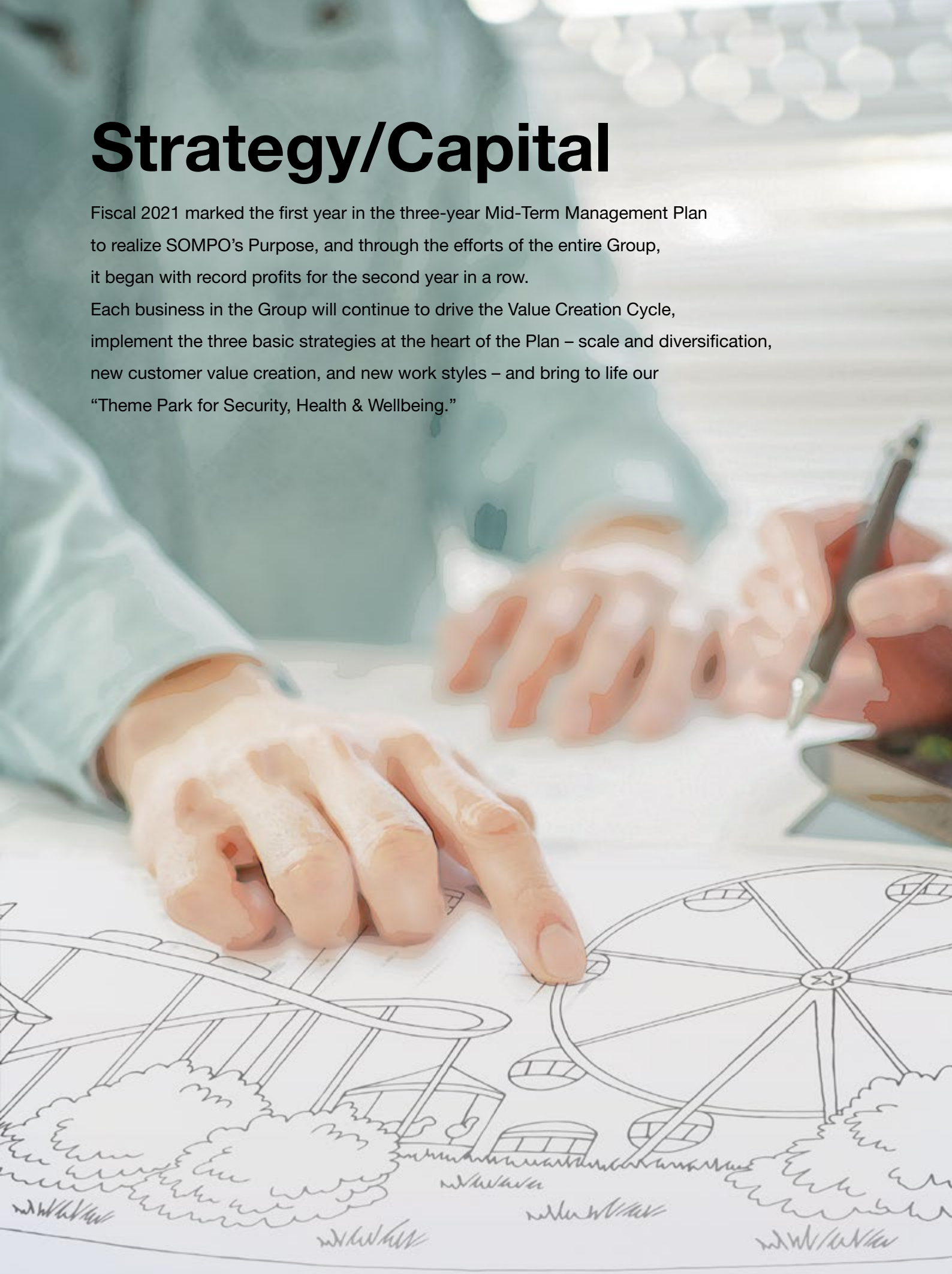
Strategy/Capital

Fiscal 2021 marked the first year in the three-year Mid-Term Management Plan to realize SOMPO's Purpose, and through the efforts of the entire Group, it began with record profits for the second year in a row.
Each business in the Group will continue to drive the Value Creation Cycle, implement the three basic strategies at the heart of the Plan – scale and diversification, new customer value creation, and new work styles – and bring to life our "Theme Park for Security, Health & Wellbeing."



SOMPO's Capital as a Source of Competitiveness

History

In 1888, Tokyo Fire Insurance Company, one of the Group's forerunners, was established as Japan's first fire insurance company with the mission of protecting people from the threat of fire. This sense of mission has been passed down throughout our 130-year history, and is linked to our current Management Philosophy. As social issues change and become more complex, we have expanded the Group's business domains to include life insurance, nursing care, digital, and more with P&C insurance at the core, taken on the challenge of solving a wide range of social issues, and cultivated our strengths—namely, trust and responsibility from society. The numerous capital assets we have amassed by leveraging these strengths are the source of our competitiveness today.



Tokyo Fire Insurance Company was established in 1888. It formed the Tokyo Fire Brigade in the spirit of protecting customers from fire 24 hours a day, 365 days a year.









SOMPO's History of Cultivating Trust and Responsibility

1992
Established the Department of Global Environment (the first for a Japanese financial institution)

We established a department dedicated to the companywide promotion of solutions to global environmental issues, and have proactively addressed environmental issues through collaboration with stakeholders.

1996
Entered the life insurance business

We entered the life insurance business when Yasuda Fire & Marine (now Sompo Japan) outsourced the agency and administrative operations of INA Life Insurance and established Nippon Fire Partner Life Insurance and Koa Fire & Marine Magokoro Life Insurance.

2003
Launched full-fledged initiatives for diversity (the first for a Japanese financial institution)

Starting with the establishment of a department dedicated to the promotion of active participation by women, we have constructed systems and frameworks to support the active participation of diverse human resources.

2010
Established NKSJ Holdings (now SOMPO Holdings)

We started by improving the profitability of existing lines of business, before proactively shifting management resources to growth areas to build a stable earnings base.

2015
Entered the nursing care business in earnest

Through our entry into the nursing care business in earnest, we have invested in the future through efforts such as confronting the social issues of a low birthrate and an aging population, providing nursing care services that leverage technology to provide both high productivity and quality, and opening the Future Care Lab in Japan.

2016
Established SOMPO Digital Labs

We established SOMPO Digital Labs in Tokyo, Silicon Valley, and Tel Aviv to function as research and development bases for digital strategies, and have constructed a system to realize the digital transformation (DX) of the entire Group through information gathering and networking.

2017
Acquired Endurance (now SOMPO International)

Through disciplined M&As, we have expanded the scale of our business and reorganized our subsidiaries to build a global platform that has contributed to the diversification effects of the Group along with increased revenue and high profit growth.

2019
Established Palantir Technologies Japan

We jointly established Palantir Technologies Japan together with Palantir to achieve security, health, and wellbeing for Japanese companies and society through big data analysis by leveraging each other's strengths.

2020
Established Headquarters for Promoting New Work Styles

We have positioned the promotion of new work styles as the biggest project in our 130-year existence to transform our corporate culture, and have established the Headquarters for Promoting New Work Styles with the Group CEO at its head with the aim of becoming a group of people who share the three core values through the employees' pursuit of My Purpose.

2021
Launched Mid-Term Management Plan, Announced SOMPO's Purpose

SOMPO launched a Mid-Term Management Plan to achieve its purpose: to create a society in which every person can live a healthy, prosperous and happy life true to themselves by way of a Theme Park for Security, Health & Wellbeing.

2021
Concluded the Agreement on Comprehensive Mutual Cooperation to Solve Social Issues (National Institute of Advanced Industrial Science and Technology)

With the aim of contributing to the growth of the Japanese economy through the promotion of joint research and the social implementation of its results, we concluded an agreement to solve social issues with the National Institute of Advanced Industrial Science and Technology, one of the largest research institutes in Japan.

Financial capital

Social and relationship capital

Human capital

Intellectual capital

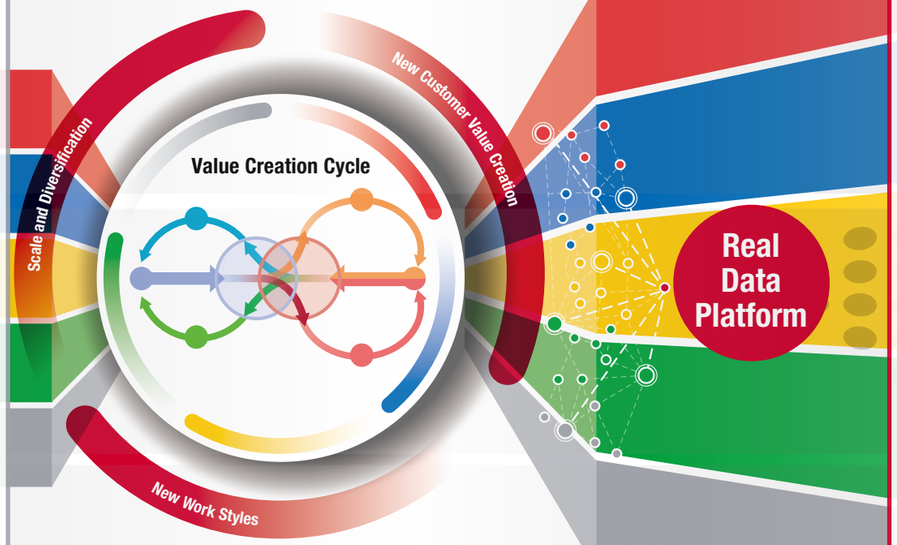
Natural capital

SOMPO's Capital as a Source of Competitiveness

Capital

Over our 130-year history, we have accumulated numerous capital assets that serve as the source of our competitiveness.
We will combine our stable revenue base and diverse capital built on relationships of trust with a variety of stakeholders to create value that only SOMPO can offer. Our 74,000 employees, each motivated by their own My Purpose, are the driving force for our Value Creation Cycle, which we are using to achieve sustainable growth and realize SOMPO's Purpose.

Capital	Input
Financial capital	• Ability to generate cash flow, mainly from domestic P&C insurance, enabling the Group to make growth investments Gross revenue: ¥3,677.5 billion • Sound financial base and ample room for growth Adjusted consolidated net assets: ¥2,824.8 billion
Social and relationship capital	• Trust and responsibility cultivated through our 130-year history • Customer base of roughly 20 million • Networking with diverse stakeholders <Leading examples of collaboration> Palantir; Tier IV, Inc.; National Institute of Advanced Industrial Science and Technology; Institute for Advanced Biosciences, Keio University; and others <Participation in international initiatives> Partnership for Carbon Accounting Financials (PCAF), the Net Zero Alliance under the Glasgow Financial Alliance for Net Zero (GFANZ), and others
Human capital	• Group of people who share the three core values that are realized through new work styles • Digitally capable human resources to accelerate DX • A corporate culture unafraid of change
Intellectual capital	• Environment enabling use of cutting-edge technologies SOMPO Digital Lab: Global trilateral structure Future Care Lab in Japan: R&D on new nursing care • High-volume, high-quality real data accumulated from diverse lines of business • Advanced problem-solving ability for converting social issues into business opportunities
Natural capital	



Outcome

- Achieved sustainable growth
  Adjusted consolidated profit: ¥261.3 billion
- Maintained and improved capital efficiency to meet shareholder expectations
  Adjusted consolidated ROE: 9.4%
- Diversified to underpin earnings stability
  Risk diversification ratio: 41.1%
  Overseas business ratio: 23.7%

- Made contributions to society in the form of infrastructure that supports daily life
  Net claims paid: ¥1,584.3 billion
  Number of nursing care recipients: 90,000
- Enhanced brand power: Brand value: US$605 million*1
- Increased presence through engagement in international initiatives
  Attended 7 WEF annual meetings in Davos

- Producing employees who are motivated by their My Purpose
  Goal: Completion of My Purpose training by all eligible participants by FY2023
  Result: 66% have undergone training for domestic P&C insurance, domestic life insurance, and nursing care & seniors business
- Enhanced diversity of human resources as a source of innovation
  Ratio of female employees in management positions: 26.8%
- Improved employee job satisfaction and happiness
  Goal: Achieve average Gallup Q12 target by FY2023 (Japan: 3.70 pts, Overseas: 4.10 pts)
  Result: Japan: 3.46 pts, Overseas: 4.02 pts

- Proactively invested in digital technology and leveraged industry-government-academia collaboration to deliver innovation
- Enhanced our lineup of products and services that underpin customers' security, health, and wellbeing
  Newly developed insurance products, riders, and services in FY2021: 46*2
- Reduced the burden of nursing care and contributed to a sustainable aging society
  Goal: Introduce future nursing care models in 258 facilities by FY2023

- Contributed to the creation of a green society in which the economy, society, and environment exist in harmony
  Greenhouse gases (GHG)
  Reduction target
  Scope 1/2/3 (Category 1–14)
  2030: 60% reduction (Compared to FY2017 levels)
  2050: Net zero
  Scope 3 (Category 15: Investments)
  2025: 25% reduction (Compared to FY2019 levels)
  2050: Net zero

*Actual figures for FY 2021 unless otherwise noted

*1 Based on a survey by Interbrand Japan, Inc.
*2 Simple aggregate of the number of newly developed products, services and riders released by Sompo Japan and Sompo Himawari Life in FY2021

Overview of Mid-Term Management Plan

Sompo Holdings launched the current Mid-Term Management Plan in fiscal 2021. Since it is difficult to predict the future with certainty in the VUCA age, this plan covers a three-year period through FY2023.

In order to realize the vision for society outlined in SOMPO's Purpose, the Mid-Term Management Plan details the initiatives that we will undertake by the end of FY2023. By carefully executing our three core strategies of Scale and Diversification, New Customer Value Creation, and New Work Style, we aim to achieve the goals of an adjusted consolidated profit of ¥300.0 billion or more, and an adjusted consolidated ROE of 10% or higher.

Mid-Term Management Plan (FY2021-2023)

Goals

Realizing "A Theme Park for Security, Health & Wellbeing"

- Adjusted consolidated profit: ¥300.0 billion or more
- Adjusted consolidated ROE: 10% or higher
- Increase the risk diversification effect
- A solution provider that goes beyond the boundaries of insurance

Three Core Strategies

1 Scale and Diversification

To ensure that the company has a resilient business foundation capable of withstanding rapid changes in the environment, such as increasingly severe natural disasters and the spread of COVID-19, we will work to improve profitability and productivity and expand our customer base, with a focus on the insurance business. We will also expand businesses and grow profits by utilizing M&As and other means, and thereby change our business portfolio and improve capital efficiency.

2 New Customer Value Creation

To deliver unprecedented value, we are focusing on establishing the Real Data Platform which organically links real data from various businesses and domains by recognizing the transformative power of digital technology and data. We are also engaged in new business development in areas with a high affinity to our existing businesses.

3 New Work Style

It is essential to increase job satisfaction and happiness of all employees and achieve high productivity for sustainable growth of the Group. We aim to build a group of talent practicing the Three Core Values (Mission-Driven, Professionalism, and Diversity & Inclusion) by reforming various systems and developing human resources.

SDGs in Business Management | **Capital Policy and ERM** | **Governance**

Key Financial Performance Indicators

		FY2020 actual	FY2021 actual	FY2022 forecast	FY2023 plan
Adjusted consolidated profit		¥202.1 billion	¥261.3 billion	¥260.0 billion	¥300.0 billion or more
Adjusted consolidated ROE		8.0%	9.4%	9.2%	10% or higher
Diversification effects	Risk diversification ratio	39.4%	41.1%	42.2%	Improvement on FY2020
	Overseas business ratio	14.9%	23.7%	38.5%	30% or higher
New Customer Value Creation		—	—	—	External sales and monetization of products and services (in two businesses or more)

Domestic P&C Insurance

	FY2020 actual	FY2021 actual	FY2022 forecast	FY2023 plan
Adjusted profit	¥130.1 billion	¥157.4 billion	¥120.0 billion	¥150.0 billion or more
Net premiums written*1	¥1,903.4 billion	¥1,941.7 billion	¥1,987.6 billion	¥2,000.0 billion
E/I combined ratio*1	94.3%	93.5%	93.7%	91.7%
Reduction of strategic shareholdings	¥70.3 billion	¥50.1 billion	¥50.0 billion	¥50.0 billion (three-year total: ¥150.0 billion)

Overseas Insurance and Reinsurance

	FY2020 actual	FY2021 actual	FY2022 forecast	FY2023 plan
Adjusted profit	¥30.0 billion	¥61.8 billion	¥100.0 billion	¥100.0 billion or more
GWP growth rate*2	+37.8%	+31.1%	+4.7%	Annual rate of approx. +9%
E/I combined ratio*2	97.8%	93.9%	90.7%	88–89%

Domestic Life Insurance

	FY2020 actual	FY2021 actual	FY2022 forecast	FY2023 plan
Adjusted profit	¥32.5 billion*3	¥33.6 billion	¥35.0 billion	¥40.0 billion or more
Annualized new premiums*4	¥29.8 billion	¥35.6 billion	¥46.0 billion	¥50.0 billion
Policies in force	4.26 million	4.45 million	4.72 million	5.00 million
Investment for ALM matching*5	—	¥329.4 billion	¥300.0 billion	¥300.0 billion

Nursing Care and Seniors

	FY2020 actual	FY2021 actual	FY2022 forecast	FY2023 plan
Adjusted profit	¥7.3 billion	¥5.9 billion	¥6.0 billion	¥8.0 billion or more
Revenue	¥131.8 billion	¥136.1 billion	¥151.1 billion	¥162.0 billion
Occupancy rate*6	89.4%	91.1%	92.9%	93.8%

New Customer Value Creation

FY2023 plan	External sales and monetization of products and services that utilize RDP	Two businesses or more	Mid- to long-term target	Group revenue generated by the utilization of RDP	¥500.0 billion or more

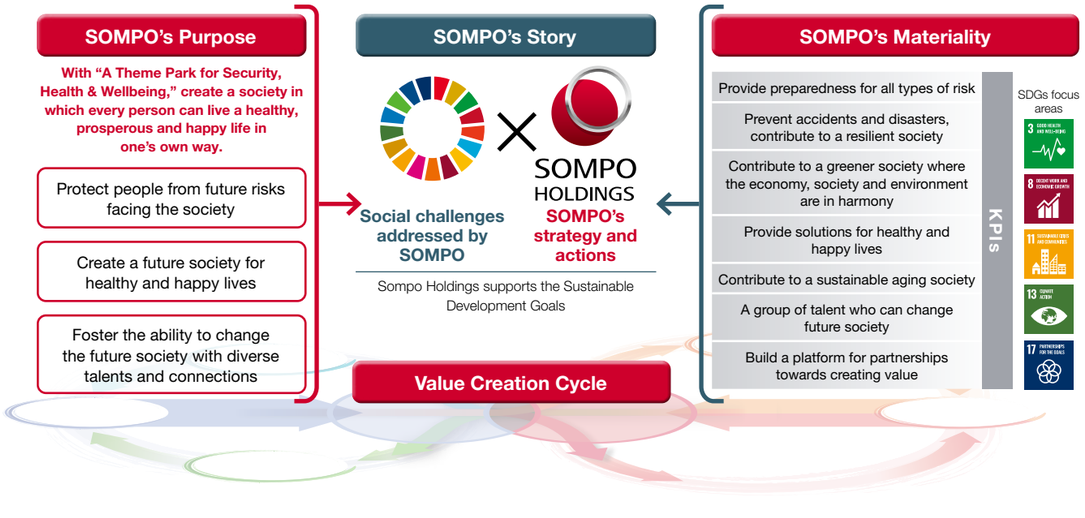
*1 Sompo Japan (excl. CALI, household earthquake insurance) *2 Sompo International commercial business *3 Recalculated according to current definitions
*4 Based on sales performance *5 30-year maturity equivalent *6 As of the end of the fiscal year

SDGs in Business Management

Overview of SDGs in Business Management

In its current Mid-Term Management Plan, the Sompo Group has positioned “SDGs in Business Management” as one of our Group Business Foundations to create economic and social value by using its core business to resolve social challenges. To do this, we have designated seven Materialities—or priority issues—for realizing SOMPO’s Purpose. We have also set KPIs for each Materiality to facilitate the creation of highly effective PDCA cycles, visualizing our progress and identifying issues.

By driving value creation cycles through this SDGs in Business Management framework, we seek to promote Group-wide initiatives for realizing SOMPO’s Purpose.



Promotion Structure

The Company has established a system of sustainability governance whereby Executive Officers execute measures in line with Group-wide strategies and policies aimed at realizing SOMPO’s Purpose, and the Board of Directors monitors their performance.

The Group Chief Sustainability Officer (Group CSuO) is in overall charge of sustainability at the Group, and is responsible for formulating and executing strategies related to sustainable management, and for overseeing the sustainability functions of the entire Group.

The Group Sustainable Management Committee is chaired by the Group CSuO, and its membership comprises CSO, CSuO, etc. (executive level) at each Group business. The Committee carries out preliminary discussions on climate change and other sustainability issues, taking the various perspectives of Group businesses into account. It then submits policies and measures for discussion to Global ExCo and MAC, thereby raising the quality of our decision-making. The Board of Directors (including preliminary briefing meetings) also receives reports on the discussions held by Global ExCo and MAC, thereby increasing the effectiveness of its supervisory functions.

The Committee is responsible for promoting the sustainability initiatives of the entire Group; to this end, it monitors the progress of and identifies potential issues in implementation plans formulated by Group companies to achieve Materialities and Materiality KPIs for the realization of SOMPO’s Purpose.



Committee Discussion Topics, April 2021–June 2022

- Sharing the Group’s Mid-Term Management Plan and the policy for SDGs in Business Management in FY2021
- Formulating Materiality KPIs (MAC preliminary discussions)
- Revising the Group’s net-zero targets (MAC preliminary discussions)
- Discussing the Group’s climate change strategy (Global ExCo preliminary discussions)
- Summarizing initiatives for the first half of FY2021
- Summarizing full-year initiatives for FY2021

Identifying Materiality

The Sompo Group has identified social challenges based both on international norms and on its mission to realize SOMPO’s Purpose. After assessing their importance according to their relevance to SDGs, we have identified priority social challenges, and organized, integrated, and systematized them as Materiality.

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**

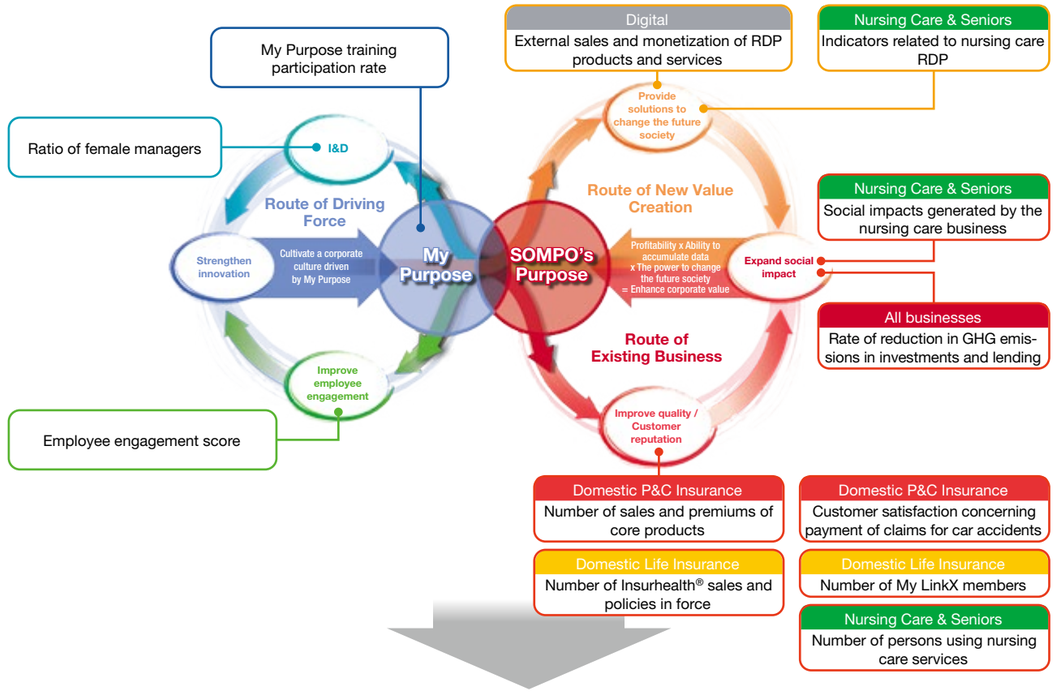
Evaluate the importance of social challenges surrounding SOMPO based on their relationships with the SDGs (which represent a universal language) to identify social challenges the Group should prioritize through its business

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

Integrating Materiality KPIs and the Value Creation Cycle

The Sompo Group has established materiality KPIs in order to measure the progress of initiatives for achieving materiality targets. As part of the establishment process, we have constructed a framework for putting the value creation cycle into practice with an SDGs-oriented approach to management by combining the key levers in the value creation cycle with those KPIs.



Towards implementation of value creation cycle with an SDGs-oriented approach to management

SDGs Matrix: Social Challenges and SDGs Addressed by SOMPO

This matrix follows ISO 26000 frameworks to clarify the relationship between the social challenges facing SOMPO, which were identified in Process 1 of the Materiality Identification Process, and the core subjects of ESG and ISO 26000. It also indicates which of the 169 SDG Targets the Sompo Group will contribute to through the provision of its products and services. In Process 2, we narrowed down Materiality candidates based on their level of importance, and identified which social challenges to prioritize through our business. Finally, in Process 3, we organized, integrated, and systematized these social challenges according to our strategies. We have termed these challenges “Materialities,” or priority issues 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 Seven Core Subjects	Social challenges facing SOMPO	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Priority social challenges
G	Organizational governance	Fulfilling governance functions					△5.5			△8.8	●9.b							●16.7	△17.17	☆
		Refining ERM								△8.10								△16.5		
		Strengthening cyber security resilience								△8.10	△9.1									
		Strengthening resilience against increasingly uncertain international affairs																●16.1		
	Fair operating practices	Ensuring compliance								△8.8		△10.3						●16.5		
		Preventing corruption								△8.8		△10.3						●16.5		
		Incorporating ESG into the value chain							●7.2	●8.7				●12.2	●13.2	△14.2	△15.1	△16.2	●17.17	☆
S	Human rights	Responding appropriately to risks to human dignity and human rights	△1.3		●3.4	●4.4	△5.4			●8.8		△10.2						●16.1	●17.16	☆
		Preventing the spread of infectious diseases			●3.3					●8.10					△13.1					
	Labor practices	Improving employee engagement			△3.4	●4.4	△5.4			●8.2	●9.b									☆
		Improving the Group’s ability to innovate				△4.4	△5.b			●8.2	●9.b									
		Promoting diversity & inclusion	△1.4		△3.4	●4.5	●5.5			●8.2		●10.2		△12.6						☆
		Promoting health and productivity management®*			●3.4					●8.8									△17.16	☆
		Investing in human resources (lifelong learning and recurrent education)				●4.4				●8.2	●9.b	△10.2								☆
		Investing in human capital			△3.4	△4.4	△5.5			●8.2	●9.b	△10.2								☆
	Community involvement and development	Supporting regional development for regional revitalization											△11.3						●17.16	
		Promoting culture and the arts				△4.7													●17.16	
		Promoting financial inclusion and ensuring universal access to insurance	●1.4	●2.3	●3.3					●8.10	△9.3		●11.b		●13.1				●17.16	☆
		Contributing to a society that is resilient against natural disasters	●1.5							●8.10			●11.b		●13.1				●17.16	☆
		Contributing to a safe and secure next-generation mobility society			●3.6					●8.10	●9.b		●11.2						●17.16	☆
		Contributing to a sustainable social security system	●1.3		●3.4		●5.4			●8.8		△10.2							●17.16	☆
		Supporting people who are vulnerable to disasters	△1.5										△11.b		△13.3				△17.16	
		Co-creating with diverse stakeholders to achieve transformation	●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	Responding to a data-driven society			●3.4	△4.4	△5.b			△8.10	●9.2								●17.16	☆
		Improving the quality of customer services			●3.6					●8.10	△9.5								●17.16	☆
		Safeguarding privacy								△8.8								●16.5		
		Contributing to a smart society			●3.4								●11.3		△13.1				●17.16	☆
		Extending life expectancy	△1.4		●3.4	△4.4	△5.4			●8.10		△10.2							●17.16	☆
		Providing products and services that reflect changes in people’s values and behavior			●3.4					●8.10				△12.8					●17.16	
		Educating future generations (disaster prevention and traffic safety)			●3.6	●4.7		△6.6					●11.b						●17.16	☆
E		Educating future generations (the environment)				●4.7							●11.b	●12.3	●13.3	●14.1			●17.16	☆
	Environment	Promoting sustainable finance (underwriting and developing insurance products)			△3.9				●7.a	△8.10	●9.1		●11.4		●13.3	△14.1	△15.5		●17.16	☆
		Promoting sustainable finance (investment and lending)			△3.9				●7.a	△8.3	●9.4		●11.4		●13.a	△14.1	△15.5		●17.16	☆
		Contributing to a sustainable food supply	●1.5	●2.4				△6.6		●8.10					●13.1				●17.16	☆
		Contributing to a carbon neutral 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	☆
		Contributing to a circular economy						●6.b						●12.5	△13.3	●14.1	△15.4		●17.16	☆
		Contributing 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 Sompo Group’s initiatives are marked as “●,” and those moderately linked are marked as “△.”
The Sompo Group will continuously review the matrix in light of developments in its problem-solving business and changes to social challenges.
*2 This matrix was formulated under the supervision of Professor Hidemitsu Sasaya of the Chiba University of Commerce.
* “Health and productivity management®” is a registered trademark of Nonprofit Organization Kenkokeiei.

Materiality KPIs

The Sompo Group has set KPIs for each Materiality to define its actions for realizing SOMPO's Purpose, and to gauge the progress of these actions. By integrating these KPIs with important elements of our value creation cycle, we have created a system that enables us to implement said value creation cycle. In fiscal 2021, we achieved 24 of the 29 KPIs for which we had set single-year targets. As our initiatives and strategies for realizing SOMPO's Purpose evolve and change, we are expanding our Materiality KPIs.

Indeed, we have committed to adding a further four KPIs in fiscal 2022, and plan to subsequently add two more. In this way, by establishing a Group-wide framework that facilitates the creation of a PDCA cycle for our value creation cycle, we are making progress towards realizing SOMPO's Purpose.

★ KPIs added in fiscal 2022
☆ KPIs scheduled for addition

Key value creation cycle KPIs

Materiality	Materiality Subcategory			Materiality KPIs		FY2021 Results		Relevant SDG Targets			SOMPO's Vision for Society and for the Group
				KPIs	Target Business	Numerical Targets	Partnership KPIs	Results	Status of single-year targets				
Provide preparedness for all types of risk	Promoting financial inclusion and ensuring universal access to insurance	Co-creating with diverse stakeholders to achieve transformation	Fulfilling governance functions	Domestic net written premiums (contribution to promoting insurance)	Domestic P&C Insurance	FY2021: ¥1,988.6bn; FY2022: ¥2,055.3bn; FY2023: ¥2,079.9bn		¥1,999.6bn	Achieved	1.4	8.10	11.b	A safe and secure society, which is also protected from new risks such as climate change, infectious diseases, and cyberattacks due to the evolution of insurance
				Overseas gross written premiums (contribution to promoting insurance)	Overseas Insurance and Reinsurance	FY2021: +7.9%; FY2022: +7.1%; FY2023: +6.9% *USD base		+25.8%	Achieved	1.4	8.10	13.1	
				No. of life insurance policies in force (contribution to promoting insurance)	Domestic Life Insurance	FY2021: 4.43M; FY2022: 4.72M; FY2023: 5.00M		4.45M	Achieved	1.4	3.4	8.10	
				No. of sales and premiums for insurance products that help people prepare for illness and injury (core products)	Domestic P&C Insurance	Increase YoY		YoY increase: +12,000 insurance product sales; +¥2.25bn premiums	Achieved	3.3	3.4	8.10	
	Contributing to a sustainable food supply			Expansion of AgriSompo's agricultural insurance business to more countries	Overseas Insurance and Reinsurance	Increase number of countries by FY2023		No increase	No single-year target set	1.5	2.4	13.1	
Prevent accidents and disasters, contribute to a resilient society	Contributing to a society that is resilient against natural disasters			Customer satisfaction with insurance claims paid for natural disasters	Domestic P&C Insurance	Improve YoY		YoY improvement: -3.3 points	Not achieved	1.5	11.b	13.1	A society in which risks are controlled and damage is minimized by detecting and preventing warning signs
				★ Development of products and services that help adapt to or mitigate climate change	All Group businesses	Publish and update development results		—	—	1.5	13.1	13.3	
	Contributing to a safe and secure next-generation mobility society			No. of sales and premiums for insurance products that contribute to a safe and secure next-generation mobility society (core products)	Domestic P&C Insurance	Increase YoY		YoY increase: +59,000 insurance product sales; +¥240mn premiums	Achieved	3.6	8.10	11.2	
	Improving the quality of customer services			★ Customer satisfaction with insurance claims paid for car accidents	Domestic P&C Insurance	Improve YoY		—	—	3.6	8.10	11.2	
	Educating future generations (disaster prevention and traffic safety)			No. of participants in disaster prevention and traffic safety training	All Group businesses	FY2021: 15,000; FY2022: 18,000		23,036	Achieved	3.6	4.7	11.b	
Contribute to a greener society where the economy, society and environment are in harmony	Promoting sustainable finance (underwriting and developing insurance products, and investment and lending)			Participation and activities in sustainability-related initiatives and rule-making	All Group businesses	Publish and update activity results		Joined PCAF and three GFANZ sector-specific alliances	No single-year target set	9.4	11.4	13.3	An inclusive and resilient carbon neutral society where people and nature coexist in harmony
				No. of engagements with investee and borrower companies	All Group businesses	Increase YoY		Increase YoY	Achieved	7.a	9.4	13.a	
	Contributing to a carbon neutral society, to a circular economy, and to a society in harmony with nature			Reduction rate for Group greenhouse gas emissions	All Group businesses	60% reduction by 2030 (compared to 2017 levels), net zero by 2050 *Targets include Scopes 1, 2, and 3, but exclude investee and borrower companies		228,051tCO_2e	No single-year target set	7.2	12.8	13.2	
	Incorporating ESG into the value chain			Switch to renewable energy sources	All Group businesses	70% utilization rate by FY2030		2.2%	No single-year target set	7.2	12.2	13.2	
				★ Reduction rate for greenhouse gas emissions of investee and borrower companies	All Group businesses	25% reduction by 2025 (compared to 2019 levels), net zero by 2050 *For Scope 3, Category 15 emissions		FY2020 Equities: 948,530 tCO_2e Bonds: 906,207 tCO_2e	—	7.a	12.8	13.2	
	Educating future generations (the environment)			No. of participants in environmental education programs	All Group businesses	FY2021: 11,500; FY2022: 9,000		6,595	Not achieved	4.7	13.3	14.1	
Provide solutions for healthy and happy lives	Extending life expectancy			No. of Insurhealth® policies sold	Domestic Life Insurance	End of FY2021: 300,000; End of FY2022: 460,000; End of FY2023: 420,000		340,000	Achieved	1.4	3.4	8.10	A society in which people who need support can live independent, healthy, and happy lives in a way true to themselves
				No. of Insurhealth® policies in force	Domestic Life Insurance	End of FY2021: 600,000; End of FY2022: 1,130,000; End of FY2023: 1,300,000		710,000	Achieved	1.4	3.4	8.10	
				Sales share of Insurhealth® products	Domestic Life Insurance	End of FY2021: 60%; End of FY2022: 70%; End of FY2023: 80%	Increase in no. of partnerships 1) No. of collaborations and partnerships announced to the public 2) No. of proof-of-concept and pilot tests conducted through collaborations and partnerships 3) No. of solutions provided through collaborations and partnerships FY2021 Results: 1) 97 2) 45 3) 58	68.3%	Achieved	3.4	3.a	8.10	
				★ No. of My Link X members	Domestic Life Insurance	FY2022: 700,000; FY2023: 1,000,000		457,000	—	1.4	3.4	8.10	
				Company name recognition	Domestic Life Insurance	End of FY2021: 60%; End of FY2022: 70%; End of FY2023: 80%		51.7%	Not achieved	3.4	3.a	8.10	
				Perception as a company that promotes health	Domestic Life Insurance	Life insurance industry ranking for Sompo Himawari Life Insurance: End of FY2021: No. 5; End of FY2022: No. 3; End of FY2023: No. 1		No.9	Not achieved	3.4	3.a	8.10	
				No. of branch offices offering dementia prevention programs	Nursing Care and Seniors	FY2021: 38; FY2022: 82; FY2023: 171		41	Achieved	3.4	5.4	10.2	
				Health guidance business revenue	Strategic business	FY2021: ¥3.519bn; FY2022: ¥3.881bn		¥3.746bn	Achieved	3.4	3.5	4.7	
				Mental health service revenue	Strategic business	FY2021: ¥1.485bn; FY2022: ¥1.619bn		¥1.493bn	Achieved	3.4	4.4	8.8	
	Contributing to a smart society			No. of smart community proof of concepts	Nursing Care and Seniors	FY2021: 10; FY2022: 10		12	Achieved	3.4	3.d	11.3	
Contribute to a sustainable aging society	Contributing to a sustainable social security system			No. of facilities introducing future nursing care model	Nursing Care and Seniors	FY2021: 28; FY2022: 73; FY2023: 258		23	Not achieved	1.3	3.4	8.8	A hopeful society in which the burden is reduced on people tasked with supporting an aging population and a declining birthrate
				Nursing care facility occupancy rate	Nursing Care and Seniors	FY2021: 90.8%; FY2022: 92.9%; FY2023: 93.8%		91.1%	Achieved	1.3	3.4	10.2	
				No. of nursing care users	Nursing Care and Seniors	FY2021: 90,000; FY2022: 94,000; FY2023: 120,000		90,000	Achieved	1.3	3.4	5.4	
				Care provider turnover rate	Nursing Care and Seniors	FY2021: 11.4%; FY2022: 11.0%; FY2023: 10.5%		11.4%	Achieved	1.3	3.4	8.5	
				☆ Social impact of Nursing Care Business	Nursing Care and Seniors	Plans to disclose future social impact of Nursing Care Business		—	—	1.3	3.4	8.5	
A group of talent who can change future society	Improving employee engagement	Investing in human capital		Employee engagement	All Group businesses	Average Gallup Q12 score of 3.70 pt in Japan and 4.10 pt overseas by end of FY2023		3.46 pt in Japan, and 4.02 pt overseas	Achieved	4.4	8.2	9.b	An organization whose diverse workforce has the capacity to develop innovative solutions and transform future society
				My Purpose training participation rate	All Group businesses	End of FY2023: 100% of eligible employees		66% of employees from Domestic P&C, Domestic Life Insurance, and Nursing Care and Seniors Businesses	Achieved	4.5	4.4	8.2	
				Telework rate	All Group businesses	50% or more of whole Group *excluding frontline care givers		65.0%	Achieved	4.4	5.4	8.8	
	Promoting health and productivity management, and responding appropriately to risks to human dignity and human rights			Health and productivity management indicators (Work Limitations Questionnaire)	All Group businesses	Improve YoY at all companies		93.8%	Achieved	3.4	8.2	8.8	
	Promoting diversity & inclusion			Ratio of female managers	All Group businesses	End of FY2023: 30%		26.8%	Achieved	5.5	8.2	10.2	
				Ratio of employees with disabilities	All Group businesses	End of FY2023: 2.5%		2.41%	Achieved	4.5	8.2	10.2	
	Investing in human resources (lifelong learning and recurrent education)			Shift to job-based HR system	All Group businesses	Introduce job-based system at all companies by end of FY2023		Introduced at Sompo Holdings and Sompo Himawari Life Insurance; job-posting system introduced at Saison Automobile and Fire Insurance Company	No single-year target set	8.2	8.5	9.5	
				No. of digital personnel developed and recruited	All Group businesses	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, and CX agile design training: 3,000 DX utilization personnel: 17,100 participants in training		DX specialists: 31 DX planning personnel a) Employees who have completed basic DX training: 1,979 b) Participants in AI planning, data utilization, and CX agile design training: 791 DX utilization personnel: 10,656 participants in training	Achieved	4.4	8.2	9.5	
Build a platform for partnerships towards creating value	Promoting a data-driven society			Group revenue generated by utilizing Real Data Platform	Digital	¥500bn (medium- to long-term target)		No results	No single-year target set	3.4	9.5	17.16	An organization that innovates based on facts and data, and that promises fulfilling lives for an aging population and for the people who support it
				External sales and monetization of Real Data Platform products and services	Digital	Two projects or more by end of FY2023		No results	No single-year target set	3.4	9.2	17.16	
				☆ Nursing Care RDP indicators	Nursing Care and Seniors	Targets to be decided based on business plans		—	—	3.4	8.2	9.2	

Climate Change Initiatives (Environment)

I. SOMPO Climate Action

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.

The Sompo Group has identified "contributing to a greener society where the economy, society, and environment are in harmony" as a key management theme (Materiality) that must be addressed to realize SOMPO's Purpose. To address this priority issue, in our Mid-term Management Plan, which started in FY2021, we identified "adaptation," "mitigation," and "contribution to societal transformation" as "SOMPO Climate Action," which takes a composite approach to climate-related risks and opportunities, and we are now in the process of executing various related initiatives.

SOMPO Climate Action

1. Adapt to climate change

Help enhance societal resilience by developing/offering products/services through collaboration

- Contribute to sustainable agriculture with AgriSompo
- Develop products/new businesses for disaster prevention & mitigation
- BCP support service for companies

2. Mitigate climate change

Achieve net zero group GHG emissions (by 2050)

- Group's introduction of renewable energy (70% by 2030)
- Sustainable procurement that considers biodiversity
- Develop products/new businesses for the promotion of clean energy
- Service for promoting decarbonization for companies

3. Contribute to societal transformation

Support the transition of society by collaborating with stakeholders, such as NPOs, and engaging as financial institution

- Engagement with investee companies
- Proactive involvement in rule making, policy advocacy
- Develop environmental personnel

Together with stakeholders, aim to realize an inclusive and resilient carbon neutral society where people and nature are in harmony

SOMPO's strengths

Addressing global environmental issues for 30 years ahead of our time

- Management understanding/ leadership since the 1992 Rio summit
- Climate change adaptation measures utilizing risk management
- Relationship of trust with NGOs, experts, etc., built through collaborative projects, the Group's Environment Foundation, etc.
- Built "Green SOMPO" brand through product development with consideration for ESG (underwriting, green funds, etc.), and environmental education for students/citizens

Policy for SDGs in business management

A partnership platformer

- A Theme Park for Security, Health & Wellbeing (Contribution to SDGs utilizing real data, etc.)
- Network with stakeholders
- Diverse personnel

II. Implementation of SOMPO Climate Action

To make Climate Action a reality, we established basic policy to engage in four actions: formulate and execute a Green Transition Plan, strengthen our governance, upgrade climate risk framework, and create climate-related business opportunities, based on an analysis of the potential risks and opportunities posed by climate change to the Group and other factors. In FY2022, we will focus on the following initiatives.

1. Formulate and Execute a Green Transition Plan

The goal of our Group is to achieve net-zero greenhouse gas (GHG) emissions by 2050, including our underwriting operations and our investee and borrower companies. To this end, the entire Group is promoting the following actions.

[Initiative 1] Initiative to achieve interim greenhouse gas (GHG) reduction targets of investee and borrower companies

In addition to the target set in FY2021 to achieve net-zero GHG emissions for the entire value chain — including investee companies -- by 2050, in May 2022 we set a target of 25% reduction by 2025 (compared to FY2019, based on total GHG emissions of equities and bonds) as an interim target for reducing the GHG emissions of our investee companies, and we will continue to strengthen our engagement with investee companies.

As specific measures, we are promoting a green transition by strengthening engagement with the top 20 greenhouse gas (GHG) emitting companies among our equity holdings, and we are promoting a switch from high GHG emitting sectors to low emitting sectors when public and corporate bonds reach maturity in order to reduce transition risks and capture opportunities.

See [III. 4. Metrics and Targets] for details.

[Initiative 2] Contributions through underwriting/investment and loan

The Sompo Group considers sustainability to be the driving force behind long-term value creation, and makes decisions regarding insurance underwriting, investments and loans, and business activities based on the basic concept of its Purpose.

In particular, with regard to contributions to energy transition, which is an essential part of the transition to a green society, we have established the following underwriting, investment and loan policies, and are moving forward with related implementation initiatives.

- We will not underwrite new insurance or make new investments in or loans for new or existing coal power plants or thermal coal mine projects*1
- We will not underwrite new insurance or make new investments in or loans for oil and gas extraction projects in the oil sands or the Arctic National Wildlife Refuge (ANWR)
- We will not insure or make investments or loans to companies that rely on coal for more than 30% of their income or that use coal to generate more than 30% of their energy*2, or companies that involve in oil and gas extraction projects in the ANWR, unless they establish a GHG reduction plan by January 2025*3

*1 We may carefully consider and respond to cases where there are innovative technologies such as Carbon Dioxide Capture, Utilization, and Storage (CCS, CCUS) and ammonia co-firing in palace that are expected to reduce GHG emissions and contribute to the realization of the Paris Agreement.

*2 Defined as companies that derive at least 30% of their revenues from coal-fired power generation, thermal coal mines, or oil sands, or companies that generate at least 30% of their energy from coal.

*3 We will not apply restrictions to insurance that supports the health and wellbeing of individual employees, e.g., workers' compensation insurance.

For further information about our Policy for ESG-related Underwriting, Investment and Loan, please visit our corporate website:
https://www.sompo-hd.com/en/csr/system/vision/

See [III. 2. Strategy] for other initiatives.

[Initiative 3] Initiative for societal transformation

Various organizations and groups around the world are actively discussing the formulation of regulations and guidance to realize a net-zero society. The Sompo Group is 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 in September 2018 we were the only domestic insurance group to join 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.

We are also engaged in rule-making to realize a net-zero society. In 2021, we became the first Asian member of the PCAF Insurance-Associated Emissions Working Group, which was established by the Partnership for Carbon Accounting Financials (PCAF), an international initiative that develops methods for measuring GHG emissions through financial institutions' investment, loan, and underwriting portfolios.

In 2022, we became the first Japanese insurer to join three sector-specific alliances under the Glasgow Financial Alliance for Net Zero (GFANZ)*, a global alliance of financial institutions aiming to achieve net zero GHG emissions by 2050. This will also contribute to the acceleration of net zero initiatives by promoting decarbonization in underwriting and reducing GHG emissions in asset management.

In addition, we are participating in the pilot project of the Taskforce on Nature-related Financial Disclosures (TNFD), an international organization that establishes a framework for properly assessing and disclosing risks and opportunities related to natural capital and biodiversity through the United Nations Environment Programme Finance Initiative, and are contributing to the development of the beta version.

By proactively participating in and leading these rule-making efforts, the Group will not only contribute to societal transformation but also seek to create and expand business opportunities for the Group, such as attracting partners by accumulating knowledge and enhancing our reputation through these efforts.

*Participating net-zero related initiatives:

- Net-Zero Insurance Alliance (NZIA)
- Net Zero Asset Owner Alliance (NZAOA)
- Net Zero Asset Managers initiative (NZAM)

2. Upgrading the Climate Risk Framework

Sompo Holdings has long been committed to practicing Enterprise Risk Management (ERM) in accordance with the Sompo Holdings Group Basic Policy on ERM. The ERM has two aspects: risk-taking (proactive) for strategy execution and risk control (protective) for the stability of the business foundation. 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.

We have attempted to apply risks arising from climate change to these risk control systems such as framework for material risk management. But we decided to develop a new risk framework for climate change risk in 2022 because of some difficulties; 1) climate change risks are long-term in their impacts and highly uncertain, 2) those impacts extend well beyond increased severity of natural disasters and 3) existing risk framework which works mainly for insurance business might miss identifying risks and/or cause delay in response.

This new framework complements our existing risk control system by identifying, assessing, and managing risks resulting from long-term climate change. Through this framework, we work together with Sompo Japan Insurance Inc. and other group companies for analysis and assessment for climate change risks, and strive to understand risks.

See [III. 2. Strategy/3. Risk Management] for details.

III. Disclosure of our Climate-Related Measures Based on the TCFD Recommendations

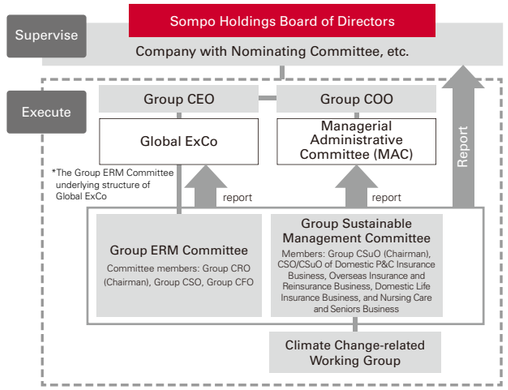
1. Governance

Based on 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), we have identified "contributing to a greener society where the economy, society and environment are in harmony" as one of our material issues for achieving our Purpose. Sompo has established a system under which executive officers and vice presidents implement measures based on Group-wide strategies and policies to realize SOMPO's Purpose and the Board of Directors supervises the implementation of these measures.

The Group Chief Sustainability Officer (CSuO) is responsible for formulating and implementing strategies related to the Group's sustainable management, including climate change, and overseeing the Group's overall sustainability function. We have established a dedicated Sustainable Management Office, and have built a system to promote climate change measures and other sustainability initiatives for the entire group.

The Group Sustainable Management Committee, chaired by the Group CSuO, and consisting of executives in charge of sustainability (CSOs, CSuOs, etc.) at each Group business, discusses and makes decisions on ESG issues, including climate change, and monitors each company's efforts and shares best practices. Climate change strategies and their implementation status are discussed and reported at the Global Executive Committee (Global ExCo) and the Managerial Administrative Committee (MAC), and discussions are reported to the Board of Directors on a quarterly basis.

The Group has established a risk control system to manage risks based on the Sompo Group Basic ERM Policy established by the Board of Directors. Through the Group ERM Committee, a subcommittee of the Global ExCo, the Group Chief Risk Officer (CRO) comprehensively identifies and evaluates the risks to each business, designates risks that may have a significant impact on the Group as material risks, and reports the state of risk management to the MAC and the Board of Directors twice a year to verify its effectiveness. The Group CSuO and Group CRO are responsible for implementing countermeasures against material risks, such as the severity of natural disasters that may be impacted by climate change, the impact on asset prices due to the transition to a carbon-free society, and changes in consumer preferences.



Note: Meetings held in FY2021 (number of times climate change-related agenda items were addressed is shown in parentheses) Global ExCo (2), MAC (5), Group Sustainable Management Committee (3), Group ERM Committee (2)

2. Strategy

(1) Climate-related risks and opportunities

In addition to physical risks such as the increased severity and frequency of natural disasters, droughts, and chronically rising sea levels due to climate change, transition risks may arise as a result of changes in industrial structures and markets brought about by strengthening of laws and regulations and development of new technologies for the transition to a carbon-free society that could affect corporate finances and reputations. These risks are accompanied by an increasing number of climate change lawsuits globally, particularly in the US, that seek to hold companies legally liable for the impact of climate change resulting from their business activities, investments in highly carbon-intensive businesses, and improper disclosure. Such lawsuits may increase liability insurance payouts in our P&C insurance business (liability risk). On the other hand, the growing societal awareness of natural disaster risks and changes in may bring business opportunities such as the creation of new service demands and technological innovations.

We have identified the risks and opportunities that climate change poses to our business based on the results of studies conducted by external organizations such as the Intergovernmental Panel on Climate Change (IPCC) and the World Economic Forum, and we are assessing, analyzing, and responding to such risks and opportunities on a short-, medium- (5-10 years: around 2030), and long-term (10-30 years: around 2050) time horizon. The main environmental changes associated with physical and transition risks due to climate change, as well as risks and opportunities that are expected to have a significant impact on the Group, are shown in the table below.

Environmental Change			Impact on our company	Risk	Opportunity
Physical	Acute	• Heat waves, extreme humidity • Changes in frequency and intensity of floods, typhoons and hurricanes • Increased droughts and wildfires	**Intensifying weather disasters:** Increased payment of property insurance and reinsurance costs due to intensification or increase in frequency of typhoons and hurricanes	•	–
			Advancement of Climate Change Forecasting: Competitive advantage by developing Risk Models in response to advancement of climate change forecasting	–	•
			Impact on agricultural insurance: Increased agricultural insurance claims payments due to drought. Providing solutions for agricultural risks in each country.	•	•
	Chronic	• Sea level rise • Rise in average temperature • Ocean acidification • Desertification • Deforestation and biodiversity loss • Growing immigration, market instability, populism and state failure	**Sea-level rise:** Increase in insurance payments due to flood in coastal areas arising from sea level rise and other weather events caused by chronic climate change	•	–
			Price declines int he real estate market: Declining prices of real estate susceptible to physical risk	•	–
			Services for disaster risk reduction and mitigation: Growing demand for public-private partnerships and consulting services for disaster risk reduction and mitigation of weather-related disasters	–	•
			Political instability/conflict: Social turmoil and economic instability due to increased immigration, national bankruptcy, increased terrorism, etc. due to food and water shortages	•	–
			Emerging Pandemics: Increased occurrence of serious emerging infectious disease pandemics due to deforestation and thawing permafrost	•	–
Transition	Policy	• Promotion of renewable energy and energy saving technologies • Subsidies (EV purchase, energy efficiency, etc.)	**Changes in stocks & bonds:** Changes in the price of stocks and bonds due to the tighter laws and regulations and the technological innovation for decarbonization	•	•
			Increase in energy prices: Prolonged higher oil prices due to expansion of supply-demand gap caused by decarbonization, and increase in prices due to introduction of carbon tax, etc.	•	–
			Untimely and rapid transition: Rapid transition of countries lagging behind in transitioning to a low-carbon society, leading to economic instability	•	–
	Legal	• Revision of laws for reparations, and application of new interpretation	**Legal risk such as climate change litigation:** Increase in liability insurance claims due to climate change litigation. Increasing demand for insurance coverage and services	•	•
	Technology	• Development for energy storage systems and infrastructure • New technologies such as renewable energy and energy saving	**Decarbonization using new technologies:** Fluctuations in premium income and asset prices due to changes in industrial structure caused by the diffusion of new technologies and obsolescence of existing technologies	•	•
			Advances in low-carbon technologies: Growing demand for insurance and services for new markets and businesses such as energy conservation and energy storage systems	–	•
	Preference	• Investors & consumer preferences for companies with environmentally conscious	**Reputation:** Impact on reputation due to superiority of climate change initiatives and information disclosure in products and services	•	•
			Changes in consumer behaviors: Changes in premium income and asset prices due to changes in consumer behavior (e.g., sharing services)	•	•

Climate risks are assessed on short/medium- and long-term time horizons. See the Risk Map in [III. 3. Risk Management] for key results.

(2) Scenario analysis

A. Physical risks

The Group's P&C insurance business could be financially affected by higher-than-expected insurance payouts due to the increased severity and frequency of natural disasters, including typhoons, floods, and storm surges. In 2018, we started working with universities and other research institutions to quantitatively grasp risks based on scientific findings. Based on large-scale analysis using weather and climate big data, such as the Database for Policy Decision-making for Future Climate Change (d4PDF)*1, we are working to evaluate the long-term impacts in climate scenarios of 2°C and 4°C global warming with respect to changes in the average trends for storm surges affected by typhoons, floods and sea level changes and trends in the occurrence of extreme weather events. We are also examining the medium-term impacts over the next five to ten years to incorporate the information into our business strategies.

The Group is a member of the TCFD insurance working group of the United Nations Environment Programme Finance Initiative (UNEP FI) and estimates the impact related to typhoons using a quantitative model*2 based on the guidance issued by the working group in January 2021. We will continue our analysis using the scenario analysis framework being developed by the Network for Greening the Financial System (NGFS), which works on financial regulatory responses to climate change risks.

Estimate results	
Frequency of typhoons	approx. -30% to +30%
Amount of damage per typhoon	approx. +10% to +50%

We are also analyzing the impact of climate change on natural

disasters outside Japan, including US hurricanes and floods, through partnerships with external risk modeling companies and research institutions. We have developed our own scenarios and are working to apply them to our risk model for natural disasters outside Japan.

*1 Database of climate simulations developed by Japan's Ministry of Education, Culture, Sports, Science and Technology's Program for Risk Information on Climate Change. By using a number of ensemble simulations, future changes in extreme events such as typhoons and heavy rains can be evaluated stochastically and with greater accuracy. The results will enable more reliable assessments of the impact on society of natural catastrophes caused by climate change.

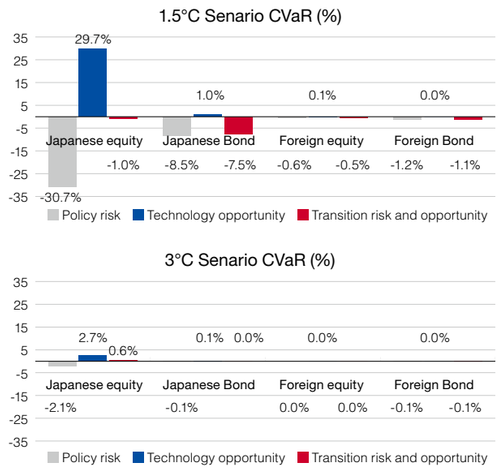
*2 Model that captures changes in the frequency and wind speed of typhoons between now and 2050 based on the RCP8.5 scenario used in the IPCC Fifth Assessment Report (AR5), and calculates changes in the amount of damage caused.

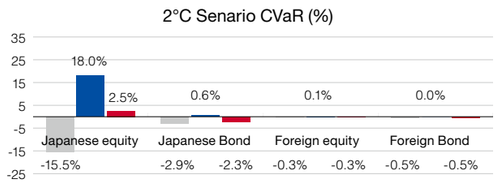
B. Transition risks

We have analyzed the impact of transition risks on assets held by the Group (Japanese equity, Japanese bond, foreign equity, and foreign bond) using the Climate Value-at-Risk (CVaR)*3 model provided by MSCI, based on scenarios in which global warming by the end of this century are limited to 1.5°C, 2°C, or 3°C above pre-industrial levels. We focused on the impact of policy risks associated with the transition to a low-carbon global economy and the impact of technological opportunities from climate change mitigation and adaptation initiatives.

*3 MSCI Climate Value-at-Risk
- One method to measure the impact on corporate value associated with climate change-related policy changes and disasters
- Future costs and profits associated with climate-related risks and opportunities are translated into the current valuation in this approach. We calculated the impact as of the end of March 2021, taking into account the market price weight of each stock in our portfolio.

Sompo Holdings: CVaR Analysis of Transition Risks and Opportunities by Global Warming Scenario





- Policy Risk:
  Figures calculated for each level of Scope 1, 2, and 3 for the cost required to achieve the GHG reduction targets.
- Technology opportunity:
  Figures calculated for the potential business opportunities created by environment-related technologies owned by companies against the backdrop of the transition to a low-carbon economy.
- Transition risk and opportunity:
  Sum of policy risks and technology opportunities

Source: Prepared by Sompo Holdings using MSCI Climate Value-at-Risk
Certain information ©2021 MSCI ESG Research LLC. Reproduced by permission

(Disclaimer)
This report contains information (the "Information") sourced from MSCI Inc., its affiliates or information providers (the "MSCI Parties") and may have been used to calculate scores, ratings or other indicators. The Information is for internal use only, and may not be reproduced/redisseminated in any form, or used as a basis for or a component of any financial instruments or products or indices. The MSCI Parties do not warrant or guarantee the originality, accuracy and/or completeness of any data or Information herein and expressly disclaim all express or implied warranties, including of merchantability and fitness for a particular purpose. The Information is not intended to constitute investment advice or a recommendation to make (or refrain from making) any investment decision and may not be relied on as such, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the MSCI Parties shall have any liability for any errors or omissions in connection with any data or Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

As outlined above, the overall impact of policy risks is limited as it is offset by that of technological opportunities. By scenario, the impact of policy risks and technological opportunities under the 1.5°C scenario is the largest, and by asset holdings, the impact on Japanese equities is the largest.

(3) Responding to risks

A. Physical risks

With respect to claims paid for natural catastrophes related to weather disasters, P&C insurance policies and reinsurance policies are mostly short-term contracts, and the risk of higher-than-expected claim payments can be controlled by revising underwriting conditions and reinsurance policies based on trends in the occurrence of extreme weather events. We also strive to ensure resilience to physical risks through a multifaceted approach that includes decentralizing functions globally, quantitative modeling based on short- and medium-term climate forecasts, and identifying and assessing material risks using long-term scenario analysis.

B. Transition risks

The Group is working to enhance corporate resilience to social change by providing green transition support to insurance client and investee companies, while at the same time working to mitigate transition risks through analysis-driven management of asset management portfolios.

We are promoting green transition to investment portfolio companies by strengthening engagement with the top 20 greenhouse gas (GHG) emitting companies among our equity holdings. We have set a target of reducing GHG emissions in our investment portfolio by 25% by 2025 (compared to FY2019, based on total GHG emissions of equity and bonds) by promoting a switch from high GHG emitting sectors to low emitting sectors when public and corporate bonds reach maturity in order to reduce transition risks and capture opportunities.

In addition, we promote the transition through our insurance of and investments in renewable energy and other innovative green technologies.

We will not underwrite new insurance or make new investments in or loans for new or existing coal power plants or thermal coal mine projects*1. We also will not underwrite new insurance or make new investments in or loans for oil and gas extraction projects in the oil sands or the Arctic National Wildlife Refuge (ANWR). We will not insure or make investments or loans to companies whose primary business is coal*2, or oil and gas extraction projects in the ANWR, unless they establish a GHG reduction plan by January 2025*3.

*1 We may carefully consider and respond to cases where there are innovative technologies such as Carbon Dioxide Capture, Utilization, and Storage (CCS, CCUS), carbon recycling, ammonia co-firing, or other innovative technologies in palace that are expected to reduce GHG emissions and contribute to the realization of the Paris Agreement.

*2 Defined as companies that derive at least 30% of their revenues from coal-fired power generation, thermal coal mines, or oil sands, or electric utilities companies that generate at least 30% of their energy from coal.

*3 We will not apply restrictions to insurance that supports the health and wellbeing of individuals, e.g. workers' compensation insurance.

For further information about our Policy for ESG-related Underwriting, Investment and Loan, please visit our corporate website:
https://www.sompo-hd.com/en/csr/system/vision/

Also, we have set targets of reducing our own Sompo Group GHG emissions and achieving net zero emissions by 2050 and 60% by 2030 compared to the level in 2017. To achieve these targets, we are steadily implementing initiatives in line with the roadmap, such as switching to renewable energy for a source of electricity at Sompo Japan's headquarters building.

(4) Responding to opportunities

The Sompo Group is working to develop and expand the business of various products and services, considering changes such as the increasing need for compensation for natural disasters, the advancement of climate prediction, and the development of technology for the transition to a green society as opportunities.

Status of initiatives in climate change-related business, etc.

Adaptation

[Expansion of AgriSompo]
We are contributing to a stable food supply through the global roll-out of agricultural insurance through the AgriSompo platform, a global integrated platform for agricultural insurance. (No. 2 market share for agricultural insurance in North America)

[Launch of proof-of-concept test of hotel evacuation support to achieve zero evacuation delay ("nobody left behind") in the event of a natural disaster]
In cooperation with data CRADLE and hotels in Kochi City, Sompo Japan Insurance Inc. has launched a proof-of-concept test of hotel evacuation support, targeting people who require evacuation support, pregnant women, and parents with infants in Kochi City.

[Launch of evacuation supporters' insurance for local governments and "Connected Disaster Prevention Project" to support people requiring special care]
Sompo Japan Insurance Inc. has launched "evacuation supporters' insurance" to ensure that evacuation supporters in individual evacuation programs and residents participating in local disaster prevention activities can carry out their activities with peace of mind.

In collaboration with the Japan NPO Center, we have also launched the "Connected Disaster Prevention Project," an initiative to build regional networks (connections) that will encourage mutual aid in the event of a disaster.

[Launch of new service (first in P&C insurance industry*) to promote reuse of solar panels damaged by natural disasters]
Sompo Japan Insurance Inc. and Sompo Risk Management Inc. have launched an initiative to reuse solar panels damaged by natural disasters that otherwise would have been discarded by referring owners to companies that can reuse and recycle the panels at the time of insurance claim payment.

*According to research by Sompo Japan Insurance Inc. in October 2021

Mitigation

[Contribution to energy transition, which is an essential part of the transition to a green society]

- **Launch of ONE SOMPO WIND Service for offshore wind power companies**
  Sompo Japan Insurance Inc. and Sompo Risk Management Inc. launched the ONE SOMPO WIND Service, which provides offshore wind power operators with risk assessments from construction work through business operation and comprehensive risk coverage, as part of efforts to promote offshore wind power projects with extremely low carbon dioxide emissions.
- **Provision of comprehensive insurance for tidal current (ocean current) power generation to support the spread of offshore renewable energy**
  Sompo Japan Insurance Inc. and Sompo Risk Management Inc. have developed comprehensive insurance for tidal current (ocean current) power generation and risk management services related to offshore renewable energy, with the goal of supporting, from the perspectives of insurance and risk management, initiatives and challenges aimed at practical application of power generation technology using various marine energies (ocean currents, tidal currents, etc.).
- **Launch of SOMPO-ZELO*, a series of risk solutions to support the construction of supply chains for hydrogen, ammonia, and other next-generation energies**
  Sompo Japan Insurance Inc. and Sompo Risk Management Inc. launched SOMPO-ZELO, a series of risk solutions to support the construction of supply chains for hydrogen, ammonia, and other next-generation energies, including peripheral technologies such as ammonia-fueled ships, as part of efforts to promote the development and provision of insurance and risk management consulting to contribute to the implementation and stable operation of next-generation energy supply chains.

  Under this series, we developed Japan's first insurance dedicated to ammonia transportation in April 2022, followed by insurance dedicated to hydrogen transportation in July 2022, thereby contributing to the stable supply of next-generation energy.

  * The "ZELO" in SOMPO-ZELO stands for "Zero carbon × Logistics."
  Aiming for "net zero (carbon neutrality)" and "zero risk," SOMPO-ZELO seeks to support the construction of next-generation energy supply chains and their implementation in society by providing dedicated risk solutions designed from scratch (free from preconceived notions).
- **Insurance for virtual power plants (VPPs)**
  In cooperation with TEPCO Ventures, Inc., Sompo Japan Insurance Inc. has started offering dedicated insurance to support the spread of VPPs (virtual power plants)*.

  * A VPP provides capabilities equivalent to a power plant by allowing the owners of consumer-side energy resources or power generation equipment and power storage equipment connected directly to the power grid, or a third party, to control those energy resources (including reverse power flow from the energy resource on the consumer side).
- **Stabilization support insurance for municipal renewable energy supply**
  Sompo Japan Insurance Inc. has developed "electric power procurement cost stabilization insurance" to partially compensate for additional procurement costs that go higher than planned due to soaring wholesale electricity market prices when local government-funded retail electric power companies procure locally generated renewable energy.

[Collaboration with Kansai Electric Power Co., Inc. to realize a carbon-neutral society]
By combining Kansai Electric Power Co., Inc.'s zero carbon consulting know-how and real data with Sompo Japan Insurance Inc.'s strengths in risk assessment and analysis and Sompo Risk Management Inc.'s ESG consulting menu, we aim to develop new products and solutions to improve the market environment toward a carbon neutral society and realize solution services that combine the services of the three companies.

[Proof-of-concept test of energy conversion of organic waste on-site (first in Japan)]
Sompo Japan Insurance Inc., using the systems of its project collaborator Sustainable Energy Inc., conducted a proof-of-concept test where organic waste emitted and incinerated in office buildings is turned into fuel. (Shinjuku Center Building)

[Launch of a rider for rebuilding expenses to compensates for cost of rebuilding damaged home]
Sompo Japan Insurance Inc., in order to respond to the needs of customers who have experienced natural disasters such as typhoons and heavy rains, offers a rider to cover the cost of rebuilding the home, and through this rider, will encourage the spread of housing that complies with energy conservation standards.

Societal transformation

[Active involvement in rule-making through membership in net-zero organizations]
In 2021, the Sompo Group joined the PCAF Insurance-Associated Emissions Working Group (working group to develop international standards to measure and disclose GHG emissions through insurance underwriting), and in 2022, the Group joined three sector-specific alliances (NZIA, NZAOA and NZAM) under the Glasgow Financial Alliance for Net Zero (GFANZ).

[Compensation for forest-derived carbon credits (first in Japan)]
Sompo Japan Insurance Inc. has begun offering compensation for forest-based carbon credits*1, the first of its kind in Japan in the voluntary credit*2 market, which reduces greenhouse gas emissions through the use of natural capital.

*1 A credit that certifies reductions in carbon dioxide or other greenhouse gases through forest protection, afforestation, and similar activities.
*2 A system that allows companies to issue credits (emission credits) for reductions in CO_2 and other greenhouse gases (amount reduced or absorbed) through forest protection, afforestation, introduction of energy-saving equipment, etc., and to trade them with other companies.

[Engagement with investee companies]
In FY2021, Sompo Japan Insurance Inc. conducted ESG questionnaires to approximately 1,700 investee companies, including non-listed companies, to encourage their sustainability efforts, including decarbonization.

[Investment in "Tokyo Green Bonds" by the Tokyo Metropolitan Government]
Sompo Himawari Life Insurance Inc. invested 800 million yen in "Tokyo Green Bonds" issued by the Tokyo Metropolitan Government, which will be used for projects related to climate change adaptation, smart energy city development, and improvement of the living environment.

[Contributions to societal transition through collaboration between SOMPO Group and its stakeholders]

- Climate change risk analysis services (support for TCFD response) in collaboration with the National Research Institute for Earth Science and Disaster Resilience
- Partnership agreement with Weathernews Inc. to create new value and businesses to solve social issues related to climate change and global warming
- Business alliances to provide total support to companies in decarbonization management and climate change response (booost technologies, Inc., Asuene Inc.)
- Joint research agreement with Gifu University to study flood risk prediction and social impacts due to climate change

And so on

[Initiatives for fostering environmental personnel]

- Continued implementation of Open Lectures on the Environment for citizens by the SOMPO Environment Foundation, and the CSO Learning Scholarship Program, which provides an eight-month internship experience at a CSO (civil society organization) in the environmental field for university students and graduate students
- Volunteer activities centered on the Sompo Chikyu (Earth) Club, a volunteer organization made up of Group executives and employees.

3. Risk Management

In order to realize the Group's Management Philosophy and Purpose and the goals in the Management Plan, we have established a risk appetite framework by clarifying "risks to be taken" and "risks to be avoided", so as to increase the certainty of achieving them. For natural catastrophe risk, we clarify risk appetites and quantitatively assess the insurance claim payments expected in the event of a natural catastrophe based on scientific knowledge such as meteorology and the characteristics of our products. We then formulate and manage reinsurance policies and Group-wide risk retention strategies based on the impact on financial soundness, profitability and profit stability, as well as trends in the reinsurance market.

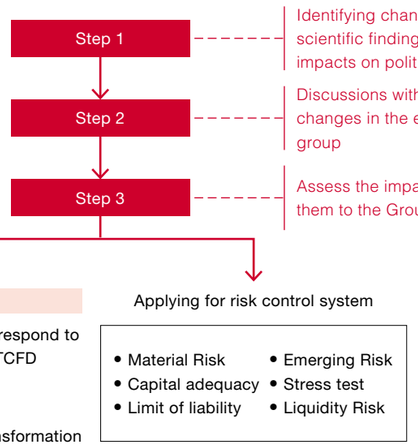
Climate change related risks are controlled through a multi-faceted approach within the risk control system framework of our Enterprise Risk Management (ERM) that involves material risk management, capital adequacy management, stress testing, risk limit management, and liquidity risk management.

(1) Climate change risk framework (risk identification, assessment and management)

Climate change can impact various aspects of the Group's business, including our non-insurance business, and the impacts are long-term and highly uncertain. To manage climate change risks, including the risks associated with natural disasters, we have developed a climate change risk framework to complement our existing risk control system and to identify, assess, and manage risks by taking an in-depth look at scenarios in which the Group is affected through various pathways in the long-term.

In order to capture the complex impacts of climate change, the climate change risk framework uses the following three steps to assess and organize the risks and opportunities described in section (2) Addressing Climate-related Risks and Opportunities (Strategies).

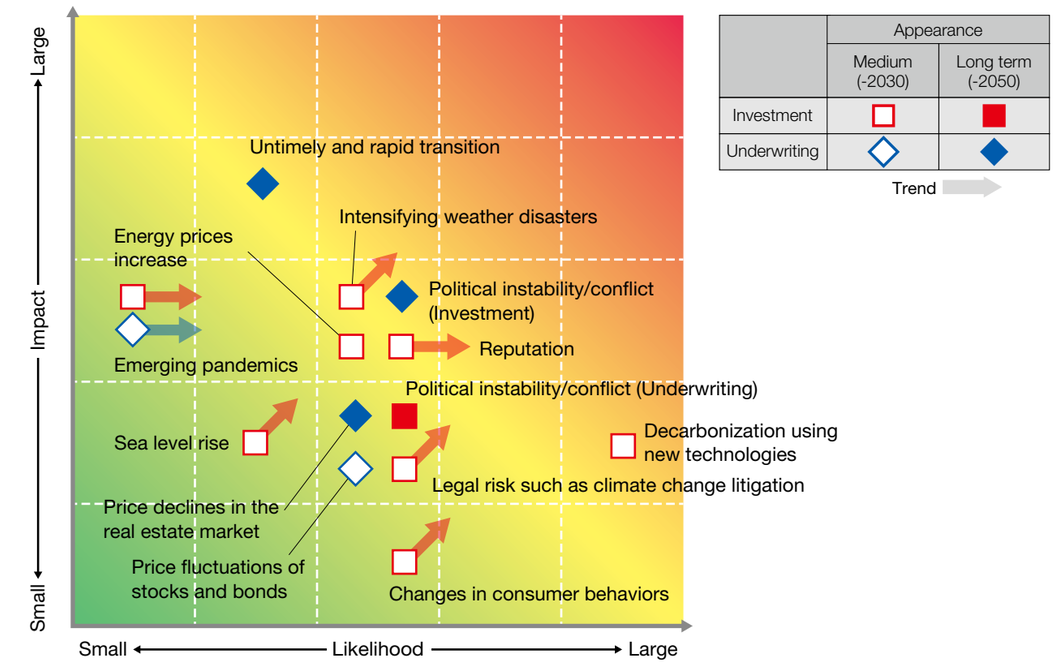
Risk Framework for Climate Change



In 2022, positioned as an exploratory assessment, we conducted a risk assessment assuming possible policy transition patterns (see table below) based on the research results of external organizations, such as the IPCC and the World Economic Forum, and visualized them as a climate change risk map.

A. Moderate transition	Global warming has intensified, causing heat waves over large areas, resulting in severe food crises and water shortages. Mortality rates have also risen due to frequent and severe natural disasters. Political instability has led to regional conflicts, the proliferation of terrorism, and an increase in the number of refugees.
B. Immediate and significant transition	The rapid promotion of decarbonization policies has caused a steep rise in fossil fuel prices, and has had significant negative impact on G7 economies, including industrial hollowing out and rapid inflation.
C. Countries transition at different speeds	Geopolitical and economic friction and disparities between countries have increased as countries and regions proceed with policy and technological transitions at different speeds.

Climate Change Risk Map



The climate change risk map visualizes risks that require continuous monitoring and will stimulate discussions on climate change in the Board of Directors and other executive bodies by providing a bird's eye view of the impact, likelihood, timing of occurrence, and trends of risks that will primarily affect insurance underwriting and asset management.

(2) Integration with existing risk management frameworks

The risk perception captured by the climate change risk framework is reflected in the main assumed scenarios relating to material risks for management, while "Biodiversity," an event that interacts with climate change, is investigated and studied as an emerging risk. (See table below)

Climate-related material risks and their main scenarios

Material risk/ Emerging risk	Main scenarios related to climate change
Climate change (physical risks)	Increased payments in fire and other insurance lines and reinsurance costs due to more severe and more frequent typhoons and hurricanes.
Climate change (transition risks)	Tighter policies, laws and regulations for decarbonization, and price volatility of equity and bonds due to technological innovations.
Business interruption	Prolonged interruption of critical operations, loss of human life, etc. due to large-scale natural disasters and other events that exceed the assumed scenarios.
Pandemics	Increased occurrence of serious new infectious disease pandemics due to deforestation and thawing of permafrost.
Biodiversity	Destruction of ecosystems due to climate change and other factors will damage biodiversity and adversely affect the growth of agricultural crops.

We will also incorporate the knowledge gained through the climate change risk framework into our existing risk control system framework that involves capital management, stress testing, risk limit management, and liquidity risk management, thereby enhancing the overall sophistication of our risk management.

4. Metrics and Targets

(1) Metrics for assessing risks and opportunities

Sompo Holdings recognizes that the steady implementation of the Green Transition Plan toward the implementation of SOMPO Climate Action will lead to risk reduction and the acquisition of new business opportunities for the Group. Accordingly, we will use the metrics indicated below for assessment.

GHG emissions	Total GHG emissions (FY2021) Scope 1, 2 and 3 (excluding investments and loans) [unit: t-CO_2e]: 228,051 Total GHG emissions at investees* (FY2020) Scope 3 (investments and loans) [unit: t-CO_2e]: Equity 948,530; Bonds 906,207 Weighted Average Carbon Intensity (WACI) at investees* (FY2020) Scope 3 (investments and loans) [unit: t-CO_2e/million US dollars]: Equity 100.58; Bonds 133.77
Renewable energy introduction rate	End of FY2021: less than 2.2%
Other environmental metrics	Electricity consumption (FY2021): 280.37 million kWh Paper consumption (FY2021): 5,771 tons
Leadership to Address Climate Change	See “<Reference> Leadership to Address Climate Change.”

*Calculated for Scope 1 and Scope 2 in Japanese and foreign listed stocks and bond investees using data provided by MSCI ESG Research (listed stock coverage rate: 93%, bond coverage rate: 84%, both based on market value). GHG emissions are our share of emissions based on investees’ Enterprise Value Including Cash (EVIC), and WACI is the weighted average of each investee’s GHG emissions per unit sales, according to the holding percentage for that investee in our portfolio. Note that numerical data may be revised retroactively.

(2) Targets for managing risks and opportunities

The Sompo Group is committed to the implementation of SOMPO Climate Action through the achievement of the Green Transition Plan, and manages its progress using the following materiality KPIs.

Materiality KPI	Target	Result in FY2021	Achievement status in FY2021
Participation and activities in sustainability-related initiatives and rule-making	Publication of activity results as needed	Membership in PCAF and three sector-specific alliances under GFANZ	No single-year target
Number of engagements with investee and borrower companies	Increase from previous year	Increase from previous year	Achieved
SOMPO greenhouse gas (GHG) reduction rate	60% reduction by 2030 (vs. 2017), net zero emissions by 2050 * Scope 1, 2, 3 (excluding investments and loans) are covered	228,051t-CO_2e	No single-year target
Switch to renewable energy for electricity usage	2030 adoption rate 70% 2050 adoption rate 100%	2.2%	No single-year target
Investment and loan greenhouse gas (GHG) reduction rate	25% reduction by 2025 (vs. 2019), net zero emissions by 2050 * Scope 3 category 15 is covered (target assets are listed equities and corporate bonds)	FY2020 Equities 948,530t-CO_2e, bonds 906,207t-CO_2e	No single-year target
Number of participants in environmental education	11,500 in FY2021, 9,000 in FY2022	6,595	Not achieved

<Reference> 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 three sector-specific alliances under GFANZ

The Sompo Group has joined the Net-Zero Insurance Alliance (NZIA), the Net-Zero Asset Owner Alliance (NZAOA), and the Net-Zero Asset Managers Initiative (NZAM), where it works to improve rule-making and its own efforts toward net zero.

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 for the sixth times.

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 develop TCFD disclosure for the insurance sector.

Paris Agreement: Participation in Initiatives to Achieve 2°C 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.

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 (UN GC), 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 at the time, was a member of the steering committee.

The Conference of the Parties (COP) 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 at the time, 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 Chairman of the Keidanren Committee on Nature Conservation. He also held dialogs with representatives from organizations that have a great effect on promoting global nature conservation.

At the Convention on Biological Diversity (COP15) held in Montreal, Canada in December 2022, Keiji Nishizawa, Director-Chairman of Sompo Japan Insurance Inc., participated as Chairman of the Keidanren Committee on Nature Conservation. In order to contribute to the achievement of a new international framework (global goals), in collaboration with Japan’s Ministry of the Environment, he announced the plan to provide financial support of 300 million yen for the “Community Development and Knowledge Management for the Satoyama Initiative (COMDEKS)” implemented by the United Nations Development Programme (UNDP) through the Keidanren Nature Conservation Fund.

In addition, at COP15, Sompo Holdings endorsed the statement regarding the Global Biodiversity Framework (GBF), which calls for a society that coexists with nature by 2050, and which the United Nations Environment Programme Finance Initiative (UNEP FI) has called on private financial institutions to support.

Respect for Human Dignity and Rights (Society)

Respecting Human Rights

In its “Group Human Rights Respect Policy,” the Group declares that it will respect the fundamental human rights of all stakeholders in the Group and in the global marketplace, including the value chain, and that it will act with high ethical standards to create a sustainable society, while respecting international codes of conduct.

In promoting our initiatives, we are openly listening to the opinions of our stakeholders to understand the various impacts on human rights, establish and implement effective internal systems to prevent human rights violations, and continuously improve our internal systems and disclose information.

Through the Group-wide internal reporting system, employee consultation hotline, and complaint desk at each Group company, we have established a system to identify events that may have a negative impact on the human rights of our employees, customers, and other stakeholders, and to take corrective measures.

In addition, we conduct Group-wide “Sustainability and Human Rights Training” every year to improve employees’ human rights literacy.

Human Rights Risk Identification and Mitigation

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

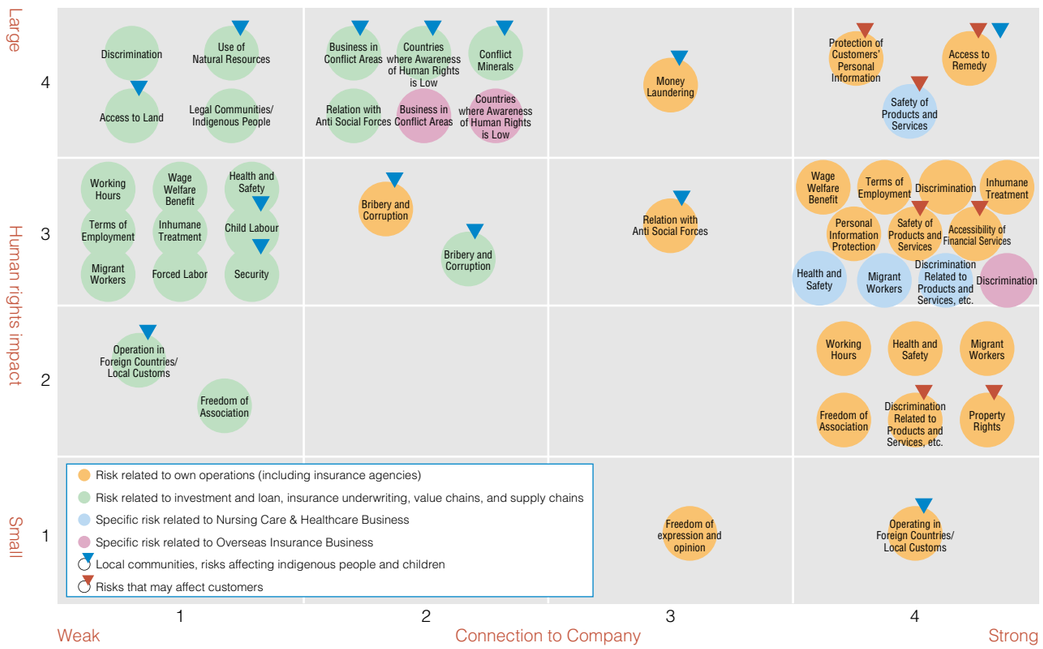
Since FY2018, the company-wide risk assessments performed by related departments and Group companies have covered human rights risks, in addition to labor-related risks. We use these risk assessment results to identify risks in our operations that could have an adverse impact on human rights.

Human Rights Risk Identification and Evaluation

We identify potential impacts and risks related to human rights for all businesses (Domestic P&C Insurance Business, Overseas Insurance and Reinsurance Business, Domestic Life Insurance Business, Nursing Care & Senior Business, Digital 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 FY2021 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

Since FY2019, 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

Of the organizations covered by the risk of “long working hours” among employees identified in the 2019 Human Rights Risk Assessment, 87.7% have developed and worked on mitigation measures.

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.

Remediation Action

Under the whistleblowing system of the company, employees can report the matter related to violation of human rights, the privacy of the person who consult is strictly protected, and the received information is kept confidential. In the event that a violation of laws and regulations, internal rules or any concern or problem contrary to the spirit of the Code of Conduct of Sompo Holdings is suspected, the company will promptly investigate thoroughly and fairly. Also, in the event that a violation of applicable laws and regulations, the Code of Conduct of Sompo Holdings, or other internal rules is found, the offender may be subject to disciplinary action including dismissal based on the standards and requirements stipulated by the employment contract and employment rules of the Group Company.

Health and Productivity Management Initiatives (Society)

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.

Sompo Group Health Management Declaration

To further promote the Health and Productivity Management throughout the Group, we have established the "Sompo Group Health Management Declaration," which incorporates three objectives: (i) embody the Group Management Philosophy, (ii) boost productivity, and (iii) enhance corporate value. We are pushing ahead with the Health and Productivity Management by delivering the group-common policies internally and externally.

[Sompo Group Health Management Declaration]

Sompo Group values its contribution to society and ensures the highest quality services for customers' safety, security and health. To this end, we strive to provide healthy and happy lives for employees and their families.

- We respect a sense of ownership; we support individual health activities that suit each employee's mission and work style.
- We provide a place where people can express their diverse talents and strengths; we try to boost individuals' and organizations' productivity in a healthy working environment.
- We contribute to the realization of a healthier and more energetic society by increasing employees' motivation and creating innovations.

Main initiatives

(1) Maintain and Improve the Health of Employees

To maintain and improve employees' health, each Group company implements initiatives tailored to individual health status.

Sompo Japan, for example, encourages its employees to read the company-original "Textbook for Human Resource Development – Health," which offers tips on health issues in a remote work environment and improves their health literacy.

Another excellent example would be Sompo Himawari Life Insurance ("Sompo Himawari"), which provides a free wearable device for all employees to raise health awareness. The device enables people to check their day-to-day health data, e.g., the number of steps taken, heart rate, calories consumed, and hours of sleep. Sompo Himawari is trying to create an exercise-focused lifestyle for its employees. For example, it holds regular online workshops to encourage working out. Daily step competitions are organized and gauged by the company-provided wearable devices. In addition, Sompo Himawari introduced a non-smoking policy in April 2019. This company-wide policy sought to strengthen non-smoking efforts during work hours. In April 2020, Sompo Himawari included in its recruitment policies a clause indicating that new hires in and after 2020 must be non-smokers. In addition, Sompo Himawari provides individual online follow-up programs for people who quit smoking.

(2) Ensure a Vibrant Work Environment

"Happiness at Work" is a must-have factor for companies to grow sustainably. The Group believes that promoting health management can enhance employees' well-being and mental and physical health. "The health of employees and their families" is the driving force of the Group's management philosophy. To this end, the Group declared its recognition that employees' mental and physical health is a management issue. Along with Sompo New Wok Style, the Group will promote its health management to embody a diverse work style.

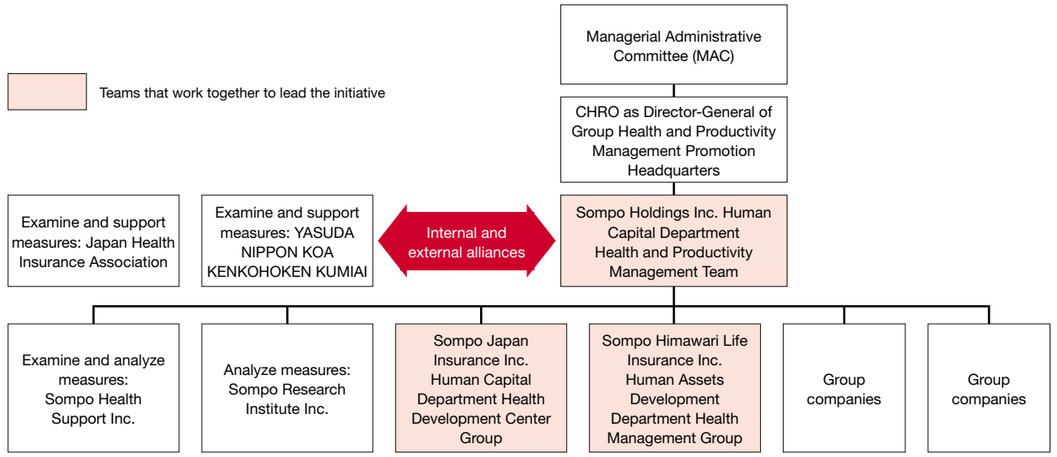
Sompo Japan regularly conducts employee awareness surveys to gauge the vitality of employees and the company. The study results, employees' work hours, and regular stress checks are analyzed together to see how happy employees are at work. Sompo Japan then works on any areas for improvement to increase employee motivation and team vitality.

(3) Data Analytics in Health

The Group analyzes health data offered by Sompo Health Support Inc. while working with health insurance associations. Sompo Japan accumulates the data on (i) employees' checkups, (ii) results of stress checks, and (iii) lifestyle habits. It is working on analyzing the relationship between work hours and presenteeism*. Sompo Himawari is working on the progress of Data Analytics in Health. It collects health data from wearable devices, checkup results, and medical bills.

*Presenteeism: losses caused by reduced productivity due to physical and mental health conditions.

Health Management Initiatives in the Group



Note 1) Group companies in Japan (21 companies) are as follows
1. Mysurance Inc., 2. Sompo Asset Management Co., Ltd., 3. Sompo Commercial Line Claims Support Inc., 4. Sompo Credit Inc., 5. Sompo Care Inc., 6. Sompo Corporate Services Inc., 7. Sompo Communications Inc., 8. Sompo Systems Inc., 9. Sompo Challenged Inc., 10. Sompo Business Services, Inc., 11. Sompo Business Solutions Inc., 12. Sompo Health Support Inc., 13. Sompo Risk Management Inc., 14. Sompo Warranty Inc., 15. Wellness Communications Corporation, 16. Saison Automobile and Fire Insurance Company, 17. Sompo Japan DC Securities Inc., 18. Sompo Japan Career Bureau Inc., 19. Sompo Japan Partners Inc., 20. Prime Assistance Inc., 21. FRESHHOUSE Co., Ltd.

Health Issues and Major Verification Indicators

Sompo Japan Insurance Inc.

Health Issues		Target KPI	Target (%)	FY2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Lifestyle disease preventive measures	1	Rate of regular medical checkup	100%	99.7	99.7	99.8	99.9	99.8	100.0	99.9
	2	Rate of detailed examination following regular medical checkup	100%	78.5	77.3	83.2	82.7	69.3	36.0	65.6
	3	Completion of specific health guidance	90%	47.2	65.5	74.6	70.3	67.8	52.3	75.9
	4	Maintain appropriate weight (BMI 18.5 - 24.9)	80%	69.7	67.7	67.9	67.3	66.7	66.2	66.0
	5	Rate of regular exercise	30%	15.5	18.8	19.1	19.7	18.6	19.8	21.3
Smoking prevention measures	6	Rate of smoking	12%	21.6	21.6	19.6	19.1	17.9	16.6	16.4
Mental health measures	7	Rate of stress check examination	100%	89.0	90.4	85.5	91.7	91.7	93.1	93.3
	8	General health risk	below 100%	107.0	106.0	102.0	101.0	103.0	101.0	100.0
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	94.0

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+

Health and Productivity Management Initiatives (Society)

Sompo Himawari Life Insurance Inc.

Health Issues		Target KPI	Target (%)	FY2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Lifestyle disease preventive measures	1	Rate of regular medical checkup	100%	97.7	100.0	100.0	100.0	100.0	99.9	100.0
	2	Rate of detailed examination following regular medical checkup	100%	50.3	48.6	56.0	63.0	67.0	89.8	85.9
	3	Completion of specific health guidance	80%	98.6	64.9	71.9	76.5	63.6	69.1	79.9
	4	Maintain appropriate weight (BMI 18.5 - 24.9)	80%	70.3	70.1	67.5	67.6	68.3	68.2	67.3
	5	Rate of regular exercise	30%	22.1	25.5	27.4	24.2	23.8	24.0	26.8
Smoking prevention measures	6	Rate of smoking	12%	21.4	20.8	20.6	18.3	15.3	11.1	9.3
Mental health measures	7	Rate of stress check examination	100%	75.0	76.8	74.4	79.1	94.6	95.1	97.7
	8	General health risk	90.0	98.0	94.0	92.0	95.0	96.0	98.0	95.0
Improve presenteeism	9	Total Performance Evaluation* *WLQ-J score (most productive = 100%)	100%	—	—	95.0	94.7	94.1	93.9	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+

SOMPO Holdings Inc.

Health Issues		Target KPI	Target (%)	FY2020	FY2021
Lifestyle disease preventive measures	1	Rate of regular medical checkup	100%	100.0	99.1
	2	Rate of detailed examination following regular medical checkup	100%	—	81.3
	3	Completion of specific health guidance	90%	40.0	60.0
	4	Maintain appropriate weight (BMI 18.5 - 24.9)	80%	47.1	63.4
	5	Rate of regular exercise	30%	41.2	40.2
Smoking prevention measures	6	Rate of smoking	12%	11.8	9.8
Mental health measures	7	Rate of stress check examination	100%	92.3	94.4
	8	General health risk	below 100%	85	84
Improve presenteeism	9	Total Performance Evaluation* *WLQ-J score (most productive = 100%)	Improvement from the previous fiscal year	95.4	95.3

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+

Medical Expense/Insurance Op Expense

Item	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Medical Expense/person	231,505	228,330	228,678	236,646	218,814	240,301
Insurance Op Expense/person	28,507	26,694	27,043	28,850	28,957	31,113

(JPY)

Information on health initiatives

Item	FY2021
Employee satisfaction with health initiatives	3.02

*5-point scale

External Recognition on Health and Productivity Management

Sompo Holdings Inc. was selected as a "FY2022 Health & Productivity Stock Selection" for four 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, 22 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 22 group companies, 11 were recognized as White 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 FY2022>

White 500

- Sompo Holdings Inc. — For the 6th consecutive year
- Sompo Japan Insurance Inc. — For the 6th consecutive year
- Sompo Himawari Life Insurance Inc. — For the 6th consecutive year
- Sompo Health Support Inc. — For the 6th consecutive year
- Sompo Communications Inc. — For the 4th consecutive year
- Sompo Japan Career Bureau Inc. — For the 4th consecutive year
- Prime Assistance Inc. — For the third consecutive year
- Sompo Japan Partners Inc. — For the third consecutive year
- Sompo Corporate Services Inc. — For the second consecutive year
- Sompo Risk Management Inc. — 4th time in three years
- Sompo Business Services, Inc. — 4th time in three years

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

- Sompo Systems Inc. — For the third consecutive year
- Saison Automobile and Fire Insurance Company — For the third consecutive year
- Sompo Care, Inc. — 1st recognition

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

- Wellness Communications Corporation — For the 4th consecutive years
- Sompo Asset Management Co., Ltd. — For the third consecutive year
- Sompo Japan DC Securities Inc. — For the third consecutive year
- Sompo Business Solutions, Inc. — For the second consecutive year
- Sompo Commercial Line Claims Support Inc. — For the second consecutive year
- Sompo Credit Inc. — For the second consecutive year
- Sompo Warranty Inc. — For the second consecutive year
- Sompo Challenged Inc. — 1st recognition

Policy on Customer-Oriented Business Operations (Society)

Policy on Customer-Oriented Business Operations

The Sompo Group has established the management philosophy that, "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."

With this in mind, Sompo Japan has established this 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.*

*Stakeholders include customers, business partners, stockholders, employees, and local communities.



Presentation of award by Ms. Kazumi Okamura, Consumer Affairs Agency Commissioner*
Masaya Futamiya, Sompo Japan Chairman and Representative Director
*Positions are as of the time of the award

Received the Consumer Affairs Agency Commissioner's Award

On November 26, 2018, Sompo Japan received the Consumer Affairs Agency Commissioner's Award at the First Consumer-Oriented Business Excellence Awards in recognition of the Policy on Customer-Oriented Business Operations and initiatives involving this policy.

The Consumer-Oriented Business Excellence Awards recognizes the outstanding initiatives by companies that have announced a consumer-oriented voluntary declaration and published the results of their activities and follow-ups. Sompo Japan was praised for developing products from a customer's perspective and for promoting disaster preparedness and resilience, both of which have incorporated the main principle behind the SDGs of leaving no one behind.

Sompo Japan Insurance Inc. will strive even harder to implement customer-oriented business operations in order to become the P&C insurance company most favored by customers.

Voice of Customer (VOC) White Paper

Sompo Japan has published Voice of Customer (VOC) White Paper annually since fiscal year 2007 with the aim of keeping all our stakeholders informed of our initiatives to incorporate customer feedback in our management and efforts to make improvements. From fiscal year 2020, Sompo Japan will integrate VOC into a report that introduces our main initiatives based on our Policy on Customer-Oriented Business Operations.



Going forward, we will work to achieve customer-oriented business operations based entirely on our customer's point of view and report on specific initiatives.

System to Utilize Voice of Customer (VOC) in Management

Sompo Japan receives appreciation, gratitude, inquiries, opinions, requests, complaints, and other types of customer feedback via their sales offices, agencies, insurance claims department, customer relations office and customer call centers. They value customer feedback and respond with them promptly and appropriately.

In an effort to build and strengthen our stance of leveraging customer feedback in our management activities, the company thoroughly analyzes the cause of issues identified from customer feedback, and shares issues relating to product development, sales, insurance payments and other aspects of our business with the relevant departments at the headquarters. Initiatives and improvements made based on customer feedback are periodically reported at management meetings for further discussion.

For particularly critical issues, departments such as Customer Communications and Planning offer instructions or suggestions to prevent recurrence and improve quality to relevant departments at the headquarters, working to fundamentally prevent the recurrence of complaints and continuously improve operations and quality.

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. It has the following basic concept. "For customers who have just encountered accidents, we would provide an added value that let them feel relieved by quick responses and providing the prospects of returning to their dairy lives," and "For customers in progress of insurance claim service, we would give simple procedure and relief to end the accidents quickly and smoothly."

It established the SC Credo*1, the code of conduct for the insurance claim departments in December 2011. Every staff at the department is giving highly qualified and truly sincere service based on the Credo to let all the customers feel relieved.

In fiscal year 2012, Sompo Japan established a system to certify employees who practice the SC Credo as Credo Meisters, and the company is working to offer reassure to customers by developing human resources with strong communication and professional skills.

Since November 2015, their call centers which operate 24 hours every day started to receive insurance claims in five languages to improve their claim service. By the end of October 2022, the call centers have been available in 21 languages*2 as the industry largest, and are now able to respond to foreign customers who need interpreters.

Going forward, to provide customers with relief, they will strengthen efforts in swift responses and understandable explanation with collaboration with insurance agents who are the most familiar with their customers.

*1 Targeting insurance claims department staff, the SC Credo contains guiding principles for everyday judgment, decision-making and action. It highlights the importance of putting customers as the first priority and providing sincere service to every single customer.

*2 21 languages: English / Chinese / Korean / Spanish / Portuguese / Thai / Vietnamese / Indonesian / Tagalog / Nepali / French / German / Italian / Russian / Malay / Burmese / Khmer / Mongol / Sinhalese / Hindi / Bengali

Services that Consider a Diverse Range of Customers

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 in September 2017.

To initiate the service, a customer can use the video call function of their phone to contact a sign language interpreter. The interpreter then calls the Sompo Japan call center and supports the communication between the customer and the staff at the call center so that the customer can report the accident. The parties can also communicate in writing and use text-based chat functions in addition to sign language, enabling customers who rarely use sign language to feel confident to contact us.

Through the introduction of this service, the company has been able to alleviate some of the anxiety experienced by customers with hearing and speech disabilities immediately after an accident and to ensure their peace of mind. In June 2020, the company expanded the scope of this service to include accident response consultations after accepting reports.

Voice Assist Service for Visually Impaired and Elderly Customers

To improve convenience for visually impaired and elderly customers, in March 2020 Saison Automobile & Fire Insurance Company adopted the Uni-Voice barcode* on some customer mailings as a voice assist service that reads aloud the contents of the mailings and contact information.

*Uni-Voice barcode:
A 2D barcode developed by the Japan Association of Visually-Impaired Information Support (JAVIS). It is used together with a dedicated smartphone application (Uni-Voice/Uni-Voice Blind) that reads the text aloud.

Going forward, by improving the quality of our response to customers, we will contribute to the realization of a society in which the general public at large, not just our policyholders, can feel secure.

Sompo Group's Social Contribution (Environment/Society)

Sompo Holdings Group's Corporate Citizenship Activities

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

Nagano

Forest conservation



Forest custodian project in Nagano Prefecture

Chiba

Employee volunteering



At an event in Chiba Prefecture

• Sompo Holdings Group companies

[Saison Automobile & Fire Insurance]

Interested employees jointly purchased some cookies from Nozomien, the welfare workshop of the Tokyo Covenant Church. These cookies were specially made to commemorate the company's 40th anniversary.



Bringing in the cookies

Corporate Citizenship Activities Outside Japan

• Turkey

~Sompo Sigorta~

We celebrate our employees' work anniversaries by donating to a different NGO each year. The donation amount increases as the years of service increase.



A message was delivered to employees celebrating their anniversary at the company and announcing the completion of donations.

• 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)

Bosai JAPAN-DA Project to Raise Disaster Awareness

Given that insurance is one of our core businesses, Sompo Japan focuses on raising public awareness of disasters. In the Bosai JAPAN-DA Project, we host puppet shows and experience-based workshops to teach children—society's future leaders—and their guardians how to protect themselves and others in emergency situations.

The puppet show, performed by the Yumemi Trunk Puppet Theater Troupe, is an original adaptation of The Three Little Pigs. It tells the story of how the three pigs help each other to overcome various calamities (wind, rain, lightning, fire, etc.) caused by the big bad wolf. Also, in the experience-based workshop, provided in partnership with the NPO Plus Arts, participants get to move their arms and bodies in fun ways and take part in a quiz, all the while gaining useful knowledge and skills for responding to crises.

Since the fiscal year 2020, with the aim of preventing the spread of COVID-19, we have prepared videos, worksheets, and information material for guardians and teachers that can be viewed online or downloaded. We hope these materials will be put to good use at home or in schools.

As of March 2022, these events have been held 376 times across Japan attracting 57,000 people.

SAVE JAPAN Project

When Sompo Japan's customers select web-based insurance policy or terms and conditions, or choose recycled parts for vehicle accident repairs, the cost savings are used to fund projects to conserve the environment inside and outside Japan, and achieve sustainable society while inspiring future leaders. Partnerships with civil society groups provide opportunities for people to take a greater interest in the environment in their local communities and work towards a sustainable society. As of March 31, 2022, 46,894 people have participated in 873 events.

In fiscal year 2013 Sompo Japan began quantifying the social value of this project using SROI* analysis, which drives collective impact of various stakeholders that strive for sustainable solutions, to improve and expand our programs. This three-year initiative represents the first instance in Japan of using SROI analysis in the area of biodiversity conservation. The SROI of the project in fiscal year 2015, the final year, was 2.00, calculated from a social value (total benefit) of 148.83 million yen and costs of 74.55 million yen. The SROI significantly exceeds the value of 1, indicating that the project is effective, and it has increased from 1.12 in fiscal year 2013 and 1.76 in fiscal year 2014, showing a ripple effect over the long term and increasing benefits of social investment.

Since fiscal year 2016, the company has been working to provide new opportunities for residents to participate and expand the project on the concept of "creating a good environment for living things," by making greater use of the uniqueness of local communities in cooperation with various local stakeholders.

*Social Return on Investment (SROI) is a method of quantifying the effectiveness of a project, and is calculated by dividing the social value (total benefit) an initiative produces by the cost of implementing it.



Road Safety Project in Indonesia

Road safety is an important social issue in Indonesia, where the number of traffic fatalities is now the highest in Southeast Asia. Drawing on Japan's expertise in preventing traffic accidents, 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 from October 2014 to August 2017 in Bandung City, West Java and from April 2018 to March 2022 in North and East Jakarta in the Special Capital Region of Jakarta.

This joint project aims to enhance a safer mind as well as safer environment related to road safety around the schools liaising with local administration. They provided traffic safety education for teachers, students, and parents at 50 elementary and middle schools (30 in Bandung City, 20 in North and East Jakarta), improved transportation infrastructure near the schools, and appealed to regional and national governments. Over 48,000 people (30,000 in Bandung City, 18,000 in North and East Jakarta) have participated in the project.

To attempt measuring and evaluating collective impact, where various constituents collaborate to resolve a social issue, we used Social Return on Investment (SROI*) analysis to quantitatively understand the project's social value and verify that it is effective (the creation of social value exceeds the cost invested).

*SROI is a method of quantifying the effectiveness of a project, and is calculated by dividing the social value (total benefit) an initiative produces by the cost of implementing it.



Social Impact Report of Road Safety Project in Indonesia, October 2018—Public Management and Social Strategy Research Institute website (in Japanese)



Social Impact Report of Road Safety Project in Indonesia, September 2022—Public Management and Social Strategy Research Institute website (in Japanese)

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 in Japan, ASEAN countries, India and South Africa; holding academic conferences and funding research on social welfare, social security, insurance, and gerontology; and awarding outstanding academic papers. Aware of the rapid aging of society, it also promotes solutions to increasingly complex social issues, including supporting families who provide home care to an elderly member with dementia or other conditions, and providing scholarships for students studying to become certified care workers. Its programs are designed to meet contemporary needs through both research and practice.

Support for Purchase of Vehicles

Since 1999, the foundation has financially supported organizations that need to purchase vehicles for their welfare activities for people with disabilities. In fiscal year 2021, the foundation invited applications from eastern Japan and selected ten organizations. These vehicles allow organizations to expand the range and scale of their activities and to increase the income of people with disabilities and the number of users of their welfare services.



New vehicles are proving to be very useful in safely transporting people

Support for Organizational and Operational Reinforcement of Civil Society Groups

In 2004, the foundation started to provide financial support for organizational and operational reinforcement of civil society organizations that render welfare services to communities. In fiscal year 2021, financial support was provided to 58 organizations in total through programs to strengthen their organizational and operational activities, to help them acquire official status as approved specified nonprofit corporations and to support local residents for their efforts in comprehensive local issues. As the effects of the pandemic continue, in fiscal year 2021, the foundation once again increased the total amount of grants and accepted applications from non-profit organizations across Japan, including those aimed at continuing and expanding activities and projects even during the COVID-19 pandemic. The foundation supports the development of high-quality, sustainable nonprofit organizations that play key roles in their communities and the realization of a community-based society.



Anybody can participate in communication-focused sports; participants here are playing balloon volleyball

Support for Overseas Welfare Activities

The foundation has supported civil society organizations in the social welfare field in ASEAN countries and India since 2010. In fiscal year 2021, it provided funds to projects undertaken by four organizations in four countries: in Indonesia, the foundation supported the purchasing of wheelchairs needed for vocational training to enable disabled people to become more self-reliant; in Malaysia, the funds were spent on facilities to help young people with Down's syndrome lead independent lives; in the Philippines, the foundation helped cover the cost of education and meals provided to needy children who have dropped out of school; and in Singapore, the funds were spent on providing comprehensive home-based nursing care and healthcare services to poverty-stricken elderly people.



Presentation ceremony in Indonesia



Remote presentation ceremony in the Philippines

Sompo Welfare Foundation Award

The foundation has awarded outstanding academic literature in the field of social welfare since fiscal year 1999. In fiscal year 2021, Yasuo Takasaka won the award for his book *Basic Disability Pension and the Disability Rights Movement: The Establishment of a New Guaranteed Income for People with Disabilities and its*

Political Dynamics. The presentation ceremony was held online in March 2021 and the Lectures and Symposiums Commemorating Awards scheduled to be held in July were cancelled in light of the spread of COVID-19 infections.



Fiscal 2021 online presentation ceremony

Support for Networking and Learning of Family Caregivers for the Elderly

Since 1991, the foundation has provided support for networking events and learning programs intended to help reduce the stress of family caregivers caring at home for elderly dementia patients, and improve their care-giving skills.

Scholarships for Students Studying to Become Certified Care Workers

To boost the workforce of caregivers, the foundation offers scholarships for students in two-year vocational school programs and high school students in the welfare field. In fiscal year 2021, the foundation gave scholarships to 12 students in total (10 in first grade of professional training schools and 2 in second grade of high schools). After graduating from the school, many of them are playing an active role as care professionals.

Financial Support for Gerontology Research

The foundation provides financial support for creative and innovative research in the field of social sciences relating to gerontology. In addition, the foundation organizes study groups on the Insurance Business Act, the health insurance and nursing care insurance systems, gerontology, and other topics. The foundation also publishes a report series and distributes it widely to libraries and elsewhere to spread information about research findings.

Encouraging People to Develop Skills Needed for Environmental Protection —Sompo Environment Foundation

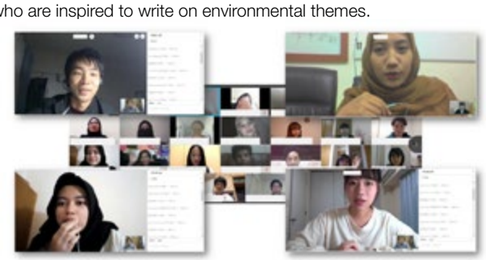
Sompo Environment Foundation, based on its philosophy of "Fostering people who plant trees," supports education, capacity building, action and research in conservation and other environmental fields with the goal of contributing to global environmental protection.

The foundation, working with the Japan Environmental Education Forum, a national NGO consisting of varieties of people who are engaged or interested in promoting environmental education, and Sompo Japan, organizes a series of Public Seminars on the Environment, held on the themes of SDGs and sustainability, that have attracted more than 29,300 participants since the program's start in 1993 (as of March 2022). Starting in fiscal year 2020, the seminar was held online due to the COVID-19 pandemic. The most recent seminar attracted 2,697 participants from all over Japan. The foundation also shared a recording of the seminar, which was viewed by a total of 3,059 people (this figure includes people who also joined the seminar in real time).

Its CSO*1 Learning Scholarship Program, meanwhile, is an eight-month internship program for undergraduate and graduate students desiring working experience at an environmental organization. As of March 31, 2022, the program has given 1,225 students opportunities to learn about environmental issues and civil society at 79 organizations. Even during the COVID-19 pandemic, online meetings and remote work were adopted to ensure the program continued without interruption. In February 2019, the program was launched in Jakarta, Indonesia, and to date, a total of 58 students have completed the program. The fourth session started in February 2022.

*1 Civil Society Organization

In addition, since 1999 the foundation has awarded grants for environmental conservation projects to support CSOs working on environmental issues. Moreover, since 2001 the foundation has provided academic research funding for graduate students' costs of writing PhD papers, to support outstanding young researchers who are inspired to write on environmental themes.



The Japan-Indonesia exchange meeting on the CSO Learning Scholarship Program held in October 2020

Contributing to Community through the Arts and Culture (Society)

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.

The theater has organized a wide variety of events that draw national attention, such as puppet performances, seminars, workshops, the children's art festival, and script competition, P New Face Award (contest to discover new talent for future generation, and "P" stands for performance art, including puppet performance, and other performance art using body and/or objects), in the area where puppet shows are very popular.



Puppet Theater "Himawari Hall"

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. In July 2020, the museum was relocated to a new building in the grounds of Sompo Japan's headquarters building, where it was reopened as the Sompo Museum of Art.

We will contribute to society through the further advancement of culture and art by working to create a museum that attracts visitors of all ages from around the world, and by hosting roughly four special exhibitions a year to display Western paintings, modern works of art, and various other pieces.



Sompo Museum of Art



Sunflowers Vincent Van Gogh in 1888
Sompo Museum of Art

Donations to Humanitarian Aid Activities in Ukraine and Neighboring Countries through Van Gogh's "Sunflowers"

Given the significance of sunflowers as a symbol of peace, we donated money to humanitarian aid projects in Ukraine and neighboring countries through Van Gogh's "Sunflowers" painting, which is owned by Sompo Japan Insurance and on permanent display in the Sompo Museum of Art.

A total of ¥84,532,205 was donated to five humanitarian aid organizations undertaking activities in Ukraine and neighboring countries. This donation amount was derived from the number of visitors to the "Henri Le Sidaner—Henri Martin" exhibition held at the Sompo Museum of Art from March 26, 2022 to June 26, 2022, as well as the number of times the exhibition's promotional video was viewed.

*Donations were made to the following five organizations

- UNHCR (United Nations High Commissioner for Refugees)
- UNICEF (United Nations Children's Fund)
- Save the Children
- Japanese Red Cross Society
- Japan Platform

Governance

The Group has continued to transform (qualitative evolution) toward “A Theme Park for Security, Health & Wellbeing” to remain indispensable even in 100 years’ time. And it is SOMPO’s governance that supports this transformation.

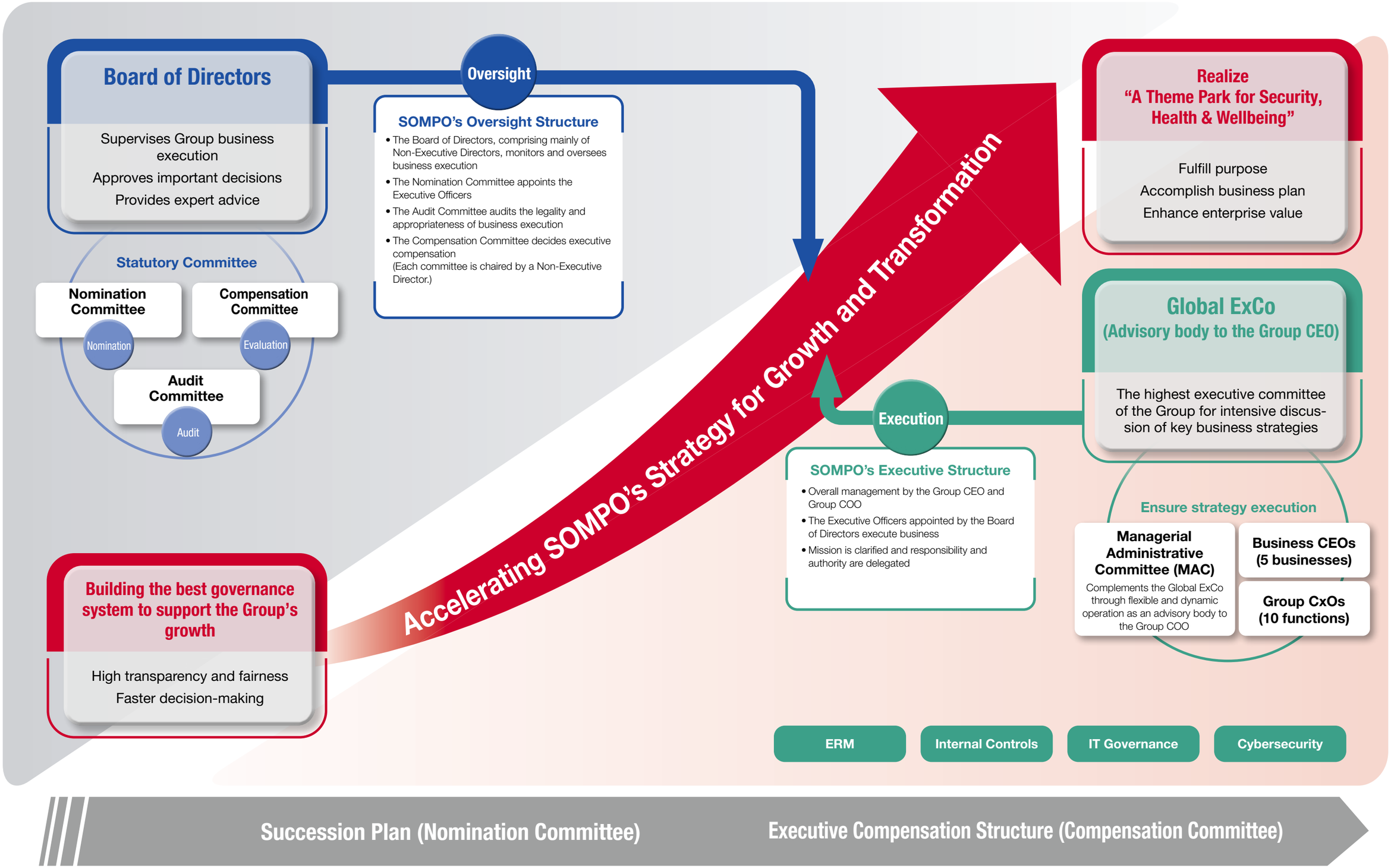
As a company with committees, we established a system where the executive team is given great authority under the oversight of the Directors, comprising mainly of Non-Executive Directors, and elected by the shareholders. Among the statutory committees that are important for the Board of Directors to provide oversight, the Nomination Committee and Compensation Committee are comprised only of non-executive members, creating a healthy tension between the executive team and ensuring high transparency and fairness.

The Executive Officers and Executive Vice Presidents appointed by the Board of Directors make fast decisions by working together while honing their expertise under the Business Owner System and Group CxO System, and dynamically implement Group strategies with a sense of oneness.

The Global ExCo is the highest executive committee of the Group and members with diverse background, including the Business CEOs who manage individual business and Group CxOs who have deep expertise in their respective functional area have frank discussion across regions and time frame as well as make decisions for Group Best to realize “A Theme Park for Security, Health & Wellbeing.”



Overview of the Corporate Governance Structure



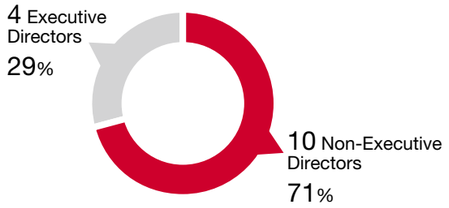
Oversight Structure

Sompo Holdings is a company with committees and has strengthened oversight by the Board of Directors by separating management oversight and business execution, and expedited business execution by delegating substantial authority to executives. In addition, three statutory committees (Nomination Committee, Audit Committee, and Compensation Committee) were established for a governance structure that provides greater transparency and fairness.

Board Composition

10 of the 14 members of the Board of Directors—or 71%—are Non-Executive Directors

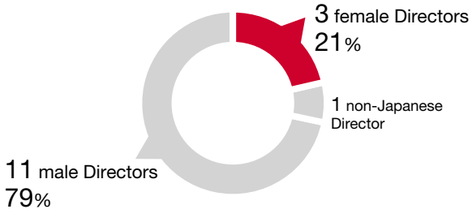
*The number and ratio of Non-Executive Directors increased since founding in April 2010 when 6 of the 12 Directors (50%) were Non-Executive Directors.



Director Diversity

Of the 14 members of the Board of Directors, 3 are female and 11 are male; 1 of the male Directors is non-Japanese

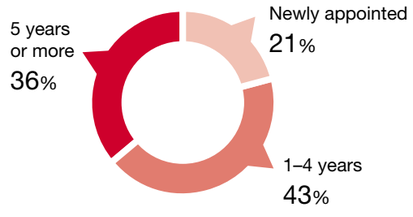
*At the time of founding, there was no female Director (the number and ratio has increased), and 1 non-Japanese Director (the number and ratio has remained the same)



Director tenure

The average tenure of the Directors is 3.8 years (including the tenure as the Audit & Supervisory Board member)

*When the tenure of the Non-Executive Director exceeds 8 years, the existence of a strong reason for reappointment is carefully assessed and reappointment is not prevented if such reason exists.

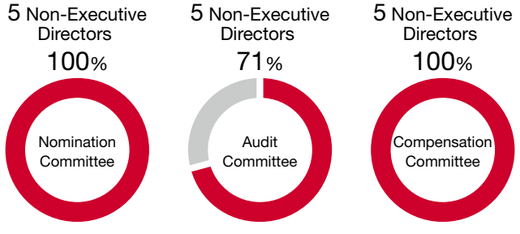


Directors Appointed at the General Meeting of Shareholders, as of July 1, 2022



Committee Composition

The composition of the three legally-mandated committees is as follows: the Nomination Committee and Compensation Committee are comprised of Non-Executive Directors only; the Audit Committee is comprised mainly of Non-Executive Directors



Executive Structure

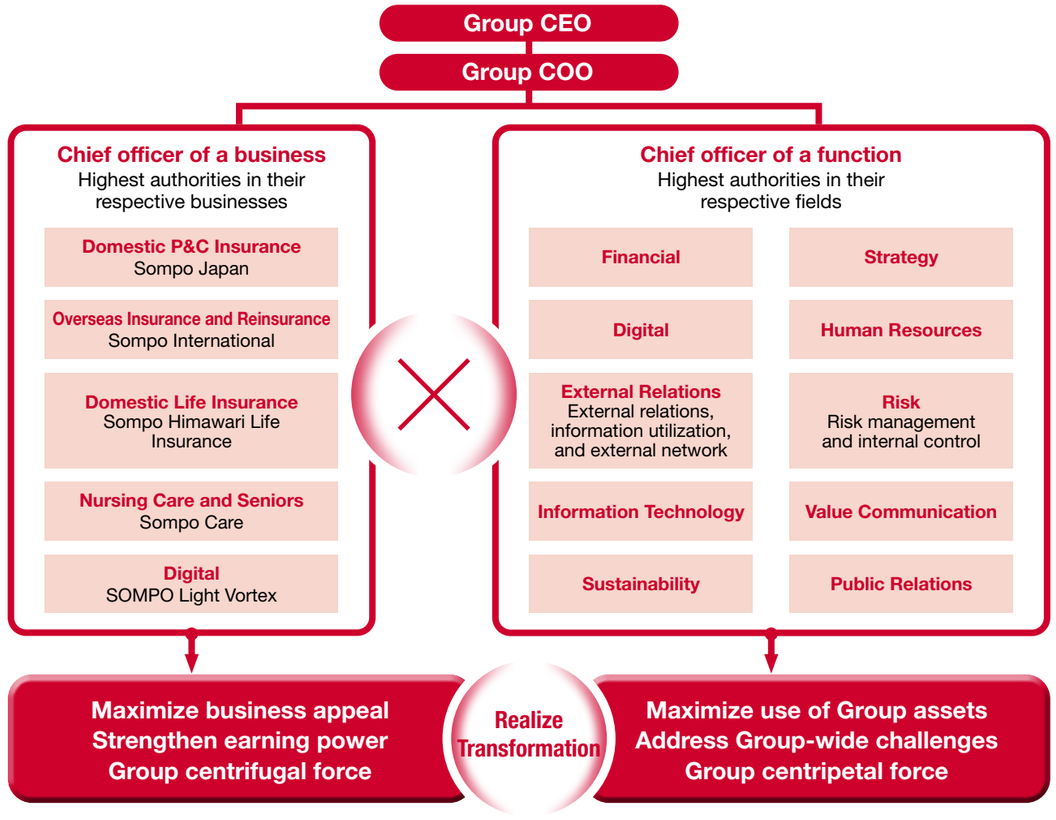
Sompo Holdings established an executive structure that combines the Business Owner System and Group CxO System to continue transforming with agility and flexibility even in the VUCA age.

Business Owner System

The Business CEO drives the Group's growth and expansion by formulating business policies, accomplishing business plans, and improving the quality of business operations as the chief executive of a business.

Group CxO System

The Group CxO who has deep expertise in a functional area exerts necessary influence across business over practicing Group management philosophy, fulfilling purpose, enhancing enterprise value, creating a conglomerate premium, etc. to maintain a sense of oneness and soundness throughout the Group.



Directors and Executive Officers with a Diverse Array of Backgrounds

The Company places great importance on the diversity of its Director and Executive Officer portfolio when formulating the Succession Plan and when appointing Directors and Executive Officers. For this reason, we appoint Directors and Executive Officers with diverse expertise and backgrounds, and so create a system that facilitates high-quality decision-making for the transformation of our Group.

8 Directors and Executive Officers have previously worked for companies outside the Sompo Group



**"Directors and Executive Officers" refers to the Group CEO, the Group COO, Business CEOs, and Group CxOs; there are 16 Directors and Executive Officers at the Sompo Group.

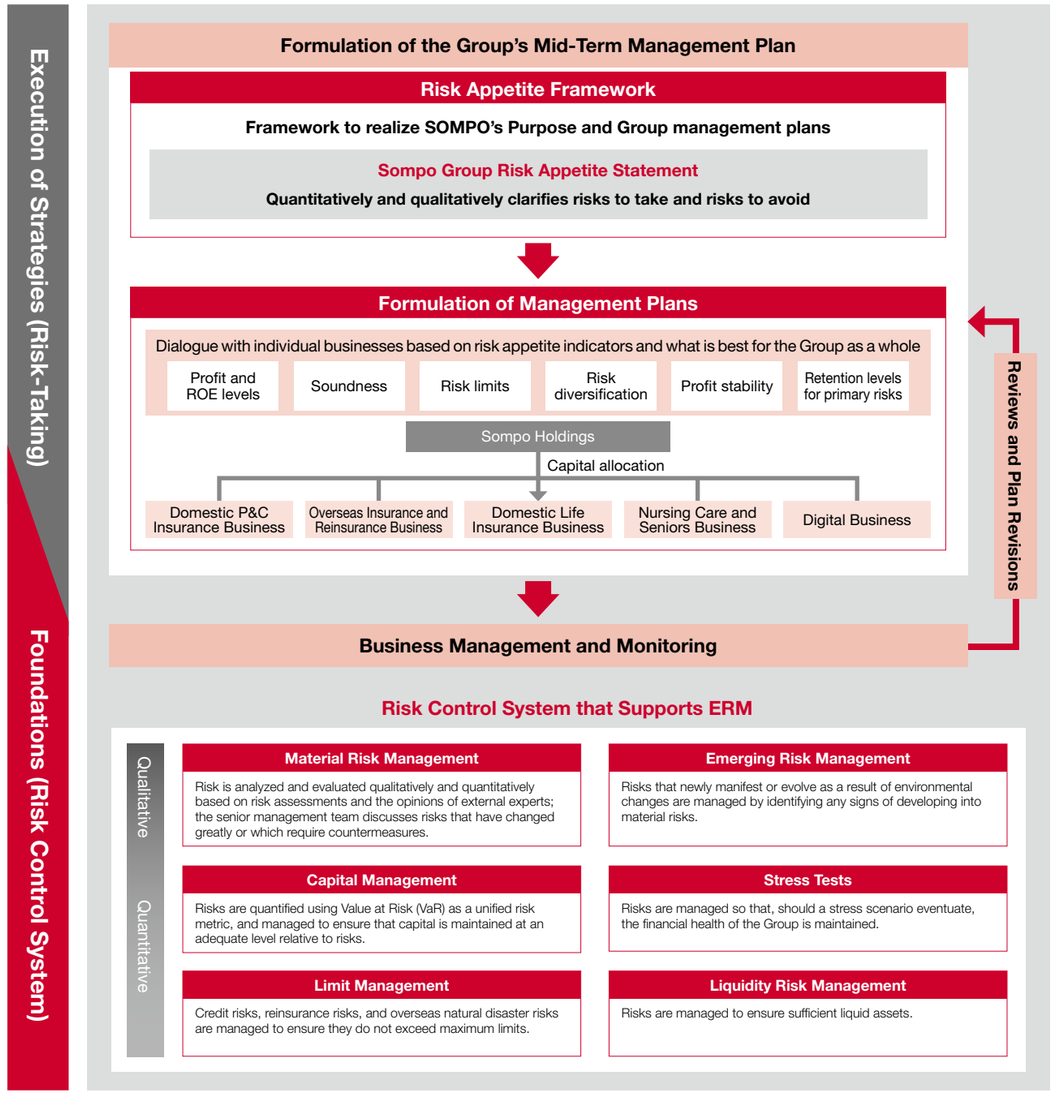
Enterprise Risk Management (ERM)

ERM as the "Compass of Management"

We live in a world of increasing uncertainty and risk. Climate change is driving more frequent occurrence of large-scale natural disasters, the threat of cyber-attacks is growing, and the global geopolitical environment is increasingly chaotic. This challenges our ability to chart the optimal course we should take as a Group.

The role of ERM is to navigate the Group through these unpredictable seas, acting as the compass to show the optimal direction. As such, ERM provides three functions: (1) accurately analyzing and grasping the Group's current position; (2) detecting and sensitively responding to possible future risks in advance; and (3) clearly indicating the best course of action for the Group to take. ERM's mission is to fulfill these functions as a "compass of management" and to lead the Group to realize its management philosophy and SOMPO's Purpose.

Overview of the Sompo Group's Enterprise Risk Management



Strengthening and Evolving ERM to Realize SOMPO's Purpose

Sompo Group is working to improve its resilience in two ways: firstly, by accelerating "Scale and Diversification" initiatives, primarily in its insurance business; secondly, through "New Customer Value Creation" initiatives, to improve long-term profit growth while contributing to solving social issues.

We are developing an ERM framework that supports these initiatives – rather than just extending and enhancing our existing insurance business-based paradigm, we are evolving the framework so that it is fully adapted to our new business models. For example, we are taking on the challenge of evolving ERM by establishing both quantitative and qualitative risk management frameworks for the non-insurance businesses, such as digital business, based on the expertise accumulated in the insurance and nursing businesses. Through our analysis and verification of risks in the "new normal" world, such as climate change and increasingly sophisticated cyber-attacks, we are also contributing to the identification and pursuit of business-side opportunities and threat reduction initiatives.

ERM of the Sompo Group

The Group ERM framework aims to maximize corporate value while balancing capital, risk, and return. To effect this, it has two main components: the "Risk Appetite Framework," which supports conscious risk-taking in pursuit of strategic objectives, and the "Risk Control System," which contributes to stabilizing the foundations of our business.

1. Risk Appetite Framework

The "Risk Appetite Framework" is a system for increasing the certainty of achieving the Group's strategic goals – as set forth in the Management Philosophy, SOMPO's Purpose, and the Group's Management Plan – by taking risks based on the Sompo Group Risk Appetite Statement. This clearly states the risks the Group will take and the risks it will avoid. We formulate a Group's Management Plan and allocate capital to each business, after dialogue with the respective management teams, based on risk appetite indicators and the perspective of overall Group optimization.

For further details, please visit the corporate website:
https://www.sompo-hd.com/en/company/risk/

2. Risk Control System

For effective risk control, Sompo Group uses a "Risk Control System" that identifies, analyzes, and evaluates the various risks surrounding the Group.

The Group defines risks that could have a significant impact on its business as "material risks"; we comprehensively identify and evaluate these risks based on risk assessments and expert opinions and insights. We evaluate the frequency of occurrence and the severity of impact across three risk dimensions (economic loss, business continuity, and reputational damage) in both qualitative and quantitative terms. We also confirm the status of countermeasures.

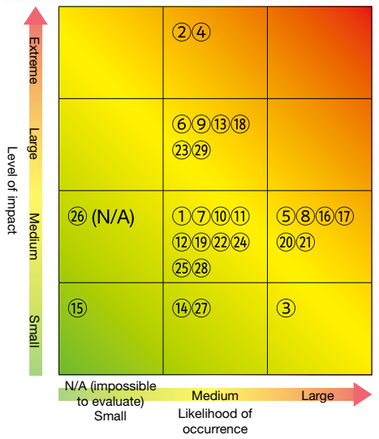
Additionally, the Group defines "emerging risks" as risks that have the potential to emerge or change, through changes in the environment or other factors, such that they would have a significant impact on the Group in the future. We manage emerging risks appropriately by monitoring any signs that they may develop into material risks.

Through Capital Adequacy Management, Stress Testing, Risk Limit Management, and Liquidity Risk Management, we strive to minimize unexpected losses and stabilize profits.
https://www.sompo-hd.com/en/ir/financial/risk/

List of Material Risks

Type	No.	Material Risk
Management Strategy Risks	①	Deterioration of and changes in competitive environments
	②	Deterioration of economic environments
	③	Geopolitical events
	④	Pandemics
	⑤	Regulatory changes
	⑥	Weak governance
	⑦	Mistaken evaluation of new business risks
	⑧	Delays to large-scale system development projects
	⑨	Climate change (physical risks and transition risks)
	⑩	Sustainability
	⑪	Reputation
	⑫	Inadequate human resources
Financial and Investment Risks	⑬	Significant market deterioration
	⑭	Bankruptcy of loan, investment, and reinsurance destinations
	⑮	Cash requirements in times of large-scale disasters
Operational Risks and Compliance Risks	⑯	Failures of third-party management
	⑰	System failures
	⑱	Cyber security
	⑲	Labor
	⑳	Leakages of customer information (excluding cyberattacks)
	㉑	Misconduct and leakages of confidential information
	㉒	Conduct
Business-Specific Risks	㉓	Major earthquakes in Japan
	㉔	Major storms and floods in Japan
	㉕	Major natural disasters overseas
	㉖	Cyber integration
	㉗	Mistaken evaluation of Nursing Care Business environments
	㉘	Major misconduct in Nursing Care Business
Other Risks	㉙	Business interruptions

Material Risk Heatmap

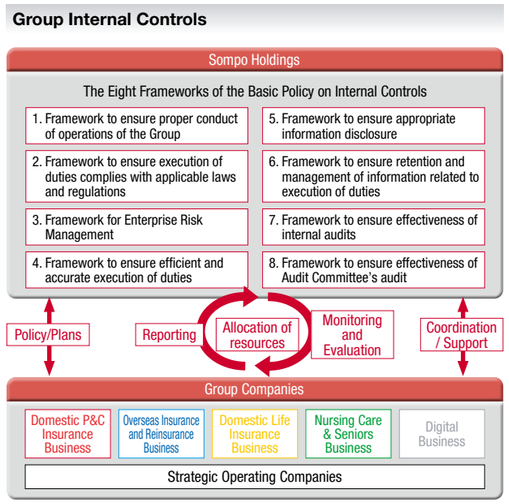


Group Internal Controls to Support Corporate Governance

Group Internal Controls to Support Corporate Governance

The Board of Directors has established eight frameworks in the Basic Policy on Internal Controls as a foundation for improving corporate value and for ensuring the proper conduct of operations within the Group. In addition, to ensure that the Group's controls function both effectively and efficiently, the Company enters into management contracts with each Group company, properly understands and checks the situation at each company, and continuously works to enhance and strengthen internal control systems at a Group level.

For further details, please visit the corporate website:
https://www.sompo-hd.com/en/company/governance/policy/



Compliance Initiatives

As part of its commitment to compliance, the Company has formulated various policies and codes of conduct, such as the Sompo Group Basic Policy on Compliance, and established compliance systems, and raised awareness of these policies among Group officers and employees. We are a company that seeks to maintain a healthy social presence; to this end, rather than viewing compliance simply as complying with laws and regulations, we have been working to develop a culture that encourages behavior that conforms to corporate ethics and social norms.

We coordinate with Group companies so that they can increase the effectiveness of their compliance initiatives, and we have been working to evolve our compliance frameworks based on Group strategies and external environments. In response to increased social awareness of data protection, for example, we are implementing measures for privacy risks. In order to quickly discover problem events, we have strengthened our whistle-blower system, and we are also working to identify latent conduct risks and improve our understanding of similar phenomena.

While the Group has insurance business at its core, it has expanded into new business areas such as the Nursing Care & Seniors Business and Digital Business. We have also been working to create new businesses and transform existing businesses through partnerships and the use of new digital technologies and data. When developing compliance frameworks, it is necessary to consider not only the relevant laws, but also the business characteristics, scale, and operating conditions of each Group company, as well as the potential risks they face. As such, we participate in Group company meetings, and vice-versa; we also hold Chief Compliance Officer meetings, attended by the heads of the Compliance Departments in each business. This is a forum to share examples of effective initiatives undertaken by each business, and to exchange opinions on the issues we face. In this way, through our efforts to understand conditions at the Group and share information, we support the development of compliance frameworks at Group companies.

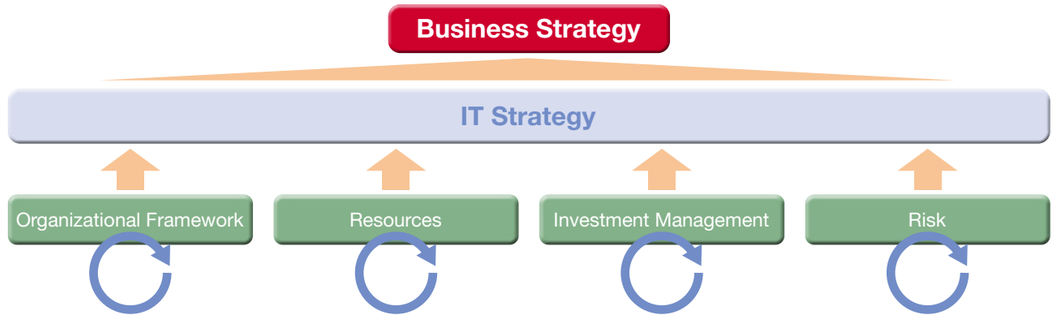
Developing the Group's Internal Audit Framework

The Company has established the Sompo Group Basic Policy on Internal Audits, which defines internal audits as processes for assessing the internal control framework and providing recommendations on methods for its improvement. Accordingly, we endeavor to enhance corporate value and meet the expectations of stakeholders by developing an efficient and effective Group-wide internal audit framework, and by conducting risk-based internal audits that take into account the characteristics and strategies of our businesses.

Specifically, we have expanded our monitoring functions and adopted a flexible approach to the auditing of changing risks. In conjunction with these efforts, we help Group companies develop their own internal audit frameworks by evaluating the quality of their internal audits and recommending ways to rectify any issues they have identified.

IT Governance

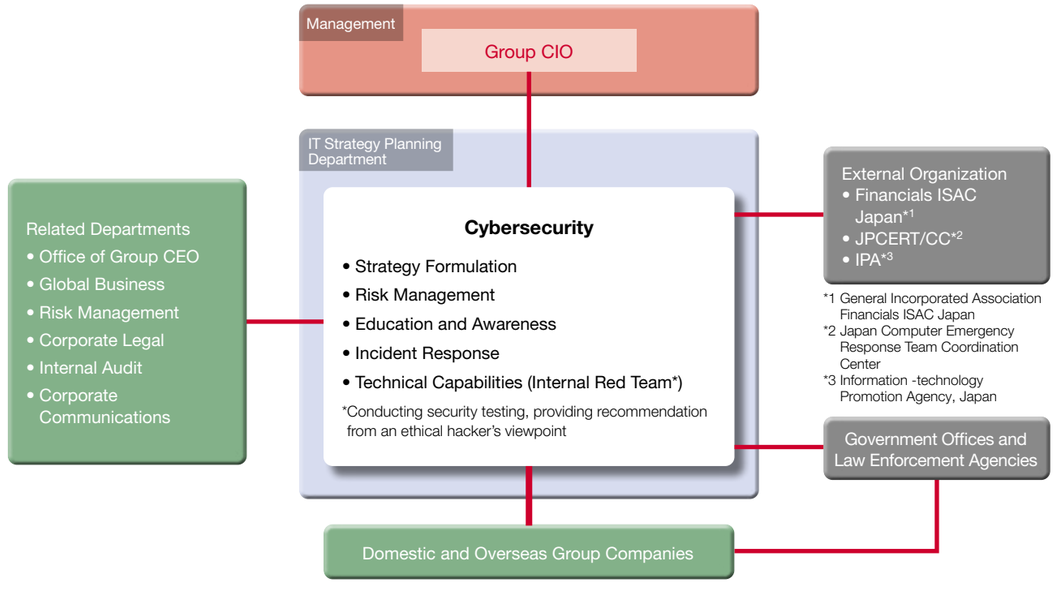
Each entity's system implementation, operation processes are aligned in accordance with each country and industry regulations. By continuously improving the PDCA cycle via KGI monitoring and aligning to international standards, we strive to optimize the IT processes to support the Group-wide business and IT strategy.



Sompo Holdings monitors Group company KGIs to create PDCA cycles

Responses to Cyber Risks

The company takes cybersecurity as a social responsibility. In response to cyber risks, we established "SOMPO Group Security Basic Policy" as the cornerstone to continuously improve the efficiency and effectiveness of the cyber risk management. A specialized team of cybersecurity professionals within IT Strategy Planning Department is formed to formulate strategies and strengthen cybersecurity capabilities across the group. The team has a shared responsibility model with the entity in managing cyber risk and increase group maturity on both day-to-day operation and during emergency. Cybersecurity is prioritized and closely knitted with the business and IT strategy to help the company gain a competitive edge and deliver a safe, secured digital transformation.



ESG Related Information



Active participation in the initiatives, External Recognition

Active participation in the initiatives

To solve social issues on a global level, the collaboration of a broad range of stakeholders is indispensable.

Our Group participates actively and endeavors to take a leading role in a wide variety of international and domestic initiatives.

United Nations Global Compact (UN GC)

The United Nations Global Compact is a voluntary initiative for participation by companies in the creation of a global framework under which companies exercise responsible and creative leadership to act as good members of society to realize a sustainable society. Sompo Holdings has been a signatory to and expresses its support for the UNGC since 2006, and is committed to corporate activities that respect the ten principles concerning human rights, labour, the environment and anti-corruption advocated by the UN Global Compact.

We publish an annual Communication on Progress (COP), which is a regular activity report on the status of initiatives for addressing The Ten principles of the United Nations Global Compact and on participation in UN partnership programs such as the Sustainable Development Goals (SDGs).

UN GC's SDGs reports

SDG Industry Matrix for Financial Services (Industry Handbook on the SDGs) (UN GC, KPMG International)



SDGs and Business in Practice: Early Actions by Japanese Private Companies (Global Compact Network Japan, Institute for Global Environmental Strategies)



Women's Empowerment Principles (WEPs)

The WEPs, a joint initiative between the United Nations Development Fund for Women and the UN Global Compact, offers a framework for business on how to empower women in the workplace, marketplace and community. Its seven principles point the way to best practice in advancing gender equality by elaborating the gender dimension of corporate responsibility and private organizations, the UN Global Compact, and business's role in sustainable development. Sompo Holdings became a signatory of WEPs in June 2012 and Sompo Asset Management Co.,Ltd. also became a signatory in October 2018.

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 long-term commercial success and sustainable development outcomes.

A weather index insurance provided by our Group company has been recognized as meeting the requirements for membership in the BCtA. This makes us the first financial institution in Japan, and the first property and casualty (P&C) insurance group in the world, to be granted membership.

United Nations Environment Programme Finance Initiative (UNEP FI)

The UNEP FI is an international financial sector network comprising fi nancial institutions that aim to contribute to sustainable development. Since its launch in 1992, it has promoted the integration of environmental considerations into all aspects of the financial sector's operations and services in pursuit of sustainable development that is conducive to both economic progress and environmental protection. Sompo Japan became a signatory in 1995.

United Nations Principles for Responsible Investment (UN PRI)

The UN PRI was formulated by the UNEP FI as a declaration by financial institutions that take ESG issues into account when making investment decisions. In 2006, Sompo Japan became the first Japanese insurance company to become a signatory to these principles and Sompo Asset Management also became a signatory in January 2012.

United Nations Principles for Sustainable Insurance (UN PSI)

The UN PSI was formulated by the UNEP FI in June 2012, as a declaration by insurance companies that they will take ESG issues into account through their business operations. Sompo Japan participated in the development of the principles and became a signatory when it made a statement to promote the principles at the formal launch during the UN Conference on Sustainable Development (Rio+20) in Rio de Janeiro, Brazil, in June 2012.

Glasgow Financial Alliance for Net Zero (GFANZ)

The GFANZ is a global coalition of financial institutions that aim to achieve net-zero greenhouse gas (GHG) emissions by the year 2050. Under the GFANZ umbrella there are sector-specific alliances that bring together insurance underwriters, asset managers, and other members. Our Group is a member of three of those alliances.

- Net-Zero Insurance Alliance (NZIA)
- Net-Zero Asset Owner Alliance (NZAOA)
- Net Zero Asset Managers Initiative (NZAM)

Partnership for Carbon Accounting Financials (PCAF)

Established in 2015, PCAF is a global initiative for developing methods to measure GHG emissions associated with the loans and investments of financial institutions and in their insurance underwriting portfolios. We joined the PCAF in December 2021 with the aim of contributing to the attainment of a net-zero society by formulating rules for GHGs in our insurance underwriting.

Caring for Climate

Caring for Climate is an initiative established by UN GC, UN Environment Programme, UN Framework Convention on Climate Change (UNFCCC) in 2007 to advance the role of business in addressing climate change. Masao Seki, Senior Advisor on Management Planning at Sompo Japan, served as a member of the steering committee.

World Business Council for Sustainable Development (WBCSD)

The WBCSD, established in 1995, is a CEO-led global association of companies. Company leaders from around the world provide industry leadership on the environment and sustainable development through lively debate, policy recommendations, and other activities. Sompo Japan is the only Japanese financial institution participating in the initiatives of the WBCSD. The company is also a board member of Redefining

Value, a cross-cutting WBCSD program focused on advancing the measurement of “True Value,” “True Costs” and “True Profits” in corporate decision-making, disclosure and reporting.

CDP

The CDP is a set of collaborative initiatives by the world’s leading 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.

Respond to CDP climate change survey

Since 2016, Sompo Holdings won the A List of a survey on climate change by the international CDP project four years in a row, under which the world’s major institutional investors call upon businesses to adopt climate strategies and disclose their GHG emissions.

Japan Business Federation (Keidanren)

Committee on Responsible Business Conduct & SDGs Promotion

Committee on Responsible Business Conduct & SDGs Promotion promotes to disseminate the Charter of Corporate Behavior and the concept of “Society 5.0 for SDGs,” and encourages social contribution activities of companies and their employees. Keiji Nishizawa, Chairman and Director of Sompo Japan, serves as co-chair of the committee.

Participation in Japan’s SDGs roundtable as a Business Leader

Japan’s SDGs Promotion Headquarters was established in May 2016 with the entire Cabinet as members and the Prime Minister of Japan as the chair. A multi-stakeholder roundtable was later created in order to develop implementation policies for the SDGs in Japan. Representing the business sector, Keiji Nishizawa, Chairman and Director of Sompo Japan and co-chair of Committee on Responsible Business Conduct & SDGs Promotion, serves as a member of the roundtable.

Council for Better Corporate Citizenship (CBCC)

The CBCC is an organization established by Keidanren that is responsible for planning and operating lectures and other events on CSR, promoting exchanges and collaboration with overseas CSR-related organizations, and conducting research and study through sending delegates abroad and other means. Keiji Nishizawa, Chairman and Director of Sompo Japan, serves as the chair of CBCC.

Keidanren Committee on Nature Conservation (KCNC)

The KCNC financially supports civil society working on the conservation of biodiversity and nature through the Keidanren Nature Conservation Fund (KNCF), while promoting companies’ awareness of biodiversity and nature conservation as well as communication and cooperation with civil society. Keiji Nishizawa, Chairman and Director of Sompo Japan, serves as the chair of KCNC.

Participation in COP13 of the UN Convention on Biological Diversity

As the chair of KCNC, Futamiya participated in the 13th Conference of the Parties (COP13) to the Convention on Biological Diversity held in Mexico in December 2016, and gave a speech to represent the business sector at a UN Decade on Biodiversity Day (UNDB Day) side event. The conference itself is held every two years, with the participation of many government representatives and civil sector organizations from around the world, and was an occasion for dialogue with representatives from influential organizations that promote global nature conservation.



Speaking as KCNC chair (at the time) at a side event (Masaya Futamiya)

Participation in the Convention on Biological Diversity

As the chair of KCNC, Futamiya participated in the 14th Conference of the Parties to the Convention on Biological Diversity (COP14) which held in Egypt in November 2018. He gave a speech to represent revised edition of Declaration of Biodiversity by Keidanren and Progress status of Mainstreaming of Biodiversity in Japanese Business Sector in Global Business and Biodiversity Forum, which held prior to the opening.

The conference itself is held every two years, with the participation of many government representatives and civil sector organizations from around the world, and was an occasion for dialogue with representatives from influential organizations that promote global nature conservation.

At the Convention on Biological Diversity (COP15) held in Montreal, Canada in December 2022, Keiji Nishizawa, Director-Chairman of Sompo Japan Insurance Inc., participated as Chairman of the Keidanren Committee on Nature Conservation. In order to contribute to the achievement of a new international framework (global goals), in collaboration with Japan's Ministry of the Environment, he announced the plan to provide financial support of 300 million yen for the “Community Development and Knowledge Management for the Satoyama Initiative (COMDEKS)” implemented by the United Nations Development Programme (UNDP) through the Keidanren Nature Conservation Fund.

ECO FIRST Program, Japan’s Ministry of the Environment

In November 2008 Sompo Holdings became the first companies in the insurance business to be accredited by the Japanese Minister of the Environment as an “ECO FIRST Business.” Under the ECO FIRST program, companies make a commitment to the minister about the environmental conservation initiatives they will take in fields such as combating climate change.

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

These principles were developed to guide the actions of financial institutions to fulfill their roles and responsibilities to create a sustainable society. Sompo Japan was a member of the drafting committee, and 10 Group companies signed the principles in 2011 (currently 7 Group companies are signatories).

Sompo Japan is serving as a co-chair of the steering committee and chair of the insurance working group.


Steering committee meeting


Insurance working group

SDG Stakeholders Roundtable, Japan’s Ministry of the Environment

Masao Seki, Senior Advisor on Management Planning of Sompo Japan, is a member of the SDG Stakeholders Roundtable, which promotes environmental aspects for implementation of the SDGs.

Montreal Carbon Pledge

In September 2017, Sompo Asset Management signed the Montreal Carbon Pledge which was adopted at the annual general meeting of the Principles for Responsible Investment (PRI) held in Montreal, Canada, in September 2014, aiming to reduce GHG emissions.

Signatories are required to measure and disclose GHG emissions associated with some or all of their stock portfolios, and Sompo Asset Management is committed to regularly disclosing the volume of GHG emissions it has invested.

Group Implementation of ISO 26000

ISO 26000, an international standard providing guidance on social responsibility, was published in November 2010.

In order to determine and promote more important Environmental initiatives, our Group uses ISO 26000 as a self-check tool to clarify the Group’s strengths and weaknesses, and incorporates elements of ISO 26000 into the Environmental Management System, which is an educational tool for all levels and a framework for promoting Environmental initiatives, as well as into the seven social issues (materiality) that we face and the KPIs (materiality KPIs) that we have set for these materiality.

As an expert from Japan’s business sector, Masao Seki, Senior Advisor on Management Planning of Sompo Japan, participated in development of the standard.

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 Holdings / 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)

Recognition

Recognized with prestigious A score for Climate Action by CDP

Sompo Holdings

Sompo Holdings was selected as “The Climate A List” for the sixth 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.

Ranked 2nd in the Toyo Keizai CSR Corporate Ranking

Sompo Holdings

Sompo Holdings was ranked 2nd in the CSR categories among all types of industry and 3rd in the Financial Business Category in the Toyo Keizai CSR Corporate Ranking 2022 (Sompo Holdings).

(February 2022)

Top overall rating in Nikkei SDGs Management Survey 2022

Sompo Holdings

Sompo Holdings received the highest overall rating in the Nikkei SDGs Management Survey 2022, which rates companies’ commitment to the United Nations Sustainable Development Goals (SDGs).

The evaluation is based on the concept of “SDGs management,” defined as a company’s efforts to contribute to the SDGs through its business and to improve its corporate value. Sompo Holdings received high marks for its initiatives including “Addressing Social Issues,” “Employee Engagement,” “Human Capital Disclosure,” and “Governance Policy and Effectiveness.”

(November 2022)

Certified as “5 stars” by Nikkei Smart Work Management Survey

Sompo Holdings

Sompo Holdings was recognized with a 5-star rating in the Nikkei Smart Work Management Survey, which selects leading companies that are taking on the challenge of revolutionizing productivity through workstyle innovation.

(November 2022)

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

Recognition of “2022 Health and Productivity Stock” and Eleven Group Companies recognized as “White 500”

For the fourth consecutive year, Sompo Holdings has been selected as a 2022 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, 22 companies from the Sompo Holdings Group have been recognized as Health & Productivity Management Outstanding Organizations (Large Enterprise Category), and eleven of them have been certified as “White 500” companies under the 2022 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.(Four consecutive years)

(Group companies recognized as White 500 companies)

- Sompo Holdings, Inc. (six consecutive years)
- Sompo Japan Insurance Inc. (six consecutive years)
- Sompo Himawari Life Insurance Inc. (six consecutive years)
- Sompo Health Support Inc. (six consecutive years)
- Sompo Communications Inc. (four consecutive years)
- Prime Assistance Inc. (four consecutive years)
- Sompo Japan Partners Inc. (three consecutive years)
- Sompo Corporate Service Inc. (two consecutive years)
- Sompo Risk Management Inc. (fourth time in three years)
- Sompo Business Services, Inc. (fourth time in three years)

Health & Productivity Management Outstanding Organizations (Large Enterprise Category)

- Sompo Systems, Inc. (three consecutive years)
- SAISON AUTOMOBILE ANDFIRE INSURANCE COMPANY,LIMITED (three consecutive years)
- Sompo Care, Inc. (first recognition)

Health & Productivity Management Outstanding Organizations (Small and Medium-sized Enterprise Category)

- Wellness Communications Corporation (four consecutive years)
- Sompo Asset Management Co., Ltd. (three consecutive years)
- Sompo Japan DC Securities Inc. (two consecutive years)
- Sompo Business Solutions Inc. (two consecutive years)
- Sompo Commercial Line Claims Support Inc. (two consecutive years)
- Sompo Credit Inc. (two consecutive years)
- Sompo Warranty Inc. (two consecutive years)
- Sompo Challenged Inc. (first recognition)

Inclusion in ESG Related Indices

The Sompo Holdings is included in the following ESG Related Indices (as of January 25, 2023).

Dow Jones Sustainability Indices — Sompo Holdings

Dow Jones Sustainability Indices (DJSI) is a stock index developed by S&P Dow Jones Indices in the United States. As the world’s leading ESG index, DJSI evaluates corporate sustainability from the three aspects of “economy,” “environment,” and “society,” and selects for inclusion companies pursuing advanced initiatives. Sompo Holdings has been selected for DJSI Asia Pacific, which covers the Asia-Pacific region, for three consecutive years since 2020.

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.

S&P/JPX Carbon Efficient Index — Sompo Holdings

This is an index that weights constituent stocks by focusing on the status of disclosure of environmental information and the level of carbon efficiency (carbon emissions per unit sales) within TOPIX, a representative stock index reflecting the trend of the Japanese market.

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 FY2021

Company Name

- Sompo Holdings, Inc.
- Sompo Japan Insurance Inc.
- SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
- Sompo Japan Partners Inc.
- Mysurance Inc.
- Sompo International Holdings Ltd.
- Endurance Specialty Insurance Ltd.
- Endurance Assurance Corporation
- Endurance Worldwide Insurance Limited
- SI Insurance (Europe), SA
- Sompo Japan Sigorta Anonim Sirketi
- Sompo Holdings (Asia) Pte. Ltd.
- Sompo Insurance Singapore Pte. Ltd.
- Berjaya Sompo Insurance Berhad
- PT Sompo Insurance Indonesia
- Sompo Insurance China Co., Ltd.
- Sompo Insurance (Hong Kong) Company Limited
- Sompo Seguros S.A.
- Sompo Himawari Life Insurance Inc.
- Sompo Care Inc.
- Sompo Warranty Inc.
- SOMPO Light Vortex Inc.
- Sompo Asset Management Co.,Ltd.
- Sompo Japan DC Securities Inc.
- Sompo Risk Management Inc.
- Sompo Health Support Inc.

Other 47 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	73.5%	56.8%	100%
	Other group companies		16.7%	
Overseas consolidated companies		26.5%		

*1 Formula for coverage ratio

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

To disclose ESG data that includes our consolidated subsidiaries engaged in various types of businesses (including insurance and financial business, and nursing and healthcare business), this report uses sales revenues as the basis to calculate coverage ratios.

Reporting period

[1] Companies with head office in Japan

Unless otherwise stated, data reported are for fiscal year 2021 (April 2021 to March 2022).

[2] Companies other than [1]

Unless otherwise stated, data reported are for calendar year 2021 (January to December 2021).

Group Employee Data

Number of employees (by employment status)

	Male	Female	Total
Regular employees	19,879	27,897	47,776
Temporary employees	1,452	12,671	14,123
Total	21,331	40,568	61,899

Number of employees (by region)

	Japan	Asia & Middle East	Europe & North/ South America	Total
Regular employees	40,284	2,420	5,072	47,776
Temporary employees	14,051	26	46	14,123
Total	54,335	2,446	5,118	61,899

*1 Number of employees by region is calculated based on the locations of consolidated companies under Sompo International.
*2 Employees of Sompo Japan, of which 99.91% are Japanese nationals, 0.08% are Asian nationals, and 0.01% are U.S. or European nationals.

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

Major ESG Data

Environmental Performance Data

Environmental Data

Item		Unit	FY2019	FY2020	FY2021	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)		t-CO_2e	34,758	30,357	26,663	•	•	•	✓
GHG (Scope 2)		t-CO_2e	147,755	140,694	121,882	•	•	•	✓
GHG (Scope 3)		t-CO_2e	107,229	85,630	79,506	•	•	•	✓
GHG (Scope 1-3) Total*1		t-CO_2e	289,748	256,678	228,051	•	•	•	✓
Total GHG emissions per employee		t-CO_2e	4.66	4.09	3.68	•	•	•	
City gas consumption		m^3-N	3,540,788	3,308,645	3,533,791	•	•	•	✓
Class A heavy oil consumption		kℓ	195	193	161	•	•	•	✓
Kerosene consumption		kℓ	243	229	274	•	•	•	✓
LPG consumption		t	1,730	1,649	259	•	•	•	✓
Fuel consumption by company fleets		kℓ	8,571	7,050	7,069*2	•	•	•	
Electricity consumption		kWh	304,203,466	296,465,353	280,376,417	•	•	•	✓
Heat (steam) consumption		MJ	92,018,627	91,529,224	89,600,884	•	•	•	✓
Paper consumption		t	8,129	6,821	5,771	•	•	•	✓
Clean water usage		kℓ	349,465	247,222	1,727,914*3	•	•	•	✓
Wastewater discharge		kℓ	326,872	223,481	1,747,207*3	•	•	•	✓
Total waste generation		t	16,958	13,916	13,454	•	•	•	
Recycled waste		t	4,816	3,253	3,755	•	•	•	
Total waste disposed		t	16,958	13,916	13,454	•	•	•	
Break down of total waste disposed	landfill	t	69	73	595	•	•	•	
	Incineration (with thermal)	t	16,865	13,834	12,843	•	•	•	
	Incineration (without thermal)	t	24	9	13	•	•	•	
	Other Dispositions	t	0	0	4	•	•	•	
	Disposal method unknown	t	0	0	0	•	•	•	
CO_2 emission relating to business travel		t-CO_2e	21,960	6,514	7,457	•	•	•	✓
Total floor space*4		m^2	1,517,474	1,499,409	1,465,009	•	•	•	
Share of green purchasing		%	52.2	52.3	47.0	•			
Human development of environmental field	Attendees of open Lectures on the Environment*5	Persons	1,173	7,176	5,610	—	—	—	
	Participants of CSO Learning Scholarship Program	Persons	55	43	78	—	—	—	
	Participants of SAVE JAPAN Project*6	Persons	2,652	1,502	907	—	—	—	

*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 FY2021, we reviewed and recalculated the data collected and calculated prior to FY2020.
*2 Sompo International acquired Diversified Crop Insurance Services in December 2020 and increase in the number of its owned vehicles.
*3 Includes Sompo Care from FY2021.
*4 It includes the results of Sompo Holding and its domestic and overseas consolidated subsidiaries, excluding Sompo Care.
*5 In FY2020, we switched from face-to-face programs to online programs.
*6 Includes online event participants.

GHG emissions from investments and loans (Scope 3, Category 15)

We calculate the GHG emissions of the companies to which our group invest, using a calculation method that is being studied and developed by the Partnership for Carbon Accounting Financials (hereinafter referred to as PCAF), and targets the GHG emissions reductions.

The scope of the calculation is Scope 1 and Scope 2 GHG emissions of companies issuing listed equities and corporate bonds for which the calculation method has been developed by the PCAF.

Asset class		Unit	FY2019	FY2020
Listed Equities	Total GHG emission	t-CO_2e	1,013,157	948,530
	Weighted average carbon intensity of investee (WACI*1)	t-CO_2e/Million USD	119.60	100.58
Corporate Bonds	Total GHG emission	t-CO_2e	1,059,379	906,207
	Weighted average carbon intensity of investee (WACI)	t-CO_2e/Million USD	121.07	133.77

*1 Abbreviation for Weighted Average Carbon Intensity
*2 Calculated using data provided by MSCI ESG Research for Scope 1 and Scope 2 listed equities and corporate bonds in Japan and overseas (Coverage) 93 % of listed equities and 84% of corporate bonds in FY2019, 93 % of listed equities and 85% of corporate bonds in FY2020 on a market value basis.).
*3 GHG emissions are our company's share of the investee's EVIC (Enterprise Value Including Cash: Corporate Value Including Cash) base, and WACI is the weighted average of GHG emissions per unit of sales for each investee's portfolio holdings.
*4 This report contains information (the "Information") sourced from MSCI Inc., its affiliates or information providers (the "MSCI Parties") and may have been used to calculate scores, ratings or other indicators. The Information is for internal use only, and may not be reproduced/redisseminated in any form, or used as a basis for or a component of any financial instruments or products or indices.
The MSCI Parties do not warrant or guarantee the originality, accuracy and/or completeness of any data or Information herein and expressly disclaim all express or implied warranties, including of merchantability and fitness for a particular purpose.
The Information is not intended to constitute investment advice or a recommendation to make (or refrain from making) any investment decision and may not be relied on as such, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction.
None of the MSCI Parties shall have any liability for any errors or omissions in connection with any data or Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.
*5 Numerical data may be adjusted retroactively.

Environmental Accounting (FY2021 GHG Reduction Investment Cost and Effect)

Item	Amount Invested (JPY)	Investment Effect (JPY)	Reduction in GHG (t-CO_2e)
Scope1 & Scope2	1,205,315,000	116,674,630	414.4

Note: The amount invested in FY2021 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	FY2019	FY2020	FY2021	Companies covered: Consolidated companies in Japan: Sompo Japan	Companies covered: Consolidated companies in Japan: Other group companies	Companies covered: Overseas consolidated companies	Verified
Executive or higher*1	Male	Persons	214	188	355				
	Female	Persons	16	19	35	•	•	•	
	Total	Persons	230	207	390				
Department manager level or higher but lower than executive*1	Male	Persons	837	821	1,103				
	Female	Persons	164	178	229	•	•	•	
	Total	Persons	1,001	999	1,332				
Section manager level or higher but lower than department manager level*1	Male	Persons	2,642	3,014	3,926				
	Female	Persons	794	1,060	1,614	•	•	•	
	Total	Persons	3,436	4,074	5,540				
Ratio of female employees in managerial positions*2		%	23.8	24.2	26.8	•	•	•	
Share of female in management positions in revenue-generating functions*3		%	18.0	22.0	24.1	•	•	•	
Share of female in STEM-related positions*4		%	36.9	32.2	41.0	•	•	•	
Ratio of employees with disabilities*2		%	2.29	2.37	2.45	•	•	•	
Union membership rate		%	98.0	98.0	97.9	•	•		
Total number of new employee hires/Ratio of female	Male	Persons	1,590	1,243	1,641				
	Female	Persons	4,504	3,720	3,896				
	Total	Persons	6,094	4,963	5,537				
	Ratio of Female	%	73.9	75.0	70.4	•	•	•	
	managerial position	Persons	60	41	149				
	Non-managerial position	Persons	6,034	4,922	5,388				
	Total	Persons	6,094	4,963	5,537				
Number of employees who took childcare leave*5	Male	Persons	377	443	516				
	Female	Persons	2,045	2,090	2,005	•	•	•	
	Total	Persons	2,422	2,533	2,521				
Average number of days taken off work for childcare leave by employees	Male	Days	5.6	6.8	8.6				
	Female	Days	183.0	183.6	178.8	•	•	•	
Childcare support systems	Number of employees using the shorter work hour system + Number of employees using the earlier / later work hour system	Days	2,724	2,839	2,900	•	•	•	
Number of employees who took family care leave	Male	Persons	50	22	32				
	Female	Persons	90	70	71	•	•	•	
	Total	Persons	140	92	103				
Number of employees using telecommuting system		Persons	13,241	31,008	28,769	•	•		
Number of employees who used flextime work system		Persons	2,354	4,333	3,941	•	•	•	
Ratio of flextime work system use		%	6.8	12.3	11.6	•	•	•	
Ratio of paid vacation use		%	67.0	70.8	72.9	•	•	•	
Occupational accident frequency rate		%	5.71	6.07	5.44	•	•	•	
Total days lost due to absenteeism		Days	63,690	59,980	59,037	•	•	•	✓
Absentee Rate		%	0.42	0.39	0.39				
Ratio of overtime work		%	10.9	10.4	11.2	•	•	•	
Employee turnover rate(all)	Total turnover rate	%	11.2	10.5	11.5				
	Voluntary turnover rate	%	8.3	7.8	8.0				
Employee turnover rate (Excluding Nursing Care Business)	Total turnover rate	%	7.9	6.8	9.1	•	•	•	
	Voluntary turnover rate	%	4.0	3.0	4.0				
Employee turnover rate (Nursing Care Business only)	Total turnover rate	%	18.0	17.3	15.7				
	Voluntary turnover rate	%	17.2	16.5	15.0				
Employee Engagement*6	Japan	Point	3.27	3.34	3.46	•	•	•	
	Overseas	Point	3.81	4.02	4.02				
Customer Satisfaction Rate*7		%	89.1	89.1	89.2	•			
Number of volunteers from employees*8		Persons	39,297	29,730	9,075	•	•		
Amount of money the company contributed to corporate citizenship/philanthropic activities		JPY	2,031,288,146	1,830,737,862	1,467,676,195*9	•			

*1 For FY2019 and FY2020, the number of employees at domestic and overseas consolidated companies are counted. For FY2021, the number of employees at domestic group companies and overseas consolidated companies are counted.
*2 Data from domestic companies (as of April 1st) and overseas consolidated companies (as of December 31).
*3 We count managers in departments involved in the output of products and services such as sales excluding support functions such as HR, Legal, IT.
*4 We count STEM (Science, Technology, Engineering, or Mathematics) related employees who have skills on mathematic or IoT such as actuaries, web developer, etc.
*5 We have a provision for paid maternity and paternity leave over and above the legal requirement.
*6 We use Q12 provided by Gallup in our engagement surveys.
*7 Sompo Japan conducts customer satisfaction survey to customers who were involved in car accidents by sending them questionnaire upon insurance payment.
*8 Total number of Group employees and agency employees.

*9 Breakdown/Type of Contributions in FY2021 (Currency: JPY)

Cash contributions	1,467,676,195
Time: employee volunteering during paid working hours - Converted into money based on labor cost	3,109,375
In-kind giving: product or services donations, projects/partnerships or similar	51,480,000
Management overheads	612,540

Contributions for trade associations or tax-exempt groups: JPY 147,841,122

Category of Contribution in FY2021

Charitable Donations	9.7%
Community Investment	86.4%
Commercial Initiatives	3.8%
TOTAL	100%

Amount of Contributions to Initiatives in FY2021

We make monetary contribution to the following organizations as part of our commitment to initiatives in Japan and the world as well as to help resolve global social issues through business activities.

(Currency: JPY)

Purpose	Addressing social issues by cooperating with below initiatives				
Organization	WBCSD	UNGC	Council for Better Corporate Citizenship	UNEP FI	UN PRI
Amount of Contribution	12,033,000	1,110,000	220,000	2,672,355	1,320,925

Workforce Breakdown (Gender)

Item	Unit	FY2021	Companies covered*		
			Consolidated companies in Japan		Overseas consolidated companies
			Sompo Japan	Other group companies	
<30 years old	Persons	2,883	•	•	
30-50 years old		10,590			
>50 years old		4,938			
Total		18,411			

*Data covers regular employees of Sompo Holdings, Sompo Japan, and Himawari Life.

Training & Development Inputs

Item	Unit	FY2021	Companies covered*		
			Consolidated companies in Japan		Overseas consolidated companies
			Sompo Japan	Other group companies	
Average hours per person of training and development	Hours	5.38	•	•	
Average amount spent per person on training and development	JPY	7,591			

*Data covers the amount of Sompo Japan, and Himawari Life.

Fair compensation system

Salaries are determined in accordance with role-based ranks which reflect the role and responsibility of each employee. Ranking system is structured so employees will be promoted based on their roles, responsibilities and how much they have contributed to the Group's performance. Note that same compensation system is applied to both male and female employees, thus there is no gender pay gap in the Group.

Main job classifications	Male:Female ratio (compensation system)
Officers	1 : 1
Managers	1 : 1
Non-managerial positions	1 : 1

*These figures represent average basic salary for employees in each of the main job classifications at Sompo Japan for FY2021.

Governance Data

Our Corporate Governance Overview for information on our fundamental principles and other information related to Corporate Governance.

- **Number of meetings held by the Board of Directors and the Board of Corporate Auditors as well as the participation status of the Board Members**

Record of the meetings of Board of Directors in FY2021.

Board of Directors meetings	Held: 13 times
	Attendance*: 98.0% of Directors

*In principle, all board members are required to attend all board of directors meeting.

- **Compensation for Directors and Audit & Supervisory Board Members (FY2021)**

- **Ratio between CEO compensation and employee average compensation**

Ratio of CEO compensation to employee average compensation is as follows:follows

(Currency: JPY)

Total CEO compensation	Employee compensation (average amount)	Ratio
432,000,000	11,284,115	38.29:1

Briefings for investors and analysts (FY2021)

Briefings	Times
Briefings (IR meetings) for institutional investors, analysts	2
Conference calls for institutional investors, analysts	2
Conferences organized by securities companies	7
Individual meetings	279
Briefings for individual investors	4

Number of voting rights and shares outstanding

Classification	Number of shares (shares)	Number of voting rights (units)	Details
Shares without voting rights	—	—	—
Shares with restricted voting rights (Treasury stock, etc.)	—	—	—
Shares with restricted voting rights (Others)	—	—	—
Shares with full voting rights (Treasury stock, etc.)	4,134,700	—	—
	(Crossholding stock) Commons stock: 1,800	—	—
Shares with full voting rights (Others)	342,399,900	3,423,999	—
Shares less than one unit	1,162,289	—	Shares less than one unit (100 shares)
Total number of shares outstanding	347,698,689	—	—
Total voting rights owned by all shareholders	—	3,423,999	—

(Notes)

1 The number of "Shares with full voting rights (Others)" includes 1,000 shares of common stock (10 units of voting rights) in the name of Japan Securities Depository Center, Inc., and 961,300 shares of the Company's common stock (9,613 units of voting rights) held by Mizuho Trust & Banking Co., Ltd. (retrusted to Custody Bank of Japan, Ltd.) under Board Benefit Trust (BBT). These 9,613 units of voting rights are not exercised.

2 Number of common stock in "Shares less than one unit" includes 40 shares of treasury stock held by the Company, 76 shares in the name of Japan Securities Depository Center, Inc. and 63 shares in crossholding stock (held by Hitz Insurance Service Corporation).

Compliance training

Item	Unit	FY2019	FY2020	FY2021	Companies covered*		
					Consolidated companies in Japan		Overseas consolidated companies
					Sompo Japan	Other group companies	
Ratio of employees who received compliance training	%	98.8	97.5	98.3	•	•	•

*Excluding the data of Sompo Care Inc

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.

Whistleblowing System

The number of whistleblowing cases which the group received in FY2021 was as below.

Item	Unit	FY2021	Companies covered		
			Consolidated companies in Japan		Overseas consolidated companies
			Sompo Japan	Other group companies	
Number of whistleblowing cases	cases	256*	•	•	•

*The number of reports and consultations regarding human rights violations, including harassment, received in FY2021 was 175 (including questionable cases). Also, there were no significant cases of violations involving the payment of fines to the authorities in FY2021.

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 FY2021.

<FY2021: Number of complaints received about personal information>

Item	Overview	Number of complaints received
Misdelivery	Delivery to the wrong person	33
Third party disclosure	Disclosure of confidential information to third party without the prior consent	23
Other	Personal information-related complaints other than the above	40
	Annual total	96

*The number of complaints received from the regulatory authority was zero regarding the above.

Comparative Table of Stakeholder Capitalism Metrics

Sompo Holdings endorses the Stakeholder Capitalism Metrics (hereinafter referred to as “the metrics”) developed under the leadership of the International Business Council (IBC) of the World Economic Forum.

The metrics define universal and comparable disclosures by companies across countries and industries in order to render stakeholder capitalism measurable.

The metrics consist of four categories—Principles of Governance, Planet, People, and Prosperity—and corresponding sets of 21 core metrics and 34 extended metrics. The table below shows the status of disclosure for each standard relevant to the Sompo Group’s businesses.

Principle of Governance

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 2022 (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 2022 (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 2022 (SOMPO’s Purpose) Management System

Comparative Table of Stakeholder Capitalism Metrics

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 2022 (Corporate Governance Executive Compensation Structure) Major ESG Data (Governance Data) Corporate Governance
Risk and opportunity oversight	**Economic, environmental and social topics in capital allocation framework** How the highest governance body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments	Management System Response to Recommendations of the Task Force on Climate-related Financial Disclosures Group Management Philosophy, SOMPO's Purpose, and Materiality SDGs in Business Management

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 2022 (SOMPO Climate Action)
	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 Integrated Annual Report 2022 (SOMPO Climate Action)
	Impact of GHG emissions Report wherever material along the value chain (GHG Protocol Scope 1, 2 & 3) the valued impact of greenhouse gas emissions. Disclose the estimate of the societal cost of carbon used and the source or basis for this estimate.	Major ESG Data (Reporting of Greenhouse Gases (GHGs))

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 2022 (Corporate 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)
	Human rights review, grievance impact and modern slavery 1. 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
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)

Comparative Table of Stakeholder Capitalism Metrics

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)
	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 2022 (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))
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 2022 (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)
Innovation of better products and services	**Social value generated** Percentage of revenue from products and services designed to deliver specific social benefits or to address specific sustainability challenges	IR Library: IR Presentation—Progress of Mid-Term Management Plan (November 2022) Integrated Annual Report 2022 (Business At a glance)
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 FY2021 / Amount of Contributions to Initiatives in FY2021)
	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

When disclosing sustainability information, the Sompo Group consults the Global Reporting Initiative (GRI) Standards. The tables below list the general, economic, environmental, and social metrics to be disclosed under the GRI Standards and the web pages where the information is published.

For the economic, environmental, and social metrics, the tables show the web pages for aspects that are material (items selected as important) to the Sompo Group.

Standard Disclosure

Disclosures No. GRI Standard	Requirements	Page References (or Reasons for Omission)
Organizational profile		
102-1	a. Name of the organization.	▶ Corporate Profile
102-2	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	a. Location of the organization's headquarters.	▶ Corporate Profile
102-4	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	a. Nature of ownership and legal form.	▶ Corporate Profile
102-6	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	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 ▶ Financial Highlights
102-8	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	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	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 2022 p.196-200 (Segment information)
102-11	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)

GRI Content Index

102-12	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	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	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	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) [Topics] ▶ Toward the Realization of SOMPO's Purpose ▶ SDGs in Business Management ▶ Materiality and KPIs
Ethics and integrity		
102-16	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	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	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	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	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	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	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	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
102-24	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	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	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	a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.	▶ Management System
102-28	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	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	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	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	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	a. Process for communicating critical concerns to the highest governance body.	▶ Management System ▶ Corporate Governance ▶ Corporate Governance Report
102-34	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	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 2022 (Corporate Governance Executive Compensation Structure) ▶ Corporate Governance Report
102-36	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 2022 (Corporate Governance Executive Compensation Structure) ▶ Corporate Governance Report
102-37	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 2022 (Corporate Governance Executive Compensation Structure) ▶ Corporate Governance Report
102-38	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 2022 (Corporate Governance Executive Compensation Structure)

GRI Content Index

102-39	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 2022 (Corporate Governance Executive Compensation Structure)
Stakeholder engagement		
102-40	a. A list of stakeholder groups engaged by the organization.	▶ Stakeholder Engagement
102-41	a. Percentage of total employees covered by collective bargaining agreements.	▶ Major ESG Data (Social Performance Data)
102-42	a. The basis for identifying and selecting stakeholders with whom to engage.	▶ Stakeholder Engagement
102-43	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 ▶ Key Initiatives (Stockholders / Investors-Solutions for Environmental Issues) ▶ Addressing ESG Issues in Sompo Group Business Operations
102-44	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	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 2022 (Corporate Data, The Company, Subsidiaries, and Affiliates)
102-46	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	a. A list of the material topics identified in the process for defining report content.	▶ SDGs in Business Management ▶ Materiality and KPIs
102-48	a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	Not applicable
102-49	a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	▶ SDGs in Business Management
102-50	a. Reporting period for the information provided.	▶ Overview of Sustainability Communication (Covered Organization)
102-51	a. If applicable, the date of the most recent previous report.	▶ Overview of Sustainability Communication (Publication Period)
102-52	a. Reporting cycle.	▶ Overview of Sustainability Communication (Publication Period)
102-53	a. The contact point for questions regarding the report or its contents.	▶ Overview of Sustainability Communication (Planning and Editing)
102-54	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 2022 has been prepared in accordance with the Core option of the GRI Sustainability Reporting Standards.
102-55	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	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	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	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	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

ECONOMIC

Disclosures No. GRI Standard	Requirements	Page References (or Reasons for Omission)
Economic Performance		
103-1	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	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	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

GRI Content Index

201-1	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.	▶ Financial Highlights ▶ Investor Materials ▶ Major ESG Data (Governance Data)
201-2	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.	▶ Materiality identification process ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Key Initiatives – Business partners: Mitigation of Climate Change ▶ Key Initiatives – Communities: Adaptation to Climate Change ▶ Key Initiatives – Agencies: Mitigation of Climate Change ▶ Assurance by a Third-Party Organization ▶ Addressing ESG Issues in Sompo Group Business Operations ▶ SOMPO Climate Action
201-3	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 2022 (Retirement Benefits Outline of retirement benefit plans)
201-4	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 applicable
Indirect Economic Impacts		
103-1	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) ▶ Materiality identification process ▶ Back numbers of CSR –KPIs (FY2020)
103-2	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	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	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) ▶ 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 ▶ Supporting Reconstruction after the Large-Scale Disasters
203-2	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 ▶ Key Initiatives – Communities: Adaptation to Climate Change ▶ Key Initiatives – Stockholders / Investors: Solutions for Environmental Issues
Anti-corruption		
103-1	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	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 System ▶ Global Business Expansion
103-3	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 System
205-1	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	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	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. / GRI Standard	Requirements	Page References (or Reasons for Omission)
Materials		
103-1	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 ▶ Materiality identification process ▶ Back numbers of CSR –KPIs (FY2020) ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Stakeholder Engagement
103-2	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	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	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) ▶ Key Initiatives – Business partners: Mitigation of Climate Change
301-2	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	▶ Major ESG Data (Environmental Performance Data)
301-3	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)
Energy		
103-1	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 ▶ Materiality identification process ▶ Back numbers of CSR –KPIs (FY2020) ▶ Response to Recommendations of the Task Force on Climate-related Financial Disclosures ▶ Stakeholder Engagement
103-2	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	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	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	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	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	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	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	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	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	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	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 applicable
304-2	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.	▶ Key Initiatives – Civil society groups: Conservation of Biodiversity
304-3	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.	▶ Key Initiatives – Civil society groups: Conservation of Biodiversity
304-4	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 applicable
Emissions		
103-1	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 ▶ Materiality identification process ▶ 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	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	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	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.	▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
305-2	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.	▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
305-3	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.	▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
305-4	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	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.	▶ Major ESG Data (Environmental Performance Data) ▶ Assurance by a Third-Party Organization
305-6	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 applicable
305-7	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 applicable

Environmental Compliance		
103-1	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	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	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	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 applicable

SOCIAL

Disclosures No. GRI Standard	Requirements	Page References (or Reasons for Omission)
Training and Education		
103-1	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	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	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	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	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.	▶ Key Initiatives – Employees: Building Resilient Organizations through Human Resources Development
404-3	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	▶ Key Initiatives – Employees: Building Resilient Organizations through Human Resources Development
Diversity and Equal Opportunity		
103-1	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	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	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	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	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	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 ▶ Key Initiatives – Employees: Respect for Human Dignity and Rights ▶ Addressing ESG Issues in Sompo Group Business Operations

GRI Content Index

103-2	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 ▶ Key Initiatives – Employees: Respect for Human Dignity and Rights
103-3	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 ▶ Key Initiatives – Employees: Respect for Human Dignity and Rights
412-1	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	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) ▶ Key Initiatives – Employees: Respect for Human Dignity and Rights
412-3	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	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 ▶ Materiality identification process ▶ Back numbers of CSR –KPIs (FY2020) ▶ Stakeholder Engagement
103-2	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	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	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.	▶ Key Initiatives – Civil society groups: Prevention of Road Traffic Accidents ▶ Key Initiatives – Civil society groups: Conservation of Biodiversity ▶ Key Initiatives – Communities: Evaluation of CSR Programs
413-2	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 applicable

Public Policy		
415-1	Political Contributions	▶ Value of political contributions*1
Customer Privacy		
103-1	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	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/company/compliance/privacy/ (In Japanese)
103-3	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/company/compliance/privacy/ (In Japanese)
418-1	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.	▶ Key Initiatives – Customers: Providing the Highest Possible Quality of Service ▶ Number of complaints concerning customer privacy from regulatory body*2
Socioeconomic Compliance		
103-1	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	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 System ▶ Global Business Expansion
103-3	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 System
419-1	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 applicable

*1 In FY2021, Sompo Japan made political donations amounting to 13.1 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 FY2021, there was no complaints concerning customer privacy from regulatory body.

Third Party Comments

Third Party Opinion of the Sompo Group's 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.
https://blog.canpan.info/iihoe/ (in Japanese)

This third-party opinion is based on the information available in the CSR and sustainability section of the Sompo Holdings website, the integrated annual report released in August 2022, and with reference to interviews with personnel from SOMPO Care and those from the Administration, Human Capital, CSR/Sustainability, and Social Contribution Departments of Sompo Japan Insurance. It concerns activities undertaken in fiscal 2021 and those ongoing in fiscal 2022 (until the end of November 2022).

In addition to the ongoing implementation of CSR and sustainability initiatives, the Sompo Group has defined policies for medium- and long-term material issues, and I believe the Group has reached the stage where it ought to step up its collaboration with external parties and further its efforts to solve social issues and promote value creation, including business model development.

Areas Evaluated Highly

- On the topic of management geared towards achieving the corporate purpose, the Group has articulated the three values it seeks to provide to society and the driving force behind their implementation currently rests with the motives (My Purpose) of the employees themselves. I commend the fact that these values continue to be confirmed and shared. I also highly evaluate the fact that the Group has set KPIs for achieving its purpose and is disclosing its progress towards attaining them. I continue to look forward to seeing the Group forecast the kind of social issues it needs to address and expand its KPIs to include reductions in greenhouse gas (GHG) emissions and respect for human rights, among other indicators, so that its social values 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 sustainability/CSR issues, such as the environment and human rights, and promote collaboration on its theme park platform with various companies and NPOs/NGOs for the development, provision and evolution of solutions.
- On the topic of initiatives expected to generate social value in the Nursing Care & Senior Business, I hold a favorable view of the fact that the Group is deploying the utilization of real data as a business to other companies and government agencies. I hope that going forward the information obtained can be utilized to quantitatively grasp the contribution to the optimization of services to users and the improvement of employee motivation, and then leveraged to build out a platform that is beneficial to users and employees, not just nursing care providers. I am also still 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 & Senior Business, and 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

- On the topic of mitigating and adapting to climate change, I commend the Group for continuing to reduce its paper consumption mainly by reviewing the types of forms it uses, continuing to introduce renewable energy, establishing GHG emission reduction targets for customers to whom it extends investments and loans, responding to climate change risks and opportunities primarily by providing risk consultations and agricultural and weather index insurance services to customers, suspending the underwriting of new insurance contracts for, and investments and loans to, coal-fired power plants and coal mine developments, 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 in Japan by 46% by 2030 (compared to 2013), I continue to strongly urge the Group to expand its initiatives so that its Group companies and agencies can benefit from a knock-on effect, and so that it can assist clients in introducing renewable energy and improving business efficiency and insulation, and promote initiatives for protecting biodiversity and other resources at the Group's paper suppliers. In Japan and overseas, I would also like to see the Group support, from a financial and insurance perspective, the so-called "eco-driving campaign" and decarbonization investments. With that in mind, in order to ascertain, in concrete terms, the kind of world, customers, and Group situation it will likely encounter in the 2050s, I think the Group's TCFD scenarios need to be quantitative and more accurate. Furthermore, I still hope to see an evolution in the Group's services by way of active collaboration with agencies, business partners, and NPOs/NGOs, which is one of the Group's major strengths, to meet the requirements of the TNFD as well, and strengthen services that support the formulation of sector-specific assumption scenarios.
- On the topic of human rights initiatives, I commend the Group for (1) 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 its policy on human rights, for (2) developing consultation-oriented insurance services as a business, and for (3) conducting workplace surveys at SOMPO Care. 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 business partners, I hope to see successive developments starting with industries thought to have the biggest impact regarding human rights due diligence, the avoidance of negative impacts, and access to remedy in the event that issues do arise. 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 executives and employees, as well as those of its agencies, to receive relevant training, in light of the Group's interaction with society on multiple fronts and the fact that it holds a dominant position in numerous settings.
- On the topic of business and organizational management that takes into consideration human diversity, the approach of Sompo Japan Insurance to produce a manual on how to interact with senior citizens and people with disabilities, as well as the Group's definition of HR 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 and I also expect the Group to continue to expand its system for nurturing the next generation of globally active senior management by providing training to validate assumptions in preparation for the market and business environment of the future. I would also like to see the Group encouraging the creation of communities where people with disabilities and other minority employees can share their experience and knowledge and mutually support each other in the context of their stage in life. I also want to see the continued use of easy-to-understand Japanese, for not only the benefit of foreigners in Japan, but to assist customers with dementia or other disorders.
- On the topic of maintaining and improving the health of employees and providing a supportive workplace, it is positive that 25% of employees now use leave, shorter working hours, and teleworking schemes designed to accommodate childcare, elderly care, and nursing care 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.
- On the topic of social contribution activities in the area of culture and art, I highly rate the Group's efforts to create various opportunities, for example, by operating an art museum and hosting workshops. Going forward, I hope to see such initiatives evolve with a view to the connections between art, including the fine arts, culture, and finance, as well as the development and provision of platform functions for companies and operators of art museums.

Response to Third-Party Opinion

Ryoko Shimokawa

Group CSuO, Senior Vice President and Executive Officer



I would like to thank Mr. Kawakita again for his assessment of the Group's efforts to solve social issues to achieve SOMPO's Purpose, as well as for his advice on improvements and expectations of further progress. Mr. Kawakita has been providing third-party opinions on our reports since 2001. We have found his informed opinions, which are attuned to changes in the external environment and the Group's initiatives, to be very useful in advancing specific discussions within the Company.

In this year's third-party opinion, he gave us high marks for our management framework, which identifies the value that SOMPO provides to society, sets KPIs for achieving this, and manages its progress. This framework is one of the strengths of the Sompo Group, and we intend to make it even more effective so that each of our businesses can provide solid value to its customers, business partners, and other stakeholders. On the other hand, I recognize that, as Mr. Kawakita mentioned among his expectations, putting this framework into practice in the workplace is extremely important. We will work to ensure that each and every employee of the Group sees this as one's own personal matter, while also working to promote purpose dissemination and culture change, with My Purpose as the starting point.

Looking to future issues, Mr. Kawakita also mentioned that he would like to see us expand our initiatives to address environmental issues, such as the reduction of greenhouse gases and consideration for biodiversity in the procurement of paper, and to promote the evolution of related services, with the involvement of insurance agencies, business partners, and other key partners of the Group, which is mainly engaged in the insurance business. For the Sompo Group, insurance agents are the starting point for customer contact, so we will work to gain their understanding and sympathy for efforts to solve social issues, discuss specific measures to be taken, and work together with our business partners to realize a better society through dialogue. Mr. Kawakita also raised the issue of how to deal with human rights risks, which Japanese companies have been taking steps to address in recent years. This reminded me once again that we have an important responsibility to not only develop our own framework for dealing with human rights risks, but to leverage our risk management knowledge and know-how to encourage a human rights transformation among our business partners. Although we are already developing products and services in this domain, further measures, such as industry-specific risk analysis, will lead to social transformation and the acquisition of economic value for the Group.