SOMPO



Sompo Holdings
Sustainability Report 2024

Sompo Holdings, Inc.

Sompo Holdings

Sustainability Report 2024

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Editorial Policy

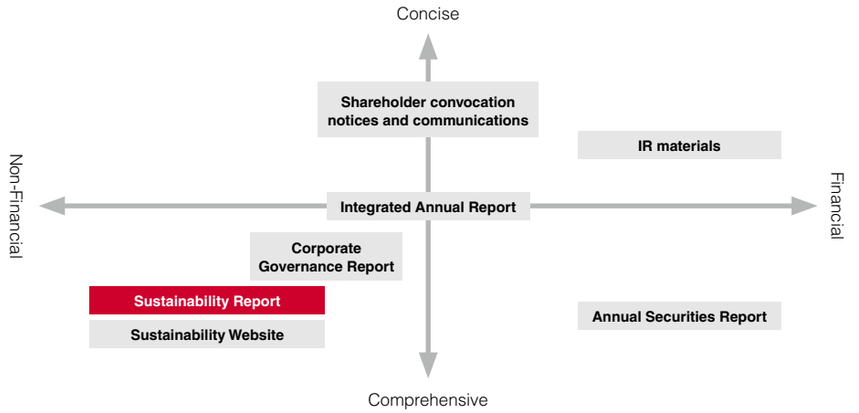
The purpose of the Sompo Holdings Sustainability Report 2024 is to communicate the Group's environmental (E), social (S) and governance (G) initiatives to a wide range of stakeholders, including shareholders, investors and business partners.

Because it is intended to serve as a tool for engagement with all stakeholders, this report was compiled based on international guidelines such as the United Nations Global Compact and the GRI Standards.

Overview of information dissemination

The Sustainability Report is a comprehensive and systematic summary of the Group's most recent sustainability information.

By reading this report in conjunction with the Integrated Report 2024, which is being published simultaneously, readers can review the progress and data associated with our ESG initiatives, as well as their relevance to our business strategy.



Web Reference data

- Integrated Annual Report 2024
- Sustainability Website
- Investor Materials
- Corporate Governance Report
- Annual Securities Report (in Japanese)

Reporting period

This Report relates mainly to initiatives from April 1, 2023, to March 31, 2024, but also contains some latest initiatives and policies to provide updated information.

Scope of this report

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

Publication period

Japanese version: August 2024 English version: October 2024
(Previous issue date: March 2024)

Referenced guidelines

- GRI Sustainability Reporting Standards
- ISO 26000: International standard on social responsibility
- SDG Compass: The guide for business action on the SDGs
- TCFD recommendations
- ISO 14064-1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- Sustainability Reporting Guidelines—SPI Report Guide, Network for Sustainability Communication
- The Ten Principles of the United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- Charter of Corporate Behavior and Its Implementation Guidance, Keidanren (Japanese Business Federation), the 9th version

Planning and editing

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Disclaimer

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

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SOMPO's Purpose

We have rephrased SOMPO's Purpose to make it easier for all stakeholders to understand: "For a future of health, wellbeing and financial protection."
This new phrase expresses the Group's desire to provide services that go beyond insurance, paving the way for a future of health, wellbeing and financial protection.
In promoting initiatives to embody SOMPO's Purpose, we have established three values, "Integrity," "Self-motivation," and "Diversity" as SOMPO's Values, which all executives and employees of the Group wish to cherish.
We will use SOMPO's Values as the basis for decisions and actions as we will work to embody SOMPO's Purpose.



SOMPO's Purpose

For a future of health, wellbeing and financial protection



SOMPO's Values

Integrity

Doing what's right for society and the people.

Self-motivation

Thinking for oneself and taking on challenges without being constrained by precedents.

Diversity

Welcoming diverse opinions and taking in their thoughts and feelings.







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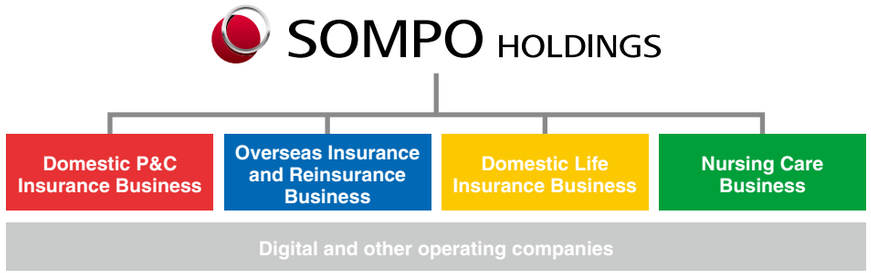
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About the Sompo Group

The Sompo Group's businesses

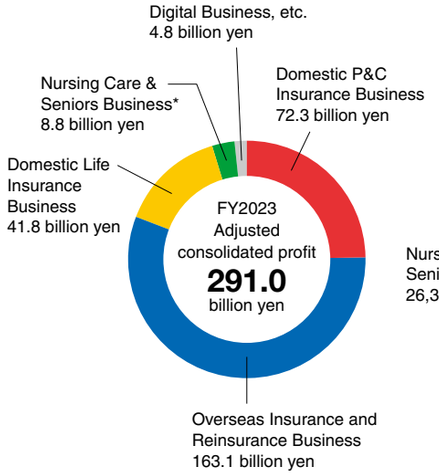
Business structure

The Sompo Group is pursuing a business strategy centered on its core businesses: the Domestic P&C Insurance Business, the Overseas Insurance and Reinsurance Business, the Domestic Life Insurance Business, and the Nursing Care Business.

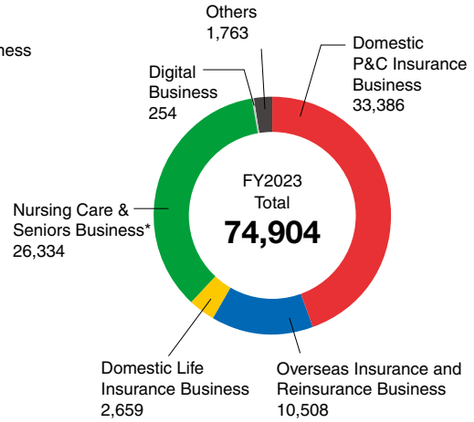


Web Reference data: List of Group Companies

Adjusted consolidated profit for FY2023
(segment information)



Number of officers and employees at the end of FY2023
(officers + employees + temporary employees)



*The Nursing Care & Seniors Business has been renamed the Nursing Care Business as of April 1, 2024.

Domestic P&C Insurance Business

This business, which provides insurance products and services tailored to the needs of customers in Japan, consists of Sompo Japan Insurance Inc., which is the core Group company, as well as Saison Automobile and Fire Insurance Company, Limited, a direct sales company; Sompo Japan DC Securities Inc., a defined contribution pension plan business; and Sompo Risk Management Inc., which provides risk management services.

Overseas Insurance and Reinsurance Business

The Overseas Insurance and Reinsurance Business is led by Sompo International Holdings Ltd. and operates in the United States, the United Kingdom, continental Europe, Latin America, the Middle East, and Asia, providing high-quality insurance and insurance-related services. As the Group's growth driver, the company has continued to grow steadily in terms of both business scale and profitability, and has established itself as a leading provider in the global P&C insurance market.

Domestic Life Insurance Business

Sompo Himawari Life Insurance Inc. provides Insurhealth®, a new value combining the traditional role of life insurance to prepare for any possibility with day-to-day healthcare support functions, thereby establishing itself as a health support company that assists customers in improving their health.

Nursing Care Business

With Sompo Care Inc. at its core, this business offers a full lineup of wide-ranging services, from home care to facility care, and is taking on the challenge of resolving the growing gap between the supply and demand of nursing care personnel, a social issue, through the use of digital data and other means.

Under the two goals of "increase resilience" and "connect with customers and deliver connected services" stated in the Mid-Term Management Plan for fiscal 2024 to 2026, we will pursue sustainable enhancement of corporate value by focusing on three business domains: the Domestic P&C Insurance Business, which is working to regain trust and increase resilience; the Overseas Insurance and Reinsurance Business, which will drive the expansion and growth of the Group; and Wellbeing Business, which will drive medium- to long-term growth in the Domestic Life Insurance Business and Nursing Care Business.

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Group CSuO (Chief Sustainability Officer) Message



Ryoko Shimokawa
Group CSuO

As Chief Sustainability Officer of Sompo Holdings, I strongly feel the influence of our stakeholders on our position in society and our need to face them and continuously review the way we conduct our business. I believe this will lead not only to our medium- to long-term growth but also enhance the sustainability of society. Accordingly, I listen to the views of our stakeholders and reflect them in our internal decision-making as a member of the management team.

I also work to promote understanding among Group employees for the importance of our stakeholder relationships so they can feel pride in Sompo for the positive impact of their actions on society. In fiscal 2021, we announced 7 materialities along with SOMPO's Purpose. At Sompo, we positioned these materialities as 'priority issues for realizing our Purpose' the Group must address to realize social value.

For our Medium-Term Management Plan starting in fiscal 2024, we took into account the internal environment, including impacts from issues we face in Japan, and engaged external stakeholders such as customers, investors, NPOs/NGOs, and domestic and overseas experts. At the same time, we re-expressed our Purpose as being "For a future of health, wellbeing and financial protection", while the management team held numerous discussions on what it means to realize our Purpose, what we aim to achieve from a long-term perspective, and what material issues we should address to achieve these aims. "Description of Purpose" is a collection of these discussions.

Inherent in "Description of Purpose" are the material issues we aim to solve. The CEOs of each business participated in the review process, and defined the issues they face as well as their specific approaches and goals to resolve them. Each business will work to put these into practice over the next three years.

For the Group to continue to earn the trust of its stakeholders and its value to society, we believe it is important for executives and employees in our businesses to work together to realize the Purpose of Sompo Group, and enable as many employees as possible to find the alignment of their own aspirations with those of the Group.

In publishing this report, we asked one of the Group's stakeholders Hideto Kawakita of IIHOE, to give a third-party opinion. He talked with various divisions within the Group, and advised us on how to meet expectations and resolve issues. From the issues he pointed out, we are once again reminded of the importance of thinking from the customer's perspective, and we will work closely to reflect his advice in the efforts being made by each of our businesses.

This report is intended to provide stakeholders with an easily understood description of the Group's comprehensive efforts to create value and contribute to the environment and our society. We hope you will read this report alongside our Integrated Report 2024, which describes our efforts to regain trust and our growth strategies, and we appreciate your frank opinions, suggestions, and impressions of our efforts.

Finally, I would like to express our gratitude to Hideto Kawakita for his third-party opinion, and to our stakeholders for sharing their opinions through our dialogue on Sompo Group's material issues.

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SOMPO's Purpose and Description of Purpose

What does a future of health, wellbeing and financial protection that we strive to create look like?
What social issues do we face and what kind of long-term vision do we aim for as we work to create this future?
What strategies should each of Sompo's businesses have, and what value should each provide to achieve this?
After engaging in a series of management discussions, we formulated "Description of Purpose."
We have positioned "Description of Purpose" as the Group's priority issues for realizing SOMPO's Purpose and each business will work to challenge them by carrying out their respective strategies.

*We view "Description of Purpose" as a form of Materiality. Please refer to the next page onward for the process used to formulate "Description of Purpose."



SOMPO's Purpose

For a future of health, wellbeing and financial protection

Description of Purpose

For a future of health, wellbeing and financial protection



Sompo prioritizes health, wellbeing and financial protection to create opportunities for everyone we serve, from individuals to enterprises.

In a rapidly changing world and shifting demographics that demand resilience and adaptability, we are steadfast in our commitment to build on insight and meticulously craft solutions for the future.





We leverage our deep collective expertise to connect across boundaries and beyond geographies, to deliver a collaborative and connected partnership that meets the unique aspirations and risk management needs of those we serve.



For a future of health, wellbeing and financial protection.
We are SOMPO Group.

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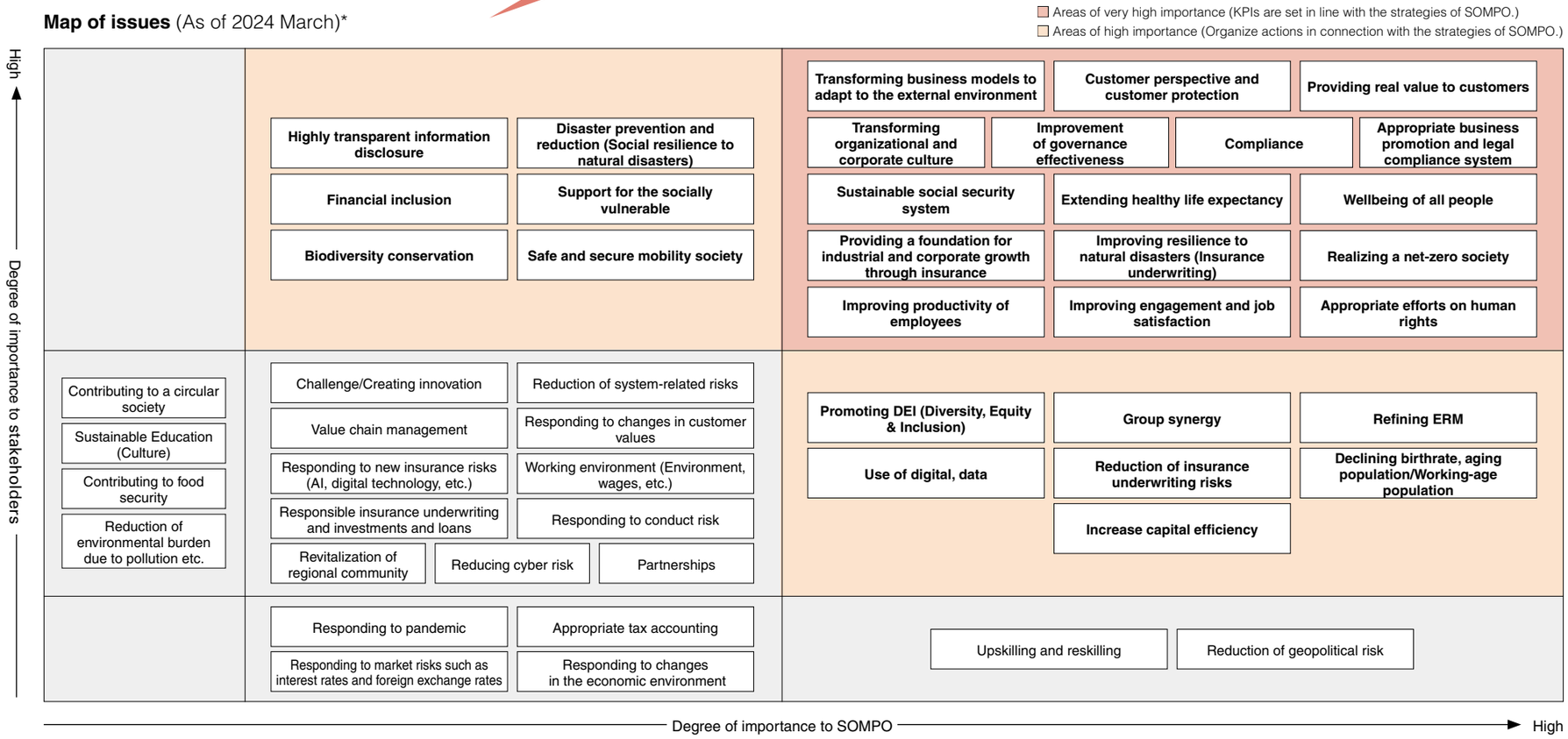
Process of Formulating "Description of Purpose"

In formulating "Description of Purpose," we conducted a quantitative and qualitative assessment of the impact on the SOMPO Group and on society of the issues we comprehensively identified based on international guidelines and the SDGs, etc. (Process 1), and prioritized the results by engaging in both external dialogue with customers, investors, non-governmental organizations, experts, partners, and other stakeholders as well as holding internal discussions among management (Process 2).

After undergoing these processes, we created the following map and identified 16 issues of very high importance and 13 issues of high importance.

PROCESS 1 Identify issues → **PROCESS 2** Prioritize issues → **PROCESS 3** Link key issues to strategies and KPIs → **PROCESS 4** Express as "Description of Purpose"

Map of issues (As of 2024 March)*



*With regard to issues and their prioritization, we perform an annual analysis to confirm whether revisions are necessary, taking into account changes in the external environment and the Group's business strategies, as well as the requests from stakeholders.

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Process of Formulating "Description of Purpose"

For the 16 critical issues, we identified which businesses, strategies and specific initiatives should be taken to resolve them, and set financial and non-financial KPIs for each (Process 3). We then clearly articulated these issues that we need to solve, as well as the strategies to implement and values to provide in order to create the future we strive for, in "Description of Purpose" for both internal and external stakeholders (Process 4).

PROCESS 1 Identify issues → **PROCESS 2** Prioritize issues → **PROCESS 3** Link key issues to strategies and KPIs*1 → **PROCESS 4** Express as "Description of Purpose"

Sompo Group's high priority issues (■: Issues in the areas of very high importance) (□: Issues in the areas of high importance)	Strategy	Related financial and non-financial KPIs	Disclosure document and references
Providing a foundation for industrial and corporate growth through insurance	P&C Business Strategy	Domestic P&C Insurance Business: SJ-R Financial and Profitability KPIs (E/I combined ratio, etc.) Overseas Insurance and Reinsurance Business: Financial KPIs (gross premiums written, E/I combined ratio, etc.)	Integrated Annual Report 2024 (New Mid-Term Management Plan)
Transforming business models to adapt to the external environment		SJ-R Financial and Resilience KPIs (ratio of long-term contracts for fire insurance, etc.), Volatility and Capital Efficiency KPIs (amount of domestic wind and flood insurance income, etc.), Profitability KPIs (E/I combined ratio, etc.)	Integrated Annual Report 2024 (New Mid-Term Management Plan, Domestic P&C Insurance Business)
Improving resilience to natural disasters (Insurance underwriting)			Response to TCFD and TNFD / Climate Change-related Initiatives / Nature-related Initiatives / ESG Risk Management / Integrated Annual Report 2024 (Domestic P&C Insurance Business and SJ-R)
Customer perspective and customer protection		SJ-R Non-financial and Business Process (including quality) KPIs (customer CSI, etc.)	Improving the Quality of Customer Services / Integrated Annual Report 2024 (Domestic P&C Insurance Business and SJ-R)
Improving the Quality of Customer Services			
Compliance			Compliance / Integrated Annual Report 2024 (Domestic P&C Insurance Business and SJ-R)
Appropriate business promotion and legal compliance system			
Disaster prevention and reduction (Social resilience to natural disasters)		—	Disaster Prevention and Mitigation (Improving Society's Resilience to Natural Disasters)
Safe and secure mobility society		—	Contributing to a Safe and Secure Mobility Society
Financial inclusion		—	Financial Inclusion and Promoting Insurance for All Kinds of People and Risks
Reduction of insurance underwriting risks		SJ-R Financial, Volatility, and Capital Efficiency KPIs (deemed earnings improvement rate)	Integrated Annual Report 2024 (Domestic P&C Insurance Business and SJ-R)
Refining ERM		SJ-R Financial, Volatility, and Capital Efficiency KPIs (Reduction of amount of strategic holding stocks)	ERM / Integrated Annual Report 2024 (Domestic P&C Insurance Business and SJ-R, Financial Strategy)
Increase capital efficiency			
Improving productivity of employees		Domestic P&C Insurance Business: SJ-R Non-financial, Mechanization, IT, Data, and Digital Management KPIs (mechanization progress rate, etc.) Nursing Care Business: Indicators for in-house egaku	Talent Development / Wellness Management
Use of digital, data		—	Integrated Annual Report 2024 (Data and Digital Strategy)
Wellbeing for all people	Wellbeing Business Strategy	Domestic Life Insurance: no. of Himawari clients/users, no. of health actions Nursing care business: Indicators related to Advance Care Planning	Integrated Annual Report 2024 (Wellbeing)
Sustainable social security system			Contributing to a Sustainable Social Security System
Extending healthy life expectancy			Extending Life Expectancy
Declining birthrate, aging population/Working-age population			
Group synergy		—	
Transforming organizational and corporate culture	HR strategy (including corporate culture transformation)	All Group businesses: Engagement score Domestic P&C Insurance: SJ-R Non-financial (corporate culture) KPIs (culture survey) Domestic Life Insurance: White 500	Integrated Annual Report 2024 (Regain Trust)
Improving engagement and job satisfaction			Value Creation Story to Realize SOMPO's Purpose / Talent Development / Wellness Management
Appropriate efforts on human rights		—	Human rights
Promoting DEI (Diversity, Equity & Inclusion)		All Group businesses: Ratio of female officers, branch managers and managers, ratio of employees with disabilities, number of harassment cases recognized, ratio of male employees who take childcare leave, ratio of female candidates in succession plan Nursing care business: Number of strategic hires	Integrated Annual Report 2024 (HR strategy) / DEI (Diversity, Equity & Inclusion)
Realizing a net-zero society	ESG	All Group businesses: GHG Scope 1-3 (excluding Category 15) emissions, GHG Scope 3 Category 15 emissions of investments and loans, Transition Insurance Target	Group Environmental Policy/SOMPO Climate Action / Leadership on Global Environmental Issues / Response to TCFD and TNFD / Climate Change-related Initiatives
Biodiversity conservation			Response to TCFD and TNFD / Nature-related Initiatives
Support for the socially vulnerable		—	Financial Inclusion and Promoting Insurance for All Kinds of People and Risks / Corporate Citizenship Activities / Initiatives of Supporting Activities and Researches for Social Welfare
Improvement of governance effectiveness		—	Corporate Governance
Highly transparent information disclosure			—

→ **Description of Purpose***2

*1 This table is an organized list of the Group's high-priority issues and the main strategies and KPIs associated with them.
*2 "Description of Purpose" has been approved by the Group CEO (Director) following discussions at the Group Executive Committee, and has been presented to the Board of Directors.

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Sustainability Vision and Policy

Sompo Group has established the following policies, including the Group Sustainability Vision, to help them fulfill their corporate social responsibilities.

Group Sustainability Vision

We, the Sompo Group will positively engage our stakeholders in forward looking dialogue, respect international standards and codes of conduct, address environmental issues of climate change, biodiversity, and social issues of human rights and "diversity, equity and inclusion" in the course of our business operations in a transparent, fair and open manner.
By constantly maintaining a long-term outlook, and by providing services and products that contribute to security, health, and wellbeing, we will strive as a solutions provider to promote the realization of a resilient and sustainable society.

Group Environmental Policy

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

< Action Guidelines >

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

To enable continuous improvements, we will periodically review the above-mentioned activities to reflect our environmental objectives and target.

Group Policy for Human Rights

We, the Sompo Group pledge to respect human rights of our all stakeholders in global markets including our group and all value chains. We will respect the international norms of behavior*, and simultaneously act with the highest ethical standards towards an inclusive, resilient, equitable and sustainable society. Based on the perspectives set out below, we will address the human rights impacts of our activities while communicating with our stakeholders, establish an effective company approach and act, and continuously improve our approach and information disclose. We respect human dignity as the foundation of universal human rights.

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

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

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

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Sustainability Vision and Policy

Group Sustainable Procurement Policy

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

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

Policy for ESG-related Underwriting, Investments and Loans

The SOMPO Group strives to make the world more resilient. We see sustainability as a long-term driver of value, and we rely on insights gained from SOMPO's Purpose to guide our underwriting, investment, and business decision-making.

To ensure that each company in the Group fulfills its corporate social responsibility, we have established a Group Sustainability Vision and other policies, and based on these, we identify market opportunities, manage risk, and enhance our corporate value through community involvement, social responsibility, and diversity, equity and inclusion.

The Group's ESG principles on underwriting, investments, and loans is as follows.

Advancing the Energy Transition

As the most significant challenge humankind faces, we believe the world – and the financial services sector – must take meaningful climate action today. Therefore, we commit to net zero emissions in our underwriting, investments, and operations by 2050.

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 AMAP area (Arctic Monitoring and Assessment Programme)[*2].

We will not underwrite new or renewal insurance or make investments in or loans to companies whose primary business is coal[*3], or oil and gas extraction projects in the ANWR, unless a GHG reduction plan is established by January 2025[*4].

We have been a signatory to the United Nation's Principles for Sustainable Insurance (PSI) and Principles for Responsible Investment (PRI) for several years, and in order to more proactively realize the goals of the Paris Agreement, the Group has joined the Net Zero Asset Owner Alliance (NZAOA), and the Net Zero Asset Managers Initiative (NZAM).

We aim to support our customers on their sustainability journey, working with them to reduce their carbon footprint.

Advancing Social Equity

Under the Group Policy for Human Rights, the Group acts with a commitment to respecting the fundamental human rights of all stakeholders in the global marketplace.

With the aim of enabling each and every employee to maximize his or her strengths, we have positioned diversity, equity and inclusion as an important management strategy for growth, and are working to build a system and corporate culture to realize this goal.

In addition, when underwriting insurance and making investments and/or loans, and/or when entering into new partnerships with business partners (brokers, reinsurers, investment managers, lessees, vendors, etc.), we are guided by our Group Sustainability Vision and Policy.

Aspiring for Excellence in Governance

Based on the Group Sustainability Vision, the Group will make business decisions based on high ethical standards, respecting international codes of conduct and considering the interests of all stakeholders, including customers, employees, local communities, and shareholders.

In addition, we will proactively and fairly disclose transparent information to society regarding our progress toward achieving our goals, etc., in accordance with TCFD and other disclosure standards.

*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 place that are expected to reduce GHG emissions and contribute to the realization of the Paris Agreement.
*2 Defined by AMAP, excluding operations in Norwegian territories.
*3 Defined as companies that derive at least 20% of their revenues from coal-fired power generation, thermal coal mines, or oil sands, or electric utilities companies that generate at least 20% of their energy from coal.
*4 These restrictions will not apply to insurance that supports the health and wellbeing of individuals, e.g. workers' compensation insurance.

Corporate Citizenship Policy (Sompo Japan Insurance)

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

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

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Sustainability Promotion Structure

Promotion structure

Structure

The Company has established a system of sustainability governance whereby Executive Officers and Senior Vice Presidents 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.

With regard to the promotion structure, the Group Sustainable Management Committee (hereinafter referred to as "the Committee") is positioned as the parent organization for promoting sustainability throughout the Group. The Committee, whose members include the sustainability officers and CSOs of Sompo Japan, Sompo International, Sompo Himawari Life, and Sompo Care, discusses and makes decisions on ESG issues, including climate change.

The Committee also drives 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 materiality and KPIs.

By establishing a Climate Change Working Group and Sustainable Management Promotion Liaison Committee under the umbrella of the Committee, we are building a system to advance information sharing and policy implementation based on the consideration of individual issues and the content of the discussions of the Committee.

The matters discussed by the Committee are then presented to the Group Executive Committee, the Group's highest executive committee, leading to higher quality decision-making. The Board of Directors (including at preliminary briefing meetings) also receives reports on the discussions held by Group ExCo, thereby increasing the effectiveness of its supervisory functions.

Most recent discussions and reports at the Committee

Activities and Achievements

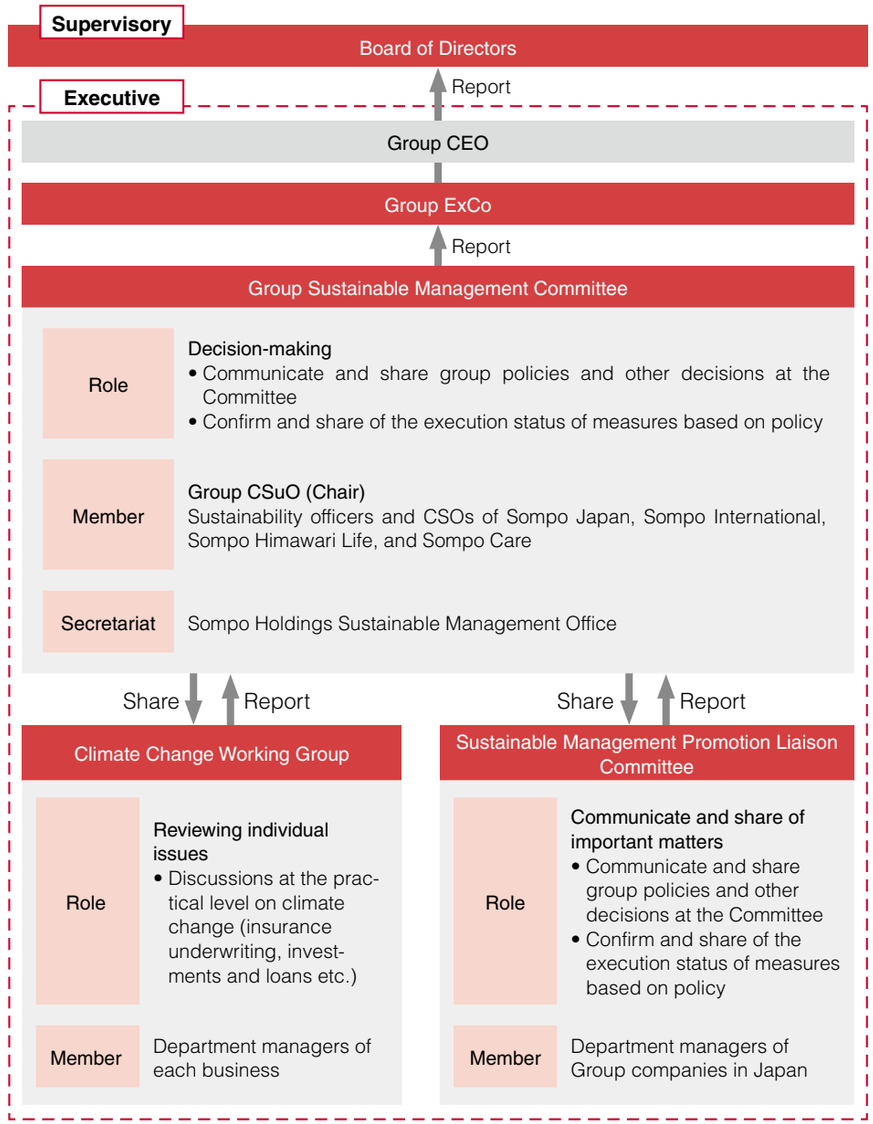
August 2023
- Progress of targets and metrics committed to under SOMPO Climate Action and status of initiatives
- Progress of Materiality KPIs

October 2023
- Policies for GHG reduction activities in and after FY2024 (Scope 1 to 3, Category 15 (including Investments and Loans))
- Setting transition insurance targets in underwriting

February 2024
- Materiality and non-financial KPI system in the next mid-term management plan
- Review of SOMPO Climate Action and action policy for FY2024 and beyond

June 2024
- Revision of Policy for ESG-related Underwriting, Investments and Loans
- GHG emissions from insurance underwriting (Insurance-Associated Emissions)

Promotion structure



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Sustainability Milestones and Impacts of Key Initiatives

Activities and Achievements

Tokyo Fire Insurance Company, Inc., one of the Group's forerunners, was established in 1888 as Japan's first fire insurance company with the mission of protecting people from the threat of fire. We have deepened our sustainability efforts in keeping with the changes of the times, which have included population decline, low birthrate and population aging, climate change, and the evolution of technology. The following is an overview of our sustainability milestones and the impacts of key initiatives to date.

Sompo Group's sustainability milestones

1888
Founded Tokyo Fire Insurance Company, Inc. (now Sompo Japan Insurance Inc.) as Japan's first fire insurance company. It set up a private fire brigade to protect customers from fire 24 hours a day, 365 days a year in Tokyo, where fires were common.



Fire extinguishing activities at that time

1965
Started the Yellow Badge Donation program

1992
At United Nations Conference on Environment and Development (Earth Summit) held in Rio de Janeiro, then President of Yasuda Fire & Marine Insurance Company (now Sompo Japan Insurance Inc.) participated as head of the Nippon Keidanren delegation.



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

1993
- Started holding Public Seminars on the Environment
- Launched Sompo Chikyu (Earth) Club, an employee volunteer organization

1997
Acquired ISO 14001 (environmental management system) certification (as first Japanese financial institution)

1998
Started to publish Report on the Environment

1999
Launched Sompo Japan Green Open Fund ("Buna no Mori") eco fund

2000
Started CSO Learning Program

2001
Issued Environmental and Social Report 2001—Sustainability Report (as first Japanese financial institution)

2011
Started SAVE JAPAN Project

2014
Started Bosai JAPAN-DA Project

2015
Entered the nursing care business in earnest



2016
- Revised Group CSR material issues in light of trends in international community

2021
- Announced SOMPO's Purpose and Materiality

2024
- Rephrased SOMPO's Purpose
- Announced "Description of Purpose"

1888 | 1965 | 1990 | 1995 | 2000 | 2005 | 2010 | 2015 | 2020

Impacts of key initiatives

Yellow Badge Donation program
60 years of continuous operation
Approx. 71.86 million badges donated
(as of April 2024)

Public Seminars on the Environment
Total of 456 events held
Approx. 44,300 total attendees
(as of March 2024)

CSO Learning Program
24 years of continuous operation
Total of 1,332 graduates
(as of March 2024)

SAVE JAPAN Project
Total of 1,088 events held
Approx. 66,000 total attendees
(as of March 2024)

Bosai JAPAN-DA Project
Total of 685 events held
Approx. 96,000 total attendees
(as of March 2024)

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Stakeholder Engagement

Activities and Achievements

Key stakeholders that influence our business activities are highly diverse. We value stakeholder engagement because we believe communicating with our stakeholders is important for understanding social issues, building relationships of trust and collaboration, and accomplishing greater results.

Stakeholder	Policy	Main communication methods	Main communication themes
Customers	To become the best service provider for our customers, the Sompo Group has established the "Sompo Group Basic Policy for Responding to Customer Feedback." Each Group company will strive to develop a system for collecting and utilizing customer feedback in accordance with the characteristics of its business.	• Customer relations office and customer call centers • Customer survey • Provide information through websites, etc.	• Improve quality of claims service • Improve products and services • Requests regarding employees and agencies of the Sompo Group
Shareholders, investors	Through the timely and appropriate disclosure of information, we aim to ensure that shareholders and investors have a suitable understanding of the Group's business conditions and status of each initiative. We also make use of input received through constructive dialogue with shareholders and investors in order to promote sustainable growth and increase corporate value.	• General Shareholders Meeting • Financial results briefings, IR meetings • Provide information through Integrated Annual Report, Sustainability Report, and Website	• Medium- to long-term company strategy • Status of achievement of the Mid-Term Management Plan • Status of initiatives in non-financial areas
Local Communities	We strive to coexist with local communities by understanding the impact of our business activities on local communities, conducting business activities that respond to their needs, and maintaining communication with them.	• Social contribution activities, volunteer activities • SAVE JAPAN Project • Partnership agreements with local governments	• Disaster prevention and mitigation in local communities • Initiatives to address environmental issues • Overall SDGs
Agencies	We value the relationship of trust we have with agencies, who are our business partners, and we will strive to provide appropriate advice and sufficient services that satisfy our customers and cooperate with each other for mutual development.	• Conduct a survey of actual conditions for insurance agencies • Establish management consultation desk	• Insurance products and related services • Promotion of sales to small and medium sized enterprises, etc. • Agency system
NPO/NGO Civil societies	We strive to understand and solve social issues through dialogue and collaboration with NPOs and NGOs in various countries.	• Regular meetings • Survey responses	• Climate change • Human rights
Business partners	Conduct fair and equitable business with partners, observe legislation and regulations, and collaborate with them to address social issues.	• Periodic requests for consideration of sustainability • Provide information through websites, etc.	• The Sompo Group's environmental and CSR procurement policies
Employees	Aiming to create an environment where employees and the Company can grow together and to strengthen our management foundation, we will build an HR system and advance HR initiatives guided by the key concepts that all employees can feel pride and satisfaction, can feel empowered in their careers and growth, and can pursue their MY Purpose.	• Town Hall Meetings between management team and employees • Engagement Survey	• The Group's and its own Purpose • Satisfaction with the work environment

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Participation in Sustainability Initiatives

Activities and Achievements

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.

Group or initiative	Overview	Sompo Group activity
United Nations Global Compact (UNGC)	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.	• Signed in 2006 • Submit an Annual Report on the status and results of the implementation of the four areas (human rights, labor, environment, and anti-corruption) and ten principles of the United Nations Global Compact
Women's Empowerment Principles (WEPs)	International principles representing seven steps companies and private organizations can take to promote and empower women.	• Signed in 2012 • Signed by Sompo Asset Management in 2018
United Nations Environment Programme Finance Initiative (UNEP FI)	The UNEP FI is an international financial sector network comprising financial institutions that aim to contribute to sustainable development.	• Signed in 1995
United Nations Principles for Responsible Investment (UN PRI)	Investment principles that require financial institutions to consider environmental, social, and governance (ESG) issues when making investment decisions.	• First Japanese insurance company to sign in 2006 • Signed by Sompo Asset Management in 2012

Group or initiative	Overview	Sompo Group activity
United Nations Principles for Sustainable Insurance (UN PSI)	Declaration by insurance companies to consider ESG issues in their business operations.	• Signed in 2012 • Participation in TCFD Insurance Working Group sponsored by PSI
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.	• GFANZ-affiliated organizations of which the Sompo Group is a member: Net-Zero Asset Owner Alliance (NZAOA) •joined in 2022 Net Zero Asset Managers Initiative (NZAM) •Sompo Asset Management joined in 2022
Partnership for Carbon Accounting Financials (PCAF)	A global industry-led initiative, consisting of financial institutions and partners, that are working to develop and implement a harmonized accounting approach to measure and disclose greenhouse gas emissions associated with their financial activities.	• Joined in 2021
World Business Council for Sustainable Development (WBCSD)	Global organization of more than 200 leading companies committed to sustainable development.	• Joined in 1995 • Only Japanese financial institution that is a member

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Participation in Sustainability Initiatives

Group or initiative	Overview	Sompo Group activity
Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) (PFA)	Principles developed to guide the actions of financial institutions to fulfill their roles and responsibilities to create a sustainable society.	• Signed by 10 Group companies (currently 6) in 2011 • Sompo Japan serves as co-chair of the Steering Committee and chair of the Insurance Business Working Group
Climate Action100+	Initiative aimed at effectively promoting the Principles for Responsible Investment (PRI) and the reduction of greenhouse gas emissions by asset owners and managers.	• Signed by Sompo Asset Management in 2018
Japan Climate Initiative (JCI)	Network established to enhance information dissemination and the exchange of opinions among non-government entities such as corporations, local governments, civic groups, and NGOs that are actively taking measures to combat climate change.	• Joined in 2018
ECO-FIRST Program, the Ministry of the Environment, Japan	Program under which environmentally advanced companies make a commitment to the Ministry of the Environment, Japan about the environmental conservation initiatives they will take in fields such as combating climate change.	• Became the first P&C insurance company to be certified in 2008
Official Supporters System of "River Basin Disaster Resilience and Sustainability by All"	Program designed to advance initiatives that contribute to watershed management, as well as to promote widespread awareness of companies and organizations committed to it.	• Sompo Japan certified in 2023

Group or initiative	Overview	Sompo Group activity
Taskforce on Nature-related Financial Disclosures (TNFD) Forum	TNFD is an international organization established to build a framework for corporate risk management and disclosure related to nature. The TNFD Forum is a stakeholder organization established to help build the framework.	• Sompo Japan Insurance joined in 2021 • Sompo Holdings signed TNFD Adopters in 2024
30by30 Alliance for Biodiversity	A coalition of companies, local governments, and groups that support the registration of "other effective area based conservation measures" (OECMs) towards achieving the international goal of "30 by 30" —preserving more than 30% of land and sea by 2030.	• Sompo Japan Insurance joined in 2022
Keidanren Initiative for Biodiversity Conservation	Initiative by companies and groups that work on multiple items of Keidanren Declaration for Biodiversity and Guideline, or agree with its overall purpose.	• Sompo Japan Insurance has been a member of the initiative since 2009, when it started as "The Declaration of Biodiversity by Keidanren" Promotion Partners.
Declarations of Partnership Building	The "Partnership Building Declaration" was established at the "Council on Promoting Partnership Building for Cultivation the Future," whose members include the Chairman of KEIDANREN, the Chairman of Japan Chamber of Commerce and Industry (JCCI), the Chairman of Japanese Trade Union Confederation (JTUC), and relevant ministers of Japan (Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure and Transport). It is a declaration of a company to build a new partnership by promoting cooperation and coexistence with business partners and value-creating businesses in the supply chain.	• The following Sompo Group companies have signed on to the declaration: Sompo Holdings Sompo Japan Insurance Sompo Himawari Life Sompo Care Sompo Health Support

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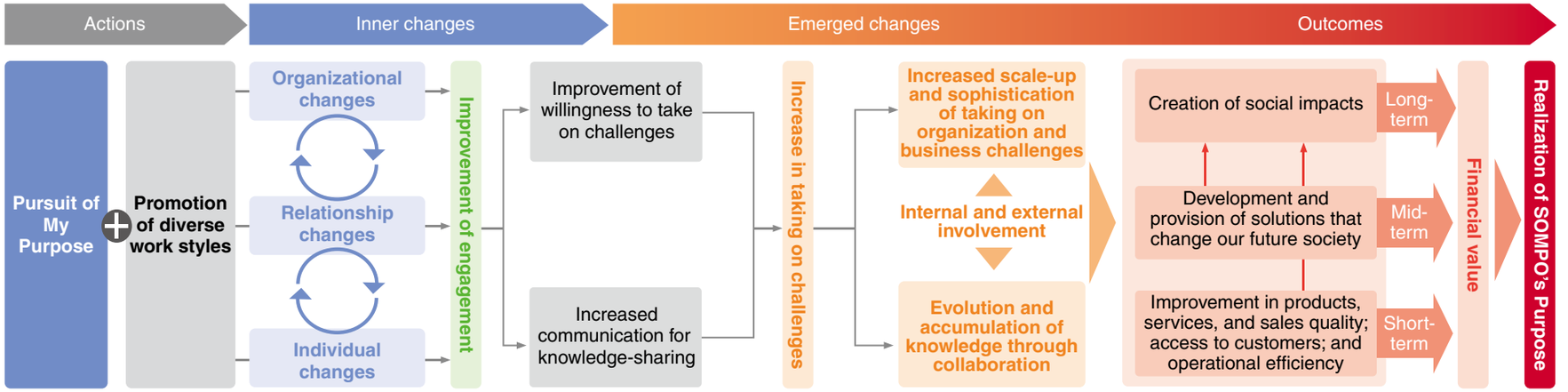
Value Creation Story to Realize SOMPO's Purpose

The Sompo Group is pushing forward with its initiatives while sharing the story of what changes it will make as it creates value to realize SOMPO's Purpose of creating "a future of health, wellbeing and financial protection" based on the pursuit of My Purpose, while illustrating this as the impact path of human capital.

This initiative has been ongoing since the previous Mid-Term Management Plan (FY2021-2023), but as seen in the series of issues regarding fraudulent automobile insurance claims and the premium adjustment practice, etc. there were challenges with the pace of implementing the initiative as well as its alignment with strategies and values, and we were unable to ensure that it permeated down to individual behavior across the Group.

During the new Mid-Term Management Plan period, we aim to enhance corporate value and realize SOMPO's Purpose by promoting corporate culture transformation initiatives, based on the pursuit of My Purpose, under a new Group Management Philosophy system built around the rephrased SOMPO's Purpose and SOMPO's Values.

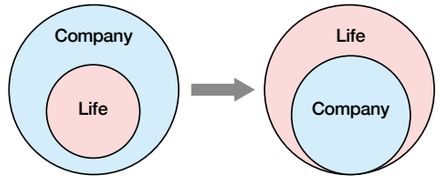
The Impact Path of Human Capital



*The impact path of human capital shows a roadmap of how actions related to pursuing My Purpose and promoting diverse work styles lead to changes that improve employee engagement within the organization (inner changes), and then to changes that encourage people to take on more challenges (emerged changes), which in turn leads to the achievement of short, medium, and long-term financial value (outcomes) and ultimately to the realization of our Purpose.

Paradigm shift in the way we work and live

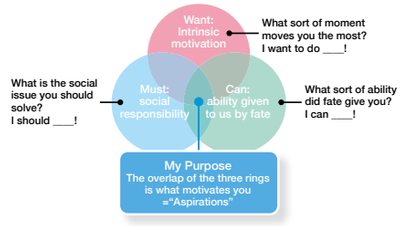
For the Group to turn its value creation story into reality, we believe it is most important for all employee to face their lives with their own purpose (My Purpose) in this era when there is a paradigm shift in the way we work and live from "positioning one's life as a part of the company" to "positioning the company as a part of one's life".



What is My Purpose?

My Purpose refers to the "purpose of life" or "meaning of work," such as what kind of person you are, what happiness means to you, and what you want to accomplish in your life. My Purpose is something that each of us already has inside ourselves.

By expressing your purpose, you can use it as a guideline as well as a driving force for your own life and career. In the Sompo Group, we first look back at our own lives and careers from the three perspectives of "Want" (intrinsic motivation), "Must" (social responsibility), and "Can" (ability given to us by fate), and refer to the overlapping parts of these perspectives as "aspirations," which is what motivates us. This is what we mean when we say My Purpose.



In the following pages, we will focus on the changes that lead to improved engagement and promoting challenges through our initiative to drive inner changes.

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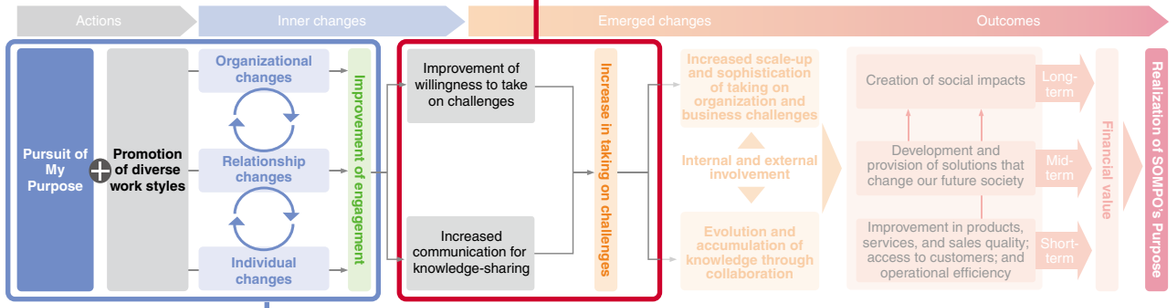
Data

Value Creation Story to Realize SOMPO's Purpose

Moving toward improving engagement and taking on challenges: Going from inner changes to emerged changes

Engagement improves through the mutual functioning of three types of changes within individuals and organizations: "individual changes," "relationship changes," and "organizational changes." With My Purpose as the starting point, we work to improve engagement by triggering the "inner changes" consisting of these three changes by taking various actions, such as spreading the concept of Purpose and promoting diverse work styles. Furthermore, we transform the improved engagement resulting from these changes into our strength and tie it into "emerged changes" that lead to taking on challenges and innovations.

In this section, we will focus primarily on topics from inner changes to increase in taking on challenges, introducing Group-wide initiatives and examples of organizational initiatives to improve engagement through the three changes, while also presenting the SOMPO Awards, a Group-wide program designed to encourage employees to take on challenges.



SOMPO Awards (p.27〜p.29)

We use the SOMPO Awards as a Group-wide awards system to turn the improved engagement that comes from inner change into a driving force that encourages employees to take on challenges and create new value. At the SOMPO Awards 2022 we brought together a diverse range of challenges from across the Group, and we all crossed the boundaries of the Group's businesses to cheer each other on.

Total entries: **993**

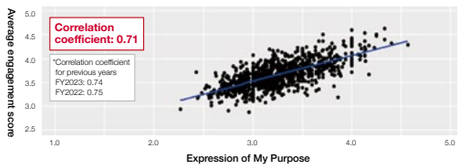
Total votes: **7,493**

Individual changes (p.18〜p.19)

We define "individual changes" as the changes that occur when each employee self-reflects while creating and deepening of their own My Purpose.

After analyzing data accumulated in-house, we found that organizations that express My Purpose tend to have higher engagement.

Correlation between the "expression of My Purpose" and "engagement score"

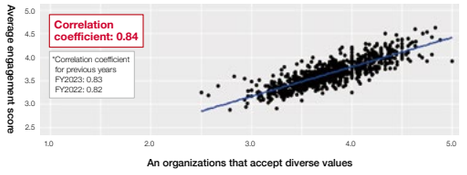


Relationship changes (p.20〜p.22)

We define "relationship changes" as the changes that occur among employees, such as increased mutual understanding and respect for each other's values, by sharing their formative experiences and visions through dialogue based on My Purpose.

After analyzing data, we found that organizations that have undergone relationship changes and respect diverse values tend to have higher engagement.

Correlation between "organizations that accept diverse values" and "engagement score"

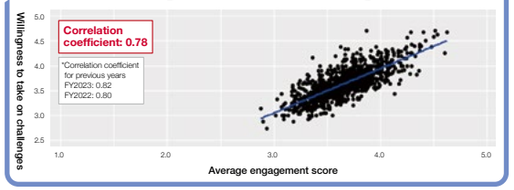


Organizational changes (p.23〜p.25)

The changes seen in organizations as they become purpose-driven through individual changes and relationship changes, such as developing a willingness to take on challenges and accelerated knowledge sharing, are called organizational changes.

After analyzing data, we have confirmed that organizations that have achieved higher engagement through organizational changes also tend to have a greater willingness to take on challenges.

Correlation between "engagement score" and "willingness to take on challenges"



Improvement of engagement

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Individual changes Group-wide initiatives

Pursuit of My Purpose + Promotion of diverse work styles → **1 Individual changes** → 2 Relationship changes → 3 Organizational changes → Improvement of engagement

The driving force behind the Sompo Group's growth is each and every employee. The first step of the transformation of the entire Group is for each and every employee to engage with their own My Purpose and bring about "individual changes."

By having each employee create their own My Purpose, they will be able to face themselves and identify what is important to them, what makes them unique, what makes them happy, and what makes them fulfilled. Realizing this while working will improve engagement and lead to willingness to take on challenges and creation of innovation based on their own intrinsic motivation.

In this section, we will introduce some of the Group-wide measures we are taking to inspire "individual changes" along with their effectiveness.

Action 1-1 Creation of My Purpose

Creation of My Purpose: Support the formulation of My Purpose

The formulation of My Purpose is not easy. However, My Purpose is something that already exists within each of us, and we support employees to help them discover and express the My Purpose inside them.

- Dialogue between a lecturer and a panelist on the topic of My Purpose -



My Purpose discovery Training

To support each employee in formulating their own My Purpose, we provide a "My Purpose Discovery Training" across the Group, with a total of 6,600 employees participating in 29 sessions to date.

For the training, we invite external lecturers to explain the background of the need for My Purpose and how to create it. In addition, we have employees who have already created one in the past share their own My Purpose and their subsequent changes, so that participants can work on creating their own My Purpose with a positive attitude.

Through these efforts, we help each and every employee engage with My Purpose by considering what kind of a person they are and what happiness means to them.

Action 1-2 Deepening of My Purpose

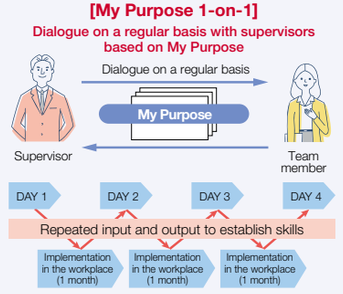
Deepening of My Purpose: [For management layer] My Purpose 1-on-1 Training

At each workplace, managers and team members engage in dialogue centered around My Purpose, and work to formulate and deepen their My Purpose.

To support team members in this effort through dialogue with managers, we have developed a Group-wide My Purpose 1-on-1 Training for all domestic managers.

The training is comprehensive and divided into multiple programs, covering everything from having managers create their own My Purpose to showing techniques on how to engage in My Purpose-based dialogue with team members.

In addition, we always include a workplace implementation period in between programs to ensure that the skills are retained through repeated input and output, while also aiming to establish a self-driven way of working based on each employee's My Purpose.

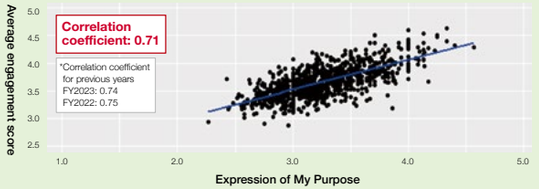


Data verification Individual changes

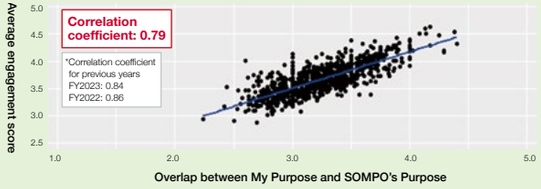
Expressing My Purpose and recognizing the overlap with SOMPO's Purpose is the foundation for increasing motivation for daily work.

Our company has found that the more the organization has expression of My Purpose and recognizes the overlap of My Purpose and SOMPO's Purpose, the higher the engagement.

Correlation between the "expression of My Purpose" and "engagement score"



Correlation between "overlap of My Purpose and SOMPO's Purpose" and "engagement score"



*Our analysis is based on a survey about engagement aimed at employees of the Sompo Group and conducted by Sompo Institute Plus.
*Please note that the coefficients for previous years differ from the figures published in the Integrated Annual Reports from previous years, as this year's analysis is being conducted at a more granular organizational scale, such as at the division or branch level.

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Individual changes

Organizational example

Pursuit of My Purpose + Promotion of diverse work styles → 1 Individual changes → 2 Relationship changes → 3 Organizational changes → Improvement of engagement

We will introduce a case in which individual changes are being created by each employee reflecting on their My Purpose.

Kariya Production Division, Nagoya Automobile Business Promotion Department, Sompo Japan Insurance Inc. Toward taking on challenges based on each person's MY Purpose

Initiative introduction

In our division, we are engaged in purpose management with the aim of fulfilling our vision of becoming "a group of individuals who are loved by others as people, where each individual implements their purpose and feels their growth every day." Specifically, we all create and share our own My Purpose, and we follow up on the implementation of our purpose through monthly My Purpose 1-on-1 meetings. In addition, the general manager also supports the growth and learning of all team members through My Purpose 1-on-1 meetings twice a year. When I first took the position two years ago, engagement among team members was low and there was a shortfall in mutual understanding, but now we have become a workplace where we respect and recognize each other's MY Purpose. Furthermore, over the past year, we have continued to face challenging circumstances resulting from issues in our industry and our company, but I feel that each team member's My Purpose is supporting them as they work earnestly to regain trust of our customers and society.

Initiative narrator



Katsuaki Namba
Manager, Kariya Production Division, Nagoya Automobile Business Promotion Department

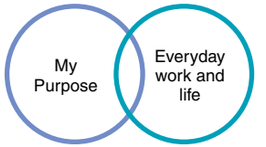
Changes that took place among section team members

In terms of quantitative results, our employee engagement, which was in the bottom 5% of the company two years ago, has risen to within the top 20%. In terms of qualitative results, we have team members who are attending school to further their own growth and others who are improving their office automation skills to help boost our section's productivity, as well as those who are implementing their My Purpose to help improve insurance-related results. We have also seen cases where team members have combined their own purpose with SOMPO's Purpose, and have gone beyond corporate boundaries to take on the challenge of addressing social issues together with partner companies.

Personal growth based on My Purpose



Combining My Purpose with everyday work and life



Examples of initiatives by team members

As the leader of the division's social issue resolution project, I held a series of discussions with Aisin Corporation, which I had connected with through our shared desire "to eliminate traffic accidents involving children," and we co-hosted an event for children in July 2024 driven by My Purpose of "creating a society that brings excitement and enjoyment to everyone." Over 600 people from the local community and employee families visited the com-center (the Aisin Group's exhibition hall), where all the Kariya team members took part in traffic safety awareness activities, including running a quiz rally and handing out children's driver's licenses. Seeing the smiles on the children's faces, I was grateful to Aisin Corporation for co-hosting the event, and at the same time I keenly felt the significance of our initiative, which inspired me to want to become a truly indispensable presence in society.







Kazuki Umemura

Comments from team members



Emiko Nakamura

From my experience of short-time work, I have been honing my office automation skills in order to carry out my work in the limited time I have. Then, I wanted to use this expertise not only for myself but also to improve the productivity of the organization, so I started offering office automation training and consulting on system issues. The underlying driver is My Purpose, which is to "create an environment where people are always happy." I want to help create an environment that enables the organization to maximize its potential and bring more smiles to people.

Comments from team members



Akiko Kanzaki

By sharing My Purpose at workplace, I feel that we can create a relationship where we can all work together to solve any problems or issues that arise, while also respecting each other's thoughts and feelings. My Purpose is to "create a better society and company by mutual improvement with my team members." I believe that by capturing the essence of issues as the administrative chief while combining individual strengths by bringing together the thoughts of everyone to overcome challenges as a team, we can help contribute to our agencies and customers.

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Relationship changes Group-wide initiatives

Pursuit of My Purpose + Promotion of diverse work styles → 1 Individual changes → **2 Relationship changes** → 3 Organizational changes → Improvement of engagement

When individuals who have engaged with their My Purpose share it with their managers and team members and participate in dialogue based on their My Purpose, it can lead to changes in the relationships among them. In this way, "individual changes" and "relationship changes" are mutually reinforcing, and new value is created by accelerating both types of change.

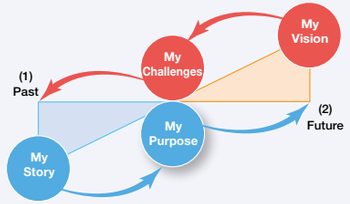
In this section, we will introduce some of the Group-wide initiatives we are working on to generate "relationship changes" along with their effectiveness.

Action 2-1 Implementation of My Purpose-based Dialogue

Relationship changes between managers and team members: Daily dialogue through My Purpose

Once employees have formulated their own My Purpose, managers and team members in the workplace will engage in dialogue centered on My Purpose. This My Purpose 1-on-1 meeting is not a conventional 1-on-1 centered on work-related topics, but a "human-centric" 1-on-1 meeting focused on My Purpose, where employees reflect on their past experiences and are encouraged to take on the challenge of achieving their vision to realize their My Purpose.

By implementing and making a habit of engaging in "human-centric" dialogue in each organization, we are bringing about change that will create new opportunities to take on challenges and innovations.



Action 2-2 Sharing of My Purpose

Relationship changes with workplace team members: Implementation of My Purpose Disclosure and Meetings to Share My Purpose

In addition to managers and team members engaging in dialogue centered on My Purpose, having team members share their formative experiences and values based on My Purpose can promote mutual understanding and respect for each other's values, and help build relationships that accept diversity.

Examples of effective efforts to create such relationship changes among team members in the workplace are "My Purpose Disclosure" and "Meetings to Share My Purpose."

By encouraging "human-centric" dialogue within an organization, employees can not only talk about themselves, but also gain feedback from their team members, which leads to new insights and deeper self-reflection. This can also help with gaining a better understanding of each other's skills, knowledge, and passion, which in turn can be a source of inspiration for new value creation.

My Purpose Disclosure: My Purpose Compilation



Meetings to Share My Purpose

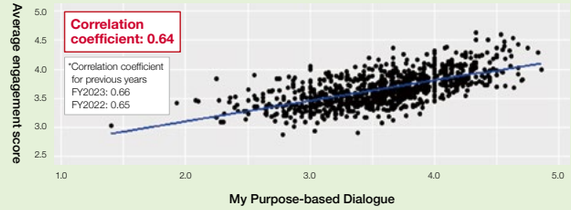


Data verification Relationship changes

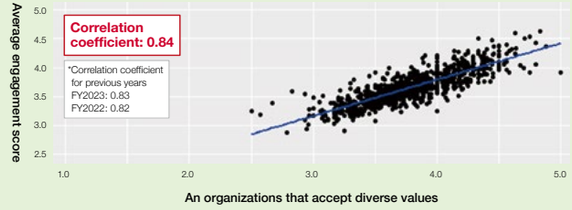
We believe that dialogue with managers based on My Purpose and mutual recognition of each other's values contributes to increased diversity and improved engagement.

We have confirmed that the more the organization has My Purpose-based Dialogue as well as mutual recognition of each other's values, the higher the engagement.

Correlation between "My Purpose-based Dialogue" and "engagement score"



Correlation between "organizations that accept diverse values" and "engagement score"



*Our analysis is based on a survey about engagement aimed at employees of the Sompo Group and conducted by Sompo Institute Plus.
*Please note that the coefficients for previous years differ from the figures published in the Integrated Annual Reports from previous years, as this year's analysis is being conducted at a more granular organizational scale, such as at the division or branch level.

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Relationship changes

Culture change initiatives at Sompo Japan Insurance Inc.

Pursuit of My Purpose + Promotion of diverse work styles → 1 Individual changes → **2 Relationship changes** → 3 Organizational changes → Improvement of engagement

Sompo Japan Insurance Inc. is implementing initiatives to promote mutual understanding and fostering a sense of unity through dialogue on a company-wide scale, so that each and every employee takes ownership of the company's vision as well as their own path forward.

Specifically, we aim to foster a sound organizational culture focused on compliance and customer protection and create a "new Sompo Japan Insurance" by deepening the understanding of the "new value standards" of Sompo Japan Insurance Inc. that are being discussed by all officers and employees, and advancing our thinking and behavioral patterns, starting with the changes brought about by promoting a culture of "dialogue," "acceptance," "learning," and "DEI".

Dialogue — Culture where people share values and can express their thoughts openly

Acceptance — Culture that accepts the diverse efforts of each individual

Town Hall Meetings with the senior management team





Dialogue workshops held at each workplace





Learning — Culture that encourages people to think about the significance of learning and take the initiative to continue learning

DEI — Making use of diverse ideas in various day-to-day decisions and judgments

Action 2-3 Town Hall Meetings with the senior management team

Purpose of initiative and overview of implementation

By holding Town Hall Meetings with the senior management team, the senior management team can interact directly with employees, providing feedback and reducing the gap between management and employees, thereby building trust and fostering a culture of "dialogue" and "acceptance". In addition, the senior management team quickly reflects the opinions and feedback of employees in managerial decisions.

The Town Hall Meetings are held with a small group of employees, rather than a large group as with training sessions, so that the employees who attend can speak honestly. We have also started holding Town Hall Meetings online. Going forward, we will explore holding open meetings where anyone who wants to participate can, and continue the dialogue between management and employees.

Implementation status by officers in charge of headquarters, sales, and claims supporting (as of the end of July 2024):

Dialogue with total of approximately 300 bases and approximately 3,500 employees

Comments from employees

- We rarely have the opportunity to speak with the officers, so it would be nice to have more opportunities like this.
- Learning about the company's approach and policies helped me change my mindset.
- The series of issues is not just about management, and I want to take ownership and work on them.

Action 2-4 Dialogue workshops held at each workplace

Purpose of initiative and overview of implementation

The "Dialogue Workshop" aims to deepen each employee's understanding of the direction Sompo Japan Insurance Inc. is aiming for by engaging in dialogue at each workplace at the division or branch level where daily operations are carried out, and to shift to a culture of "dialogue" and "acceptance" by providing opportunities to promote communication through a two-way dialogue rather than a command hierarchy approach.

For the "Dialogue Workshop," we use the "World Café" method* to enable participants to share their values and ways of thinking through "dialogue", setting dialogue topics so that we can hold the workshop continuously throughout the year.

*The World Café method is a well-established and effective way of facilitating dialogue for large groups of people to exchange ideas on a particular topic.

Comments from employees

- By narrowing down the topic and engaging in dialogue, we were able to realize many things and have a meaningful time.
- When I think about the fact that these dialogues are taking place in each department, I realize that the company is working to change.
- Even small actions for change can lead to big changes for the company if all employees take action.

PDF For further details, please refer to the section about Discussion with Directors | Culture Change to Regain Trust (Summary) (P.20) in Sompo Holdings Integrated Annual Report 2024.

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Relationship changes ## Organizational example

Pursuit of My Purpose + Promotion of diverse work styles → 1 Individual changes → **2 Relationship changes** → 3 Organizational changes → Improvement of engagement

On this page, we will introduce an organizational example that has created relationship changes that promote mutual understanding and respect for others, through human-centric dialogue based on My Purpose.

1st Division, Gunma Automobile Business Production Department
Sompo Japan Insurance Inc.

Toward creating an environment where we can respect each other through dialogue and acceptance

Initiative introduction

Becoming an organization with relationships based on mutual respect, acceptance, and support, through dialogue

Self-improvement and sharing

With the mindset that I should work on developing myself if I expect my members to grow, I have been continuing to study on my own for about 100 themes a year, mainly to improve my management skills and increase humanity. I regularly shared what I had learned, telling people why I found it valuable and why they might too. At first, I was sharing on my own, but eventually everyone started to participate, and we began to share what we had learned on a weekly basis.

Creating an environment where we accept each other

During 1-on-1 meetings, I gathered comments of appreciation for other team members and provided them as feedback. Not only was I able to draw out comments from even the most reserved individuals, but I was also able to learn about the positive actions of my team members that I had not noticed before. I believed that as long as I continued to listen to my team members, this practice could be sustained, so I committed to it.

Building an organization that makes both the organization and individuals happy

We held a sharing session where we not only shared our strengths, but also presented our weaknesses, and I feel that our organization grew stronger as we learned to use our own strengths to cover for the weaknesses of other team members, which gave us a sense of contribution and built our confidence. In addition, we created opportunities to think about how to use our strengths to achieve our Purpose and tie this into achieving individual happiness.

Changes that came out within and outside the company

By accepting one another and respecting one another's My Purpose through dialogue, the organization has become healthier, even as the workload per person continued to increase, and the sales department has also started to produce positive results.

In addition, the atmosphere of the organization has become more people-oriented than task-oriented, with more forward-looking medium- to long-term actions being taken, and more people coming up with ideas for things they want to accomplish.

Furthermore, the format of the division's policy briefings held once every six months has changed from having the leader do all the talking to having team members explain things, so I feel that the department has shifted from being under the leader to belonging to the team members.

We have also set our division's management plan to align more with everybody's Purpose by formulating the organization's mission, vision and values to align with each individual's Purpose, in order to ensure happiness not only for the company but also for each individual.

Engagement score
Improved from the bottom 5% to the top **20**% in 5 years

Stress check score
Improved by about **43**% in 4 years

Initiative narrator



Ryusuke Yanai
Manager (as of 2023)
1st Division, Gunma Automobile Business Production Department

Comments from team members



Akiko Takechi

We spent the last few years digging deep into our "Purpose" and "strengths" together, and had many opportunities to share them within the division. Through this initiative, I discovered my own strengths as well as a sense of fulfillment I get from my work that I had previously been unaware of, and have been able to think and act more proactively. Of course, communication within the division has become more lively, and I feel that more people are speaking up in meetings, which has made the atmosphere more positive. It is a happy workplace where we can respect one another, as we help each other out by leveraging each other's strengths when challenges arise, which reminds us that we are working as a team.

Comments from team members



Mika Kurabayashi

Spending a lot of time thinking about and sharing our purposes and strengths with our team members gave me the opportunity to gain a better understanding of them, and I realized that each of their words and actions were based on their strengths. I think that I have grown as a person because I have learned to think that team members say and do certain things based on certain strengths, rather than just thinking that we are different. In addition, by paying close attention to the actions of team members and actively encouraging each other when we notice that someone is demonstrating their strengths, we were able to help each other recognize our own strengths in real time, and the whole division began to take on a positive atmosphere.

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Organizational changes — Group-wide initiatives

Pursuit of My Purpose + Promotion of diverse work styles → 1 Individual changes → 2 Relationship changes → **3 Organizational changes** → Improvement of engagement

In an organization that accepts diverse values based on each individual's My Purpose, engagement increases, which in turn inspires employees to take on challenges and enhances communication, creating an environment that is more conducive to innovation.

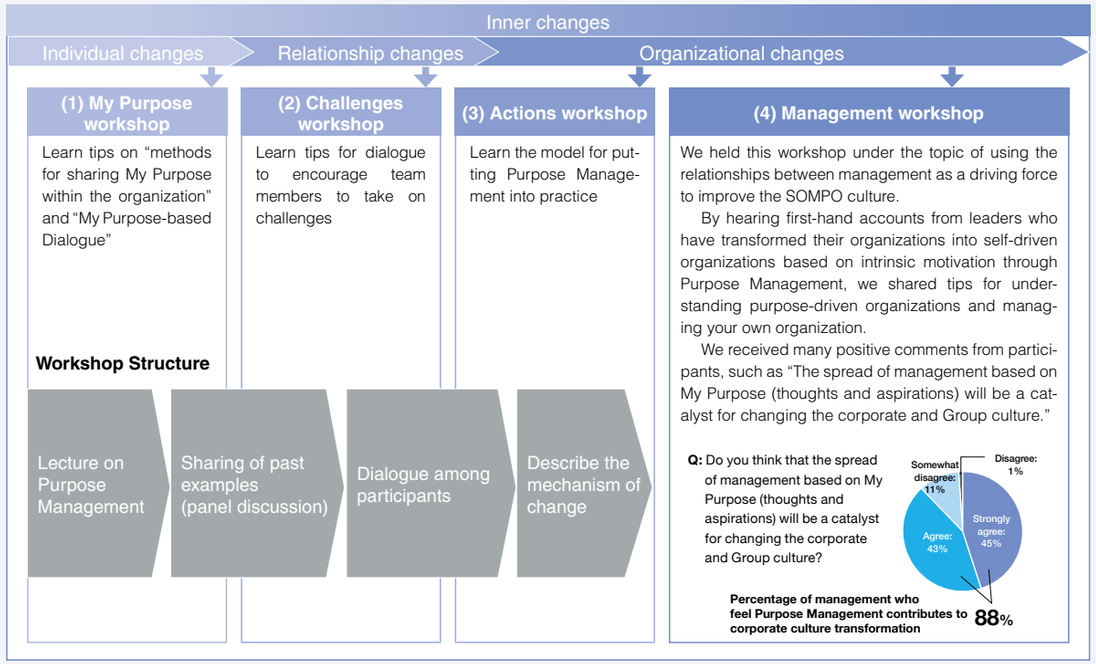
The key to implementing and establishing initiatives like this at the organizational level is the "management" of the organization. We implement a variety of measures in order to transform the management and bring about "organizational changes."

In this section, we will introduce some of the Group-wide initiatives aimed at driving "organizational changes" along with their effectiveness.

Action 3-1 Implementation of Purpose-driven Management

As one of the measures, we have taken involves conducting a field survey of organizations that lead the way in Purpose Management in order to clarify the mechanisms of organizational transformation based on My Purpose. We are also designing and developing "workshops for management" that puts this Purpose Management model into practice. We have conducted four types of workshops for a total of 13 sessions, in line with the transformation phase of each organization.

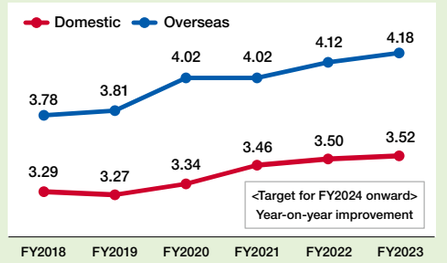
In the workshops, we set aside time for breakout sessions among participants, and gather feedback and information about what is happening in the field (tacit knowledge), and reflect this information in the Purpose Management model (explicit knowledge). By iterating through this cycle, we are working with the management in the field to promote management transformation.



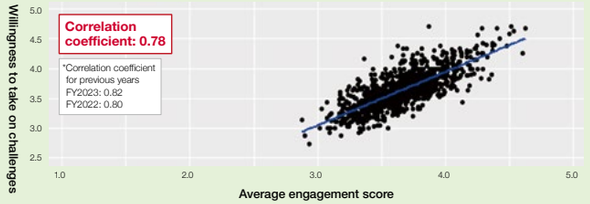
Data verification Improvement of engagement

Initiatives that focus on individual, relationship, and organizational changes have shown improvement in engagement survey results over the past few years (although latest domestic scores have remained at the same level). We have also confirmed that organizations with high engagement scores tend to have a greater willingness to take on challenges.

Gallup Engagement Survey Results: Actual score out of 5 points



Correlation between "engagement score" and "willingness to take on challenges"



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Organizational changes Group-wide initiatives

Pursuit of My Purpose + Promotion of diverse work styles → 1 Individual changes → 2 Relationship changes → **3 Organizational changes** → Improvement of engagement

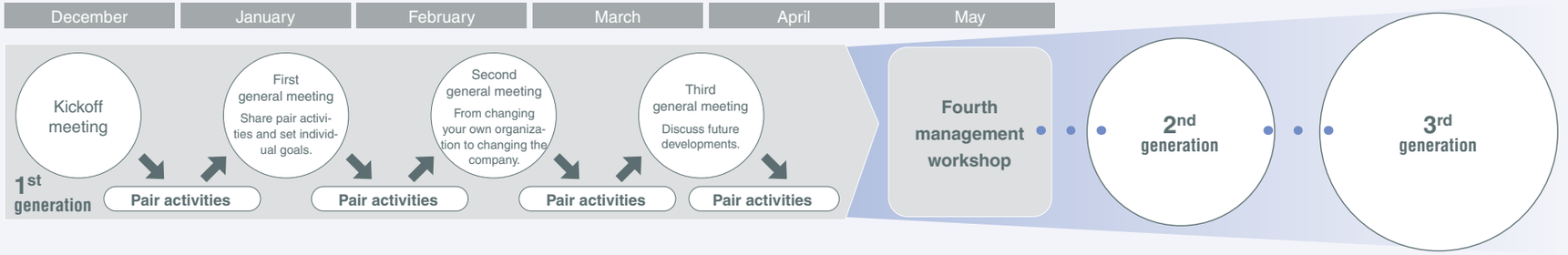
Action 3-2 Purpose Management Community

A Group-wide community that transcends organizational boundaries, where leaders who are motivated to transform their organizations into ones that value the fulfillment and happiness of their employees can connect with each other and share their management experience as well as the knowledge they gained from their experiences spontaneously emerges.

The leaders taking part in the community are paired up in two-person teams and carry out "pair activities" in which they share their concerns and tips for solving problems related to transforming their own organizations. In addition, a general meeting is held once a month to share the practical knowledge gained through the pair activities with everyone participating in the community. Furthermore, we are expanding the scope of our activities, with the community leaders taking the lead in planning the fourth management workshop.

We have been expanding the circle of connections between leaders in the first and second generations of this community, and we believe that by expanding these lateral connections, more organizations will practice management aimed at pursuing the happiness and fulfillment of their employees, which will transform our overall corporate culture.

Illustration of community activities



Programs

The community is centered around learning together through pair activities, but we also get together once a month to share the knowledge we have gained through our respective pair activities, and we also invite guests to provide lectures.



Pair activities

Leaders who participate in the community are paired up in teams of two.

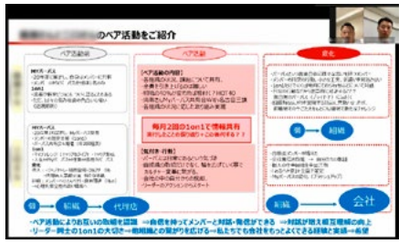
They share information about each other's management approaches, talk about the issues and concerns they face as they promote transformation, and learn from each other by working together to come up with solutions.

Various new changes have been brought about by these pair activities, such as holding My Purpose sharing sessions between departments that don't usually interact with each other, and gaining a better understanding of what one's boss normally says by listening to a leader from another department explain things from a different perspective.

Expanding the circle of learning: Planning workshops

In order to share the insights gained through these activities with the Group, we held a Group-wide management workshop.

We will expand the circle of learning among leaders to broaden our group of like-minded people.



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Organizational changes Organizational example

Pursuit of My Purpose + Promotion of diverse work styles → 1 Individual changes → 2 Relationship changes → **3 Organizational changes** → Improvement of engagement

On this page, we will introduce a case of "organizational changes" that have taken place through purpose-driven organizational management based on each individual's My Purpose.

3rd Division, Osaka Automobile Business Marketing Department II, Sompo Japan Insurance Inc. Creating a strong organization while valuing the individual

Initiative introduction

Developing the "individual" in the organization

We started initiatives to value the individual and to always aim for taking "an active approach with a sense of purpose." In this respect, creating a My Purpose enables us to confirm each individual's past experiences, perceptions, strengths, and also their vision. Centered on each individual's My Purpose, we provided guidance and training that focused on long-term career development, rather than on day-to-day work, through 1-on-1 meetings and everyday communication.

Leveraging individual strengths for the organization

We held a My Purpose sharing session by tier to improve empathy within the division, and this enabled each person to recognize their "past, lifestyle, and work" environment. By asking each person about the essence of each matter and the purpose of their actions, they were able to acquire the skills to confidently communicate within the organization, and by encouraging them to recognize that it is normal for people to have different opinions, the organization began to run itself.

Engaging outside of the company while transforming own organization

We incorporated the Purpose Model into our business operations. For example, when dealing with customers, we start by proposing a "shared vision" with key personnel (top management), and then present a wide range of "visions" and "possible actions" to move towards a "world we want to create together" through repeated discussions rather than proposals.

Changes that came out within and outside the company

I think there were some team members who felt uncomfortable with the organization becoming less homogeneous under our initiatives to value individuality and DEI, and there was a temporary drop in efficiency and motivation, along with a weakening a sense of unity. On the other hand, familiarity with that state makes it easier to not go along with it, and a chain reaction was born in the organization, where individual potential expanded and strengths were leveraged to compensate for weaknesses.

I also realized that initiatives can be "accelerated and sustained" by interacting with team members and working together with them with a sense of empathy. In particular, it is easier to gain empathy when you share your understanding of the environment with team members and appeal to them with your vision. It is important to set a vision and reach this vision by gradually changing from your current state, rather simply aiming to change.

As a result, we have become an organization where, even when a problem arises, the person in charge knows what they need to do and speaks confidently, and customers sometimes comment that the personnel in charge at Sompo Japan Insurance Inc. work comfortably.

Perception scores of "wellbeing improvement driven by the company" in the engagement survey

About **17**% improvement from 2H FY2022

Perception scores of "willingness to continue working at this company" in the engagement survey

the top **10**%

Initiative narrator



Shunji Takahashi

Manager
3rd Division, Osaka Automobile Business Marketing Department II

Comments from team members

Hisateru Kasagi, Satoshi Konno, Haruna Shiratani, Katsuki Kondo



Considering that the management at our partner agency is personally emphasizing the importance of "aspiration" to its employees, I feel that by accelerating initiatives like the purpose-driven business operations model we are currently exploring in our department, we can turn this into a strength for our company.

Some employees feel the need for certain numerical targets as an organization, and there are some things that have not been fully addressed, but I think changes are beginning to take place, with more team members beginning to see the importance of purpose-driven initiatives rather than placing too much emphasis on numerical targets, and taking action from a different perspective.





It is important to focus on your purpose and find what you want to do, but I also realized that valuing the true nature of each person is also a purpose, and that this is important.

I have started to approach my work with a sense of purpose, and I have often been thanked by agencies for the large amount of information and proposals I provide.



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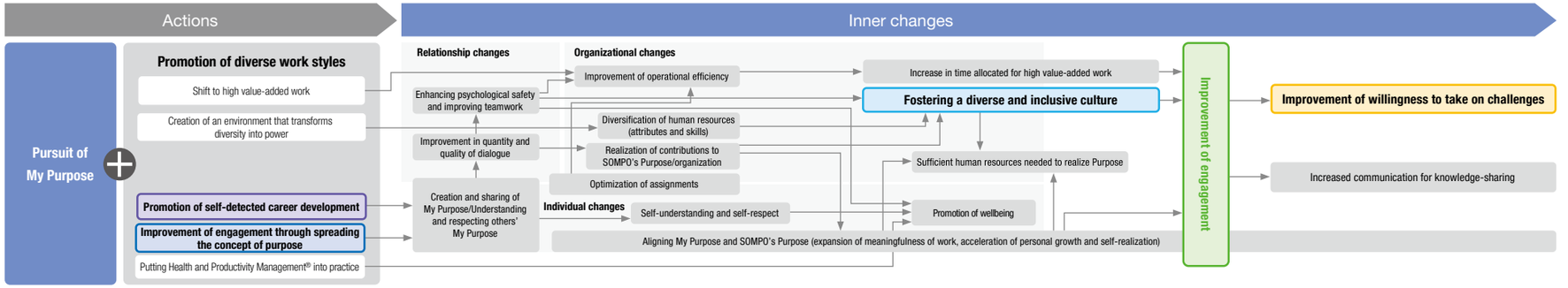
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Toward improving employee engagement: Evidence of inner change

Pursuit of My Purpose + Promotion of diverse work styles → 1 Individual changes → 2 Relationship changes → 3 Organizational changes → Improvement of engagement

We are working to identify the mechanisms of changes which we call "inner changes", which entail various human capital improvement initiatives based on the pursuit of My Purpose that bring about changes in individuals, relationships among employees, and organizations to improve employee engagement, which in turn leads to people taking on more challenges. To this end, we are analyzing the data we have accumulated in-house as well as actual case studies from the field, and are taking an evidence-based approach to verifying hypotheses from a quantitative perspective.

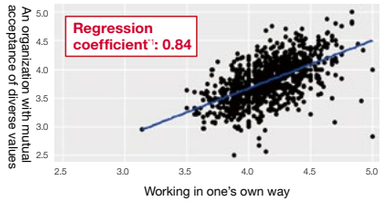


Verification of the mechanisms of change

Promotion of self-detected career development → Fostering a diverse and inclusive culture

We have confirmed that **when the sense of "working in one's own way" increases by 1 point** through actions such as creating an environment that encourages more dialogue and diversity and supporting self-directed career development based on pursuing each individual's My Purpose, this promotes DEI, and **the perceived score of "an organization with mutual acceptance of diverse values" tends to increase by 0.84 points.**

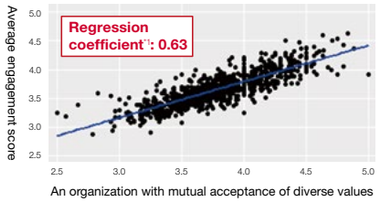
Sensitivity of "I want to work in my own way" and "diversity"



Fostering a diverse and inclusive culture → Improvement of engagement

We have confirmed that when DEI is promoted through various actions and **the perceived score of "an organization with mutual acceptance of diverse values" increases by 1 point**, this leads to individual satisfaction and organizational strength, and as a result, **the engagement score tends to increase by 0.63 points.**

Sensitivity of "diversity" and "engagement score"

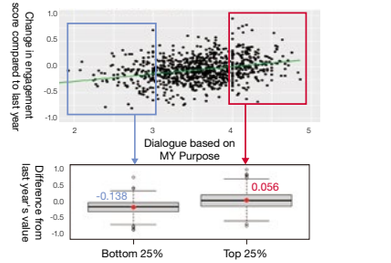


Verification of the effects of My Purpose-based management

Improvement of engagement through spreading the concept of purpose → Improvement of engagement

Engagement tends to be maintained year on year in organizations where dialogue based on My Purpose takes place, and this indicates that the organization is highly resilient to environmental change.

Relationship between dialogue based on My Purpose and changes in "engagement score"*2

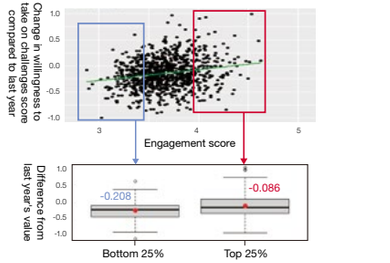


Organizations that engage in MY Purpose dialogues maintain scores

Improvement of engagement → Improvement of willingness to take on challenges

Organizations with high engagement tends to have smaller decreases in their "willingness to take on challenges" scores year-on-year, indicating that these organizations are forward thinking about responding to changes in their environment.

Relationship between "engagement score" and changes in "willingness to take on challenges"*2



Organizations with high engagement scores have smaller declines

* Please note that the coefficients for previous years differ from the figures published in the Integrated Annual Reports from previous years, as this year's analysis is being conducted at a more granular organizational scale, such as at the division or branch level.
*1 The regression coefficient expresses the "degree of influence (sensitivity) on the result," meaning how much the result will change if the factor used to predict that certain result changes by one. The verification results introduced in this report have been confirmed to be statistically significant (significance level of 5%).
*2 We selected the target organizations (top 25% and bottom 25%) and verified that there was a statistically significant difference in the difference in the scores for the relevant questions between this year and the previous year (significance level of 5%).

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Emerged changes: SOMPO Awards 2022

In fiscal 2022, the Sompo Group introduced the Group-wide SOMPO Awards to take the next step forward, moving on from the phase of building employee understanding and empathizing with My Purpose and DEI into the phase of turning these into power and actually taking action. We will use the SOMPO Awards as an opportunity to take on challenges and drive emerged changes that create value by harnessing the enhanced individual and organizational capabilities that came about through inner changes.

Overview of the SOMPO Awards

The SOMPO Awards are a group-wide internal award program that recognizes ideas and initiatives based on each employee's My Purpose which then lead to the realization of SOMPO's Purpose. In FY2022, the first year of the program, more than simply introducing a new awards program, we have also closely coordinated our efforts with such purpose dissemination strategies as holding town hall meetings and case study sessions to help spread the program, resulting in a total of 993 entries from Sompo Group companies in Japan and overseas.

We provided learning opportunities as incentives to encourage employees to take on further challenges through the following three initiatives that won the Hakken & Shinka Award, Jitsugen Award, and Kokorozashi Award, which are the top prizes given in each category, the Gutto Award, which is everyone's top choice for the initiative that resonated the most, and the SOMPO Award of the YEAR, which is the grand prize.

SOMPO Awards 2022 Winning Projects and Initiatives after Winning

Best Category Award of Learning from Challenge Category

Gutto賞 Hakken & Shinka賞



A Society Where Everyone Can Fully Enjoy Their Life Regardless of Disability "Eyeco Support"

Description of Initiative

The driving force behind the initiative was the desire of the organizer and team members with visual impairments to "create a more exciting society for everyone, regardless of one's disability." This led to the development of "Eyeco Support," which fuses people and digital technology to deliver information about the surrounding environment to people with visual impairments or low vision, and helps users take on new challenges.

After winning the award: The circle of the initiative continues to expand

In May 2024, Eyeco Support was adopted in Tottori Prefecture. This was the first time in Japan that a local government adopted a service like Eyeco Support, which uses dedicated operators to provide support remotely.

With the aim of creating a society that excites everyone, the Eyeco Support team is working to leverage this adoption as an opportunity to gain recognition from other local governments and expand the scale of the initiative.

Best Category Award of Building a Unified Culture Category

SOMPO AWARD OF THE YEAR Kokorozashi賞



Promotion Project of the SOMPO style Children's Cafeteria in the Chubu Region!

Description of Initiative

Inspired by the desire of team members to "get everyone understand that nursing care is a valuable and wonderful job," the team carried out the initiative to operate the SOMPO style children's cafeterias, a place for intergenerational interaction, across the Chubu area. The team is helping to foster an aspiration for future nursing care providers and create a positive image that nursing care facilities are cheerful and open.

After winning the award: Inheriting on the spirit

Currently, new team members are leading the project and continuing to take on new challenges, such as using LINE to spread the word and putting on puppet shows at nursing homes.

In addition, as a result of winning the SOMPO Award, Sompo Care employees from all over the country have commented that it has been a source of inspiration and has helped to spark a movement within the company, and this has accelerated the spread of children's cafeterias nationwide, with a total of 24,008 children having participated as of the end of May 2024 (7,757 children at the time the award was received).

Best Category Award of Driving Sompo's Purpose Category

Jitsugen賞



Okinawa Children's Future Work Experience Event

Description of Initiative

Inspired by the desire of team members to "contribute to the development of Okinawa and to help resolve its issues," the team took on the challenge of resolving child poverty, which is one of Okinawa's issues.

As a result, the team organized "the Okinawa Children's Future Work Experience Event," where children learn about work from professionals as an opportunity to inspire them to have high aspirations, in co-creation with 17 companies and organizations.

After winning the award: Further contributing to Okinawa and expanding the circle of support

The work experience event has expanded further, with prefecture-sponsored events being held on the main island, Ishigaki Island, and Miyako Island, as well as initiatives being carried out in three cities outside Okinawa Prefecture by employees sharing the inspiration.

In addition, the team is working together to find solutions to the problems that Okinawa faces, such as holding social gatherings to support women who take an active role in companies, and delivering ceremonial clothes to families in need of them for school entrance and graduation ceremonies.

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Emerged changes: Summary of SOMPO Awards 2022 Initiatives

We attracted a diverse range of initiatives, both large and small!



SOMPO Awards 2022

Total entries:

993

The SOMPO Awards gave us the opportunity to cheer our colleagues on!



SOMPO Awards 2022

Total votes:

7,493

SOMPO Awards 2022 Comments from participants



I felt that this was a good initiative that highlighted the work and daily challenges that people around us are working hard on.



I realized the importance of my initiative and gained confidence after receiving comments from employee votes, even for an initiative that I thought was completely normal.

We shared the passion behind the initiatives with Group employees and stakeholders around the world!



SOMPO Awards 2022

Openly shared the My Purpose-based initiatives of around **300** employees both within and outside the company



SOMPO Awards 2022 Comments from participants



I could really see how much thought the employees of each Group company were putting into the initiatives. After learning about the initiatives undertaken by Group companies, I felt that further strengthening the cooperation between our companies would be important for the future development of the entire Group.



I was inspired by seeing the diversity, sense of oneness of the Sompo Group, as well as the wide range of initiatives based on each person's My Purpose, while also feeling motivated to take on the challenge of achieving my own vision once again.

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Emerged changes: Vision for the SOMPO Awards 2024

The SOMPO Awards aims to create opportunities for Group members to get to know each other and experience a sense of oneness and diversity by sharing their aspirations and initiatives with their team members, offering mutual encouragement to each other's efforts, and learning about their team members' initiatives, based on the concept message of "Our Purpose begins with you."

We will be carrying out various initiatives across the Group this fiscal year too!

Taking advantage of the SOMPO Award to interact with Group employees!

We will hold events to encourage employees to take on new challenges across the Group.



Employee voting event to mutually encourage each other!

We will be holding a vote among employees to show their support for the initiative that most resonates with them.



Group awards ceremony to celebrate all the challenges taken on by Group employees!

We are planning to hold a Group awards ceremony as a place for all Sompo Group employees to celebrate the challenges they took on.

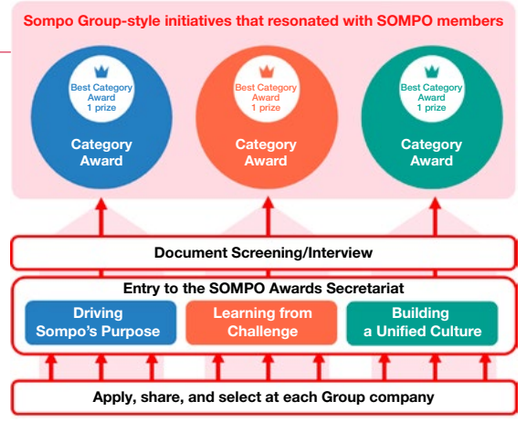


About the selection process for this fiscal year

This fiscal year, we added a process to decide which initiatives would be entered into the SOMPO Awards within each group company.

This is intended to create opportunities for communication, such as sharing aspirations and initiatives with team members or to mutually encourage each other's efforts in small units, such as by workplace.

By advancing the selection process in conjunction with Group-wide initiatives, we will foster a sense of unity within the SOMPO Group.



Category winners will be chosen by employee vote!

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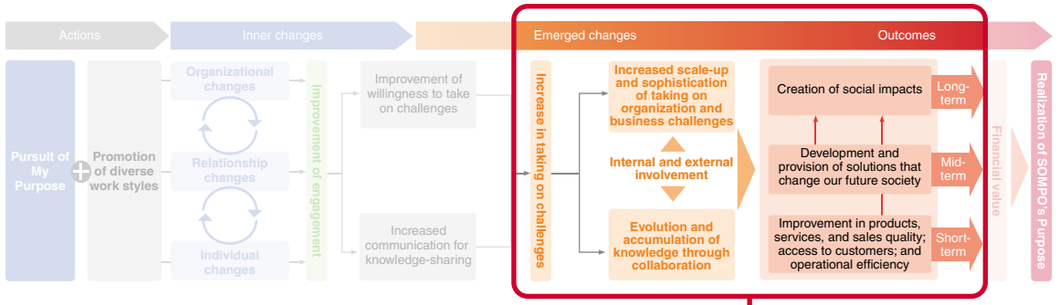
Value Creation Story to Realize SOMPO's Purpose

Emerged changes: Examples of emerged changes leading to value creation

Individuals and organizations that have increased their engagement as a result of "inner changes" will take specific actions, such as taking on challenges and communicating in order to realize their Purpose.

They then create outcomes by advancing and accumulating knowledge through collaboration as well as scaling up and enhancing these actions into organizational and business activities, while involving internal and external stakeholders.

We refer to this series of processes as "emerged changes," and through these changes we aim to achieve outcomes such as improving the quality of products and services and developing and providing solutions. By continuing to create value through these business activities, we aim to create social impacts and in turn lead to financial value and realization of SOMPO's Purpose.



Examples of outcomes

Improvement in products, services, and sales quality; access to customers; and operational efficiency

Quality improvement

System to utilize Voice of Customer (VOC) in management
>P.95

Operational efficiency

Digital transformation for wide-area disaster response (fire and allied insurance)
>P.84

Quality improvement

Training of "HL Advisors®"
>P.96

Quality improvement

Sompo Care University: Learning in the same environment as in the nursing home
>P.97

Development and provision of solutions that change our future society

Solution development

ONE SOMPO WIND Service
>P.51

Solution development

SORA Resilience: Disaster prevention and mitigation platform-based solution
>P.83

Solution development

Developing telematics insurance and services
>P.85

Solution development

Insurhealth® products
>P.88

Solution development

Future Care Lab in Japan, a research center for technology related to nursing care
>P.94

Solution development

Online cancellation insurance covering travel reservations
>P.82

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Group Environmental Policy/SOMPO Climate Action

Group Environmental Policy

Concept and Policy

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

We have established environmental objectives and targets based on the "Action Guidelines" listed below, and we periodically review them with the goal of continuous improvement.

Action Guidelines

1. Providing products and services to make a more resilient society

We will provide products and services that increase preparedness against the risk of natural catastrophes in order to contribute to adapting to climate change, building a low carbon society, conserving biodiversity and promoting stakeholders' eco-consciousness.

2. Promoting resource conservation through the entire value chain

We will assess the environmental impact of our business including the emission of waste and comply with environmental laws and regulations. We will promote resources and energy conservation as well as recycling activities throughout the entire value chain by cooperating with various stakeholders.

3. Raising awareness of environmental issues and corporate citizenship

We will broadly promote environmental education and awareness of environmental conservation by providing environmental information with the unique aspect of a global group engaged in a wide range of business centering on insurance. Furthermore, we will proactively encourage our employees' individual voluntary efforts as a global citizen to conserve the environment through involving in the local community.

To enable continuous improvements, we will periodically review the above-mentioned activities to reflect our environmental objectives and targets.

SOMPO Climate Action

Concept and Policy

Since the early 1990s, the Group has been tackling global environmental issues in collaboration with a wide range of stakeholders. Within the framework of the previous Mid-Term Management Plan that kicked off in fiscal 2021, we have undertaken Group-wide efforts to implement a comprehensive approach to addressing climate change risks and opportunities by advocating the SOMPO Climate Action initiative, which focuses on adapting to climate change, mitigating climate change, and contributing to a societal transformation.

The forward-looking initiatives we have implemented for more than 30 years are a strength of the Group, and even in the new Mid-Term Management Plan, we will continue to contribute to the transition to a green society by strengthening engagement through insurance underwriting, investments and loans, and by collaborating with community stakeholders.

SOMPO Climate Action

1. Adapt to climate change	2. Mitigate climate change	3. Contribute to societal transformation
Help enhance societal resilience by developing/offering products/services through collaboration	**Achieve net zero[*1] group GHG emissions (by 2050)**	**Support the transition of society by collaborating with stakeholders, such as NPOs, and engaging as financial institution**

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

Achievements of main initiatives (FY2023)

1. Adapt to climate change	2. Mitigate climate change	3. Contribute to societal transformation
• Provision of products and services that contribute to disaster prevention and mitigation **Expansion of SOMPO SUSTAINA**, etc. • Efforts to improve resilience •Launch of **SOMPO-style Evacuation Map "Nigechizu" Workshops** •Disaster prevention and road safety education **Participants: 24,616**	• GHG emissions (Scopes 1, 2, and 3, excluding insurance underwriting, investments and loans) **–25.7%** (vs. 2017) • GHG emissions (Scope 3 / investments and loans)[*2] **–20.7%** (vs. 2019) • Target set for insurance products that contribute to decarbonization **25 billion yen (FY2026)** (Japan and overseas total)	• Engagement with companies (including those in which we hold shares): **1,007** • Review of Policy for ESG-related Underwriting, Investments and Loans

*1 Residual emissions will be offset using internationally acceptable methods.
*2 Reduction results are calculated based on figures for FY2022.

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Leadership on Global Environmental Issues

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.

We also review the initiatives in which we participate in light of trends in the international community, such as alignment with the Paris Agreement.

Leadership for climate change and biodiversity

Activities and Achievements

Activities by the Japan Business Federation (Keidanren)

Keiji Nishizawa, an Executive Advisor at Sompo Japan, serves as Chair of the Keidanren's Committee on Responsible Business Conduct & SDGs Promotion and is a member of the SDGs Promotion Roundtable, a meeting body organized under the auspices of the Sustainable Development Goals (SDGs) Promotion Headquarters that was established by the Cabinet in May 2016. He engages in discussions with a wide range of stakeholders, including the government, NGOs, and experts, regarding efforts aimed at achieving the SDGs.

Also, as Chair of the Keidanren Nature Conservation Council, Nishizawa headed up a business delegation consisting of 35 members from 18 companies affiliated with the council at the 15th Conference of the Parties (COP15) to the Convention on Biological Diversity, held in Montreal, Canada, in December 2022. He expressed the Keidanren's commitment to promote green transformation, circular economy and nature positive in an integrated manner in order to realize sustainable capitalism. He also exchanged opinions with top officials from international organizations, promoted Japan's efforts, and gathered insights on the latest global developments. Furthermore, following the adoption of the Kunming-Montreal Global Biodiversity Framework (GBF) at COP15, Nishizawa participated as a subcommittee member in discussions concerning the National Biodiversity Strategy of Japan 2023–2030, which was approved by the Cabinet in March 2023, ensuring that the perspectives of the business community were reflected. In June 2023, the Keidanren Nature Conservation Council released its own Action Plan for Nature Positive by 2030, which had been developed in consideration of these international goals and national strategies. The council has also been working to create an environment conducive to transitioning to nature-positive management, including amendments to the Keidanren Declaration for Biodiversity and Guideline.

In addition to COP15, Nishizawa participated in the inaugural Leaders Forum organized by the world's largest conservation network, the International Union for Conservation of Nature (IUCN), on Jeju Island in October 2022, as well as the 100th-anniversary meeting in London of BirdLife International, one of the world's oldest environmental NGOs. At these events, he communicated to the world the business community's efforts to contribute to the GBF.

Participation in the sector-specific alliances under GFANZ (Glasgow Financial Alliance for Net Zero)

The Sompo Group has joined 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

The CDP is an initiative to promote corporate environmental disclosure at the request of institutional investors around the world. Sompo Japan Insurance (Sompo Holdings) has been a member since 2005 as an institutional investor. As a responding company, Sompo Holdings was selected for the 2023 Climate A List as the highest rank in a CDP Climate Change for the seventh time.

Contributing to the development and awareness of the TNFD framework

In response to the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) published in September 2023, we have participated in both the TNFD Forum and the pilot testing of the TNFD framework conducted by the United Nations Environment Programme Finance Initiative (UNEP FI). We are also registered as a TNFD Early Adopter, indicating our intention to disclose information in accordance with the TNFD framework by fiscal 2025.

Through these initiatives, we are endeavoring to contribute to the development of TNFD disclosures in the insurance industry.

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Leadership on Global Environmental Issues

The Conference of the Parties (COP)

In November 2016, the 22nd Session of the Conference of the Parties (COP22) to the United Nations Framework Convention on Climate Change was held in Marrakesh, Morocco. Sompo Japan spoke at a session of a side event organized by Japan's Ministry of the Environment, focusing on the efforts of Japanese corporations in adapting to climate change. 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 23rd Session of the Conference of the Parties (COP23) to the United Nations Framework Convention on Climate Change held in Bonn, Germany, Sompo Risk Management gave a presentation on Private Sector Perspective on Agricultural Insurance.

In December 2022, Sompo Japan gave a presentation at the Science Policy Forum, hosted by the Institute for Global Environmental Strategies (IGES) as a side event of COP15 in Montreal, Canada. The company communicated its contributions to building disaster-resilient communities through biodiversity conservation initiatives, such as the SAVE JAPAN Project.

In addition, Sompo Holdings endorsed the statement regarding the GBF, which calls for a society that coexists with nature by 2050, and which UNEP FI has called on private financial institutions to support.

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Response to TCFD and TNFD

SOMPO's approach to TCFD and TNFD

Concept and Policy

The Sompo Group is currently implementing initiatives aimed at tackling climate change — an important issue that poses a threat to people's safety, health and wellbeing. Based on SOMPO Climate Action, our policy on implementing these initiatives, we are strategically advancing efforts across the entire Group, while also working on disclosing climate-related financial information based on the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

Furthermore, given that the loss of biodiversity has been recognized as an important social issue in recent years, we are accelerating the biodiversity conservation efforts carried out thus far, and working on disclosing nature-related financial information based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

Governance

Structure

(1) Role of Board of Directors

The Board of Directors is responsible for setting Group-wide strategies and policies, as well as supervising the execution of operations by senior vice presidents and executive officers in order to fulfill SOMPO's Purpose.

(2) Role of senior vice presidents and executive officers

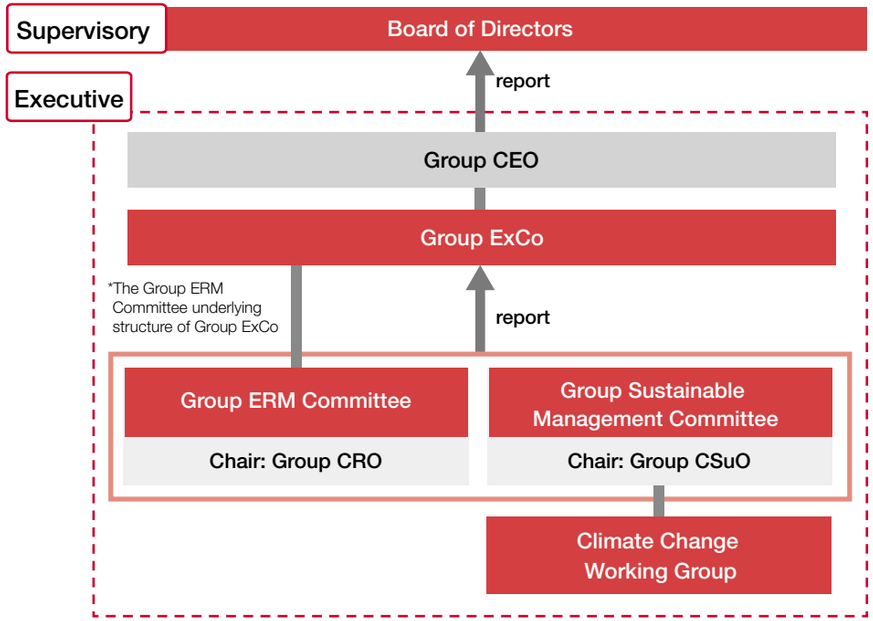
The Group Chief Sustainability Officer (CSuO) is responsible for formulating and implementing strategies related to the Group's sustainable management, including climate change and biodiversity, and overseeing the Group's overall sustainability function. We have established a Group-wide sustainability promotion framework by establishing a Group Sustainable Management Committee, chaired by the Group CSuO and consisting of Executive Officers in charge of sustainability and CSOs (Chief Strategy Officer) at group companies, to discuss how to respond to related risks and opportunities, and to support the Group CSuO's decision-making process. In addition, we established the Sustainable Management Office to support the execution of the Group CSuO's responsibilities.

Climate change and biodiversity strategies and their implementation status are discussed and reported at the Group Executive Committee and discussions are reported to the Board of Directors on a quarterly basis.

We have established a Climate Change Working Group under the Group Sustainable Management Committee, which holds working-level discussions on issues related to climate change in insurance underwriting and asset management, as well as on how to improve corporate value. Biodiversity contributes to improving corporate value, and is discussed within this working group.

In addition, the Group has established a risk control system to manage risks based on the Sompo Group Basic Policy on ERM established by the Board of Directors. 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 the Group ERM Committee, a subordinate body of the "Group Executive Committee," which is an advisory body to the Group CEO, reviews and discusses the status of management and control, and then regularly reports to the Board of Directors, Group Executive Committee and Executive Subcommittee.

Sustainable management promotion structure



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Response to TCFD and TNFD

(3) Oversight of stakeholder engagement

We have established the Group Environmental Policy based on which, through forward-looking dialogue, we proactively engage with stakeholders, respect international standards of conduct with a strong sense of ethics, and actively incorporate environmental issues such as climate change and biodiversity, as well as human rights, diversity, equity & inclusion (DE&I), and consideration for local communities, into our business processes. With this policy, we are also committed to proactively and fairly disclosing highly transparent information to society.

In addition, owing to the fact that our business activities, through insurance underwriting and asset management, could potentially infringe on the rights of local residents, Indigenous peoples and future generations, we perform human rights risk assessments targeting a wide variety of stakeholders, and have accordingly established the Group Policy for Human Rights. In these human rights risk assessments, we identify risks in the regions where the companies to whom we extend our insurance underwriting services and investments and loans are undertaking projects. For the human rights risks of the highest priority, we employ measures designed to mitigate such risks through engagement with these companies.

For stakeholder engagements, the Group Sustainable Management Committee deliberates on what actions to take. The progress thereof is then discussed and reported at the Group Executive Committee, before being reported to the Board of Directors on a quarterly basis. The Board of Directors oversees the entire process.

PDF For further details, please refer to Group Environmental Policy (P. 31) and Group Policy for Human Rights (P. 68).

Strategy

Concept and Policy

(1) Climate-related strategy

The Sompo Group established "SOMPO Climate Action" in FY2021, which includes climate change adaptation and mitigation along with contributing to social transformation as our commitment to implementing a comprehensive approach to climate change risks and opportunities, under which we will promote strategic initiatives throughout the Group.

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 risk may increase liability insurance payouts in our P&C insurance business. On the other hand, the growing societal awareness of natural disaster risks and changes in social structure may bring business opportunities such as the creation of new service demands and technological innovations.

We have identified the risks and opportunities coverage of the entire value chain of insurance-related business activities (upstream: product/service development, mid-stream: sales/marketing and asset management, downstream: accident response and payment of claims) 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 Network for Greening the Financial System (NGFS), and we are assessing, analyzing, and responding to such risks and opportunities on a short- (within 2-3 years), 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 following table and are continuously reviewed in light of changes in the internal and external environment.

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Response to TCFD and TNFD

Risks and opportunities arising from climate change

Environmental change			Impact on the Company	Risk	Opportunities	Time-frame
Physical	Acute	• Heat waves, extreme humidity • Change in frequency and intensity of floods, typhoons and hurricanes • Increased drought and wildfires	Increased insurance payments due to weather disasters	●	—	See the climate change risk map in risk management
			Deterioration in the agricultural insurance balance	●	●	
	Chronic	• Sea level rise • Average temperature increase • Ocean acidification • Desertification • Deforestation, impacts on biodiversity • Increased immigration, market instability, and populism; collapse of a nation	Increased insurance payments by rising sea levels	●	—	
			Decline in the real estate market (a decline in asset prices)	●	—	
			Political instability and conflict	●	—	
			New pandemic	●	—	
Transition	Policy	• Renewable energy and energy conservation Promotion of association • Subsidies (EV purchases, energy efficiency improvement etc.)	Price fluctuations of stocks and bonds due to policy transitions	●	●	
			Higher energy prices	●	—	
	Legal	• Revision of damage compensation system and laws; new legal interpretations	Legal risks such as climate litigation	●	●	
	Technology	• Advances in storage technology and infrastructure • Development of new technologies like Renewable energy and energy conservation	Decarbonization through the spread of new technologies	●	●	
	Market preference	• Investors and consumers preferring environmentally responsible companies	Reputation	●	●	
			Changes in consumer behavior	●	●	

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. From 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 understand the long-term impacts of a climate with higher average temperatures 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 analyzing and evaluating the medium-term impact over the next five to ten years and incorporating this information into our business strategies.

The Group was 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 EU 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.

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B. Transition risks

To understand the short-, medium- to long-term impact of the transition to a decarbonized society on our company, we analyzed the impact on our Group's assets using the Climate Value-at-Risk (CVaR)*3 provided by MSCI for policy risks arising from tighter laws and regulations and global economic changes that will affect companies in the transition to a decarbonized society and technology opportunity arising from climate change mitigation and adaptation initiatives, based on the NGFS scenarios*4 in the table below.

In addition, since it is important to encourage companies that have not yet made progress in decarbonization efforts to reduce transition risk, we use the Implied Temperature Rise (ITR)*5 provided by MSCI to quantitatively analyze whether our portfolio companies have set GHG emission reduction targets consistent with the goal of limiting global warming to 1.5°C by FY2100.

*3 Climate Value-at-Risk (CVaR)
- A method to measure the impact on corporate value associated with climate change-related policy changes and disasters.
- The future costs and profits arising from climate change-related risks and opportunities are discounted to their present value, and the impact is calculated as of March 31, 2023, taking into account the market value weighting of each security in the Group's asset management portfolio.

Category	Scenario	Summary
(1) Disorderly	Delayed transition	Assumes annual emissions do not decrease until 2030. Strong policies are needed to limit warming to below 2°C. Negative emissions are limited.
(2) Orderly	Net Zero 2050	Limits global warming to 1.5°C through stringent climate policies and innovation, reaching global Net Zero CO_2 emissions around 2050. Some jurisdictions such as the US, EU, Japan and etc. reach net zero for all GHGs.
(3) Hot House World	Nationally Determined Contributions (NDCs)	Assumes that all policies that countries have committed to are implemented. (It includes all pledged policies, even if they are not yet implemented, but is insufficient to stop global warming)

*4 NGFS (Network for Greening the Financial System) scenarios
Analyzed three climate change scenarios published by the NGFS in November 2023 as Phase 4: Delayed transition, Net Zero 2050, and NDCs.

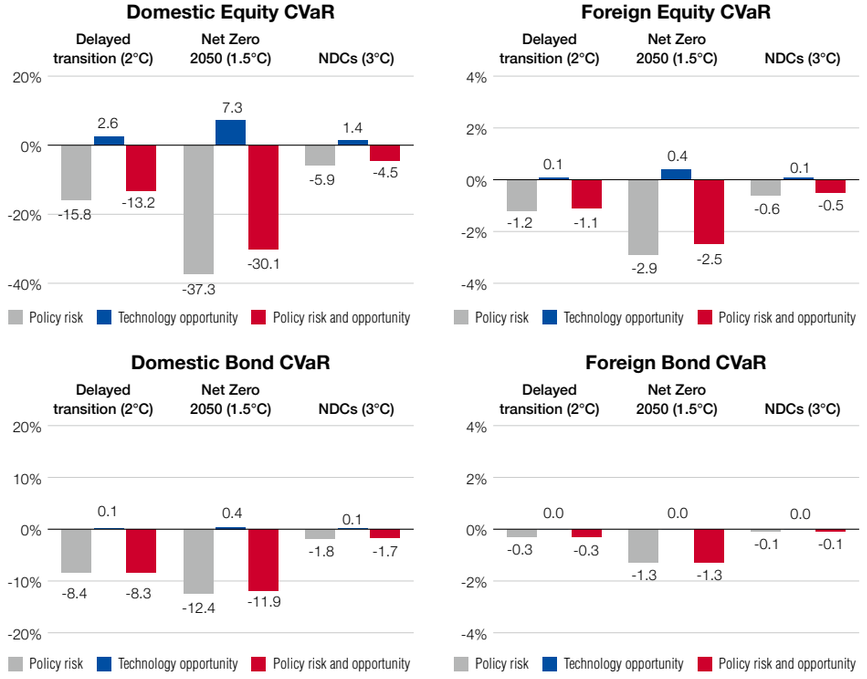
*5 Implied Temperature Rise (ITR)
- One of the forward-looking assessment methods that evaluates the degree of likelihood of 1.5°C and 2°C of global warming by 2100.
- The contribution to temperature rise is based on the difference between the projected GHG emissions of portfolio companies (calculated based on current emissions and reduction targets set by the companies) and the carbon budget, and is calculated as of March 31, 2023, taking into account the market value weight of each stock in the Group's asset management portfolio.

a. Climate Value-at-Risk (CVaR)

(NGFS scenarios - comparison by asset type)

For all assets, the impact is greatest in the Net Zero 2050 (1.5°C) scenario, which shows that even in an orderly transition, policy risks are significant in order to achieve the 1.5°C target. In the comparison by asset type, the impact of policy risk and technology opportunity is the largest for domestic equity, at -37.3% and 7.3% under the Net Zero 2050, respectively. Comparing stocks and bonds, we see that stocks have a larger impact because bonds never redeem above par value and the impact of policy risk and opportunity is limited.

SOMPO Group CVaR analysis of policy risk and technology opportunity by asset and NGFS 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.

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(NGFS scenarios- comparison by short-term, medium-term, and long-term time horizon)
Comparing short-term, medium-term, and long-term time horizons, we can see that in our portfolio, the majority of the current costs will become apparent in the long term (between 2030 and 2050). In particular, the Delayed transition (2°C) (Disorderly: rapid transition to decarbonization) scenario assumes a rapid policy transition after 2030, so the long-term impact is particularly pronounced. In addition, the policy risk is the highest in the Net Zero 2050 (1.5°C) scenario at -18.52%, which shows that even in an orderly transition, policy risks are large in the long term to achieve the 1.5°C target.

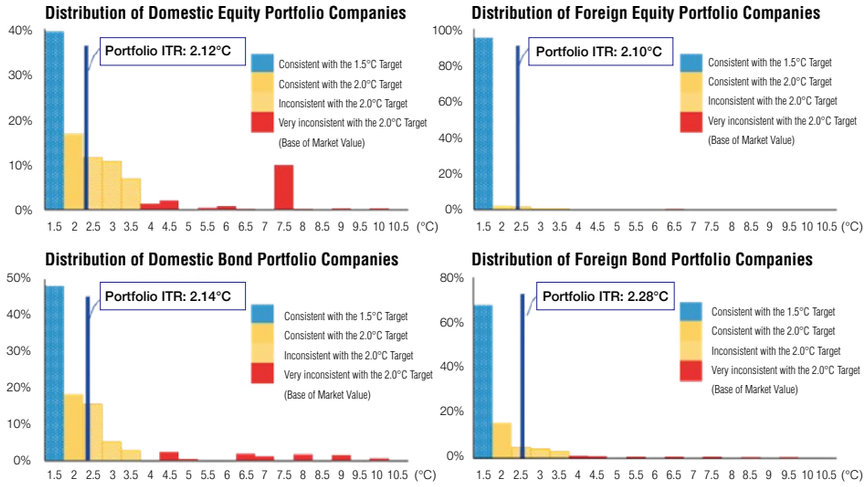
SOMPO Group CVaR analysis results of policy risks and technological opportunities by time horizon

	Delayed transition (2°C)		Net Zero 2050 (1.5°C)		NDCs (3°C)	
Horizon Year	Policy risk	Technology opportunity	Policy risk	Technology opportunity	Policy risk	Technology opportunity
Short-term (Cumulative from 2023 to 2025)	-0.03%	0.00%	-0.36%	0.02%	-0.13%	0.01%
Mid-term (Cumulative from 2023 to 2030)	-0.11%	0.01%	-2.15%	0.10%	-0.66%	0.03%
Long-term (Cumulative from 2023 to 2050)	-8.69%	0.13%	-18.52%	0.33%	-3.14%	0.08%

b. Implied Temperature Rise (ITR)

The percentages of companies with ITRs below 2°C are 56% for domestic equity, 97% for foreign equity, 67% for domestic corporate bond, and 83% for foreign corporate bond portfolios on a market value basis. The percentages of companies with ITRs below 1.5°C are 39% for domestic equity, 95% for foreign equity, 48% for domestic corporate bond, and 68% for foreign corporate bond portfolios With the exception of domestic equity, the half of companies have set GHG emission reduction targets that are consistent with the 1.5°C target set by the Paris Agreement. On the other hand, for the portfolio as a whole, the ITRs for domestic equity, foreign equity, domestic bond, and foreign bond are 2.12°C, 2.10°C, 2.14°C, and 2.28°C, respectively, exceeding 1.5°C for all. We will use the results of our analysis to reduce transition risk by promoting engagement with companies that have high transition risk or have no GHG emissions targets.

SOMPO Group ITR analysis by asset



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Source: Sompo Holdings, using MSCI's Climate Value-at-Risk and Implied Temperature Rise metrics

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3. Resilience improvement initiatives

A. Responding to risks

Physical risks

Our P&C insurance and reinsurance contracts are primarily short-term contracts, and by reviewing our insurance underwriting conditions and reinsurance policies in light of the increasingly severe trends in meteorological disasters, we can reduce the risk of insurance payments exceeding our expectations. We also aim to ensure resilience against physical risks through a multifaceted approach that includes global geographic diversification, quantification based on short- and medium-term climate forecasts, and identification and evaluation of significant risks through long-term scenario analysis.

Transition risks

As for our own GHG emissions, we have set a target of a 60% reduction (compared to 2017)* in Scope 1, 2, and 3 (excluding insurance underwriting, investments and loans) by 2030 and a net zero emissions by 2050. To achieve this goal, we have set a target of "70% introduction of renewable energy by 2030," in addition to energy conservation efforts such as the use of LEDs for electricity, which accounts for a particularly large portion of GHG emissions. We are working on the roadmap to achieve this goal, including switching to renewable energy sources for power generation in our buildings.

*Science-based targets consistent with the Paris Agreement's 1.5C° target (a reduction of at least 4.2% each year)

As for the GHG emissions of our investees, we are promoting a switch from high GHG emitting sectors to low GHG emitting sectors at the time of maturity redemption of bonds, and engagement with the top 20 high GHG emitting companies among our equity holdings.

B. Responding to opportunities

In addition to developing and providing climate risk consulting services and working to improve natural disaster resilience through insurance products and services, the Sompo Group is developing and providing insurance products and services that contribute to carbon neutrality by promoting renewable energy and collaborating with business partners.

We have set a "Transition Insurance Target" for insurance products that contributes to decarbonization in both domestic and overseas market. In addition, we calculated GHG emissions associated to insurance underwriting (Insurance-Associated Emissions) using data from companies that disclose GHG emissions (Scope 1, 2) by utilizing a method for measuring GHG emissions in the commercial insurance sector developed by Partnership for Carbon Accounting Financials (PCAF) in November 2022.

In accordance with the principles of the Japanese Stewardship Code, Sompo Japan conducts an ESG survey ("Survey on ESG/Sustainability Initiatives") every year to confirm the policies and status of the companies in which it holds shares regarding the enhancement of their corporate value and sustainable growth. In fiscal 2023, the survey was sent to 1,446 companies in which it holds shares, and 318 companies responded. The survey is used to understand the needs of each company and create opportunities for collaboration, supporting sustainability efforts, including decarbonization.

Various organizations and groups around the world are actively discussing the formulation of regulations and guidance to realize a net zero society. 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.

4. Addressing risks and opportunities

PDF For our main initiatives, please refer to Climate Change-related Initiatives (P.49-54).

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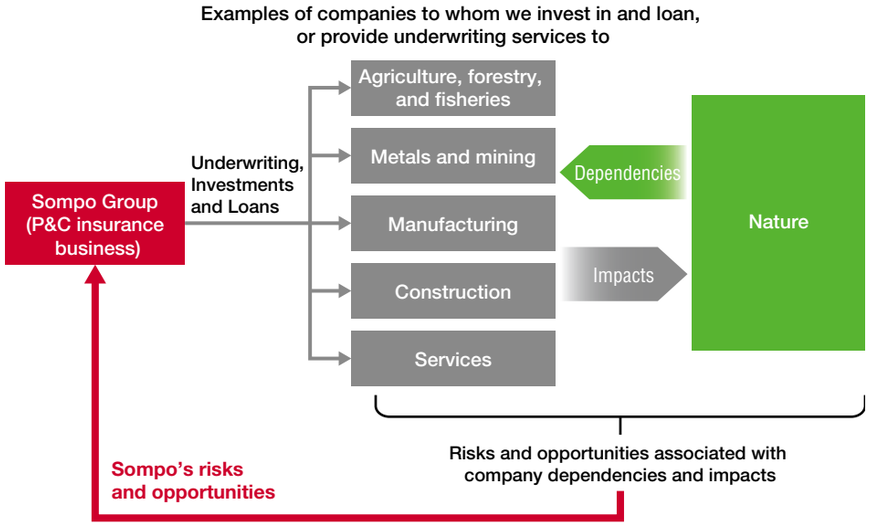
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(2) Nature-related strategy

Alongside climate change, nature-related environmental issues such as biodiversity loss, ecosystem collapse, and natural resource shortages are increasingly being recognized as global risks. The companies that we invest in and loan, or for whom we underwrite insurance policies, face the risks of future instability in raw material procurement and operations, cost increases associated with compliance, and decreased sales due to their dependencies on, and the impacts from, nature. As a result, there is a possibility that these risks could be transferred to the Group's P&C insurance business, mainly in the form of decreased insurance underwriting and higher claim payments.

On the other hand, the transition to nature-positive economy, as advocated by the Kunming-Montreal Global Biodiversity Framework, is expected to create business opportunities in Japan worth approximately 47 trillion yen by 2030 (estimated by Japan's Ministry of the Environment). Such a situation could lead to improved earnings at our investees and the companies for whom we underwrite insurance policies, and provides us opportunities to offer products and services that benefit the natural world.

To identify and assess these nature-related risks and opportunities, we are assessing, analyzing, and taking action based on the LEAP approach* recommended by the TNFD with a focus on our domestic P&C insurance business (Sompo Japan Insurance Inc.) and consulting business (Sompo Risk Management Inc.).



*An integrated assessment process for nature-related risk and opportunity management. LEAP stands for the four phases of Locate, Evaluate, Assess, and Prepare.

1. Identification of priority locations

In order to identify priority locations, we used the World Wide Fund for Nature (WWF)'s Biodiversity Risk Filter* and other tools to check whether the Group's business sites are in ecologically sensitive locations from the perspectives of ecosystem integrity, biodiversity importance, water physical risk, and ecosystem service delivery importance.

The office locations of Sompo Japan Insurance and Sompo Risk Management are mainly in Japan, with other sites in Canada (Toronto), Russia (Moscow), Australia (Sydney), Guam, Vietnam (Ho Chi Minh and Hanoi), Myanmar (Yangon), Cambodia (Phnom Penh), India (Mumbai), UAE (Dubai) and South Africa (Johannesburg).

None of these locations are ecologically sensitive, and our business activities (domestic P&C insurance business and consulting business) have little dependence on, or have little impact on nature. Based on these assessment, we believe there to be no priority locations for Sompo Japan Insurance and Sompo Risk Management.

*A tool developed by the World Wide Fund for Nature to help companies assess and respond to risks to biodiversity in their business, supply chains, etc.

2. Identification and assessment of dependencies and impacts

We identified high-risk sectors for Sompo Japan Insurance by identifying and assessing dependencies and impacts in the sectors we invest in and loan, or provide insurance underwriting services to, taking into account transaction amounts.

More specifically, we implemented the following steps.

1) Using ENCORE*, we plotted the categories and magnitude of dependencies and impacts in each sector on a heatmap.
2) We reflected insurance underwriting, investments and loans amounts at Sompo Japan Insurance into 1) above.
3) We created heatmaps of the dependencies and impacts at Sompo Japan Insurance for both insurance underwriting, investments and loans.

*ENCORE is a nature-related risk assessment tool jointly developed by the Natural Capital Finance Alliance (NCFA) and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC).

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Insurance underwriting

For insurance underwriting, we have identified the following high-risk sectors that are highly dependent and impactful, and consider them as risk sources for the Group.

■ Dependencies

We have assessed there to be the following high dependencies: "Climate regulation" in transportation services; "Groundwater" and "Surface water" in other services.

Classification of services	Ecosystem services provided directly/physically					Ecosystem services that enhance production processes						Ecosystem services that mitigate direct impacts				Ecosystem services that provide protection from disturbances					
Sector \ Category	Animal-based energy	Fibers and other materials	Genetic materials	Ground-water	Surface water	Maintain nursery habitats	Pollination	Soil quality	Ventilation	Water flow maintenance	Water quality	Bio-remediation	Dilution by atmosphere and ecosystems	Filtration	Mediation of sensory impacts	Buffering and attenuation of mass flows	Climate regulation	Disease control	Flood and storm protection	Mass stabilization and erosion control	Pest control
Oil, gas, metals and mining																					
Chemicals and other materials production																					
Paper and pulp																					
Land development and construction																					
Transportation services																					
Automotive, electrical equipment and machinery production																					
Appliances and general goods manufacturing																					
Textiles																					
Food and beverage production																					
Agriculture, forestry and fisheries																					
Retail and wholesale																					
Pharmaceuticals																					
Electricity and energy production																					
Telecommunication services (including wireless)																					
Finance																					
Real estate																					
Other services																					

Key: very high / high / moderate / low / very low

■ Impacts

We have assessed there to be the following high impacts: "Water use" in chemicals and other materials production; "Terrestrial ecosystem use" and "Marine ecosystem use" in land development and construction and "Terrestrial ecosystem use" in real estate; "Freshwater ecosystem use" and "Marine ecosystem use" in transportation services; "Water use", "GHG emissions", "Water pollutants", "Soil pollutants" and "Solid waste" in other services.

Sector \ Category	Water use	Terrestrial ecosystem use	Freshwater ecosystem use	Marine ecosystem use	Other resource use	GHG emissions	Non-GHG air pollutants	Water pollutants	Soil pollutants	Solid waste	Disturbances
Oil, gas, metals and mining											
Chemicals and other materials production											
Paper and pulp											
Land development and construction											
Transportation services											
Automotive, electrical equipment and machinery production											
Appliances and general goods manufacturing											
Textiles											
Food and beverage production											
Agriculture, forestry and fisheries											
Retail and wholesale											
Pharmaceuticals											
Electricity and energy production											
Telecommunication services (including wireless)											
Finance											
Real estate											
Other services											

Key: very high / high / moderate / low / very low

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Investments and loans

For investments and loans, we have identified the following high-risk sectors that are highly dependent and impactful, and consider them as risk sources for the Group.

■ Dependencies

We have assessed there to be the following high dependencies: "Groundwater" in oil, gas, metals and mining; "Climate regulation" in transportation services; "Groundwater" and "Surface water" in food and beverage production.

Classification of services	Ecosystem services provided directly/physically					Ecosystem services that enhance production processes						Ecosystem services that mitigate direct impacts				Ecosystem services that provide protection from disturbances					
Sector \ Category	Animal-based energy	Fibers and other materials	Genetic materials	Ground-water	Surface water	Maintain nursery habitats	Pollination	Soil quality	Ventilation	Water flow maintenance	Water quality	Bio-remediation	Dilution by atmosphere and ecosystems	Filtration	Mediation of sensory impacts	Buffering and attenuation of mass flows	Climate regulation	Disease control	Flood and storm protection	Mass stabilization and erosion control	Pest control
Oil, gas, metals and mining				very high	high				very low	high	high	low	low	low	low		high		moderate	high	
Chemicals and other materials production			very low	high	high				very low	low	low	low	low	low	low		low		low	low	
Paper and pulp		very low		low	low					very low		very low	very low				very low				
Land development and construction				very low	very low			very low	very low	very low		very low		low	low		low		low	very low	very low
Transportation services				high	high				very low	low	low		low	very low	low		very high		high	high	very low
Automotive, electrical equipment and machinery production				high	high				very low	low	low	low	low	low	low		very low		low	low	
Appliances and general goods manufacturing		very low		low	low				very low	very low	very low	very low	very low	very low	very low		very low		very low	very low	
Textiles		very low		low	low					very low	very low	very low	very low	very low					very low	very low	
Food and beverage production			low	very high	very high			low		low	low	low	low	low					low	low	
Agriculture, forestry and fisheries	low	low	very low	low	low	low	low	low	very low	low	low	very low	very low	very low	very low	low	low	low	low	low	low
Retail and wholesale												very low								very low	
Pharmaceuticals			very low	very low	low					very low	very low	very low	very low	very low						very low	
Electricity and energy production		low		low	low					low	very low	very low		very low			low		low	low	
Telecommunication services (including wireless)								very low			very low					low	very low		low	very low	
Finance																					
Real estate				low	moderate							low		very low	low				very low	low	
Other services		low	low	moderate	moderate				very low	low	low	very low	very low	low			low		low	low	

Key: very high, high, moderate, low, very low

■ Impacts

We have assessed there to be the following high impacts: "Water use", "Terrestrial ecosystem use", "Freshwater ecosystem use" and "Marine ecosystem use" in oil, gas, metals and mining; "Water use" in chemicals and other materials production; "Freshwater ecosystem use" and "Marine ecosystem use" in transportation services; "Terrestrial ecosystem use" in real estate.

Sector \ Category	Water use	Terrestrial ecosystem use	Freshwater ecosystem use	Marine ecosystem use	Other resource use	GHG emissions	Non-GHG air pollutants	Water pollutants	Soil pollutants	Solid waste	Disturbances
Oil, gas, metals and mining	high	high	high	high		moderate	moderate	moderate	moderate	moderate	moderate
Chemicals and other materials production	high	moderate				moderate	moderate	moderate	moderate	moderate	moderate
Paper and pulp	low						very low	low	low		
Land development and construction	low	low	low	low		low	low	very low	low	low	low
Transportation services	moderate	moderate	high	high		moderate	moderate	moderate	moderate	moderate	moderate
Automotive, electrical equipment and machinery production	moderate					moderate	low	moderate	moderate	moderate	moderate
Appliances and general goods manufacturing	low	low				low	low	low	low	low	very low
Textiles	low	low					low	very low	very low	low	
Food and beverage production	moderate				low	moderate		moderate	moderate	moderate	
Agriculture, forestry and fisheries	low	low	low	low	low	low		low	low		
Retail and wholesale	moderate						low	moderate	moderate	low	
Pharmaceuticals	low						very low	low	low	low	
Electricity and energy production	low	low	low	low		low	low	low	low	low	low
Telecommunication services (including wireless)		low	low	low				low	very low	very low	low
Finance										moderate	
Real estate		high				moderate	low	low	low	moderate	
Other services	moderate			low		moderate	low	moderate	moderate	moderate	

Key: very high, high, moderate, low, very low

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3. Identification and assessment of risks and opportunities

With our main focus on the insurance business, we continue to assess, analyze and take action in response to the physical risks and opportunities associated with degraded ecosystem services, as well as transition risks and opportunities associated with the strengthening of nature-positive policies and regulations, technological advancements and changes in market preference. Our assessment and analysis covers the entire value chain (upstream: product and service development; midstream: sales/marketing, investment; downstream: claims service and claim payments). The assessment timeframes are short-term (within 2-3 years), medium-term (5-10 years: around 2030) and long-term (10-30 years: around 2050). The main environmental changes related to nature and the risks and opportunities we assume, which will have a significant impact on our operations are outlined in the table below. We will continuously undertake reviews of these factors in light of changes in internal and external environments.

Environmental change			Impact on the Company	Risk	Opportunities	Timeframe
Physical	Acute	• Heat waves, extreme humidity • Change in frequency and intensity of floods, typhoons and hurricanes • Increased drought and wildfires	Increased insurance payments due to weather disasters	●	—	Short Medium Long
			Earnings deterioration owing to degradation of ecosystem services	●	—	Medium Long
	Chronic	• Sea level rise • Average temperature increase • Ocean acidification • Desertification • Deforestation, impacts on biodiversity • Increased immigration, market instability, and populism; collapse of a nation	Social instability due to degradation of ecosystem services	●	—	Medium Long
Transition	Policy	• Promotion of a nature-positive economy • Subsidies (resource efficiency improvements, etc.)	Fluctuations in revenue owing to changes in the operating environment	●	●	Medium Long
	Legal	• Revision of damage compensation system and laws; new legal interpretations	Nature-related lawsuits and other legal risks	●	—	Medium Long
	Technology/Market preference	• Nature-based Solution • Investors and consumers preferring environmentally responsible companies	Products and services that address changes in the operating environment	●	●	Short Medium Long
			Reputation	●	●	Short Medium Long

4. Addressing risks and opportunities

PDF For our main initiatives, please refer to Nature-related Initiatives (P.55-56).

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Risk Management

Structure

In order to realize the Group's 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 multifaceted 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.

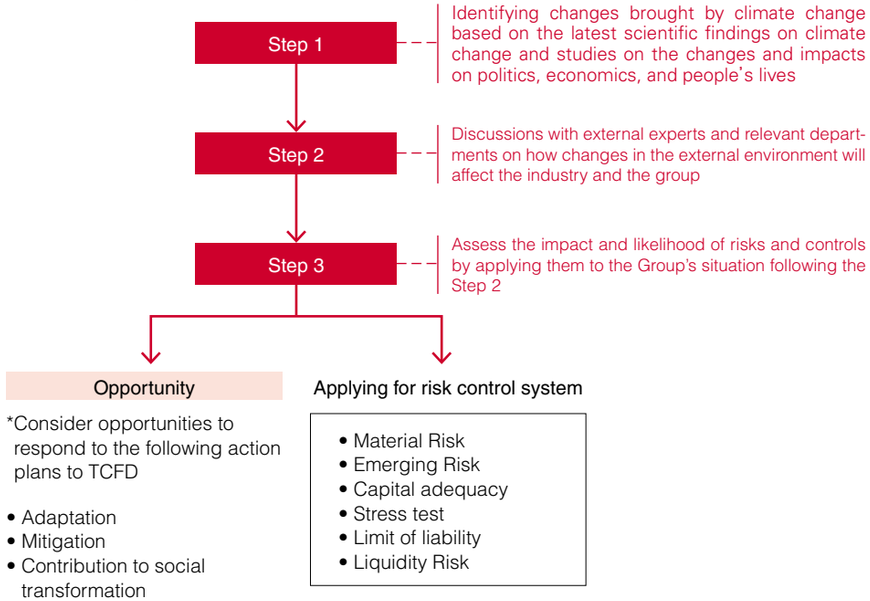
We are implementing SOMPO Climate Action to assess short-term, medium-term and long-term climate-related risks and opportunities through the Climate Change Risk Framework, conducting scenario analysis (physical risks and transition risks) based on the Framework, as well as various initiatives to improve our resilience to these risks and opportunities.

(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 gauge 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 the strategy section on page 35.

Climate Change Risk Framework



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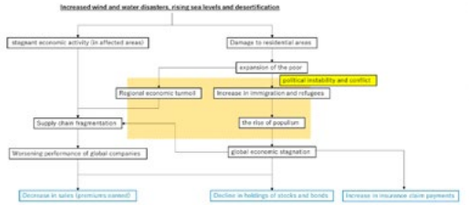
In assessing risk, we have assumed low, medium, and high environmental change scenarios, which are a combination of IPCC scenarios showing changes in average temperature and NGFS scenarios showing possible policy transition patterns (see "Scenarios of Risk Spillover and Impacts (Example)" below), and have assessed risks for each pattern.

Patterns of environmental change (low, medium, high)

	IPCC	NGFS
Low	SSP1-1.9	Orderly / Net Zero 2050
Medium	SSP2-4.5	Disorderly / Delayed Transition
High	SSP5-8.5	Hot House World/ Current Policy, Nationally Determined Contributions (NDCs)

Scenarios of Risk Spillover and Impacts (Example)

Spillover path (image of path leading to influence in our company)

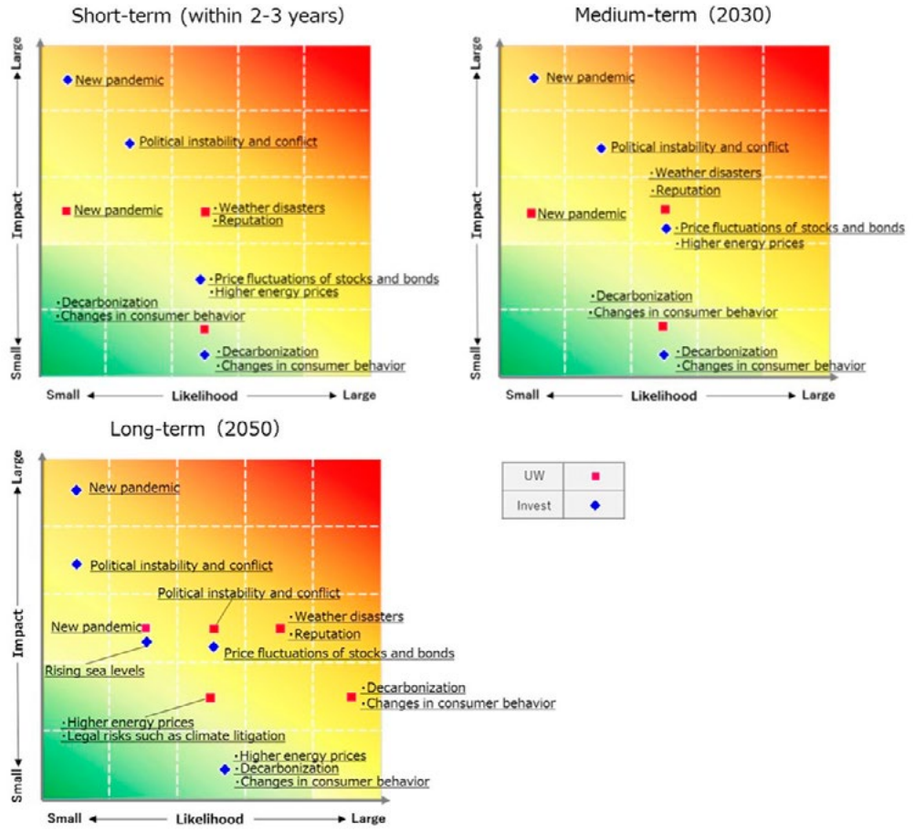


Expected impacts (impacts related to the spillover pathways shown at left)

Provide information on how impacts occur by presenting a story for the spill over path shown on the left handside

Based on the assessment results, risks that require continuous monitoring are visualized as a climate change risk map, which provides a bird's-eye view of the impact, likelihood, timing of occurrence, and trends of risks that primarily affect insurance underwriting and asset management, thereby stimulating discussion of climate change at the Board of Directors and other executive bodies.

Risk map based on assessment results



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(2) Other risks

The scenarios used in the assessment were conducted for insurance underwriting and asset management, but we believe that the legal impact of lawsuits has the potential to affect our business activities other than insurance underwriting and asset management. We believe that the impact and likelihood of each scenario in the risk assessment are moderate, and will continue to collect and analyze information to understand the risks.

	Cause	Impact
Risk of lawsuits	Delays in climate change initiatives and inadequate information disclosure	Lawsuits for compensation filed against the company

*Risks to our business excluding insurance underwriting and asset management. Note that we conducted an assessment of the impact on insurance underwriting and asset management.

(3) 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
Loss of Biodiversity	Destruction of ecosystems due to climate change and other factors will damage biodiversity and adversely affect the growth of agricultural crops. It has a negative impact on mitigation measures, accelerate the intensification and frequency of meteorological disasters, and weaken disaster mitigation capabilities

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.

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Metrics and targets

Activities and Achievements

(1) Metrics for assessing risks and opportunities

We are evaluating our climate actions based on the recognition that implementing them will reduce risks and capture new business opportunities for our group. We will also refer to the global core disclosure indicators in the TNFD framework for nature-related indicators and include them in the following indicators for our evaluation.

Item*1		Unit	FY2023*2	Core Global Metrics (TNFD)	
				Driver of nature change	Indicator
GHG emissions (Scope 1-3 excluding insurance underwriting, investments and loans)		t-CO_2e	306,876	Climate change	GHG emissions
GHG emissions (Scope3 Category15 Investments and loans)*3*4	Equities	t-CO_2e	867,087		
	Bonds	t-CO_2e	776,074		
	Total	t-CO_2e	1,643,161		
Weighted Average Carbon Intensity (WACI) (Scope3 Category15 Investments and loans)*5	Equities	t-CO_2e/Million USD	115.25	—	—
	Bonds	t-CO_2e/Million USD	128.13		
Renewable energy introduction rate		%	9.0	—	—
Electricity consumption		kWh	315,184,001	—	—
Paper consumption		t	10,863	Resource use/ replenishment	Quantity of high-risk natural commodities sourced from land/ ocean/freshwater
No. of participants in biodiversity conservation activities and environmental education programs		persons	9,617	—	—
Total surface area controlled/managed		m^2	1,381,037	Land/freshwater/ocean-use change	Total spatial footprint
Wastewater discharge		kℓ	4,155,566	Pollution/ pollution removal	Wastewater discharged
Total amount of waste generated		t	19,504	Pollution/ pollution removal	Waste generation and disposal
Breakdown by disposal method	landfill	t	11		
	Incineration	t	13,891		
	Other Dispositions	t	304		
	Disposal method unknown	t	0		
Amount of waste recycled		t	5,298		
Clean water usage*6		kℓ	4,175,391	Resource use/ replenishment	Water withdrawal and consumption from areas of water scarcity

*1 The scope of the indicators covers domestic consolidated companies and overseas consolidated companies.
*2 "GHG emissions (Scope 3 Category 15 investments and loans)" and "Weighted Average Carbon Intensity (WACI) (Scope 3 Category 15 investments and loans)" are the results for FY2022.
*3 Calculated for Scope 1 and 2 of listed equities and corporate bonds in Japan and overseas using data provided by MSCI ESG Research. (Coverage: 84 % of listed equities and 81% of corporate bonds in FY2022 on a market value basis.)
*4 GHG emissions are our company's share of the investee's EVIC (Enterprise Value Including Cash) base.
*5 WACI is the weighted average of GHG emissions per unit of sales for each investee's portfolio holdings. The WACI calculation method has changed from the 2021 figures.
*6 It shows the amount of water used by our Group. We will continue to check whether this applies to areas with water scarcity.

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(2) Targets for managing risks and opportunities

The Sompo Group has set the following targets and is managing its progress.

Item	Target
SOMPO's GHG emissions reduction rate	2030 60% reduction (compared to 2017) 2050 Net zero emissions *Scope 1, 2, 3 (excluding insurance underwriting, investments and loans) *The total emissions in 2017, the target base year, was 412,771 t-CO_2e
Investments and loans GHG emissions reduction rate	2025 25% reduction (compared to 2019) 2050 Net zero emissions *Scope 3 category 15 is covered (target assets are listed equities and corporate bonds) *The emissions in 2019, the target base year, is as follows: Equities: 1,013,157 t-CO_2e Bonds: 1,059,379 t-CO_2e Total: 2,072,536 t-CO_2e
Switch to renewable energy for electricity usage	2030 adoption rate 70% 2050 adoption rate 100%
Transition Insurance Target	2026 25 billion yen *We have set a target for the direct insurance premiums of insurance products that contribute to decarbonization

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Climate Change-related Initiatives

Adapt to climate change

Activities and Achievements

SORA Resilience

SORA Resilience is a collaborative web service that combines Weathernews Inc.'s wealth of weather-related data and knowledge, Sompo Japan Insurance's insurance data and knowledge, and Sompo Risk Management's risk control know-how. We named the service "SORA Resilience" because its purpose is to enhance customers' resilience in the face of damage to their supply chains and to help them continue their business operations as climate change brings about more frequent natural disasters.

Disaster Prevention and Mitigation Expense Insurance

Sompo Japan Insurance has been offering insurance for municipalities since April 2017 to cover the costs of evacuation in the event of a natural disaster. By reducing the financial burden of early evacuation, Sompo Japan Insurance aims to help municipalities make prompt and appropriate decisions on evacuation orders, etc., and prevent or mitigate the damage caused by disasters.

Evacuation Supporters' Insurance

Sompo Japan Insurance provides Evacuation Supporters' Insurance for municipalities to support evacuation activities of evacuation supporters in individual evacuation plans and residents participating in local disaster prevention activities.

SOMPO SUSTAINA

At Sompo Risk Management, we have accumulated the expertise to address corporate challenges and risks, such as adapting to climate change and enhancing resilience against natural disasters, which the Group has honed in the insurance business and other endeavors. To enable more customers to make effective use of this expertise for climate change action, we provide an online platform called SOMPO SUSTAINA, which allows users to easily quantify and visualize the future impact of physical risks from climate change, such as floods and typhoons, as well as earthquake risks on property and business activities. Climate change has brought about an increase in, and intensification of, natural disasters, including rising sea levels and more frequent heavy rainfall. These events are impacting people's livelihoods and natural ecosystems in various ways. As a result, accelerating efforts to achieve carbon neutrality has become a pressing issue for everyone worldwide. Around the world, initiatives are being implemented to promote decarbonization in businesses and industries and to strengthen competitiveness. Even in Japan, numerous projects are being carried out with the aim of achieving carbon neutrality by 2050. In addition to mitigating climate change, technological innovation for the purpose of adapting to a changing environment is necessary, while the values of consumers and investors are also shifting. To respond to these changes, companies are expected to take action and drive innovative breakthroughs in order to achieve sustainable business growth. To address social issues—something that all companies are obligated to tackle—Sompo Risk Management and Sompo Japan Insurance are promoting the SOMPO SUSTAINA platform to corporate customers in collaboration with other financial institutions and partner organizations. Through SOMPO SUSTAINA, we will look to contribute to solving various challenges that companies face in achieving sustained growth and to the realization of a sustainable society.



SOMPO SUSTAINA enables corporate customers to visualize the physical risks of climate change

SOMPO-style Evacuation Map "Nigechizu*" Workshops

Sompo Japan Insurance provides SOMPO-style Evacuation Map "Nigechizu" Workshops to raise disaster prevention awareness and revitalize local connections in response to the issue of people being aware of the risks of natural disasters but unable to take the first step to prepare for them.

*"Nigechizu" is a registered trademark of NIKKEN SEKKEI LTD.

PDF For further details, please refer to Corporate Citizenship Activities (P.102).

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Climate Change-related Initiatives

Bosai JAPAN-DA Project

Sompo Japan Insurance is running experience-based disaster prevention workshops and puppet shows for children—society's future leaders—and their guardians with the aim of helping them acquire knowledge and safe behaviors to protect themselves in emergency situations.

PDF For further details, please refer to Corporate Citizenship Activities (P.102).

Tsunagaru Bosai Project

In partnership with the Japan NPO Center and the Foundation for Promoting Sound Growth of Children, since October 2022 we have run the Tsunagaru Bosai Project (or Inclusive Disaster Prevention Project).

PDF For further details, please refer to Corporate Citizenship Activities (P.102).

AgriSompo

Sompo International contributes to a stable food supply through the continued delivery of risk management tools through "AgriSompo", a global integrated platform for agricultural insurance.

AgriSompo offers a number of insurance and risk management products designed to help close the protection gap, including:

- Parametric Crop Insurance, which involves structured weather risk management solutions for the agricultural industry
- Global Reinsurance of existing and emerging crop insurance programs
- Growing U.S. platform including Micro Farm, a new U.S. Federal agricultural program that guarantees whole farm revenue for small farms
- Expansion of product offerings and scale of business through capacity in Brazil

PDF For the social contribution activities provided through AgriSompo, please refer to Corporate Citizenship Activities (P.104).

Mitigate climate change

Activities and Achievements

Initiatives towards the Group's goal of net-zero GHG emissions by 2050

We aim to reduce our own GHG emissions by 60% by 2030 (compared to 2017)* across Scopes 1, 2, and 3 (excluding insurance underwriting, investments and loans), and then achieve net-zero emissions by 2050. To achieve these goals, our focus will be on electricity, which accounts for a particularly large portion of our GHG emissions. In addition to energy-saving measures like switching to the use of LED lighting, we have set a target of achieving a 70% renewable energy adoption rate by 2030, and we are following a roadmap that includes switching the electricity in the buildings we own to renewable energy sources.

*Science-based target that aligns with the 1.5°C target level (reduction of at least 4.2% every year) of the Paris Agreement.

Initiatives encouraging a green transition at partner companies and in society

Investments and loans

As for the GHG emissions of our investees, we have set an interim target of a 25% reduction by 2025 (compared to 2019, based on total GHG emissions of equity and bonds). To achieve this target, we are promoting a switch from high GHG emitting sectors to low GHG emitting sectors at the time of maturity redemption of bonds, and engagement with the top 20 high GHG emitting companies among our equity holdings.

Insurance underwriting

We have set a "Transition Insurance Target" aiming to achieve premium income of 25 billion yen in fiscal 2026 for insurance products that contribute to decarbonization both domestically and overseas. To achieve this target, we are working to develop products and services that contribute to the spread of renewable energy and energy conservation, including the "ONE SOMPO WIND Service" (insurance and risk management service for offshore wind power operators).

In addition, we calculate GHG emissions in insurance underwriting (Insurance-Associated Emissions) using data* from companies that disclose GHG emissions (Scope 1, 2).

*We calculated by using a method for measuring GHG emissions in the commercial insurance sector developed by Partnership for Carbon Accounting Financials (PCAF) in November 2022.

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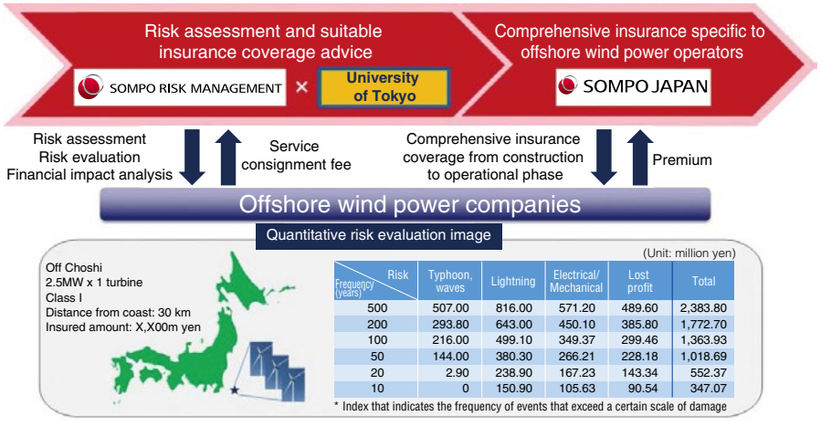
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Climate Change-related Initiatives

ONE SOMPO WIND Service

Sompo Japan Insurance and Sompo Risk Management 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.



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

Evolution of the offshore wind power risk assessment model and its utilization for enhancing insurance underwriting

Sompo Japan Insurance and Sompo Risk Management have evolved our Offshore Wind Power Risk Assessment Model*, developed in May 2016, into the Cable Accident Model (frequency and intensity) and the Charter Cost Model (charter costs account for a large portion of repair costs), based on recent accident data on offshore wind powers in Japan and overseas, the latest academic research results, and other knowledge. We are also developing a new model for offshore wind powers. In addition, we have begun providing risk assessment services for offshore wind power operators that construct and operate offshore wind powers at multiple locations.

*This is a tool for estimating the probability of property damage caused by wind damage, lightning, and mechanical and electrical failures at offshore wind farms, as well as the loss of profit resulting from such property damage.

Demonstration testing of technology for analyzing greenhouse gas (methane) leaks from corporate facilities from satellite images

Sompo Japan Insurance and Sompo Risk Management have started a demonstration experiment with Momentick Ltd., an Israeli start-up company that has a methane detection technology based on information obtained from satellites, in order to develop services and insurance policies that address new corporate risks. In this experiment, Momentick uses its proprietary software to analyze the amount and location of methane emissions around specific assets based on satellite images, and provides the results and knowledge to Sompo Japan Insurance and Sompo Risk Management. Sompo Japan Insurance and Sompo Risk Management are jointly conducting technical validation and investigating the possibility of using the technology in risk consulting services and insurance product development. The technical verification also utilizes data acquired by the Greenhouse gases Observing SATellite (GOSAT) series, the world's first satellite dedicated to observing carbon dioxide and methane concentrations from space. Data utilization is conducted in cooperation with the Climate Change Observation Research Strategy Office, Ministry of the Environment, and the Earth System Division Satellite Observation Center, National Institute for Environmental Studies (NIES).

SOMPO-ZELO*

Sompo Japan Insurance and Sompo Risk Management 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).

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Climate Change-related Initiatives

Comprehensive insurance for tidal current (ocean current) power generation to support the uptake of offshore renewable energy

Sompo Japan Insurance and Sompo Risk Management 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.).

Stabilization support insurance for municipal renewable energy supply

Sompo Japan Insurance 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 municipalities funded retail electric power companies procure locally generated renewable energy.

A service to promote the reuse of solar panels damaged in a natural disaster

Sompo Japan Insurance and Sompo Risk Management 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.

A rider for rebuilding expenses to cover the cost of rebuilding a damaged home

Sompo Japan Insurance 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.

Dedicated insurance for everiwa Charger Share

Sompo Japan Insurance in collaboration with Panasonic, developed a dedicated insurance product for the EV charger-sharing platform, everiwa Charger Share*. The purpose of this insurance is to cover risks such as property damage, personal injury, and illegal parking that may occur between EV charger hosts and EV users. This initiative aims to boost the prevalence of EVs and help create a sustainable community.

*"everiwa Charger Share" is a trademark of the Panasonic Group.

Initiatives through collaboration with stakeholders

Business partners

Sompo Japan Insurance is working on environmental and sustainability efforts with the entire value chain, in collaboration with all of our business partners. They communicate and ask for cooperation with our stances toward action by sharing the Group Sustainability Vision, Environmental Policy, and Sustainable Procurement Policy with business partners, including contractors that provide waste collection, transport and disposal, as well as printing, logistics, and food services. They also communicate to business partners about our efforts to consider the environment, including proper waste management and a ban on hazardous materials being brought into our buildings, as well as a ban on the use of products of international concern, such as products manufactured through child labor or forced labor, or the use of conflict minerals.

Also, in the selection and purchasing of paper, they select suppliers from the perspective of promoting recycled paper, and have established green procurement routes.

Agencies

Cooperating with its agencies nationwide, Sompo Japan Insurance is working to reduce environmental impacts throughout the entire value chain through continuous awareness raising and organizational promotion of environmental protection initiatives in communities.

Since 2008, the AIR Auto Club, a national organization of auto body shop agents, has been developing "Air eShop 21," a voluntary chain group of auto body shop operators who are actively engaged in environmentally friendly business activities. The Air eShop 21 group has been making efforts to reduce CO_2 emissions by acquiring ISO 14001 certification, an international environmental standard, for all its stores. In addition, each member store of the group has been making efforts to "promote the use of recycled parts" and "reduce the use of electricity," which are particularly effective in reducing CO_2 emissions in the auto body repair business. It has steadily reduced CO_2 emissions every year, achieving a reduction of approximately 105.25 tons in FY2023. This is equivalent to the amount of CO_2 absorbed by 9,568 beech trees in one year.

Meanwhile, the national pro agencies' organization, JSA Chukakukai, in partnership with the AIR Autoclub, is promoting green procurement using an Internet-based centralized purchasing system. The organizations have a combined membership of 2,600 registered members (as of March 2024).

Through social contribution activities rooted at the local level, the agency organizations are acting as points for information dissemination and spreading our efforts to customers nationwide.

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Climate Change-related Initiatives

Contribute to societal transformation

EV-One

In 2023, Sompo Japan Insurance and Prime Assistance launched a user support platform for battery EVs called EV-One. Recently, reducing the GHG emissions generated by vehicles has become a key topic of the carbon neutrality movement. In Japan, emissions from the transportation sector (automobiles, railways, aviation, and shipping) account for 17.4% of all CO_2 emissions, with approximately 80% of this coming from automobiles.*1 However, Japan's EV ownership rate is still only 0.16%*2, meaning that contributing to the uptake of EVs is an important task for the Group. According to data*3 from surveys concerning EVs conducted by Sompo Japan Insurance, EV users currently harbor a number of concerns, including range anxiety (running out of battery), uncertainty about the locations of charging stations, and the lack of information about available maintenance and repair service providers. To address these concerns and to support a safe and secure EV transition, EV-One was created as a dedicated EV user support platform that anyone can use, regardless of vehicle model or manufacturer.



EV-One smartphone app

*1 Referencing the MLIT's data on CO_2 emissions in the transportation sector
*2 The number of EVs at the end of fiscal 2020 reported by the Next Generation Vehicle Promotion Center was divided by the number of total vehicles as of the end of March 2020 reported by the Automobile Inspection & Registration Information Association to calculate the EV ownership rate
*3 Data was obtained from an online survey and an interview survey conducted by Sompo Japan Insurance from July to August 2022

As of June 2024, the EV-One platform offers the following five functions.

1) A "maintenance shop search and reservation" function that allows users to find a nearby maintenance shop in the event a problem arises with the vehicle at home (place of business) or while traveling.
2) The "Charging Spot Search" function allows you to find a nearby charging spot that is compatible with the vehicle you own.
3) A function that provides contact information and response information in the event of an accident or breakdown.
4) EV-One road service (rush charging, towing, etc.) function for troubleshooting.
5) Push notification function to inform the user of the timing of inspections, maturity of automobile insurance, etc.

Going forward, we have plans to expand the services in each phase (considering, purchasing, use, and maintenance/reuse). Up until now, the Group has provided various mobility services primarily through automobile insurance, but up ahead, we aim to offer a range of services that go beyond this to support the EV shift and contribute to the realization of a decarbonized society.

Societal transition through collaboration with stakeholders

- Joint research agreement between the University of Tsukuba and Sompo Risk Management on climate change risk assessment.
- Partnership agreement with Weathernews Inc. to create new value and businesses to solve social issues related to climate change and global warming.
- Establishment of "Disaster Risk Finance-Industry-Academia Joint Research Division" in collaboration with Disaster Prevention Research Institute, Kyoto University.
- Gifu University of Tokai National Higher Education and Research System and SOMPO Institute Plus signed a joint research agreement to study flood risk prediction and social impact and adaptation measures due to climate change.

Initiatives for fostering environmental personnel

- The SOMPO Environment Foundation implements the "Public Seminars on the Environment," and the "CSO Learning Program," which provides an eight-month internship experience at a CSO (civil society organization) in the environmental field for university students and graduate students
- Group executives and staff members engage in volunteer activities, mainly through the "SOMPO Chikyu (Earth) Club," a volunteer organization of which they are members.

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Climate Change-related Initiatives

Policy for ESG-related Underwriting, Investments and Loans

We have formulated policies, including a Group sustainability vision, to present our approach to addressing climate change, human rights, and community engagement. To manage climate change risks in our insurance underwriting, investments and loans operations in particular, we are implementing initiatives in line with our Policy for ESG-related Underwriting, Investments and Loans.

- 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 AMAP area (Arctic Monitoring and Assessment Programme)*2.
- We will not underwrite new or renewal insurance or make investments in or loans to companies whose primary business is coal*3, or oil and gas extraction projects in the ANWR (Arctic National Wildlife Refuge), unless a GHG reduction plan is established by January 2025*4.

*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 place that are expected to reduce GHG emissions and contribute to the realization of the Paris Agreement.
*2 Defined by AMAP, excluding operations in Norwegian territories.
*3 Defined as companies that derive at least 20% of their revenues from coal-fired power generation, thermal coal mines, or oil sands, or electric utilities companies that generate at least 20% of their energy from coal.
*4 These restrictions will not apply to insurance that supports the health and wellbeing of individuals, e.g. workers' compensation insurance.

Identifying businesses and sectors that have a negative impact on the environment and society in insurance underwriting, investments and loans

The Group has identified operations in the insurance underwriting, investments and loans business that may have negative environmental or social impacts. In such cases, we carefully evaluate the potential negative environmental and social impacts and respond with caution. Also, by gathering information from stakeholders and exchanging opinions, we identify issues of high importance to our business. These issues are then discussed by the Group Sustainable Management Committee and its subcommittees, who update ESG risk cases, identify business activities that require attention, and regularly review various policies.

PDF For further details, please refer to ESG Risk Management (P.141-142).

Engaging with investee companies

In line with the principles of Japan's Stewardship Code, Sompo Japan Insurance conducts an annual ESG questionnaire (Survey on ESG/Sustainability Initiatives) to assess and monitor the efforts and progress of investee companies to enhance corporate value and promote sustainable growth. In fiscal 2023, we sent the survey to 1,446 companies in which we hold shares and received responses from 318 companies. This helps us understand the needs of these companies, identify opportunities for collaboration, and support their sustainability initiatives, including decarbonization.

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Nature-related Initiatives

SAVE JAPAN Project

Activities and Achievements

Overview of the project

Sompo Japan Insurance is collaborating with the Japan NPO Center, regional NPO support centers, and environmental NPOs to conduct community-based biodiversity conservation activities. These activities are funded in part by the cost savings generated from the customers whom opt for web-based policy clauses and web-based insurance policy certificates. This project began in 2011, the year after the adoption of the Aichi Targets at the Tenth Meeting of the Conference of the Parties (COP10) to the Convention on Biological Diversity.

The goal is to "create livable environments for living creatures" by providing citizens with opportunities to become interested in the natural environment around them and by conducting environmental conservation activities in collaboration with NPOs based on citizen participation.

Results so far

As of the end of March 2024, we have successfully protected more than 300 rare species and engaged over 66,000 participants in a total of 1,088 events held across all 47 prefectures of Japan. Having undertaken initiatives for more than 10 years now, our biodiversity conservation activities are being deployed all over Japan. Our efforts have contributed to the creation of value by raising awareness among participants, strengthening the foundation of environmental organizations, and building networks within community.



Children learning about the significance of horseshoe crab conservation during a wildlife observation event at the Nakatsu Tidal Flat in Oita Prefecture

Implementation of the 5th phase (development period) for the FY 2023 (2023-2024)

At the 15th Conference of the Parties (COP15) to the Convention on Biological Diversity held in Montreal in December 2022, Kunming-Montreal Global Biodiversity Framework (GBF) was adopted, as the successor to the Aichi Targets, and set new global targets. In March 2023, Japan adopted its National Biodiversity Strategy 2023-2030, which incorporates the GBF, including the target of "30 by 30" – preserving more than 30% of land and sea by 2030. These developments mark a major milestone in the field of biodiversity, and momentum is building to achieve nature positive, which means halt and reverse the loss of biodiversity.

Therefore, in the SAVE JAPAN Project, which represents the next evolution of our efforts to date, we are proceeding the following initiatives to realize nature-positive future, including contributing to the "30 by 30" target.

(1) Supporting activities that contribute to the dissemination and promotion of Ecosystem-based Disaster Risk Reduction (Eco-DRR), which offer an integrated response to biodiversity loss and climate change.

(2) Supporting the certification process for "Nationally Certified Sustainably Managed Natural Sites*" that contribute to the promotion of "Other Effective area-based Conservation Measures" (OECMs), which include areas other than protected areas such as national parks that are conducive to biodiversity conservation.

Two projects were submitted for certification as "Nationally Certified Sustainably Managed Natural Sites" in the first half of fiscal 2024.

*As protected areas are also included in the areas designated by the Ministry of the Environment where biodiversity conservation is being achieved through private sector initiatives and other means, the ministry certifies these as "Nationally Certified Sustainably Managed Natural Sites" and then registers the non-overlapping portions with protected areas as OECMs in international databases.

Future prospects

The biodiversity conservation activities and fields that the SAVE JAPAN Project has been involved in so far are consistent with the direction of the GBF and the National Biodiversity Strategy 2023-2030. By implementing more advanced initiatives with all of our stakeholders, we will work to spread understanding of the issues and solutions in the field of biodiversity among civil society.

Comments from a co-sponsoring partner



How companies should approach biodiversity conservation has become an increasingly important topic in the last few years. The SAVE JAPAN Project has been undertaking initiatives in this field since 2011. By collaborating with various stakeholders, such as environmental NGOs in each region, the project has provided many citizens with the opportunity to think about biodiversity. This has also led to developments in initiatives such as OECMs and Eco-DRR. Additionally, the "Tsunagaru Bosai Project" was launched 2022, through which children's centers across Japan organize and carry out disaster prevention and mitigation initiatives that are inclusive of vulnerable individuals. Unique disaster prevention and mitigation programs have been developed in collaboration with various stakeholders in the community, which have even enabled swift responses during wind and flood events. We look forward to further promoting collaboration and partnerships with NPOs, connecting with more people, and contributing as a partner to the development of better communities.

Kenji Yoshida, Managing Director, Japan NPO Center (JNPOC)

Nature-related initiatives

Activities and Achievements

100 OECMs Project

The "30 by 30" target—which aims to effectively protect at least 30% of the world's land and sea as healthy ecosystems by 2030—was incorporated into the Kunming-Montreal Global Biodiversity Framework (GBF) adopted at the 15th Conference of the Parties (COP15) to the Convention on Biological Diversity. This goal has also been included in the National Biodiversity Strategy of Japan 2023–2030 based on cabinet approval.

Given the strong affinity with the P&C insurance business, Sompo Japan Insurance is actively promoting the creation of OECMs, which contribute to achieving the "30 by 30" initiative and also align with Eco-DRR. We are implementing a project that aims to build disaster-resilient communities by supporting the registration of OECMs for urban green, forests, and coastal areas owned and managed not only by the Sompo Group, but also by other corporations and local governments.

Sompo's Forest

Sompo Japan Insurance has signed agreements with eight municipalities across Japan with the aim of supporting forest management activities. We run volunteer activities for forest management and environmental education involving people from the community, Group employees, our agencies, and their families. Through the Sompo's Forest initiative, we are communicating information about the relationship between forest conservation and improving disaster resilience, and ultimately building disaster-resilient communities.



Forest management work in Nagano Prefecture (left) and Miyazaki Prefecture (right)

Japan's first compensation scheme for forest-derived carbon credits

Since December 2022, Sompo Japan Insurance has been providing compensation for forest-derived carbon credits*1 for the voluntary credit market*2, the first initiative of its kind in Japan to reduce greenhouse gas emissions with the utilization of natural capital.

With the aim of promoting the introduction of forest credits, this compensation addresses the risk associated with reduced CO_2 absorption in the event that a forest owned by a credit creator is damaged, potentially resulting in the inability to obtain expected credits. Also, we have been involved with the Natural Capital Credit Consortium (NCCC) since its inception. We are contributing to the preservation of natural capital through our participation in this organization, which focuses on the creation of voluntary carbon credits. Professor Shunsuke Managi of Kyushu University serves as chairperson of the NCCC.

NCCC
Natural Capital Credit Consortium

*1 A credit that certifies reductions in CO_2 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.

TNFD Disclosure Support Service (Nature-related Risk Analysis)

The disclosure of information on natural capital and biodiversity is gaining traction among corporations, and in September 2023, the TNFD released a framework for companies to follow when disclosing such information. Coinciding with the release of the TNFD framework, Sompo Risk Management started providing its own TNFD Information Disclosure Support Service (Nature-related Risk Analysis) in September 2023 in order to assist companies with their efforts to analyze and disclose information about natural capital and biodiversity.

Sompo Japan Green Open Fund ("Buna no Mori")

Sompo Asset Management manages a fund called Sompo Japan Green Open Fund ("Buna no Mori"), which it launched in September 1999. The fund invests in companies actively tackling environmental issues, which means that investors can expect their contributions in the fund are indirectly contributing to environmental conservation efforts. As a pioneer in ESG investment in Japan, Sompo Risk Management Inc. conducts an environmental management analysis, in which it surveys and evaluates the company's environmental initiatives, before selecting the stocks to be included in the analysis, including biodiversity initiatives and TNFD disclosures.

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Sompo Environment Foundation

Activities and Achievements

Sompo Environment Foundation, based on its philosophy of "Fostering People Who Plant Trees," supports education, human resource development, action and research in conservation and other environmental fields with the goal of contributing to global environmental protection.

Public Seminars on the Environment

The foundation, in collaboration with Sompo Holdings and the Japan Environmental Education Forum, has been running environmental lectures for the public for the last 31 years since 1993. The lectures are geared towards raising an understanding and awareness of environmental issues among citizens so that people can implement concrete actions in their own way. The lectures usually focus on themes of the SDGs and sustainability. Since fiscal 2020, the lectures have been held online due to the COVID-19 pandemic, which means people from all over Japan can participate. In fiscal 2023, the overarching theme was "Re-Style: Nine Perspectives to Create a New Fulfilling Lifestyle." In response to the dynamic changes needed to achieve a sustainable society, the series featured an opening special lecture on considering new "fulfilling" lifestyles from various angles, followed by nine regular lectures. As of March 2024, a total of 44,300 participants had attended. Also, recordings of the lectures are also provided for the benefit of people who were unable to attend on the day or for people who wish to view the lecture again to deepen their understanding.

Comments from a co-sponsoring partner



I am proud of our work together as co-hosting partners of this pioneering corporate-NGO partnership project since 1993. There is no doubt that the environmental activities of all three of our organizations have grown along with this lecture series. In addition, based on what they learn in the lectures, participants are taking concrete actions to solve environmental problems. That's why I believe these lectures play an important role from the perspective of human resource development. I hope to contribute to the realization of a sustainable society by continuing these lectures into the future as well.

Tatsuhiro Kato, Secretary General, Japan Environmental Education Forum (JEEF)

Comments from participants in 2023

- It is a very good series and I look forward to it every time. It has always been very informative and also a catalyst for me to change my own behavior.
- I am happy to learn about environmental issues. I don't think people will take action unless they understand the issues themselves.
- Since I live in a rural area, and I'm often unable to attend on the day of the lecture, it's really helpful to have the video available to watch at a later date. It's very valuable to be able to hear talks on topics I don't usually get to hear.
- It's very meaningful to be able to listen to interesting talks gathered from experience for free. I enjoyed learning new things. Thank you very much.
- The lecturer presented a wide range of information on biodiversity and international conferences in a compact format. That said, there was so much information in each presentation that I watched it about five times. It was something I wanted to share with my friends.
- Talking about the environment is often difficult, and there are many things I don't understand even if it's only an hour-long talk, but the lecturer really explained everything in detail, so it was very easy to grasp and my understanding deepened.

Grant program for environmental protection projects

Since 1999 the foundation has awarded grants for environmental conservation projects to support groups working on environmental issues. These grants support projects that carry out practical activities and awareness-raising activities in a wide range of environment-related fields, including nature conservation, ecosystem conservation, waste problems, and climate and energy.

Grant program for doctoral course students

Since 2001 the foundation has provided academic research funding for graduate students' costs of writing PhD theses in the humanities and social sciences to support outstanding young researchers who are inspired to write on environmental themes. So far, a total of 117 people have been granted assistance through this program.

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CSO Learning Program

The foundation operates the CSO Learning Program, which provides an eight-month internship experience at a CSO (Civil Society Organization: a concept that encompasses NPOs and NGOs) in the environmental field for university students and graduate students. Since the program was launched in 2000, we have worked together with CSOs to develop human resources who can contribute to the creation of a sustainable society. Even during the COVID-19 pandemic, online meetings and remote work were adopted to ensure the program continued without interruption, and the program has now run for over 20 years. So far, 1,332 students have completed the program (as of March 2024). Reflecting the foundation's philosophy of "Fostering People Who Plant Trees," graduates are now active as "those who plant trees" in a wide range of fields, including government offices, private companies, and CSOs. In 2019, the program was launched in Jakarta, Indonesia, and to date, five sessions have been held in Jakarta with a total of 103 students completing the program. Local governments and NGOs have high expectations for this program as a training program for new leaders.



FY2023 CSO Learning Program closing ceremony



Batch 6 kick-off ceremony in Indonesia

Comments from people involved in the CSO Learning Program

Sayuki Mizokami
(FY2023 intern at the Nature Conservation Society of Japan (NACS-J))



The value of the CSO Learning Program is not only learning about environmental issues through the internship experience, but also learning about the position of CSOs in civil society. When I heard that the organization where I did my internship was having a hard time increasing donations to fund its activities, I was surprised to learn that donations to CSOs are so low in Japan. I want to do what I can to help CSOs, which are carrying out important activities to protect our nature, continue their work, such as letting the public know about their activities.

Shunichiro Toya
Deputy Director/Office for Mainstreaming Biodiversity, Biodiversity Policy Division, Nature Conservation Bureau, Ministry of the Environment, Japan* (FY2011 internship graduate)



As a staff member of Japan's Ministry of the Environment, I have been engaged in work such as conservation of rare wildlife, protection and management of birds and animals, and mainstreaming of biodiversity. I participated in the CSO Learning Program when I was a senior at university and learned the importance and difficulties of carrying out various environmental initiatives from the perspective of an NGO or NPO. I feel that this was a very important experience for me in my current job as an administrative officer, in which I have to build consensus among stakeholders. I'm still in contact with my peers whom I met through the program more than a decade ago, and we remain close colleagues who continue to take on new challenges together. *As of the end of June, 2024.

Tomonori Watanabe
Head of the Brand Communication Office, WWF Japan (CSO where interns are placed)



Our interns gain experience on the frontlines of environmental conservation activities, and it's actually an exciting and valuable opportunity for the staff of WWF Japan as well. I am always amazed by the students' dedication and energy, such as the spirit with which they carry out even the humblest tasks, such as data analysis, with precision, the creation of excellent ideas that our staff would never have thought of, and the sense of responsibility they feel in taking on everything from planning to running a seminar. It is a truly wonderful program that also provides a training opportunity for the organization.

Ms. Jo Kumala Dewi
Director, Environmental Partnership, Ministry of Environment and Forestry, Indonesia



The SOMPO NGO Learning Internships Program, now in its sixth year, shows a commitment to environmental conservation and societal betterment. Its social significance lies in nurturing over 100 graduates, who are already contributing to environmental initiatives, indicating its success as more than just an educational program but a trigger for real-world environmental action. Through this program, the SOMPO group is playing a vital role in fostering young talent. We look forward to the continued success of this program, hoping it will produce many more leaders in the future.

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External recognition

Awarded the Minister of the Environment Awards for Climate Action 2023

Sponsored by the Ministry of the Environment, this award recognizes organizations that have made outstanding achievements in mitigating and adapting to climate change. The Sompo Environment Foundation received the award in the dissemination and promotion category for two initiatives addressing climate change: Public Seminars on the Environment and the CSO Learning Program in Indonesia.

Awarded the ESD* Activity Award for activities to create a sustainable society in FY2023

Under the auspices of the Ministry of the Environment, the Ecological Life and Culture Organization recognizes outstanding organizations that are engaged in environmental education, biodiversity conservation, and other activities that nurture the leaders of a sustainable society. The Sompo Environment Foundation was awarded the ESD Activity Award for its efforts to foster environmental talent in the youth generation through the CSO Learning Program.

*ESD: Education for Sustainable Development

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DEI (Diversity, Equity & Inclusion)

The Sompo Group's DEI vision

Concept and Policy

We promote DEI as one of the key initiatives essential to the Group's growth from the perspectives of employees, the company and society. The employee perspective is to foster a corporate culture that respects individual differences, encourages dialogue, and increases employee pride and job satisfaction, thereby supporting their growth. The company's perspective is to encourage diverse individuals to play an active role in better decision making, thereby improving value creation and resilience. The social perspective aims to create a workplace and a society in which all people can play an active role with confidence. To embody SOMPO's Purpose - a future of health, wellbeing and financial protection - we will respect the values of each and every employee, regardless of gender, disability, nationality or age. We will engage in dialogue and make the most of our talents and strengths. We will stay ahead of change to create new value. In this way, we will put true DEI into practice.

Initiatives to promote DEI

Activities and Achievements

Close the gender gap

We implement training programs and workshops to promote self-directed career development in each company and across the Group. In this way, we create an environment and culture that supports women's career advancement.

The Group is committed to improving diversity in management decision-making. To this end, we have set numerical targets to increase the proportion of female executives, general managers and managers to 30% or more by 2030. We formulate succession plans for key positions in the Group (98 positions in total), including the Group CEO and other senior executives. We aim to fill 50% of these positions with female candidates. As of April 1, 2024, Holdings had five female executives (three Outside Directors, one Executive Officer, and one Senior Vice President) while Sompo Japan had six female executives (one Outside Director and five Senior Vice President). The percentage of female managers in the Group was 25.5%.*

*After continuous efforts to empower women, Sompo Japan has largely achieved its 30% target for women in management positions, previously defined as "team leaders and above in charge of evaluation." Sompo Japan has redefined management positions as "higher decision-making positions," with the percentage target for women in these positions. It will accelerate its efforts to achieve this goal.

Topic **Title partner agreement with women's professional soccer "WE League"**

We have signed a title partner agreement with the Women's Professional Soccer League, "WE League," for the seasons starting from September 2024. With a mission to "promote an inclusive society, filled with diverse dreams and ways of living, and where individuals can shine, through the power of women's football and sports," WE League works to solve problems such as gender issues and contribute to society throughout the country. We will promote DEI in cooperation with the WE League by working to solve various social and regional problems. We will create "a future of health, wellbeing and financial protection" together.

SOMPO .WE LEAGUE

Empower people with disabilities

The Group strives to create a stable environment in which people with disabilities can demonstrate their abilities and achieve self-fulfillment in the workplace. To realize DEI through their active engagement, the Group has been empowering people with disabilities. As of April 1, 2024, the Group's employment rate for people with disabilities was 2.49%.

Sompo Japan has developed a manual for executives and managers. It has deployed employment counselors for people with disabilities nationwide. Sompo Japan has established a system to support employees with disabilities and create a comfortable workplace.

Special purpose subsidiary*, "SOMPO Challenged," to empower people with disabilities

In April 2018, a special purpose subsidiary, SOMPO Challenged, was established to promote the stable employment of people with disabilities across the Group and to create an environment where people with disabilities can actively work. Since December 2023, Holdings and SOMPO Challenged have been working together to recruit, retain and promote the active participation of people with disabilities in all Group companies.



*A special purpose subsidiary is a company that pays special attention to the employment of people with disabilities and must meet the requirements specified in the Employment Promotion of People with Disabilities Act and be certified by the Minister of Health, Labor and Welfare.

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DEI (Diversity, Equity & Inclusion)

We joined The Valuable 500, an international initiative to empower people with disabilities

The Valuable 500 is an international organization founded by social entrepreneur Caroline Casey at the World Economic Forum Annual Meeting (Davos Forum) in January 2019, based on the idea that "inclusive businesses create inclusive societies." The organization's goal is to encourage business leaders to implement reforms that enable people with disabilities to demonstrate their potential value to business, society and the economy.

As a member of the Valuable 500, we will work to drive change. We published our commitment when we became a member of the Valuable 500.

Web Click on the link below for more information:
Sompo Group Commitment, "The Valuable 500"

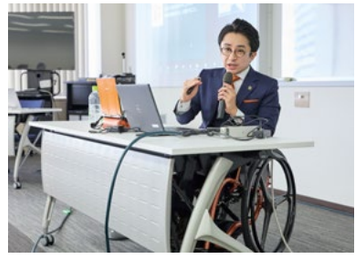
Universal Manners Certification training

Universal Manners Certification is a certification test that encourages people to systematically learn and practice universal manners (the attitudes and actions required when working in a diverse environment). We strive to provide customers with "reasonable accommodation" and valuable products and services based on proper understanding and empathy. We make every effort to understand and respect people with disabilities as our fellow employees.

With this in mind, Holdings and the main operating companies in Japan held a workshop in June 2023. The workshop, attended by executives, was designed to raise awareness, broaden their understanding of diversity, and help them achieve Universal Manners Certification Level 3.

All the management leaders at Sompo Himawari Life Insurance have obtained Universal Manners Level 3 certification. Workshops at each workplace are designed to deepen employees' understanding of the employment and the active participation of people with disabilities.





Empower LGBTQ+

Improved human resource systems and workplace facilities

Holdings and Sompo Japan have a system that treats same-sex partners as "deemed spouses" if certain conditions are met. As with other employees, they are considered to be entitled to various benefits, including condolence payments, congratulatory and condolence leave, childcare leave, and access to various welfare facilities. In addition to these benefits, we have all-gender facilities. The headquarters building and training facilities have all-gender restrooms. The Headquarters Clinic provides all-gender locker rooms.

Initiatives to promote understanding

Sompo Japan promotes various initiatives to create a comfortable and rewarding environment and culture for everyone, including LGBTQ+. For example, the LGBTQ+ Circle, one of the activities of the Employee Resource Group (ERG), takes the lead in sharing information and exchanging opinions, holding internal social gatherings, participating in external events, holding study sessions for all employees, implementing e-learning, and providing educational materials and workbooks to all workplaces.

Since 2019, we have been a sponsor of the LGBTQ+ event "Tokyo Rainbow Pride." In fiscal 2024, Holdings and Sompo Japan jointly set up a booth at the event, which attracted many employees and their families. Based on the idea offered by the LGBTQ+ Circle, we have been sponsoring "Nagoya Rainbow Pride" for three consecutive years since fiscal 2022.



Participation in "Tokyo Rainbow Pride"

Products and services

Sompo Japan has changed the definition of spouse in automobile, fire and personal accident insurance policies to include same-sex partners as "deemed spouses" for coverage under certain conditions.

Sompo Himawari Life Insurance has simplified the process for beneficiaries. When a same-sex partner is designated as a beneficiary, it is now possible to receive insurance payouts by submitting a copy of the "Certificate of Partnership" or other documents.

* We use LGBTQ+ as a generic term for SOGIE (Sexual Orientation, Gender Identity and Gender Expression).

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DEI (Diversity, Equity & Inclusion)

Human resources systems that support diverse work styles

Work-life balance is an issue for all employees, regardless of gender or age. We sincerely hope that our employees will work actively and sustainably. Therefore, it is necessary to embody a variety of work styles appropriate to each individual's situation.

The Group is working to create an environment that supports healthier work-life balance. Here are some examples introduced at major Group companies, such as Sompo Japan.

Career Transfer Program

We have a system in place that allows employees in non-relocation positions to continue working by relocating if they are required to relocate for unavoidable reasons, such as a spouse's relocation, provided they meet certain requirements.

Support systems for pregnancy, childbirth and childcare

We have the following systems in place to support a healthier work-life balance: "Maternity leave before and after childbirth," "Paternity leave," "Childcare leave" and "Shorter work hours for childcare."

The childcare leave schemes allow employees to take leave until the child reaches 25 months of age. Under such schemes, the leave of seven consecutive days is categorized as "Short Term Childcare Leave." This paid leave is available regardless of gender. "Shorter Work Hours for Childcare" offers multiple working hour arrangements until the child completes third grade. If there are unavoidable circumstances due to the child's illness or disability and the company deems it necessary, the employee may choose a shorter work hour schedule until the child reaches 18 years of age. We have systems in place that make it easy for all genders to take parental leave and balance work and childcare.

We recommend that male employees take at least one month of parental leave. From fiscal 2023, we have been holding training sessions for all relevant parties and management throughout the Group to further support a healthier work-life balance and promote the use of parental leave by male employees.

Workshops to support those on parental leave

We hold online workshops for employees on parental leave to help reduce anxiety about returning to work. This helps them make a smooth transition back to work and facilitates their career development when they return. Their managers participate in these workshops. We create a work environment that welcomes returning employees, allowing them to settle into their roles and perform to their full potential.

"Amore Support," a program to support employees returning from parental leave

We are strengthening our tools to create a supportive workplace for everyone, especially those returning to work after parental leave. We have a Pregnancy, Childbirth and Childcare Guide, an interview sheet for people taking parental leave, and a guide for managers dealing with employees on parental leave. We communicate important company policies regularly.

Caregiver support system

Due to the rapid aging of society, caregiving for family members has become a familiar issue. To help employees achieve a better balance between work and caregiving, we promote the use of the "Caregiving leave system (up to a total of 365 days)," "Caregiving holiday system," "Caregiving shift work system," and "Caregiving shorter work hour system." We create a better work environment by holding workshops to support healthier work-life balance. We provide a manual to help employees balance between work and caregiving and promote understanding among supervisors and colleagues.

Related KPIs and Achievements

Activities and Achievements

(%)

KPI items	FY2021	FY2022	FY2023
Percentage of female managers*1	26.8	28.1	25.5
Percentage of female executives*2	9.0	11.5	12.7
Percentage of female succession candidates	32.4	41.9	42.6
Percentage of foreign national executives	14.7	15.2	12.5
Gender pay gap*3	—	67.2	73.5
Percentage of male employees who take childcare leave	71	75	81
Percentage of employees with disabilities*2	2.41	2.36	2.49

*1 Figures as of April 1 of the following fiscal year. As mentioned on page 60, Sompo Japan has changed its definition of management positions. The FY2023 Achievements reflect the company's figures based on the new definition. The FY2023 Achievements reflecting the Company's figures based on the previous definition were 29.9%.
*2 Figures are as of April 1 of the following fiscal year.
*3 Figures for Sompo Holdings.

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DEI (Diversity, Equity & Inclusion)

External awards

Activities and Achievements

FY2021

- Sompo Himawari Life Insurance certified as "Tomonin" by the Ministry of Health, Labor and Welfare.
- Sompo Himawari Life Insurance was selected as one of the "Consortium 40" companies in the "Cancer Control Promotion Corporate Action Consortium" of the Ministry of Health, Labor and Welfare.
- Sompo Holdings and Sompo Japan were selected as "2021 Semi-Nadeshiko Stocks" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.
- Sompo Himawari Life was selected as a "2021 Excellent Company for Cancer Control Promotion" by the Ministry of Health, Labor and Welfare and the Cancer Control Promotion Corporate Action Corporate Consortium.

FY2022

- Sompo Holdings certified as a 5-star company in the Nikkei Smart Work Management Survey.
- Sompo Himawari Life Insurance certified as a D&I AWARD 2022 Advance Company by Job Rainbow Inc.

FY2023

- Sompo Holdings Wins Grand Prix at "Career Ownership Management AWARD 2023.
- Sompo Himawari Life Insurance received the two-star "Eruboshi Certification" from the Ministry of Health, Labor and Welfare.
- Sompo Japan has won the Work with Pride "PRIDE Index" Gold Award for five consecutive years since 2019.
- Sompo Holdings certified as a four-star company in the Nikkei Smart Work Management Survey.
- Sompo Himawari Life was selected as a "2023 Excellent Company for Cancer Control Promotion" by the Ministry of Health, Labor and Welfare and the Cancer Control Promotion Corporate Consortium.
- Sompo Himawari Life was selected as a "D&I AWARD 2023 Best Workplace" by Job Rainbow Co.

FY2024

- Sompo Himawari Life Insurance ranked 2nd out of 479 companies in the Nikkei Cross Woman 2024 "Companies that are Easy to Work for with Dual-Career Parents" ranking.

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Talent Development

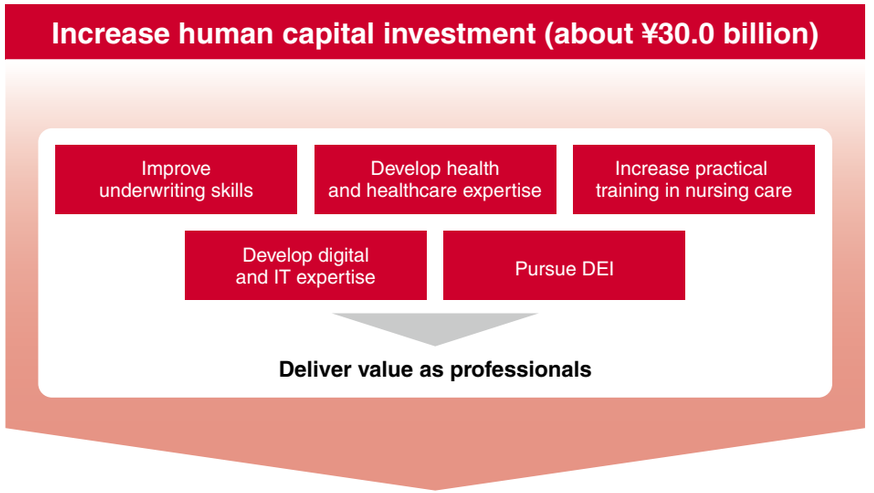
Human capital investment across the Group

Concept and Policy

Expanding human capital investment across the Group

As a form of growth investment in human capital, the most important component of capital that drives the growth of the Group, we have established a 30-billion-yen SOMPO Human capital Fund to expand our human capital investment (talent development, recruitment, etc.) across the Group. By investing in human capital with the aim of enabling individual employees in each field and business to raise the level of their expertise in a self-driven manner, we will build the human capital portfolio necessary for the execution of the Group's businesses and strategies, and achieve sustainable enhancement of the Group's corporate value.

Overview of Group-wide human capital investment



Succession planning

Concept and Policy | Activities and Achievements

1. Purpose of formulating succession plans

We formulate succession plans for key posts to realize SOMPO's Purpose and achieve further transformation and growth for the Group. The succession plans are prepared for key posts that are vital in leading these efforts, with a view to building a system that can steadily and effectively produce high-quality human capital with diverse expertise and backgrounds.

2. Applicable positions

The succession plans are for a total of 98 key posts in the Group, including key positions in our line of businesses in Japan and overseas, such as Group CEO, Business CEOs, and Group CxOs, based on the importance of and scarcity of talent for these positions throughout the Group and in each line of business.

3. Selection and development of executive candidates

In order to increase diversity, candidates for each position must meet certain criteria. Candidates may be selected from talent systematically nurtured within the Company, or recruited from outside of the Group. For management development, we are implementing the following development programs.

NLP (Next Leaders Program)

In the succession plans for key posts for each Group, we select successors, so-called "N" talent (as in the "next" talent), from Japan and overseas who we think are capable of assuming these positions within the next five years. We run the NLP program to foster development in these "N" talents. Through dialogue with Group Executive Officers and outside instructors, we ensure that the candidates acquire the necessary knowledge to become Sompo leaders while at the same time fostering a sense of awareness and determination.

FLP (Future Leaders Program)

We select so-called "F" talents (as in "future" talents) in Japan and overseas who we believe have the potential to assume Group key posts in 5–10 years' time. We run the FLP program to foster development of these "F" talents. In partnership with world-class business schools, we aim to deepen their understanding of the perspectives required of SOMPO leaders and the Group's key vision, while instilling in them the right mindset and determination to aspire to become executive officers.

PDF For further details on this plan, please refer to Succession plan (P.117).

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Talent Development

Developing global management personnel

Concept and Policy | Activities and Achievements

We aim to build a system that reliably and effectively produces high-quality management personnel with diverse backgrounds. We are currently developing global management personnel in conjunction with our succession planning program.

SOMPO Global University

SOMPO Global University is comprised of two main components: (1) the acquisition of business knowledge by attending the lectures of a world-class business schools; and (2) practical experience in a global environment for the purpose of gaining practical knowledge. It aims to nurture future business leaders of any nationality who possess knowledge, experience, and broad perspectives.

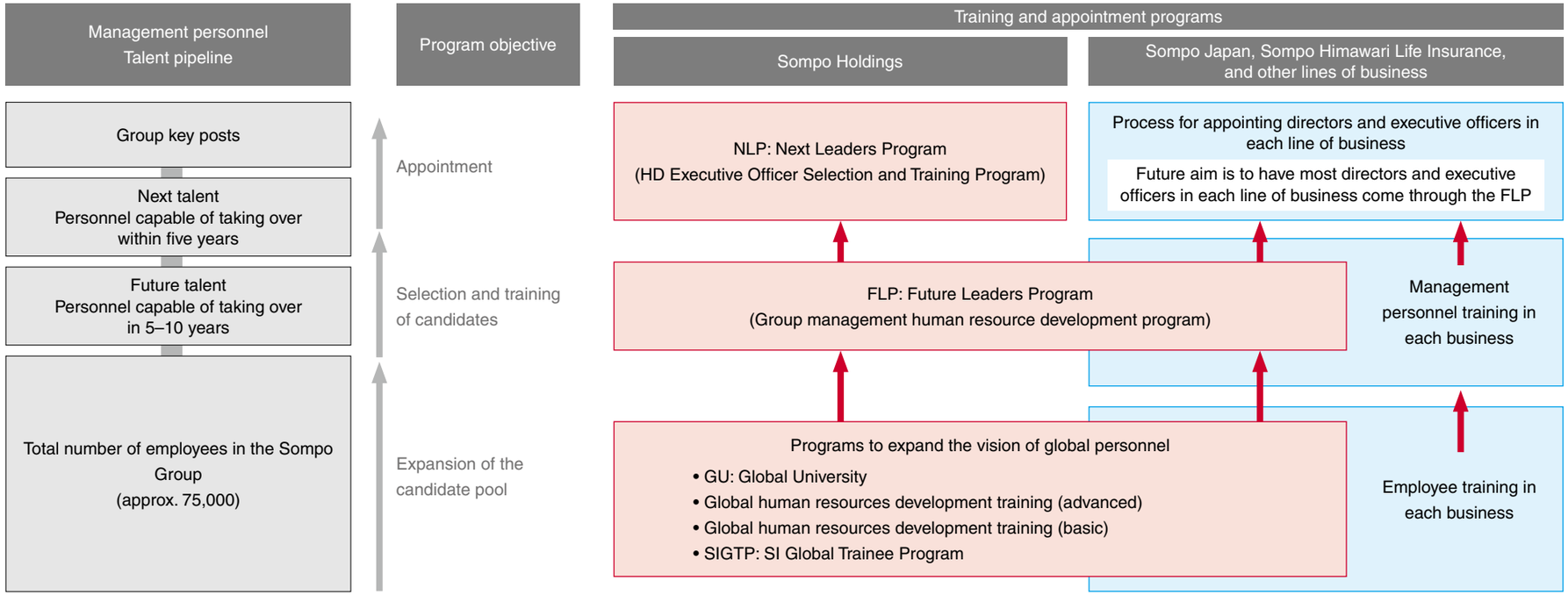
Global human resources development training (basic and advanced)

In the basic course, participants are provided output opportunities through discussions in both Japanese and English with the aim of developing a global mindset and a foundation in communication skills. In the advanced course, we invite instructors from within the Group to teach the participants practical English language skills and deepen their cross-cultural understanding by informing them about the Group's overseas business operations and through lecture-based discussions.

Sompo International Global Trainee Program

In this program, trainees are dispatched to Sompo International – a Group company boasting professionals from different fields centered around underwriting – to acquire knowledge and expertise, typically over a period of three years. By having employees embrace the challenge of working in a culturally different business environment overseas, we are developing global human resources armed with considerable expertise to drive further growth of the Group.

Group-wide framework for training and appointing management personnel



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Talent Development

Providing self-motivated learning opportunities

Activities and Achievements

SOMPO Cross-Training Challenge

We conduct a program through which employees are dispatched to startups, NPOs, or other entities outside of the Group to work on solving issues in society that contribute to the achievement of their My Purpose. Under this program, they take on tough assignments in environments with no clear answers. In this way, we are developing human resources who personify strong leadership to bring about change in our corporate culture and can forge a self-directed career based on their My Purpose.

Digital work shift

We are currently implementing a digital work shift (to nurture digital-savvy employees) with the aim of changing people, our work, and the Company. To achieve a digital transformation, or DX, a wide range of skills are required, which is why we have classified all of our employees into three categories: (1) DX specialists, who possess expert-level skills; (2) DX planning personnel, who plan digital initiatives and lead organizations as the core in promoting DX; and (3) DX support personnel, who shoulder the responsibility of providing value to customers with the use of digital technology. Training is provided to employees according to which category they belong to.

Number of DX human resources as of the end of FY2023

DX human resources: 26,714 (completion rate 110%)

*Breakdown

(1) DX specialists: 89
(2) DX planning personnel: 9,344
(3) DX support personnel: 17,281

Planned Group-wide learning platform

We are currently exploring the introduction of a Group-wide learning management system that is geared towards helping each and every employee achieve self-directed career development based on My Purpose. Also, by aligning it with our talent management system, we aim to construct a framework that connects learning to career-building efforts (realization of My Purpose) and suitable assignments for every employee.

Expansion of our "Choose Your Own Career" system

Concept and Policy Activities and Achievements

Job-based HR system

In FY2020 we introduced a job-based HR system at Sompo Holdings to support self-directed career development in areas where My Purpose overlaps with SOMPO's Purpose. The main feature of the system is that it abolishes company-initiated personnel transfers in principle. We will seek to have employees deliver results as professionals by letting them choose their own career path rather than being driven (or led) by the company. Moreover, unlike typical job-based HR systems, we not only allow employees to forge a career in the same organization or function, but also respect their decision to seek a position beyond their traditional area of expertise by utilizing open recruitment systems and the like that are open to any Group employee. Accordingly, we provide a wide range of options to employees in terms of their career path in the Group. For example, (1) continuing to work in the same department or position to enhance their expertise in a specific area, (2) regularly volunteering to switch between compatible job roles in order to broaden the scope of their career, and (3) opting to change jobs by moving to various departments so as not to remain in a specific area for an extended period. The job-based HR system is being rolled out to all Group companies, including Sompo Japan Insurance, with each company adopting a system that aligns with its own characteristics.

Job challenge system

As one opportunity for employees to choose their own career path, we are currently promoting the Internal Job Posting System called "Job Challenge System," under which employees can voluntarily apply for job postings and seek a transfer to a department of their choosing. This system allows employees to apply for open positions not only at their own company, but at any company in the Sompo Group. In FY2023, a total of 840 available positions across 28 Group companies, along with the descriptions of those job postings, were disclosed to Group employees. Also, in FY2021 we added a remote job challenge component to the system for the purpose of posting fully remote-based job openings. And for employees who are unable to apply for a desired position that requires a relocation because of their nursing care or childcare obligations, we offer a scheme that allows them to take up the challenge of a post of their own choosing without having to change their place of residence.

Himawari My Purpose career system (Sompo Himawari Life Insurance)

Starting in FY2022, we have implemented a system where employees apply for positions by internally disclosing their My Purpose, knowledge, skills, experience, and other information. Departments can offer employees a position if they feel the employee in question is the right fit for the role. The employee can then transfer to that department if they wish to do so. We are supporting the career-building efforts of every employee by having them influence each other, which in turn generates the motivation for them to actively learn new things. And by clearly envisioning their own future, they can achieve personal growth and work towards that vision of their future selves.

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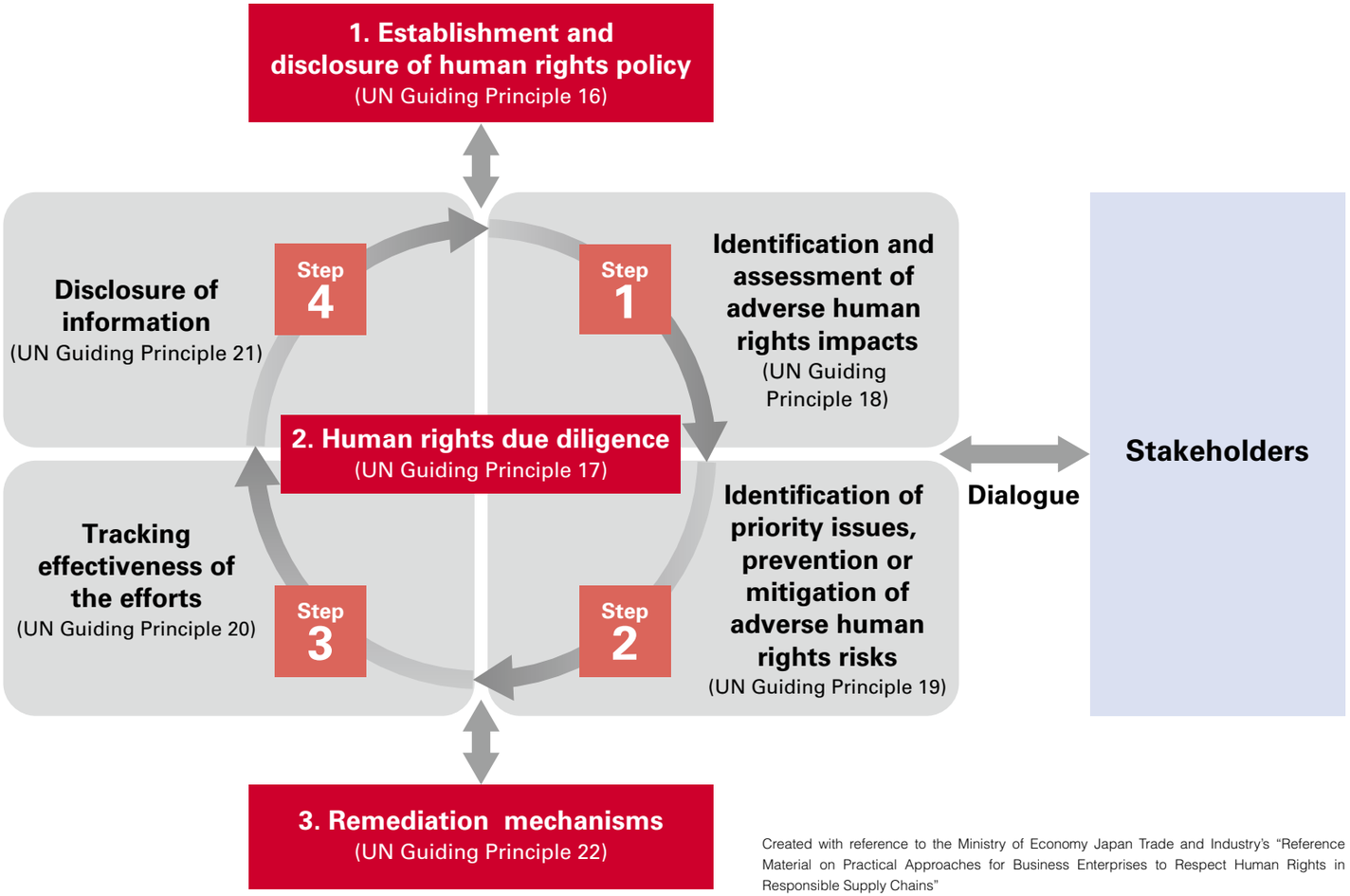
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Human Rights

Overall picture of human rights initiatives

Structure

To fulfill our responsibility to respect human rights, the Group is committed to:
1. Establishment and disclosure of human rights policy; 2. Human rights due diligence ("Human rights DD"); and 3. Remediation mechanisms.
In addition, we will also continue to engage in dialogue with stakeholders and make improvements based on the Group's situation.



Created with reference to the Ministry of Economy Japan Trade and Industry's "Reference Material on Practical Approaches for Business Enterprises to Respect Human Rights in Responsible Supply Chains"

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Human Rights

1. Establishment and disclosure of human rights policy

Concept and Policy

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

The policy applies to all employees in the Group and we will make an effort to extend its application to suppliers, business partners and other stakeholders.

In addition, we do not tolerate any form of forced labor, human trafficking, child labor, discrimination or harassment, or any other practices that undermine human dignity. We also respect fundamental rights concerning freedom of association and the right to collective bargaining in accordance with applicable local laws and regulations.

We will conduct procurement in accordance with the Group Sustainable Procurement Policy to ensure fair and equitable transactions with all suppliers, while giving due consideration to human rights and preventing corruption at suppliers and business partners.

Group Policy for Human Rights

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

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

1. Respecting human rights of stakeholders

We will respect human rights of all stakeholders associated with our global business activities, including customers and suppliers.

We will avoid, prevent or mitigate indirect adverse impact on human rights of our stakeholders. Should there be any abuse of human rights, we will address it promptly and adequately.

2. Respecting human rights of employees

In all facets of labour practices, we will not discriminate on the basis of race, color, ethnic origin, religion, creed, nationality, birthplace, social status, descent, gender, sexual orientation, gender identity, sexual expression, pregnancy, marital status, age, disability or any other status.

We, as a company, will take a global perspective, recognize individuality and diversity(Diversity, Equity and Inclusion), respect every employee's challenging spirit and speedy action, and ensure a dynamic working environment by maintaining and promoting every employee's health.

3. Promotion of human rights in global markets

We will comply with the laws and regulations of the countries and regions where our business operations and value chains are based. At the same time, we will conduct our business by taking into consideration the local culture and customs, as well as the environment and society in accordance with the expectations of stakeholders, and take into account local human rights issues. We will conduct the highly transparent business and contribute toward economic and social development and creation of social values of local communities.

4. Expectations for suppliers and business partners

Our requirement for suppliers, business partners and other stakeholders is to respect human rights based upon the international norms of behavior. In the event that we identify any adverse impacts of human rights, we will encourage them to take appropriate measures through engagement such as dialogue and consultation.

5. Human rights due diligence

We will continuously establish a system of human rights due diligence to identify and assess any actual or potential human rights risk in order to prevent or mitigate these adverse impacts on human rights Sompo Group may cause or contribute to.

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

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

Group Sustainable Procurement Policy

By carrying out procurement based on the Group Sustainable Procurement Policy, we will continue to take the environment, society, and the economy into consideration when doing business and help bring about a sustainable society.

PDF For further details, please refer to Group Sustainable Procurement Policy (P.10).

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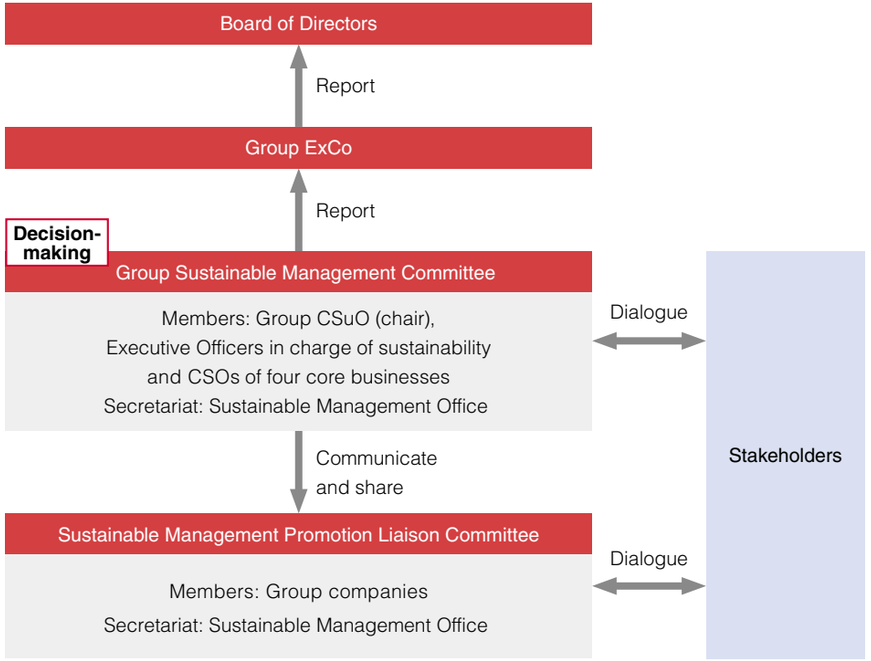
1. Establishment and disclosure of human rights policy

Structure

To encourage appropriate responses to ESG issues, including human rights, we have established a promotion system centered around the Group Sustainable Management Committee – the driving force behind Group-wide sustainability efforts.

The committee functions as the decision-making body on Group sustainability issues and is chaired by the Group CSuO. Its members comprise the CSuOs and CSOs of the four core businesses – Sompo Japan Insurance, Sompo International, Sompo Himawari Life Insurance, and Sompo Care. As the committee communicates and shares decisions with the Sustainable Management Promotion Liaison Committee under its umbrella, a framework is in place for implementing measures on a Group-wide basis. In addition, the Group has established a system under which matters discussed and reported at the committee are regularly reported to the Board of Directors via the Group Executive Committee.

Regarding human rights issues, the Sustainable Management Office, which serves as the secretariat of the committee, plays a central role in establishing an effective internal system in light of stakeholder opinions. We believe it is important to continuously improve on our priority issues and the status of our initiatives, and to disclose the status of these efforts.



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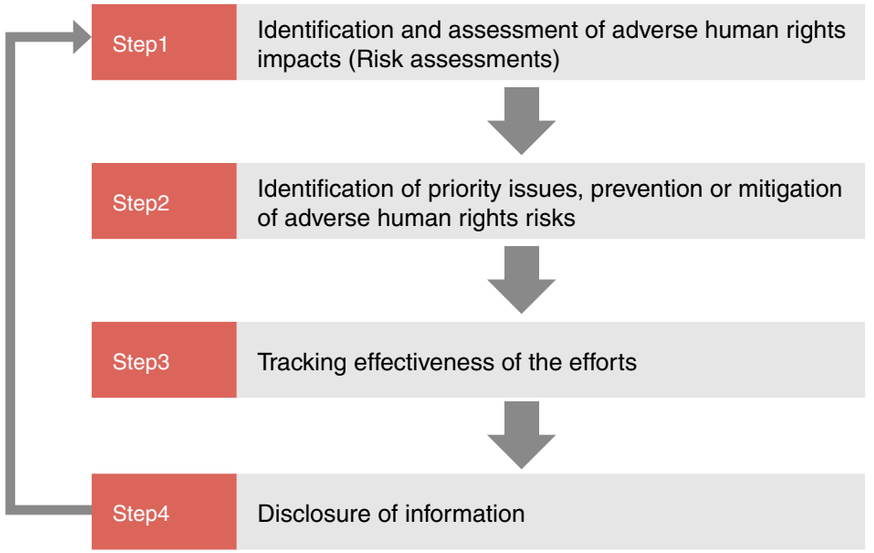
Human Rights

2. Human rights due diligence

Structure Activities and Achievements

In accordance with the UN Guiding Principles on Business and Human Rights, the Group has established a human rights due diligence (human rights DD) framework for identifying, preventing, mitigating, implementing appropriate measures, and disclosing information on risks that adversely impact human rights with the following four steps. We also recognize that the human rights situation is constantly changing, and we need to address it in a regular, iterative and increasingly in depth.

Human rights DD processes



Step1 Identification and assessment of adverse human rights impacts (Risk assessments)

The Group utilizes the Enterprise Risk Management (ERM) framework to identify "potential impacts and risks related to respecting human rights" that may occur in all of its businesses to identify priority issues and work to assessment.

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 selfassessment questionnaire published by the UN Global Compact Network Japan.

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2. Human rights due diligence

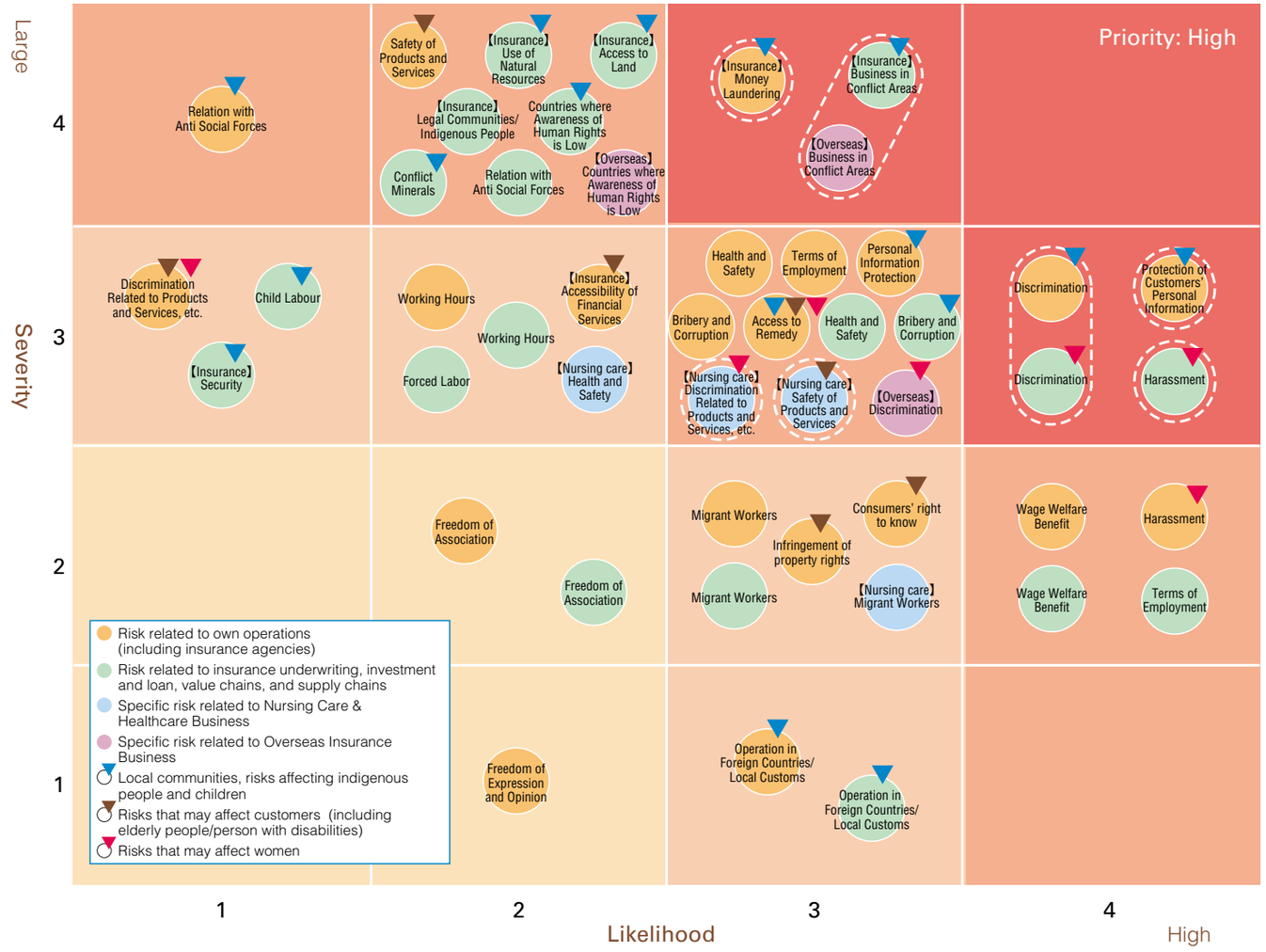
Human rights risk mapping

Based on the risk assessment conducted for the entire Group, we analyze the degree of adverse impact once a year, using severity*1 and likelihood of occurrence*2 as the evaluation criteria in order to identify issues to be addressed as a priority.

In our FY2024 human rights risk evaluation, we identified new human rights risks, including health and safety, harassment, leakage of personal information and privacy violations of employees and others, and respect for human rights and prohibition of discrimination related to products and services, and organized these risks from multiple perspectives.

*1 Evaluated based on scale (gravity of the adverse human rights impact), scope (scope of the adverse impact), and irremediability (difficulty of restoring to the situation equivalent to the situation before the impact).

*2 Evaluated based on the likelihood (frequency) of the risk actually occurring, i.e., whether it occurs approximately once every n years.



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2. Human rights due diligence

Step2 Identification of priority issues, prevention or mitigation of adverse human rights risks

Based on the results of the risk assessment, we will prioritize addressing the high-priority risks from the human rights risk map in the fiscal year 2024.

Priority issues and main initiatives

Priority issues	Target stakeholders	Business	Main initiatives
Inappropriate disclosure of customer private data or privacy violations	Customers	All businesses	• Raising awareness mainly through operations-related accident training and compliance training • Raising awareness of cyber risks through targeted attack e-mail training and other measures
Money laundering and transparency (including tax avoidance)	Employees, workers in supply chain, customers	All businesses	• Establishing a Group-wide third-party internal reporting contact point • Holding compliance training sessions
Workplace discrimination	Employees and workers in the supply chain of the company and insurance underwriting, etc.	All business / Insurance underwriting, etc.	• Having employees confirm and sign codes of conduct/ethics • Preventing workplace harassment with mandatory compliance training • Ensuring employees read the handbook regarding the specific circumstances of each country (Overseas business) * The response of insurance underwriting, etc. will be discussed in future
Harassment	Employees and workers in the supply chain at insurance underwriting, etc.	Insurance underwriting, etc.	* Consideration of response in future
Business in Conflict Areas	Employees and workers in the supply chain of the company and insurance underwriting, etc.	All business / Insurance underwriting, etc.	* Consideration of response in future
Discrimination Related to Products and Services	Customers	Nursing care business	• Ensuring employees are aware of the management philosophy of respecting humanity (by way of communication from the management team) • Implementing training for employees on the topic of preventing accidents and abuse
Migrant labor (including foreign workers)	Employees	Nursing care business	• First year training for foreign workers after they come to Japan (three times a year) • Enrich initial education (a new 15-day group training program)

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2. Human rights due diligence

Prevention or mitigation initiatives

• Human rights awareness training for all group employees

We conduct Sustainability and Human Rights Training (including e-Learning) for Group employees every year to further deepen employee mutual understanding for respecting human rights and to create a rewarding, comfortable, lively, and energetic workplace.

In addition to familiarizing employees with the Group Policy for Human Rights the training includes an overview of Business and Human Rights, while also covering a broad range of many human rights issues that reflect social issues, such as normalization of people with disabilities, LGBTQ+, harassment, foreign residents, and the SDGs.

• Training for Group Directors and Executive Officers

The Group held a training session for Directors and Executive Officers to enhance understanding and awareness of diversity across the entire Group.

PDF For further details, please refer to DEI (Diversity, Equity & Inclusion) (P.60-63) .

• Insurance underwriting, Investment and Loan Initiatives

As part of our efforts to mitigate human rights risks through insurance underwriting and investment and loans, we identify businesses that require caution with regard to insurance underwriting and investment and loans that may have an adverse impact on the environment and society. We take careful actions after evaluating the adverse impact on the environment and society. In identifying specific cases within the applicable businesses, we conduct assessments after engaging in dialogue with our stakeholders.

Web For further details, please visit the website:
Building ESG Considerations Into Our Operations

• Health & safety in the workplace and wellness management initiatives

Based on our health and productivity management strategy, we are working to ensure health and safety in the workplace and maintain and improve our employees' wellbeing. We set KPIs based on the results of risk assessments and priority issues presented at the Group Health and Productivity Management Promotion Headquarters Committee, and monitor the results of measures that have been implemented to verify how effective they have been.

In the FY2024 human rights risk assessments, 79.5% of all our organizations identified "long working hours for employees and workers in the supply chain" as a risk. All affected organizations developed and implemented measures to mitigate the risk of long working hours.

Step3 Tracking effectiveness of the efforts

Field survey on initiatives for respecting human rights

We conduct human rights risk assessments for all of the Group's businesses. Each company and division identifies its own human rights risks and formulates plans, including corrective measures, for identified human rights risks. The corrective measure formulation rate is 100%.

Step4 Disclosure of information

In line with Group Policy for Human Rights, we report on the progress of initiatives to address adverse impacts on human rights on our website and in our Sustainability Report. We also disclose our position on the UK Modern Slavery Act on our website. Through this type of communication, we are reviewing and improving our assessment process.

Web Human Rights
Web Our Response to the UK Modern Slavery Act
Web Modern Slavery Act Policy and Statement

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3. Remediation mechanisms

Structure Activities and Achievements

After comparing our internal reporting system with the eight requirements called for in the United Nations' Guiding Principles on Business and Human Rights, we have recognized there to be some issues in terms of effectiveness that will require overhauling. For example, with regard to the requirement that the whistleblower system be "based on engagement and dialogue," we believe that it is necessary to build relationships with stakeholders and NGOs and emphasize dialogue and deliberation on the Group's systems and performance with regard to human rights initiatives.

Going forward, we will continue to work on improving access to redress, and by taking into account the requirements of the aforementioned Guiding Principles, we will take steps toward the establishment of an effective internal reporting system.

Receiving and addressing feedback and complaints

Each company in the Group receives complaints, including those relating to human rights, plus enquiries and feedback, from various stakeholders.

For example, at Sompo Japan Insurance, an expression of dissatisfaction from a customer regarding any aspect of the Group's business is considered to be a complaint. We take all of the complaints received from customers very seriously and by recording the details of complaints and analyzing them, we can seek ways to improve our operations, products, and services.

Reporting and consultation system from employee and corrective measures

In addition to providing a reporting and consultation desk for general compliance issues, the Group has established a human rights consultation desk that accepts individual consultations by phone or e-mail to create a comfortable working environment by quickly identifying information on harassment, bullying, and other problematic behaviors in the workplace. In addressing the issues, we check the intentions of the person reporting or consulting with us while working to resolve the problem.

If any of the reports or consultations received are found to be in violation of laws and regulations, internal rules, or the spirit of the SOMPO Group Compliance Code of Conduct, we conduct a strict and fair investigation of the matter.

Also, in the event that a violation of applicable laws and regulations, the code of conduct 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.

Web Details of each reporting system

- System to Utilize Voice of Customer (VOC) in Management
- Complaints received (in Japanese)
- Whistle-blowing and Consultation System
- Sompo Group Compliance Code of Conduct

Dialogue with stakeholders

Activities and Achievements

By engaging in dialogue with human rights-related NGOs and NPOs, the SOMPO Group deepens its understanding of various human rights issues, the relationship between such issues and the business activities of each company, and adverse impacts related to human rights, and utilizes this understanding in its efforts to respect human rights at each company.

By the end of May 2024, we exchanged opinions and received advice on the following two points regarding human rights risks for all Group companies.

1. Human rights risks that should be newly identified in each business based on the business activities of Group companies.
2. Human rights issues of particular importance or that of requiring close attention going forward across the finance and insurance industry.

Advices from Stakeholders

We will add the human rights risks clarified through the exchange of opinions to the human rights risk identification items for FY2024, and evaluate and analyze these risks.

- In the nursing care business, risks related to working hours, employment conditions, migrant workers, and safety of goods and services need to be considered.
- AI and human rights have become a major topic. Possible adverse impacts on human rights need to be discussed from the technology development stage.
- It is important to have a dialogue on human rights risks with investee and borrower companies as well as insurance underwriters to establish a framework for human rights risks in each business sector.
- Strict human rights DD is necessary for overseas bases and business activities in conflictaffected areas.
- In the insurance industry, where services are provided according to a wide range of standards, it is necessary to consider whether there is any discrimination from the perspective of minorities.

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Wellness Management

What our Health and Productivity Management®*1 aims to achieve

Concept and Policy

To achieve SOMPO's purpose of creating a future of health, wellbeing and financial protection, we will continue our initiatives to build a foundation for health and productivity management and take good care of the mental and physical health of our employees and their families.

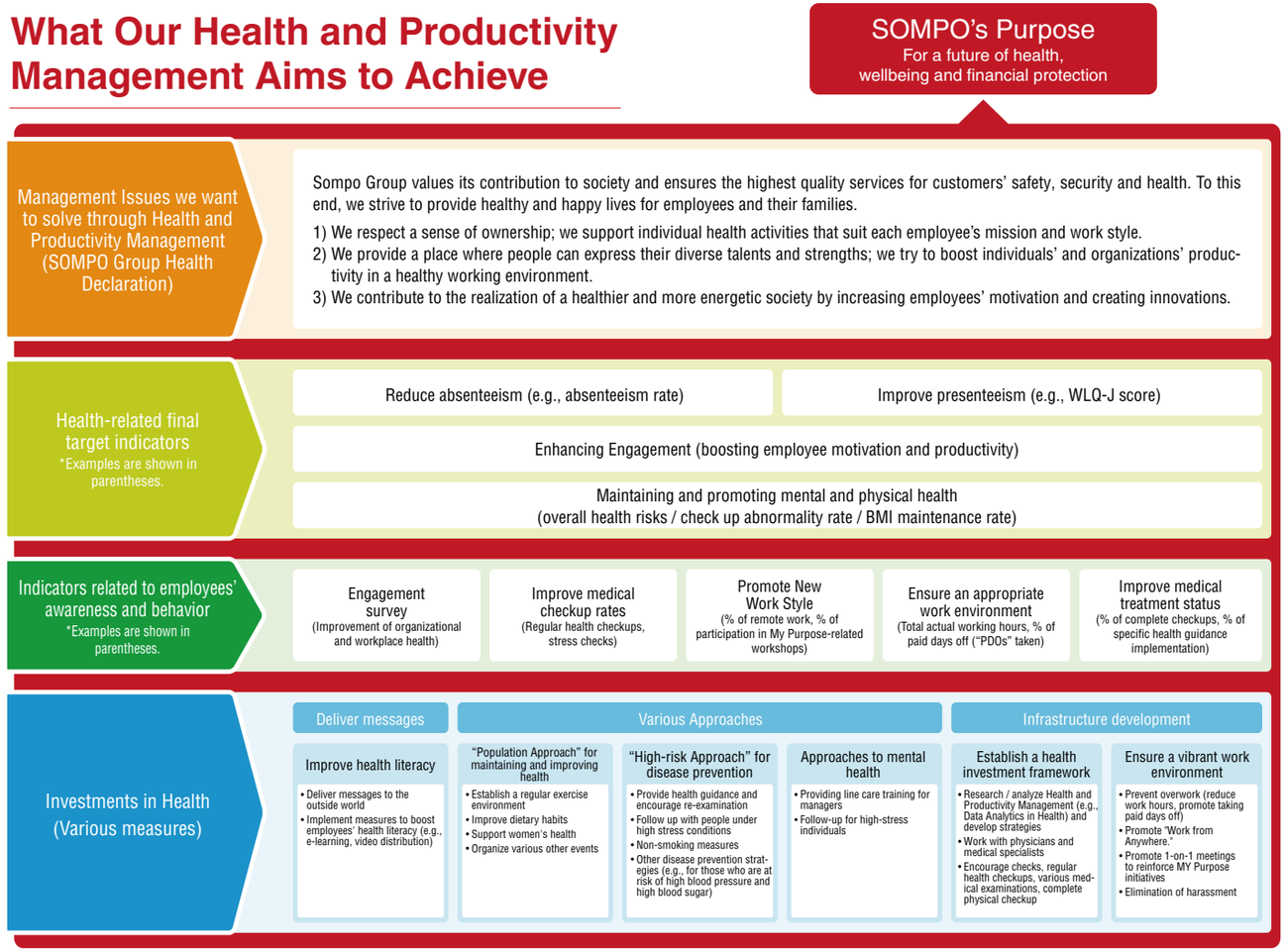
The Group Policy for Human Rights stipulates that we must take steps to maintain and improve the health of employees and ensure that they are afforded a vibrant workplace environment, while the Sompo Group Health Management Declaration*2 says that we must prioritize the mental and physical wellbeing of employees and their families. In addition to this, we are currently informing and educating various stakeholders about health and productivity management and supporting initiatives to that end.

*1 The Japanese term for Health and Productivity Management® is a registered trademark of the NPO Kenkokeiei.

*2 Group companies are also proactively announcing their own declarations on wellbeing in order to give shape to, and put into practice, the concept of prioritizing the health of employees and their families.
- Sompo Japan Insurance: Health Management Declaration (October 2016)
- Sompo Himawari Life Insurance: Employee Health Support Project (April 2016); Health and Productivity Management Declaration (October 2020)

In order to accelerate specific measures on Health and Productivity Management, we have formulated a Health and Productivity Management strategy map and we are systematically executing various investments (measures) in wellbeing with the aim of ensuring that all employees are healthy, both mentally and physically. In all of this, we are stepping up efforts on compliance with laws and regulations related to occupational health and safety, as well as mental health measures, which form the basis of our Health and Productivity Management, as well as initiatives aimed at reducing overtime outside of the statutory hours of work.

What Our Health and Productivity Management Aims to Achieve



"What Our Health and Productivity Management Aims to Achieve" will be reviewed and updated regularly in line with the Group's management strategies and practical results of health management measures.

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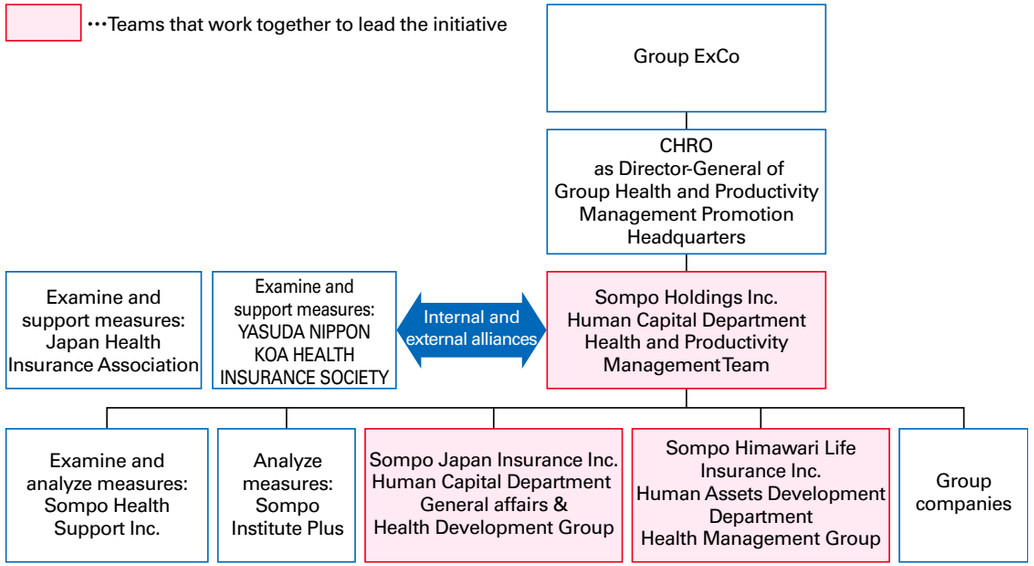
Wellness Management

Health management initiatives in the Group

Structure

As head of the Group Health and Productivity Management Promotion Headquarters, the Group Chief Human Resource Officer (CHRO) strengthens and spearheads efforts to maintain and improve wellbeing and provide support on health and productivity management to employees, their families, customers, business partners in the supply chain, and other business entities involved in the creation of value.

Also, to maintain and improve the mental and physical health of Group employees, we team up with Group companies such as Sompo Japan and Sompo Himawari Life, as well as health insurance associations, to implement different kinds of initiatives.



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Main initiatives

Activities and Achievements

Initiatives are underway to build a foundation for the Group's health and productivity management with the following three priority issues.

(1) Increase in the number of employees on mental health leave
(2) Normalization of long working hours
(3) Variation in the status of promoting health and productivity management among companies

(1) Increase in the number of employees on mental health leave

Over the three fiscal years from FY2020 to FY2022, the number of applications for private injury and illness benefits due to mental illness among our Group companies belonging to YASUDA NIPPON KOA HEALTH INSURANCE SOCIETY has increased by 2.2 times.

As this suggests that the number of employees on mental health leave in our Group has been growing, we need to take immediate measures to address it.

Although no clear improvement has yet been made, we will consider many various opinions and then address this issue in the medium to long term.

Conducting line care training

This training program helps managers prevent mental health issues among their subordinates by implementing mental health measures.

They will learn how to quickly identify and address mental health issues before conditions worsen, enabling them to provide or organize appropriate support.

In FY2023, training was conducted on a voluntary basis for the management level of all Group companies, with 334 participants from 23 Group companies. To this end, a Q&A session was held using case studies and responses to mental health issues, and the participants' satisfaction rate was 99.1%.

A survey of the training participants showed that approximately 80% of the respondents answered that they had mental health issues, regardless of their industry, and that 78.4% of the respondents from the headquarters divisions and 75.3% of the respondents from the frontline divisions also had mental health issues, regardless of their division.

The respondents who indicated that they had issues with long working hours were 58.6% from the headquarters divisions and 47.3% from frontline divisions, a gap of about 10 percentage points. This indicated that the headquarters divisions were more aware of the issues regarding long working hours.

According to the Ministry of Health, Labour and Welfare entitled "Status of Mental Health Measures in the Workplace," it was clear that the quantity and quality of work is the number one cause of stress. In other words, long working hours and mental health problems are not unrelated, and we will continue to address this topic in our training programs.

Initiatives to increase employee motivation and team vitality

"Happiness at Work" is a must-have factor for companies to grow sustainably. The Group believes that promoting health and productivity management can enhance not only wellbeing and the ease and satisfaction of working through work but also the mental and physical health of employees.

Since the health of employees and their families is the driving force behind realizing the Group's Purpose, we will further promote health and productivity management to bring about diverse work styles by clearly declaring that we recognize mental and physical health management as a management issue and linking it to SOMPO's Talent & Organization Transformation.

Specifically, in order to quantify employee engagement, we conduct regular engagement surveys at all Group companies to uncover any decline in motivation or dissatisfaction with the work environment. By visualizing the survey results as well as the status of working hours and stress check results at each workplace, we are promoting initiatives such as setting up opportunities for dialogue and improving the workplace environment at each organization, thereby increasing employee engagement and motivation and revitalizing the organization.

Sompo Japan and Sompo Holdings have also begun conducting culture change surveys every month with the aim of ascertaining the status of corporate culture change and further improving it.

(2) Normalization of long working hours

The monthly average of overtime work hours across Japan is 13.3 hours, which is about half of the Sompo Group companies' average of more than 30 hours per month. This far exceeds the national average, and when converted to an annual pace, the work hours are in violation of the 36 Agreement.

However, since each company has demonstrated improvement compared to the previous year, we will continue to share information with those in charge of promoting health and productivity management at each company and consider measures to improve health and productivity management.

Complying with occupational health and safety rules

The Health Committee at each workplace in the Sompo Group is endeavoring to maintain and improve employee wellbeing by engaging in discussions about occupational health and safety.

The Health Committee shares the status of working hours with the labor union and employee representatives and reports discussions on measures to prevent overwork to the human capital manager, branch general manager, and other superiors at each location. Thereafter, the Health

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Committee receives requests for further improvement.

To make the most of the Health Committee and prevent it from being a mere formality, we are educating our employees so that they can implement the PDCA cycle for issues through the Health Committee with the participation of their superiors at each site.

(3) Variation in the status of promoting health and productivity management among companies

Given that each company's approach to health and productivity management varies and that the engagement survey scores on questions related to wellbeing were low, we created a forum for sharing best practices, exchanging opinions on issues, and consulting with each Group company to promote health and productivity management throughout the Group.

Health and Productivity Management Headquarters meeting

The purpose of this meeting is to understand and emphasize the importance of health and productivity management by re-communicating the current year's health and productivity management promotion policy and to foster Group synergy through the health and productivity management community.

With 89 people from 27 Group companies having attended the meeting, the Group CHRO communicated the health and productivity management policy and priority issues to the top management of each company. Some said that they had gained a more profound empathy and understanding of the Group's policies and priority issues, and the importance of health and productivity management as a management strategy was reaffirmed. Some participants also commented favorably on the opportunity to learn about the efforts of other companies.

Hosting a Health and Productivity Management Community

The Health and Productivity Management Community was formed in response to the lack of opportunities to build horizontal ties among Group companies and the desire to learn about the initiatives and problems facing other Group companies.

In FY2023, Community meetings took place three times from June to December, with the people in charge of promoting health and productivity management at each company sharing various issues and good practices, exchanging information, and other details.

The Community also provides opportunities to learn some basic knowledge about mental health.

Results for FY2023

June	Participants: 61 people in 24 companies	Satisfaction average: 81.3%
October	Participants: 33 people in 21 companies	Satisfaction average: 90.5%
December	Participants: 38 people in 24 companies	Satisfaction average: 100.0%

The initiatives indicated below are currently underway.

Promotion of physical health

Data analytics in health

The Group analyzes health data offered by Sompo Health Support. while working with health insurance associations. Sompo Japan and Sompo Himawari life are working to improve lifestyle habits, which were found to correlate with the results of health checkups, stress check results, WLQ-J scores, and other analyses.

Spaces for boosting productivity and improving health

As part of our efforts to drive Talent & Organization Transformation and undertake health and productivity management, we have established working spaces geared towards boosting employee productivity and improving health. The implementation of flexible working arrangements regardless of physical location, including spaces where employees can work efficiently and hold meetings, plus booths for taking power naps, has successfully boosted productivity.

In addition, as an "open head office" and a symbol of cultural change, a special cafeteria on the 43rd floor of the Sompo Japan head office building, which had been used mainly by executives of Sompo Japan and Sompo Holdings, was opened to general employees (including those of Group companies). On the top floor, which has a stunning view, there is a work area that can be used for small group meetings as well as individual workspaces, providing a new place for Group connections.

Prohibiting smoking during working hours

To promote the health of our employees, the entire Group will actively work toward a smoking cessation policy.

At Sompo Himawari Life Insurance, company smoking rules were already tightened in April 2019. Not only are all employees prohibited from smoking during working hours, but the company's recruitment guidelines now state that all new graduates recruited after April 2020 must be non-smokers at the time of joining the company. Individual assistance is also provided to smokers, including the recommendation of online quit smoking programs.

The overall smoking rate is 15.5%, and although we are one step away from the national goal of 12%, there is a significant barrier at 3%. Therefore, to achieve this goal, we are considering promoting the goal of first physically reducing opportunities to smoke, namely a total smoking ban indoors and outdoors.

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Health Issues and Major Verification Indicators

Activities and Achievements

To realize the "Sompo Group's Aim for Health and Productivity Management," the Sompo Group has established indicators for changing the awareness and behavior of employees, etc., and is continuously measuring progress to improve its initiatives.

SOMPO Holdings Inc.

Health Issues		Target KPI	Unit	Target	FY2020	FY2021	FY2022	FY2023
Lifestyle disease preventive measures	1*1	Rate of regular medical checkup	%	100.0	100.0	99.1	99.4	100.0
	2*2	Completion of specific health guidance	%	90.0	40.0	60.0	30.0	16.0
	3*2	Maintain appropriate weight (BMI 18.5 - 24.9)	%	80.0	47.1	63.4	68.9	66.5
	4*2	Rate of regular exercise	%	30.0	41.2	40.2	37.0	38.5
Smoking prevention measures	5*1	Rate of smoking	%	12.0	11.8	9.8	10.9	11.5
Mental health measures (stress check examination)	6*1	Rate of stress check examination	%	100.0	92.3	94.4	95.8	95.3
		General health risk	—	below 100	85	84	87	85
Improve presenteeism	7*1	Total Performance Evaluation*3 WLQ-J score (most productive = 100%)	%	Improvement from the previous fiscal year	95.4	95.3	95.3	95.5

Sompo Japan Insurance Inc.

Health Issues		Target KPI	Unit	Target	FY2020	FY2021	FY2022	FY2023
Lifestyle disease preventive measures	1*1	Rate of regular medical checkup	%	100.0	100.0	99.9	99.9	99.9
	2*1	Rate of detailed examination following regular medical checkup	%	100.0	36.0	65.6	71.0	75.6
	3*2	Completion of specific health guidance	%	90.0	52.3	75.9	82.5	64.8
	4*2	Maintain appropriate weight (BMI 18.5 - 24.9)	%	80.0	66.2	66.0	66.4	65.8
	5*2	Rate of regular exercise	%	30.0	19.8	21.3	21.7	22.5
Smoking prevention measures	6*1	Rate of smoking	%	12.0	14.9	14.5	14.0	14.3
Mental health measures (stress check examination)	7*1	Rate of stress check examination	%	100.0	93.1	93.3	97.8	97.9
		General health risk	—	below 100	101	100	104	100
Improve presenteeism	8*1	Total Performance Evaluation*3 WLQ-J score (most productive = 100%)	%	95.0	94.1	94.0	93.6	93.8

Sompo Himawari Life Insurance Inc.

Health Issues		Target KPI	Unit	Target	FY2020	FY2021	FY2022	FY2023
Lifestyle disease preventive measures	1*1	Rate of regular medical checkup	%	100.0	99.9	100.0	100.0	100.0
	2*2	Completion of specific health guidance (BMI 18.5 - 25)	%	80.0	68.2	67.3	66.7	66.9
	3*2	Rate of regular exercise	%	30.0	24.0	26.8	26.6	26.0
Smoking prevention measures	4*1	Rate of smoking	%	12.0	11.1	9.3	7.5	6.9
Mental health measures (stress check examination)	5*1	Rate of stress check examination	%	100.0	95.1	97.7	92.5	98.1
		General health risk	—	90	98	95	94	91
Improve presenteeism	6*1	Total Performance Evaluation*3WLQ-J score (most productive = 100%)	%	100.0	94.0	93.9	93.9	93.9

*1 for all employees
*2 for employees aged 40+
*3 Same examination rate as for stress checks

Medical expense/insurance op expense (SOMPO Holdings Inc.)

Item	Unit	FY2020	FY2021	FY2022	FY2023
Medical expense/person	JPY	218,814	240,301	262,745	178,234
Insurance op expense/person	JPY	28,957	31,113	30,367	36,777

Information on health initiatives (SOMPO Holdings Inc.)

Item	FY2021	FY2022	FY2023
Employee satisfaction with health initiatives (5-point scale)	3.02	3.06	3.08

Long working hours data (SOMPO Holdings Inc.)

Item	Unit	FY2020	FY2021	FY2022	FY2023
Ratio of overtime work	%	10.4	11.2	11.3	10.8

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External evaluation

Activities and Achievements

For the eighth consecutive year, we have been selected as one of the 2024 Health & Productivity Management Outstanding Organizations, which is jointly awarded by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange in recognition of companies that excel in health and productivity management.

In addition, 21 Sompo Group companies were certified as 2024 Health & Productivity Management Outstanding Organizations in the Large Enterprise Category and Small and Medium Enterprise Category by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council). Eight of these companies were certified as 2024 Health & Productivity Management Outstanding Organizations in the Large Enterprise Category (White 500) and one as a 2024 Health & Productivity Management Outstanding Organization in the Small and Medium-sized Enterprise Category (Bright 500).

PDF For further details, please refer to External Evaluation (P.151).

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Financial Inclusion and Promoting Insurance for All Kinds of People and Risks

Basic concept

Concept and Policy

Financial inclusion refers to the support extended to people excluded from utilizing financial services because of poverty, discrimination, or other reasons so that they may gain access to such basic services in order to alleviate economic instability in their lives.

We aim to help build a society in which people from all walks of life can lead peaceful, safe, and healthy lives. We also strive to support economic development in emerging and developing countries and develop and provide products and services that contribute to improvements in peoples living standards.

Promoting universal access to insurance

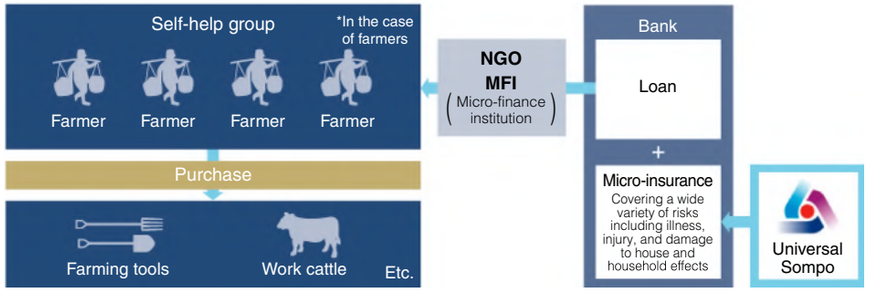
Activities and Achievements

Micro-insurance in India — Helping to alleviate poverty and supporting self-reliance in rural areas —

In 2008, Universal Sompo General Insurance (USGI), a Group company in India, started to offer micro-insurance services for the protection of low-income individuals who are vulnerable to health risks and have difficulties repaying their loans.

USGI's products include livestock insurance for economically marginalized farmers, insurance packages and accident insurance for farmers, and medical insurance coupled with microfinance offered by banks and other financial institutions covering five major illnesses. These insurance product's premiums are set low. In order to support independence, poverty reduction, and the sustainable development of the country, USGI is thus striving to spread insurance as one basic social security service among the economically vulnerable sections of society in India, where social divisions are large.

Mechanism of Micro-insurance



Insurance program supporting women just before and after childbirth

In February 2013, Sompo Japan started to offer liability insurance for doulas in collaboration with the Japan Doula Association. The insurance program covers the cost of damages in cases where the insured doula (a professional who assists a woman before and just after childbirth) is liable for damages under law as a result of an accident occurring in the course of their work. In recent years, expectant mothers and mothers with young children have been finding it difficult to receive childcare support from their own family and others. This program was developed based on input from female employees who experienced such difficulties. On December 6, 2019, the Act for the Partial Revision of the Maternal and Child Health Act was announced. Sompo Japan will use this insurance program to support the spread of doulas, demand of which is expected to rapidly increase in the future.

Insurance scheme to support a balance between fertility treatment and work

As a way of supporting the welfare of employees at companies promoting diverse work styles, Sompo Japan Insurance provides a plan that helps employees balance fertility treatment with work.

In Japan, the growing trend of marrying later in life and delaying childbirth has led to an increase in the number of couples seeking fertility treatment.

Even though costly fertility treatment has been covered by Japan's public health insurance scheme since 2022, thereby making it more accessible, it still remains a heavy financial burden.

Therefore, we will work to promote the Support Plan for Balancing Infertility Treatment and Work as an underpinning benefit package for employees undergoing infertility treatment and their spouses, thereby helping to realize a society in which it is easier for employees to work.

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Financial Inclusion and Promoting Insurance for All Kinds of People and Risks

Promoting insurance in readiness for all kinds of risk

Activities and Achievements

Mysurance, the Group's small amount, short-term insurance provider, is committed to planning, developing, and selling products in keeping with its mission of bringing new value to insurance, providing customers with new experiences, and making the world smarter through the use of digital tools.

Mysurance aims to continuously create products in quick fashion to accommodate changes in society and the environment, and to also meet emerging customer needs, thus providing a level of preparedness for all types of risk.

Online cancellation insurance covering travel reservations

This insurance protects customers from the uncertainty of booking a forthcoming event or expensive travel, and in the unlikely event of a cancellation, it reimburses the full amount of the cancellation fee up to the amount covered by the insurance policy.

Canceling a trip that you are looking forward to can be a disappointing experience, especially with the letdown of being unable to travel and the financial burden of cancellation fees making it difficult to book another trip.

In light of this, we have developed domestic travel cancellation insurance and international travel cancellation insurance. This insurance covers a wide range of travel reservations, including accommodation and airline tickets, with the hope of turning them into positive experiences that lead to the next travel reservation. As of the end of May 2024, the number of policyholders exceeded 550,000 through the support from many customers.

Online travel partners have thanked us for providing a safe environment for customers to make early travel reservations by incorporating cancellation insurance into their travel booking sites, thereby increasing the close rate of travel reservations themselves.

Feedback from policyholder customers

- "I was able to make a reservation with peace of mind because of the insurance."
- "My child suddenly developed a fever and I was forced to cancel at the last minute, so having the insurance was a real lifesaver."

Solving various issues with smartphone insurance

Smartphones are now an indispensable part of our lives. At the same time, the impact of inflation has sent smartphone prices skyrocketing, so replacing a broken phone is not as simple as it used to be. Consumers are therefore choosing to repair their phones in order to use them for longer. In this context, Mysurance offers comprehensive smartphone insurance coverage for less than ¥500 a month.

The student smartphone insurance product for students comes with a free legal consultation service in the event that the student gets caught up in trouble on social media. While smartphones offer a lot of convenience, they have also uncovered many issues in society playing out on social media. For this reason, we aim to realize a society where customers can use their smartphones with peace of mind.

We also provide free literacy materials summarizing the information parents and children should confirm when the child gets their first smartphone. These materials are widely used as a resource to reconsider how to use smartphones safely and securely and to establish household rules on smart phone use.

Feedback from policyholder customers

- "Given the high cost of repairing my smartphone, it's reassuring to know that for about ¥500 per month I can use my phone with peace of mind."
- "I feel reassured knowing that there is proper coverage when my child uses their phone. The coverage of online trouble in the student plan is also excellent."

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Disaster Prevention and Mitigation (Improving Society's Resilience to Natural Disasters)

Contributing to disaster prevention and mitigation with products and services

Activities and Achievements

SORA Resilience: Disaster prevention and mitigation platform-based solution

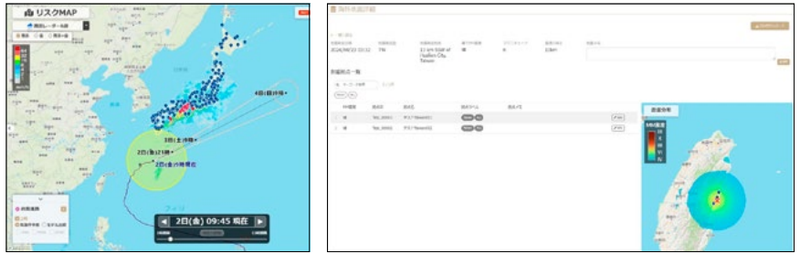
SORA Resilience is a disaster prevention and mitigation platform-based solution jointly developed by Sompo Risk Management, which has expert knowledge of risks, Sompo Japan Insurance, which specializes in insurance knowledge, and Weathernews Inc., a company that has access to meteorological data and boasts analytical capabilities.

In recent times, the world's attention has been focused on the growing risk of climate change. According to a report of the Intergovernmental Panel on Climate Change, the probability of torrential rainfall and other weather disasters is expected to grow even stronger up ahead as the world's temperature continues to increase, and as such, the threat of natural disasters around us is intensifying year after year.

On the other hand, the accuracy of numerical forecasts related to typhoon path predictions and weather is improving year by year, and the forecast information can be used as a reference to select more effective disaster prevention and mitigation actions. Even when a disaster is difficult to predict, such as an earthquake, it is essential for resilient organizational management to quickly gather information, make decisions, and take action. SORA Resilience is a platform that can contribute to gathering and managing such information.

SORA Resilience allows (1) the ability for the user to easily grasp a variety of risk information in real time, (2) the capability to predict risks up to 72 hours in advance for each site and consideration of "when" and "which sites" need to be addressed, and (3) the ability to ensure smooth operations in disaster response, where opportunities are rare. Having developed the system based on these three concepts, we are able to use a wide range of customers in a wide range of industries.

In FY2024, we began offering functions such as Global Alert, which provides information on overseas earthquakes and local risks, to meet the needs of customers with offices in Japan and overseas. SORA Resilience will continue to evolve with the aim of becoming a platform that can better help customers prevent or mitigate their exposure to disasters.



Screenshots of the SORA Resilience service

©Mapbox ©OpenStreetMap

The Sumai no Hazard Map: Comprehensive hazard map service to safeguard customers from natural disaster risks

Sompo Japan develops and provides unique hazard maps, the Sumai no Hazard Map, by combining its insurance payment data with the hazard maps issued by public institutions.

The main features and merits of the service are (1) assessment and display of risks for each customer address, (2) display of disaster and accident examples for the actual visualization of natural disaster risks, (3) display of recommended evacuation centers, facility information, and insurance coverage.

This service is an information tool that staff at our agencies explain to customers when proposing new policies or renewal of fire and earthquake insurance. The service aims to encourage customers to correctly understand the risks of natural disasters in their own communities and to further convince them of the need for the insurance policy.



(1) Assessment and display of risks for each customer address



(2) Display of disaster and accident examples





(3) Display of recommended evacuation centers, facility information, and insurance coverage

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Support for corporate and municipal BCP and disaster preparedness

Sompo Risk Management also provides support for corporate and municipal BCPs and disaster preparedness.

Corporate offering

Following the Great East Japan Earthquake and other natural disasters and COVID-19, corporate initiatives for disaster prevention and mitigation as well as business continuity have shifted to a phase of formulating business continuity plans that anticipate a wide variety of risks, conducting education and training to improve effectiveness in a variety of scenarios, and establishing disaster prevention, mitigation and business continuity systems that support new work style. Sompo Risk Management provides comprehensive support for companies with various concerns through a ser vice lineup that includes formulating an all-hazards approach business continuity plan, planning and implementing a variety of training and drills tailored to specific issues and needs, and providing a disaster headquarters management kit "HONBU-kun" and an online disaster response training program "STG-DX (Saigai Taio Game)" on top of its existing consulting services.

Local government offerings

Local governments are required to formulate action plans to protect the lives of residents from various crises, such as back-to-back large-scale natural disasters, the COVID-19 pandemic, and incidents like ballistic missile launches. They must also provide training and run drills in order to enhance emergency response capabilities.

Sompo Risk Management supports the development of disaster- and crisis-resilient communities through formulating plans and manuals (regional disaster prevention plans, operational continuity plans, support plans, regional plans for national land resilience, national protection plans, etc.), planning and conducting education and training, operating councils for people unable to return home after a big earthquake, and conducting surveys and research related to disaster countermeasures and other issues.

PDF For related information, please refer to Climate Change-related Initiatives (Adapt to climate change) (P.49-50).

Digital transformation for wide-area disaster response (fire and allied insurance)

Activities and Achievements

Following the Fukushima Earthquake on March 16, 2022, Sompo Japan, Palantir Technologies Japan K.K. ("Palantir") and ABEJA Inc. formed a Disaster Response Project in April 2022 to improve business operations in the event of a major natural disaster, and began collecting and integrating data about accidents and insurance payouts and building an app for disasters. This has led to faster payment of insurance claims by substantially streamlining operations through digital transformation in claim processing operations.

In the past, the information required for damage assessment was dispersed across multiple systems, which required a lot of labor and time for printing and sorting documents, as well as for man aging dispatch routes to visit customer homes. By collecting and integrating the scattered data onto Palantir's Foundry platform, restructuring it to suit our business processes, and utilizing it in the app we developed, we have been able to streamline our business operations.

Following the Noto Peninsula Earthquake, we established disaster response headquarters in Ishikawa, Toyama, and Niigata Prefectures. Through the use of the Foundry platform, we were able to complete payment of insurance claims to more than 90% of customers who reported damage in the four months following the January 2024 disaster.

We will continue striving for faster payouts by using this app.

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Contributing to a Safe and Secure Mobility Society

Safe driving support using digital technology

Activities and Achievements

Developing telematics insurance and services

Sompo Japan has been engaged in research and development aimed at supporting safe driving and reducing insurance premiums for drivers through the use of telematics technology. Our product line-up currently includes "Driving!"*1, "SOMPO Drive," and "SMILING ROAD"*2.

*1 "Driving!" is the name of the service attached to the "Rider on Notice of Accident by Drive Recorder."
*2 Refers to a service for businesses designed to prevent accidents by using a drive recorder. The service was launched in March 2015 as the first telematics service in the property and casualty insurance industry and the drive recorder service was renewed in July 2022.

Safe driving support service "Driving!" for individual drivers

Sompo Japan believes that its mission as a P&C insurance company is to relieve customers' anxiety in the event of an accident and to reduce the number of car accidents that occur. In 2018, the company started to provide "Driving!," a telematics-based service with automobile insurance for individuals who use a driving recorder (dashboard camera).

Since then, road rage has become a social problem for all generations, so in September 2021, we updated our drive recorder terminals in order to provide greater peace of mind to our customers. The use of drive recorder footage has led to prompt and convincing insurance claim payments, with cumulative sales exceeding 310,000 units.

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

Sompo Japan will continue to leverage digital technology to provide all drivers with even greater peace of mind and safety, and contribute to achieving an accident-free society.

Main functions of "Driving!"



"SMILING ROAD" safety driving support service for companies and individual proprietors

Sompo Japan lends drive recorders with communication functions to corporations and individual business owners. It offers "SMILING ROAD," a safe-driving support service that uses advanced technology to analyze driving data obtained from the drive recorders. Specifically, the three functions of "see," "understand," and "praise" provide feedback on safe-driving diagnoses, dangerous driving, and other information to the safe-driving manager's PC and the driver's smartphone, thereby helping to raise driver awareness of safe driving and provide efficient guidance to the safe driving manager. In the event of an accident, the drive recorder's communication function can detect the impact and notify the administrator of the vehicle's location and other information to enable an immediate grasp of the accident situation, prompt notification of the accident to our company, and rapid resolution of the accident. Launched in March 2015, the new terminals and services were updated in July 2022. As of February 2024, approximately 238,000 units had been installed by a total of 6,200 companies.

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ALSOK reliable accident site support service

Saison Automobile and Fire Insurance provides the ALSOK Reliable Accident Site Support Service, which will send ALSOK personnel to respond to the scene of the accident when the company receives a report of an accident from a customer. The service ensures safety to prevent secondary disasters, arranges for ambulances when damage or harm has been caused to the customer or other parties involved in the accident, provides suitable advice to prevent problems with the other party involved in the accident, and so on. The ALSOK Reliable Accident Site Support Service has been well received by customers, with a service satisfaction rate of 89.4% in FY2023.

Joint research realizes the concept of "Human Health Checkup for Driving"

Sompo Japan has entered a joint research agreement with AI Driving Instructor Co., Ltd. to develop a new solution based on data-driven driving evaluations to address transportation issues, such as the increasing number of elderly drivers and "paper drivers," the driver shortage, and the increasing number of people with reduced mobility.

In recent years, legal measures have been implemented to address the increase in traffic accidents caused by elderly drivers. However, to prevent traffic accidents not only for elderly drivers but also for a wide range of others, it is important for drivers to understand the state of their own cognitive functions and driving skills and to provide efficient and personalized training.

To resolve these issues, Sompo Japan (which provides safe driving support services using telematics technology) and AI Driving Instructor (which aims to provide higher-quality driving education using autonomous driving technology and AI) will share their data and expertise. Through this, the two companies aim to develop highly accurate driving diagnosis methods and effective training methods that lead to behavioral change.

Insurance products for automated driving

Activities and Achievements

Development of automated driving insurance (tailor-made for pilot tests) services

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

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

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

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

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

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Contributing to a Safe and Secure Mobility Society

New protection for automated driving vehicles

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

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

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

Solutions for the social implementation of automated driving services Launch of SOMPO ALCS*1

Together with Sompo Risk Management, Sompo Business Solutions, and Prime Assistance, Sompo Japan launched SOMPO ALCS, a packaged solution to support local governments and transportation operators, in April 2024.

By utilizing the knowledge gained from the demonstration experiments*2 to date, we will provide comprehensive support from the planning stage before the start of automated driving with our Group companies until after-sales service following the start of automated driving. This will help to resolve issues associated with implementing automated driving services, such as who and how to respond to problems in the event of an accident and how to secure a factory that can service automated driving vehicles. As a result, we will support the implementation of safe and secure automated driving services.

*1 ALCS stands for Autonomous Level 4 Comprehensive Support.
*2 Sompo Japan has participated in more than 120 demonstration tests. It has provided Level IV Discovery, an InsurTech solution that packages Automated Driving Risk Assessment, Connected Support Center, and Dedicated Insurance for Automated Driving (for demonstration tests). We are also supporting the safe and secure introduction of automated driving.

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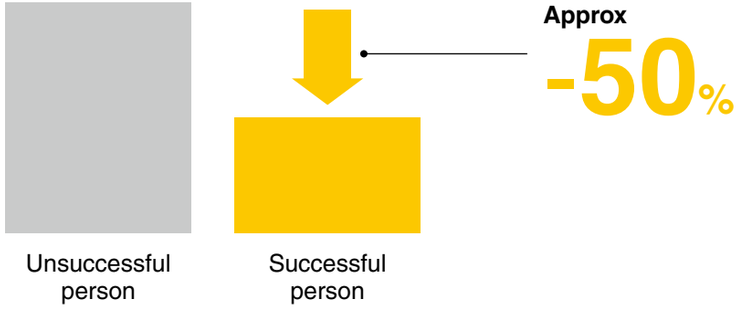
Extending Life Expectancy

Health products initiative

Activities and Achievements

As a "health support company," Sompo Himawari Life Insurance aims to support customers to lead prosperous lives and realize their dreams, and to bring about a society in which people can live their own way. Toward this goal, we are working to deliver innovative health-centered insurance products and health-related services, centered on apps, to a large number of customers, and to support their behavioral change toward better health. Our initiatives to date have steadily increased the number of users of our insurance and health-related services to more than 5 million. Among them, the Get☆ Healthy Challenge! program one of the services to support customers' behavioral change, has been showing results in health support. These include a lower hospitalization rate for those who succeeded in the challenge compared to those who did not. In the Mid-Term Management Plan starting from FY2024, we will accelerate our initiatives to help solve social issues to extend healthy life expectancy, and contribute to resolving the three concerns of Sompo Wellbeing.

Get☆ Healthy Challenge! Hospitalization rate of successful applicants



* The hospitalization rate is based on the Get☆ Healthy Challenge! system and is calculated based on actual payments during the study period for FY2018–2019 contracts that are challengeable and in effect at the start of the study period. Percentages are based on the hospitalization rate for unsuccessful persons as 100.
* The classification of "successful" and "unsuccessful," as well as the duration of the study, is as follows:
FY2018 Contract: Based on the success status at the end of March 2021, the study examined actual payments from April 2021 to March 2023.
FY2019 Contract: Based on the success status at the end of March 2022, the study examined actual payments from April 2022 to March 2023.
* Payment results for hospitalization are based on the total of payments for injuries and illnesses that fall under the seven major lifestyle-related diseases defined by SOMPO in medical insurance policies for the same insured person in the subject policy.

Insurhealth® products

We provide Insurhealth®, representing new value from combining a traditional insurance function with a healthcare function. Insurhealth® products have been well received by many customers, with cumulative sales exceeding 1.6 million since their launch in 2018 (End of FY2023). In our newly launched Mid-Term Management Plan, we are committed to expanding the number of Himawari clients/users through Insurhealth® products, and we will continue to deliver Insurhealth® to as many customers as possible in order to eliminate "just in case" situations to the extent possible.

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

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

Health Support Cancer Insurance "Yuuki no Omamori"

Our Health Support Cancer Insurance Yuuki no Omamori is a new form of cancer insurance that provides total support from pre-onset to post-treatment care. In terms of prevention, smokers who successfully quit smoking after enrollment can change to a less expensive non-smoker premium rate, and apps are used to encourage maintenance and improvement of health. Cancer risk testing services are provided for early detection. In terms of protection, it takes a rational approach that is compatible with Japan's social security system and the latest cancer treatments.

Health support variable insurance "Shorai no Omamori"

In addition to death protection in the event it is needed, "Shorai no Omamori" health support variable insurance also provides comprehensive protection for being unable to work, including disability and nursing care, which are a growing risk in terms of asset formation for the working generation. Additionally, the product also includes industry firsts*, such as a "health reserve" scheme that enables customers to leverage their good health to enhance their asset formation, and a secondary insurance period in which customers can continue to have their assets managed in a special account after the insurance pay-in period is complete.

*According to research by Sompo Himawari Insurance in February 2023

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Extending Life Expectancy

Deployment of health-related services

We offer a variety of healthcare services to support Himawari clients/users in their behavioral change toward health. By offering a rich lineup of services, from light services such as health behavior support (walking) and health checkup readings to services for women's health issues and lifestyle-related diseases, we have been helping more Himawari clients/users to change their behavior toward health.

Paid health care services

"Linkx Blood Sugar Coaching"

This service allows users to monitor changes in their daily blood sugar levels, which cannot be done through conventional means such as health checkups, by wearing a "continuous glucose monitoring" device. The service also helps users learn the causes of and remedial measures for their blood sugar issues. Obtaining awareness of the relationship between one's own lifestyle and changes in blood sugar levels will lead to proactive lifestyle improvement actions.

"Linkx Life Is" life design support service for women (first in the industry)

"Linkx Life Is" is the industry's first*1 paid healthcare service in the Femtech space.

The health issues of menstruation, future pregnancy, and menopause, along with hormonal fluctuations, are closely related to work performance and life design. Promoting understanding of the impact of hormones on women's lives and presenting remedies will help resolve discomfort and distress.

By addressing the health, career, and other concerns of female employees in companies, and supporting each woman's ideal life design, we can improve the performance of the company as a whole.

*1 As of August 2022. Sompo Himawari Life Insurance research

Health-related apps

Health Support App "Linkx Kenko Try"

"Linkx Kenko Try" app, which supports improvement of lifestyle habits, is available free of charge to everyone, regardless of whether or not you have a policy with us. "Linkx Kenko Try" can predict the risk of abnormal values in six years simply by taking a picture of the results of a health checkup. Furthermore, by adding a brief questionnaire, it shows the risk of developing cancer within five years for people with similar conditions*2. It also suggests health activities (actions) tailored to your daily mood and physical condition. By following the action cards, you can develop healthy lifestyle habits that are less prone to illness.

*2 Cancer Risk Simulator is intended to predict the risk of developing cancer based on input data and does not provide diagnostic, medical, or therapeutic services.

"Linkx Aruku," an application to improve health through continuous walking

Linkx Aruku (pronounced "link cross aruku") is a walking app for daily, strain-free, enjoyable walking. The app offers over 1,000 walking courses throughout Japan and users can share photographs and make comments on things they discover during their walk. The app records steps taken, calories consumed, and distance walked merely by carrying the device around, and promotes healthy living by encouraging continuous walking.

"MY Himawari," an application that delivers Insurhealth® to the palm of the customer's hand

In September 2024, we will release a new "MY Himawari." This application delivers safety, security, and health to customers through the three experiences of seeing, connecting, and being able to change.

Available free of charge not only to customers subscribing to Insurhealth® products, but also to all of the more than 5 million Himawari clients/users, it is truly a comprehensive support application that combines insurance and health, allowing you to check your risk, preparedness and health status in one stop. In addition, a point program*3 will be introduced to encourage customers to engage in healthy behaviors (actions to maintain and improve health) and to make it a habit, thereby contributing to extending healthy life expectancy, which is a social issue.

*3 There are conditions for using the point program. Please refer to the point details page in the application and the Terms of Use.

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Initiatives to maintain and promote the health of employees through healthcare services

Activities and Achievements

Providing Japan's largest service in specific health guidance

As Japan's society ages and the rising number of people suffer from lifestyle diseases such as diabetes and myocardial infarction, the increase in medical and other social security costs has become a social issue for Japan. Under these circumstances, public medical insurers, such as health insurance societies, have been obligated to provide specific health checkups and specific health guidance focusing on metabolic syndrome since FY2008. From FY2015, the data health plan has required health projects based on the analysis of receipts and medical checkup data. In addition, with the start of the fourth phase of the Japanese government's Medical Cost Optimization Plan from FY2024, the introduction of outcome evaluation and the use of ICT for specific health guidance will improve the implementation rate to achieve the target. Furthermore, medical insurers are expected to implement ever more effective and efficient approaches.

Drawing on its nationwide network of health professionals, which includes more than 1,000 health workers, nurses, and national registered dietitians, Sompo Health Support provides support to corporate employees as Japan's largest provider of special health guidance. One study shows that approximately 40% of employees who received follow-up advice from Sompo Health Support improved to the point that they required no further guidance the following year. In addition, we are developing a project to help prevent severe illness and an information-provision project for those who are non-obese at risk of high blood pressure, high blood sugar, high lipids, and other conditions, those who are on medication and the like, and those who are not eligible for specific health guidance. We have provided health guidance to approximately 470,000 cases per year for about 640 organizations, mainly health insurance societies and mutual aid associations.

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

Support services for corporate mental health measures and health & productivity management

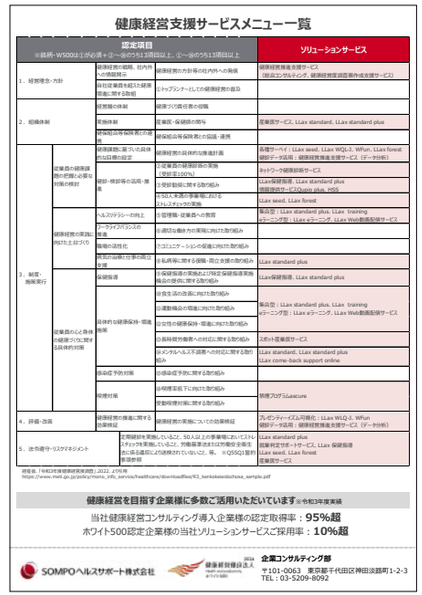
At Sompo Health Support, consultants and specialist occupational mental health coordinators (OMC) provide services to solve problems facing corporate customers in various sectors. These include support for the development of occupational health systems that focus on mental health measures, support for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

In addition to services that employ stress checks to improve workplace environments, the company provides two presenteeism* measurement tools: WLQ-J and WFun.

With the aim of helping to make businesses healthy places, the company also provides comprehensive support for promoting health and productivity management. This covers support for preparing related surveys, visualization of health issues through data analysis, and provision of solution services based on the results of these surveys in order to ensure employee productivity, which is a critical issue for corporate management.

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





Health and productivity management consulting services

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New hay fever self-care based on intestinal flora
Joint development of intestinal flora test "Mykinso Hana"

Sompo Health Support has developed "Mykinso Hana," a new intestinal flora test and self-care program that encourages behavioral change by providing advice on improving lifestyle and dietary habits tailored to each of five types of intestinal environments classified based on their similarity. The product is based on joint research on the relationship between intestinal flora and hay fever with Cykinso, Inc., a company with a proven track record in intestinal flora testing.

Intestinal flora tests were carried out on 282 Sompo Group employees to see if conditions such as allergies that affect "presenteeism" (employees reporting to work despite being ill and working while physically unwell) could be alleviated by improving the intestinal environment. By scoring the severity of hay fever symptoms and conducting questionnaires on lifestyle habits, the study revealed lifestyle patterns that contribute to hay fever symptoms.

"Mykinso Hana" is available to medical insurers, businesses, organizations, and their members. It is used by companies to promote health and productivity management that encourages awareness of conditions affecting presenteeism, by various organizations to improve services for their members, and by medical insurers to reduce medical costs.



"Mykinso Hana" kits

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Group-wide initiatives to tackle dementia SOMPO Dementia Support Program

Activities and Achievements

The Sompo Group has been developing the SOMPO Dementia Support Program since 2018 under the slogan "A society in which every person can live a healthy, prosperous and happy life in one's own way."

Web For further details, please visit the website (in Japanese): SOMPO Dementia Support Program

Initiatives through the development and provision of services

"SOMPO Smile Aging Program" for effective control of cognitive decline

In 2020, under the supervision of Professor Miia Kivipelto of the Karolinska Institutet , who led the FINGER study, and the National Center for Geriatrics and Gerontology, we developed the "SOMPO Smile Aging Program," a program to help prevent cognitive decline by improving the lifestyle of older people. This program is the world's first nationwide FINGER study social implementation program approved by Professor Kivipelto. Currently, Sompo Care has introduced this program to elderly housing with supportive services (138 locations) across Japan, with more than 1,400 residents participating every week as preventive care. In the future, we aim to reduce the risk of developing dementia and extend healthy life expectancy in Japan by rolling out the program throughout Japan.

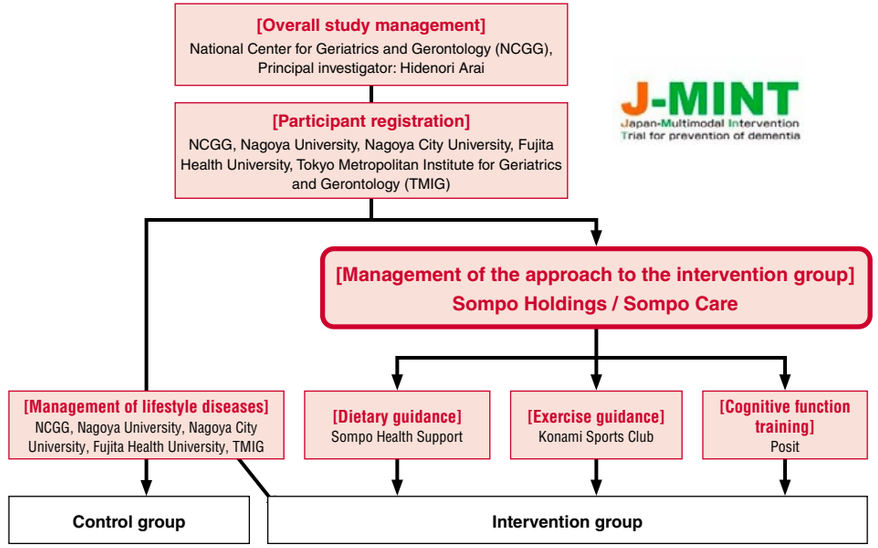


SOMPO スマイル・エイジング プログラム

Participation in J-MINT study (Japanese FINGER study) and publication of results

The SOMPO Group is a co-participant in the J-MINT study, which began in November 2019. In July 2023, the National Center for Geriatrics and Gerontology found that a multimodal intervention program (management of lifestyle-related diseases, exercise, nutritional guidance, and cognitive training) was effective in improving cognitive function in seniors with mild cognitive impairment.

Structure of J-MINT study



Publication in "Alzheimer's & Dementia" (International Journal of the Alzheimer' Association)

The achievements of the above J-MINT Study were published in the prestigious international journal "Alzheimer's & Dementia," published by the Alzheimer's Association.

Web For further details, please visit the website: Alzheimer's & Dementia

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Raising awareness on dementia

The Sompo Group conducts a variety of activities to promote correct knowledge about dementia and a proper understanding of people with dementia, which is needed to promote their harmonious integration into society.

Activities for World Alzheimer's Month (September)

Living Together: Seminar for thinking about dementia

In cooperation with a number of companies and organizations that support the objectives of the seminar, we have been holding a seminar called "Living Together: Seminar for thinking about dementia" every year since 2017. In fiscal year 2023, the event continued under the theme of "'Talk with': Let's talk with everyone," and more than 3,000 people attended.



Transmission of a message to raise awareness of dementia from the Sompo Japan headquarters building

Every year on September 21, World Alzheimer's Day, the Sompo Japan headquarters building is lit up in orange, the color used to indicate awareness and support of dementia. We have been lighting up our headquarters building on this date since 2017.



Initiatives to ensure correct knowledge and understanding of dementia among Sompo Group employees

Dementia Barrier-Free Declaration by Sompo Group companies

In order to create a barrier-free society for people with dementia so that they and their families can live safely, securely, and healthily, Sompo Group companies are promoting the formulation of their Dementia Barrier-Free Declaration.

*10 companies as of June 30, 2024

In-house lecture for employees

In August 2023, we held an in-house lecture on the theme of "the expected role of financial institutions with the enactment of the Basic Act on Dementia" by Professor Jin Narumoto of Kyoto Prefectural University of Medicine Graduate School.

"Sompo Cafe" (dementia cafe) for employees



In August 2023, Sompo Japan Insurance Inc. held the "Sompo Cafe" (dementia cafe), mainly for employees living in the vicinity of its headquarters building. The purpose of the event was to make people become more familiar with dementia and understand it from the perspective of the per son with dementia. On the day of the event, we welcomed Ms. Miki Sato, who suffers from dementia, to speak about her feelings and personal experiences and what she thought we should know about the condition. Attendees deepened their understanding of dementia through Q&A with Ms. Sato and group discussion.

Others

Sponsorship and participation in "Run Tomo"



We support the "Run Tomo" event, in which people with dementia, their families, supporters, and the general public run in a relay race. Instead of passing a baton, the runners pass a tasuki, the traditional cloth sash worn by relay marathon runners in Japan. Executives and employees of the Sompo Group also participate as runners in events held in various regions.

Launch of "Anna Konna" website full of hints for dementia care



This website, which supports people providing dementia care at home, is operated by Sompo Care in the hope that our knowledge of nursing care will be useful to home nursing care providers. The website draws on the knowledge of frontline dementia care professionals to introduce lifehacks on how to apply wisdom and ingenuity when providing nursing care at home, in relation to all kinds of problems associated with caring for people with dementia. The "Anna Konna" website was awarded the Good Design Award 2020.

Web For further details, please visit the special site (in Japanese): Anna Konna

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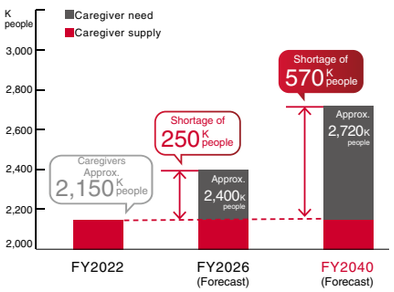
Goal of SOMPO's nursing care business

Concept and Policy

In Japan, which continues to grapple with a low birth rate and an aging population, there is an enormous imbalance between those providing care and those receiving it. Estimates indicate that by 2040, there will be a shortage of approximately 570,000 caregivers*. Also, given the decline in the working-age population, concerns have been increasingly raised about the future of social security.

Sompo Care continues to take on the challenge of shaping the future of nursing care in order to address this social issue of the widening gap between the supply and demand of caregivers.

Estimated shortage of caregivers



* Source: Ministry of Health, Labour and Welfare, "The Number of Long-Term Care Workers Needed Based on the Ninth Long-Term Care Insurance Business Plan" (July 12, 2024)

SOMPO's approach to leveraging data and technology

Activities and Achievements

In order to change the coming future, it is imperative that we transform the field of nursing care. And the key to that lies in the utilization of data and technology. First, in anticipation of the widening gap between the supply and demand for caregivers in the future, we will promote thorough efficiency with quality in day-to-day operations. Moreover, we will endeavor to foster greater motivation and pride among our staff by focusing on providing better, evidence-based nursing care to our users and realizing a work style that ensures our staff delivers a level of care that only humans are capable of providing to others. Moreover, we aim to transform the future of nursing care by spreading this approach throughout the entire nursing care industry.

In realizing this, Sompo Care, as a nursing care service provider, and ND Software, as a developer and provider of nursing care operation support software, will provide their accumulated expertise and services to other nursing care providers. Contributing to improving productivity with quality through support for transforming care operations, such as visualization of care record data, is one example.

Future Care Lab in Japan, a research center for technology related to nursing care

Guided by a mission to create a new ways of nursing care through the coexistence of humans and technology, this lab utilizes technology to eliminate the supply-demand gap in caregivers. With the aim of contributing to the nursing care industry as a whole, not just the locations where Sompo Care has a business presence, it undertakes testing and research and development of technology that is appealing to both those receiving and providing care.



<Purpose>

- Improve quality of life (QOL) of users
- Reduce the burden on and improve conditions for nursing care workers
- Improve productivity of nursing care services

Web For further details, please visit the special site: Future Care Lab in Japan

Implementation of various technologies to support nursing care



"Sleep Measurement Sensor," capable of monitoring and collecting data on sleep conditions



"LAGUNA," an air mattress that reduces bedsores by automatically adjusting positions



"LOVOT," a family-type robot to stay close to users



"PURETE," Ultra Fine Bubble Generator



"Viami," a reclining shower bathing device that warms the whole body



"wrappon-PACKET," a diaper collection box with an automatic wrapping mechanism

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Sompo Japan Insurance's initiatives

Activities and Achievements

Policy on customer-oriented business operations

In FY2023, Sompo Japan received business improvement orders from the Financial Services Agency regarding the premium adjustment practices the Company's inappropriate responses to fraudulent auto insurance claims.

The business improvement orders pointed out problems with the Company's business administration (governance) system and corporate culture. Although we have always promoted customer-oriented business operations, we believe that our failure to incorporate the customer's point of view led to the above issues. We intend to prevent the same problems from occurring again and regain the public's trust by reviewing our policy on customer-oriented business operations and ensuring that all executives and employees adhere to the "customer-oriented" principle.

To achieve its purpose of "creating a future of health, wellbeing, and financial protection," the Sompo Group seeks to enhance its corporate value by facing a broad range of stakeholders and contributing to the resolution of many different social issues through each business.

Given this, Sompo Japan Insurance has established this policy to achieve customer-oriented business operations based on our thorough understanding of our customers' views at all contact points in our P&C insurance business and to fulfill our corporate social responsibilities to all of our stakeholders*.

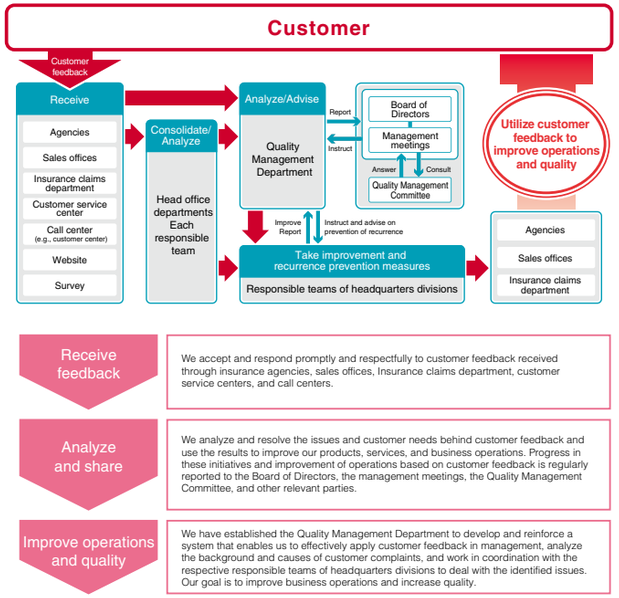
*Stakeholders include customers, business partners, stockholders, employees, and local communities

Policy 1: Conduct business operations from the customer's point of view
Policy 2: Develop products and services that meet customer needs
Policy 3: Propose optimal insurance products for customers
Policy 4: Ensure the appropriateness and carefulness of insurance claim payment procedures
Policy 5: Instill policy on customer-oriented business operations
Policy 6: Properly manage conflicts of interest
Policy 7: Take steps to uphold our corporate social responsibility

Web For further details, please visit Sompo Japan Insurance official website (in Japanese): Policy on Customer-Oriented Business Operations

System to utilize Voice of Customer (VOC) in management

To incorporate customer feedback into management, Sompo Japan analyzes trends and content related to customer feedback and then shares the results with headquarters divisions in an effort to improve operations and enhance service quality.



Utilize customer feedback to improve quality

Sompo Japan has published the Voice of Customer (VOC) White Paper annually since FY2007 with the aim of keeping all our stakeholders informed of our initiatives to incorporate customer feedback in our management and efforts to make improvements. The FY2024 white paper includes reports on customer feedback on the series of issues regarding fraudulent auto insurance claims and the premium adjustment practices and progress in our business improvement efforts following them.

Web For further details, please visit Sompo Japan Insurance official website (in Japanese): Voice of Customer (VOC) White Paper



Voice of Customer (VOC) White Paper

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Sompo Himawari Life's initiatives

Activities and Achievements

Sompo Himawari Life Insurance is committed to always emphasizing compliance and FD* when making decisions, while considering the interests of its customers.

To achieve this, we have developed a Policy on Customer-Oriented Business Operations and intend to establish our reason for existence as a health support company that helps customers stay healthy with a focus on life insurance.

*FD: Fiduciary Duty

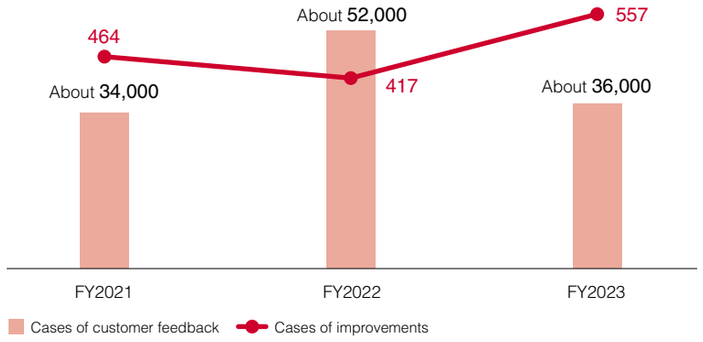
Structure for promoting customer-centric operations

One of the Company's directors or executive officers has been appointed to supervise the promotion of fiduciary duty and a FD Promotion Department has been established to take responsibility for promoting, instilling, and further evolving this policy. Furthermore, the FD External Monitor Committee has been established and meets regularly to receive opinions from external experts such as consumer life counselors and consumer life advisors.

System to utilize Voice of Customer (VOC) in management

We actively engage in collecting a broad spectrum of customer feedback, including direct expressions of gratitude, complaints, opinions, and requests through various channels such as customer centers, consultation desks, surveys, sales branches, and agencies. Additionally, we gather a wide range of suggestions and ideas from employees based on customer perspectives.

Cases of customer feedback and improvements



We centrally manage the customer feedback we have collected and utilize it to develop products and services, improve operations, enhance quality, and improve customer convenience. We continue to use customer feedback to make improvements and disclose them on our website.

Web For further details, please visit Sompo Himawari Life official website (in Japanese):
Examples of improvement initiatives

Enhancing the service quality of insurance agencies and sales representatives

To maintain and strengthen the framework for providing customers with appropriate products and services, we endeavor to improve the quality of work provided by agencies and sales representatives by running training sessions and educational programs with a focus on the following.

(1) Topics related to insurance solicitation, including understanding customer intent, explanations of important details, and the handling of notices
(2) Topics related to the continuous provision of optimal coverage and services to customers (follow-up services)
(3) Topics related to the establishment and strengthening of the agency's own business improvement cycle (agency's internal control system)

As a concrete initiative, we aim to enhance the quality of agency and soliciting work through continuous training programs. This includes education on matters related to insurance solicitation, such as understanding customer intentions, explaining important details, handling notices, and providing appropriate explanations regarding the selection and recommendation of certain products. We also focus on training related to after-sale services.

Training of "HL Advisors®"

We recognize our top-quality sales representatives with the title of HL Advisor® in recognition of their high-level consulting and proposal capabilities, their ability to support people's health by promoting Insurhealth®*, and their customer-oriented work ethic. We are working to foster the development of sales representatives that make an impression on our customers.

The HL Advisor® certification criteria include not only sales criteria, such as the number of Insurhealth® product sales and the like, but also quality standards such as the percentage of paperless applications and FP qualifications. As of the end of March 2024, a total of 394 sales representatives had been certified as HL Advisors® in FY2023.

* Insurhealth®: The provision of unprecedented new value combining the traditional functions of insurance with features that support health (healthcare).

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Sompo Care's initiatives

Activities and Achievements

Sompo Care University: Learning in the same environment as in the nursing home

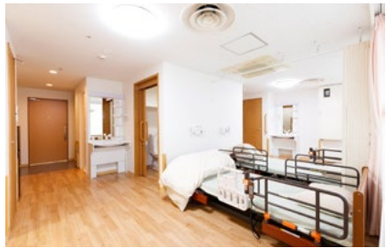
Achieving both improved service quality and staff retention are key missions in supporting the future of caregiving. Sompo Care University is the industry's first corporate university. We aim to facilitate company-wide and continuous skill development and job satisfaction through a training program based on medium-to-long term career planning. In addition to the Shibaura Campus and Osaka Campus, both of which provide practical and theoretical learning environments that faithfully replicate real-world scenarios, we have also opened an online campus. Accordingly, these learning environments have been further enhanced.

Practical and theoretical training

The facility serves as a comprehensive learning space where employees can acquire practical skills and attend classroom lectures. Since its opening, newcomers and veteran employees alike have made an effort to improve their skills by attending training sessions implemented according to their years of service and skill level.

Recreation of facility and home nursing care environments

We provide realistic training environments by replicating each setting, whether it be facility-based care of home-based care, including a traditional Japanese home with rooms and bathroom similar to the major home brands, plus the many steps and small toilet spaces. In particular, we have plenty of beds, bathrooms, and toilets, which are essential for hands-on training. Also, by creating spaces that allow for a multifaceted approach to hands-on learning, we can efficiently manage large training groups.



Opening of online campus, which enables staff to learn anytime and anywhere

We opened an online campus in July 2023 so that staff can engage in learning anytime and anywhere. This has resulted in a significant increase in training items, and by attending many different genres of training programs, around the three pillars of "compulsory training," "open training" and "elective seminars," as well as accessing the Company's intranet, employees can participate in various training sessions in real time, even from remote locations. Archived videos can also be viewed from a personal device, which means employees nationwide have equal learning opportunities regardless of their location or working arrangement.

HR training curriculum to support quality of care

As the gap between the supply and demand of caregivers grows more serious, securing enough workers has become one of the challenges for nursing care providers. Sompo Care has established an education and training system tailored to each stage, along with a career structure that individuals can pursue based on their own preferences. We want to equip our employees with highly specialized knowledge and skills that fosters a sense of pride in their work. We are also endeavoring to create environments where employees will want to work for as long as possible.

Well-developed curriculum for every employee at every stage

Regular follow-up training sessions are held for employees, in addition to the training provided immediately after they join the Company. Furthermore, we aim to facilitate medium- and long-term skill development and maintain motivation among employees by offering training suited to the career path each employee aspires to.

Care Pride Meister System

By nominating and appointing iconic caregivers who embody the pride of nursing care, we aim to make nursing care pride more visible and create an environment in which caregiving staff can continue to work with pride in their own expertise and personal growth. As of April 2024, 169 caregivers have been accredited with the title of "meister."



Standards for certification

1. Individuals who have pride in the nursing care profession and motivation for growth
2. Individuals who excel in (1) attitude, (2) communication and hospitality, (3) nursing care and medical knowledge, and (4) skills

Selection method

Care Pride Meisters are selected from among care staff across Japan through multiple selection processes, including examination of reports on care practices, executive interviews and group discussions.

Web For further details, please visit Sompo Care official website (in Japanese):
Care Pride Meister System