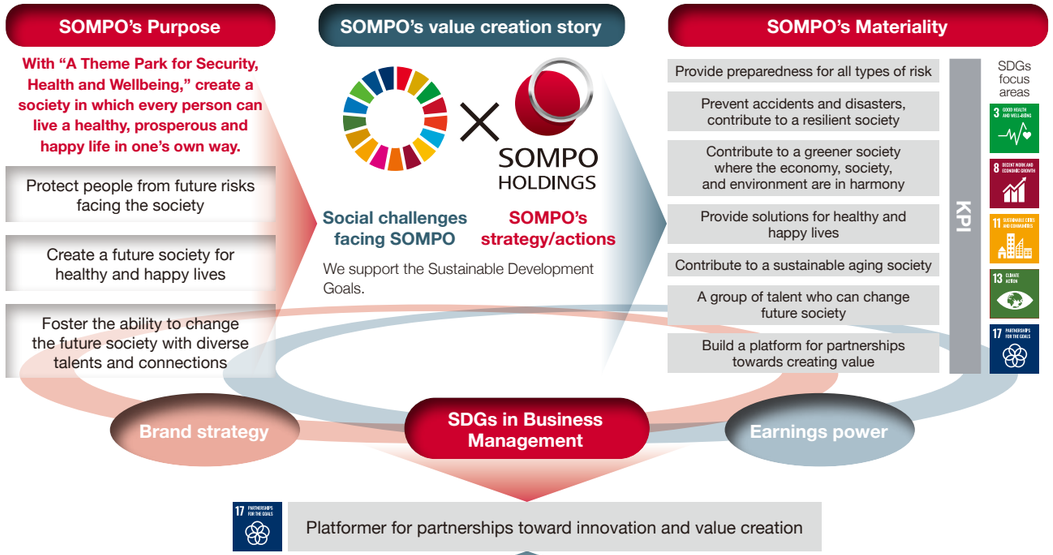
SDGs in Business Management

Since its founding as Japan's first fire insurance company in 1888, Sompo group has a history of growing by providing solutions to changing social issues through insurance. In recent years, we have continued to work on solving social issues through our main business, such as making a full-scale entry into the long-term care business to face the social issues of low birthrate and population aging.

In addition, regarding CSR initiatives, with the participation in the Rio Earth Summit in 1992, we have a wealth of achievements as a CSR pioneer, such as collaboration with stakeholders such as environmental NPOs and active participation in sustainability-related organizations.

In addition to these achievements and strengths, we will utilize our qualities as a platformer, such as a "Theme Park for Security, Health & Wellbeing" with diverse businesses, abundant real data generated by each business, networks with stakeholders, and diverse human resources.

Under the new Mid-Term Management Plan, we place "SDGs in business management" which is to pursue the creation of economic value and social value by addressing social challenges through core businesses, as a new management foundation to deliver the Group's purpose. In promoting this, we will use the PDCA cycle, incorporate the social challenges the Group addresses, strategies, and actions into the management framework by setting materiality and KPIs, and will communicate and appeal the outcomes while making them objective by speaking the universal language of SDGs. In SDGs in business management, we will make the maximum use of our achievements and strengths in contributing to SDGs through core businesses and the credentials of platformer driving social transformation, and aim to become a "partnership" platformer for innovation and value creation.



SOMPO's Achievements and Strengths

Helping achieve the SDGs through our business/organizational culture and core business

Since its birth as Japan's first fire insurance company, the Group has grown by providing solutions to changing social challenges through insurance and has inherited its founding DNA of solving social challenges. In recent years, we have transcended the framework of insurance and evolved into a solution provider. For example, we made a full-scale entry into the nursing care business in order to tackle the social challenges of a low birthrate and population aging.

Achievements as a pioneer in CSR

The Group was one of the first financial institutions in Japan to set up Department of Global Environment when it participated in the Rio Earth Summit in 1992. We have since been a pioneer in advancing CSR initiatives. Since 1993, for example, we have held Open Lectures on the Environment in collaboration with environmental NPOs. We also have an extensive CSR track record on the global stage. For instance, we actively participate in the World Business Council for Sustainable Development (WBCSD), which was established in 1995. We are the only Japanese financial institution to be a member of WBCSD since its inception.

Credentials of a Platformer

"A Theme Park for Security, Health & Wellbeing" Using real data to help achieve the SDGs

Throughout the five years of its previous Mid-Term Management Plan, the Group has steadily transformed its operations and built "A Theme Park for Security, Health & Wellbeing." Under the new plan, we will leverage the diversity of our businesses to provide a wide range of solutions. At the same time, we will utilize the abundant real data generated by each business to build a Real Data Platform (RDP) as a mechanism for solving social challenges.

Network with stakeholders, and diversified talent

Backed by a diversified business portfolio, our various businesses have together built a diverse network of stakeholders that includes corporations, local governments, universities, and research institutions, as well as NPOs and NGOs. Our diversified business portfolio has also produced a group of diverse human resources who represent a valuable quality that helps the Group build multifaceted partnerships.

SOMPO's Materiality

When we were considering SOMPO's Purpose, our value creation story for its realization, and our new Mid-Term Management Plan, we engaged in rigorous discussions on what kind of social challenges we should address and what kind of value we should deliver in light of the Group's strengths and resources. These discussions were based on our analyses of medium- and long-term megatrends and identification of social challenges. In addition, we comprehensively identified social challenges and organized them into seven materialities that we will prioritize. These are based on international norms, such as the United Nations Global Compact and ISO 26000, and take into account issues of importance to society and stakeholders. Having set KPIs for each materiality, we will manage our progress and steadily implement the PDCA cycle aimed at achieving the SOMPO's Purpose.

Materiality identification process

PROCESS 1
Identify social challenges surrounding our business

Comprehensively identify social challenges surrounding SOMPO from the perspective of both their importance to management and their impact on stakeholders based on our value creation story and international norms, such as the United Nations Global Compact and ISO 26000

PROCESS 2
Identify social challenges to be prioritized

Evaluate the importance of social challenges surrounding SOMPO based on their relationships with the SDGs (which represent a universal language) to identify social challenges the Group should prioritize through its business

PROCESS 3
Organize into seven Materialities (Key management themes)

Organize and integrate priority social challenges from the perspective of the Group's management strategy approach and organize them into seven Materialities as key management themes

Seven Materialities and KPIs

- Provide preparedness for all types of risk
- Prevent accidents and disasters, contribute to a resilient society
- Contribute to a greener society where the economy, society, and environment are in harmony
- Provide solutions for healthy and happy lives
- Contribute to a sustainable aging society
- A group of talent who can change future society
- Build a platform for partnerships towards creating value

KPIs
▶ P.20-21

Each company's SDGs promotion plan (PDCA)

Social challenges and SDGs SOMPO will address

This matrix organizes the relationship between social challenges facing SOMPO, which were identified in Process 1, and the core subjects of ESG and ISO 26000 by following the frameworks of ISO 26000. It also indicates the SDGs to which the Sompo Group will contribute through the provision of its products and services, etc. with 169 targets. Priority social challenges to address through the Sompo Group's business have also been identified through Process 2, which narrows down materiality candidates based on level of importance. These social challenges are organized, integrated, and systematized according to SOMPO's strategy in Process 3, and are referred to as Materialities (key management themes for realizing SOMPO's Purpose).

Process 1
Identify social challenges surrounding our business

Process 2
Identify social challenges to be prioritized

Process 3
Organize into seven Materialities
(Key management themes)

ESG category	ISO 26000 7 core subjects	Social challenges surrounding SOMPO	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Priority social challenges
G	Organizational governance	Refining governance								△8.8								●16.7		
		Refining ERM								△8.10								●16.5		
		Strengthening cyber security									●9.1									
	Fair operating practices	Strengthening compliance								△8.8		△10.3						●16.5		
		Anti-corruption								△8.8		△10.3						●16.5		
		Value chain with considering ESG							●7.2	●8.7				●12.2	●13.2	△14.2	△15.1	△16.2	●17.17	☆
S	Human rights	Human dignity and Human Rights Risk	△1.3		●3.4	●4.4	△5.4			●8.8	△9.1	△10.2						●16.1	●17.16	☆
		Preventing the spread of infectious diseases			●3.3					●8.10					△13.1					
	Labor practices	Improving employee engagement through new work style			△3.4	●4.4	△5.4			●8.2										☆
		Developing and utilizing innovatable human resources				△4.4	△5.b			●8.2										
		Promoting diversity and inclusion	△1.4		△3.4	●4.5	●5.5			●8.2		●10.2		△12.6						☆
		Promoting a health and productivity management®*			●3.4					●8.8									△17.16	☆
		Investment in HR (Lifelong Learning/Recurrent Education)				●4.4				●8.2	●9.5	△10.2							●17.16	☆
	Community involvement and development	Supporting regional development for regional revitalization											△11.3						●17.16	
		Promoting cultures and arts				△4.7													●17.16	
		Financial inclusion and promoting insurance to vulnerable and all people	●1.4	●2.3	●3.3					●8.10	△9.3		●11.1		●13.1				●17.16	☆
		Contribution to the resilient society against natural disasters	●1.5							●8.10	△9.1		●11.b		●13.1				●17.16	☆
		Contribution to the safe and peaceful next-generation mobility society			●3.6					●8.10	●9.1		●11.2						●17.16	☆
		Contribution to a sustainable social security system	●1.3		●3.4					●8.8		△10.2							●17.16	☆
		Support for people vulnerable to disasters	△1.5										△11.b		△13.3				△17.16	
		Partnership with various stakeholders	●1.4	●2.4	●3.6	●4.7	●5.5	●6.6	●7.a	●8.10	●9.2	●10.4	●11.b	●12.5	●13.3	●14.2	●15.1	●16.2	●17.16	☆
	Consumer issues	Promotion of digital society	●1.5	●2.4	●3.4	△4.4	△5.b	△6.4	△7.b	△8.10	●9.2	△10.2	●11.b	△12.5	△13.1	△14.2	△15.a	△16.1	●17.16	☆
		Improving quality of customer services			△3.6					△8.3									●17.16	
		Privacy protection								△8.8								●16.5		
		Contributing to smart society			●3.4								●11.3		△13.1				●17.16	☆
		Extending healthy life expectancy	△1.4		●3.4	△4.7				●8.10		△10.2							●17.16	☆
		Providing products and services reflecting changes in people's value and behavior								●8.10				△12.8					●17.16	
		Next generation education: Education for disaster prevention and traffic safety			●3.6	●4.7		△6.6					●11.b						●17.16	☆
E		Next generation education: Education for environment											●11.b	●12.3	●13.3	●14.1			●17.16	☆
	The environment	Sustainable finance (Insurance)			△3.9				●7.a	△8.10	●9.1		●11.4		●13.3	△14.1	△15.5		●17.16	☆
		Sustainable finance (Investment and Lending)							●7.a	△8.3	●9.4			△12.c	●13.a	△14.1	△15.5		●17.16	☆
		Contribution to a sustainable food supply	●1.5	●2.4				△6.6		●8.10					●13.1				●17.16	☆
		Contributing to green society	●1.5	●2.4	△3.9	△4.7		△6.6	●7.2		△9.1		△11.4	●12.8	●13.2	△14.1	△15.5		●17.16	☆
		Contribution to a circulating society/economy						●6.b						●12.5	△13.3	●14.1	△15.4		●17.16	☆
		Contribution to a society in harmony with nature						●6.6						●12.5	△13.3	●14.1	△15.2		●17.16	☆

Provide preparedness for all types of risk

Prevent accidents and disasters, contribute to a resilient society

Contribute to a greener society where the economy, society and environment are in harmony

Provide solutions for healthy and happy lives

Contribute to a sustainable aging society

A group of talent who can change future society

Build a platform for partnerships towards creating value

1: SDG targets strongly linked to the Sompo Group's initiatives are marked as "●," and those somewhat linked are marked as "△."
The Sompo Group will continuously review this in response to the development of problem solving business, changes in social challenges, etc.
2: This matrix is put together under the supervision of Hidemitsu Sasaya.
*Health and productivity management® is a registered trademark of Nonprofit Organization Workshop for the Management of Health on Company and Employee.

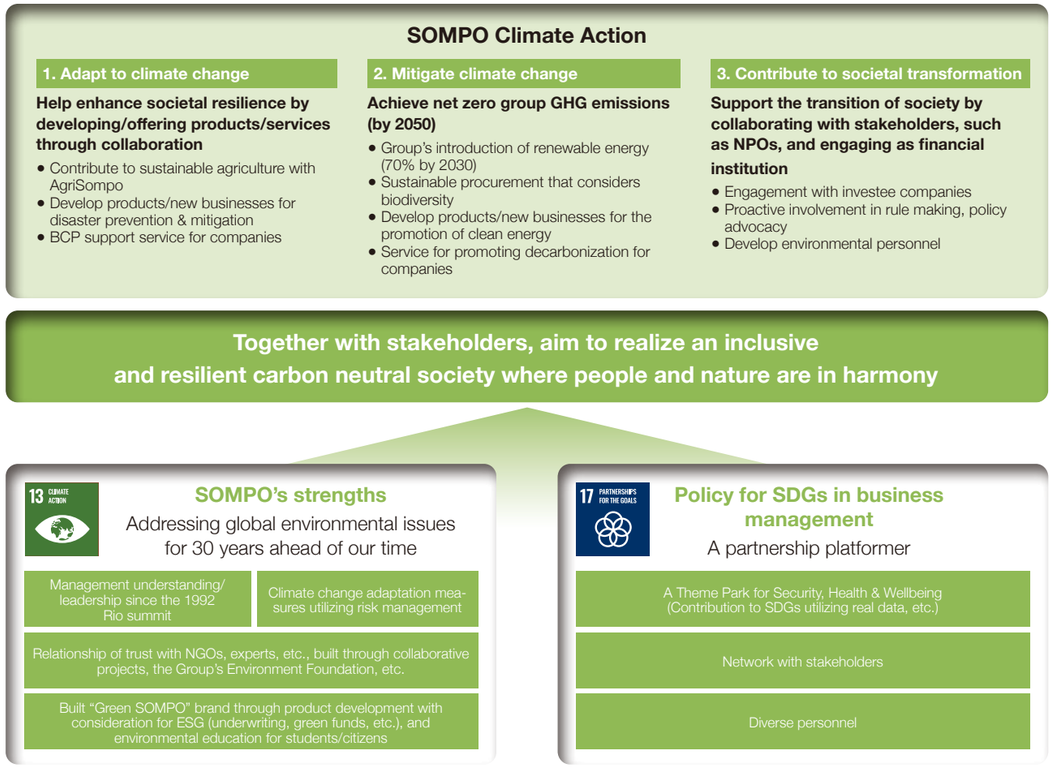
Materiality KPIs

Materiality	Materiality subcategories		Materiality KPIs		Numerical targets	Partnership KPIs	Relevant SDG targets			Society SOMPO aims for / Vision to be realized
			KPIs	Target business						
Provide preparedness for all types of risk	Financial inclusion and promoting insurance to all people	Co-creation with various stakeholders	Domestic net written premiums (contribution to promoting insurance)	Domestic P&C insurance	FY2021: ¥1,988.6bn / FY2023: ¥2,079.9bn	Increase in partnerships (1) No. of collaborations/ partnerships announced to the public (2) No. of PoC* and pilot tests conducted through collaborations/ partnerships (3) No. of solutions provided through collaborations/ partnerships *Proof-of-Concept	1.4	8.10	11.7	Due to the evolution of insurance, people are protected from new risks such as climate change, infectious diseases and cyberattacks, and can live a secure and healthy life.
			Overseas gross written premiums (contribution to promoting insurance)	Overseas insurance	FY2021: +7.9% / FY2022: +7.1% / FY2023: +6.9% *In USD		1.4	8.10	13.1	
			No. of life insurance policies in force (contribution to promoting insurance)	Domestic life insurance	FY2021: 4.43M / FY2023: 5.00M		1.4	3.3	8.10	
			No. of sales and premiums for insurance products that help people prepare for illness and injury (Medical Master, Nyuin Passport)	Domestic P&C insurance	Increase YoY		3.3	3.4	8.10	
	Contribution to a sustainable food supply		Expansion of AgriSompo's agricultural insurance business to more countries	Overseas insurance	Increase in number of target countries by FY2023		1.5	2.4	13.1	
Prevent accidents and disasters, contribute to a resilient society	Contribution to resilient society against natural disasters		Customer satisfaction with insurance claims paid for natural disasters	Domestic P&C insurance	Improve YoY		1.5	11.b	13.1	Risks are controlled and damage is minimized by detecting signs and preventing damage.
	Contribution to secure and healthy next-generation mobility society		No. of sales and premiums for insurance products that contribute to secure and healthy next-generation mobility society (New DRIVING!, UGOKU)	Domestic P&C insurance	Increase YoY		3.6	8.10	11.2	
	Next-generation education (disaster prevention and traffic safety)		No. of participants in disaster prevention and traffic safety training	All businesses of the Group	FY2021: 15,000		3.6	4.7	11.b	
Contribute to a greener society where the economy, society and environment are in harmony	Sustainable finance (insurance underwriting, product development, investing and lending)		Participation and activities in sustainability-related initiatives and rulemaking	All businesses of the Group	Publish activity results		9.4	11.4	13.3	Inclusive and resilient carbon neutral society where people and nature are in harmony
			No. of engagement with investee and borrower companies	All businesses of the Group	Increase YoY		7.a	9.4	13.a	
	Contribution to a green society, recycling society and society in harmony with nature		Greenhouse gas emission reduction rate (Scope 1-3)	All businesses of the Group	60% reduction by FY2030 (compared to 2017), net zero by FY2050 *The target for FY2050 includes investee and borrower companies		7.2	12.8	13.2	
	ESG conscious value chain		Switching to renewable energy sources	All businesses of the Group	70% introduction rate by FY2030		7.2	12.2	13.2	
	Next-generation education (environment)		No. of participants in environmental education programs	All businesses of the Group	FY2021: 11,500		12.3	13.3	14.1	
Provide solutions for healthy and happy lives	Extending healthy life expectancy		No. of Insurhealth® policies sold	Domestic life insurance	End of FY2021: 300,000 / End of FY2023: 420,000		1.4	3.4	8.10	People who need support can live a healthy and happy life with dignity as individuals.
			No. of Insurhealth® policies in force	Domestic life insurance	End of FY2021: 600,000 / End of FY2023: 1,300,000		1.4	3.4	8.10	
			Weighting of Insurhealth® products	Domestic life insurance	End of FY2021: 60% / End of FY2023: 80%		3.4	3.a	8.10	
			Company name recognition	Domestic life insurance	End of FY2021: 60% / End of FY2023: 80%		3.4	3.a	8.10	
			Perception as a health-promoting company	Domestic life insurance	End of FY2021: No. 5 in the life insurance industry End of FY2023: No. 1 in the industry		3.4	3.a	8.10	
			No. of facilities offering dementia prevention programs	Nursing care & seniors	FY2021: 38 / FY2023: 171		3.4	5.4	10.2	
			Health guidance business revenue	Healthcare	FY2021: ¥3.519bn		3.4	3.5	4.7	
			Mental health service revenue	Healthcare	FY2021: ¥1.485bn		3.4	4.4	8.8	
	Contribution to a smart society		No. of smart community proof of concepts	Nursing care & seniors	FY2021:10		3.4	3.d	11.3	
Contribute to a sustainable aging society	Contribution to a sustainable social security system		No. of facilities that introduce a Future Nursing Care model	Nursing care & seniors	FY2021: 28 / FY2023: 258		1.3	3.4	8.8	The burden on people who support an aging society with a declining birthrate is reduced and everyone can pursue their dreams.
			Nursing care facility occupancy rate	Nursing care & seniors	FY2021: 90.8% / FY2023: 93.8%		1.3	3.4	10.2	
			No. of nursing care users	Nursing care & seniors	FY2021: 90,000 / FY2023: 120,000		1.3	3.4	10.2	
			Care provider turnover rate	Nursing care & seniors	FY2021: 11.4% / FY2023: 10.5%		1.3	3.4	8.5	
A group of talent who can change future society	Improving employee engagement through new work style		Employee engagement	All businesses of the Group	End of FY2023: Gallup Q12 average points: (domestic) 3.70 pt, (overseas) 4.10 pt		4.4	8.2	8.8	Our diverse employees develop innovative solutions and have the power to drive transformation towards a better society.
			My Mission training participation rate	All businesses of the Group	End of FY2023: 100% of eligible employees		3.4	4.4	8.2	
			Telework rate	All businesses of the Group	More than 50% of whole Group *Nursing care frontline not included		4.4	5.4	8.8	
	Health and poroductivity management, human dignity and human rights risk		Health and productivity management index (WLQ)* *Work Limitations Questionnaire	All businesses of the Group	Improvements YoY at each company		3.4	4.4	8.8	
	Promoting diversity and inclusion		Ratio of female managers	All businesses of the Group	End of FY2023: 30%		5.5	8.2	10.2	
			Ratio of employees with disabilities	All businesses of the Group	End of FY2023: 2.5%		4.4	8.2	10.2	
	Investment in HR (Lifelong learning / Recurrent education)		Shift to job-based HR system	All businesses of the Group	Realize job-based system at each company by the end of FY2023		8.2	8.5	9.5	
			No. of digital personnel developed/employed	All businesses of the Group	End of FY2023 DX specialists: 177 DX planning personnel (A) Employees who have completed basic DX training: 4,000 (B) Participants in AI planning, data utilization, CX agile design training: 3,000 Personnel using DX: 17,100 training participants		4.4	8.2	9.5	
Build a platform for partnerships towards creating value	Promoting a digital society		Group revenue generated by utilizing RDP* *Real Data Platform	Digital	¥500bn (medium- to long-term target)		3.4	9.2	11.b	SOMPO proposes a prosperous life for both people who support and people who are supported in an aging society by creating innovation based on facts and data.
			External sales and monetization of RDP products and services	Digital	More than two projects by the end of FY2023		3.4	9.2	11.b	

SDGs in Business Management: SOMPO Climate Action

With the adoption of the SDGs conclusion of the Paris Agreement in 2015, companies are increasingly expected to take concrete action to combat climate change. With this in mind, we have positioned “SDGs in business management” as part of our management foundation. We will also accelerate our “SOMPO Climate Action” program, which calls for us to “adapt to climate change,” “mitigate climate change,” and “contribute to societal transformation.”

Since the 1990s, the Group has been tackling global environmental issues in collaboration with a wide range of stakeholders. Through partnerships with stakeholders built up over many years, we will promote initiatives that emphasize environmental, economic, and social sustainability. Our aim is to realize a resilient, carbon-neutral society where people and nature are in harmony.



In 1992, SOMPO’s president at the time participated in the Rio Summit as the chairman of the Keidanren Committee on Nature Conservation. In the same year, we established the Department of Global Environment—the first for a Japanese financial institution—and have since been working on global environmental issues in collaboration with NPOs and other organizations. In 1997, we obtained ISO 14001 certification for environmental management systems (another first for a Japanese financial institution), and been working to “adapt to” and “mitigate” climate change.

We are also contributing to “societal transformation” by participating in sustainability promotion and rule-making organizations. Recently, we have been working hard to promote climate-related information disclosure in the insurance industry, including by developing methods for analyzing climate risks. For example, we joined the insurance pilot working group of the Task Force on Climate-related Financial Disclosures (TCFD), promoted by the United Nations Environment Programme Finance Initiative. We are also committed to the Science Based Targets (SBT) initiative, which aims to achieve the 1.5°C target of the Paris Agreement, and since September 2018 we have been the only domestic insurance group to participate in the Expert Advisory Group for the development of SBT guidelines for financial institutions. In December 2020, meanwhile, we joined the Business for Nature Strategic Advisory Group, which consolidates the opinions of industry and makes policy proposals to address the growing sense of crisis about biodiversity.

Through the SOMPO Climate Action initiative, we will help realize a resilient, inclusive, and sustainable society.

Response to Recommendations of the Task Force on Climate-related Financial Disclosures

Products & Service Partnerships

The Sompo Group supports the Task Force on Climate-related Financial Disclosures and is involved in a various initiatives to address climate change as well as highly transparent information disclosure.

The world has made a major transition toward a carbon-free society in an effort to achieve the goals of the Paris Agreement, an international agreement on climate change. Climate change affects the global environment in a number of ways, as well as having a major impact on the economy and society, including water and food security, employment, and disparities. We believe the holistic approach found in the SDGs to be important in tackling such a complex issue, like climate change.

The Group has set “Contributing to a greener society where the economy, society and environment are in harmony” as one of its materiality, key themes for realizing our purpose. In addition to the risk management know-how acquired by our insurance business, and the network with stakeholders we have gained through our environmental efforts over the past 30 years, we will develop a holistic approach to climate change through the SDGs management, which we set as the Group management foundation in our Mid-Term Management Plan.

Governance and Risk Management

The Group has established a risk control system based on the Group Basic Policy on ERM set by the Board of Directors, and has defined risks that may have a significant impact on the Group as Material Risks. The Group Chief Risk Officer (CRO) exhaustively identifies and assesses the risks facing each business, regularly reports the state of management to the Managerial Administrative Committee (MAC), the Board of Directors and other bodies, and verifies the effectiveness of countermeasures.

Climate change risks, such as the occurrence of greater-than-expected aggravated natural disasters as well as reputational damage and the impact on asset prices caused by the transition to a decarbonized society, are also Material Risks, and the Group’s executives are responsible for implementing countermeasures. The role of the Group Sustainable Management Committee, which consists of officers of Group companies and is chaired by the Group Chief Sustainability Officer (CSuO), is mainly to discuss measures to respond to opportunities based on materiality and report to the Managerial Administrative Committee (MAC) and the Board of Directors.

Addressing Climate Change Risks and Opportunities

Climate change brings not only risks such as the intensification of natural disasters, but also business opportunities such as changes in the industrial structure and new technological innovations caused by the transition to a decarbonized society. The Group is engaged in risk management in our P&C insurance business through stress tests and scenario analysis, and we are also working to provide products and services by considering the various changes associated with climate change to be business opportunities.

(1) Response to intensification of natural disasters

The Group’s P&C insurance business has inherent risks of being affected by the intensification of natural disasters resulting from climate change, and we are working on measures including analysis using climate scenarios.

We conduct stress tests for such risks as windstorms and floods and quantitatively assess the financial impact when stress scenarios that have a material impact on management become apparent, to verify the adequacy of capital and the effectiveness of risk mitigation measures.

Since 2018, we have been conducting large-scale analysis of typhoons and heavy rains using weather and climate big data from the Database for Policy Decision-making for Future Climate Change (d4PDF)*1. Based on this analysis, we are working to quantify changes in the average trends of natural catastrophes and trends in the occurrence of extreme weather events under climate conditions when temperatures rise by 2℃ and 4℃ over the medium-to-long-term.

In the future, we will continue to analyze the impact using the scenario analysis framework being examined by the Network for Greening the Financial System (NGFS), which studies financial supervision measures for climate change risks. The Group participates in the Task Force on Climate-related Financial Disclosures (TCFD) Insurance Working Group of the United Nations Environment Programme Finance Initiative (UNEP FI). We are also estimating the impact of typhoons using a quantitative model*2 based on the comprehensive guidance published by the working group in January 2021.

*1 The Database for Policy Decision-making for Future Climate Change was developed by the Program for Risk Information on Climate Change of the Japan’s Ministry of Education, Culture, Sports, Science and Technology. By utilizing a number of experimental examples (ensemble), future changes in extreme events such as typhoons and heavy rains can be evaluated stochastically and with higher accuracy, enabling more reliable conclusions to be drawn on the impact on future society of natural catastrophes caused by climate change.

*2 Model that captures the changes in the frequency and wind speed of typhoons between now and 2050 based on the RCP8.5 scenario of the Intergovernmental Panel on Climate Change (IPCC) and calculates changes in the frequency and amount of damage caused.

Estimate Results

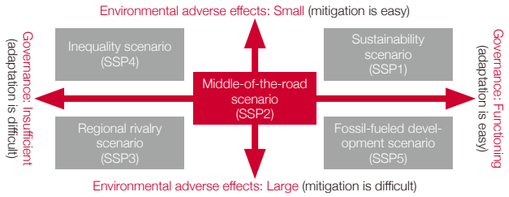
Frequency of typhoons	approx. -30% to +30%
Damage per typhoon	approx. +10% to +50%

Response to Recommendations of the Task Force on Climate-related Financial Disclosures

(2) Response to climate change business opportunities

In the Group's Mid-Term Management Plan, we state that we aim to realize a "carbon neutral society where people and nature are in harmony," through "adaptation" to and "mitigation" of climate change and "contribution to societal transformation," which are set as SOMPO Climate Action. We are undertaking various initiatives based on scenarios such as the IPCC's Shared Socioeconomic Pathways (SSP).

Shared Socioeconomic Pathways scenario categories



[Action 1] Initiatives to adapt to climate change

In the Regional Rivalry (SSP3) scenario in which there is a reliance on conventional fossil fuels, a failure to take adequate measures against climate change, and a slowdown in economic development, natural catastrophes become more severe, investment in infrastructure is insufficient, and social vulnerability increases. In such a society, the need to adapt to increase resilience to climate change is expected to increase. The Group is working to provide products and services that contribute to adaptation by utilizing the knowledge and know-how of our insurance and related businesses.

Expanding climate risk consulting business

Since 2018, Sompo Risk Management has been participating in the Japan's Ministry of Education, Culture, Sports, Science and Technology's Social Implementation Program on Climate Change Adaptation Technology (SI-CAT). The company utilizes a database that projects the climates that would result from global warming with temperature increases of 2ºC and 4ºC and exchanges opinions with research institutions. The company is also working to expand profits from its risk consulting business by using the know-how relating to natural catastrophe risk assessment models and the disclosure of climate-related information it has accumulated through such initiatives.

Agricultural insurance field initiatives

Sompo International, our core intermediate holding company in the overseas insurance business, launched AgriSompo, an integrated brand in the agricultural insurance field in 2017. AgriSompo is expanding its business to South America and Asia in addition to Europe and North America, thereby aiming to contribute to a sustainable food supply system.

In addition, following research and development conducted in collaboration with the Japan Bank for International Cooperation (JBIC) and other bodies, Sompo Japan and Sompo Risk Management launched weather index insurance in Southeast Asia in 2010. Following on from this, a product targeting Longan farmers in Thailand was launched in 2019 and a product targeting sugarcane farmers was launched in 2021. These products help reduce the risks associated with the need for farmers to adapt to natural disaster risks such as windstorms, floods and droughts. In 2015, it was certified as a Business Call to Action (BCtA)*3, as an initiative to achieve both business activities and sustainable development.

*3 Initiative led by the United Nations Development Programme (UNDP) that aims to promote the establishment of business models that achieve both business activities and sustainable development.

[Action 2] Initiatives to mitigate climate change

In Sustainability (SSP1) scenario, which harmonizes the environment and the economy, a certain level of economic development underpins the effective implementation of climate action, renewable energy and new technological development progresses, and new insurance needs are expected to increase. The Group advances initiatives to reduce its greenhouse gas emissions and contribute to mitigation of climate change by encouraging switching to and expanding the use of renewable energy.

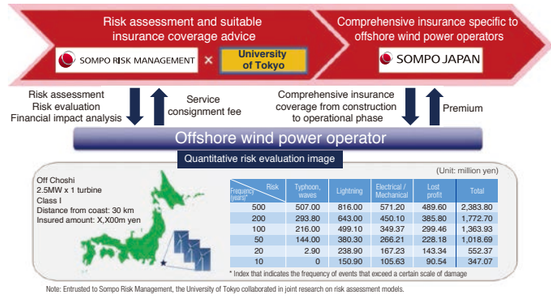
Group initiatives to achieve net zero greenhouse gas emissions

In April 2021, we announced a greenhouse gas emission reduction policy, which aims to achieve net zero by 2050. We are working toward a goal of 60% reduction in 2030 (compared to 2017) by promoting measures such as switching to renewable energy as a source of electricity used by the Group. We are also undertaking initiatives to reduce emissions in collaboration with stakeholders, aiming for net zero emissions in the value chain, including at investment portfolio companies.

ONE SOMPO WIND Services for wind power generation companies

In addition to providing P&C insurance products, we capitalize on the know-how acquired through joint research with universities, research institutions, and other stakeholders to roll out a risk management service that comprehensively covers the value chains of wind power generation businesses. The service targets all phases of wind power generation projects, from project formation and operational start-up through to subsequent removal or replacement.

ONE SOMPO WIND Service



Note: Entrusted to Sompo Risk Management, the University of Tokyo collaborated in joint research on risk assessment models.

[Action 3] Contribution to societal transformation

Identifying businesses and sectors that adversely affect the environment and society to utilize the results in insuring, investing and financing

The Group identifies businesses and sectors that may adversely affect the environment and society through the destruction of nature and human rights violations, and is building a database through dialogue with stakeholders and our own unique analysis for use in insuring and in investment and financing decisions.

Insuring, investment and financing restriction policy for coal-fired power plants (first among P&C insurance companies in Japan)

In September 2020, Sompo Japan announced that it would be the first P&C insurance company in Japan not to insure, invest or finance the construction of new coal-fired power plants, which are feared to accelerate climate change. We believe dialogue with stakeholders to be an important opportunity to develop the Group's business and so, going forward, we will continue to grasp the expectations and demands on the Group through such dialogue, and contribute to societal transformation by promoting initiatives to decarbonize the industry.

ESG initiatives by Sompo Asset Management

Sompo Asset Management participates in Climate Action 100+, an initiative led by institutional investors that collaboratively promotes engagement activities, and actively encourages investment portfolio companies to reduce greenhouse gas emissions and prepare long-term plans. In September 2017, the company became a signatory to the Montréal Carbon Pledge, which is overseen by the Principles for Responsible Investment (PRI). The company regularly calculates and discloses greenhouse gas emissions per 10,000 beneficial interest units of the Japan Value Equity Sustainable fund, which is focused on long-term investment, overall fund emissions and the weighted average carbon intensity of the fund.

■ Thirty years of environmental education initiatives

Since establishing the Global Environmental Department in 1992, the Group has understood the importance of spontaneous action by individuals to address climate change and other global environmental issues, and we are continuously working to develop environmental personnel through collaboration with civil society organizations.

Response to Recommendations of the Task Force on Climate-related Financial Disclosures

Metrics and Targets

The Group has set the following KPIs to assess ongoing efforts to “contribute to a greener society where the economy, society and environment are in harmony.”

■ Greenhouse gas emissions reduction rate (scopes 1, 2 and 3)

Reduction in FY2020 : **15.2**%*1
Target for FY2030 : **60**%
Target for FY2050 : Net **zero** (including at the investment portfolio)

■ Efforts to reduce emissions in the value chain

Reduction in paper use in FY2020 : **25**%*1
Reduction in business travel in FY2020 : **70.7**%*1

■ Renewable energy introduction rate

Target for FY2030 : **70**%+
Target for FY2050 : **100**%

■ No. of participants in environmental education programs

Participants as of end of FY2020 : **77,080***2
Target for FY2021 : **11,500**

■ No. of engagements with investment portfolio companies

Increase compared to FY2020

*1 Compared to FY2017
*2 Cumulative total of the number of participants in the SAVE JAPAN Project (a conservation project to save rare species in Japan) and Public Seminars on the Environment.

Initiatives towards Biodiversity and Nature Risks

Risk overview and assessment

In the Global Risks Report 2021 (16th Edition) published by the World Economic Forum in January 2021, biodiversity loss was listed among the five risks with the highest likelihood and impact in the next 10 years.

In the global community, the “Taskforce on Nature-related Financial Disclosures (TNFD)” to consider the framework for assessing, managing and reporting the company’s dependence and impact on nature is being discussed led by four organizations, namely, United Nations Environment Programme Finance Initiative (UNEP FI), the United Nations Development Programme (UNDP), Global Canopy, and World Wildlife Fund (WWF), and the framework and guidelines for disclosure related to nature and biodiversity will be published by the end of 2022.

Since biodiversity affects food and water supply, climate stability, etc. and its loss may accelerate future climate change, there is a heightened sense of urgency also from an economic perspective. We classify biodiversity-related risks as “emerging risks” that can have a significant impact on the Group. In terms of business opportunities, it is possible to provide new property/liability insurance and consulting services against threats that have adverse effects, and make ESG investment for species protection.

Biodiversity initiative

The Group has been working on global environmental issues, such as climate change, since the 1990s, and has been continuously involved with the “Save Japan Project,” a biodiversity conservation activity in collaboration with NPOs, since 2010. In September 2020, we announced a policy to protect and conserve natural sites registered under the Ramsar Convention and UNESCO World Heritage Convention, and encourage appropriate response to business partners and investors to enhance the sustainability of the Group. We identified businesses that have a negative impact on natural environment (businesses with high ESG risk) and conduct screening in insurance underwriting and investment/lending processes.

In January 2021, we joined the Strategic Advisory Group of Business for Nature, an organization that brings together the voice of the industries on biodiversity and makes advocacy proposals, as well as the Nature Action Project of World Business Council for Sustainable Development (WBCSD). We are strengthening our efforts on biodiversity through dialogue with various stakeholders. In the future, we will examine government policies related to biodiversity impacts, changes in consumer preferences, scenarios of the impact of stricter regulations, and opportunities for developing products and services that address these.

Leadership to Address Climate Change

Leadership through Various Initiatives

It is important that many stakeholders work collaboratively to address the challenges of climate change. As climate action is being discussed in numerous initiatives both in Japan and the world, we are making an effort to show leadership in such initiatives. Here we introduce some of our major activities.

Participation in CDP (Climate Change) and Support for TCFD

The CDP is a set of collaborative initiatives by the world’s institutional investors. It encourages businesses worldwide to adopt climate change strategies and disclose their GHG emissions. Sompo Japan has been a member since 2005 as an institutional investor. As a responding company, Sompo Holdings selected for the Climate A List as the highest rank in a CDP Climate Change from 2016 to 2019. For 2020, Sompo Holdings obtained “A-” score in a CDP Climate Change.

Following the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations Report published in June 2017, the Group declared support for TCFD and started participating in the TCFD insurance working group of the United Nations Environment Programme-Finance Initiative (UNEP-FI) to formulate TCFD standards for the insurance sector.

Paris Agreement: Participation in Initiatives to Achieve 2ºC Target

In 2017, we took part in an initiative led by the Ministry of the Environment, Japan aiming to set Science Based Targets (SBT). In 2018, we submitted a letter of commitment to the SBTi (international initiative that certifies companies that set ambitious targets consistent with the Paris Agreement) and declared our participation in the drafting of financial sector guidance*. In fiscal year 2018, we set new mid- to long-term GHG emission reduction targets for 2030 and 2050 in line with the levels recommended by the SBTi.

* Guidance on SBT for the financial sector is currently being developed thus it is not yet possible for financial institutions to be certified by SBTi. (As of July 2018)

In July 2018, the Japan Climate Initiative network was established to enhance information dissemination and the exchange of opinions among corporations, local governments, and civil society organizations actively taking measures to combat climate change. We endorse the purpose of this initiative and are participating as a founding member.

Caring for Climate

Caring for Climate is an initiative established by the United Nations Global Compact (UNGC), the United Nations Environment Programme (UNEP), and the United Nations Framework Convention on Climate Change (UNFCCC) to advance the role of business in addressing climate change. Masao Seki, Senior Advisor on CSR at Sompo Japan, is a member of the steering committee.

The Conference of the Parties (COP)

In November 2016, the 22nd Session of the Conference of the Parties (COP22) to the United Nations Framework Convention on Climate Change was held in Marrakesh, Sompo Japan, spoke at a session of a side event organized by Japan’s Ministry of the Environment, focusing on Japanese corporations’ efforts for climate resilience. The company also participated in a High-Level Meeting on Climate Change organized by Caring for Climate during COP22, as a steering committee member. In November 2017, at a side event organized by the Japan International cooperation Agency (JICA) at the COP23 held in Bonn, Germany, Sompo Risk Management gave a presentation on Private Sector Perspective on Agricultural Insurance.

In November 2018, Masaya Futamiya, Director Chairman of Sompo Japan participated in Global Business and Biodiversity Forum held in advance of COP14 and gave a presentation on the revision of Declaration of Biodiversity by Keidanren and a progress status of the “mainstreaming of biodiversity” in the Japanese business sector as a Chairman of Keidanren Committee on Nature Conservation. He also held dialogs with representatives from organizations that have a great effect on promoting global nature conservation.



Speech at “Global Business and Biodiversity Forum”

Addressing ESG Issues in Sompo Group Business Operations

As a solutions provider, the Sompo Group is committed to providing products and services that promote security, health and wellbeing as part of the global effort to create a resilient, sustainable society. Our policies, including the Group Sustainability Vision, put climate change, human rights and local communities at the heart of our business processes as we integrate environmental, social and governance (ESG) considerations into our investment, lending and insurance underwriting activities.

Sompo Japan was one of the initial signatories to the UN Principles for Responsible Investment (PRI) and the first Japanese insurance company to sign it when the initiative was launched in 2006; Sompo Asset Management followed suit in 2012. Sompo Japan also participated in the drafting of the UN Principles for Sustainable Insurance (PSI) and became a signatory at its official launch at the United Nations Conference on Sustainable Development (Rio+20) held in Rio de Janeiro, Brazil, in June 2016, declaring the company's commitment to promoting the Principles.

Guided by these international principles, the Sompo Group is committed to the creation of a resilient, sustainable society through the advancement of ESG-integrated investment, lending and insurance underwriting.

ESG Risk Management System

The Sompo Group is developing a more sophisticated system of ESG-related risk management. Risks that can have a significant impact on the Group are defined as our material risks, and risks related to climate change are defined as material risks. Risks related to climate change include risks such as storm and flood damage of an unforeseen scale due to climate change, risks such as reputational damage as a result of not taking appropriate actions in light of the increasing social demands on companies regarding environmental and human rights issues, and risks such as asset devaluation resulting from the transition to a low-carbon society.

Our Sustainable Management Committee, chaired by the Group COO and attended by the officers of the Group companies, along with its sub-groups, review and discuss issues of importance in our underwriting, investment and lending operations. We also engage with our stakeholders to collect information and exchange views in order to embed ESG factors into our business processes and address ESG risks.

Responsible Investment and Lending

As a responsible institutional investor, Sompo Japan takes account of the investee companies' ESG actions in investment and financing decisions. The company prioritize environment-friendly renewable power generation projects as part of our effort to drive greenhouse gas reduction and transition to a carbon neutral society. As a signatory to the PRI, the company actively engages in responsible investment across asset classes, including listed equities and fixed-income asset management.

Sompo Asset Management is guided by its Responsible Investment Policy, which sets out its social responsibility as an institutional investor and the code of conduct. In active asset management, where the aim is to generate medium- to long-term investment returns, the company pays close attention to non-financial information such as ESG performance as well as financial data. ESG is integrated into our asset management process through the continuous monitoring of corporate ESG data and holistic assessment of asset value.

In order to facilitate access for Japanese investors to overseas assets, Sompo Asset Management offers products provided by leading asset managers from around the world. When introducing such third-party products, Sompo Asset Management conduct our own due diligence assessments, which look at the provider's ESG and stewardship policies and systems as well as the status of their implementation, with regular reviews afterwards. The product assessment uses a four-level scale (A+, A, B and C), measuring factors such as the asset managers' commitment to responsible and ESG investing, their approach to ESG in the product's asset management process, and their proxy voting system as well as voting records. Only the products that have achieved grade A and higher are recognized as ESG investment products and, as of the end of March 2021, around 80% of the third-party products are recognized as ESG investments. In addition, more than 90% of the external asset managers (based on investment balance) are PRI signatories. Examples of Sompo Asset Management's engagement with external asset managers include a case of a non-PRI signatory, where our dialogue led to the company to sign the PRI. In another case, Sompo Asset Management was able to share information previously undisclosed by the asset manager, such as proxy voting records and the guidelines and organizational framework for responsible investment, to achieve the standard of reporting expected in ESG investment and required by asset owners engaged in stewardship activities.

Responsible Insurance Underwriting

As a responsible insurer, The Sompo Group ensures that ESG factors are considered in its insurance underwriting decisions.

Policy for Coal-fired Power Plant

The Sompo Group will not insure or invest in new construction of coal-fired power plant, except for projects for which underwriting, investment and financing has already been expressed. In the case of a power generation with power efficiency exceeding the certain level in accordance with the energy strategy of each country and region, it might consider to insure or invest with a careful thought confirming measures to reduce environmental impact, such as reduction of greenhouse gas emissions and alternative means.

Sensitive Projects and Sectors

The Sustainable Management Committee, chaired by the Group Chief Sustainability Officer (CSuO) and hosted by the Sustainable Management Office SOMPO Holdings, discusses the reduction of ESG risks and the identification of opportunities to promote initiatives for the group.

As shown in the table below, Sompo Japan identifies businesses and sectors that require attention with respect to underwriting and financing that may have a negative impact on the environment and society.

Investing and financing

As for investment and financing that may have a negative impact on the environment and society, in addition to the cluster bomb manufacturers that prohibit investment and financing, the company identifies the projects as shown in the table below, evaluates the risks, and responds appropriately.

Insurance underwriting

For insurance underwriting, Sompo Japan prohibits "Anti Social" corporations and persons, which threatens the order of civil society and the safety of citizens.

The company also identifies projects which have potentially negative environmental or social impact, evaluates their impact on the environmental and society, and takes an appropriate approach.

As necessary, the Sustainable Management Office of SOMPO Holdings discusses with the sales department and underwriting department on matters to be addressed from the perspective of ESG.

List of Sensitive Projects/Sectors

Category	Related to
Environment	■ **Projects with negative impact on UNESCO World Heritage Sites** ■ **Projects with negative impact on Ramsar-listed wetlands** ■ **Coal-fired power generation with excessive environmental impact** ■ **Coal mining projects with excessive environmental impact**
Social	■ **Human rights violations** Projects on Child labor and Forced labor ■ **Inhumane weapons** Nuclear, biological or chemical weapons, anti-personnel mines and other inhumane weapons.

Engagement

(1) Investees

Sompo Asset Management engages with investee companies as part of its stewardship responsibilities. Analysts and fund managers build relationships with existing and potential investee companies through which regular dialogue can be maintained. The focus of our dialogue is to understand their intrinsic value from a medium- to long-term point of view, which forms the basis for our investment decisions, and we strive to understand the investees' processes of creating and distributing added value from which their intrinsic value is derived. ESG considerations are integrated into our asset management process to facilitate dialogue on ESG. In fiscal 2020, around 700 companies were selected as potential investees and, through our analysts' research activities, 2,564 engagement opportunities were provided (of which 607 were individual dialogue and 1,957 were participation in briefings).

(2) Business Partners/ Equity Ownership

Sompo Japan also engages with business partner companies on ESG as well as management strategy and business risks. Sectors and companies highly exposed to ESG risks are identified, and engagement efforts are made to encourage risk reduction. Sompo Japan supports Japan's Stewardship Code: Principles for Responsible Institutional Investors and engages in constructive dialogue with investee companies as part of its stewardship responsibilities to enhance investees' corporate value, prevent impairment and promote sustainable growth. Between July 2018 and June 2019, companies were selected for engagement activities based on a holistic review of factors such as the market value of holdings, proportion of voting rights, financial results, ROE, dividend payout ratio and ESG/ SDG initiatives. Some examples of our ESG engagement work are given below:

Environmental

The company engaged in the dialogue with Company C on their environmental initiatives. The company learned that they had embarked on a number of environmental initiatives including a green power purchase agreement with a biomass power plant and the use of power derived from renewable energy in their processes. The company also discussed further environmental efforts to be made.

Environmental

The company engaged in the dialogue with Bank D. The company learned of their environmental initiatives, which included the introduction of tablets to provide minutes of meetings and approval documents electronically, which cut down the use of paper by 30%; the private placement of an eco bond; and the offering of preferential interest rates to companies engaged in environment-friendly activities.

Social

The company engaged in the dialogue with Company E on their SDG initiatives. The company found out that their

efforts focused on the environment, next generation and local communities, and that they had a plan to take their business succession-related business, one of their next-generation offerings, to profitability.

Governance

The company engaged in the dialogue with Company F on empowering outside directors to play their expected role. The company learned that they have been active in their effort to address the asymmetry of information, hosting workshops to help outside directors understand their industry sector better, joining inspection visits, and providing detailed reports on meetings between officers.

Proxy voting

Sompo Asset Management has drawn up proxy voting guidelines, which set out the objectives of the guidelines, basic policy on proxy voting, guidelines for individual resolutions and operational framework for proxy voting.

Sompo Japan is guided by its own proxy voting standard for the exercise of its voting rights. Proxy voting is an important opportunity to support the sustainable growth of investee companies, and voting decisions are made by holistically looking at factors such as the state of corporate governance, compliance system and environmental actions.

Where a resolution requires particularly careful consideration, a thorough investigation is conducted, including requesting the investee companies to explain the objective and background of the resolution, in order to arrive at a decision.

* For details of our proxy voting actions between July 2018 and June 2019, see Proxy Voting Status: (https://www.sompo-japan.co.jp/company/stewardship/report/ , Japanese only)

The following are examples of resolutions the company voted against:

- Governance: payment of retirement bonuses to outside company auditors
  Company G pays retirement bonuses to its outside company auditors. The company communicated our concern that the expectation of bonus payments makes it difficult for auditors to criticize the management. As the company responded that there was no plan to abolish the practice, the company voted against the resolution.
- Governance: effectiveness of board of directors
  Company H has less than two outside board directors and, since last year, the company has been asking for an increase in the number of independent board members to improve governance. However, company H did not increase the number and showed no intention to do so. As a result, the company voted against the reappointment of its representative director.

Since 2020, Sompo Japan has engaged listed companies in industries with high greenhouse gas emissions and industries closely related to ESG issues (Gas, electricity, food, land transportation, fisheries, agriculture and forestry, transportation equipment, iron and steel, shipping, air transportation, etc.), such as supply chain management that includes environmental and human rights issues. The selection of individual stocks takes into account market capitalization, Climate Action 100 + engagement list, regionality, etc. In the engagement process, in addition to confirming whether or not there is a sustainability related policy, the company plans to hold hearings based on the 4 elements of TCFD, and hold dialogues regarding the establishment of GHG reduction methods and reduction targets.

The Sompo Japan Green Open fund, one of Sompo Asset Management's environmental funds for individual investors, invests in companies that are highly rated for their environmental actions and for their investment value. With a net asset balance of 27 billion yen as at the end of March 2021, it is one of the largest ESG funds in Japan. Adding to this, Sompo Asset Management also manages ESG funds for institutional investors such as the Sustainable Fund and Green Fund as well as the SRI fund for individual investors, with a total net asset balance at the end of March 2021 of 186 billion yen.

ESG investment

As part of ESG investment, Sompo Japan is investing in green bond and social bonds. The company will continue to invest in green bonds and social bonds in order to promote the reduction of greenhouse gases and the transition to a carbon neutral society, to achieve economic and social development in developing regions, and to contribute to environmental consideration and solving social issues from a long-term perspective.

* Green bonds are bonds issued on the assumption that the funds raised will be used for environmental measures such as greenhouse gas reduction. Social bonds are bonds issued on the assumption that the funds raised will be used to address social issues, such as developing basic infrastructure and improving access to social services.

ESG-related insurance products

For customers of our automobile insurance policies, Sompo Japan provides services to support safe driving, helping to reduce the number of traffic accidents. These include "Smiling Road," a safe driving support service for companies; "Portable Smiling Road," a safe driving app for individual drivers; and "DRIVING!," a telematics-based service using a drive recorder for older drivers. Our "Eco Car Discount Policy" offers discounted insurance premiums for environment-friendly vehicles such as hybrid and electric cars. The company has introduced web-based systems allowing customers to view insurance policies and insurance clauses online. The company also promotes the use of recycled products to fix cars damaged in traffic accidents, such as using reusable parts recovered from scrapped cars.

Major ESG-related Insurance Products

Insurance Category		Overview	Premiums written (100million JPY)	% of total Premium written in respective category
1	Products that reduce the environmental impact and facilitate the transition to a low-carbon society (eco-friendly discounts, etc.)	Insurance products that offer eco-friendly car discounts or safe driving support services	10,898	Approx. 51%
2	Products that reduce environmental impact and conserve biodiversity	Insurance products that allocate the reduced cost of paper to collaborative projects with NGOs that conserve biodiversity when customers choose the Web-based policy conditions *1	5,080*2	Approx. 71%
3	Products that contribute to addressing social challenges in the digital society	A small-amount short-term insurance product that has legal advice services attached and contributes to addressing social challenges, such as cyberbullying of children with smartphones and billing troubles.	0.61	100%

*1 We promoted the use of web-based policy conditions by cooperating with customers and agencies, and contributed to the reduction of paper of 624.1 tCO_2 in FY2020.
*2 Estimated using the average unit cost of insurance premiums per product.

Insurance underwriting

Weather indexed insurance

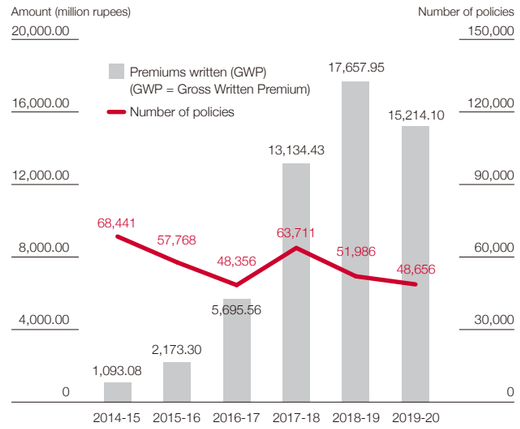
Weather index insurance is an insurance product that pays out a contractually predetermined insurance amount when a weather index – such as temperature, wind speed, rainfall, or hours of sunshine – fulfills certain conditions. Utilizing risk assessment technology of SOMPO Risk Management and know-how generated by AgriSompo*, we have been providing the Weather Index Insurance aiming at reducing agricultural business risks associated with extreme weather in Southeast Asian countries, where agriculture is a key industry that is vulnerable to climate change.

* Sompo International Holdings (SIH) is developing AgriSompo, an integrated platform on the global market, and provides a wide range of insurance and reinsurance products to agriculture markets, mainly in North America and Europe.

Microinsurance

In developing countries, access to basic financial services like insurance and banking is an issue for many people. By offering microinsurance services, we are helping to address growing social needs and contributing to sustainable community development. For example, we are expanding our provision of microinsurance services including agricultural insurance in India.

Past results (premiums written, number of policies)



Respect for Human Dignity and Rights

Respecting Human Rights

As is evident from the inclusion of human rights as one of the seven core issues cited in the ISO 26000 international standards on social responsibility (published November 2010), corporate activities relating to human rights promotion have become the global norm.

In October 2016, we amended our Group Policy for Human Rights to reflect public concerns about diversity, persons with disabilities, and LGBT issues, where we declare our commitment to respect human rights of all stakeholders. In June 2019, we amended the policy to clearly commit our human rights expectations/demands for suppliers and business partners and human rights due diligence.

Sompo Japan has also established the Human Rights Promotion Headquarters. This allows us to involve management in prompt, centralized decision-making on various issues, including human rights training for employees. Through this organization, they deploy a cross-functional and systematic measures aimed at promoting basic code of conduct on human rights issues at each workplace.

They have also introduced a hot line as a contact point for employees in all offices and accept inquiries by telephone, e-mail, or by letter. CSR seminars (environment, social contribution, human rights) are also implemented for all employees and workplaces every year with the aim of promoting employees' understanding of human rights and creating a motivating, comfortable, and dynamic work environment.

Human Rights Risk Identification and Mitigation

Our human rights due diligence process is implemented systematically and continuously based on our Enterprise Risk Management (ERM) and CSR Management System.

Since FY2018, the company-wide risk assessments performed by related departments and Group companies have covered human rights risks, in addition to labor-related risks. We use these risk assessment results to identify risks in our operations that could have an adverse impact on human rights.

Our human rights due diligence process is also incorporated into our group-wide CSR Management System. More detailed risk identification, drafting an annual CSR action plan and conducting half-year and full-year reviews are carried out through a bottom-up approach by related departments and group companies.

Human Rights Risk Identification and Evaluation

We identify potential impacts and risks related to human rights for all businesses (Domestic P&C Insurance, Overseas Insurance Business, Domestic Life Insurance Business, Nursing Care & Healthcare Business, and other Strategic Businesses) and business processes through the entire value chain. In identifying human rights risks, we use various international guidelines such as the UNEP FI Human Rights Guidance Tool for the Financial Sector, and the CSR procurement self-assessment questionnaire published by the UN Global Compact Network Japan.

In FY2020 we carried out a risk evaluation on human rights based upon the two axes "Human rights impact (severity, number affected, and likelihood of remediation)" and the "Connection to company."

Results of the Assessment – Human Rights Risk Mapping



Mitigating Human Rights Risks

From the midst of FY2019 to the end of FY2020, we are taking the following actions for mitigating human rights risks to address the issues identified in the assessment in FY2019.

Material issues	Target stakeholders	Business
Employee health and safety	Employees	All businesses
Long working hours	Employees, workers in supply chain	All businesses
Unsuitable wages and employee benefits	Employees, workers in supply chain	All businesses
Inhumane treatment (including harassment) of employees and others	Employees	All businesses
Inappropriate disclosure of employee and customer private data, Privacy violations	Employees, customers	All businesses
Discrimination related to products and services and other human rights violations	Customers	Nursing care business
Safety of products and services	Customers	Nursing care business

With regard to the human rights risks of "Long working hours" identified in FY2019's risk assessment, in FY2020, mitigation measures have taken under the framework of the CSR management system. After detecting this risk on each department and company, covering approximately 87.7% out of all employees, organizations worked on mitigation measures in the Action Plan. Of these, 43.6% of organization showed improvement through the use of the system of telecommuting/flextime as well as the reduction of overtime work through zero-based work review.

The Sompo Group Compliance Code of Conduct clearly states that all forms of harassment are prohibited, and we are implementing measures such as training on this issue. The "Rules of Employment" was revised in 2020 to set out that conduct falling within or suspected to be power harassment/sexual harassment is prohibited, and to clearly specify that conduct falling within or suspected to be harassment related to pregnancy, childbirth, childcare leave, nursing care leave, etc. is prohibited. In case of incident occurred, effective remedial action has been taken. We aim to improve the quality and availability of protection mechanisms to minimise the risks of the related incident of inhumane treatment including harassment.

<Our Zero-Tolerance Policing>

Complying with our "Group Human Rights Policy," in all facets of labour practices, we will not discriminate on the basis of race, color, ethnic origin, religion, creed, nationality, birthplace, social status, descent, gender, sexual orientation, gender identity, sexual expression, pregnancy, marital status, age, disability or any other status.

The Group has established a Compliance Hotline operated by a third-party body as an internal whistleblowing contact point for the entire Group. We are striving to increase its effectiveness by making the entire Group aware of this contact point and the rules of the whistleblowing system, including the prohibition on treating whistleblowers unfavorably. Since 2019, the company has also been a registered operator of the Self-Conformance Declaration of the Whistleblowing Compliance Management System Certification (WCMS Certification) operated by Consumer Affairs Agency, and is working to expand the scope of cases and protect whistleblowers.

<Measures to Mitigate Human Rights Risks through Insurance Underwriting and Investment/Loan>

Sompo Japan is working to reduce human rights risks through its financial functions. Since October 2020, we have held dialogues with civil society (NGOs, etc.), experts, and experts, accurately grasping the expectations and requests of stakeholders, and utilizing them in the management of each business including insurance underwriting and investment and financing. We identify businesses that engage in child labor and forced labor as having a negative impact on society and respond carefully.

Sustainability Promotion Structure

Policy

Sompo Group has established following policies including the “Group Sustainability Vision” and the Group as a whole implements various initiatives to fulfill its corporate social responsibility.

Group Sustainability Vision

We, the Sompo 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 and inclusion” in the course of our business operations in a transparent, fair and open manner.

By constantly maintaining a long-term outlook, and by providing services and products that contribute to security, health, and wellbeing, we will strive as a solutions provider to promote the realization of a resilient and sustainable society.

Group Environmental Policy

We, the Sompo Group will contribute to developing a resilient, inclusive and sustainable society so that future generations can inherit our irreplaceable Earth, by addressing environmental issues in the course of our core business operations and working proactively to resolve environmental issues through active dialogue and engagement with stakeholders.

< Action Guidelines >

1. Providing products and services to make a more resilient society
   We will provide products and services that increase preparedness against the risk of natural catastrophes in order to contribute to adapting to climate change, building a low carbon society, conserving biodiversity and promoting stakeholders’ eco-consciousness.
2. Promoting resource conservation through the entire value chain
   We will assess the environmental impact of our business including the emission of waste and comply with environmental laws and regulations. We will promote resources and energy conservation as well as recycling activities throughout the entire value chain by cooperating with various stakeholders.
3. Raising awareness of environmental issues and corporate citizenship
   We will broadly promote environmental education and awareness of environmental conservation by providing environmental information with the unique aspect of a global group engaged in a wide range of business centering on insurance. Furthermore, we will proactively encourage our employees’ individual voluntary efforts as a global citizen to conserve the environment through involving in the local community. To enable continuous improvements, we will periodically review the above-mentioned activities to reflect our environmental objectives and targets.

Group Policy for Human Rights

We, the Sompo Group pledge to respect human rights of our all stakeholders in global markets including our group and all value chains. We will respect the international norms of behavior*, and simultaneously act with the highest ethical standards towards an inclusive, resilient, equitable and sustainable society.

Based on the perspectives set out below, we will address the human rights impacts of our activities while communicating with our stakeholders, establish an effective company approach and act, and continuously improve our approach and information disclose. We respect human dignity as the foundation of universal human rights.

* International norms of behavior refers to the guidelines on human rights including the Universal Declaration of Human Rights, International Covenants on Human Rights (International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights), ILO International Labor Standards, The United Nations Guiding Principles on Business and Human Rights known as “Ruggie Framework,” Sustainable Development Goals, The United Nations Global Compact, Women’s Empowerment Principles (WEPs), The OECD Guidelines for Multinational Enterprises and ISO26000.

1. Respecting human rights of stakeholders
   We will respect human rights of all stakeholders associated with our global business activities, including customers and suppliers. We will avoid, prevent or mitigate indirect adverse impact on human rights of our stakeholders. Should there be any abuse of human rights, we will address it promptly and adequately.
2. Respecting human rights of employees
   In all facets of labour practices, we will not discriminate on the basis of race, color, ethnic origin, religion, creed, nationality, birthplace, social status, descent, gender, sexual orientation, gender identity, sexual expression, pregnancy, marital status, age, disability or any other status. We, as a company, will take a global perspective, recognize individuality and diversity(Diversity and Inclusion), respect every employee’s challenging spirit and speedy action, and ensure a dynamic working environment by maintaining and promoting every employee’s health.
3. Promotion of human rights in global markets
   We will comply with the laws and regulations of the countries and regions where our business operations and value chains are based. At the same time, we will conduct our business by taking into consideration the local culture and customs, as well as the environment and society in accordance with the expectations of stakeholders, and take into account local human rights issues. We will conduct the highly transparent business and contribute toward economic and social development and creation of social values of local communities.
4. Expectations for suppliers and business partners
   Our requirement for suppliers, business partners and other stakeholders is to respect human rights based upon the international norms of behavior. In the event that we identify any adverse impacts of human rights, we will encourage them to take appropriate measures through engagement such as dialogue and consultation.
5. Human rights due diligence
   We will continuously establish a system of human rights due diligence to identify and assess any actual or potential human rights risk in order to prevent or mitigate these adverse impacts on human rights Sompo Group may cause or contribute to.

This policy does not necessarily replace local laws and regulations. We will actively engage in this policy while complying with local laws and regulations.

Group Sustainable Procurement Policy

Sompo Holdings strives to maximize its beneficial impacts on the environment, society, and economy through procurement processes aligned with the following sustainability principles:

1. Fair and equal transactions
   We will conduct fair and equal transactions with all suppliers by engaging in anti-corruption efforts and by giving full consideration to quality, delivery time, economic feasibility, and social issues such as the environment and human rights.
2. Compliance with laws and regulations
   We will comply with all laws and related regulations in the countries and regions where we operate, and respect relevant social norms and their intent in our procurement practices. We will strictly manage the information obtained through our procurement activities.
3. Consideration of global issues
   We will collaborate with suppliers and other stakeholders to integrate sustainability into our value chain to maximize our contribution to climate change adaptation and mitigation, biodiversity conservation, and a circular economy; to tackle human rights issues in the global market, such as poverty and unequal opportunities for workers; and to promote better work-life balance and diversity and inclusion.

Corporate Citizenship Policy (Sompo Japan Nipponkoa)

Our company and its Group companies will make proactive contributions to society with the objective of resolving community and global social issues, while supporting individual employees’ voluntary efforts.

1. Corporate citizenship activities
   We will work proactively to realize a sustainable society for future generations in collaboration with various stakeholders, including NGOs/NPOs, civil society organizations and government, by focusing on three areas: the environment, welfare and fine arts, in which we have accumulated expertise and achievements.
2. Support for individual employees’ social contribution efforts
   We will support and encourage employees’ voluntary activities in contributing to society by developing human resources responsive to social issues.

Management System

Group-Wide Management (Group Sustainable Management Committee)

At Sompo Group, the Group Sustainable Management Committee (hereinafter “Committee”) comprised of the Group CSuO who is the Chief Officer overseeing the sustainability function as chairman and Executive Officers in charge of corporate planning and sustainability at Group companies, leads efforts to promote sustainable management at the Group level. Each company formulates its own SDGs Management Promotion Plan and utilizes its own new Mid-Term Management Plan and operational characteristics to achieve the “Materialities,” which are considered priority issues in realizing SOMPO’s Purpose. Based in that, SDGs management is implemented by setting KPIs and making action plans to achieve them, and by establishing promotional management positions, all while keeping in mind the social and economic values created by each company. The committee checks the progress of each Group company, identifies issues, and offers periodic summaries of results. In addition, the committee discusses policies on how to deal with sustainability issues such as climate change based on the diverse perspectives of each industry and company. The Committee is operated in a highly effective manner, such as discussing action plans and reporting these to the Board of Directors and Managerial Administrative Committee (MAC).



Special Dialogue: New Work Style to Achieve SOMPO's Purpose



Motoki Kato	Yohei Tomioka	Tomosuke Hirano
General Manager of Human Capital Department, Sompo Holdings, Inc.	CEO, THINK AND DIALOGUE CO., LTD.	General Manager of Sustainable Management Office and Corporate Planning Department, Sompo Holdings, Inc.

(Date of dialogue: July 29, 2021)

Overview of SOMPO's New Work Style

Mr.Kato: One of the three core strategies set out in our new mid-term management plan is new work style. This project is the largest in our 130-year history. We have two reasons for wanting to reform the way we work. The first is to make each employee feel motivated and happy in their work, and the second is to improve productivity. Innovating workstyles is the first step towards transforming our corporate culture, which supports the evolution of the Group, and will be a driving force in realizing SOMPO's Purpose. In addition to our transformation into "a theme park for security, health and wellbeing," we have been acutely aware of the need to transform our human resource collective. But we felt that it would be difficult to change our workstyles and organizational culture. Given this, I feel that COVID-19 has been a positive turning point for all employees to reevaluate not only the physical aspects of their job, such as location and time, but also the meaning and purpose of their work. We are working on two major new work style projects. The first relates to the ideal group of talent we are aiming to realize, and we are promoting a range of initiatives to instill our three core values: Mission-driven, Professionalism, and Diversity & Inclusion. For example, we are promoting a job-based employment system and learning to achieve self-directed career development. We are also clarifying each employee's life and work mission, and working to improve engagement and create an environment that turns diversity into power. The second relates to the digital work shift. We are implementing a personnel development program for all employees to improve their digital skills to promote digital transformation based on real data platforms. New work style is not just a personnel policy. It is also promoted as part of our management strategy together with the Office of Group CEO and the Sustainable Management Office.

Mr.Hirano: Sustainability should be the company's core value that is pursued as a major management issue. The new mid-term management plan newly establishes SOMPO's Purpose, as being "With a theme park for security, health and wellbeing, create a society in which every person can live a healthy, prosperous and happy life in one's own way." SOMPO's Purpose clearly defines the value we provide to society. Purpose-driven management, which aims to improve both our social and economic value through initiatives to achieve our purpose, is our approach to sustainability.

To achieve our purpose, it is imperative that we synchronize the SDGs in Business Management strategy, a Group's management foundation for realizing the purpose, with new work style that maximize the capabilities of the people that will act as the driving force.

Combining micro and macro perspectives is vital for reforming workstyles. This is the kind of relationship and cycle, where an individual's purpose and strengths (micro) act as a starting point, and the company or organization's purpose (macro) brings out the individual's strengths and converts them into the organization's strengths. The key here is for the company's and the individual's purposes to overlap. At SOMPO, the key lies in a mission-driven workstyle through MY Purpose and My Purpose 1-on-1 meetings, and these initiatives will form a platform for our purpose-driven management.

Mr.Tomioka: In regard to being the first step towards transforming corporate culture, I think Group CEO Sakurada's message that COVID-19 is an opportunity to reform SOMPO's corporate culture is the result of his well-thought-out ideas on how to change corporate culture and his firm determination to use the pandemic as a catalyst for change. At the same time, I believe that we have reached a pivotal moment. All Japanese companies, not just the Sompo Group, must invoke change.

Up until now, companies have focused on volume and speed in order to deliver goods and services to society. This has resulted in the creation of lifetime employment and other workstyle models that match such trends. However, as society has matured, these systems and models have become obsolete. From here on in, unless companies start to reconsider the purposes of their existence and businesses before embarking on next-generation innovation, they will eventually find it difficult to connect with employees, customers and society. The Sompo Group has been one of the first to embark on reforms from a human resources and management perspective, and this makes me feel that there is still hope for Japan.

Managers tend to have a clear sense of purpose and mission, yet they often tell me that they want to get their employees more involved and to take ownership of the company's mission. Many companies have verbalized their purpose and mission, and communicated them to their employees, but have not reached the point where their employees can take ownership of such purpose and mission in their daily work. It is difficult for a company's mission to take root in employees' daily work if they are simply given a mission put together by management or a corporate planning department. My opinion, which is in line with the mission-driven approach valued by Group CEO Sakurada, is that, unless employees spend time thinking about what motivates them in work and in life, it will likely be difficult for them to take ownership of and achieve the company's purpose.

MY Purpose and My Purpose 1-on-1

Mr.Kato: Let's move on to discuss MY Purpose and My Purpose 1-on-1. MY Mission puts your life mission into words. MY Mission is about looking back at your own past and reflecting on how you feel about past events in terms of WANT (intrinsic motivation), MUST (social obligation) and CAN (innate ability), and digging deeper into your intrinsic motivation to find your mission in life. The key is to be honest with yourself. We are also rolling out My Purpose 1-on-1 program using MY Mission to encourage Group employees to pursue their mission. My Purpose 1-on-1 meetings are held regularly between supervisors and employees to discuss the employees' MY Mission. Their aim is to help find the challenges that employees should take on through repeated dialogue where they respond to questions from their supervisors, culminating in them being able to practice a self-directed workstyle. We launched a My Purpose 1-on-1 training program in fiscal year 2020 for Sompo Holdings' general managers and section managers. The program is being rolled out at Group companies this fiscal year. The key is not to put together a MY Mission or to provide training, but to encourage as many employees as possible to be self-driven. These initiatives have no bearing on personnel evaluations.

Mr.Hirano: I first participated in My Purpose 1-on-1 training a year ago. Rather than being a personnel policy, I felt it to be a powerful approach that had the potential to become the framework for purpose-driven management. Reflecting on my past and identifying my mission made me realize the importance of doing something that motivates me, rather than feeling like I am being forced to work. It is easy to advocate for purpose-driven management and corporate culture change from a macro perspective, but realizing them will be difficult unless it is driven by the workforce. It is important to take a micro perspective in which each individual takes ownership of the company's purpose and strategies in order to realize that purpose. Employees are inspired to take action as the first step, and this then spreads to the entire organization to create a corporate culture and climate. My Purpose 1-on-1 is a group-wide initiative that links micro and macro perspectives in such a way. The Group is currently taking on a challenge of incorporating its purpose into individuals' lives through dialogue.

Mr.Tomioka: Last fiscal year, I worked with about 100 department and section managers at Sompo Holdings, and this fiscal year, I worked with about 200 general managers at Sompo Japan and about 270 managers at Sompo Himawari Life on the My Purpose 1-on-1 project. I had the impression that the corporate culture is ready to fully commit to purpose-driven management and mission-driven workstyles. This is one of the Sompo Group's greatest strengths, and it is not something that was created overnight. Its origins lie in the

organizational culture built up over the years by your people, who interact with customers and who believe that they exist for the sake of customers, society and people. The Sompo Group was established by people who share the mission-driven aspiration of its founders to protect the town and people where we live from fire. This aspiration has been handed down through the generations, resulting in mission-driven DNA being ingrained in every employee. This project fits well with this aspiration and provides an opportunity to develop it further. While many companies declare the purpose of their management, very few of them have firmly incorporated it into a system that really drives their business practices. I think that such purpose-driven business practices can be achieved only through conscientious mission-driven dialogues between supervisors and employees in their daily work.

For example, when I talk with Sompo Group employees about their MY Purpose, some of them mentioned experiences in which their health or the health of their family has been threatened, which had awakened them to their MY Mission in their work. Until now, perhaps due to the traditional society in which we live, employees have not really had the opportunity to talk about such personal experiences and their innermost thoughts in their daily work. People grow through various experiences, and those experiences help them to find their mission. Daily 1-on-1 conversations between supervisors and employees may result in employees' realizing that they have been suppressing their desire to be mission-driven, and grant them the freedom to be driven by their aspirations. The Sompo Group has now been taking on a magnificent challenge, namely to build up such a corporate culture throughout the Group.

Mr.Kato: This training made me keenly aware that many employees may have formative experiences. I am sure that many employees were skeptical when they embarked on this program. I imagine they doubted how much the program would help them improve their performance when they were already busy. However, as the program progressed, verbalizing their formative experiences enabled employees to release their thoughts and they started to empathize with the program, and it really took off. Corporate culture transformation must be people-driven. The program has been successful because it encouraged employees to empathize with why we needed to change and that such change was for the benefit of our customers and society.

Mr.Hirano: We held numerous My Purpose 1-on-1 workshops for employees and asked the participants to share their formative experiences and create a mission statement. Listening to their experiences, I was moved by their passionate stories and reminded of the potential of My Purpose 1-on-1. The aim of the initiative is not to create well-organized and clear mission statements, but for employees to realize their innermost thoughts by putting their thoughts into words as well as to connect this to their work and become able to talk about their own stories. The entire process is a lot of value and links to transforming corporate culture.

Mr.Tomioka: I think it is wonderful that not only general managers, but each and every employee can talk about their formative experiences and thoughts. Up until now, we have been driven by the single value, profit. The focus was on performance and numbers, and supervisors either did not know or had no opportunities to know what their employees wanted to achieve or about their inner aspirations. It is certainly true to say that, for now, it will be impossible to create both economic and social value unless management and dialogue focused on employee's innermost thoughts take place between supervisors and employees.

Mr.Hirano: To promote and expand this initiative not at SOMPO but throughout Japan, it is also important to demonstrate how improvements to employees' motivation and mindset will lead to future performance and corporate value. At SOMPO, we are trying to show how we can indicate our pre-financial value and link it to our economic value, brand and corporate value.

Mr.Kato: Looking back at the history of the Group, I do not think there have been many programs that generated so much excitement throughout the Group as these initiatives. I am keen to work on this project through to the end to see how much pre-financial value can actually be linked to corporate value.

Mr.Tomioka: For us, becoming aware of and facing our MY Purpose is the starting point, not the goal. To be frank, we have a tendency to try to live up to external expectations, and in that sense, we may not have yet reached the starting point of our own life. Until now, our social structure has not permitted us to question our mission and values. So many people are just now starting to ask themselves the question, "who am I and what is my purpose," which is the very starting point of their own life. I think that only after reaching this starting point can we really embark on our own life. Once the number of mission-driven people has increased and they have come together, their next step is to be vision-driven and to talk about what visions to set for the future. Visions of what people want to achieve will shape society in the future.

Management that balances economic and social value will be achieved when MY Mission of each employee at the Sompo Group leads on to their MY Vision, and then links to their MY Challenge in their current work. In the current age of no answers, it is essential to have role models who have achieved change. This in turn can lead to a new mindset in society as a whole, and the hope that our vision will be realized. I am convinced that this Sompo Group initiative will eventually change Japan.

Mr.Kato: We are receiving an increasing number of inquiries from the human resource departments of other companies about our My Purpose 1-on-1 program. I sense that people outside the company are able to identify with our initiatives, and I feel that our initiatives incorporate something that Japanese society as a whole has been looking for.

Mr.Tomioka: In talking with Sompo Group employees, I have discovered that they have started to discuss MY Purpose with each other without any prompting, and that they are very positive about these activities. This initiative fits in with the DNA and culture of the Sompo Group. What kind of culture do you think triggered its success?

Mr.Hirano: Various companies merged together to form SOMPO, resulting in the blending together of a number of different cultures. Moreover, we have always been credited as an enthusiastic company. But I do not think this initiative applies well to our Group only because of such background. Rather I feel that any company can successfully implement this initiative if they are serious about it.

Mr.Tomioka: The concepts of "sampo yoshi" (good for everyone), "aspirations" and "working hard for someone else" are rooted in the DNA of Japanese society. Although these concepts were suppressed by social structure during the periods of high economic growth, the original mindset is still at the heart of the Japanese people. In addition, as someone who provides support from the outside, I sense that there is a mindset unique to the P&C insurance industry and a DNA unique to the Sompo Group.



Mr.Hirano: I am sure employees have various motivations for working for a P&C insurance company, but there does seem to be a common theme, namely "great social significance." It is certainly true that people with this kind of awareness form the core of our workforce. The sampo yoshi concept is in step with Japan's culture and strengths, but up until now, it may have served as a paradigm to show that it is not good to put the "for my own good" concept on full display. From here on in, however, it will be important for employees to have a mindset that aims to connect and merge their purpose and mission with those of the company.

Mr.Kato: We feel that the younger generation has a new mindset, and we are concerned that young people will leave the workforce unless companies change. This is our last chance to change. Unless we change now, Japanese companies may not be able to survive.

Mr.Hirano: It is relatively easy to establish mindsets at start-ups, which are creating a new culture. However, my impression is that there are not many techniques available to change older, more traditional companies. If we can achieve such change, then we will have an enormous impact on society.

Mr.Tomioka: The Sompo Group's strength lies in its management team being mission-driven and working together as a team. On top of that, management has been steadily working to ensure that daily mission-driven dialogues take root throughout the organization, and the accumulation of such efforts will eventually lead to substantial change. I look forward to continuing to work with you to help the Sompo Group achieve its purpose. Thank you.





CAPITALS

SOMPO's various capital as a source of competitiveness

The source of the Group's competitiveness comes from the capital it has accumulated over its 130-year history. Based on a stable revenue base and the social trust, the Group has built good relationships with various stakeholders, and will continue to work proactively to improve its capital to foster the ability to change the future society with diverse talents and connections.

In addition, by combining our various accumulated capital, we aim to create unique value that only the Sompo Group can provide to realize our Purpose.





Sompo Group's various capital as a source of competitiveness

Social and relationship capital



The Sompo Group collaborates with partners such as agencies, corporations, local governments, universities, research institutions, NPOs, and NGOs to provide a variety of solutions to meet customer needs. We are also working toward fulfilling the SOMPO's Purpose by strengthening our brand through proactive communication.

Number of domestic bases
1,024

Overseas bases
28
countries/regions

Number of nursing facilities
1,013

Number of agencies
51,994

Key partner companies
Palantir, Tier IV, One Concern,
etc.

Key industry-academia collaborations
National Institute of Advanced Industrial Science and Technology (AIST), Keio University Institute for Advanced Biosciences, etc.

Number of partnered local governments
About 240
local governments
(as of February 28, 2021)

Number of partnered NPOs and NGOs
Over 330
organizations
(as of March 31, 2021)

Brand value[*1]
¥56.3
billion

Number of Davos Forums attended
6
meetings

*1 Based on a survey by Interbrand Japan, Inc.

* SDG targets strongly linked to the SOMPO Group's initiative are marked. The SOMPO Group will continuously review this in response to development of initiative, changes in social challenges.

Social and relationship capital initiatives

First in Industry: Launched Expense Insurance to Contribute to Reducing Food Loss

2.1 End hunger
12.5 Reduce waste generation
17.16 Multi-stakeholder partnership

Sompo Japan began offering insurance that compensates business for donating food by building a new system, in partnership with Second Harvest Japan, Japan's first food bank operator, to help reduce food loss by donating food that, for various reasons, has lost its market value despite still being edible.

Many food products are judged to have no market value for a variety of reasons due to accidents during transportation, despite there being no damage to the food itself. Meanwhile, food loss reduction, as one of the Sustainable Development Goals (SDGs), is a major challenge facing the food industry.

With this in mind, we developed an insurance product to encourage food companies to donate their food products that are judged to have lost their market value due to an accident during transportation to Second Harvest Japan by compensating the insured party for the costs involved in donating. We launched the product in November 2019. Food donated to Second Harvest Japan is passed on to low income families in need of assistance.

Jointly Developed Stable Procurement and Shipping Support and Insurance Services for Farm Produce Wholesalers and Intermediate Traders

8.10 Accessibility to insurance and financial services
12.3 Reduce food losses
13.1 Adapting to climate change
17.16 Multi-stakeholder partnership

Sompo Holdings, together with Sompo Japan, Sompo Risk Management and Nihon Unisys, is collaborating to develop a stable procurement and shipping support service and insurance product for those who act as wholesalers and intermediate traders of farm produce in the food chain.

The service is being developed by combining knowledge accumulated by each company relating to insurance underwriting and risk management services for weather risks, data system cooperation in the food chain and AI-based demand forecasting that uses data retained by the governments and private companies.

This service will support the timely matching by intermediate traders of harvest time in production areas and actual demand through the provision of relevant forecasts, and encourage both the production side and the demand side to optimize the balance between supply and demand.

Moreover, Sompo Japan assists intermediate traders in stabilizing their operations by providing insurance that compensates them for the cost of procuring alternative produce when they are unable to procure crops from the contracted farms due to abnormal weather or other unforeseen circumstances.

By providing this service, we aim to stabilize and optimize the entire food chain and contribute to the development of Japan's agriculture and food industries.

Doula Liability Insurance Program

3.1 Reduce the maternal mortality ratio
5.4 Recognizing childcare, nursing care, and housework
8.10 Accessibility to insurance and financial services
17.16 Multi-stakeholder partnership

In February 2013, Sompo Japan started to offer liability insurance for doulas in collaboration with the Japan Doula Association. The insurance program covers the cost of damages in the case where the insured doula (a professional who assists a woman before and just after childbirth) incurs a liability for damages under law as a result of an accident occurring in the course of their work.

In recent years, expectant mothers and mothers with young children have been finding it difficult to receive childcare support from their own family and others. This program was developed based on input from female employees who experienced such difficulties. On December 6, 2019, the Act for the Partial Revision of the Maternal and Child Health Act was announced, which is likely to increase the social demand for doulas. Sompo Japan intends to support such demand through this program.



A meeting held for the development of the program

Development and Supply of Disaster Preparedness and Mitigation System Using AI

11.b Disaster-resilient community development
13.1 Adapting to climate change
17.16 Multi-stakeholder partnership

Sompo Japan has concluded a business alliance with One Concern, Inc. and Weathernews Inc. to jointly develop a disaster preparedness and mitigation system using AI to enhance local disaster preparedness. As our first project, we are developing and testing a system for flood and earthquake damage prediction in Kumamoto City, Kumamoto, Japan. We aim to assist the development of a community resilient to disasters and provide services that contribute to the security, health, and wellbeing of local residents.

Background and outline

With the large number of major natural disasters in the past few years, there is a heightened need to develop new measures to address natural disasters, particularly given that disaster-related rules of experience and prediction methods amassed over the years have started to prove ineffective. In light of these conditions, in order to enhance local disaster preparedness capabilities, Sompo Japan has formed a business alliance with One Concern, a Silicon Valley (U.S.A.)-based startup specializing in disaster preparedness systems. The two companies have begun jointly deploying a disaster preparedness and mitigation system using advanced AI technology.

One Concern's mission is to minimize the damage caused by any disaster. Guided by this mission, One Concern provides disaster prediction and disaster preparedness and mitigation systems using cutting-edge technologies such as AI. In the U.S.A., such systems have already been adopted by local governments such as Los Angeles, San Francisco and Seattle.

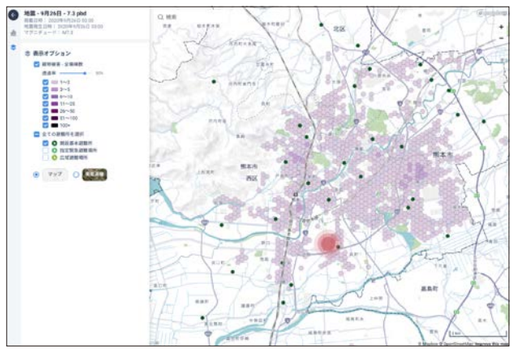
Sompo Japan, One Concern, and Weathernews have commenced verification tests for the development of an original, localized disaster preparedness and mitigation system for Japan in the city of Kumamoto, as their first project to enhance disaster preparedness capabilities in the country. The system, as the first of its kind in Japan, will perform advanced, precise simulations of damage caused by disasters by making effective use of information supplied by Weathernews—specifically, historical weather and weather prediction data unique to Japan. As a result, the system will facilitate the development of a city resilient to disasters and will support the lives of local residents by contributing to their security, health, and wellbeing.

Service details

The new system will enable accurate damage prediction services before, during and after natural disasters such as floods and earthquakes, and real-time monitoring of the status of damage, at the level of blocks (lots). To do so, the system will harness AI and various types of data related to local disaster preparedness, such as information on weather and buildings.



Damage prediction system for flood



Damage prediction system for earthquake

Moving forward

Following the verification tests from March 2019, Sompo Japan is aiming to develop a disaster prevention and mitigation system unique to Japan.

Sompo Japan, One Concern, and Weathernews will strengthen their activities by working closely with local governments to help realize "town development focused on disaster preparedness and mitigation" using the system. Looking ahead, Sompo Japan will evolve and enhance services that link the system and insurance products, as well as BCP consulting services that harness the expertise of Sompo Risk Management, which conducts the Sompo Holdings Group's risk consulting business. By doing so, Sompo Japan will provide the support needed to ensure that people have security, health and wellbeing in their daily lives.

SOMPO Dementia Support Program

3.4 Mental health and welfare promotion
5.4 Recognizing childcare, nursing care, and housework
8.10 Accessibility to insurance and financial services
17.16 Multi-stakeholder partnership

We are promoting the SOMPO Dementia Support Program throughout the Group under the slogan, "build a society that strives to prepare for dementia and enables people to continue living long and happy lives with dignity as individuals, even after being diagnosed with dementia."

1. First in the Industry: Egao Wo Mamoru Dementia Insurance

In October 2018, Sompo Himawari Life launched Egao Wo Mamoru Dementia Insurance (Dementia Insurance for protecting your smile), the industry's first insurhealth product that guarantees mild cognitive impairment (MCI).

The company offers a full range of support to customers by helping them to delay the onset and progression of dementia, along with responding to their nursing care needs. The services include the insurance functions that cover MCI and dementia with one-time payment; cognitive function checks and other services that help prevent cognitive impairment; a web-based service that provides basic information on dementia and dementia care; the SOMPO Egao Club dementia support service; and Sompo Care nursing care services to support customers when such care is required.

2. First in Industry: Oyako No Chikara Insurance to Prevent Employees from Leaving the Workforce

In an effort to address the social issue that more and more people are leaving the workforce in order to provide nursing care to aging parents, Sompo Japan became the first insurer to develop an insurance product, Oyako No Chikara, which helps working (adult) children caring for their parents achieve a better balance between work and family care responsibilities.

This product gives the insured party (adult children) with easy access to nursing care services while also providing insurance that covers the cost of nursing care paid for by children.

3. Long-Term Care Services Offered by Sompo Care

We acquired Watami no Kaigo Co. in December 2015 and Message Co. in March 2016, and integrated them with our group companies to form Sompo Care Inc. The company aims to serve customers in communities with a full range of high quality nursing care services, ranging from at-home care to facility-based care.

We listen to users and provide care based on observations of their health and living environment so that people with dementia can continue living with dignity as individuals. We aim to provide highly customized care, cooperating with medical institutions to review drugs, alleviate physical pain, and improve nutritional status, while using digital technology to grasp patient's sleeping patterns, toilet habits, and other activities.

4. Total Support Service for Dementia, SOMPO Egao Club

In October 2018, Prime Assistance launched an online service that checks cognitive capabilities, helps prevent cognitive decline, and provides basic knowledge on dementia and information on nursing care. This service can be used incidental to Sompo Japan's Oyako No Chikara and Sompo Himawari Life's Egao Wo Mamoru Dementia Insurance.

In addition, some functions of the service are available to non-members since August 2020.

5. SOMPO Smile Aging Program for Effective Control of Cognitive Decline

In 2020, under the supervision of Professor Miia Kivipelto of the Karolinska Institutet, who led the FINGER study,* and the National Center for Geriatrics and Gerontology, we developed the SOMPO Smile Aging Program, a program to help prevent cognitive decline by improving the lifestyle of older people. This program is the world's first nationwide FINGER study social implementation program approved by Professor Kivipelto.

In the future, we aim to reduce the risk of developing dementia in Japan by rolling out the program throughout Japan.

* The Finnish Geriatric Intervention Study to Prevent Cognitive Impairment and Disability (FINGER), involving 1,260 older people, was the first in the world to prove that providing simultaneous multimodal intervention guidance on nutrition, exercise, cognitive training and lifestyle is effective in suppressing mild cognitive impairment.
A Japanese version of the study, the Japan-multimodal intervention trial for prevention of dementia (J-MINT) started in 2019. Sompo Holdings participates in the study as a co-research institute, aiming to create a dementia prevention service with a view to future social implementation.

Collaboration with an Agritech Venture with the World's First Seedling Grafting Technology — Using Advanced Science and Technology to Help Solve Issues Facing the Food and Agriculture Sectors —

2.4 Resilient agriculture
9.5 Research promotion and technology improvement through innovation
17.16 Multi-stakeholder partnership

Sompo Japan is collaborating with Gra&Green Inc., an agritech venture that has developed the world's first technology for grafting seedlings from different plant species (heterogeneous plant grafting). The two companies have agreed to work together to create technologies and services that contribute to solving global social issues in the food and agriculture sectors, including the food crisis, which is one of the SDGs.

In addition, Sompo Holdings invested in Gra&Green on February 7, 2020.

The agricultural industry is currently facing a number of social issues. In Japan, farmers are aging and their number has fallen due to a lack of successors, while elsewhere in the world the advance of desertification has reduced the area of cropland. In addition, as the world's population continues to increase and the food crisis becomes more serious, productivity-enhancing technologies will be needed to achieve sustainable agriculture.

Gra&Green is a venture company founded in 2017 at Nagoya University that has developed the world's first heterogeneous plant grafting technology.* This technology is expected to accelerate the creation of new crop varieties, a process that is said to take more than ten years, by reducing time required to a few years. This in turn will link to solving issues in the food and agricultural sectors, such as the food crisis, by enabling crop production even on desertified or degraded land that lacks in soil nutrients.

Sompo Japan and Gra&Green aim to improve agricultural productivity from the seed and seedling business, which lies at the heart of the agricultural production process. The two companies agreed to collaborate in joint initiatives relating to the research, development and social implementation of advanced science and technology that leads to the realization of sustainable agriculture.

Going forward, we will use our Group's customer base to create new varieties of climate-resilient and disease-resilient crops that meet the needs of farmers. Through research and development of related products and services, we will help improve agricultural productivity and contribute to solving social issues in the food and agricultural sectors.

* Grafting is a technique that cuts the stems of two or more crops and glues them together at the cut ends to grow them as a single crop. Grafting makes it possible to increase yields and control pests without resorting to genetic modification. Grafting is a common technique. Grafted seedlings are currently used in about 60% of tomato production and 90% of cucumber production. Traditional grafting techniques were believed to only work on species in the same family. Gra&Green, however, has successfully grafted different plant species for the first time in the world. This technology enables the production of crops even in harsh environments. By grafting, for example, tomatoes with a variety of roots can grow in nutrient-deficient soil.

ALSOK Reliable Accident Site Support Service

3.6 Reduction of the number of global deaths and injuries
17.16 Multi-stakeholder partnership

Saison Automobile and Fire Insurance took on board customer feedback from market research and launched a project that creates new values such as "visible & touchable," "enjoyable driving," and "accident prevention" that were previously lacking from the automobile insurance. ALSOK Reliable Accident Site Support Service, which the company first offered in April 2016, has been well received by customers, with a service satisfaction rate of 92.8% in FY 2020.

LINE Insurance: A Readily Available, Easy-to-purchase Insurance

8.10 Accessibility to insurance and financial services
17.16 Multi-stakeholder partnership

Sompo Japan partners with LINE Financial to provide LINE Insurance, a service that allows users to subscribe to non-life insurance using the LINE app.

Product features

(1) Simple and speedy subscription process
LINE Insurance can be purchased through the LINE app whenever a user wants.

(2) Theme-based unique and diverse product range
Users can choose the insurance they need according to themes that fit their daily life such as travel, sports, events, golfing, and leases, as well as weather and family. While most of the products are short-term insurance policies sold in 100 yen units, the range of products available is diverse and includes unique policies for seasonal events such as cherry blossom viewing and summer festivals, policies for typhoons and other severe weather, and policies for volunteer work or outdoor concerts, as well as bicycle insurance and legal expenses insurance that offer annual coverage.

In May 2019, we also started to offer a half-day automobile insurance policy, which can be purchased in 12-hour units such as for a vehicle borrowed from friends or family.

(3) Affordable premiums and convenient payment options
Premiums start from as little as 100 yen, and can be paid for using the LINE Pay smart phone wallet service available.

Yellow Badge Donation Partnerships

3.6 Reduction of the number of global deaths and injuries
4.2 Access to pre-primary education
8.10 Accessibility to insurance and financial services
17.16 Multi-stakeholder partnership

Every spring, Sompo Japan donates Yellow Badges that come with traffic accident insurance to first-grade students just entering elementary school in Japan. The aim is to raise students' awareness of road traffic safety and enlist cooperation from car drivers and local residents to reduce road traffic accidents.

Started in 1965 following a newspaper article featuring an appeal by a mother who lost her child in a road traffic accident, the campaign marked its 57th anniversary in 2021.

This program has been conducted jointly with Mizuho Financial Group, Meiji Yasuda Life Insurance Company, and the Dai-ichi Life Insurance Company. The total number of badges distributed so far reaches to approximately 68.68 million.





Yellow Badge

Agency Services Partnerships

3.6 Reduction of the number of global deaths and injuries
8.10 Accessibility to insurance and financial services
11.b Disaster-resilient community development
17.16 Multi-stakeholder partnership

Sompo Japan supports its agencies to improve their qualities of customer services offering insurance products and services and conducting necessary procedures such as consulting services for a settlement in the event of an accident.

They are working to upgrade agency service levels to ensure that agencies can provide appropriate advice and services to the full satisfaction of our customers.

Agency Support System

Sompo Japan is focusing on training our agencies to provide appropriate advice and services to ensure customer satisfaction. Our agencies are given training opportunities in areas including compliance, product knowledge, sales skills, accident response, legal and tax affairs, as well as management support.

• Training Program
While Sompo Japan provides regular education and training to improve the quality of agency services, its branches and sales offices organize independent, high-quality training sessions that cater to the specific needs of individual agencies.

Each area has specially-assigned personnel with skills to further promote effective agency work and compliance who provide tailored consulting on agency management and operational supervision.

• Improving Consulting Capabilities
Sompo Japan offers agencies a paperless system capable of executing the entire insurance transaction process, from policy explanations to the conclusion of contracts, without requiring even a signature or seal. This system can be run on personal computers as well as on tablet computers to enhance customer convenience. The system also has business management functionality that helps agencies improve management efficiency.

• Agency Trainee System
Sompo Japan has implemented the agency trainee system to foster insurance professionals. Under this system, an employee hired as a total life advisor is provided with various training programs on insurance canvassing. Sompo Japan Partners provides more practical education programs by combining group training and on-the-job training to target specific needs.

• Ensuring Service Quality
Sompo Japan has stipulated action standards for agency reliability to specify basic action guidelines for agencies related to canvassing, managing policies, and processing insurance claims. The standards were developed based on our analysis of customer feedback and customer satisfaction survey results.

SOMPO's various capital as a source of competitiveness

Human capital



We will create "The Ideal Group of Talents" who share the Three Core Values (Mission-Driven, Professionalism, Diversity & Inclusion), and make them the driving force for achieving the Sompo Group's Purpose.

Number of officers and employees by business

Number of officers and employees[*1]
74,664
Male: 27,268
Female: 47,396

Domestic P&C insurance
36,018 employees

Overseas insurance
10,826 employees

Domestic life insurance
2,666 employees

Nursing care and seniors[*2]
23,610 employees

Others
1,544 employees

Average age of employees[*3]
41.7 years old

Ratio of female directors and executive officers
8.6%

Ratio of the foreign national directors and executive officers[*4]
13.6%

Ratio of disabled employees
2.38%
(as of June 1, 2021)

Selected as "Health & Productivity Stock"
Three years in a row

Employee Engagement
Targets[*5]
Gallup Q12 Average Score
(Domestic) 3.70pt
(Overseas) 4.10pt

MY Mission training participation rate
Targets[*5]
All eligible employees have completed training

Target values for the health and productivity management indicator, Work Limitations Questionnaire (WLQ)[*5]
Improvement from the previous year at each company

Number of companies recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program[*6]
20 companies
Large companies
13 companies
Small & medium-sized companies
7 companies

*1 As of March 31, 2021
*2 Name changed from Nursing Care & Healthcare Business on April 1, 2021.
*3 Includes Sompo Holdings, Sompo Japan Insurance Inc., SOMPO Himawari Life Insurance, and Sompo Care
*4 Ratio of the Company's executive officers and senior vice presidents. The ratio of foreign national directors is 8.3% (1 out of 12 directors)
*5 Target value at the end of FY2023
*6 Of which, 9 companies were included in the White 500 (large corporation category) and 1 company in the Bright 500 (small and medium size category)

* SDG targets strongly linked to the SOMPO Group's initiative are marked. The SOMPO Group will continuously review this in response to development of initiative, changes in social challenges.

Initiatives to Improve Human Capital

Diversity and Inclusion

Initiatives to Promote Diversity and Inclusion

Sompo Holdings believes that diversity and Inclusion (D&I) is the essential management strategy, and established the Diversity Promotion Headquarters in 2013.

The Group's slogan "Diversity for Growth" shows our commitment to translating D&I into our management strategies as a driver for group growth.

The purpose of promoting D&I is to promote the sustainable growth of the Sompo Group and increase its corporate value through (1) Creating innovation and (2) Improving employee happiness and motivation.

In order to realize "a theme park for security, health and well-being," mentioned in SOMPO's Purpose, we need to innovate by welcoming good clashes among diverse people and by discovering new value from such situations. It is important to realize true D&I and link it to major innovation based on the idea that each employee creates new value by using their talents and strengths and anticipating changes regardless of gender, ability or disability, nationality or age.

COVID-19 has provided the world with an opportunity to re-affirm the importance of a sustainable society. In this new era of multi-stakeholder governance, it is important to change our awareness by placing as much value on the happiness of employees as on the interests of companies and shareholders. We believe that employees should be true to themselves, exercise their strengths and work with a sense of contributing to the team, and that these are important factors that link to their happiness. The creation of a culture that recognizes each other's differences is the foundation for such happiness, and the Diversity Promotion Headquarters is leading this group-wide effort.

Female Empowerment

5.4 Recognizing childcare, nursing care, and housework
5.5 Participation and advancement of women
10.2 Reduce inequality
8.2 Improving economic productivity through innovation

We have set a goal of achieving at least 30% female management throughout the Group by the end of fiscal year 2023. In addition to implementing Group-wide female training programs to improve the knowledge and skills of our female employees and to change their mindset and attitudes, each group company also has its own program. Through these programs, as of March 2021, Sompo Japan has appointed one female director, one executive officer and 13 general managers, while Sompo Himawari Life has appointed four executive officers and one general manager.

When the goal was set in July 2013, the number of women in the Group management positions was 305, representing a mere 5% of the management. As a result of the above initiatives, the figure increased to 1,384, which boosted the percentage of women in management to 24.2% as of March 2021.

For the four consecutive year, Sompo Holdings has been selected as a NADESHIKO BRAND by the Japan's Ministry of Economy, Trade and Industry, and the Tokyo Stock Exchange. This scheme introduces listed companies that are making outstanding efforts to promote female empowerment as attractive stocks to investors who are focused on improving corporate value over the medium- to long-term.

External Recognition

March, 2014	Awarded "Diversity Management Selection 100" by Ministry of Economy, Trade and Industry
January, 2015	Awarded "Corporate Activity Award" by the Tokyo Stock Exchange
September, 2016	Awarded two star rating by the Ministry of Health, Labour and Welfare "Female Career Advancement Law"
December, 2016	Awarded "the Prime Minister's Award" at Commend Leading Companies Where Empowering Women
April, 2018	Awarded "the Grand Prize" at the 3rd Working Women Empowerment Award by Japan Productivity Center (Working Women's Empowerment Forum)
November, 2018	Awarded Tokyo "Jisa-Biz Promotion Award (Work Style Category)" (continuous from 2017)
March, 2021	Selected as "NADESHIKO BRAND 2020" by the Ministry of Economy, Trade and Industry and Tokyo Stock Exchange (continuous from 2017)

女性が輝く先進企業 2016

NADESHIKO BRAND 2020

Employment of Challenged People

4.5 Education and professional training for people with disabilities
8.5 Full and productive employment and equal pay for work of equal value
8.8 Promoting a safe and secure work environment
10.2 Reduce inequality

The Sompo Holdings Group employs challenged people[*1] throughout Japan and is focusing on creating inclusive work environments to stabilize their employment. As of April 1, 2021, Our Group's employment rate for challenged people is 2.42%.

Sompo Japan has a support system in place to create an inclusive workplace for challenged employees. For example, it provides a guidebook for managers and arranges disability consultants across the country who provide support to challenged employees.

*1 "Challenged" is the language to refer to people with physical and mental disabilities arose in the US; Originally intended to give a more positive tone than terms such as disabled or handicapped; with the Implication being that they are entitled to tackle challenges or given a chance called "challenges."

SOMPO Challenged Inc. to boost jobs for challenged people

Our Group is promoting the employment of challenged people aiming to provide them with stable opportunities to realize their talents and gain a sense of fulfillment through work and to harness their diversity in innovation that is essential to the growth of the Group. We established SOMPO Challenged in April 2018 as a certified special-purpose subsidiary* to further promote the stable employment of challenged people throughout the Group and to create an environment in which they can work with vitality. SOMPO Challenged plays a leading role in boosting jobs for challenged people in our Group.

* A company approved by the Japanese Minister of Health, Labour and Welfare as satisfying certain conditions stipulated in the Act on Employment Promotion, etc. of Persons with Disabilities, that gives special consideration to the employment of challenged people

Sompo Holdings Joins “The Valuable 500” to Promote Disability Inclusion

The Valuable 500 was founded in January 2019 by a social entrepreneur, Caroline Casey, at the World Economic Forum Annual Meeting (Davos 2019). The Valuable 500 aims to encourage business leaders to achieve innovation so that challenged people can demonstrate their potential to add value to businesses, society and the economy. The Valuable 500 pursues support from 500 business leaders across the globe, who already have initiated disability inclusion efforts and those about to embark on such initiatives.

We joined this initiative and made the Group’s commitment to action.

• Sompo Group Commitment

(1) Basic Policies

- We will position D&I as one of the essential business strategies for the growth of the Sompo Group. Using the slogan, “Diversity for Growth,” we will pour our energy into creating systems and a corporate culture to establish a rewarding workplace in which every employee can maximize their diverse strengths.
- We will continue to promote the employment of challenged people, with the aim of stably providing opportunities to realize their talents and gain a sense of fulfillment through work and creating new value as part of establishing diversity.

(2) Action and Commitment

Under the policies mentioned above, we will commit ourselves to the following actions:

1. We will ensure and improve the accessibility of challenged people regarding the various services provided by the Sompo Group. At the same time, we aspire to provide the highest quality services that contribute to security, health, and wellbeing.
2. Our management committees will set and promote the employment rate of challenged people.
3. We will focus on creating a workplace where challenged people can play an active role. Each of our business teams will appoint a member who will assist employees with disabilities to provide necessary support suited for the level of disability.
4. We aim at creating a workplace where employees of all fields, all levels, with various origins can work with no discrimination and maximize their abilities to the fullest extent. To this end, we will carry out D&I workshops, including understanding challenged people.
5. We will proactively announce that the Sompo Group is driving the job creation for challenged people.

Employees’ Efforts to Create an Inclusive Society

4.7 Education to promote sustainable development
10.2 Reduce inequality
17.17 Public, public-private, and civil society partnerships

Ryu Inomata is an employee at Sompo Holdings’s Human Resources Department, who has a congenital heart disease. In addition to his regular duties, he is involved in the promotion of Help Mark* as a Help Mark Director, a position first established by the prefecture. Furthermore, as a human rights lecturer for the Nagano Prefectural Board of Education, he gives talks to elementary and junior high schools on the realization of a society that accepts diversity.

* Mark that lets others know that the carrier has a disability that needs to be considered.



Help Mark



Ryu Inomata is involved in a variety of activities.

He has been visiting elementary, junior high, and high schools in Nagano Prefecture, Japan, to talk about diversity, coexistence and cooperation as a human rights lecturer for the Nagano Prefectural Board of Education (April 2019 to March 2022). He also manages a YouTube channel, Living With Heart -- Our Way to Live, to raise awareness of congenital heart disease and provide reference materials for fellow patients. In addition, he edits training videos for the NPO for Family and Baby’s website.

Going forward, we will continue to promote D&I by accepting and utilizing diversity to enhance the happiness and satisfaction of employees, and linking D&I to the sustainable growth of the Group to enhance our corporate value.

Work Style Innovation

4.4 Improving job satisfaction through technical and professional skills
5.4 Recognizing childcare, nursing care, and housework
8.2 Improving economic productivity through innovation
8.8 Promoting a safe and secure work environment

Sompo Japan has been promoting work style innovations since 2015 to create a friendly workplace where diversified people can increase productivity through effective time management.

Work-Life Balance

To improve the quality of employee output, it is essential to focus not only on skill development but also on the physical and mental health of each employee. Good physical and mental health and a fulfilling private life are the foundation of a dynamic workforce. A dynamic workforce means a vitalized company, which is why we make the flexibility to balance work and private life a high priority.

• Career Transfer Program

We have a career transfer program in which an employee can change his/her work place to a difference branch when there is a compelling reasons and when certain conditions are met. This program can be used by those who are in the positions that would not require job relocations but need to relocate their residence due to unavoidable circumstances.

• System Supporting Employees during Pregnancy, Post-childbirth and Childcare

We provide various types of leave and flexible work style options, such as “maternity leave,” “childcare leave,” and “reduced working hours for childcare,” which offers multiple work hour options. “Reduced working hours for childcare” allows the employee to take a work hour option from multiple choices until her/his child completes the third grade. Working for shorter hours is also available when there is an inevitable reason (e.g., family illness or disability). In this case, they can choose a short-time work option until the child reaches 18 years old. We have other arrangements to create an employee-friendly environment where both women and men can take childcare leave without difficulty. For example, short-term childcare leave is a paid leave, which can be obtained if application is submitted by the day before.

• Forums to Support Employees on Childcare Leave

We organize forums to help employees who are on childcare leave smoothly return to work in Tokyo, Nagoya, Osaka, and Fukuoka and via a video conference. In addition to the employees who are on childcare leave, their supervisors and colleagues attend the forum. This helps relieve anxiety about returning to work by creating a more inclusive business environment. In consideration of the COVID-19 pandemic, in FY2020, the forum was held video and online.

• “Amore Support” for Employees on Childcare Leave

We have extensive support tools to create a workable environment for all employees. For example, we use “guides for pregnancy, childbirth, childcare,” “tips for one-on-one interviews with employees on childcare leave,” and the “guidance for supervisors who have a staff member on childcare leave.” We regularly provide information about the company’s important policies.

• Support for Nursing Care

Long-term nursing care has become a common issue due to the rapidly aging population in Japan. To help employees balance their work and care responsibilities, we expanded the options to offer a long-term family care leave (up to 365 days in total), nursing leave, shift work for nursing care and reduced working hours. We also held a seminar for balancing work and care responsibilities.

Complying with the Japan’s Disabilities Discrimination Act

1.4 Access to basic services of the poor and the vulnerable
10.2 Reduce inequality

Sompo Japan provides brochures and application forms that comply with the universal design standards to better meet the needs of people with disabilities and the elderly. We are currently reviewing the details to be considered during in each process, such as contract and payment procedures, the physical environment such as our offices and our customer consultation system, in line with the Act for Eliminating Discrimination Against Persons with Disabilities, which took effect on April 1, 2016. We are also developing company-wide initiatives such as training for employees.

The Act for Eliminating Discrimination Against Persons with Disabilities* took effect in Japan on April 1, 2016. Sompo Japan had already been using brochures and application forms with a universal design, but the company launched a cross-divisional project team prior to the law to consider and spearhead Group-wide changes to better accommodate elderly people and those with disabilities. These include changes to insurance application and claims payment processes; the physical environment at agencies; consultation services for customers; and internal training curricula.

Going forward, we will continue to provide products and services with due consideration to customers’ conditions (impaired cognition, vision, and hearing) by listening attentively to their feedback especially from persons with disabilities and the elderly.

* This law aims to promote inclusiveness toward people with disabilities by prohibiting unfair discrimination and requiring reasonable consideration of their circumstances.



Sign showing hearing disability assistance posted at the Headquarters Building and other office buildings

Promoting Empowerment and Respect for LGBT Persons

4.5 Education and professional training for people with disabilities
8.8 Promoting a safe and secure work environment
10.2 Reduce inequality

With lesbian, gay, bisexual, and trans-gendered (LGBT) persons*1 comprising approximately 8% of the Japanese population,*2 Japanese society has been moving quickly to address LGBT issues.

The Group is working to support LGBT employees in reaching their full potential while delivering products and services that support LGBT customers.

Sompo Japan amended its benefit programs to enable employees with a same-sex partner to take special leave for weddings and funerals, receive monetary benefits including condolence money, and make use of various welfare services. Also, in order to deepen the understanding of the employees, the company distributed educational materials and workbooks about LGBT to all workplaces and also held seminars.

Through these efforts, employees who acquired the basic knowledge of LGBT and became a good understanding and supporting person (ALLY) in the workplace are positively posting ALLY declaration cards and stickers. By visualizing the declaration, we aim to promote the understanding of LGBT in the workplace as well as to ensure peace of mind for the parties. The company is also engaged in ERG (Employee Resource Group) activities that are open to all genders, helping promote a comfortable and satisfying work environment and corporate culture as well as a network amongst employees. In addition, starting in fiscal 2019, the company is participating in LGBT Finance, a voluntary organization of financial companies working on LGBT policies, to build external networks and hold external exchange meetings.

Sompo Himawari Life provides an abbreviated process for confirming the relationship between insured persons and their same-sex partners when their partners are designated as beneficiaries; the process includes submitting a copy of their certificate of partnership such as a certification issued by Tokyo's Shibuya Ward, which recognizes same-sex partnerships. Also, Sompo Japan reexamined the definition of spouse in insurance products and included "same-sex partner" as spouse.

We will continue our work to embrace LGBT and other values as we strive to realize a society that gives everyone equal opportunity.

*1 LGBT stands for (L) lesbian, (G) gay, (B) bisexual, and (T) transgender, and is a generic term for sexual minorities.
*2 Japanese Trade Union Confederation, Survey on awareness regarding LGBT in the workplace in 2016



ALLY declaration cards

Health and Productivity Management Initiatives

3.4 Mental health and welfare promotion
3.a Strengthen tobacco control
8.8 Promoting a safe and secure work environment
17.16 Multi-stakeholder partnership

—Background of the "Health and Productivity Management®"*—

Sompo Group values the health and wellbeing of employees and their families. As stated in its management philosophy, the Group aspires to be an organization that:

(1) Makes a value judgment from customers' perspectives,
(2) Provides the highest quality services for customers' security, health, and wellbeing through a broader range of business activities focusing on insurance, and
(3) Contributes to the society.

It is essential to take care of employees' health and their families, who are the driving force in embodying the philosophy. The Group's Human Respect Policy also states that we are committed to maintaining and improving employees' health to ensure a vibrant work environment.

The Group is actively practicing the Health and Productivity Management initiatives to boost employees' health as one of its most important business themes based on the management philosophy and policies.

The Group will deliver messages to the outside world to raise awareness of health management. It will also support and sponsor external health management programs.

* The term "Health and Productivity Management®" is a registered trademark of an incorporated NPO organization, the Workshop for the Management of Health on Company and Employee.

The implementation of "Declaration of Health" at each group company

"Declaration of Health" has been issued at each group company to embody the idea that "health of employees and their families matter."

- Sompo Japan: "Declaration of Health" (October 2016)
- Sompo Himawari Life: "Project of assisting employees' health" (April 2016), "Health Management Declaration" (October 2020)

Promotion of improvement of employees' blood sugar levels

At Sompo Japan, while aiming at improvement and control of blood sugar levels, issuances of health reports and provision of health-related information as well as permeation activities are implemented using the intranet in order to help employees prevent the onset of lifestyle-related diseases by acquiring good lifestyles from the youth stage from the viewpoint of productivity enhancement in addition to disease prevention. Sompo Japan also offers opportunities for the employees to start thinking about their health by holding in-house recipe contests by dividing them into divisions of blood sugar improvement and breakfast time-saving etc., depending on employees' needs.

Besides, walking is recommended from the viewpoint of dementia prevention as well as blood sugar level improvement. For that purpose, the practical use of walking apps or examples of utilizing walking apps are introduced.

Distribution of wearable devices to all the employees

At Sompo Himawari Life, wearable devices are lent to about 3,000 employees free of charge. The employees can check with his/her own smartphones for the number of steps taken, heart rates, calorie consumption and hours of sleep, contributing to raising awareness of health. Inter-departmental competitions for the average number of steps taken, for example, are also held for the purpose of boosting mood.

In addition, health examination results, receipt data and data collected on wearable devices are compared with, in order to analyze the relationship with health conditions by collaborating with the corporate health insurance association. Participation in studies of lifestyle improvement by third-party organizations is also made.

Smoking ban during working hours

At Sompo Himawari Life, a smoking ban for all the employees during working hours (except during rest periods specified by the rules of employment) was introduced effective April 2019. Also, from the employment of new graduates in and after April 2020, Sompo Himawari Life clearly defines in the application guidelines that newly hired persons have to be non-smokers at the time of joining the company. Furthermore, the cost of medical treatment for smoking cessation is partially borne by the company in order to support employees' giving up smoking. Also, the company continually supports smoking cessation by holding seminars or carrying out individual follow-up for smokers to quit smoking.

Space installation for profitability improvement and health promotion

Our group installs working space for employees' profitability improvement and health promotion as part of New Work Style and Health Management. Productivity improvement is achieved through the realization of flexible work style such as space for efficient work and meetings and concentration booths where naps can also be taken as Work From Anywhere. Besides, healthy meals are provided at lunchtime at Sompo Japan and Sompo Himawari Life.

Effect verification

At Sompo Japan and Sompo Himawari Life, "Health Management Promotion Support Service" provided by Sompo Health Support is utilized for the continuous grasp of initiative's results, verification of the effects and subsequent review of the initiative. Solutions of each company's health issues and maintenance/promotion of health of employees and their families are realized this way.

Improvement of presenteeism

At Sompo Japan and Sompo Himawari Life, presenteeism is measured by making use of "Llax WLQ-J" which is a labor profitability program provided by Sompo Health Support. It is pointed out that a loss from a profitability decline due to mental and physical health (presenteeism) has a more profound impact than employees' absence from work, lateness and leaving early (absenteeism) as well as medical cost. At Sompo Japan, productivity improvement is aimed at by working on each individual's fullness/growth through creating rewarding careers, meaningful lives and strength in addition to reduction in working hours as a matter of course through New Work Style.

Health Issues and Major Verification Indicators

Sompo Japan Insurance Inc.

Health Issues		Target KPI	Target (%)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Lifestyle disease preventive measures	1	Rate of regular medical checkup	100%	99.7	99.7	99.8	99.9	99.8	100.0
	2	Rate of detailed examination following regular medical checkup	100%	78.5	77.3	83.2	82.7	69.3	36.0
	3	Completion of specific health guidance	90%	47.2	65.5	74.6	70.3	67.8	52.3
	4	Maintain appropriate weight (BMI 18.5 - 24.9)	80%	69.7	67.7	67.9	67.3	66.7	66.2
	5	Rate of regular exercise	30%	15.5	18.8	19.1	19.7	18.6	19.8
Smoking prevention measures	6	Rate of smoking	12%	21.6	21.6	19.6	19.1	17.9	16.6
Mental health measures	7	Rate of stress check examination	100%	89.0	90.4	85.5	91.7	91.7	93.1
	8	General health risk	below 100%	107.0	106.0	102.0	101.0	103.0	101.0
Improve presenteeism	9	Total Performance Evaluation* * WLQ-J score (most productive = 100%)	95%	94.0	94.1	94.3	94.4	93.9	94.1

Notes: Target KPI 1, 2, 6, 7, 8, and 9 are for all employees
Target KPI 3, 4, and 5 are for employees aged 40+

Sompo Himawari Life Insurance Inc.

Health Issues		Target KPI	Target (%)	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Lifestyle disease preventive measures	1	Rate of regular medical checkup	100%	97.7	100.0	100.0	100.0	100.0	99.9
	2	Rate of detailed examination following regular medical checkup	100%	50.3	48.6	56.0	63.0	67.0	89.8
	3	Completion of specific health guidance	80%	98.6	64.9	71.9	76.5	63.6	69.1
	4	Maintain appropriate weight (BMI 18.5 - 24.9)	80%	70.3	70.1	67.5	67.6	68.3	68.2
	5	Rate of regular exercise	30%	22.1	25.5	27.4	24.2	23.8	24.0
Smoking prevention measures	6	Rate of smoking	12%	21.4	20.8	20.6	18.3	15.3	11.1
Mental health measures	7	Rate of stress check examination	100%	75.0	76.8	74.4	79.1	94.6	95.1
	8	General health risk	90%	98.0	94.0	92.0	95.0	96.0	98.0
Improve presenteeism	9	Total Performance Evaluation* * WLQ-J score (most productive = 100%)	100%	—	—	95.0	94.7	94.1	93.9

Notes: Target KPI 1, 2, 6, 7, 8, and 9 are for all employees
Target KPI 3, 4, and 5 are for employees aged 40+

Item	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Medical Expense/person	219,387	217,901	262,580	216,542	224,936	203,094
Insurance Op Expense/person	27,504	28,507	26,694	27,043	28,850	28,957

(JPY)

External Recognition on Health and Productivity Management

Sompo Holdings Inc. was selected as a “FY2021 Health & Productivity Stock Selection” for three consecutive years. This recognition, co-sponsored by METI and the Tokyo Stock Exchange, acknowledges excellent large-scale companies that strategically carry out efforts to ensure employees’ health.

Including Sompo Holdings, 20 companies within the group were recognized as “Outstanding Enterprises Engaging in Efforts to ensure Health and Productivity Management” under the Large Enterprise Category, co-sponsored by METI and Nippon Kenko Kaigi. Of the 20 group companies, 9 were recognized as White 500 and one as Bright 500.

In partnership with health insurance associations, the Group will continuously deliver updates of the initiatives internally and externally, as well as expand Health and Productivity Management policies across the Group and its client companies.

(List of Selected Group Companies FY2021)

<White 500>

- Sompo Holdings Inc. — For the 5th consecutive year
- Sompo Japan Insurance Inc. — For the 5th consecutive year
- Sompo Himawari Life Insurance Inc. — For the 5th consecutive year
- Sompo Health Support Inc. — For the 5th consecutive year
- Sompo Communications Inc. — For the third consecutive year
- Sompo Japan Career Bureau Inc. — For the third consecutive year
- Prime Assistance Inc. — For the second consecutive year
- Sompo Japan Partners Inc. — For the second consecutive year
- Sompo Corporate Services Inc. — 1st recognition

<Outstanding Enterprises Engaging in Efforts to ensure Health and Productivity Management (Large Enterprise Category)>

- Sompo Risk Management Inc. — For the 5th consecutive year
- Sompo Business Services, Inc. — For the 5th consecutive year
- Sompo Systems Inc. — For the second consecutive year
- Saison Automobile and Fire Insurance Company — For the second consecutive year

<Bright 500>

- Wellness Communications Corporation
  1st recognition (third consecutive year of recognition as an Outstanding Enterprises Engaging in Efforts to ensure Health and Productivity Management)

<Outstanding Enterprises Engaging in Efforts to ensure Health and Productivity Management (Small and Medium Enterprise Category)>

- Sompo Asset Management Co., Ltd. — For the second consecutive year
- Sompo Japan DC Securities Inc. — For the second consecutive year
- Sompo Business Solutions, Inc. — 1st recognition
- Sompo Commercial Line Claims Support Inc. — 1st recognition
- Sompo Credit Inc. — 1st recognition
- Sompo Warranty Inc. — 1st recognition

Building Resilient Organizations through Human Resources Development

4.4 Improving job satisfaction through technical and professional skills
8.2 Improving economic productivity through innovation
9.5 Research promotion and technology improvement through innovation
10.2 Reduce inequality

Reinforcement of Human Resources

To be the most highly evaluated P&C insurance company in Japan, Sompo Japan is promoting the development of human resources through the cycle of “work, evaluation, remuneration, relocation/transfer, and training” based on Group Personnel Vision and human resources sought, and provides employees various chances to perform to their full potential.

From April 2020, under a new human resources strategy of “being a great place to work: change yourself, change the company, create the future of Sompo,” we will transition to a human resources management system more suited to a “great place to work.” The new strategy will ensure that our Group Management Philosophy and corporate culture are embraced by all employees, and they can feel a sense of fulfillment and be highly motivated in their work, regardless of their seniority or gender.

Of special mention, in addition to providing the environment in which individual workers could grow spontaneously and stick at their duties continuously, it promotes human resource development and corporate culture to foster the workers who can create new value and think outside the box on their own initiative.

Skill development support

We promote an interactive management style based on dialogue and support. Managers are trained to learn and receive support to practice this approach, which encourages them to understand diversity among employees and bring out each individual’s strengths.

We have introduced a new video-based training system for all employees as a measure to foster a culture of self-improvement, and we have created an environment in which employees can acquire knowledge and skills in a variety of areas at their own pace, anywhere, at any time. Topics covered include thinking skills, strategies and marketing, organization and leadership, accounting and finance, and global issues.

In addition to offering grade-specific educational support, we offer courses that are open to all employees so they can develop leadership and communication skills, as part of our efforts to increase internal opportunities for peer training. We are using a web-based conferencing system to expand our online training so that employees in various situations can take courses.

Development of a Globally Competitive Human Resources

We are confronted with increasingly challenging international competition in global markets, including in emerging economies. It is therefore essential that we develop globally competitive personnel with the ability and motivation to carry out missions in the global arena, to understand and accept different cultures, and to communicate effectively in a multicultural work environment.

Sompo Japan considers the increase in both the quantity and quality of globally competitive personnel as a priority issue. As such, in fiscal year 2012, the company established the Global Human Resources Development Group for the purpose of developing personnel that can compete effectively on a global basis.

• Promoting Our Exchange Program

The Exchange Program is one of our human resources development schemes that allow interaction between Group employees from different countries. It is intended to help our diverse employees leverage their strengths and play an active part in the growth of the Sompo Holdings Group. Since its launch in fiscal year 2014 up to the end of fiscal year 2018, the program has provided opportunities to a total of 57 employees from around the world to work at various departments in Japan, helping to make our Japanese headquarters more global.

• Founding of SOMPO Global University

The SOMPO Global University is a program launched in fiscal year 2012 to develop future management personnel both in and outside Japan.

The program consists of customized training provided in cooperation with the National University of Singapore’s Business School and on-the-job training at Group companies outside Japan. Through this program, trainees gain sophisticated management knowledge and have hands-on experience to put it into practical use.

In total, 162 selected talents (including those from outside our Group) from 17 countries have participated in this program as of fiscal year 2019. The program produces a globally-competitive workforce with broad perspectives and experience regardless of nationality.

• Improvement of Language Skills

Language skills are essential in an international work environment. To help all Group employees improve their language skills, Sompo Japan encourage them to take the TOEIC IP, an internal English language test. They also provide various programs to help all employees with language learning. These programs include an English skills contest in which teams of employees compete against each other to show how much they have improved, as well as an overseas work program for employees with a certain level of language skills to gain cross-national and multi-cultural experience. They encourage all employees to aim for a TOEIC score of 730 or higher.

Creating Environment to Enhance Our Human Resources

Sompo Japan is striving to develop a working environment and personnel management programs that are instrumental in achieving the goal of building up the most motivated and skilled workforce based on the four principles of the Group Personnel Vision: Action and Achievement; Impartiality and Fairness; Openness; and Diversity.

• Working Environment

Sompo Japan respects the sense of values and work styles of employees, which may be as diverse as pursuing higher career goals, seeking further fulfilling work life, or working with pride while balancing their work and private life. To create a better working environment that allows each employee to work energetically and comfortably, the company offers a number of opportunities for both male and female employees to work on new challenges, and further improves support for workers with childbirth, child rearing, or nursing care matters to work efficiently.

The company uses employee satisfaction surveys to monitor the current situation and problems of employees, and feeds the survey results to each workplace. Each workplace has meetings to review them and discuss how to improve and address the problems.

The company also actively encourages non-regular employees to become regular employees as a way to further improve employee motivation and help stabilize employment.

• Personnel Management Programs

The personnel system of Sompo Japan focuses on the employees’ performance only, regardless of their gender, nationality, or age, to ensure that remuneration and promotion are decided based on the level of performance in each role. In addition, for the employees who are outstandingly active, the company has set up an “Express ticket” system that enables career advancement of two ranks or more, offering a place of further activity. This has been implemented since 2018. Personnel management programs of the company include the in-house job posting program, which makes it easy for employees to apply for transfers to their desired different departments. With this program, it is possible even for general area staff (a position for an employee in which the location of residence

in principle does not change because of a job transfer) to apply for temporary work outside their designated area. To support the self-directed and autonomous career development of each employee, the company has also introduced another two programs: the Dream Ticket Program, under which employees who meet certain criteria can apply for transfer to a position of their choice; and the Job Exchange Program, which gives general area staff an opportunity to work at headquarters departments. These programs are aimed at encouraging employees to actively pursue their desired positions by fully leveraging the knowledge and skills acquired in the course of their work and self-improvement activities.

Sompo Holdings Group's Corporate Citizenship Activities Partnerships

3.4 Mental health and welfare promotion
4.7 Education to promote sustainable development
11.2 Provide access to sustainable transport systems
13.3 Raising awareness of the need to adapt to and mitigate climate change
17.16 Multi-stakeholder partnership

We are proactively taking initiatives to contribute to social welfare as a corporate citizen while working to develop a corporate culture and systems that encourage each employee to voluntarily take part in various activities for the communities we live and work. We also emphasize collaboration with specialist civil society groups to promote our activities.

Corporate Citizenship Policy

Under its Corporate Citizenship Policy, our Group promotes community initiatives from two perspectives: commitment as a corporate citizen and commitment by individual employees.

As a corporate citizen, we promote our activities for future generations mainly through our foundations with focus on the following three areas: fine arts, welfare, and the environment. We also support and encourage individual employees to proactively take part in community outreach activities mainly through the Sompo Chikyu (Earth) Club, a volunteer activity organization of which all employees are members.

Programs to Support and Encourage Employees' Efforts

• Sompo Chikyu (Earth) Club

The Sompo Chikyu (Earth) Club, a volunteer activity organization of which all group employees are members, plays a pivotal role in conducting volunteer activities throughout Japan.

Since its establishment in 1993, the Club is undertaking various activities including forest conservation, cleanups, cleaning and maintenance of wheelchairs in welfare facilities, and collection of second-hand books by collaborating with agencies. Each project is tailored according to the needs and characteristics of local communities.

• Sompo Chikyu (Earth) Club Corporate Citizenship Fund

The Sompo Chikyu (Earth) Club Corporate Citizenship Fund is financed by voluntary donations by our employees and directors. The funds raised are used primarily for community outreach activities conducted by the Club, such as the payment of expenses of volunteer activities performed across Japan, support for disaster relief and donations to civil society groups and other organizations supported by the Fund members.

• Volunteer Work Leave

At Sompo Japan, employees are entitled to take short-term volunteer leave (up to 10 days per year) and long-term volunteer leave (from six to 18 months) in addition to annual paid leave. The employees who take these leaves participate in a variety of volunteer activities.

Corporate Citizenship Activities in Japan

We conduct a diversity of community outreach activities in cooperation with agencies and citizens. The activities include conserving nature, local cleanups, maintaining and cleaning wheelchairs, and donating food to a food bank.

• Sompo Japan

[Yamagata]
Blood donation



[Tokyo]
Donating food to a food bank



[Saga]
Cleaning activities



• Sompo Holdings Group companies

[Saison Automobile & Fire Insurance]
The company provided support to companies and organizations that are in a difficult situation due to the spread of COVID-19 through the purchase of products.



Corporate Citizenship Activities Outside Japan

• Turkey

— Sompo Sigorta —

Employees in Turkey participated in the 40th Istanbul Marathon charity event. On the day of the event, 70 employees collected donations for cancer patients, raising more donations than any other participating company.



Charity marathon (Turkey)

• Brazil

— Sompo Seguros —

Employees visited welfare facilities and spent time with the users, enjoying conversations and recreational activities together.



Visit to a welfare facility (Brazil)

SOMPO's various capital as a source of competitiveness

Intellectual capital



The Sompo Group will work to create new customer value by leveraging its knowledge of cutting-edge technologies obtained from its global Digital Labs and the extensive real data accumulated through its diverse business portfolio.

Digital talent development (target for fiscal 2023)

DX Specialists
177 people

DX Planning Personnel
4,000 people

DX Support Personnel
17,100 people

Extensive real data accumulated through business

Nursing care service personnel[*1]
For about
100,000 people

Insurance policies
For about
20 million policies

Development of new products and services that ensure the security, health, and wellbeing of customers

Number of newly developed products, services, and rider add-ons[*2]
109

*1 Total consisting of about 20,000 employees and 80,000 users

*2 Simple aggregate of the number of products, services, and rider add-ons newly developed by Sompo Japan Insurance Inc. and Sompo Himawari Life Insurance between fiscal 2016 and fiscal 2020

* SDG targets strongly linked to the SOMPO Group's initiative are marked. The SOMPO Group will continuously review this in response to development of initiative, changes in social challenges.

Initiatives to boost intellectual capital

Development of Automated Driving Insurance (Tailor-made for Pilot Tests) Services

3.6 Reduction of the number of global deaths and injuries
8.10 Accessibility to insurance and financial services
11.2 Provide access to sustainable transport systems
17.16 Multi-stakeholder partnership

Automated driving is expected to solve social issues, including reducing traffic accidents and the impact on the environment. Many pilot tests have been conducted jointly by industry, government, and academia to examine both technical development and social acceptability.

Using the long-accumulated insurance design know-how, Sompo Japan has developed and now offers an automated driving insurance (tailor-made for pilot tests) that covers a wide range of risks during automated driving pilot tests.

The product incorporates automated driving insurance that comprehensively compensates for various risks relating to automated driving, risk consulting by Sompo Risk Management, and a dedicated service that supports pleasant automated driving by analyzing driving data using the latest IoT technologies.

As an example, vehicle developers who provide automated driving technology may be obligated to compensate for damages in the event of a system malfunction or other problem. However, not only does it take time to identify the cause of the malfunction, but developers will be likely to hesitate to promote such development if they have to bear indemnity risks.

To ensure that automated driving technology can be developed without having to worry about such issues, Sompo Japan now offers a new Additional Rider for Insured Parties Such as Automated Vehicle Developers, which eliminates the need to discuss the division of fault among vehicle developers, and does not seek compensation from developers insured under the rider. Through these initiatives, the company aims to solve issues faced by businesses that has adopted automated driving.



Sato Director , Deputy President and Senior Managing Executive Officer (Sompo Japan)



Ceremony for the automated driving pilot tests

Launch of New Protection for Automated Driving Vehicles

3.6 Reduction of the number of global deaths and injuries
8.10 Accessibility to insurance and financial services
9.1 Sustainable infrastructure
11.2 Provide access to sustainable transport systems

The automated driving technology currently in practical use is a driving support technology that assumes a human driver is driving the vehicle, and that the driver assumes liability in principle for accidents. Because of this, the likelihood of a human driver not being liable for compensation for damage under the law is low at present, and in the majority of cases, it is possible to provide insurance payments using current bodily injury liability insurance and property damage liability insurance. However, due to diversified risks resulting from the high pace of recent technological developments and increase in cyber-attacks, Sompo Japan anticipates cases in which it is unclear whether a human driver is liable for damages and cases that will take time to settle.

For such cases they have newly added an special endorsement of the injured (provided for all customers) that pays insurance payments even when there is no liability for compensation on the part of the human driver, so as to continue to provide peace of mind to customers who use automobiles fitted with automated driving technology* and connected-cars, and ensure prompt injured party relief and early amicable accident settlement.

They have revised their no-fault accident provision (provided for all customers of vehicle insurance) to ensure there is no impact on customers' ongoing automobile insurance policy rating as a result of accidents due to system defects or unauthorized access by a third party in which there is no negligence on the part of the customer.

* Vehicles in which the system simultaneously carries out multiple operations relating to the vehicle's accelerator, brakes, and steering wheel that have already been introduced onto the market by automobile manufacturers.

Business Tie-up and Capital Tie-up with Tier IV to Jointly Develop Level IV Discovery

3.6 Reduction of the number of global deaths and injuries
8.10 Accessibility to insurance and financial services
11.2 Provide access to sustainable transport systems
17.16 Multi-stakeholder partnership

On February 15, 2019, Sompo Japan signed a business partnership agreement with Tier IV, a company that develops automated driving systems, and Aisan Technology, a company with high precision 3D mapping and drive simulation technologies.

The introduction of automated driving services requires a long preparation period and high costs, and involves many issues including technology development, the accumulation of expertise, and risk analysis.

By combining our big data with the expertise relating to the latest automated driving technologies accumulated by our two partner companies, we will work together to develop Level IV Discovery, an insurtech solution to systematic, safe, and secure pilot testing for local governments and transportation operators who are considering introducing automated driving services.

In December 2019, Sompo Japan opened a secretariat to organize a Level IV Discovery Symposium in Aichi Prefecture in February 2020 and to propose solutions to local governments throughout Japan.

In July 2019, Sompo Japan signed a capital tie-up agreement with Tier IV, a company with advanced automated driving technology.

To date, Sompo Japan has been researching the role it should play as a P&C insurance company to ensure that automated driving technology, which is expected to solve social issues such as a lack of means of transportation and driver shortages in underpopulated areas, is introduced into society in a safe and secure manner. Through this capital tie-up agreement, Sompo Japan intends to accelerate its research and to develop new insurance products and services that make full use of technology, thereby contributing to the realization of a safe and secure automated driving systems in society.



First in Industry to Launch Fire Insurance for Smart Houses

7.2 Expanding renewable energy share
7.3 Improvement in energy efficiency
11.3 Enhance inclusive and sustainable urbanization
13.2 Climate change countermeasures

In August 2018, Sompo Japan became the first insurer to launch a fire insurance policy for smart houses, designed to promote the next generation energy saving housing, including smart houses and ZEH* (Net Zero Energy House).

As IT technology evolves, efforts have been made to promote energy saving housing in recent years, exemplified by smart houses and ZEH*, that controls energy consumption and reduces the burden on the environment.

Energy saving housing includes features such as energy generation from solar PV systems and interconnectivity of IoT devices and equipment, notably smart home appliances. As the social environment changes, however, new threats have emerged—there have been incidences in Japan of cyberattacks that target housing equipped with IoT devices.

Given this situation, we developed a fire insurance policy for individuals that covers costs resulting from cyber risks and the loss of revenue from the sale of electric power due to accidental damage to sola PV systems, in order to protect the security, health, and wellbeing of our customers and to encourage next generation housing that is both comfortable and energy saving.

* Housing that aims to achieve net zero primary energy consumption per year by achieving major energy savings and introducing renewable energy while maintaining indoor environmental quality.

Development of a Comprehensive Hazard Map Service Using the Latest Digital Technology

1.5 Build the resilience of the poor and those in vulnerable situations
11.5 Reduce the number of the dead and victims by water-related disasters
13.1 Adapting to climate change
17.16 Multi-stakeholder partnership

Sompo Japan has developed unique hazard maps, the Sumai no Hazard Map, by combining its insurance payment data with the hazard maps issued by public institutions. We started providing these maps at agencies nationwide in April 2018.

1. Aims and concept

- In recent years, Japan has been increasingly prone to natural disasters, such as earthquakes and typhoons, and disaster awareness among customers is increasing. Based on this trend, we have developed a unique comprehensive hazard map service that uses the latest digital technology to visualize natural disaster risks, including the probability of an earthquake, the estimated depth of inundation from flooding, and areas liable to landslides.
- This service is an information tool that staff at our agencies explain to customers when proposing new policies or renewal of fire and earthquake insurance. The service aims to encourage customers to correctly understand the risks of natural disasters in their own communities and to further convince them of the need for the insurance policy.

2. Service outline

(1) Main functions and features

Function	Details
1. Assess and indicate risks for each customer's address	Sompo Japan's insurance payment data and various data published by public institutions are consolidated and visualized using GIS* technology. Customers can enter their address to display an assessment of the risks associated with that exact location.
2. Show examples of disasters and accidents	Photographs of accidents from various disasters and examples of insurance payments are posted to enable users to conjure up an exact image of the risks associated with natural disasters.
3.Indicate information on evacuation facilities and details of recommended coverage	In addition to hazard maps that indicate natural disaster risks, information on the nearest evacuation facility in the event of an emergency and details of recommended coverage according to the extent of the risk to the customer can also be displayed.

* GIS (Geographic Information System) is a technology that comprehensively organizes, processes, and visually displays location data (spatial data) based on geographical location to facilitate sophisticated analysis and quick judgments.

Addressing Cyberattacks

8.10 Accessibility to insurance and financial services
9.1 Sustainable infrastructure
17.16 Multi-stakeholder partnership

Along with changes to the social environment, such as the launch of Japan's national identification number system for individuals, amendments to the Act on the Protection of Personal Information, and increased sophistication of cyberattacks, there are growing concerns about information security risks, and various efforts are being made by businesses to strengthen their defenses against cyberattacks.

Our Group supports such efforts through the provision of insurance products and services.

Cyber Insurance

Businesses play a key role in the economy, and in order to support their cybersecurity measures, Sompo Japan offers Cyber Insurance with expanded coverage for the cost of investigating the causes of leaks as well as lost profits, caused by digital data corruption, information leaks, and disconnection of network. In the event of an information leak or other incident, it is crucial to minimize losses, so urgent responses are increasingly important: Rapid investigation of the source and causes, and efforts to control the extent of losses. They have tied up with specialized businesses that provide this kind of support, and offer services to support smooth business recovery for all Cyber Insurance policy holders.

Optimized One-Stop Services Against Cyberattacks

With changes in the social and technical environment, such as the spread of automated driving technologies and the Internet of Things (IoT), and the emergence of increasingly sophisticated cyberattacks, the nature of risks facing businesses has changed dramatically, and cyber security has become a major management issue. If customer information or confidential information leaks, businesses would not only suffer financial losses, but the damage to their corporate brand and loss of customer confidence would also be immense.

Furthermore, if a company accidentally acts as a springboard for cyberattacks on its business partners, the company could lose credibility as a partner even when they do not incur any damage themselves.

Sompo Risk Management provides a multifaceted and optimized one-stop service tailor-made to the needs of our customers using risk management know-how based on our experience in addressing management risks and our robust ecosystem complete with world-class advanced technical capabilities.

<One-stop service covering all fields>

Service	Details
1. Vulnerability diagnostics	We use various means to examine inherent vulnerabilities in systems from an attacker's perspective and propose measures to respond to the vulnerabilities detected.
2. Penetration tests	We conduct penetration tests that simulate actual cyberattacks to investigate how resistant customers' systems are to attacks and which information can be accessed.
3. Cyberattack drills	We provide a variety of drills and training sessions, including evaluation of response to targeted e-mails designed to train employees, table-top exercises using hypothetical scenarios aimed at top management and information security managers, and hands-on exercises in the training environment reproduced at a virtual company.
4. Threat intelligence service	We gather and investigate information on threats that may affect companies from cyberspace, including the dark web and social networking sites.
5. Security monitoring and operational service	We monitor and operate, 24 hours a day, 365 days a year, a series of tasks ranging from operating security monitoring devices, analyzing unauthorized access communication, and responding when an intrusion is detected.
6. Supply chain risk assessment service	We visualize, in a simple and unified manner, security measures in our customers' overall supply chain, including at partners, contractors, group companies, and foreign bases. We support our customers to monitor and control the overall supply chain by comparing each organization's security measures against the industry average and by assessing compliance with the General Data Protection Regulation (GDPR).

[Japan's First] Telematics Insurance

3.6 Reduction of the number of global deaths and injuries
8.10 Accessibility to insurance and financial services
9.1 Sustainable infrastructure
11.2 Provide access to sustainable transport systems

Sompo Japan has been engaged in research and development aiming to support safe driving using telematics technology and to reduce insurance premiums for drivers. Our product line-up currently includes Smiling Road*1, Portable Smiling Road, and DRIVING!

The correlation between driving characteristics of the driver and the likelihood of an accident has become clear as a result of research and analysis into an enormous volume of big data, using the telematics technology know-how we have accumulated. The company became the first insurance company in Japan to develop a telematics insurance product that offers up to a 20% discount on insurance premiums*2 according to the results of driving diagnosis by using Portable Smiling Road. The introduction of an insurance premium discount based on the degree of safe driving enables us to offer customers more reasonable insurance premiums and to further encourage safe driving and support the creation of an accident-free society.

*1 Service for companies that supports safe driving using a dedicated drive recorder.
*2 Targets insurance premiums for new Sompo Japan policy contracts with new vehicle owners who have not previously taken out a policy.

Safe Driving Support Service "Driving!" for Individual Drivers

While the number of road traffic accidents has continued to fall in recent years following improvements in the safety performance of automobiles, the accident rate among both elderly and young drivers remains high, and it is essential for drivers themselves to take safety measures.

Sompo Japan believes that its mission as a P&C insurance company is to prevent customers from feeling alone when involved in an accident and to reduce the number of car accidents that could have been prevented. In March 2017, the company started to provide "Driving!," a telematics-based service that uses a driving recorder (dashboard camera).

From January 2018, in an effort to improve convenience and accessibility to more customers, the company started to offer the service as a rider for automobile insurance so that it can be used at the same time as applying for automobile insurance. In September 2021, the company started to update driving recorders.

"Driving!" offers driver peace of mind while driving using a dedicated driving recorder with a telecommunications function that supports safe driving, as well as safe driving assessments after driving to help users maintain their driving skills. By using the telecommunications feature to enable users to directly connect to an insurance company, the company can provide an accident reporting service that utilizes the driving recorder's impact detection function and, in collaboration with Sohgo Security Services Co., Ltd. (ALSOK), an accident-scene callout service. Sompo Japan is the first major P&C insurance company in Japan to collaborate with ALSOK in providing this service. In this way, the company provides customers with total support for peace of mind and safety when driving.

Sompo Japan will continue to utilize digital technology to provide further safety and security to all drivers and aim to help realize "a society without accidents."

Insurhealth® Products

3.3 Eradication and control of epidemics and infectious diseases
3.4 Mental health and welfare promotion
3.a Strengthen tobacco control
8.10 Accessibility to insurance and financial services

Sompo Himawari Life provides Insurhealth®, a new value combining a traditional insurance function with a healthcare function. By integrating healthcare services with the insurance function that helps ensure peace of mind even in emergencies, we strive to prevent customers from experiencing unexpected health issues.

Launch of "Protection for You and Your Family," Income Compensation Insurance to Support Health (First in the Industry)

In April 2018 Sompo Himawari Life updated its income compensation insurance, Family Protection, a key product, to launch Linkx: Protection for You and Your Family.

This product features a "health challenge" system, which allows policyholders to lower their insurance premiums by measuring improvements in their health (stopping smoking, BMI, blood pressure) over a certain period from enrollment, and to receive the amount equivalent to the difference in the premiums paid from the time of first enrollment in the form of a monetary reward for completing health challenges.

Customers want protection not only against death but also for protecting their lives if they find themselves unable to work for some reason. To meet this desire, it has increased the options available as added protection against incapacity. These options include: "incapacity rider" that pays customers an annuity if they are certified as having a grade 1 or grade 2 disability and entitled to receive basic disability pension as a guarantee in order to live and "seven major disease rider with mental disease protection" that, in addition to the provision for seven major diseases, allows customers to receive an annuity if corresponding to specific circumstances as a result of a mental illness recognized as a social issue.

Linkx Pink

Launched in August 2018, Linkx Pink is our initiative to assist women in living fulfilled lives by providing comprehensive support services to ensure early detection of breast cancer and offer insurance coverage if cancer is detected as well as support for patients and survivors.

Inspired by the hope of our female employees to encourage women to live their own fulfilling lives, whether or not they have breast cancer, we started the initiative to do more than just providing support as an insurer.

Linkx Pink (no surrender value cancer diagnosis insurance for women) is a simple cancer insurance that guarantees breast or other cancers. It encourages breast cancer screening by paying a cancer-free bonus once every two years, as well as providing economic support when the insured is treated for cancer. We

have also signed partnership agreements with a number of companies to provide seamless services so that women can continue to live with dignity even during and after treatment. These companies share our desire to alleviate anxiety among women and to solve social issues.

Egao Wo Mamoru Dementia Insurance

In October 2018, we launched Egao Wo Mamoru Dementia Insurance (Dementia Insurance for protecting your smile) that guarantees mild cognitive impairment (MCI). Sompo Himawari Life provides a full range of support to customers by helping them to delay the onset and progression of dementia, along with responding to their nursing care needs. The services include the SOMPO Egao Club dementia support that provides information and services to promote early detection of MCI and dementia and prevent a decline in cognitive function; insurance functions that cover MCI and dementia with a one-time payment; and nursing care and related services of the Sompo Holdings Group to support customers when nursing care is required.

By providing insurance that includes MCI-based services, this "Insurhealth," *1 product aims to deepen understanding of dementia, change the way people approach dementia, support the health of the patient, and reduce the nursing care burden on the care provider.

*1 Insurhealth: a new value that combines insurance and healthcare

"Blue" medical insurance for people with diabetes

On December 24, 2019, we launched "Blue" medical insurance for people with diabetes (lump sum benefit medical insurance for diabetics). There are approximately three million diabetics in Japan, and the number of patients with this classic chronic disease is increasing each year.*1

Diabetes is a disease with no noticeable symptoms that is said to be a silent killer. As a result, diabetics are prone to stop seeking treatment following changes in their living environment. This is why we offer Insurhealth®, a new type of insurance that incorporates a mechanism to prevent severe aggravation that aims to ensure diabetics continue their treatment.

We are working in partnership with H2, K.K., the developer of Health2Sync, an app for managing chronic illnesses such as diabetes, to support the prevention of severe aggravation in people with diabetes by encouraging them to continuously manage their HbA1c levels*2 using the app.

*1 Source: Patient Survey 2017, Japan's Ministry of Health, Labour and Welfare
*2 Hemoglobin A1c: reflects average blood sugar levels over the past one to two months

Medical insurance to support health "Protection for Your Health"

On June 2, 2020, Sompo Himawari Life launched a new medical insurance product, Medical Insurance MI-01 (whole-life insurance, pet name: Medical insurance to support health "Protection for Your Health"). In addition to the traditional role of paying insurance claims and benefits, this product includes a new service to help maintain and improve health and thus help prevent serious illnesses. When customers claim health recovery support benefits, we provide them with lifestyle disease-related services they need based on their state of health, offering a new value of preventing serious aggravation of illnesses.

Suwan Toku Cancer Insurance

On March 22, 2021, Sompo Himawari Life launched whole-life cancer insurance (C1) (Suwan Toku Cancer Insurance).

Suwan Toku Cancer Insurance is the industry's first cancer insurance designed only for non-smokers and can be bought on the internet. The insurance is built on mutual support among non-smokers who are at low risk of disease and offers coverage at an affordable premium. In preparation for the latest cancer treatment, Sompo Himawari Life supports the cost of treatment and loss of income through a cancer treatment benefit that covers a variety of treatments, and a popular cancer diagnosis benefit.

Sompo Himawari Life offers new value to customers by introducing them to products such as SalivaChecker®, a cancer risk test offered by SalivaTech, Co., Ltd. that can be performed at home, to provide not only financial coverage in the event that a customer develops cancer, but also total support for the prevention, early detection, and early treatment of cancer, as well as post-cancer care.

Launch of Medical Master [First in the Industry]

3.4 Mental health and welfare promotion
8.8 Promoting a safe and secure work environment
8.10 Accessibility to insurance and financial services

In June 2021, as part of our comprehensive business activity insurance (Business Master Plus), one of our key products, Sompo Japan launched Medical Master, a plan that covers the risk of executives and employees falling ill.

As labor shortage has become a pressing issue for companies, enhancing employee benefits has become a widespread trend in an effort to secure talented human resources, with the aim of improving employee loyalty and reducing turnover rates.

Meanwhile, there is growing concern among executives and employees that they may not be able to work due to illness or other reasons.

Medical Master covers the risk of employees falling ill and being absent from work. Sompo Japan aims to contribute to a society in which people can work with peace of mind by supporting the further enhancement of companies' employee benefits through Medical Master, thereby solving the issue of labor shortage and removing the anxiety of being unable to work.

Launch of Stress Measurement App Using AI and Start of Proof of Concept Tests on Blood Pressure Measurement Technology with an Israeli Startup

3.4 Mental health and welfare promotion
3.d Risk reduction and management of health risks
9.5 Research promotion and technology improvement through innovation
17.16 Multi-stakeholder partnership

Sompo Himawari Life started to collaborate with Binah.ai, an Israeli startup, in the healthcare field in January 2019. During fiscal year 2020, we will launch a stress measurement app using Binah's digital technology and will start proof of concept tests to measure blood pressure.

Sompo Himawari Life provides Insurhealth® which combines insurance functions with support functions for customers' health. Binah, meanwhile, provides highly accurate data processing and analysis services using its proprietary algorithms and deep learning technology. Binah's technology will enable us to measure stress using smart phones and, in the future, we expect to be able to obtain accurate blood pressure values from facial images. By actively harnessing cutting-edge digital technologies, we will provide new health support services to customers and, going forward, we will seek to apply such technologies to the automobile insurance sector and other markets our Group operates in.

Launch of the Neurotrack Cognitive Health Program App with Silicon Valley Startup to Detect Risks of Declining Cognitive Functions at an Early Stage and Support Improving and Preserving Cognitive Functions

3.4 Mental health and welfare promotion
3.d Risk reduction and management of health risks
10.2 Reduce inequality
17.16 Multi-stakeholder partnership

Sompo Himawari Life has jointly developed, with Neurotrack Technologies, Inc., a U.S. startup based in Silicon Valley, Neurotrack Cognitive Health Program, an app which detects risks of cognitive function impairments at an early stage and offers support to improve and preserve such functions.

This service, available to anyone with a smart phone, uses digital technology to detect the risk of cognitive function impairments at an early stage from a scientific perspective and support health improvements. By grasping the state of their cognitive functions and regularly taking cognitive tests, users are able to detect a decline at an early stage. They can also learn about dementia and prevent the decline of their cognitive functions by incorporating advice provided by the program into their day-to-day life.

We are promoting the SOMPO Dementia Support Program aiming for a society that strives to prepare for dementia and enables people to continue living long and happy lives with dignity as individuals, even after being diagnosed with dementia. Going forward, we intend to contribute to solving social issues by using state-of-the-art technologies developed in Japan and overseas.

Support Services for Corporate Mental Health Measures and Health & Productivity Management — Contributing to the creation of highly productive organizations by ensuring employee health and well-being

3.4 Mental health and welfare promotion
3.5 Strengthen the prevention and treatment of drug abuse and harmful use of alcohol
3.d Risk reduction and management of health risks
8.8 Promoting a safe and secure work environment

Sompo Health Support teams up with consultants and specialist occupational mental health coordinators (OMC) to provide services to address issues facing corporate customers in various sectors, including support for the development of occupational health systems that focus on mental health measures, support for disabled workers and employees on leave, the employment of industrial physicians, and the planning and implementation of healthcare training.

In addition to services to improve workplace environments using stress checks (57 question version, 80 question version), the company provides two presenteeism* measurement tools, WLQ-J and WFun.

With the aim of contributing to creating healthy companies, the company also provides comprehensive support for the promotion of health and productivity management, including support for the preparation of related surveys and the visualization of health issues through data analysis, in order to ensure employee productivity, which is a critical issue for corporate management.

* Situation in which employees report to work despite being ill and work while physically unwell





SOMPOヘルスサポート株式会社
健康経営優良法人 2021 Health and productivity ホワイト500

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Providing Japan's largest service in specific health guidance — Toward a healthy and vibrant society, we will also respond to the super-aged society Products & Service

3.4 Mental health and welfare promotion
3.5 Strengthen the prevention and treatment of drug abuse and harmful use of alcohol
3.d Risk reduction and management of health risks
8.8 Promoting a safe and secure work environment

As Japan's society ages and the increasing number of people suffer from lifestyle diseases such as diabetes and myocardial infarction, the increase in medical and other social security costs has become a social issue for Japan. Meanwhile, since fiscal year 2008, public health insurance providers have been required to provide metabolic syndrome checkups as well as follow-up advice in certain cases that meet criteria laid down by the government.

Since fiscal year 2015, health insurance companies have been required to develop and implement Data Health Plans to promote the health of insured workers based on medical prescriptions and other data. It has become increasingly important to take measures to combat health issues beyond just providing specific health guidance.

Drawing on its nationwide network of health professionals, made up of roughly 1,500 health workers, nurses and national registered dietitians, Sompo Health Support provides support to corporate employees as Japan's largest provider of specified health guidance.

One study shows that approximately 40% of employees who received follow-up advice from Sompo Health Support improved to the point that they required no further guidance the following year.

The company also provides follow-up checkups to help prevent the severe diseases for people on medication and non-obese people facing risks related to blood pressure, glucose, lipid levels, and smoking. It also offers health advice visits for people aged between 65–74 aimed at lifestyle improvement. In all, it has provided guidance on approximately 460,000 health support cases annually to roughly 640 health insurance associations and other organizations. The company is also developing QUPiO Plus (an online and printed booklet), which provides information using ICT. We publish approximately 600,000 copies of the booklet annually and it has been well received.

Sompo Health Support will continuously provide face-to-face health support that matches each customer's need, as well as original seminars and technical support on health to professionals nationwide to develop a framework that enables the provision of high quality services.

Joint Development of AI to Predict Risk of Diabetes and Other Lifestyle Diseases

3.4 Mental health and welfare promotion
3.5 Strengthen the prevention and treatment of drug abuse and harmful use of alcohol
9.5 Research promotion and technology improvement through innovation
17.16 Multi-stakeholder partnership

Sompo Holdings, Sompo Health Support, Toshiba Corporation, and Toshiba Digital Solutions Corporation have jointly developed an AI technology to predict the risk of diabetes and other lifestyle diseases based on a fusion of our Group's healthcare service-related know-how and the Toshiba Group's AI and big data analysis technologies.

Our Group has an extensive customer network and the know-how of Sompo Health Support, which provides specific health guidance to approximately 500 health insurance associations. Meanwhile, the Toshiba Group has big data analysis technologies cultivated in various fields of industry and expertise related to healthcare data mining* acquired through joint research with universities and other institutions both in Japan and overseas.

Utilizing the know-how, technology and expertise possessed by the two Groups, we developed the AI technology based on data from medical examinations of approximately one million persons conducted at cooperating institutions over a period of up to eight years.

As well as improving the accuracy of the AI to predict lifestyle disease risks, the two Groups will promote the development of solutions for encouraging behavioral change, such as improvements in diet and exercise habits.

We will also develop algorithms to support services such as health guidance to prevent the aggravation of diabetes after the onset of the disease while striving to develop and strengthen AI to expand the range of lifestyle diseases it covers.

The Groups also plan to create new businesses by utilizing healthcare data and tie-ups with new partners beyond the boundaries of their own industries.

* Technology that analyzes data in various forms and identifies patterns and regularities mainly for disease treatment and prevention

SOMPO's capital as a source of competitiveness

Natural capital



We aim to contribute to the creation of a green society in which the economy, society, and environment are in harmony, by leveraging our strengths, namely the initiatives and partnerships we have established over the past 30 years to tackle global environmental issues.

Net zero initiatives

Greenhouse gas emissions reduction rate (scopes 1, 2 and 3)

Reduction in FY2020	Target for FY2030	Target for FY2050
15.2%*1	60%*1	Net zero (including at the investment portfolio)

Efforts to reduce emissions in the value chain

Reduction in paper use in FY2020	Reduction in business travel in FY2020
25.0%*1	70.7%*1

Renewable energy introduction rate

Target for FY2030	Target for FY2050
70%+	100%

*1 Compared to FY2017

No. of participants in environmental education programs*2

Participants as of end of FY2020	Target for FY2021
77,080 (cumulative total)	11,500

No. of engagements with investment portfolio companies

Increase compared to FY2020

*2 Cumulative total of the number of participants in the SAVE JAPAN Project (a conservation project to save rare species in Japan) and Open Lectures on the Environment

* SDG targets strongly linked to the SOMPO Group's initiative are marked. The SOMPO Group will continuously review this in response to development of initiative, changes in social challenges.

Initiatives to Enhance Natural Capital

Adaptation to Climate Change

AgriSompo: Integrated Global Platform for Agriculture Insurance

2.4 Resilient agriculture
8.10 Accessibility to insurance and financial services
13.1 Adapting to climate change

Sompo International Holdings (SIH) is developing AgriSompo, an integrated platform on the global market, and provides a wide range of insurance and reinsurance products to agriculture markets, mainly in North America, Europe, Brazil and Southeast Asia.

In March 2018, SIH completed acquisition of A&AS.r.l, the leading agriculture insurance agency in Italy since 1996.

In April 2020, SIH announced a business tie-up with ATLAS Segurmina, an agricultural insurance agency with strong ties to the Portuguese and other European markets, while in September 2020, SIH announced the acquisition of Diversified Crop Insurance Services, the fourth-largest underwriter of the U.S. federally sponsored crop insurance, thereby establishing themselves as a major provider of crop insurance both in North America and throughout the world. Going forward, SIH plans to expand our services and product lineup to meet market needs.

Utilizing AgriSompo, SIH underwrites insurance for farmers, agri-businesses and agricultural insurers at a common standard, and provides expertise and technology for a range of products.

Providing the Weather Index Insurance in Southeast Asia

2.4 Resilient agriculture
8.10 Accessibility to insurance and financial services
13.1 Adapting to climate change
17.16 Multi-stakeholder partnership

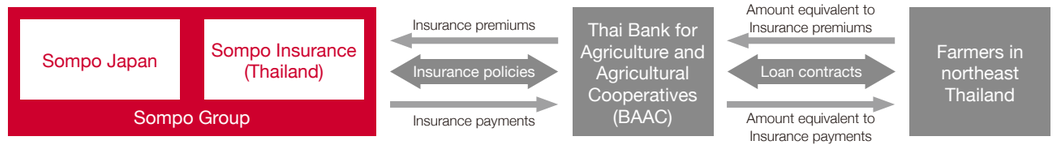
Weather index insurance is an insurance product that pays out a contractually predetermined insurance amount when a weather index –such as temperature, wind speed, rainfall– fulfills certain conditions.

Utilizing the risk assessment technology provided by Sompo Risk Management and rainfall data estimated using earth observation satellites belonging to the Remote Sensing Technology Center of Japan (RESTEC), our Group provides weather index insurance aimed at reducing agricultural business risks in Southeast Asia, where agriculture is a key industry that is vulnerable to climate change.

In 2010, we launched a weather index insurance for farmers in Northeast Thailand aiming at reducing their damages caused by drought. Sompo Insurance Thailand developed a scheme with Bank for Agricultural Cooperatives (BAAC) to offer the weather index insurance to farmers who maintain loan contracts with BAAC.

We are developing and promoting insurance products as climate change adaptation measures for farmers of Thailand's major agricultural exports. For example, in February 2019, we launched a weather index insurance for longan farmers while in May 2021 we launched a weather index insurance for sugarcane and cassava farmers. These insurance programs were developed using technology provided through AgriSompo.

In Myanmar, we developed a weather index insurance that covers drought risk for rice and sesame farmers in the central



arid region. This insurance, developed in partnership with the Remote Sensing Technology Center of Japan (RESTEC), makes use of rainfall data obtained by earth observation satellites. This insurance is sold by Myanma Insurance, with technical support from Sompo Japan.

These weather index insurance in Southeast Asia has been recognized as meeting the requirements for membership in the Business Call to Action (BCtA). The BCtA is a global initiative launched in 2008 by the United Nations Development Programme (UNDP) and five government institutions that challenges companies to develop business models with the potential to achieve both commercial success and sustainable development outcomes.

In 2016 we received Japan's Environment Minister's Award for demonstrating the Principles for Financial Action towards a Sustainable Society. For our initiative in Myanmar, we received the Minister of State for Space Policy Prize, at the Second Space Development and Utilization Grand Prize presentation.

Development of Flood Risk Assessment Methods for Japan and Asian Countries

11.b Disaster-resilient community development
13.1 Adapting to climate change
17.16 Multi-stakeholder partnership

To deal with flood risk, which can be affected by medium- and long-term climate change, Sompo Risk Management is engaged in research and development into flood risk assessment methods for Japan and Asian countries to offer new insurance services and risk consulting services that support adaptation to climate change.

In Japan, Sompo Risk Management is utilizing a flood risk assessment system*1, developed jointly with Kyoto University and Kobe University, for insurance risk management and natural disaster risk consulting.

For Thailand, they are using a flood risk assessment system developed jointly with the Foundation of River & Basin Integrated Communications to manage insurance risk and develop insurance products. They have also developed new flood scenario risk assessment methods*2 for major urban areas in China, Vietnam, Indonesia, the Philippines, Malaysia, Singapore, and Brazil aiming at enforce risk management system.

They steadily have expanded the area to which they can apply these flood risk assessment systems and methods. In 2017, they added Myanmmar to the area aiming to develop services for Japanese companies which launch businesses in Myanmmar.

*1 A system to assess the probability of future flood damage, based on various possible rainfall scenarios.

*2 A method to assess flood damage under certain rainfall scenarios, including heavy rainfall observed in the past and probable heavy rainfall (e.g. rainfall of a certain intensity with the likelihood of once in 100 years).

First Private-sector Company in MEXT's SI-CAT Program

11.b Disaster-resilient community development
13.1 Adapting to climate change
17.17 Public, public-private, and civil society partnerships

Sompo Risk Management has become the first private-sector company to take part in the Social Implementation Program on Climate Change Adaptation Technology (SI-CAT)*1 run by the Japanese Ministry of Education, Culture, Sports, Science and Technology (MEXT).

By collaborating and exchanging ideas with research institutes and utilizing SI-CAT's research results, Sompo Risk Management aims to quantify the risk of climate change using the typhoon/flood risk assessment models they have developed, research and analyze the changes in opportunities associated with social systems or changes in supply and demand, aiming to improve analysis techniques and build up expertise about climate change risk.

Our aim is to contribute to a sustainable society by developing and providing new solutions to help companies and local governments adapt to climate change, using the technologies and knowledge gained through this initiative.

*1 A program launched by MEXT in December 2015 to support the development and implementation of technologies to support areas requiring measures against the impact of climate change. The program Ends in March 2020.

Development of climate change impact quantification technology

11.b Disaster-resilient community development
13.1 Adapting to climate change
17.16 Multi-stakeholder partnership

Sompo Risk Management developed a technology for quantifying the effects of climate change on natural disasters, collaborating with the National Research Institute for Earth Science and Disaster Resilience (NIED) and the University of Tsukuba.

NIED and the University of Tsukuba provides climate forecasting expertise and data analysis methods, allowing Sompo Risk Management to perform large-scale analysis of typhoons and heavy rainfall using weather and climate big data. This analysis identifies trends in the average frequency and intensity of natural disasters as global warming advances, and quantifies the occurrence of extreme disasters such as major typhoons and large-scale heavy rainfall. These analysis results are then incorporated into the typhoon/flood risk assessment models we have developed for Japan, to quantitatively assess the impact of climate change on insurance underwriting.

By working with NIED, Sompo Japan and Sompo Risk Management aim to enhance the insurance underwriting risk management as well as develop and provide new insurance products and services to help companies and local governments adapt to climate change.

Participation in Global Industry-academia Cooperation Program on Natural Disasters

11.3 Enhance inclusive and sustainable urbanization
13.3 Raising awareness of the need to adapt to and mitigate climate change
17.16 Multi-stakeholder partnership

Sompo Digital Lab, our Group's digital strategy subsidiary based in Silicon Valley, became the first Affiliate Member of the Stanford Urban Resilience Initiative (SURI), Stanford University's industry-academia research program on natural disasters, in January 2019.

SURI was established in 2015 with the purpose of researching and developing the latest technologies and tools to build resilient cities and communities prepared for natural disasters such as earthquakes and floods. The university's prospective PhD students and researchers collaborate on research and development with government agencies, companies and civil societies who share the program's aims.

Through involvement in this collaborative research program, Sompo Digital Lab aims to fully harness our Group's data platforms including huge amounts of big data on natural disasters and economic losses, as well as our expertise of disaster risk estimation, together with SURI's advanced technology and human resources, to develop new services contributing to safety and security on the global theme of natural disaster risk.

Mitigation of Climate Change

Efforts to Reduce the Environmental Impact throughout the Value Chain

7.2 Expanding renewable energy share
13.2 Climate change countermeasures
13.3 Raising awareness of the need to adapt to and mitigate climate change
17.16 Multi-stakeholder partnership

From FY2021, we announced a greenhouse gas emission reduction policy, which aims to achieve net zero by 2050. We are working toward a goal of 60% reduction in 2030 (compared to 2017) by promoting measures such as switching to renewable energy as a source of over 70% of electricity used by the Group.

We committed to Science Based Targets (SBT), a global initiative that supports achieving the Paris Agreement's 1.5°C goal. We also participated in financial SBT expert advisory group and are involved in creating a framework as the only Japanese insurance group. We are also actively engaged in constructive dialogue with investees and business partners on the theme of ESG, and are working to reduce the environmental impact throughout the value chain.

"ONE SOMPO WIND Service" for offshore wind power operators

7.2 Expanding renewable energy share
8.10 Accessibility to insurance and financial services
13.2 Climate change countermeasures
17.16 Multi-stakeholder partnership

In July 2020, Sompo Japan and SOMPO Risk Management began selling "ONE SOMPO WIND service" to offshore wind power operators, which provide risk assessment from construction work through business operation and comprehensive insurance covering risks.

By promoting the spread of offshore wind power projects with very little carbon dioxide emissions, we will contribute to the realization of sustainable society.

Risk Assessment

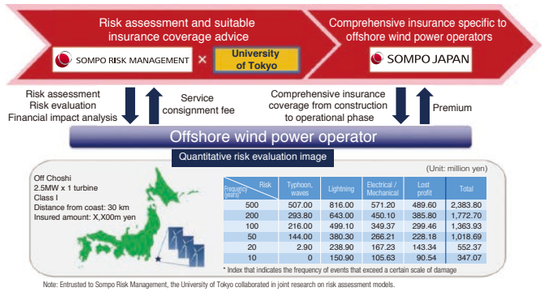
SOMPO risk management has developed a risk assessment model in collaboration with the University of Tokyo to assess the inherent risks of offshore wind power in Japan. This risk assessment model combines the latest research results from the University of Tokyo and data collected by research institutes in Japan and overseas with risk analysis technology developed as an insurance company, thus enabling risk assessment specific to offshore wind power in Japan, which has been difficult to evaluate.

Comprehensive Insurance

Sompo Japan comprehensively compensates for the risks surrounding domestic offshore wind power operators.

This insurance covers the risks associated with the construction of offshore wind power generation facilities and the operation of the business after completion, and compensates for the repair costs of facilities due to accidents or breakdowns during construction or operation of the business.

ONE SOMPO WIND Service_illusut



Future plan

We will continue to develop and provide products and services with the aim of providing the highest quality services that contribute to safety, security and health to stakeholders involved in the offshore wind power business.

Insurance Products that Promote Renewable Energy

7.2 Expanding renewable energy share
8.10 Accessibility to insurance and financial services
13.3 Raising awareness of the need to adapt to and mitigate climate change
17.16 Multi-stakeholder partnership

With Japan's Renewable Electric Energy Feed-In-Tariff system starting to operate in July 2012, and a growing number of companies and other entities have been participating in renewable energy projects. For entrants into the renewable energy electricity market, we offer insurance to cover emergencies as well as risk analysis services for the project facilities' site environments.

Fire Insurance for Wind Power Companies: Special Clause Covers Costs to Prevent Recurrence of Accidents

Sompo Japan offers fire insurance for wind power companies with a rider that covers costs for actions to prevent accidents from recurring. For wind power companies, if accidents occur, the losses can tend to be expensive, and similar accidents are likely to recur. Thus, it is important for the management of wind power companies to identify the causes of an accident, and take measures to prevent recurrence. To address these issues, Sompo Risk Management is supporting the stable management of wind power companies by developing this rider, which incorporates our accident recurrence prevention knowhow, to provide insurance and risk management services.

Property and Casualty Insurance for Offshore Wind Power Companies

For offshore wind power projects, insurance coverage was arranged separately for the construction process and project operations after completion. But from the perspective of preventing gaps in insurance coverage and improving the efficiency of project management, many businesses were asking for unified insurance. In response, Sompo Japan now offers insurance in the event of the occurrence of damage to offshore wind power facilities due to unforeseen or sudden accidents during facility construction and operations.

Risk Diagnosis Services for Renewable Energy

Since September 2012, Sompo Risk Management has been offering risk diagnosis services for renewable energy. These services make use of knowledge accumulated through our risk analysis services relating to natural disasters such as earthquakes, flooding, and lightning strikes, as well as the development of risk maps. The services aim for a stable electricity supply from renewable energy, which has a low environmental impact, and involve analysis and diagnosis of site risks for renewable energy facilities such as photovoltaic and wind power electricity generation facilities.

Wind Power Generation Business Risk Assessment Service

Sompo Risk Management analyzes and grades various risks during the operation of both land-based and offshore wind power operations at the phase of development, construction and operation. These services are aimed at reducing the potential risks of projects by encouraging the operators to take steps to reduce risks based on assessments, thereby reducing the amount of risk exposure before starting the projects.

Risk Assessment Model for Wind Power Facilities

Sompo Risk Managemen has developed a risk assessment model dedicated for wind power facilities. Identifying the risk of electrical or mechanical breakdowns and accidents due to natural disasters and other factors using the risk assessment model enables us to quantitatively ascertain the risk of wind power projects and calculate the appropriate insurance premiums. They will further develop their services that use the risk assessment model and contribute to the spread of wind power, and support the formulation of business plans.

Financial Impact Analysis Service for Wind Power Projects

Sompo Risk Management offers a service for wind power projects that evaluates the probability of losses occurring due to accidents from natural disasters and typical breakdowns, as well as losses due to a halt of operations when a breakdown or accident occurs, and then quantitatively evaluates the impacts of identified risks on the cash flows of business plans.

Second Opinion Service for Wind Power Companies

Sompo Japan and Sompo Risk Management started offering a second opinion service in November 2016 for wind power companies that have purchased a fire insurance policy from Sompo Japan. Through this service, they offer advice on how to handle various types of trouble that could occur in operations and maintenance. When consulted on wind power operations and maintenance, Sompo Risk Management compiles advice from wind power maintenance companies, experienced engineers and experts, and then provides it to the client.

Insurance Due Diligence Service for Wind Power Companies

Sompo Risk Management offers insurance design support services, with comprehensive risk assessment in consideration of the risk reduction effect by preventive maintenance efforts on operation and maintenance (O & M) of wind power companies, before arranging insurance for wind power facilities.

Expanded Environmental Consulting Services

7.3 Improvement in energy efficiency
11.6 Reduce the adverse environmental impact of cities
12.5 Reduce waste generation
13.3 Raising awareness of the need to adapt to and mitigate climate change

Sompo Risk Management provides customized consultant services to improve the sustainability of the corporate value while mitigating the risk of environmental issues.

The company offers a variety of consultant services such as providing information on environmental laws, supporting for complying with individual laws, and building a management system to promote solutions for environmental issues that are bases for the risk management of environmental issues.

The company also provides services for strategy and policy formulation and information disclosure.

Free Environmental Solution Consulting Services in China

11.6 Reduce the adverse environmental impact of cities
12.5 Reduce waste generation
13.3 Raising awareness of the need to adapt to and mitigate climate change
17.16 Multi-stakeholder partnership

Sompo China, one of our group companies, has partnered with EHB China Environmental Science&Technology (EBH China), a group company of the major Japanese environmental research firm EnBio Holdings, Inc., to start providing environmental solution consulting services to businesses, free of charge, in September 2018.

Following the enforcement of the revised Environmental Protection Law in China in 2015, environmental protection awareness has risen and environmental regulations have been rapidly tightened. Japanese companies have found it difficult to stay on top of all of these changes and there has been a string of cases in which Japanese companies have been fined or ordered to suspend operations. Many companies are also struggling to formulate policies to address the new regulations.

To support these companies, Sompo China has formed an alliance with EBH China, a company with extensive experience in the environmental solution business, to start providing consulting services that propose measures required under Chinese environmental regulations, free of charge.

In April 2021, in addition to our current partnership with EnBio China, we formed a partnership with Ryuki Engineering Inc., a Japanese manufacturer of environmental equipment with high technological capabilities in the environmental field.

At the same time, in addition to the consulting services for environmental measures mentioned above, Sompo China has started to offer free of charge environmental consulting services for SDGs to our clients.





GOVERNANCE

Systems underpinning value creation

The Sompo Group has hitherto proactively worked on reforming corporate governance with the aim of building systems that facilitate swift decision making and dynamic business execution. Examples of such initiatives include the introduction of a Business Owner system and a Group Chief Officer (CxO) system, as well as becoming a Company with Committees. And with the use of ERM as our so-called “compass of management,” we appropriately manage increasingly diverse and complex risks in this age of VUCA characterized by instability and uncertainty. In this section we discuss the systems and characteristics of these group management foundations that underpin the Sompo Group’s sustained value creation.

Corporate Governance Overview

Sompo Holdings changed the governance structure to "Company with committees, such as Nomination Committee" at the General Meeting of Shareholders held in June 2019. With this transition, the Company clarifies separation between the roles and positioning of supervision and execution to further strengthen both functions, as well as forming the Board of Directors with a majority of outside directors to reinforce the governance system for supervision.

The Company utilized the business owner system, the Group Chief Officer system, and the executive officer system, under the general oversight of the Group CEO and Group COO, for its business operation system to enable agile and flexible decision-making and business execution as well as ensuring the clarity of authority and responsibility.

Organizational structure	Company with committees, such as Nomination Committee
Number of Directors	12, of which 9 are Outside Directors • Percentage of non-executive directors: 83% (10 out of 12) • Percentage of outside director: 75% (9 out of 12)

Member of the Board, Nomination Committee, Audit Committee and Compensation Committee

Name	Title	Board of Directors	Nomination Committee	Audit Committee	Compensation Committee
Kengo Sakurada	Group CEO Director President and Representative Executive Officer	○ (Chairman)	—	—	—
Shinji Tsuji	Group COO Director Deputy President and Representative Executive Officer	○	—	—	—
Toshihiro Teshima	Director	○	—	○	—
Scott Trevor Davis	Director*	○	○ (Committee Chair)	—	○
Kazuhiro Higashi	Director*	○	○	—	○ (Committee Chair)
Takashi Nawa	Director*	○	○	—	○
Misuzu Shibata	Director*	○	○	—	○
Meyumi Yamada	Director*	○	○	—	○
Naoki Yanagida	Director*	○	—	○ (Committee Chair)	—
Hideyo Uchiyama	Director*	○	—	○	—
Isao Endo	Director*	○	—	○	—
Kumi Ito	Director*	○	—	○	—

*Outside Director as set forth in Article 2 (XV) of the Companies Act.

Executive Officers and Senior Vice Presidents

Executive officers shall make decision and perform duties with respect to the matters delegated from the Board of Directors. Senior Vice Presidents execute business following a partial delegation of business execution authority from Executive Officers.

Appointment of Directors, Executive Officers and Senior Vice Presidents

Directors shall be appointed at the General Shareholders Meeting based on the selection by the Nomination Committee. Executive officers and Senior Vice Presidents shall be appointed at the General Shareholders Meeting based on the selection by the Nomination Committee. Additionally, the company formulated the "Policies for Appointment of Directors and Executive Officers" and disclosed it to public.

- The "Policies for Appointment of Directors and Executive Officers" is stipulated in chapter 5 of the Corporate Governance Policy.

Number of Independent Directors

9 Outside Directors

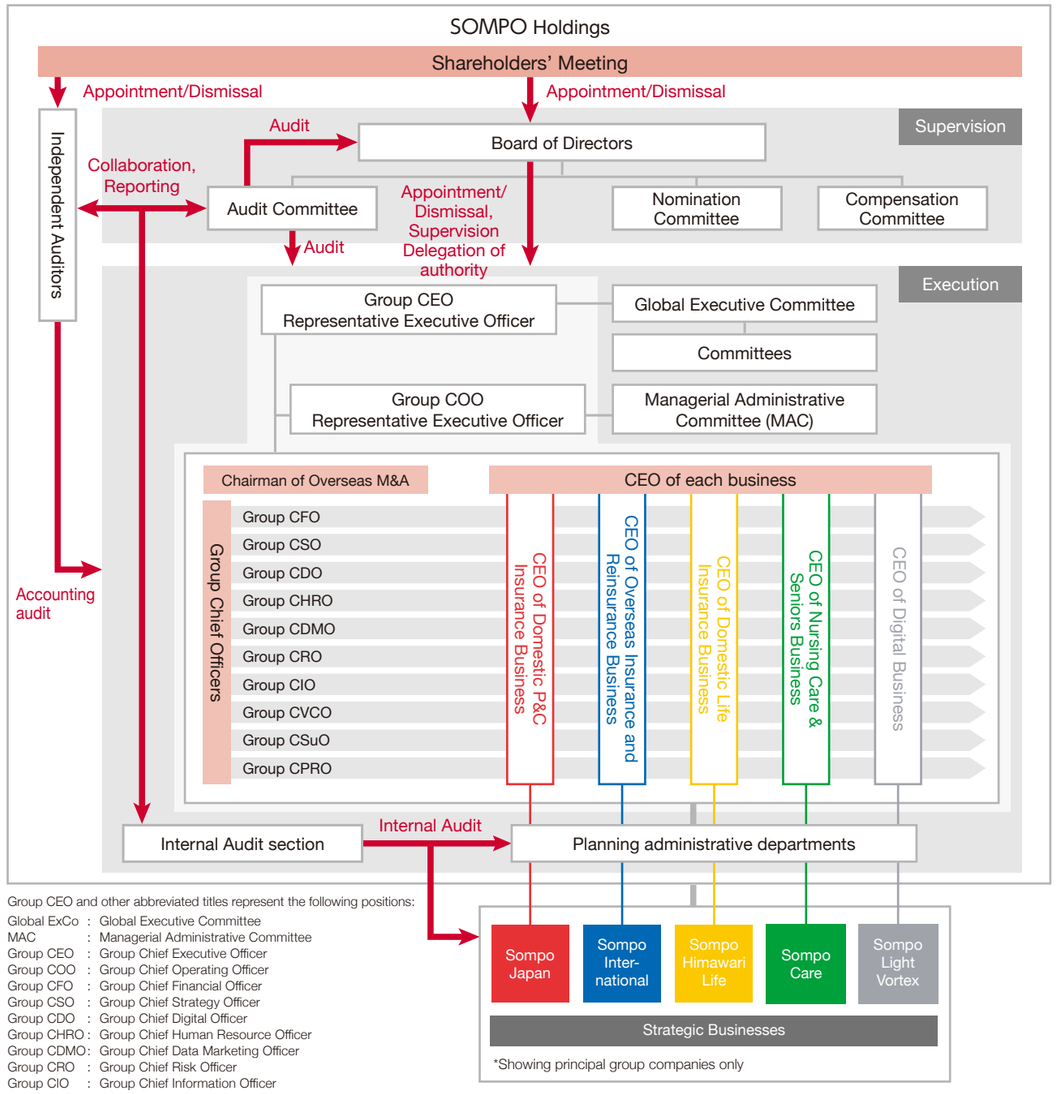
- All Outside Directors are independent as defined by the Financial Instruments and Exchange Act.
- Standards regarding Independence of Outside Directors is disclosed in the Corporate Governance Report.

Decisions regarding compensation, etc.

The Company formulated the "Policies on Decisions regarding Compensation for Directors and Executive Officers" according to the decision by the Compensation Committee and disclosed it to public.

- The "Policies on Decisions regarding Compensation for Directors and Executive Officers" is stipulated in chapter 7 of the Corporate Governance Policy.

Management Structure of Corporate Governance (As of August 1, 2021)



Group CEO and other abbreviated titles represent the following positions:

Global ExCo : Global Executive Committee
MAC : Managerial Administrative Committee
Group CEO : Group Chief Executive Officer
Group COO : Group Chief Operating Officer
Group CFO : Group Chief Financial Officer
Group CSO : Group Chief Strategy Officer
Group CDO : Group Chief Digital Officer
Group CHRO : Group Chief Human Resource Officer
Group CDMO : Group Chief Data Marketing Officer
Group CRO : Group Chief Risk Officer
Group CIO : Group Chief Information Officer
Group CVCO : Group Chief Value Communication Officer
Group CSuO : Group Chief Sustainability Officer
Group CPRO : Group Chief Public Relations Officer

FY2020: Record of meetings of the Board of Directors, Nomination Committee, Audit Committee and Compensation Committee

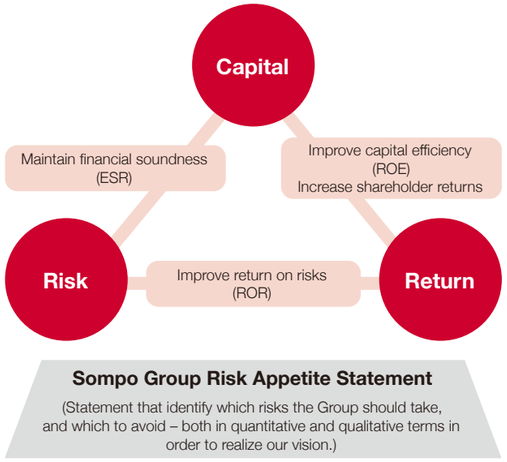
From April 2020 to March 2021

Board of Directors meetings	Held 10 times	Attendance: 99.1%
Nomination Committee	Held 11 times	Attendance: 98.1%
Audit Committee	Held 12 times	Attendance: 98.3%
Compensation Committee	Held 11 times	Attendance: 98.1%

Enterprise Risk Management (ERM)

Our ERM framework is a management approach that aims to maximize corporate value by maintaining strong financial soundness while balancing capital, risk, and return. It has the goal of increasing profits and achieving steady improvements in capital efficiency to deliver target ROE of 10% or more. Under the new Mid-Term Management Plan, we have established the “Sompo Group Risk Appetite Statement,” which consists of the Risk Appetite Principles, the Medium-term Risk-taking Strategy and the Risk Appetite Indicator. Based on the medium-term risk-taking direction encapsulated in this statement, we will improve capital efficiency in existing businesses through measures such as: reduction in the strategic holdings of stocks that have low capital efficiency; and strengthening of ALM to continuously reduce interest rate risk.

In addition, we will further improve the Group’s capital efficiency by directing surplus generated capital towards growth areas, with a focus on seeking overseas M&As opportunities that can enhance the value, scale and diversification of the Group’s business. Through these initiatives, we aim to achieve our medium-term targets – adjusted consolidated profit of JPY 300 billion or higher and adjusted consolidated ROE of at least 10% – by fiscal year 2023, the final year of the new Mid-Term Management Plan.



The evolution of ERM to enable realization of A Theme Park for Security, Health & Wellbeing

In the “new normal” society, we are surrounded by increasingly uncertain risks – the upward trend in frequency of large-scale natural disasters caused by climate change, and the growing threat of cyber attacks, to name just two. In this era of VUCA, ERM’s role no longer simply entails taking measures to avoid loss. Increasingly, ERM is expected to “navigate” an optimal course for the Group by reducing the opportunity loss that it could incur as a result of mistimed new investments or other miscalculations.

In this sense, ERM acts as the Compass of Management in the voyage across the rough, unpredictable ocean of VUCA, helping us to realize SOMPO’s Purpose by providing these three key functions: (1) Correct understanding of the Group’s current position; (2) Sensitive detection of potential risks; and (3) Clear indication of the route the Group should take.

The Sompo Group aims to improve resilience, primarily in our insurance business, by accelerating initiatives toward “Scale and Diversification.” We will also contribute to addressing social challenges and strive for long-term profit growth by creating new customer value. Through these initiatives, the Group is working towards the realization of A Theme Park for Security, Health & Wellbeing. We are striving to develop an ERM framework that supports these efforts: rather than just extending our existing insurance-based paradigm, we are evolving the framework so that it is fully adapted to our new business models.

To effect this ERM evolution, we aim to establish quantitative and qualitative risk management frameworks for the non-insurance businesses of digital and healthcare, based on the expertise accumulated in the insurance and nursing businesses. We also aim to contribute to business development, leveraging our analysis of the shifting risk landscape in the “new normal” world – climate change, rapid digitalization, for example – to identify new business opportunities and services to reduce threats that our customers face; these might include disaster prevention, mitigation, response and recovery services, for example.

ERM Framework

Functioning as a management framework that aims to maximize corporate value while balancing capital, risk, and return, the Group ERM system has two aspects: “execution strategy for risk-taking” and “risk control to provide a stable business foundation.”

1. Risk Appetite Framework

To execute effective strategic risk-taking, we use analysis of capital, risk, and return, based around the risk appetite framework, for important management decisions.

The risk appetite framework is a system for increasing the certainty of achieving goals, by identifying which risks to take and which to avoid, in progressing towards realization of the vision set out in SOMPO’s Purpose, the management philosophy, and the Group management plans.

Each business formulates management plans in alignment with the Sompo Group Risk Appetite Statement, which indicates the direction of risk-taking by the Sompo Group. SOMPO Holdings reviews these plans and monitors progress towards achievement.

2. Risk Control System

For effective risk control, the Sompo Group aims to minimize unexpected losses and stabilize profits using frameworks that identify, analyze, and evaluate the diverse risks that the Group faces.

(1) Material Risk Management

The Group defines risks that could have significant impact on the business as material risks; these are identified and assessed through an exhaustive process. Such risks are comprehensively managed by the Group CRO based on this risk assessment and expert insight, considering concrete risk scenarios that could impact the Group. Risks are evaluated in both qualitative and quantitative terms, assessing the frequency of occurrence, and the severity of impact across three risk dimensions – economic loss, business continuity, and reputational damage.

Additionally, the Group defines emerging risks as those that are not currently material but which, due to environmental changes, have potential to become material in future. We identify these risks through a variety of information sources and through dialogue with domestic and foreign experts, and then we establish appropriate monitoring and management protocols. For emerging risks with significant expected impact, we consider them not only from the viewpoint of mitigating losses, but also from the viewpoint of seeking new business opportunities through creation of insurance products and services to address these risks. For these reasons, we monitor, research, and study emerging risks on a Groupwide basis.

(2) Capital Adequacy Management

We quantify the various types of risks that we face using value at risk (VaR) as a unified risk metric. We take management measures as necessary to ensure that capital is maintained at an adequate level relative to risks.

(3) Stress Testing

To accurately identify and manage the events that may have a significant effect on the management of the Sompo Group, we calculate the level of impact that will eventuate if a particular stress scenario occurs. The scenarios considered include, for example, large-scale natural catastrophes, and financial market turmoil. We analyze the impact on capital and risk, and implement measures to address each event as necessary.

(4) Risk Limit Management

To avoid incurring outsize losses from the occurrence of specific events, the Group sets and manages maximum limits, on a Group-wide basis, for risks such as credit risk, reinsurance risk, and overseas natural catastrophe risk.

(5) Liquidity Risk Management

In addition to projecting cash requirements for day-to-day operations, we project the maximum cash outflows that could result from events such as a large-scale natural catastrophe. We then conduct management to ensure we have sufficient liquid assets to meet cash requirements in these scenarios.







BUSINESS







Domestic P&C Insurance Business

Product/Service Name	Overview	
Insurance Industry's First Disaster Risk Reduction Service for Local Governments	Sompo Japan has developed services to support local governments in creating rapid response systems, by providing insurance to compensate them for costs associated with the issuance of evacuation order and other guidance, and by providing weather and response information.	11.b Disaster-resilient community development
Using Drones to Respond to Disasters	Sompo Japan was the first insurer to develop and implement a drone operation system with the aim of quickly and accurately grasping damage immediately after an accident or disaster and expediting insurance payments.	8.10 Accessibility to insurance and financial services
First in Industry to Accept Accident Reports and Respond to Accidents Using LINE	Sompo Japan launched a service that accepts accident reports and responds to accidents using the communication app, LINE. The company is expanding the service to encompass automobile, fire, and accident insurance, in addition to foreign travel insurance.	8.10 Accessibility to insurance and financial services
Support for Corporate and Municipal BCP and Disaster Preparedness	Sompo Risk Management supports local governments to build resilient communities in various ways: Helping renewals of the Local Disaster Management Plans and establishment of BCPs; developing measurements for stranded survivors and related training; making documents on disaster response and lessons learned, and planning and researching for the Urban Renaissance Safety Security Plans in which local governments, corporations and citizens' organizations work together.	11.b Disaster-resilient community development
Risk Management for Global Business Operations	Sompo Risk Management has started to provide risk consulting service for business in other countries.	9.b Support domestic technology development, research and innovation in developing countries
Comprehensive Consulting Services for Food Risk	Sompo Risk Management offers comprehensive consulting services for food risks. These services include assistance and training in addressing core risks such as food safety controls, sanitation management, food labeling and food-related accident response (including online flaming response).	2.1 End hunger
"Wellbeing Support" Service for Elderly Customers	Sompo Japan Partners has started offering "Wellbeing Support," an unique service that allows elderly customers to use the company's products with even greater wellbeing.	8.10 Accessibility to insurance and financial services
Customer Satisfaction of Insurance Claims Service	Sompo Japan is striving to provide a swift and qualified claim service and an added value that meets the needs of each customer to be the most reliable service provider, recognizing that each claim services shall embody each insurance.	8.10 Accessibility to insurance and financial services
Sign Language Service for Customers with Hearing and Speech Disabilities	Sompo Japan started accepting accident reports made using sign language via a telephone relay service provided by PLUSVoice.	10.2 Reduce inequality
Policy on Customer-Oriented Business Operations	Based on Sompo Group's management philosophy, Sompo Japan has established the policy to achieve customer-oriented business operations based on our thorough understanding of our customer's point of view at all points of contact, and to fulfill our corporate social responsibilities to all of our stakeholders.	8.10 Accessibility to insurance and financial services
Reducing the Use of Paper	Sompo Japan developed management systems that prevent the making of needless copies through computerization and rationalization of insurance procedures. Saison Automobile & Fire Insurance has introduced printable digital insurance policies for all customers with policies, and provided electronic files instead of sending paper copies of insurance policy terms and conditions, and accident support books.	13.3 Raising awareness of the need to adapt to and mitigate climate change
Supporting Reconstruction after the Large-Scale Disasters	Our Group provided various forms of reconstruction support based on changing local needs.	11.b Disaster-resilient community development
Road Safety Project in Indonesia	Sompo Japan and PT Sompo Insurance Indonesia have teamed up with Save the Children Japan, international civil society specialized in child support, to launch a road safety project in Indonesia.	3.6 Reduction of the number of global deaths and injuries
Bosai JAPAN-DA Project to Raise Disaster Awareness	In the Bosai JAPAN-DA Project, Sompo Japan host puppet shows and experience-based workshops to teach children and their guardians how to protect themselves and others in emergency situations.	11.b Disaster-resilient community development
SAVE JAPAN Project	Collaborating with civil society groups, Sompo Japan provides opportunities for people to take a greater interest in the environment in their local communities and work towards a sustainable society.	14.1 Prevent and reduce marine pollution
Serving Sustainable Coffee in Our Cafeteria	In the staff cafeteria at our headquarters building in Shinjuku, Tokyo, we now serve sustainable coffee made from coffee beans sourced from Rainforest Alliance certified farms.	12.1 Sustainable consumption and production

Overseas Insurance and Reinsurance Business

Product/Service Name	Overview	
Launch of Free Disaster-related Services to Partners in China	Sompo China, one of our group companies, is the first insurer in China to start providing the following disaster-related services free of charge to its business partners.	11.b Disaster-resilient community development
Providing Micro-Insurance in India	Universal Sompo General Insurance (USGI), a Group company in India, started to offer micro-insurance services for the protection of low-income individuals who are vulnerable to health risks and have difficulties repaying their loans.	3.3 Eradication and control of epidemics and infectious diseases

Domestic Life Insurance Business

Product/Service Name	Overview	
Service that Accepts Benefit Claims Using LINE App	On March 30, 2020, aiming to improve customer convenience, Sompo Himawari Life was the first insurer to launch a service that accepts benefit claims using the LINE app.	8.10 Accessibility to insurance and financial services
Health Service Brand Linkx (Link Cross)	Sompo Himawari Life launched their Linkx (pronounced "link cross") brand of services, which they supply as a forerunner in providing new value. Linkx is a concept that helps customers to comfortably and enjoyably maintain good health and it will be developed into a health-related service that focuses on innovative health-centered products and apps.	3.4 Mental health and welfare promotion

Nursing Care & Seniors Business

Product/Service Name	Overview	
Project to Extend Healthy Life Expectancy: Start of Testing of Sompo Care La Vie Re Tamagawa Housing for Working Seniors	Sompo Care has partnered with Tokimeku Japan to launch an initiative that provides paid employment opportunities to users of nursing homes we operate.	3.4 Mental health and welfare promotion
Improving the Quality of Nursing Care Services	In October 2019, Sompo Care implemented improvements in the compensation of nursing care staff to close the gap between supply and demand. In addition, Sompo Care is also focusing on improving their working environment, training human resources and developing a human resource system, in order to build a workplace so that nursing care staff can fulfill their potential while motivated.	8.5 Full and productive employment and equal pay for work of equal value

Efforts to solve social issues through the foundation

Product/Service Name	Overview	
Sompo Fine Art Foundation (Sompo Museum of Art)	In 1976, we opened an art museum as part of our corporate citizenship activities. The museum is the only one in Asia where visitors can view Van Gogh's "Sunflowers" and it has attracted over six million visitors since it opened.	4.7 Education to promote sustainable development
The Puppet Theater "Himawari Hall"	The Himawari Hall puppet theater has been jointly operated by the local NPO Aichi Puppetry Center and our Group since its opening in 1989.	4.7 Education to promote sustainable development
Supporting Activities and Researches for Social Welfare — Sompo Welfare Foundation	The Sompo Welfare Foundation, established in 1977, conducts various programs, including providing financial assistance to civil society organizations, holding academic conferences and funding research on social welfare, social security, insurance, and gerontology; and awarding outstanding academic papers.	3.4 Mental health and welfare promotion
Encouraging People to Develop Skills Needed for Environmental Protection — Sompo Environment Foundation	Sompo Environment Foundation, based on its philosophy of "Fostering people who plant trees," supports education, capacity building, action and research in conservation and other environmental fields with the goal of contributing to global environmental protection.	13.3 Raising awareness of the need to adapt to and mitigate climate change
SOMPO Smile Kids Edogawabashi (Tokyo) Nursery School	SOMPO Smile Kids Foundation, established in 2011, operates a nursery school on the first floor of a building owned by the company in Bunkyo Ward, Tokyo.	8.8 Promoting a safe and secure work environment

* SDG targets are most closely linked to the SOMPO Group's initiatives are marked. The SOMPO Group will continuously review this in response to development of initiative, changes in social challenges.





DATA





Major ESG Data

General Information on ESG Data

To identify our ESG-related issues, we have conducted ESG surveys targeting our Group companies since fiscal year 2011. The tables below show our major ESG data, as obtained from the survey results. The survey is conducted on Sompo Holdings and its consolidated companies in and outside Japan.

Organizations surveyed in FY2020

Sompo Holdings, Inc.	Endurance Assurance Corporation <U.S.>
Sompo Japan Insurance Inc.	Endurance Worldwide Insurance Limited <U.K.>
SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED	SI Insurance (Europe), SA <Luxembourg>
Sompo Japan Partners Inc.	Sompo Japan Sigorta Anonim Sirketi <Turkey>
Mysurance Inc.	Sompo Holdings (Asia) Pte. Ltd. <Singapore>
Sompo Himawari Life Insurance Inc.	Sompo Insurance Singapore Pte. Ltd.<Singapore>
Sompo Care Inc.	Berjaya Sompo Insurance Berhad <Malaysia>
Sompo Health Support Inc.	PT Sompo Insurance Indonesia <Indonesia>
Sompo Risk Management Inc.	Sompo Insurance China Co., Ltd. <China>
Sompo Asset Management Co.,Ltd.	Sompo Insurance (Hong Kong) Company Limited <China>
Sompo Japan DC Securities Inc.	Sompo Seguros S.A. <Brazil>
Sompo International Holdings Ltd. <Bermuda, British Overseas Territory>	
Endurance Specialty Insurance Ltd. <Bermuda, British Overseas Territory>	Over 50 other companies

Scope of the report and coverage ratio

Scope of the report by category		Coverage ratio based on sales revenue*1		
Consolidated companies in Japan	Sompo Japan	78.8%	62.1%	100%
	Other group companies		16.7%	
Overseas consolidated companies		21.2%		

*1 Formula for coverage ratio

$$\text{Coverage ratio (\%)} = \frac{\text{Total sales revenue of Group companies that responded to survey}}{\text{Total sales revenue of Group companies subject to survey}} \times 100$$

Reporting period

[1] Companies with head office in Japan

Unless otherwise stated, data reported are for fiscal year 2020 (April 2020 to March 2021).

[2] Companies other than [1]

Unless otherwise stated, data reported are for calendar year 2020 (January to December 2020).

Group Employee Data

Number of employees (by employment status)

	Male	Female	Total
Regular employees	19,942	28,173	48,115
Temporary employees	1,586	13,093	14,679
Total	21,511	41,259	62,794

Number of employees (by region)

	Japan	Asia & Middle East	Europe & North/South America	Total
Regular employees	40,613	2,471	5,031	48,115
Temporary employees	14,516	22	256	14,679
Total	55,105	2,493	5,287	62,794

Reporting of Greenhouse Gases (GHGs)

- Since fiscal year 2012 we have been receiving annual third-party verification by a certification body.
- Although maximum attention is paid to accuracy and validity, calculation methods that are considered to be reasonable and versatile are adopted for activities for which quantification is difficult.
- The scope of calculation is as indicated by the coverage ratio and the list of reporting companies for each data item.
- Scope 1 emissions, as appearing in the data below, are direct GHG emissions from sources owned or controlled by the Group, such as emissions from the use of gas and gasoline. Scope 2 emissions are indirect GHG emissions resulting from the generation at power stations and other external sites of electricity and heat that are purchased by the Group. Scope 3 emissions are indirect GHG emissions other than Scope 2 emissions that are generated in any part of the value chain of the Group.
- The table below shows activity items subject to calculation.

Scope	Category	Activity items subject to calculation
Scope 1	Direct emissions	City gas consumption, class A heavy oil consumption, kerosene consumption, LPG consumption, fuel consumption by company fleets
Scope 2	Indirect emissions from energy sources	Electricity consumption, heat (steam) consumption
Scope 3	Purchased products and services	Paper consumption, servers, municipal water
	Activities in connection with fuels and energy (other than Scopes 1 and 2)	City gas consumption, class A heavy oil consumption, kerosene consumption, LPG consumption, fuel consumption by company fleets, electricity consumption, heat (steam) consumption
	Transportation / delivery (upstream)	Mail, home delivery, interoffice mail, office relocation, employee residence relocation
	Waste generated from business activities	Industrial waste, general waste
	Business trips	Domestic (sales, trips, new appointments, overnight or longer stays), international (trips, new appointments, overnight or longer stays)
	Commuting of employees	Train, bus, private car

Environmental Performance Data

Environmental Data

Item		Unit	FY2018	FY2019	FY2020	Companies covered: Consolidated companies in Japan: Sompo Japan	Companies covered: Consolidated companies in Japan: Other group companies	Companies covered: Overseas consolidated companies	Verified
GHG (Scope 1)		tCO_2	29,352	27,297	23,608	●	●	●	✓
GHG (Scope 2)		tCO_2	147,394	142,077	141,354	●	●	●	✓
GHG (Scope 3)		tCO_2	101,461	100,546	76,985	●	●	●	✓
GHG (Scope 1-3) Total*1		tCO_2	278,207	269,919	241,946	●	●	●	✓
Total GHG emissions per employee		tCO_2	4.28	4.34	3.85	●	●	●	
City gas consumption		m^3-N	3,507,657	3,433,430	3,308,645	●	●	●	✓
Class A heavy oil consumption		kℓ	163	195	182	●	●	●	✓
Kerosene consumption		kℓ	241	231	229	●	●	●	✓
LPG consumption		t	1,648	1,648	1,649	●	●	●	✓
Fuel consumption by company fleets		kℓ	6,721	5,914	4,442	●	●	●	
Electricity consumption		kWh	307,522,251	302,170,876	294,237,104	●	●	●	✓
Heat (steam) consumption		MJ	71,950,094	91,831,045	91,429,937	●	●	●	✓
Paper consumption		t	8,213	7,435	6,580	●	●	●	✓
Clean water usage		kℓ	492,681	484,197	346,509	●	●	●	
Wastewater discharge		kℓ	342,753	326,872	223,481	●	●	●	
Total waste generation		t	17,473	16,431	13,916	●	●	●	
Recycled waste		t	5,086	4,815	3,253	●	●	●	
Total waste disposed		t	12,387	11,615	10,663	●	●	●	
CO_2 emission relating to business travel		tCO_2	22,885	24,638	6,397	●	●	●	✓
Total floor space		m^2	1,607,397	1,572,345	1,378,582	●	●	●	
Share of green purchasing		%	94.6	52.2	52.3	●			
Human development of environmental field	Attendees of open Lectures on the Environment*2	Persons	1,415	1,173	7,199*2	—	—	—	
	Participants of CSO Learning Scholarship Program	Persons	55	55	43	—	—	—	
	Participants of SAVE JAPAN Project	Persons	5,426	2,652	18,148*2	—	—	—	

*1 The Group has been received an annual Assurance Statement by a third-party certification organization. The coverage of the survey is Sompo Holdings, Inc., and main consolidated subsidiaries, and in the process of data collection in FY2020, we reviewed and recalculated data for FY2018 & FY2019.

*2 Due to Covid-19, a traditional face-to-face program has been changed to an online basis.

FY2020 GHG Reduction Investment Cost and Effect

Item	Amount Invested(JPY)	Investment Effect(JPY)	Reduction in CO_2 (tCO_2e)
Scope1 & Scope2	1,301,539,067	80,118,884	694

Note: The amount invested in FY2020 is mainly the total cost of energy-saving construction work, such as work to upgrade air conditioning equipment in our Group-owned buildings. The investment effect is calculated based mainly on the reduction in the consumption of electricity as a result of energy-saving construction work on our Group-owned buildings.

Social Performance Data

Social Performance Data

Item		Unit	FY2018	FY2019	FY2020	Companies covered			Verified
						Consolidated companies in Japan		Overseas consolidated companies	
						Sompo Japan	Other group companies		
Executive or higher	Male	Persons	222	214	188	●	●	●	
	Female	Persons	17	16	19				
	Total	Persons	239	230	207				
Department manager level or higher but lower than executive	Male	Persons	821	837	821	●	●	●	
	Female	Persons	157	164	178				
	Total	Persons	978	1,001	999				
Section manager level or higher but lower than department manager level	Male	Persons	2,747	2,642	3,014	●	●	●	
	Female	Persons	751	794	1,060				
	Total	Persons	3,498	3,436	4,074				
Ratio of female employees in managerial positions*1		%	21.4	23.8	24.2	●	●	●	
Ratio of employees with disabilities		%	2.19	2.29	2.37	●	●	●	
Union membership rate		%	98.0	98.0	98.0	●	●		
Number of employees who took childcare leave*2	Male	Persons	333	343	440	●	●	●	
	Female	Persons	2,010	2,032	2,082				
	Total	Persons	2,343	2,375	2,522				
Average number of days taken off work for childcare leave by employees	Male	Days	7.6	7.0	6.8	●	●	●	
	Female	Days	186.3	181.5	184.3				
Childcare support systems	Number of employees using the shorter work hour system + Number of employees using the earlier / later work hour system	Days	2,618	2,820	2,854	●	●	●	
Number of employees who took family care leave	Male	Persons	34	50	22	●	●	●	
	Female	Persons	65	90	70				
	Total	Persons	99	140	92				
Number of employees using telecommuting system		Persons	4,847	10,729	31,008	●	●		
Number of employees who used flextime work system		Persons	102	2,354	4,333	●	●	●	
Ratio of flextime work system use		%	0.35	6.76	13.76	●	●	●	
Ratio of paid vacation use		%	59.9	64.7	70.8	●	●	●	
Occupational accident frequency rate		Days	5.84	5.70	6.07	●	●	●	
Total days lost due to absenteeism		%	74,862	64,740	61,409	●	●	●	✓
Absentee Rate		%	0.47	0.43	0.40				
Ratio of overtime work		%	11.0	10.9	10.4	●	●	●	
Employee turnover rate	Total turnover rate	%	9.3	11.5	10.3	●	●	●	
	Voluntary turnover rate	%	8.3	9.1	8.0				
Employee Engagement	Percentage of "satisfied"*3	%	79.7	78.1	81.8	●	●	●	
	The number of respondents in the employee engagement survey	Persons	25,950	24,199	23,049				
	The number of employees who answered "satisfied"	Persons	20,688	18,904	18,857				
Customer Satisfaction Rate*4		%	89.3	89.1	89.1	●			
Number of volunteers from employees*5		Persons	35,848	39,297	29,730	●	●		
Amount of money the company contributed to corporate citizenship/ philanthropic activities		JPY	1,603,230,175	2,031,288,146	1,830,737,862	●			

*1 Data from main business domestic companies (as of March 31, 2021) and overseas consolidated subsidiaries (as of December 31, 2020).
*2 We have a provision for paid maternity and paternity leave over and above the legal requirement.
*3 Data from consolidated domestic companies are included but do not include nursing care business.
*4 Sompo Japan conducts customer satisfaction survey to customers who were involved in car accidents by sending them questionnaire upon insurance payment.
*5 Total number of Group employees and agency employees.

Governance Data

Total consolidated compensation of individual executives (FY2020)

Executives who received compensation totaling not less than ¥100 million from the Company and its consolidated subsidiaries were as follows.

Name	Total compensation from the Company and its consolidated subsidiaries (¥ million)	Officer classification	Company category	Total compensation by type from the Company and its consolidated subsidiaries (¥ million)			
				Fixed compensation (base salary)	Retirement benefits, etc.	STI (variable cash compensation) (annual bonus), etc.	
						Monetary compensation	Non-monetary compensation
						STI (variable cash compensation) (annual bonus)	LTI (stock compensation) (restricted stock)
Kengo Sakurada	400	Director	The Company	6	—	1	1
		Executive Officer		143	—	154	92
		Director	Sompo Japan Insurance Inc.	—	—	—	—
Shinji Tsuji	107	Director	The Company	6	—	1	1
		Executive Officer		60	—	18	19
		Director	Sompo Himawari Life Insurance Inc.	—	—	—	—
Keiji Nishizawa	151	Executive Officer	The Company	—	—	—	—
		Director	Sompo Japan Insurance Inc.	78	—	35	37
John R. Charman	341	Executive Officer	The Company	138	—	203	—
		Director	Sompo International Holdings Ltd.	0	—	—	—
Nigel Frudd	175	Executive Officer	The Company	175	—	—	—
Mikio Okumura	100	Executive Officer	The Company	55	—	18	26
		Director	Sompo International Holdings Ltd.	—	—	—	—

Notes: 1. Regarding performance-linked compensation, compensation paid based on performance in the previous fiscal year, has been included. Provisions to reserves in the fiscal year in question, have not been included.
2. The compensation of John Charman is paid in U.S. dollars. The foreign exchange rate from U.S. dollars to Japanese yen at the time of the remittance of fixed compensation (base salary) is used. The rate for performance-linked compensation is either the rate at the time of remittance or the rate converted internally at the end of Fiscal 2019, depending on the type of compensation.
3. Compensation for Nigel Frudd includes expenses related to partial supplementation for income tax.
4. Nigel Frudd is paid his fixed compensation (base salary) in U.S. dollars. The foreign exchange rate from U.S. dollars to Japanese yen at the time of the remittance is used. Expenses related to partial supplementation for income tax are paid in British pounds. The foreign exchange rate from British pounds to Japanese yen converted internally at the end of Fiscal 2020 is used.

Briefings for investors and analysts (FY2020)

Briefings	Times
Briefings (IR meetings) for institutional investors, analysts	2
Conference calls for institutional investors, analysts	2
Conferences organized by securities companies	5
Individual meetings	325
Briefings for individual investors	3

Compliance training

Item	Unit	FY 2018	FY 2019	FY 2020	Companies covered		
					Consolidated companies in Japan		Overseas consolidated companies
					Sompo Japan	Other group companies	
Ratio of employees who received compliance training	%	91.2	97.4	98.6	●	●	●

Cybersecurity oversight system

The Group established a risk control system based on the "Basic Policy on Sompo Group ERM (Strategic Risk Management)" set out by the Board of Directors, and classifies risks that may have a significant impact on the Group as "material risks". The Group Chief Risk Officer (CRO) carries out an exhaustive assessment of risks of each business, regularly reports the risk management status to the Managerial Administrative Committee (MAC), Board of Directors, etc. and verifies the efficacy of countermeasures taken. The Chief Information Officer (CIO) is in charge of taking countermeasures for system failures, including cyberattacks, as material risk at the Group ERM Committee.

It is essential to address cyber risks that increase in response to technological advances and changes in the environment to deliver "security and health" which the Group values to customers, business partners, and shareholders. We also established the "Basic Policy on Group Cybersecurity", and are trying to establish an efficient and effective cyber risk management system for the entire Group based on the understanding that cybersecurity initiative is corporate social responsibility.

Moreover, we established a Cybersecurity Group as a specialized organization in the IT Strategy Planning Department to deal with cyber risks that are becoming more sophisticated and complicated every day, and are working on developing strategies and strengthening security across the Group. The major mission of this group of specialists is to jointly manage cyber risks with the persons responsible for cybersecurity at each Group company in both normal times and emergencies, and improve the levels of maturity on a Group-wide basis, while carrying the function of the Computer Security Incident Response Team (CSIRT) of SOMPO Holdings.

We will closely align cybersecurity with business strategy and IT strategy, turn it into competitive advantage in each business, and realize digital transformation in a secure and safety manner.

Customer privacy protection

Sompo Japan takes appropriate actions within the organization, such as treating what was recognized in the company as a complaint and reporting it to external related party. The table below shows the number of complaints for which we were able to confirm the facts out of the total complaints about customer privacy violation received in FY2020.

FY2020: Number of complaints received about personal information

Item	Overview	Number of complaints received
Misdelivery	Delivery to the wrong person	22
Third party disclosure	Disclosure of confidential information to third party without the prior consent	15
Other	Personal information-related complaints other than the above	66
	Annual total	103

Comparative Table of Stakeholder Capitalism Metrics

Principle of Gavernance

Theme	Core metrics and disclosures	Page References
Governing purpose	Setting purpose The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Toward the Realization of SOMPO's Purpose Group Management Philosophy, SOMPO's Purpose, and Materiality Integrated Annual Report 2021 p.14-25 (SOMPO's Purpose) Management System
Quality of governing body	Governance body composition Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Directors' Skills Matrix Organization Chart Integrated Annual Report 2021 p.80 -113 (GOVERNANCE) Corporate Governance Management System Major ESG Data (Governance Data)
Stakeholder engagement	Material issues impacting stakeholders A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Stakeholder Engagement SDGs in Business Management Materiality and KPIs Addressing ESG Issues in Sompo Group Business Operations Management System
Ethical behavior	Anti-corruption 1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year. 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	Compliance System Overview of the Status of Internal Control System Major ESG Data (Governance Data)
	Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.	Overview of the Status of Internal Control System Stakeholder Engagement Addressing ESG Issues in Sompo Group Business Operations
Risk and opportunity oversight	Integrating risk and opportunity into business process Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Top Commitment Response to Recommendations of the Task Force on Climate-related Financial Disclosures Group CEO message regarding the COVID-19 pandemic (for Group executives and employees) [Topics] Toward the Realization of SOMPO's Purpose SDGs in Business Management Materiality and KPIs
Theme	Expanded metrics and disclosures	Page References
Governing purpose	Purpose-led management How the company's stated purpose is embedded in company strategies, policies and goals.	Toward the Realization of SOMPO's Purpose Group Management Philosophy, SOMPO's Purpose, and Materiality Integrated Annual Report 2021 p.14-25 (SOMPO's Purpose) Management System
Quality of governing body	Progress against strategic milestones Disclosure of the material strategic economic, environmental and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected to or have contributed to long-term value.	Materiality and KPIs
	Remuneration 1. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy and long-term value. 2. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: • Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses and deferred or vested shares • Sign-on bonuses or recruitment incentive payments • Termination payments • Clawbacks • Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees	Integrated Annual Report 2021 p.96-100 (GOVERNANCE Executive compensation structure) Major ESG Data (Governance Data) Corporate Governance

Planet

Theme	Core metrics and disclosures	Page References
Climate change	Greenhouse gas (GHG) emissions For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO_2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Major ESG Data (Environmental Performance Data) Integrated Annual Report 2021 p.28-29 (Financial and Pre-Financial Highlights)
	TCFD implementation Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	Response to Recommendations of the Task Force on Climate-related Financial Disclosures
Nature loss	Land use and ecological sensitivity Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	Major ESG Data (Environmental Performance Data)
Freshwater availability	Water consumption and withdrawal in water-stressed areas Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	Major ESG Data (Environmental Performance Data)
Theme	Expanded metrics and disclosures	Page References
Climate change	Paris-aligned GHG emissions targets Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable. If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.	Response to Recommendations of the Task Force on Climate-related Financial Disclosures SDGs in Business Management: SOMPO Climate Action
Resouce availability	Resource circularity Report the most appropriate resource circularity metric(s) for the whole company and/or at a product, material or site level as applicable. Potential metrics include (but are not limited to) the Circular Transition Indicators (WBCSD), indicators developed by the Ellen MacArthur Foundation and company developed metrics. Disclose the methodological approach used to calculate the chosen circularity metric(s) and the rationale for the choice of metric(s).	Major ESG Data (Environmental Performance Data)

Comparative Table of Stakeholder Capitalism Metrics

People

Theme	Core metrics and disclosures	Page References
Dignity and equality	**Diversity and inclusion** Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Key Initiatives (Employees-Diversity and Inclusion) Major ESG Data (Social Performance Data)
	Pay equality Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	Major ESG Data (Fair compensation system)
	Wage level 1. Ratios of standard entry level wage by gender compared to local minimum wage. 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	Major ESG Data (Fair compensation system)
	Risk for incidents of child, forced or compulsory labour An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	Key Initiative (Employees-Respect for Human Dignity and Rights)
Health and well-being	**Health and safety** 1. The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	Major ESG Data (Social Performance Data)
Skills for the future	**Training provided** Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	Key Initiatives (Employees-Building Resilient Organizations through Human Resources Development)

Theme	Expanded metrics and disclosures	Page References
Dignity and equality	**Pay gap** 1. Mean pay gap of basic salary and remuneration of full-time relevant employees based on gender (women to men) and indicators of diversity (e.g. BAME to non-BAME) at a company level or by significant location of operation. 2. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Major ESG Data (Governance Data) Integrated Annual Report 2021 p.96-100 (GOVERNANCE Executive compensation structure) Major ESG Data (Ratio between CEO compensation and employee average compensation)
	Discrimination and harassment incidents and the total amount of monetary losses Number of discrimination and harassment incidents, status of the incidents and actions taken, and the total amount of monetary losses as a result of legal proceedings associated with: a) law violations; and b) employment discrimination.	Key Initiative (Employees-Respect for Human Dignity and Rights)
	Freedom of association and collective bargaining at risk 1. Percentage of active workforce covered under collective bargaining agreements. 2. An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks.	Major ESG Data (Social Performance Data)
Health and well-being	**Employee well-being** 1. The number of fatalities as a result of work-related ill-health, recordable work-related ill-health injuries, and the main types of work-related ill-health for all employees and workers. 2. a) Percentage of employees participating in "best practice" health and well-being programmes, and b) Absentee rate (AR) of all employees.	Major ESG Data (Social Performance Data)

Prosperity

Theme	Core metrics and disclosures	Page References
Employment and wealth generation	**Absolute number and rate of employment** Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.	Major ESG Data (Social Performance Data)
	Economic contribution 1. Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: • Revenues • Operating costs • Employee wages and benefits • Payments to providers of capital • Payments to government • Community investment 2. Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.	Investor Materials Major ESG Data (Governance Data) Integrated Annual Report 2021 p.28-29 (Financial and Pre-Financial Highlights)
	Financial investment contribution Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	Integrated Annual Report 2021 p.61 (Shareholder returns)
Innovation of better products and services	**Total R&D expenses** Total costs related to research and development.	Investor Materials (Investor Presentations-SOMPO Topics & Basics (November 2021) p.21)
Community and social vitality	**Total tax paid** The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Integrated Annual Report 2021 p.168 (Consolidated Statement of Income and Consolidated Statement of Comprehensive Income Consolidated Statement of Income) Investor Materials

Theme	Expanded metrics and disclosures	Page References
Employment and wealth generation	**Infrastructure investments and services supported** Qualitative disclosure to describe the below components: 1. Extent of development of significant infrastructure investments and services supported. 2. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. 3. Whether these investments and services are commercial, in-kind or pro bono engagements.	Major ESG Data (Governance Data) Key Initiatives (Stockholders / Investors-Contributing Community through Business) Key Initiatives (Communities-Engagement with Communities) Key Initiatives (Communities-Contributing to Community through the Arts and Culture) Actions Sompo Group Is Taking to Tackle COVID-19 Key Initiatives (Communities-Supporting Reconstruction after the Large-Scale Disasters)
	Significant indirect economic impacts 1. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. 2. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).	Addressing ESG Issues in Sompo Group Business Operations Response to Recommendations of the Task Force on Climate-related Financial Disclosures Key Initiatives (Communities-Adaptation to Climate Change) Key Initiatives (Stockholders / Investors-Solutions for Environmental Issues)
Community and social vitality	**Total Social Investment** Total Social Investment (TSI) sums up a company's resources used for "S" in ESG efforts defined by CECP Valuation Guidance.	Major ESG Data (Category of Contribution in FY2020 / Amount of Contributions to Initiatives in FY2020)
	Total tax paid by country for significant locations Total tax paid and, if reported, additional tax remitted, by country for significant locations.	Key Initiatives (Stockholders / Investors-Contributing Community through Business)

GRI Content Index

The Sustainability Report 2021 has been prepared in accordance with the Core option of the GRI Sustainability Reporting Standards. The following table shows the page references for each of the Standard's General Disclosures, as well as economic, environmental and social topics, and Financial Services Sector Disclosures.

Core indicators for General Disclosure are indicated with an asterisk (*). Page references are provided also for other indicators in response to increased requests from stakeholders for disclosure. Page references are provided for economic, environmental and social topics identified as material for the Group.

For information published in the Annual Report 2021 (Integrated Report) and Corporate Governance Report, the relevant documents are indicated.

Standard Disclosure

* Core Indicators are identified with an asterisk (*).

Disclosures No.		Requirements	Page References (or Reasons for Omission)
GRI Standard	G4 Guidelines		
Organizational profile			
102-1*	G4-3	a. Name of the organization.	▶ Corporate Profile
102-2*	G4-4/PR6	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	▶ Group Businesses
102-3*	G4-5	a. Location of the organization's headquarters.	▶ Corporate Profile
102-4*	G4-6	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	▶ Overseas Insurance
102-5*	G4-7	a. Nature of ownership and legal form.	▶ Corporate Profile
102-6*	G4-8	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	▶ Group Businesses
102-7*	G4-9	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	▶ Corporate Profile ▶ Integrated Annual Report 2021 p.28-29 (Financial and Pre-Financial Highlights)
102-8*	G4-10	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	▶ Number of Employees
102-9*	G4-12	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	▶ Value Chain
102-10*	G4-13	a. Significant changes to the organization's size, structure, ownership, or supply chain, including: i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.	▶ Group Businesses ▶ Integrated Annual Report 2021 p.215-219 (Segment information)
102-11*	G4-14	a. Whether and how the organization applies the Precautionary Principle or approach.	▶ Top Commitment ▶ Management System ▶ Declarations to Society and Participation in CSR Initiatives ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ SOMPO Climate Action ▶ Enterprise Risk Management (ERM)
102-12*	G4-15	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	▶ Declarations to Society and Participation in CSR Initiatives ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Policy ▶ SOMPO Climate Action ▶ Adaptation to Climate Change
102-13*	G4-16	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	▶ Declarations to Society and Participation in CSR Initiatives
Strategy			
102-14*	G4-1	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	▶ Top Commitment ▶ Sompo Holdings Group's value creation stories in an era of the SDGs
102-15	G4-2	a. A description of key impacts, risks, and opportunities.	▶ Top Commitment ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Group CEO message regarding the COVID-19 pandemic (for Group executives and employees) ▶ Toward the Realization of SOMPO's Purpose ▶ SDGs in Business Management ▶ Materiality and KPIs
Ethics and integrity			
102-16*	G4-56	a. A description of the organization's values, principles, standards, and norms of behavior.	▶ Group Management Philosophy ▶ Policy ▶ Group Management Philosophy, SOMPO's Purpose, and Materiality
102-17	G4-57/58	a. A description of internal and external mechanisms for: i. seeking advice about ethical and lawful behavior, and organizational integrity; ii. reporting concerns about unethical or unlawful behavior, and organizational integrity.	▶ Stakeholder Engagement ▶ Addressing ESG Issues in Sompo Group Business Operations ▶ Overview of the Status of Internal Control System
Governance			
102-18*	G4-34	a. Governance structure of the organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social topics.	▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-19	G4-35	a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.	▶ Management System
102-20	G4-36	a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics. b. Whether post holders report directly to the highest governance body.	▶ Management System
102-21	G4-37	a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics. b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.	▶ Addressing ESG Issues in Sompo Group Business Operations ▶ Management System
102-22	G4-38	a. Composition of the highest governance body and its committees by: i. executive or non-executive; ii. independence; iii. tenure on the governance body; iv. number of each individual's other significant positions and commitments, and the nature of the commitments; v. gender; vi. membership of under-represented social groups; vii. competencies relating to economic, environmental, and social topics; viii. stakeholder representation.	▶ Management System ▶ Major ESG Data (Governance Data) ▶ Corporate Governance ▶ Corporate Governance Report
102-23	G4-39	a. Whether the chair of the highest governance body is also an executive officer in the organization. b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.	▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report

GRI Content Index

102-24	G4-40	a. Nomination and selection processes for the highest governance body and its committees. b. Criteria used for nominating and selecting highest governance body members, including whether and how: i. stakeholders (including shareholders) are involved; ii. diversity is considered; iii. independence is considered; iv. expertise and experience relating to economic, environmental, and social topics are considered.	▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-25	G4-41	a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed. b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum: i. Cross-board membership; ii. Cross-shareholding with suppliers and other stakeholders; iii. Existence of controlling shareholder; iv. Related party disclosures.	▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-26	G4-42	a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.	▶ Management System
102-27	G4-43	a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.	▶ Management System
102-28	G4-44	a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics. b. Whether such evaluation is independent or not, and its frequency. c. Whether such evaluation is a self-assessment. d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.	▶ Corporate Governance ▶ Corporate Governance Report
102-29	G4-45	a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes. b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.	▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-30	G4-46	a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.	▶ Management System
102-31	G4-47	a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.	▶ Management System
102-32	G4-48	a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.	▶ Management System
102-33	G4-49	a. Process for communicating critical concerns to the highest governance body.	▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-34	G4-50	a. Total number and nature of critical concerns that were communicated to the highest governance body. b. Mechanism(s) used to address and resolve critical concerns.	▶ Corporate Governance ▶ Corporate Governance Report
102-35	G4-51	a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration: i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; ii. Sign-on bonuses or recruitment incentive payments; iii. Termination payments; iv. Clawbacks; v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.	▶ Major ESG Data (Governance Data) ▶ Corporate Governance ▶ Integrated Annual Report 2021 p.96-100 (Corporate Governance Executive Compensation Structure) ▶ Corporate Governance Report
102-36	G4-52	a. Process for determining remuneration. b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management. c. Any other relationships that the remuneration consultants have with the organization.	▶ Major ESG Data (Governance Data) ▶ Corporate Governance ▶ Integrated Annual Report 2021 p.96-100 (Corporate Governance Executive Compensation Structure) ▶ Corporate Governance Report
102-37	G4-53	a. How stakeholders' views are sought and taken into account regarding remuneration. b. If applicable, the results of votes on remuneration policies and proposals.	▶ Major ESG Data (Governance Data) ▶ Corporate Governance ▶ Integrated Annual Report 2021 p.96-100 (Corporate Governance Executive Compensation Structure) ▶ Corporate Governance Report
102-38	G4-54	a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	▶ Major ESG Data (Governance Data) ▶ Integrated Annual Report 2021 p.96-100 (Corporate Governance Executive Compensation Structure)
102-39	G4-55	a. Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	▶ Major ESG Data (Governance Data) ▶ Integrated Annual Report 2021 p.96-100 (Corporate Governance Executive Compensation Structure)
Stakeholder engagement			
102-40*	G4-24	a. A list of stakeholder groups engaged by the organization.	▶ Stakeholder Engagement
102-41*	G4-11	a. Percentage of total employees covered by collective bargaining agreements.	▶ Major ESG Data (Social Performance Data)
102-42*	G4-25	a. The basis for identifying and selecting stakeholders with whom to engage.	▶ Stakeholder Engagement
102-43*	G4-26/PR5	a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	▶ Stakeholder Engagement ▶ Major ESG Data (Social Performance Data) ▶ ESG Initiatives through Our Asset Management Business ▶ Addressing ESG Issues in Sompo Group Business Operations
102-44*	G4-27/PR5	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the organization has responded to those key topics and concerns, including through its reporting; ii. the stakeholder groups that raised each of the key topics and concerns.	▶ Addressing ESG Issues in Sompo Group Business Operations ▶ Stakeholder Engagement ▶ SDGs in Business Management
Reporting practice			
102-45*	G4-17	a. A list of all entities included in the organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	▶ Group Businesses ▶ Overview of Sustainability Communication (Covered Organization) ▶ Integrated Annual Report 2021 p.243-245 (Corporate Data, The Company, Subsidiaries, and Affiliates)
102-46*	G4-18	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the organization has implemented the Reporting Principles for defining report content.	▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management
102-47*	G4-19	a. A list of the material topics identified in the process for defining report content.	▶ SDGs in Business Management ▶ Materiality and KPIs
102-48*	G4-22	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	Not appricable
102-49*	G4-23	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	▶ SDGs in Business Management
102-50*	G4-28	a. Reporting period for the information provided.	▶ Overview of Sustainability Communication (Covered Organization)
102-51*	G4-29	a. If applicable, the date of the most recent previous report.	▶ Overview of Sustainability Communication (Publication Period)
102-52*	G4-30	a. Reporting cycle.	▶ Overview of Sustainability Communication (Publication Period)
102-53*	G4-31	a. The contact point for questions regarding the report or its contents.	▶ Overview of Sustainability Communication (Planning and Editing)

GRI Content Index

102-54*	G4-32-a	a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either: i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'.	▶ The Sustainability Report 2021 has been prepared in accordance with the Core option of the GRI Sustainability Reporting Standards.
102-55*	G4-32-b	a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report. b. For each disclosure, the content index shall include: i. the number of the disclosure (for disclosures covered by the GRI Standards); ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials; iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	This page is the GRI Content Index. ▶ Overview of Sustainability Communication (Referenced Guidelines)
102-56*	G4-32-c/33	a. A description of the organization's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; ii. The relationship between the organization and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	Have received third-party assurance on some quantitative social and environmental data. ▶ Assurance by a Third-Party Organization
Management Approach			
103-1	G4-20/21/ DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ Overview of Sustainability Communication (Covered Organization) ▶ Back numbers of CSR –KPIs (FY2020) ▶ SDGs in Business Management
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Policy ▶ Management System ▶ Materiality and KPIs
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Management System ▶ Materiality and KPIs ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data ▶ Third Party Comments ▶ Assurance by a Third-Party Organization

ECONOMIC

Disclosures No.		Requirements	Page References (or Reasons for Omission)
GRI Standard	G4 Guidelines		
Economic Performance			
103-1	G4-20/21/ DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ Overview of Sustainability Communication (Covered Organization) ▶ Back numbers of CSR –KPIs (FY2020) ▶ SDGs in Business Management
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Policy ▶ Management System ▶ Materiality and KPIs
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement
201-1	G4-EC1	a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components: i. Direct economic value generated: revenues; ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments; iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'. b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.	▶ Investor Materials ▶ Major ESG Data (Governance Data) ▶ Integrated Annual Report 2021 p.28-29 (Financial and Pre-Financial Highlights)
201-2	G4-EC2	a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including: i. a description of the risk or opportunity and its classification as either physical, regulatory, or other; ii. a description of the impact associated with the risk or opportunity; iii. the financial implications of the risk or opportunity before action is taken; iv. the methods used to manage the risk or opportunity; v. the costs of actions taken to manage the risk or opportunity.	Identifying Our CSR Materiality ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Case Studies – Customer: Mitigation of Climate Change ▶ Case Studies – Community: Adaptation to Climate Change ▶ Case Studies – Agencies: Mitigation of Climate Change ▶ Assurance by a Third-Party Organization ▶ Addressing ESG Issues in Sompo Group Business Operations ▶ SOMPO Climate Action
201-3	G4-EC3	a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities. b. If a separate fund exists to pay the plan's pension liabilities: i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them; ii. the basis on which that estimate has been arrived at; iii. when that estimate was made. c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage. d. Percentage of salary contributed by employee or employer. e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.	▶ Integrated Annual Report 2021 P201-203 (Retirement Benefits Outline of retirement benefit plans)
201-4	G4-EC4	a. Total monetary value of financial assistance received by the organization from any government during the reporting period, including: i. tax relief and tax credits; ii. subsidies; iii. investment grants, research and development grants, and other relevant types of grant; iv. awards; v. royalty holidays; vi. financial assistance from Export Credit Agencies (ECAs); vii. financial incentives; viii. other financial benefits received or receivable from any government for any operation. b. The information in 201-4-a by country. c. Whether, and the extent to which, any government is present in the shareholding structure.	Not appricable

103-1	G4-20/21/ DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ Overview of Sustainability Communication (Covered Organization) ▶ Identifying Our CSR Materiality ▶ Back numbers of CSR –KPIs (FY2020)
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Policy ▶ Management System
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement
203-1	G4-EC7	a. Extent of development of significant infrastructure investments and services supported. b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. Whether these investments and services are commercial, in-kind, or pro bono engagements.	▶ Major ESG Data (Governance Data) ▶ Case Studies – Stockholders, Investors, Companies we invest in: Contributing Community through Business ▶ Case Studies – Community: Engagement with Communities ▶ Case Studies – Community: Contributing to Community through the Arts and Culture ▶ Actions Sompo Group Is Taking to Tackle COVID-19 ▶ Supporting Reconstruction after the Large-Scale Disasters
203-2	G4-EC8	a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts. b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.	▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Case Studies – Community: Adaptation to Climate Change ▶ Case Studies – Stockholders, Investors, Companies we invest in: Solutions for Environmental Issues
Anti-corruption			
103-1	G4-20/21/ DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ SDGs in Business Management ▶ Overview of Sustainability Communication (Covered Organization)
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Compliance
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Compliance
205-1	G4-SO3	a. Total number and percentage of operations assessed for risks related to corruption. b. Significant risks related to corruption identified through the risk assessment.	Information unavailable. Will collect/ analyze information and work toward its disclosure.
205-2	G4-SO4	a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region. b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations. d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	▶ Major ESG Data (Governance Data)
205-3	G4-SO5	a. Total number and nature of confirmed incidents of corruption. b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.	Information unavailable. Will collect/ analyze information and work toward its disclosure.

ENVIRONMENTAL

Disclosures No.		Requirements	Page References (or Reasons for Omission)
GRI Standard	G4 Guidelines		
Materials			
103-1	G4-20/21/ DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Identifying Our CSR Materiality ▶ Back numbers of CSR –KPIs(FY2020) ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Stakeholder Engagement
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Policy ▶ Management System
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)
301-1	G4-EN1	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.	▶ Major ESG Data (Environmental Performance Data) ▶ Case Studies – Customer: Mitigation of Climate Change
301-2	G4-EN2	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	▶ Major ESG Data (Environmental Performance Data)
301-3	G4-EN28	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	▶ Major ESG Data (Environmental Performance Data)

GRI Content Index

Energy			
103-1	G4-20/21/ DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Identifying Our CSR Materiality ▶ Back numbers of CSR –KPIs (FY2020) ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Stakeholder Engagement
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Policy ▶ Management System
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)
302-1	G4-EN3	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	▶ Major ESG Data (Environmental Performance Data)
302-2	G4-EN4	a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used.	▶ Major ESG Data (Environmental Performance Data)
302-3	G4-EN5	a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	▶ Major ESG Data (Environmental Performance Data)
302-4	G4-EN6	a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used.	▶ Major ESG Data (Environmental Performance Data)
302-5	G4-EN7	a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used.	▶ Major ESG Data (Environmental Performance Data)

Biodiversity			
103-1	G4-20/21/ DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Back numbers of CSR –KPIs (FY2020) ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Stakeholder Engagement ▶ Addressing ESG Issues in Sompo Group Business Operations
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Policy ▶ Management System
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)
304-1	G4-EN11	a. For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information: i. Geographic location; ii. Subsurface and underground land that may be owned, leased, or managed by the organization; iii. Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas; iv. Type of operation (office, manufacturing or production, or extractive); v. Size of operational site in km2 (or another unit, if appropriate); vi. Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem); vii. Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).	Not appricable
304-2	G4-EN12	a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following: i. Construction or use of manufacturing plants, mines, and transport infrastructure; ii. Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); iii. Introduction of invasive species, pests, and pathogens; iv. Reduction of species; v. Habitat conversion; vi. Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). b. Significant direct and indirect positive and negative impacts with reference to the following: i. Species affected; ii. Extent of areas impacted; iii. Duration of impacts; iv. Reversibility or irreversibility of the impacts.	▶ Case Studies – Civil Societies: Conservation of Biodiversity
304-3	G4-EN13	a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals. b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures. c. Status of each area based on its condition at the close of the reporting period. d. Standards, methodologies, and assumptions used.	▶ Case Studies – Civil Societies: Conservation of Biodiversity
304-4	G4-EN14	a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk: i. Critically endangered ii. Endangered iii. Vulnerable iv. Near threatened v. Least concern	Not appricable

GRI Content Index

Emissions			
103-1	G4-20/21/ DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Identifying Our CSR Materiality ▶ Back numbers of CSR –KPIs (FY2020) ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Stakeholder Engagement ▶ Addressing ESG Issues in Sompo Group Business Operations
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Policy ▶ Management System
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)
305-1	G4-EN15	a. Gross direct (Scope 1) GHG emissions in metric tons of CO_2 equivalent. b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. c. Biogenic CO_2 emissions in metric tons of CO_2 equivalent. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	▶ Integrated Annual Report 2021 p.28-29 (Financial and Pre-Financial Highlights) ▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
305-2	G4-EN16	a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent. b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent. c. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used.	▶ Integrated Annual Report 2021 p.28-29 (Financial and Pre-Financial Highlights) ▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
305-3	G4-EN17	a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO_2 equivalent. b. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. c. Biogenic CO_2 emissions in metric tons of CO_2 equivalent. d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation. e. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. g. Standards, methodologies, assumptions, and/or calculation tools used.	▶ Integrated Annual Report 2021 p.28-29 (Financial and Pre-Financial Highlights) ▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
305-4	G4-EN18	a. GHG emissions intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). d. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all.	▶ Major ESG Data (Environmental Performance Data)
305-5	G4-EN19	a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO_2 equivalent. b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, or all. c. Base year or baseline, including the rationale for choosing it. d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). e. Standards, methodologies, assumptions, and/or calculation tools used.	▶ Integrated Annual Report 2021 p.28-29 (Financial and Pre-Financial Highlights) ▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
305-6	G4-EN20	a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent. b. Substances included in the calculation. c. Source of the emission factors used. d. Standards, methodologies, assumptions, and/or calculation tools used.	Not appricable
305-7	G4-EN21	a. Significant air emissions, in kilograms or multiples, for each of the following: i. NOX ii. SOX iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations b. Source of the emission factors used. c. Standards, methodologies, assumptions, and/or calculation tools used.	Not appricable
Environmental Compliance			
103-1	G4-20/21/ DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Back numbers of CSR –KPIs (FY2020) ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Stakeholder Engagement
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Policy ▶ Management System
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data)
307-1	G4-EN29	a. Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.	Not appricable

SOCIAL

Disclosures No.		Requirements	Page References (or Reasons for Omission)
GRI Standard	G4 Guidelines		
Training and Education			
103-1	G4-20/21/ DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Policy
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Stakeholder Engagement
404-1	G4-LA9	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	Information unavailable. Will collect/ analyze information and work toward its disclosure.
404-2	G4-LA10	a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	▶ Case Studies – Employees: Building Resilient Organizations through Human Resources Development
404-3	G4-LA11	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	▶ Case Studies – Employees: Building Resilient Organizations through Human Resources Development
Diversity and Equal Opportunity			
103-1	G4-20/21/ DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Policy ▶ Diversity and Inclusion
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Social Performance Data)
405-1	G4-LA12	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	▶ Major ESG Data (Social Performance Data)
405-2	G4-LA13	a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation. b. The definition used for 'significant locations of operation'.	Information unavailable. Will collect/ analyze information and work toward its disclosure.
Human Rights Assessment			
103-1	G4-20/21/ DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ Overview of Sustainability Communication (Covered Organization) ▶ SDGs in Business Management ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Case Studies – Employees: Respect for Human Dignity and Rights ▶ Addressing ESG Issues in Sompo Group Business Operations
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Policy ▶ Case Studies – Employees: Respect for Human Dignity and Rights
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Stakeholder Engagement ▶ Case Studies – Employees: Respect for Human Dignity and Rights
412-1	G4-HR9	a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	▶ Respect for Human Dignity and Rights
412-2	G4-HR2	a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations. b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.	▶ Major ESG Data (Governance Data) ▶ Case Studies – Employees: Respect for Human Dignity and Rights
412-3	G4-HR1	a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. b. The definition used for 'significant investment agreements'.	Information unavailable. Will collect/ analyze information and work toward its disclosure.
Local Communities			
103-1	G4-20/21/ DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ Overview of Sustainability Communication (Covered Organization) ▶ CSR Strategies/Featured Topics ▶ Identifying Our CSR Materiality ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Policy ▶ Management System

103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Management System ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement ▶ Major ESG Data (Environmental Performance Data, Social Performance Data)
413-1	G4-SO1	a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of: i. social impact assessments, including gender impact assessments, based on participatory processes; ii. environmental impact assessments and ongoing monitoring; iii. public disclosure of results of environmental and social impact assessments; iv. local community development programs based on local communities' needs; v. stakeholder engagement plans based on stakeholder mapping; vi. broad based local community consultation committees and processes that include vulnerable groups; vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts; viii. formal local community grievance processes.	▶ Case Studies – Civil Societies: Conservation of Biodiversity ▶ Case Studies – Community: Evaluation of CSR Programs
413-2	G4-SO2	a. Operations with significant actual and potential negative impacts on local communities, including: i. the location of the operations; ii. the significant actual and potential negative impacts of operations.	Not appricable
Public Policy			
415-1	G4-SO6	Political Contributions	▶ Value of political contributions*1
Customer Privacy			
103-1	G4-20/21/DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ SDGs in Business Management ▶ Overview of Sustainability Communication (Covered Organization)
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ http://www.sompo-hd.com/en/company/compliance/privacy/ (In Japanese)
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ http://www.sompo-hd.com/en/company/compliance/privacy/ (In Japanese)
418-1	G4-PR8	a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by: i. complaints received from outside parties and substantiated by the organization; ii. complaints from regulatory bodies. b. Total number of identified leaks, thefts, or losses of customer data. c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.	▶ Case Studies – Customer: To Providing the Highest Possible Quality of Service ▶ Number of complaints concerning customer privacy from regulatory body*2
Socioeconomic Compliance			
103-1	G4-20/21/DMA-a	a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: i. where the impacts occur; ii. the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships. c. Any specific limitation regarding the topic Boundary.	▶ SDGs in Business Management ▶ Overview of Sustainability Communication (Covered Organization)
103-2	G4-DMA-b	a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	▶ Compliance ▶ Global Business Expansion
103-3	G4-DMA-c	a. An explanation of how the organization evaluates the management approach, including: i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; iii. any related adjustments to the management approach.	▶ Compliance
419-1	G4-SO8/PR9	a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of: i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms. b. If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient. c. The context against which significant fines and non-monetary sanctions were incurred.	Not appricable

*1 In FY2020, Sompo Japan made political donations amounting to 13.3 million yen. In Japan, it is mandatory for political organizations to release the status of income and spending of political funds. Therefore, the above mentioned amount is to be disclosed in the Official Gazette and prefectural public notice.
*2 In FY 2020, there was no complaints concerning customer privacy from regulatory body.

Social (Human Rights)

Section	Performance Indicators	References
Investment*		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ Major ESG Data p.17 ▶ Group CSR-KPIs FY2016 Targets p.25 ▶ Stakeholder Engagement p.26 ▶ Supporting Diversity and Inclusion in Private and Public Life p.49-50
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	—
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	▶ Major ESG Data p.17 ▶ CSR Case Report p.131
Non-discrimination		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ Major ESG Data p.17 ▶ Group CSR-KPIs FY2016 Targets p.25 ▶ Stakeholder Engagement p.26 ▶ Supporting Diversity and Inclusion in Private and Public Life p.49-50
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	—
Freedom of Association and Collective Bargaining		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	—
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	—
Child Labor		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	—
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	—

Forced or Compulsory Labor		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	—
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	—
Security Practices		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ Major ESG Data p.17 ▶ Group CSR-KPIs FY2016 Targets p.25 ▶ Stakeholder Engagement p.26 ▶ Supporting Diversity and Inclusion in Private and Public Life p.49-50
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	▶ CSR Case Report p.131
Indigenous Rights		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	—
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	—
Assessment		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ Major ESG Data p.17 ▶ Group CSR-KPIs FY2016 Targets p.25 ▶ Stakeholder Engagement p.26 ▶ Supporting Diversity and Inclusion in Private and Public Life p.49-50
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	—
Supplier Human Rights Assessment		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ Major ESG Data p.19 ▶ Stakeholder Engagement p.26 ▶ CSR Case Report p.61
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	—
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	—
Human Rights Grievance Mechanisms		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ Major ESG Data p.17 ▶ Group CSR-KPIs FY2016 Targets p.25 ▶ Stakeholder Engagement p.26 ▶ Supporting Diversity and Inclusion in Private and Public Life p.49-50
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	—

Social (Society)

Section	Performance Indicators	References
Local Communities*		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ Management Strategy p.8 ▶ Major ESG Data p.17 ▶ Group CSR-KPIs FY2016 Targets p.25 ▶ Stakeholder Engagement p.26 ▶ Enhancing Promotion p.27-28 ▶ Empowering Community and Society p.45-46
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	▶ Promoting the Manageability of Global Enironmental Issues p.44 ▶ CSR Case Report p.110
G4-SO2	Operations with significant actual and potential negative impacts on local communities.	not applicable
Anti-corruption*		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ Annual Report (Integrated Report) p.88-89
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	—
G4-SO4	Communication and training on anti-corruption policies and procedures.	▶ Major ESG Data p.19
G4-SO5	Confirmed incidents of corruption and actions taken.	—
Public Policy		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	—
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	—
Anti-competitive Behavior		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	—
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	—
Compliance		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ Annual Report (Integrated Report) p.88-89
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	—
Supplier Assessment for Impacts on Society		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ Major ESG Data p.19 ▶ Stakeholder Engagement p.26 ▶ CSR Case Report p.61
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	—
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	—
Grievance Mechanisms for Impacts on Society*		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ CSR Case Report p.20-22
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	▶ CSR Case Report p.22

Social (Product Responsibility)

Section	Performance Indicators	References
Customer Health and Safety		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	not applicable
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	not applicable
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	not applicable
Product and Service Labeling		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ CSR Case Report p.20-22
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	▶ CSR Case Report p.21-22
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	—
G4-PR5	Results of surveys measuring customer satisfaction.	▶ CSR Case Report p.22
Marketing Communications		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	—
G4-PR6	Sale of banned or disputed products	not applicable
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	—
Customer Privacy*		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ Annual Report (Integrated Report) p.88-89
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	▶ CSR Case Report p.22
Compliance		
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach.	▶ Annual Report (Integrated Report) p.88-89
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	not applicable

SPECIFIC STANDARD DISCLOSURES FOR THE FINANCIAL SERVICES SECTOR

Disclosures No.	Requirements	Page References (or Reasons for Omission)
Product Portfolio		
DMA	FS1: Policies with specific environmental and social components applied to business lines. FS2: Procedures for assessing and screening environmental and social risks in business lines. FS3: Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions. FS4: Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines. FS5: Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities.	▶ Policy ▶ Management System ▶ Stakeholder Engagement ▶ ESG Initiatives through Our Asset Management Business ▶ Addressing ESG Issues in Sompo Group Business Operations ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures
FS6	Percentage of the portfolio for business lines by specific region,size (e.g. micro/sme/large) and by sector.	▶ Top Commitment
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	▶ Health Promotion
FS8	Monetary value of products and services designed to deliver aspecific environmental benefit for each business line broken down by purpose.	▶ Solutions for Environmental Issues
Audit		
DMA	Management Approach FS9: Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	▶ Management System
Active Ownership		
DMA	FS12: Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	▶ Policy
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Information unavailable. Will continue our efforts and work toward information disclosure.
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Information unavailable. Will continue our efforts and work toward information disclosure.
Local Communities		
FS13	Access points in low-populated or economically disadvantaged areas by type.	▶ Case Studies – Community: Adaptation to Climate Change ▶ Case Studies – Community: Contributing Community through Business
FS14	Initiatives to improve access to financial services for disadvantaged people.	▶ Case Studies – Community: Adaptation to Climate Change ▶ Case Studies – Community: Contributing Community through Business

External Recognition

The Group has been highly recognized by institutions in Japan and around the world, and Sompo Holdings is included in several socially responsible investment (SRI) indices and funds. The following is a list of some of the recent awards and recognition received by the group.

Awards

Outstanding performance award at the 4th EcoPro Awards

Sompo Japan Sompo Risk Management

Sompo Japan and Sompo Risk Management received the outstanding performance award at the 4th EcoPro Awards sponsored by Sustainable Management Promotion Organization, in recognition of "ONE SOMPO WIND Service" for offshore wind power operators.
(September 2021)

Silver Prize in the Financial Services Category of the First ESG Finance Awards

Sompo Japan

Sompo Japan received a silver prize in the financial services category of the first ESG Finance Awards (sponsored by the Ministry of the Environment) in recognition of its efforts to promote climate change adaption through the provision of Disaster Prevention/ Reduction Insurance and other services. (February 2020)

Grand Prize in the Corporate Category of the 2019 Tokyo Metropolitan Social Contribution Awards for Building a Mutual Aid Society

Sompo Japan

Sompo Japan received the grand prize in the corporate category of the 2019 Tokyo Metropolitan Social Contribution Awards for Building a Mutual Aid Society (sponsored by the Tokyo Metropolitan Government). (February 2020)

Silver Award (Excellence Award) in the 2020 Sustainability Site Awards

Sompo Holdings

Sompo Holdings' CSR web content received a silver (excellence) award at the 2020 Sustainability Site Awards, which rates the availability of CSR and sustainability content on corporate websites.
(January 2020)

Recognition

Recognized with prestigious A score for Climate Action by CDP

Sompo Holdings

Sompo Holdings was selected as "The Climate A List" for the fifth time by global environment non-profit CDP. CDP is a collaborative initiative by the world's leading institutional investors to encourage businesses worldwide to adopt climate change strategies and disclose their GHG emissions.
(December 2021)

Ranked 1st in the CSR categories among all types of industry and in the Financial Business Category in the Toyo Keizai CSR Corporate Ranking 2020

Sompo Holdings

(February 2020)

Received the Highest "S" Rating in the Registered and Certified Institution Evaluations for the Tokyo Cap and Trade Program

Sompo Risk Management

Sompo Risk Management received the highest ranked "S" rating for the eighth consecutive year among the registered and certified institutions in the Tokyo Cap-and-Trade Program. (November 2021)

Certification

Certified as Caring Company organized by the Hong Kong Council of Social Services (Sompo Insurance (Hong Kong) Company Limited)

Sompo Insurance (Hong Kong) Company Limited has been received Caring Company organized by The Hong Kong Council of Social Services since 2009.

Recognition of "2021 Health and Productivity Stock" and Nine Group Companies recognized as "White 500"

For the third consecutive year, Sompo Holdings has been selected as a 2021 Health and Productivity Stock, co-sponsored by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange, in recognition of its outstanding health and productivity management.* At the same time, 20 companies from the Sompo Holdings Group have been recognized as Health & Productivity Management Outstanding Organizations (Large Enterprise Category), and nine of them have been certified as "White 500" companies, and one of them have been certified as "Bright 500" companies under the 2021 Certified Health and Productivity Management Organization Recognition Program jointly promoted by METI and the Nippon Kenko Kaigi.

* "Health and productivity management" is a registered trademark of the Workshop for the Management of Health on Company and Employee.

- Group company selected as Health and Productivity Stock
  - Sompo Holdings, Inc. (three consecutive years)
- Group companies recognized as White 500 companies
  - Sompo Holdings, Inc. (five consecutive years)
  - Sompo Japan Insurance Inc. (five consecutive years)
  - Sompo Himawari Life Insurance Inc. (five consecutive years)
  - Sompo Health Support Inc. (five consecutive years)
  - Sompo Communications Inc. (three consecutive years)
  - Sompo Japan Nipponkoa Career Bureau, Inc. (three consecutive years)
  - Prime Assistance Inc. (three consecutive years)
  - Sompo Japan Partners Inc. (two consecutive years)
  - Sompo Corporate Service (first recognition)
- Health & Productivity Management Outstanding Organizations (Large Enterprise Category)
  - Sompo Risk Management, Inc. (five consecutive years)
  - Sompo Business Services, Inc. (five consecutive years)
  - Sompo Systems, Inc. (two consecutive years)
  - SAISON AUTOMOBILE ANDFIRE INSURANCE COMPANY, LIMITED (two consecutive years)
- Group companies recognized as Bright 500 companies
  - Wellness Communications Corporation (first recognition)
- Health & Productivity Management Outstanding Organizations (Small and Medium-sized Enterprise Category)
  - Sompo Asset Management Co., Ltd. (two consecutive years)
  - Sompo Japan DC Securities Inc. (first recognition)
  - Sompo Business Solutions Inc. (first recognition)
  - Sompo Commercial Line Claims Support Inc. (first recognition)
  - Sompo Credit Inc. (first recognition)
  - Sompo Warranty Inc. (first recognition)

Inclusion in SRI indices

The Sompo Holdings is included in the following SRI indexes (as of September 8, 2021).

Ethibel EXCELLENCE Investment Registers

Sompo Holdings

Sompo Holdings has been selected for inclusion in the Ethibel EXCELLENCE Investment Register since 31/08/2018. This selection by Forum ETHIBEL indicates that the company performs better than average in its sector in terms of Corporate Social Responsibility (CSR).

Dow Jones Sustainability Indices (DJSI World Index & Asia Pacific)

Sompo Holdings

Dow Jones Sustainability Indices (DJSI) is a stock index developed by S & P Dow Jones Indices in the United States. DJSI evaluates corporate sustainability from the three aspects of "economy," "environmental," and "social," and it is representative SRI index in the world where companies that are engaged in such advanced initiatives are selected. Sompo Holdings has selected as a member of the DJSI World Index and now been selected for 21 times in total since the Sompo Japan Insurance Inc. was included for the first time in 2000.

FTSE4Good Index Series

Sompo Holdings

The FTSE4Good Index Series is a group of SRI indexes that evaluate the performances of companies that meet globally recognized corporate responsibility standards, including such ESG issues as aspects on environment and human rights.

FTSE Blossom Japan Index

Sompo Holdings

Created by the global index provider FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company), the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

MSCI ESG Leaders Indexes / MSCI SRI Indexes

Sompo Holdings

These indexes comprise companies from various industries that have earned high evaluations in relation to the environment, society, and governance.

* The inclusion of Sompo Holdings in any MSCI Index, and the use of MSCI logos, trademarks, service marks or Index names herein, do not constitute a sponsorship, endorsement or promotion of Sompo Holdings by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names and logos are trademarks or service marks of MSCI or its affiliates.

MSCI Japan ESG Select Leaders Index

Sompo Holdings

MSCI Japan ESG Select Leaders Index is designed to select companies with high evaluation in ESG (Environment, Society, Governance) aspects from among the MSCI Japan IMI Top 500 Index.

MSCI Japan Empowering Women Index (WIN)

Sompo Holdings

MSCI Japan Empowering Women Index (WIN) is designed to select companies with high evaluation in gender diversity from among the MSCI Japan IMI Top 500 Index.

ECPI Global Developed ESG Best in class Equity Index

Sompo Holdings

ECPI Global Developed ESG Best in class Equity Index that are constituted by stocks with high ESG evaluation.

Morningstar Socially Responsible Investment Index

Sompo Holdings

The Morningstar Socially Responsible Investment Index was developed as Japan's first socially responsible investment index comprising Japanese companies.

Third Party Comments / Response to the Third Party Comments

Third Party Comments on Our CSR and Sustainability Initiatives

Hideto Kawakita

CEO, International Institute for Human, Organization and the Earth
Publisher, Socio Management Review

IIHOE: An NPO established in 1994 “for the democratic and balanced development for all the lives on the Earth.” While their main focus is providing management support to civil society organizations and social business operators, IIHOE also provides support for social responsibility initiatives by major companies.

http://blog.canpan.info/iihoe/ (in Japanese)



These third-party comments are based on the content of the CSR/Sustainability section of the Sompo Holdings website as well as interviews with personnel from its Administration, Human Capital and CSR/Sustainability Departments. The comments concern activities that took place in fiscal year 2020 and those ongoing in fiscal year 2021. In addition to the steady implementation of existing CSR and sustainability initiatives, the Sompo Group has defined policies for medium- and long-term material issues. I am of the opinion that the Group has reached the stage where it should work across departments and deepen cooperation with external parties to promote value creation, including business model development.

Areas Evaluated Highly

- Group-wide commitment to CSR/sustainability activities (SDGs in Business Management), including by the top management:
  The Group’s purpose clearly states the value to be delivered to society, and key performance has clarified his commitment to delivering value to society with “a theme park for security, health and wellbeing,” and to creating value through the use of real data platforms. CSR-Eco Facilitators have been appointed to all workplaces at each Group company, and initiatives are being taken in line with workplace characteristics based on the CSR action plan. I look forward to seeing the expansion of the KPIs to include reductions in greenhouse gas emissions and respect for human rights so that such indicators can also be put into practice at each workplace and linked to the creation of business partners in its value chain to implement initiatives relating to fundamental CSR issues, such as the environment and human rights, and promote collaboration on its theme park platform with various companies and civil society organizations for the development, provision and evolution of solutions.
- CSR/sustainability initiatives in the long-term care and healthcare business and initiatives that can create social value:
  The Group has tackled the spread of COVID-19 and is promoting the use of real data, including the introduction of the Nemuri SCAN sleep scanning technology. In the future, I hope that the information obtained will be utilized to quantitatively grasp the contribution to the optimization of services to users and the improvement of employee motivation, and then evolve into a platform that can be provided to the entire industry. I am also keen to see the Group pool its strengths to lead the way in developing businesses related to risk preparedness, including insurance products and risk consulting in the nursing care and senior business, BCP/BCM planning and training of human resources to respond to natural disasters and infectious diseases in particular.

Initiatives Progressing Well but Requiring Further Effort

- Climate change mitigation and adaptation initiatives:
  I commend the Group for continuing to reduce its paper consumption, introducing renewable energy, launching an organic waste power generation business, responding to climate change risks and opportunities by providing risk consultations and agricultural and weather index insurance services to customers, proactively participating in international initiatives, and continuing long-term programs in collaboration with civil society, such as public seminars on environmental issues and wildlife conservation activities. Going forward, in order to achieve the Japanese government’s pledge to reduce greenhouse gas emissions by 46% by 2030 (compared to 2013), I strongly urge you to extend shared service centers to include Group companies, assist clients in introducing renewable energy and improving business efficiency and insulation, and promote initiatives to conserve biodiversity and other resources at your paper suppliers. To this end, I would like to see the Group’s Task Force on Climate-related Financial Disclosures (TCFD) scenarios to be quantitative and more accurate. Furthermore, I hope to see active collaboration with agencies, business partners and civil society organizations, which is one of the Group’s major strengths, to evolve the related services such as supporting the formulation of scenarios for each industry.
- Human rights initiatives:
  I commend the Group for identifying and working on material issues, including employee health and safety and long working hours, based on the Group’s human rights materiality assessments in line with the Group Policy for Human Rights, and for promoting consultation service at Sompo Risk Management using the UNEP FI Human Rights Guidance Tool for the Financial Sector. In the future, to promote human rights transformation and financing that respects human rights (and prevents infringements) in the P&C insurance sector and at other business partners, I hope to see the development of business models starting from industries expected to have a large impact, relating to human rights due diligence, avoidance of adverse impacts, and access to remedy in the event of issues arising. I also hope to see the United Nations Guiding Principles on Business and Human Rights (Ruggie Framework) being put into practice at the entire Group, and more opportunities for the Group’s executive and employees as well as those of its agencies to receive relevant training.
- Building an organization that draws on diversity:
  While the defining of the human capital core values and the formulation of a succession plan for 88 key posts in the Group are positive developments, I hope the Group will continue to clarify its long-term personnel portfolio targets. I also expect that the Group continues to expand its system for nurturing the next generation senior management who will be active globally by providing training to test hypotheses in preparation for the future market and business environment. I would also like to see the Group encouraging the creation of communities where people with disabilities and other minority employees can exchange views and ideas.
- Maintaining and improving the health of employees and providing a supportive workplace:
  It is positive that 51% of employees now use career breaks, shorter working hours and home working schemes designed to accommodate childcare, elderly care and nursing commitments. In the future, I strongly hope that the Group will continue to provide support to young female employees to prevent illness and manage their health in order to reduce the gender gap in the years of service to a more reasonable level.

Response to the Third Party Comments

Ryoko Shimokawa

Chair, Group Sustainable Management Committee
Group CSuO, Senior Vice President and Executive Officer



The spread of COVID-19 has had a major impact on people’s lives and behavior, and has brought to light a number of issues facing society. I sense that companies are now placing greater emphasis on how to go about providing solutions to these social issues and on their raison d’etre or purpose.

When formulating our new mid-term management plan that started in fiscal year 2021, we established SOMPO’s Purpose by engaging in rigorous management discussion about what SOMPO is aiming to achieve over the next 20 to 50 years, the society we can realize, and the kind of value that we can deliver to society. The mission of the Group Chief Sustainability Officer (CSuO), established in August 2021, is to ensure the purpose takes hold throughout the Group. As the Group CSuO, I am promoting a variety of initiatives to fulfill this mission.

Mr. Kawakita has been providing third-party comments to our Sustainability Report since 2001. He has engaged in two-way dialogues with our business divisions, through which he has gained a deep insight into our work. We are deeply grateful for his advice, which is given from a medium- to long-term perspective. We will fast-track our initiatives to achieve a sustainable society, taking his opinions and expectations into account and promoting concrete discussions.

We will continue to focus on the aspects that he evaluated highly as our strengths, and we will make improvements to meet even higher expectations. As part of the SDGs in Business Management strategy, which is positioned as one of the Group’s management foundations in our new mid-term management plan, we have set materiality and KPIs for the social issues facing the Group, our strategies and actions in order to realize our purpose. While implementing a surefire PDCA cycle to realize our purpose, we will consider making concrete contributions to the development and provision of solutions in collaboration with various stakeholders, as suggested by Mr. Kawakita.

On the subject of the use of real data, Mr. Kawakita commented that he expects us to gather data quantitatively from the perspective of the outcome of nursing care services and the improvement of working environment for employees, giving a ripple effect on the industry as a whole. In order to meet his expectations, we will use a Real Data Platform (RDP) to promote early external sales and monetization of nursing care services such as for promoting behavioral change through risk visualization and providing health support that contributes to improving users’ quality of life (QOL). We will also strive to provide new customer value by developing and offering relevant solutions in the areas of disaster risk reduction, mobility, agriculture and healthy aging.

Mr. Kawakita also made some suggestions regarding future issues relating to a net-zero carbon society, human rights transformation and financing that prevents infringements of human rights. Being keenly aware that we can contribute to solving social issues through our core business, P&C insurance and risk consulting, we will actively work to develop and provide products and services in collaboration with multi-stakeholders.

We have less than ten years left to meet the Sustainable Development Goals (SDGs), and it is time for businesses to take concrete action. We will steadily promote the permeation of our purpose throughout the Group to accelerate initiatives towards its realization. In addition, the Group has contributed to the SDGs through our core business as part of our SDGs in Business Management strategy. By making maximum use of this experience as well as our network of diverse stakeholders and RDPs, we will work to solve social issues and create value through partnerships.